

This Prospectus is a non-official and non-binding translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission, "CNMV") on December 12, 2007. The "Folleto Informativo" drafted in Spanish language is the only official document.

FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER FINANCIACIÓN 2

ASSET-BACKED SECURITIES

1,471,800,000 €

Series A	1,254,300,000 €	EURIBOR 3M + Up to a maximum of 0.25%	AAA
Series B	58,000,000 €	EURIBOR 3M + Up to a maximum of 0.40%	AA
Series C	44,900,000 €	EURIBOR 3M + Up to a maximum of 0.80%	A
Series D	29,000,000 €	EURIBOR 3M + Up to a maximum of 1.30%	BBB
Series E	63,800,000 €	EURIBOR 3M + Up to a maximum of 3.50%	BB
Series F	21,800,000 €	EURIBOR 3M + Up to a maximum of 0.50%	CCC

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LEAD MANAGERS



UNDERWRITER



PAYING AGENT



Fund Promoted and Managed by:



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

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This document is the information prospectus (hereinafter, the “**Information Prospectus**” or the “**Prospectus**”) for the SANTANDER FINANCIACIÓN 2 Asset Fund (hereinafter the “**Fund**”) approved and registered in the *Comisión Nacional del Mercado de Valores* (Spanish Securities Market Commission, hereinafter, the “**CNMV**”) on December 12, 2007, in accordance with the stipulations in Regulation 809/2004, which includes the following:

1. A description of the main risk factors related to the issue, the securities and the assets which support the issue (hereinafter, the “**Risk Factors**”);
2. A registration document for the securities, drawn up in accordance with Annex VII of Regulation 809/2004 (hereinafter the “**Registration Document**”);
3. A note on the securities drafted in accordance with Annex XIII of Regulation 809/2004 (hereinafter, the “**Securities Note**”); and
4. An additional module to the Securities Note drafted by following the module stipulated in Annex VIII of Regulation 809/2004 (hereinafter, the “**Additional Building Block**”).
5. A glossary of definitions (hereinafter the “**Definitions**”).

RISK FACTORS

I. Specific Risk Factors of the Fund:

(i) Risk of insolvency of the Fund:

If the Fund is unable to meet its payment obligations on a generalized basis, the provisions of article 11 of Royal Decree 926/1998 will apply: that is, the Management Company, after informing the CNMV, will proceed with the orderly liquidation of the Fund, in accordance with the rules established in this regard in this Prospectus.

The Fund shall only be liable for the performance of its obligations up to the amount of its assets.

(ii) Legal nature and absence of legal status of the Fund:

The Fund lacks legal status. Consequently, the Management Company must carry out its administration and representation and comply with the obligations legally established in relation to the Fund. It shall be liable to the Bondholders and the remaining ordinary creditors of the Fund up to the limit of its net worth in the event of breach of said obligations.

The Fund shall be comprised of a closed-end assets and liabilities.

(iii) Compulsory substitution of Management Company:

In accordance with articles 18 and 19 of Royal Decree 926/1998, the Management Company shall be replaced in the event it is held to be insolvent vis-à-vis its creditors. If, in such a case, four months should have elapsed since the occurrence of the cause for the substitution and no other Management Company shall be appointed, an Early Liquidation of the Fund and an Early Redemption of the Bonds shall occur.

(iv) Limitation of actions as regards the Management Company:

The Bondholders and the other ordinary creditors of the Fund will only be able to bring an action against the Management Company of the Fund in the case of non-compliance with its functions or failure to observe the provisions in the Deed of Constitution, in this Prospectus or in the applicable legislation in force. Such actions shall be resolved by the corresponding declaratory proceedings.

(v) Validity of assignment in case of insolvency of Assignor:

There is no jurisprudence which enables one to ascertain the interpretation of the courts of the regulations contained in Law 22/2003, of July 9 (the "**Insolvency Proceedings Act**"). Notwithstanding the foregoing, in accordance with Additional Provision Two of Insolvency Proceedings Act, the insolvency specialties of Additional Provision Five of Law 3/1994, of April 14 remain in force. Consequently, if no fraud exists in the assignment, the Assets assigned to the Fund should not form part of the bankruptcy estate in the event of an insolvency proceeding involving the Assignor. Even if the less accepted interpretation of the Insolvency Proceedings Act should prevail, and bearing in mind that the securitization of credits forms part of the ordinary corporate activity of the credit entities, the assignment of the Assets to the Fund would only be rescinded in the event the Assignor is declared insolvent if the assignment took place within the two (2) years prior to such declaration and the receivers could prove that such assignment had not been carried out under normal conditions.

In the event that the Bank is held to be insolvent vis-à-vis its creditors, the Fund, acting through the Management Company, shall have a right to separation in respect of the assigned Assets. Notwithstanding the foregoing, this right to separation shall not necessarily extend to the money received by the Bank, in its capacity as Administrator, and held thereby on account of the Fund prior to the date of declaration of insolvency since, given its fungible nature, it could become attached to the results of the insolvency proceeding according to majority interpretation of article 80 of Insolvency Proceedings Act. In addition, in order to mitigate the aforementioned risk, certain mechanisms have been stipulated and are described in sections 3.4.4., 3.4.5. and 3.7.1.(5) of the Additional Building Block.

(vi) Business with third parties:

The Fund, represented by the Management Company, has formalized contracts with third parties to provide certain services and financial transactions with regard to the Assets and the Bonds.

These include the Subordinated Loan Agreement, the Exchange of Amounts Agreement, the Guaranteed Rate Reinvestment Agreement and the Lead Manager, Subscription and Paying Agency Agreement.

The Bondholders may be harmed in the event any of the counterparties of the Fund in the above-mentioned agreements do not fulfill its obligations assumed by virtue thereof.

II. Specific Risk Factors of the Assets backing the issue:

(i) Risk of non-payment of the Assets:

The holders of Bonds issued against the Fund shall assume the risk of non-payment of the Assets pooled therein. Nevertheless, the credit enhancements described in section 3.4.2 of the Additional Building Block have been arranged.

The Bank, as Assignor, assumes no liability for non-payment of the Obligors, whether for principal, interest, or any other amount they may owe by virtue of the Assets. According to article 348 of the Commercial Code, the Assignor shall only be liable for the existence and legitimacy of the Assets at the time of the assignment, in the terms and conditions stated in the Prospectus, as well as for the legal status pursuant to which the assignment is made. The Assignor does not guarantee the successful conclusion of the transaction.

(ii) Risk of prepayment of the Assets:

The Assets pooled into the Fund are susceptible of being prepaid when the Obligors prepay the portion of principal pending redemption, according to the terms of each loan agreement from which the Assets derive, or when the Assignor is subrogated in such loan agreements by an entity qualified for such purpose.

(iii) Liability:

The Bonds issued by the Fund do not represent an obligation of the Management Company or the Assignor. The flow of funds used to meet the obligations to which the Bonds give rise is insured or guaranteed solely under the specific circumstances and up to the limits described under section 2 of the Additional Building Block. With the exception of these guarantees, there are no others granted by any public or private

entity, including the Assignor, the Management Company or any affiliate company or investee company of any of the above. The Assets pooled into the Fund and the rights they carry with them constitute the sole source of income of the Fund and, therefore, of payments to the title owners of its liabilities.

(iv) Protection:

An investment in Bonds may be affected, among others, by a deterioration of the general economic conditions which has an adverse effect on the payments of the Assets which 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 Bonds as a result of the existence of the credit enhancements described under section 3.4.2 of the Additional Building Block. The foregoing considerations notwithstanding, the Bondholders have their risk mitigated by the order of priority of payments described under section 3.4.6.(b) of the Additional Building Block (“**Order of Priority of Payment**”) and by the order of priority of liquidation payments described under section 3.4.6.(d) of the Additional Building Block (“**Order of Priority of Liquidation Payments**”).

(v) Offsetting and Exceptions:

Should the Obligor under a Loan seek to enforce against the Fund any exception that could have been enforced against the Bank, including, where applicable, offsetting any debts, in accordance with the provisions of article 11 of Law 7/95 of 23 March (the Consumer Credit Act), the Bank shall proceed to remedy the situation, or, if applicable, credit to the Fund the amounts that it would not have received for this reason.

(vi) Maturity of the loans:

Of the Loans selected at November 12, 2007 to be assigned to the Fund on the Constitution Date, 9.16% of the Outstanding Balance of the Assets has a maturity date later than December 31, 2015, which means that part of the portfolio expires after a period of 8 years.

(vii) Grace period of the loans:

Of the Loans selected at November 12, 2007 for their assignment to the Fund on the Constitution Date, 5.67% of the Outstanding Balance of the Assets has a grace period that expires after December 31, 2009, which means that part of the portfolio has a grace period of more than 2 years. Of the Loans with a grace period that expires later than December 31, 2009, 0.08% of the Outstanding Balance of the Assets has a grace period that expires in the second quarter of 2015.

III. Risk Factors Specific to the securities

(i) Limited liquidity:

There is no guarantee that trading in the Bonds with a minimum frequency or volume will occur in the market.

There is no commitment for intervention in secondary trading on the part of any entity, thereby giving liquidity to the Bonds through the offering of compensation.

Furthermore, in no case may the Fund repurchase the Bonds from the Bondholders, although they may indeed be redeemed early in their entirety, in the case of Early Liquidation of the Fund, on the terms established under section 4.4.3 of the Registration Document.

(ii) Yield:

The calculation of the average life, return and duration of the Bonds is subject, among others, to hypotheses regarding prepayment rates of the Assets which may not materialize, as well as future market interest rates, given the variable nature of the nominal interest rates.

(iii) Default interest:

Under no circumstance, will the delay in the payment of interest or reimbursement of the principal to the title owners of the Bonds give rise to the payment of default interest in their favor.

(iv) Duration:

The calculation of the average life and duration of each Bond Series described in section 4.10 of the Securities Note is subject, among other hypotheses, to quotas of prepayments and unpaid Assets which may not materialize. Compliance with the quota of prepayment of the Assets is influenced by a variety of economic and social factors such as the evolution of market interest rates, the economic situation of the Obligors and general economic activity, which prevent its prediction.

(v) Rating of the Bonds:

The credit risk of the Bonds issued against the Fund has been subject to the evaluation of the rating agency Fitch Rating España, S.A.

The final ratings assigned may be revised, suspended or withdrawn at any time by the above-mentioned rating agencies depending on any information they may receive.

Their ratings do not constitute and under no circumstances may be construed as invitation, recommendation or encouragement addressed to the investors in order to they carried out any transaction regarding the Bonds, and especially, in order to acquire, keep, encumbrance or transfer such Bonds.

(vi) Deferral of payment of interest:

This Prospectus and any other complementary documentation regarding the Bonds provides the deferral of the order or priority of payment of the interest of the Series B, C, D, and E Bonds in the event of the circumstance set forth in section 3.4.6.(c) of the Additional Building Block will occur.

(vii) Compliance by the investors of formal obligations.

In accordance with current Spanish legislation, the yields on bonds obtained by investors not resident in Spain shall be either (1) exempt from the withholding tax on non-residents (in the case of investors acting through an entity permanently established in Spanish territory), or (ii) exempt under the same terms and conditions established for yields on public debt (in the case of investors acting in Spain without a permanent establishment, provided that the income is not obtained through countries or territories that are classified as tax havens for regulatory purposes).

Notwithstanding the above, to qualify for exemption from the above-mentioned withholding, the relevant investors must comply with certain formal obligations currently established in the Order of 22 December 1999 and Royal Decree 2281/1998, of 23 October, as amended by Royal Decree 1778/2004, without prejudice to any specific regulations for securitization funds that may be introduced in future.

If the right of exemption is not duly accredited pursuant to the provisions of the aforementioned regulations (that is, the non-resident fails to submit evidence that they are not acting through a tax haven or fails to submit to the Fund, through the intermediary of the Paying Agent, the relevant certifications issued by the Bond's clearing and depository entity), the yields obtained on the Bonds shall remain subject to a tax withholding, the rate of which is currently fixed at 18%.

The tax consequences described above are based on the legislation in force at the time of issue and are not intended to be exhaustive and, accordingly, this text should not be considered an adequate substitute for the tax advice necessary for the specific position of each individual investor.

REGISTRATION DOCUMENT

This Registration Document has been prepared in accordance with Annex VII of Regulation (EC) No. 809/2004 and approved by the Comisión Nacional del Mercado de Valores (*Spanish Securities Market Commission*) on December 12, 2007.

1. PERSONS RESPONSIBLE

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

- a) MR. IGNACIO ORTEGA GAVARA, acting in his capacity as General Manager of SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A., having its registered offices at Ciudad Grupo Santander, Avda. de Cantabria s/n, 28660, Boadilla del Monte (Madrid), assumes responsibility for the information contained in this Registration Document.

MR. IGNACIO ORTEGA GAVARA acts in the exercise of the powers conferred upon him by the Board of Directors of the Management Company at its meeting held on November 6, 2007,

SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. is the promoter of the securitization fund FONDO DE TITULIZACIÓN DE ACTIVOS, SANTANDER FINANCIACIÓN 2 and shall be responsible for the administration and legal representation thereof.

1.2 Declaration by those responsible for the Registration Document.

- a) MR. IGNACIO ORTEGA GAVARA declares on behalf of the Management Company, that, having taken all reasonable care to ensure that such is the case, 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 contents.

2. STATUTORY AUDITORS OF THE FUND

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

In accordance with the stipulations in section 4.4 of this Registration Document, the Fund lacks historical financial information.

However, during the term of the Fund, the annual accounts will be audited on an annual basis by the auditors.

The Board of Directors of the Management Company, at its meeting on 6 November, 2007 at which the establishment of this Fund was resolved, appointed the following accounting firm as the Fund's Statutory Auditors: Deloitte, S.L. whose data are detailed in section 5.2.e) of this Registration Document.

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

The fiscal year of the Fund will coincide with the calendar year. However, and as an exception, the first fiscal year will start on the Constitution Date of the Fund, and the last fiscal year will finish on the date on the expiration date of the Fund.

The Management Company shall file the Fund's annual financial statements with the CNMV, together with the auditors' report in respect thereof, within four (4) months following the closing date of the Fund's fiscal year (i.e. prior to April 30 of each year).

The Fund's annual financial statements and relevant auditors' report shall be filed with the Mercantile Registry on an annual basis.

3. RISK FACTORS

The risk factors specific to the Fund are those described under section I of the document included at the beginning of this Prospectus entitled “RISK FACTORS”.

4. INFORMATION ABOUT THE ISSUER

4.1 Statement that the Issuer has been established as a securitization fund.

The Issuer is an asset securitization fund established according to Royal Decree 926/1998 for the purpose of acquiring the Assets assigned to the Fund by the Bank and issuing the Bonds. It lacks its own legal status under Spanish law.

4.2 Legal and professional name of the Fund.

The Fund will be established under the name FONDO DE TITULIZACIÓN DE ACTIVOS, SANTANDER FINANCIACIÓN 2, under Spanish law.

4.3 Place of registration of Issuer and registration number.

The Fund is registered in Spain, in the CNMV.

The establishment of the Fund and issue of the Bonds have as a prior requirement that it be registered in the official registries of the CNMV in Spain.

This Prospectus was registered with the CNMV on December 12, 2007.

Neither the constitution of the Fund nor the Bonds, which are issued and charged to its assets, will be registered in the Mercantile Register, making use of the power contained in article 5.4 of Royal Decree 926/1998.

4.4 Date of Constitution and period of activity of the Fund, except where indefinite.

4.4.1. Constitution Date.

It is envisaged that the date of execution of the Deed of Constitution and, consequently, the Fund's Constitution Date, will be December 14, 2007.

The Deed of Constitution may not undergo any change except in exceptional circumstances and, as the case may be, in accordance with the conditions established by the regulations in force, and provided that such are permitted by current legislation. In any case, such acts will have to be notified previously by the Management Company to the CNMV or to the competent administrative body, or will have to be previously authorized if necessary, and their notification to Fitch, provided always that such acts do not impair the rating assigned to the Bonds by Fitch or cause any damage to the Bondholders. The Deed of Constitution may also be modified at the request of the CNMV.

The Management Company guarantees that the contents of the Deed of Constitution will coincide with that of the Prospectus and that the Deed of Constitution will coincide with the draft deed which has been submitted to the CNMV as a consequence of the registration of this Prospectus.

4.4.2. Period of activity of the Fund.

It is planned that the Fund will develop its activity from the Constitution Date until the Legal Maturity Date, that is, until August 20, 2035 or, if this is not a Business Days,

the following Business Days, without prejudice to the stipulations in sections 4.4.3.(1) and 4.4.3.(2). below.

4.4.3 Early liquidation of the Fund: Cases. Cancellation of the Fund. Actions for liquidation and cancellation of the Fund.

(1) Early liquidation: Cases.

Notwithstanding the provisions of section 4.4.2, above, the Management Company is empowered to proceed with the Early Liquidation of the Fund and, consequently, the Early Redemption of the Bonds on a Payment Date, on the terms established in this section, under the following circumstances:

- (i) When the Outstanding Balance of the Assets (excluding Nonperforming Assets) is less than ten per cent (10%) of the initial balance thereof, provided that the amount of the sale of the Assets pending amortization, together with the balance existing at that time in the Cash Account, allows for total cancellation of all outstanding obligations with the Bondholders, and respecting the prior payments thereto, whose order of priority takes preference as provided by section 3.4.6.(d) of the Additional Building Block;
- (ii) When, due to an event or circumstance of any foreign nature or not related to the development of the Fund, a substantial alteration or permanent impairment of the financial balance of the Fund required by article 5.6 of Law 19/1992 occurs. This includes circumstances such as the existence of a change in the regulation or additional legislative developments, the establishment of withholding obligations or other situations that might permanently affect the financial balance of the Fund. In this case, after informing the CNMV, the Management Company shall proceed to settle the Fund in an orderly manner in accordance with the rules set out in the Deed of Constitution and in this Prospectus;
- (iii) In the case contemplated in article 19 of Royal Decree 926/1998, which establishes the obligation to liquidate the Fund in the case where four (4) months have elapsed since the Management Company went into receivership, a decisive factor for the compulsory substitution of the Management Company, without a new management company having been found.
- (iv) When a non-payment takes place or is expected to take place which is indicative of a serious and permanent imbalance in relation to any of the Bonds.
- (v) On the Payment Date that precedes the Legal Maturity of the Fund by at least six (6) months.

Liquidation of the Fund shall be first reported to the CNMV and, afterwards, to the Bondholders, in the manner contemplated by sections 4.b) of the Additional Building Block, at least thirty (30) Business Days in advance of the day on which Early Redemption must take place, which must necessarily be carried out on a Payment Date.

(2) Cancellation of the Fund

The cancellation of the Fund shall take place:

- (i) as a consequence of the payment in full of the Assets;
- (ii) as a consequence of the full redemption of the Bonds;
- (iii) as a consequence of the finalization of the Early Liquidation process provided in the sub-section (1) above;
- (iv) due to the occurrence of the Legal Maturity Date; and
- (v) when the provisional ratings of the Bonds are not confirmed as being definitive prior to the Subscription Date.

In the event that any of the situations described in the foregoing sections should occur, the Management Company shall inform the CNMV and shall initiate the pertinent formalities for cancellation of the Fund.

(3) Actions for the liquidation and cancellation of the Fund.

In order that the Fund, through its Management Company, may carry out the liquidation and cancellation of the Fund and, as the case may be, the Early Liquidation of the Fund and Early Redemption of the Bonds in those cases determined by section 4.4.3.(1), above, and specifically, in order that the Fund shall have sufficient Available Funds to meet its payment obligations, the Management Company, on behalf of the Fund, shall proceed to carry out any or all of the following actions:

- (i) sell the Assets for a price which may not be less than the sum of the principal plus the accrued and unpaid interest in respect of the Assets pending amortization. For this purpose, the Management Company shall request an offer from at least five (5) entities of those most active in the sale and purchase of similar assets, and may not sell them at a price less than the best offer received. The Assignor shall have a right of first refusal to acquire said Assets, in the conditions established by the Management Company at the time of the liquidation, in such a manner that it shall have preference over third parties to acquire the Assets. In order to exercise the right of first refusal, the Assignor shall have a period of five (5) Business Days from the date on which the Management Company notifies it of the conditions (price, form of payment, etc.) under which the disposal of the Assets shall proceed. The Assignor's offer must equal at least the best of the offers made by third parties.

In the event that no offer covers the value of the principal plus accrued and unpaid interest of the Assets pending amortization, the Management Company shall accept the best offer received for the Assets which, in its judgment, covers the market value thereof. In order to set the market value, the Management Company may obtain from third party entities different from the above, such valuation reports as it deems necessary. In this case, the Assignor shall also enjoy the right of first refusal described above, provided that its offer at least equals the best of those made by third parties.

This right of first refusal in no case implies an agreement or obligation to repurchase the Assets on the part of the Assignor; and/or

- (ii) sell any other assets of the Fund other than the Asset and other than the cash for a price not less than market value. In order to set the market value, the Management Company will request from at least one entity specializing in the valuation or marketing of assets similar to those whose sale is intended such valuation reports as it deems necessary, proceeding with the sale of the assets in question through the procedure which allows obtaining a higher price in the market; and/or
- (iii) arrange a credit facility, the drawdown of which shall be paid into the Cash Account, and which will be used only and immediately to meet the Early Redemption of the Bond issue. The repayment of this credit facility will be guaranteed only by the flows of interest and principal derived from the Assets to be repaid and the proceeds from the sale of the assets which remain in the Issuer; and/or
- (iv) canceling those contracts which are not necessary for the liquidation process of the Fund.

For the foregoing actions (i), (ii) and (iii), the Assignor shall have a right of first refusal to acquire the Assets or any other assets remaining in the Fund so that it has preference over third parties, or to grant to the Fund the line of credit intended to be used exclusively for the Early Redemption of the Bonds pending repayment. For that purpose, the Management Company shall submit the report on the assets and offers received from third parties to the Assignor, who shall be entitled to exercise the aforementioned right of first refusal to acquire all the Assets or other remaining assets offered by the Management Company or the line of credit within the five (5) Business Days following receipt of the aforementioned notice, provided that its offer at least matches the best of the offers made by the third parties.

The Management Company shall immediately apply all amounts it has obtained on disposal of the Assets and any other assets of the Fund to the payment of the various concepts, in the manner, amount and Order of Priority of Liquidation Payments which applies, as determined under section 3.4.6.(d) of the Additional Building Block. Early Redemption of all of the Bonds in any of the cases provided under section 4.4.3.(1), above, shall be carried out for the Balance of Principal Pending Payment up to that date plus interest accrued and not paid up to the Early Redemption date, which must necessarily coincide with a Payment Date, after deducting, as the case may be, any withholding tax, and free of expenses for the title owner, which amounts, for all legal purposes, shall be deemed to be due and payable on this latter date.

In the event that, once the Fund has been liquidated and all scheduled payments have been made pursuant to the Order of Priority of Liquidation Payments contemplated under section 3.4.6.(d) of the Additional Building Block, any remainder should exist or any judicial or notary proceedings brought as a consequence of the non-payment by any Obligor of the Assets should remain pending resolution (all in accordance with the provisions of section 3.4.5.b) of the Additional Building Block), both the said remainder as

well as the continuation and/or proceeds of the resolution of the proceedings cited above shall inure to the Bank's favor.

In any case, the Management Company, acting for and on behalf of the Fund, shall not proceed with cancellation of the Fund until it has not proceeded with liquidation of the Assets and any other remaining assets of the Fund and the distribution of the Fund's Available Funds, in following the Order of Priority of Liquidation Payments contemplated under 3.4.6.(d) of the Additional Building Block.

Once a maximum period of six (6) months since the liquidation of the Assets and any other remaining assets of the Fund and the distribution of the available funds has transpired, the Management Company shall execute an official attestation before a notary public declaring (i) the Fund to be cancelled, as well as the causes contemplated in this Registration Document which motivated its cancellation, (ii) the procedure carried out for notifying the Bondholders and the CNMV, and (iii) the distribution of the available amounts from the Fund in following the Order of Priority of Liquidation Payments contemplated under section 3.4.6.(d) of the Additional Building Block and shall comply with such further administrative formalities as may be applicable. Said notarized attestation shall be sent by the Management Company to the CNMV.

In the event that the cause of termination stated under section 4.4.3.(2)(v), above, should occur, the constitution of the Fund as well as the Bond issue and the contracts executed by the Management Company, acting on behalf of the Fund, shall be terminated, except for the Subordinated Loan Agreement, against which the constitution and issue expenses incurred by the Fund shall be paid. Said termination shall be reported forthwith to the CNMV and, once one (1) month from the cause for termination of the constitution of the Fund has transpired, the Management Company shall execute before a notary public the attestation which it shall send to the CNMV, Iberclear, AIAF and Fitch, declaring the cancellation of the Fund and the cause thereof.

4.5 Domicile and legal form of the Issuer, legislation under which it operates.

a) Domicile of the Fund.

The Fund lacks a registered office because it lacks separate legal status. For all purposes, the Fund's registered office is deemed to be that of the Management Company, to wit:

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

Ciudad Grupo Santander

Avenida de Cantabria, s/n

28660 Boadilla del Monte (Madrid)

Telephone: 91.289.32.97

b) Legal status of the Fund.

The Fund shall be comprised of a closed-end assets and liabilities, lacking legal status, in accordance with the provisions of article 3 of Royal Decree 926/1998. The Management Company is entrusted with the constitution, administration and legal

representation of the Fund, as well as manager of third party business, the representation and defense of the interest of the Bondholders and the rest of the ordinary creditors of the Fund.

c) Legislation under which it operates and country of constitution.

The incorporation of the Fund and the issue of the Bonds will be carried out according to the provisions of Spanish legislation and, in particular, according to the legal regime provided by: (i) Royal Decree 926/1998 and provisions implementing same, (ii) Law 19/1992 of July 7, Regime governing Real Estate Investment Companies and Funds, and Mortgage Securitization Funds, for all that is not contemplated under Royal Decree 926/1998 and as applicable thereto, (iii) the Spanish Securities Market Act, (iv) Additional Provision Five of Law 3/94, and (v) such other legal and regulatory provisions as are in force and applicable from time to time.

The Prospectus has been prepared pursuant to the standard forms contemplated in Regulation (EC) No. 809/2004.

d) Tax scheme of the Fund.

In accordance with Law 19/1992, the Corporate Tax Act approved by Royal Legislative Decree 4/2004, Corporate Tax Regulation approved by Royal Decree 1777/2004, Law 37/1992 on Value Added Tax and Transfer Tax/Stamp Duty Act approved by Royal Legislative Decree 1/1993:

- (i) The constitution of the Fund is exempt from the concept of “corporate transactions” of Transfer Tax/Stamp Duty according to section 10 of article 5 of Law 19/1992.
- (ii) The Fund is subject to the general régime of Corporate Income Tax according to the rate in force at each moment, which is currently thirty-two point five per cent (32.5%). For tax years commencing after January 1, 2008, the Fund will be subject to a general rate of 30%, in accordance with Law 35/2006, of November 28, governing Individual Income Tax and of the partial modification of Corporate Tax, Non-Resident Income Tax and Wealth Tax.
- (iii) The returns on the Assets which constitute the Fund’s income will not be subject to withholding or interim tax deposit (article 59,k) of Royal Decree 1777/2004).
- (iv) The management and custodial services rendered by the Management Company to the Fund shall be exempt from Value Added Tax (article 20.One.18.n. of Law 37/1992).
- (v) The issue, subscription, transfer, redemption and repayment of the Bonds are exempt from Transfer Tax/Stamp Duty (article 45.I.B. no. 15 of Royal Legislative Decree 1/1993) and from the Value Added Tax (article 20.One.18° Law 37/1992).
- (vi) The assignment of the Assets to the Fund constitutes a transaction subject to but exempt from Value Added Tax.
- (vii) The Management Company will be obliged to comply with the obligations to provide information established in Act 13/1985, as worded in Act 19/2003 and in Act 23/2005, implemented by Royal Decree 2281/1998 and amended by Royal Decree 1778/2004. Consequently, each year, the Management

Company will be required to inform the Tax Authorities as to the identity and tax residence of the Bondholders and the return on those Bonds paid to them.

For these purposes, and as described in the section entitled “Risk Factors affecting Securities - (iv) Compliance by the investors with formal obligations”, investors shall be required to fulfill certain formal obligations. If these obligations are not fulfilled on time, the Management Company will be obliged to apply the corresponding withholdings to payments made to the investors.

4.6 Description of the amount of the Fund’s authorized and issued capital.

Not applicable.

5. BUSINESS OVERVIEW

5.1 Brief description of the Issuer’s principal activities.

The Issuer is an asset securitization fund and, as such, its principal business consists of acquiring the Assets deriving from the Loans from the Bank and issuing the Bonds. That is, through securitization, the Bank transfers the Assets to the Fund, who pays the price thereof with the proceeds from the Bond issue subscribed by the institutional investors to whom said issue is directed.

Thus, through this operation, the Bank is advanced the payment of the future flows pertaining to the Loans, i.e. the Assets become liquid to the Bank, even though they were not liquid at the time of the assignment to the Fund.

The revenues deriving from interest and payment of the loans acquired by the Fund will be assigned quarterly, at each Payment Date, to the payment of interest and redemption of the principal of the Bonds issued according to the specific conditions of each Series in which the Bonds issue is divided and according to the order of priority established for the payments of the Fund.

Additionally, the Management Company, for and on behalf of the Fund, will arrange different financial transactions and service provisions in order to consolidate the financial structure of the Fund, to increase the security or the regularity of the payment of the Bonds, to cover temporary mismatches of the schedule of flows of principal and interest of the Loans and the Bonds, or, in general, transform the financial characteristics which take place in the Fund between the financial characteristics of the Loans and the financial characteristics of each Series of Bonds.

5.2 Global overview of the parties to the securitization program.

- a) SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. intervenes as the Fund’s Management Company and as legal and financial adviser to the operation’s structure.

SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. is a Securitization Fund Management Company having its registered offices at Ciudad Grupo Santander, Avenida de Cantabria sin número, 28660 Boadilla del Monte (Madrid), holder of Tax Identification Code number A-80481419. A brief description thereof is stated under section 3.2.a) of the Additional Building Block.

It is registered in the Mercantile Register of Madrid, in 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. (the “Bank”) intervenes as the Assignor of the Assets, as Underwriter of the Bonds, as Lead Manager of the Bond issue, as Paying Agent and as counterpart of the Fund in the Subordinated Loan Agreement, the Swap Agreement (“*Contrato de Intermambio de Cantidades*”) and the Guaranteed Rate Reinvestment Agreement.

In its capacity as Lead Manager, it carries out the following function, in the terms established by article 35.1 of Royal Decree 1310/2005:

- To receive the mandate of the Management Company in order to direct the operations concerning the design of the temporary and commercial financial conditions of the issue of the Bonds, as well as the co-ordination of relations with the supervising authorities and market operators and potential investors.

BANCO SANTANDER, S.A. is a Spanish credit institution having its registered offices in Santander, at Paseo de Pereda 9-12, 39004, with its operational headquarters located at Ciudad Grupo Santander, Avenida de Cantabria sin número, 28660 Boadilla del Monte (Madrid), holder of Tax Identification Code number A-39000013 and C.N.A.E. 651. A brief description thereof is stated under section 3.2.b) of the Additional Building Block.

The ratings of the Bank’s unsubordinated and unsecured short and long-term debt, as assigned by the rating agencies and currently in force, are:

- Fitch: AA (long-term)(confirmed in May 2007) and F1+ (short term (confirmed in June 2007)).
- Standard & Poor’s: AA (long-term) (confirmed in April 2007) and A-1+ (short-term) confirmed in May 2007).
- Moody’s: Aa1 (long-term) and P-1 (short term), confirmed in April 2007.

- c) CALYON, Sucursal en España (“**CALYON**”) intervenes as Lead Manager of the Bond issue.

In its capacity as Lead Manager, it carries out the following function, in the terms established by article 35.1 of Royal Decree 1310/2005:

- To receive the mandate of the Management Company in order to co-ordinate relations with the market operators and potential investors.

CALYON, Sucursal en España, is a bank incorporated and registered in France, which acts through its Branch in Spain. It is registered in the Bank of Spain as a branch of a foreign credit entity of the EEC, under code number 0154, with registered business address at Paseo de la Castellana 1, 28046 Madrid and Tax number A-0011043G.

The ratings of the unsubordinated and unsecured short-term and long-term debt of CALYON assigned by Standard & Poor’s are A1+ and AA-, respectively.

- d) Fitch Ratings España, S.A. Unipersonal (“Fitch”) intervenes as credit rating agency of the Bonds.

Fitch is a Spanish stock company and subsidiary of the credit rating agency Fitch Rating Limited, having its registered offices in Barcelona, Paseo de Gracia, 85, holder of Tax number A58090655.

- e) Deloitte, S.L. intervenes as auditor of the Management Company and the Bank. Furthermore, it will prepare an Auditors' Report on the portfolio of the Loans that will comprise the Fund and such company has been appointed Auditors of the Fund.

Deloitte, S.L. has its registered offices in Madrid, at Torre Picasso, Plaza Pablo Ruiz Picasso, s/n, holder of Tax Identification Code number B-79104469, registered with the Official Registry of Certified Public Accountants (*Registro Oficial de Auditores de Cuentas; R.O.A.C.*) under number S0692, as registered with the Mercantile Registry of Madrid, under Volume 3190, Section 8, Folio 1, Page M-54.414, 1st registration entry.

- f) JONES DAY intervenes as legal adviser with respect to the structure of the operation.
JONES DAY is an international law firm with twenty-nine (29) offices throughout the world and more than two thousand two hundred (2.200) attorneys.

For the purpose of article 4 of the Spanish Securities Market Act, BANCO SANTANDER, S.A. and SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. form part of the SANTANDER GROUP, of which SANTANDER CENTRAL HISPANO, S.A. is the dominant entity.

There is no knowledge of the existence of any other relationship involving direct or indirect ownership or control between the aforesaid legal entities participating in the securitization program.

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

6.1 Corporate bodies of the Management Company

In accordance with Royal Decree 926/1998, Asset Securitization Funds lack separate legal status. The Securitization Fund Management Companies are entrusted with the constitution, administration and legal representation thereof, as well as the representation and defense of the interest of the title owners of the securities issued against the funds they administer and of the remaining ordinary creditors thereof.

By virtue of the foregoing, this section details the information relating to SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A., in its capacity as the Management Company that is incorporating, administering and representing the securitization fund FONDO DE TITULIZACIÓN DE ACTIVOS, SANTANDER FINANCIACIÓN 2.

a) Name and business address.

Corporate name: SANTANDER DE TITULIZACION, SOCIEDAD GESTORA DE FONDOS DE TITULIZACION, S.A.

Business address: Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte (Madrid).

Tax Identification Code number A-80481419

C.N.A.E.: 8199

b) Incorporation and registration with Mercantile Registry, as well as information relating to administrative authorizations and registration with the Comisión Nacional del Mercado de Valores (*Spanish Securities Market Commission*).

SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. was incorporated by public deed executed on December 21, 1992 before Madrid Notary Public Francisco Mata Pallarés, under number 1310 of his official record, with the prior authorization of the Ministry of Economy and Finance awarded on December 1, 1992. It is registered with the Mercantile Registry of Madrid, under Volume 4789, Folio 75, Page M-78658, 1st registration entry. Furthermore, it is registered with 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 June 15, 1998, as formalized in a public deed authorized by Madrid Notary Public Roberto Parejo Gamir on July 20, 1998, under number 3070 of his official record, in order to adapt to the requisites established for Asset Securitization Fund Management Companies by Royal Decree 926/1998. Such amendment was authorized by the Ministry of Economy and Finance on July 16, 1998, in accordance with the provisions of the Sole Transitional Provision of the aforesaid Royal Decree 926/1998.

The duration of the Management Company is indefinite, except for the occurrence of any of the causes where the legal and statutory provisions, as the case may be, may call for dissolution.

6.2. Principal activities.

As required by law, article two of the Management Company's Corporate Bylaws establishes that: "the company shall have as its exclusive purpose the constitution, administration and legal representation of Mortgage Securitization Funds in the terms of article six of Law 19/1992, of July 7, on the Scheme of Real Estate Investment Companies and Funds and on Mortgage Securitization Funds and Asset Securitization Funds, in accordance with the provisions of article 12, point 1, of Royal Decree 926/1998, of May 14, regulating Asset Securitization Funds and Securitization Fund Management Companies. As a manager of third party businesses, it is responsible for the representation and defense of the interest of the title owners of the securities issued against the Funds it administers and of the remaining ordinary creditors thereof, as well as the implementation of the further duties attributed to Securitization Fund management companies by current law in force."

The total asset managed by the Management Company is the following on October 31, 2007:

MORTGAGE SECURITISATION FUNDS						
FUNDS	SERIES	OUTSTANDING BALANCE	INTEREST RATE PER CLASS	RATING AGENCIES	DATE OF INCORPORATION	INITIAL BALANCE
FTH HIPOTEBANSA VI	Serie A	23,136,524,37 €	Libor 3M + 0.12%	S&P España / Moody´s España	27/10/1997	262,942,795,67 €
	Serie B	2,527,118,60 €	Libor 3M + 0.50%			
	Total	25,663,642,97 €				
FTH HIPOTEBANSA VII	Serie A	44,371,786,05 €	Libor 3M + 0.15%	S&P España / Moody´s España	5/5/1998	317,334,391,12 €
	Serie B	4,437,178,68 €	Libor 3M + 0.525%			
	Total	48,808,964,73 €				
FTH UCI 4	Serie A	22,068,100,64 €	Libor 3M + 0.16%	S&P España	25/6/1998	180,303,631,32 €
	Serie B	2,206,810,48 €	Libor 3M + 0.575%			
	Total	24,274,911,12 €				
FTH HIPOTEBANSA VIII	Serie A	54,611,114,76 €	Libor 3M + 0.27%	Fitch IBCA / Moody´s España	17/12/1998	328,302,862,02 €
	Serie B	5,461,111,98 €	Libor 3M + 0.800%			
	Total	60,072,226,74 €				
FTH UCI 5	Serie A	45,084,195,20 €	Euribor 3M + 0.23%	Moody´s España	3/6/1999	265,000,000,00 €
	Serie B	3,606,735,60 €	Euribor 3M + 0.625%			
	Total	48,690,930,80 €				
FTH BANESTO 1	Serie A	105,166,341,36 €	Euribor 3M + 0.23%	Moody´s España	29/7/1999	759,000,000,00 €
	Serie B	8,413,308,68 €	Euribor 3M + 0.625%			
	Total	113,579,650,04 €				
FTH HIPOTEBANSA IX	Serie A	115,494,529,80 €	Euribor 3M + 0.27%	Fitch IBCA / Moody´s España	10/11/1999	519,200,000,00 €
	Serie B	11,549,454,00 €	Euribor 3M + 0.75%			
	Total	127,043,983,80 €				
FTH BANESTO 2	Serie A	157,374,993,00 €	Euribor 3M + 0.27%	Moody´s España	8/5/2000	715,000,000,00 €
	Serie B	11,016,252,50 €	Euribor 3M + 0.625%			
	Total	168,391,245,50 €				
FTH BANESTO 3	Serie A	151,755,674,48 €	Euribor 3M + 0.23%	Moody´s España	16/7/2001	545,000,000,00 €
	Serie B	15,175,569,36 €	Euribor 3M + 0.60%			
	Total	166,931,243,84 €				
FTH BANESTO 4	Serie A	686,839,006,50 €	Euribor 3M + 0.20%	S&P España	15/11/2003	1,500,001,867,69 €
	Serie B	45,000,000,00 €	Euribor 3M + 0.65%			
	Total	731,839,006,50 €				
FTH UCI 10	Serie A	272,671,394,10 €	Euribor 3M + 0.16%	S&P España	14/5/2004	700,000,000,00 €
	Serie B	17,404,558,50 €	Euribor 3M + 0.50%			
	Total	290,075,952,60 €				
FTH UCI 12	Serie A	489,086,577,92 €	Euribor 3M + 0.15%	S&P España	30/5/2005	900,000,000,00 €
	Serie B	9,000,000,00 €	Euribor 3M + 0.27%			
	Serie C	23,800,000,00 €	Euribor 3M + 0.60%			
	Total	521,886,577,92 €				
TOTAL		2,327,258,336,56 €				6,992,085,547,82 €
FTH						

ASSETS SECURITISATION FUNDS						
FUNDS	SERIES	OUTSTANDING BALANCE	INTEREST RATE PER CLASS	RATING AGENCIES	DATE OF INCORPORATION	INITIAL BALANCE
FTA SANTANDER 1	Pag.Intern	1,090,000,000,00		S&P España / Moody´s España	26/11/1998	1,202,024,208,77 €
	Pag. Nac.	0,00				
	Total	1,090,000,000,00 €				
FTA UCI 6	Serie A	89,541,485,83	Euribor 3M + 0.295%	Moody´s España	19/6/2000	457,000,000,00 €
	Serie B	7,879,650,75	Euribor 3M + 0.775%			
	Total	97,421,136,58 €				
FTA UCI 7	Serie A	106,783,792,86	Euribor 3M + 0.250%	S&P España / Moody´s España	25/10/2001	455,000,000,00 €
	Serie B	7,474,864,16	Euribor 3M + 0.700%			
	Total	114,258,657,02 €				
FTA HIPOTEBANSA X	Serie A	291,603,705,36	Euribor 3M + 0.21%	S&P España / Moody´s España	4/3/2002	917,000,000,00 €
	Serie B	18,300,000,00	Euribor 3M + 0.55%			
	Total	309,903,705,36 €				
FTA FTPYME	SERIE A1(G)	0,00 €	Euribor 3M + 0.01%	Fitch IBCA / Moody´s España	11/6/2002	500,000,000,00 €
BANESTO 1	SERIE A1	0,00 €	Euribor 3M + 0.35%			
	SERIE A2(G)	0,00 €	Euribor 3M + 0.04%			
	SERIE A2	0,00 €	Euribor 3M + 0.38%			
	SERIE A3(G)	166,700,000,00	Euribor 3M + 0.07%			
	SERIE A3	41,700,000,00	Euribor 3M + 0.48%			
	SERIE B(G)	846,024,00	Euribor 3M + 0.20%			
	SERIE B	846,024,00	Euribor 3M + 0.90%			
	SERIE C	1,480,541,00	Euribor 3M + 1.80%			
	Total	211,572,589,00 €				
FTA UCI 8	Serie A	135,841,239,66	Euribor 3M + 0.220%	S&P España / Moody´s España	24/6/2002	600,000,000,00 €
	Serie B	8,965,523,16	Euribor 3M + 0.600%			
	Total	144,806,762,82 €				
FTA HIPOTEBANSA 11	Serie A	444,657,237,12	Euribor 3M + 0.24%	S&P España / Moody´s España	26/11/2002	1,062,000,000,00 €
	Serie B	21,200,000,00	Euribor 3M + 0.45%			
	Total	465,857,237,12 €				
SANTANDER CONSUMER FINANCE SPAIN 02-1	Serie A	117,218,010,70	Euribor 3M + 0.30%	Fitch / Moody´s España / S&P	9/12/2002	850,000,000,00 €
	Serie B	7,482,003,45	Euribor 3M + 0.60%			
	Total	124,700,014,15 €				
FTA CONSUMO SANTANDER 1	Serie A	41,673,430,80	Euribor 3M + 0.25%	S&P España / Moody´s España	4/3/2003	1,080,000,000,00 €
	Serie B	37,800,000,00	Euribor 3M + 0.43%			
	Serie C	35,100,000,00	Euribor 3M + 0.73%			
	Serie D	35,100,000,00	Euribor 3M + 1.40%			
	Total	149,673,430,80 €				
FTA UCI 9	Serie A	362,069,174,68	Euribor 3M + 0.265%	S&P España / Moody´s España	16/6/2003	1,250,000,000,00 €
	Serie B	26,849,188,00	Euribor 3M + 0.65 %			
	Serie C	5,922,614,76	Euribor 3M + 1.20 %			
	Total	394,840,977,44 €				
FTA FTPYME SANTANDER 1	Serie A	281,847,902,49	Euribor 3M + 0.25%	Fitch / Moody´s España	24/9/2003	1,800,000,000,00 €
	Serie B1(G)	537,100,000,00	Euribor 3M + 0.00%			
	Serie B2	134,300,000,00	Euribor 3M + 0.40%			
	Serie C	27,000,000,00	Euribor 3M + 0.90%			
	Serie D	87,300,000,00	Euribor 3M + 1.80%			
Total	1,067,547,902,49 €					
FTA SANTANDER HIPOTECARIO 1	Serie A	911,888,206,08	Euribor 3M + 0.18%	S&P España / Moody´s España	11/6/2004	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	1,068,488,206,08 €				
FTA FTPYME SANTANDER 2	Serie A	520,910,167,05	Euribor 3M + 0.20%	S&P España	21/10/2004	1,850,000,000,00 €
	Serie B	158,371,955,55	Euribor 3M + 0.00%			
	Serie C	81,000,000,00	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	877,282,122,60 €				
FTA UCI 11	Serie A	362,475,990,87	Euribor 3M + 0.14%	S&P España	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	391,375,990,87 €				
FTA SANTANDER PUBLICO 1	Serie A	1,065,550,864,00	Euribor 3M+ 0.039%	Fitch / Moody´s España	17/12/2004	1,850,000,000,00 €
	Serie B	37,000,000,00	Euribor 3M+ 0.30%			
	Total	1,102,550,864,00 €				

ASSETS SECURITISATION FUNDS						
FUNDS	SERIES	OUTSTANDING BALANCE	INTEREST RATE PER CLASS	RATING AGENCIES	DATE OF INCORPORATION	INITIAL BALANCE
FTA SANTANDER AUTO 1	Serie Unica	828,400,803,00	Euribor 3M + 0.059%	S&P España	7/4/2005	1,598,000,000,00 €
	Total	828,400,803,00 €				
FTA SANTANDER EMPRESAS 1	Serie A1	82,647,440,88	Euribor 3M + 0.02%	S&P España / Fitch España	27/10/2005	3,100,000,000,00 €
	Serie A2	1,240,000,000,00	Euribor 3M + 0.12%			
	Serie B	80,600,000,00	Euribor 3M + 0.21%			
	Serie C	96,100,000,00	Euribor 3M + 0.29%			
	Serie D	170,500,000,00	Euribor 3M + 0.59%			
	Total	1,669,847,440,88 €				
FTA UCI 14	Serie A	886,870,315,00	Euribor 3M + 0.15%	S&P España / Fitch España	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	959,370,315,00 €				
FTA UCI 15	Serie A	1,002,086,300,54	Euribor 3M + 0.14%	S&P España / Fitch España	28/4/2006	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	1,113,086,300,54 €				
FTA SANTANDER HIPOTECARIO 2	Serie A	1,498,629,658,20	Euribor 3M + 0.15%	S&P España / Moody's España	30/6/2006	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	1,669,729,658,20 €				
FTA SANTANDER CONSUMER SPAIN AUTO 06	Serie A1	1,282,500,000,00	Euribor 3M + 0.15%	S&P España / Fitch España	10/10/2006	1,350,000,000,00 €
	Serie A2	22,300,000,00	Euribor 3M + 0.20%			
	Serie B	22,300,000,00	Euribor 3M + 0.30%			
	Serie C	22,900,000,00	Euribor 3M + 0.55%			
	Serie D	10,200,000,00	Euribor 3M + 2.10%			
	Total	1,360,200,000,00 €				
FTA UCI 16	Serie A1	187,247,800,00	Euribor 3M + 0.06%	S&P España / Fitch España	18/10/2006	1,800,000,000,00 €
	Serie A2	1,247,600,000,00	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	1,577,047,800,00 €				
FTA PYMES BANESTO 2	Serie A1	400,000,000,00 €	Euribor 3M + 0.13%	S&P España / Moody's España	17/11/2006	1,000,000,000,00 €
	Serie A2	541,700,000,00 €	Euribor 3M + 0.16%	Fitch España		
	Serie B	24,300,000,00 €	Euribor 3M + 0.27%			
	Serie C	34,000,000,00 €	Euribor 3M + 0.54%			
	Total	1,000,000,000,00 €				
FTA FINANCIACION 1	Serie A	1,738,500,000,00	Euribor 3M + 0.15%	S&P España / Moody's España	14/12/2006	1,900,000,000,00 €
	Serie B	25,700,000,00	Euribor 3M + 0.20%			
	Serie C	61,700,000,00	Euribor 3M + 0.30%			
	Serie D	47,500,000,00	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	1,914,300,000,00 €				
FTA SANTANDER EMPRESAS 2	Serie A1	665,771,199,23	Euribor 3M + 0.05%	Fitch España/ Moody's España	14/12/2006	2,265,671,199,23 €
	Serie A2	1,365,000,000,00	Euribor 3M + 0.16%			
	Serie B	84,100,000,00	Euribor 3M + 0.22%			
	Serie C	62,300,000,00	Euribor 3M + 0.32%			
	Serie D	59,500,000,00	Euribor 3M + 0.55%			
	Serie E	29,000,000,00	Euribor 3M + 2.10%			
	Serie F	53,700,000,00	Euribor 3M + 0.50%			
	Total	2,319,371,199,23 €				

ASSETS SECURITISATION FUNDS						
FUNDS	SERIES	OUTSTANDING BALANCE	INTEREST RATE PER CLASS	RATING AGENCIES	DATE OF INCORPORATION	INITIAL BALANCE
FTA SANTANDER HIPOTECARIO 3	Serie A1	485,709,742,63	Euribor 3M + 0,06%	Fitch España/ Moody´s España	4/4/2007	2,800,000,000,00 €
	Serie A2	1,540,000,000,00	Euribor 3M + 0,14%			
	Serie A3	420,000,000,00	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		2,694,809,742,63 €				
FTA UCI 17	Serie A1	262,453,327,50	Euribor 3M + 0.10%	S&P España / Fitch España	7/5/2007	1,415,400,000,00 €
	Serie A2	974,200,000,00	Euribor 3M + 0.18%			
	Serie B	72,800,000,00	Euribor 3M + 0.35%			
	Serie C	28,000,000,00	Euribor 3M + 0.60%			
	Serie D	15,400,000,00	Euribor 3M + 2.25%			
Total		1,352,853,327,50 €				
FTA SANTANDER CONSUMER SPAIN AUTO 07-01	Serie A	1,902,000,000,00	Euribor 3M + 0.15%	S&P España / Fitch España	21/5/2007	2,000,000,000,00 €
	Serie B	78,000,000,00	Euribor 3M + 0.28%			
	Serie C	20,000,000,00	Euribor 3M + 0.60%			
	Serie D	40,000,000,00	Euribor 3M + 3.50%			
Total		2,040,000,000,00 €				
FTA SANTANDER EMPRESAS 3	Serie A1	327,703,280,00	Euribor 3M + 0.08%	S&P España / Moody´s España	28/5/2007	3,500,000,000,00 €
	Serie A2	1,800,000,000,00	Euribor 3M + 0.17%			
	Serie A3	627,500,000,00	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%			
Serie F	45,500,000,00	Euribor 3M + 0.50%				
Total		3,073,203,280,00 €				
FINANCIACION BANESTO 1	Serie A	760,000,000,00 €	Euribor 3M + 0.16%	S&P España / Moody´s España	25/6/2007	800,000,000,00 €
	Serie B	24,000,000,00 €	Euribor 3M + 0.25%			
	Serie C	16,000,000,00 €	Euribor 3M + 0.38%			
Total		800,000,000,00 €				
FTA PITCH	Serie 1	1,200,000,000,00 €	5,1353%	S&P España / Moody´s España	17/7/2007	1,200,000,000,00 €
Total		1,200,000,000,00 €				
FTA SANTANDER CONSUMER SPAIN 07-2	Serie A	929,000,000,00	Euribor 3M + 0.25%	S&P España / Moody´s España	17/9/2007	1,000,000,000,00 €
	Serie B	27,000,000,00	Euribor 3M + 0.50%			
	Serie C	17,500,000,00	Euribor 3M + 1.00%			
	Serie D	26,500,000,00	Euribor 3M + 1.75%			
	Serie E	20,000,000,00	Euribor 3M + 3.50%			
Total		1,020,000,000,00 €				
FTA SANTANDER HIPOTECARIO 4	Serie A1	184,300,000,00	Euribor 3M + 0.13%	S&P España / Moody´s España	1/10/2007	1,230,000,000,00 €
	Serie A2	661,900,000,00	Euribor 3M + 0.26%			
	Serie A3	278,000,000,00	Euribor 3M + 0.34%			
	Serie B	20,900,000,00	Euribor 3M + 0.36%			
	Serie C	30,700,000,00	Euribor 3M + 0.52%			
	Serie D	27,100,000,00	Euribor 3M + 1.20%			
	Serie E	27,100,000,00	Euribor 3M + 3.50%			
Serie F	14,800,000,00	Euribor 3M + 0.50%				
Total		1,244,800,000,00 €				
EMPRESAS BANESTO 1	Serie A1	1,060,000,000,00	Euribor 3M + 0.09%	S&P España	5/10/2007	2,000,000,000,00 €
	Serie A2	800,000,000,00	Euribor 3M + 0.25%			
	Serie B	70,000,000,00	Euribor 3M + 0.35%			
	Serie C	35,000,000,00	Euribor 3M + 0.80%			
	Serie D	35,000,000,00	Euribor 3M + 1.50%			
Total		2,000,000,000,00 €				
FTA SANTANDER EMPRESAS 4	Serie A1	830,200,000,00	Euribor 3M + 0.12%	S&P España / Moody´s España	29/10/2007	3,540,000,000,00 €
	Serie A2	1,763,600,000,00	Euribor 3M + 0.25%			
	Serie A3	622,300,000,00	Euribor 3M + 0.34%			
	Serie B	90,200,000,00	Euribor 3M + 0.40%			
	Serie C	97,400,000,00	Euribor 3M + 0.60%			
	Serie D	79,700,000,00	Euribor 3M + 1.30%			
	Serie E	56,600,000,00	Euribor 3M + 3.50%			
	Serie F	46,000,000,00	Euribor 3M + 0.65%			
Total		3,586,000,000,00 €				
TOTAL		41,033,299,463,31 €				53,832,095,418,22 €
FTA						
TOTAL (FTH+FTA)		43,360,557,799,87 €				60,824,180,966,04 €

6.3 Share Capital

a) Par value subscribed and paid-in:

The Management Company's share capital is nine hundred one thousand, six hundred fifty (901,650) euros, represented by fifteen thousand (15,000) registered shares each having a par value of sixty euros and eleven cents (60.11), consecutively numbered from one (1) through fifteen thousand (15,000), both inclusive, all of which are fully subscribed and paid-in.

b) Classes of Shares:

All of the shares are of the same class and vest identical political and economic rights.

6.4 Corporate bodies.

The governance and administration of the Management Company are entrusted by the bylaws to the General Shareholders' Meeting and to the Board of Directors. Their competencies and authorities are those vested in said bodies in accordance with the provisions of the Spanish Corporations Law (*Ley de Sociedades Anónimas*), Law 19/1992 and Royal Decree 926/1998, in relation to the corporate purpose.

a) Directors

The Board of Directors is formed by the following persons:

Chairman: José Antonio Alvarez Alvarez

Directors: Ana Bolado Valle

Emilio Osuna Heredia

Santos González Sánchez

Ignacio Ortega Gavara

Marcelo Alejandro Castro

Eduardo García Arroyo

Francisco Pérez Mansilla

Fermín Colomé Graell and

José Antonio Soler Ramos

Secretary/Non-Director: María José Olmedilla González

b) General Management

The Manager's General Management Company is Mr. Ignacio Ortega Gavara.

6.5 The most relevant external activities of the persons mentioned in section 6.4 above if these are important to the Fund.

The most relevant external activities carried out by the persons mentioned in this section are described below:

Name	Post in the Bank	Company through the activity is provided	Post or functions which are held or carried out in the company mentioned
Emilio Osuna Heredia	Manager of Coordination SGC (Santander Global Connect)	AIAF, Mercado de Renta Fija	Director
Fermín Colomé Graell	Manager of Operation and Service BS	Open Bank Santander Consumer, S.A.	Director
		Geoban S.A.	Chairman
		Sercoban S.A.	Chairman
Ana Bolado Valle	Manager of Executive Resource Management BS	-----	-----
Santos González Sánchez	Manager of Mortgage Business BS	Hipotebansa , EFC	Director and General Manger
Francisco Pérez Mansilla	Manager of Companies and SME's BS	Santander Central Hispano Lease, SA, EFC	Director
		Santander Central Hispano Multileasing, S.A., EFC	
		Santander Central Hispano, Factoring y Confirming, S.A., EFC	
Eduardo García Arroyo	Manager of Transactions Technology Santander Consumer Financ	Ingeniería de Software bancario, S.L.	Director
Marcelo Alejandro Castro	Treasurer for Europe BS	MEFF, Mercados Españoles Futuros Financieros	Director
		Holding Mercados S.A.	Director
José Antonio Álvarez Álvarez	General Financial Manager BS	Santander Consumer Finance	Director
José Antonio Soler Ramos	Manager of Financial Management BS	Santander Comercial Paper SAU	Chairman
		Santander Perpetual SAU	Chairman
		Santander US Debt SAU	Chairman
		Santander Finance Preferred SAU	Director and Chairman
		Santander Issuances SAU	Director and Chairman
		Santander International Debt SAU	Director and Chairman
		Santander Finance Capital SAU	Director and Chairman

The persons mentioned in this section 6.5 are not holders, directly or indirectly, of any share, convertible bond or other securities which confer upon their title owner a right to acquire shares of the Management Company.

The business address for all persons mentioned in this section 6.5 is as follows:

Santander Titulización, S.G.F.T., S.A.

Ciudad Grupo Santander

Avenida de Cantabria s/n

28660 Boadilla del Monte (Madrid)

6.6 Lenders of the Management Company (more than ten per cent (10%).

The Management Company has not received any loan or credit facility from any person or entity. The long and short-term debts that appear in the balance sheet attached hereto, are tax debts owed to the Bank in view of the tax consolidation system between the Management Company and the Bank.

6.7 Significant litigation and disputes.

As at the verification date of this Prospectus, the Management Company is not subject to any insolvency-related situation and no significant litigation or disputes exist which may affect its economic-financial position or, in the future, its capacity to carry out the duties of management and administration of the Fund as contemplated in this Prospectus.

6.8 Financial information concerning the Management Company.

The annual accounts of the Management Company corresponding to the 2004, 2005 and 2006 fiscal years were audited by Deloitte, S.L. and deposited in the Mercantile Register of Madrid. The auditor's report corresponding to each one of these annual accounts contained no provisions.

The Management Company will carry out the accounting of the Fund according to the General Accounting Plan approved by Royal Decree 1643/1990, December 20.

The balance sheet and statement of income for fiscal years 2005 and 2006 and third quarter of 2007 are detailed below:

Balance sheet at December 31, 2005 and December 31, 2006 and third quarter of 2007
(000 euros)

ASSETS	2005	2006	3 rd Quarter 2007
FIXED ASSETS::			
Intangible assets	6	7	4
Material assets	107	165	92
Fixed Assets Total	113	172	96
ASSETS CURRENT:			
Obligors	178	209	294
Loans to employees	89	130	110
Other obligors	89	79	184
Temporary financial investments	-	-	-
Cash	10,307	11,623	17,133
Adjustments for periodization	821	967	1,047
Assets Current Total	11,306	12,590	18,180
ASSETS TOTAL	11,419	12,971	18,570

LIABILITIES	2005	2006	3 rd Quarter 2007
SHAREHOLDER'S FUNDS:			
Subscribed capital	902	902	902
Reserves	1,160	182	182
Trading results	3,298	3,768	3,685
Active interim dividend	-	-	3,768
Shareholder's Funds total	5,360	4,852	8,537
LONG-TERM CREDITORS			
Debts with Group companies	4,068	5,858	5,877
	4,068	5,858	5,877
SHORT-TERM CREDITORS			
Public finance (Hacienda Pública)	41	40	40
Other debts	14	27	12
Debts with Group Companies	1,782	2,035	3,999
Adjustments for periodization	154	158	104
Short term creditors Total	1,991	2,261	4,155
LIABILITIES TOTAL	11,419	12,971	18,570

Profit and Loss Accounts of the years 2005, 2006 ended December 31 and third quarter 2007 (000 euros).

DEBTOR	2005	2006	3rd Quarter 2007
EXPENSES:			
Personnel Costs			
Wages, salaries and similar	880	867	641
Social expenses	137	137	96
Other personnel expenses	21	27	18
	1,038	1,031	755
Allocation for fixed assets amortization	145	82	75
Other exploitation expenses			
External Services	84	119	36
Taxes	2	9	-
Other ordinary management expenses	147	149	94
	233	277	131
Exploitation profits	5,002	5,597	5,359
Financial and similar expenses	-	-	-
Positive trading profits	83	215	291
Ordinary activities profits	5,085	5,812	5,649
Extraordinary expenses	10	-	-
Positive extraordinary outcomes	-	-	-
Profits prior Taxes	5,080	5,803	5,649
Corporate Tax	1,782	2,035	1,964
Outcome of business year (profit)	3,298	3,768	3,685

CREDITOR	2005	2006	3rd Quarter 2007
REVENUES:			
Revenues Net amount			
Rendering of services	6,418	6,986	6,320
Other interests and similar revenue	83	215	291
Extraordinary revenue	5	-	-
Negative extraordinary results	5		

7. MAJOR SHAREHOLDERS OF THE MANAGEMENT COMPANY

- a) The title to the Management Company's shares is distributed between the companies listed below, indicating the stake in the Management Company's share capital owned by each one of them:

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

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

For the purpose of article 4 of the Spanish Securities Market Act, SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. forms part of the SANTANDER GROUP.

In order to ensure the absence of abuses of control on the part of the Bank on the Management Company, the Management Company approved Internal Rules of Conduct in application of the provisions of Chapter II of Royal Decree 629/1993, of May 3, on rules of conduct in the securities markets and obligatory records, which were reported to the CNMV.

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

- 8.1 **Declaration concerning the commencement of operations and the financial statements of the Issuer prior to the Registration Document Date.**

The Management Company declares that, as at the verification date of this Registration Document, the Fund has not yet been incorporated and, therefore, its operations have not begun and no financial statement in respect thereof has been prepared.

- 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 EUR 50,000.**

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 DECLARATIONS OF ANY INTEREST

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

No declaration or report of any person as an expert is included.

9.2 Information sourced from a third party.

No information from third parties is included.

10. DOCUMENTS ON DISPLAY

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

- (a) **The Corporate Bylaws and deed of incorporation of the Management Company.**
- (b) **This Prospectus.**
- (c) **The Deed of Constitution of the Fund.**
- (d) **The Subordinated Loan Agreement, Swap Agreement (“*Contrato de Intermambio de Cantidades*”), Guaranteed Rate Reinvestment Agreement and Lead Manager, Subscription and Paying Agency Agreement.**
- (e) **Auditors’ Report on the portfolio of Loans** granted by the Bank, from which the Assets which are the object of assignment to the Fund shall be taken, as prepared by the firm Deloitte, S.L.
- (f) **Certification of the resolution of the Bank’s Executive Committee** meeting of November 12, 2007, at which it was resolved to carry out the assignment of the Assets to the Fund, and **the certification of the resolution of the Management Company’s Board of Directors** meeting of November 6, 2007, at which the following matters, *inter alia*, were resolved: the constitution of the Fund, the acquisition by the Fund of the Assets assigned by the Bank, and the issue of the Bonds against the Fund;
- (g) **The letter disclosing the provisional ratings and the letter disclosing the definitive ratings** on the part of Fitch.
- (h) **The letters accepting the mandate from the Lead Managers.**
- (i) **The Annual Financial Statements and auditors’ report of the Management Company.**

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

In addition, a copy of all documents mentioned in the above sections except for those contained in section a) and i) may be inspected at the CNMV, at Paseo de la Castellana 19, Madrid.

Notwithstanding the above, the notarized copy of the documents mentioned in paragraph d), will be deposited in the CNMV after the Constitution Date.

A copy of the Prospectus will be available to the public on the CNMV’s webpage (www.cnmv.es), AIAF’s webpage (www.aiaf.es).

The Deed of Constitution will be available to the public in Iberclear.

SECURITIES NOTE

This Securities Note was prepared in accordance with Annex XIII of Regulation (EC) No. 809/2004 and was approved by the Comisión Nacional del Mercado de Valores (*Spanish Securities Market Commission*) on December 12, 2007.

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 SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A., having its registered offices at Ciudad Grupo Santander, Avda. de Cantabria s/n, 28660, Boadilla del Monte (Madrid), assumes responsibility for the information contained in this Securities Note and in the Additional Building Block.

MR. IGNACIO ORTEGA GAVARA, acts in the exercise of the powers conferred upon him by the Board of Directors of the Management Company during its meeting held on November 6, 2007.

SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. is the promoter of the securitization fund FONDO DE TITULIZACIÓN DE ACTIVOS, SANTANDER FINANCIACIÓN 2 and shall be responsible for the administration and legal representation thereof.

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

MR. IGNACIO ORTEGA GAVARA, having taken all reasonable care to ensure that such is the case, the information given in the Securities Note and in the Additional Building Block is, to the best of his knowledge, in accordance with the facts and does not omit anything likely to affect its contents.

2. RISK FACTORS

The risk factors specific to the Assets backing the issue and to the securities are those respectively described under sections II and III of the document included at the beginning of this Prospectus entitled “RISK FACTORS”.

3. KEY INFORMATION

3.1 Interest of natural and legal persons involved in the issue.

The natural and legal persons involved in the issue are:

- a) SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. intervenes as the Fund’s Management Company and as legal and financial adviser to the operation’s structure.
- b) BANCO SANTANDER, S.A. intervenes as the Assignor of the Assets, as Underwriter, as Lead Manager of the Bond issue, as Paying Agent and as counterpart of the Fund in the Subordinated Loan Agreement, the Swap Agreement (“*Contrato de Intermambio de Cantidades*”) and the Guaranteed Rate Reinvestment Agreement.
- c) CALYON, intervenes as Lead Manager of the Bond issue.
- d) Fitch intervenes as Rating Agency of the Bonds.
- e) Deloitte S.L. intervenes as auditor of the Management Company and the Bank. Furthermore, it has prepared an audit report on the portfolio of the Loans and it has been appointed as auditor of the Fund.

f) Jones Day intervenes as legal adviser with respect to the structure of the operation.

Said persons have no interest, including conflicting ones, that is material to the issue, except as specifically described in the Registration Document.

3.2 Purpose of the operation.

The Bond issue is fully intended for the acquisition of the Assets pooled in the Fund and for the provision of the Initial Reserve Fund in the case of Series F Bonds.

4. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED AND ADMITTED TO TRADING

4.1 Total amount of the securities

a) Total issue amount.

The total amount of the Bonds being issued is ONE BILLION FOUR HUNDRED SEVENTY-ONE MILLION, EIGHT HUNDRED THOUSAND EUROS (€1,471,800,000), which represents 100% of the par value of the Bonds, fully underwritten and represented by fourteen thousand, seven hundred eighteen (14,718) Bonds of a par value of ONE HUNDRED THOUSAND EUROS (€100,000) each, distributed in six (6) Series of Bonds (A, B, C, D, E and F), each having the following total par value:

Series A: a total par value of ONE BILLION TWO HUNDRED FIFTY FOUR, THREE HUNDRED THOUSAND EUROS (€1,254,300,000), represented by twelve thousand, five hundred forty three (12,543) Bonds, each having a par value of ONE HUNDRED THOUSAND EUROS (€100,000);

Series B: a total par value of FIFTY EIGHT MILLION EUROS (€58,000,000), represented by FIVE HUNDRED EIGHTY (580) Bonds, each having a par value of ONE HUNDRED THOUSAND EUROS (€100,000);

Series C: a total par value of FORTY FOUR MILLION, NINE HUNDRED THOUSAND EUROS (€44,900,000), represented by FOUR HUNDRED FORTY-NINE (449) Bonds, each having a par value of ONE HUNDRED THOUSAND EUROS (€100,000);

Series D: a total par value of TWENTY NINE MILLION EUROS (€29,000,000), represented by TWO HUNDRED NINETY (290) Bonds, each having a par value of ONE HUNDRED THOUSAND EUROS (€100,000);

Series E: a total par value of SIXTY THREE MILLION, EIGHT HUNDRED THOUSAND EUROS (€63,800,000), represented by SIX HUNDRED THIRTY EIGHT (638) Bonds, each having a par value of ONE HUNDRED THOUSAND EUROS (€100,000); and

Series F: a total par value of TWENTY-ONE MILLION, EIGHT HUNDRED THOUSAND EUROS (€21,800,000), represented by two hundred eighteen (218) Bonds, each having a par value of ONE HUNDRED THOUSAND EUROS (€100,000).

b) Subscription of the issue.

The commitment of the Bank, as Underwriter of 100% of the Bond issue, as will be stipulated in the Lead Manager, Subscription and Paying Agency Agreement, is detailed below:

Subscription Entity	Series A Bonds	Series B Bonds	Series C Bonds	Series D Bonds	Series E Bonds	Series F Bonds
Banco Santander, S.A.	1,254,300,000 €	58,000,000 €	44,900,000 €	29,000,000 €	63,800,000 €	21,800,000 €

The Bank will not receive any commission whatsoever.

The subscription and payment of the Bonds will be 100% of the price of the issue for each unit.

The sole cause for termination established in the Lead Manager, Subscription and Paying Agency Agreement is the failure to confirm the provisional ratings of the Bonds as being definitive prior to the Subscription Date.

The Bank and Calyon in its capacity as Lead Managers of the issue, act in that capacity according to the terms detailed in section 5.2 of the Registration Document, and will not charge any commission for its acts as Lead Managers.

4.2 Description of type and class of securities.

The Bonds will have the legal nature of fixed income negotiable securities with explicit return, and are subject to the scheme stipulated in the Law on the Stock Market and its implementation rules and are issued under Royal Decree 926/1998.

4.3 Legislation of the securities.

The Bonds are issued in accordance with the Spanish legislation applicable to the Fund and to the Bonds. The Bonds are specifically issued in accordance with (i) the Deed of Constitution, (ii) Royal Decree 926/1998 and regulations for its implementation, (iii) Royal Decree 1310/2005, (iv) Law 19/1992, for all not provided in Royal Decree 926/1998 and if applicable, (v) the Securities' Market Law, (vi) Order EHA/3537/2005, and (vii) the other legal and regulatory provisions applicable at each moment.

This Securities Note was drafted following the model stipulated in Regulation (EC) no. 809/2004.

4.4 Representation of the securities.

The Bonds will be represented by book entries in accordance with the stipulations of Royal Decree 926/1998, will be constituted as such by virtue of their corresponding accounts registry. The Deed of Constitution will give rise to the effects stipulated in article 6 of the Law on the Stock Market.

The Bondholders will be identified as such (in their own names or by third parties) as recorded in the accounting register kept by the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) (*Manager of the Securities Registration, Compensation and Settlement Systems*), whose address is in Madrid, at Plaza de la Lealtad, 1, which will be designated as the entity in charge of the accounting registry of the Bonds in the Deed of Constitution of the Fund so that the compensation and settlement of the Bonds will be made in accordance with the rulings

regarding securities admitted to trading in the AIAF Fixed Income Market, and represented by the book entries established or which might be approved in the future by Iberclear.

4.5 Currency of the issue.

The Bonds shall be denominated in EUROS.

4.6 Order of Priority of Payments.

The Management Company, on behalf of the Fund, shall proceed to apply at each Payment Date the amount of the Available Funds towards the relevant payments and withholding, as per the Order of Priority of Payments described under section 3.4.6.(b) of the Additional Building Block which, as regards the payment of interest and principal on the Bonds may be summarized as follows.

4.6.1 Payment of Interest:

- a. The payment of interest accrued on the Series A Bonds holds (i) third (3rd) place in the Order of Priority of Payments, described in section 3.4.6.(b) of the Additional Building Block and (ii) third (3rd) place in the Order of Priority of Liquidation Payments described in section 3.4.6.(d) of the Additional Building Block.
- b. The payment of interest accrued on the Series B Bonds holds (i) fourth (4th) place in the Order of Priority of Payments described in section 3.4.6.(b) of the Additional Building Block, unless the situation set forth in section 3.4.6.(c) of the Additional Building Block occurs, in which case the payment of interest accrued will hold ninth (9th) place in the Order of Priority of Payments described in section 3.4.6.(b) of the Additional Building Block, and (ii) fifth (5th) place in the Order of Priority of Liquidation Payments described in section 3.4.6.(d) of the Additional Building Block.
- c. The payment of interest accrued on the Series C Bonds holds (i) fifth (5th) place in the Order of Priority of Payments, unless the situation set forth in section 3.4.6.(c) of the Additional Building Block occurs, in which case the payment of interest accrued will hold tenth (10th) place in the Order of Priority of Payments described in section 3.4.6.(b) of the Additional Building Block, and (ii) seventh (7th) place in the Order of Priority of Liquidation Payments described in section 3.4.6.(d) of the Additional Building Block.
- d. The payment of interest accrued on the Series D Bonds holds (i) sixth (6th) place in the Order of Priority of Payments, unless the situation set forth in section 3.4.6.(c) of the Additional Building Block occurs, in which case the payment of interest accrued will hold eleventh (11th) place in the Order of Priority of Payments described in section 3.4.6.(b) of the Additional Building Block, and (ii) ninth (9th) place in the Order of Priority of Liquidation Payments described in section 3.4.6.(d) of the Additional Building Block.
- e. The payment of interest accrued on the Series E Bonds holds (i) seventh (7th) place in the Order of Priority of Payments, unless the situation set forth in section 3.4.6.(c) of the Additional Building Block occurs, in which case the payment of interest accrued will hold twelfth (12th) place in the Order of Priority of Payments described in section 3.4.6.(b) of the Additional Building Block, and (ii) eleventh (11th) place in the Order of Priority of Liquidation Payments described in section 3.4.6.(d) of the Additional Building Block.

- f. The interest accrued on the Series F Bonds will be classified in two parts: Ordinary Part and Extraordinary Part.

The payment of the Ordinary Part of the interest accrued on the Series F Bonds holds (i) fourteenth (14th) place in the Order of Priority of Payments described in section 3.4.6.(b) of the Additional Building Block and (ii) thirteenth (13th) place in the Order of Priority of Liquidation Payments described in section 3.4.6.(d) of the Additional Building Block.

On each Payment Date on which the Fund has sufficient Available Funds, the Management Company will pay the Series F Bondholders a variable amount in the way of extraordinary interest (the “**Extraordinary Part**”) equal to the excess liquidity of the Available Funds that exists existing once the concepts that hold a prominent position in the Order of Priority of Payments have been paid, or an amount equal to the excess liquidity of the Available Liquidation Funds that exists existing once the concepts that hold a prominent position in the Order of Priority of Liquidation Payments have been paid.

The payment of the Extraordinary Part of the Series F Bonds Lodz (i) the twentieth (20th) place in the Order of Priority of Payments described in section 3.4.6.(b) of the Additional Building Block and (ii) the twentieth (20th) in the Order of Priority of Liquidation Payments described in section 3.4.6.(d) of the Additional Building Block.

4.6.2 Payment of the principal of the Bonds.

The Withholding of the Accrued Redemption Amount that will be used for the redemption of the Series A, B, C, D and E Bonds holds eighth (8th) place in the Order of Priority of Payments contemplated under section 3.4.6.(b) of the Additional Building Block. Said redemption will be carried out according to the following subordination rules between the five (5) Series:

- a Available Redemption Funds on each Payment Date will be applied to the redemption of the principal of the Series A Bonds, until redeemed in full.
- b. Once the Series A Bonds have been redeemed, all of the Available Redemption Funds on each Payment Date will be applied to the redemption of the principal of the Series B Bonds, until redeemed in full.
- c. Once the Series B Bonds have been redeemed, all of the Available Redemption Funds on each Payment Date will be applied to the redemption of the principal of the Series C Bonds, until redeemed in full.
- d Once the Series C Bonds have been redeemed, all of the Available Redemption Funds on each Payment Date will be applied to the redemption of the principal of the Series D Bonds, until redeemed in full.
- e. Once the Series D Bonds have been redeemed, all of the Available Redemption Funds on each Payment Date will be applied to the redemption of the principal of the Series E Bonds, until redeemed in full.

The redemption of Series F Bonds holds the fifteenth (15th) place in the Order of Priority of Payment established in section 3.4.6.(b) of the Additional Building Block.

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

In accordance with current law in force, the Bonds detailed in this Securities Note shall not counter upon the investor that acquires them any present and/or future political right in respect of the Fund.

The economic and financial rights for the investor associated with the acquisition and holding of the Bonds, shall be those derived from the interest rate conditions, returns and form of redemption pursuant to which they are issued and which are reflected under sections 4.8 and 4.9, below.

The financial servicing of the Bonds shall be handled by the Bank, as Paying Agent, who on each one of the Payment Dates of the Bonds, shall proceed to make the interest payment and principal repayment on the Bonds in accordance with the instructions received from the Management Company.

Payments to be made by the Paying Agent shall be made through the relevant entities participating in Iberclear, in whose records the Bonds are registered, as per the procedures being followed at the said service.

Bondholders may not claim against the Management Company except in the event that it breaches its obligations described in this Prospectus or those provided by law. The Management Company is the only authorized representative of the Fund as regards third parties and in any legal proceedings, in accordance with applicable legislation.

Any question, discrepancy or dispute concerning the Fund or the Bonds which might arise during the period of operation or on its settlement, whether this involves the bondholders or the Management Company, will be submitted to the Spanish Courts, waiving any other jurisdiction which might correspond to the parties.

4.8 The Nominal Interest Rate and provisions relating to interest payable.

Subject to letter k) below regarding the Extraordinary Part of the interest of the Series F Bonds, the return on the Bonds shall be determined for each Series, through a variable interest rate, pursuant to the following provisions:

- a) All Bond Series shall accrue an annual variable nominal interest payable quarterly on each Payment Date provided that the Fund has sufficient Available Funds in the Cash Account, in accordance with the Order of Priority of Payments contemplated for each Series under section 3.4.6.(b) of the Additional Building Block or, as the case may be, according to the Order of Priority of Liquidation Payments under section 3.4.6.(d) of the Additional Building Block.

Any withholding, contributions and taxes established or to be established in the future on principal, interest or returns on the Bonds shall be for the exclusive account and expense of the Bondholders and their amount shall be deducted, as the case may be, by the Management Company, acting for and on behalf of the Fund, through the Paying Agent, in the manner legally established.

- b) The duration of the issue shall be divided into successive Interest Accrual Periods comprising the days actually transpired between each Payment Date, including in each Interest Accrual Period the initial Payment Date and

excluding the final Payment Date. The first Interest Accrual Period shall have a duration equivalent to the days actually elapsed between the Disbursement Date and the first Payment Date. The last Interest Accrual Period will terminate on the Legal Maturity Date of the Fund.

- c) The Nominal Interest Rate applicable to the Bonds for each Interest Accrual Period shall be determined by the Management Company, acting for and on behalf of the Fund, at the Rate Setting Time, which shall be the second Business Day as per the calendar of TARGET (*Trans-European Automated Real-time Gross Settlement Express Transfer System*) preceding each Payment Date, at 11:00 a.m. (Madrid time) on such day, and shall be applicable to the following Interest Accrual Period.

The Nominal Interest Rate on the Bonds for the first Interest Accrual Period shall be determined in the manner contemplated under section d) below, on the basis of the Reference Interest Rate existing at 11:00 a.m. (Madrid time) on the Constitution Date.

The nominal interest rates determined for all Bond Series for successive Interest Accrual Periods shall be notified to the Bondholders within the deadline and manner contemplated under section 4 b) of the Additional Building Block.

The Management Company will notify the CNMV, as additional information, the Nominal Interest Rate of the Bonds for the first Interest Accrual Period.

- d) The Nominal Interest Rate determined for each Interest Accrual Period shall be that which results from adding together: (i) the Reference Interest Rate of EURIBOR at three (3) months or, as the case may be, its substitute (as described under section e), below and (ii) the margins for each Series described below:

0.25% for Series A Bonds;

0.40% for Series B Bonds;

0.80% for Series C Bonds;

1.30% for Series D Bonds;

3.50% for Series E Bonds;

0.50% for the Ordinary Part Series F Bonds' interest;

all of which rounded up to the closest one thousandth of one per cent.

- e) The Reference Interest Rate shall be the following:
- (i) The EURIBOR rate (*Euro Interbank Offered Rate*) is the money market reference rate for deposits in euros at two (2) months maturity. The EURIBOR rate at three (3) months shall be that which results from the REUTERS screen, page "EURIBOR01" (or such other page as may come to replace it in this service) at the Rate Setting Time.

Exceptionally, the Reference Interest Rate for the first Interest Accrual Period will be that resulting from the lineal interpolation between the EURIBOR rate at two (2) months and the EURIBOR rate at three (3) months, established at 11:00 a.m (Madrid time) on the Constitution

Date, taking into account the number of days of the first Interest Accrual Period.

- (ii) In the absence of rates as provided in section (i) above, a substitute Interest Rate of Reference will be applied, which will be the interest rate resulting from taking the simple average of the interbank interest rate offered for deposits in euros (EURIBOR) over three months, as soon as possible following the Rate Setting Time, by the following entities:

- Banco Santander, S.A. London Branch
- Bank of America N.T.&S.A., London Branch
- J.P. Morgan Securities Ltd.

all of which rounded out to the nearest one-thousandth of one per cent.

Should it be impossible to apply the substitute Reference Interest Rate mentioned above, owing to the fact that one of the aforesaid entities has not provided quotations continuously, the interest rate resulting from the calculation of the simple average of the interest rates quoted by the remaining two (2) entities will apply.

Moreover, if one of the remaining two (2) institutions mentioned above should cease to furnish a declaration of quotations, the last Nominal Interest Rate applicable to the last Interest Accrual Period shall apply, and so on for successive Interest Accrual Periods, as long as the said situation persists.

If at least two (2) of the institutions mentioned above should once again provide quotations, the subsidiary substitute Reference Interest Rate will again apply, as provided above.

The Management Company shall keep lists of the content of the REUTERS screen or, as the case may be, the declarations of quotations of the institutions mentioned above, as documents evidencing the relevant rate.

At each of the Rate Setting Times, the Paying Agent shall notify the Management Company of the Reference Interest Rate which will serve as a basis for calculating the Nominal Interest Rate applicable to each Bond Series.

- f) The Nominal Interest Rate will accrue on the days that have effectively elapsed in each Interest Accrual Period for which it was been determined, which will be calculated on the basis of one year/ three hundred and sixty (360) days.
- g) The interest accrued on the Bonds belonging to all Series shall be payable quarterly, on each Payment Date, i.e. on February 20, May 20, August 20 and November 20 of each year, until redeemed in full, provided that the Fund has Available Funds in the Cash Account in accordance with the Order of Priority of Payments contemplated for each Series in section 3.4.6.(b) 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 payment shall be made on the immediately following Business Day, with interest pertaining to the Interest Accrual Period in progress accruing up to the above-mentioned first Business Day, non-inclusive.

- h) The first interest payment on the Bonds belonging to all Series shall take place on February 20, 2008, with interest accruing at the relevant Nominal Interest Rate from the Disbursement Date (inclusive) up to February 20, 2008 (non-inclusive).
- i) The calculation of the interest for each Series to be paid on each Payment Date for each Interest Accrual Period shall be performed in accordance with the following formula:

$$I = P * R / 100 * d / 360$$

Where:

I = Interest to be paid on a given Payment Date.

P = Balance of Principal Pending Payment on the Bonds of each Series on the Determination Date pertaining to the said Payment Date.

R = Annual Nominal Interest Rate expressed as a percentage.

d = Number of actual days which pertain to each Interest Accrual Period.

Both the interest resulting in favor of the Bondholders, calculated as provided above, as well as the amount of interest accrued and not paid, shall be notified to the Bondholders in the manner described under section 4 of the Additional Building Block at least one (1) calendar day in advance of each Payment Date.

- j) The payment of accrued interest shall take place on each Payment Date, provided that the Fund has Available Funds in the Cash Account, in accordance with the Order of Priority of Payments contemplated under section 3.4.6.(b) of the Additional Building Block or, as the case may be, on the Legal Maturity Date or when the Early Liquidation of the Fund occurs as provided in section 4.4.3 of the Registration Document, according to the Order of Priority of Liquidation Payments established in section 3.4.6(d) of the Additional Building Block.
- k) On each Payment Date on which the Fund has sufficient Available Funds, the Management Company will pay the Bondholders a floating amount as extraordinary interest (the “**Extraordinary Part**”) of an amount equal to the excess of liquidity existing once the concepts that hold a prominent position in the Order of Priority of Payments have been paid

4.8.1 Valid deadline in which interest may be claimed.

Interest on the Bonds shall be paid until the respective redemption thereof on each Payment Date and provided that the Fund has Available Funds for doing so in accordance with the Order of Priority of Payments stated in section 3.4.6.(b) of the Additional Building Block or, as the case may be, according to the Order of Priority of Liquidation Payments set forth in section 3.4.6.(d) of the Additional Building Block.

In the event that on a Payment Date the Fund cannot meet full or partial payment of the interest accrued on the Bonds of any of the Series, in accordance with the Order of Priority of Payments reflected under section 3.4.6.(b) of the Additional Building Block or, as the case may be, according to the Order of Priority of Liquidation Payments set forth in section 3.4.6.(d) of the Additional Building Block, the amounts which the Bondholders have failed to receive shall be accumulated on the next Payment Date to the interest of the Series itself which, as the case may be, is applicable to pay on that same Payment Date, and shall be paid in accordance with the aforesaid Order of Priority of Payments and applied by order of maturity in the event it is not possible for them to be paid in full due to insufficient Available Funds, without implying a capitalization of the debt.

The Fund, through its Management Company, may not defer the payment of interest on the Bonds beyond the Legal Maturity Date or, if such date is not a Business Day, the next Business Day.

4.8.2 Description of any episode of market distortion of underlying rate.

Not applicable.

4.8.3 Rules for adjustment of underlying rate.

Not applicable.

4.8.4 Calculation Agent.

Not applicable.

4.9 Redemption and maturity date.

4.9.1 Reimbursement price of the Bonds.

The Bonds will be redeemed at par, that is, the reimbursement price of each of the Bonds Series will be of one hundred thousand euros (100.000) per Bond, equal to their face value, free of expense and tax for the Bondholder, and payable progressively on each Payment Date, as established in the following sections.

Each and all of the Bonds of the same Series will be redeemed in an equal amount by means of the reduction of their face value.

4.9.2 Maturity of the Bonds.

The maturity of all Series of Bonds will occur on the Payment Date when the Bonds are redeemed in full or on the Legal Maturity Date of the Fund.

4.9.3 Date of redemption of the Bonds.

The Bonds shall be redeemed on each Payment Date that is, February 20, May 20, August 20 and November 20 of each year or the next Business Day, until redeemed in full, in accordance with the ordinary redemption rules established in section 4.9.5 below.

4.9.4 Distribution of the Available Redemption Funds.

The Available Redemption Funds on each Determination Date (that is the 5th Business Day prior to each Payment Date) will be the lesser of the following amounts:

- (i) the Accrued Redemption Amount of the Series A, B, C, D and E Bonds, that is for each Payment Date without making a distinction between the Series A, B,

C, D and E, the difference (if positive) between: (a) the sum of the Balance of Principal Pending Payment on the Series A, B, C, D and E Bonds on the Determination Date prior to each Payment Date, and (b) the sum of (i) the Outstanding Balance of the Performing Assets on such Determination Date.

- (ii) on the basis of the Available Funds existing on each Determination Date, the remainder of Available Funds (as defined under section 3.4.6.(a), of the Additional Building Block), after deducting the amounts applied to the concepts in points 1 through 7 of the Order of Priority of Payments contemplated under section 3.4.6.(b) of the Additional Building Block.

4.9.5 Ordinary rules of redemption.

- **Redemption of Series A Bonds:**

The redemption of the principal of Series A Bonds shall be made by partial redemption payments on each Payment Date, according to the Available Redemption Funds, until it has been redeemed in full.

The first redemption payment in respect of Series A Bonds shall be on February 20, 2008.

- **Redemption of Series B Bonds:**

Once the Series A Bonds have been redeemed, the redemption of principal of the Series B Bonds shall be made by partial redemption on each Payment Date, according to the Available Redemption Funds, until it has been redeemed in full.

- **Redemption of Series C Bonds:**

Once the Series A and B Bonds have been redeemed, the redemption of principal on the Series C Bonds shall be made by partial redemption at each Payment Date, according to the Available Redemption Funds, until it has been redeemed in full.

- **Redemption of Series D Bonds:**

Once the Series A, B and C Bonds have been redeemed, the redemption of principal on the Series D Bonds shall be made by partial redemption at each Payment Date, according to the Available Redemption Funds, until it has been redeemed in full.

- **Redemption of Series E Bonds:**

Once the Series A, B, C and D Bonds have been redeemed, the redemption of principal on the Series E Bonds shall be made by partial redemption on each Payment Date, according to the Available Redemption Funds until it has been redeemed in full.

- **Series F Bonds:**

The partial redemption of the Bonds of Series F shall be made on each Payment Date as from the Payment Date on which its redemption commenced until it has been redeemed in full, for an amount equal to Accrued Redemption Amount, equal to the positive difference between the Balance of the Principal Pending Payment of Series F on the Determination Date, preceding the corresponding Payment Date and the amount of the Reserve Fund required on the

corresponding Payment Date, as long as the conditions stipulated in section 3.4.2.2 of the Additional Building Block are complied with and providing that sufficient Available Funds exist after applying the Order of Priority of Payment established in section 3.4.6.(b) of the Additional Building Block.

Notwithstanding the foregoing, the Management Company is authorized to proceed with the Early Liquidation of the Fund and, consequently, with Early Redemption on a Payment Date of the entire Bond issue, on the terms established under section 4.4.3 of the Registration Document.

The Fund, via its Management Company, shall not be able to defer the redemption of the Bonds beyond the Legal Maturity Date, or, if this date is not a Business Day, the following Business Day.

4.9.6 Early Redemption of the Bonds issue.

Regardless of the Fund's obligation, via its Management Company, to definitively redeem the Bonds on the Legal Maturity Date or to redeem each of the Series prior to the Legal Maturity Date, the Management Company, after notifying the CNMV, will be entitled to proceed with the Early Liquidation of the Fund and therefore with the Early Redemption of all of the Bonds Series, in accordance with the cases of Early Liquidation and the requisites detailed in section 4.4.3 of the Registration Document, and subject to the Order of Priority of Liquidation Payments described in section 3.4.6.(b) of the Additional Building Block.

4.9.7 Legal Maturity Date.

The Legal Maturity Date and consequently, the definitive redemption of the Bonds, is August 20, 2035 or, if this date is not a Business Day, the following Business Day.

4.10 Indication of investor yield and calculation method

The principal characteristics of the Bonds reside in the fact that their periodical redemption and, consequently, their average life and term, depends fundamentally on the speed with which the Obligors decide to pay off their Loans.

In this regard, prepayments which the Obligors decide to make are subject to continuous changes and are estimated in this Prospectus by the use of various future CAPR's. Consequently, they will directly affect the speed of repayment of the Assets and, therefore, the average life and duration of the Bonds.

Furthermore, other variables exist, also subject to continuous changes, which affect the average life and duration of the Bonds. These variables and their hypothetical values assumed in all of the tables appearing in this section are:

- (i) Interest rate on portfolio of the Assets (8.11% average weighted interest rate on November 12, 2007);
- (ii) The approximate arrears in portfolio of Assets: 0.35 % of the Outstanding Balance of the Non-performing Assets with a recovery of 70%;
- (iii) Charge-offs in the portfolio of Assets of which 0.10% is considered uncollectible with a recovery of 0%;
- (iv) That the Disbursement Date of the Bonds is December 18, 2007;
- (v) That the CAPR holds constant throughout the life of the Bonds.

Finally, the duration of the Bonds will also depend on their variable interest rate, and in all of the tables that appear in this section constants are assumed for Series A at 5.121 %, at 5.271 for Series B, at 5.671% for Series C, at 6.171% for Series D, at 8.371% for Series E and for Series F, at 5.371% taking as reference the 4.871% (EURIBOR at 3 months on December 5, 2007) plus a margin of 0.25% for Series A, 0.40% for Series B, 0.80 % for Series C, 1.30 % for Series D, 3.50 % for Series E and 0.50% for Series F.

The above variables and hypothesis and the CAPRS's described below derive from the historical information provided by the Assignor and they are appropriate for this Loan portfolio.

Assuming that the Management Company, acting on behalf of the Fund, proceeds with the Early Liquidation of the Fund, as contemplated under section 4.4.3 of the Registration Document when the Outstanding Balance of the Assets is less than ten per cent (10%) of the initial balance of the Assets, the average life, duration, maturity as per different CAPR's will be as follows:

CAPR	12%	15%	18%
SERIES A			
ESTIMATED AVERAGE LIFE	1,68	1,63	1,54
ESTIMATED DURATION	1,52	1,47	1,39
ESTIMATED MATURITY	20.02.2012	20.11.2011	20.11.2011
IRR	5,220%	5,220%	5,220%
SERIES B			
ESTIMATED AVERAGE LIFE	4,23	4,19	4,02
ESTIMATED DURATION	3,62	3,59	3,46
ESTIMATED MATURITY	20.05.2012	20.05.2012	20.02.2012
IRR	5,376%	5,376%	5,376%
SERIES C			
ESTIMATED AVERAGE LIFE	4,62	4,42	4,18
ESTIMATED DURATION	3,87	3,73	3,54
ESTIMATED MATURITY	20.08.2012	20.05.2012	20.02.2012
IRR	5,793%	5,793%	5,793%
SERIES D			
ESTIMATED AVERAGE LIFE	4,68	4,42	4,18
ESTIMATED DURATION	3,85	3,67	3,49
ESTIMATED MATURITY	20.08.2012	20.05.2012	20.02.2012
IRR	6,315%	6,315%	6,315%
SERIES E			
ESTIMATED AVERAGE LIFE	4,68	4,42	4,18
ESTIMATED DURATION	3,61	3,44	3,28
ESTIMATED MATURITY	20.08.2012	20.05.2012	20.02.2012
IRR	8,637%	8,637%	8,637%
SERIES F			
ESTIMATED AVERAGE LIFE	3,49	3,40	3,24
ESTIMATED DURATION	3,02	2,94	2,82
ESTIMATED MATURITY	20.08.2012	20.05.2012	20.02.2012
IRR	5,480%	5,480%	5,480%

The chart of the financial service of each of the Series for a CAPR of 15%, is reflected below, this CAPR being nearest to the early redemption or prepayment rate observed by the Assignor in the Loans portfolio comprising the assets of the Fund. The Management Company expressly states that this charts are merely theoretical and for illustrative purposes and do not represent any obligation to pay.

T.A.C.P.=15%																		
INTERES			INTERES			INTERES			INTERES			INTERES			INTERES			
AMORTIZ.	BRUTO	TOTAL	AMORTIZ.	BRUTO	TOTAL	AMORTIZ.	BRUTO	TOTAL	AMORTIZ.	BRUTO	TOTAL	AMORTIZ.	BRUTO	TOTAL	AMORTIZ.	BRUTO	TOTAL	
SERIE A	SERIE A	SERIE A	SERIE B	SERIE B	SERIE B	SERIE C	SERIE C	SERIE C	SERIE D	SERIE D	SERIE D	SERIE E	SERIE E	SERIE E	SERIE F	SERIE F	SERIE F	
18-Dic-07																		
20-Feb-08	7,869,04	910,40	8,779,44	0,00	937,07	937,07	0,00	1,008,18	1,008,18	0,00	1,097,07	1,097,07	0,00	1,488,18	1,488,18	0,00	954,84	954,84
20-May-08	10,874,06	1,179,51	12,053,56	0,00	1,317,75	1,317,75	0,00	1,417,75	1,417,75	0,00	1,542,75	1,542,75	0,00	2,092,75	2,092,75	0,00	1,342,75	1,342,75
20-Agos-08	9,660,58	1,063,41	10,723,99	0,00	1,347,03	1,347,03	0,00	1,449,26	1,449,26	0,00	1,577,03	1,577,03	0,00	2,139,26	2,139,26	0,00	1,372,59	1,372,59
20-Nov-08	8,771,26	936,98	9,708,24	0,00	1,347,03	1,347,03	0,00	1,449,26	1,449,26	0,00	1,577,03	1,577,03	0,00	2,139,26	2,139,26	0,00	1,372,59	1,372,59
20-Feb-09	8,176,37	822,19	8,998,56	0,00	1,347,03	1,347,03	0,00	1,449,26	1,449,26	0,00	1,577,03	1,577,03	0,00	2,139,26	2,139,26	0,00	1,372,59	1,372,59
20-May-09	7,590,17	691,87	8,282,04	0,00	1,303,11	1,303,11	0,00	1,402,00	1,402,00	0,00	1,525,61	1,525,61	0,00	2,069,50	2,069,50	0,00	1,327,83	1,327,83
20-Agos-09	6,962,96	615,85	7,578,82	0,00	1,347,03	1,347,03	0,00	1,449,26	1,449,26	0,00	1,577,03	1,577,03	0,00	2,139,26	2,139,26	0,00	1,372,59	1,372,59
20-Nov-09	6,319,62	524,73	6,844,35	0,00	1,347,03	1,347,03	0,00	1,449,26	1,449,26	0,00	1,577,03	1,577,03	0,00	2,139,26	2,139,26	0,00	1,372,59	1,372,59
20-Feb-10	5,823,98	442,03	6,266,01	0,00	1,347,03	1,347,03	0,00	1,449,26	1,449,26	0,00	1,577,03	1,577,03	0,00	2,139,26	2,139,26	27,408,68	1,372,59	28,781,27
20-May-10	5,405,15	353,88	5,759,03	0,00	1,303,11	1,303,11	0,00	1,402,00	1,402,00	0,00	1,525,61	1,525,61	0,00	2,069,50	2,069,50	9,523,97	963,89	10,487,86
20-Agos-10	4,857,16	295,07	5,152,23	0,00	1,347,03	1,347,03	0,00	1,449,26	1,449,26	0,00	1,577,03	1,577,03	0,00	2,139,26	2,139,26	8,558,41	865,66	9,424,06
20-Nov-10	4,317,97	231,50	4,549,48	0,00	1,347,03	1,347,03	0,00	1,449,26	1,449,26	0,00	1,577,03	1,577,03	0,00	2,139,26	2,139,26	4,508,94	748,18	5,257,13
20-Feb-11	3,936,83	175,00	4,111,82	0,00	1,347,03	1,347,03	0,00	1,449,26	1,449,26	0,00	1,577,03	1,577,03	0,00	2,139,26	2,139,26	0,00	686,29	686,29
20-May-11	3,605,84	119,45	3,725,29	0,00	1,303,11	1,303,11	0,00	1,402,00	1,402,00	0,00	1,525,61	1,525,61	0,00	2,069,50	2,069,50	0,00	663,92	663,92
20-Agos-11	3,237,35	76,28	3,313,64	0,00	1,347,03	1,347,03	0,00	1,449,26	1,449,26	0,00	1,577,03	1,577,03	0,00	2,139,26	2,139,26	0,00	686,29	686,29
20-Nov-11	2,591,66	33,92	2,625,58	9,688,76	1,347,03	11,035,79	0,00	1,449,26	1,449,26	0,00	1,577,03	1,577,03	0,00	2,139,26	2,139,26	0,00	686,29	686,29
20-Feb-12	0,00	0,00	0,00	76,920,01	1,216,52	78,136,53	0,00	1,449,26	1,449,26	0,00	1,577,03	1,577,03	0,00	2,139,26	2,139,26	0,00	686,29	686,29
20-May-12	0,00	0,00	0,00	13,391,24	176,46	13,567,70	100,000,00	1,417,75	101,417,75	100,000,00	1,542,75	101,542,75	100,000,00	2,092,75	102,092,75	50,000,00	671,38	50,671,38
100,000,00	8,472,06	108,472,06	100,000,00	22,374,49	122,374,49	100,000,00	25,440,74	125,440,74	100,000,00	27,683,79	127,683,79	100,000,00	37,553,24	137,553,24	100,000,00	18,155,21	118,155,21	

4.11 Representation of the title owners of securities.

For the securitization Bonds, the establishment of a Bondholder Syndicate is not contemplated.

In the terms stipulated in article 12 of the Royal Decree 926/1998, it corresponds to the Management Company, in its capacity as manager of third party business, to represent and defend the interests of the title owner of the Bonds issued and charged to the Fund and of the rest of the ordinary creditors of the Fund. Consequently, the Management Company must subject its actions to the defense of these and comply with the provisions that are duly established to this effect.

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

The resolutions, approvals and authorizations by virtue of which this Bond issue is being carried out, are those enumerated below:

- a) Corporate resolutions:
 - a.1 Resolution of the Bank's Board of Directors dated November 12, 2007 delegating to the Bank's Executive Committee the powers and authorities of the Board of Directors dated on March 6, 1999 which allow the Executive Committee to resolve the assignment of the Assets.
 - a.2 Resolution of the Management Company's Board of Directors dated November 6, 2007.
- b) Registration of this Prospectus with the CNMV took place December 12, 2007.
- c) Execution of the Deed of Constitution which shall take place on December 14, 2007, a copy of which shall be sent to the CNMV and Iberclear prior to the Subscription Date.

4.13 Issue Date.

The issue date of the Bonds, which will be the Date of Constitution, shall be the December 14, 2007.

4.13.1 Collective of potential investors.

The placement of the issue is aimed at institutional investors for the purposes of article 39 of Royal Decree 1310/2005, or as defined in the local applicable law, that is to say, for descriptive purposes and not limited to, legal persons authorized or regulated to operate on financial markets, including, credit entities, investment services companies, insurance companies, collective investment institutions and their management companies, pension funds and their management companies, other authorized or regulated financial entities, etc.

Once the issue has been totally placed and the Bonds are admitted to negotiation in AIAF, the Bonds may be acquired freely through this market in accordance with their own contracting rules.

The subscription of the Bonds implies the acceptance of the terms of the Deed of Constitution and this Prospectus for each Bondholder.

4.13.2 Subscription Date

The Subscription Date of the Bonds by the Bank will be December 17, 2007.

4.13.3 Disbursement Date and Form

The Disbursement Date will be December 18, 2007.

The disbursement of the Bonds will be at the price of 100% of the issue of each unit that is to say, ONE HUNDRED THOUSAND EUROS (€100,000).

The Bank, in its capacity as Paying Agent, will pay the price of the issue to the Fund, before [14:00] hours (Madrid time) on the Disbursement Date, at the value on that same day, by depositing funds in the Cash Account of the Fund.

4.14 Restrictions on free transferability of the securities.

The Bonds may be freely transferred by any means admitted in Law and in accordance with the norms of the AIAF. The ownership of each Bond will be transferred by account entry. The registration of the transfer in favor of the acquirer in the accounts will have the same effect as the titles and, from this moment, the transfer will be considered valid vis-à-vis third parties. Thus, any third party that acquires the Bonds represented by account entries from the person who, according to the entries in the accounting register, appears as authorized to transfer them will not be subject to any action for repossession unless at the time of acquisition they acted in bad faith or gross negligence.

The creation of real limited rights or any other encumbrance over the Bonds must be registered in the corresponding account. The registration of the pledge shall be equal to the possession of title.

The creation of the encumbrance shall be valid vis-à-vis third parties from the moment it has been registered.

5. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

5.1 Indication of Market where the securities will be traded.

In compliance with the provisions of article 3 of Royal Decree 926/1998, once the Fund has been constituted and before payment has been made, the Management Company will request, in the name and on behalf of the Fund, the official listing of this Bond issue in the AIAF Market of Fixed Income, so that it is quoted within a period of not more than one (1) month after the Disbursement Date.

In addition, the Management Company will request the inclusion of the issue in Iberclear, in representation and on behalf of the Fund so that the compensation and settlement may be carried out under the operating norms that it has established or may be approved in the future by Iberclear with regard to the securities admitted to trading on AIAF and represented by account entries.

In the event such deadline is not met, the Management Company shall disclose the causes of the breach to the CNMV and the public by inclusion of a legal notice in a national newspaper, in the Daily Bulletin of Transactions of the AIAF Fixed Income Securities Market, 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 this non-compliance and the new date stipulated for admission of the issued securities to trading, notwithstanding any liabilities incurred as a consequence thereof.

The Management Company hereby states for the record that it is familiar with the requisites and conditions required for admission, maintenance and exclusion of the

Bonds on AIAF as per current law in force, as well as the requirements of its Governing Bodies and hereby accepts that it will abide by them.

It is not planned to contract with any entity that will undertake to facilitate the liquidity of the Bonds during the life of the issue.

5.2 **Paying Agent and Depository Institutions.**

a) **Paying Agent:**

The Management Company, acting for and on behalf of the Fund, appoints the Bank, which accepts, as paying Agent to carry out the financial servicing of the Bonds issue. The obligations assumed by the Bank, in its capacity as Paying Agent under the Lead Manager, Subscription and Paying Agency Agreement, are as follows:

- **Disbursement of issue**

The Paying Agent shall proceed to pay to the Fund prior to 14:00 (Madrid time) on the Disbursement Date, for value that same day, the sum of the issue, by placement into the Cash Account.

- **Notice of EURIBOR Reference Rate.**

At each one of the Rate Setting Times, the Paying Agent shall notify the Management Company of the Reference Interest Rate which shall serve as a basis for calculation of the Nominal Interest Rate applicable to each Bond Series.

- **Payments against the Fund.**

On each of the Payment Dates of the Bonds, the Paying Agent shall proceed to pay the interest and reimburse the principal in respect of the Bonds in accordance with the instructions received from the Management Company.

Payments to be made by the Paying Agent shall be carried out through the relevant institutions participating in Iberclear, in whose records the Bonds are registered, as per the procedures being implemented at said service.

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

- **Obligations in the event of a ratings downgrade**

In the event that the Bank's unsubordinated and unsecured short-term debt should undergo, at any time during the life of the Bond issue, a decline in its rating below F1 (as per the rating scale of Fitch), the Management Company will have a maximum deadline of thirty (30) Calendar Days as from that moment to adopt one of the options described below that may be necessary so as not to detract from the rating assigned by Fitch to the Bonds:

- (i) Obtain from an entity whose unsubordinated and unsecured short-term debt has a minimum rating of F1 (according to the rating scale of Fitch), similar warranties or commitments which secure the commitments assumed by the Paying Agent. The costs and expenses incurred for the execution of such similar warranties or commitments will be assumed by the substituted Paying Agent; or
- (ii) Revoke the appointment of the Bank as Paying Agent after having appointed as new Paying Agent an entity whose unsubordinated and unsecured short-term debt has a minimum rating of F1 (according to the rating scale of Fitch)

so that this entity assumes, in the more appropriate conditions, the functions of the Paying Agent. The cost and expenses incurred in the substitution process will be assumed by the substituted Paying Agent.

Under no circumstance will the Bank's appointment as Paying Agent be revoked if a new entity has not been appointed as Paying Agent.

In its capacity of Paying Agent, from the time at which the downgrade occurs, the Bank undertakes to make all reasonable commercial endeavors to ensure that the Management Company can adopt one of the foregoing options.

Should the Bank be replaced as Paying Agent, the Management Company will be entitled to establish a commission in favor of the replacement, providing that the latter is not part of the Consolidated Group of the Bank which will held the first (1st) position in the Order of Priority of Payment described in section 3.4.6.(b) of the Additional Building Block. The Bank will not receive any commission whatsoever as Paying Agent.

b) Depository Institutions.

Not applicable.

6. EXPENSES OF THE OFFER AND ADMISSION TO LISTING

The expenses contemplated are as follows:

a) Constitution Expenses (Expenses related to documentation and official charges):

	Euros
CNMV Official Charges (for the offer and admission to trading):	48,993,66 €
AIAF Official Charges:	52,500,00 €
Iberclear Official Charges:	3,480.00 €
Miscellaneous (Legal advice, rating agencies, notary, auditing):	278,800.29€
	<hr/>
Subtotal (0.026%):	383,773.95 €

b) Issue Expenses:

	Euros
Structuring fee of Management Company	90,000 €
	<hr/>
Subtotal (0.006%):	90,000 €
	<hr/>
GRAND TOTAL (0.033%):	473,773.95 €

The constitution and issue expenses stated herein shall be paid against the Subordinated Loan described under section 3.4.3.(a) of the Additional Building Block.

The expenses incurred as a result of the liquidation of the Fund shall be borne by the Fund.

7. ADDITIONAL INFORMATION

7.1 Persons and entities advising the issue.

- a) SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. intervenes as legal and financial adviser to the program structure.
- b) JONES DAY intervenes as legal adviser with respect to the structure of the operation.

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, S.L., whose name, address and registration dates are contemplated in section 2.1 of the Registration Document, has prepared an audit on the principal attributes of the Assets and which is reflected under section 2.2 of the Additional Building Block, and has performed the audit of the annual financial statements of the Management Company and of the Bank relating to the last three fiscal years and it has been appointed as auditor of the financial statements of the Fund.

7.4 Information provided by third parties.

The Manager confirms that the information provided by the Bank in its capacity as Assignor, in connection with the Bank and the Assets, has been faithfully reproduced and that, insofar as it is aware and may take decisions based on the information provided by the Bank, no fact has been omitted which would render the information inexact or deceitful, nor does this Prospectus omit facts or significant data that may prove to be relevant to the investor.

7.5 Ratings

On December 7, 2007, Fitch has assigned to the Bonds included in this Securities Note the following provisional ratings:

	Fitch
Series A	AAA
Series B	AA
Series C	A
Series D	BBB
Series E	BB
Series F	CCC

The rating scales for unsubordinated and unsecured long-term debt employed by the agencies are as follows

Rating assigned by	
Fitch	Meaning
AAA	Extremely strong capacity for interest payment and principal repayment.
AA	Very strong capacity for interest payment and principal repayment.
A	Strong capacity for interest payment and principal repayment. Factors giving security are considered adequate, but may be susceptible to impairment in the future.
BBB	Strong capacity for interest payment and principal repayment. Factors giving security are considered adequate, but may be susceptible to impairment in the future.
BB	Interest and principal payment protection may not be so large; payment capacity is considered adequate. Adverse business conditions may result in inadequate capacity to make interest and principal payments.
CCC	Assurance of interest or principal payments may be small. Highly vulnerable to adverse business conditions.

- Fitch appends (+) or (-) to categories from AA to CCC denoting relative status within each category.

An analysis of the ratings:

The ratings assigned to each Bond Series by Fitch measure the Fund's capacity for timely payment of interest and payment of Bond principal throughout the life of the transaction and, in any event, on or before the Legal Maturity Date, according to the terms stipulated for each Bond Series in the Prospectus and in the Deed of Constitution, which permit the deferment of the payment of the interest of the Series B, C, D, and E Bonds in certain circumstances detailed in this Prospectus. This means that the interest of these Bonds may not be received over a period of time if the conditions established for the deferment of the payment of interest are fulfilled, although such circumstance will not cause an event of default in the payment of the Bonds.

The ratings assigned by Fitch are based on the documents and information provided by the issuer and its experts and representatives and they are subject to the reception of the final documents. Fitch does not audit, verify or check the veracity or accuracy of the mentioned information. The ratings do not constitute an analysis of the adaptation to the market price, the suitability of the Bonds for an investor in particular or the tax exemption or the taxable nature of the payments carried out regarding the Bonds. The ratings may be revised, withdrawn, suspended or qualified as "Rating Watch" due to changes in the information or in the accuracy of the information or as a result of the reception of additional information, insufficient information or for any other reason considered sufficient by Fitch.

The ratings of Fitch take into account the structure of the Bond issue, its legal aspects and those of the Fund that issues them, the characteristics of the assets selected for their assignment to the Fund and the regularity and continuity of the flows of the operation.

The ratings of Fitch do not constitute an evaluation of the probability that the Obligors make prepayments of the capital or to what extent those prepayments differ from those established originally. The ratings do not imply in any way a qualification of the actuarial yield.

The ratings assigned, as well as revisions or suspension of these:

- (i) are drafted by Fitch on the basis of a substantial amount of information they receive, the precision of which they do not guarantee or state to be complete so that they cannot be considered responsible for these in any way;
- (ii) and they do not constitute and may not, in any way, be interpreted as an invitation, recommendation or encouragement to the investors to carry out any type of operation concerning the Bonds and, in particular, to acquire, conserve, encumber or sell these Bonds.

The final ratings assigned may be revised, suspended or withdrawn at any time by Fitch depending on any information they may receive. These situations, which do not constitute cases of Early Liquidation of the Fund, will be immediately notified to the Securities and Exchange Commission (CNMV) and to the bondholders, in compliance with section 4.b) of the Additional Building Block.

In order to carry out the rating and monitoring process, Fitch confides in the accuracy and completeness of the information they are provided with by the Management Company, the auditors, the legal advisers and other experts.

The above credit ratings are only an estimate and are not intended for potential investors to avoid the need to perform their own analysis of the securities to be acquired.

If, prior to the Subscription Date, Fitch does not confirm any of the provisional ratings assigned as being final, this circumstance shall be reported immediately to the CNMV and made public in the manner provided by section 4 of the Additional Building Block. This circumstance would lead to the termination of the constitution of the Fund, of the Bond issue, of any contracts except for the Subordinated Loan Agreement in connection to the constitution and Bond issue expenses.

ADDITIONAL BUILDING BLOCK TO SECURITIES NOTE

(Annex VIII of Regulation (EC) No. 809/2004 of the Commission)

1. THE SECURITIES

1.1 Amount of issue.

On the Constitution Date, the Fund will have sufficient Loans to comply with the requirements established in section 2.2.8 of this Additional Building Block, which will be assigned by the Bank on that date, and whose total amount of principal will be equal to or slightly higher than ONE BILLION, FOUR HUNDRED FIFTY MILLION EUROS (€1,450,000,000) and securities will be issued for a total value of ONE BILLION FOUR HUNDRED SEVENTY-ONE MILLION EIGHT HUNDRED THOUSAND EUROS (€1,471,800,000).

1.2 Confirmation that disclosure relating to an undertaking/obligor not involved in the issue has taken place.

Not applicable.

2. THE UNDERLYING ASSETS

2.1 Confirmation as to the Assets' capacity to produce funds to service payments on the securities.

According to the information provided by the Bank, the Management Company confirms that the flows of principal, interest and any other amounts generated by the Assets allow, as per their contractual characteristics, meeting payments due and payable on the Bonds.

Notwithstanding the foregoing, in order to cover possible payment breaches by the Obligors, a series of enhancement operations have been contemplated which mitigate the risk of default, with respect to both principal and interest on the Bonds, and which are described under sections 3.4.2, 3.4.3 and 3.4.4 of this Additional Building Block. In exceptional circumstances, said enhancement operations could be insufficient.

Not all of the Bonds have the same risk of default given the different credit ratings assigned to the different Bond Series and which are detailed under section 7.5 of the Securities Note.

When due to a change in current regulations in force or the occurrence of exceptional circumstances, there occurs, in the judgment of the Management Company, a substantial alteration in the Fund's financial equilibrium or it is permanently impaired, or when a default indicative of a serious and permanent imbalance in relation to any of the Bonds takes place or is foreseen to take place, the Management Company may proceed with the Early Liquidation of the Fund and the consequent Early Redemption of the Bond issue in the terms provided by section 4.4.3 of the Registration Document.

2.2 Assets backing up the issue.

2.2.1 The legal jurisdiction by which the pool of Assets is governed.

The Assets are governed by Spanish law.

In particular, the Assets are governed by Spanish legislation regulating banking procedure, and specifically, but not exclusively, by Act 7/1995, of 23 March, (the Consumer Credit Act) and Bank of Spain Circular 8/1990, of 7 September, on the transparency of transactions and client protection, and, insofar as applicable, Act 26/1984, of 28 July, (the Spanish General Consumer Protection Act), as amended by Act 44/2006, of 29 December, and Act 7/1998, of 13 April, on General Terms and Conditions of Trading.

In accordance with the provisions of article 11 of the aforementioned Act 7/1995, of 23 March, (the Consumer Credit Act), consumers may enforce against the Fund the same exceptions that would have been enforceable against the Assignor, including, where applicable, the right of setoff, pursuant to article 1,198 of the Civil Code.

2.2.2 General characteristics of the Obligors.

The Loans from which the Assets to be assigned to the Fund derive, are loans granted by the Retail Division of the Bank to individuals (clients and employees), domiciled in Spain for the financing of consumer spending, which is considered as being those transactions whose purpose is other than business investment, which are not guaranteed by a mortgage or by any in rem right.

Financing of consumer spending includes, without limitation, the acquisition of consumer goods in its broader sense, the acquisition of property, home improvements and the acquisition of new and used cars.

The Loans have been granted based on the network of the bank's offices or through any intermediaries or commercial establishments.

All Loans have been granted following the procedures established by the Bank and which are stipulated below in section 2.2.7 of the present Additional Building Block.

As far as the guarantee is concerned, the Loans are not secured by any mortgage or right in rem, since these are personal loans, for which the borrower or borrowers will be answerable for with their entire assets, present or future. Some of them are also secured by a bank guarantee put up by someone other than the borrower or borrowers.

The Bank may request guarantees from third parties (bank guarantees), in the following cases:

- When the effort rate (amount of the requested Loan and other financial encumbrances/total net income) is higher than 40% per cent and lower than 50%.
- When, having analyzed the professional stability of the Obligors, i.e. the way in which they do business, as well as their professional dynamics, it is considered to be insufficient according to the Bank's policy for granting loans.

Auditor's Report of the Assets

The preliminary Loan portfolio, on November 12, 2007, was the subject of a report drafted by Deloitte, S.L., and dealt with a series of qualitative and quantitative items (attributes) of a sample of this preliminary portfolio, specifically, as regards:

- Nature of the assigned obligor;
- Identification of assigned obligor;

- Transfer of the loans;
- Purpose of the loan;
- Initial amount of the loan;
- Loan formalization date;
- Maturity date of the loan;
- Formalization of the loan;
- Interest rate or benchmark index;
- Interest margin;
- Interest rate applied;
- Periodicity of payments;
- Outstanding Balance of the loan;
- Delays in payment;
- Personal guarantees;
- Risk policy;
- Standing order.

a) **Maximum, minimum and average principals of the Loans**

The following table shows a breakdown of the Loans by outstanding principal.

OUTSTANDING LOAN PRINCIPAL					
Intervals (Euros)	Outstanding Balances		Loans		
	(000 euros except the total amount)	%	N°	%	
0,01 - 5.999,99	315,994,64	19.49	123,180,00	60.21	
6.000,00 - 17.999,99	656,958,58	40.53	61,305,00	29.96	
18.000,00 - 29.999,99	332,232,08	20.50	14,645,00	7.15	
30.000,00 - 41.999,99	111,986,14	6.91	3,271,00	1.59	
42.000,00 - 53.999,99	44,491,71	2.74	941,00	0.45	
54.000,00 - 65.999,99	33,707,34	2.08	583,00	0.28	
66.000,00 - 77.999,99	7,041,02	0.43	99,00	0.04	
78.000,00 - 89.999,99	6,067,82	0.37	73,00	0.03	
90.000,00 - 101.999,99	6,943,61	0.42	72,00	0.03	
102.000,00 - 131.999,99	8,457,51	0.52	73,00	0.03	
132.000,00 - 161.999,99	10,037,69	0.61	68,00	0.03	
162.000,00 - 191.999,99	6,939,60	0.42	39,00	0.01	
192.000,00 - 221.999,99	9,372,01	0.57	46,00	0.02	
222.000,00 - 251.999,99	6,354,82	0.39	27,00	0.01	
252.000,00 - 281.999,99	4,029,92	0.24	15,00	0.00	
282.000,00 - 311.999,99	16,181,59	0.99	54,00	0.02	
312.000,00 - 341.999,99	2,297,96	0.14	7,00	0.00	
342.000,00 - 371.999,99	2,872,75	0.17	8,00	0.00	
372.000,00 - 401.999,99	1,554,48	0.09	4,00	0.00	
402.000,00 - 431.999,99	1,655,87	0.10	4,00	0.00	
432.000,00 - 461.999,99	1,360,69	0.08	3,00	0.00	
462.000,00 - 491.999,99	2,338,70	0.14	5,00	0.00	
492.000,00 - 521.999,99	8,493,72	0.52	7,00	0.00	
522.000,00 - 551.999,99	1,618,73	0.09	3,00	0.00	
552.000,00 - 581.999,99	2,250,35	0.13	4,00	0.00	
582.000,00 - 611.999,99	10,773,18	0.66	8,00	0.00	
612.000,00 - 641.999,99	615,00	0.03	1,00	0.00	
642.000,00 - 671.999,99	647,94	0.03	1,00	0.00	
672.000,00 - 701.999,99	1,400,00	0.08	2,00	0.00	
702.000,00 - 731.999,99	720,00	0.04	1,00	0.00	
762.000,00 - 791.999,99	789,92	0.04	1,00	0.00	
822.000,00 - 851.999,99	1,674,68	0.10	2,00	0.00	
852.000,00 - 881.999,99	1,733,00	0.10	2,00	0.00	
942.000,00 - 950.000,00	950,00	0.05	1,00	0.00	
TOTALS	1,620,543,201,57	100.00	204,575,00	100.00	

Max. outs. balance: 950,000,00 €
Min. outs. balance: 0.01 €
Aver. outs. balance: 7,921,51 €

b) **Distribution of the Loans according to the type of Obligor.**

Given the type of Obligor, the distribution of the Loans included in the preliminary Loan portfolio at November 12, 2007 was as follows:

TYPE OF OBLIGOR				
Type of Obligor	Outstanding Balances		Loans	
	(000) euros except total in euros	(%)	N°	(%)
Clients	1,562,233,68	96.40	201,364	98.43
Employees	58,309,52	3.60	3,211	1.57
TOTALS	1,620,543,201,57	100	204,575	100%

The following chart shows the concentration of the twenty principal Obligors in respect of the portfolio of Loans.

TWENTY MAYOR OBLIGORS				
Obligors	Initial Date	Maturity Date	Outstanding Balance (%)	
1	27-06-2010	950,000,00	0.0586%	
2	19-12-2015	873,000,00	0.0539%	
3	16-07-2010	860,000,00	0.0531%	
4	30-11-2011	850,000,00	0.0525%	
5	8-02-2015	824,687,50	0.0509%	
6	12-06-2017	789,923,13	0.0487%	
7	20-03-2009	720,000,00	0.0444%	
8	17-07-2012	700,000,00	0.0432%	
9	4-06-2012	700,000,00	0.0432%	
10	14-12-2016	647,947,45	0.0400%	
11	7-05-2008	615,000,00	0.0380%	
12	9-10-2016	606,410,20	0.0374%	
13	17-10-2012	600,000,00	0.0370%	
14	17-11-2011	600,000,00	0.0370%	
15	2-04-2010	600,000,00	0.0370%	
16	27-02-2010	600,000,00	0.0370%	
17	8-06-2010	600,000,00	0.0370%	
18	11-07-2010	600,000,00	0.0370%	
19	2-09-2012	600,000,00	0.0370%	
20	31-05-2010	500,000,00	0.0309%	
Remaining		1,606,325,963,39	99.1227%	
TOTALS		1,620,543,201,57	100,00	

c) Distribution according to the purpose of the Loan

TYPE OF LOAN				
Purpose	Outstanding Balances		Loans	
	(000) euros except total in euros	(%)	N°	(%)
Others	576,437,91	35.57	108,135,00	52.86
Acquisition of real estate properties	163,597,16	10.10	13,381,00	6.54
Acquisition of new cars	490,699,38	30.28	46,518,00	22.74
Acquisition of houses	58,511,28	3.61	1,710,00	0.84
Improvement of houses	192,923,77	11.90	16,614,00	8.12
Acquisition of used cars	138,373,70	8.54	18,217,00	8.90
TOTALS	1,620,543,201,57	100	204,575,00	100

d) Maximum, minimum and average of the initial amounts of the Loans

INITIAL LOAN AMOUNTS					
Interval (Euros)		Initial Amount of the transaction (000 euros)		Loans	
From	To	(000 euros, except the total amount)	(%)	Nº. of Loans	(%)
174	5,999,99	252,189,13	12.98	95,358	46.61
6,000	17,999,99	835,364,02	43	81,313	39.74
18,000	29,999,99	416,402,13	21.43	19,265	9.41
30,000	41,999,99	197,627,90	10.17	6,008	2.93
42,000	53,999,99	53,998,69	2.77	1,152	0.56
54,000	65,999,99	44,693,44	2.3	756	0.36
66,000	77,999,99	8,337,19	0.42	117	0.05
78,000	89,999,99	5,442,43	0.28	66	0.03
90,000	101,999,99	11,128,24	0.57	117	0.05
102,000	131,999,99	8,560,80	0.44	73	0.03
132,000	161,999,99	10,525,75	0.54	71	0.03
162,000	191,999,99	5,143,89	0.26	29	0.01
192,000	221,999,99	12,065,14	0.62	59	0.02
222,000	251,999,99	5,708,52	0.29	24	0.001
252,000	281,999,99	3,499,95	0.18	13	0
282,000	311,999,99	17,362,04	0.89	58	0.02
312,000	341,999,99	2,667,33	0.13	8	0
342,000	371,999,99	4,270,00	0.21	12	0
372,000	401,999,99	1,568,00	0.08	4	0
402,000	431,999,99	1,669,00	0.08	4	0
432,000	461,999,99	1,332,00	0.06	3	0
462,000	491,999,99	1,859,53	0.09	4	0
492,000	521,999,99	9,492,90	0.48	19	0
522,000	551,999,99	1,622,00	0.08	3	0
552,000	581,999,99	1,693,21	0.08	3	0
582,000	611,999,99	11,378,50	0.58	19	0
612,000	641,999,99	1,847,84	0.09	3	0
642,000	671,999,99	661,00	0.03	1	0
672,000	701,999,99	2,800,00	0.14	4	0
702,000	731,999,99	0,00	0	0	0
732,000	761,999,99	0,00	0	0	0
762,000	791,999,99	0,00	0	0	0
792,000	821,999,99	811,00	0,04	1	0
822,000	851,999,99	850,00	0,04	1	0
852,000	881,999,99	1,733,00	0,08	2	0
882,000	911,999,99	910,00	0,04	1	0
912,000	941,999,99	0,00	0	0	0
942,000	2,975,000,00	7,405,00	0,38	4	0
TOTALS		1,942,619,666,81	100	204,575	100
Maximum initial amount:		2,975,000,00 €			
Minimum initial amount:		174,00 €			
Average initial amount:		9,495,88 €			

e) **Effective interest rate or financial charge applicable at the present time: maximum, minimum and average rates on the Loans**

Nearly an eighty-three point thirty-two per cent (83.32%) of the Loan portfolio are Loans granted to clients with an average fixed interest rate of eight point sixty-six per cent (8.66%). An eleven point eighty-six per cent (11.86%) of such portfolio is comprised of Loans granted to clients with a variable interest rate referred to EURIBOR at 12 months and a one point twenty-two per cent (1.22%) are Loans referred to another type of variable interest rate..

A three point sixty per cent (3.60%) of the Loan portfolio is comprised of Loans granted to employees of the Bank, according to the Bank's policy for granting loans described in section 2.2.7. of this Additional Building Block, but with a more favorable interest rate, (EURIBOR at 12 months minus 0.35%).

The following table shows the breakdown of the Loans by reference indices.

LOAN REFERENCE INTEREST RATES				
	Outstanding Balances		Loans	
	(000 euros, except the total amount)	%	n°	%
Fixed rate of interest	1,350,291,76	83.32	192,827	94.26
Euribor 12 months	192.369,78	11.86	6,795	3.32
Others	77,881,66	4.82	4,953	2.42
Totals:	1,620,543,201,57	100.00	204,575	100.00

The following table shows the breakdown of the Loans in intervals of zero point five per cent (0.5%) of present nominal interest rate.

PRESENT INTEREST RATES ON LOANS						
Interval (%)		Outstanding Balances			Loans	
		(000 euros, except total amount)	(%)	Nº. of Loans	(%)	
From	To					
1,6	1,99	482,74	0.02	21	0.01	
2	2,49	6,300,29	0.38	1,539	0.75	
2,5	2,99	42,340,27	2.61	1,968	0.96	
3	3,49	381,37	0.02	19	0	
3,5	3,99	18,199,37	1.12	1,842	0.9	
4	4,49	9,476,07	0.58	2,084	1.01	
4,5	4,99	39,663,93	2.44	1,713	0.83	
5	5,49	70,357,52	4.34	1,305	0.63	
5,5	5,99	78,673,32	4.85	6,169	3.01	
6	6,49	58,180,26	3.59	6,163	3.01	
6,5	6,99	117,757,10	7.26	11,672	5.7	
7	7,49	103,983,50	6.41	9,881	4.83	
7,5	7,99	141,759,77	8.74	14,079	6.88	
8	8,49	141,853,74	8.75	16,403	8.01	
8,5	8,99	260,098,50	16.05	42,356	20.7	
9	9,49	155,615,77	9.6	15,404	7.52	
9,5	9,99	141,602,21	8.73	13,144	6.42	
10	19	233,817,39	14.42	58,813	28.74	
TOTALS		1,620,543,201,57	100.00	204,575	100.00	
Maximum interest rate:		19.00				
Minimum interest rate::		1.60				
Weighted interest rate:		8.11				

- f) **Loan formalization dates as well as earliest and latest final maturity dates.**

Formalization Date

LOAN FORMALIZATION DATE						
Interval		Outstanding Balances		Loans		
From	To	(000 euros, except total amount)	(%)	N°. of Loans	(%)	
9/1999	31/12/1999	8.50	0	2	0	
1/01/2000	30/06/2000	74.12	0	42	0.02	
1/07/2000	31/12/2000	79.95	0	39	0.01	
1/01/2001	30/06/2001	228.11	0.01	69	0.03	
1/07/2001	31/12/2001	223.78	0.01	28	0.01	
1/01/2002	30/06/2002	277.47	0.01	113	0.05	
1/07/2002	31/12/2002	327.55	0.02	139	0.06	
1/01/2003	30/06/2003	1,891.42	0.11	1,430	0.69	
1/07/2003	31/12/2003	4,634.82	0.28	1,740	0.85	
1/01/2004	30/06/2004	11,282.73	0.69	3,354	1.63	
1/07/2004	31/12/2004	15,614.45	0.96	3,692	1.8	
1/01/2005	30/06/2005	24,895.98	1.53	5,972	2.91	
1/07/2005	31/12/2005	34,990.57	2.15	7,475	3.65	
1/01/2006	30/06/2006	58,306.72	3.59	11,365	5.55	
1/07/2006	31/12/2006	332,042.59	20.48	39,614	19.36	
1/01/2007	30/06/2007	775,964.16	47.88	87,965	42.99	
1/07/2007	31/08/2007	359,700.21	22.19	41,536	20.3	
TOTALS		1,620,543,201,57	100.00	204,575	100.00	

Maximum formalization date: 31/08/2007

Minimum formalization date: 20/09/1999

Average formalization date: 8/01/2007

Final maturity date.

Amortization of the Loans takes place during the entire remaining life until paid-off in full, a period during which the Obligor must pay installments which include principal repayment and interest or finance charges.

The following table shows the breakdown of the Loans by final amortization date in annual intervals:

LOAN MATURITY DATES					
Interval		Outstanding Balances		Loans	
From	To	(000 euros, except the total amount)	(%)	Nº. of the Loans	(%)
1/01/2008	30/06/2008	28,950,83	1.78	21,230	10.37
1/07/2008	31/12/2008	28,663,37	1.76	15,246	7.45
1/01/2009	30/06/2009	39,321,68	2.42	13,338	6.51
1/07/2009	31/12/2009	50,449,57	3.11	13,493	6.59
1/01/2010	30/06/2010	88,163,42	5.44	14,960	7.31
1/07/2010	31/12/2010	76,275,10	4.7	13,830	6.76
1/01/2011	30/06/2011	86,062,10	5.31	13,350	6.52
1/07/2011	31/12/2011	172,084,19	10.61	21,280	10.4
1/01/2012	30/06/2012	324,607,00	20.03	33,669	16.45
1/07/2012	31/12/2012	213,505,58	13.17	21,034	10.28
1/01/2013	30/06/2013	67,654,88	4.17	4,400	2.15
1/07/2013	31/12/2013	43,625,91	2.69	2,586	1.26
1/01/2014	30/06/2014	46,884,13	2.89	2,102	1.02
1/07/2014	31/12/2014	62,473,21	3.85	2,878	1.4
1/01/2015	30/06/2015	92,010,43	5.67	4,265	2.08
1/07/2015	31/12/2015	42,235,61	2.6	1,894	0.92
1/01/2016	30/06/2016	2,504,95	0.15	75	0.03
1/07/2016	31/12/2016	36,370,31	2.24	1,202	0.58
1/01/2017	30/06/2017	75,754,28	4.67	2,594	1.26
1/07/2017	31/12/2017	29,181,71	1.8	997	0.48
1/01/2018	30/06/2018	173,51	0.01	1	0
1/07/2018	31/12/2018	468,30	0.02	3	0
1/01/2019	30/06/2019	346,97	0.02	6	0
1/07/2019	31/12/2019	307,81	0.01	3	0
1/01/2020	30/06/2020	0,00	0	0	0
1/07/2020	31/12/2020	0,00	0	0	0
1/01/2021	30/06/2021	701,96	0.04	6	0
1/07/2021	31/12/2021	905,62	0.05	9	0
1/01/2022	30/06/2022	2,194,69	0.13	3	0
1/07/2022	31/12/2022	502,06	0.03	4	0
1/01/2023	30/06/2023	40,24	0	1	0
1/07/2023	31/12/2023	0,00	0	0	0
1/01/2024	30/06/2024	0,00	0	0	0
1/07/2024	31/12/2024	0,00	0	0	0
1/01/2025	30/06/2025	99,22	0	1	0
1/07/2025	31/12/2025	45,29	0	1	0
1/01/2026	30/06/2026	47,68	0	1	0
1/07/2026	31/12/2026	1,387,34	0.08	2	0.01
1/01/2027	30/06/2027	3,638,81	0.22	7	0.01
1/07/2027	31/12/2027	465,49	0.02	7	0
1/01/2028	30/06/2028	0,00	0	0	0
1/07/2028	31/12/2028	0,00	0	0	0
1/01/2029	30/06/2029	0,00	0	0	0
1/07/2029	31/12/2029	0,00	0	0	0
1/01/2030	30/06/2030	150,36	0	4	0
1/07/2030	31/12/2030	39,03	0	1	0
1/01/2031	30/06/2031	672,80	0.04	13	0
1/07/2031	31/12/2031	599,03	0.03	10	0
1/01/2032	30/06/2032	865,14	0.05	17	0
1/07/2032	25/07/2032	113,34	0	2	0
TOTALS		1,620,543,201,57	100.00	204,575	100.00

Maximum maturity date: 25/07/2032

Minimum maturity date: 1/01/2008

Average maturity date: 18/10/2012

Anticipated average maturity date 4.94

g) Indication of Geographic Breakdown by Autonomous Communities.

The following chart shows, at November 12, 2007, the geographic breakdown of the Loans according to the Autonomous Communities in which the Obligors have their corporate domicile.

OUTSTANDING LOAN BALANCES BROKEN DOWN BY AUTONOMOUS COMMUNITIES

Autonomous Communities	Outstanding Balances		Loans	
	(000 euros, except the total amount)	(%)	Nº. of Loans	(%)
01 Andalusia	269,005,25	16.59	30,424	14.87
02 Aragon	56,510,16	3.48	5,341	2.61
03 Asturias	19,929,33	1.22	2,796	1.36
04 Balearic Islands	34,523,58	2.13	4,524	2.21
05 Canary Islands	119,566,29	7.37	16,369	8.00
06 Cantabria	20,076,71	1.23	2,678	1.30
07 Castilla-La Mancha	43,191,47	2.66	5,476	2.67
08 Castilla-Leon	86,220,12	5.32	10,654	5.20
09 Catalonia	222,806,95	13.74	29,131	14.23
10 Ceuta	1,106,81	0.06	156	0.07
11 Extremadura	20,672,25	1.27	2,37	1.15
12 Galicia	57,843,35	3.56	9,816	4.79
13 La Rioja	11,209,01	0.69	1,043	0.50
14 Madrid	390,451,98	24.09	49,821	24.35
15 Melilla	2,044,82	0.12	279	0.13
16 Murcia	44,256,40	2.73	5,786	2.82
17 Navarre	21,480,05	1.32	1,882	0.91
18 Basque Country	50,930,35	3.14	5,014	2.45
19 Valencia	148,718,21	9.17	21,015	10.27
TOTALS	1,620,543,201,57	100.00	204,575	100.00

h) Default on Loan portfolio assigned by the Bank.

With respect to the Loans to be assigned to the Fund, the Bank warrants that none of them will present outstanding payments on the Constitution Date of the Fund in excess of thirty (30) days.

ARREARS				
Intervalo (days)	Outstanding Balances		Loans	
	(000 euros, except total amount)	(%)	N° Loans	(%)
0	1,143,392,35	70.56	117,178	57,28
1-10	83,069,18	5.13	15,063	7,36
11-20	120,646,68	7.44	23,014	11,25
21-30	167,602,62	10.34	32,249	15,76
31-40	50,360,38	3.11	10,064	4,92
41-50	15,363,84	0.95	1,980	0,97
51-60	13,644,28	0.84	1,692	0,83
61-70	11,607,42	0.72	1,497	0,73
71-80	7,502,67	0.46	920	0,45
81-90	7,353,64	0.45	918	0,45
TOTALS:	1,620,543,201,57	100.00	204,575	100.00

i) Periodicity of payments.

PERIODICITY PAYMENTS				
Description	Outstanding Balances		Loans	
	Amount in euros	%	n°	%
Monthly	1,533,991,578,98	94.66	199,744	97.64
Quarterly	44,133,983,95	2.72	4,429	2.16
Bi-annually	14,801,203,92	0.91	216	0.11
Annually	27,616,434,72	1.70	186	0.09
TOTALS	1,620,543,201,57	100.00	204,575	100.00

j) Distribution by standard order.

STANDARD ORDER				
	Outstanding Balances		Loans	
	Amount in euros	%	n°	%
Standard order in the Bank	1,268,856,948,12	78.30	128,495	62.81
Standard order in other entities e	351,686,253,45	21.70	76,080	37.19
TOTALS	1,620,543,201,57	100.00	204,575	100.00

k) Grace Period

The following charts comprised the Loans that have an initial grace period as regard the repayment of the principal and the termination date thereof.

GRACE PERIOD				
Grace Period	Principal Pendiente		Préstamos	
	Amount in euros	%	Nº	%
Without grace period	1,581,161,005.45	97.57	202,015	98.75
With grace period	39,382,196.12	2.43	2,560	1.25
GENERAL TOTAL	1,620,543,201.57	100.00	204,575	100.00

CARENCIA				
Years	Principal Pendiente		Préstamos	
	Amount in euros	%	Número	%
2 BI-ANNUAL 2007	3,933,354.49	9.99	150	5.86
1 BI-ANNUAL 2008	17,595,785.32	44.68	1,926	75.24
2 BI-ANNUAL 2008	4,659,490.26	11.83	184	7.18
1 BI-ANNUAL 2009	7,084,862.31	17.99	161	6.29
2 BI-ANNUAL 2009	3,868,384.43	9.82	80	3.12
1 BI-ANNUAL 2010	1,627,981.81	4.13	18	0.70
2 BI-ANNUAL 2010	182,947.60	0.46	12	0.47
1 BI-ANNUAL 2011	25,386.00	0.06	3	0.12
2 BI-ANNUAL 2011	226,241.17	0.57	16	0.62
1 BI-ANNUAL 2012	45,119.05	0.11	2	0.08
2 BI-ANNUAL 2012	91,843.68	0.23	6	0.23
2 BI-ANNUAL 2013	10,800.00	0.03	1	0.04
1 BI-ANNUAL 2015	30.000	0.08	1	0.04
GENERAL TOTAL	39,382.196,12	100.00	2,560	100.00

2.2.3 Legal nature of the Assets.

The Assets object of securitization through their assignment to the Fund are credit rights deriving from Loans granted by the Bank.

The Loans are not secured by any mortgage or in rem right, since these are personal loans for which the borrower or borrowers will be answerable for with their entire assets, present or future. Some of them are also secured by a bank guarantee put up by someone other than the borrower or borrowers.

The requirements that the Assets must meet in order to be assigned to the Fund and the terms and conditions of the assignment of the same are described in section 3.3 of this Additional Building Block.

2.2.4 The expiration or maturity date(s) of the Assets.

All of the Loans from which the Assets derive have a maturity date equal or prior to July 25, 2032.

The Loans have an average maturity of 4.94 years.

2.2.5 Amount of the Assets.

The assets of the Fund will be comprised of the Loans which the Bank will assign to the Fund on the Date of Constitution, whose total principal will be equal to, or slightly

higher than ONE BILLION, FOUR HUNDRED FIFTY MILLION EUROS (€1,450,000,000).

The portfolio of the selected loans, from which the Loans to be assigned to the Fund on the Date of Constitution will be extracted, is comprised of 20,575 Loans, with an aggregate outstanding principal as of November 12, 2007, amounts to 1,620,543,201.57 euros. Loans that have default payments of more than thirty (30) days may not be assigned.

2.2.6 Loan to value ratio or level of collateralization.

There is no collateralization in the Fund, since the Outstanding Balance of the Assets derived of the Loans and that the Bank will assign to the Fund upon the Date of Constitution will be equal to or slightly higher than, ONE BILLION, FOUR HUNDRED FIFTY MILLION EUROS (€1,450,000,000), being the amount of the nominal value of the Series A, B, C, D and E Bonds.

2.2.7 Description of the procedures established by the Bank for the formalization of loans and credit facilities to individuals ("Internal Memorandum").

The procedures established by the Retail Division of the Bank for the risk analysis and execution of consumer loans to individuals (clients and employees) with personal guarantee, if that is the case, are described as follows:

1. Introduction.

The current procedure applies to transactions with individuals with proposals of typified products, the purpose of which is consumption. To this effect, consumption is considered to be those transactions whose objective is other than a business investment, and transactions with mortgage guarantee and/or any other in rem right.

2. Transaction application.

The application and documents of the transactions are collected by the offices and/or central specialized organism (DCF, UCCC), depending on the distribution channel, or the type of product, and as regulated in the internal rules.

They are responsible for the correct imputation of the data required for the processing of a transaction in the system, as well as the custody of the documents and the correct implementation of the transactions once authorized.

The Bank has adequate mechanisms for documentary review, at a territorial level as well as at a centralized level that secure the quality of the supporting documents of the transactions of risk. (Territorial Units of Operational Resources, Central Department of Execution and the Internal Audit Department).

The office or the central specialized organism (on behalf of an office) handles the transaction through the "Partenon" environment, selecting the option "Risks", and proceeds to register the proposal by selecting the section "Risk Proposal", and "Registration of Proposals".

This application is evaluated by the automatic decision-making system, which determines whether or not the transaction is authorized in first instance; or if the transaction requires a manual analysis by an analyst, in which case it is

determined that the transaction will be sent to the central or territorial Transaction Decision Unit (hereinafter “TDU”), depending on the distribution channel, and the type of product.

3. Treatment of applications by the automatic decision-making system.

The automatic decision-making system is the method used for the acceptance of customary policies of risk within the scope of standard risks, being comprised of the collective action of scoring, strategies and rules.

As a result, a transaction may be:

- Approved by the system.
- Rejected by the system:
 - Review by rule performance → The system recommends but the transaction obeys a restrictive rule. These are transactions of high/average scoring.
 - Rejected for its low scoring.
- Transactions that require a manual analysis as defined by the system:
 - Transactions in doubtful area of the system.
 - Transaction pertaining to portfolios in which a specific scoring model has not been developed.

In those cases of automatic rejections by the decision-making system, the system itself indicates a generic reason for the rejection of the transaction.

If an office wishes to go forward with a transaction not authorized by the System and provided that the policies so permit, the transaction can be sent to the TDU for its analysis and resolution, giving the reasons or arguments that justify the favourable recommendation of such transaction.

On occasions, an office has not been able to process a transaction since it surpasses the office’s faculties, owing to risk concentration in the Grupo Santander Central Hispano. The system also indicates that circumstance.

In any event, the TDU analysts analyse and decide on the application according to the data provided by the system, consistent with the evaluation made by the system, backed at the same time by external commercial reports, sectorial reports and any other information.

4. Receipt of the transaction by the TDU

The Director of the TDU, (or the Sub directors) via the “CAR NOTES” application, assign each day to the analysts the transactions submitted by the offices that have entered the Unit, according to the kind of transaction and the workload of the analysts.

5. Resolution of the transaction by the analyst.

Through the CAR NOTES application, the analyst learns of the transactions that have entered and which have been assigned to him other, as well as those which he or she still has to analyse and resolve.

The analysis of the transactions is carried out by the analyst on the strength of the electronic file of the transaction received via the application CAR NOTES, without relying on the physical documentation supporting the risk transaction which, as mentioned previously, remains in the office or in the central service that has submitted the risk transaction.

That electronic file gathers all the financial economic information of the client, as well as all information required to analyse the risk transaction, and which is briefly described below:

- Positions in the Group (current balances, means and volumes applied by clients)
- Risks declared in the Risk Information Centre of the Bank of Spain (“*Central de Información de Riesgos del Banco de España*”, RICBS).
- History of risk proposals, and the system of analysis of the client.
- Economic Data of the Group (if applicable).
- Negative Files.

In this section we again reiterate that the analyst analyses and decides on the application by means of data provided by the system, consistent with the evaluation he or she has made, relying, if considered necessary, on supplementary information such as commercial reports (INFORMA: D&B...) or other information compiled from internal or external sources that are considered necessary in order to take a decision.

Once the analysis has been carried out via the section “The Analyst’s Report”, the analyst records his or her evaluation of the transaction and proceeds to ratify the proposal, limited by the faculties delegated by the Territorial Risk Commission, up to certain amounts and terms, and depending on the kind of transaction.

Should additional information or documentation be required, the analyst contacts the office by telephone, e-mail or any other means (depending on the necessity) and asks for it. The analyst may choose to stop the request in the system in the event the office can clarify those aspects that cause doubts, or which require a more detailed explanation.

The possible options open to the analysts are: the approval, rejection or return of the transaction.

- Approve: The analyst authorizes the transaction.
- Reject.
 - The transaction does not comply with the risk criteria established for its authorization.
 - Rejected with possible reconsideration: The transaction could be authorized if it was put forward in a different manner, as indicated by the analyst.
- Return. It is returned when the presentation of the transaction is erroneous or the procedure is incorrect; or when explanations or clarifications of the presentation have been requested or of the

information incorporated in the system and the office has not provided them.

Once the transaction is resolved, the office may consult the Analyst's Report and, should the transaction be authorized, proceed to formalize the transaction and enter it into the accounts, as well as to apply the economic terms requested.

6. Formalization and payment of the loan.

Once the transaction has been authorized from the credit risk standpoint, the office must ask for prices (price proposal), since their authorization is an indispensable requirement in order to formalize the transaction.

The price proposal can be resolved by the office, or central specialized organism, provided that the terms established fall within the scope of the powers granted to them, otherwise it will have to be resolved by the Commercial Division (of an Area, Territory or General).

Once the risk proposals and price proposals have been authorized, the office will formalize the transaction, for which purpose it will coordinate the signature of the contract with the client and the notary, if applicable, after which it will pay the amount granted to the client in the account that is open in said office and close the file.

2.2.8 Representations and other warranties given to the Issuer in relation to the Assets.

The Bank, as title owner of the Loans from which the Assets assigned to the Fund derive represents and warrants to the Management Company, in the name and on behalf of the Fund on the Date of Constitution of the Fund, the following:

(a) In relation to the Bank:

- (1) That the Bank is a credit institution duly incorporated under current Spanish law, and is registered with the Mercantile Registry of Santander.
- (2) That the Bank's corporate bodies have validly adopted all necessary corporate resolutions for the assignment to the Fund of the Assets and in order to execute the Deed of Constitution thereof and the contracts.
- (3) That the Bank is empowered to grant all of the Loans which Assets are assigned by virtue of the Deed of Constitution.
- (4) That neither as at the date of the Prospectus, or at any time after constitution, has the Bank been subject to a situation of insolvency, creditors' proceedings, temporary receivership or bankruptcy.
- (5) That it has the annual financial statements relating to the last three fiscal years (2004, 2005 y 2006) duly audited and that they do not contain reservations. The audited annual financial statements pertaining to 2004, 2005 and 2006 fiscal years have already been filed with the CNMV and deposited before the Mercantile Registry.

(b) In relation to the Assets:

- (1) That the Assets at the assignment moment are valid and enforceable in accordance with applicable law, all current legal provisions having been observed in the establishment thereof.
- (2) That the data included in the Prospectus and in the Deed of Constitution in relation to the Assets accurately reflect their situation as at the portfolio selection and assignment dates, respectively.
- (3) That as from the time of their granting the Loans have been and are being serviced by the Bank in accordance with the customary procedures it has established.
- (4) That the Bank has faithfully followed the risk granting policy contained in the Internal memoranda described under section 2.2.7 of this Additional Building Block, in the granting of each and every one of the Loans.
- (5) That all the Obligors are individuals domiciled in Spain.
- (6) That the Assets derive from Loans granted by the Retail Division of the Bank to individuals (clients and employees) resident in Spain, for the financing of consumer use. Consumer use is considered to be those transactions whose purpose is other than business investment, and which are not guaranteed by a mortgage or any in rem right. The financing of consumer use includes, without limitation, the acquisition of consumer goods in its broadest sense, the acquisition of real estate, home improvements and the acquisition of new and used cars.
- (7) That the Assets are denominated and payable in euros.
- (8) That the Loans are not secured by a mortgage or any other right in rem, since these are personal loans, for which the borrower or borrowers will be answerable for with their entire assets, present or future. Some of them are also secured by a bank guarantee put up by someone other than the borrower or borrowers.
- (9) That the Assets will accrue interest at a fixed or a variable rate referenced to a market index, without in any case, a maximum or minimum limit being provided as to the applicable interest.
- (10) That all of the Assets have a maturity date on or before July 25, 2032.
- (11) That the Bank is the title owner, without any limitation, of all of the Assets, and the Bank has not received any notification of any claim or set-off prior to their assignment to the Fund.
- (12) That the payments of the Obligor deriving from the Loans are not subject to any tax deduction or withholding.
- (13) That there is nothing to prevent the Assets from being freely assigned to the Fund or should the consent of the Obligor be required, such consent has been obtained.
- (14) That it constitutes a valid payment obligation binding upon the Obligor and is enforceable in accordance with its own terms.
- (15) That the payment of the installments of principal and interest in respect of the Assets is made in the following manner: monthly, quarterly, bi-

annually or annually and there is no clause in force that allows for deferral in the payment of the interest or payment upon maturity.

- (16) That, as on Constitution Date, at least in respect of a seventy-five percent (75%) of the Outstanding Balance of the Assets, the payment of the installments of the principal and interest is made by means of an automatically generated standing order in the Bank authorized by the Obligor in the moment the transaction is formalized. The payment of the installments of principal and interest in respect of the remaining Outstanding Balance of the Assets until one hundred percent (100%) is reached is made by means of a standing order open in other credit entities other than the Bank.
- (17) That the Assets are governed by Spanish law.
- (18) That the Loans are duly documented and formalized under a public deed (“póliza”) authorized by a notary public, although some of the deeds (“pólizas”) have not been authorized by a Notary Public, These are, therefore, private documents between the parties, all of them conforming to the requirements of Law 7/95, March 23, governing Consumer Credit and all are deposited in the Bank’s files, at the disposal of the Management Company.
- (19) That the Loans have been fully disposed of and the initial redemption term is not less than one (1) year.
- (20) That no person holds any preferred right over the Fund with respect to the Assets.
- (21) That on the assignment date none of the Assets shall have payments pending for a period of more than thirty (30) days.
- (22) That it has no knowledge of any of the Obligors being the holder of any credit right vis-à-vis the Bank which grants it the right to set-off there against and which may adversely affect the Assets.
- (23) That, as on the Date of Constitution, it has not received any notice of pre-payment of the Loans, in whole or in part.
- (24) That, as on the Date of Constitution, less than five per cent (5%) of the Outstanding Principal Balance of the Assets will be composed by Assets derived from Loans granted to employees of the Bank.
- (25) That, as on the Date of Constitution, less than 2% of the Loans with standard order in the Bank, may not have been paid an installment and 100% of the loans with standard order in entities different from the Bank will have paid at least 1 installment.
- (26) That the moment the Obligors of the Loans who are employees of the Bank cease to be employed by the Bank, the interest rate payable by such will pass from the current interest rate (EURIBOR 1 year minus 0.35%) to a market interest rate similar to that of the other clients, depending on the moment in which their employment ceases and which will be renegotiated in each particular case.
- (27) That none of the Loans have been formalized as a financial or leasing agreement.

2.2.9 Substitution of the Assets.

In the case of early redemption of the Assets due to the early repayment of the principal of the corresponding Loans, these Loans will not be replaced.

In the event that any of the Assets is affected by a hidden defect owing to non compliance with the requirements that the Assets, on the date of their assignment to the Fund, must meet in order to be assigned to the Fund or the representations made to that effect by the Assignor to the Management Company reproduced in section 2.2.8 of this Additional Building Block, or has failed to acquire the characteristics notified by the Bank to the Management Company, the party that has become aware of such circumstance shall notify the other party of such circumstance in writing. Both parties, within the following ten (10) Business Days, shall proceed to rectify that hidden defect or, if that hidden defect cannot be rectified, to replace the Asset affected by another or others with an outstanding balance equal to or slightly higher than the outstanding balance of the replaced Asset and which will have to comply with the representations reproduced in section 2.2.8 above and have similar residual period, interest rate, value of principal pending repayment, so that the financial balance of the Fund and the rating of the Bonds are not affected by the replacement.

The replacement will be carried out by means of the simultaneous termination of the assignment of the Asset affected by the hidden defect and the assignment to the Fund of the Asset(s) to replace it.

The replacement of the Assets will take place through the execution of an agreement of assignment of new Loans and the execution of a certificate of remedy of the Deed of Constitution, a copy of them being deposited in the CNMV.

The Management Company will rescind the assignment of the Asset and it will be carried out by the Bank by means of the reimbursement in cash to the Fund of the principal pending payment, the accrued and unpaid interest and any other amount unpaid and which may correspond to the Fund in respect of the substituted Asset and which will be paid into the Cash Account. Furthermore, in the event that the Outstanding Balance of the substitute Asset is slightly lower than that of the substituted Asset, the Bank shall reimburse the difference to the Fund by means of its deposit in the Cash Account on the relevant date.

In particular, the modification by the Assignor, during the term of the Loans, of their conditions without complying with the limitations established in the special legislation applicable and the terms agreed by and between the Fund and the Assignor in the Deed of Constitution of the Fund and in this Prospectus, section 3.7.1 of the Additional Building Block will, exceptionally, imply a breach by the Assignor of its obligations for which the Fund will not be liable. In view of such infringement, the Fund, via the Management Company, may (i) demand compensation for damages and (ii) the replacement or reimbursement of the Assets affected, in accordance with the provisions of this section. This will not mean that the Assignor guarantees the successful conclusion of the transaction, rather the necessary reparation of the effects resulting from such breach, in accordance with article 1.124 of the Civil Code. The Management Company will immediately inform the CNMV of the substitutions or redemptions of the Assets made as a result of the infringement caused by the Assignor.

The costs of the action taken to rectify the infringement of the Assignor will be to the account of Assignor, and may not be charged to the Fund.

Should it not be possible to carry out the replacement mentioned or if it is not made within a period of ten (10) days, the Management Company will terminate the assignment of the affected Asset. In which case the Bank will repurchase it and will reimburse the Fund the Outstanding Balance thereof together with the interest accrued and unpaid, in addition to any other unpaid amounts with regard to such Asset, by means of their deposit in the Cash Account.

2.2.10 Relevant Insurance Policies relating to the Loans.

Not applicable

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

Not applicable.

2.2.12 Details of the relationship between the issuer, the guarantor and the Obligor if it is material to the issue.

Material relations do not exist for purpose of the Bond issue between the Fund, the Assignor, the Management Company and other parties involved in the program other than as reflected under sections 5.2 of the Registration Document and 3.2 of this Additional Building Block.

2.2.13 Where the Assets comprise fixed income securities, description of the principal conditions.

Not applicable.

2.2.14 Where the Assets comprise equity securities, description of the principal conditions.

Not applicable.

2.2.15 Where more than ten per cent (10%) of the Assets comprise equity securities not traded on a regulated or equivalent market, description of the principal conditions.

Not applicable.

2.2.16 Where are material portion of the Assets are secured on 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 Assets actively managed backing the issue.

Not applicable.

2.4 Where an issuer proposes to issue further securities backed by the same Assets, a prominent statement to that effect and description of how the title owners of that class will be informed.

Not applicable.

3. STRUCTURE AND CASH FLOW

3.1 Description of the structure of the transaction.

Through this securitization program, the Bank shall transfer the Assets to the Fund. The Fund will acquire the Assets and issue the Bonds. This transaction shall be formalized through the Deed of Constitution which shall be executed by the Management Company, for and on behalf of the Fund, and by the Bank.

Thus, through the Deed of Constitution of the Fund, the following shall take place the assignment to the Fund of the Assets deriving from the Loans and the issue of FOURTEEN THOUSAND SEVEN HUNDRED AND EIGHTEEN (14,718) Bonds distributed in sixth (6) Series of Bonds A, B, C, D, E and F.

A copy of the Deed of Constitution shall be submitted to Iberclear, the CNMV and AIAF for inclusion in its official registries prior Subscription Date.

On another subject, and in order to consolidate its financial structure and procure the greatest coverage possible for the risks inherent to the issue, the Management Company, acting on behalf of the Fund, shall proceed to formalize, *inter alia*, the contracts established below, with the power, in order to comply with the Fund's operating structure in the terms contemplated in the Deed of Constitution and regulations in force from time to time, to extend or modify such contracts, substitute each one of the providers of services to the Fund thereunder and, even, if necessary, enter into new contracts, subject to notice to the CNMV and, as the case may be, obtaining the pertinent authorization and to the Rating Agencies, provided that the rights of the Bondholders are not thereby hampered and, in particular, provided that a decline in their rating does not take place.

The Management Company shall formalize with the Bank, *inter alia*, the following contracts:

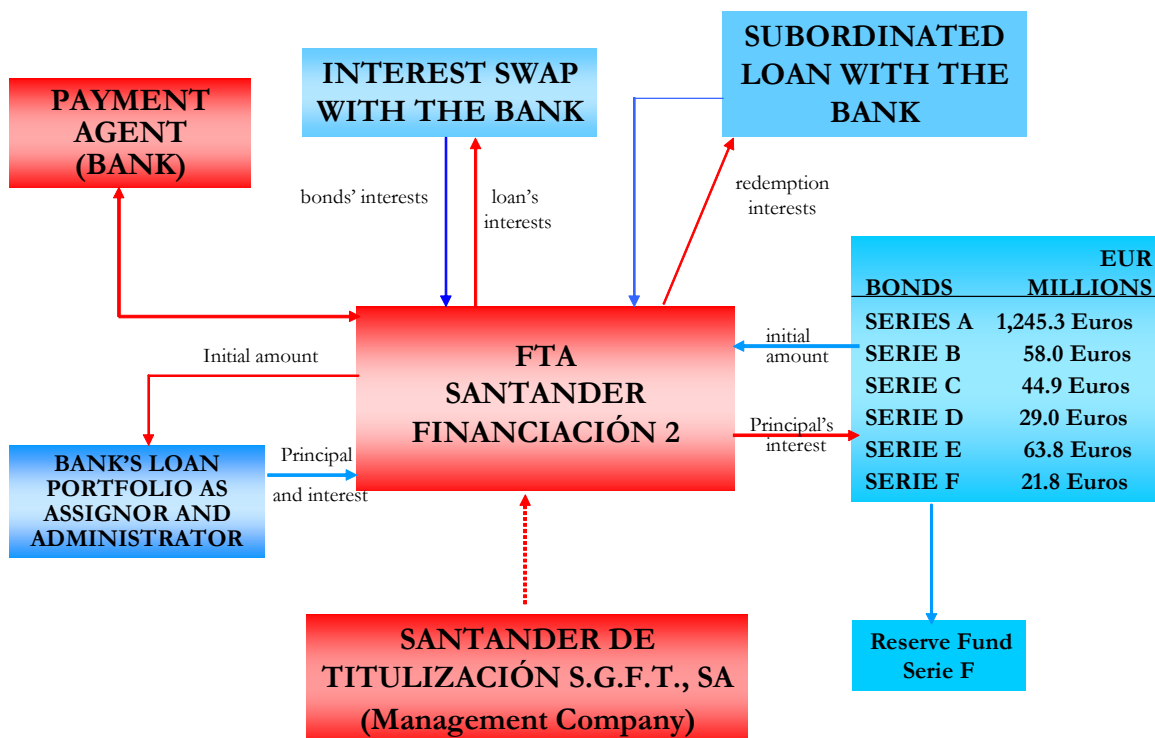
- (i) Subordinated Loan Agreement, to be applied to financing the Fund's constitution expenses and Bond issue and towards partially financing the acquisition of the Assets;
- (ii) Swap Agreement ("*Contrato de Intermambio de Cantidades*");
- (iii) Guaranteed Rate Reinvestment Agreement, by virtue of which the Bank shall guarantee a variable yield on the amounts deposited by the Fund through the Management Company into the Cash Account.

Furthermore, the Reserve Fund will be allocated a charge to the Funds obtained from the subscription and paying up of the F Series Bonds, as explained in section 3.4.2.2 of the Additional Building Block.

In addition, the Management Company, acting for and on behalf of the Fund, shall enter into the Lead Manager, Subscription and Paying Agency Agreement with the Underwriter.

The description of the contracts included under this section and under sections 4.1.b), and 5.2 of the Securities Note, and 3.4.3.a), 3.4.4 and 3.4.7 of this Additional Building Block, accurately reflects the most relevant information contained in those contracts. No data or information which may turn out to be material to the investor has been omitted.

The following includes a diagram explaining the transaction:



Initial Balance Sheet of the Fund

The Fund's Balance Sheet as at the close of the Disbursement Date shall be as follows:

ASSETS		LIABILITIES	
Assets	1,450,001,226.05 €	BOND ISSUE	1,471,800,000.00 €
Constitution and issue	473,773.95 €	Series A Bonds	1,254,300,000.00 €
Expenses		Series B Bonds	58,000,000.00 €
		Series C Bonds	44,900,000.00 €
		Series D Bonds	29,000,000.00 €
		Series E Bonds	63,800,000.00 €
		Series F Bonds	21,800,000.00 €
Cash Account/Reserve Fund	28,800,000.00 €	Subordinated Loan	475,000.00 €
TOTAL:	1,472,275,000.00 €	TOTAL:	1,472,275,000.00 €

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

The entities that intervene in the issue and their activities are reflected under section 5.2 of the Registration Document and 3.1 of the Securities Note.

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

On the Constitution Date, the Bank will assign to the Fund the Assets whose principal will be equal to, or slightly higher than one billion, four hundred fifty million euros (€1,450,000,000).

3.3.1. Assignment of the Assets.

The assignment of the Assets, carried out by the Bank at the time of the Fund's constitution, will be instrumented through the Deed of Constitution which will contain the requirements to carry out such assignment.

Said assignment shall be full and unconditional and shall be carried out through the total maturity of the Assets which are subject to assignment upon execution of the Public Deed.

3.3.2. Sale price or assignment of the Assets.

The sale or assignment price of the Assets will be at par, that is to say, for the unpaid Outstanding Balance of the Assets in the Fund on the Date of Constitution of the Fund.

The Assignor will not receive interest for the deferral of the payment of the sale price from the Constitution Date until the Disbursement Date

In the event that the constitution of the Fund is terminated and, consequently, the assignment of the Assets (i) the obligation of the Fund to pay the price for the acquisition of the Assets will be extinguished, and (ii) the Management Company will be obliged to reimburse the Bank as regards any rights which might have accrued to the Fund due to the assignment of the Assets.

3.3.3 Description of the rights which, in favor of their holder, are conferred by the Assets on the Loans backing them.

The Fund, as owner of the Assets, shall hold the rights recognized to the assignee in article 1528 of the Spanish Civil Code.

Specifically, the Assets confer the following rights:

- a) All of the amounts accrued on the amortization of capital or principal of the Assets;
- b) All of the amounts accruing for ordinary interest on the Assets;
- c) All of the amounts accruing for default interest on the Assets;
- d) All possible rights or indemnities which may result in favor of the Bank, including but not limited to, those deriving from insurance agreement, if these exist, and additional guarantees, if any.

The assignment of the Assets will be made for the entire Outstanding Balance of the Assets, that is to say, the amounts of the principal due and not paid to the Fund together with the amounts of principal of the Assets that have not yet become due, and those that have reached maturity but have not been collected. Likewise, the assignment of Assets will comprise all the interest (ordinary and delay interest) due from the Date of Constitution of the Fund.

Fees deriving from the assigned Assets are not subject to assignment to the Fund.

All of the rights mentioned above shall accrue in favor of the Fund as from the Constitution Date.

The rights of the Fund resulting from the Assets are tied to the payments made by the Obligors against the Loans and, therefore, are directly affected by the evolution, lateness, advance payment or any other incident in relation thereto.

3.4 An explanation of the flow of funds

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

The amounts received by the Fund deriving from the Assets, shall be deposited by the Administrator into the Cash Account immediately or, in any event, before the twenty-four (24) hours following the day on which they were received by the Administrator. Therefore, the Fund shall practically be receiving daily revenues into the Cash Account.

The average weighted interest rate on the selected loans as at November 12, 2007, as detailed under section 2.2.2.e), above, is eight point eleven per cent (8.11%), being less than five point twenty-nine (5.29%) which is the average weighted interest rate of the Bonds, hypothetically assumed in section 4.10 of the Securities Note. Notwithstanding the foregoing, the Swap ("*Contrato de Intermambio de Cantidades*") mitigates the interest rate risk suffered by the Fund for the fact of having fixed and variable interest Loans with different reference indices and different adjustment periods, and settlement at the interest rates on the Bonds referenced to three-month EURIBOR, and with quarterly settlement and accrual periods, as well as the risk deriving from possible re-negotiations of the interest rates on the Loans which may even result in the novation thereof at a fixed interest rate.

3.4.2 Information on any credit enhancements.

3.4.2.1 Credit enhancements

In order to consolidate the financial structure of the Fund, to increase the security or the regularity of the payment of the Bonds, to cover temporary mismatches of the schedule of flows of principal and interest of the Loans and the Bonds, or, in general, transform the financial characteristics of the Loans, and complement the administration of the Fund, the Management Company, in representation of the Fund, will formalize the agreements and operations which are described below in the act authorizing the Deed of Constitution, in accordance with applicable legislation.

The operations for the improvement of credit which are incorporated into the structure of the Fund are as follows:

a) *Reserve Fund.*

This mitigates the risk of credit due to default or non-payment of the Loans. The Reserve is explained in 3.4.2.2. below.

b) *Interest Exchange (Swap) ("Contrato de Intermambio de Cantidades").*

This mitigates the risk of the interest rate that takes place due to the existence of different interest rates for the Assets and the Bonds.

c) *Guaranteed Interest Rate Reinvestment Agreement*

The Cash Account is remunerated at rates agreed to in such a way that a minimum return of the balances in the Cash Account is guaranteed.

d) *Subordination and deferral of payment of principal and interests among the various Bond Series.*

The redemption of all the Series shall be repaid in a sequential manner thus the redemption of one of the Series shall not begin until the redemption in full of the prior one, except the redemption of Series F which shall be done according to section 4.9 of the Value Note.

3.4.2.2 Reserve Fund

The Management Company, in representation and on behalf of the Fund, will endow a Reserve Fund charged to the funds obtained from the subscription and payment of the Series F Bonds, with the following characteristics:

(i) Required Level of the Reserve Fund:

The Reserve Fund will have an initial amount equal to TWENTY-ONE MILLION EIGHT HUNDRED THOUSAND EUROS (€21,800,000) euros, equivalent to one point five per cent (1.5%) of the initial amount of the Series A, B, C, D, and E of the Bonds.

The Required Level of the Reserve Fund at each moment is detailed below:

- (i) The Reserve Fund may not decrease until it reaches three per cent (3%) of the Principal Pending Payment of the Series A, B, C, D and E Bonds.
- (ii) Once the Reserve Fund has reached the level mentioned above, it will remain in that percentage of the Principal Pending Payment of the Series A, B, C, D and E Bonds until it reaches the minimum amount of TEN MILLION NINE HUNDRED THOUSAND EUROS (€10,900,000) equal to zero point seventy-five per cent (0.75%) of the initial balance of Series A, B, C, D and E.

Notwithstanding, the Required Level of the Reserve Fund may not be reduced during the first two (2) years following the constitution of the Fund. Additionally, the Required Level of the Reserve Fund may not be reduced if any of the following circumstances should occur:

- That the Reserve Fund did not reach the Required Level on the previous Payment Date;
- That on the Determination Date prior to the Payment Date, the amount of the Outstanding Balance of the Defaulting Assets was higher than one per cent (1%) of the Outstanding Balance of the Assets not considered Defaulting Assets;
- That the accumulated balance of the Defaulting Assets was higher than one per cent (1%) of the initial balance of the Assets.

(ii) Use:

The Reserve Fund shall be applied, on each Payment Date, towards performance of the payment obligations contained in the Order of Priority of Payments contained under section 3.4.6.(b), below and in the Order of Priority of Liquidation Payments contained in under section 3.4.6.(d) below.

(iii) Return:

The amount of this Reserve Fund will be paid into the Cash Account on the Disbursement Date, and will be the subject of the Guaranteed Interest Rate Reinvestment Agreement of the Cash Account to be made with the Bank according to the terms described in section 3.4.4 of the Additional Building Block.

3.4.3 Details of any subordinated debt finance.

a) Subordinated Loan Agreement.

The Management Company, acting for and on behalf of the Fund, shall enter into the Subordinated Loan Agreement with the Bank, of a commercial nature for a total amount of FOUR HUNDRED SEVENTY-FIVE THOUSAND EUROS (€475,000), which shall be applied to financing the Fund's constitution and the expenses of the Bond's issue, and) to partially financing the acquisition of the Initial Assets.

The amount of the Subordinated Loan shall be disbursed into the Cash Account on the Disbursement Date.

The Subordinated Loan shall accrue an annual nominal interest rate, determined quarterly for each Interest Accrual Period, which shall be that which results from adding together: (i) the Reference Interest Rate determined for the Bonds, and (ii) a margin of zero point sixty-five per cent (0.65%). The interest shall be paid only if the Fund has sufficient Available Funds in accordance with the Order of Priority of Payments contemplated under section 3.4.6.(b) of this Additional Building Block or in the Order of Priority of Liquidation Payments contemplated under section 3.4.6.(d) of this Additional Building Block. The interest accrued, which shall be paid on a specified Payment Date, shall be calculated by taking as a basis: (i) the actual days existing in each Interest Accrual Period, and (ii) a year comprised of three hundred and sixty (360) days.

Interest accrued and not paid on a Payment Date shall accumulate, accruing interest at the same rate as the nominal interest on the Subordinated Loan, and shall be paid, provided that the Fund has sufficient Available Funds and in accordance with the Order of Priority of Payments contemplated under section 3.4.6.(b) of this Additional Building Block, on the Payment Date immediately thereafter or, on the date when the Order of Priority of Liquidation Payments contemplated under section 3.4.6.(d) of the Additional Building Block is applied.

The Subordinated Loan shall be repaid lineal and quarterly during the first three (3) years after the constitution of the Fund and the Bond issue, except the excess funds assigned to finance the cost of the issue, which will be repaid on the first Payment Date, and provided always that the Fund has sufficient Available Funds and in accordance with the Order of Priority of Payments contemplated under section 3.4.6.(b) of this Additional Building Block.

This loan, due its subordinated nature, shall be postponed in ranking with respect to several of the other creditors of the Fund in the terms provided by section 3.4.6.(b) of this Additional Building Block, including, but not only, the Bondholders.

If, prior to the Subscription Date, Fitch does not confirm as definitive any of the provisional ratings assigned, this circumstance will lead to the termination of the Subordinated Loan Agreement, except as regards the initial expenses for constitution of the Fund and the Bond issue.

b) Rules of subordination among the Bonds.

(i) Payment of interest:

The payment of interest accrued on the Series A Bonds holds (i) third (3rd) place in the Order of Priority of Payments described in section 3.4.6.(b) of this Additional Building Block and (ii) third (3rd) place in the Order of Priority of Liquidation Payments described in section 3.4.6.(d) of this Additional Building Block.

The payment of interest accrued on the Series B Bonds holds (i) fourth (4th) place in the Order of Priority of Payments described in section 3.4.6.(b) of this Additional Building Block, unless the situation described in section 3.4.6.(c) of this Additional Building Block occurs, in which case the payment of interest accrued will hold ninth (9th) place in the Order of Priority of Payments described in section 3.4.6.(b) of this Additional Building Block and (ii) fifth (5th) place in the Order of Priority of Liquidation Payments described in section 3.4.6.(d) of this Additional Building Block..

The payment of interest accruing on the Series C Bonds holds (i) fifth (5th) place in the Order of Priority of Payments described in section 3.4.6.(b) of this Additional Building Block unless the situation described in section 3.4.6.(c) of this Additional Building Block occurs, in which case the payment of interest accrued will hold tenth (10th) place in the Order of Priority of Payments and (ii) seventh (7th) place in the Order of Priority of Liquidation Payments described in section 3.4.6.(d) of this Additional Building Block.

The payment of interest accrued on the Series D Bonds holds (i) sixth (6th) place in the Order of Priority of Payments described in section 3.4.6.(b) of this Additional Building Block, unless the situation described in section 3.4.6.(c) of this Additional Building Block occurs, in which case the payment of interest accrued will hold eleventh (11th) place in the Order of Priority of Payments described in section 3.4.6.(b) of this Additional Building Block, and (ii) ninth (9th) place in the Order of Priority of Liquidation Payments described in section 3.4.6.(d) of this Additional Building Block.

The payment of interest accrued on the Series E Bonds holds (i) seventh (7th) place in the Order of Priority of Payments described in section 3.4.6.(b) of this Additional Building Block unless the situation described in section 3.4.6.(c) of this Additional Building Block occurs, in which case the payment of interest accrued will hold twelfth (12th) place in the Order of Priority of Payments described in section 3.4.6.(b) of this Additional Building Block, and (ii) eleventh (11th) place in the Order of Priority of Liquidation Payments described in section 3.4.6.(d) of this Additional Building Block.

The payment of the Ordinary Part of the interest accrued on the Series F Bonds holds (i) fourteenth (14th) place in the Order of Priority of Payments described in section 3.4.6.(b) of this Additional Building Block and (ii) thirteenth (13th) place in the Order of Priority of Liquidation Payments described in section 3.4.6.(d) of this Additional Building Block. The payment of the Extraordinary Part of the interest accrued by the Series F Bonds holds (i) the twentieth (20th) place in the Order of Priority of Payments described in section 3.4.6.(b) of this Additional Building Block and (ii) twentieth (20th) place in the Order of Priority of Liquidation Payments described in section 3.4.6.(d) of this Additional Building Block.

(ii) Redemption of principal:

The withholding of the Accrued Redemption Amount of Series A, B, C, D and E Bonds holds eighth (8th) place in the Order of Priority of Payments contemplated under section 3.4.6.(b) of this Additional Building Block.

The Available Redemption Funds on each Payment Date will be assigned initially to the redemption of the Series A Bonds until they have been redeemed in full. The Series B Bonds are postponed in respect of the payment of the principal of Series A Bonds, the Series C Bonds in respect of the Series A and B Bonds, Series D Bonds in respect of Series A, B and C Bonds and Series E Bonds in respect of Series A, B, C and D Bonds.

The withholding of the Accrued Redemption Amount of the Series F Bonds holds the fifteenth (15th) place in the Order of Priority of Payments contemplated under section 3.4.6.(b) of this Additional Building Block.

The redemption of principal of Series F Bonds will be partially made in an amount equal to the positive difference existing between the Principal Pending Payment of Series F Bonds on the Determination Date preceding to the relevant Payment Date and the Required Level of the Reserve Fund on such Payment Date, always provided that the conditions set forth in section 3.4.2.2 of the Additional Building Block are met.

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.

The Management Company, acting for and on behalf of the Fund, and the Bank, shall enter into the Guaranteed Rate Reinvestment Agreement by virtue of which the Bank shall guarantee a yield on the amounts deposited by the Fund, through its Management Company, into the Cash Account. Specifically, the Guaranteed Rate Reinvestment Agreement shall determine that the amounts received by the Fund, for:

- (i) principal and interest on the Assets;
- (ii) any other amounts that the Fund receives other than the payment of principal, ordinary interest or delay interest of the Assets;
- (iii) amounts which constitute the Reserve Fund from time to time;
- (iv) the amounts which, as the case may be, are paid to the Fund and derive from the Swap (“*Contrato de Intermambio de Cantidades*”),
- (v) the amounts of the income obtained as a result of the balance of the Cash Account.
- (vi) The amounts disposed of the credit line that the Management Company is entitled to arrange in order to proceed with the Early Liquidation of the Fund

shall be deposited into the Cash Account.

All the collections and payments during the entire term of the Fund will be centralized in the Cash Account.

On the Disbursement Date, the Cash Account will receive the effective amount of the payment of the subscription to the issue of Bonds, net of commissions, and the initial amount of the Subordinated Loan Agreement, and will pay the price of acquisition of

the Assets assigned by the Bank at the initial amount and the expenses of constituting the Fund.

The Bank guarantees to the Fund, through its Management Company, a variable annual yield each quarter, paid monthly and daily calculation of interest for the amounts deposited into the Cash Account, equal to Reference Interest Rate of the Bonds, EURIBOR at three (3) months, taken on Rate Setting Time for the Interest Accrual Period immediately preceding each Payment Date. Exceptionally, for the first Interest Accrual Period, the applicable interest rate will be the reference interest rate of the Bonds corresponding to such period.

The calculation of the yield obtained on the investments made shall be carried out by taking the actual days and by using as a base a year composed of three hundred sixty-five (365) days. Interest shall be settled monthly, the 11th day of each month or, if any of these dates is not a Business Day, the immediately following Business Days.

The Bank will not carry out any withholding upon the payment of interest of the Cash Account as established in article 59, section k of the Royal Decree 1777/2004. Should the Bank carry out withholdings unduly, the Bank undertakes to immediately deposit in the Fund the same amounts that would have corresponded to the Fund had such withholdings not been made.

Merely by way of illustration, the lineal interpolation between the EURIBOR rate at two (2) months and the EURIBOR rate at three (3) months established at 11:00 a.m (Madrid time) on the Constitution Date, settled on 11th of December of 2007 and January and February 2008 will be taken for the first Interest Accrual Period (which is the period comprised between the Disbursement Date (included) and February 20, 2008 (excluded)). The EURIBOR interest rate at three (3) months on the relevant Rate Setting Time, that is February 15, 2008, settled on 11th of March, April and May of 2008 will be taken for the second Interest Accrual Period (which is the period comprised between February 20, 2008 (included) and May 20, 2008 (excluded)).

In order to obtain the maximum return for the balance of the Cash Account, the Management Company may invest the balances in fixed income assets in euros in the short-term issued by entities which have been rated at least F1 (according to the rating scale of Fitch), as long as the period of the investment made is less than thirty (30) days and the return obtained net of fees and expenses is equal to that generated by these items in the Cash Account, up to a maximum of twenty per cent (20%) of the balance of the Principal Pending Payment of the Bonds, or F1 for longer periods, of the short-term debt which is not subordinated and is not guaranteed, according to the rating scales of Fitch. In any case, the maturity of these Assets must be previous to the following Payment Date. Should the assets that are the object of the temporary investment be “repos” (a transaction consisting of the sale of an asset with the undertaking to repurchase it for an agreed price on a certain date, formalized under one sole contract), the counter party to the “repo” transaction will have to have obtained a minimum rating of F1+ (according to the rating scale of Fitch) for short-term risk.

In the event that the Bank’s or the provider of the Cash Account’s unsubordinated and unsecured short-term debt should undergo, at any time during the life of the Bond issue, a decline in its rating below F1 (as per the rating scale of Fitch), the Management Company shall have a maximum deadline of thirty (30) Calendar Days from when such situation takes place, to choose from the following options:

- (i) to transfer, acting for and on behalf of the Fund, the Fund's Cash Account to a bank whose unsubordinated and unsecured short-term debt possesses a minimum rating of F1 (as per the rating scale of Fitch), and the Management Company shall contract the highest yield possible for the balance thereof, which may be different from the one contracted with the Bank. It shall be possible to transfer it back to the Bank at a later time, when its unsubordinated and unsecured short-term debt once again achieves the rating F1 (according to the aforesaid rating scale), or
- (ii) to obtain a first demand warranty with an entity whose unsubordinated and unsecured short-term debt possesses a minimum rating of F1 (as per the rating scale of Fitch), always subject to prior notification to Fitch. Such warranty will secure the prompt payment by the Bank of its obligation to reimburse the amounts deposited in the Principal Account, during the period in which the loss in ratings F1 continues.

Options (i) and (ii) above are included in the criteria established by Fitch for the evaluation of the quality of the depositary reflected in the report "Commingling Risk in Structured Finance Transactions: Servicer and Account Bank Criteria, of 9 June 2004" which may be updated, modified and replaced, and is available in www.fitchratings.com.

Should such options not be feasible, the balances may be invested in short-term fixed income assets in euros, issued by entities whose short-term debt has a rating of at least F1 (as per the rating scale of Fitch) for periods of less than sixty (60) Business Days (always maturing prior to the following Payment Date of the Bonds). It will be permitted to invest for periods of more than sixty (60) Business Days or less as determined by the Payment Date of the Bonds provided a clause is included whereby it is established that such investment must be cancelled within a maximum period of sixty (60) Business Days. Any replacement, guarantee or investment will not have a negative effect on Fitch's rating of the Bonds. All costs deriving from performance of any action described above will be to the account of the ineligible counterparty.

Through the Guaranteed Rate Reinvestment Agreement, the risk of temporary shortfall between the Fund's income from principal and interest having a varied frequency and the redemption and payment of interest on the Bonds, having a quarterly frequency, is partially mitigated.

3.4.5 How payments are collected in respect of the Assets.

The Bank, as collection Management Company, shall receive on account of the Fund such sums of money as are paid by the Obligors as deriving from the Assets, both for principal or interest, as well as any other concept and the insurance contracts assigned to the Fund, and shall proceed to deposit into the Cash Account the amounts which pertain to the Fund, immediately and, in any case, within a period not exceeding twenty- four (24) hours.

Powers and authorities of the title owner of the Assets in case of breach by the Obligor of its obligations.

The Bank, as Administrator of the Assets, shall apply the same diligence and procedure for making a claim for amounts due and not paid on the Assets as in the remaining loans in its portfolio.

The Bank carries out the following procedure to claim the loans in its portfolio:

- The moment the loans have quotas pending payment over thirty (30) days, the loan passes to a collections division where the Bank tries to recover the amount due during a period of approximately one hundred and twenty (120) or one hundred and thirty (130) days (if the amount of the loan is high, such period could be lower).
- As from that moment, after the follow-up of the Loans, court proceedings are initiated and the Bank may proceed against the assets of the obligor or the guarantor, should there be one, being entitled to embargo payrolls and pensions.

a) Actions in case of non-payment of the Loans.

The Fund, as title owner of the Assets, will be entitled to all legal action arising from the title ownership of such Rights, pursuant to the legislation in force. Such action shall be exercised pursuant to the judicial procedure established in articles 517 et seq of the Civil Procedural Law.

To those effects, in the Deed of Constitution, the Management Company, will grant a power of attorney, as broad and sufficient as may be required by Law in favor of the Bank so that the Bank, acting through any of its representatives sufficiently empowered for such purpose, may demand from the Obligor of any of the Assets the payment of its debt and take legal action against them, in addition to other faculties required for the exercise of its functions as Administrator. These faculties may also be granted in a document separate from the Deed of Constitution or increased if necessary for the exercise of such functions.

b) Action against the Administrator.

When the breach of the obligation to pay the principal and interest is not a result of the failure by the Obligors to pay the Assets, the Management Company, acting for and on behalf of the Fund will be entitled to initiate executive action against the Administrator in order to enforce the maturity of the Assets.

Furthermore, in the event that the Bank does not perform the obligations described in the above section, the Fund, through the Management Company, shall be entitled to a declaratory action against the Bank for breach of the aforesaid obligations. In relation to the Loans, all of which in accordance with the formalities contemplated for such proceeding by the Civil Procedure Act.

The Assets having been cancelled, the Fund, through its Management Company, shall preserve suit against the Administrator until the performance of its obligations.

3.4.6 Origin and Application of Funds.

- (a) Origin:** the Available Funds calculated on the Determination Date prior to the Payment Date (that is the fifth (5th) Business Day preceding each Payment Date) will be deposited in the Cash Account, corresponding to the following concepts:
- (i)** Amounts received for principal of the Assets in each Determination Period prior to Payment Date.

The Determination Period will mean each of the periods between two consecutive Determination Dates, including in each Determination Date the initial Determination Date of the corresponding period and excluding the last Determination Date of the corresponding period. Exceptionally, the first Determination Period will have a duration equal to that between the Date of Constitution and the Determination Date prior to the first Payment Date.

- (ii) Interest collected on the Assets during each preceding Determination Period prior to Payment Date (including, as the case may be, default interest).
 - (iii) The return obtained during each Determination Period prior to the Payment Date on the reinvestment of the Reserve Fund as well as on the amounts deposited into the Cash Account, the payment of which will occur on the 11th day of each month.
 - (iv) The Reserve Fund, in the terms of section 3.4.2.2 of this Additional Building Block.
 - (v) The net amount received by virtue of the terms of the Swap Agreement (“*Contrato de Intermambio de Cantidades*”), as described under section 3.4.7 of this Additional Building Block.
 - (vi) Any other amounts which the Fund may receive, including without limitation, those which may result from the enforcement of the guarantees which may exist as guarantee of the Loans.
- (b) Application:** The Management Company, on behalf of the Fund, shall proceed to apply on each Payment Date the amount of the Available Funds to the following payments and withholdings, in accordance with the Order of Priority of Payments described below:
1. Payment to the Management Company for Ordinary and Extraordinary Expenses of the Fund and of the periodical management fee, and payment in the event of the Bank’s replacement as Administrator by a new entity which is not integrated in the Bank's Group, of a management fee, and in the case of substitution of the Bank as Paying Agent by a new entity that does not form part of the Bank's Group of the paying agent fee.
 2. Payment to the Bank of the net amount of the Swap (“*Contrato de Intermambio de Cantidades*”), in accordance with the stipulations in section 3.4.7 of the Additional Building Block, and only in the event of the termination of the Swap Agreement (“*Contrato de Intermambio de Cantidades*”) due to non compliance by the Fund or if the Fund is the sole party which incurs a cause for early termination, will the Fund, as the case may be, have to pay the amounts that correspond to the liquidation payment of the Swap (“*Contrato de Intermambio de Cantidades*”).
 3. Payment of interest accruing on the Series A.
 4. Payment of the interest accruing on the Series B Bonds, except if the payment of these is set back, to 9^o position in the order of priority according to the exceptional rules described in section 3.4.6.c) below.
 5. Payment of the interest accruing on the Series C Bonds, except if the payment of these is set back, to 10^o position in the order of priority according to the exceptional rules described in section 3.4.6.c) below.

6. Payment of the interest accruing on the Series D Bonds, except if the payment of these is set back, to 11^o position in the order of priority according to the exceptional rules described in section 3.4.6.c) below.
7. Payment of the interest accruing on the Series E Bonds, except if the payment of these is set back, to 12^o position in the order of priority according to the exceptional rules described in section 3.4.6.c) below.
8. Withholding of the Accrued Redemption Amount of the Series A, B, C, D, and E Bonds according to section 4.9.4 and 4.9.5 of the Securities Note.
9. Payment of the interest on the Series B Bonds when the payment is set back from the fourth (4th) place in the Order of Priority of Payment as established in the relevant section.
10. Payment of interest on the Series C Bonds when the payment is set back from the fifth (5th) place in the Order of Priority of Payment, as established in the relevant section. .
11. Payment of interest on the Series D Bonds when the payment is set back from the sixth (6th) place in the Order of Priority of Payment, as established in the relevant section.
12. Payment of interest on the Series E Bonds when the payment is set back from the seventh (7th) place in the Order of Priority of Payment, as established in the relevant section.
13. Withholding of a sufficient amount to duly maintain the Required Level of the Reserve Fund, in accordance with the stipulations in section 3.4.2.2. of this Additional Building Block.
14. Payment of the Ordinary Part of the interest on the Series F Bonds.
15. Retention of a sum equal to the Accrued Redemption Amount of Series F Bonds.
16. Payment in the event of termination of the Swap Agreement (“*Contrato de Intermambio de Cantidades*”) due to failure of the Bank to comply with the Liquidating Payment of the Swap (“*Contrato de Intermambio de Cantidades*”).
17. Payment of interest due on the Subordinated Loan Agreement.
18. Redemption of the principal of the Subordinated Loan Agreement.
19. Payment to the Bank, of the management fee of the Loans.
20. Payment of the Extraordinary Part of the interest of the Series F Bonds (being a variable amount equal to the excess liquidity after paying the concepts mentioned in numbers 1 to 19 in this Order of Priority of Payments).

The expenses reflected in first place in the above order of priority are broken down into the following:

Ordinary Expenses:

- Expenses deriving from the annual audits of the Fund’s financial statements.
- Expenses deriving from maintenance of the ratings of the sixth (6) Bond Series.

- Expenses which arise and derive from the redemption of the Bonds.
- Expenses related to any notices which, in accordance with the provisions of this Prospectus, must be given to the holders of Bonds in circulation.
- In general, any other expenses borne by the Management Company, and arising out of its work involving representation and management of the Fund.

Extraordinary Expenses:

- As that case may be, all expenses derived from preparation and formalization by the modification of the Deed of Constitution and the agreements, and by the holding of all additional agreements.
- Expenses necessary to cause the execution of the Loans and those derived from the recovery actions that might be required.
- In general all other extraordinary expenses borne by the Fund or by the Management Company in representation or on account thereof.

In the event that on a Payment Date prior to the Payment Date in progress any amount should remain unpaid, the Order of Priority of Payments established in this section will be strictly followed, commencing with the payment longest overdue.

(c) Exceptional rules of priority of payments on account of the Fund:

If the substitution of the Bank as Loan Administrator should take place, in favor of another entity not forming part of the Bank's consolidated group, a fee shall accrue in favor of the third party, i.e. the new administrator, which shall go from holding 19th place to 1st place in the Order of Priority of Payments established under section 3.4.6.(b), above.

The payment of interest on the Series B Bonds shall be postponed with respect to the withholding of the Accrued Redemption Amount, occupying the immediately following position in the order of priority of payments, when on the Payment Date, a Redemption Shortfall was to occur, equal or higher to the fifty percent (50%) of the Principal Balance Pending Payment on the Bonds for Series B plus the hundred percent (100%) of the Principal Balance Pending Payment on the Bonds for Series C, D and E.

Postponement will not occur if Series A has been redeemed or will be redeemed at the relevant Payment Date.

The payment of interest on the Series C Bonds shall be postponed when on the relevant Payment Date, a Redemption Shortfall was to occur, equal or higher to the fifty percent (50%) of the Principal Balance Pending Payment on the Bonds for Series C plus the hundred percent (100%) of the Principal Balance Pending Payment on the Bonds for Series D and E.

Postponement will not occur if Series A and B had been redeemed or will be redeemed at the relevant Payment Date.

The payment of interest on the Series D Bonds shall be postponed when on the relevant Payment Date a Redemption Shortfall was to occur, equal or higher to the fifty percent (50%) of the Principal Balance Pending Payment on the Bonds for Series D plus the hundred percent (100%) of the Principal Balance Pending Payment on the Bonds for Series E.

Postponement will not occur if Series A, B and C had been redeemed or will be redeemed at the relevant Payment Date.

The payment of interest on the Series E Bonds shall be postponed when on the relevant Payment Date a Redemption Shortfall was to occur, equal or higher to the fifty percent (50%) of the Principal Balance Pending Payment on the Bonds for Series D plus the hundred percent (100%) of the Principal Balance Pending Payment on the Bonds for Series E.

Postponement will not occur if Series A, B, C and D had been redeemed or will be redeemed at the relevant Payment Date.

d) Order of Priority of Liquidation

The Management Company will liquidate the Fund when its liquidation takes place on the Legal Date of Maturity or the Date of Payment on which the Early Liquidation takes place according to sections 4.4.3 of the Registry Document, by applying Funds Available for Liquidation in the following Order of Priority of Liquidation Payments:

- 1 Payment to the Management Company of the ordinary and extraordinary expenses of the Fund and of the periodical administration fee, and payment of a management fee in the event of the Bank's replacement as administrator by a new entity which is not integrated in the Bank's Group and, in the event of the Bank's replacement as Paying Agent, of the fee that is established by the Management Company in favor of the substitute entity,.
- 2 Payment to the Bank of the net amount of the Swap ("*Contrato de Intermambio de Cantidades*"), according to the provisions of section 3.4.7 of the Additional Building Block, and, only in the case of the rescission of the said Agreements due to non compliance by the Fund, or if the Fund is the only party that has provoked a cause for early termination, will the Fund have to pay the amounts that correspond to the settlement payment.
- 3 Payment of the interest accrued of the Series A Bonds.
- 4 Redemption of the Series A Bonds.
- 5 Payment of the interest accrued of the Series B Bonds.
- 6 Redemption of the Series B.
- 7 Payment of the interest accrued of the Series C Bonds.
- 8 Redemption of the Series C.
- 9 Payment of the interest accrued of Series D Bonds.
- 10 Redemption of the Series D.
- 11 Payment of the interest accrued of Series E Bonds.
- 12 Redemption of the Series E.
- 13 Payment of the Ordinary Part of the interest accrued of Series F Bonds.
- 14 Payment of the Accrued Redemption Amount for the Series F.
- 15 Payment of the accrued interests and reimburse of the principal's credit facility arranged in the event the credit facility was arranged for early amortization of the Bonds issue according to the provisions of section 4.4.3.(3)(iii) of the Registry Document.

- 16 Payment in the event of termination of the Swap Agreement (“*Contrato de Intermambio de Cantidades*”) due to failure of the Bank to comply with the Contract.
- 17 Payment of Accrued Interest of the Subordinated Loan Agreement.
- 18 Redemption of the principal of the Subordinated Loan Agreement.
- 19 Payment to the Bank of the management fee.
- 20 Payment of the Extraordinary Part of the interest of the Series F Bonds (being a variable amount equal to the excess liquidity after paying the concepts mentioned in numbers 1 to 19 in this Order of Priority of Payments).

Available Liquidation Funds will be the following:

- (i) the Available Funds,
- (ii) the amounts that are obtained by the Fund through the transfer of the remaining Assets and of any other assets, in the event of Early Liquidation of the Fund pursuant to the requirements established in section 4.4.3.(3) of the Registration Document, and,
- (iii) the amount available of the credit facility for the final redemption of the Bonds according to the provisions of section 4.4 3.(3)(iii) of the Registration Document.

3.4.7 Details of other agreements on which interest and principal payments to the Bondholders depend.

The Management Company shall enter into, acting for and on behalf of the Fund, with the Bank, a Swap agreement (“*Contrato de Intermambio de Cantidades*”) the most relevant terms of which are described below.

The entering into of the Interest Swap (“*Contrato de Intermambio de Cantidades*”) responds to the need to mitigate the interest rate risk which takes place at the Fund due to the fact of having the Assets subject to variable interest rates with different reference indices and different adjustment periods and settlement periods for variable interest established for each one of the Bond Series issued against the Fund.

By means of the Interest Swap (“*Contrato de Intermambio de Cantidades*”), the Fund will make payments to the Bank, calculated on the interest rate of the Assets and, as counterpart, the Bank shall make payments to the Fund, calculated on the average weighted Nominal Interest Rate of the Bond Series plus a margin, all of which as described above:

Party A: The Fund, as represented by the Management Company.

Party B: The Bank.

Settlement Dates.

The Settlement Dates shall coincide with the Bond Payment Dates, i.e. February 20, May 20, August 20, November 20 of each year or, if any of these dates is not a Business Day, the immediately following Business Day. The first Settlement Date shall be February 20, 2008.

Calculation Periods for Party A.

This will be the days that effectively elapse between two consecutive Determination Dates, the first excluding and the last including. Exceptionally, the first Calculation Period for Party A will have a term equal to the days that have effectively elapsed between the Disbursement Date, included, and February 13, 2007 (excluded) which correspond to the Determination Date immediately preceding the first Payment Date, which will be February 20, 2008.

Notional Amount for Party A.

This will be the Notional Balance of the Assets defined as the daily average during the maturing Calculation Period for the Party A of the Outstanding Balance of the Assets which are not subject to lateness in the payments of amounts due by more than ninety (90) days.

Amounts to be paid by Party A.

This will be, on each Settlement Date, the result of applying the Party A Interest Rate to the Notional of the Swap for Party A, adjusted to the number of days of the Calculation Period for Party A (i.e. the same or equivalent to: number of days of the Calculation Period for Party A / 360).

Party A Interest Rate.

This will be, at each Settlement Date, the annual interest rate which results from dividing (i) the sum of the ordinary interest received on the Loans and deposited to the Fund during the Calculation Period for Party A immediately preceding the current Settlement Date, by (ii) the Notional of the Swap for Party A, all of which multiplied by the result of dividing 360 by the number of days in the Calculation Period for Party A.

Calculation Periods for Party B.

This will be the days that effectively elapse between two consecutive Payment Dates, including the first and excluding the last. Exceptionally, the first Calculation Period for Party B will have a term equal to the days that have effectively elapsed between the Disbursement Date, (included) and February 20, 2008 (excluded).

Amounts to be paid by Party B.

This will be the result of adding (i) the amount resulting from applying the Party B Interest Rate to the Notional of the Swap for Party B, adjusted to the number of days of the Calculation Period for Party B (i.e. the same or equivalent to: number of days of the Calculation Period of Party B/ 360) and (ii) the amount accrued by the administration of the Loans at the corresponding Settlement Date only in the case of substitution of the Bank as Administrator of the Loans.

Party B Interest Rate.

This will be, for each Settlement Date, the annual interest rate resulted from adding: (i) the Interest Reference Rate determined for the current Interest Accrual Period, (ii) the average margin of the Series A, B, C, D and E, weighted by the Balance of Principal Pending Payment on each of the Bonds Series on the Determination Date, immediately preceding the current Payment Date, plus (iii) two point seventy-five per cent (2.75%).

Notional Swap Amount for Party B.

This will be the greater amount of: (i) the Notional of Swap for Party A, and (ii) the Notional Adjusted to the Return on the Assets.

The Notional Adjusted to the Return on the Assets for each settlement period shall be the lesser amount of:

- (i) the sum of the ordinary interest received on the Assets' and deposited to the Fund during the maturing Calculation Period for Party A, divided by the Party B Interest Rate, multiplied by the result of dividing 360 between the number of days of the Calculation Period for Party B.
- (ii) The Outstanding Balance of the Assets on the immediately preceding Settlement Date or, as the case may be, the Outstanding Balance of the Assets on the Fund's Constitution Date.

The possible notionals of Party B mentioned in the above paragraph are:

- a) Notional of Swap for Party A. This notional is equal to the Notional Balance of the Assets defined as the daily average, during the maturing Calculation Period for Party A, of the Outstanding Balance of the Assets which are not subject to lateness in payment of the amounts due by more than ninety (90) days.
- b) The ordinary interest received on the Assets' and deposited to the Fund during the maturing Calculation Period for Party A, divided by the Party B Interest Rate, all of which multiplied by the result of dividing 360 between the number of days of the Settlement Period.
- c) The Outstanding Balance of the Assets on the immediately preceding Settlement Date or, as the case may be, for the first settlement of the Swap ("*Contrato de Intermambio de Cantidades*"), the Outstanding Balance of the Assets on the Fund's Constitution Date.

Possible scenarios

By definition, the notional described under paragraph c), above, is always greater than the notional described under paragraph a).

Scenario 1: In the event that the notional described under paragraph b) is greater than the notional described under paragraph c), this would mean that the interest rate risk would not have materialized and, in turn, that the portfolio default rate is such that this would not affect the financial equilibrium of the Fund. In this case, the Party B would pay to the Party A the Party B Interest Rate on the notional described under paragraph c). The net of the Swap in this circumstance is positive for the Party B.

Scenario 2: In the event that the value of the notional described under paragraph b) is greater than the notional described under paragraph a) and is less than the notional described under paragraph c), this would mean that the portfolio default rate is such that it affects the financial equilibrium of the Fund. In this case, the Party B would pay to the Party A the Party B Interest Rate on the Notional described under b). The net of the Swap in this case would be equal to zero.

Scenario 3: In the event that the notional described under paragraph b) is less than the notional described under paragraph a), this would mean that the interest rate risk has materialized. In this case, the Party B would pay to the Party A the Party B Interest Rate on the notional described under paragraph a). The net of the Swap in this case would be positive for the Party A.

The net of the Swap in this case would be positive for the Party A, because the notional of the Swap is equal for Party A and Party B and the interest rate collected by the Fund is less than the Party B interest rate. The Party B would pay the Party B.

In the event that on a Payment Date the Party A does not have sufficient Available Funds to make payment of the entire net amount (in the event that the amount to be paid by the Party A to the Party B is greater than the amount to be paid by the Party B and to be received by the Party A) to be paid to the Party B, the portion of the net amount not paid shall accumulate, accruing default interest at the same interest rate applicable for the calculation of the amount to be paid by the Fund, and shall be settled on the next Payment Date on which the Fund has sufficient Available Funds in accordance with the Order of Priority of Payments, in such a manner that the Swap (“*Contrato de Intermambio de Cantidades*”) is not terminated.

If on a Payment Date, the Party B does not meet its payment obligations for the total net amount it is responsible for paying to the Party A, the Management Company will be able to terminate the Swap (“*Contrato de Intermambio de Cantidades*”). In this case, the Party B shall assume the payment obligation of the net amount contemplated in the Swap (“*Contrato de Intermambio de Cantidades*”). Furthermore, in this case, if the net amount of the Swap (“*Contrato de Intermambio de Cantidades*”) inures to the Party A, the payment thereof shall be postponed in accordance with the Order of Priority of Payments contemplated under section 3.4.6.(b), above.

The net amount shall be calculated by the Management Company, as calculation agent of the Swap (“*Contrato de Intermambio de Cantidades*”), in function of the market value of the Swap (“*Contrato de Intermambio de Cantidades*”).

a) Action in the event of a change in the rating of Party B.

(i) Fitch Criteria:

The alternatives described in this section, as well as the time periods referred to and the qualification of Party B are gathered in the Swap Criteria of Fitch, “Counterparty Risk in Structured Finance Transactions: Hedge Criteria”, published on 1 August 2007, which may be updated, modified, replaced and can be found in www.fitchratings.com.

(i) Initial Events:

If, at any time during the life of the Bonds’ issue, a decline should occur in the rating of Party B’s unsubordinated and unsecured long or short-term debt to below A and F1, respectively (as per the long and short-term rating scales of Fitch, respectively) (“**Initial Event in Fitch’s Rating**”), Party B will have to carry out any of the following alternatives, at its own cost within a period of thirty (30) days as from the occurrence of such Initial Event in Fitch’s Rating:

- (A) create a cash deposit or a deposit of securities for the benefit of the Fund, in a third party with a minimum unsubordinated and

unsecured long and short-term rating of A/F1 by Fitch as guarantee of the fulfillment of its contractual obligations equal to an amount calculated, among other criteria, according to the market value of the Swap (“*Contrato de Intermambio de Cantidades*”) in order to maintain the Bonds’ rating all above subject to the terms and conditions considered appropriate by the Fund, represented by the Management Company, and the “Swap Criteria” of Fitch in force at that moment which define the guidelines where the rule for the calculation of the amount of such deposit in order to maintain the Bonds’ rating;

The market value will be calculated according to Fitch’s criteria reflected in its report “Counterparty Risk in Structured Finance: Swap Criteria” dated August 1, 2007 or any document or report produced by Fitch that may replace the former in the future. Party B will put forward a formula to provide an estimate of the market value of the Swap (“*Contrato de Intermambio de Cantidades*”), within fifteen (15) days following Party B’s loss of the rating. If that formula is not validated by a third independent entity, the calculation of the market value will include an amount equal to that resulting from multiplying (a) 1% of the Outstanding Balance of the Loans in the moment the rating of Party B is undergoes according to point (i) above, by (b), the average life of the Loans assuming a CARP of 0%;

- (B) that a third party bank having an unsubordinated and unsecured long and short-term rating of at least A and F1 (as per the long and short-term rating scales of Fitch, respectively) shall guarantee the performance of its contractual obligations;
- C) that a third party bank having an unsubordinated and unsecured long and short-term debt rating of at least A and F1 (as per the rating scales for long and short-term of Fitch, respectively) shall assume its contractual position, and Party B will transfer all of its rights and obligations under the Swap Agreement (“*Contrato de Intermambio de Cantidades*”) to the new subrogated entity.- The new bank would remain subrogated in substitution of the Party B and all of which subject to the terms and conditions deemed pertinent by the Fund, as represented by the Management Company. In any event, the costs generated from such subrogation will be to the account of the new entity.

(ii) Fitch Criteria (continued)

Should the rating of the unsubordinated and unsecured long or short-term debt of Party Bt fall below BBB+ and F2, respectively (according to Fitch’s ratings for long-term and short-term debt) (“**First Subsequent Event in Fitch’s Rating**”), the options (B) and (C) established in the Initial Event set forth in section (i) above would be the only viable options to prevent a reduced rating from being assigned to the Bonds by Fitch.

In the event that the Party B breaches the obligations established under paragraphs (i) and (ii) above and within the thirty (30) following days, the Management Company, on behalf of the Fund, shall be empowered to

substitute the Party B with another bank of the characteristics established under section (i) (B), above.

Any breach by Party B of its obligations set forth in paragraphs (i) and (ii) above will signify an Additional Termination Event, which will be considered to have occurred within a maximum period of ten (10) business days (following the expiration of the periods previously established of thirty (30) calendar days) following the drop in rating in respect of Party B, Party B being the sole Affected Party and the Swap Agreement (“*Contrato de Intermambio de Cantidades*”) between the Parties being the Affected Transaction. Without prejudice to foregoing, Party A will only determine the early termination date under the Additional Termination Event if Party A demonstrate that it has been able to find a new counterparty interested in the transaction, in economic and legal terms most similar (which Party A shall determine as it shall see fit) to those previously entered into with Party B.

All costs, expenses and taxes incurred on the performance of the above obligations shall be for the account of the Party B.

The occurrence, as the case may be, of the early termination of the Swap Agreement (“*Contrato de Intermambio de Cantidades*”) will not in itself constitute a cause for Early Liquidation of the Bond issue and early liquidation of the Fund, unless in conjunction with other events or circumstances relating to the financial position of the Fund, a substantial or permanent alteration of its financial equilibrium should occur.

The Swap Agreement (“*Contrato de Intermambio de Cantidades*”) shall be terminated at law in the event that Fitch does not confirm, prior to the Subscription Date, as definitive, the ratings provisionally assigned to each one of the Series.

The Management Company shall employ all means within its reach which are necessary for a Swap Agreement (“*Contrato de Intermambio de Cantidades*”) to exist and be in effect at all times.

The termination of the Swap (“*Contrato de Intermambio de Cantidades*”) shall be the earliest of the two following:

- (i) the Legal Maturity Date, or
- (ii) the date on which the termination of the Fund has occurred, according to section 4.4.3 of the Registration Document, on which date all of the Assets and remaining assets in the Fund have been liquidated and all the Available Liquidation Funds (“*Fondos Disponibles para Liquidación*”) have been distributed following the Order of Priority of Liquidation Payments.

3.5 Name, address and significant business activities of the Assignor.

The Assignor of the Assets is Banco Santander, S.A.

The principal financial activities of the Bank 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 activities should, basically, be highlighted:

- Capture 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, *inter alia*);

- Financing activities, fundamentally through personal loans, mortgage loans, credit facility accounts, discounting of effects, bank guarantees and leasing, confirming and factoring transactions;
- Provision of services, such as credit and debit cards, commercial payment systems, collection services, direct debit services, transfers, asset management, currency exchange, etc.

The selected financial information on the Bank corresponding to September 30, 2006, and those audited corresponding to September 30, 2007 and the comparison between both of them and the information audited at December 31, 2006.

The information corresponding to December 31, 2006 and December 31 in million of euros was prepared in accordance with the International Norms on Financial Information which are applicable according to Regulation EC 1606/2002 and Memorandum 4/2004 of the Bank of Spain.

DATOS GRUPO SANTANDER				
BALANCE (millones de euros)	30/9/2006	30/9/2007	% variación	31/12/2006
Activo total	798.540	886.668	11,0%	833.873
Crédito sobre clientes (bruto)	505.156	559.776	10,8%	531.509
Recursos de clientes en balance	547.333	618.190	12,9%	565.715
Otros recursos gestionados de clientes	167.932	188.297	12,1%	173.509
Total recursos gestionados de clientes	715.265	806.487	12,8%	739.224
Patrimonio neto	46.234	49.094	6,2%	47.073
Fondos propios (incluido el beneficio no distribuido)	40.109	45.013	12,2%	40.062
CUENTA DE RESULTADOS (millones de euros)	30/9/2006	30/9/2007	% variación	31/12/2006
Margen de intermediación	9.219	11.378	23,4%	12.488
Margen básico (comercial)	15.166	18.106	19,4%	20.436
Margen ordinario	16.708	20.253	21,2%	22.615
Margen de explotación	8.454	11.103	31,3%	11.369
Beneficio antes de impuestos (ordinario)(*)	6.596	8.248	25,0%	8.776
Beneficio antes de impuestos (incluye extraordinarios)	6.596	8.814	33,6%	9.150
Beneficio atribuido al grupo (ordinario)(*)	4.947	6.006	21,4%	6.582
Beneficio atribuido al grupo	4.947	6.572	32,8%	7.596
(*): Sin incluir neto de plusvalías y saneamientos extraordinarios.				
DATOS POR ACCIÓN Y VALOR DE MERCADO	30/9/2006	30/9/2007	% variación	31/12/2006
Cotización	12,47	13,63	9,3%	14,14
Valor de mercado (millones de euros)	77.991	85.246	9,3%	88.436
Beneficio atribuido (ordinario) por acción	0,7917	0,9626	21,6%	1,0534
Beneficio atribuido (ordinario) diluido por acción	0,7883	0,9582	21,6%	1,0477
Valor contable	6,41	7,2	12,3%	6,41

PER (Precio/beneficio atribuido por acción anualizado; veces)	11.81	10,62	-10,1%	13,42
P/VC (Precio/valor contable; veces)	1.94	1,89		2,21
RATIOS RELEVANTES (%)	30/9/2006	30/9/2007	% variación	31/12/2006
Margen de explotación/ATM	1,39	1,71		1,4
ROE (ordinario) (B° atribuido/Fondos propios medios)	18,61	20,2		18,54
ROA (B°neto/Activos totales medios)	0,89	1,07		1
RORWA (B° neto/Activos medios ponderados por riesgo)	1,64	1,91		1,83
Ratio de eficiencia	43,25	39,32		43,45
Ratio de eficiencia con amortizaciones	48,27	44,04		48,53
Tasa de morosidad	0,83	0,89		0,78
Tasa de cobertura	185,7	158,12		187,23
RATIOS DE CAPITAL (NORMATIVA BIS) (%)	30/9/2006	30/9/2007	% variación	31/12/2006
Total	12,54	12,79		12,49
Core capital	5,88	6,24		5,91
TIER I	7,49	7,78		7,42
INFORMACIÓN ADICIONAL	30/9/2006	30/9/2007	% variación	31/12/2006
Número de acciones (millones)	6.254	6.254		6.254
Número de accionistas	2.350.276	2.332.429		2.310.846
Número de empleados	128.719	137.664		129.749
Europa continental	44.374	47.603		44.216
Reino Unido (Abbey)	17.439	16.855		17.146
Iberoamérica	65.363	71.592		66.889
Gestión financiera y participaciones	1.543	1.614		1.498
Número de oficinas	10.583	11.217		10.852
Europa continental	5.629	5.939		5.772
Reino Unido (Abbey)	712	705		712
Iberoamérica	4.242	4.573		4.368

3.6 Return on and/or repayment of the securities linked to others which are not assets of the issuer.

Not applicable.

3.7 Administrator and responsibilities of the Bank as administrator.

3.7.1 Administrator.

The Bank, whose name, address and significant activities are detailed under section 3.5, above, the entity that is the Assignor of the Assets, in accordance with the provisions of article 2.2 of Royal Decree 926/1998, is obliged to exercise custody and administration of the Assets, the relations between the Bank and the Fund being regulated by this Prospectus.

The Bank shall accept the mandate received from the Management Company and, by virtue of such mandate, agrees as follows:

- (i) To exercise administration and management of the Assets acquired by the Fund in the terms of the scheme and ordinary procedures of administration and management established in this Prospectus;
- (ii) To continue administering the Assets, dedicating the same time and attention and the same level of expertise, care and diligence in the administration thereof as that which it would devote and exercise in the administration of its own loans and, in any case, it shall exercise an adequate level of expertise, care and diligence in providing the services contemplated in this Additional Building Block;
- (iii) That the procedures it applies and will apply for administration and management of the Assets are and will continue to be in accordance with the laws and legal rules in force which are applicable;
- (iv) To abide by the instructions given to it by the Management Company, with due loyalty;
- (v) To indemnify the Fund for damages that may derive from the breach of the obligations so contracted.

A description of the scheme and of the ordinary procedures of administration and custody of the Assets is contained in the following sections.

(1) Term of Duration

The services shall be rendered by the Bank until, once all of the Assets have been amortized, all of the obligations assumed by the Bank in relation to said Assets have been cancelled, without prejudice to the possible early revocation of its mandate.

Both in case of breach by the Administrator of the obligations established in this Additional Building Block, as well as in the case of a severe decline in its credit rating so as to entail an impairment or risk for the financial structure of the Fund or for the rights and interest of the Bondholders, the Management Company may carry out one of the following actions:

- (i) Make a formal demand to the Administrator to subcontract, delegate or be secured in the performance of said obligations by another entity which, in the judgment of the Management Company, has the adequate legal and technical capacity, and provided that an adverse impact on the rating of the Bonds does not take place.
- (ii) If the above action is not possible, the Management Company shall directly assume the rendering of the services.

The Management Company shall bear in mind the proposals which the Administrator formulates to it both on the subcontracting, delegation or appointment of the substitute in the performance of its obligations, as well as on the entity which could guarantee it in the execution and enforcement thereof.

The Administrator, in turn, may voluntarily resign from carrying the administration and management of the Assets, if possible, in accordance with current law in force from time to time and provided that (i) it is authorized by the Management Company, (ii) the Management Company has appointed a new Administrator, (iii) the

Administrator has indemnified the Fund for damages caused thereto by the resignation and substitution, in addition to the fact that any additional cost shall be its responsibility, not collecting it, therefore, from the Fund, and (iv) no adverse impact on the rating of the Bonds takes place.

(2) Liability of the Bank as to custody and administration.

The Bank agrees to act diligently in the custody and administration of the Assets, and will be liable to the Fund, through its Management Company, for any damage which may arise from its negligence.

The Bank shall indemnify the Fund, through its Management Company, for any damage, loss or expense incurred as a consequence of the breach of its obligations relating to custody and/or administration of the Loans and the documents regarding the Loans.

(3) Liability of the Bank in collection management.

The Bank agrees to act in the management of collections on the Loans, with all due diligence, and shall be liable to the Fund, through its Management Company, for any damage which may derive from its negligence.

The Bank does not howsoever assume any liability in directly or indirectly guaranteeing the successful conclusion of the transaction, nor will it grant guarantees or bank guarantees, or subject itself to repurchase agreements in respect of the Assets with the exception of those which do not conform to the representations and warranties contained under section 2.2.8 and section 2.2.9 of the same and the conditions and limitation contained in section 3.7.1 (11) of this Additional Building Block.

(4) Custody of contracts, deeds, documents and files.

The Administrator shall maintain all contracts, copies of deeds, documents and database records regarding the Loans and the damage Insurance policies and, as the case may be, under safe custody and shall not abandon the possession, custody or control thereof without the prior written consent of the Management Company to such effect, unless a document is requested thereof in order to start proceedings for foreclosure or enforcement of an Assets.

The Administrator shall reasonably provide access, at all times, to said contracts, deeds, documents and records, to the Management Company or to the Fund's auditor, duly authorized by the latter. Furthermore, if so requested the Management Company shall furnish, within five (5) Business Days following the said request, free of charge, a copy or photocopy of any of the said contracts, deeds and documents. The Administrator shall proceed in the same Manner In the case of requests for information from the Fund's auditor.

The Administrator in any case waives the privileges granted to it by law in its capacity as collection manager of the Fund and custodian of the Loan agreements and, in particular, those provided by articles 1730 and 1780 of the Spanish Civil Code (relating to retention under pledge of property on deposit) and 276 of the Spanish Commercial Code (similar guarantee to retention under pledge of property on deposit).

(5) Collection management.

The Bank, as collection manager, shall receive for the account of the Fund such amounts as are paid by the Obligors arising out of the Assets, both for principal or interest, as well as any other concept including the damage Insurance contracts to the

Fund, and shall proceed to deposit into the Cash Account the amounts which pertain to the Fund, immediately and, in any case, within a deadline not to exceed twenty-four (24) hours.

(6) Setting of interest rate.

The Administrator shall continue setting said variable interest rates in accordance with the provisions of the relevant Loans, formulating any communications and notices which are established for such purpose in the respective contracts.

(7) Advance of funds.

The Bank shall in no case advance any amount it has not first received from the Obligors as principal or installment pending maturity, interest or finance charge, prepayment, etc., as deriving from the Assets.

(8) Insurance Policies.

Not applicable.

(9) Reporting.

The Administrator shall report periodically to the Management Company on the degree of compliance by the Obligors with the obligations deriving from the Loans, the compliance by the Administrator with its obligation to deposit the amounts received as deriving from the Assets, and the actions carried out In case of default and of the existence of any hidden defects in the Loans.

The Administrator shall prepare and submit to the Management Company such additional information as, in relation to the Loans or the rights deriving therefrom, may be reasonably requested by the Management Company.

(10) Subrogation of the Obligor of the Assets.

The Administrator shall be authorized to allow substitutions in the position of Obligor in the Loan agreements, exclusively in cases in which the characteristics of the new Obligor are similar to those of the former one, and they meet the criteria for granting loans, as described under section 2.2.7 of this Additional Building Block, and provided that the expenses deriving from this modification are paid in full by the Obligors. The Management Company may totally restrict this power of the Administrator when such substitutions could adversely affect the ratings assigned to the Bonds by Fitch.

In any case, any subrogation made in accordance with the provisions of the above paragraph shall be immediately reported by the Administrator to the Management Company.

(11) Powers and actions in relation to Loan re-negotiation processes.

The Management Company authorizes the Administrator on a general basis to renegotiate the interest rate and term of the Assets, without its prior consent, in the terms and conditions described below.

The Administrator may not voluntarily cancel the guarantees of the Assets for a cause other than payment of the Asset, waive or settle in respect of the latter, write off the Assets in whole or in part or extend them, nor in general carry out any act which diminishes the ranking, legal effectiveness or economic value of the guarantees or of the Assets, without prejudice to proceeding to service requests from the Obligors with the same diligence and procedure as if dealing with other loans.

In no case may the Administrator start by its own initiative, without a request from the Obligor, interest rate re-negotiations which may yield a decrease in the interest rate applicable to an Asset.

The Management Company authorizes the Administrator to proceed with re-negotiation of the interest rate applicable to the Loans, as requested by the Obligors, pursuant to the following requisites:

- a) The Administrator shall re-negotiate the interest rate applicable to the Loans at an interest rate considered the market interest rate and which shall not differ from the interest rate that the Administrator itself applies in the renegotiation of credit and loans which it grants. To these effects, the market interest rate will be considered to be the interest rate offered by the financing entities in the Spanish market for loans or credits for amounts and other conditions very similar to that of the Loan.
- b) Under no circumstance will the renegotiation of the interest rate applicable result in the substitution of the interest rates or indices used by the Administrator in the credits and loans it grants for other interest rates or indices. Notwithstanding, it will be possible to renegotiate the change from a variable interest rate to a fixed interest rate or the change from a fixed interest rate to a variable interest rate, taking into account in the latter case the limitation provided in section c) below.

Furthermore, the Administrator's capacity of re-negotiation recognized in this section is subject to the following limitations:

- a) In no case may the Loan amount be increased.
- b) The frequency of Loan payments may not be modified.
- c) The spread below one point eighty per cent (1.80%) may not be re-negotiated for Loans with variable interest rate granted to clients of the Bank or below six per cent (6%) for Loans with fixed interest rates.
- d) The extension of the maturity term of a specific Loan may be carried out provided that the following requisites are met:
 - That, the term between the amortization of quotas of principal and liquidation of interest on the Loan is maintained or reduced, and the same amortization system is maintained.
 - That the new final maturity date or last Loan amortization is July 25, 2032 maximum.
 - That the sum of the outstanding balance of the Loans assigned to the Fund whose maturity is going to be renegotiated is not higher than ten per cent (10%) of the initial outstanding balance of the Loans upon the Date of Constitution.

In any case, after any re-negotiation takes place in accordance with the provisions of this section, the Administrator shall proceed to notify immediately the Management Company of the conditions resulting from each re-negotiation.

Should the Administrator fail to comply with any of the conditions and/or limitations established in this section and in the Deed of Constitution, without prejudice to the Management Company's right to suspend or modify the requirements for

renegotiation detailed here below, the Administrator undertakes to replace or repurchase the affected Assets in accordance with the rules set forth in section 2.2.9 of this Additional Building Block, which will not imply the guarantee by the Administrator of the successful completion of the transaction, but rather the necessary redress of the effects produced by 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 redemptions of the Assets that are made as a result of the Administrator's non compliance. The costs expenses resulting from the action taken to rectify the Administrator's non compliance will be borne by the Administrator, and will not be able to be charged to the Fund. reparation

The Management Company, on behalf of the Fund, may at any time leave in suspense or modify the authorization and the requisites for re-negotiation on the part of the Administrator, as reflected under this section.

(12) Fee for provision of services.

A fixed fee shall accrue in favor of the Bank for its tasks involving administration of the Loans, of SIX THOUSAND EUROS (€6,000) per quarter, V.A.T. included, on each Payment Date. If the Bank is replaced as to its tasks of administrative of said Assets by another entity not forming part of the Bank's consolidated group, the substitute entity shall be entitled to receive an administration fee which shall rank number 1 in the Order of Priority of Payment contemplated under section 3.4.6.(b) of this Additional Building Block and according to the Order of Priority of Liquidation Payment sets forth in section 3.4.6.(d) of this Additional Building Block.

If the Fund, through its Management Company, does not pay on a Payment Date the entire fee because it lacks sufficient Available Funds in the Cash Account in accordance with the Order of Priority of Payments contemplated under section 3.4.6.(b), any amounts not paid shall accumulate without penalty to the fee which must be paid on the next Payment Date, with payment thereof proceeding at that time.

On the other hand, the Bank, on each Payment Date, shall be entitled to the reimbursement of all exceptional expenses incurred, subject to justification thereof to the Management Company, in relation to the administration of the Assets. Said expenses shall include, *inter alia*, those caused by enforcement of guarantees which may secure the Assets and shall be paid provided that the Fund has sufficient Available Funds in the Cash Account and in accordance with the provisions of section 3.4.6.(b) of this Additional Building Block. in respect of the Order of Priority of Payments.

(13) Compensation

In the event that any of the Obligors of the Loans has a payable, expired, liquid right of credit as regards the Administrator and, therefore, this will mean that one of the Loans will be totally or partially compensated against this right of creditor, the Administrator will remedy this circumstance or, if it is not possible to remedy it, the amount which would have been compensated plus the interest due and which would have corresponded to the Fund up to the date on which the income calculated in accordance with the conditions applicable to the corresponding Loan will be deposited in the Fund by the Administrator.

Also, if the Obligor exercised against the Fund the exceptions corresponding to him against the Bank, established in article 11 of Law 7/95, March 23, of Consumer Credit Act, the Bank will proceed to remedy that situation or, if it was not possible to remedy it, the Bank will proceed to pay to the Fund the amount that was not received plus the

accrued interest that would have corresponded to the Fund until the day in which the payment is done, calculated according to the applicable conditions to the relevant Loan.

(14) Subcontracting

The Administrator may subcontract any of the services which it has undertaken to provide by virtue of the above stipulations, except for those services which cannot be delegated pursuant to the legislation in force. In no case will this subcontracting entail any cost or additional expense for the Fund or the Management Company, and cannot give rise to a revision downwards of the rating granted by Fitch to each one of the Series of Bonds. Notwithstanding any subcontracting or delegating, the Administrator will not be exonerated nor released from any of its responsibilities assumed and which are legally attributable to or obligatory for the Administrator through this subcontracting or delegating.

(15) Notifications

The Management Company and the Assignor have agreed not to notify the assignment to the respective Obligors. For these purposes, notification is not a requisite for the validity of the assignment of the Loans.

However, the Assignor will grant the widest powers of attorney which in Law are necessary to the Management Company so that it can, in the name of the Fund, notify the Obligors of the assignment at the time it considers this to be advisable.

Nevertheless, in the event of insolvency, or indications of insolvency, of intervention by the Bank of Spain, of liquidation or the substitution of the Administrator or because the Management Company considers it to be reasonably justified, the Management Company may request the Administrator to notify the Obligors of the transfer of the Loans pending repayment to the Fund, as well as the fact that the payments deriving from these will only be of a releasing nature if they are made into the Cash Account opened in the name of the Fund. However, both in the case that the Administrator has not notified the Obligors within the three (3) Business days following the reception of the request, and in the case of insolvency of the Administrator, it will be the Management Company which directly notifies the Obligors. The Management Company will notify in the shortest possible period of time.

The Assignor will assume the expenses involved in notifying the Obligors even when notification is made 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 detailed under section 6 of the Registration Document in the terms provided by Royal Decree 926/1998, and other applicable regulations, without prejudice to the provisions of the Deed of Constitution.

The Management Company, as manager of third-party businesses, is also responsible for the representation and defense of the interests of the Bondholders and of the remaining ordinary creditors of the Fund. Consequently, the Management Company shall at all times safeguard the interests of the Bondholders, giving the defense of such interest priority and adhering to the provisions established in regulations for such purpose.

The actions which the Management Company shall perform in order to comply with its duties of administration and legal representation of the Fund are, purely as a matter of illustration and without prejudice to other actions contemplated under this Additional Building Block, as follows:

- (i) It will open in the name of the Fund the Cash Account, initially with the Bank, as long as the Bank's unsubordinated and unsecured short-term debt rating does not descend from F1 (as per the scale of Fitch).
- (ii) Exercise the rights inherent to the title to the Assets of the Fund and, in general, carry out all acts of administration and disposal as are necessary for the proper performance of the administration and legal representation of the Fund;
- (iii) Carry the financial servicing of the Assets with diligence and rigor, without prejudice to the duties of management assumed by the Assignor in its capacity as Administrator in accordance with the provisions of section 3.7.1, above;
- (iv) Verify that the amount of income effective received by the Fund corresponds to the amounts to be received by the Fund in accordance with the conditions of each Asset and the conditions of the various contracts;
- (v) Validate and control the information it receives from the Administrator regarding the Loans, both as regards collections of ordinary payments, prepayments of principal, payments received for unpaid payments and status and control of non-payments;
- (vi) Calculate the available funds and movements of funds which it shall have to make once the application thereof has been carried out in accordance with the relevant order of priority of payments, ordering transfers of funds between the various asset and liability accounts and the applicable payment instructions, including those assigned to meet the financial servicing on the Bonds;
- (vii) Calculate and settle the amounts which, for interest and fees, must be received and paid by the various asset and liability financial accounts, as well as the fees to be paid for the various financial services arranged and the amounts which, for repayment of principal and interest, pertain to each one of the Bond Series;
- (viii) In the event that the ratings of the Bank's debt assigned by Fitch at any time during the life of the Bonds, decrease as regards the capacity of the Bank as Administrator and Payment Agent, carry out the actions contemplated in relation to these contracts which are described under section 3.7.1 of this Additional Building Block and in section 5.2a) of the Securities Note;
- (ix) Comply with its calculation obligations contemplated in this Additional Building Block and the Subordinated Loan Agreement, Guaranteed Interest Rate Reinvestment Agreement, Lead Manager, Subscription and Paying Agency Agreement and Swap Agreement ("*Contrato de Intermambio de Cantidades*") which are described under sections 3.4.3, 3.4.4 and 3.4.7 of this Additional Building Block;
- (x) Monitor the actions of the Administrator for recovery of non-payments, giving instructions, when applicable, in order to bring a foreclosure proceeding. Exercise the actions which apply when circumstances occur which so require;

- (xi) Carry the accounting of the Fund with due separation from the accounting of the Management Company, perform a rendering of accounts and comply with the tax or other legal obligations which are the Fund's responsibility;
- (xii) Furnish the holders of the Bonds issued against the Fund, the CNMV and Fitch, such information and notices as are provided by current law in force and, especially, those contemplated in this Prospectus. To this effect, the Management Company will supply Fitch (by sending the information to the domain `sf_surveillance@fitchratings.com`), within one month following each Payment Date, with information regarding the situation of the Fund and the Assets, as agreed between the Management Company and Fitch, so that the function of the Fund is made clearer. The Management Company will also supply this information when reasonably required to do so and, in any event, when a change occurs occur in the conditions of the Fund, in the contracts it enters into or in the parties thereto;
- (xiii) In order to allow the Fund's operations in the terms contemplated in the Prospectus and by current regulations in force from time to time, renew or modify the contracts it has executed on behalf of the Fund, substitute each one of the providers of services to the Fund by virtue thereof and, including, if necessary, enter into additional contracts, all of which subject to current law in force from time to time, prior authorization, if necessary, from the CNMV or competent administrative body, and notification thereof to Fitch, and provided that such actions do not yield a decrease in the rating on the Bonds and do not impair the interests of the Bondholders. Any modification to the Deed of Constitution shall first be reported to the CNMV and to Fitch;
- (xiv) Appoint and replace, as the case may be, the auditor that performs the audit on the Fund's annual financial statements;
- (xv) Prepare and submit to the CNMV and the competent bodies, all documents and information which must be submitted as established by current regulations in force and in this Prospectus, or requested thereof, as well as prepare and submit to Fitch any information it reasonably requests thereof;
- (xvi) Adopt the appropriate decisions in relation to the liquidation of the Fund, including the decision for early termination of the Bond issue and liquidation of the Fund, in accordance with the provisions of this Prospectus;
- (xvii) Not carry out actions which could deteriorate the rating on the Bonds and procure the adoption of those measures which are reasonably in its reach in order that the rating on the Bonds is not adversely affected at any time;
- (xviii) Management the Fund in such a manner that the net asset value thereof is always zero.

The Management Company shall perform its activity with the diligence required thereof in accordance with Royal Decree 926/1998, representing the Fund and defending the interests of the Bondholders and of the remaining creditors of the Fund as if dealing with its own interests, caring for the levels of diligence, reporting and defense of the interests of the former and avoiding situations which entail conflicts of interest, giving priority to the interests of the Bondholders and to those of the remaining creditors of the Fund as opposed to those which are its own. The Management Company shall be liable to the Bondholders and remaining creditors of the Fund for all damages caused thereto by the breach of its obligations. Furthermore,

it shall be liable as regards sanctions applicable thereto pursuant to the provisions of Law 19/1992.

The Management Company has the necessary means, including adequate information systems, to carry out the duties of administration of the Fund attributed thereto by Royal Decree 926/1998.

The Management Company has established a set of Internal Regulations of Conduct in application of the provisions of Chapter II of Royal Decree 629/1993, of May 3, on rules of action in the securities markets and obligatory records, which have been reported to the CNMV.

The Management Company may act as Management Company of the Fund, as well as of any other securitization fund, without the simultaneous management thereof constituting in any form whatsoever a violation of its obligations of diligence as Management Company of the Fund or other securitization funds.

3.7.3 Substitution of Management Company

The Management Company shall be substituted in the administration and representation of the Fund in accordance with the provisions to be established by regulation for such purpose. Thus, in accordance with the provisions of articles 18 and 19 of Royal Decree 926/1998, the substitution of the Management Company shall be carried out through the following procedure:

- (i) The Management Company may resign from its duties when it deems pertinent and voluntarily request its substitution, by letter addressed to the CNMV reflecting the appointment of the substitute management company. Included with such letter shall be that of the new management company, duly authorized and registered as such in the special registries of the CNMV, in which the latter declares it is willing to accept such duties and is interested in the pertinent authorization. The resignation of the Management Company and appointment of a new company as management company of the Fund shall be approved by the CNMV. In no case may the Management Company waive the exercise of its duties until all of the requisites and formalities for its replacement to be able to fully assume its duties in relation to the fund have been fulfilled. Nor may the Management Company waive its duties if, as a result of the aforesaid substitution, the rating assigned to any of the Bond Series issued against the Fund should decrease. All expenses generated as a consequence of such substitution shall be paid by the Management Company itself, and may not be attributed, in any case, to the Fund.
- (ii) In the event of the occurrence in the Management Company of any of the causes for dissolution contemplated under number 1 of article 260 of the Spanish Corporations Law (“Ley de Sociedades Anónimas”), the substitution of the Management Company shall proceed. The occurrence of any of such causes shall be notified by the Management Company to the CNMV. In this case, the Management Company shall be obliged to comply with the provisions of section (i), above, prior to its dissolution.
- (iii) In the event that the Management Company is declared insolvent, or has its authorization revoked, a management company to replace it must be appointed. The substitution shall have to be made effective prior to four (4) months transpiring from the date on which the event determining the substitution took place. If, four (4) months from when the event determining

the substitution took place have lapsed and the Management Company has not appointed a new management company, the Early Liquidation of the Fund and the redemption of the Bonds shall proceed, for which the actions contemplated under section 4.4.c.3) of the Registration Document shall proceed.

- (iv) The substitution of the Management Company and appointment of the new company, approved by the CNMV in accordance with the provisions of the above paragraphs, shall be reported to Fitch and shall be published, within a deadline of fifteen (15) days by legal notice in two nationally-circulated newspapers and in the bulletin of the AIAF Market.

The Management Company is obliged to execute the public and private documents that are necessary in order to proceed with its substitution by another management company in accordance with the scheme provided in the above paragraphs of this section. The substitute management company shall be subrogated in the rights and obligations which, in relation to this Prospectus, are vested in the Management Company. Furthermore, the Management Company shall deliver to the new management company such documents and accounting and database records relating to the Fund as are in its possession.

Scheme of remuneration in favor of the Management Company for performance of its duties

The Deed of Constitution shall determine that the Management Company shall have a right:

- (i) to a structuring fee payable on the Disbursement Date on a lump-sum, one-off basis in an amount equal to NINETY THOUSAND EUROS (€90,000); and
- (ii) on each Payment Date of the Bonds, provided the Fund has Available Funds at the Cash Account in accordance with the Order of Priority of Payments contemplated for each Series under section 3.4.6.(b) of the Additional Building Block, to a periodic administration fee equal to zero point zero twenty five per cent (0.025%) per annum, with a minimum of SEVENTY THOUSAND EUROS (€70,000) per annum, to accrue on the actual days of each Interest Accrual Period, payable quarterly at each Payment Date, and calculated on the sum of the Balances Pending Payment on the Bonds of the six (6) Series, on the start date of the Determination Period preceding the Payment Date in progress. The fee accruing from the Fund's Constitution Date up to the first Payment Date of the Bonds shall be adjusted in proportion to the days transpiring between both dates, calculated on the face value of the Bonds issued.

The calculation of the periodic administration fee, payable on a given Payment Date, shall be made pursuant to the following formula:

$$A = B \times 0,025 \times \frac{d}{365 \times 100}$$

Where:

A = Fee payable on a given Payment Date.

B = Sum of Balances Pending Payment on the Bonds of the six (6) Series, on the Determination Date pertaining to that Payment Date.

d = Number of days transpiring during each Interest Accrual Period.

3.8 Name and address and brief description of any swap counterparts and any providers of other material forms of credit/liquidity enhancement or of accounts.

The Bank is the counterparty of the Fund in the contracts described below. A brief description of the Bank is included under section 3.2 of this Additional Building Block.

a) Guaranteed Rate Reinvestment Agreement.

The Cash Account is initially open at Banco Santander, S.A. Said account shall be maintained at the Bank as long as the Bank's unsubordinated and unsecured short-term rating does not descend from F1 (as per the scale of Fitch). A description of the contract is reflected under section 3.4.4 of this Additional Building Block.

b) Subordinated Loan Agreement.

A description of the contract is reflected under section 3.4.3.a) of this Additional Building Block.

c) Swap Agreement (“*Contrato de Intermambio de Cantidades*”).

A description of the contract is reflected under section 3.4.3.a) of this Additional Building Block.

4. POST ISSUANCE REPORTING

4.1 Indication whether or not the Management Company intends to provide post-issuance information.

a) Obligations and deadlines contemplated for the drawing up, auditing and approval of the annual financial statements and management report.

The Management Company shall present to the CNMV the Fund's annual financial statements, together with the auditors' report in respect thereof, within four (4) months following the close of the Fund's fiscal year which shall coincide with the calendar year (i.e. prior to April 30 of each year).

b) Obligations and deadlines contemplated for the placement at the disposal of the public and forwarding to the CNMV and Fitch of periodic information on the economic-financial status of the Fund.

b.1.- Ordinary periodic notifications.

The Management Company, in its task involving management and administration of the Fund, agrees to forward to the CNMV and to Fitch, with the utmost diligence possible, quarterly or at any other time requested thereof, the information requested thereof (with the exception of that contained in section e), which shall be annual), in relation to the Bonds, the performance of the Assets, prepayments and the Fund's economic-financial position, irrespective of making them aware of any additional information as may be requested.

(b.1') Within a deadline between the Rate Setting Time and three (3) Business Days, by the latest, following each Payment Date, it shall proceed to notify the Bondholders of the nominal interest rates resulting for each Bond Series for the following Interest Accrual Period.

(b.1'') With advance notice of at least one (1) calendar day preceding each Payment Date, it shall proceed to notify the Bondholders of the following:

- i. The resulting interest on the Bonds together with the redemption thereof;
- ii. The Average Prepayment Rates of the Assets, as at the Determination Date;
- iii. The residual average life of the Bonds calculated pursuant to the hypothesis of maintenance of said actual prepayment rate.
- iv. The Balance Pending Payment (after the redemption to be settled on each Payment Date) on each Bond, and the percentage which such Balance Pending Payment represents as to the total initial face amount of each Bond.
- v. Outstanding balance of the Assets, interest accrued, both collected and not collected in respect thereof and amount in default on the Assets.
- vi. Report on the appropriateness and subsequent application of the Available Funds in accordance with the order of priority of payments contained under section 3.4.6.(b) of this Additional Building Block to the Securities Note.

Furthermore, and if applicable, the Bondholders shall be informed of the interest accruing on the Bonds and unpaid due to insufficiency of Available Funds.

Notices of these sections b.1’) and b.1’’) shall be given as provided in section b.3, below, and shall also be reported to Iberclear and AIAF within a maximum deadline of two (2) Business Days prior to each Payment Date (unless they fall on a bank holiday in Madrid; in which case they will pass to the following Business Days).

b.2 Extraordinary Notices

The Fund, through its Management Company, shall also report to the Bondholders and to the CNMV any material fact which may occur In relation to the Assets, the Bonds, the Fund, and the Management Company itself, which may considerably influence the trading of the Bonds and, in general, any relevant modification to the assets or liabilities of the Fund and any change on the Deed of Constitution, and also as to an eventual decision to Early Redemption of the Bonds for any of the causes provided in the Prospectus. The attestation executed before a notary public concerning the liquidation and procedure referred to in section 4.4.c.3 of the Registration Document, shall also be submitted to the CNMV in such case.

b.3 Procedure

The notifications to the Bond holders which, in the light of the above, must be made by the Fund, through its Management Company, shall be given as follows:

1. Ordinary periodic notices referred to under section b.1), supra, by publication either in the AIAF daily bulletin, or any other which may come to replace it in the future or other of similar characteristics, or through publication in a widely-circulated newspaper in Spain.
2. Extraordinary notices referred to under section b.2), supra, by publication in a widely-circulated newspaper in Spain.

In addition, the above notices may be given by publication in other generally-disseminated media.

These notices shall be deemed to be given on the date they are published. Any day of the calendar, whether a Business Day or Non-Business Day, can be suitable for this purpose (for purposes of this Prospectus).

(c) Reporting to Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores; CNMV*).

The Management Company shall inform the CNMV of any publications which, both on a periodic ordinary basis as well as on an extraordinary basis, are carried out as per the provisions of the foregoing sections, as well as any information which, irrespective of the above, is requested thereof.

(d) Information to be furnished by the Bank to the Management Company

In addition, the Bank is obliged 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 and modifications of interest rates and, punctually, of payment demands, judicial actions, and any other circumstances which affect the Assets. Furthermore, the Bank shall furnish the Management Company with all documentation the latter may request thereof In relation to the said Loans and, especially, the necessary documentation to start, as the case may be, judicial actions by the Management Company.

Ignacio Ortega Gavara, for and on behalf of SANTANDER DE TITULIZACIÓN, S.G.F.T., in his capacity as General Manager, hereby signs this Prospectus in Madrid, this 12th day of December, 2007.

DEFINITIONS

For adequate interpretation of this Prospectus, capitalized terms shall be construed in accordance with the definition given to each such term below, unless any other meaning is expressly attributed thereto. Any terms not expressly defined shall be construed in their natural and obvious sense according to the general usage thereof. Furthermore, it is stated for the record that terms in the singular shall include the plural and vice versa, whenever the context so requires.

The capitalized terms listed below shall have the following meaning:

“**Assets**”: Means the credit rights arising from the Loans granted by the Bank and which are the object of assignment to the Fund on the Constitution Date.

“**Defaulting Assets**”: Means those Assets that have a defaulting date with more than ninety (90) days of arrears in the payment of due debits, excluding the Failed Assets.

“**Non-Performing Assets**”: Means the Assets owed which the Bank considers it will not recover or those Assets that have payments pending of more than twelve (12) months.

“**Administrator**”: Means Banco Santander, S.A.

“**Paying Agent**”: Means Banco Santander, S.A.

“**AIAF**”: Means AIAF, Mercado de Renta Fija (*ALAF Fixed Income Securities Market*).

“**Early Redemption**”: This means the amortization of the Bonds on a date previous to the Legal Maturity Date in the cases of advanced settlement of the Fund in accordance with the requisites which are laid down in section 4.4.3 of the Registration Document.

“**Bank**”: Means Banco Santander, S.A.

“**Bonds**”: Means the securitization bonds issued against the Fund.

“**Accrued Redemption Amount**” Means, for each Payment Date the difference (if positive) between: (i) the sum of the Balance of Principal Pending Payment on the Series A, B, C, D and E Bonds on the Determination Date prior to each Payment Date, and (ii) the Outstanding Balance of the Performing Assets on such Determination Date.

“**Accrued Redemption Amount for the Series F**”: This means the positive difference between the Balance of the Principal Pending of the Series F on the Determination Date preceding the corresponding Payment Date and the amount of the Reserve Fund required on the corresponding Payment Date provided that the conditions stipulated in section 3.4.2.2 of the Additional Building Block are complied with.

“**Assignor**”: Means Banco Santander, S.A.

“**Memorandum 4/2004**”: This means Memorandum 4/2004 of the Bank of Spain, of December 22, to credit entities, on the norms on public and reserved financial information and financial statement form.

“**CNMV**”: Means Comisión Nacional del Mercado de Valores (*Spanish Securities Market Commission*).

“**Lead Manager, Subscription and Paying Agency Agreement**”: Means the Bond lead manager, subscription and paying agency agreement to be entered into by the Manager, for and on behalf of the Fund, and the Bank as Underwriter.

“Subordinated Loan Agreement”: Means the subordinated loan agreement in the amount of FOUR HUNDRED SEVENTY-FIVE THOUSAND EUROS (€475,000) to be entered into by the Management Company, for and on behalf of the Fund, and the Bank, to be applied towards financing the expenses related to constitution of the Fund and issuance of the Bonds and partially financing the acquisition of the Assets.

“Guaranteed Rate Reinvestment Agreement”: Means the guaranteed interest rate reinvestment agreement in respect of the Cash Account to be entered into by the Management Company, acting for and on behalf of the Fund, and the Bank, whereby the Bank will guarantee a variable yield on the amounts deposited by the Fund (through its Management Company) into the Cash Account.

“Swap Agreement”; “Swap”: Means the agreement of exchange of amounts to be paid and collected (“*Contrato de Intermambio de Cantidades*”), and which content will be similar to the standard form 1992 ISDA Agreement, to be entered into by the Management Company, acting for and on behalf of the Fund, and the Bank.

“Cash Account”: Means the account to be opened at the Bank in the name of the Fund, by the Management Company, the operational aspects of which shall be the object of the Guaranteed Rate Reinvestment Agreement.

“Redemption Shortfall”: Means, the difference (if positive) between the Accrued Redemption Amount and the remainder of the Available Funds once the amounts applied to the points 1 to 7 of the Order of Priority of Payment provided in section 3.4.6(b) of the Additional Building Block have been deduced.

“Obligors”: Means the individuals, having their domicile in Spain, to whom the Bank has granted the Loans from which the Assets subject to securitization derive.

“Business Day”: Means any day except:

- (i) Saturday;
- (ii) Sunday;
- (iii) holiday as per the TARGET calendar (for the sole purpose of determining the Nominal Interest Rate applicable for each Interest Accrual Period). It includes, apart from the days recognized in sections (i) and (ii), above, January 1, Good Friday, Easter Monday, May 1, December 25 and December 26; and
- (iv) holiday in Madrid (for the purpose of determining the Nominal Interest Rate applicable for each Interest Accrual Period and for the remaining conditions of the issue).

“Calendar Day”: Means all the days of a year including Sundays and bank holidays.

“Retail Division of the Bank”: Means the party of the Banco Santander, S.A. which business are the individuals and the PYMES.

“Registration Document”: Means the registration document, formed by Annex VII, as approved by the CNMV on December 12, 2007.

“Lead Managers”: Means Banco Santander, S.A. and Calyon Sucursal en España.

“Underwriter”: Means Banco Santander, S.A.

“Deed of Constitution”: Means the Deed of Constitution of the securitization fund Fondo de Titulización de Activos Santander Financiación 2, Assignment of Assets and Issuance of Securitization Bonds.

“Constitution Date”: Means the date on which the Deed of Constitution is executed, The Constitution Date is scheduled to be December 14, 2007.

“Disbursement Date”: Means December 18, 2007

“Determination Dates”: Means the fifth (5th) Business Day preceding each Payment Date on which the Management Company will, for and on behalf of the Fund, calculate the distribution or retention of the Available Funds in such dates, pursuant to the Order of Priority of Payments provided in section 3.4.6.(b) of the Additional Building Block.

“Payment Dates”: Means February 20, May 20, August 20 and November 20 of each year or, if any of these dates is not a Business Day, the immediately following Business Day.

“Subscription Date”: Means December 17, 2007.

“Final Maturity Date of the Loans”: Means July 25, 2032, or, if any of these dates is not a Business Day, the immediately following Business Days.

“Legal Maturity Date”: Means August 20, 2035 or, if not a Business Day, the next Business Day.

“Fitch”: Means Fitch Rating España, S.A.

“Prospectus”: 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.

“Fund” or **“Issuer”**: Means Fondo de Titulización de Activos, SANTANDER FINANCIACIÓN 2.

“Reserve Fund”: Means the reserve fund to be funded by the Management Company, for and on behalf of the Fund, in accordance with the provisions of section 3.4.2.2 of the Additional Building Block.

“Available Funds”: Means the amounts received by the Fund as principal and interest of the Assets, the return of the Cash Account, the Reserve Fund, and the net amount of the Swap Agreement (“*Contrato de Intermambio de Cantidades*”) and any amounts which the Fund might receive, as established in section 3.4.6.a) of the Additional Building Block, which will be applied on each Payment Date to the payments established in the Order of Priority of Payment included in section 3.4.6.b) of the Additional Building Block.

“Available Redemption Funds”: Means the amount to be applied towards redemption of the Series A, B, C, D, and E Bonds on each Payment Date and which shall be determined in accordance with the provisions of section 4.9.4 of the Securities Note.

“Available Liquidation Funds”: Means:

- a) The Funds Available, and
- b) The amounts which the Fund obtains due to the disposal of the Assets which remain and of any other assets, as the case may be, in the cases of advanced settlement of the Fund in accordance with the requisites which are established in section 4.4.3 of the Registration Document and
- c) as the case may be, the amount available of the credit facility for the final redemption of the Bonds according to the provisions of section 4.4 3.(3) (iii) of the Registration Document

“Ordinary Expenses”: Means the following expenses: (i) expenses deriving from the annual audits of the Fund’s financial statements, (ii) expenses deriving from the maintenance of the

ratings of the six (6) Bond Series, (iii) expenses which derive from the redemption of the Bonds, (iv) expenses related to any notices which, in accordance with the provisions of this Prospectus, must be given to the holders of Bonds in circulation, and (v) in general, any other expenses borne by the Management Company, deriving from its representation and management of the Fund.

“Extraordinary Expenses”: Means the following expenses: (i) if applicable, all expenses deriving from the preparation and formalization owing to the modification of the Deed of Constitution and the agreements, and from the signature of additional agreements, (ii) the expenses necessary to execute the Loans and (iii) in general, all other extraordinary expenses borne by the Fund or by the Management Company on behalf of the Fund.

“Iberclear”: Means Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores (*securities registration, clearing and settlement management company*).

“Law 13/1985”: Means Law 13/1985, of May 25, of investment coefficients, own resources and reporting obligations of financial intermediaries.

“V.A.T.”: Means Value Added Tax.

“Law 19/1992”: Means Law 19/1992, of July 7, on the Scheme of Real Estate Investment Companies and Funds and on Mortgage Securitization Funds.

“Law 37/1992”: Means Law 37/1992, of December 28, on Value Added Tax.

“Law 3/1994”: Means Law 3/1994, of April 14, on Adaptation to Second Banking Directive.

“Law 23/2005”: Means Law 23/2005, November 18, of amendment on tax matters for the improvement of the productivity.

“Law 7/1995”: Means Law 7/1995, March 23, of Consumer Credit.

“Law 22/2003” or **“Insolvency Proceeding Act”**: Means Law 22/2003, of July 9, Insolvency.

“Civil Procedure Act”: Means Law 1/2000, of January 7, on Civil Procedure.

“Securities Market Act” or **“Law 24/1988”**: Means Law 24/1988, of July 28, regulating the Securities Market, as amended by Law 37/1998, of November 16, by Law 44/2002, of November 22 and by Royal Decree Law 5/2005, of March 11.

“Early Liquidation”: Means the settlement of the Fund and, thus, the prepayment of the issue of Bonds on a date previous to the August 20, 2035, in the cases and in accordance with the procedure set out in section 4.4.3 of the Registration Document.

“AIAF Market”: Means, Fixed Income Market of the Association of Financial asset Intermediaries.

“Additional Building Block”: Means the additional building block to the securities note relating to the Bond issue, as prepared in accordance with Annex VIII of (EC) Regulation 809/2004, as approved by the CNMV on December 12, 2007.

“Rate Setting Time”: Means the second Business Day as per the calendar of TARGET (*Trans-European Automated Real-time Gross Settlement Express Transfer System*) preceding each Payment Date, at 11:00 a.m. (Madrid time) on said day.

“Minimum Level of Reserve Fund”: Means TEN MILLION NINE THOUSAND EUROS (€10,900,000) equal to zero point seventy five per cent (0.75%) of the initial amount of the Series A, B, C, D and E Bonds

“Required Level of the Reserve Fund” or **“Required Level”**: Means the amount which the Reserve Fund must have on each Payment Date. Such amount will be the following: i) during the first two years, a fixed amount equal to one point five per cent (1.5%) of the initial amount of the Series A, B, C, D and E Bonds, and (ii) once it reaches three per cent (3%) of the Balance Pending Payment of the Series A, B, C, D and E Bonds, it may decrease quarterly on each Payment Date, until the Minimum Level of the Reserve Fund.

“International Norms on Financial Information”: Means the International Norms on Financial Information which are applicable to the financial information provided by the Bank in accordance with Regulation EC 1606/2002 and Memorandum 4/2004 of the Bank of Spain.

“Securities Note”: Means the securities note relating to the Bond issue, as prepared in accordance with Annex XIII of (EC) Regulation 809/2004, as approved by the CNMV on December 12, 2007.

“Order of Priority of Payment”: Means the order of priority for the application of the payment or deduction obligations as regards the application of the Funds Available on each Payment Date.

“Order of Priority of Liquidation Payments”: Means the order of priority of the payment or deduction obligations of the Fund as regards the application of the Available Settlement Funds on the Date of Liquidation.

“Order EHA/3537/2005”: Means Order EHA/3537/2005, whereby article 27.4 of Law 24/1988, of July 28, on the Stock Market, was developed.

“Order ECO/805/2003”: Means Order ECO/805/2003 of March 27, of the Ministry of Economy on norms of evaluation of real estate and certain rights for financial purposes.

“Ordinary Part”: Means the Nominal Interest Rate applicable to the Series F Bonds on each Interest Accrual Period (being equal to the addition of (i) the Reference Interest Rate, common for all the Series Bonds, plus (ii) a margin of 0,50%), calculated according to section 4.8 of the Securities Note.

“Extraordinary Part”: Means, on each Payment Date on which the Fund has sufficient Available Funds, the extraordinary interest accrued by the Series F Bonds, of a variable amount equal to the excess of liquidity existing once the concepts that hold a prominent position in the Order of Priority of Payments or, as the case may be, the Order of Priority of Liquidation Payments have been paid.

“Interest Accrual Periods”: Means each one of the periods into which the Bond issue is divided, comprising the days actually transpired between each Payment Date, including in each Interest Accrual Period the initial Payment Date of the relevant period and excluding the final Payment Date of the relevant period. The first Interest Accrual Periods will have a duration equal to the period between the Disbursement Date (December 18, 2007) and the first Payment Date (February 20, 2008)

“Determination Periods”: Means each one of the periods between two consecutive Determination Dates, including in each Determination Period the initial Determination Date of the relevant period and excluding the final one of the relevant period. The term of the first Determination Period will be between the Constitution Date and the Determination Date prior to the first Payment Date.

“Loans”: Means the loans, from which the Assets subject to assignment to the Fund derive, granted by the Commercial Banking division of the Bank to individuals (clients and

employees) resident in Spain, for the financing of consuming, deemed to this effect as consuming those transactions whose purpose is different from business investment, that are not guaranteed by a mortgage or by any in rem right. Among financing of consuming it is included, without limitative character, acquiring consumer goods in its broader sense, real acquisition of estate properties, home improvement and acquiring new and used cars.

“**Nonperforming Loans**”: Means those Loans whose debt the Bank considers will not be recovered or those Loans which have installments pending for periods greater than twelve months.

“**Royal Decree 1643/1990**”: Means Royal Decree 1643/1990, December 20, approving the Accounting General Plan.

“**Royal Decree 926/1998**”: Means Royal Decree 926/1998, of May 14, whereby Asset Securitization Funds and the Management Companies of Securitization Funds are regulated.

“**Royal Decree 1777/2004**”: Means Royal Decree 1777/2004, of July 30, approving the Corporate Income Tax Regulations.

“**Royal Decree 1310/2005**”: Means Royal Decree 1310/2005, of November 4, whereby Law 24/1988, of July 28, on the Stock Market, was partially developed as regards admission to negotiation of securities on official secondary markets, public offers of sale or subscription and the prospectus required for these purposes.

“**Royal Legislative Decree 4/2004**”: Means Royal Legislative Decree 4/2004, of March 5, approving the Corporate Income Tax Act, as amended.

“**Royal Legislative Decree 1/1993**”: Means Royal Legislative Decree 1/1993, of September 24, approving the Transfer Tax/Stamp Duty Act, as amended.

“**(EC) Regulation 809/2004**”: Means Commission Regulation (EC) No. 809/2004, of April 29, 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, Constitution by reference and publication of such prospectuses and dissemination of advertisements.

“**Internal Rules of Conduct**”: Means the internal Rules of Conduct of the Management Company in application of the stipulations in Chapter II of Royal Decree 629/1993, of May 3, on the rules of acting on the stock markets and obligatory registries, which the CNMV has been notified of.

“**Balance of Principal Pending Payment on the Bonds**”: Means the total outstanding balances on the Bonds of all Series (i.e. the principal amount of the Bonds pending redemption).

“**Outstanding Balance of (the) Assets**” or “**Outstanding Balance**”: Means the amounts of principal due and unpaid together with amounts of principal still not due and pending maturity of the Assets, that is to say, including the amounts due and unpaid.

“**Series**”: Means each one of the sixth (6th) series into which the total amount of the Bond issue is broken down.

“**Series A**”: Means the Series having a total par value of ONE BILLION TWO HUNDRED FIFTY FOUR, THREE HUNDRED THOUSAND EUROS (€1,254,300,000), represented BY TWELVE THOUSAND, FIVE HUNDRED FORTY THREE (12,543) bonds, each having a par value of ONE HUNDRED THOUSAND EUROS (€100,000);

“**Series B**”: Means the Series having a total par value of FIFTY EIGHT MILLION EUROS (€58,000,000), represented by FIVE HUNDRED EIGHTY (580) Bonds, each having a par value of ONE HUNDRED THOUSAND EUROS (€100,000);

“**Series C**”: Means the Series having a total par value of FORTY FOUR MILLION, NINE HUNDRED THOUSAND EUROS (€44,900,000), represented by FOUR HUNDRED FORTY-NINE (449) Bonds, each having a par value of ONE HUNDRED THOUSAND EUROS (€100,000);

“**Series D**”: Means the Series having a total par value of TWENTY NINE MILLION EUROS (€29,000,000), represented by TWO HUNDRED NINETY (290) Bonds, each having a par value of ONE HUNDRED THOUSAND EUROS (€100,000);

“**Series E**”: Means the Series having a total par value of SIXTY THREE MILLION, EIGHT HUNDRED THOUSAND EUROS (€63,800,000), represented by SIX HUNDRED THIRTY EIGHT (638) Bonds, each having a par value of ONE HUNDRED THOUSAND EUROS (€100,000); and

“**Series F**”: Means the Series having a total par value of TWENTY-ONE MILLION, EIGHT HUNDRED THOUSAND EUROS (€21,800,000), represented by two hundred eighteen (218) Bonds, each having a par value of ONE HUNDRED THOUSAND EUROS (€100,000).

“**Management Company**”: Means Santander de Titulización, S.G.F.T., S.A.

“**Standard & Poor’s**”: Means Standard & Poor’s España, S.A.

“**CAPR**”: Means Constant Annual Prepayment Rate.

“**Nominal Interest Rate**”: Means the interest rate applicable on each Series Bond on each Payment date which results from adding together: (i) the Reference Interest Rate of EURIBOR at three (3) months or, as the case may be, its substitute (as described under section e) below and (ii) the relevant margin for each Series.

“**Reference Interest Rate**”: Means the interest rate which is used to determine the Nominal Interest Rate.

“**U.D.O.**”: Means in respect of the risk policy followed by the Bank Commercial Department of the Banco Santander, S.A. and included in section 2.2.7. of the Additional Building Block, the Unit of Decision on Transactions.