MOODY'S
INVESTORS SERVICE

CREDIT OPINION
9 December 2016

New Issue

Closing Date

9 December 2016

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FT Santander Consumo 2

New Issue – Banco Santander S.A. Issues New Consumer Loan Transaction in Spain

Capital Structure

Exhibit 1
Definitive Ratings

Series	Rating	Amount (million)	% of (Assets)	Legal Final Maturity	Coupon	Subordi-nation(1)	Reserve Fund(2)	Total Credit Enhancement(3)
Class A	Aa2(sf)	€ 865.0	86.50%	Apr-31	0.60%	13.50%	1.50%	15.00%
Class B	A3(sf)	€ 50.0	5.00%	Apr-31	2.00%	8.50%	1.50%	10.00%
Class C	Baa3(sf)	€ 50.0	5.00%	Apr-31	3.20%	3.50%	1.50%	5.00%
Class D	Ba2(sf)	€ 20.0	2.00%	Apr-31	6.50%	1.50%	1.50%	3.00%
Class E	Ba3(sf)	€ 15.0	1.50%	Apr-31	6.75%	0%	1.50%	1.50%
Class F	B3(sf)	€ 15.0	1.50%	Apr-31	6.93%	0%	0%	0%
Total		€ 1,015.0	101.50%					

The ratings address the expected loss posed to investors by the legal final maturity. In Moody's opinion Class A to E allows for timely payment of interest and ultimate payment of principal at par and Class F allows for the ultimate payment of interest and principal on or before the rated final legal maturity date. Moody's ratings address only the credit risks associated with the transaction. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors.
(1) At closing.
(2) As of initial pool balance; Class F funds the cash reserve and is not backed by the asset pool.
(3) No benefit attributed to excess spread.
Source: Moody's Investors Service

Summary Rating Rationale

FT Santander Consumo 2 is a 2.33 year revolving cash securitisation of unsecured consumer loan receivables extended by Banco Santander, S.A. ((P)A3/P-2; A3(cr)/P-2(cr)) to private obligors residing in Spain.

Our analysis focused, amongst other factors, on, (i) an evaluation of the underlying portfolio of loans at closing and incremental risk due to loans being added during the revolving period; (ii) the historical performance information of the total book and past ABS transactions; (iii) the credit enhancement provided by the subordination, the excess spread and the cash reserve; (iv) the liquidity support available in the transaction, by way of principal to pay interest, and the cash reserve; (v) the cash sweeping mechanism, which partially mitigates commingling risk; (vi) the exposure to the issuer's account bank; (vii) the set-off risk related to insurance contracts and (viii) the overall legal and structural integrity of the transaction.

Our cumulative default expectation for the asset pool is 5.5%, recovery rate is 25% and Aa2 portfolio credit enhancement (PCE) is 18%.

At the time the rating was assigned, the model output indicated that Class A would have achieved an A1 rating if the cumulative mean default rate (DP) had been as high as 6.50%, and the recovery rate as low as 15% (all other factors being constant).

Please note that unless stated otherwise, all facts and figures presented in this report in relation to the securitised portfolio relate to the eligible pool of loans which had a cut off date of October 25, 2016. The final pool was randomly selected from the eligible pool to match the notes balance of Class A, Class B, Class C, Class D and Class E as closely as possible.

Credit Strengths

» ***Portfolio composition:*** The securitised portfolio is highly granular with the largest and 10 largest borrower representing 0.02% and 0.11% of the pool, respectively. (See "Asset Description" – "Assets at Closing" - "Pool Characteristics")

» ***Financial strength of Banco Santander S.A.:*** *Banco Santander S.A.* is rated (P)A3/P-2 Senior Unsecured and Bank Deposits; A3(cr)/P-2(cr) and is acting as originator, servicer and account bank provider in the transaction. The bank's sound credit profile limits deal exposure to operational issues: specifically likelihood of interruption in the portfolio servicing during the lifetime of the deal is limited. Furthermore, the bank has significant experience in origination and servicing of consumer loan portfolios.

» ***High Excess Spread:*** The initial portfolio yields a weighted average interest rate of approximately 9.56%. In addition, the eligibility criteria provide for a weighted average minimum portfolio yield of 8.0% after the addition of receivables during the revolving period.

» ***Interest deferral trigger provides benefit for Class A:*** In scenarios where principal deficiencies exceed outstanding principal of Class E, Class D, Class C and 50% of Class B, interest for Class B will be deferred after reserve fund replenishments. This provides additional support for Class A in high default scenarios.

Credit Challenges

- ***High degree of linkage to Banco Santander S.A.:*** Banco Santander ((P)A3/P-2; A3(cr)/P-2(cr)) is acting as originator, servicer, collection account bank and issuer account bank provider of the transaction. There are suitable replacement triggers in place to offset this risk.
- ***Interest deferral trigger:*** Interest payments on Class B notes will be deferred after principal payments on Class A, in scenarios where principal deficiencies exceed outstanding principal of Class E, Class D, Class C and 50% of Class B. This is a credit negative for Class B.
- ***Commingling risk:*** Commingling risk on collections is mitigated - to a limited degree - by (i) the rating of the servicer at closing and (ii) by the sweep of collections after 2 business days from the Servicer Collection Account into the Issuer Collection Account. Moody's has factored this when deriving its modelling assumptions as further explained under “Credit Analysis”.
- ***Set-off risk:*** Set-off risk could arise if i) insurance policies signed together with the loan contract are not honoured in the event of a default of the insurance provider, who is part of the Banco Santander group. In such scenario, borrowers may be able to offset the unutilized premium amounts, which have been paid upfront, against outstanding loan balance. Due to legal uncertainties, Moody's believes that the probability of insurance set-off cannot be disregarded and will have an impact on the transaction in certain scenarios. ii) in the event of insolvency of Santander, loan obligors employed by Santander, to whom Santander owes money, might be able to set off these amounts against outstanding loan balance. Moody's has taken this into consideration in the analysis as further explained under “Credit Analysis”.
- ***Default definition of the transaction is not in line with historical data:*** The default definition of the transaction is not in line with the default definition used to extract historical performance data on Santander's loan book. Moody’s has factored this when deriving its modelling assumptions as further explained under “Asset Analysis”.

Key Characteristics

The exhibit below describes the main asset characteristics of the eligible portfolio. WA and WAL stand for weighted average and weighted average life, respectively.

Exhibit 2

Provisional pool as at October 25, 2016

Seller/Originator:	Banco Santander S.A. ((P)A3/P-2 Senior Unsecured and Bank Deposits; A3(cr)/P-2(cr))
Servicer(s):	Banco Santander S.A. ((P)A3/P-2 Senior Unsecured and Bank Deposits; A3(cr)/P-2(cr))
Receivables:	Unsecured Consumer Loans granted to private individuals residing in Spain
Total Amount:	Eligible pool: EUR 1.137bn
Length of Revolving Period in years:	2.33
Number of Borrowers	138,988
Number of Contracts	149,976
WA Remaining Term in years:	4.16
WA Seasoning in years:	1.74
WAL of Initial Portfolio in Years (excl. prepayments):	2.00
WA Portfolio Interest Rate:	9.56%
Delinquency Status:	No loans in arrears for more than 30 days
Cumulative Default Rate Observed:	Blended book cumulative average vintage value between Jan. 2008 - Dec. 2015: 3.69% (cumulative 180+ days delinquency proxy)
Recovery Rate Observed:	Blended book cumulative average vintage value between Jan. 2008 - Dec. 2015: 74% after three years (cumulative 180+ days delinquency proxy)
Delinquencies:	Total book dynamic delinquency rate between January 2015-May 2016: 5.06% on average (>30-360 days delinquent)
Cumulative Default rate (modelled):	5.5%/lower than Peer Group in the EMEA Consumer ABS market
Recovery rate (modelled):	25%/higher than Peer Group in the EMEA Consumer ABS market
Aa2 Portfolio Credit Enhancement (PCE):	18%/ higher than Peer Group in the EMEA Consumer ABS market

The exhibit below shows the counterparties associated with the transaction.

Exhibit 3
Securitization Structure Characteristics

Transaction Parties	At Closing
Issuer:	FT Santander Consumo 2
Back-up Servicer(s):	N/A
Back-up Servicer Facilitator(s):	Banco Santander S.A. ((P)A3/P-2 Senior Unsecured and Bank Deposits; A3(cr)/P-2(cr))
Cash Manager:	Santander de Titulizacion S.G.F.T., S.A.
Back-up Cash Manager:	N/A
Calculation Agent/Computational Agent:	Santander de Titulizacion S.G.F.T., S.A.
Back-up Calculation/Computational Agent:	N/A
Swap Counterparty:	N/A
Issuer Account Bank:	Banco Santander S.A. ((P)A3/P-2 Senior Unsecured and Bank Deposits; A3(cr)/P-2(cr))
Collection Account Bank:	Banco Santander S.A. ((P)A3/P-2 Senior Unsecured and Bank Deposits; A3(cr)/P-2(cr))
Paying Agent:	Banco Santander S.A. ((P)A3/P-2 Senior Unsecured and Bank Deposits; A3(cr)/P-2(cr))
Note Trustee:	Santander de Titulizacion S.G.F.T., S.A.
Issuer Administrator/Corporate Servicer Provider:	Santander de Titulizacion S.G.F.T., S.A.
Co-Arrangers:	Santander Global Corporate Banking; Credit Agricole Corporate and Investment Bank
Lead Manager(s):	Santander Global Corporate Banking; Credit Agricole Corporate and Investment Bank
Senior Co-Manager:	N/A
Custodian:	N/A
Liabilities, Credit Enhancement and Liquidity	
Annualized Excess Spread at Closing:	Approx.7.41% at closing (weighted average asset yield minus senior costs and coupons on Classes A-F notes)
Credit Enhancement/Reserves:	2.99% modelled average annualized stressed excess spread over the life of the transaction (probability-weighted considering different default scenarios) Amortising cash reserve representing 1.5% of Class A- E Notes total portfolio Subordination of the notes
Form of Liquidity:	Excess spread, cash reserve, principal to pay interest mechanism
Number of Interest Payments Covered by Liquidity:	Approx. 9 months
Interest Payments:	Quarterly in arrears on each payment date
Principal Payments:	Pass-through on each payment date
Payment Dates:	18th calendar day in January, April, July, October First payment date: 18th April 2017
Hedging Arrangements:	N/A

Asset Overview

The eligible portfolio consists of unsecured consumer loans extended to natural persons residing in Spain.

Asset Description

Data and information on the portfolio set out in this report is based on the total eligible portfolio as at 25 October 2016 and as further described in the prospectus.

Moody's has received the final portfolio, which was randomly selected from the eligible portfolio, and it is very similar to the eligible portfolio. The final portfolio size was €1,053 million as at December 5, 2016.

Assets as of Cut-off Date

POOL CHARACTERISTICS

The balance of the eligible portfolio equals approximately €1.137 billion, over 149,976 loans. The weighted average remaining maturity of the portfolio is approximately 50 months and weighted average seasoning is 21 months. As described in the prospectus, unsecured loans in this portfolio were used to finance mainly the purchase of vehicles (17%), small consumer expenditures (28%), finishing home working construction (14%). Approximately 35% of the loans have no loan purpose information. This is mostly explained by the increasing pre-approved loans origination volume. Here the borrower does not have to indicate the purpose of the loan. Pre-approved loans are extended to existing clients of the bank that have shown a strong credit history.

The loans are approximately 91.84% fixed rate. All loans are annuity style amortising loans with no balloon or residual value risk; the market standard for Spanish consumer loans. All loans pay via direct debit and approximately 99.45% of the loans pay monthly. The loans can be prepaid at no penalty. All the loans were originated at branches of Banco Santander S.A.

The eligible portfolio includes neither loans that have been restructured nor loans that are more than 30 days delinquent (97.16% of the loans are not in arrears).

The exhibit below summarizes additional portfolio information as percent of the pool outstanding balance.

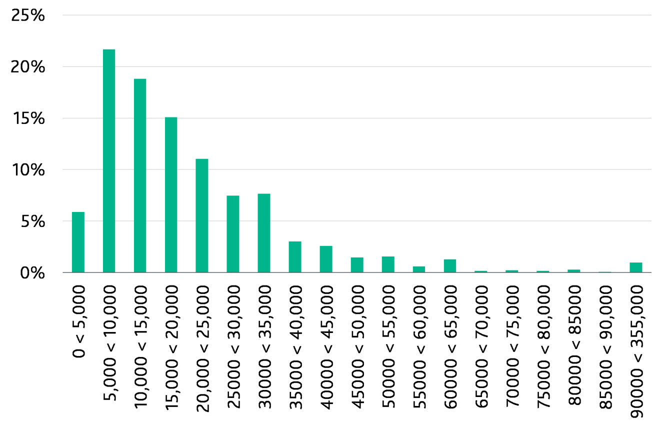
Exhibit 4

Additional Information on Asset Characteristics

Average Principal Outstanding Balance:	EUR 7,586
Origination Channel:	Branch originated loans
Geographic Concentration	
1st largest region:	Madrid (20.05%)
2nd largest region:	Andalucia (17.65%)
3rd largest region:	Catalunia (11.50%)
Obligor Concentration	
Single obligor (group) concentration:	0.02%
Top 5 obligor (group) concentration:	0.06%
Top 10 obligor (group) concentration:	0.11%
Top 20 obligor (group) concentration:	0.22%

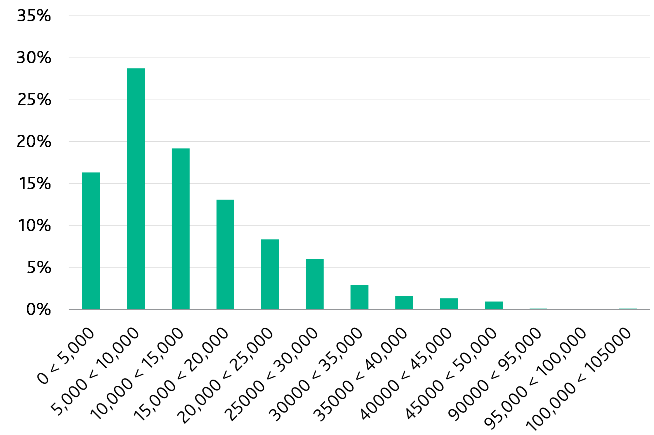
The exhibits below describe the distribution of the portfolio's initial and outstanding balance as at October 25, 2016.

Exhibit 5
Portfolio Breakdown by Initial Balance



Source: Banco Santander S.A.

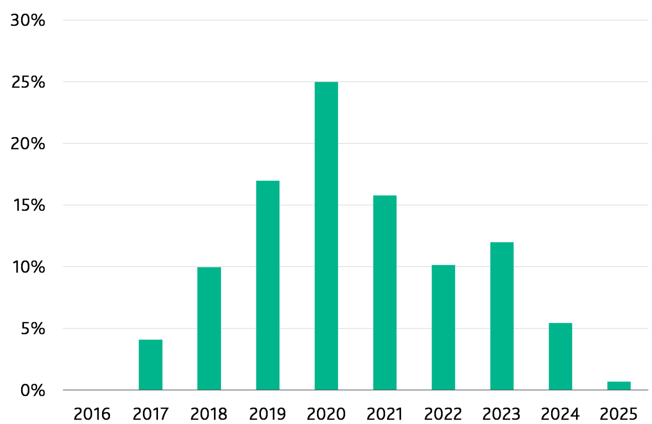
Exhibit 6
Portfolio Breakdown by Outstanding Balance



Source: Banco Santander S.A.

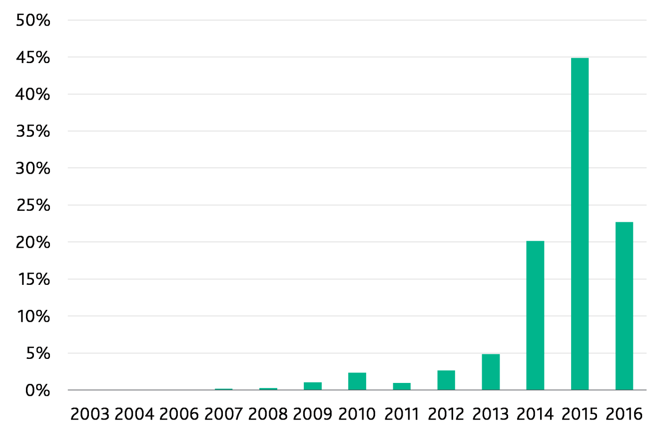
The exhibits below show the breakdown by maturity and origination year as percent of outstanding balance.

Exhibit 7
Portfolio Breakdown by Maturity Year



Source: Banco Santander S.A.

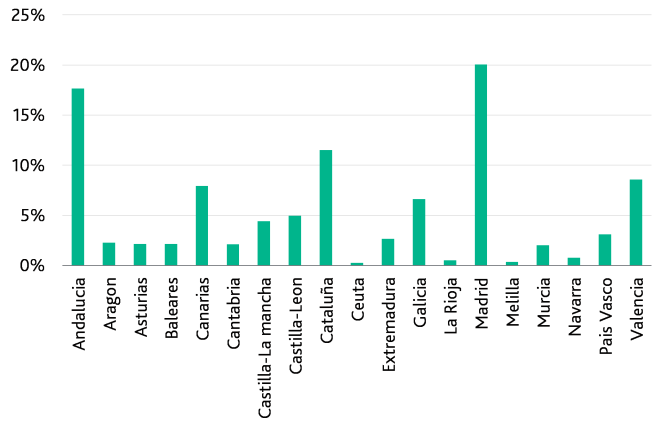
Exhibit 8
Portfolio Breakdown by Origination Year



Source: Banco Santander S.A.

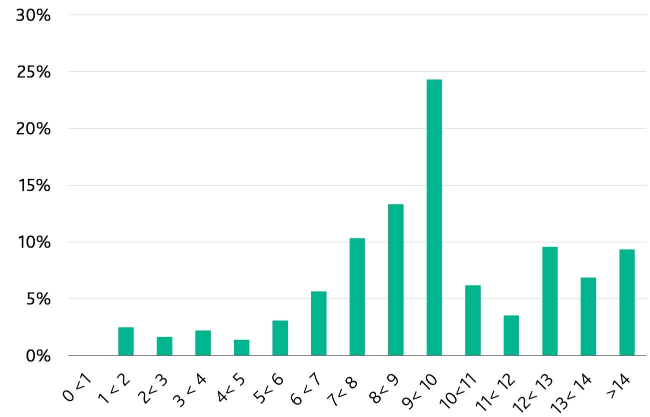
The exhibits below show the portfolio breakdown by regional concentration and interest rate as percent of outstanding balance.

Exhibit 9
Portfolio Breakdown by Regional Concentration



Source: Banco Santander S.A.

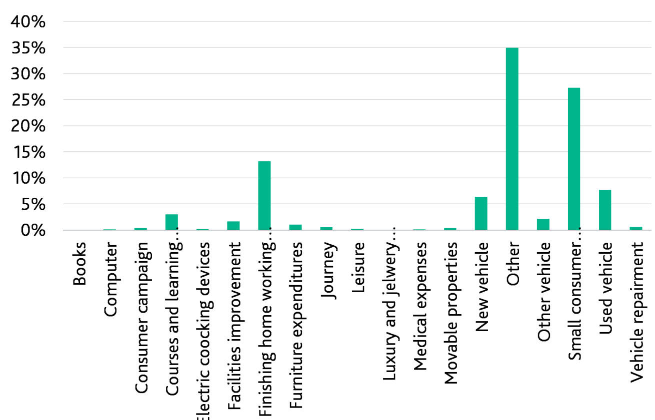
Exhibit 10
Portfolio Breakdown by Interest Rate



Source: Banco Santander S.A.

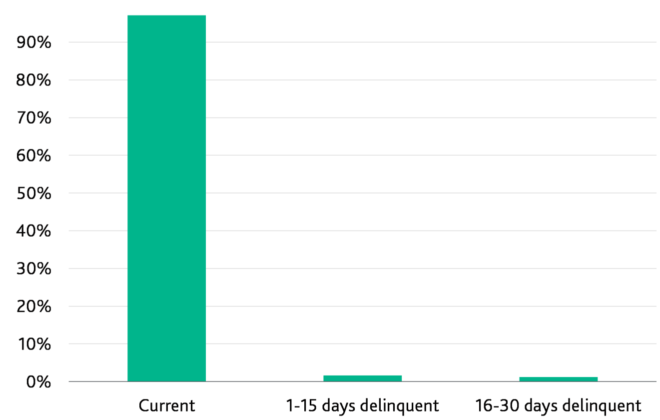
The exhibits below show the portfolio breakdown by loan purpose and delinquency status as percent of outstanding balance.

Exhibit 11
Portfolio Breakdown by Loan Purpose



Source: Banco Santander S.A.

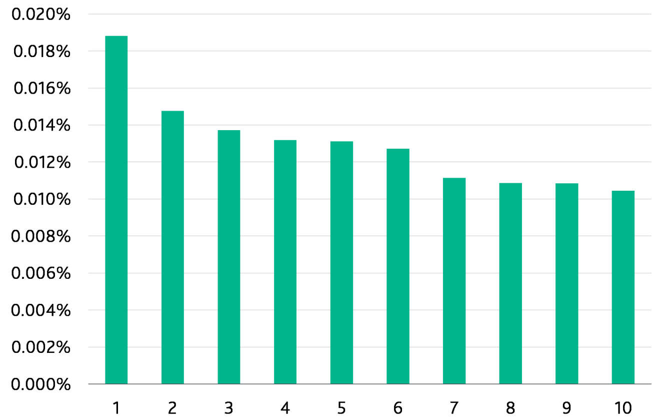
Exhibit 12
Portfolio Breakdown by Delinquency Status



Source: Banco Santander S.A.

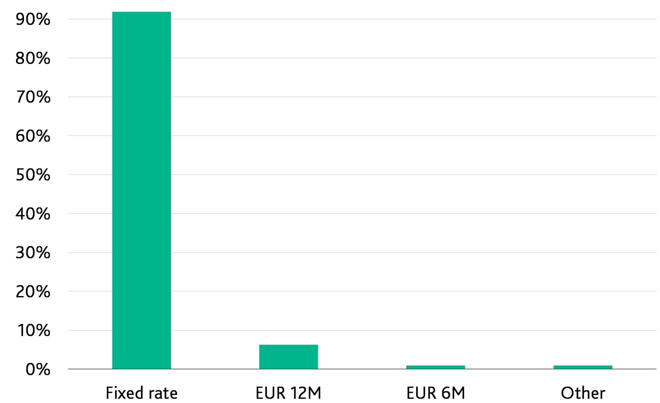
The exhibits below show the portfolio breakdown by debtor concentration and payment instalments as percent of outstanding balance.

Exhibit 13
Portfolio Breakdown by Debtor Concentration



Source: Banco Santander S.A.

Exhibit 14
Portfolio Breakdown by Payment Instalments



Source: Banco Santander S.A.

Eligibility Criteria

The portfolio's main eligibility criteria are as follows:

» Loans do not contain any clauses that prevent the assignment of the loans or that require any authorization or notice in order to assign the loans;

» No Loan in arrears greater than thirty (30) days will be assigned to the fund;

» Santander is, without limitation, the sole owner of all of the receivables, which are free of any liens and encumbrances;

» Each Obligor under the Loans is a natural person residing in Spain.

» No receivable derives from a restructured receivable;

» Each obligor has paid at least one instalment;

» No Loan has or shall have an outstanding principal balance greater than €100,000;

» The remaining term to maturity of each and every loan is in no event greater than 9 years;

» None of the loans have clauses contemplating deferrals of interest payments after the assignment of receivables to the fund;

» The loans are governed under by Spanish law;

» None of the Loans has been formalized as a financial lease agreement.

Originator and Servicer

On 21 June 2016, we met with Banco Santander S.A. (A3/P-2 Bank Deposits; A3(cr)/P-2(cr)). Banco Santander S.A. ("Santander") acts as originator and servicer in the FT Santander Consumo 2 transaction.

Santander has a full banking license under the Spanish regulatory framework. Santander's total consolidated assets are approximately €1.3 trillion as of December 2015. Santander is Spain's largest financial group; and third largest domestic bank with market shares of 10.9% in loans and 15.5% in deposits as at September 2015. Santander has in Spain 6 million active customers; 3,000 branches; and more than 20,000 employees.

The underlying assets in this transaction are branch originated unsecured consumer loans extended to natural individuals residing in Spain. As of June 2015, Santander has shifted its focus towards loan origination via its programme "1/2/3". The programme's goal is to target existing clients of the bank through pre-approved applications. Thus, new originated contracts have been mainly extended to existing clients with solid credit history. Thanks to the availability of borrower's behavioral banking data, the bank can better assess the risk profile of the clients, and, therefore, offer the product characteristics suitable to each borrower.

The underwriting process is mainly driven by an automated scoring system, which considers among other things (i) credit bureau information; (ii) a household budget computation; (iii) the customer's debt history; (iv) behavioral banking activity; and (iv) fraud information. The underwriting process is in line with the market standard.

Collection procedures rely mainly on direct debit, which accounts for approximately 100% of payments in this transaction. The collection process and early arrears management are highly automated. Collections are conducted at the branch level for delinquent account that are less than 150 days in arrears. Depending on the outstanding delinquent amount and risk profile of the client, external agencies may take part of the collection process. Before 150 days past due, the bank pursues no legal action against the client. Altamira and Aktua, external collection agencies, manage delinquent contracts that are 150+ days in arrears.

The exhibit below summarises the main characteristics of the originator's .

Exhibit 15

Originator Profile, Servicer Profile and Operating Risks

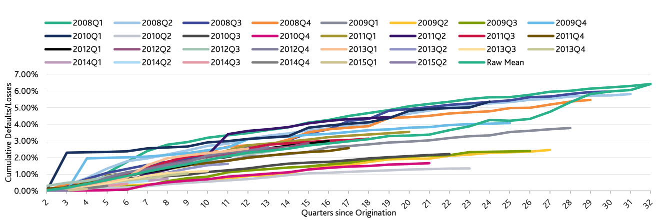
Date of Operations Review:	21-Jun-16
Originator Background	
Rating:	Banco Santander S.A. ((P)A3/P-2 Senior Unsecured and Bank Deposits; A3(cr)/P-2(cr))
Financial Institution Group Outlook for Sector:	Stable
Ownership Structure:	N/A
Asset Size:	Total assets are 2,422,750,000 (as of May 2016)
% of Total Book Securitized:	43%
Transaction as % of Total Book:	41%
% of Transaction Retained:	96.5% (excluding the reserve fund)
Servicer Background	
Rating:	Banco Santander S.A. ((P)A3/P-2 Senior Unsecured and Bank Deposits; A3(cr)/P-2(cr))
Regulated by:	Bank of Spain
Total number of Receivables Serviced:	N/A
Number of Staff:	23,182
Receivables Administration	
Method of Payment of Borrowers in the Pool:	100% direct debit
% of Obligors with Account at Originator:	N/A
Distribution of Payment Dates:	Evenly throughout the month

The originator provided us with historical data on a blended book of branch originated consumer loans. Static vintage data was provided on 90+ days in arrears and 180+ days in arrears and recovery rates after 90+ days in arrears and 180+ days in arrears, for the period January 2008 to December 2015. The data covers the recent recession experienced in Spain. The default and recovery data do not match the transaction's default definition of 12 months. Dynamic delinquency data as well as prepayment data provided covers the period January 2015 to June 2016. We also received line by line data on the eligible portfolio. In our view, the quantity and quality of data received is comparable to transactions that have achieved high investment grade ratings in this sector in other European countries.

The exhibits below show static cumulative delinquency and recovery rates for the blended portfolio based on 180+ days in arrears definition covering the period January 2008 to December 2015.

Exhibit 16

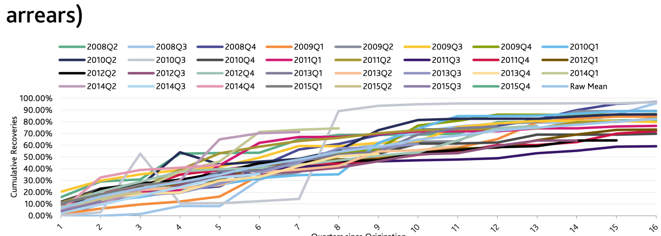
Vintage Default Data for the Total Portfolio (180+ days in arrears)



Source: Banco Santander S.A.

Exhibit 17

Vintage Recovery Data for the Total Portfolio (180+ days in arrears)



Source: Banco Santander S.A.

Revolving Period and Replenishment Criteria

The structure has a revolving period of 2.33 years, during which the issuer will use principal redemptions from the consumer loans to purchase additional portfolios from the seller. The addition of loans can expose noteholders to additional credit risk.

In addition to the original eligibility criteria, the following replenishment criteria apply to the whole securitised portfolio of the Issuer, and partly mitigate the additional credit risk of adding new loans to the portfolio:

» Single obligor concentration does not exceed 0.05%;

» Weighted average remaining maturity does not exceed 60 months;

» Maximum 10% of the outstanding loan balance can exceed 96 months term of maturity;

» Maximum single regional concentration of 22%;

» Maximum three largest region concentration of 55%.

» Weighted average interest rate of the total portfolio is not lower than 8%;

» The weighted average regulatory probability of default (PD) of both the additional receivables and the PD at closing of the receivables since the date of assignment to the fund, does not exceed 2%;

» No more than 5% of loans with an outstanding balance greater than €60,000;

» The number of loans or obligors relevant to the receivables assigned on the incorporation date is not less than fifteen thousand (15,000);

» At least 90% of the outstanding pool balance of the receivables correspond to fixed interest rate loans;

» At least 98% of the outstanding balance of the receivables shall bear a monthly interest and repayment frequency;

» A maximum of 2% of the outstanding balance of the receivables derive from loans held by Banco Santander employees.

Asset Analysis

Primary Asset Analysis

Our analysis of the credit quality of the assets includes an examination of the loan default distribution of the securitised pool, based on our assumptions and historical data.

LOAN DEFAULT DISTRIBUTION

The first step in the analysis was to define a default distribution of the pool of loans to be securitised. Because of the large number of loans, we used a continuous distribution to approximate the default distribution: the lognormal distribution. The probability default distribution associates a probability with each potential future default scenario for the portfolio. This distribution has hence been applied to numerous default scenarios on the asset side to derive the level of losses on the notes.

Two main parameters determine the shape of the default distribution: the mean default and the portfolio credit enhancement ("PCE"). The expected default captures our expectations of performance considering the current economic outlook, while PCE captures the loss we expect the portfolio to suffer in the event of a severe recession scenario. We generally derive these parameters from the historical data; we may make adjustments based on further analytical elements such as performance trends, differences in portfolio composition or changes in servicing practices among others.

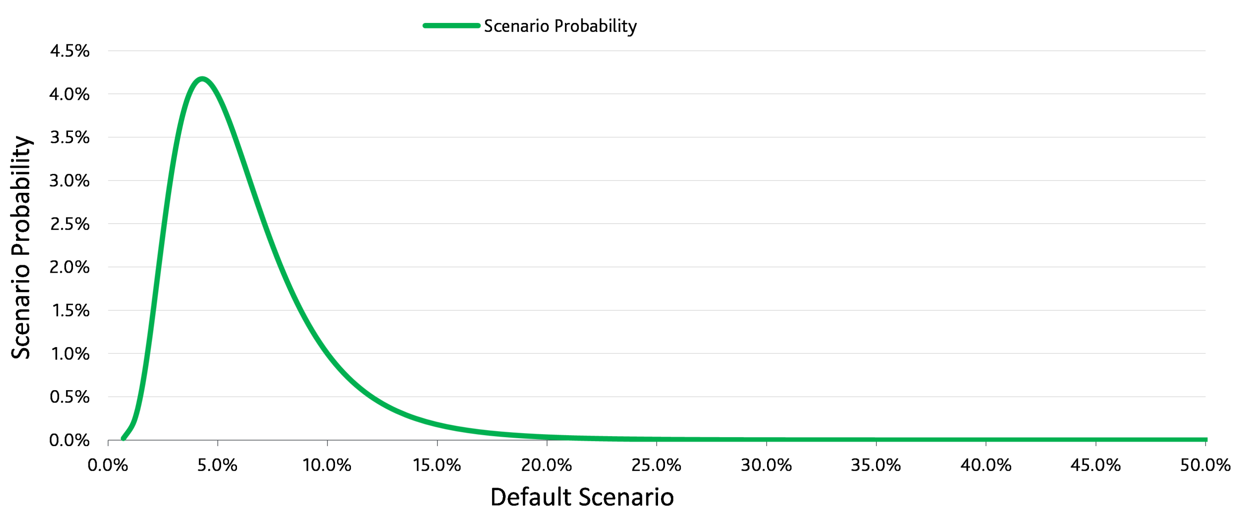
INCORPORATING SOVEREIGN RISK INTO ABS TRANSACTIONS

Moody's maximum achievable rating in a given country (the Local Currency Country Risk Ceiling, or "LCC") is incorporated in the default curve. The current Spanish LCC is Aa2, and is the maximum rating that Moody's will assign to notes issued by a domestic Spanish issuer including structured finance transactions backed by Spanish receivables.

The exhibit below shows the log normal default distribution of the portfolio.

Exhibit 18

Lognormal Default Probability Distribution



Source: Moody's Investors Service

DERIVATION OF LOAN DEFAULT RATE EXPECTATION

The portfolio's expected mean default rate of 5.5% is lower than the EMEA Consumer Loan average and is based on Moody's assessment of the lifetime expectation for the pool taking into account (i) historic performance of the loan book of the originator, (ii) benchmark transactions, and (iii) other qualitative considerations.

We stressed the results from the historical data analysis to account for (1) differences between the historical data provided and transaction default definition, (2) limited benchmarks in the Spanish consumer loans market, (3) the expected outlook for the Spanish economy in the medium term, and (4) the volatile European economic environment.

DERIVATION OF RECOVERY RATE ASSUMPTION

Portfolio expected recoveries of 25% are higher than the EMEA Consumer Loan average and are based on Moody's assessment of the lifetime expectation for the pool taking into account (i) historic performance of the loan book of the originator, (ii) benchmark transactions, and (iii) other qualitative considerations such as quality of data provided and asset security provisions.

The assumed recovery rate was below the observed historical trend, since it was not possible to obtain detailed information explaining the observed high recoveries for unsecured consumer loans.

DERIVATION OF PORTFOLIO CREDIT ENHANCEMENT ("PCE")

The PCE of 18% is higher than other the EMEA Consumer ABS average and is based on Moody's assessment of the pool taking into account the relative ranking to originator peers in the EMEA ABS market.

The PCE of 18% results in an implied coefficient of variation ("CoV") of 51.57%.

The PCE has been defined following analysis of the data variability, as well as by benchmarking this portfolio with prior and similar transactions. Factors that affect the potential variability of a pool's credit losses are: (i) historical data variability, (ii) quantity, quality and relevance of historical performance data, (iii) originator and servicer quality and (iv) certain structural features, such as the revolving period.

COMMINGLING RISK

Banco Santander S.A. (A3/P-2 Bank Deposits; A3(cr)/P-2(cr)) collects all payments under the loans in this pool into a collection account under its name. All payments are made via direct debit. In the event of a servicer bankruptcy, and until notification has been delivered to the borrowers, debtors would continue to pay into Banco Santander's account, and hence commingling losses could arise. There is no early notification trigger prior to Banco Santander's insolvency.

SET-OFF RISK

Moody's did not receive data on the exact exposure of obligors holding deposits with Santander. However, the risk from deposits set-off is limited in Spain because only unpaid instalments that are considered as fully due and payable prior to the declaration of insolvency of Banco Santander might be offset against deposits held by the borrower.

A further source of potential set-off arises in the event of the insolvency of an insurance provider. Some borrowers in the pool finance their insurance premiums via their loans. If the borrower decides to cancel the insurance, and/or the insurer becomes insolvent, they may be entitled to a refund of the unutilized portion of upfront paid premium. Moody's did not receive further details on insurance data for the transaction. This exposure was estimated based on the general product specifications and the length of the revolving period.

Furthermore, in the event of insolvency of Santander, loan obligors employed by Santander, to whom Santander owes money, might be able to set off these amounts against the outstanding loan balance. Loans held by Santander employees make up approximately 1.85% of the total outstanding balance.

Comparables

PRIOR TRANSACTIONS

The precedent transaction by Banco Santander S.A. is Santander Financiacion 5, FTA, which closed on June 24, 2011.

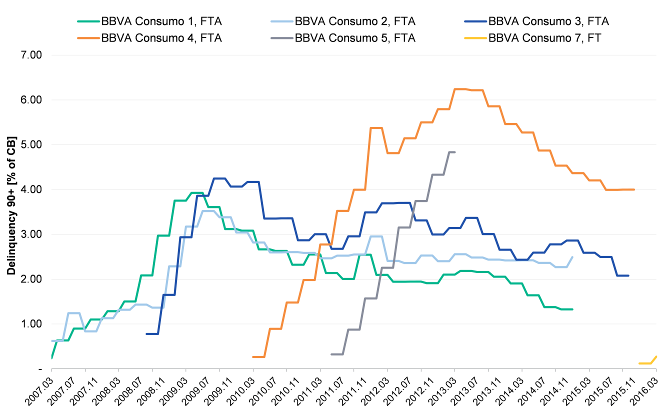
TRANSACTIONS OF OTHER SELLER/SERVICERS

For benchmarking purposes the charts below include 90+ and 180+ days in arrears dynamic delinquency data for Spanish Consumer and Auto loan ABS that we rate. Please note however that the performance shown can be affected by several factors, such as the seasoning of the securitised loans, the age of the transaction, pool-specific characteristics as well as the length of the revolving period.

The exhibits below show the performance of comparable transactions among other originators in the Spanish ABS market.

Exhibit 19

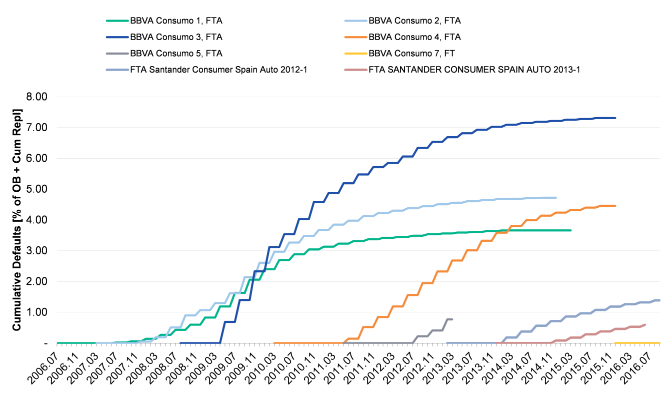
90+ days arrears for BBVA ABS transactions



Source: Moody's Investors Service

Exhibit 20

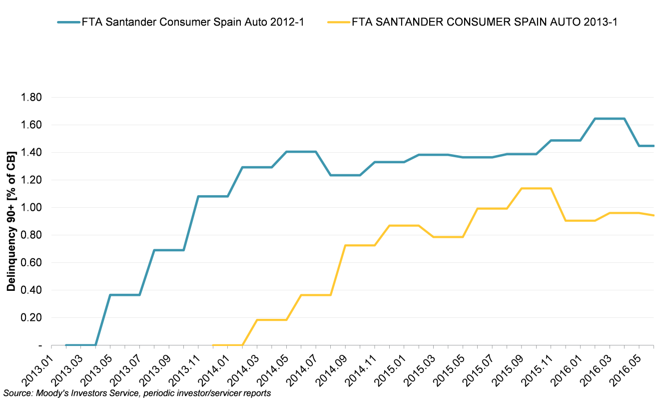
Cumulative write-offs for BBVA and Santander Consumer Spain Auto transactions



Source: Moody's Investors Service

Exhibit 21

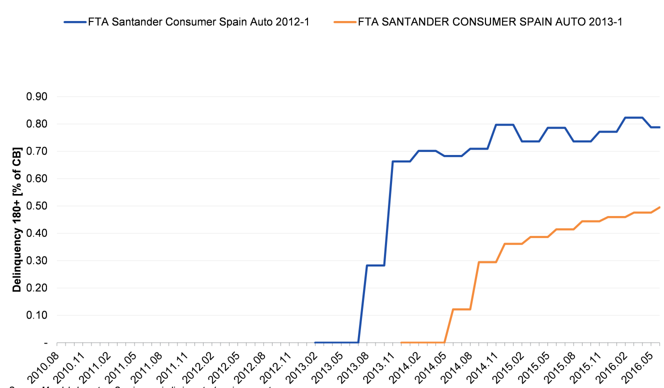
90+ days in arrears FTA Santander Consumer Spain 2012-1 and 2013-1



Source: Moody's Investors Service, Moody's Performance Data Service, periodic investor/servicer reports

Exhibit 22

180+ days in arrears FTA Santander Consumer Spain 2012-1 and 2013-1



Source: Moody's Investors Service, periodic investor/servicer reports

The exhibit below shows a benchmark table including portfolio characteristics of comparable transactions in Spain.

Exhibit 23

Comparable Transactions - Asset Characteristics

Deal Name	FT Santander Consumo 2	BBVA Consumo 8, FT	FTA, Santander Consumer Auto 2016-1	BBVA Consumo 7, FT
Country	Spain	Spain	Spain	Spain
Closing Date	9/12/2016	19/07/2016	18/03/2016	29/07/2015
Currency of Rated Issuance	EUR	EUR	EUR	EUR
Rated Notes Volume (excluding NR and Equity)	1,015,000,000	700,000,000	745,900,000	1,450,000,000
Originator	Banco Santander S.A.	BBVA	Santander Consumer E.F.C.	BBVA
Captive finance company?	No	No	No	No
Long-term Rating	P(A3)	A3	NR	A3
Short term Rating	P-2	P-2	NR	P-2
Name of Servicer	Banco Santander S.A.	BBVA	Santander Consumer E.F.C.	BBVA
Long-term Rating	P(A3)	A3	NR	A3
Short term Rating	P-2	P-2	NR	P-2
Auto loan receivables %	0.00%	100.00%	100.00%	21.00%
Personal loan receivables %	100.00%	N/A	N/A	N/A
Portion of (fully) amortising contracts %	100%	100%	100%	100%
Direct Debit (minimum payment)	100%	100%	100%	100%
Fixed rate contracts %	91.84%	100.00%	100.00%	96.00%
WA initial yield (Total Pool)	9.56%	8.19%	8.80%	9.10%
Minimum yield for additional portfolios p.a.	Min total portfolio yield of 8%	8%	N/A	N/A
WAL of Total Pool initially (in years)	2.00	2.8	2.8	2.6
WA original term (in years)	5.90	6.9	N/A	7.00
WA seasoning (in years)	1.74	1.86	0.80	2.20
WA remaining term (in years)	4.16	5.04	5.10	4.60
No. of contracts	149,976	100,571	78,745	213,974
No. of obligors	138,988	99,687	78,346	191,577
Top single obligor (group) concentration %	0.02%	0.01%	0.03%	0.00%
Top 10 obligor (group) concentration %	0.11%	0.04%	0.09%	0.02%
Top 15 obligor (group) concentration %	0.18%	0.08%	0.12%	0.04%
Top 20 obligor (group) concentration %	0.22%	0.14%	N/A	0.09%
Private obligors %	100%	100%	95.70%	100%
Commercial obligors %	0%	N/A	4.30%	N/A
Name of 1st largest region	Madrid	Cataluña	Andalucia	Andalucia
2nd largest region	Andalucia	Andalucía	Catalonia	Cataluña
3rd largest region	Catalunia	Comunidad Valenciana	Madrid	Madrid
Size (%) 1st largest region	20.05%	22.30%	18.80%	19.10%
2nd largest region	17.65%	16.84%	16.10%	14.60%
3rd largest region	11.50%	11.65%	14.30%	12.00%

Exhibit 24

Comparable Transaction - Asset Assumptions

Deal Name	FT Santander Consumo 2	BBVA Consumo 8, FT	FTA, Santander Consumer Auto 2016-1	BBVA Consumo 7, FT
Gross default / Net loss definition in this deal	12 months	18 months	12 months	18 months
Default Definition captured by data?	No	No	N/A	No
Data available for each subpool?	N/A	Yes	N/A	Yes
Period Covered by Vintage data (in years)	8.00	8.00	N/A	9.00
Type of default / loss distribution	Lognormal	Lognormal	Lognormal	Lognormal
Model running on defaults/losses	Defaults	Defaults	Defaults	Defaults
Mean gross default/net loss rate - initial pool	5.50%	6.25%	5.00%	8.00%
Mean gross default/net loss rate - replenished pool	5.50%	6.25%	N/A	8.00%
Default timing curve	Initial pool: Sine (2-5-14)/Subsequent pools: Sine(2-6-17)	Sine (6-9-24)	Sine(4-7-23)	Sine(6-9-26)
Mean recovery rate	25%	32.50%	30.00%	20.00%
Recovery lag	50%/25%/25% each year after default	60%/20%/10%/10% each year after default	WA lag of 1.6 years	60%/20%/10%/10% each year after default
Aa2 PCE	18.00%	17.50%	16.00%	19.00%
Prepayment Rate(s)	10% first 18 months; 15% thereafter	5% first 18 months; 10% thereafter	5% first 18 months, 7.5% thereafter	5%
Stressed Fees modelled	1.00%	1.00%	1.00%	0.50%
Assumed Portfolio Yield p.a. - initial pool	8.90%	7.50%	7.00%	8.50%
Assumed Portfolio Yield p.a. - additional pool	7.72%	7.00%	N/A	7.50%
Index Rate assumed in 1st period	0.00%	0.50%	N/A	N/A

Source: Moody's Investors Service

ORIGINATOR/SERVICER QUALITY

The main strengths of the originator in this transaction are its several years of experience in the Spanish consumer market and its large market share meaning that it does not target niche consumer segments. It also has well established processes for underwriting loans. The bank's main focus in recent years has been to originate loans to existing clients with strong credit history. The underlying loans in this transaction have been solely originated at branches of Banco Santander S.A.

Banco Santander S.A. (A3/P-2 Bank Deposits; A3(cr)/P-2(cr)) also acts as servicer. No back up servicer is in place at closing. However, Banco Santander is investment grade, and the management company acts as a back up servicing facilitator, in that it will be charged to find a replacement servicer in case Banco Santander is unable to continue as servicer. (See "Securitization Analysis - Additional Analysis - Replacement of the Servicer" for additional information.)

Securitization Structure Overview

FT Santander Consumo 2 is a 2.33 years revolving cash securitisation. Our analysis of the structural characteristics of the transaction included a review of the excess spread, amortising cash reserve, and principal to pay interest to noteholders.

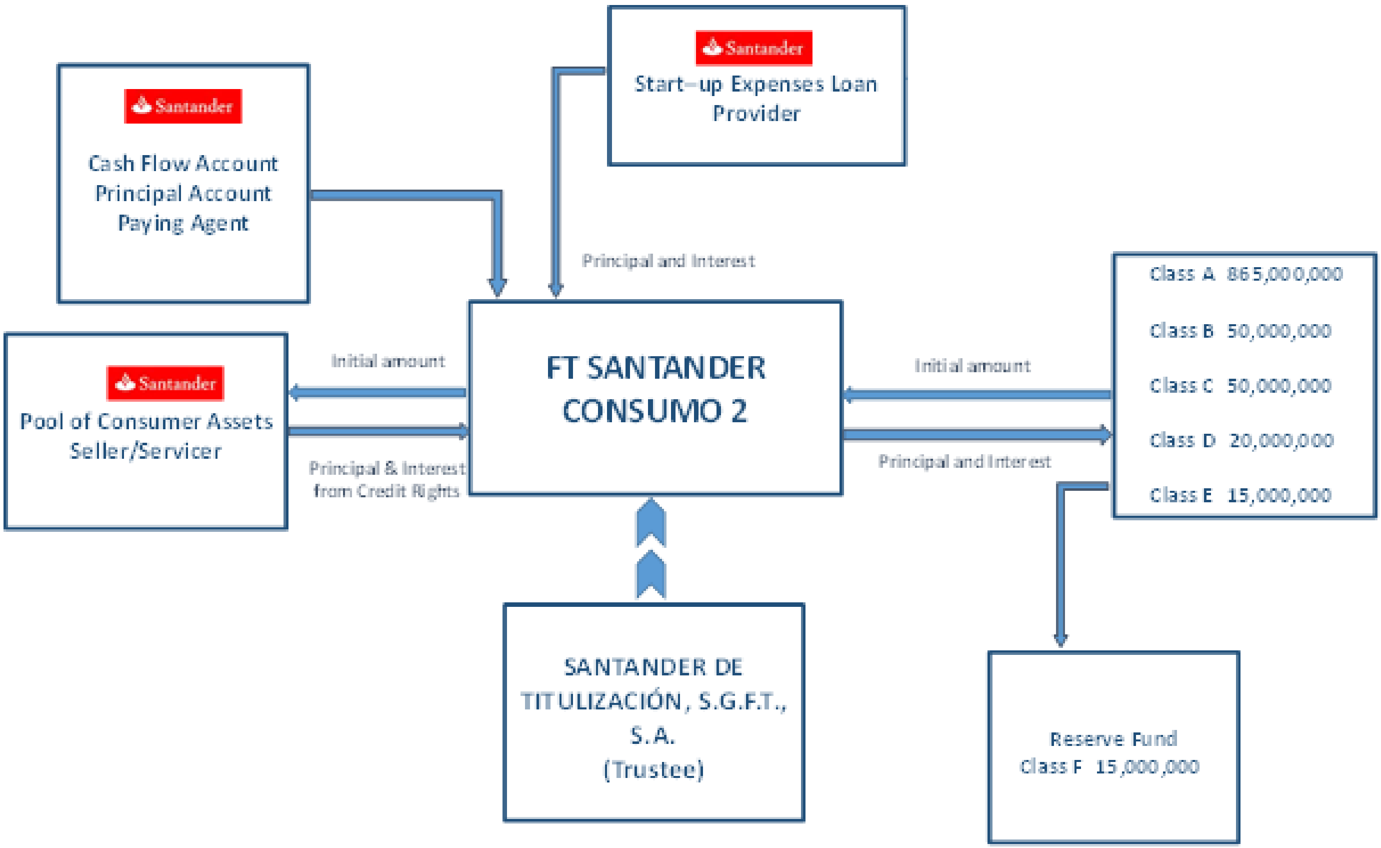
Securitization Structure Description

The issuer is a special purpose vehicle incorporated under the laws of Spain. Interest on the notes is paid quarterly.

Structural Diagram

Below is a structural diagram for the transaction, illustrating the relationship between the issuer, FT Santander Consumo 2, and the other transaction parties.

Exhibit 25
Structural Diagram for FT. Santander Consumo 2



Banco Santander S.A.

Detailed Description of the Structure

CREDIT ENHANCEMENT

Credit enhancement in the transaction includes excess spread, an amortising cash reserve, and subordination of the notes.

ALLOCATION OF PAYMENTS/WATERFALL

On each payment date, the issuer's available funds - interest collections and recoveries received from defaulted loans, any amount to be drawn from the reserve fund on such payment date, and principal from the loans - will be applied in the simplified order of priority of the interest waterfall described below.

- Senior expenses;
- Interest on Class A;
- Interest on Class B unless it has been deferred;
- During the revolving period, principal proceeds will be applied sequentially in the following order
  - first, to acquire additional receivables,
  - second, to the provision to the Principal Account of up to a maximum amount equal to 5% of the Outstanding Balance of Classes A, B, C, D and E on the immediately preceding Determination Date, and

  - third, to the Early Redemption of Class A Notes. Following the expiration of the Revolving Period, to the sequential redemption of Class A and Class B Notes. The amortization of the Class A and B notes will be fully sequential, with no repayment of the Class B notes until the Class A Notes are fully repaid

- Payment of interest in arrears and interest accrued on the Class B Notes, if deferred;
- Payment of interest in arrears and interest accrued on the Class C Notes;
- Payment of interest in arrears and interest accrued on the Class D Notes;
- Payment of interest in arrears and interest accrued on the Class E Notes;
- Once the Class B Notes are repaid in full, any available principal funds will be used to amortise the Class C, D and E Notes. The amortization will be fully sequential such that no repayment of the Class D or E notes will occur until the Class C Notes are repaid in full. No repayment of the Class E notes will occur until the Class D Notes are repaid in full;
- Withholding of the necessary amount to maintain the cash reserve at the required level of the cash reserve on each determination date;
- Payment of the interest in arrears and interest accrued on the Class F Notes;
- Junior expenses;
- Redemption of Class F Notes as per amortisation schedule.

Interest Deferral Trigger: means, on any payment date, if the principal deficiency amount is higher than the sum of (i) 100% of the outstanding balance of the Class E Notes, (ii) 100% of the outstanding balance of the Class D Notes, (iii) 100% of the outstanding balance of the Class C Notes, and (iv) 50% of the outstanding balance of the Class B Notes, an interest rate deferral trigger will apply.

Allocation of payments/PDL-like mechanism: The definition of the notes required amortisation amount ensures that excess spread and recoveries will be applied toward reducing defaults of the period and previous periods. The target principal amortisation amount after the replenishment period has ended is the difference between the aggregate outstanding note principal balance and the performing assets remaining in the portfolio. Assets are deemed to be non- performing if the assets are delinquent (in arrears for more than 90 days) or defaulted (12 months past due if not already written off).

CASH RESERVE

The cash reserve will be funded on the closing date with the corresponding proceeds from the disbursement of Class F Notes. On the Closing Date, the cash reserve will be equal to €15,000,000, i.e. 1.50% of the initial balance of Class A, B C, D and E on the closing date and will remain constant during the revolving period.

After this period, it may be reduced on each payment date and be at the higher of the following amounts:

- 0.75% of the outstanding balance of Class A, B C, D and E on the closing date and;
- The lower of the following amounts:
  - 3.00% of the outstanding balance of Class A, B C, D and E on the precedent determination date; and
  - The initial cash reserve

PERFORMANCE TRIGGERS

The revolving period will stop and early amortisation of the notes will be triggered if any of the following conditions apply:

- The average for the last three Determination Dates, of the average delinquency ratio (outstanding balance of the delinquent receivables divided by the outstanding balance of the receivables) on each of the last day of the immediately preceding three calendar months, exceeds 4%; or

- The outstanding balance of the defaulted receivables divided by the initial outstanding balance of the receivables on the closing date exceeds the following percentages:
  - Until the Determination Date of the Revolving Period falling on 18 October 2018; or if it is not a Business Day, the immediately following Business Day: 2.25%.
  - Until the Determination Date of the Revolving Period falling on 18 April 2019, or if it is not a Business Day, the immediately following Business Day: 4.00%.
- The cash reserve has not been funded up to its required level on the payment date immediately following the determination date;
- Tax regulations are amended in such a way that the assignment of additional receivables proves to be excessively onerous to the Seller;
- Santander becomes subject to insolvency or an arrangement with creditors or breaches any of its obligations as Seller;
- Santander ceases to perform or is replaced as servicer of the receivables, or it fails to comply with any of its obligations established in the deed of incorporation.

ORIGINATOR/SERVICER/CASH MANAGER RELATED TRIGGERS

The appointment of the servicer will be terminated if any of the following events occur (always at the discretion of the management company):

- Insolvency of the servicer;
- Administration by the Bank of Spain;
- Breach of obligation;
- Servicer's financial condition being detrimental to the fund or noteholders' interest.

The appointment of the cash manager will be terminated if any of the following events occur:

- Insolvency of the cash manager;
- Failure to perform material obligations that is not remedied within the grace period.

OTHER COUNTERPARTY RATING TRIGGERS

The issuer account bank will be replaced if its long term bank deposit rating falls below A3.

EXCESS SPREAD

All assigned loans will be purchased by the issuer at par. The weighted-average portfolio interest rate of the initial portfolio is 9.56% and the minimum weighted average portfolio interest rate after replenishment is 8.0%. Having deducted stressed senior fees, and stressed the yield further for prepayments and potential yield renegotiations, the issued notes benefit from an average annual excess spread over the life of the transaction of 2.99% (probability-weighted considering different default scenarios) after interest payments made to Class E. The severe stress on excess spread in this transaction is partially driven by the high dispersion of the interest rates at closing as shown in the exhibit above, and our standard assumption on highest yielding loans to prepay first.

Excess spread represents the first layer of credit enhancement as well as a limited liquidity cushion to the transaction. Such excess spread will however vary depending on actual costs, portfolio amortisation, prepayment rates and default levels as well as on a potential portfolio rate compression as the underlying auto loan contracts redeem/prepay.

The revolving period allows lower yielding assets to be substituted into the pool. Also, as the highest yielding assets could have a propensity to prepay, and yield renegotiations are possible, subject to an overall securitised portfolio weighted average floor of 8.0%, the excess spread could be compressed further.

INTEREST RATE MISMATCH

The underlying loan contracts are 91.84% fixed rate and the notes pay fixed coupon denominated in Euro.

ASSET TRANSFER/TRUE SALE/BANKRUPTCY REMOTENESS

The purchase of the asset portfolio is financed by the issuance of (i) Class A Notes (ii) Class B Notes iii) Class C Notes iv) Class D Notes and v) Class E Notes. The purchase is a true sale of the loan receivables and ancillary receivables under Spanish law to the issuer for the benefit of the noteholders.

The Issuer is a special purpose vehicle incorporated under the laws of Spain as a *Sociedad Gestora de Fondos de Titulizacion.*

CASH MANAGER

Santander de Titulizacion S.G.F.T., S.A., acts as cash manager in the transaction. The cash manager's main responsibilities are the preparation of the investor report, making payments according to the waterfall and drawing on the cash reserve and other sources of liquidity.

The cash manager will make cash flow calculations on each quarterly payment date falling on the 18th of January, April, July and October of each year or if any such date is not a business day, the business day immediately after. Events that could lead to termination of the cash manager include insolvency and a failure to perform that the cash manager does not remedy within the grace period.

There is no back-up cash manager appointed at closing.

REPLACEMENT OF THE SERVICER

Santander de Titulizacion S.G.F.T., S.A. back-up servicing facilitator in case Banco Santander S.A. can no longer act as servicer, as it will use reasonable commercial endeavours to find a back-up servicer in case of a servicer insolvency or another servicer termination event. In the event of servicer insolvency or another event, the transaction will have available the principal to pay interest, the cash reserve and excess spread.

Exhibit 26

Back-up Servicer Facilitator

Back-up Servicer Facilitator:	Santander de Titulizacion S.G.F.T., S.A.
Rating:	NR
Ownership Structure:	Owned by Banco Santander S.A. (P)A3/P-2 Senior Unsecured and Bank Deposits; A3(cr)/P-2(cr)
Regulated by:	Bank of Spain
Total Number of Receivables Serviced:	N/A
Number of Staff:	12

Securitization Structure Analysis

Primary Analysis

We base our primary analysis of the transaction structure on the default distribution of the portfolio in order to derive our cash flow model.

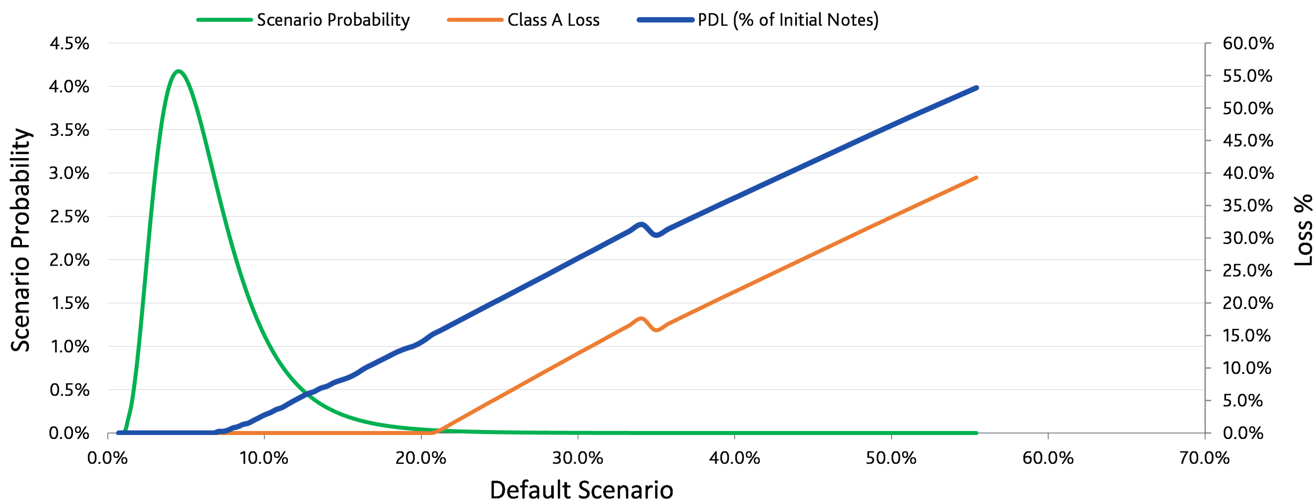
TRANCHING OF THE NOTES

We used a lognormal distribution to describe the default distribution of the portfolio. We used this distribution in the cash flow model to ultimately derive the level of losses on the notes under each default scenario.

The chart below represents the default distribution (green line) that we used in modelling loans defaults.

Exhibit 27

Lognormal Loan Default Probability Distribution including Tranche A losses and PDL as % of Initial Notes Amount



Source: Moody's Investors Service

We considered the allocation to each of the parties within the transaction of the cash flows that the collateral generates, and the extent to which the structural features of the transaction might themselves provide additional credit protection to investors, or alternatively act as a further source of risk in addition to the intrinsic risk of the loan assets. For example, we analysed the strength of early amortisation triggers.

As a first step towards determining the theoretical rating of the notes, we used an expected- loss methodology that reflects the probability of default for the notes multiplied by the severity of the loss expected for the notes.

In order to allocate losses to the notes in accordance with their priority of payment and relative size, we used a cash-flow model (ABSROM) that reproduces most of the deal-specific characteristics.

We have already described above the main input parameters of the model. The result of weighting each severity of loss output (the result of inputting each default scenario into ABSROM) with the probability of occurrence, is both the expected loss for the notes as well as the expected average life.

We then compare both values to Moody's Idealised Expected Loss table.

TIMING OF DEFAULTS

We have tested different timings for the default curve to assess the robustness of the ratings. In the base case scenario, the timing of defaults curve assumed is sinus. For the initial pool, we model first defaults occurring with a 6-month lag (according to 180+

delinquency proxy), a peak in quarter 5 and last default in quarter 14. For the subsequent pool, we model 2-6-17 (in quarters), respectively.

DEFAULT DEFINITION

The definition of a defaulted loan receivable in this transaction is one (1) which is more than 12 months in arrears or (2) where the borrower has declared bankruptcy and the servicer had to terminate the receivable early as a consequence, or (3) the servicer has determined that the owed amount is uncollectable.

Exhibit 28

Comparable Transactions - Structural Features

Deal Name	FT Santander Consumo 2	BBVA Consumo 8, FT	FTA, Santander Consumer Auto 2016-1	BBVA Consumo 7, FT
Revolving Period (in years)	2.33	1.50	3.00	1.00
Size of credit RF ongoing (as % of rated notes)	1.50%	4.50%	2.05%	4.50%
RF amortisation floor (as % of initial total pool)	0.75% of Class A-E initial notes balance	2.25%	2.00%	2.25% of original notes balance
Set-off risk?	Yes	Yes	Yes	N/A
Set-off mitigant	N/A	N/A	N/A	N/A
Commingling Risk?	Yes	Yes	Yes	Yes
Commingling mitigant	Transfers made every two days	Transfers made every two days	Commingling reserve upon trigger breach	Transfers made every two days
Back-up servicer appointed if servicer rated below	N/A	N/A	N/A	N/A
Back-up Servicer name	N/A	N/A	N/A	N/A
Back-up Servicer facilitator	Banco Santander S.A. (A3/P-2)	Europea de Titulizacion ("EdT") (Not Rated). 87.5% owned by BBVA	Santander de Titulizacion SGFT	Europea de Titulizacion ("EdT") (Not Rated). 87.5% owned by BBVA
Swap in place?	N/A	N/A	No	N/A
Swap counterparty Long-term Rating	N/A	N/A	N/A	N/A
Short-term Rating	N/A	N/A	N/A	N/A
Type of Swap	N/A	N/A	N/A	N/A
Size of Aaa rated class	N/A	N/A	N/A	N/A
Aa2 rated class	86.50%	87.50%	85.00%	N/A
Aa3 rated class	N/A	N/A	N/A	85.50%
A rated class	5.00%	N/A	4.00%	N/A
Baa rated class	5.00%	N/A	5.50%	N/A
Ba rated class	3.50%	N/A	3.00%	N/A
B rated class	1.50%	12.50%	N/A	14.50%
NR class	N/A	N/A	2.50%	N/A
Reserve fund as % of inital total pool	1.50%	4.50%	2.00%	4.50%
Annualised net excess spread as modelled	2.99%	N/A	N/A	6.00%

Additional Structure Analysis

ASSET TRANSFER, TRUE SALE AND BANKRUPTCY REMOTENESS

We consider the purchase of the loan receivables to be an effective true sale under Spanish law and the Issuer which to be a bankruptcy remote entity. Our assessment is based on the analysis of the transaction documentation and takes into account the legal opinion provided by the transaction counsel.

CASH RESERVE

Due to the amortising cash reserve structure, where it is available for defaults and also to amortise the notes at the end of the transaction, we consider the cash reserve in this transaction as being in line with other comparable consumer loan ABS transactions.

COMMINGLING RISK

Commingling risk is mitigated by payment transfer within two days to the issuer account in the name of the SPV and held at Banco Santander. In addition, obligors will be notified about the assignment and instructed to redirect payments to the issuer account by the BUS facilitator upon Banco Santander's insolvency.

We have taken into account a commingling loss of 0.55 months in the cash flow model to estimate the expected loss of the notes in the event of commingling, which we derived from an assumption of one month of collections being commingled at the originators default. We were given benefit (i) to the daily sweep mechanism from closing, (ii) the fact 100% of the underlying debtors pay through direct debit and (iii) a 45% recovery rate on the commingled funds.

SET-OFF RISK

Set-off risk could arise if insurance policies signed together with the loan contract are not honoured in the event of a default of the insurance provider, who is part of the Banco Santander group. In such scenario, borrowers may be able to set-off the unutilized premium amount, which has been paid upfront, against the financing company. Due to legal uncertainties, Moody's believes that the probability of insurance set-off cannot be disregarded and will have an impact on the transaction in certain scenarios.

Due to the lack of data on the exposure to unutilized premiums, insurance set off risk was estimated based on the general product specifications and the length of the revolving period. An estimated exposure of 3.50% was considered in the cash flow modelling with a counterparty rating of A3.

Furthermore, to account for 1.85% of the total outstanding balance derived from loans held by Santander employees, and the maximum exposure to 2% during the replenishment period, an additional 1% set off amount net of recoveries was modelled.

Monitoring

We will monitor the transaction on an ongoing basis to ensure that it continues to perform in the manner expected, including checking all supporting ratings and reviewing periodic servicing reports. Any subsequent changes in the rating will be publicly announced and disseminated through Moody's Client Service Desk.

Data Quality: The transaction will provide a finalised investor report and discuss it with a Moody's analyst. This report will include all necessary information for Moody's to monitor the transaction.

Data Availability: Santander de Titulizacion SGFT, SA will provide the investor report. Transaction documentation will set out a timeline for the investor report. Santander de Titulizacion SGFT, SA will publish the priority of payment section on the interest payment date and will publish the completed report on each quarterly payment date. The investor report will be published quarterly. The frequency of the interest payment date is quarterly during both the revolving period and during the amortisation period. Investor reports will be publicly available on Santander de Titulizacion SGFT, SA website.

Parameter Sensitivities

Parameter sensitivities provide a quantitative, model-indicated calculation of the number of notches that a Moody's rated structured finance security may vary if certain input parameters used in the initial rating process differed. The analysis assumes that the deal has not aged. It is not intended to measure how the rating of the security might migrate over time, but rather, how the initial rating of the security might differ as certain key parameters vary.

Parameter sensitivities for this transaction have been calculated in the following manner: We tested 9 scenarios derived from the combination of mean loan default: 5.5% (base case), 6.0% (base case + 0.50%), 6.5% (base case + 1.00%) and recovery rate: 25% (base case), 20% (base case - 5%), 15% (base case - 10%). The 5.5%/25% scenario would represent the base case assumptions used in the initial rating process.

The exhibits below show the parameter sensitivities for this transaction with respect to all rated tranches.

Exhibit 29
Tranche A

		Recovery Rate		
		25%	20%	15%
Cumulative Default Rate	5.50%	Aa2*	Aa2(0)	Aa3(-1)
	6.00%	Aa2(0)	Aa3(-1)	Aa3(-1)
	6.50%	Aa3(-1)	A1(-2)	A1(-2)

* Results under base case assumptions indicated by asterisk ' * '. Change in model output (# of notches) is noted in parentheses.

Exhibit 30
Tranche B

		Recovery Rate		
		25%	20%	15%
Cumulative Default Rate	5.50%	A3*	Baa1(-1)	Baa2(-2)
	6.00%	Baa1(-1)	Baa2(-2)	Baa3(-3)
	6.50%	Baa2(-2)	Baa3(-3)	Baa3(-3)

* Results under base case assumptions indicated by asterisk ' * '. Change in model output (# of notches) is noted in parentheses.
Source: Moody's Investor Services

Exhibit 31
Tranche C

		Recovery Rate		
		25%	20%	15%
Cumulative Default Rate	5.50%	Baa3*	Ba1(-1)	Ba1(-1)
	6.00%	Ba1(-1)	Ba1(-1)	Ba2(-2)
	6.50%	Ba2(-2)	Ba2(-2)	Ba3(-3)

* Results under base case assumptions indicated by asterisk ' * '. Change in model output (# of notches) is noted in parentheses.
Source: Moody's Investor Services

Exhibit 32
Tranche D

		Recovery Rate		
		25%	20%	15%
Cumulative Default Rate	5.50%	Ba2*	Ba3(-1)	Ba3(-1)
	6.00%	Ba3(-1)	B1(-2)	B2(-3)
	6.50%	B1(-2)	B2(-3)	B3(-4)

* Results under base case assumptions indicated by asterisk ' * '. Change in model output (# of notches) is noted in parentheses.
Source: Moody's Investor Services

Exhibit 33
Tranche E

		Recovery Rate		
		25%	20%	15%
Cumulative Default Rate	5.50%	Ba3*	B1(-1)	B2(-2)
	6.00%	B1(-1)	B2(-2)	B3(-3)
	6.50%	B2(-2)	B3(-3)	Caa1(-4)

* Results under base case assumptions indicated by asterisk ' * '. Change in model output (# of notches) is noted in parentheses.
Source: Moody's Investor Services

Exhibit 34
Tranche F

		Recovery Rate		
		25%	20%	15%
Cumulative Default Rate	5.50%	B3*	B3(0)	B3(0)
	6.00%	B3(0)	B3(0)	B3(0)
	6.50%	Caa1(-1)	Caa1(-1)	Caa1(-1)

* Results under base case assumptions indicated by asterisk ' * '. Change in model output (# of notches) is noted in parentheses.
Source: Moody's Investor Services

Worse case scenarios: At the time the rating was assigned, the model output indicated that Class A would have achieved A1 with a mean default rate as high as 6.5% and a recovery rate of 15% (all other factors unchanged). Under the same scenario Class B would have achieved Baa3; Class C, Ba3; Class D, B3; Class E, Caa1; and Class F, Caa1.

LCC sensitivities: The tables below show sensitivities for this transaction if the local currency ceiling (LCC) and the swap counterparty or account bank reference points would have been different, while assuming the same bank replacement triggers and all else being equal.

Exhibit 35
LCC Sensitivity Tranche A

		Account Bank	
		A3	A1
LCC	Aa2	Aa2*	Aa2(0)
	Aaa	Aa1(+1)	Aa1(+1)

* Results under base case assumptions indicated by asterisk ' * '. Change in model output (# of notches) is noted in parentheses.

Modelling Assumptions

Please be aware that other values within a range of the notional amount listed below may result in the same rating being achieved.

Exhibit 36
Modelling assumptions

DefaultDistribution:	Lognormal
Cumulative Defaults (Initial/Revolving Portfolio):	5.50%
Default Definition:	12 months
Aa2 Portfolio Credit Enhancement:	18.00%
Timing of Defaults:	Initial pool: Sine (2-5-14)/Subsequent pools: Sine(2-6-17)
Recovery rate:	25%
Recovery lag:	50%/25%/25% each year after default
Residual Value Inputs:	N/A
Conditional Prepayment Rate (CPR):	10% first 18 months; 15% thereafter
Amortization Profile:	Scheduled amortization
Portfolio Yield (as modelled):	8.9% initial/ 7.72% additional portfolio
Fees (as modelled):	1%
PDL definition:	Defaults
Index Rate:	0%
Set-off Amount:	4.5%

Appendix 1: Summary of Originator's Underwriting Policies and Procedures

Exhibit 37

Originator Ability	At Closing
Sales and Marketing Practices	Santander
Origination Channels:	100% branch
Origination Volumes:	0.12% top 10 dealers
Average Length of Relationship Between Dealer and Originator:	N/A
Underwriting Procedures	
% of Loans Automatically Underwritten:	N/A
% of Loans Manually Underwritten:	N/A
Ratio of Loans Underwritten per FTE* per Day:	N/A
Average Experience in Underwriting or Tenure with Company:	N/A
Approval Rate:	N/A
Percentage of Exceptions to Underwriting Policies:	N/A
Underwriting Policies	
Source of Credit History Checks:	Internal database, external database:
Methods Used to Assess Borrowers' Repayments Capabilities:	DTI: 35% maximum income multiples: not used affordability calculation: Not used expenses based on actual data
Income Taken into Account in Affordability Calculations:	Net income including 100% base salary
Other Borrower's Exposures (i.e. other debts) Taken in Account in Affordability Calculations:	all outstanding secured and/or unsecured debt/ unsecured debt
Method Used for Income Verification:	Internal check on current account
Maximum Loan Size:	EUR 100,000
Average Deposit Required:	N/A
Credit Risk Management	
Reporting Line of Chief Risk Officer:	To CEO
*FTE: Full Time Employee	

Originator Stability:	At Closing
Quality Controls and Audits:	
Responsibility of Quality Assurance:	Independent team (include the number of staff)PLUS team leader
Number of Files per Underwriter per Month Being Monitored:	N/A
Management Strength and Staff Quality	
Average Turnover of Underwriters:	N/A
Training of New Hires and Existing Staff:	N/A
Technology	
Frequency of Disaster Recovery Plan Test:	Quarterly

Source: Banco Santander S.A.

Appendix 2: Summary of Servicer's Collection Procedures

Exhibit 38

Servicer Ability	At Closing
Loan Administration	SANTANDER
Entities Involved in Loan Administration:	SANTANDER (with its branches)
Early Stage Arrears Practices	early attempts contact, quality of contact and promise to pay 90 days delinquents
Entities involved in Early Stage Arrears:	outsourced to third parties; staff at branches, centralised at head office
Definition of Arrears	
Arrears Strategy for 1-29 Days Delinquent:	between 90 and 12 months
Arrears Strategy for 30 to 59 Days Delinquent:	1) no activity at this stage
Arrears Strategy for 60 to 89 Days Delinquent:	1) no activity at this stage
Data Enhancement in Case Borrower is Not Contactable:	N/A
Loss Mitigation and Asset Management Practices	
Transfer of a Loan to the Late Stage Arrears Team:	After 90 days in arrears
Entities Involved in Late Stage Arrears:	N/A
Ratio of Loans per Collector (FTE):	N/A
Time from First Default to Litigation /Sale:	N/A
Average Recovery Rate (on Vehicle):	N/A
Channel Used to Sell Repossessed Vehicles:	N/A
Average Total Recovery Rate (after vehicle sale):	N/A

Servicer Stability	At Closing
Management and Staff	
Average Experience in Servicing or Tenure with Company:	N/A
Training of New Hires Specific to the Servicing Function (i.e. excluding the company induction training):	N/A
Quality Control and Audit	
Responsibility of Quality Assurance:	Independent team (include the number of staff) plus team leader, combination of both
IT and Reporting	
Frequency of Disaster Recovery Plan Test:	N/A

Source: Banco Santander S.A.

Moody's Related Research

For a more detailed explanation of Moody's approach to this type of transaction as well as similar transactions, please refer to the following reports:

Methodology Used:

» Moody's Approach to Rating Consumer Loan-Backed ABS, Sep 2015 (SF405472)

Credit Opinion:

» Banco Santander S.A., Credit Opinion August 30, 2016

Cross Sector Rating Methodologies:

» The Temporary Use of Cash in Structured Finance Transactions: Eligible Investment and Bank Guidelines, December 2015

» Global Structured Finance Operational Risk Guidelines, March 2015

Special Report:

» EMEA Consumer Loans ABS Indices, June 2016

Please note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

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