

FONDO DE TITULIZACIÓN SANTANDER CONSUMO 2
PROSPECTUS
€1,015,000,000

Class	Nominal Amount	Nominal Interest Rate	Moody's ratings	DBRS ratings
Class A Notes	€865,000,000	0.60%	Aa2 (sf)	AA (sf)
Class B Notes	€50,000,000	2.00%	A3 (sf)	A (sf)
Class C Notes	€50,000,000	3.20%	Baa3 (sf)	BBB (sf)
Class D Notes	€20,000,000	Up to 7.50%	Ba2 (sf)	BB (sf)
Class E Notes	€15,000,000	Up to 8.50%	Ba3 (sf)	B (sf)
Class F Notes	€15,000,000	Up to 12.50%	B3 (sf)	CCC (high) (sf)

BACKED BY CREDIT RIGHTS ASSIGNED BY
BANCO SANTANDER, S.A.



JOINT LEAD MANAGERS AND JOINT ARRANGERS



Paying Agent



Fund sponsored and managed by:

SANTANDER DE TITULIZACIÓN,
S.G.F.T., S.A.



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IMPORTANT NOTICE – PROSPECTUS

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IMPORTANT: You must read the following before continuing. The following applies to the Prospectus following this page and you are therefore advised to read this carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications thereto.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE NOTES DESCRIBED IN THE PROSPECTUS IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED.

FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER RELEVANT JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT ("**REGULATION S**")), BY ANY PERSON REFERRED TO IN RULE 903(B)(2)(III), (X) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (Y) OTHERWISE UNTIL 40 CALENDAR DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF THE SECURITIES AS DETERMINED AND CERTIFIED BY THE JOINT LEAD MANAGERS, IN EITHER CASE EXCEPT IN ACCORDANCE WITH REGULATIONS UNDER THE SECURITIES ACT. IN ORDER TO BE ELIGIBLE TO READ THE PROSPECTUS OR MAKE AN INVESTMENT DECISION WITH RESPECT TO THE NOTES DESCRIBED THEREIN, YOU MUST NOT BE A "**U.S. PERSON**" AS DEFINED IN REGULATIONS.

The Prospectus is being sent at your request and by accepting the email and accessing the Prospectus, you shall be deemed to have represented to us that you have understood the agreed terms set out herein, that you are not a U.S. person (within the meaning of Regulation S) or acting for the account or benefit of a U.S. person, that the electronic mail address that you have given to us and to which this email has been delivered is not located in the United States or its territories or possessions (including Puerto Rico, the US Virgin Islands, Guam, American Samoa, Wake Island and the North Mariana Islands), and that you consent to delivery of the Prospectus by electronic transmission.

You are reminded that the Prospectus has been delivered to you on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Prospectus to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the joint lead managers or any affiliate of the joint lead managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the joint lead managers or such affiliate on behalf of the Issuer in such jurisdiction.

The Prospectus has been sent to you in electronic format. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Management Company, neither Banco Santander, S.A. nor Credit Agricole CIB (together, the “**Joint Lead Managers**” and the “**Joint Arrangers**”) nor any person who controls the Joint Lead Managers nor the Joint Arrangers nor any director, officer, employee, agent or affiliate of any such person nor the Issuer nor the Seller accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format herewith and the hard copy version available to you on request from the Issuer and/or the Joint Lead Managers or the Joint Arrangers.

None of the Joint Lead Managers and the Joint Arrangers makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied by the Issuer in connection with the Notes and accordingly, none of the Joint Lead Managers and the Joint Arrangers accepts any responsibility or liability therefore.

None of the Joint Lead Managers and the Joint Arrangers undertakes to review the financial condition or affairs of the Issuer or advise any investor or potential investor in the Notes of any information coming to the attention of any of the Joint Lead Managers and the Joint Arrangers.

This document is the information memorandum (the “**Prospectus**”) for FONDO DE TITULIZACIÓN SANTANDER CONSUMO 2 (the “**Fund**”) approved by and registered with the Comisión Nacional del Mercado de Valores (Spanish Securities Market Commission, “**CNMV**”) on 2 December 2016, in accordance with the provisions of Commission Regulation (EC) No 809/2004 of 29 April 2004, as amended (“**Regulation 809/2004**”), which includes the following:

1. A description of the main risk factors relating to the issue, to the securities and to the assets backing the issue (the “**Risk Factors**”);
2. A registration document for the securities prepared in accordance with Annex VII of Regulation 809/2004 (the “**Registration Document**”);
3. A securities note prepared in accordance with Annex XIII of Regulation 809/2004 (the “**Securities Note**”);
4. An additional module to the Securities Note prepared in accordance with the module provided for in Annex VIII of Regulation 809/2004 (the “**Additional Building Block**”); and
5. A glossary of definitions (the “**Definitions**”) used in this Prospectus.

PCS Label

On 20 July 2016, an application was made to Prime Collateralised Securities (PCS) UK Limited for the Class A Notes to receive the Prime Collateralised Securities label (the “**PCS Label**”), and the Seller currently expects that the Class A Notes will receive the PCS Label. However, there can be no assurance that the Class A Notes will receive the PCS Label (either before issuance or at any time thereafter) and if the Class A Notes do receive the PCS Label, there can be no assurance that the PCS Label will not be withdrawn from the Class A Notes at a later date.

The PCS Label is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under the Markets in Financial Instruments Directive (2004/39/EC) and it is not a credit rating whether generally or as defined under the Credit Rating Agency Regulation (1060/2009/EC).

By awarding the PCS Label to certain securities, no views are expressed about the creditworthiness of these securities or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for these securities. Noteholders should conduct their own research regarding the nature of the PCS Label and should read the information set out in <http://pcsmarket.org>.

RISK FACTORS

THE PURCHASE OF NOTES MAY INVOLVE SUBSTANTIAL RISKS AND BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE NOTES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY AND IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES ALL THE INFORMATION SET FORTH IN THIS PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW.

PROSPECTIVE INVESTORS SHOULD (A) MAKE SUCH INQUIRIES AND INVESTIGATIONS AS THEY DEEM APPROPRIATE AND NECESSARY AND (B) REACH THEIR OWN VIEWS PRIOR TO MAKING ANY INVESTMENT DECISIONS WITHOUT RELYING ON THE ISSUER OR ANY OF THE JOINT ARRANGERS OR ANY OF THE JOINT LEAD MANAGERS OR ANY OTHER PARTY REFERRED TO HEREIN.

IT SHOULD BE REMEMBERED THAT THE PRICE OF SECURITIES AND THE INCOME DERIVING FROM THEM MAY INCREASE AS WELL AS DECREASE.

THIS PROSPECTUS IS NOT INTENDED TO FURNISH LEGAL, REGULATORY, TAX, ACCOUNTING, INVESTMENT OR OTHER ADVICE TO ANY PROSPECTIVE PURCHASER OF THE NOTES.

THE FOLLOWING IS A SUMMARY OF CERTAIN FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER BEFORE DECIDING TO PURCHASE ANY NOTES. THE FOLLOWING STATEMENTS ARE NOT EXHAUSTIVE; PROSPECTIVE INVESTORS ARE REQUESTED TO CONSIDER ALL THE INFORMATION IN THIS PROSPECTUS, MAKE SUCH OTHER ENQUIRIES AND INVESTIGATIONS AS THEY CONSIDER APPROPRIATE AND REACH THEIR OWN VIEWS PRIOR TO MAKING ANY INVESTMENT DECISIONS. THESE FACTORS ARE CONTINGENCIES WHICH MAY OR MAY NOT OCCUR, AND THE ISSUER IS NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCY OCCURRING.

I. RISK FACTORS SPECIFIC TO THE SECURITIES

(i) Seller's Call Options

The Seller will have the option to repurchase at its own discretion all outstanding Receivables and hence instruct the Management Company to carry out an Early Redemption for the entire issue of the Notes in whole (but not in part) if a Clean-up Call event, Time Call event, Regulatory Change Event or Tax Change Event occurs subject to certain conditions as set forth in section 4.4.3.2. of the Registration Document.

Any repurchases by the Seller under the Seller's Call Options will cause the Issuer to make payments of principal on each Class of Notes earlier than expected and will shorten the maturity of such Class. As stated below, if principal is repaid on any of Class of Notes earlier than expected, Noteholders may not be able to reinvest the principal in a comparable security with an effective interest rate equivalent to the interest rate on the relevant Class of Notes.

(ii) Prepayments and early redemption of the Notes and effect on yield

The yield to maturity and weighted average life of each Class of Notes will depend upon, inter alia, the effective duration of the Revolving Period (which may be impacted as a result of the occurrence of a Revolving Period Early Termination Event), the amount and timing of repayments of principal by the Obligor under the

Loans, the amount of timing of prepayments (including, inter alia, full and partial prepayments), the occurrence of any Early Liquidation and the potential repurchase of the Receivables under the Seller's Call Options.

In addition, the rate of prepayment of the Loans may be influenced by a wide variety of economic, social and other factors, including prevailing consumer loan interest rates, default rates, redemption rates, alternative consumer credit offers available to the Obligors, local and regional economic conditions and changes in Obligors' behaviour, which makes forecasting impossible.

No guarantee can be given as to the level of prepayments (in part or in full) that the Loans may experience.

Faster than expected rates of principal repayments and/or prepayments on the Loans will cause the Issuer to make payments of principal on each Class of Notes earlier than expected and will shorten the maturity of such Class.

If principal is repaid on any of Class of Notes earlier than expected, Noteholders may not be able to reinvest the principal in a comparable security with an effective interest rate equivalent to the interest rate on the relevant Class of Notes. Similarly, if principal is repaid on any Class of Notes later than expected due to lower rates of principal repayments and/or prepayments than expected on certain Loans, Noteholders may lose reinvestment opportunities. Noteholders will bear all reinvestment risk resulting from receiving payments of principal on the relevant Class of Notes earlier or later than expected.

(iii) Potential Loss for Class F Noteholders

Class F Notes principal repayment will depend on the availability of Available Funds subject to the Priority of Payments on each Payment Date starting from the first Payment date in accordance with section 3.4.6 of the Building Block. Any shortfall of Available Funds would adversely affect Class F Notes.

(iv) Replenishment risk

There is no assurance that in the future the origination of new loans by the Seller will be sufficient or that Additional Receivables will meet the Eligibility Criteria and that, consequently, the portfolio of Loans held by the Issuer will be replenished. Should that be the case, the maturity of the Notes will be shortened.

Furthermore the characteristics of the portfolio of Receivables will change from time to time with the additional purchases of Additional Receivables by the Issuer during the Revolving Period and the repayment or prepayment, as the case may be, of the Loans. In order to mitigate these risks the Eligibility Criteria aim at limiting the changes of the overall characteristics the portfolio of Receivables during the Revolving Period. Changes in the characteristics of the portfolio of Receivables may affect payments under the Notes.

(v) The Notes may not be a suitable investment for all investors

The Issue is addressed solely to qualified investors as defined in Article 39 of Royal Decree 1310/2005.

The Notes are complex securities and investors should possess, or seek the advice of advisers with, the expertise necessary to evaluate the information contained in this Prospectus in the context of such investor's individual financial circumstances and tolerance for risk. An investor should not purchase Notes unless it understands the principal repayment, credit, liquidity, market and other risks associated with the Notes.

In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviours of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are limited recourse instruments and there can be no assurance that the Noteholders will receive the full amounts payable at any time by the Fund under the Notes or that they will receive any return on their investment in the Notes.

Neither the Issuer nor the Joint Lead Managers or the Joint Arrangers is acting as an investment adviser, or assumes any fiduciary obligation, to any investor in the Notes and investors may not rely on any such entity.

Neither the Joint Arrangers nor the Joint Lead Managers have undertaken to review the financial condition or affairs of the Fund during the life of the arrangements contemplated by this Prospectus, or to advise any investor or potential investor in the Notes of any information that is not included in this Prospectus that comes to the attention of the Joint Lead Managers or the Joint Arrangers.

(vi) Limited liquidity

Although application will be made for the Notes to be admitted to the AIAF Fixed-Income Market and trading on its regulated market, there is no guarantee that the Notes will be traded on the market with a minimum frequency or volume.

There is no commitment by any entity to engage in secondary trading to provide liquidity to the Notes.

Noteholders should be aware of the prevailing and widely reported global credit market conditions which continue at the date hereof, and the general lack of liquidity in the secondary market for instruments similar to the Notes. Specifically, the secondary markets have experienced disruptions resulting from reduced investor demand for asset backed securities and increased investor yield requirements for those securities. As a result, the secondary market for asset backed securities has experienced limited liquidity which has had an adverse effect on the market value of asset-backed securities such as the Notes. Limited liquidity in the secondary market may continue to have an adverse effect on the market value of asset backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. Furthermore, the market values of the Notes are likely to fluctuate with changes in prevailing rates of interest, market perceptions of risks associated with the Notes, supply and other market conditions. Any such fluctuation may be significant and could result in significant losses to investors in the Notes or in the sale of Notes by Noteholders in any secondary market transaction at a discount to the original price of such Notes.

(vii) Default interest

Deferred payments of interest will not accrue default interest in favour of the Noteholders.

(viii) Rating of the Notes

The credit risk of the Notes has been assessed by the ratings agencies Moody's Investors Service Limited and DBRS Ratings Limited (the "**Rating Agencies**").

The Rating Agencies may revise, suspend or withdraw the final ratings assigned to the Notes at any time, based on any information that may come to their attention.

Therefore, these ratings are not and cannot be construed in any way as an invitation, recommendation or encouragement to investors to proceed to engage in any transaction whatsoever in the Notes and, in particular, to acquire, keep, encumber or sell those Notes.

In general, European regulated investors are restricted from using credit ratings for regulatory purposes under Regulation (EC) No 1060/2009 ("**CRA Regulation**"), unless such ratings are issued by a credit rating agency established in the EU and registered under CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction also applies in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out in this Prospectus.

In addition to the foregoing, unsolicited ratings could be published in respect of the Notes. If such unsolicited ratings are lower than the comparable ratings assigned to the Notes by the Rating Agencies, those unsolicited ratings could have an adverse effect on the value of the Notes.

(ix) Non confirmation of the provisional ratings of the Notes

Should the provisional ratings of the Notes not be confirmed as final prior to the Disbursement Date, the Fund as well as the issuance of the Notes and the contracts executed by the Management Company on behalf of the Fund shall be terminated, except for the Start-up Expenses Loan Agreement, on the terms set forth in Section 4.4.5 of the Registration Document.

(x) Subordination of the Notes

Class A, B, C, D, E and F Notes are subordinated sequentially. Therefore, the payment of interest and the reimbursement of principal for Class B Notes are subordinated to those for Class A Notes; the payment of interest and the reimbursement of principal for Class C Notes are subordinated to those for the Class A Notes and Class B Notes; the payment of interest and the reimbursement of principal for Class D Notes are subordinated to those for the Class A, Class B and Class C Notes, the payment of interest and the reimbursement of principal for Class E Notes are subordinated to those of Class A, Class B, Class C and Class D Notes, and the payment of interest and the reimbursement of principal for Class F Notes are subordinated to those for Class A, Class B, Class C, Class D Notes and Class E Notes. Notwithstanding the above, if there were any enough Available Funds, it is expected that Class F Notes is redeemed during the first eight Payment Dates according to Class F Target Balance Amount.

The subordination rules among the different Classes are established in the Priority of Payments and in the Liquidation Priority of Payments in accordance with section 3.4.6 of the Building Block.

(xi) Exercise of the Regulatory Change Call Option or the Tax Change Call Option

Throughout the life of the Notes, the Seller with respect to a Regulatory Change Event may be at risk from a change of law or regulation which has a material adverse on the rate of return on capital of the Seller or materially reduces the benefit to the Seller of the transactions contemplated under this Prospectus.

Furthermore, the Issuer with respect to a Tax Change Event may be at risk from a change of law or regulation which materially increases the cost or impose withholding obligations on the Issuer.

If a Regulatory Change Event or a Tax Change Event occurs, the Seller may offer to repurchase all of the outstanding Receivables in accordance with section 4.4.3.2 of the Registration Document. If the conditions for the Seller to repurchase the Receivables are met, it shall, upon due exercise of such Regulatory Change Call Option or Tax Change Call Option, as applicable, redeem the Notes in full in accordance with section 4.4.3.2 of the Registration Document, subject to there being sufficient proceeds from the repurchase price to redeem all Classes Noteholders in full and to pay all amounts ranking prior thereto in accordance with the Liquidation Priority of Payments.

(xii) Limited size of the preliminary Portfolio

The preliminary Portfolio as of 25 October 2016 was comprised of a total of 149,976 Loans with an outstanding principal balance of €1,137,661,628.70. On the Date of Incorporation, the Seller will assign to the Fund, Receivables selected from among those comprising the preliminary Portfolio until reaching an amount equal to or marginally greater than ONE BILLION EUROS (€1,000,000,000), which is equivalent to the nominal value of Class A, Class B, Class C, Class D and Class E Notes.

Should the Receivables in the preliminary Portfolio be insufficient to cover an amount equal to or marginally greater than the nominal value of Class A, Class B, Class C, Class D and Class E Notes, the Fund will not be incorporated.

II. RISK FACTORS RELATING TO THE RECEIVABLES BACKING THE ISSUE

(i) Risk of non-payment of the Loans

If the Seller does not receive the full amount due from the Obligors in respect of the Receivables, the Noteholders are at risk of receiving less than the face value of their Notes and interest payable thereon. Consequently, the Noteholders are exposed to the credit risk of the Obligors. Neither the Seller nor the Issuer guarantees or warrants the full and timely payment by the Obligors of any sums payable under the Receivables. The ability of any Obligor to make timely payments of amounts due under the relevant Loan agreement will mainly depend on his or her assets and liabilities as well as his or her ability to generate sufficient income to make the required payments. The Obligors' ability to generate income may be adversely affected by a large number of factors. However, credit enhancement measures have been taken as described in section 3.4.2 of the Additional Building Block. The Loans are not secured by any security other than by personal guarantees from the relevant Obligor or from third-party endorsement, as the case maybe.

(ii) Risk of prepayment of the Receivables

As stated in Section I (i) above ("*Prepayments and early redemption of the Notes and effect on yield*") the Loans pooled into the Fund are each subject to prepayment if the

relevant Obligor makes an early repayment upon the terms set forth in the relevant Loan agreement from which the Receivables derive.

The funds from such prepayment will become part of the Available Funds, as described in section 3.4.6 of the Additional Building Block. The risk of prepayment will be transferred to the Noteholders quarterly during the amortisation period through the partial redemption of the Notes on each Payment Date, as established in section 4.9.3 of the Securities Note.

(iii) Risk of Regulatory PD

High levels of Regulatory PD will adversely affect the payments of the Loans backing the Notes. Should non-payments of the Loans reach high levels it could lead to: i) the early termination of the Revolving Period as a consequence of breaching the triggers set out in section 2.2.2 B) of the Securities Notes, that will accelerate the redemption of the Notes, and ii) Noteholders receiving less than the face value of their Notes and interest payable thereon.

(iv) Risk of origination

As stated in Section 2.2.7 of the Additional Building Block, 7.42% of the Loans have not followed the same granting policy as the one described in such section. However, the credit granting policies under which such Loans were granted do not differ substantially from the Granting Policy.

(v) Liability

The Seller assumes no liability for non-payment by the Obligors, whether for principal, interest or any other amount owed under the Loans. Nor will it assume any other form of liability by directly or indirectly guaranteeing the successful outcome of the transaction.

Pursuant to Article 1,529 of the Civil Code, the Seller will be liable to the Fund solely for the existence and legitimacy of the Loans at the time of assignment on the terms and conditions set forth in this Prospectus.

(vi) Limited protection

An investment in the Notes may be affected by, *inter alia*, a deterioration in general economic conditions having an adverse effect on the payments under the Loans that back the issue of the Fund. In the event that non-payments should reach an elevated level, they could reduce, or even eliminate, the protection against losses in the Loan portfolio enjoyed by the Notes as a result of the credit enhancements described in section 3.4.2 of the Additional Building Block. Notwithstanding the foregoing considerations, the risk of the Noteholders is mitigated by the Priority of Payments described in section 3.4.6 b) of the Additional Building Block.

(vii) Geographical concentration

As specified in section 2.2.2 g) of the Additional Building Block, the geographical regions that show a greater concentration of Obligors, based on the percentage of Outstanding Balance of the Receivables, are the following: Madrid: 20.05%, Andalucía: 17.65% and Cataluña: 11.50%, representing a total of 49.20%.

Given the levels of concentration, any negative event affecting these geographical regions could negatively impact the payments to be made by the Obligors in these regions under the Loans backing the issue of the Notes.

III. RISK FACTORS RELATING TO THE FUND

(i) Absence of legal status of the Fund. Limitation of legal actions against the Management Company

The Fund constitutes a separate set of assets and liabilities, lacking legal status, which is managed by the Management Company in accordance with Law 5/2015. The Fund's liability for its obligations vis-à-vis its creditors will be limited in recourse to the extent of its assets.

The Noteholders and the Other Creditors (as this term is defined in the Rules for the Creditors' Meeting) of the Fund may only bring an action against the Fund's Management Company in the case of a breach of its duties or failure to observe the provisions of the Deed of Incorporation or this Prospectus.

The Noteholders and the Other Creditors of the Fund will not have any rights of action either against the Fund or against the Management Company in the event of a payment default of the amounts due from the Fund arising out of (i) the existence of delinquency in repayment or non-payment of the Receivables, (ii) the failure by the Seller or by the counterparties to the transactions entered into on behalf of the Fund to comply with their duties, or (iii) the insufficiency of the financial transactions aimed at hedging or generally enhancing and covering the financial obligations of the Notes.

(ii) Mandatory replacement of the Management Company

If the Management Company is declared bankrupt or its authorisation to operate as a management company of securitisation funds is revoked, without prejudice to the effects of such bankruptcy as described below, the Management Company shall find a substitute management company. If four (4) months have elapsed from the occurrence of the event requiring the substitution and a new management company that is prepared to take over the management of the Fund has not been found, an Early Liquidation of the Fund will be triggered and the Liquidation Priority of Payments will apply.

(iii) Applicability of the Insolvency Act

Seller:

Pursuant to the provisions of the Second Additional Provision of Law 22/2003 of 9 July (the "**Insolvency Act**"), the bankruptcy provisions of Law 5/2015 will apply, and therefore, in the event of the insolvency (as this term is defined in the Insolvency Act) of the Seller, the sale of the Receivables may be rescinded only if an action for such rescission is pursued in which fraud is demonstrated to have existed in that sale.

In the event of the insolvency of the Seller, all Fund assets held by the Seller, except for cash due to the fungible nature thereof, will become the property of the Fund and must be made available under the terms of Articles 80 and 81 of the Insolvency Act.

Notwithstanding the above, this Prospectus and the Deed of Incorporation envisage certain mechanisms aimed at mitigating the aforementioned effects in relation to cash due to its fungible nature.

According to the interpretation of a majority of legal scholars regarding Articles 80 and 81 of the Insolvency Act, if the Seller is declared insolvent, monies received and held thereby on behalf of the Fund in its capacity as counterparty to certain agreements it signs before the date of declaration of insolvency may be affected by the results of the insolvency.

If the Seller becomes insolvent, the assignment of the Receivables to the Fund may be subject to rescission pursuant to the provisions of the Insolvency Act and special regulations applicable to securitisation funds.

By virtue of Article 16 of Law 5/2015, the assignment of the Receivables transferred to the Fund may only be rescinded or challenged under Article 71 of the Insolvency Act by the insolvency administration and in so challenging, the insolvency administration will have to prove the existence of fraud in the assignment.

Management Company:

In the event of insolvency of the Management Company, it must be replaced by another management company in accordance with the provisions of Article 33 of Law 5/2015.

In the event of the bankruptcy of the Management Company, as applicable, any assets of the Fund that are in the possession of the Management Company, and with respect to which the latter has no right of use, surety or retention (except for cash due to its fungible nature) and that form part of the latter's assets will be construed as belonging to the Fund, and the receivers in bankruptcy must deliver them to the Fund. In practice, due to the cash flow arrangements in this transaction, and except in the event of a breach by the Management Company of the terms of the relevant agreements, no cash amounts will become part of the assets of the Management Company given that, as provided in the terms set forth in the Deed of Incorporation and in this Prospectus, amounts which constitute revenues of the Fund must be deposited into accounts opened on behalf of the Fund by the Management Company (which is involved in opening and operating such accounts not only as the agent of the Fund, but as its legal representative; therefore, the Fund would be entitled to absolute separation of those assets from the Management Company in this respect, upon the terms set forth in Articles 80 and 81 of the Insolvency Act).

Notwithstanding the foregoing, the insolvency of any of the Parties (whether the Seller or any other counterparty of the Fund) could affect their contractual relationships with the Fund.

(iv) Breach of agreements by third parties

The Fund has entered into agreements with certain third parties for the provision of certain services in relation to the operation of the Fund and in relation to the Notes. These agreements include the Start-up Expenses Loan Agreement, the Guaranteed Reinvestment Agreement, the Payment Agency Agreement and the Management, Placement and Subscription Agreement.

The Noteholders may be adversely affected if any of the parties thereto breach the obligations assumed under any of the aforesaid agreements. Nevertheless, certain mechanisms are contemplated in the the Guaranteed Reinvestment Agreement to mitigate such possible breaches, such as the options to be pursued in the event of a decrease in ratings of certain counterparties. These mechanisms are described in this Prospectus.

(v) Eurosystem eligibility

Class A Notes are intended to be held in a manner that will allow for their eligibility within the Eurosystem. This means that it is intended for Class A Notes to be deposited with one of Iberclear, Euroclear or Clearstream upon the issuance thereof and does not necessarily mean that Class A Notes will be recognised by the Eurosystem as eligible collateral for Eurosystem monetary policy and intra-day credit operations ("**Eurosystem Eligible Collateral**") either upon issue or at any or all times during its term. Such recognition will, inter alia, depend upon satisfaction of the Eurosystem eligibility criteria set out in the Guideline (EU) 2015/510 of the European

Central Bank (the “**ECB**”) of 19 December 2014, on the implementation of the Eurosystem monetary policy framework (recast) (ECB/2014/60) as amended and applicable at any particular time (the “**Guideline**”). In addition, for as long as Class A Notes are intended to be held in a manner allowing for Eurosystem eligibility, the Servicer will make loan-level data available in the manner required by the ECB to comply with the Eurosystem eligibility criteria, subject to applicable data protection rules.

On 15 December 2010, the Governing Council of the ECB decided to establish loan-by-loan information requirements for asset-backed securities in the Eurosystem collateral framework, which are set forth in Article 78 of the Guideline and where it is laid down the reporting requirements related to the loan-level data for asset-backed securities. For asset-backed securities to become or to remain eligible for Eurosystem monetary policy operations, the Eurosystem requires comprehensive and standardised loan-level data on the pool of cash flow generating assets underlying an asset-backed security to be submitted by the relevant parties to the asset-backed security, as set out in Appendix VIII (loan-level data reporting requirements for asset-backed securities) of the Guideline. Failure to provide loan-level data will lead to suspension of or refusal to grant eligibility to the asset-backed security transaction in question.

If Class A Notes do not satisfy the criteria specified by the ECB, or if the Servicer fails to submit the required loan-level data, Class A Notes will not be eligible collateral for the Eurosystem. Each of the Issuer, the Joint Lead Managers and the Joint Arrangers gives no representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue or at any or at all times during its term, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem Eligible Collateral. Any potential investor in the Class A Notes should make its own conclusions and seek its own advice with respect to whether or not the Class A Notes constitute Eurosystem Eligible Collateral.

(vi) Economic conditions in the eurozone

Concerns relating to credit risks (including those relating to sovereign securities and entities exposed to sovereign securities) have recently intensified. In particular, concerns have been raised with respect to current economic, monetary and political conditions in the eurozone. If such concerns persist and/or such conditions further deteriorate (including by actions of a relevant credit rating agency, any default or restructuring of indebtedness by one or more governments or institutions and/or any changes to the eurozone, including any break-up thereof), such matters may cause further severe stress in the financial system generally and/or may adversely affect one or more of the parties to the Transaction Documents (including the Seller and/or the Servicer). Given the current uncertainties and the range of possible outcomes, no assurance can be given as to the impact of any of the matters described above and, in particular, no assurance can be given that such matters would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

(vii) Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes

There is increased political and regulatory scrutiny of the asset-backed securities industry in Europe, the United States and elsewhere. This has resulted in draft measures for increased regulation that are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own

regulatory position and none of the Issuer, the Joint Arrangers, the Joint Lead Managers or the Seller makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the Date of Incorporation or at any time in the future.

In particular, investors should be aware of the EU risk retention and due diligence requirements set forth in Title II of Regulation (EU) No 575/2013, of the European Parliament and the Council of 26th June 2013, on prudential requirements for credit institutions and investment firms (the “**CRR**”), as amended from time to time, in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings and UCITS funds. Among other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator (Article 406 of CRR), and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or asset exposures (Article 405 of CRR). Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the notes acquired by the relevant investor.

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear.

The risk retention and due diligence requirements described above apply, in respect of the Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. With respect to the commitment of the Seller to retain a material net economic interest in the securitisation and with respect to the information to be made available by the Issuer or another relevant party, please see the statements set out in the section 2.2.8 of the Additional Building Block. Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Joint Arrangers or the Joint Lead Managers makes any representation that the information described above is sufficient in all circumstances for such purposes.

The EU risk retention and due diligence requirements described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

(viii) U.S. Foreign Account Tax Compliance withholding may affect payments on the Notes. Common Standard on Reporting and Due Diligence for Financial Account Information (CRS) no withholding obligation

On 18 March 2010 the United States enacted provisions commonly referred to as the Foreign Account Tax Compliance Act (“**FATCA**”), which introduce reporting requirements for foreign financial institutions (FFIs) with respect to certain accounts.

Sections 1471 to 1474 of FATCA impose new reporting rules and, potentially, a 30 percent withholding tax on (i) certain payments from sources within the United States, (ii) “foreign pass-through payments” made to certain non-U.S. financial institutions (any such non-U.S. financial institution, an “**FFI**”) that do not comply with the new

reporting rules, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating FFI (collectively, “**Withholdable Payments**”). For so long as the Notes are held within the clearing systems, it is not expected that FATCA will affect the amount of any payment received by the clearing systems in any but the most remote circumstances. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary is generally unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer’s obligations under the Notes are discharged once it has paid the Clearing Systems, and the Issuer therefore has no responsibility for any amount thereafter transmitted through the Clearing Systems and custodians or intermediaries.

The United States and the Government of the Kingdom of Spain have entered into an intergovernmental agreement to facilitate the implementation of FATCA (the “**IGA**”). An FFI (such as the Issuer) that complies with the terms of the IGA as well as applicable local law requirements will not be subject to withholding under FATCA with respect to Withholdable Payments that it receives. Further, an FFI that complies with the terms of the IGA will not be required to withhold under FATCA on payments it makes to accountholders of such FFI (unless it has agreed to do so under the U.S. “qualified intermediary,” “withholding foreign partnership,” or “withholding foreign trust” regimes). Pursuant to the IGA, an FFI is required to report certain information in respect of certain of its account holders to its home government, whereupon such information will be provided to the U.S. Internal Revenue Service. The Issuer will undertake to comply with the IGA and any local implementing legislation, but there is no assurance that it will be able to do so.

An FFI that fails to comply with the terms of the IGA may become subject to the FATCA withholding described above. Additionally, a failure to comply with future local implementing legislation may result in negative consequences to an FFI. The imposition of FATCA withholding on payments made to the Issuer would reduce profitability, and thus the cash available to make payments on the Notes. Prospective investors should consult their advisors about the potential application of FATCA.

The FATCA Status of the Issuer within the scope of IGA is, as of the date of registration of this Prospectus, a Sponsored Foreign Financial Institution (FFI) with Global Intermediary Identification Number (GIIN), registered on the U.S. Internal Revenue Service portal.

Common Standard on Reporting and Due Diligence for Financial Account Information (CRS)

Based on the application of FATCA, the Common Reporting Standard (CRS), approved by the OECD Council on 15 July 2014, calls on jurisdictions to obtain information from their financial institutions and automatically exchange that information with other jurisdictions on an annual basis. Unlike FATCA, it is based upon tax residence as opposed to citizenship and there is no withholding obligation under CRS.

Spain has transposed the EU legislative amendments into its legal system by modifying its General Tax Act, modifying the General Regulations on Tax Inspection and Management Procedures, and incorporating Royal Decree 1021/2015 of 13 November. Penalty for non-compliance is regulated under Spanish law.

The CRS Status of the Issuer is, as of the date of registration of this Prospectus, a Financial Institution (FI) but there is no requirement to register and receive a unique identifier of compliance under CRS.

(ix) Implementation of, and/or changes to, the prudential regulatory framework applicable to certain financial institutions may affect the capital requirements and/or the liquidity associated with a holding of the Notes for certain investors

The Basel Committee on Banking Supervision (the **Basel Committee**) approved significant changes to the international prudential regulatory framework for banks (such changes being commonly referred to as **Basel III**). In particular, Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio “backstop”. There is provision for phased implementation of the capital standards, meaning that these requirements will not apply in full until January 2019, with some minor transitional provisions allowing phase-in until 2024.

The EU has implemented Basel III by means of the CRR, which became directly applicable in all EU Member States from 1 January 2014, and the Capital Requirements Directive, which required implementation into national law by Member States (together, **CRD IV**). CRD IV, which applies to banks and certain investment firms, was published in the Official Journal on 27 June 2013 and came into effect on 1 January 2014, with particular requirements to be effective by 2019. CRD IV, which applies to banks and certain investment firms, substantially reflects the Basel III capital and liquidity standards and facilitates the applicable implementation timeframes.

Basel III also provides for certain minimum liquidity standards, referred to as the **Liquidity Coverage Ratio** and the **Net Stable Funding Ratio**. Under a Delegated Regulation made under the CRR, the Liquidity Coverage Ratio is being phased in over four years, since 1 October 2015.

Since 1 January 2016, a new prudential regulatory regime has applied to insurers and reinsurers in the EU, as a result of the implementation of the Solvency II Directive. Under the new regime, such firms will be required to meet new capital requirements, consisting of a minimum capital requirement (MCR) and a solvency capital requirement (SCR). The calculation of the SCR requires the application of various adjustments to take account of a firm’s risk profile, including stress testing of the firm’s assets to determine the level of capital charge applicable to particular asset types. As a result, certain asset types will attract a higher capital charge than others.

Implementation of the Basel III and/or Solvency II framework (to the extent not already implemented in the relevant jurisdictions) and/or any further changes put forward by the Basel Committee, European or national regulators in relation to such framework may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow such framework and, as a result, they may affect the liquidity and/or value of the Notes.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences for and effect on them of any changes to the Basel III and/or Solvency II framework and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

(x) No Representation as to compliance with liquidity coverage ratio or Solvency II requirements

Investors should conduct their own due diligence and analysis to determine:

- (a) whether or not the Notes may qualify as high quality liquid assets for the purposes of the liquidity coverage ratio introduced by the CRR, as implemented by the LCR Delegated Act and national implementation measures and, if so, whether they may qualify as Level 2A or Level 2B assets as described in the Commission Delegated Regulation (EU) 2015/61 of 10 October 2014, as amended to supplement CRR (the “**LCR Delegated Regulation**”); and
- (b) whether or not the Notes may qualify as an investment in a Type 1 or Type 2 securitisation as described in Article 254(2) of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, as amended, supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (the “**Solvency II Delegated Act**”).

None of the Issuer, the Joint Arrangers, the Joint Lead Managers or the Seller makes any representation to any prospective investor or purchaser of the Notes as to these matters on the Disbursement Date or at any time in the future.

(xi) Disclosure requirements CRA Regulation

The Regulation (EU) No 462/2013 of the European Parliament and of the Council of 31 May 2013 amending CRA Regulation (“**CRA3**”) became effective on 20 June 2013. CRA3 provides for certain additional disclosure requirements which are applicable in relation to structured finance transactions. Such disclosures will need to be made via a website to be set up by ESMA. The information to be published pursuant to the CRA 3 disclosure requirements, its update frequency and the standardised disclosure template are subject to regulatory technical standards to be prepared by ESMA.

The precise scope and manner of such disclosure will be subject to regulatory technical standards (for the purposes of this section, “**CRA3 RTS**”) prepared by ESMA. On 30 September 2014, the European Commission adopted three CRA3 RTS to implement provisions of the CRA3. The CRA3 RTS specify (i) the information that the issuer, originator and sponsor of a structured finance instrument established in the European Union must jointly disclose on the ESMA website, (ii) the frequency with which this information is to be updated and (iii) the presentation of this information by means of standardised disclosure templates. However, the disclosure obligations will not apply until 1 January 2017. Any structured finance instrument issued since 26 January 2015 (when the regulatory technical standards came into effect) which are still outstanding on 1 January 2017 will be subject to these disclosure requirements for the remaining period. However, investors should consult their legal advisors as to the applicability of the CRA3 RTS and any consequences of non-compliance in respect of their investment in the Notes.

Additionally, CRA3 has introduced a requirement that where an issuer or related third parties (which term includes sponsors and originators) intends to solicit a credit rating of a structured finance instrument it will appoint at least two credit rating agencies and should consider appointing at least one rating agency having not more than a 10 per cent. total market share (as measured in accordance with Article 8d(3) of the CRA (as amended by CRA3 RTS)) (“**a small CRA**”), provided that a small CRA is capable of rating the relevant issuance or entity. Where the issuer or a related third party does not appoint at least one credit rating agency with no more than 10% market share, this must be documented. In order to give effect to those provisions of Article 8d of

CRA3, ESMA is required to annually publish a list of registered CRAs, their total market share, and the types of credit rating they issue.

On the Date of Incorporation, there remains uncertainty as to what the consequences would be for the Issuer, related third parties and investors resulting from any potential non-compliance by the Issuer with the CRA Regulation upon application of the reporting obligations.

Other risks

The Issuer believes that the risks described above are the principal risks inherent in the transaction for the Noteholder, but the inability of the Issuer to pay interest or principal on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the above statements regarding the risk of holding the Notes are exhaustive. Although the Issuer believes that the various structural elements described in this Prospectus lessen some of these risks for the Noteholders, there can be no assurance that these measures will be sufficient to ensure payment to Noteholders of interest, principal or any other amounts on or in connection with the Notes on a timely basis or at all.

REGISTRATION DOCUMENT

This Registration Document has been drafted in accordance with Annex VII of Regulation 809/2004 and was approved by the CNMV on 2 December 2016.

1. PERSONS RESPONSIBLE

1.1 Persons responsible for the information appearing in the Registration Document.

Mr Ignacio Ortega Gavara, acting in his capacity as General Manager of the Management Company, by virtue of the powers expressly granted thereto by the Board of Directors at its meeting held on 20 July 2016, on behalf and in representation of SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A., with its registered offices at Gran Vía de Hortaleza, 3, 28033, Madrid, assumes responsibility for the information contained in this Registration Document.

SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. is the promoter of FONDO DE TITULIZACIÓN SANTANDER CONSUMO 2 and will be in charge of its legal administration and representation.

1.2 Declaration by those responsible for the Registration Document.

Mr Ignacio Ortega Gavara, having taken all reasonable care to ensure that such is the case, declares that the information given in the Registration Document is, to the best of his knowledge, in accordance with the facts and does not omit anything likely to affect its import.

2. STATUTORY AUDITORS OF THE FUND

2.1 Name and address of the Fund's auditors (together with their membership in any relevant professional body).

In accordance with the provisions of section 4.4 of this Registration Document, the Fund is newly incorporated and therefore lacks historical financial information.

Throughout the duration of the Fund, the annual accounts will be subject to audit by the auditors on an annual basis. Such audit reports will be filled with the CNMV.

The Board of Directors of the Management Company, at its meeting held on 20 July 2016, appointed PRICEWATERHOUSECOOPERS AUDITORES, S.L., with a registered address in Paseo de la Castellana 259 B, 28046, Madrid, with Tax Identification Number B-79031290, registered with the Official Registry of Auditors (*Registro oficial de auditores de cuentas, ROAC*) with number S0242 and registered with the Commercial Register of Madrid, in Volume 9.267, Section 8,054, Sheet 75, Page M-87,250, Entry 1, as auditors of the Fund.

2.2 Fiscal years, accounting principles and statutory filing of annual accounts.

The Fund's income and expenses will be reported in accordance with the accounting principles in force pursuant to CNMV Circular 2/2016 of 20 April, on accounting standards, annual accounts, public accounts and confidential statistical information statements of Securitisation Funds, as amended ("**Circular 2/2016**") or with the regulations applicable at any given time.

The fiscal year of the Fund will coincide with a calendar year. However, as an exception, the first fiscal year will start on the Date of Incorporation of the Fund, and the last fiscal year will end on the date on which the Fund is scheduled to expire.

The Management Company will submit the annual accounts of the Fund to the CNMV, together with the auditor's report on these accounts, within four (4) months of the close of the Fund's fiscal year (i.e., before 30 April each year) in order to file it with the corresponding registry.

3. RISK FACTORS

The specific risk factors of the Fund are those described in section I of the document included at the beginning of this Prospectus, called "RISK FACTORS".

4. INFORMATION ABOUT THE ISSUER

4.1 Statement that the Issuer has been created as a securitisation Fund.

The Issuer is a securitisation fund established in accordance with Law 5/2015 for the purpose of acquiring the Receivables assigned to the Fund by Santander and issuing the Notes.

4.2 Legal and commercial name of the Fund.

The Fund will be incorporated with the name "FONDO DE TITULIZACIÓN SANTANDER CONSUMO 2". The Fund will also be referred to as "SANTANDER CONSUMO 2".

4.3 Registration of Issuer.

The incorporation of the Fund and the issuance of the Notes must be registered with the official registers of the CNMV in Spain.

This Prospectus was registered with the CNMV on 2 December 2016.

The Management Company has elected not to record the creation of the Fund or the issuance of the Notes with the Commercial Registry, pursuant to Article 22.5 of Law 5/2015. This is without prejudice to the registration of the Prospectus with the CNMV.

4.4 Date of Incorporation and period of activity of the Fund.

4.4.1 Date of Incorporation.

It is expected that the execution of the Deed of Incorporation, and thus the Fund's Date of Incorporation, will be 5 December 2016.

The Deed of Incorporation may be amended on the terms set out in Article 24 of Law 5/2015, i.e. if the Management Company has the consent of (i) all Noteholders and the Other Creditors (excluding non-financial creditors), or (ii) the Meeting of Creditors. The foregoing requirements will not be necessary if the CNMV is of the opinion that the amendment is insignificant, which the Management Company will be responsible for documenting.

The Deed of Incorporation may also be amended at the request of the CNMV.

The Management Company warrants that the text of the Deed of Incorporation will not contradict that of the Prospectus and that the Deed of Incorporation will coincide with the draft deed that has been submitted to the CNMV as a result of the registration of this Prospectus.

In case of any discrepancy or inconsistency between this Prospectus and the Deed of Incorporation, the Prospectus shall prevail.

4.4.2 Period of activity of the Fund.

It is expected that the Fund will do business from the Date of Incorporation until the Legal Maturity Date, i.e., until 18 April 2031 or, if such date is not a Business Day, the following Business Day, without prejudice to the provisions of sections 4.4.3 and 4.4.4 below.

4.4.3 Early liquidation of the Fund.

4.4.3.1. Mandatory liquidation

The Management Company shall carry out an Early Liquidation of the Fund and thereupon an Early Redemption for the whole (but not part) of the Notes upon the terms set forth below, in any of the following instances:

1. If as stated in Article 33 of Law 5/2015, four (4) months have elapsed since the occurrence of an event giving rise to the mandatory replacement of the Management Company due to a declaration of insolvency thereof, or in the event of revocation of the authorisation thereof, in either case without a new management company having been found that is prepared to take over management of the Fund and that is appointed pursuant to section 3.7.2 of the Additional Building Block; or
2. If the Meeting of Creditors approves the Early Liquidation with the relevant majority.

For the avoidance of doubt, under no circumstances, will the Seller have an obligation to repurchase any of the Receivables in any of the above events.

“Receivables” means at any time the receivables assigned to the Fund and which represent 95% of any and all of the receivables (including both Initial Receivables and Additional Receivables) arising from the Loans .

In order for the Management Company to carry out any Early Liquidation of the Fund and therefore the Early Redemption of the Notes in those cases described in paragraphs (1) and (2) above, the Management Company shall sell the Receivables. For such purpose, the Management Company shall request legally binding bids from at least five (5) entities at its sole discretion among those active in the purchase and sale of similar assets.

The Seller shall have a pre-emptive right to acquire such Receivables on the terms established by the Management Company at the time of the liquidation, such that it will have priority over third parties in acquiring the Receivables. In order to exercise the pre-emptive right, the Seller will have the term of five (5) Business Days from the date on which the Management Company gives notice thereto of the relevant terms (price, form of payment, etc.) on which the disposal of the Receivables will occur. The offer of the Seller must at least equal the best of the bids made by third parties and be completed within fifteen (15) days of acceptance by the Management Company.

Unless the Seller exercises its pre-emptive right, the Management Company shall accept the best bid received for the Receivables, which, in its judgment, reflects the market value thereof. The Management Company may obtain any appraisal report it deems necessary from third-party entities in order to set the market value. In such instance, the Seller will also enjoy the aforementioned pre-emptive right, provided that its offer at least equals the best of those made by third parties.

The Management Company shall be entitled to sell the Receivables even if the Noteholders suffer a loss.

Under no circumstances will the Seller's pre-emptive rights entail an undertaking or impose an obligation to repurchase the Receivables on the part of the Seller.

Notice of the liquidation of the Fund will be provided to the CNMV by publishing the appropriate material event (*hecho relevante*) and thereafter to the Noteholders in the manner established in section 4 of the Additional Building Block, at least thirty (30) Business Days in advance of the date on which the Early Redemption is to take place.

4.4.3.2. At the Seller's initiative

Furthermore, the Seller will have the option (but not the obligation) to repurchase at its own discretion all outstanding Receivables and hence instruct the Management Company to carry out an Early Liquidation and an Early Redemption of the Notes in whole (but not in part) in any of the following instances:

1. At any time, if the aggregate Outstanding Balance of the Receivables less non-principal collections applied to reduce principal balance, falls below 10% of the aggregate Outstanding Balance thereof on the Date of Incorporation (the right to repurchase the Receivables under these circumstances, the "**Clean-up Call Option**");
"Non-principal collections applied to reduce principal balance" means any collections arising from the Loans other than principal repayments of the Loans, i.e, collections from interest and any return on the Cash Flow Account and Principal Account, used to cover any negative deficiency on each Payment Date between (1) principal collections and (ii) the amount of the Notes to be redeemed on such Payment Date.
2. On any Payment Date falling on or after the eighth (8th) Payment Date after the Revolving Period has ended (the right to repurchase the Receivables under these circumstances, the "**Time Call Option**");
3. If a Regulatory Change Event occurs (the right to repurchase the Receivables under these circumstances, the "**Regulatory Change Call Option**"); and
4. If a Tax Change Event occurs (the right to repurchase the Receivables under these circumstances, the "**Tax Change Call Option**");

For the purposes of this Section:

"**Repurchase Value**", means at any time (i) in respect of any Receivable other than a Delinquent Receivable or a Defaulted Receivable, Par Value, and (ii) in respect of a Delinquent Receivable or a Defaulted Receivable, Par Value less any Seller's provisions allocated with respect to such Receivable matching its book value on the Seller's balance sheet at such time.

In order for the Seller to exercise any of the options mentioned in paragraphs 1) to 4) above (jointly, the "**Seller's Call Options**" and each of them, a "**Seller's Call Option**"), the Seller and the Management Company, as applicable, shall take the following actions:

- i. The Seller shall calculate the Repurchase Value;
- ii. Provided that the Repurchase Value together with the rest of Available Funds are sufficient to repay all Classes of Noteholders at par together with all accrued but unpaid interest thereon taking into account the Liquidation Priority of Payments contemplated in section 3.4.6 d) of the Additional Building Block, the Seller shall provide written notice to the

Issuer (the “**Seller’s Notice**”) of its intention to exercise the relevant Seller’s Call Option at least 40 Business Days prior to the date designated by the Seller to exercise the relevant Seller’s Call Option (the “**Early Redemption Date**”); and

- iii. The Management Company shall then inform the Noteholders by publishing the appropriate material event (hecho relevante) with CNMV (the “**Early Redemption Notice**”) at least thirty (30) Business Days in advance of the Early Redemption Date, specifying the Repurchase Value.

If the Repurchase Value together with the rest of Available Funds taking into account the Liquidation Priority of Payments contemplated in section 3.4.6 d) of the Additional Building Block are not sufficient to redeem all Classes and any Classes of Noteholders may suffer a loss, the Seller shall not be able to exercise any of the Seller’s Call Options.

4.4.4 Cancellation of the Fund.

Cancellation of the Fund shall take place:

- (i) upon full repayment of the Receivables pooled therein;
- (ii) upon full repayment of all the obligations of the Fund towards its creditors;
- (iii) as a consequence of the completion of the Early Liquidation process established in section 4.4.3 above;
- (iv) upon reaching the Legal Maturity Date; and
- (v) if the provisional ratings of the Notes are not confirmed as final prior to the Disbursement Date.

Upon the occurrence of any of the situations described above, the Management Company shall inform the CNMV and the Rating Agencies as established in section 4 of the Additional Building Block, and shall commence the pertinent steps for cancellation of the Fund.

4.4.5 Actions for the liquidation and cancellation of the Fund.

In addition, in those scenarios described in sections 4.4.3 and 4.4.4 (i) to (iv) above, the Management Company shall take the following actions:

- Cancel those contracts not necessary for liquidation of the Fund.
- Apply all amounts obtained from the disposal of the Receivables and any other assets of the Fund, if any, towards payment of the various obligations, in the form, amount and order of priority established in the Liquidation Priority of Payments described in section 3.4.6 d) of the Additional Building Block.

The Early Redemption of all the Notes pursuant to section 4.4.3 above will be carried out for all outstanding amounts of the Notes on the date in question, plus accrued and unpaid interest from the last Payment Date to the date of Early Redemption provided there are enough Available Funds, less any tax withholdings and free of expenses for the holder. All such amounts will, for all legal purposes, be deemed liquid, due and payable on the Early Redemption date.

- Once the Fund has been liquidated and all scheduled payments have been made pursuant to the Liquidation Priority of Payments contemplated in section 3.4.6 d) of the Additional Building Block, if there is any remainder or any judicial or notary proceedings pending settlement as a result of non-payment by any Obligor (all in accordance with the provisions of section 3.4.5 b) of the Additional Building Block), such remainder as well as the continuation and/or proceeds from such proceedings will be for the benefit of Santander.
- In any case, the Management Company, acting on behalf of the Fund, shall not cancel the Fund until it has liquidated the Receivables and any other remaining Fund assets and distributed the Fund's liquid assets, following the Liquidation Priority of Payments provided for in section 3.4.6 d) of the Additional Building Block.
- Upon the passage of six (6) months from the liquidation of the Receivables and any other remaining assets of the Fund and the distribution of the Available Funds, and always prior to the Legal Maturity Date, the Management Company will execute a statement before a notary public to the following effect: (a) termination of the Fund as well as the grounds contemplated in this Registration Document giving rise to such termination, (b) the means for notifying the Noteholders and the CNMV, and (c) the terms of distribution of the Available Funds from the Fund following the Liquidation Priority of Payments provided for in section 3.4.6 d) of the Additional Building Block. In addition, the Fund will comply with any such further administrative steps as may be applicable at that time. The Management Company will send such notarised statement to the CNMV.

Upon the occurrence of the grounds for termination set forth in section 4.4.4(v) above prior to the Disbursement Date (i.e., if the provisional ratings for the Notes have not been confirmed as final prior to the Disbursement Date), the Fund as well as the issuance of the Notes and the contracts executed by the Management Company on behalf of the Fund shall be terminated, except for the Start-up Expenses Loan Agreement, out of which the incorporation and issue expenses incurred by the Fund shall be paid. In the event of termination of the incorporation of the Fund, and thus the assignment of the Receivables, (i) the obligation of the Fund to pay the price for the acquisition of the Receivables will be extinguished, and (ii) the Management Company will be obliged to reimburse Santander as regards any rights that may have accrued to the Fund due to the assignment of the Receivables. Such termination shall be immediately reported to the CNMV, and upon the expiry of one (1) month from the occurrence of the grounds for termination, the Management Company will execute before a notary public a statement that it will send to the CNMV, Iberclear, AIAF and the Rating Agencies, declaring the termination of the Fund and the grounds therefor.

4.5 Domicile and legal form of the Issuer; law applicable thereto.

a) Domicile of the Fund.

The Fund has no registered address as it has no legal status. The address of the Fund for all purposes will be considered to be that of the Management Company, which is the following:

SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A.

Gran Vía de Hortaleza, 3

28033 Madrid

b) Legal status of the Fund.

According to Article 20 of Law 5/2015, the Fund will constitute a separate set of assets and liabilities, lacking legal status, with open-end assets and closed-end liabilities, and the Management Company will be responsible for the incorporation, management and legal representation of the Fund, and in its capacity as manager of a third party's transactions, it will represent and defend the interests of the Noteholders and the financiers of the Fund.

In addition, the Issuer is not required to register, and will not be registered as a result of the offer and sale of the Notes, as an "investment company" as such term is defined in the U.S Investment Company Act of 1940, as amended (the "**Investment Company Act**") under the Investment Company Act. The Issuer is not now, and will not be immediately following the issuance of the Notes, a "covered fund" for purposes of Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or the final regulations issued on 10 December 2013 by the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Commodities Futures Trading Commission and the Securities Exchange Commission (commonly referred to as the Volcker Rule). In reaching this conclusion, the Management Company has relied on the exemption from registration set forth in the Investment Company Act and the exclusions under the Volcker Rule.

For the avoidance of doubt, neither the Joint Arrangers nor the Joint Lead Managers make any representation on the Issuer's qualification under the Investment Company Act and the Volcker Rule.

c) Applicable law and country of incorporation.

The Fund will be incorporated and the Notes issued in accordance with the laws of Spain, and specifically in accordance with the legal rules set forth in (i) Law 5/2015 and implementing provisions; (ii) Royal Decree-Law 4/2015 of 23 October approving the consolidated text of the Securities Market Act; (iii) Royal Decree 116/1992 of 14 February on the representation of book-entry securities and the clearing and settlement of stock market transactions; (iv) Royal Decree 878/2015 of 2 October on the clearing, settlement and registration of negotiable securities represented by book entries; (v) Royal Decree 1310/2005; (vi) Order of the Ministry of Economy and Finance 3537/2005; and (vii) other legal and regulatory provisions in force and applicable from time to time.

This Prospectus has been prepared following the forms established in Regulation 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EC) No 486/2012 of 30 March 2012 and Commission Delegated Regulation (EC) No 862/2012 of 4 June 2012.

d) Tax rules applicable to the Fund.

The tax rules applicable to the securitisation funds are contained in (i) Article 7.1.h) of Law 27/2014 of 27 November on Corporate Income Tax (“**Law 27/2014**”); (ii) Article 61 k) of the Corporate Income Tax Regulation, as enacted by Royal Decree 634/2015 of 10 July; (iii) Article 20.One.18 of Law 37/1992 of 28 December on Value Added Tax, as amended by Law 28/2014 of 27 November; and (iv) Articles 45.I.B).15 and 20.4 of the Restated Text of the Transfer Tax and Stamp Duty Act approved by Royal Legislative Decree 1/1993 of 24 September. In sum, these legal provisions define the following fundamental principles:

- (i) The Fund is exempt from the concept of “Corporate Transactions” (Article 45.I.B.20.4 of the Restated Text of the Transfer Tax and Stamp Duty Act).
- (ii) The Fund is subject to the general provisions of Law 27/2014. Taxable income is calculated in accordance with the provisions of Section IV of Law 27/2014, and is subject to common rules regarding tax credit, set-off of losses and other substantial constituent elements of the tax. The general rate in effect for tax periods beginning from 2016 onward is 25%.

In this regard, Rule 13 of Circular 2/2016 of the CNMV sets forth the standards pursuant to which securitisation funds must adjust valuations due to impairment of the value of the financial assets. Article 13.1 of Law 27/2014, applicable to tax periods beginning from 1 January 2015 onward, states that the Corporate Income Tax Regulation (Chapter III, Title I of Royal Decree 634/2015) will apply to those circumstances determining the deductibility of value adjustments made on account of losses in the value of debt securities valued at amortised cost and included in mortgage-backed securities funds and asset-backed securities funds.

Pursuant to Article 16.6 of Law 27/2014, in force since January 2015, the limitation on the tax deductibility of financial expenses will not apply to the Fund.

- (iii) The returns on the Receivables that constitute income of the Fund will not be subject to any withholding tax, according to article 61 k) of the Corporate Income Tax Regulation
- (iv) The management services rendered by the Manager to the Fund will be exempt from Value Added Tax.
- (v) The issuance, subscription, transfer, redemption and repayment of the Notes, depending on whether the investor is a corporation for the purposes of Value Added Tax, will either be “not subject to” or “exempt from”, as applicable, Value Added Tax (Article 20.1.18 of the Value Added Tax Act) and Transfer Tax/Stamp Duty (Article 45.I.B.15 of the Restated Text of the Transfer Tax and Stamp Duty Act).
- (vi) The transfer of the Receivables will be subject to but exempt from VAT and not subject to Stamp Duty provided the requirements set out in article 31.2 of the Transfer Tax and Stamp Duty Act are not met.
- (vii) The Fund will apply the reporting duties established by Additional Provision One of Credit Institution Arrangement, Supervision and Solvency Act 10/2014, June 26. Thus, the Fund must comply with general reporting obligations, as well as those stipulated in Articles 42, 43 and 44 of Royal Decree 1065/2007 of 27 July approving the

General Regulations on tax management and inspection procedures, and on the development of common rules for taxation procedures.

4.6 Description of the amount of the Fund's authorised and issued capital.

Not applicable.

5. BUSINESS OVERVIEW

5.1 Brief description of the Issuer's principal activities.

The Issuer is a securitisation fund and, as such, its main activity consists of acquiring from Santander the Receivables derived from Loans and the issuance of Notes.

The earnings from interest and repayments of the Loans received by the Fund are allocated quarterly, on each Payment Date, to the payment of interest and repayment of the principal of the Notes in accordance with the Priority of Payments set forth in section 3.4.6 b) of the Additional Building Block.

In addition, the Fund, represented by the Management Company, will agree to a number of financial transactions and the provision of services in order to strengthen the financial structure of the Fund, to increase the security and regularity of the payment of the Notes, to cover the temporary mismatches in the schedule for flows of principal and interest on the Receivables and on the Notes or, in general, enable the financial transformation which takes place in the Fund between the financial characteristics of the Loans and the financial characteristics of the Notes.

5.2 Global overview of the parties to the securitisation program.

a) **SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A.** participates as Management Company of the Fund, as coordinating entity of the Rating Agencies and of the relationship with the supervisory authorities and market operators and as legal and financial advisor in respect of the structure of the transaction.

SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. is a Securitisation Fund Management Company, with a registered office at Gran Vía de Hortaleza, 3, 28033 Madrid and Tax Identification Code no. A-80481419; a brief description of the company is included in section 6 of the Registration Document and in section 3.7.2 of the Additional Building Block.

It is registered with the Commercial Register of Madrid, at Volume 4,789, Sheet 75, Page M-78658, Entry 1. It is also registered in the Special Registry of the CNMV, with number 1.

The Management Company has not been assigned a rating by any rating agency.

b) **BANCO SANTANDER, S.A. ("Santander")**, participates as the Seller of the Loans, Joint Arranger under the Management, Placement and Subscription Agreement, Joint Lead Manager under the Management, Placement and Subscription Agreement, Paying Agent, the Fund's counterparty to the Guaranteed Reinvestment Agreement for the Cash Flow Account and Principal Account, counterparty of the Fund in the Start-up Expenses Loan Agreement and as the entity who will subscribe all Class A, Class B and Class C Notes as well as Class D, Class E and Class F Notes not subscribed by the Noteholders.

In its capacity as Joint Arranger, it performs the following duties, upon the terms set forth in Article 35.1 of Royal Decree 1310/2005:

- To receive the mandate of the Management Company in order to direct operations concerning the design of the temporary and commercial

financial conditions of the issue, as well as the coordination with subscribers.

and in its capacity as Joint Lead Manager, Santander has undertaken to use their best efforts to procure subscription and purchase in respect of Class D, Class E and Class F Notes during the Subscription Period.

BANCO SANTANDER, S.A. is a Spanish credit institution with a registered office in Santander, at Paseo de Pereda 9-12, 39004 and whose operating headquarters are in Ciudad Grupo Santander, at Avenida de Cantabria sin número, 28660 Boadilla del Monte (Madrid), Tax Identification Code A-39000013 and National Economic Activity Code (C.N.A.E.) number 651.

The ratings of the unsubordinated and unsecured short- and long-term debt of Banco Santander, S.A., as assigned by the rating agencies, are the following:

- Fitch Ratings España, S.A.U.: A- (long-term) and F2 (short-term) (affirmed on July 2016) with a stable outlook.
- Standard & Poor's Credit Markets Services Europe Limited, Sucursal en España: A- (long-term) and A-2 (short-term) (confirmed in December 2015) with a stable outlook.
- Moody's Investors Service Limited: A3 (long-term) (confirmed in February 2016) and P-2 (short-term) (confirmed in August 2016) with a stable outlook.
- DBRS Rating Limited: A (long-term) and R-1 (Low) (short-term) confirmed in October 2016 with a stable outlook.
- Scope Ratings AG: A+ (long-term) and S-1 (short-term) (confirmed in May 2016) with a stable outlook.

- c) **CREDIT AGRICOLE CORPORATE & INVESTMENT BANK ("CACIB")** participates as Joint Arranger under the Management, Placement and Subscription Agreement as well as Joint Lead Manager under the Management, Placement and Subscription Agreement.

In its capacity as Joint Arranger and Joint Lead Manager, it performs the same duties as Santander acting in the same capacities described in section b) above.

CACIB is a French credit entity, which has its business address at: 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France.

The ratings of the unsubordinated and unsecured short- and long-term debt of CACIB, as assigned by the rating agencies, are the following:

- Fitch Ratings Limited: A (long-term) and F-1 (short-term) positive outlook (affirmed on 7 June 2016).
- Standard & Poor's Credit Market Services Europe Limited: A (long-term) and A-1 (short-term) stable outlook (affirmed on 2 December 2015).
- Moody's Investors Service Limited: A1 (long-term) and Prime-1 (short-term) stable outlook (affirmed on 19 July 2016).

- d) **DBRS RATINGS LIMITED ("DBRS")** participates as a credit rating agency rating the Notes.

DBRS is a credit rating agency with a registered office at 20 Fenchurch Street, 31st Floor, London EC3M 3BY, United Kingdom.

- e) **MOODY`S INVESTORS SERVICE LIMITED (“Moody`s”)** participates as a credit rating agency rating the Notes.

Moody`s is a credit rating agency, with a registered office at One Canada Square, Canary Wharf, London, E14 5FA, United Kingdom.

The above rating agencies were registered and authorised by the European Securities & Markets Authority (“**ESMA**”) on 31 October 2011 as credit rating agencies in the European Union pursuant to the terms of Regulation (EC) no 1060/2009 of the European Parliament and of the Council of 16 September 2009 on Credit Rating Agencies.

- f) **CUATRECASAS GONÇALVES PEREIRA, S.L.P.** participates as the legal advisor on the structure of the operation and has reviewed the legal regime and tax rules applicable to the Fund as set forth in section 4.5.d) of the Registration Document.

CUATRECASAS GONÇALVES PEREIRA, S.L.P. is a limited liability company organised in Spain, with Tax Identification Code Number B-59942110, registered office at Paseo de Gracia, 111, 08008 Barcelona, registered with the Commercial Registry of Barcelona, at Volume 37673, Folio 30, Section 8, Page 23850.

- g) **PRICEWATERHOUSECOOPERS AUDITORS, S.L.** participates as auditor of the Fund.

PRICEWATERHOUSECOOPERS AUDITORS, S.L. is an audit firm with a registered office in Madrid, at Paseo de la Castellana 259 B, holder of Tax Identification Code Number B-79031290, and registered with the Official Registry of Certified Public Accountants (*Registro Oficial de Auditores de Cuentas; R.O.A.C.*) under number S0242.

- h) **DELOITTE, S.L.** participates as independent company of the assignable portfolio of the Fund for the purposes of complying with the provisions of Law 5/2015.

Deloitte, S.L. is a firm with a registered office in Madrid, at Torre Picasso, Plaza Pablo Ruiz Picasso, 1, holder of Tax Identification Code Number B-79104469.

For purposes of Article 5 of the Restated Text of the Securities Market Act, approved by Royal Decree-Law 4/2015, SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. is part of the SANTANDER GROUP, being the holding company Banco Santander, S.A.

There is no knowledge of any direct or indirect relationship of ownership or control as concerns the legal persons participating in the securitisation other than those mentioned in this section.

6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE MANAGEMENT COMPANY

6.1 Corporate bodies of the Management Company.

Pursuant to the provisions of Law 5/2015, securitisation funds are not separate legal entities, and securitisation fund management companies are entrusted with the incorporation, management and legal representation of these funds, as well as the representation and defence of the interests of the holders of the securities issued on the basis of the funds they administer and of the financiers thereof.

By virtue of the foregoing, this section presents information regarding SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. in its capacity as Management Company creating, administering and representing FONDO DE TITULIZACIÓN, SANTANDER CONSUMO 2.

a) Name and registered office.

- Registered name: SANTANDER DE TITULIZACIÓN, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, S.A.
- Registered office: Gran Vía de Hortaleza, 3, 28033 Madrid.
- Tax Identification Code: A-80481419
- National Economic Activity Code (C.N.A.E.): No. 8199

b) Incorporation and registration with the Commercial Registry, as well as information relating to governmental authorisations and registration with the CNMV.

SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A., was organised by means of a public instrument authorised on 21 December 1992, before the Notary of Madrid, Mr Francisco Mata Pallarés, and recorded in his notarial book of records under number 1,310, with the prior authorisation of the Ministry of Economy and Treasury provided on 1 December 1992. It is registered with the Commercial Registry of Madrid in Volume 4789, Sheet 75, Page M-78658, Entry 1. It is also registered in the Special Registry of the CNMV, under number 1.

In addition, the Management Company amended its Bylaws by resolution of its Board of Directors adopted on 15 June 1998, executed in a public document authorised by the Notary of Madrid, Mr Roberto Parejo Gamir, on 20 July 1998, and recorded in his notarial book of records under number 3,070, in order to adapt to the requirements established for Asset Securitisation Fund Management Companies by Royal Decree 926/1998. This amendment was approved by the Ministry of Economy and Treasury on 16 July 1998 pursuant to the provisions of the Single Transitory Provision of the aforementioned Royal Decree 926/1998.

The Management Company has changed its corporate name various times and is currently "SANTANDER DE TITULIZACIÓN, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, S.A.", by virtue of a public document authorised by the Notary of Madrid, Mr José María Mateos Delgado, on 8 March 2004 and recorded in his notarial book of records under number 622. It is registered with the Commercial Registry of Madrid in Volume 4789, Sheet 93, Page M-78658, Entry 30.

The Management Company changed its registered address to its current one by virtue of a public document authorised by the Notary of Madrid, Mr José María Mateos Delgado, on 27 January 2016 and recorded in his notarial book of records under number 246.

The Management Company amended its Bylaws to assume the management and representation of Banking Assets Funds by means of a public document authorised by the Notary of Madrid, Mr Jose Maria Mateos Delgado, on 20 December 2013 and recorded in his notarial book of records under number 4.789.

The duration of the Management Company is indefinite, in the absence of grounds for the dissolution thereof under law or the Bylaws.

Lastly, on 23 June 2016 the Management Company amended its bylaws pursuant to a capital increase of its share capital up to 1.000.050 € authorized by the General Meeting, complying with the new requirements of Article 29.1.d) of Law 5/2015.

c) Brief description of the Management Company's principal activities.

As required by law, Article 2 of the Management Company's Bylaws states that: *"the company shall have as its exclusive purpose the organisation, management and legal representation of (i) Mortgage Securitisation Funds upon the terms of Article 6 of Law 19/1992, of 7 July, on the Rules for Real Estate Investment Companies and Funds and on Mortgage Securitisation Funds; (ii) Asset Securitisation Funds, in accordance with the provisions of Article 12, point 1, of Royal Decree 926/1998 of 14 May, regulating Asset Securitisation Funds and Securitisation Fund Management Companies; and (iii) Banking Assets Funds (FAB) in accordance with the terms of Chapter IV of Royal Decree 1559/2012 of 15 November setting the legal framework for Asset Management Companies. As a manager of third party businesses, it is responsible for the representation and defence of the interests of the holders of the securities issued based on the Funds it administers and the financiers, as well as the performance of to the other duties vested in Securitisation Fund management companies by the laws applicable to securitisation funds and banking assets funds."*

On 27 March 2014, the Executive Committee of the CNMV approved the amendment of Article 2 of the bylaws of Santander de Titulización S.G.F.T. S.A. for the purpose of ratifying its authorisation to undertake the management and representation of Banking Assets Funds, as currently established by such article. This amendment to the bylaws was approved by the shareholders at the shareholders' meeting of 13 December 2013. The shareholders' resolution was filed in the corresponding Commercial Register, and registration was carried out by the corresponding Registrar on 2 June 2014 at Volume 4,789, Page 116, Section 8, Sheet M-78658, Entry 58.

The total assets managed by the Management Company as of 31 October 2016 are as follows:

ASSET BACKED SECURITIES						
FUNDS	SERIES	PRINCIPAL OUT STANDING PER SERIES	NOMINAL INTEREST	RATING AGENCY	DATE OF CONSTITUTION	COLLATERAL PRINCIPAL INITIAL
FTA UCI 7	Serie A	35,927,743.66 €	Euribor 3M + 0.250%	S&P / Moody's	25/10/2001	456,000,000.00 €
	Serie B	3,412,600.50 €	Euribor 3M + 0.700%			
Total		39,340,244.06 €				
FTA UCI 8	Serie A	54,836,268.53 €	Euribor 3M + 0.220%	S&P / Moody's	24/09/2002	600,000,000.00 €
	Serie B	4,499,999.46 €	Euribor 3M + 0.600%			
Total		59,336,267.99 €				
FTA UCI 9	Serie A	151,485,008.37 €	Euribor 3M + 0.265%	S&P / Moody's	16/08/2003	1,250,000,000.00 €
	Serie B	11,233,349.25 €	Euribor 3M + 0.65 %			
	Serie C	2,477,944.34 €	Euribor 3M + 1.20 %			
Total		165,196,301.96 €				
FTA SANTANDER HIPOTECARIO 1	Serie A	237,588,628.32 €	Euribor 3M + 0.18%	S&P / Moody's	11/09/2004	1,875,000,000.00 €
	Serie B	53,400,000.00 €	Euribor 3M + 0.30%			
	Serie C	46,900,000.00 €	Euribor 3M + 0.50%			
	Serie D	56,300,000.00 €	Euribor 3M + 0.95%			
Total		394,188,628.32 €				
FTA FTPYME SANTANDER 2	Serie A	0.00 €	Euribor 3M + 0.20%	S&P	21/10/2004	1,850,000,000.00 €
	Serie B	0.00 €	Euribor 3M + 0.00%			
	Serie C	40,551,702.30 €	Euribor 3M + 0.30%			
	Serie D	58,500,000.00 €	Euribor 3M + 0.70%			
	Serie E	58,500,000.00 €	Euribor 3M + 1.50%			
Total		157,551,702.30 €				
FTA UCI 11	Serie A	164,368,848.01 €	Euribor 3M + 0.14%	S&P	17/11/2004	850,000,000.00 €
	Serie B	6,000,000.00 €	Euribor 3M + 0.33%			
	Serie C	22,900,000.00 €	Euribor 3M + 0.75%			
Total		193,268,848.01 €				
FTA SANTANDER EMPRESAS 1	Serie A1	0.00 €	Euribor 3M + 0.02%	S&P / Fitch	27/10/2005	3,100,000,000.00 €
	Serie A2	0.00 €	Euribor 3M + 0.12%			
	Serie B	0.00 €	Euribor 3M + 0.21%			
	Serie C	0.00 €	Euribor 3M + 0.29%			
Total		140,510,192.35 €				
FTA UCI 14	Serie A	393,282,173.25 €	Euribor 3M + 0.15%	S&P / Fitch	30/11/2005	1,350,000,000.00 €
	Serie B	34,100,000.00 €	Euribor 3M + 0.29%			
	Serie C	38,400,000.00 €	Euribor 3M + 0.58%			
Total		465,782,173.25 €				
FTA UCI 15	Serie A	469,312,824.02 €	Euribor 3M + 0.14%	S&P / Fitch	28/04/2008	1,430,000,010.22 €
	Serie B	32,900,000.00 €	Euribor 3M + 0.27%			
	Serie C	56,500,000.00 €	Euribor 3M + 0.53%			
	Serie D	21,600,000.00 €	Euribor 3M + 0.58%			
Total		580,312,824.02 €				
FTA SANTANDER HIPOTECARIO 2	Serie A	493,659,460.35 €	Euribor 3M + 0.15%	S&P / Moody's	30/09/2008	1,955,000,000.00 €
	Serie B	51,800,000.00 €	Euribor 3M + 0.20%			
	Serie C	32,300,000.00 €	Euribor 3M + 0.30%			
	Serie D	49,800,000.00 €	Euribor 3M + 0.55%			
	Serie E	19,600,000.00 €	Euribor 3M + 2.10%			
	Serie F	17,600,000.00 €	Euribor 3M + 1.00%			
Total		664,759,460.35 €				
FTA UCI 16	Serie A1	0.00 €	Euribor 3M + 0.06%	S&P / Fitch	18/10/2008	1,800,000,000.00 €
	Serie A2	665,678,313.96 €	Euribor 3M + 0.15%			
	Serie B	72,000,000.00 €	Euribor 3M + 0.30%			
	Serie C	41,400,000.00 €	Euribor 3M + 0.55%			
	Serie D	9,000,000.00 €	Euribor 3M + 2.25%			
	Serie E	19,800,000.00 €	Euribor 3M + 2.30%			
Total		807,878,313.96 €				
FTA PYMES BANESTO 2	Serie A1	0.00 €	Euribor 3M + 0.13%	S&P / Moody's Fitch	17/11/2008	1,000,000,000.00 €
	Serie A2	22,111,273.11 €	Euribor 3M + 0.16%			
	Serie B	24,300,000.00 €	Euribor 3M + 0.27%			
	Serie C	34,000,000.00 €	Euribor 3M + 0.54%			
Total		80,411,273.11 €				
FTA SANTANDER FINANCIACION 1	Serie A	0.00 €	Euribor 3M + 0.15%	S&P / Moody's	14/12/2008	1,900,000,000.00 €
	Serie B	0.00 €	Euribor 3M + 0.20%			
	Serie C	0.00 €	Euribor 3M + 0.30%			
	Serie D	30,227,038.25 €	Euribor 3M + 0.55%			
	Serie E	26,600,000.00 €	Euribor 3M + 2.10%			
	Serie F	14,300,000.00 €	Euribor 3M + 1.00%			
Total		71,127,038.25 €				
FTA SANTANDER EMPRESAS 2	Serie A1	0.00 €	Euribor 3M + 0.05%	Fitch/ Moody's	14/12/2008	2,900,000,000.00 €
	Serie A2	0.00 €	Euribor 3M + 0.16%			
	Serie B	0.00 €	Euribor 3M + 0.22%			
	Serie C	9,057,921.60 €	Euribor 3M + 0.32%			
	Serie D	59,500,000.00 €	Euribor 3M + 0.55%			
	Serie E	29,000,000.00 €	Euribor 3M + 2.10%			
Total		151,257,921.60 €				
FTA SANTANDER HIPOTECARIO 3	Serie A1	188,436,363.67 €	Euribor 3M + 0.06%	Fitch/ Moody's	04/04/2007	2,800,000,000.00 €
	Serie A2	672,391,720.00 €	Euribor 3M + 0.14%			
	Serie A3	183,379,560.00 €	Euribor 3M + 0.20%			
	Serie B	79,200,000.00 €	Euribor 3M + 0.22%			
	Serie C	47,500,000.00 €	Euribor 3M + 0.30%			
	Serie D	72,000,000.00 €	Euribor 3M + 0.55%			
	Serie E	28,000,000.00 €	Euribor 3M + 2.10%			
	Serie F	22,400,000.00 €	Euribor 3M + 0.50%			
Total		1,293,307,643.67 €				
FTA UCI 17	Serie A1	0.00 €	Euribor 3M + 0.10%	S&P / Fitch	07/05/2007	1,415,400,000.00 €
	Serie A2	607,332,841.40 €	Euribor 3M + 0.18%			
	Serie B	72,800,000.00 €	Euribor 3M + 0.35%			
	Serie C	28,000,000.00 €	Euribor 3M + 0.60%			
Total		15,400,000.00 €				
FTA SANTANDER EMPRESAS 3	Serie A1	0.00 €	Euribor 3M + 0.08%	S&P / Moody's Fitch	28/05/2007	3,500,000,000.00 €
	Serie A2	1,802,940.00 €	Euribor 3M + 0.17%			
	Serie A3	768,624.75 €	Euribor 3M + 0.25%			
	Serie B	39,700,000.00 €	Euribor 3M + 0.28%			
	Serie C	117,300,000.00 €	Euribor 3M + 0.32%			
	Serie D	70,000,000.00 €	Euribor 3M + 0.65%			
Serie E	45,500,000.00 €	Euribor 3M + 2.30%				
Total		45,500,000.00 €				
Total		320,670,964.75 €				

FUNDS	SERIES	PRINCIPAL OUT STANDING PER SERIES	NOMINAL INTEREST	RATING AGENCY	DATE OF CONSTITUTION	COLLATERAL PRINCIPAL INITIAL
FTA PITCH	Serie 1	1,200,000,000.00 €	5.1353%	S&P / Moody's	17/07/2007	1,200,000,000.00 €
Total		1,200,000,000.00 €				
FTA UCI 18	Serie A	718,926,814.20 €	Euribor 3M + 0.32%	S&P	27/02/2008	1,700,000,000.00 €
	Serie B	38,300,000.00 €	Euribor 3M + 0.60%			
	Serie C	21,200,000.00 €	Euribor 3M + 1.20%			
	Serie D	22,384,885.60 €	Euribor 3M + 2.20%			
Total		800,811,499.80 €				
FTA SANTANDER 2	Paganés	980,000,000.00 €		S&P Fitch	27/11/2008	3,000,000,000.00 €
FTA SANTANDER HIPOTECARIO 7	Serie A	821,448,720.00 €	Euribor 3M + 0.65%	Moody's	22/07/2011	2,096,100,000.00 €
	Serie B	360,000,000.00 €	Euribor 3M + 1.30%	DBRS		
	Serie C	63,600,000.00 €	Euribor 3M + 0.65%			
Total		1,245,048,720.00 €				
FTA SANTANDER HIPOTECARIO 8	Serie A	362,696,480.00 €	Euribor 3M + 0.65%	Moody's	15/12/2011	800,000,000.00 €
	Serie B	160,000,000.00 €	Euribor 3M + 1.00%	DBRS		
	Serie C	28,100,000.00 €	Euribor 3M + 0.65%+Parte extra			
Total		550,696,480.00 €				
SANTANDER CONSUMER SPAIN AUTO 12-1	Serie A	22,799,890.00 €	Tipo Fijo 3,00%	Moody's Fitch	20/11/2012	500,000,000.00 €
Total		22,799,890.00 €				
F.T.A. SANTANDER HIPOTECARIO 9	Serie A	356,730,620.22 €	Euribor 3M + 0.30%	Moody's	25/06/2013	767,000,000.00 €
	Serie B	177,800,000.00 €	Euribor 3M + 0.40%	DBRS		
	Serie C	28,600,000.00 €	Euribor 3M + 0.50%+Parte extra			
Total		563,130,620.22 €				
SANTANDER CONSUMER SPAIN AUTO 13-1	Serie A	118,316,974.80 €	Tipo Fijo 3,00%	Moody's Fitch	16/10/2013	500,000,000.00 €
Total		118,316,974.80 €				
F.T.A. PYMES SANTANDER 6	Serie A	18,609,926.52 €	Euribor 3M + 1.50%	S&P	19/11/2013	340,000,000.00 €
	Serie B	105,400,000.00 €	Euribor 3M + 1.60%	DBRS		
	Serie C	68,000,000.00 €	Euribor 3M + 0.50%			
Total		192,009,926.52 €				
F.T.A. PYMES SANTANDER 9	Serie A	111,962,648.23 €	Euribor 3M + 0.75%	S&P	20/05/2014	500,000,000.00 €
	Serie B	168,300,000.00 €	Euribor 3M + 0.80%	DBRS		
Total		280,262,648.23 €				
F.T.A. RMBS SANTANDER 1	Serie A	701,134,753.10 €	Euribor 3M + 0.90%	Moody's	23/06/2014	1,495,000,000.00 €
	Serie B	359,300,000.00 €	Euribor 3M + 1.30%	DBRS		
	Serie C	59,800,000.00 €	Euribor 3M + 0.65%			
Total		1,120,234,753.10 €				
F.T.A. RMBS SANTANDER 2	Serie A	1,924,955,376.35 €	Euribor 3M + 0.30%	Moody's	14/07/2014	3,450,000,000.00 €
	Serie B	655,100,000.00 €	Euribor 3M + 0.40%	DBRS		
	Serie C	142,400,000.00 €	Euribor 3M + 0.50%			
Total		2,722,455,376.35 €				
F.T.A. RMBS SANTANDER 3	Serie A	4,112,047,971.92 €	Euribor 3M + 0.58%	Moody's	17/11/2014	7,475,000,000.00 €
	Serie B	1,568,400,000.00 €	Euribor 3M + 0.63%	DBRS		
	Serie C	313,600,000.00 €	Euribor 3M + 0.65%			
Total		5,994,047,971.92 €				
F.T.A. SCS AUTO 2014-1	Serie A	703,000,000.00 €	Tipo fijo 2,00%	Fitch	26/11/2014	798,000,000.00 €
	Serie B	27,400,000.00 €	Tipo fijo 2,50%	DBRS		
	Serie C	15,200,000.00 €	Tipo fijo 3,50%			
	Serie D	14,400,000.00 €	Tipo fijo 5,00%			
	Serie E	38,000,000.00 €	Tipo fijo 5,00%			
Total		798,000,000.00 €				
F.T.A. PYMES SANTANDER 10	Serie A	388,770,842.70 €	Euribor 3M + 0.35%	Moody's	28/11/2014	4,560,000,000.00 €
	Serie B	893,000,000.00 €	Euribor 3M + 0.60%	DBRS		
	Serie C	760,000,000.00 €	Euribor 3M + 0.65%	S&P Scope Ratings		
Total		2,041,770,842.70 €				
F.T.A. RMBS PRADO I	Serie A	296,369,402.40 €	Euribor 3M + 0.85%	Moody's	28/05/2015	450,000,000.00 €
Total		296,369,402.40 €				
F.T.A. RMBS SANTANDER 4	Serie A	2,064,326,928.00 €	Euribor 3M+0.60%	DBRS	26/06/2015	2,960,000,000.00 €
	Serie B	590,000,000.00 €	Euribor 3M+0.63%	S&P		
	Serie C	147,500,000.00 €	Euribor 3M+0.65% + Parte Extra	Scope Ratings		
Total		2,801,826,928.00 €				
F.T.A. PYMES SANTANDER 11	Serie A	219,978,678.34 €	Euribor 3M+0.25%	DBRS	19/05/2015	3,575,000,000.00 €
	Serie B	893,700,000.00 €	Euribor 3M+0.50%	Moody's		
	Serie C	178,800,000.00 €	Euribor 3M+0.65% + Parte Extra			
Total		1,292,478,678.34 €				
F.T.A. RMBS SANTANDER 5	Serie A	940,950,321.36 €	Euribor 3M+0.60%	DBRS	15/12/2015	1,338,700,000.00 €
	Serie B	261,400,000.00 €	Euribor 3M+0.63%	S&P		
	Serie C	63,700,000.00 €	Euribor 3M+0.65% + Parte Extra	Scope Ratings		
Total		1,266,050,321.36 €				
F.T.A. PYMES SANTANDER 12	Serie A	843,046,470.00 €	Euribor 3M+0.30%	DBRS	10/12/2015	2,940,000,000.00 €
	Serie B	700,000,000.00 €	Euribor 3M+0.50%	Moody's		
	Serie C	140,000,000.00 €	Euribor 3M+0.65% + Parte Extra	Scope Ratings		
Total		1,683,046,470.00 €				
F.T.A. RMBS PRADO II	Serie A	396,869,921.90 €	Euribor 3M + 0.90%	DBRS / S&P	15/03/2016	540,000,000.00 €
Total		396,869,921.90 €				
F.T.A. SCS AUTO 2016-1	Serie A	650,200,000.00 €	Tipo fijo 1,25%	DBRS	16/03/2016	765,000,000.00 €
	Serie B	30,600,000.00 €	Tipo fijo 1,65%	Moody's		
	Serie C	42,100,000.00 €	Tipo fijo 3,25%			
	Serie D	23,000,000.00 €	Tipo fijo 6,00%			
	Serie E	19,100,000.00 €	Tipo fijo 8,00%			
	Serie F	15,300,000.00 €	Tipo fijo 8,00%			
Total		780,300,000.00 €				
F.T. RMBS PRADO III	Serie A	420,000,000.00 €	Euribor 3M + 0.65%	DBRS / S&P	24/10/2016	420,000,000.00 €
Total		420,000,000.00 €				
TOTAL FTA		33,874,859,964.99 €				74,662,000,010.22 €

FONDOS DE TITULIZACION HIPOTECARIA						
FUNDS	SERIES	PRINCIPAL OUTSTANDING PER SERIES	NOMINAL INTEREST	RATING AGENCY	DATE OF CONSTITUTION	COLLATERAL PRINCIPAL INITIAL
FTH HIPOTEBANSA XI	Serie A	129,211,781.28 €	Euribor 3M + 0.24%	S&P / Moody's	28/11/2002	1,082,000,000.00 €
	Serie B	7,984,989.00 €	Euribor 3M + 0.45%			
Total		137,196,770.28 €				
FTH UCI 10	Serie A	117,703,631.50 €	Euribor 3M + 0.16%	S&P	14/05/2004	700,000,000.00 €
	Serie B	7,512,993.00 €	Euribor 3M + 0.50%			
		125,216,625.10 €				
FTH UCI 12	Serie A	235,685,774.40 €	Euribor 3M + 0.15%	S&P	30/05/2005	900,000,000.00 €
	Serie B	8,998,999.92 €	Euribor 3M + 0.27%			
	Serie C	23,800,000.04 €	Euribor 3M + 0.60%			
Total		268,365,774.36 €				
	TOTAL FTH	530,759,179.74 €				2,662,000,000.00 €
TOTAL (FTH+FTA)		34,405,619,144.73 €				77,324,000,010.22 €

d) Share Capital.

(i) Par value of subscribed and paid-up capital:

The share capital of the Management Company is one million and fifty euros (€1,000,050), represented by fifteen thousand (15,000) registered shares having a par value of sixty six and sixty seven/100 euros (€66.67) each, numbered consecutively from one (1) to fifteen thousand (15,000), both inclusive, all fully subscribed and paid up.

(ii) Share classes:

All the shares are of the same class and confer identical voting and economic rights.

In accordance with the Sixth Transitory Provision of Law 5/2015, the Management Company has complied with the new requirements of Article 29.1.d) of Law 5/2015, by decision of the General Meeting adopted on June 23 2016.

e) Administrative, management and supervisory bodies.

The Management Company is an entity registered with and supervised by CNMV.

The governance and management of the Management Company are entrusted by the Bylaws to the shareholders acting at a General Shareholders' Meeting and to the Board of Directors. Their powers of such bodies are those corresponding thereto under the provisions of the Companies Act (*Ley de Sociedades de Capital*) and Law 5/2015, as regards the corporate purpose.

(i) Directors

The Board of Directors is made up of the following persons as agreed at the Extraordinary General Meeting held on 21 January 2016:

Chairman: Mr José García Cantera

Directors: Mr Ignacio Ortega Gavara

Mr José Antonio Soler Ramos

Ms Ana Bolado Valle

Mr Adolfo Ramirez Morales

Mr Javier Antón San Pablo

Mr Jesús Fuentes Colella

Mr Pablo Roig Garcia-Bernalt

Non-Director Secretary: Mrs María José Olmedilla González

(ii) General Management

The General Manager of the Management Company is Mr Ignacio Ortega Gavara.

- **Main activities of the persons referred to in paragraph (i) above which are performed outside of the Management Company if such activities are significant in relation to the Fund**

Name	Activity performed	Relationship under which activity is performed	Company through which the activity is provided	Position or functions held or performed in relation to the Company in question	Position or functions in Banco Santander	Position or functions in Santander Consumer
José García Cantera	Banking	Employee	Santander Investment, SA	Chairman	General Director	
	Banking		Bank Zachodni WBK, SA	Member of the Supervisory Board		
	Energy		Operador del Mercado Ibérico de Energía Polo Español, SA	Board Member		
Javier Antón San Pablo	Banking	Employee	Santander Consumer Bank, S.p.A	Board Member	Director	
			Santander Consumer Bank AS	Board member		
			Santander Benelux, S.A./N.V.	Chairman		
			Santander Consumer (UK) plc.	Director		
Adolfo Ramirez Morales	Banking	Employee	Sistema 4B	Board Member	Deputy Director-General	
			Aegon Santander Vida Seguros y Reaseguros, S.A.	Board Member		
			Aegon Santander Generales Seguros y Reaseguros, S.A.	Board Member		
			Fondo Advance	Chairman		
José Antonio Soler Ramos	Financial Intermediation	Employee	Santander Perpetual, S.A.U.	Chairman	General Subdirector	
			Santander Commercial Paper, S.A.U.			
			Santander US Debt, S.A.U.			
			Santander Issuances, S.A.U.			
			Santander International Debt, S.A.U.			
			Santander Benelux, SA/nv	Board member		
Open Bank, S.A.						
Ana Bolado Valle	Banking	Employee			General Subdirector	
Jesús Fuentes Colella	Banking	Employee			Deputy Director-General	

Pablo Roig Garcia-Bernalt	Financial Intermediation	Employee	Santander Commercial Paper, S.A.U.	Board Member	Director
			Santander International Preferred, S.A.U.		
			Santander Emisora150, S.A.U.		
			Santander Finance Capital, S.A.U.		
			Santander Finance Preferred, S.A.U.		
			Santander International Debt, S.A.U.		
			Santander Issuances S.A.U.		
			Santander US Debt, S.A.U.		
			Santander Perpetual, S.A..U		

The persons mentioned in this section 6.1.e) are not the direct or indirect holders of any shares, debentures or other securities giving the holder thereof the right to acquire shares of the Management Company.

The professional address of all the persons mentioned in this section 6.1.e) is the following:

Santander Titulización, S.G.F.T., S.A.
Gran Vía de Hortaleza, 3
28033 Madrid

f) Entities from which the Management Company has borrowed more than 10%.

The Management Company has not received any loan or credit facility from any person or entity.

g) Significant litigation or disputes.

On the date of verification of this Prospectus, the Management Company is not involved in any situation of insolvency and there is no significant litigation or dispute that may affect its financial-economic situation or hereafter affect its ability to carry out the duties of management and administration of the Fund as established in this Prospectus.

h) Financial information concerning the Management Company.

The Management Company keeps its books in accordance with the General Chart of Accounts (*Plan General Contable*) approved by Royal Decree 1514/2007 of 16 November.

Information from the audited balance sheet and income statement for fiscal years 2014 and 2015 are provided below:

Audited Balance Sheet as at 31 December 2014 and 2015 (in thousands of euros) and Non-Audited Balance Sheet as of 30 September 2016 (in thousands of euros):

ASSETS	31/12/2014	31/12/2015	30/09/2016
FIXED ASSETS:			
Intangible assets	-	-	-
Tangible assets	-	-	-
Total fixed assets	-	-	-
CAPITAL ASSETS			
Long-term sureties	19	19	-
Total capital assets	19	19	-
CURRENT ASSETS			
Receivables	452	335	253
Loans to employees	25	26	28
Other receivables	427	309	225
Short-term investments	-	-	-
Taxes	-	-	-
Cash in bank and on hand	9,998	13,017	15,848
Prepayments and accrued income	1,031	761	738
Total current assets	11,481	14,113	16,839
TOTAL ASSETS	11,500	14,132	16,839

LIABILITIES	31/12/2014	31/12/2015	30/09/2016
EQUITY			
Share capital	902	902	1,000
Reserves	182	182	4,000
Trading results-Profit	1,400	1,538	640
Total equity	2,484	2,622	5,640
LONG-TERM PAYABLES			
Debts with Santander Group companies	8,344	8,897	8,899
	8,344	8,897	8,899
SHORT-TERM PAYABLES			
Taxes	636	2,364	2,133
Other payables	13	12	13
Debts with Santander Group companies	3	-	-
Prepayments and accrued expenses	20	237	154
Dividend payable	-	-	-
Total short-term payable	672	2,613	2,300
TOTAL LIABILITIES	11,500	14,132	16,839

Debts to Santander Group companies corresponds to the corporate income tax allocated by the Group to the Management Company. Therefore, it should not be considered as a bank debt.

Audited Income Statements at 31 December 2014 and 2015 (in thousands of Euros) and Non-Audited Income Statements at 30 September 2016 (in thousands of Euros):

	31/12/2014	31/12/2015	30/09/2016
CONTINUING OPERATIONS			
Net Income	7,186	8,732	5,845
Other operating income	2	247	0
Personnel costs	-1,092	-1,050	-803
Other operating expenses	-4,094	-5,237	-3,921
Depreciation and amortization of property, plant and equipment	-	-	-
Impairment and income from disposals of property, plant and equipment	-	-	-
OPERATING PROFIT	2,002	2,692	1,121
Financial Income	-	-	-
From tradable securities and other financial instruments	-	-	-
FINANCIAL PROFIT	-	-	-
PRE-TAX PROFIT	-	-	-
Income tax	2,002	2,692	1,121
PROFIT FOR THE YEAR FROM CONTINUED OPERATIONS	-602	-1,154	-481
	1,400	1,538	640
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operations, net of tax	-	-	-
PROFIT FOR THE YEAR	-	-	-
	1,400	1,538	640

7. PRINCIPAL SHAREHOLDERS OF THE MANAGEMENT COMPANY

- a) The ownership of the shares of the Management Company is distributed among the companies listed below, with a statement of the percentage interest in the share capital of the Management Company belonging to each of them:

SHAREHOLDERS	% SHARE CAPITAL
Santander Investment, S.A.	19%
Banco Santander, S.A.	81%

- b) **Description of the nature of such control and measures in place to ensure that such control is not abused.**

For the purposes of Article 5 of the Restated Text of the Securities Market Act, approved by Royal Decree-Law 4/2015, SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. is part of the SANTANDER GROUP.

In accordance with article 29.1.j) of Law 5/2015, the Management Company adheres to the Santander Group's General Code of Conduct, which can be viewed on its website (http://www.santander.com/csgs/Satellite/CFWCSancomQP01/es_ES/Corporativo/Accionistas-e-Inversores/Gobierno-corporativo/Codigos-de-conducta.html), and Code of Conduct in the Securities Markets.

8. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS & LOSSES

8.1 The Management Company declares that on the date of verification of this Registration Document, the Fund was not yet incorporated and, therefore, had not commenced operations, nor had any accounts been prepared regarding such operations.

8.2 Historical Financial Information.

Not applicable.

8.2.bis This paragraph may be used only for issues of asset-backed securities having a denomination per unit of at least €100,000.

Not applicable.

8.3 Legal and arbitration proceedings.

Not applicable.

8.4 Material adverse change in the Issuer's financial position.

Not applicable.

9. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND STATEMENTS OF ANY INTEREST

9.1 Statement or report attributed to a person as an expert.

Not applicable.

9.2 Information sourced from a third party.

Not applicable.

10. DOCUMENTS ON DISPLAY

The following documents (or copies thereof) will be available to the public during the effective period of this Registration Document:

- (a) **The current Bylaws and deed of incorporation of the Management Company.**
- (b) **This Prospectus.**
- (c) **The Deed of Incorporation of the Fund and the deed (acta) of disbursement of the Notes.**
- (d) **The Start-up Expenses Loan Agreement, the Guaranteed Reinvestment Agreement, the Payment Agency Agreement, the Management, Placement and Subscription Agreement and the Assignment Agreement.**

- (e) **Special Securitisation Report on the Loan portfolio (Initial Receivables)** provided by Santander, and from which the Receivables transferred to the Fund will be taken, as issued by Deloitte, S.L. upon the terms set forth in articles 22.1.(i) and 35 of Law 5/2015, as well as the special report on the Additional Receivables acquired during the years 2016, 2017, 2018 and 2019, in the Revolving Period, which remain outstanding at December 31 of each of those years. Such special report will be sent to the CNMV within the first four months of each year.
- (f) **Certificate of the resolution of the Board of Directors of the Management Company**, at its meeting held on 20 July 2016, whereat it was resolved, among other things, to incorporate the Fund and to issue the Notes.
- (g) **Certificate of the resolution of the Board of Directors of Santander**, at its meeting held on 19 September 2016, whereat it was resolved the assignment to the Fund of the Loans owned by the Seller.
- (h) **Letters disclosing provisional ratings and letters disclosing final ratings** by DBRS and Moody's.
- (i) **Annual Accounts and auditors' report of the Management Company.**

A copy of all of the above documents may be inspected at the registered office of the Management Company.

In addition, a copy of all documents mentioned above other than those set forth in a), d) and h) may be inspected at the CNMV at Calle Edison 4, Madrid, and at Paseo de Gracia 19, 4º planta, Barcelona.

A copy of the Prospectus will be available to the public on the websites of the CNMV (www.cnmv.es) and AIAF (www.aiaf.es). Additionally, the annual and quarterly information required under Article 35 of Law 5/2015 will be available on the website of the CNMV.

The Deed of Incorporation will be available to the public within Iberclear.

Furthermore, this Prospectus, the Deed of Incorporation and the annual and quarterly reports referred to above may be viewed on the website of the Management Company (www.santanderdetitulizacion.com).

SECURITIES NOTE

This Securities Note was drafted in accordance with Annex XIII of Regulation 809/2004 and was approved by the CNMV on 2 December 2016.

1. PERSONS RESPONSIBLE

1.1 Persons responsible for the information appearing in the Securities Note and in the Additional Building Block.

Mr Ignacio Ortega Gavara, acting in his capacity as General Manager of the Management Company, by virtue of the powers granted to him by the Board of Directors at its meeting held on 20 July 2016 and on behalf of SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A., with a registered office at Gran Vía de Hortaleza, 3, 28033 Madrid, assumes responsibility for the information contained in this Securities Note and in the Additional Building Block.

SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. is the sponsoring entity of FONDO DE TITULIZACIÓN, SANTANDER CONSUMO 2 and will be responsible for the legal management and representation thereof.

1.2 Declaration by those responsible for the Securities Note and the Additional Building Block.

Mr Ignacio Ortega Gavara, having taken all reasonable care to ensure that such is the case, declares that the information contained in the Securities Note and the Additional Building Block is, to the best of his knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. RISK FACTORS

The specific risk factors regarding the Receivables backing the issue and regarding the securities are those described in sections II and III, respectively, of the document incorporated at the beginning of this Prospectus under the heading "RISK FACTORS".

3. ESSENTIAL INFORMATION

Interest of natural and legal persons involved in the issue

The identity of the legal persons participating in the offer and the direct or indirect participation held by them are described in section 5.2 of the Registration Document. The interest of such persons as participants in the offer of the issue of Notes is as follows:

- a) **SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A.** participates as the Management Company of the Fund, as coordinator of the Rating Agencies and of the relationship with the supervisory authorities and market operators, and as legal and financial advisor on the structure of the transaction.
- b) **BANCO SANTANDER, S.A.** participates as the Seller of the Loans, Joint Arranger under the Management, Placement and Subscription Agreement as well as Joint Lead Manager under the Management, Placement and Subscription Agreement, Paying Agent, the Fund's counterparty to the Guaranteed Reinvestment Agreement for the Cash Flow Account and Principal Account, counterparty of the Fund in Start-up Expenses Loan Agreement and as the entity who will subscribe all Class A, Class B and Class C Notes as well as Class D, Class E and Class F Notes not subscribed by the Noteholders.

- c) **CREDIT AGRICOLE CIB (“CACIB”)** participates as Joint Arranger under the Management, Placement and Subscription Agreement as well as Joint Lead Manager under the Management, Placement and Subscription Agreement.
- d) **DBRS RATINGS LIMITED** participates as a credit rating agency rating the rated Notes.
- e) **MOODY’S INVESTORS SERVICE LIMITED** participates as a credit rating agency rating the rated Notes.
- f) **CUATRECASAS GONÇALVES PEREIRA, S.L.P.** participates as the legal advisor on the structure of the transaction and has reviewed the legal regime and tax rules applicable to the Fund as described in section 4.5.d) of the Registration Document.
- g) **PRICEWATERHOUSECOOPERS AUDITORS, S.L.** participates as auditor of the Fund.
- h) **DELOITTE, S.L.** participates as independent company of the assignable portfolio of the Fund preparing a special securitisation report upon the terms set forth in articles 22.1.(i) and 35 of Law 5/2015.

The Management Company is not aware of the existence of any other significant economic entitlement or interest of the aforementioned entities that participate in the issue, except for those that are strictly professional and derive from their participation as described in detail in section 3.2 of the Additional Building Block.

4. INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING

4.1 Total amount of the securities.

b) Total issue amount

The total of the Notes issued amounts to ONE THOUSAND FIFTEEN MILLION EUROS (€1,015,000,000), represented by TEN THOUSAND ONE HUNDRED AND FIFTY (10,150) Notes each with a face value of ONE HUNDRED THOUSAND EUROS (€100,000), distributed into six (6) classes of Notes (A, B, C, D, E and F), each of them with the following total nominal amount:

- Class A: in the total nominal amount of EIGHT HUNDRED AND SIXTY FIVE MILLION EUROS (€865,000,000), made up of eight thousand six hundred and fifty (8,650) Notes, each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000); ISIN code ES0305193007.
- Class B: in the total nominal amount of FIFTY MILLION EUROS (€50,000,000), made up of five hundred (500) Notes, each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000); ISIN code ES0305193015.
- Class C: in the total nominal amount of FIFTY MILLION EUROS (€50,000,000), made up of five hundred (500) Notes, each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000); ISIN code ES0305193023.
- Class D: in the total nominal amount of TWENTY MILLION EUROS (€20,000,000), made up of two hundred (200) Notes, each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000); ISIN code ES0305193049.

- Class E: in the total nominal amount of FIFTEEN MILLION EUROS (€15,000,000), made up of one hundred and fifty (150) Notes, each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000); ISIN code ES0305193056 and
- Class F: in the total nominal amount of FIFTEEN MILLION EUROS (€15,000,000), made up of one hundred and fifty (150) Notes, each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000). ISIN code ES0305193031.

b) Placement

The Joint Lead Managers will place the Notes with qualified investors for the purposes of Article 39 of Royal Decree 1310/2005 under the terms of the Management, Placement and Subscription Agreement, i.e., by way of description and not limitation, legal entities that are authorised or regulated to operate in the financial markets, including, credit institutions, investment services companies, insurance companies, collective investment institutions and their management companies, pension funds and their management companies, and other authorised or regulated financial institutions.

4.2 Description of type and class of securities.

The Notes will have the legal nature of negotiable fixed-income securities with a specified yield, and are subject to the rules established in the Securities Market Act and the Regulations in implementation thereof, and are issued pursuant to Law 5/2015. The Notes are redeemable through Early Redemption or upon final maturity.

4.3 Law under which the securities have been created.

The Notes are issued in accordance with the laws of Spain, and particularly in accordance with the legal provisions set forth in (i) Law 5/2015 and implementing provisions; (ii) the Restated Text of the Securities Market Act approved by Royal Decree-Law 4/2015; (iii) Royal Decree 116/1992 of 14 February on the representation of book-entry securities and the clearing and settlement of stock market operations; (iv) Order 3537/2005 of the Ministry of the Economy and Finance of 10 November 2005, implementing Article 27.4 of the Securities Market Act; and (v) any such other legal and regulatory provisions as may be in force and applicable from time to time.

In accordance with the Seventh Final Provision of Royal Decree 878/2015 of 2 October 2015 on the clearing, settlement and registration of negotiable securities represented by book entries, this Royal Decree entered into force on 3 February 2016, thus replacing Royal Decree 116/1992 of 14 February on the representation of book-entry securities and the clearing and settlement of stock market transactions.

However, the Second Additional Provision of Royal Decree 878/2015 provides that the amendments introduced by Royal Decree 878/2015 will not be applicable to fixed-income securities admitted to trading in regulated markets (*mercados secundarios oficiales*) (like the Notes) until such date and within the terms to be determined by the Ministry of Economy and Competitiveness (such date is expected to be around September 2017).

Until such date and for such fixed-income securities, Royal Decree 116/1992 will remain in force, with the exception of Section 1 of Chapter II of Title I (Articles 29 to 35 of Royal Decree 116/1992, both inclusive), which will be repealed and replaced by Section 1 of Chapter II of Title I of Royal Decree 878/2015 (Articles 30 to 38, both inclusive).

In addition, the exercise of rights and obligations linked to such fixed-income securities will be governed by Article 44 of Royal Decree 878/2015.

This Securities Note has been prepared in accordance with the models established in Annex XIII of Regulation 809/2004.

Any issue, discrepancy or dispute relating to the Fund or the Notes issued with the backing of the Fund and arising during the operation or liquidation thereof, whether among the Noteholders or between the Noteholders and the Management Company, will be submitted to the Courts of Madrid, with the parties expressly waiving any other forum to which they may be entitled.

4.4 Representation of the securities.

The Notes will be represented by book entries in accordance with the provisions of Law 5/2015, will be created as such by virtue of their corresponding book entry, and will be made out to the bearer. The Deed of Incorporation will give rise to the effects provided for in Article 7 of the Consolidated Text of the Securities Market Act, approved by Royal Decree-Law 4/2015.

In accordance with the provisions of Article 6 of Royal Decree 116/1992, the denomination, number of units, nominal value and other characteristics and conditions of the Note Issue represented in book-entry form are those included in the Deed of Incorporation and this Prospectus.

The Noteholders will be identified as such (for their own account or that of third parties) as recorded in the book-entry register maintained by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear), with a registered office in Madrid, at Calle Plaza del la Lealtad 1, 28014, which has been appointed as the entity in charge of the book-entry register of the Notes. Thus, clearance and settlement of the Notes will be performed in accordance with the rules of operation that are or may hereafter be established by Iberclear regarding securities admitted to trading in the AIAF Fixed-Income Market and represented by the book entries.

4.5 Currency of the issue.

The Notes will be denominated in EUROS.

4.6 Ranking.

On each Payment Date, the Management Company, on behalf of the Fund, will apply the amount of Available Funds to payments and retentions in accordance with the Priority of Payments described in section 3.4.6 of the Additional Building Block.

4.6.1 Summary of the priority of the payment of interest on the Notes in the priority of payments of the Fund

The payment of interest accrued by the Class A Notes occupies the (second) (2nd) place in the application of Available Funds in the Priority of Payments set forth in section 3.4.6 of the Additional Building Block and the (second) (2nd) place in the application of the Available Funds for Liquidation in the Liquidation Priority of Payments established in section 3.4.6 of the Additional Building Block.

The payment of interest accrued by the Class B Notes occupies the (third) (3rd) place in the application of Available Funds in the Priority of Payments set forth in section 3.4.6 of the Additional Building Block unless an Interest Deferral Trigger applies, in which case it will be postponed to the (fifth) (5th) place in the application of Available Funds in the Priority of Payments set forth in section 3.4.6 of the Additional Building Block and the (fourth) (4th) place in the application of the Available Funds for Liquidation in the Liquidation Priority of Payments established in section 3.4.6 of the Additional Building Block.

The payment of interest accrued by the Class C Notes occupies the (sixth) (6th) place in the application of Available Funds in the Priority of Payments set forth in section 3.4.6 of the Additional Building Block and the (sixth) (6th) place in the application of the Available Funds for Liquidation in the Liquidation Priority of Payments established in section 3.4.6 of the Additional Building Block.

The payment of interest accrued by the Class D Notes occupies the (seventh) (7th) place in the application of Available Funds in the Priority of Payments set forth in section 3.4.6 of the Additional Building Block and the (eighth) (8th) place in the application of the Available Funds for Liquidation in the Liquidation Priority of Payments established in section 3.4.6 of the Additional Building Block.

The payment of interest accrued by the Class E Notes occupies the (eighth) (8th) place in the application of Available Funds in the Priority of Payments set forth in section 3.4.6 of the Additional Building Block and the (tenth) (10th) place in the application of the Available Funds for Liquidation in the Liquidation Priority of Payments established in section 3.4.6 of the Additional Building Block.

The payment of interest accrued by the Class F Notes occupies the (eleventh) (11th) place in the application of Available Funds in the Priority of Payments set forth in section 3.4.6 of the Additional Building Block and the (twelfth) (12th) place in the application of the Available Funds for Liquidation in the Liquidation Priority of Payments established in section 3.4.6 of the Additional Building Block.

For the purposes of this Section, “**Interest Deferral Trigger**”, means, on any Payment Date, if the Principal Deficiency amount is higher than the sum of (i) 100% of the Outstanding Principal Balance of the Class E Notes, (ii) 100% of the Outstanding Principal Balance of the Class D Notes, (iii) 100% of the Outstanding Principal Balance of the Class C Notes, and (iv) 50% of the Outstanding Principal Balance of the Class B Notes on such date.

4.6.2 Summary of the priority of the payments of principal on the Notes in the priority of payments of the Fund

The Available Principal Funds occupies the (fourth) (4th) place in the Priority of Payments set forth in section 3.4.6 of the Additional Building Block, without prejudice to the Liquidation Priority of Payments established in section 3.4.6 of the Additional Building Block.

The “**Available Principal Funds**” are:

- (i) for the purpose of item (4) of the Priority of Payments, the minimum amount between:
 - a. the balance existing on the Determination Date preceding the relevant Payment Date between (i) the Outstanding Balance of the Class A, Class B, Class C, Class D and Class E Notes (before giving effect to the Priority of Payments), and (ii) the Outstanding Balance of the Receivables, excluding Defaulted Receivables and Delinquent Receivables; and
 - b. the balance of Available Funds once the payment obligations up to item 3 of the Priority of Payments set forth in section 3.4.6 of the Additional Building Block have been fulfilled;
- (ii) for the purpose of item (9) of the Priority of Payments, the minimum amount between:
 - a. the balance on the Determination Date preceding the relevant Payment Date between (i) the Outstanding Balance of Class A, Class B, Class C, Class D and Class E Notes (after giving effect to item 4 of the Priority of Payments), and (ii) the Outstanding Balance of the Receivables, excluding Defaulted Receivables and Delinquent Receivables; and
 - b. the balance of Available Funds once the payment obligations up to item 8 of the Priority of Payments have been fulfilled.

On each Payment Date during the period from the Date of Incorporation to the Payment Date corresponding to 18 April 2019 (included) or on a preceding Payment Date if such period is

subject to a Revolving Period Early Termination Event (the “**Revolving Period**”), the Available Principal Funds will be applied sequentially as follows:

- a) Firstly, to payment of the amount of the Acquisition Amount of the Additional Receivables that do not exceed the Available Principal Funds, provided that the Seller has sufficient Additional Receivables to assign to the Fund that comply with the Eligibility Criteria.
- b) Secondly, to the provision of the Principal Account 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 (“**Amount of Principal Retention**”); and
- c) Thirdly, to the early repayment in full or part of the Class A Notes.

Once the Revolving Period has ended, redemption will be subject to the following subordination rules, pursuant to the provisions of item 4.9.2 of this Securities Note:

1. Part of the Available Principal Funds on each Payment Date will be used to redeem the principal of the Class A Notes until redeemed in full.
2. Once the Class A Notes have been redeemed, part of the Available Principal Funds on each Payment Date will be used to redeem the principal of Class B Notes, until redeemed in full.
3. Once the Class B Notes have been redeemed, part of the Available Principal Funds on each Payment Date will be used to redeem the principal of Class C Notes, until redeemed in full.
4. Once the Class C Notes have been redeemed, part of the Available Principal Funds on each Payment Date will be used to redeem the principal of Class D Notes, until redeemed in full.
5. Once the Class D Notes have been redeemed, part of the Available Principal Funds on each Payment Date will be used to redeem the principal of Class E Notes, until redeemed in full.
6. Class F Notes may be redeemed before Class A, B, C, D and E if there are enough Available Funds to redeem Class F Notes on each Payment Date starting from the First Payment Date.

4.7 Description of the rights attached to the securities and procedure for exercise of said rights.

The Notes described in this Securities Note do not create present and/or future rights for the investor as regards the FONDO DE TITULIZACIÓN, SANTANDER CONSUMO 2. This is consistent with the nature of the FONDO DE TITULIZACION as a passive holding entity (*entidad patrimonial*) without legal personality.

The rights of investor associated with the acquisition and holding of the Notes will be those deriving from the right to receive interest payments, returns and other form of repayment as set forth in sections 4.8 and 4.9 below.

The Noteholders may not bring an action against the Management Company unless it breaches its payment obligations as described in this Prospectus or the Deed of Incorporation. Pursuant to applicable law, the Management Company is the only authorised representative of the Fund as regards third parties and in any legal proceedings (but this is without prejudice to rights of representation that may be granted by the Management Company to third parties).

The obligations of the Seller and of the other entities in any way participating in the transaction are limited to those included in the corresponding agreements relating to the FONDO DE TITULIZACIÓN, SANTANDER CONSUMO 2, with the most significant ones being described in this Prospectus and in the Deed of Incorporation.

Any question, discrepancy or dispute concerning the Fund or the Notes issued with the backing thereof and that may arise during the operation or liquidation thereof, whether among the Noteholders or between the Noteholders and the Management Company, will be submitted to the Courts of Madrid, waiving any other forum to which the parties may be entitled.

4.8 Nominal interest rate and provisions relating to interest payable.

The return on the Notes will be determined through a fixed interest rate as provided below:

- a) The Notes will accrue nominal fixed interest payable quarterly on each Payment Date, provided that the Fund has sufficient Available Funds in the Cash Flow Account, in accordance with the Priority of Payments established for the Class A, B, C, D, E and F Notes in section 3.4.6 of the Additional Building Block.

Withholding, contributions or taxes now or hereafter applicable to the principal, interest or returns on the Notes will be the sole responsibility of the Noteholders, and the amount thereof will be deducted by the Management Company, on behalf of the Fund, through the Paying Agent in the manner provided by law.

- b) The term of the issue of the Notes will be divided into successive Interest Accrual Periods comprising the days elapsed between each Payment Date, including the initial Payment Date and excluding the final Payment Date in each Interest Accrual Period. However, the First Interest Accrual Period will have a duration greater than four months, equivalent to the days actually elapsed between the Disbursement Date, inclusive, and the expected First Payment Date (18 April 2017), exclusive.

- c) The Nominal Interest Rate for each Interest Accrual Period will be:

- Class A: 0.60%
- Class B: 2.00%
- Class C: 3.20%
- Class D: Up to 7.50%
- Class E: Up to 8.50%
- Class F: Up to 12.50%

The Nominal Interest Rate applicable to Class D, Class E and Class F Notes will be set by the Joint Lead Managers through a Dutch auction (a notes allocation process in which investors are requested to designate the amount and yield of the notes that they are willing to purchase) and notice thereof will be provided to the Management Company on the Date of Incorporation.

The minimum Nominal Interest Rate for Class D, Class E and Class F Notes will be 0%.

- d) The Nominal Interest Rate will accrue on the effective days elapsed in each Interest Accrual Period, and will be calculated on the basis of a year of three hundred and sixty (360) days.
- g) The interest rate accrued for the Notes will be payable quarterly, on each Payment Date, i.e., on the 18th day of January, April, July and October each year until total redemption, provided that the Fund has sufficient liquidity in the Cash Flow Account in accordance with the Priority of Payments established for the Notes in section 3.4.6 of the Additional Building Block.

In the event that any of the dates established in the above paragraph is not a Business Day, the interest will be paid on the following Business Day, and the interest corresponding to the Interest Accrual Period in progress will accrue up to (but not including) the aforementioned Business Day.

- h) The first payment of interest on the Notes will take place on 18 April 2017, and interest will accrue at the corresponding Nominal Interest Rate from the Disbursement Date (inclusive) to 18 April 2017 (exclusive).
- i) The interest payable on each Payment Date for each Interest Accrual Period will be calculated in accordance with the following formula:

$$I = \frac{P \times R \times d}{36.000}$$

where:

I = Interest payable on a specific Payment Date.

P = Outstanding Principal Balance of the Notes on the Determination Date preceding such Payment Date.

R = Nominal interest rate expressed as an annual percentage.

d = Number of calendar days in the Interest Accrual Period.

- j) The payment of the accrued interest will take place on each Payment Date, provided that the Fund has sufficient liquidity in the Cash Flow Account in accordance with the Priority of Payments provided for in section 3.4.6 of the Additional Building Block.

In the event that on a Payment Date, the Fund is totally or partially unable to pay the interest accrued on the Notes in accordance with the Priority of Payments provided for in section 3.4.6 of the Additional Building Block, the amounts that the Noteholders do not receive will be paid on the following Payment Date on which the Fund has sufficient liquidity to do so at the relevant Nominal Interest Rate for each Note in accordance with the aforementioned Priority of Payments.

Amounts deferred will not accrue default interest.

4.8.1 Valid period during which interest may be claimed

The interest on the Notes will be paid up to the respective redemptions of the Notes on each Payment Date provided that the Fund has sufficient Available Funds for such purpose in accordance with the Priority of Payments included in section 3.4.6 of the Additional Building Block.

Through its Management Company, the Fund cannot defer the payment of interest on the Notes beyond the Legal Maturity Date.

The withholding, rates and taxes now or hereafter applicable to the principal, interest or returns on these Notes will be paid exclusively by the Noteholders and the amounts will be deducted by the corresponding entity as legally provided.

4.8.2 Description of any episode of market distortion of underlying rate

Not applicable.

4.8.3 Rules for adjustment of underlying rates

Not applicable.

4.8.4 Calculation Agent

This will be the Management Company.

4.9 Redemption of the securities.

4.9.1 Redemption price

The redemption price of the Notes will be ONE HUNDRED THOUSAND EUROS (€100,000) per Note, equivalent to their face value, free of charges and taxes for the Noteholder, payable progressively on each principal Payment Date, as set out in the following sections.

Each and every one of the Notes of each Class will be repaid in the same amount by means of a reduction in the face value of each Note.

4.9.2 Date and forms of redemption

The final maturity of the Notes will take place on the date on which they are fully redeemed or on the Legal Maturity Date of the Fund, i.e., 18 April 2031 or on the following Business Day, without prejudice to the Management Company redeeming the issue of Notes prior to the Legal Maturity Date of the Fund in accordance with section 4.4.3 of the Registration Document.

The Notes will be redeemed by means of a reduction in their face value thereof on the 18th day of January, April, July and October of each year (or the following Business Day) (each of them a “**Payment Date**”) until full redemption thereof in accordance with the ordinary redemption rules set forth below as described in the Priority of Payments and the Liquidation Priority of Payments set forth in section 3.4.6 of the Additional Building Block.

Notwithstanding the above, the Fund, through its Management Company, will make on each Payment Date partial redemptions of the Notes pursuant to the terms described below.

4.9.3 Redemption of the Notes

a) Redemption Rules for the Class A, B, C, D and E Notes

The ordinary redemption of the Class A, B, C, D and E Notes will occur sequentially.

Redemption of Class A Notes:

The first payment for the redemption of Class A Notes will occur on 18 July 2019, unless the Revolving Period is terminated as described in item 2.2.2 of the Additional Building Block, in which case the redemption of Class A Notes will occur on the Payment Date on which the Revolving Period ends.

Likewise, on any Payment Date during the Revolving Period, Class A Notes will be redeemed by reducing the nominal amount of each Note in the amount, if any, equal to the remaining Available Principal Funds, once (i) the payment of the Acquisition Amount has been made on that Payment Date, and (ii) the Principal Account has been credited up to a maximum amount equal to 5% of the Outstanding Balance of Class A, B, C, D and E on the immediately preceding Determination Date.

Without prejudice to the foregoing, such partial redemption of the Class A Notes will not entail a termination of the Revolving Period.

Once the Revolving Period is over the Class A Notes will be redeemed by means of partial redemptions by reducing the Outstanding Balance of the Class A Notes on each Payment Date pursuant to the applicable Priority of Payments.

Redemption of the Class B, C, D and E Notes:

Once the Class A Notes have been redeemed in full, the redemption of the Class B, C, D and E Notes will occur sequentially on each Payment Date falling after the end of the Revolving Period by reducing their Outstanding Balance until redeemed in full.

b) Redemption of Class F Notes:

If there are enough Available Funds and subject to the applicable Priority of Payments, Class F Notes shall be redeemed in part on each Payment Date, starting from the First Payment Date with the Available Funds set forth in 3.4.6 b) of the Additional Building Block. Class F Notes may be redeemed in full before Class A, B, C, D and E if there are enough Available Funds and subject to the Priority of Payments on each Payment Date starting from the First Payment Date.

“**Available Funds**”, means on any Payment Date prior to Early Liquidation (i) the amounts received by the Fund as principal and interest on the Receivables during the preceding Determination Period, (ii) the returns on the Cash Flow Account and the Principal Account during the preceding Determination Period, (iii) any amount to be drawn from the Reserve Fund on such Payment Date, (iv) any amounts that the Fund may receive during the preceding Determination Period as provided in section 3.4.6 a) of the Additional Building Block and (v) any amount held in the Principal Account, which will be applied on such Payment Date to the payments established in the Priority of Payments included in section 3.4.6 b) of the Additional Building Block.

“**Class F Target Balance Amount**”, means the Class F Notes that shall be outstanding on the following Payments Dates shall be:

Payment Date Falling in Month	Class F Target Balance Amount
Apr-2017	€ 13,125,000
Jul-2017	€ 11,250,000
Oct-2017	€ 9,375,000
Jan-2018	€ 7,500,000
Apr-2018	€ 5,625,000
Jul-2018	€ 3,750,000
Oct-2018	€ 1,875,000
Jan-2019 and later	€ 0

Early redemption of all Notes issued

Regardless of the obligation of the Fund, through the Management Company, to redeem the Notes on the Legal Maturity Date of the Fund or make partial redemptions on each Payment Date as stated in the foregoing sections, the Management Company is authorised at any time to engage in an early liquidation of the Fund and along therewith the Early Redemption of all Notes issued, upon the terms set forth in section 4.4.3 of the Registration Document, and to distribute the Available Funds for Liquidation in

accordance with the Liquidation Priority of Payments set out in section 3.4.6 d) of the Additional Building Block.

4.10 Indication of investor yield and calculation method

The average yield, duration and final maturity of the Notes depend on several factors, of which the most significant are the following:

- i) The schedule for redeeming each of the Loans established in the corresponding agreements.
- ii) The ability of the Obligors to totally or partially redeem the Loans in advance and the speed with which this redemption takes place during the duration of the Fund. Thus, the redemption of the Loans by the Obligors, subject to ongoing changes, and estimated in this Prospectus through the use of several assumptions regarding the behaviour of the future CPR, which will directly influence the speed of the redemption of the Notes, and, therefore, the average life and duration of the Notes.
- iii) The interest rates applicable to the Loans, which will cause the amount of the redemption in each instalment to vary.
- iv) A default of the Obligors as regards payment of the Loan instalments.

In order to calculate the charts that appear in this section, the following hypothetical values, in accordance with the Initial Receivables and the Additional Receivables, have been assumed for the factors described:

- i) The weighted average interest rate of the preliminary Loan portfolio at 25 October 2016 (9.56%) as shown in item 2.2.2. table c) of the Additional Building Block shall be held constant until the last Payment Date;
- ii) Initial Receivables used to calculate the following charts bear the same economic characteristics as the Receivables in the preliminary Loan portfolio;
- iii) Additional Receivables shall bear the same economic characteristics and profile as the Initial Receivables, and must meet both Individual Receivables Criteria and Global Receivables Criteria (the “**Eligibility Criteria**”);
- iv) Default rate: 2.0% of the Outstanding Balance of the Receivables annually;
- v) Delinquency Ratio: 6.00% of the Outstanding Balance of the Receivables;
- vi) Recovery for Defaulted Receivables: 12 months after default with a 45% recovery rate;
- vii) Recovery for Delinquent Receivables: recovery rate of 45% immediately after becoming Delinquent;
- viii) The Disbursement Date is 9 December 2016;
- ix) The annual CPRs (7%, 10% and 12%) hold constant over the life of the Notes;
- x) The Revolving Period is not early terminated;
- xi) On every Interest Payment in the Revolving Period there shall be enough Additional Receivables to be purchased that meet the Eligibility Criteria. Therefore Class A Notes will not be redeemed until the Revolving Period has ended.
- xii) The interest obtained by the profitability of the accounts on behalf of the Fund is zero;
- xiii) Estimated annual Ordinary Expenses of the Fund: annual rate of 0.025% on the Outstanding Principal Balance of the Notes, and

- xiv) The Nominal Interest Rate for each Class of Notes used in the following charts will be: 0.60% for Class A, 2.00% for Class B, 3.20% for Class C, 7.50% for Class D, 8.50% for Class E and 12.50% for Class F. The weighted average Nominal Interest Rate for all Classes is 1.23%.
- xv) No Interest Deferral Trigger will apply for Class B Notes.
- xvi) Class F Notes will be redeemed in eight Payment Dates starting from the first Payment Date.
- xvii) Each of the following scenarios are contemplated herein:
 - a. Exercise the Clean-up Call Option by the Seller as disclosed in item 4.4.3.2. of the Registration Document;
 - b. Exercise the **Time Call Option** by the Seller in the eighth Payment Date after the Revolving Period has terminated, as disclosed in item 4.4.3.2. of the Registration Document; or
 - c. No Seller's Call Options will be exercise from the Seller.

Hypothesis iv), v), vi), vii) and ix) are based upon the actual perspectives and calculations of similar loans made by the Seller.

The Management Company expressly states that the charts for the debt service of the Notes described above for the three different scenarios disclosed in xi) above are merely theoretical and for descriptive purposes, and do not represent any obligation to pay, taking into account that:

- The Outstanding Principal Balance of the Notes on each Payment Date, and therefore the interest to be paid on each of them, will depend on any prepayment and non-payment of and on the level of actual default on the Loans

Set forth below are the charts showing the debt service for the three hypotheses described in item xi) above on the Notes for CPR of 7%, 10% and 12%, respectively:

In the scenario described above for the case of xvii) a., the final maturity of the Notes is 18 October 2022 and the average life of the Notes, IRR and Duration of the various CPRs would be as follows:

CPR	7%	10%	12%
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	Class A Notes		
Average Life (years)	3.54	3.49	3.47
IRR	0.597%	0.597%	0.597%
Duration (years)	3.58	3.54	3.51
Final maturity	18-Apr-22	18-Apr-22	18-Jan-22
(years)	5.36	5.36	5.11

	Class B Notes		
Average Life (years)	5.61	5.51	5.44
IRR	2.005%	2.005%	2.005%
Duration (years)	5.94	5.83	5.75
Final maturity	18-Oct-22	18-Oct-22	18-Jul-22
(years)	5.86	5.86	5.61

	Class C Notes		
Average Life (years)	5.86	5.86	5.85
IRR	3.222%	3.222%	3.222%
Duration (years)	5.86	5.86	5.85
Final maturity	18-Oct-22	18-Oct-22	18-Oct-22
(years)	5.86	5.86	5.86

	Class D Notes		
Average Life (years)	5.86	5.86	5.86
IRR	7.668%	7.668%	7.668%
Duration (years)	7.20	7.20	7.20
Final maturity	18-Oct-22	18-Oct-22	18-Oct-22
(years)	5.86	5.86	5.86

	Class E Notes		
Average Life (years)	5.86	5.86	5.86
IRR	8.721%	8.721%	8.721%
Duration (years)	7.38	7.38	7.38
Final maturity	18-Oct-22	18-Oct-22	18-Oct-22
(years)	5.86	5.86	5.86

	Class F Notes		
Average Life (years)	1.23	1.23	1.23
IRR	12.790%	12.790%	12.790%
Duration (years)	1.37	1.37	1.37
Final maturity	18-Jan-19	18-Jan-19	18-Jan-19
(years)	2.11	2.11	2.11
Default Ratio at maturity	2.072%	1.933%	1.845%

FLows FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER

(AMOUNTS IN EUR)

CPR = 7.00%

Payment Date	Class A Bonds			Class B Bonds			Class C Bonds			Class D Bonds			Class E Bonds			Class F Bonds		
	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow
TOTALS:	100,000.00	2,104.93	102,104.93	100,000.00	11,170.61	111,170.61	100,000.00	18,666.67	118,666.67	100,000.00	43,750.00	143,750.00	100,000.00	49,583.33	149,583.33	100,000.00	15,104.17	115,104.17
09-Dec-16																		
18-Apr-17	0.00	200.00	200.00	0.00	666.67	666.67	0.00	1,066.67	1,066.67	0.00	2,500.00	2,500.00	0.00	2,833.33	2,833.33	12,500.00	4,166.67	16,666.67
18-Jul-17	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	2,734.38	15,234.38
18-Oct-17	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	2,343.75	14,843.75
18-Jan-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	1,953.13	14,453.13
18-Apr-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	1,562.50	14,062.50
18-Jul-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	1,171.88	13,671.88
18-Oct-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	781.25	13,281.25
18-Jan-19	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	390.63	12,890.63
18-Apr-19	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Jul-19	18,344.06	150.00	18,494.06	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Oct-19	13,264.41	122.48	13,386.90	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
20-Jan-20	11,927.66	102.59	12,030.25	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
20-Apr-20	10,625.93	84.70	10,710.63	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
20-Jul-20	9,368.17	68.76	9,436.92	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
19-Oct-20	8,216.15	54.70	8,270.86	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Jan-21	7,176.36	42.38	7,218.74	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
19-Apr-21	6,156.77	31.62	6,188.38	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
19-Jul-21	5,136.79	22.38	5,159.17	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Oct-21	4,360.59	14.68	4,375.27	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Jan-22	3,747.63	8.13	3,755.76	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Apr-22	1,675.47	2.51	1,677.98	26,340.04	500.00	26,840.04	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Jul-22	0.00	0.00	0.00	46,530.35	368.30	46,898.65	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Oct-22	0.00	0.00	0.00	27,129.62	135.65	27,265.26	100,000.00	800.00	100,800.00	100,000.00	1,875.00	101,875.00	100,000.00	2,125.00	102,125.00	0.00	0.00	0.00

FLows FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER

(AMOUNTS IN EUR)

CPR = 10.00%

Payment Date	Class A Bonds			Class B Bonds			Class C Bonds			Class D Bonds			Class E Bonds			Class F Bonds		
	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow
TOTALS:	100,000.00	2,080.03	102,080.03	100,000.00	10,978.49	110,978.49	100,000.00	18,666.67	118,666.67	100,000.00	43,750.00	143,750.00	100,000.00	49,583.33	149,583.33	100,000.00	15,104.17	115,104.17
09-Dec-16																		
18-Apr-17	0.00	200.00	200.00	0.00	666.67	666.67	0.00	1,066.67	1,066.67	0.00	2,500.00	2,500.00	0.00	2,833.33	2,833.33	12,500.00	4,166.67	16,666.67
18-Jul-17	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	2,734.38	15,234.38
18-Oct-17	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	2,343.75	14,843.75
18-Jan-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	1,953.13	14,453.13
18-Apr-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	1,562.50	14,062.50
18-Jul-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	1,171.88	13,671.88
18-Oct-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	781.25	13,281.25
18-Jan-19	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	390.63	12,890.63
18-Apr-19	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Jul-19	19,036.88	150.00	19,186.88	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Oct-19	13,760.24	121.44	13,881.69	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
20-Jan-20	12,257.49	100.80	12,358.29	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
20-Apr-20	10,824.52	82.42	10,906.94	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
20-Jul-20	9,463.86	66.18	9,530.04	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
19-Oct-20	8,228.51	51.99	8,280.50	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Jan-21	7,123.73	39.64	7,163.38	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
19-Apr-21	6,067.46	28.96	6,096.42	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
19-Jul-21	5,038.60	19.86	5,058.46	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Oct-21	4,245.00	12.30	4,257.30	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Jan-22	3,611.09	5.93	3,617.02	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Apr-22	342.61	0.51	343.12	46,841.62	500.00	47,341.62	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Jul-22	0.00	0.00	0.00	43,952.97	265.79	44,218.76	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Oct-22	0.00	0.00	0.00	9,205.42	46.03	9,251.45	100,000.00	800.00	100,800.00	100,000.00	1,875.00	101,875.00	100,000.00	2,125.00	102,125.00	0.00	0.00	0.00

FLOWS FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER
(AMOUNTS IN EUR)
CPR = 12.00%

Payment Date	Class A Bonds			Class B Bonds			Class C Bonds			Class D Bonds			Class E Bonds			Class F Bonds		
	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow
TOTALS:	100,000.00	2,064.27	102,064.27	100,000.00	10,822.40	110,822.40	100,000.00	18,649.22	118,649.22	100,000.00	43,750.00	143,750.00	100,000.00	49,583.33	149,583.33	100,000.00	15,104.17	115,104.17
09-Dec-16																		
18-Apr-17	0.00	200.00	200.00	0.00	666.67	666.67	0.00	1,066.67	1,066.67	0.00	2,500.00	2,500.00	0.00	2,833.33	2,833.33	12,500.00	4,166.67	16,666.67
18-Jul-17	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	2,734.38	15,234.38
18-Oct-17	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	2,343.75	14,843.75
18-Jan-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	1,953.13	14,453.13
18-Apr-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	1,562.50	14,062.50
18-Jul-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	1,171.88	13,671.88
18-Oct-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	781.25	13,281.25
18-Jan-19	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	390.63	12,890.63
18-Apr-19	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Jul-19	19,511.54	150.00	19,661.54	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Oct-19	14,095.33	120.73	14,216.07	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
20-Jan-20	12,476.37	99.59	12,575.96	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
20-Apr-20	10,952.34	80.88	11,033.22	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
20-Jul-20	9,521.06	64.45	9,585.51	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
19-Oct-20	8,229.54	50.17	8,279.71	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Jan-21	7,081.85	37.82	7,119.67	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
19-Apr-21	6,001.46	27.20	6,028.65	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
19-Jul-21	4,966.45	18.20	4,984.64	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Oct-21	4,162.35	10.75	4,173.09	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Jan-22	3,001.70	4.50	3,006.21	8,907.65	500.00	9,407.65	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Apr-22	0.00	0.00	0.00	51,037.80	455.46	51,493.27	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Jul-22	0.00	0.00	0.00	40,054.55	200.27	40,254.82	2,180.66	800.00	2,980.66	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Oct-22	0.00	0.00	0.00	0.00	0.00	0.00	97,819.34	782.55	98,601.89	100,000.00	1,875.00	101,875.00	100,000.00	2,125.00	102,125.00	0.00	0.00	0.00

In the scenario described above for the case of xvii) b., the final maturity of the Notes is 19 April 2021 and the average life of the Notes, IRR and Duration of the various CPRs would be as follows:

CPR	7%	10%	12%
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Class A Notes			
Average Life (years)	3.46	3.43	3.41
IRR	0.596%	0.596%	0.596%
Duration (years)	3.50	3.47	3.45
Final maturity	19-Apr-21	19-Apr-21	19-Apr-21
(years)	4.36	4.36	4.36

Class B Notes			
Average Life (years)	4.36	4.36	4.36
IRR	2.001%	2.001%	2.001%
Duration (years)	4.56	4.56	4.56
Final maturity	19-Apr-21	19-Apr-21	19-Apr-21
(years)	4.36	4.36	4.36

Class C Notes			
Average Life (years)	4.36	4.36	4.36
IRR	3.216%	3.216%	3.216%
Duration (years)	4.36	4.36	4.36
Final maturity	19-Apr-21	19-Apr-21	19-Apr-21
(years)	4.36	4.36	4.36

Class D Notes			
Average Life (years)	4.36	4.36	4.36
IRR	7.653%	7.653%	7.653%
Duration (years)	5.12	5.12	5.12
Final maturity	19-Apr-21	19-Apr-21	19-Apr-21
(years)	4.36	4.36	4.36

Class E Notes			
Average Life (years)	4.36	4.36	4.36
IRR	8.704%	8.704%	8.704%
Duration (years)	5.22	5.22	5.22
Final maturity	19-Apr-21	19-Apr-21	19-Apr-21
(years)	4.36	4.36	4.36

	Class F Notes		
Average Life (years)	1.23	1.23	1.23
IRR	12.790%	12.790%	12.790%
Duration (years)	1.37	1.37	1.37
Final maturity	18-Jan-19	18-Jan-19	18-Jan-19
(years)	2.11	2.11	2.11

Default Ratio at maturity	1.964%	1.842%	1.763%
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FLows FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER
(AMOUNTS IN EUR)
CPR = 7.00%

Payment Date	Class A Bonds			Class B Bonds			Class C Bonds			Class D Bonds			Class E Bonds			Class F Bonds		
	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow
TOTALS:	100,000.00	2,057.22	102,057.22	100,000.00	8,666.67	108,666.67	100,000.00	13,866.67	113,866.67	100,000.00	32,500.00	132,500.00	100,000.00	36,833.33	136,833.33	100,000.00	15,104.17	115,104.17
09-Dec-16																		
18-Apr-17	0.00	200.00	200.00	0.00	666.67	666.67	0.00	1,066.67	1,066.67	0.00	2,500.00	2,500.00	0.00	2,833.33	2,833.33	12,500.00	4,166.67	16,666.67
18-Jul-17	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	2,734.38	15,234.38
18-Oct-17	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	2,343.75	14,843.75
18-Jan-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	1,953.13	14,453.13
18-Apr-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	1,562.50	14,062.50
18-Jul-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	1,171.88	13,671.88
18-Oct-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	781.25	13,281.25
18-Jan-19	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	390.63	12,890.63
18-Apr-19	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Jul-19	18,344.06	150.00	18,494.06	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Oct-19	13,264.41	122.48	13,386.90	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
20-Jan-20	11,927.66	102.59	12,030.25	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
20-Apr-20	10,625.93	84.70	10,710.63	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
20-Jul-20	9,368.17	68.76	9,436.92	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
19-Oct-20	8,216.15	54.70	8,270.86	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Jan-21	7,176.36	42.38	7,218.74	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
19-Apr-21	21,077.25	31.62	21,108.86	100,000.00	500.00	100,500.00	100,000.00	800.00	100,800.00	100,000.00	1,875.00	101,875.00	100,000.00	2,125.00	102,125.00	0.00	0.00	0.00

FLows FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER
(AMOUNTS IN EUR)
CPR = 10.00%

Payment Date	Class A Bonds			Class B Bonds			Class C Bonds			Class D Bonds			Class E Bonds			Class F Bonds		
	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow
TOTALS:	100,000.00	2,041.43	102,041.43	100,000.00	8,666.67	108,666.67	100,000.00	13,866.67	113,866.67	100,000.00	32,500.00	132,500.00	100,000.00	36,833.33	136,833.33	100,000.00	15,104.17	115,104.17
09-Dec-16																		
18-Apr-17	0.00	200.00	200.00	0.00	666.67	666.67	0.00	1,066.67	1,066.67	0.00	2,500.00	2,500.00	0.00	2,833.33	2,833.33	12,500.00	4,166.67	16,666.67
18-Jul-17	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	2,734.38	15,234.38
18-Oct-17	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	2,343.75	14,843.75
18-Jan-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	1,953.13	14,453.13
18-Apr-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	1,562.50	14,062.50
18-Jul-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	1,171.88	13,671.88
18-Oct-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	781.25	13,281.25
18-Jan-19	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	390.63	12,890.63
18-Apr-19	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Jul-19	19,036.88	150.00	19,186.88	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Oct-19	13,760.24	121.44	13,881.69	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
20-Jan-20	12,257.49	100.80	12,358.29	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
20-Apr-20	10,824.52	82.42	10,906.94	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
20-Jul-20	9,463.86	66.18	9,530.04	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
19-Oct-20	8,228.51	51.99	8,280.50	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Jan-21	7,123.73	39.64	7,163.38	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
19-Apr-21	19,304.76	28.96	19,333.72	100,000.00	500.00	100,500.00	100,000.00	800.00	100,800.00	100,000.00	1,875.00	101,875.00	100,000.00	2,125.00	102,125.00	0.00	0.00	0.00

FLows FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER
(AMOUNTS IN EUR)
CPR = 12.00%

Payment Date	Class A Bonds			Class B Bonds			Class C Bonds			Class D Bonds			Class E Bonds			Class F Bonds		
	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow
TOTALS:	100,000.00	2,030.83	102,030.83	100,000.00	8,666.67	108,666.67	100,000.00	13,866.67	113,866.67	100,000.00	32,500.00	132,500.00	100,000.00	36,833.33	136,833.33	100,000.00	15,104.17	115,104.17
09-Dec-16																		
18-Apr-17	0.00	200.00	200.00	0.00	666.67	666.67	0.00	1,066.67	1,066.67	0.00	2,500.00	2,500.00	0.00	2,833.33	2,833.33	12,500.00	4,166.67	16,666.67
18-Jul-17	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	2,734.38	15,234.38
18-Oct-17	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	2,343.75	14,843.75
18-Jan-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	1,953.13	14,453.13
18-Apr-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	1,562.50	14,062.50
18-Jul-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	1,171.88	13,671.88
18-Oct-18	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	781.25	13,281.25
18-Jan-19	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	12,500.00	390.63	12,890.63
18-Apr-19	0.00	150.00	150.00	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Jul-19	19,511.54	150.00	19,661.54	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Oct-19	14,095.33	120.73	14,216.07	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
20-Jan-20	12,476.37	99.59	12,575.96	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
20-Apr-20	10,952.34	80.88	11,033.22	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
20-Jul-20	9,521.06	64.45	9,585.51	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
19-Oct-20	8,229.54	50.17	8,279.71	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
18-Jan-21	7,081.85	37.82	7,119.67	0.00	500.00	500.00	0.00	800.00	800.00	0.00	1,875.00	1,875.00	0.00	2,125.00	2,125.00	0.00	0.00	0.00
19-Apr-21	18,131.96	27.20	18,159.16	100,000.00	500.00	100,500.00	100,000.00	800.00	100,800.00	100,000.00	1,875.00	101,875.00	100,000.00	2,125.00	102,125.00	0.00	0.00	0.00

In the scenario described above for the case of xvii) c., the final maturity of the Notes is 18 January 2028 and the average life of the Notes, IRR and Duration of the various CPRs would be as follows:

CPR	7%	10%	12%
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Class A Notes			
Average Life (years)	3.54	3.49	3.47
IRR	0.597%	0.597%	0.597%
Duration (years)	3.58	3.54	3.51
Final maturity	18-Apr-22	18-Apr-22	18-Jan-22
(years)	5.36	5.36	5.11

Class B Notes			
Average Life (years)	5.61	5.51	5.44
IRR	2.005%	2.005%	2.005%
Duration (years)	5.94	5.83	5.75
Final maturity	18-Oct-22	18-Oct-22	18-Jul-22
(years)	5.86	5.86	5.61

Class C Notes			
Average Life (years)	6.31	6.20	6.13
IRR	3.223%	3.223%	3.223%
Duration (years)	6.31	6.20	6.13
Final maturity	18-Oct-23	18-Jul-23	18-Jul-23
(years)	6.86	6.61	6.61

Class D Notes			
Average Life (years)	7.17	7.06	6.98
IRR	7.673%	7.673%	7.673%
Duration (years)	9.17	9.00	8.87
Final maturity	18-Jul-24	18-Apr-24	18-Apr-24
(years)	7.61	7.36	7.36

Class E Notes			
Average Life (years)	8.29	8.19	8.11
IRR	8.729%	8.729%	8.729%
Duration (years)	11.30	11.14	11.01
Final maturity	18-Jan-28	18-Jan-28	18-Jan-28
(years)	11.12	11.12	11.12

	Class F Notes		
Average Life (years)	1.23	1.23	1.23
IRR	12.790%	12.790%	12.790%
Duration (years)	1.37	1.37	1.37
Final maturity	18-Jan-19	18-Jan-19	18-Jan-19
(years)	2.11	2.11	2.11

Default Ratio at maturity	2.093%	1.951%	1.860%
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4.11 Representation of the security holders.

Pursuant to the provisions of Article 26 of Law 5/2015, the Management Company will act with utmost diligence and transparency in defence of the best interests of the Noteholders and financiers of the Fund. Consequently, the actions of the Management Company must be subordinated to protecting the interests of the holders of the Notes issued by the Fund.

Additionally, the Meeting of Creditors will be established upon and by virtue of the Deed of Incorporation and will remain in force and in effect until repayment of the Notes in full or cancellation of the Fund. The provisions relating to the Meeting of Creditors are contained in the Rules.

The terms and conditions of the rules for the Creditors' Meeting (the "**Rules**") are the following:

RULES FOR THE CREDITORS' MEETING

TITLE I GENERAL PROVISIONS

Article 1

General

- 1.1 According to Article 37 of Law 5/2015, the Meeting of Creditors will be validly constituted upon execution of the public deed for the incorporation of the Fund, assignment of the assets and asset-backed securities issuance.
- 1.2 The contents of these Rules are deemed to form part of each Note issued by the Fund.
- 1.3 The Rules also govern the relationship of the Noteholders with the provider of the Start-up Expenses Loan (the "**Other Creditors**"). No creditor of the Fund other than the Noteholders and Other Creditors shall have the right to vote at any Meeting of Creditors.
- 1.4 Any matter relating to the Meeting of Creditors which is not regulated under these Rules shall be regulated in accordance with Article 37 of the Law 5/2015 and, if applicable, in accordance with the provisions contained in Royal Decree-Law 1/2010 of 2 July approving the Restated Text of the Capital Companies Act ("**Capital Companies Act**"), as amended, relating to the Security-holders' Syndicate.
- 1.5 Any and all Noteholders and Other Creditors are members of the Meeting of Creditors and shall be subject to the provisions established in these Rules, as modified by the Meeting of Creditors.
- 1.6 The Meeting of Creditors convened by the Management Company shall have the objective of defending the interests of the Noteholders and Other Creditors and without distinction between the Noteholders and Other Creditors. Any information given to Noteholders must be given to the Other Creditors.

Article 2

Definitions

All capitalised terms of these Rules not otherwise defined herein shall have the same meaning set forth in the Prospectus and the Deed of Incorporation.

- “**Extraordinary Resolution**” means a resolution passed at a Meeting of Creditors duly convened and held in accordance with the Rules.
- “**Written Resolution**” means a resolution in writing signed by or on behalf of all Noteholders and Other Creditors who are then entitled to receive notice of a meeting in accordance with the Rules for the Meeting of Creditors, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such Noteholders or by or on behalf of one or more of the Other Creditors;
- “**Resolution**” means a resolution passed by the Noteholders or Other Creditors at a Meeting of Creditors or by virtue of a Written Resolution.
- “**Transaction Documents**” means the following documents: (i) Deed of Incorporation of the Fund; (ii) the Management, Placement and Subscription Agreement; (iii) the Start-up Expenses Loan Agreement; (iv) the Guaranteed Reinvestment Agreement; (v) the Payment Agency Agreement; and (vi) any other documents executed from time to time after the Date of Incorporation in connection with the Fund and designated as such by the relevant parties.

Article 3

Separate and combined meetings

- 3.1 An Extraordinary Resolution which, in the opinion of the Management Company, affects the Noteholders but does not give rise to an actual or potential conflict of interest between the Noteholders and/or Other Creditors shall be transacted at a separate Meeting of Creditors for Noteholders or at a single Meeting of Creditors for both Noteholders and the Other Creditors, as the Management Company shall determine at its absolute discretion.

Article 4

Meetings convened by Noteholders or Other Creditors

- 4.1 A Meeting of Creditors shall be convened by the Management Company upon the request in writing of a Class or Classes of Noteholders holding no less than 10 per cent of the aggregate Outstanding Principal Balance of Notes of the relevant Class or Classes or Other Creditors holding no less than 10 per cent of the outstanding principal amount due to such Other Creditors. Noteholders and Other Creditors can also participate in a Meeting of Creditors convened by the Management Company to consider any matter affecting their interests.
- 4.2 However, unless the Management Company, on behalf of the Fund, has an obligation to take such action under these Rules, the Noteholders and the Other Creditors are not entitled to instruct or direct the Management Company to take any actions without the consent of the Meeting of Creditors.

TITLE II MEETING PROVISIONS

Article 5

Convening of Meeting

- 5.1 The Management Company may at its discretion convene a meeting at any time and shall convene a meeting if so instructed by the relevant percentage of Noteholders or Other Creditors set forth in section 4.1 above.

- 5.2 Whenever the Management Company is about to convene any such meeting, it shall immediately give notice of the date thereof and of the nature of the business to be transacted thereat, through the publication of a material event (*hecho relevante*) with the CNMV.
- 5.3 The resources needed and the costs incurred for each Meeting of Creditors shall be provided and borne by the Fund.
- 5.4 For each Meeting of Creditors, the Management Company shall designate a representative and, therefore, no commissioner (*comisario*) shall be appointed for any Meeting of Creditors.

Article 6

Notice

- 6.1 The Management Company shall give at least 21 calendar days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is to be held) specifying the date, time and place of the initial meeting ("**Initial Meeting**") to the Noteholders and Other Creditors.
- 6.2 Without prejudice to the above, the Management Company may adjourn such Initial Meeting for 10 calendar days ("**Adjourned Meeting**").

Article 7

Quorums at Initial Meeting and Adjourned Meetings

- 7.1 The quorum at any Initial Meeting to vote on an Extraordinary Resolution, other than an Initial Meeting regarding a Reserved Matter, relating to a Meeting of a particular Class or Classes of Notes, shall be at least one or more persons holding or representing a majority of the aggregate Outstanding Principal Balance of the Notes of the relevant Class or Classes.
- 7.2 The quorum at any Initial Meeting to vote on an Extraordinary Resolution relating to a Reserved Matter shall be at least one or more persons holding or representing not less than seventy-five per cent (75%) of the Outstanding Principal Balance of the Notes of the relevant Class or Classes form a quorum unless the Reserved Matter is to decide the Early Liquidation of the Fund in accordance with Article 23.2 b) of Law 5/2015, in which case it shall be at least one or more persons holding or representing not less than seventy-five per cent (75%) of the Outstanding Principal Balance of the Notes of the relevant Class or Classes and seventy-five per cent (75%) of the outstanding principal amount due to each of the Other Creditors.
- 7.3 The quorum at any Adjourned Meeting to vote on an Extraordinary Resolution, other than regarding a Reserved Matter, shall be at least one or more persons being or representing Noteholders of the relevant Class or Classes, whatever the aggregate Outstanding Principal Balance of the Notes so held or represented in such Class or Classes.
- 7.4 The quorum at any Adjourned Meeting to vote on an Extraordinary Resolution relating to a Reserved Matter shall be at least one or more persons holding or representing not less than thirty-three per cent (33%) of the Outstanding Principal Balance of the Notes of the relevant Class or Classes form a quorum, unless the Reserved Matter is to decide the Early Liquidation of the Fund in accordance with Article 23.2 b) of Law 5/2015, in which case it shall be at least one or more persons holding or representing not less than seventy-five per cent (75%) of the Outstanding Principal Balance of the

Notes of the relevant Class or Classes and seventy-five per cent (75%) of the outstanding principal amount due to each of the Other Creditors.

- 7.5 There is no minimum quorum of Other Creditors for a valid quorum of any Initial Meeting or Adjourned Meeting, except for such Meeting is to decide the Early Liquidation of the Fund in accordance with Article 23.2 b) of Law 5/2015, in which case one or more persons holding or representing not less than seventy-five per cent (75%) of the outstanding principal amount due to each of the Other Creditors shall attend.

For the purposes of calculating the relevant quorum and the required majority, the entitlement of the Noteholders and Other Creditors to attend the meeting or to vote shall be determined by reference to the Outstanding Principal Balance of the Notes of the relevant Class or Classes or the outstanding principal due to each of the Other Creditors on the immediately preceding Payment Date to the convening of the Meeting.

Article 8
Required Majority

A Extraordinary Resolution is validly passed at any Initial Meeting and/or Adjourned Meeting when (i) in respect of a Extraordinary Resolution other than a Extraordinary Resolution to be passed to decide the Early Liquidation of the Fund in accordance with Article 23.2 b) of Law 5/2015, not less than seventy-five per cent (75%) of the votes cast by the Noteholders attending the relevant meeting have been cast in favour thereof, or (ii) in respect of a Extraordinary Resolution to be passed to decide the Early Liquidation of the Fund in accordance with Article 23.2 b) of Law 5/2015, not less than seventy-five per cent (75%) of the total outstanding principal held by the Noteholders and not less than seventy-five per cent (75%) of the total outstanding principal held by the Other Creditors have been cast in favour thereof, also taking into account those not attending the relevant meeting.

Article 9
Written Resolution

A Written Resolution is validly passed when it has been signed by or on behalf of the Noteholders and Other Creditors holding one hundred per cent (100%) of the Outstanding Principal Balance of the Notes of the relevant Class or Classes form a quorum or the credit affected, as the case maybe. A Written Resolution shall take effect as if it were an Extraordinary Resolution.

Article 10
Matters requiring an Extraordinary Resolution

An Extraordinary Resolution is required to approve any Reserved Matter.

Article 11
Reserved Matters

The following are “**Reserved Matters**”:

- (i) to change any date fixed for the payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest due on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity;
- (ii) to change the currency in which amounts due in respect of the Notes are payable;

- (iii) to alter the Priority of Payments of interest or principal in respect of the Notes;
- (iv) to change the quorum required at any Meeting of Creditors or the majority required to pass an Extraordinary Resolution;
- (v) to authorise the Management Company or (if relevant) any other Transaction Party to perform any act or omission which is not expressly regulated under the Deed of Incorporation and other Transaction Documents;
- (vi) to approve the Early Liquidation of the Fund in accordance with Article 23.2 b) of Law 5/2015;
- (vii) to approve any proposal by the Management Company for any modification of the Deed of Incorporation or any arrangement in respect of the obligations of the Fund under or in respect of the Notes;
- (viii) to instruct the Management Company or any other person to do all that may be necessary to give effect to any Extraordinary Resolution;
- (ix) to give any other authorisation or approval which under the Deed of Incorporation or the Notes is required to be given by Extraordinary Resolution;
- (x) to appoint any persons as a committee to represent the interests of the Noteholders and to confer upon such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution; and
- (xi) to amend this definition of Reserved Matters.

Article 12

Relationships between Noteholders and Other Creditors

Resolutions of the Senior Class of Notes will bind holders of the other Classes of Notes as well as Other Creditors, save where they relate to a Reserved Matter. However, neither holders of the other Classes of Notes nor Other Creditors may bind the Senior Class of Notes.

No Extraordinary Resolution involving a Reserved Matter that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes then outstanding.

Subject to the foregoing, any resolution passed at a Meeting of Creditors duly convened and held in accordance with these Rules and the Deed of Incorporation shall be binding upon all Noteholders and the Other Creditors, whether or not present at such meeting and whether or not voting.

For the purposes of this Article, (i) Class A Notes rank senior to Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes, (ii) Class B Notes rank senior to Class C Notes, Class D Notes, Class E Notes and Class F Notes, (iii) Class C Notes rank senior to Class D Notes, Class E Notes and Class F Notes, (iv) Class D Notes rank senior to Class E Notes and Class F Notes and (v) Class E Notes rank senior to Class F Notes.

“**Senior Class**” shall mean the Class A Notes whilst they remain outstanding, thereafter the Class B Notes whilst they remain outstanding, thereafter the Class C Notes whilst they remain outstanding, thereafter the Class D Notes whilst they remain outstanding, thereafter the Class E Notes whilst they remain outstanding and thereafter the Class F Notes whilst they remain outstanding.

In addition, so long as any Notes are outstanding and there is, in the Management Company's sole opinion, a conflict between the interests of the Noteholders and the Other Creditors, the Management Company shall have regard solely to the interests of the Noteholders in the exercise of its discretion.

Article 13
Domicile

The Meeting of Creditors' domicile is located at the Management Company's registered office, i.e., Gran Vía de Hortaleza, 3, 28033 Madrid

However, the Meeting of Creditors may meet whenever appropriate at any other venue in the city of Madrid, with express specification in the notice of call to meeting.

TITLE III
GOVERNING LAW AND JURISDICTION

Article 14
Governing law and jurisdiction

14.1 These Rules and any non-contractual obligations arising therefrom or in connection therewith are governed by, and will be construed in accordance with, the laws of Spain.

14.2 All disputes arising out of or in connection with these Rules, including those concerning the validity, interpretation, performance and termination hereof, shall be exclusively settled by the Courts of Madrid.

4.12 Resolutions, authorisations and approvals by virtue of which the securities are issued.

i) Corporate resolutions

Resolution to create the Fund, acquire the Receivables and issue the Notes:

The Board of Directors of the Management Company, at its meeting held on 20 July 2016, resolved to (i) incorporate the Fund, (ii) acquire the Loans to be pooled in the Fund, and (iii) issue the Notes.

Resolution to assign the Receivables:

The Board of Directors of Santander, at its meeting held on 19 September 2016, approved the assignment to the Fund of the Loans owned by the Seller.

ii) Registration by the CNMV

This Prospectus was recorded in the Official Registers of the CNMV on 2 December 2016.

iii) Certification of the Deed of Incorporation of the Fund

The Management Company represents that the text of the Deed of Incorporation will coincide with the draft of the Deed of Incorporation delivered to the CNMV, and in no case will the terms of the Deed of Incorporation contradict, modify, alter or invalidate the rules set forth in this Prospectus.

The Management Company will forward a copy of the Deed of Incorporation and the Assignment Agreement to Iberclear and to the CNMV for filing with the Official Registers.

4.13 Issue date.

The issue date of the Notes will be 5 December 2016.

4.13.1 Group of potential investors

The placement of the Notes is aimed at investors qualified for the purposes of Article 39 of Royal Decree 1310/2005, i.e., for descriptive purposes and not limited to, legal persons authorised or regulated to operate in financial markets, including credit institutions, investment services companies, insurance companies, collective investment institutions and their management companies, pension funds and their management companies, other authorised or regulated financial entities, etc.

The issuance of the Notes is directed towards qualified investors (as defined in Article 39 of Royal Decree 1310/2005).

By subscribing the Notes, each Noteholder agrees to the terms of the Deed of Incorporation and this Prospectus.

4.13.2 Subscription period

The Management Company will enter into a Management, Placement and Subscription Agreement of the Notes under which Santander will undertake to subscribe all Class A, Class B and Class C Notes as well as Class D, Class E and Class F Notes not subscribed by the Noteholders.

The Subscription Period will begin at 09:00 CET on 9 December 2016 and will end on the same day at 12:00 CET.

Once the Subscription Period has ended, and before 12:30 CET on the same day, the Joint Lead Managers will notify Santander and the Management Company of the number and amount of the Class D, E and F Notes that have been placed.

Santander undertakes to subscribe the remaining Class D, E and F Notes not placed by the Joint Lead Managers in accordance with the Management, Placement and Subscription Agreement on 9 December 2016, between 13:00 Madrid time and 13:30 CET.

4.13.3 Disbursement date and form

The Disbursement Date will be 9 December 2016.

The disbursement of the amounts of the Notes will be paid by the subscribing entities.

On the Disbursement Date, the Joint Lead Managers will pay to the Fund before 15:00 CET, through the Paying Agent, the amount of the Notes actually placed into the Cash Flow Account, for value that same day.

The Noteholders of Class D, E and F must pay the Joint Lead Managers the price of the issue of each Note placed before 12:30 CET on the Disbursement Date, for value that day.

Furthermore, Santander, will pay before 13:30 CET the amount of Class A, Class B and Class C Notes and if applicable, the amount of Class D, E and F Notes that were not placed with qualified investors into the Cash Flow Account.

4.14 Restrictions on free transferability of the securities.

The Notes shall be freely transferred by any means allowed by law and in accordance with AIAF standards. The ownership of each Note will be transferred by book-entry transfer. The registration of the transfer in favor of the acquirer in the book-entry register will have the same effects as the transfer of the certificates and, as from such time, the transfer may be challenged by third parties.

5. ADMISSION TO LISTING AND DEALING ARRANGEMENTS

5.1 Indication of the market where the securities will be listed and traded

On the Disbursement Date, the Management Company will immediately request the admission of the issue to trading on the AIAF. The Management Company will also, on behalf of the Fund, request the inclusion of the issue in Iberclear so that clearance and settlement may be carried out under the operating norms established or that may be approved in the future by Iberclear with regard to the securities admitted to trading on the AIAF and represented by book entries.

The Management Company undertakes to complete the registration of the issue on the AIAF within a period of thirty (30) days from the Disbursement Date once the corresponding authorisations have been obtained.

The Management Company, in the name and on behalf of the Fund, states that it is aware of the requirements and conditions that may be requested for the listing, maintenance and de-listing of the securities with AIAF in accordance with applicable regulations as well as the requirements by the governing bodies of the latter, and the Management Company undertakes to comply therewith.

In the event of a failure to meet the deadline for admission of the Notes to trading, the Management Company undertakes to provide a notice of material event with the CNMV and make the announcement in the Daily Bulletin of the AIAF or in any other media generally accepted by the market which guarantees adequate dissemination of the information, in time and content, concerning the reasons for such breach and the new date for admission of the issued securities to trading, without prejudice to the possible liability of the Management Company if the breach is due to reasons attributable thereto.

It is not expected that there will be an agreement with any entity to provide liquidity for the Notes during the term of the issue.

5.2 Paying Agent and Depository Agents.

a) Paying Agent:

The Management Company, on behalf of the Fund, appoints Santander, which undertakes to be the Paying Agent in order to carry out the issue of the Notes.

The obligations assumed by Santander in its condition as Paying Agent include the following:

(i) Disbursement of issue

The Paying Agent will pay the Fund, before 15:00 (Madrid time) on the Disbursement Date and for value that same day, all amounts which are paid thereto by the Noteholders in accordance with the provisions of the Management, Placement and Subscription Agreement, by means of a deposit into the Cash Flow Account of the Fund.

(ii) Payments from the Fund

On each of the Payment Dates of the Notes, the Paying Agent will make the payment of interest and repayment of the principal of the Notes in accordance with the instructions received from the Management Company and following the Priority of Payments or, where applicable, the Liquidation Priority of Payments described in sections 3.4.6 b) and 3.4.6 d) of the Additional Building Block.

The payments to be made by the Paying Agent will be made through the corresponding Iberclear participants in whose registers the Notes are recorded, in accordance with the procedures in force regarding this service.

If there are no Available Funds in the Cash Flow Account on a Payment Date, the Paying Agent will not be required to make any payments.

Pursuant to the Paying Agency Agreement:

- (a) the Management Company may terminate the appointment of the Paying Agent and appoint a new paying agent upon thirty (30) days' prior written notice; and
- (b) the Paying Agent may resign upon thirty (30) days' prior written notice to the Management Company

In the case of replacement due to the resignation of the Paying Agent, any costs resulting from the replacement as well as any fee for the new Paying Agent will be considered Extraordinary Expenses of the Issuer.

As consideration for the services to be provided by the Paying Agent, the Management Company, for and on behalf of the Fund, shall pay on each Payment Date a fee agreed under the Payment Agency Agreement following the Priority of Payments or, where applicable, the Liquidation Priority of Payments described in sections 3.4.6 b) and 3.4.6 d) of the Additional Building Block.

b) Depository Agents:

Not applicable.

6. EXPENSES OF ADMISSION TO LISTING AND TRADING

The following expenses are expected:

	Euros
Costs of incorporation and issuance (expenses relating to documentation, advertising, official charges and others):	
CNMV charges (for the offer and admission to trading): 0.01% of the Notes with a maximum of 60,000 euros If for any reason the Notes are not admitted to trading, there will be a fixed fee of €5,000.	60,000.00
AIAF charges:	61,407.50
Iberclear charges:	605.00
Other (rating agencies, legal advice, notarial services, auditing, fees of the Joint Arrangers, Joint Lead Managers and Management Company)	1,527,987.50
TOTAL	1,650,000.00

The expenses of incorporation and issuance reflected herein will be paid from the Start-up Expenses Loan.

7. ADDITIONAL INFORMATION

7.1 Persons and entities advising the issue.

CUATRECASAS GONÇALVES PEREIRA, S.L.P. participates as legal advisor with respect to the structure of the transaction and has reviewed the legal regime and tax rules applicable to the Fund set forth in section 4.5.d) of the Registration Document, in its capacity as an independent third party.

7.2 Information in the Securities Note reviewed by auditors.

Not applicable.

7.3 Statement or report attributed to a person as an expert.

Deloitte has prepared a special report regarding the main attributes of the Loans, which is included in Section 2.2. of the Additional Building Block.

PRICEWATERHOUSECOOPERS AUDITORS, S.L. audits the annual accounts of the Management Company.

7.4 Information sourced from third parties.

The Management Company confirms that the information provided by Santander in its capacity as Seller has been accurately reproduced in sections 2.2.2, 2.2.6 and 2.2.8 of the Additional Building Block and that, as far as it is aware and has been able to ascertain based on the information provided by Santander, no facts have been omitted that would render the information inaccurate or misleading.

7.5 Ratings given by rating agency.

On 1 December 2016, the Notes included in this Securities Note were given the following provisional ratings by the Rating Agencies, which are DBRS and Moody’s, respectively:

Notes	Moody’s	DBRS
Class A Notes	Aa2 (sf)	AA (sf)
Class B Notes	A3 (sf)	A (sf)
Class C Notes	Baa3 (sf)	BBB (sf)
Class D Notes	Ba2 (sf)	BB (sf)
Class E Notes	Ba3 (sf)	B (sf)
Class F Notes	B3 (sf)	CCC (high) (sf)

A failure by the Rating Agencies to confirm any of the provisional ratings prior to the Disbursement Date will be immediately reported to the CNMV and made public as provided in section 4 of the Additional Building Block. This circumstance will result in termination of the incorporation of the Fund, the Notes issue and all agreements except for the Start-up Expenses Loan Agreement in relation to the costs incurred from incorporating the Fund, the Notes issue and the transfer of the Notes.

As of 31 October 2011, the abovementioned Rating Agencies are registered and authorised by the ESMA as European Union Credit Rating Agencies in accordance with the provisions of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on Credit Rating Agencies.

**ADDITIONAL BUILDING BLOCK TO THE SECURITIES NOTE
(Annex VIII of Commission Regulation (EC) No 809/2004)**

1. THE SECURITIES

1.1 Amount of the issue.

The Fund, which is represented by the Management Company, will be incorporated with the Initial Receivables that Santander will assign to the Fund on the Date of Incorporation, the principal amount of which will be equal to or slightly greater than ONE BILLION EUROS (€1,000,000,000), which amount represents the nominal value of the issue of the Class A, B, C, D and E Notes.

1.2 Confirmation that the information relating to an undertaking/obligor not involved in the issue has been reproduced.

Not applicable.

2. THE UNDERLYING ASSETS

2.1 Confirmation that the Assets have the capacity to produce funds to service payments on the securities.

The Management Company confirms that the flows of principal, ordinary interest and any other amounts generated by the Receivables permit the payments due and payable under the Notes that are issued to be paid in accordance with the contractual nature thereof.

However, in order to cover possible failures of Obligors to pay, in accordance with the applicable law, credit enhancement will be put in place in order to increase the security or regularity of the payment of the Notes and mitigate or neutralise differences in interest rates on the assets, and which are described in sections 3.4.2, 3.4.3 and 3.4.4 of this Additional Building Block. Such enhancements, however, may prove to be insufficient in exceptional circumstances.

2.2 Assets backing the issue.

The Fund will pool in its assets the Receivables (i.e, 95% of any and all of the receivables derived from the Loans) granted by Santander to individuals' resident in Spain (third persons or employees) supported by personal guarantees from the Obligor or from third-party endorsement ("*aval*"). Within the consumer financing it is included, without limitation, debtor's expenditures (including small consumer expenditures and other non-defined expenditures), the purchase of consumer goods in its broadest sense, including finishing home working construction, the purchase of goods, including the acquisition of new and used vehicle or services. No Receivable derives from a Restructured Receivable.

For the purposes of this Section:

"Restructured Receivable" means a Receivable where a Restructuring has occurred. A **"Restructuring"** means, with respect to a Receivable, the forgiveness, reduction or postponement of principal, interest or fees or a change in the ranking, priority or subordination of such obligation (together, the **"Restructuring Events"**), provided that such decision, with respect to the Restructuring Events, will be made: (i) with regard to the standards of a reasonable and prudent holder of such obligation (disregarding for such purposes the effect of any securitisation of such Receivable but taking into account any security or collateral allocable to that Receivable); and (ii) with the intent that such Restructuring is (a) to minimise any expected loss in respect of

such Receivable, or (b) to respond to a reasonable commercial request from the associated Obligor.

The Loans for acquisition of new and used vehiculed are not secured with a reservation of title.

The requirements to be met by the Receivables to be assigned to the Fund, the characteristics of the Initial Receivables and the system for subsequent assignments of Additional Receivables during the Revolving Period, are hereinafter described in this section in accordance with the provisions of the Deed of Incorporation.

Maximum Receivable Amount.

The maximum amount of the Outstanding Balance of the Receivables pooled in the Fund will be equal to or slightly higher than ONE BILLION EUROS (€1,000,000,000) (the “**Maximum Receivable Amount**”), equivalent to the nominal value of the issue of the Class A, B, C, D and E Notes.

2.2.1 Legal jurisdiction governing the Asset pool.

The assets securitised are governed by Spanish law, and specifically by the Consumer Credit Act 7/1995 of 23 March and Law 16/2011 of 24 June on consumer credit agreements, Royal Legislative Decree 1/2007 of 16h November approving the consolidated text of the General Law for the Protection of Consumers and Users and any other supplementary laws, and Law 7/1998 of 13th April on General Contracting Conditions.

2.2.2 General characteristics of the Receivables.

A) Initial Receivables

The assignment by Santander of the Initial Receivables, in an undetermined number of Receivables, the total Outstanding Balance of which will be equal to the Maximum Receivable Amount, i.e., ONE BILLION EUROS (€1,000,000,000) or an amount slightly exceeding and as close as possible to that amount, will be effective from the Date of Incorporation and will be documented by means of the Assignment Agreement.

Special Securitisation Report on the Loan portfolio

In order to comply with the provisions of Article 22 of Law 5/2015, the preliminary Loan portfolio was the subject of a special report prepared by Deloitte, S.L., upon the terms set forth in articles 22.1.(i) and 35 of Law 5/2015 which dealt with a number of qualitative and quantitative items (attributes) of a sample of this preliminary portfolio. The sampling of attributes assumes the acquisition of a random sample of the Portfolio (on 25 October 2016, a Portfolio of a total of 149,976 Loans in the amount of €1,137,661,628.70).

The attributes dealt with in the special report are as follows:

- Loan formalisation;
- Purpose of the loan;
- Origination policy of the loan;
- Identification of the borrower;
- Date of execution of the loan;
- Date of maturity of the loan;
- Initial amount of the loan;

- Current amount of the loan;
- Type of interest rate of the loan;
- Spread of the loan;
- Nominal interest rate of the loan;
- Guaranty of the loan;
- Repayment system of the loan;
- Days in arrears of the loan;
- Transmission of the loan;

Loans that do not fulfil the above mentioned attributes during the verification of the sample will not be assigned to the Fund.

a) Distribution by Outstanding Balance of the Receivables

The Outstanding Balance of the Receivables is between €200.08 and €100,000, with an average of €7,585.62. The scope of the intervals are defined as including the first and excluding the last amount of such intervals. The Receivables with an Outstanding Balance greater than 60,000 euros accounts for 11,588,185.54 euros (1.02% of the Outstanding Balance of the Receivables).

The following chart shows the distribution of the Receivables by principal outstanding.

Santander Consumo 2 dated October 25, 2016						
Principal Outstanding						
Principal Outstanding			Credit Rights		Principal Outstanding	
			number	%	euros	%
0	-	5,000	67,783	45.20	185,051,270.31	16.27
5,000	-	10,000	46,525	31.02	326,361,906.55	28.69
10,000	-	15,000	17,891	11.93	217,685,154.19	19.13
15,000	-	20,000	8,625	5.75	148,344,734.47	13.04
20,000	-	25,000	4,249	2.83	94,633,061.89	8.32
25,000	-	30,000	2,480	1.65	67,415,385.84	5.93
30,000	-	35,000	1,024	0.68	32,911,839.75	2.89
35,000	-	40,000	486	0.32	18,092,967.03	1.59
40,000	-	45,000	344	0.23	14,494,517.26	1.27
45,000	-	50,000	222	0.15	10,474,189.41	0.92
50,000	-	55,000	117	0.08	6,134,188.64	0.54
55,000	-	60,000	72	0.05	4,114,227.82	0.36
60,000	-	65,000	36	0.02	2,235,294.91	0.20
65,000	-	70,000	27	0.02	1,834,253.01	0.16
70,000	-	75,000	16	0.01	1,156,724.63	0.10
75,000	-	80,000	25	0.02	1,936,772.47	0.17
80,000	-	85,000	19	0.01	1,564,435.93	0.14
85,000	-	90,000	15	0.01	1,304,003.17	0.11
90,000	-	95,000	10	0.01	920,988.45	0.08
95,000	-	100,000	1	0.00	95,712.97	0.01
100,000	-	105,000	9	0.01	900,000.00	0.08
Total			149,976	100.00	1,137,661,628.70	100.00
Simple average:					7,585.62	
Minimum:					200.08	
Maximum:					100,000.00	

b) Distribution by initial amount of the Receivables

The initial amount of the Receivables is between €415.60 and €355,000, with an average of €11,778.02. The scope of the intervals are defined as including the first and excluding the last amount of such intervals.

The following chart shows the distribution of the Receivables by initial principal.

Santander Consumo 2 dated October 25, 2016					
Principal Initial					
Principal Initial	Credit Rights		Initial Outstanding		
	number	%	euros	%	
0 - 5,000	29,909	19.94	103,729,395.96	5.87	
5,000 - 10,000	53,996	36.00	383,043,356.58	21.68	
10,000 - 15,000	27,717	18.48	332,290,113.72	18.81	
15,000 - 20,000	15,674	10.45	266,432,409.46	15.08	
20,000 - 25,000	8,913	5.94	195,255,590.19	11.05	
25,000 - 30,000	4,904	3.27	131,884,328.86	7.47	
30,000 - 35,000	4,297	2.87	135,344,134.27	7.66	
35,000 - 40,000	1,451	0.97	53,316,239.48	3.02	
40,000 - 45,000	1,098	0.73	45,628,186.69	2.58	
45,000 - 50,000	553	0.37	25,811,803.72	1.46	
50,000 - 55,000	535	0.36	27,454,435.56	1.55	
55,000 - 60,000	187	0.12	10,567,526.64	0.60	
60,000 - 65,000	371	0.25	22,556,380.82	1.28	
65,000 - 70,000	44	0.03	2,922,039.57	0.17	
70,000 - 75,000	59	0.04	4,160,928.73	0.24	
75,000 - 80,000	34	0.02	2,579,572.63	0.15	
80,000 - 85,000	59	0.04	4,759,403.89	0.27	
85,000 - 90,000	16	0.01	1,382,992.32	0.08	
90,000 - 360,000	159	0.11	17,302,207.42	0.98	
Total	149,976	100.00	1,766,421,046.51	100.00	
Simple average:			11,778.02		
Minimum:			415.60		
Maximum:			355,000.00		

c) Distribution by effective applicable interest rate

The weighted average interest rate of the portfolio is 9.56%.

The following chart shows the distribution of the Receivables by reference index. Fixed rate Receivables represent 91.84% of the portfolio at 25 October 2016.

Floating rate Receivables bear a weighted average spread of 3.91%. None of the Floating rate Receivables are subject to a floor.

If any Initial Receivable or Additional Receivable with a floating rate during the period starting on the Disbursement Date until the Final Maturity Date ends up bearing a negative nominal interest rate, the Seller will be forced to reimburse to the debtor any amount due to loan interest liquidation or any other additional amounts. Therefore, the Fund shall at least received a zero nominal interest rate.

The Receivables do not allow postponement of interest or principal instalments.

Santander Consumo 2 dated October 25, 2016						
Index reference						
Index reference	Credit Rights		Principal Outstanding		Weighted interest rate	Weighted spread rate
	number	%	euros	%		
Fixed rate	142,560	95.06%	1,044,849,788.01	91.84%	10.05	0.00
Floating rate						
EUR 12M	5,925	3.95%	71,871,502.09	6.32%	4.53	4.53
EUR 6M	719	0.48%	10,368,189.04	0.91%	4.53	3.54
Other	772	0.51%	10,572,149.56	0.93%	0.05	0.00
Total Floating rate	7,416	4.94%	92,811,840.69	8.16%		
Total	149,976	100.00	1,137,661,628.70	100.00	9.56	3.91
Simple average:					10.75	4.29
Minimum:					0.57	0.00
Maximum:					21.00	15.50

The following chart shows the distribution of the Receivables at intervals of 1.00% of the current nominal interest rate. The scope of the intervals are defined as including the first and excluding the last amount of such intervals. The nominal interest rate of the portfolio is between 0.57% and 21.00%, with a simple average nominal rate of 10.75%.

Santander Consumo 2 dated October 25, 2016						
Nominal interest rate						
Nominal interest rate	Credit Rights		Principal Outstanding		Weighted interest rate	
	number	%	euros	%		
0,00 - 1,00	55	0,04	247.387,68	0,02	0,95	
1,00 - 2,00	2.511	1,67	28.370.236,53	2,49	1,27	
2,00 - 3,00	1.092	0,73	18.597.204,18	1,63	2,49	
3,00 - 4,00	2.209	1,47	25.230.145,20	2,22	3,51	
4,00 - 5,00	1.377	0,92	15.845.700,72	1,39	4,62	
5,00 - 6,00	2.901	1,93	35.055.738,94	3,08	5,53	
6,00 - 7,00	5.840	3,89	64.313.213,54	5,65	6,71	
7,00 - 8,00	12.632	8,42	117.715.485,79	10,35	7,68	
8,00 - 9,00	13.881	9,26	151.745.062,49	13,34	8,49	
9,00 - 10,00	31.029	20,69	276.636.720,50	24,32	9,58	
10,00 - 11,00	8.525	5,68	70.386.470,45	6,19	10,43	
11,00 - 12,00	6.892	4,60	40.155.397,29	3,53	11,24	
12,00 - 13,00	15.346	10,23	108.866.333,86	9,57	12,08	
13,00 - 14,00	18.299	12,20	78.166.593,18	6,87	13,40	
14,00 - 15,00	3.794	2,53	16.172.199,63	1,42	14,30	
15,00 - 16,00	10.850	7,23	42.703.954,16	3,75	15,47	
16,00 - 17,00	10.123	6,75	40.468.471,63	3,56	16,09	
≥ 17	2.620	1,75	6.985.312,93	0,61	17,45	
Total	149.976	100,00	1.137.661.628,70	100,00	9,56	
Simple average:					10,75	
Minimum:					0,57	
Maximum:					21,00	
Weighted average:					9,56	

d) Distribution by year of origination of the Receivables

The following chart shows the distribution of the Receivables by year of origination. The formalisation dates fall between 28 March 2003 (163.07 months) and 31 March 2016 (6.84 months). The weighted average origination date of the portfolio is 26 January 2015 (20.97 months).

Santander Consumo 2 dated October 25, 2016						
Origination date (year)						
Origination date (year)	Credit Rights		Principal Outstanding		Weighted origination date / months	
	number	%	euros	%		
2,003	12	0.01	33,705.90	0.00	28/08/2003	158.01
2,004	1	0.00	924.18	0.00	03/12/2004	142.82
2,006	6	0.00	56,273.36	0.00	09/05/2006	125.65
2,007	742	0.49	2,166,010.01	0.19	10/08/2007	110.57
2,008	533	0.36	3,029,907.77	0.27	12/06/2008	100.48
2,009	2,905	1.94	11,834,509.69	1.04	25/08/2009	86.05
2,010	4,366	2.91	26,771,631.64	2.35	15/07/2010	75.40
2,011	1,452	0.97	10,653,776.09	0.94	17/07/2011	63.34
2,012	7,810	5.21	29,872,698.08	2.63	28/07/2012	50.94
2,013	10,371	6.92	55,015,321.62	4.84	10/07/2013	39.52
2,014	33,947	22.63	229,422,170.28	20.17	03/08/2014	26.76
2,015	60,520	40.35	510,436,172.03	44.87	28/07/2015	14.93
2,016	27,311	18.21	258,368,528.05	22.71	16/02/2016	8.28
Total	149,976	100.00	1,137,661,628.70	100.00	26/01/2015	20.97
Simple average (months):					05/10/2014	24.68
Minimum (months):					28/03/2003	163.07
Maximum (months):					31/03/2016	6.84
Weighted average (months):					26/01/2015	20.97

e) Distribution by year of maturity of the Receivables

The following chart shows the distribution of the Receivables by year of maturity. The maturities dates fall between 25 December 2016 (2.01 months) and 21 December 2025 (109.94 months). The weighted average maturity date of the portfolio is 19 December 2020 (48.86 months).

Santander Consumo 2 dated October 25, 2016						
Maturity date (year)						
Maturity date (year)	Credit Rights		Principal Outstanding		Weighted maturity date / months	
	number	%	euros	%		
2,016	38	0.03	26,026.88	0.00	30/12/2016	2.19
2,017	22,540	15.03	46,559,243.52	4.09	14/08/2017	9.66
2,018	26,130	17.42	113,128,110.14	9.94	17/07/2018	20.71
2,019	32,235	21.49	193,084,295.39	16.97	25/07/2019	32.99
2,020	33,927	22.62	284,165,372.68	24.98	15/07/2020	44.71
2,021	16,510	11.01	179,455,343.50	15.77	19/04/2021	53.82
2,022	7,350	4.90	115,237,671.43	10.13	11/07/2022	68.56
2,023	7,817	5.21	136,470,465.98	12.00	16/07/2023	80.74
2,024	3,146	2.10	61,906,686.30	5.44	06/03/2024	88.43
2,025	283	0.19	7,628,412.88	0.67	21/07/2025	104.93
Total	149,976	100.00	1,137,661,628.70	100.00	19/12/2020	49.86
Simple average (months):					03/12/2019	37.30
Minimum (months):					25/12/2016	2.01
Maximum (months):					21/12/2025	109.94
Weighted average (months):					19/12/2020	49.86

f) Distribution by original term to maturity

The original term to maturity of the Receivables has a weighted average amount of 70.78 months, being amid of 10 months and 240 months. The scope of the intervals are defined as including the first and excluding the last amount of such intervals.

Santander Consumo 2 dated October 25, 2016					
Original term to Maturity (months)					
Original term to Maturity (months)	Credit Rights		Principal Outstanding		Weighted orig term maturity
	number	%	euros	%	
0-12	17	0.01	17,674.72	0.00	11.28
12-24	1,291	0.86	2,003,056.93	0.18	18.61
24-36	5,734	3.82	14,553,404.15	1.28	27.58
36-48	15,774	10.52	55,921,045.12	4.92	38.00
48-60	28,394	18.93	138,215,924.72	12.15	49.72
60-72	62,000	41.34	455,727,717.10	40.06	60.39
72-84	6,724	4.48	73,462,865.93	6.46	73.09
84-96	6,727	4.49	88,611,422.56	7.79	85.66
96-108	20,444	13.63	273,609,091.37	24.05	96.27
108-120	313	0.21	3,953,493.82	0.35	116.71
120-132	2,526	1.68	31,170,404.55	2.74	120.16
132-144	1	0.00	10,671.15	0.00	136.00
144-156	17	0.01	348,538.69	0.03	144.23
156-168	1	0.00	14,428.08	0.00	156.00
168-180	11	0.01	30,000.00	0.00	179.40
180-192	1	0.00	8,183.91	0.00	180.00
240-252	1	0.00	3,705.90	0.00	240.00
Total	149,976	100.00	1,137,661,628.70	100.00	70.78
Simple average (months):					61.93
Minimum (months):					10.00
Maximum (months):					240.00
Weighted average (months):					70.78

g) Distribution by geographical region

The following chart shows the distribution of the Receivables by location of the Obligors. The three top regions by Principal Outstanding accounts for 559,773,081.51 (49.20% of the Initial Outstanding Balance of the Receivables).

Santander Consumo 2 dated October 25, 2016				
Autonomus Regions				
Autonomus Regions	Credit Rights		Principal Outstanding	
	number	%	euros	%
Andalucia	26,399	17.60	200,798,409.06	17.65
Aragon	3,232	2.16	25,710,842.97	2.26
Asturias	3,477	2.32	24,300,552.37	2.14
Baleares	3,222	2.15	24,470,760.71	2.15
Canarias	12,755	8.50	90,318,359.92	7.94
Cantabria	3,178	2.12	24,010,128.27	2.11
Castilla-La mancha	6,807	4.54	50,065,777.57	4.40
Castilla-Leon	7,395	4.93	56,392,695.93	4.96
Cataluña	16,254	10.84	130,825,149.75	11.50
Ceuta	341	0.23	3,034,223.81	0.27
Extremadura	4,300	2.87	30,055,277.38	2.64
Galicia	10,603	7.07	75,422,047.64	6.63
La Rioja	808	0.54	5,954,528.37	0.52
Madrid	29,092	19.40	228,149,522.70	20.05
Melilla	467	0.31	4,055,455.57	0.36
Murcia	3,089	2.06	22,737,031.43	2.00
Navarra	1,080	0.72	8,623,513.59	0.76
Pais Vasco	4,356	2.90	35,355,546.97	3.11
Valencia	13,121	8.75	97,381,804.69	8.56
Total	149,976	100.00	1,137,661,628.70	100.00

h) Delinquency in Receivables transferred by Santander

Santander warrants that on the Date of Incorporation of the Fund, none of the Receivables to be assigned to the Fund will be more than thirty (30) days in arrears.

The scope of the intervals are defined as excluding the first and including the last amount of such intervals.

Santander Consumo 2 dated October 25, 2016				
Days in arrears				
Days in arrears	Credit Rights		Principal Outstanding	
	number	%	euros	%
Not in arrears	145,460	96.99	1,105,397,894.88	97.16
0 - 15	2,659	1.77	18,686,674.91	1.64
15 - 30	1,857	1.24	13,577,058.91	1.19
Total	149,976	100.00	1,137,661,628.70	100.00

i) Distribution of Receivables by concentration of Obligor

The following table shows the ten (10) largest Obligor.

Santander Consumo 2 dated October 25, 2016				
Debtor concentration				
Debtor concentration	Credit Rights		Principal Outstanding	
	number	%	euros	%
1	4	0.003	214,142.40	0.02
2	3	0.002	167,891.05	0.01
3	2	0.001	156,221.81	0.01
4	2	0.001	150,000.00	0.01
5	2	0.001	149,143.82	0.01
6	2	0.001	144,657.38	0.01
7	2	0.001	126,747.39	0.01
8	2	0.001	123,647.38	0.01
9	7	0.005	123,384.85	0.01
10	2	0.001	118,878.49	0.01
Debtors left	149,948	99.981	1,136,186,914.13	99.87
Total	149,976	100.00	1,137,661,628.70	100.00

j) Distribution of Receivables by loan purpose

The following table shows the purpose of the loans in the portfolio.

Santander Consumo 2 dated October 25, 2016				
Loan Purpose				
Loan Purpose	Credit Rights		Principal Outstanding	
	number	%	euros	%
Books	27	0.02	264,955.68	0.02
Computer	192	0.13	971,780.88	0.09
Consumer campaign	614	0.41	4,541,221.55	0.40
Courses and learning activities	4,499	3.00	34,527,756.95	3.03
Electric cooking devices	259	0.17	1,419,789.90	0.12
Facilities improvement	2,451	1.63	10,275,242.12	0.90
Finishing home working construction	19,776	13.19	157,056,813.97	13.81
Furniture expenditures	1,581	1.05	6,091,108.61	0.54
Journey	868	0.58	4,981,024.34	0.44
Leisure	353	0.24	2,449,723.65	0.22
Luxury and jewelry expenses	12	0.01	84,771.63	0.01
Medical expenses	160	0.11	616,575.75	0.05
Movable properties	612	0.41	5,133,486.10	0.45
New vehicle	9,518	6.35	89,871,678.56	7.90
Other	52,414	34.95	396,465,513.36	34.85
Other vehicle	3,252	2.17	16,461,373.83	1.45
Small consumer expenditures	40,923	27.29	316,756,815.06	27.84
Used vehicle	11,573	7.72	85,072,399.89	7.48
Vehicle repairment	892	0.59	4,619,596.87	0.41
Total	149,976	100.00	1,137,661,628.70	100.00

The purpose of “Finishing home working construction” includes minor home repairs and home re-modelling, among others. The purpose of “Movable properties” includes tangible goods such as kitchen devices and computer hardware.

The purpose of “Other” reflects any consumer good or service not specified in any of the categories described above as well as the origination through an early approval loan. Early approval loans represent with respect the purpose of “Other” and the Outstanding Balance of the Receivables 39.16% and 13.65% respectively.

The purpose of “Other vehicle” includes motorbikes, boats and trucks.

Early Approval Loans

Early Approval Loans are personal loans marketed exclusively in promotional campaigns and that can only be entered into by the selected customers of Banco Santander under the conditions reported to each customer, with the purpose of financing consumer goods and goods or services purchase.

The consumer department of Santander selects customers from the database and Spain Standardized Commercial Banking Risks Area (hereinafter ARBCE) assigns to each customer an "early approval" loan limit and maximum repayment period based on creditworthiness and borrowing capacity.

The campaigns validity is limited in time with an average duration between two and three months. Once this period has expired, the early approval offer loses its validity.

The general features of these loans are:

- Single ownership. Early Approval Loans are aimed at a single person, so the signing of other owners is not necessary.
- Target public. These loans are intended for individuals resident in Spain who are customers of Banco Santander selected according to their economic and financial features and their likelihood to consumer financing.
- Amount. From the minimum amount of 3.000 to the maximum amount of 60.000 euros for individual customers. From the minimum amount of 6.000 euros to the maximum amount of 100.000 euros for private banking customers.
- Redemption Period: Minimum period of 4 years (48 months) and maximum period of 8 years (96 months).
- Documents waiver. The early approval loans offer is made to Santander's customers previously analyzed by the ARBCE based on their financial status, and for this reason, it is not necessary for the customer to provide any financial document for the loan granting, nor payroll or tax statement.
- Internal debit. The granting of any of the above loans requires the customer to hold a bank account at Santander's for the disbursement of the loan repayment and payment of the instalments.

At the time of formalizing the loan Santander will at least check its internal negative files to ensure that at that time the customer does not maintain with any irregular situation regarding the payment of other products granted by Santander.

All Loans have been directly originated by Santander.

k) Distribution of Receivables by payment instalments.

The following table shows the frequency of payment of the instalments. Monthly instalments represents 99.46% of the portfolio of Receivables at 25 October 2016.

Santander Consumo 2 dated October 25, 2016				
Payment instalments				
Payment instalments	Credit Rights		Principal Outstanding	
	number	%	euros	%
Bullet	5	0.00	76,115.25	0.01
Annual	64	0.04	1,499,083.91	0.13
Monthly	149,694	99.81	1,131,383,501.09	99.45
Semi annually	160	0.11	3,680,664.22	0.32
Quarterly	53	0.04	1,022,264.23	0.09
Total	149,976	100.00	1,137,661,628.70	100.00

I) Distribution of Receivables by Regulatory PD.

The Regulatory PD of the Receivables has a weighted average amount of 1.14 %, being amid of 0.04 % and 55.20 %. The scope of the intervals are defined as including the first and excluding the last amount of such intervals.

Santander Consumo 2 dated October 25, 2016						
Regulatory PD (%)						
Regulatory PD (%)	Credit Rights		Principal Outstanding		Weighted average PD (%)	
	number	%	euros	%		
0,00 - 1,00	109.195	72,81	850.305.079,58	74,74	0,44	
1,00 - 2,00	26.974	17,99	191.438.924,13	16,83	1,37	
2,00 - 3,00	6.321	4,21	44.976.179,17	3,95	2,63	
3,00 - 4,00	2.021	1,35	14.036.782,88	1,23	3,64	
4,00 - 5,00	1.239	0,83	8.865.953,49	0,78	4,40	
5,00 - 6,00	842	0,56	5.239.148,46	0,46	5,52	
6,00 - 7,00	172	0,11	1.227.581,16	0,11	6,76	
7,00 - 8,00	165	0,11	1.136.262,90	0,10	7,31	
8,00 - 9,00	46	0,03	412.574,10	0,04	8,59	
9,00 - 10,00	430	0,29	3.282.952,99	0,29	9,72	
10,00 - 11,00	10	0,01	130.032,25	0,01	10,33	
11,00 - 12,00	299	0,20	1.528.795,00	0,13	11,57	
12,00 - 13,00	6	0,00	51.719,69	0,00	12,52	
14,00 - 15,00	9	0,01	54.727,00	0,00	14,36	
15,00 - 16,00	1	0,00	43.761,58	0,00	15,02	
17,00 - 18,00	10	0,01	43.250,85	0,00	17,54	
18,00 - 19,00	7	0,00	46.024,24	0,00	18,32	
21,00 - 22,00	2	0,00	22.315,18	0,00	21,43	
22,00 - 23,00	2.126	1,42	14.232.215,70	1,25	22,55	
32,00 - 33,00	3	0,00	12.007,92	0,00	32,79	
40,00 - 41,00	7	0,00	29.962,47	0,00	40,77	
49,00 - 50,00	89	0,06	537.915,60	0,05	49,27	
50,00 - 51,00	1	0,00	4.670,62	0,00	50,06	
55,00 - 56,00	1	0,00	2.791,74	0,00	55,20	
Total	149.976	100,00	1.137.661.628,70	100,00	1.14	
Simple average:				1,27		
Minimum:				0,04		
Maximum:				55,20		
Weighted average:				1,14		

“Regulatory PD” (“PD Regulatoria”): means the probability of an Obligor being unable to meet its payments obligations under the Loans over one-year period as stated in article 163 of CRR. Santander, as calculation agent of the Regulatory PD,

will update the Regulatory PD of every Loan in the following two cases; i) montly, taking into account the own economic variables borne by the Obligor, and ii) yearly, as the model that supports the Regulatory PD's outcome has to be calibrated. The Regulatory PD shall be at least 0.03% and if the Obligor is in default shall be 100%.

m) Distribution of Receivables by employment from Santander.

The following table shows the distribution of the Receivables by being employees of Santander. Some Receivables given to employees bear lower nominal interest rate with respect market conditions.

Santander Consumo 2 dated October 25, 2016				
Santander´s employee				
Santander´s employee	Credit Rights		Principal Outstanding	
	number	%	euros	%
No	147.660	98,46	1.116.636.020,07	98,15
Yes	2.316	1,54	21.025.608,63	1,85
Total	149.976	100,00	1.137.661.628,70	100,00

B) Additional Receivables

Following its incorporation, the Fund, represented by the Management Company, will on each Payment Date during the Revolving Period make subsequent acquisitions of Additional Receivables to make up for the amortisation of the Receivables in a maximum amount equal to the Available Principal Funds on the Determination Date preceding the relevant Payment Date, provided that the Seller has enough Additional Receivables meeting the Eligibility Criteria to assign to the Fund.

The Revolving Period will start on the Disbursement Date and end on the Payment Date falling on 18 April 2019 (inclusive) unless there is a Revolving Period Early Termination Event.

Yearly, the Management Company on behalf of the Fund will request a special report on the characteristics of the Additional Receivables purchased during the years 2016, 2017, 2018 and 2019 that are outstanding as of 31 December of each of such years, and that will cover the same qualitative and quantitative items (attributes) as the special report prepared for the Initial Receivables and described above. Such special report will be sent to the CNMV within the first four months of each year.

Early termination of the Revolving Period

The Revolving Period will be definitively terminated in advance (a “**Revolving Period Early Termination Event**”) on the Determination Date of the Revolving Period, inclusive, on which any of the following circumstances has occurred:

- (i) The average for the last three Determination Dates (including the Determination Date considered), of the average Delinquency Ratio on each of the last day of the immediately preceding three (3) calendar months, exceeds 4.00%;
or
- (ii) The “**Default Ratio**” exceeds the following percentages:
 - a. Until the Determination Date of the Revolving Period falling on 18 October 2018: 2.25%.
 - b. Until the Determination Date of the Revolving Period falling on 18 April 2019: 4.00%.

- (iii) The Reserve Fund will not be funded up to its required level on the Payment Date immediately following the Determination Date;
- (iv) Tax regulations are amended in such a way that the assignment of Additional Receivables proves to be excessively onerous to the Seller;
- (v) Santander becomes subject to insolvency or an arrangement with creditors or breaches any of its obligations as Seller;
- (vi) 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 or under this Prospectus.
- (vii) The audited annual accounts of Santander closed at December 31, 2016, 2017, 2018 and 2019 shall be howsoever qualified regarding its credit rating.
- (viii) If the credit granting policy set forth in Section 2.2.7 of the Additional Building Block is materially modified.

Acquisition Amount of the Additional Receivables

The Additional Receivables will be assigned a price equivalent to the Acquisition Amount of the Additional Receivables as provided in section 4.6.2 of the Securities Note.

In order to be assigned to and included in the Fund, on the respective assignment date, the Receivables must meet both the Individual Receivable Criteria and the Global Receivable Criteria (the “**Eligibility Criteria**”) set forth below.

Individual Receivables Criteria

1. No Loan has or shall have an outstanding principal balance greater than €100,000.
2. No Loan in arrears greater than thirty (30) days will be assigned to the Fund.
3. The origination of each and every Loan as well as the assignment of the relevant Receivable to the Fund have been and will be carried out on an arms’ length basis.
4. Each Receivable exists and is valid, binding, collectible and enforceable in accordance with applicable law and all applicable legal provisions have been observed in the provision thereof, in particular and where applicable, Law 7/1995, of 23 March on Consumer Credit and Law 16/2011 of 24 June on consumer credit agreements, Royal Legislative Decree 1/2007 of 16h November approving the consolidated text of the General Law for the Protection of Consumers and Users and any other supplementary laws, and Law 7/1998 of 13th April on General Contracting Conditions.
5. Each and every Loan complies with the credit granting policy of Santander applicable at the time it was granted.
6. Each Receivable is owned by Santander and is otherwise free of any liens and encumbrances.
7. Each Loan is not secured by any security.
8. Each Obligor is liable for their performance with all of their current or future assets.
9. Each and every Loan is duly supported by documentation, whether in private agreements or in deeds granted before a notary public. All of them are duly deposited at the registered office of Santander and at the disposal of the Management Company.
10. The private agreements or the deeds granted before a notary public that document each Loans do not contain any clauses that prevent the assignment of the Loan or that require any authorization or notice in order to assign the relevant Receivable.

11. Each Obligor under the Loans is a natural person residing in Spain.
12. No Obligor has been declared insolvent.
13. Each and every Loan has been granted by Santander to individuals' resident in Spain (third persons or employees) supported by personal guarantees from the Obligor or from third-party endorsement ("*aval*"). Within the consumer financing it is included, without limitation, debtor's expenditures (including small consumer expenditures and other non-defined expenditures); the purchase of consumer goods in its broadest sense, including finishing home working construction; the purchase of goods, including the acquisition of new and used vehicle or services.
14. No Receivable derives from a Restructured Receivable.
15. Each Loan is denominated and payable exclusively in euros.
16. Payment obligations for each and every Loan are fulfilled by direct bank debit from a bank account that occur automatically and are authorized by the corresponding Obligor at the time of the formalization of the transaction.
17. Each Obligor has paid at least one (1) instalment under the relevant Loan.
18. The maturity date of each Loan is in no event later than the Final Maturity Date.
19. The remaining term to maturity of each and every Loan is in no event greater than 9 years.
20. Each and every Loan has been and is administered by Santander in accordance with the customary procedures that it has established.
21. No litigation proceedings have been commenced on each and every Loans that may impair the validity or enforceability thereof or that may lead to the application of article 1,535 of the Spanish Civil Code.
22. No notice from the relevant Obligor has been received by Santander regarding the total or partial prepayment of the Loan.
23. None of the Loans have matured before the date of its assignment to the Fund and the final maturity date of such Loans does not coincide with said date.
24. None of the Loans have clauses contemplating deferrals of interest payments after the assignment of Receivables to the Fund.
25. The payments of the Obligor deriving from the Loans are not subject to any tax deduction or withholding.
26. Each and every Loan is governed by Spanish law.
27. None of the Loans has been formalized as a financial lease agreement.
28. Each and every Loan has been fully drawn by the corresponding Obligor.
29. Each and every Loan has not been approved in contrary of the evaluation of the automatic assessment system by an analyst (i.e., no Loan has been provided under a forced approval).
30. Each and every Loan has been approved following the levels of attributions through the automatic assessment system valid at the time when the Loan was originated. Such levels of attribution are included in the credit granting policy of Santander described in section 2.2.7 of the Additional Building Block.
31. No Loan for the purpose of acquiring a "New vehicle", "Other vehicle" and "Used vehicle" is the result of Rent-a-Car operations, i.e., loans for the acquisition of vehicles by vehicle rental companies.

Global Receivables Criteria

1. The aggregate Outstanding Balance of the Receivables (taking into account Receivables to be assigned on the succeeding Payment Date) corresponding to the same Obligor does not exceed 0.05% of the total Outstanding Balance of the Receivables.
2. The weighted average remaining term of the Receivables (taking into account Receivables to be assigned on the succeeding Payment Date) since the date of assignment to the Fund, weighted by the Outstanding Balance of the Receivables, does not exceed sixty (60) months.
3. The aggregate Outstanding Balance of the Receivables (taking into account Receivables to be assigned on the succeeding Payment Date) with a remaining term to maturity exceeding ninety-six (96) months does not exceed 10% of the total Outstanding Balance of the Receivables.
4. The aggregate Outstanding Balance of the Receivables (taking into account Receivables to be assigned on the succeeding Payment Date) corresponding to the Autonomous Region with the highest representation does not exceed 22% of the total Outstanding Balance of the Receivables.
5. The Outstanding Balance of the Receivables (taking into account Receivables to be assigned on the succeeding Payment Date) corresponding to the three Autonomous Regions with the highest representation does not exceed 55% of the total Outstanding Balance of the Receivables.
6. The weighted average interest rate of the Receivables (taking into account Receivables to be assigned on the succeeding Payment Date) weighted by the Outstanding Balance of the Receivables is not lower than 8%.
7. The average Regulatory PD of the Receivables weighted by their Outstanding Balance, both the Outstanding Balance and the Regulatory PD of each Receivable being as at the Date of Incorporation in respect of the Initial Receivables and as at the relevant Determination Date in respect of Additional Receivables, does not exceed 2.00%.
8. The aggregate Outstanding Balance of the Receivables greater than €60,000 (taking into account Receivables to be assigned on the succeeding Payment Date) may not exceed 5% of the aggregate Outstanding Balance of the Receivables.
9. Number of Loans or Obligors relevant to the Receivables assigned on the Incorporation Date is not less than fifteen thousand (15,000).
10. Upon being assigned at least 98% Outstanding Balance of the Receivables shall bear a monthly interest and repayment frequency.
11. Upon being assigned Loans with fixed interest rate shall represent at least 90% of the Outstanding Balance of the Receivables.
12. The Outstanding Balance of the Receivables (taking into account Receivables to be assigned on the succeeding Payment Date) corresponding to employees of Santander does not exceed 2.00% of the total Outstanding Balance of the Receivables.

Procedure for the acquisition of Additional Receivables.

On each Offer Request Date, the Management Company will send to the Seller a written notice demanding the assignment of Additional Receivables to the Fund, specifying the Available Principal Funds and the Payment Date on which the assignment to the Fund and payment for the assignment must be made.

Before 5.00 pm (CET Time) on the Offer Date, the Seller will send to the Management Company a written notice offering the assignment of Additional Receivables, along with a data file describing the selected loans and their characteristics included in the assignment offer and which must meet the Eligibility Criteria.

No later than on the fifth (5th) Business Day preceding the Payment Date (the “**Acceptance Date**”), the Management Company will send to the Seller a written notice accepting the assignment of all or part of the Additional Receivables, along with a data file with the details of the Additional Receivables accepted and their characteristics, as reported by the Seller.

“**Offer Request Date**” shall be the date corresponding to eight (8) Business Days prior to each Payment Date of the Revolving Period during which Additional Receivables must be acquired.

“**Offer Date**” shall be the date corresponding to six (6) Business Days prior to each Payment Date of the Revolving Period during which Additional Receivables should be acquired.

2.2.3 Legal nature of the Assets.

The Receivables securitised by means of their assignment to the Fund are credit rights derived from the Loans granted by Santander to individuals’ resident in Spain (third persons or employees) supported by personal guarantees from the Obligor or from third-party endorsement (“*aval*”). Within the consumer financing it is included, without limitation, debtor’s expenditures (including small consumer expenditures and other non-defined expenditures); the purchase of consumer goods in its broadest sense, including finishing home working construction; the purchase of goods, including the acquisition of new and used vehicle or services. No loan derives from a restructured loan.

The Receivables will be directly assigned to the Fund, upon being sold by the Seller and acquired by the Fund, on the terms provided for in section 3.3 of the Additional Building Block.

2.2.4 Expiry or maturity date(s) of the Receivables.

Each of the selected Loans matures in accordance with the particular terms thereof, without prejudice to partial periodic repayment instalments.

The Obligors may prepay all or part of the outstanding principal at any time during the term of the Loans, ceasing the accrual of interest on the prepaid portion as from the date of repayment.

The maturity date of any selected Loan will be in no event greater than the Final Maturity Date.

2.2.5 Amount of the Receivables.

The assets of the Fund will be made up of the Receivables assigned by Santander and selected from among those comprising the portfolio until reaching an amount equal to or marginally greater than ONE BILLION EUROS (€1,000,000,000), which is equivalent to the nominal value of Class A, Class B, Class C, Class D and Class E Notes.

The selected Loan portfolio from which the Loans to be assigned to the Fund on the date of incorporation will be extracted is made up of 149,976 Loans, the outstanding principal of which amounts to €1,137,661,628.70 as of 25 October 2016. Loans with arrears of more than thirty (30) days will not be assigned.

2.2.6 Loan-to-value ratio or level of collateralisation.

The preliminary portfolio Loans have no real estate mortgage security; thus, the information concerning the ratio of the outstanding principal balance as regards the appraisal value does not apply.

There is no over-collateralization in the Fund, given that the Maximum Receivable Amount will be equal to or slightly higher than ONE BILLION EUROS (€1,000,000,000), which is equivalent to the nominal value of Class A, Class B, Class C, Class D and Class E Notes.

2.2.7 Method of origination or creation of the assets by Santander and principal lending criteria.

The Loans granted during 2013 and up to 31 March 2016 have followed the procedures established by Santander for the granting of Loans to the consumer financing segment (“**Granting Policy**”) and represent a total of 92.58% of the Outstanding Balance Receivables. Notwithstanding the foregoing, the rest of the Loans, representing a total of 7.42% of the Outstanding Balance of the Receivables, have followed risk policies that do not differ substantially from the Granting Policy. All Loans have been directly originated through Santander’s commercial branch offices.

Below is a description of Santander’s Granting Policy.

I. Risk policies, methods and procedures in the review and approval of loans and credit facilities.

Banco Santander’s internal rules contain certain policies, methods and procedures for the review and approval of financing transactions approved by the delegated risk committee.

Approval of the risk is a pre-requisite for entering into any risk transaction with a customer. The approval of risk transactions with customers is a limit on customer credit risk, approved at the corresponding level according to delegated powers, which takes into account the credit I. quality of the risk party or parties, the maximum amount of the transaction or facility, the maximum term of the operation, the additional security contemplated therein, the yield and other requirements that have been reviewed in order to approve the transaction.

The system for proposing risk transactions is part of the process for establishing counterparty risk limits. Risk transaction proposals are used by Banco Santander’s business units and commercial branch offices in Spain to process any type of requests for risk transactions with customers for review and decision-making.

The review of credit risk consists of analysing the customer’s ability to meet its contractual commitments to the Bank and other creditors, thus including an analysis of the customer’s credit quality, the risk transactions, any security provided, and the return to be obtained in line with the risk assumed.

Risk is reviewed and classified by applying previously defined methods or models in line with the risk segments identified by Banco Santander.

The risk analysis first takes place via automated assessment systems or decision-making support systems. In those cases in which an automatic decision does not occur, an analysis is subsequently performed by the Manual Acceptance Unit (Unidad de Admisión Manual) (UAM), whose risk analysts engage in reviews at the customer/transaction level.

The risk reviews or analyses require sufficient, up-to-date, comparative and reliable information to permit knowledge of the actual situation of each customer, their customary

sources of income and short- and long-term forecasts. The quantitative and qualitative information to be analysed with respect to a customer depends on the risk type or segment and on the purpose of the transaction, among other things, and will be different in each case. Both the commercial manager and the risk analyst must be aware of and use such information.

The risk review should be performed each time a new customer/transaction is submitted or with a pre-established frequency, depending on the segment involved.

Banco Santander applies internal, responsible and prudent criteria in risk reviews for providing financing, which include the following:

1. Acceptance of the customer and finance-worthy activities, in accordance with fraud and money laundering and terrorism financing prevention policies, and with the Global Social and Environmental Responsibility Policy. Customers that have been “filtered” through money laundering and terrorism financing prevention cannot engage in transactions within the Bank.
2. Portfolio risk: Specific restrictions and/or conditions that feature in the planning of the corresponding credit portfolio shall be observed, and any concentration limits that may have been established must particularly be taken into account. In this regard, the commercial Strategic Programmes that annually determine the risk planning, criteria and policies to apply to such portfolios are of particular importance in standardised risk portfolios.
3. Customer risk: Review and classification of the customer, carried out in accordance with the corresponding model, must primarily allow for an evaluation of:
 - o The ability of the customer to comply with the financial obligations assumed in due time and form.
 - o The payment history and willingness to comply with its obligations to the Bank and to other institutions during the term of the transactions.

In accordance with applicable law, Banco Santander does not apply any discriminatory policies in decision-making on risk transactions.

The main criteria that form part of the decision-making process in this phase are:

a) Personal details of parties

a.1) Residency of the risk party or parties

The Bank’s policy on this criterion distinguishes between those customers who are resident in Spain and non-residents, both verified and non-verified.

a.2) Age

The general criterion for acceptance provides that the age of the party or any of the parties shall be between 18 and 84 years (both inclusive), without guarantors. Transactions are not approved if one of the parties is below 18 years of age without guarantors.

This criterion applies to all products, with the exception of credit cards for which it is required that the party be above 18 years of age.

b) The payment capacity of the risk transaction party or parties

This criterion takes into account proven income by the risk parties, customary expenses and the theoretical rate of the loan. This allows for knowledge of

customers' payment capacity in order to meet the financial obligations assumed, according to their main sources of income generation, without relying on guarantors, sureties or assets offered as security, which must always be considered a secondary and exceptional route of recovery.

In no case is it considered that the income available to the customer after servicing the debt may involve a clear limitation to cover the borrower's household expenses.

c) The personal, work and income stability of the risk party or parties

This criterion considers and classifies customers according to their level of work and income stability.

d) Information from payment and court files

Verification as to whether the party or parties appears in information from payment and court files, evaluating the reason, whether there was an error, or if it was due to lack of ability to pay; if paid, when and in what amount.

Risk transactions are not approved for customers without guarantors who appear in such files, unless the amount is below the threshold established in the risk policy for the product.

The evaluation of the customer's payment capacity takes into account whether the party or parties has had any type of debt restructuring with the Bank or if there were payment incidents or defaults on previously authorised transactions.

- Transaction risk: Criteria relating to the following will be evaluated:

- ✓ Reasonableness of the transaction and term: The customer's request, contained in the risk proposal, must be consistent with the purpose reported/declared by the customer. There is an evaluation as to whether the proposed term and form of repayment are in accordance with the type of financing requested, as well as with the transaction being financed.

In the case of foreign currency loans and credit facilities, the repayment structure and whether customers' primary sources of income are generated from the same or another currency are taken into account. If they come from another currency, the borrower's ability to withstand adverse fluctuations in exchange rates and the foreign interest rate must be assessed.

Additionally, in the case of loans and credit facilities indexed to variable interest rates, there will be an assessment of the borrower's ability to withstand potential increases in the interest rates and, therefore, the repayment instalments.

- Security (financial, mortgage, personal): Additional security reduces credit risk, given that in the case of non-payment by the risk party, and by way of the appropriate recovery procedures, recovery is possible via the financial instruments or via the secured assets or via the personal guarantees. When a request includes collateralisation, at least the following will be taken into account:

- ✓ The type of guarantee being acceptable in accordance with applicable law.
- ✓ The financial instrument or the secured asset being perfectly identified.

- ✓ The amount and value of the security.
- ✓ Value fluctuation during the effectiveness of the security and of the secured obligation.
- ✓ The reducing or mitigating effect that it has on the risk assumed or to be assumed with the customer.

The internal rules govern the management and control of security (financial, mortgage and personal) with regard to customer risks, which assure the legal and financial effectiveness thereof and their preservation during the effective term of the transaction.

In the case of mortgage security, the value of the security in comparison with the amount financed for each class and type of product will be taken into account.

Additionally, the internal rules on property valuations for risk transactions with mortgage security and construction certificates govern the request procedures, verifications regarding the quality and frequency of the valuations of guaranteed properties, as well as the procedures for selection and relationships with the professionals that perform the valuations, which assure their independence and professionalism on an on-going basis.

- Risk premium and expected loss: The risk premium and expected loss to be assumed in a risk transaction must be within the range of acceptable quality established for the corresponding portfolio.
- The price and other terms of the transaction. In the case of proposed restructurings of customer debts, the restructuring decision will mainly depend on the customer's history and the debtor's payment compliance, on any history of adjustments, on the customer's ability and willingness to pay, and on whether the risk with the customer is reduced or mitigated by way of:
 - ✓ Payment in part or in full of the mature debt, including interest due.
 - ✓ The contribution of additional financial security.
 - ✓ The contribution of other additional security (mortgage or personal).
 - ✓ Reduction of the risk by means of use of lower-risk products and terms.
 - ✓ Other amendments to the terms of the restructured transaction that permit the payment of the outstanding debt.

In any case, as a general rule, a maximum of one restructuring per year and of three restructurings every five years is established for a single risk. If these limits are exceeded, unless due to business or market external conditions, they shall be considered an indication of serious deterioration, and consequently must be classified as payment arrangements (acuerdos de pago).

After the risk study a decision is made over the acceptance of the transaction and, if approved, formalisation, monitoring, assessment and control are carried out in accordance with the powers and duties delegated to the different bodies and persons entrusted therewith and applicable internal rules.

In general, the Bank does not permit conditions for loans and credits beyond the general approved limits and conditions, though in the exceptional case that they arise, they are reviewed and managed as provided for in each case.

II. Santander Recovery Management

1 Introduction

1.1 Purposes

This document describes the general risk framework and the credit risk framework for activities relating to the debt recovery management process.

1.2 Definition and Extent

Recovery efforts constitute a significant function within risk management at Santander, as the quality of portfolios is key to the development and growth of the business. Debt collection and recovery management is thus the subject of special and continuous focus, in order to ensure that such quality remains within expected levels at all times.

Recovery management can be defined as direct customer management aimed at the achievement of the following objectives:

1. To maintain and strengthen the relationship with the customer by watching the customer's payment behaviour, especially at the early stage of default.
2. To influence customer credit behaviour (by giving the payment of Santander products high priority within its payment hierarchy).
3. To ensure collection of and recover unpaid balances within the shortest possible period and at the lowest possible cost, by providing a solution that best fits the situation of the customer.

This model covers the activities carried out entirely during the recovery process. It begins with default (day 1) and ends with recovery of the debt or with a declaration of bad debt. If collection occurs through delivery of property in payment or through the award of property, the recovery process ends with the sale of the asset.

Also managed under this model are those customers who, even if not classified as irregular, have been classified as subjective doubtful, as well as those against whom Santander deems it advisable to commence a debt recovery process.

This model applies across all customer segments (individuals, businesses, SMEs, companies and wholesale), regardless of who is in charge of managing it.

1.3 Scope

This recovery model applies at Santander.

2 Processes and Responsibilities

The recovery activity described in this recovery model rests upon the following four pillars:

- Recovery risk policies.
- Management strategies.
- Implementation and monitoring of the business.
- Comprehensive control and monitoring of business risk.

The risk function is responsible for defining the recovery risk policies and for the comprehensive control and monitoring of business risk. The risk function includes risk teams specialising in recovery management that are responsible for the definition of management strategies as well as for the implementation and monitoring of the business.

Based on the foregoing, recovery management is supported by the following key processes:

2.1 Planning

Annual planning includes establishing budgets for the recovery business in terms of objectives, as well as the means (models, resources, processes and systems) needed to achieve them.

The risk team specialising in recovery management is responsible for establishing the budget for the recovery business and must:

1. Define objectives for the direct management cycles and participate, in coordination with the risk function, in the definition of recovery objectives for the shared management cycles.
2. Participate, together with the risk function, in the definition of the budget, based on the recovery objectives that have been established.
3. Define and ensure the implementation of homogeneous management indicators for all of the cycles within the recovery process.

This planning process is executed through commercial strategic plans (CSPs), and is therefore carried out in accordance with the commercial strategic planning model.

Planning the means required to achieve the business objectives is also the responsibility of the risk team specialising in recovery management. This process must include the following components:

4. Preparing a capacity plan that is related to the growth objectives for the activity and establishes the number of managers needed for each management stage based on the strategy defined. This plan must include a plan for recruitment and training of the management team.

In this regard, outsourcing is a component of management at any of the stages thereof, and therefore, external structures must be taken into account and also evaluated when the capacity plan is prepared. In any event, the provisions of the framework of agreement with third parties and control of suppliers must be complied with at all times, as must the contracts entered into with these companies, and the controls that need to be implemented over outsourced activities must also be contemplated.

Outsourcing may in no event entail an alteration of the sequence of processes or of the responsibilities of the units using these types of services.

5. Identifying the requirements in terms of processes, applications and systems (systems plan) allowing for the fulfilment of the established plans. This includes systems for analysis, decision-making and advance identification of workflow tools; information and monitoring systems, and strategy drivers, among others. In general, this component encompasses all the tools required for recovery management.
6. Identifying the needs of collection models, as well as behaviour models that facilitate the allocation of strategies (models plan).

2.2 Recovery Management Processes

2.2.1. Referral of Matters to the Risk Team Specialising in Recovery Management

Recovery management is a collective activity in which different functions participate, which requires ensuring the best coordination among them throughout the process.

The risk team specialising in recovery management is responsible for coordinating the recovery activities carried out by all of the parties involved in management. At the early stages of nonpayment, implementation is agreed with the commercial function (mass management) or with the risk and commercial function (combined approach) in the case

of personalised management.

In addition, the risk team specialising in recovery management is solely responsible for carrying out the direct management of recoveries after 150 days following nonpayment, or before that if so decided by the applicable risk committee, unless the management of the risks has been outsourced. The management of portfolio customers receiving individualised treatment up to 150 days is the responsibility of the monitoring function. However, in the case of standardised customers (not receiving individualised treatment), the recovery function takes care of management beginning on the first day of nonpayment.

When management of a customer must be turned over to another function (referral of the matter), the continuity of management must be ensured, and it is thus indispensable to preserve at least the information regarding the customer and the dealings conducted with such customer throughout the recovery process.

Moreover, all this information must be stored in a repository (record or file) that must be kept current and available (in accordance with predetermined security profiles).

By way of guidance, this information must include at least the following:

1. Identification of the customer and security: name, sector, positions and time at Santander, financial data, security, and nature and provision thereof, among others.
2. Background: origin of the transaction(s) and of the customer, date when the irregularities began, reason why default occurs (problems affecting the customer).
3. Customer management plan and strategies to be implemented: steps taken and managers who took them, critical analysis of the management process, recommendations for improvement from the prior manager.

As regards the rules for the referral of matters to the different parties involved, the treatment of matters varies according to the type of management:

4. In the case of personalised management, once the circuit and the cut-off rules have been established, matters are referred on a case-by-case basis by individual assignment decided by the different recovery committees, or by automated assignment if matters are pre-assigned.
5. Mass management matters are transferred automatically based on specific parameters (term, customer, product, among others) that are defined by the risk team specialising in recovery management.

This process is described in detail in the procedure for the referral of matters subject to recovery management.

2.2.2. Recovery Strategy

The risk team specialising in recovery management is responsible for establishing the recovery strategy, focusing on the definition of the best management channel in accordance with the segmentation carried out and the recovery method that will be used, all with a view to maximising collection within the shortest possible period.

In this regard, the best recovery strategy to apply to each customer must be identified based on the characteristics of and the problems affecting such customer.

In this process, the various elements whereby the recovery strategy may be formulated are defined: customer segmentation, management channels, and recovery levers or methods.

- 1) Segmentation criteria.

The first element consists of defining criteria that allow for a suitable segmentation of the portfolio based on distinguishing features. This will facilitate the management of

customers and portfolios, will ensure an effective allocation of strategies and will allow for the control and monitoring thereof.

The risk team specialising in recovery management is responsible, in coordination with the other participants, for defining a suitable segmentation in order to specify the customers who are to be managed through each management circuit.

Taking into account the different features of the customers, the following segmentation criteria may be established:

- Based on the admission system:
 - Mass management: used with customers who are assigned to internal or external management structures, such that there is no need for assignment to a specific manager. It involves customers in respect of which mass risks have been admitted and monitored. Mass management is carried out by means of models capable of standardisation and automation.
 - Personalised management: applies to mass customers who exceed the cut-off rule defined for this type of management, whether because of the amount involved, the duration of default or the situation of the security provided. They are considered for a more individualised management approach, and are therefore assigned to the portfolio of a specific manager in order to receive personalised treatment.
 - This category also includes the individualised management of risks, which means that customers have a risk analyst assigned to them who manages the customer and the customer's commercial counterparty in a coordinated manner.
- Based on the commercial segment: individual, business, company, SME, wholesaler and, in turn:
 - By product giving rise to the debt: depending on the type of product that gives rise to the debt (mortgage, credit facilities, loans, cards, among others).
 - By amount or exposure: depending on the amount of the outstanding facility.
 - By management status: depending on the greater or lesser level of difficulty in securing total or partial payment entailed by the risk assumed with a particular customer (including the type of management applied to customers with risks that may not be the subject of a legal claim).
- Based on nonpayment status (according to the criteria defined by the risk function):
 - Irregular or past-due: customers with transactions in which an amount owed as principal, interest or contractually agreed expenses is past-due, so long as they have not been classified as non-performing.
 - Doubtful: customers who, because of the time period elapsed (pursuant to local regulations or, in any event, 90 days after default) or because of an internal decision based on subjective criteria (non-prelitigation doubtful – NPD) become doubtful.
 - Bad debts: customers whose debts have been amortised in accordance with the established schedule or by internal decision, if applicable, who have been written off but continue to be subject to management.

Segmentation is structured by using cut-off rules that allow for the establishment of

“open but not isolated boundaries” in order to differentiate the various phases/channels into which recovery management is divided.

The cut-off rules are defined by Santander risks depending on the value assigned to the different segmentation parameters used: mass management or personalised management, customer segment (individual, SME, company, wholesaler), nonpayment status, risk amount (low, medium, high), existence or nonexistence of security, among others.

2) Management channels.

In the recovery process, there are various management channels, which may be both internal and external. The following are particularly noteworthy:

- Commercial function (manager, office network): maintains contact with the customer in order to know the reasons causing the default and participates in recovery management at the early stages of nonpayment.
- Risk function: keeps current the information relating to the customer’s credit quality and the assessment thereof and identifies warning signs that make it possible to anticipate changes in the customer’s credit quality.
- Recovery managers: specialists in the recovery function and therefore responsible for defining the recovery strategy and for ensuring the proper implementation thereof.
- Telephone collection centres: management by means of telephone contact with the customer from the first day of default, according to the strategies defined.
- External recovery companies or agencies: companies that use both telephone and in-person contact to recover the debts assigned to them and that take care of both out-of-court and in-court management.
- Lawyers or litigation firms: lawyers or external agencies that are subcontracted to work in court and which may carry out supplementary out-of-court activities. There must be qualified lawyers/law firms that are sufficient in number to adequately cover the portfolio of cases subject to court management. In order to determine the number of them and how to select them, attention must be paid to their experience, track record or external references, to ensure that new matters are assigned based on the productivity of each of lawyer or law firm, while also ensuring adequate control and monitoring by the risk team specialising in recovery management and by T&O (Technology and Operations).
- As the persons responsible for the matters assigned, recovery managers have authority to direct the activities of the lawyers in charge of managing those matters, and are responsible for supervising and making decisions regarding court proceedings. Other alternative means: use of multiple channels (interactive voice response (IVR) systems, Supernet, text messages (SMS), e-mail, among others), as channels for management of a case portfolio.

3) Recovery levers or methods

The third element that defines the strategy refers to the exit solution or the method by means of which recovery should be attempted. The main recovery methods are described below:

- Cash collection: this should always be the first collection option. Satisfying a debt through collection entails the total or partial repayment of such debt.
- Renewals: those transactions in which, as a consequence of the customer’s current or foreseeable financial difficulties preventing the customer from

satisfying its payment obligations to the institution under the applicable contractual terms, it is necessary to modify or cancel a transaction and/or enter into a new transaction under conditions that the customer can comply with.

- Payment arrangements: in the case of customers experiencing a higher level of impairment, a strategy is defined that must be managed differently precisely because of the advanced level of impairment. This strategy consists of payment arrangements, under which Santander agrees to a payment schedule with the customer in order to recover all or part of the investment and thus reduce losses.
- Debt reductions or forbearances: final recovery strategies consisting of an agreement between Santander and the customer whereby the customer is relieved from paying part of the amounts owed as ordinary interest and/or as principal. This strategy may be applied in exchange for payment of the balance of the debt, thus providing a definitive solution to the case managed, or may consist of an arrangement that extends over time, whereby the customer is offered a reorganisation of its payments to Santander allowing or inducing the customer to honour its payment commitments.
- Delivery of property in payment: consists of the total or partial satisfaction of the debtor's obligation to Santander by means of the delivery of specific property or rights other than those owed, as a result of a bilateral agreement between both parties. This strategy is proposed when the customer's paying capacity is severely impaired or none at all.
- Sale of portfolio/credit facility: transactions whereby certain claims held by Santander against its customers, or the cash flows deriving from certain credit rights that the institution holds against its customers, are assigned or transferred to a third party (purchaser) for a definite price.
- Award: it consists of the total or partial satisfaction of the debtor's obligation to the institution by means of the delivery of specific property or rights other than those owed, as a result of a court proceeding.

Although these strategies are defined by the risk team specialising in recovery management, they are implemented at all times as permitted by the provisions of the respective risk policies governing those strategies.

The risk function is responsible for defining the recovery risk policies, with the participation of the risk team specialising in recovery management throughout the entire management cycle and for all segments.

Moreover, when the strategy to be used with customers is being analysed, a key issue to take into account is whether or not the case will be taken to court; court management is a tool within the framework of recovery management, but in no event is it a substitute for the core activity: management with the customer.

Court management involves the activities aimed at facilitating recovery of the unpaid debt through appointed counsel and the conduct of any pertinent proceedings, and is supplementary to the out-of-court management carried out at the same time.

The recovery manager supervises and decides about the most suitable court strategy or, if applicable, when so warranted by the circumstances, advises against filing a complaint.

Taking into account management status or capacity, cases subject to court management can be classified as follows:

1. Pending cases or open cases: cases in which court and out-of-court proceedings effectively continue to be pursued.

2. Stagnant cases or closed cases: cases in which the risk team specialising in recovery management decides that court proceedings should not be pursued further due to lack of solvency, the impossibility of locating the debtor or any other circumstance that bars the prosecution of the court proceedings, although out-of-court management continues.

2.2.3. Implementation of the Defined Strategy

Once the recovery strategy has been defined, the proposed actions are carried out by the applicable participant in the recovery process; such actions remain in force until the customer's positions are brought into compliance or until the strategy is modified as a consequence of processes of review.

The effective participation of the responsible functions in the recovery process and the required engagement of all the parties involved must both be ensured.

2.3 Control and Monitoring

Control processes are implemented both at the first line of defence, made up of the functions, business lines or activities that generate and manage risk exposure, and at the second line of defence, made up of independent teams specialising in the control and supervision thereof. The definition of the first and second lines of defence is described in detail in the credit risk framework.

At the first line of defence, the risk team specialising in recovery management is responsible for the control processes inherent in management, which entails monitoring the results of the business, the achievement of its objectives and the effectiveness of recovery management.

The risk function in charge of the comprehensive control and monitoring of risk, which entails:

- Control of compliance with policies, classification of customers, level of allowances and use of delegated powers.
- Monitoring of risk limits and indicators.
- Monitoring of the recovery process and its impact on risk parameters, as well as analysis and monitoring of the quality of recovery.
- Cooperation (advisor role) in the identification of areas for improvement through the monitoring of performance and results of the recovery business.

In order to determine the effectiveness of a specific strategy for a particular customer, reviews will be performed at the level of each debtor. These reviews in the recovery area allow for the validation and, if applicable, formulation of strategies/actions that are conducive to recovering the debt, including a definition of the party who must be in charge of management, the management period, a recoverability forecast and the time to recovery.

- The objectives of the reviews focus on the following aspects, among others:
- Validating the strategy formulated or identifying the best strategy to adopt with each customer.
- Validating or identifying the most suitable manager to implement such strategy.
- Identifying recoverability in each case through an estimation of recovery and of the period to collection.
- Discriminating the matters to be managed.

- Improving effectiveness and efficiency.

Reviews begin at the time of default and are performed periodically on dates established by the various parties responsible for recovery management or according to a defined schedule of reviews.

The result of the review, which is recorded in the systems, is the establishment of a strategy over time and a collection forecast.

The review methodology depends on the type of management carried out (mass or personalised). In the case of mass management, criteria are defined to obtain the sample of customers that will be reviewed.

During the course of reviews, it may be decided that a case be closed if this is advisable in terms of recovery effectiveness.

Closing a case may mean that a court proceeding is brought to an end, but it does not mean that out-of-court steps cease to be taken. When a case is so classified, the classification must be reviewed after a specific period has passed and, if applicable at the request of the manager, the case must come back to ordinary management.

In order to perform control and monitoring tasks, the risk team specialising in recovery management and the risk function will use scorecards as an essential tool for monitoring and control of recovery activities. Scorecards provide an executive summary showing a series of recovery indicators in an aggregate manner for the different management segments defined.

- The risk function is responsible for defining the scorecards needed to perform its comprehensive risk control and monitoring function and to ensure that the different recovery strategies are implemented in compliance with the provisions of the respective risk policies governing them. The risk function will define specific scorecards for each type of management among those described in section 3.2.2, 3) of this model, indicating the minimum information they must contain and the reporting frequency.
- In addition, the recovery function, as the function responsible for conducting the recovery activities and monitoring the business, designs such additional reports and scorecards as are necessary, specifying lines of activity and variables as well as reporting frequencies. Specifically, it must design the scorecards needed for aggregate monitoring of the results of the activity and to measure the effectiveness of the steps taken, with a level of disaggregation that is sufficient for decision-making.

2.4 Reporting

In addition to control itself, there is the reporting process, which consists of the provision of updated information regarding credit exposure entailed by the customers subject to recovery management.

Basic regulations governing the reporting process are included in the risk information framework.

Information regarding changes in the parameters of the recovery business must be included in the management tool. The efficiency, effectiveness and compliance indicators offer a comprehensive view of the process and its performance, thus making it possible to check whether the recovery activity is aligned with the defined strategies and to identify the need for adoption of improvement measures, if any.

III. Arrears, recovery and prepayment information for consumer and financing loans originated by Santander.

Santander has originated consumer and financing loans that have a historical credit performance described below. These tables show the credit behaviour and prepayment, which are affected by several drivers and variables, of all type of consumer and financing products that have not been under a restructured process.

The hypothesis that support the tables that appear in Section 4.10 of the Securities Note are not based upon the information disclosed in this Section.

The purpose of this Section is to inform the potential investors of the behaviour of consumer and financing loans in the past so that they can get a better understanding of the performance of this type of loans. The Initial Receivables are only a sample of the consumer and financing loans portfolio of Santander.

The next tables explain the behaviour of consumer and financing loans originated by Santander in the last years from two perspectives. One, taking into account dynamic arrears and recoveries, and the other disclosing the data on cumulative terms for both defaults and recoveries. The last table offers an approximation of the prepayment rates for all consumer and financing loans originated by Santander.

As mentioned above, the first approach to credit behaviour of Santander's consumer and financing loans reflects both the stock of loans in current situation and the stock of loans with different periods of arrears as of 31 May 2016. Figures below gather any recovery taken place on every end period. All states of nature with respect the arrears situation are disclosed in this table (from current situation to be more than 360 days in arrears).

For the purposes of this Section:

“Arrears”: means the situation reached by Loans once part of a debt is overdue after missing one or more required payments for more than one (1) day.

“Cumulative 90+ arrears”: means the situation reached by Loans once part of a debt is overdue after missing one or more required payments for more than ninety (90) days without taking into account any recovery on the part of the principal debt overdue.

“Cumulative 180+ arrears”: means the situation reached by Loans once part of a debt is overdue after missing one or more required payments for more than one hundred and eighty (180) days without taking into account any recovery on the part of the principal debt overdue.

“Cumulative recoveries on 90+ arrears”: means the cumulative amount of principal recovered from the so called “Cumulative 90+ arrears” Loans.

“Cumulative recoveries on 180+ arrears”: means the cumulative amount of principal recovered from the so called “Cumulative 180+ arrears” Loans.

Arrears (days past due)	Arrears amounts (as % of Outstanding Balance of the Receivables)							TOTAL
	Current	between 1 and 30	between 31 and 60	between 61 and 90	between 91 and 180	between 181 and 360	above 360	
end-2015 Q1	85.39%	4.26%	2.26%	0.99%	1.22%	1.79%	4.09%	100.00%
end-2015 Q2	89.51%	2.99%	1.11%	1.14%	1.43%	1.63%	2.18%	100.00%
end-2015 Q3	90.67%	2.82%	0.94%	0.89%	1.37%	1.64%	1.68%	100.00%
end-2015 Q4	91.28%	3.05%	1.27%	0.76%	1.22%	1.41%	1.02%	100.00%
end-2016 Q1	90.64%	3.81%	1.43%	0.54%	0.92%	1.22%	1.44%	100.00%
end-2016 Q2*	91.19%	3.47%	1.13%	0.62%	0.95%	1.11%	1.53%	100.00%

*as of 31/05/2016

Under the second approach to credit behaviour the tables below show how arrears accumulate from origination up until 60 months of being outstanding depending upon the origination year.

The tables below disclose on a cumulative basis the loans with more that ninety (90) days and one hundred and eighty days (180) in arrears respectively originated between year 2008 and September 30th 2015. There is no recovery effect on these two tables.

For every year of origination the percentages shown in the next two tables are calculated as the principal balance of the loans originated in that particular year that are in arrears for more than ninety (90) or one hundred and eighty (180) days respectively divided by all loans originated in that year.

Cumulative 90+ arrears (as % of Outstanding Balance of the Receivables)						
Origination year	After 6 months	After 12 months	After 24 months	After 36 months	After 48 months	After 60 months
2008	0.71%	2.37%	4.75%	6.09%	7.40%	8.37%
2009	0.65%	1.98%	3.14%	4.27%	5.09%	5.55%
2010	0.89%	1.42%	2.66%	3.50%	4.12%	4.50%
2011	0.61%	2.25%	4.85%	6.40%	6.84%	
2012	0.50%	1.95%	3.44%	4.44%		
2013	0.42%	1.10%	2.26%			
2014	0.03%	0.37%				
2015*	0.02%					

*Q1 to Q3

Cumulative 180+ arrears (as % of originated amount)						
Origination year	After 6 months	After 12 months	After 24 months	After 36 months	After 48 months	After 60 months
2008	0,05%	0,72%	2,18%	3,05%	3,89%	4,78%
2009	0,02%	0,70%	1,18%	1,86%	2,31%	2,72%
2010	0,03%	0,63%	1,06%	1,47%	1,98%	2,38%
2011	0,05%	0,35%	1,41%	2,72%	3,21%	
2012	0,09%	0,38%	1,49%	2,35%		
2013	0,02%	0,19%	1,23%			
2014	0,00%	0,15%				
2015*	0,01%					

*Q1 to Q3

Since recovery rates are included in the first table of this section, for cumulative purposes these two tables show how recoveries have evolved since the moment the loan entered in arrears.

On the recovery side, the two tables below reflect the recovery of the loans that were in arrears for more than ninety (90) and one hundred and eighty (180) days respectively on a cumulative basis for every year of default.

For every year of entering in arrears, the percentages are the result of dividing the loans recovered that were previously in arrears for more than ninety (90) or one hundred and eighty (180) days respectively divided by all loans tagged as in arrears for more than ninety (90) or one hundred and eighty (180) days depending on the case.

Cumulative recoveries on 90+ arrears (as % of gross loss)			
Year of +90 arrears	After 6 months	After 12 months	After 24 months
2013	40,76%	45,47%	58,53%
2014	29,50%	44,07%	
2015*	35,66%		

*Q1 to Q3

Cumulative recoveries on 180+ arrears (as % of gross loss)			
Year of +180 arrears	After 6 months	After 12 months	After 24 months
2013	15,24%	21,56%	50,79%
2014	16,55%	32,74%	
2015*	15,38%		

*Q1 to Q3

Loans that redeem principal besides their scheduled amortization generate a prepayment rate. From the first quarter of 2015 until May 31st 2016 the behaviour of consumer and financing loans originated by Santander are disclosed on the next table. Prepayment rates are calculated as the annualized monthly rate of unscheduled payments over both current loans and loans that are below ninety (90) days in arrears.

Prepayments	Current + arrears <90 days loan (m EUR)	Total prepayment (m EUR)	Annualised CPR (as % of current + arrears <90)
end-2015 Q1	1,828.0	15.8	9.8%
end-2015 Q2	1,835.0	14.7	9.2%
end-2015 Q3	1,862.0	16.1	10.0%
end-2015 Q4	1,950.2	17.3	10.2%
end-2016 Q1	2,165.8	22.0	11.9%
end-2016 Q2	2,335.7	24.4	13.7%

2.2.8 Representations and other warranties given to the Issuer relating to the Receivables.

2.2.8.1.- Representations

The Management Company reproduces below the representations and warranties that the Seller, as the owner of the Loans, will make to the Management Company, acting on behalf of the Fund, on the Date of Incorporation of the Fund in the Deed of Incorporation and in the Assignment Agreement, that shall be deemed repeated on each Payment Date:

a) Santander:

1. Santander is a credit financial institution duly organised in accordance with Spanish law and is registered with the Commercial Registry of Santander and in the Register of Financial Credit Entities of the Bank of Spain.
2. Santander has not been in a situation of insolvency, suspension of payments, bankruptcy or insolvency proceedings (in accordance with the provisions of the Insolvency Act) on the date of this Prospectus or at any time since its incorporation.
3. The corporate decision-making bodies of Santander have validly adopted all resolutions required to (i) assign the Receivables, and (ii) validly execute the agreements and commitments undertaken therein.
4. Santander is in possession of the annual accounts for the last two completed fiscal years, which are duly audited. The Auditors' Report for 2015 is unqualified. The audited annual accounts for financial years 2014 and 2015 are deposited with the CNMV and the Commercial Registry. The audited annual accounts for financial years 2016 to 2019 will also be deposited with the CNMV and the Commercial Registry.
5. The Seller complies with current data protection legislation and any anti-money laundering regulations.

b) Receivables:

1. The Loans have not been subject to any change, amendment, modification or waiver of any kind which in any material way adversely affects the enforceability or collectability of all or a material portion of the Receivables being transferred.
2. The information contained in this Prospectus regarding the Loan portfolio is complete and faithfully conforms to reality.
3. The Receivables have been legally and validly assigned or will be legally and validly assigned on an arms'-length basis.
4. The Initial Receivables and the Additional Receivables that derive from the Loans are covered or will be covered by a special report prepared by Deloitte, S.L. upon the terms of Articles 22.1. (i) and 35 of Law 5/2015.
5. The Final Maturity Date of the Loans is in no event later than 30 April 2028.
6. The Seller may freely transfer its interest in the Loans without breaching any term or condition of the Loans.
7. The data relating to Loans that are included in the Deed of Incorporation and in the Assignment Agreement accurately reflect the

situation of the Loans on the Date of Incorporation, as set forth in the relevant private or public agreements documenting the Loans, and that such data are accurate, complete and not misleading.

8. All data included in the Prospectus in relation to the Receivables accurately show the status thereof as at the date on which the Preliminary Portfolio was selected (25 October 2016), and the aforementioned data are correct.
9. Santander is not aware that any of the Obligors of the Loans is the holder of any credit right vis-à-vis Santander that gives said Obligor the right to exercise a set-off that could adversely affect the rights attributed to the Fund by reason of the assignment of the Loans.
10. Upon being assigned, all of the Receivables satisfy the Eligibility Criteria (Individual and Global Criteria) set forth in Section 2.2.2 B) of the Additional Building Block without prejudice to the procedure set forth in Section 2.2.9 below.

The aforementioned representations of the Seller shall be made on the Date of Incorporation as well as on each Additional Purchase date.

The Management Company has obtained from the Seller the representations and warranties regarding both the Loans and the Seller itself as described in this section and as will be ratified in the Deed of Incorporation.

2.2.8.2.- Compliance with Regulation 575/2013

In compliance with the provisions of Article 405 of the Regulation 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (the “**CRR**”), and Article 51 of the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (the “**AIFMR**”), the Seller (i) retains and will retain a material net economic interest of not less than 5% until the Final Maturity Date of the Notes by way of a retention in accordance with paragraph 1(a) of Article 405 of the CRR and paragraph 1(a) of Article 51 of the AIFMR (as in force on the Disbursement Date of the Notes) of no less than 5% of the nominal value of each of the tranches sold or transferred to the investors, which pursuant to Article 5 of Commission Delegated Regulation (EU) No 625/2014 of 13 March 2014 of CRR could be achieved by a retention of 5% of each nominal amount of securitised exposures provided that the risk of these exposures ranks pari-passu with or is subordinated to the credit risk securitised for the same exposures, and (ii) provides on a timely basis all information required to be made available by the Seller pursuant to Article 409 of the CRR, subject always to any requirement of law and provided that the Seller will not be in breach of such undertaking if it fails to so comply due to events, actions or circumstances beyond its control.

Therefore, the Receivables assigned or to be assigned to the Fund will be 95% of the credit rights arising from each and every Loan, as Santander will retain the remaining 5% in order to comply with the provisions of the CRR and the AIFMR mentioned above.

In compliance with the provisions of article 409 of the Regulation on CRR and 52(e), (f) and (g) of the AIFMR, the Seller must ensure that potential investors can easily access all relevant data on credit quality and evolution of the various underlying exposures, cash flows and the real guarantees backing the securitization exposures, and as much information as necessary to perform the thorough and documented

stress tests as regards cash flows and the value of the real guarantees backing the underlying exposures.

Also under article 409 mentioned above the Seller will undertake in the Deed of Incorporation to include on the website www.santander.com (or any other site that may hereafter replace it) a reference of the level of its commitment under Article 405 to maintain a net economic interest in the securitisation..

According to the Deed of Incorporation, the Seller will undertake to notify the Management Company each month of the fulfilment of the retention so that the latter can publish such information on its website. The Seller must explicitly declare that it has not taken any action (hedging of the credit risk, sale, taking short positions, etc.) that may have undermined the application of the retention requirement.

2.2.9 Replacement of Receivables.

In the event of early redemption of the Receivables after its assignment to the Fund due to prepayment of the relevant Loan, the affected Receivables will not be replaced.

If it is observed during the life of the Receivables that any of them failed on the assignment date to meet the characteristics contained in sections 2.2.8.1 b) or 2.2.2 of this Building Block, the Seller agrees, subject to the Management Company's consent, to proceed forthwith to remedy said failure, and if said remedy is not possible, to replace or redeem the affected Receivable by automatically terminating the assignment of the affected Receivables, subject to the following rules:

- a) The party becoming aware of the existence of a non-conforming Receivable, whether the Seller or the Management Company, will notify the other party thereof. The Seller will have not more than fifteen (15) Business Days from said notice to proceed to remedy that circumstance if it may be remedied or to proceed to a replacement thereof.
- b) Replacement will be made for the outstanding principal plus accrued and unpaid interest and any amount owing to the Fund until the date the relevant Receivable is substituted.

In order to proceed with the replacement, the Seller will notify the Management Company of the characteristics of the Receivables proposed to be assigned satisfying the characteristics given in section 2.2.8. b) of this Additional Building Block and the (Individual and Global) Eligibility Criteria (2.2.2.), and having a similar purpose, term, interest rate and outstanding principal balance. Once the Management Company has checked that the (Individual and Global) Eligibility Criteria are satisfied and has expressly stated to the Originator that the Receivables to be assigned are eligible, the Seller will proceed to terminate the assignment of the affected Receivable and assign a new or replacement Receivables

- c) If any Receivable is not replaced on the terms set out in paragraph b) of this section, the Seller will proceed to automatically terminate the assignment of the affected Receivable not replaced. The termination will take place by means of cash repayment to the Fund of the outstanding principal, accrued and unpaid interest, and any other amount theretofore owing to the Fund on the relevant Receivable, which will be paid into the Cash Flow Account
- d) In the event of termination of Receivables due to either replacement or repayment, the Seller will be vested with all rights attached to those Receivables accruing from the termination date.

2.2.10 Relevant insurance policies relating to the Loans.

Not applicable.

2.2.11. Information relating to the Obligors where the Receivables comprise obligations of five (5) or fewer Obligors which are legal persons, or where an Obligor accounts for twenty percent (20%) or more of the Receivables, or where an Obligor accounts for a material portion of the Receivables.

Not applicable.

2.2.12 Details of the relationship between the Issuer, the guarantor and the Obligor if material to the issue.

There are no significant relationships concerning the issue of the Notes as regards the Fund, the Seller, the Management Company or other persons involved in the transaction other than those included in section 5.2 of the Registration Document and in sections 2.2.8.2 and 3.2 of this Additional Building Block.

2.2.13 Where the Receivables comprise fixed income securities, a description of the principle terms and conditions

Not applicable.

2.2.14 Where the Receivables comprise equity securities, a description of the principal terms and conditions.

Not applicable.

2.2.15 Where more than ten percent (10%) of the Receivables comprise equity securities that are not traded on a regulated or equivalent market, a description of the principal terms and conditions.

Not applicable.

2.2.16 Where a material portion of the Receivables is secured or backed by real property, a valuation report relating to the property setting out both the valuation of the property and cash flow/income streams.

Not applicable.

2.3 Actively managed assets backing the issue.

Not applicable.

2.4 Where an Issuer proposes to issue further securities backed by the same Receivables, a prominent statement to that effect and description of how the holders of that class will be informed.

Not applicable.

3. STRUCTURE AND CASH FLOW

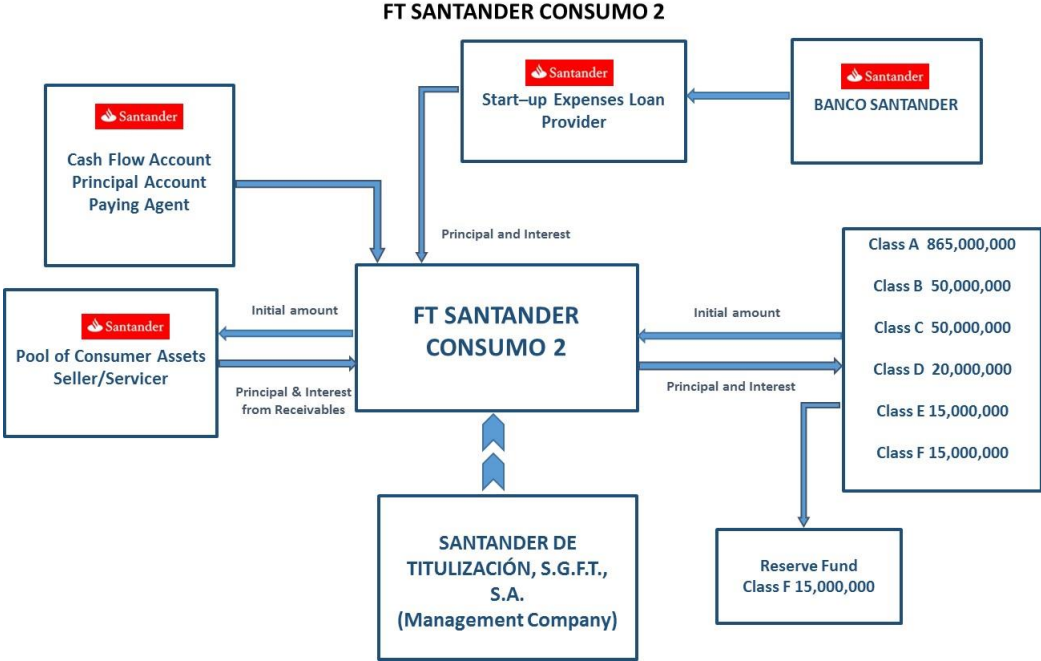
3.1 Description of the structure of the transaction, including, if necessary, a diagram.

Santander will assign the Receivables deriving from the Loans to the Fund. The Fund will acquire the Receivables and will issue the Notes. It will periodically obtain funds from the repayment of the principal and interest on the Loans which will be used to repay the Notes and to pay interest to the holders thereof.

This transaction will be formalised through (i) the Assignment Agreement, (ii) the Deed of Incorporation, by virtue of which the Notes will be issued, and (iii) the assignment of Additional Receivables pursuant to the procedure described in section 2.2.2 above and 3.3.1. below.

A copy of the Deed of Incorporation will be delivered to the CNMV and to Iberclear to be included in their official registers prior to the Subscription Period.

The following is an explanatory diagram of the transaction:



Initial balance sheet of the Fund

The balance sheet of the Fund at the Disbursement Date will be as follows:

ASSETS		LIABILITIES	
Receivables	1,000,000,000	Notes Issue	1,015,000,000
		Class A	865,000,000
		Class B	50,000,000
Working Capital	16,650,000	Class C	50,000,000
Treasury Account	16,650,000	Class D	20,000,000
		Class E	15,000,000
		Class F	15,000,000
		Other L/T debts	
		Start-up Expenses Loan	1,650,000
Total Receivables	1,016,650,000	Total Liabilities	1,016,650,000

The estimated initial expenses of the incorporation of the Fund and the issuance of the Notes are described in section 6 of the Securities Note.

It is assumed that all the initial expenses of the Fund and the issue of the Notes will be paid on the Disbursement Date. These expenses therefore appear on the above Balance Sheet.

3.2 Description of the entities participating in the issue and description of the functions to be performed by them.

The description of the entities participating in the issue and the functions they carry out are contained in sections 5.2 of the Registration Document and 3 of the Securities Note.

3.3 Description of the method and of the date of sale, transfer, novation or assignment of the Receivables.

3.3.1 Formalization of the assignment of the Receivables.

a) Assignment of the Initial Receivables.

Upon establishment of the Fund and simultaneously upon execution of the Deed of Incorporation, the Seller will assign the Initial Receivables to the Fund by means of the Assignment Agreement.

b) Assignment of the Additional Receivables.

Following its incorporation, the Fund, represented by the Management Company, will successively acquire Additional Receivables on each Payment Date during the Revolving Period to replace the amount of the Outstanding Balance of the Receivables that may have been redeemed.

Additional Receivables will be assigned to the Fund by means of purchase offers and their acceptance by the Fund, in compliance with the provisions of section 2.2.2 above and the Deed of Incorporation.

Any expenses and taxes resulting from the formalization of subsequent assignments of Additional Receivables will be borne by Santander.

For each new purchase of Additional Receivables, the Management Company will deliver the following documents to the CNMV on the next Business Day:

- i. Via CIFRADO, the list of Additional Receivables assigned to the Fund and their main characteristics.
- ii. Statement provided by the Management Company and signed by Santander that the said Additional Receivables meet all the Eligibility Criteria (Individual and Global Criteria) and the representations of section 2.2.8.1.b) of the Additional Building Block for their assignment to the Fund.

The Obligors will not be notified of the assignment of the Receivables to the Fund. However, in the event of insolvency or indications thereof, liquidation or the replacement of the Servicer, or if the Management Company considers it to be reasonably justified, the Management Company may request the Servicer to notify the Obligors of the transfer of the outstanding Receivables to the Fund and that the payments derived therefrom will only release the debt if payment is made into the Cash Flow Account opened in the name of the Fund. However, if the Servicer has not given the notice to the Obligors within five (5) Business Days of receipt of the request, or in the case of insolvency proceedings as regards the Servicer, the Management Company itself, either directly or through a new servicer it has designated, may notify the Obligors.

3.3.2 Receivables assignment terms.

The assignment of the Receivables will be full and unconditional and for the whole of the remaining period up to the maturity of each Loan.

Santander, as Seller of the Receivables and in accordance with Article 348 of the Commercial Code and Article 1,529 of the Civil Code, will be responsible to the Fund for the existence and lawfulness of the Receivables but will not be responsible for the solvency of the Obligors.

The Seller does not assume the risk of non-payment of the Loans and therefore does not assume any liability for non-payment by the Obligors, whether of principal, interest or of any other amount they may owe with respect to the Loans, nor does it assume the effectiveness of the security therefor, if any. Nor will it in any other manner assume liability as regards directly or indirectly guaranteeing the success of the transaction, or give security or Notes or enter into repurchase or replacement agreements as regards the Loans, except as described in section 2.2.9 of this Additional Building Block.

The receivables under each Loan will be assigned for 95% of the outstanding principal yet to be repaid on the assignment date and for 95% of the ordinary and default interest on each Loan, and for 95% of the rights derived from any collateral to the Loans and 95% of the rights derived from any insurance contracts attached to the Loans, if applicable.

Specifically, and by way of description and not limitation, the assignment will include 95% of all accessory rights in accordance with the provisions of Article 1,528 of the Civil Code; thus, it will give the Fund the following rights as regards the Loans:

- (i) 95% of all amounts due for repayment of the principal of the Loans.
- (ii) 95% of all amounts due for ordinary interest on the Loans.
- (iii) 95% of all amounts due for default interest on the Loans.

- (iv) 95% of all other amounts, assets or rights received as payment for Loan principal, interest or expenses.
- (v) 95% of all possible rights or compensation that might result in favor of Santander, payments made by any guarantors, etc., as well as those arising from any right ancillary to the Loans.

Therefore, any amounts received under the Loans, will be allocated 95% to the Fund and the remaining 5% to the Seller.

All the abovementioned rights will accrue in favour of the Fund from the date of their assignment to the Fund, i.e., on the Date of Incorporation regarding the Initial Receivables and on the Acceptance Date for the Additional Receivables, which shall be communicated to CNMV by CIFRADOCC.

Any payments made in respect of fees for claims of unpaid bills, fees for subrogation, fees for early redemption or cancellation and any other fees or expenses will not be assigned to the Fund and will therefore continue to correspond to Santander.

95% of all possible expenses or costs that may arise for the Seller from recovery actions in the event of the Obligor failing to comply with its obligations, including enforcement actions against such Obligors, will be paid by the Fund and the remaining 5% by the Seller.

3.3.3 Loan Receivables sale or assignment price

a) Price of assignment of the Initial Receivables.

The assignment price of the Initial Receivables will be the nominal value.

The price that the Fund, through its Management Company, must pay to Santander on the Disbursement Date for the acquisition of the Initial Receivables will be equal to the aggregate Outstanding Balance of the Receivables pooled in the Fund on the Date of Incorporation, plus any accrued and unpaid interest, both as of the Date of Incorporation.

The price will be paid in full before 12.00 pm (Madrid time) on the Disbursement Date, for value date on that same day.

In the event of termination of the incorporation of the Fund, and thus the assignment of the Initial Receivables, (i) the obligation of the Fund to pay the price for the acquisition of the Initial Receivables will be extinguished, and (ii) the Management Company will be obliged to reimburse Santander for any rights that might have been accrued in favor of the Fund due to the assignment of the Initial Receivables.

b) Price of assignment of the Additional Receivables.

The Additional Receivables will be assigned at a price equal to the sum of the Outstanding Principal Balance of the Additional Receivables purchased and the outstanding interest accrued on each Additional Receivable purchased as of the Determination Date) (the "**Acquisition Amount**"). The price must be paid in full on the corresponding Payment Date on which the assignment is carried out, for value on that same day. Santander shall debit this amount from the Cash Flow Account and the Principal Account as the case may be.

3.4 Explanation of the flow of funds.

3.4.1 How the cash flow from the Receivables will meet the Issuer's obligations to the holders of the securities.

The amounts received by the Fund deriving from the Receivables will be deposited by the Servicer into the Cash Flow Account before midnight (12:00 p.m.) on the day following receipt or the following business day if that is not a business day.

Quarterly, on each Payment Date, the Noteholders will be paid the interest accrued and at the end of the Revolving Period, principal of Class A, Class B, Class C, Class D and Class E Notes will be repaid on the terms set for each of them in accordance with sections 4.6.1 and 4.6.2 of the Securities Note and the Priority of Payments included in section 3.4.6 of this Additional Building Block. Redemption of Class F Notes might be achieved in full before ending of the Revolving Period following section 4.6.2 of the Securities Note and the Priority of Payments included in section 3.4.6 of this Additional Building Block.

3.4.2 Information on any credit enhancements

3.4.2.1 Credit enhancements

In order to strengthen the financial structure of the Fund, to increase the security or the regularity of the payment of the Notes, to cover temporary mismatches of the schedule of flows of principal and interest on the Loans and the Notes, or generally to transform the financial characteristics of the Notes issued, and to complement the management of the Fund, the Management Company, on behalf of the Fund, will enter into the agreements and transactions described below in the instrument of execution of the Deed of Incorporation, in accordance with applicable legal provisions.

The credit enhancements included in the structure of the Fund are as follows:

a) Reserve Fund.

Mitigates the liquidity risk resulting from certain Loans being in arrears. The Reserve Fund is described below in section 3.4.2.2 of this Additional Building Block.

b) Cash Flow Account and Principal Account.

Mitigates the loss of return on the Fund's liquidity due to the timing difference between income received on the Receivables until payment of interest on the Notes and acquisition of Additional Receivables on the next succeeding Payment Date during the Revolving Period or, at the end thereof, the repayment of the principal of the Notes. At the Disbursement Date, the interest rate of the Cash Flow Account and Principal Account will be zero.

c) Subordination and postponement of payment of principal and interest between the Notes in each Class.

Subordination of principal repayment between all the Notes and deferment of interest payment between the Notes in Classes A, B, C, D and E, derived from their place in the application of the Available Funds. Notwithstanding the above, if there were any enough Available Funds, it is expected that Class F Notes is redeemed during the first eight Payment Dates according to Class F Target Balance Amount. Once Class F Notes is fully redeemed the subordination of such Class F will no longer apply.

3.4.2.2 Reserve Fund

The Reserve Fund will be funded on the Disbursement Date with the corresponding proceeds from the disbursement of Class F Notes. On the Disbursement Date, the Reserve Fund will be equal to €15,000,000.

a) Reserve Fund Required Amount:

The Reserve Fund will have an initial balance of 1.50% of the initial balance of Class A, B C, D and E Notes on the Date of Incorporation (“**Initial Reserve Fund**”), and will remain constant during the Revolving Period.

After the Revolving Period, it may be reduced on each Payment Date and be at the higher of (“**Required Level of the Reserve Fund**”):

- (i) 0.75% of the Outstanding Principal Balance of Class A, B C, D and E Notes on the Disbursement Date. and
- (ii) The lower of the following amounts:
 - a. 3.00% of the Outstanding Principal Balance of Class A, B C, D and E Notes on the precedent Determination Date; and
 - b. The Initial Reserve Fund.

Notwithstanding the foregoing, the Required Level of the Reserve Fund will not be allowed to amortise on the applicable Payment Date and will remain at the Required Level of the Reserve Fund on the immediately preceding Payment Date if any of the following circumstances occurs:

- (i) If the Reserve Fund has not been funded to a value equal to the Reserve Fund Required Level on the preceding Payment Date; or
- (ii) If the Outstanding Balance of the Delinquent Receivables on the Determination Date immediately preceding the relevant Payment Date is greater than 1% of the Outstanding Balance of all Receivables which are not Defaulted Receivables on that Determination Date.

b) Use:

The Reserve Fund may be drawn on each Payment Date (and such amounts drawn added to the Available Funds) to reduce (up to zero) any shortfall of Available Funds to satisfy, by order of priority starting with the higher ranking item in the relevant priority of payments, the following:

1. If the Outstanding Principal Balance of the Receivables other than Defaulted Receivables is greater than zero, items (1) to (3) and items (5) to (8) of the Priority of Payments. In this case only senior expenses and interest deriving from the Notes shall be attended; and
2. If the Outstanding Principal Balance of the Receivables other than Defaulted Receivables is equal to zero, items (1) to (9) of the Priority of Payments. In this second case the Reserve Fund shall attend senior expenses, interest deriving from the Notes and principal to be redeemed from the Notes.

c) Yield:

The amount of said Reserve Fund will be credited to the Cash Flow Account on the Disbursement Date, and will be covered by the Guaranteed Reinvestment Agreement to be entered into with Santander pursuant to the terms described in section 3.4.4 of this Additional Building Block.

3.4.3 Details of any subordinated debt financing

Start-Up Expenses Loan Agreement

On the Date of Incorporation, the Management Company, on behalf of the Fund, will enter into a Start-up Expenses Loan Agreement with Santander in the total amount of ONE MILLION SIX HUNDRED AND FIFTY THOUSAND EUROS (€1,650,000) ("**Start-up Expenses Loan**"), which will be used for (i) financing the expenses of incorporation of the Fund and (ii) financing the expenses of the issuance of the Notes.

The Start-up Expenses Loan Agreement will be fully terminated in the event that the Rating Agencies do not confirm the provisional ratings assigned to the Notes as final ratings prior to the Disbursement Date, except for the initial expenses of incorporation of the Fund and the issuance of the Notes.

All amounts due under the Start-up Expenses Loan Agreement will be payable on the First Payment Date, as long as the Available Funds allow such payment in the Priority of Payments or, upon liquidation of the Fund, in the Liquidation Priority of Payments.

The Start-up Expenses Loan will accrue nominal fixed annual interest, calculated each quarter for each Interest Accrual Period, which will be 0.35%. Interest will only be paid if the Fund has sufficient liquidity in accordance with the Priority of Payments or, where applicable, the Liquidation Priority of Payments described in sections 3.4.6 b) and 3.4.6 d) below, respectively. Accrued interest to be paid on a particular Payment Date will be calculated based on (i) the number of days in each Interest Accrual Period, and (ii) a year of three hundred and sixty (360) days.

All amounts not delivered to the lender on a Payment Date as set out in the preceding paragraphs will be paid on the following Payment Dates on which the Available Funds allow such payment in the Priority of Payments or, upon liquidation of the Fund, in the Liquidation Priority of Payments.

Amounts payable by the Fund and not delivered as provided in the preceding paragraphs will not earn default interest.

Interest due and not paid on a Payment Date will not be capitalised as principal of Start-up Expenses Loan.

3.4.4 An indication of any investment parameters for the investment of temporary liquidity surpluses and description of the parties responsible for such investment

Cash Flow Account

The Management Company, on behalf of the Fund, and Santander will enter into the Guaranteed Reinvestment Agreement under which Santander will guarantee that the return will be no lower than zero for the amounts deposited by the Fund through its Management Company in the Cash Flow Account and the Principal Account. Specifically, the Guaranteed Reinvestment Agreement will determine the amounts the Fund receives as:

- (i) principal and interest on the Receivables;
- (ii) any other amounts that are received in payment of the ordinary principal or interest and default interest regarding the Receivables;
- (iii) the amount which constitutes the Reserve Fund at any time;
- (iv) the return obtained from amounts deposited in the Cash Flow Account and the Principal Account; and

which will be deposited into the Cash Flow Account.

All collections and payments during the entire life of the Fund will be centralised in the Cash Flow Account.

On the Disbursement Date, the Cash Flow Account will receive the effective amount of the payment for the subscription of the issued Notes and the initial amount of the Start-up Expenses Loan, and will pay the price to acquire the Initial Receivables and the expenses of incorporating the Fund.

Principal Account

By virtue of the Guaranteed Reinvestment Agreement, on every Payment Date during the Revolving Period the proceeds that make up the Amount of Principal Retention will be deposited by the Management Company into the Principal Account opened with Santander in the name of Fund.

“**Principal Account**”, means one of the accounts to be opened with Santander on behalf and in the name of the Fund by the Management Company, the operational aspects of which will be established by the Guaranteed Reinvestment Agreement.

Yield obtained from amounts credited to the Cash Account and to the Principal Account

On the Date of Incorporation, the Cash Flow Account and Principal Account will bear no interest for the Fund.

Notwithstanding the above, the Cash Flow Account and Principal Account may have a positive yield in the future if the market conditions allow so. In any case, Santander will guarantee that the interest rate applicable in the future will at no time be less than zero for the amounts deposited therein.

The calculation of the return on the Cash Flow Account will be made by taking the effective days based on a year of three hundred and sixty-five (365) days. The liquidation of interest will be monthly, the fifth (5th) day of each month, or if any of these dates are not a Business Day ("**Non-Business Day**"), the Business Day ("**Business Day**") immediately following.

DBRS Criteria

The Management Company, on behalf of the Fund, shall apply the provisions of the Legal Criteria for European Structured Finance Transactions document published by DBRS in September 2016. The entity providing the Cash Flow Account, the Principal Account or the account opened by the Fund to replace or complement each of them must have a minimum rating of at least BBB (high) according to DBRS Rating.

In the event that the provider of the account concerned loses the minimum rating required herein, or any of the ratings are withdrawn, the Management Company must, with prior notice to the Rating Agencies and within a maximum period of thirty (30) calendar days from the date on which this situation arises, adopt one of the options described below to allow an appropriate level of guarantee to be maintained with respect to the commitments relating to the Cash Flow Account and the Principal Account:

- i. obtain an unconditional and irrevocable guarantee on first demand from one or more entities with a minimum DBRS Rating of BBB (high) securing, upon request of the Management Company, the timely performance by the account holder of its obligation to repay the amounts deposited therein, for as long as the situation remains downgraded; or
- ii. transfer the balances deposited in the account opened with the affected provider to another account or accounts opened on behalf of the Fund with one or more entities with a with a minimum DBRS Rating of BBB (high). The Management Company will arrange the highest possible return for the balance of the aforementioned accounts, which may be equal to or higher than that arranged with the Cash Flow Account and Principal Account provider.

DBRS Rating for the provider of the Cash Flow Account, the Principal Account or the account opened by the Fund to replace or complement each of them, will be the higher of:

- (a) a rating one notch below the institution's long-term Critical Obligations Rating (COR) in case the provider of the Cash Flow Account, the Principal Account or the account opened by the Fund to replace or complement each of them has a COR; and
- (b) DBRS Rating for the long-term senior unsecured debt rating of the provider of the Cash Flow Account, the Principal Account or the account opened by the Fund to replace or complement each of them.

Moody's Criteria

The Management Company, on behalf of the Fund, shall apply the provisions of the Moody's Approach to Temporary Use of Cash in Structured Finance Transactions: Eligible Investments and Account Banks document published by Moody's in 8 December 2015. The entity providing the Cash Flow Account, the Principal Account or the account opened by the Fund to replace or complement it must have a long-term deposit rating on the Moody's scale of no less than A3 (or such other ratings as may be agreed with, or are consistent with the then published criteria of, Moody's.

In the event that the provider of the account concerned loses the minimum rating required herein, or any of the ratings are withdrawn, the Management Company must, with prior notice to the Rating Agencies and within a maximum period of thirty (30) calendar days from the date on which this situation arises, adopt one of the options described below to allow an appropriate level of guarantee to be maintained with respect to the commitments relating to the Cash Flow Account and Principal Account:

- i. obtain an unconditional and irrevocable guarantee on first demand from one or more entities with minimum long-term deposit rating on the Moody's scale of no less than A3 (or such other ratings as may be agreed with, or are consistent with the then published criteria of, Moody's, securing, upon request of the Management Company, the timely performance by the account holder of its obligation to repay the amounts deposited therein, for as long as the situation remains downgraded; or
- ii. transfer the balances deposited in the account opened with the affected provider to another account or accounts opened on behalf of the Fund with one or more entities with minimum long-term deposit rating on the Moody's scale of no less than A3 (or such other ratings as may be agreed with, or are consistent with the then published criteria of, Moody's. The Management Company will arrange the highest possible return for the balance of the aforementioned accounts, which may be equal to or higher than that arranged with the Cash Flow Account and Principal Account provider.

All costs, expenses and taxes deriving from the implementation and execution of the above options will be borne by the Fund's counterparty to the Guaranty Reinvestment Agreement.

3.4.5 How payments are collected in respect of the Receivables.

The Servicer, as collection agent on behalf of the Fund, will collect any amounts paid by the Obligors deriving from both principal and interest on the Loans, as well as any other amounts assigned to the Fund and proceed to immediately deposit 95% of such

amounts into the Cash Flow Account in favour and, in any case, within the maximum term of forty-eight (48) hours.

The Servicer will diligently ensure that amounts to be paid by the Obligors are collected in accordance with the contractual terms and conditions of the respective Loans.

In no case will the Servicer pay to the Fund any amount that has not been previously received from the Obligors in respect of the Loans.

3.4.6 Source and application of Funds.

On the Disbursement Date, the Fund will receive the amounts from the subscription of the Notes and the Start-up Expenses Loan and will apply such amounts to the following payments: sale price for assignment of the Receivables, payment of the expenses of incorporation of the Fund and issuance of the Notes, and endowment of the Reserve Fund.

From the Date of Incorporation until the total repayment of the Notes, the source and application of the amounts that may be drawn by the Fund will be as described below:

a) Source:

The Available Funds on each Payment Date will come from the following:

1. Principal and interest (ordinary and default) collections from the Receivables received during the period running from the previous Determination Date (included) and the said Determination Date (excluded) (the “**Determination Period**”) preceding such Payment Date;
2. The return earned during the Determination Period preceding said Payment Date on amounts deposited in the Cash Flow Account and the Principal Account, if any;
3. Any amount to be drawn from the Reserve Fund on such date (to make up any shortfall or in respect of a reduction of the Reserve Fund Required Amount);
4. Any amount, other than the principal and interest, derived from the Receivables; and
5. Any amount held in the Principal Account as of the preceding Determination Date.

The Available Funds will be applied in order to address the payments described in the Priority of Payments described below in section b).

b) Application

On any Payment Date starting from the First Payment Date until the earlier of the Legal Maturity Date and the Payment Date immediately preceding the Early Redemption, if any, the Management Company, on behalf of the Fund, will allocate the Available Funds in accordance with the Priority of Payments described below:

1. Payment pro-rata to the Management Company of the Ordinary Expenses and Extraordinary Expenses of the Fund, Paying Agent’s fee, the periodic administration fee of the Management Company and the administration fee if there is a replacement of Santander as Servicer.
2. Payment of interest in arrears and interest accrued on the Class A Notes.

3. Payment of the interest in arrears and interest accrued on the Class B Notes, unless postponed to the fifth place if the Interest Deferral Trigger applies.
4. Withholding of the Available Principal Funds:
 - i. During the Revolving Period, the Available Principal Funds will be applied sequentially in the following order (i) first, on each Payment Date, to payment of the Acquisition Amount of the Additional Receivables assigned on that Payment Date, (ii) second, any remaining Available Principal Funds, if any, 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 (iii) third, any remaining Available Principal Funds, if any, to the partial redemption of the Class A Notes, and
 - ii. Following the expiration of the Revolving Period, to the sequential redemption by order of priority of (1) Class A until fully repaid and (2) Class B Notes until fully repaid.
5. Payment of interest in arrears and interest accrued on the Class B Notes, if the Interest Deferral Trigger applies.
6. Payment of interest in arrears and the interest accrued on the Class C Notes.
7. Payment of interest in arrears and the interest accrued on the Class D Notes.
8. Payment of interest in arrears and the interest accrued on the Class E Notes.
9. Following the expiration of the Revolving Period the Available Principal Funds will be used to amortise by order of priority 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 the Class D notes are repaid in full.
10. Withholding of the necessary amount to maintain the Reserve Fund at the Required Level of the Reserve Fund applicable on the preceding Determination Date.
11. Payment of the interest in arrears and interest accrued on the Class F Notes.
12. Payment of interest in arrears and interest on the Start-up Expenses Loan.
13. Redemption of the principal amount of the Start-up Expenses Loan.
14. Payment of the administration fee (€6,000), assuming there is no replacement.
15. Redemption of Class F Notes in an amount equal to the the difference between the Outstanding Principal Balance of Class F and the Class F Target Balance Amount on each Payment Date.
16. Payment of the Financial Intermediation Margin:

The Ordinary Expenses in first place in the above order of priority are broken down, solely for purposes of information, into the following:

- Expenses incurred in verifying registrations and compulsory official authorisations.
- Expenses incurred in keeping the book-entry register of the Notes and placing them on organised secondary markets;
- Taxes;
- Expenses incurred in administering the Fund;
- Expenses incurred in repaying the Notes;
- Expenses deriving from the annual audits of the financial statements of the Fund;
- Notary expenses;
- Expenses deriving from the maintenance of the ratings of the Notes;
- Expenses related to the notifications that must be made to the holders of outstanding Notes in accordance with the provisions of this Prospectus.
- In general, any other expenses incurred by the Management Company and deriving from their work of representation and management of the Fund.

The estimated Ordinary Expenses represent a 0,025% of the Outstanding Principal Balance of the Notes and it is expected that they will decrease over the life of the Fund.

The Ordinary Expenses may be advanced by the Management Company prior to a Payment Date.

The Extraordinary Expenses in first place in the above order of priority are broken down, solely for purposes of information, into the following:

- Expenses derived from the preparation and execution of the amendment of the Deed of Incorporation and the transaction agreements;
- The amount of the initial expenses of incorporation of the Fund and issuance of Notes exceeding the principal amount of the Start-up Expenses Loan;
- The extraordinary expenses of audits and legal advice;
- All expenses that may arise from the sale of credit rights and the remaining assets of the Fund for the liquidation thereof;
- All costs related to convening a Meeting of Creditors.
- Those necessary to commence enforcement of the Loans and those arising from the actions required for recovery; and
- Generally, all other extraordinary expenses borne by the Fund or by the Management Company in representation or on behalf thereof.

If an item remains unpaid on a Payment Date prior to the current Payment Date, the Priority of Payments will be followed strictly in this section, beginning with the oldest item.

c) Exceptional rules of priority of payments for the account of the Fund.

If Santander is replaced by another entity as Servicer of the Receivables, an administration fee will accrue for the third party (as new servicer), which will appear in first (1st) position in the Priority of Payments included in section 3.4.6 b) above.

d) Liquidation Priority of Payments

The Management Company will liquidate the Fund at any time at which the Early Liquidation takes place according to sections 4.4.3 and 4.4.4 of the Registration Document, by applying the following available funds (the “**Available Funds for Liquidation**”): (i) amounts standing to the credit of the Cash Flow Account and the Principal Account, and (ii) amounts received by the Fund from time to time in respect of the disposal of the Receivables and the remaining assets, as applicable, in the following order of payment priority (the “**Liquidation Priority of Payments**”):

1. Payment pro-rata of taxes, Ordinary Expenses and Extraordinary Expenses of the Fund, whether or not paid by the Management Company and duly documented, including the administration fee in favor of the Management Company, the Paying Agent’s fee and the administration fee if there is a replacement of Santander as Servicer;
2. Payment of interest in arrears and interest accrued on the Class A Notes;
3. Redemption of the principal of the Class A Notes;
4. Payment of interest in arrears and interest accrued on the Class B Notes;
5. Redemption of the principal of the Class B Notes;
6. Payment of interest in arrears and interest accrued on the Class C Notes;
7. Redemption of the principal of the Class C Notes;
8. Payment of interest in arrears and interest accrued on the Class D Notes;
9. Redemption of the principal of the Class D Notes;
10. Payment of interest in arrears and interest accrued on the Class E Notes;
11. Redemption of the principal of the Class E Notes;
12. Payment of interest in arrears and interest accrued on the Class F Notes;
13. Redemption of the principal of the Class F Notes;
14. Payment of interest in arrears and interest accrued on the Start-up Expenses Loan;
15. Redemption of the principal of the Start-up Expenses Loan;
16. Payment of the administration fee (€6,000) assuming there is no replacement;
17. Payment of the Financial Intermediation Margin.

3.5 Name, address and significant business activities of the Seller

The Seller of the Receivables is Santander, with registered office in Santander, at Paseo de Pereda 9-12, 39004, and with operational headquarters located at Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte (Madrid).

The principal financial activities of Santander are those characteristic of any bank, in accordance with the specific nature of such entities and as established by law. In this regard, the following core activities should be highlighted:

- acquisition of funds (through demand savings passbooks, current accounts, term savings passbooks, mutual funds, pension plans, insured retirement plans, assignment of assets, issuance of securities, unit linked and annuities, among others);
- financing activities, primarily through personal loans, mortgage loans, credit facility accounts, discounting documents, bank guarantees and leasing, factoring and reverse factoring transactions;
- provision of services such as credit and debit cards, merchant payment systems, collection services, debit order services, transfers, asset management, currency exchange, etc.;

The following table shows the financial consolidated information of Santander at December 2015 and 2014 and a comparison of the first nine months of 2015 and 2016.

	9M '16	9M '15	Variation		2015	2014
			Amount	%		
Balance sheet (€ million)						
Total assets	1,329,538	1,320,427	9,111	0.7	1,340,260	1,266,296
Net customer loans	773,290	777,020	(3,729)	(0.5)	790,848	734,711
Customer deposits	667,439	669,255	(1,816)	(0.3)	683,142	647,628
Managed and marketed customer funds	1,075,162	1,045,507	29,655	2.8	1,075,563	1,023,437
Total equity	101,122	98,687	2,435	2.5	98,753	80,806
Total managed and marketed funds	1,508,587	1,479,841	28,746	1.9	1,506,520	1,428,083
Underlying income statement* (€ million)						
Net interest income	22,992	24,302	(1,309)	(5.4)	32,189	29,548
Gross income	32,740	34,378	(1,638)	(4.8)	45,272	42,612
Net operating income	17,106	18,229	(1,124)	(6.2)	23,702	22,574
Underlying profit before taxes	8,625	8,766	(141)	(1.6)	10,939	9,720
Underlying attributable profit to the Group	4,975	5,106	(131)	(2.6)	6,566	5,816
(*).- Currency-neutral basis Net interest income: +2.2%; Gross income: +2.7%; Net operating income: +1.4%; Attributable profit: +8.4%						
Solvency and NPL ratios (%)						
CET1 fully-loaded	10.47	9.85			10.05	9.65
CET1 phase-in	12.44	12.39			12.55	12.23
NPL ratio	4.15	4.50			4.36	5.19
Coverage ratio	72.7	71.1			73.1	67.2

(*).- Excluding non-recurring net capital gains and provisions (9M'16: -€368 million; 9M'15: €835 million; 2015: -€600 million)

**NPL Ratio: The amount of non-performing loans over total loans, expressed as a percentage.

A Non Performing Loan (NPL) is the sum of borrowed money upon which the debtor has not made his scheduled payments for at least 90 days.

The annual financial statements of the Seller for 2015 and 2014 have been audited and deposited with the CNMV.

They have been prepared in accordance with the International Financial Reporting Standards applicable to Santander under Regulation EC 1606/2002 and Bank of Spain Circular 6/2008.

3.6 Return on and/or repayment of the security is linked to others which are not Receivables of the Issuer.

Not applicable.

3.7 Servicer of the Loans and responsibilities of the Management Company as Master Servicer.

3.7.1 Servicer of the Loans

The Management Company shall be responsible for the servicing and management of the Loans as “**Master Servicer**” in accordance with article 26.1 b) of Law 5/2015. Notwithstanding, it shall be entitled to subdelegate to third parties in accordance with article 30.4 of Law 5/2015, which shall not affect its responsibility. In this respect, the Management Company appoints Santander, as Seller of the Receivables, to perform the servicing and management of the Loans. The relationship between Santander and the Fund will be governed by the provisions of the Deed of Incorporation.

Santander will accept the mandate received from the Management Company to act as servicer of the Loans (the “**Servicer**”) and, by virtue of such mandate, undertakes as follows:

- (i) To carry out the administration and management of the Receivables acquired by the Fund as established by the ordinary rules and procedures of administration and management set out in the Deed of Incorporation;
- (ii) To continue to administer the Loans, dedicating the same time and attention and the same level of expertise, care and diligence in its administration as it would dedicate and exercise in the administration of its own loans. In any case, it will exercise an appropriate level of expertise, care and diligence as regards the provision of the services stipulated in this Additional Building Blockas and in the Deed of Incorporation;
- (iii) To apply and continue to apply procedures for the administration and management of the Loans that are and will continue to be in accordance with applicable laws and legal provisions;
- (iv) To faithfully comply with the instructions given by the Management Company;
- (v) To compensate the Fund for the damages that may derive from failure to comply with the obligations acquired.

A brief description of the ordinary rules and procedures of administration and custody of the Loans governed by the Deed of Incorporation of the Fund is set forth in the following sections.

(1) Term

The services will be provided by Santander until all obligations assumed by Santander in relation to such Loans are extinguished upon full repayment of the Loans, without prejudice to the possible early revocation of its mandate.

In the case of a breach by the Servicer of the obligations established in this Additional Building Block due to a drop in its credit rating that entails a prejudice or risk to the financial structure of the Fund or to the rights and interests of the Noteholders, as well as due to insolvency of the Servicer, or if

the Management Company considers it to be reasonably justified, the Management Company, with prior notice to the Rating Agencies, may take one of the following actions:

- (i) replace the Servicer with another entity that, in the opinion of the Management Company, has the suitable legal and technical capacity, provided that the rating of the Notes is not adversely affected; or
- (ii) require the Servicer to subcontract, delegate or have the performance of such obligations guaranteed by another entity that, in the opinion of the Management Company, has the suitable legal and technical capacity, provided that the rating of the Notes is not adversely affected.

In the case of insolvency of the Servicer, the only possible action will be (i) above.

For purposes of replacing the Servicer, according to Article 26.1.b) of Law 5/2015, the Management Company will become the servicer thereof, and, to that end, it will delegate to a third party to exercise the servicing and management of the Loans on the same terms and conditions as provided in this Prospectus.

The Management Company will take into account the proposals made by the Servicer both in connection with the subcontracting, delegation and appointment of the new administrator for the fulfilment of its obligations, and in connection with the entity that may guarantee the performance of such obligations.

Notwithstanding the foregoing, the Management Company, on behalf of the Fund, will have the final decision as regards the appointment of the new servicer and any of the aforementioned actions.

The Servicer may voluntarily resign from the administration and custody of the Loans, provided that (i) such resignation is approved by the Management Company, (ii) the Management Company has designated a new servicer, (iii) the Servicer has compensated the Fund for the damages that the resignation and substitution may cause thereto, and (iv) there is no negative impact on the rating of the Notes.

If Santander is replaced by another entity in its work as Servicer of the Loans due to any of the reasons established in this section, the new entity will have the right to receive an administration fee which will occupy the first (1st) place in the Priority of Payments, as determined in section 3.4.6 c) of the Additional Building Block.

(2) Liability of Santander as to custody and administration

Santander undertakes to act with due diligence as regards the custody and administration of the Loans and will be responsible to the Fund, through its Management Company, for any damage that may derive from its negligence.

Santander will indemnify the Fund, through its Management Company, for any damage, loss or expense it may incur due to the failure to comply with its obligations concerning custody and/or administration of the Loans.

(3) Liability of Santander in collection management

In the management of collections of the Loans, Santander undertakes to act with due diligence and will be responsible to the Fund, through its Management Company, for any damages that arise from its negligence.

Santander does not assume liability in any form as regards directly or indirectly guaranteeing the success of the transaction, nor will it provide security or enter into agreements for the repurchase of the Receivables other than in accordance with the terms and conditions set forth in section 2.2.8 of this Additional Building Block.

(4) Custody of agreements, deeds, documents and files.

The Servicer will keep all the agreements, copies of instruments, documents and computer files on the Loans in safe custody and will not abandon the possession, custody or control thereof without the prior written consent of the Management Company for such purpose, unless the document is requested in order to commence proceedings for the enforcement of a Loan.

The Servicer will at all times reasonably provide the Management Company or the duly authorised auditor of the Fund with access to such agreements, instruments, documents and records. If the Management Company so requests, the Servicer will also provide a free-of-charge copy or photocopy of any of such agreements, instruments and documents within five (5) Business Days following such request. The Servicer must act in the same way in the case of requests for information from the auditor of the Fund.

In any case, the Servicer waives the privileges which the law confers thereon in its condition as manager of collections for the Fund and of the custody of the Loan agreements, and particularly those established in Articles 1,730 and 1,780 of the Civil Code (regarding the retention of pledged items) and 276 of the Commercial Code (security similar to the retention of pledged items).

(5) Collection management

Santander, as the Servicer, will receive on account of the Fund such amounts as are paid by the Obligors arising out of the Receivables, both for principal or interest, as well as any other concept, and will proceed to deposit into the Cash Flow Account the amounts which pertain to the Fund, immediately and in any case within a deadline not to exceed forty-eight (48) hours.

(6) Advance of funds

In no event will Santander advance any amount that has not been previously received from the Obligors as principal or an outstanding instalment, interest or financial charge, prepayment or other item arising from the Loan.

(7) Reporting

The Servicer must periodically inform the Management Company and the Rating Agencies of the Obligors' level of compliance with their obligations deriving from the Loans, of the compliance by the Servicer with its obligation to deposit the amounts received from the Loans, of the actions taken in the event of delay, and of the existence of hidden defects in the Loans.

The Servicer must prepare and deliver to the Management Company the additional information that the Management Company may reasonably request regarding the Loans or the rights deriving therefrom.

(8) Subrogation of the Obligor to the Loans

The Servicer will be authorised to permit subrogations to the position of the Obligor in the Loan agreements only in those cases in which the new Obligor has similar features in respect of risk profile and others to those of the previous Obligor and such features conform to the Loan assignment standards described in section 2.2.7 of this Additional Building Block, and

provided that the expenses deriving from such subrogation are paid in full by the Obligor.

The Management Company may totally or partially limit this authority of the Servicer, or subject the power to conditions, if such subrogations may negatively affect the ratings of the Notes given by the Rating Agencies.

The Management Company must in any case be immediately notified of any subrogation by the Servicer in accordance with the preceding paragraph. The subrogation of the Loan must not adversely or otherwise affect the Loan portfolio.

(9) Powers and actions relating to procedures for renegotiation of the Loans.

The Management Company generally authorises the Servicer to enter into renegotiations with respect to the Loans, without its prior consent, under the terms and conditions described below and always provided that such actions do not reduce the rank, legal effectiveness or economic value of the Loans.

The Management Company authorises Santander to renegotiate the interest rate on loans when requested to do so by an Obligor. Any such renegotiation must comply with the following requirements:

- a) To novate a floating rate to a fixed rate Receivable, the weighted average interest rate of the Receivables in the Fund once the renegotiation has taken place shall not be lower than 8.00%. The maximum Outstanding Balance that may be novated in this particular case over the life of the Fund may not exceed 5% of the Outstanding Balance on the Receivables at the Date of Incorporation.
- b) To novate the nominal interest rate of a fixed interest rate Receivable, the Receivables in the Fund once the renegotiation has taken place shall not be lower than 8.00%. The maximum Outstanding Balance that may be novated in this particular case over the life of the Fund may not exceed 5% of the Outstanding Balance on the Receivables at the Date of Incorporation.

The powers of renegotiation given to Santander in this section are subject to the following limitations:

- a) no novation from fixed to floating rate is allowed;
- b) under no circumstances may the amount of the Receivable be increased;
- c) the frequency of interest payments and repayment of principal on the Receivable in question must be maintained or increased;
- d) the maturity term of a Receivable may be extended provided that the amount of the sum of capital or principal assigned to the Fund from the Receivables whose maturity has been extended may not be more than 10% of the initial Outstanding Balance of the Receivables on the Incorporation Date;
- e) the new final maturity date or final repayment of the Receivable in question may be no later than the Final Maturity Date.

In any event, after any renegotiation in accordance with the provisions of this section, Santander will immediately inform the Management Company of the terms and conditions resulting from such renegotiation.

In exceptional circumstances, the Management Company, on behalf of the Fund, may suspend or amend the authorisation and requirements for renegotiation by the Servicer set forth in this section.

If the Servicer fails to comply with the provisions of this section in relation to the renegotiation of any of the Loans, the replacement procedure described in section 2.2.9 of this Additional Building Block will apply with respect to the Loan in question (without prejudice to the liability of the Servicer for such circumstance). This does not mean that the Servicer guarantees the successful conclusion of the transaction, but rather the remedy of the effects of the breach of its obligations, in accordance with Article 1,124 of the Civil Code. The Management Company will immediately inform the CNMV of the repayment of the Receivables resulting from the Servicer's breach. The costs incurred to cure the Servicer's breach must be paid by the Servicer and cannot be passed on to the Fund.

(10) Fee for provision of services

A fixed quarterly fee of SIX THOUSAND EUROS (€6,000), including V.A.T., will accrue to Santander on each Payment Date for its work of managing the Receivables. If Santander is replaced in its work of managing the Receivables by another entity, the replacement entity will have the right to receive an administration fee that will occupy the first (1st) place in the Priority of Payments set forth in section 3.4.6 b) of this Additional Building Block.

If the Fund, through its Management Company, fails to pay the entire fee on a Payment Date due to a lack of sufficient liquidity in the Cash Flow Account, in accordance with the Priority of Payments set forth in section 3.4.6 b), the unpaid amounts will accrue without penalty to the fee that must be paid on the following Payment Date, and will be paid at that time.

In addition, on each Payment Date, Santander will have the right to the repayment of all expenses of an exceptional nature that it may have incurred in relation to the Loans, after reporting such expenses to the Management Company.

(11) Set-off

If any of the Obligors on the Loans has a liquid, due and payable credit right against the Servicer, with the result that one or more of the Loans are set off against such right, the Servicer will remedy this circumstance such that the set-off does not apply, or if it is not possible to remedy it, the Servicer will deposit in the appropriate account with the Fund the amount which was set off plus the interest due from the date of set-off until the date on which the deposit is made, calculated in accordance with the terms and conditions applicable to the corresponding Loan.

(12) Subcontracting

The Servicer may subcontract any of the services which it has undertaken to provide by virtue of the above provisions and those of the Deed of Incorporation, except for those services that cannot be delegated pursuant to applicable law. In no case will such subcontracting entail any additional cost or expense for the Fund or the Management Company, and it must not give rise to a downward revision of the rating of the Notes by the Rating Agencies. Notwithstanding any subcontracting or delegation, the Servicer will not be discharged or released through such subcontracting or delegation from any of the liabilities that it has assumed and that are legally attributable to or enforceable against the Servicer.

(13) Notices

The Management Company and the Seller have agreed not to give notice of the assignment to the respective Obligors. For these purposes, notice is not a requirement for the validity of the assignment of the Loans.

However, the Seller will grant to the Management Company the broadest powers as are necessary under law so that it may, on behalf of the Fund, notify the Obligors of the assignment at the time it deems appropriate.

Notwithstanding the foregoing, in the event of insolvency or indications thereof, liquidation or the replacement of the Servicer, or because the Management Company considers it to be reasonably justified, the Management Company may request the Servicer to notify the Obligors of the transfer of the outstanding Loans to the Fund, as well as of the fact that the payments deriving therefrom will only act as a release if they are made into the Cash Flow Account opened in the name of the Fund. However, both in the case that the Servicer has not notified the Obligors within five (5) Business Days following receipt of the request, and in the case of insolvency of the Servicer, the Management Company itself, either directly or through a new servicer designated thereby, will notify the Obligors and any respective guarantors thereof.

The Seller will assume the expenses involved in notifying the Obligors even if notification is provided by the Management Company.

3.7.2 Management Company.

The administration and legal representation of the Fund is vested in the Management Company, whose name, address and significant business activities are described in section 6 of the Registration Document upon the terms established by Law 5/2015 and other applicable regulations, without prejudice to the provisions of the Deed of Incorporation.

The Management Company is also responsible for representing and defending the interests of the Noteholders and of the Other Creditors of the Fund. Accordingly, the Management Company must at all times take into account the interests of the Noteholders, acting in the defence thereof and adhering to applicable law and regulations for such purpose.

By way of example and without prejudice to other actions provided for in this Additional Building Block, the actions to be performed by the Management Company in furtherance of its duties of administration and legal representation of the Fund are as follows:

- (i) open the Cash Flow Account and the Principal Account, initially with Santander, in the name of the Fund and ensure that the proceeds from collections are deposited into the Cash Flow Account, in accordance with the terms set forth in this Prospectus;
- (ii) exercise the rights attaching to ownership of the Receivables of the Fund, and generally carry out any such acts of administration and disposal as are necessary for the proper performance of the administration and legal representation of the Fund;
- (iii) carry out the financial servicing of the Receivables with diligence and rigor, without prejudice to the management duties assumed by the Seller in its capacity as Servicer in accordance with the provisions of section 3.7.1 above;
- (iv) verify that the amount of income actually received by the Fund corresponds to the amounts to be received by the Fund in accordance with the terms and

conditions of each Receivable and the terms and conditions of the various contracts;

- (v) validate and control the information it receives from the Servicer regarding the Loans as regards collections of ordinary payments, prepayments of principal, payments of unpaid instalments, and status and control of non-payments;
- (vi) calculate the Available Funds and the movements of funds it will have to make once they have been applied in accordance with the relevant Priority of Payments, ordering transfers of funds between the various asset and liability accounts and making the applicable payment instructions, including those allocated to pay the financial servicing on the Notes;
- (vii) calculate and settle the amounts for interest and fees that must be received and paid through the various financial credit and debit accounts, as well as the fees to be paid for the various agreed financial services arranged and the amounts pertaining to the Notes for the repayment of principal and for interest;
- (viii) monitor the actions of the Servicer for recovery of non-payments and bring the relevant actions when such circumstances occur;
- (ix) handle the accounting of the Fund with due separation thereof from that of the Management Company, and render accounts and comply with the tax or other legal obligations applicable to the Fund;
- (x) furnish the holders of Notes issued against the Fund, the CNMV and the Rating Agencies with such information and notices as are established by applicable legal provisions, and especially those contemplated in this Prospectus;
- (xi) enter into, extend or amend agreements it has executed on behalf of the Fund, replace each of the providers of services to the Fund by virtue of such agreements, and also, if necessary, enter into additional agreements, all of the foregoing subject to applicable law, after obtaining the prior authorisation, if required, from the CNMV or competent governmental body, and after notifying the Rating Agencies, and provided that such actions do not lead to a decrease in the rating of the Notes and do not impair the interests of the Noteholders, so as to ensure that the Fund operates in accordance with the terms set forth herein and by the law in effect from time to time;
- (xii) appoint and replace, as applicable, the financial auditor charged with auditing the annual financial statements of the Fund;
- (xiii) prepare and submit to the CNMV and other competent bodies all documents and information that must be submitted pursuant to applicable legal provisions and the terms of this Prospectus, or when so requested by the CNMV and other competent bodies, and prepare and submit to the Rating Agencies any information they may reasonably request;
- (xiv) make appropriate decisions in relation to the liquidation of the Fund, including the decision for early termination of the Notes issued and liquidation of the Fund, in accordance with the provisions of this Prospectus;
- (xv) not take actions that could decrease the rating of the Notes, and procure the adoption of those measures which are reasonably within its reach in order for the rating on the Notes not to be adversely affected at any time;
- (xvi) manage the Fund in such a manner that the shareholders' equity therein is always zero; and
- (xvii) pay the Ordinary Expenses and the Extraordinary Expenses incurred by the Management Company on behalf of the Fund.

The Management Company must perform its activities with the diligence required thereof in accordance with Law 5/2015, representing the Fund and defending the interests of the Noteholders and of the Other Creditors of the Fund as if handling its own interests, caring for the levels of diligence, reporting and defence of the interests of the former and avoiding situations involving conflicts of interest, and giving priority to the interests of the Noteholders and the Other Creditors of the Fund over its own. The Management Company will be liable to the Noteholders and Other Creditors of the Fund for all damages caused thereto by a breach of its obligations. It will be liable for the penalties applicable thereto pursuant to the provisions of Law 5/2015.

The Management Company has the necessary resources, including suitable technology information systems, to discharge its duties of administering the Fund as attributed thereto by Law 5/2015.

In accordance with article 29.1.j) of the Law 5/2015, the Management Company has adhered to the Santander Group's General Code of Conduct, which can be viewed on its website

http://www.santander.com/csgs/Satellite/CFWCSancomQP01/es_ES/Corporativo/ACIONISTAS-e-Inversores/Gobierno-corporativo/Codigos-de-conducta.html

For the purposes of Article 5 of the Restated Text of the Spanish Securities Market Act approved by Royal Decree-Law 4/2015, SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. is part of the Santander Group.

Replacement of the Management Company

The Management Company will be replaced in the administration and representation of the Fund in accordance with the provisions established by applicable law. Thus, in accordance with the provisions of Articles 27, 32 and 33 of Law 5/2015, the Management Company will be replaced using the following procedure:

- (i) In accordance with Article 32 of Law 5/2015, the Management Company may resign from its duties of management and representation of all or part of the funds managed whenever it deems appropriate, applying to be substituted which shall be authorized by the CNMV in accordance with the procedure and on the terms which may be established by way of subsequent implementing regulations. The Management Company may in no event resign its duties until and unless all requirements and formalities have been complied with in order for the entity replacing it to take over its duties. The substitution expenses originated shall be borne by the resigning management company and may in no event be passed on to the Fund.

All expenses arising from such replacement must be paid by the Management Company itself, and may not in any event be attributed to the Fund.

- (ii) The Management Company will be replaced if it is subject to any of the grounds for dissolution under Articles 360 *et seq.* of the Capital Companies Act (***Ley de Sociedades de Capital***). The Management Company must notify the CNMV of the occurrence of any of such grounds. In such case, the Management Company must comply with the provisions of paragraph (i) above prior to its dissolution.
- (iii) If the Management Company is declared insolvent or its authorisation revoked, in accordance with Articles 33 and 27 of Law 5/2015, respectively, a management company must be appointed to replace it. The replacement must become effective within four (4) months of the date of occurrence of the event causing the replacement. If the Management Company has not appointed a new management company within four (4) months of the event causing the replacement, there will be an Early Liquidation of the Fund and redemption of

the Notes, requiring the actions contemplated in section 4.4.3.1 (1) of the Registration Document.

- (iv) The replacement of the Management Company and appointment of the new management company, approved by the CNMV in accordance with the provisions of the above paragraphs, will be reported to the Rating Agencies and will be published within a period of fifteen (15) days by means of an announcement in two nationally-circulated newspapers and in the bulletin of the AIAF.
- (v) The Management Company undertakes to execute any public or private documents needed to proceed with the replacement thereof by another management company in accordance with the procedure explained in the preceding paragraphs of this section. The replacement management company must subrogate to the rights and obligations of the Management Company as established in this Additional Building Block. Furthermore, the Management Company must deliver to the new management company any documents and accounting and database records relating to the Fund that are in its possession.

Subcontracting of the Management Company

Pursuant to the provisions of the Prospectus, the Management Company will be entitled to subcontract or delegate the provision of any of the services to be performed in its duties of administration and legal representation of the Fund to reputable third parties, provided that the subcontractor or delegate waives any actions against the Fund for liability.

In any case, the subcontracting or delegation of any service (i) cannot involve any additional cost or expense for the Fund, (ii) must be lawful, (iii) must not cause a decrease in the rating of the Notes by the Rating Agencies, and (iv) must be communicated to the CNMV, and if legally required must have the prior approval thereof. Such subcontracting or delegation will not be a waiver of or release the Management Company from any of the liabilities assumed by virtue of this Prospectus that are legally attributable thereto or that may be enforced against it.

Compensation of the Management Company for the performance of its duties

The Deed of Incorporation will provide that the Management Company has the right, on each Payment Date of the Notes, provided the Fund has Available Funds in the Cash Flow Account in accordance with the Priority of Payments contemplated under section 3.4.6 b) of the Additional Building Block, to a periodic administration fee equal to 0.020% per annum, with a minimum of TEN THOUSAND EUROS (€10,000) per quarter, including any indirect taxes, to accrue on the actual days of each Interest Accrual Period, payable quarterly on each Payment Date, and calculated on the Outstanding Principal Balance of the Class A, Class B, Class C, Class D, Class E and Class F Notes, on the date of commencement of the Determination Period preceding the Payment Date in progress. The fee accruing from the Date of Incorporation of the Fund to the First Payment Date of the Notes will be adjusted in proportion to the days elapsing between both dates, calculated on the nominal value of the Notes issued.

The periodic management fee payable on a given Payment Date will be calculated in accordance with the following formula:

$$A = B \times 0,020 \times \frac{d}{365 \times 100}$$

where:

- A = Fee payable on a given Payment Date.
- B = Sum of Outstanding Principal Balance of the Notes, on the Determination Date corresponding to such Payment Date.
- d = Number of calendar days in the Interest Accrual Period in question.

3.8 Name and address and brief description of any swap counterparties and any providers of other material forms of credit/liquidity enhancement or accounts.

Section 5.2 of the Registration Document contains a brief description of the counterparties to the contracts described below.

a) Guaranteed Reinvestment Agreement.

Santander is the Fund's counterparty to the Guaranteed Reinvestment Agreement.

A description of the agreement is included in section 3.4.4 of this Additional Building Block.

b) Start-up Expenses Loan Agreement

Santander is the Fund's counterparty to the Start-up Expenses Loan Agreement. A description of the Start-up Expenses Loan Agreement is included in section 3.4.3 b) of this Additional Building Block.

4. POST-ISSUANCE REPORTING

a) Obligations and deadlines envisaged for the preparation, auditing and approval of the annual and quarterly financial statements and management report.

The Management Company will present the Fund's annual financial statements mentioned in sub-section 1 of Article 35 of Law 5/2015, together with the auditors' report in respect thereof, to the CNMV within four (4) months following the close of the Fund's financial year, which will coincide with the calendar year (i.e. prior to 30 April of each year).

Additionally, according to sub-section 3 of Article 35 of Law 5/2015, the Management Company must present the Fund's quarterly financial statements to the CNMV within two (2) months of the end of each calendar quarter.

b) Obligations and deadlines contemplated for availability to the public and delivery to the CNMV and the Rating Agency of periodic information on the economic/financial status of the Fund.

The Management Company, in its management and administration of the Fund, undertakes to supply the information described below and any other additional information as may be reasonably requested thereof with the utmost diligence possible and within the deadlines provided.

b.1. Regular periodic notices.

Furthermore, prior to the Date of Incorporation, the Issuer will make available to the investors such information as is required, including loan-level data and, either directly or indirectly, a cash flow model setting out the transaction cash flows assuming zero losses. The Issuer must make available updates to such information on a periodic basis from the Date of Incorporation to the Final Maturity Date.

For so long as the Notes remain outstanding, at least three (3) Business Days in advance of each Payment Date, the Management Company undertakes to provide the notices described below to the CNMV, AIAF and Iberclear:

- i. The resulting interest on the Notes for the current Interest Accrual Period;
- ii. The repayment of the principal of the Notes for the current Interest Accrual Period;
- iii. The actual average prepayment rates of the Receivables as of the Determination Date corresponding to the Payment Date in question;
- iv. The average residual life of the Notes calculated pursuant to the assumptions regarding such actual average prepayment rate;
- v. The Outstanding Principal Balance of each Note (after the repayment to be made on the Payment Date in question), and the percentage that such Outstanding Principal Balance represents of the total initial face value of each Note;
- vi. The amounts outstanding for matured principal/interest payments on the Notes;
- vii. The nominal interest rates resulting for the Notes for the following Interest Accrual Period;
- viii. A cash flow model setting out the transaction cash flows assuming zero losses.

In addition, the Management Company will submit quarterly to the CNMV the interim financial information of the Fund, in the terms and formats prescribed by Circular 2/2016.

In accordance with Law 5/2015, the Management Company must publish the following information on its website (www.santanderdetitulizacion.es):

- i. its deeds of incorporation, and any public deeds granted subsequently;
- ii. the Issue Prospectus and any supplements thereto; and
- iii. the Annual Financial Statements and quarterly reports.

The notices will be provided according to the provisions of section b.3. below.

In the first investor report, the Issuer will also disclose the amount of Notes:

- (a) privately placed with investors that are not the Seller or part of the Seller's group;
- (b) retained by the Seller or by a member of the Seller's group; and
- (c) placed with investors that are not part of the Seller's group.

As regards any amount initially retained by a member of the Seller's group but subsequently placed with investors that are not part of the Seller's group, the Issuer may also disclose (to the extent possible) such placement in the next investor report.

Each investor report will contain a glossary of the defined terms used in such report.

From the Date of Incorporation until each Note has been redeemed in full, copies of each investor report will be made available for inspection in physical form during customary business hours on any Business Day at the registered office of the Issuer.

b.2. Special notices.

Pursuant to Article 36 of Law 5/2015, the Management Company must give immediate notice to the CNMV and to its creditors of any material event specifically relevant to the situation or development of the Fund. Material facts specifically relevant to the Fund will be those that could have a significant impact on the Notes issued or on the Receivables.

In particular, material facts will include any relevant modification to the assets or liabilities of the Fund, any amendment to the Deed of Incorporation, and, if applicable, the resolution on the setting-up of the Fund or any eventual decision regarding the Early Liquidation of the Fund and Early Liquidation of the Notes for any of the causes established in this Prospectus. In the case of the latter, the Management will also submit to the CNMV the certificate executed before a public notary evidencing the winding-up of the Fund and subsequent liquidation procedure described in section 4.4.4 of the Registration Document.

Notice of any change to the Deed of Incorporation must be provided by the Management Company to the Rating Agencies and will be published by the Management Company in the regular public information on the Fund, and must also be published on the website of the Management Company.

This section also includes, among other things, changes in the ratings of the Notes and the steps to be taken if triggers are activated due to a downgrade in the rating of the counterparty to the financial agreements or due to any other cause.

b.3. Procedure.

Notices to Noteholders which, pursuant to the above, must be provided by the Fund, through its Management Company, will be provided as follows:

1. The regular periodic notices referred to in section b.1. *supra*, by publication in the AIAF daily bulletin, or any other that may hereafter replace it or another of similar characteristics, or by publication as a material event with the CNMV, or by publication in a newspaper with a broad circulation in Spain. The requirements of Law 5/2012 will be complied with via the website of the Management Company (www.santanderdetitulizacion.es).
2. The special notices described under section b.2) *supra* by publication with the CNMV as a material event.

The above notices may also be provided by publication in other mainstream media.

These notices will be deemed to be provided on the date of publication thereof, and are appropriate for any day of the calendar, whether or not a Business Day (for purposes of this Prospectus).

(c) Reporting to the CNMV.

Information regarding the Fund will be forwarded to the CNMV according to the formats contained in Circular 2/2016, of 20 April, regarding accounting rules, annual accounts, public and reserved financial statements of statistical information regarding securitisation funds, as well as any information in addition to the above that is required by the CNMV or pursuant to the applicable legal provisions at any time.

(d) Reporting to the Rating Agencies.

The Management Company will provide the Rating Agencies with periodic information on the status of the Fund and the performance of the Loans so that they may monitor the ratings of the Notes and the special notices. It will also use its best efforts to provide such information when reasonably requested to do so and, in any case, when there is a significant change in the conditions of the Fund, in the agreements entered into by the Fund through its Management Company, or in the interested parties.

(e) Information to be furnished by Santander to the Management Company.

In addition, Santander undertakes to inform the Management Company, on behalf of the Fund, on a quarterly basis and in any case at the request thereof, of any non-payments, prepayments or changes in interest rates, and give prompt notice of payment demands, judicial actions, and any other circumstances that affect the Loans.

Santander will also provide the Management Company with all documentation the latter may request in relation to such Loans, and particularly the documentation required by the Management Company to commence any judicial actions.

MR IGNACIO ORTEGA GAVARA, for and on behalf of SANTANDER DE TITULIZACIÓN, S.G.F.T., acting in his capacity as General Manager of the Management Company, hereby signs this Prospectus in Madrid on 1 December 2016.

DEFINITIONS

In order to properly interpret this Prospectus, capitalized terms will be understood in accordance with the definitions given for each one below, unless they are expressly given another meaning and also according to the definition which was attributed thereto as defined terms in this Prospectus. Terms that are not expressly defined will be understood in their natural and obvious meanings in accordance with general usage. Terms in singular include the plural and vice-versa to the extent that the text so requires.

“Acceptance Date” (*“Fecha de Aceptación”*): means the date no later than the fifth (5th) Business Day preceding the Payment Date in which the Management Company will send to the Seller a written notice accepting the assignment of Additional Receivables, along with a data file with the details of the Additional Receivables accepted and their characteristics, as reported by the Seller.

“Acquisition Amount” (*“Importe de Adquisición”*): means with respect to any purchase of Additional Receivables, an amount equal to the sum of the Outstanding Principal Balance of the Additional Receivables purchased and the outstanding interest accrued on each Additional Receivable purchased as of the Determination Date.

“Additional Building Block” (*“Módulo Adicional”*): means the Additional Building Block to the Securities Note regarding the issuance of Notes prepared in accordance with Annex VIII of Regulation (EC) No 809/2004, approved by the CNMV on 2 December 2016.

“Additional Receivable” (*“Derechos de Crédito Adicionales”*): means each of the Receivables (95% of any and all of the receivables arising from the Loans) assigned or to be assigned to the Fund after the Date of Incorporation on the date of each Additional Purchase during the Revolving Period.

“Additional Purchase” (*“Compra Adicional”*): means any assignment of Additional Receivables during the Revolving Period, provided that there has been no Revolving Period Early Termination Event.

“AIAF” or **“AIAF Fixed-Income Market”** means AIAF Mercado de Renta Fija, S.A., the securities exchange for fixed-income securities located in Madrid on which the Notes are expected to be listed.

“AIFMR” (*“Reglamento AIFMR”*): means Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision.

“Amount of Principal Retention” (*“Importe de Retención de Principales”*): means on any Payment Date during the Revolving Period the share of the Available Principal Funds that have not been used for the acquisition of the Additional Receivables or the Early Redemption of Class A Notes during the Revolving Period and that will be retained in the Principal Account up to a maximum amount of 5% of the Outstanding Balance of Class A, B, C, D and E Notes on the immediately preceding Determination Date.

“Assignment Agreement” (*“Contrato de Cesión”*): means the agreement for the purchase and sale of Initial Receivables, formalized under a deed, by virtue of which Santander assigns the Initial Receivables derived from the Loans to the Fund.

“Assignor” or **“Seller”** (*“Cedente”*): means Banco Santander, S.A.

“Available Funds” (*“Fondos Disponibles”*): means on any Payment Date prior to Early Liquidation (i) the amounts received by the Fund as principal and interest on the Receivables during the preceding Determination Period, (ii) the returns on the Cash Flow Account and the Principal Account during the preceding Determination Period, (iii) any amount to be drawn from the Reserve Fund on such Payment Date, (iv) any amounts that the Fund may receive during the preceding Determination Period as provided in section 3.4.6 a) of the Additional

Building Block and (v) any amount held in the Principal Account, which will be applied on such Payment Date to the payments established in the Priority of Payments included in section 3.4.6 b) of the Additional Building Block.

“Available Principal Funds” (*“Fondos Disponibles de Principales”*): means:

- (i) for the purpose of item (4) of the Priority of Payments, the minimum amount between: a) the balance existing on the Determination Date preceding the relevant Payment Date between (i) the Outstanding Balance of the Class A, Class B, Class C, Class D and Class E Notes (before giving effect to the Priority of Payments), and (ii) the Outstanding Balance of the Receivables, excluding Defaulted Receivables and Delinquent Receivables; and b) the balance of Available Funds once the payment obligations up to item 3 of the Priority of Payments set forth in section 3.4.6 of the Additional Building Block have been fulfilled;
- (ii) for the purpose of item (9) of the Priority of Payments, the minimum amount between: a) the balance on the Determination Date preceding the relevant Payment Date between (i) the Outstanding Balance of Class A, Class B, Class C, Class D and Class E Notes (after giving effect to item 4 of the Priority of Payments), and (ii) the Outstanding Balance of the Receivables, excluding Defaulted Receivables and Delinquent Receivables ; and b) the balance of Available Funds once the payment obligations up to item 8 of the Priority of Payments have been fulfilled.

“Business Day” (*“Día Hábil”*): means any day that is not one of the following:

- (i) Saturday;
- (ii) Sunday;
- (iii) A holiday according to the TARGET calendar (only for purposes of determining the nominal interest rate applicable for each Interest Accrual Period). Apart from the days recognised in paragraphs (i) and (ii) above, it also includes 1 January, Good Friday, Easter Monday, 1 May, and 25 and 26 December; and
- (iv) Public holidays in Madrid (for the purposes of determining the nominal interest rate applicable for each Interest Accrual Period and for the other terms and conditions of the issue).

“CACIB”: means Credit Agricole CIB.

“Capital Companies Act” (*“Ley de Sociedades de Capital”*): means Royal Decree-Law 1/2010 of 2 July approving the Restated Text of the Capital Companies Act.

“Cash Flow Account” (*“Cuenta de Tesorería”*): means the account to be opened with Santander in the name of the Fund by the Management Company, the operation of which will be covered by the Guaranteed Reinvestment Agreement.

“Civil Code” (*“Código Civil”*): means the Civil Code published by virtue of the Royal Decree of 24 July 1889 and the other preparatory provisions.

“Civil Procedural Act” or **“Law 1/2000”** (*“Ley de Enjuiciamiento Civil o Ley 1/2000”*): means Law 1/2000 of 7 January on Civil Procedure.

“Class” (*“Clase”*): means each class of Notes.

“Class A Notes” (*“Bonos de la Clase A”*): means the securitisation Notes issued against the Fund in the total nominal amount of EIGHT HUNDRED AND SIXTY FIVE MILLION EUROS (€865,000,000), made up of eight thousand six hundred and fifty (8,650) Notes each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000).

“Class B Notes” (“*Bonos de la Clase B*”): means the securitisation Notes issued against the Fund in the total nominal amount of FIFTY MILLION EUROS (€50,000,000), made up of five hundred (500) Notes, each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000).

“Class C Notes” (“*Bonos de la Clase C*”): means the securitisation Notes issued against the Fund in the total nominal amount of FIFTY MILLION EUROS (€50,000,000), made up of five hundred (500) Notes, each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000).

“Class D Notes” (“*Bonos de la Clase D*”): means the securitisation Notes issued against the Fund in the total nominal amount of TWENTY MILLION EUROS (€20,000,000), made up of two hundred (200) Notes, each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000).

“Class E Notes” (“*Bonos de la Clase E*”): means the securitisation Notes issued against the Fund in the total nominal amount of FIFTEEN MILLION EUROS (€15,000,000), made up of one hundred and fifty (150) Notes, each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000).

“Class F Notes” (“*Bonos de la Clase F*”): means the securitisation Notes issued against the Fund in the total nominal amount of FIFTEEN MILLION EUROS (€15,000,000), made up of one hundred and fifty (150) Notes, each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000).

“Class F Target Balance Amount” (“*Saldo Objetivo de Bonos de la Clase F*”): means the Class F Notes that shall be outstanding on the following Payments Dates shall be:

Payment Date Falling in Month	Class F Target Balance Amount
Apr-2017	€ 13,125,000
Jul-2017	€ 11,250,000
Oct-2017	€ 9,375,000
Jan-2018	€ 7,500,000
Apr-2018	€ 5,625,000
Jul-2018	€ 3,750,000
Oct-2018	€ 1,875,000
Jan-2019 and later	€ 0

“Clean-up Call Option” (“*Opción de Compra por un Clean-up Call*”): means the option of the Seller to repurchase at its own discretion all outstanding Receivables and hence instruct the Management Company to carry out an Early Liquidation and an Early Redemption of the Notes in whole (but not in part) if at any time, the aggregate Outstanding Balance of the Receivables less non-principal collections applied to reduce principal balance, falls below 10% of the aggregate Outstanding Balance thereof on the Date of Incorporation, in accordance with section 4.4.3.2 of the Registration Document.

“CNMV”: means the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

“Commercial Code” (“*Código de Comercio*”): means the Commercial Code published by virtue of the Royal Decree of 22 August 1885.

“CPR” (“*Tasa Anual Constante de Prepagó*”): means Constant Annual Pre-Payment Rate.

“CRR” (*“Reglamento CRR”*): means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

“Date of Early Liquidation” (*“Fecha de Liquidación Anticipada”*): means the day on which the Management Company carries out the liquidation of the Fund.

“Date of Incorporation” (*“Fecha de Constitución”*): means the day on which the Deed of Incorporation is executed. The Date of Incorporation is expected to be 5 December 2016.

“DBRS”: means DBRS Ratings Limited.

“Deed of Incorporation” (*“Escritura de Constitución”*): means the Deed of Incorporation of the Fund for the securitisation of Receivables, SANTANDER CONSUMO 2, assignment of Receivables and the issue of securitisation Notes.

“Default Ratio”: (*“Ratio de Fallidos”*): means the Outstanding Balance of the Defaulted Receivables divided by the Outstanding Balance of the Initial Receivables on the Date of Incorporation.

“Defaulted Receivable” (*“Derecho de Crédito Fallido”*): means, at any time, any Receivable that (i) has instalments pending payment for twelve (12) or more months, or (ii) whose debt, in the opinion of Santander, has been deemed not recoverable by the Servicer.

“Delinquency Ratio” (*“Ratio de Morosidad”*): means the Outstanding Balance of the Delinquent Receivables divided by the Outstanding Balance of the Receivables.

“Delinquent Receivable”: (*“Derecho de Crédito Moroso”*): means, at any time, any Receivable which is ninety (90) days or more in arrears and is not a Defaulted Receivable.

“Deloitte” means Deloitte S.L.

“Determination Date” (*“Fecha de Determinación”*): means (i) during the Revolving Period, the date corresponding to the tenth (10th) Business Day preceding each Payment Date and (ii) thereafter, the date corresponding to the fifth (5th) Business Day preceding each Payment Date, on which the Management Company will make the calculations required to determine the Outstanding Principal Balance of the Notes and the Outstanding Balance of the Receivables.

“Determination Period” (*“Periodo de Determinación”*): means with respect to any Determination Date the period running from the previous Determination Date (included) and the said Determination Date (excluded).

“Disbursement Date” (*“Fecha de Desembolso”*): means 9 December 2016.

“Early Liquidation” (*“Liquidación Anticipada”*): means the liquidation of the Fund, and thus the prepayment of the issue of Notes on a date prior to the Legal Maturity Date, in accordance with the cases and procedure set out in section 4.4.3 of the Registration Document.

“Early Redemption” (*“Amortización Anticipada”*): means the ultimate redemption of the Notes on a date prior to the Legal Maturity Date in the event of Early Liquidation of the Fund in accordance with the requirements set forth in section 4.4.3 of the Registration Document.

“Early Redemption Date” (*“Fecha de Amortización Anticipada”*): means the date designated by the Seller to exercise the relevant Seller’s Call Option.

“Eligibility Criteria” (*“Criterios de Elegibilidad”*): means the Individual Receivables Criteria and the Global Receivables Criteria to be met by each of the Receivables on the respective assignment date in order to be assigned to and included in the Fund.

“Extraordinary Expenses” (*“Gastos Extraordinarios”*): means, as applicable, all expenses derived from the preparation and execution of the amendment of the Deed of Incorporation and the transaction agreements; the amount of the initial expenses of incorporation of the

Fund and issuance of Notes exceeding the principal amount of the Start-up Expenses Loan; the extraordinary expenses of audits and legal advice; all expenses that may arise from the sale of credit rights and the remaining assets of the Fund for the liquidation thereof; all costs related to convening a Meeting of Creditors; those necessary to commence enforcement of the Loans and those arising from the actions required for recovery; and generally, all other extraordinary expenses borne by the Fund or by the Management Company in representation or on behalf thereof.

“Final Maturity Date” (“*Fecha de Vencimiento Final*”): means 30 April 2028.

“Financial Intermediation Margin” (“*Margen de Intermediación Financiera*”): means (a) on any Payment Date when the Priority of Payments applies, the difference (if any) between the Available Funds for Liquidation and the sum of all amounts payable to or to be applied (as the case may be) by the Issuer under items (1) to (15) of the Priority of Payments on such Payment Date; and (b) on any Payment Date when the Liquidation Priority of Payments applies, the difference (if any) between the Available Funds and the sum of all amounts payable to or to be applied (as the case may be) by the Issuer under items (1) to (15) of the Liquidation Priority of Payments on such Payment Date.

“First Interest Accrual Period” (“*Primer Periodo de Devengo de Intereses*”): means the period from the Disbursement Date (inclusive) to the First Payment Date (exclusive).

“First Interest Rate” (“*Primer Tipo de Interés*”): means the applicable interest rate for the First Interest Accrual Period.

“First Payment Date” (“*Primera Fecha de Pago*”): means 18 April 2017.

“Fund” or **“Issuer”** (“*Fondo*” o “*Emisor*”): means FONDO DE TITULIZACIÓN, SANTANDER CONSUMO 2.

“Guaranteed Reinvestment Agreement” (“*Contrato de Reinversión*”): means the guaranteed interest-rate reinvestment agreement of the Cash Flow Account and the Principal Account to be signed by the Management Company, acting on behalf and in representation of the Fund, and Santander, by virtue of which Santander will guarantee that the return will be no lower than zero for the amounts deposited into the Cash Flow Account and the Principal Account by the Fund (through its Management Company).

“Iberclear”: means Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores.

“Initial Receivables” (“*Derechos de Crédito Iniciales*”): means each and any of the Receivables (95% of any and all of the receivables arising from the Loans) and assigned to the Fund assigned to the Fund on the Date of Incorporation.

“Initial Reserve Fund” (“*Fondo de Reserva Inicial*”): means the Reserve Fund created on the Disbursement Date in an amount equal to FIFTEEN MILLION EUROS (€15,000,000).

“Interest Accrual Periods” (“*Periodos de Devengo de Interés*”): means each of the periods into which the issue of the Notes is divided, and includes the days actually elapsed between each Payment Date, including the initial Payment Date of the corresponding period in each Interest Accrual Period and excluding the final Payment Date of the corresponding period.

“Interest Deferral Trigger”, (“*Supuesto de Postergación de Intereses*”): means, on any Payment Date, if the Principal Deficiency amount is higher than the sum of (i) 100% of the Outstanding Principal Balance of the Class E Notes, (ii) 100% of the Outstanding Principal Balance of the Class D Notes, (iii) 100% of the Outstanding Principal Balance of the Class C Notes, and (iv) 50% of the Outstanding Principal Balance of the Class B Notes on such date.

“Investment Company Act” (“*Ley de Sociedades de Inversión*”): means the Investment Company Act of 1940, as amended.

“IRR” (“*TIR*”): means the Internal Rate of Return for the Noteholders.

“Issuer” or the **“Fund”** (*“Emisor”* o el *“Fondo”*): means FONDO DE TITULIZACIÓN, SANTANDER CONSUMO 2.

“Joint Arrangers” (*“Entidades Directoras”*): means Santander and CACIB.

“Joint Lead Managers” (*“Entidades Colocadoras”*): means Santander and CACIB.

“Law 5/2015” (*“Ley 5/2015”*): means Law 5/2015 of 27 April on the Promotion of Enterprise Funding.

“Law 22/2003” or **“Insolvency Act”** (*“Ley 22/2003 o Ley Concursal”*): means Law 22/2003 of 9 July on Insolvency.

“Law 37/1992” (*“Ley 37/1992”*): means Law 37/1992 of 28 December on Value Added Tax.

“Legal Maturity Date” (*“Fecha de Vencimiento Legal”*): means 18 April 2031, or, if this is not a Business Day, the immediately following Business Day.

“Liquidation Expenses” (*“Gastos de Liquidación”*): means any and all expenses of the Fund that would arise from the liquidation of the Fund.

“Liquidation Priority of Payments” (*“Orden de Prelación de Pagos de Liquidación”*): means the priority of the payments applicable in the event of Early Liquidation.

“Loans” (*“Préstamos”*): means the loans provided by Santander to the Obligors supported by personal guarantees from the Obligor or from third-party endorsement (*“aval”*) for consumer financing, without limitation, debtor’s expenditures (including small consumer expenditures and other non-defined expenditures), the purchase of consumer goods in its broadest sense, including finishing home working construction, the purchase of goods, including the acquisition of new and used vehicle or services.

“Management Company” (*“Sociedad Gestora”*): means Santander de Titulización, S.G.F.T., S.A.

“Management, Placement and Subscription Agreement” (*“Contrato de Dirección, Colocación y Suscripción”*): means the management, placement and subscription agreement to be entered into by the Management Company, for and on behalf of the Fund, the Joint Lead Managers and Santander.

“Master Servicer” (*“Administrador Principal”*): means the Management Company.

“Maximum Receivable Amount” (*“Importe Máximo de Derechos de Crédito”*): means the maximum amount of the Outstanding Balance of the Receivables pooled in the Fund, which will be ONE BILLION EUROS (€1,000,000,000).

“Meeting of Creditors” (*“Junta de Acreedores”*): means the meeting of the Noteholders and the Start-up Expenses Loan provider that will be established upon and by virtue of the issuance of the Notes and will remain in force and in effect until repayment in full or cancellation of the Fund.

“Nominal Interest Rate” (*“Tipo de Interés Nominal”*): means the interest rate applicable to each Class of Notes on each Payment Date.

“Non-Business Day” (*“Día Inhábil”*): means any day that is not a Business Day.

“Notes” (*“Bonos”*): means any and all notes under any of the Classes.

“Noteholders” (*“Bonistas”*): means any and all holders of any of the Notes.

“Obligors” (*“Deudores”*): means the individuals to whom Santander has granted the Loans from which the Receivables derive.

“Offer Date”: (*“Fecha de Oferta”*): means the date corresponding to six (6) Business Days prior to each Payment Date of the Revolving Period during which Additional Receivables should be acquired.

“Offer Request Date”: (*“Fecha de Solicitud de Oferta”*): means the date corresponding to eight (8) Business Days prior to each Payment Date of the Revolving Period during which Additional Receivables must be acquired.

“Ordinary Expenses” (*“Gastos Ordinarios”*): means as applicable, the expenses incurred in verifying registrations and compulsory official authorisations; the expenses incurred in keeping the book-entry register of the Notes and placing them on organised secondary markets; taxes; the expenses incurred in administering the Fund; the expenses incurred in repaying the Notes; the expenses deriving from the annual audits of the financial statements of the Fund; the Notary expenses; the expenses deriving from the maintenance of the ratings of the Notes; the expenses related to the notifications that must be made to the holders of outstanding Notes in accordance with the provisions of this Prospectus, and in general, any other expenses incurred by the Management Company and deriving from their work of representation and management of the Fund.

“Outstanding Balance of the Defaulted Receivables” (*“Saldo Vivo de los Derechos de Crédito Fallidos”*): means the sum of the principal amounts not yet due and of the principal amounts due and uncollected by the Fund of the Defaulted Receivables (for the avoidance of doubt, each such balance is net of recoveries collected as from the relevant Receivable becoming a Defaulted Receivable).

“Outstanding Balance of the Delinquent Receivables”: (*“Saldo Vivo de los Derechos de Crédito Morosos”*): means the sum of the principal amounts not yet due and the principal amounts due and uncollected by the Fund of the Delinquent.

“Outstanding Balance of the Receivables” (*“Saldo Vivo de los Derechos de Crédito”*): means at any time and with respect to any Receivable the principal amounts due and uncollected together with the principal amounts of the Receivables not yet due.

“Outstanding Principal Balance of the Notes” (*“Saldo Vivo de los Bonos”*): means, at any time and with respect to any Notes, the principal amount of the Notes upon issue less the aggregate amount of principal payments made on such Notes on or prior to such date.

“Par Value” (*“Valor Nominal”*): means at any time the Outstanding Balance of the Receivables together with all accrued but unpaid interest thereon at such time.

“Paying Agent” (*“Agente de Pagos”*): means Banco Santander, S.A.

“Payment Agency Agreement” (*“Contrato de Agencia de Pagos”*): means the payment agency agreement to be entered into by the Management Company, for and on behalf of the Fund, and the Paying Agent.

“Payment Dates” (*“Fechas de Pago”*): means the 18th of January, April, July, October of each year, or, if any of such dates is not a Business Day, the Business Day immediately thereafter.

“Principal Account” (*“Cuenta de Principales”*): means one of the accounts to be opened with Santander on behalf and in the name of the Fund by the Management Company, the operational aspects of which will be established by the Guaranteed Reinvestment Agreement.

“Principal Deficiency” (*“Déficit de Principales”*): means the positive difference between a) the Outstanding Principal Balance of Class A, Class B, Class C, Class D and Class E Notes and b) the sum of i) the Outstanding Balance of the Receivables excluding Delinquent Receivables and Defaulted Receivables and ii) amounts standing to the credit of the Principal Account.

“Priority of Payments” (*“Orden de Prelación de Pagos”*): means the order of priority for the application of the payment or deduction obligations of the Fund, both as regards the application of the Available Funds, which is applicable on any Payment Date falling prior to the Early Liquidation.

“Prospectus” (*“Folleto”*): means, collectively, the table of contents, the document describing the risk factors, the Registration Document, the Securities Note, the Additional Building Block and the document containing the definitions.

“Rating Agencies” (*“Agencias de Calificación”*): means DBRS and Moody’s.

“Receivables” (*“Derechos de Crédito”*): means the credit rights assigned to the Fund and which represent at any time 95% of any and all of the receivables (including both Initial Receivables and Additional Receivables) arising from the Loans.

“Registration Document” (*“Documento de Registro”*): means the Registration Document prepared in accordance with Annex VII of Regulation (EC) No 809/2004 and approved by the CNMV on 2 December 2016.

“Regulation (EC) No 809/2004” (*“Reglamento (CE) nº 809/2004”*): means Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.

“Regulation (EC) 1606/2002” (*“Reglamento (CE) nº 1606/2002”*): means Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

“Regulatory Call Option” (*“Opción de Compra por un Cambio Regulatorio”*): means the right of the Seller to repurchase the Receivables if a Regulatory Change Event occurs, in accordance with section 4.4.3.2 of the Registration Document.

“Regulatory Change Event” (*“Supuesto de Cambio Regulatorio”*): means (a) any enactment or establishment of, or supplement or amendment to, or change in any law, regulation, rule, policy or guideline of any relevant competent international, European or national body (including the ECB or the Bank of Spain (*Banco de España*) or any other relevant competent international, European or national regulatory or supervisory authority) or the application or official interpretation of, or view expressed by any such competent body with respect to, any such law, regulation, rule, policy or guideline, which becomes effective on or after the Date of Incorporation or (b) a notification by the applicable regulatory or supervisory authority being received by the Seller with respect to the transaction contemplated in this Prospectus and in the Deed of Incorporation on or after the Date of Incorporation, with regard to any law, regulation, rule, policy or guideline, in force at the Date of Incorporation or which becomes effective on or after that date, which, in each case, in the reasonable opinion of the Seller, has the effect of materially adversely affecting the rate of return on capital of the Seller or materially increasing the cost or materially reducing the benefit to the Seller of the transactions contemplated by this Prospectus and in the Deed of Incorporation.

For the avoidance of doubt, the declaration of a Regulatory Change Event will not be excluded by the fact that, prior to the Date of Incorporation: (a) the event constituting any such Regulatory Change Event was: (i) announced or contained in any proposal (whether in draft or final form) for a change in the laws, regulations, applicable regulatory rules, policies or guidelines (including any accord, standard, or recommendation of the Basel Committee on Banking Supervision), as officially interpreted, implemented or applied by the Kingdom of Spain or the European Union; or (ii) incorporated in any law or regulation approved and/or published but the effectiveness or application of which is deferred, in whole or in part, beyond the Date of Incorporation or (iii) expressed in any statement by any official of the competent authority in expert meetings or other discussions in connection with such Regulatory Change Event or (b) the competent authority has issued any notification, taken any decision or expressed any view with respect to any individual transaction, other than this transaction. Accordingly, such proposals, statements, notifications or views will not be taken into account when assessing the rate of return on capital of the Issuer and/or the Seller or an increase the

cost or reduction of benefits to the Seller of the transaction contemplated in this Prospectus and in the Deed of Incorporation immediately after the Date of Incorporation.

“Regulatory PD” (“*PD Regulatoria*”): means the probability of an Obligor being unable to meet its payments obligations under the Loans over one-year period as stated in article 163 of CRR. Santander, as calculation agent of the Regulatory PD, will update the Regulatory PD of every Loan in the following two cases; i) montly, taking into account the own economic variables borne by the Obligor, and ii) yearly, as the model that supports the Regulatory PD’s outcome has to be calibrated. The Regulatory PD shall be at least 0.03% and if the Obligor is in default shall be 100%.

“Repurchase Value” (“*Valor de Recompra*”): means at any time (i) in respect of any Receivable other than a Delinquent Receivable or a Defaulted Receivable, Par Value, and (ii) in respect of a Delinquent Receivable or a Defaulted Receivable, Par Value less any Seller’s provisions allocated with respect to such Receivable matching its book value on the Seller’s balance sheet at such time.

“Reserve Fund” (“*Fondo de Reserva*”): means the reserve fund to be funded by the Management Company, in representation and on behalf of the Fund, in accordance with the provisions of section 3.4.2 of the Additional Building Block.

“Reserve Fund Required Amount” (“*Importe Requerido del Fondo de Reserva*”): means the minimum Reserve Fund amount in accordance with the provisions of section 3.4.2.2 of the Additional Building Block.

“Restructured Receivable” (“*Derechos de Crédito Restructurados*”): means a Receivable where a Restructuring has occurred.

“Restructuring” (“*Reestructuración*”): means, with respect to a Receivable, the forgiveness, reduction or postponement of principal, interest or fees or a change in the ranking, priority or subordination of such obligation (together, the **“Restructuring Events”**), provided that such decision, with respect to the Restructuring Events, will be made: (i) with regard to the standards of a reasonable and prudent holder of such obligation (disregarding for such purposes the effect of any securitisation of such Receivable but taking into account any security or collateral allocable to that Receivable); and (ii) with the intent that such Restructuring is (a) to minimise any expected loss in respect of such Receivable, or (b) to respond to a reasonable commercial request from the associated Obligor.

“Revolving Period”: (“*Periodo de Renovación*”): means, the period running from the Date of Incorporation to the Payment Date corresponding to 18 April 2019, both inclusive, in which in each Payment Date or on a preceding Payment Date if such period is subject to early termination, the Available Principal Funds will be applied sequentially as follows:

- a) Firstly, to payment of the amount of the Acquisition Amount of the Additional Receivables that do not exceed the Available Principal Funds, provided that the Seller has sufficient Additional Receivables to assign to the Fund that comply with the Eligibility Criteria.
- b) Secondly, to the provision of the Principal Account 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
- c) Thirdly, to the early repayment of Class A Notes.

“Royal Decree 116/1992” (“*Real Decreto 116/1992*”): means Royal Decree 116/1992 of 14 February on the representations of book entries and the clearing and settlement of stock market transactions.

“Royal Decree 634/2015” (“*Real Decreto 634/2015*”): means Royal Decree 634/2015 of 10 July approving the Corporate Income Tax Regulations.

“Royal Decree 878/2015” (*“Real Decreto 878/2015”*): means Royal Decree 878/2015 of 2 October on the clearing, settlement and recording of negotiable securities represented in book entry form and the clearing and settlement of stock market operations.

“Royal Decree 1065/2007” (*“Real Decreto 1065/2007”*): means Royal Decree 1065/2007 of 27 July enacting the General Regulations on tax inspection and management actions and procedures and implementing the common rules on applicable tax procedures.

“Royal Decree 1310/2005” (*“Real Decreto 1310/2005”*): means Royal Decree 1310/2005 of 4 November partially implementing Law 24/1988 of 28 July on the Stock Market as regards the admission to negotiation of securities on official secondary markets, public offers of sale or subscription and the prospectus required for such purposes.

“Royal Decree-Law 4/2015” (*“Real Decreto Ley 4/2015”*): means Royal Decree-law 4/2015 of 23 October approving the restated text of the Spanish Securities Market Act.

“Rules” (*“Reglamento”*): means the rules applicable to the Meeting of Creditors.

“Santander”: means Banco Santander, S.A.

“Securities Note” (*“Nota de Valores”*): means the Securities Note regarding the issuance of Notes prepared in accordance with Annex XIII of Regulation (EC) No 809/2004, approved by the CNMV on 2 December 2016.

“Seller” (*“Cedente”*): means Santander, S.A.

“Seller’s Call Option” (*“Opción de Compra del Cedente”*): means each of the Seller’s Call Option.

“Seller’s Call Options” (*“Opciones de Compra del Cedente”*): means jointly the Clean-up Call Option, the Time Call Option, the Regulatory Change Call Option and the Tax Change Call Option.

“Senior Class” shall mean the Class A Notes whilst they remain outstanding, thereafter the Class B Notes whilst they remain outstanding, thereafter the Class C Notes whilst they remain outstanding, thereafter the Class D Notes whilst they remain outstanding, thereafter the Class E Notes whilst they remain outstanding and thereafter the Class F Notes whilst they remain outstanding;

“Servicer” (*“Administrador”*): means Banco Santander, S.A.

“Start-up Expenses Loan” (*“Préstamo Subordinado para Gastos Iniciales”*): means the loan formalised pursuant to the Start-up Expenses Loan Agreement defined below.

“Start-up Expenses Loan Agreement” (*“Contrato de Préstamo Subordinado para Gastos Iniciales”*): means the start-up expenses loan agreement in the amount of ONE MILLION SIX HUNDRED AND FIFTY THOUSAND EUROS (€1,650,000) to be provided by Santander to the Fund, which will be used to finance the expenses of incorporation of the Fund and the issuance of the Notes, to partially finance the acquisition of the Receivables and to cover the temporary mismatch in the First Interest Accrual Period caused by the difference between the interest on the Receivables covered during the First Interest Accrual Period and the interest on the Notes to be paid on the First Payment Date.

“Subscription Period” (*“Periodo de Suscripción”*): means 9 December 2016, from 9:00 a.m. to 12:00 p.m.

“Tax Change Call Option” (*“Opción de Compra por un Cambio Fiscal”*): means the right of the Seller to repurchase the Receivables if a Tax Change Event occurs, in accordance with section 4.4.3.2 of the Registration Document.

“Tax Change Event” (*“Supuesto de Cambio Fiscal”*): means any event in which the Issuer is or becomes at any time required by law to deduct or withhold, in respect of any payment under any of the Notes, current or future taxes, levies or governmental charges, regardless

of their nature, which are imposed under any applicable system of law or in any country which claims fiscal jurisdiction by, or for the account of, any political subdivision thereof or government agency therein authorised to levy taxes.

“Time Call Option” (*“Opción de Compra por un Time Call”*): means the option of the Seller to repurchase at its own discretion all outstanding Receivables and hence instruct the Management Company to carry out an Early Liquidation and an Early Redemption of the Notes in whole (but not in part) on any Payment Date falling on or after the eighth (8th) Payment Date after the Revolving Period has ended, in accordance with section 4.4.3.2 of the Registration Document.

“Transaction Documents” (*“Documentos de la Operación”*): means the following documents: (i) Deed of Incorporation of the Fund; (ii) the Management, Placement and Subscription Agreement; (iii) the Start-up Expenses Loan Agreement; (iv) the Guaranteed Reinvestment Agreement; (v) the Payment Agency Agreement; and (vi) any other documents executed from time to time after the Date of Incorporation in connection with the Fund and designated as such by the relevant parties.

“V.A.T.” (*“IVA”*): means Value Added Tax.