DBRS
Insight beyond the rating.

DBRS Ratings Limited

F.T.A. Santander Empresas 11

Close Date
13 March 2012

Analysts
Carlos Silva
Vice President - European Structured Credit
+44 (0)20 7855 6604
carlos.silva@dbrs.com

Mudasar Chaudhry
Assistant Vice President
+44 (0)20 7855 6613
mchaudhry@dbrs.com

Jerry van Koolbergen
Managing Director - U.S. & European Structured Credit
+1 212 806 3260
jvankoolbergen@dbrs.com

Ratings

Debt	Par Amount (EUR)	Current Credit Enhancement (EUR)	Investor Coupon (per annum)	DBRS Rating	Rating Action
Series A	2,120,000,000	1,272,000,000	3 Month EURIBOR + 0.75%	AA (sf)	New Rating
Series B	530,000,000	742,000,000	3 Month EURIBOR + 1.00%	B (sf)	New Rating
Series C	742,000,000	-	3 Month EURIBOR + 0.65%	C (sf)	New Rating

Notes:
- Credit enhancement of the Series A Bonds is equal to the performing asset balance plus the aggregate cash balance in the Reserve Fund, minus the aggregate balance of the Series A Bonds.
- Credit enhancement of the Series B Bonds is equal to the performing asset balance plus the aggregate cash balance in the Reserve Fund, minus the aggregate balance of the Series A and Series B Bonds.

Kingdom of Spain, Sovereign Rating: AA (low) Negative Trend
Transaction Close Date: 13 March 2012

Transaction Summary

F.T.A Santander Empresas 11, a "Fondo de Titulización", is a special purpose vehicle ("SPV") incorporated in accordance with Spanish legislation for the purpose of issuing asset-backed securities and acquiring loans. The SPV issued two series of asset-backed Bonds to finance the purchase of loans to small and medium-sized enterprises ("SME") loans at par. In addition, the SPV issued the Series C Bonds to finance a Reserve Fund and entered into a Subordinated Loan Facility to finance the initial expenses of the SPV. Interest and principal income received by the SPV will be distributed quarterly on the Payment Date according to the Priority of Payments established for payments of the Issuer.

The DBRS ratings of the F.T.A Santander Empresas 11 Notes are listed on Page 1. This securitisation has been structured as a public transaction with Series A Bonds, Series B Bonds and Series C Bonds (collectively, the "Notes"). The Series A Bonds are senior and supported by 48% subordination provided by the Series B and Series C Bonds. The Series B Bonds are supported by 28% subordination provided by the Series C Bonds, where the Series C Bonds are the most junior tranche in the structure and are used to fund the Reserve Fund.

DBRS based the ratings primarily on:
- an evaluation of the underlying portfolio of SME loans;
- the historical performance information and internal ratings information provided by the Originator;
- the credit enhancement provided through the performing loan collateral and the Reserve Fund; and,
- the legal and structural integrity of the transaction.

Table of Contents

F.T.A. Santander Empresas 11

Report Date

28 March 2012

Rating Rationale

The ratings are based upon a review by DBRS of the following analytical considerations:

- an evaluation of the underlying portfolio of loans granted to Spanish SMEs and corporates;
- an evaluation of the operational capabilities of the Originator and Servicer;
- an evaluation of the credit quality and potential mitigants to the credit exposure of counterparties to the transaction;
- the historical performance information provided by the Originator;
- the credit enhancement provided through the performing portfolio in excess of the outstanding balance of the Series A Bonds, the Cash Reserve and the excess interest;
- the structure of the Priority of Payments; and,
- the legal and structural integrity of the transaction.

Strengths

- The credit enhancement level of EUR 1,272 million, as of the Closing Date, was sufficient to support the AA (sf) rating of the Series A Bonds.
- The Series C Bonds subsidise the Reserve Fund, which, on the Closing Date, was EUR 742 million. This corresponds to 28% of the initial aggregate balance of the Series A and Series B Bonds.
- Under the Interest Rate Swap Agreement, the Swap Counterparty will pay the Issuer the weighted average coupon on the Series A and Series B Bonds, plus 100 bps per annum, in exchange for payments received by the Issuer on the SME assets.

Challenges

- Approximately 29.81% of the portfolio is exposed to the construction and real estate sectors (Section F and L of NACE code Rev. 2).
- The challenging economic environment in Spain.
- Exposure to credit lines in the portfolio could increase by EUR 729.30 million if undrawn credit lines were to be fully drawn by clients, thereby increasing the Liquidity Line provided by Banco Santander S.A. This drawing on the Liquidity Line will increase the senior liabilities, which could have a dilutive effect on the credit enhancement provided by the Reserve Fund and the Series B Bonds.
- High obligor concentration, with the top 1, top 5, and top 10 exposures representing 12.56%, 33.57%, and 42.10% of the portfolio's aggregate principal balance, respectively.

Mitigating Factors

- The Cash Reserve is available to pay the interest on the Series A and Series B Bonds, and the senior expenses.
- DBRS maintains public ratings, private ratings, or private internal assessments to evaluate and monitor the potential risk that counterparties pose to the performance of the Notes. At the time of assigning these ratings, all transaction participants either meet or exceed DBRS counterparty requirements, which are publicly available in the published legal criteria referenced at the end of this report.
- The Hedging Agreement is intended to mitigate basis risk, as well as potential liquidity risks due to the timing mismatches between payment of the Bonds (quarterly) and the portfolio of Credit Rights (a mixture of monthly, quarterly and semi-annual paying loans).
- The potential dilution of credit enhancement due to a drawing on the Liquidity Line is addressed in DBRS's cash-flow analysis.
- The high obligor concentration was addressed by stressing the base probability of default ("PD") assumed for the top 30 obligors in the portfolio.

F.T.A. Santander Empresas 11

Report Date

28 March 2012

Assessment of the Sovereign

At Closing Date, the ratings on the Kingdom of Spain's long-term foreign and local currency debt were AA, both on Negative trends. The Negative trends reflected the uncertainty at that time with the financial markets, as well as the downside risks to the European and Spanish growth outlooks.

For more information, please refer to the most recent published press release by DBRS regarding the Kingdom of Spain.

Transaction Parties and Relevant Dates

Transaction Parties

Type	Name	Rating
Issuer	F.T.A. Santander Empresas 11	N/A
Originator/Seller/Servicer	Banco Santander, S.A.	AA (low) Negative Trend/R-1(Middle) Stable
Account Bank/Paying Agent	Banco Santander, S.A.	AA (low) Negative Trend/R-1(Middle) Stable
Reserve Account Bank	Banco Santander, S.A.	AA (low) Negative Trend/R-1(Middle) Stable
Swap Counterparty	Banco Santander, S.A.	AA (low) Negative Trend/R-1(Middle) Stable
Liquidity Line Provider	Banco Santander, S.A.	AA (low) Negative Trend/R-1(Middle) Stable
Transaction/Fund Manager	Santander de Titulización, S.G.F.T., S.A.	N/A
Arranger(s)	Banco Santander, S.A.	AA (low) Negative Trend/R-1(Middle) Stable

Relevant Dates

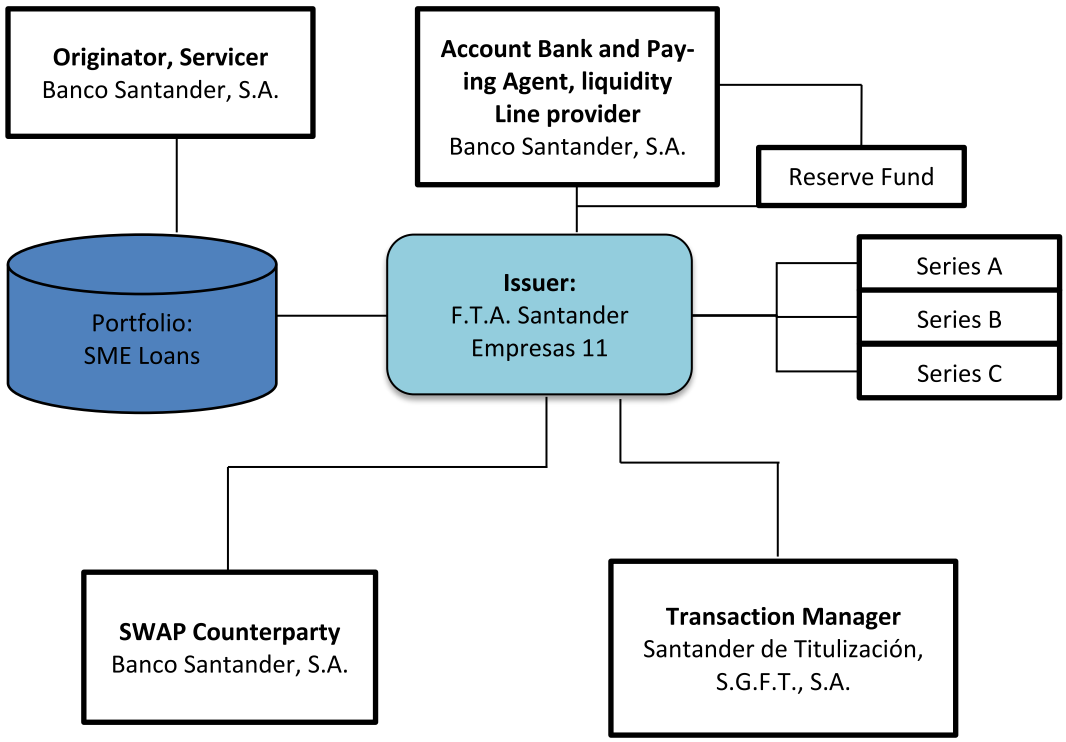
Type	Date
Issue Date	13 March 2012
First Interest Payment Date	16 May 2012
Payment Frequency	Quarterly, On the 16th day of February, May, August and November
Revolving Period Maturity Date	N/A
Call Date	When the asset balance is less than the 10% of the original portfolio
Early Amortisation Date	N/A
Ramp-up Completion Date	100% at closing
Legal Final Maturity Date	16 February 2045

F.T.A. Santander Empresas 11

Report Date
28 March 2012

Transaction Structure

Transaction Diagram



Transaction and Counterparty Overview

DBRS evaluates the potential credit impact on DBRS ratings based on the performance of counterparties that face issuers in the capacity of derivative counterparties, account banks, custodian, or other roles. To minimise the impact that the failure of such counterparties would have on the DBRS rated debt, each counterparty is required to satisfy a minimum rating, collateral posting, or other requirements as outlined in the current publicly available DBRS European Legal Criteria. For this transaction, each counterparty satisfies such criteria, based upon DBRS public ratings, private ratings, or private internal assessments of the creditworthiness of counterparties that do not have a public DBRS rating.

Counterparty Name	Role	Minimum Rating	Actual Rating
Banco Santander, S.A.	Issuer Account Bank/Paying Agent	A	AA (low) Negative Trend/R-1(Middle) Stable
Banco Santander, S.A.	Swap Counterparty	A	AA (low) Negative Trend/R-1(Middle) Stable

Issuer

F.T.A Santander Empresas 11 (the "Issuer") is an SPV created in accordance with Spanish securitisation law and regulated by Royal Decree 926/1998. Under the securitisation laws, the SPV is a separate and independent patrimony from the Originator ("Patrimonio Separado"), but does not have any legal personality or capacity. The Issuer is represented by Santander de Titulizacion, S.G.F.T., S.A. (the "Management Company" or "Sociedad Gestora"). All acts performed and all contracts, transactions or agreements executed by the Management Company on behalf of the Issuer are considered, under Spanish law, as acts performed, and transactions, agreements or contracts executed by the Issuer (except for the Swap Agreement, which is considered only under English Law).

F.T.A. Santander Empresas 11

Report Date

28 March 2012

Originator and Servicer

Banco Santander, S.A. ("Banco Santander") will be responsible for the collection of all payments due by the borrowers on the credit rights, managing relationships with borrowers, monitoring the performance of the credit rights and initiating recovery processes against defaulted or non-performing borrowers. Banco Santander will transfer on a daily basis all of the collections received to the Treasury Account.

Management Company

Santander de Titulización, S.G.F.T., S.A. acts as the Transaction Manager and legal representative of the Issuer. It will be responsible for all administrative functions including waterfall calculations, instructing payments to and from the Treasury and Interest Accounts, maintaining the financial accounting of the Issuer, preparing performance reports and providing information to regulators and rating agencies. The Transaction Manager is also responsible for representing the Note holders' interests in the Issuer, as well as determining whether counterparties should be replaced under certain circumstances.

Banco Santander owns 81% of Santander de Titulización S.G.F.T.

Collections Account Bank

Banco Santander will act as the Collection Account Bank. All payments received on the loans will be initially domiciled in the Collections Account. All collections are then transferred to the Treasury and Interest Accounts every day.

Account Bank, Reserve Account Bank, Paying Agent and Liquidity Line Provider

Banco Santander will act as the Account Bank and maintain the Treasury and Interest Accounts, where all the collections and Cash Reserve amounts will be held.

As per the transaction documentation, in the case of the withdrawal of the rating or a downgrade of the Long Term Rating of the Account Bank below an "A", the Account Bank must either i) be replaced within 30 calendar days by a financial institution with a DBRS rating or internal assessment of at least an "A", or ii) put in place a guarantee provided by a guarantor with a public rating, private rating, or an internal assessment from DBRS of at least "A". If there are any costs incurred by these options, they will be at the expense of the original Account Bank or guaranteed Account Bank.

Origination and Servicing

DBRS visited Banco Santander in October 2010 as part of its analysis of this transaction. The focus of the visit was to assess and understand the origination and servicing procedures of the bank regarding SME loans. The overview of Banco Santander's origination and servicing procedures (including areas such as credit risk assessment and recoveries) was satisfactory.

Originator Profile

Banco Santander, S.A ("Banco Santander" or "The Bank") is the largest Bank in Spain, with EUR 1,250 billion of assets and employing 170,000 in staff at the end of September 2011. Banco Santander ranks in the top 10 of European Banks. Banco Santander has a DBRS Public Rating of AA (low) Negative Trend long term and R-1 (Middle) Stable trend.

Banco Santander was founded in 1857 and it is based in Santander, Spain. Historically, Banco Santander has had a strong presence abroad, beginning in 1947 in South America, and currently in Europe, South and North America. The Bank is engaged in broadly diversified activities in retail and corporate banking, consumer finance and asset management.

Origination

The origination process for SME loans starts at the branch network. The branch agent acts as the main point of contact with the client and is responsible for collecting all information and developing the client's application. Agents, however, do not have autonomy for approving transactions.

Banco Santander classifies clients in three different categories based on the client's risk. If the client has risk over EUR 500,000, or if the client can have more risk than EUR 500,000, this client is classified as "Carterizados," and the application is managed by a risk analyst. Clients with risk less than EUR 500,000 are classified as "Estandarizados," and clients which do not fall under either of the aforementioned categories are classified as "Mayoristas".

Underwriting Criteria

Information that is used as part of the underwriting process depends on the product and on the guaranties, and includes the following parameters:

- Financial statements for the last three years;
- Reports from the Bank of Spain (such as CIRBE);
- Use of delinquent data bases (such as RAI, ASNEF);
- Assets Declaration for the debtor and the guarantors;
- Appraised value of the guarantee (mortgage);
- Forecasts for the coming years;
- Information about guaranties (deposit, shares, etc.);
- Income taxes and VAT.

The different levels of authorisation for loans are:

- Branch Analyst;
- Manager of the Analyst of SME Department;
- Risk Commission;
- Regional Risk Commission;
- Credit Risk Department Commission;
- Risk Committee;
- Executive Risk Committee.

For Carterizados and Mayoristas, Banco Santander uses an internal rating model for the purpose of assessing risk. The rating of customers is based on their credit profile, term of the deal and other transaction specific features. Furthermore, the internal rating model assigns a total probability of default based on the risk associated with the client.

The internal rating system analyses six key areas given below:

1. Product/ Market;
2. Shareholders and management;
3. Access to the credit;
4. Profitability;
5. Possibility to create resources;
6. Possibility of Solvency.

For Estandarizados transactions, Banco Santander uses a scoring system based on the information provided on each borrower. This scoring system is not a binding system and loan application can be authorised, refused or further referred to a risk analyst.

Risk Monitoring

Banco Santander's commercial management and risk management departments have a close relationship, and the Bank has different systems to manage the monitoring of risk.

Banco Santander's alert system is based on monitoring the credit quality of the clients and their transactions. The clients are classified in the system as either "Normal" or "Special Surveillance". Under the Special Surveillance category, the branch agent will determine the level of risk associated with specific clients.

The alerts are used to track the progression of a loan, anticipate credit issues and take early preventative measures to mitigate risk. This system is based fundamentally on the analysis of a set of variables relating to transactions and to customers in order to detect possible anomalous deviations in their behavior and to be notified of situations such as:

- A problem within a sector;
- Changes in the company structure or with the shareholders;
- High debts;
- Variations in the rating levels;
- Overruns;
- Overdrafts;
- A delinquency tracking data base (CIRBE, RAI, EXPERIAN, etc.).

The rating of the client is reviewed at least twice a year, but this review could be earlier depending on the system alerts.

Arrears Management and Foreclosures

The recovery process at Banco Santander is performed by a dedicated department that provides surveillance for all the flagged loans and follows a recovery plan for all irregular portfolio movements created by these flagged loans.

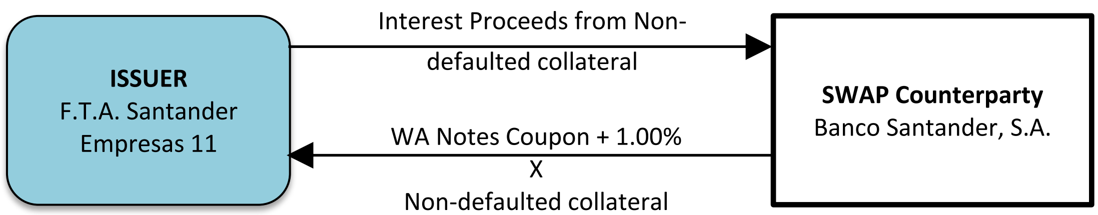
The recovery process is broken down into phases based on the number of days in arrears:

- Day 1 to Day 90: In this phase, different departments are involved (such as the branch staff, call centers, agents and analysts) depending on the type of the client (i.e. Estandarizado or Carterizado).
- Day 91 to Day 150: All internal agents of the Bank continue with their recovery activities along with the outsourced recovery companies.

Most probable solutions of the proceedings are that delinquent clients are able to refinance the debt, pay-off the debt in part or full; however, this is not always possible as the client may no longer be considered credit worthy. If a lawsuit is presented, the judicial process can extend for 11 to 15 months, generally resulting in foreclosure. Once this process is finished, Banco Santander will try to sell the foreclosed assets.

Hedge Agreements

The Issuer has entered into a Swap Agreement with Banco Santander, S.A., which is summarized below.



The transaction is hedged against interest rate mismatches due to different reference indices, such as 3 month EURIBOR versus 1 month EURIBOR, or different payment schedules.

The Swap Agreement follows the Contrato Marco de Operaciones Financieras (CMOF) convention.

The risk associated with the Swap Counterparty default is mitigated through the inclusion of structural features based on rating triggers. The Swap Agreement establishes that, in case the Swap Counterparty is downgraded below 'A' by DBRS, it must, within 30 days of the downgrade, take any of the following actions:

- Post collateral;
- Obtain a suitable guarantee of its obligations from a third party rated at least 'A' by DBRS; or,
- Replace itself with an eligible counterparty.

If the counterparty is subsequently downgraded below BBB by DBRS, the obligation to post collateral remains, but the collateral levels increase to reflect the increased credit risk associated with the counterparty at such rating level. At the same time, the Swap Counterparty should use reasonable efforts to either obtain a suitable guarantee, or to replace itself with an eligible counterparty.

Legal Structure

Law(s) Impacting Transaction

The Issuer is incorporated and regulated under Spanish laws. The key Spanish securitisation laws regulating this transaction are the (i) Royal Decree 926/1998 governing Asset-Backed Securitisation Funds and Securitisation Funds Managing Companies and (ii) Law 19/1992 on Real Estate Investment Companies and Funds, and Mortgage Securitisation Funds.

The securitisation laws do not include a full and complete legal framework for securitisations and, in many respects, the legal analysis relies on general law regarding commingling, tax, transfer of assets and risks related to the counterparties of the Issuer. In addition, the general laws of the mortgage market, Law 2/1981 and Royal Decree 716/2009 (the "Mortgage Market Laws") are key considerations in mortgage-backed securities transactions, and any rating analysis by DBRS also takes these laws into consideration.

More details on the legal framework in Spain can be found on the DBRS Legal Criteria for European Structured Finance Transactions methodology, published July 2011 in the section "Addendum – Spain".

Current Transfer/Assignment of Receivables
In Spanish securitisations, the transfer of receivables must be made in writing, but the consent of the underlying obligor is not necessary. Neither Royal Decree 926/1998 nor the Mortgage Market Laws require the formalisation of the transfer in a public deed. However, the transfer of receivables either through the issuance of mortgage securities (Participaciones Hipotecarias or Certificados de Transmisión de Hipoteca) or through the ordinary transfer of non-mortgage receivables is usually documented in a public deed for the record of the date of execution, for purposes of its effect vis-à-vis third parties and, therefore, to be recognised by regulators or insolvency officers.

In this transaction, the transfer of the unsecured loans and the loans on the mortgaged collateral from Banco Santander to the Issuer is done directly in the public deed on the date of incorporation of the Issuer. The transfer of the loans from the mortgage loans is also transferred on the incorporation date through the issuance of mortgage transfer certificates (Certificados de Transmisión de Hipoteca) and their subscription by the Issuer.

Selected Representations and Warranties
The following is a selection of the Representations given to the Issuer relating to the collateral. For a full list, please see the Prospectus.

- All the Credit Rights are duly documented and formalised, and the corresponding agreements are available to the Management Company.
- All the Credit Rights exist, are valid and enforceable.
- Banco Santander rightfully holds all the loans, and that there are no restrictions to their sale to the Issuer.
- The credit rights were originated by Banco Santander in its normal course of business and using its normal criteria.
- The credit rights are being serviced by Banco Santander.
- There are no legal claims against the loans that may adversely affect their validity.
- Banco Santander has no knowledge of any bankruptcy of any of the borrowers included in this portfolio.
- None of the credit rights have been made to employees of, or companies related to, Banco Santander.
- None of the credit rights finance unfinished real estate promotions.
- All the borrowers are domiciled in Spain.

Buy-Back/Indemnity Mechanics in case of a Breach in the Purchase of the Loans
In case it is detected that any loans have hidden defects, the seller will agree to repair the hidden defect within 15 days following its identification or notification. In case the above is not possible, the seller will replace the asset for another of similar characteristics within 15 days.

In the case of mortgage loans, the seller will replace the corresponding Mortgage Transfer Certificate with another of similar characteristics that is acceptable to Santander de Titulización S.G.F.T., S.A. and does not affect the ratings of the Bonds. The affected seller will pay the replacement expenses.

F.T.A. Santander Empresas 11

Report Date

28 March 2012

Financial Structure

Transaction Cash Flow

The Servicer will collect all payments received on interest and principal (including recoveries) from the portfolio on an on-going basis. On each Payment Date, the amounts available in the Treasury Account will be distributed in accordance with the Priority of Payments as summarised below.

Priority of Payments

(i) Taxes and expenses of the SPV.
(ii) If applicable, the net amount under the Interest Rate Swap Agreement.
(iii) Interest on the Series A Bonds and on the Liquidity Line (on a pro rata basis).
(iv) Interest on the Series B Bonds, only if the cumulative Outstanding Balance of Defaulted Loans since the Date of Establishment of the Fund is lower than 5% of the Original Balance of the Credit Rights.
(v) Principal on the Series A and Series B Bonds according to the Note Redemption rules.
(vi) Interest on the Series B Bonds if postponed from fourth (iv) place due to the cumulative default trigger breach.
(vii) Replenish the Reserve Fund up to the Reserve Fund Minimum Level.
(viii) Interest on the Series C Bonds.
(ix) Principal on the Series C Bonds.
(x) Interest and principal on the Subordinated Loan (in this order).
(xi) If applicable, the net amount under the Interest Rate Swap (except in the circumstances contemplated in the second (ii) place above).
(xii) Servicer fees.
(xiii) Variable Remuneration on the Subordinated Loan.
(xiv) Extraordinary interest on the Series C Bonds.

Note redemption rules

- The Series A Bonds will start amortising on the first Payment Date in May 2012.
- The Series B Bonds will amortise once the Series A Bonds have been fully redeemed.

Early Liquidation Events

- Once the Outstanding Balance of the assets is less than 10% of the Initial Balance and the proceeds from the sale of the assets are sufficient to pay down all the Notes outstanding.
- If there are circumstances that permanently affect the financial balance of the SPV.
- If the Management Company is declared bankrupt and a substitute is not appointed within four months.
- When there is a non-payment indicating a serious and permanent imbalance that affects the transaction.
- The first Payment Date that falls six months before the Legal Final Maturity Date.
- If the Outstanding Balance of the Liquidity Line exceeds 20% of the Series A Outstanding Balance, but only if the proceeds available from the sale of the assets are sufficient to pay down the notes outstanding in full.

Liquidation Priority of Payments

(i) Taxes and expenses.
(ii) If applicable, the net amount to be paid under the Swap Agreement.
(iii) Interest on the Series A Bonds and on the Liquidity Line (on a pro rata basis).
(iv) Principal on Series A Bonds and amortisation of the Liquidity Line.
(v) Interest on the Series B Bonds.
(vi) Principal on Series B Bonds.
(vii) Ordinary interest and principal on the Series C Bonds (in this order).
(viii) Accrued interest and principal on the Subordinated Loan (in this order).
(ix) If applicable, the net amount under the Interest Rate Swap (except in the circumstances contemplated in the second (ii) place above).

(x) Servicer fees.
(xi) Extraordinary interest on the Series C Bonds.

Payment Timing
Interest due on the Notes for each subsequent period is determined two days before the Payment Date. The transaction pays interest and principal on an annual basis on the 16^{th} day of February, May, August and November of each year. Interest on the Notes is based on 3 Month EURIBOR.

Security

Receivables
The portfolio consists of term loans and credit lines granted by Banco Santander to SMEs and Corporates in Spain. The portfolio does not benefit from mortgage collateral, and mainly consists of senior unsecured obligations of the borrowers, with a minority of the loans benefiting from personal guarantees and pledges of the obligors or third parties.

Transaction Accounts
Treasury Account:
The Treasury Account, which is linked to the Liquidity Line, receives the principal amounts from the credit rights. The Treasury Account may have a negative or positive balance due to the fluctuations in the committed and drawn amounts of the credit lines. These fluctuations will be cured by the Liquidity Line daily.

The Treasury Account will be canceled once all the credit lines have amortised, and ultimately, the Liquidity Line would cease to exist. Upon the termination of the Treasury Account, all outstanding balances would be transferred to the Interest Account.

Interest Account:
The Interest Account receives all the interest from the credit rights, and, on each Payment Date, the amount in the Interest Account will be transferred to the Treasury Account. Upon the cancellation of the Treasury Account, the amounts will be deposited into the Interest Account.

Liquidity Line:
Any drawing on the credit lines after closing is funded by proceeds from the reductions on other credit lines and proceeds from amortisations of the term loans. If this is not sufficient, then the Treasury Account will start to use the Liquidity Line to fund the difference. On each day, all principal proceeds received by the Fund will be first used to reduce the Liquidity Line’s outstanding drawn amount to zero.

Servicer Agreement

Banco Santander will act as the Servicer of the SME loans and credit lines. The Servicer will continue to manage the collection of all the amounts owed by the Debtors and that derive from the portfolio. The Servicer will employ standard due diligence to ensure that the payments are collected in accordance with the terms and contractual conditions of the Servicing Agreement and the Loan Agreements.

Mechanics of Servicing
The Servicer is expected to monitor and manage the credit rights portfolio (and the credit rights derived by those loans and the credit lines) sold to the Issuer with the same care and diligence as it does to its own loans and credit lines. The Servicer will be responsible for the collection of all payments due by the borrowers on the credits rights, managing relationships with borrowers, monitoring the performance of the loans and initiating recovery processes against defaulted or non-performing borrowers.

F.T.A. Santander Empresas 11

Report Date

28 March 2012

The Servicer is allowed to negotiate changes to existing credit rights within the permitted variations foreseen in the Servicing Agreement. The permitted variations are mainly limited to changes in the interest rate and maturity of the Credit Rights.

Commingling Risk

The Servicer will pay all of the amounts received from credit rights into the Issuer's accounts within one business day. However, as the Account Bank is Banco Santander, there is a significant amount of exposure for the Issuer to Banco Santander as it will be holding the following for the Issuer:

- Reserve Fund - EUR 940 million.
- Interest and principal collections between payment dates.

DBRS considers that this risk is sufficiently mitigated by the existing rating triggers and the financial strength of Banco Santander.

Servicer Termination

The Servicer Agreement can be terminated under certain conditions by the Management Company. The primary reasons for which a Servicer could be terminated are a breach of the obligations of the Servicer under the Servicer Agreement, the insolvency or bankruptcy of the Servicer, or if the Servicer ceased to have the necessary authorisation by the Bank of Spain to provide such services. In cases where a Servicer Agreement is terminated, the Management Company will appoint a replacement Servicer.

Once the Servicer is downgraded below BBB (low) by DBRS, it must appoint a back-up Servicer or a replacement Servicer, or constitute a deposit to mitigate the commingling risk.

The Servicer Agreement can also be voluntarily terminated by the Servicer only once the Servicer has proposed a new replacement Servicer, which does not add additional costs to the Issuer and does not negatively impact the rating of the Bonds. Any event of the Servicer replacement needs to be communicated to the Comisión Nacional del Mercado de Valores ("CNMV"), the Spanish financial securities markets regulator, and the rating agencies.

Credit Enhancement

The Series A Bonds benefit from credit enhancement in the form of the excess of the balance of the portfolio above the notional of the outstanding balance of the Series B Bonds. Additionally, credit enhancement is provided by the Reserve Fund. The transaction also benefits from the excess spread that can be used to replenish the Reserve Fund and pay principal on the Notes.

Reserve Fund

The balance of the Reserve Fund at closing is equal to EUR 742 million.

The purpose of the Reserve Fund is to:

- offset losses from defaulted Credit Rights;
- provide additional funds to pay any shortfalls in the amount available to pay the senior expenses and interest on the Series A and Series B Bonds.

The Reserve Fund balance must be maintained at the Minimum Level, which cannot decrease unless:

- the transaction has progressed beyond the Payment Date in May 2014 (after the first two years);
- the Reserve Fund was at the required Minimum Level on the previous Payment Date;
- the balance of the Reserve Fund is at least 56% of the Outstanding Principal Balance of the Series A and Series B Bonds; and,

F.T.A. Santander Empresas 11

Report Date

28 March 2012

- the outstanding amount of delinquent Loans (greater than 90 days in arrears) is higher than 1.0% of the Outstanding Principal Balance of the Non Defaulted Loans.

Deferral of Interest

Interest on the Series B Bonds can be deferred to a lower priority on the Priority of Payments to allow excess spread to be used either to pay down the Series A Bonds and replenish the Reserve Fund, or to prevent principal proceeds from the portfolio being used to pay interest on the Series B Bonds.

Interest on the Series B Bonds will be differed to a lower priority if the cumulative Outstanding Principal Balance of the Defaulted Loans divided by the initial portfolio balance is greater than 5%.

Data Quality

Banco Santander has provided a complete data set regarding the information on the loan portfolio that is consistent with the DBRS data template. Banco Santander has also provided historical data on the performance of SME loans. The historical data was organised by vintage, with information on the number and amount of loans over 90 days in arrears as well as recovery data.

DBRS determined key inputs used in our analysis based on historical performance data provided for the Originator and Servicer, as well as analysis of the current economic environment.

The sources of information used for this rating include parties involved in the rating, including but not limited to Banco Santander. DBRS considers the information available to it for the purposes of providing this rating was of satisfactory quality.

Collateral Analysis

Collateral Summary

Asset Type	SME loans, SME Credit Rights, Corporate loans, Corporates Credit Rights	
Performing Balance (EUR million)		2,650
Number of Credit Rights		8,608
	Loans:	4,817
	Credit lines:	3,791
Number of Borrowers		8,041
Floating/Fixed	Floating	88.97%
	Fixed	11.03%
Average Loan Size		307,853
Average Borrower Exposure		329,561
Weighted Average Current Interest Rate		4.28%
Weighted Average Remaining Term		2.42 years
Weighted Average Life		2.02 years
Obligor Concentration	Largest	12.56%
	Top 10 Largest	42.10%
Loans Originated (Excluding Credit Lines)	July 2001 - December 2011	
Delinquency Percentages	Up to 30 days in Arrears	0.81%

Source: DBRS, Banco Santander.

Amortisation Profile

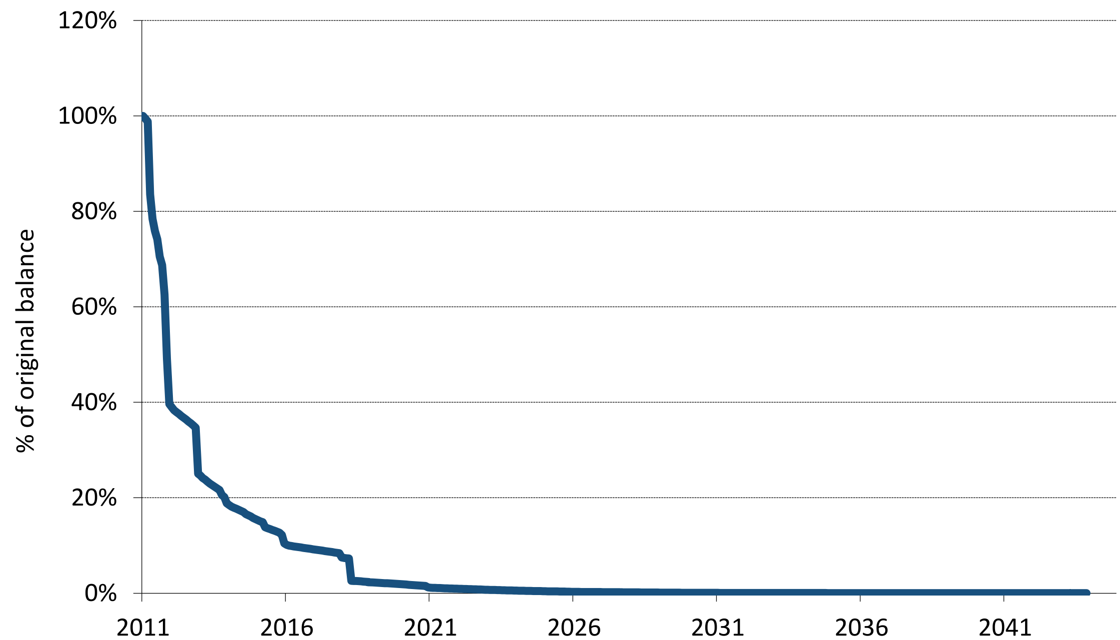
As of February 2012, the preliminary pool had a Weighted Average Life ("WAL") of 2.02 years based on the scheduled amortisation provided and assuming a 0% prepayment rate. DBRS was not provided an updated amortisation profile for the final portfolio. Considering that the final portfolio was selected from the provisional pool, DBRS does not expect its WAL to be significantly different from the provisional pool.

F.T.A. Santander Empresas 11

Report Date

28 March 2012

Amortisation Profile (assuming 0% CPR)

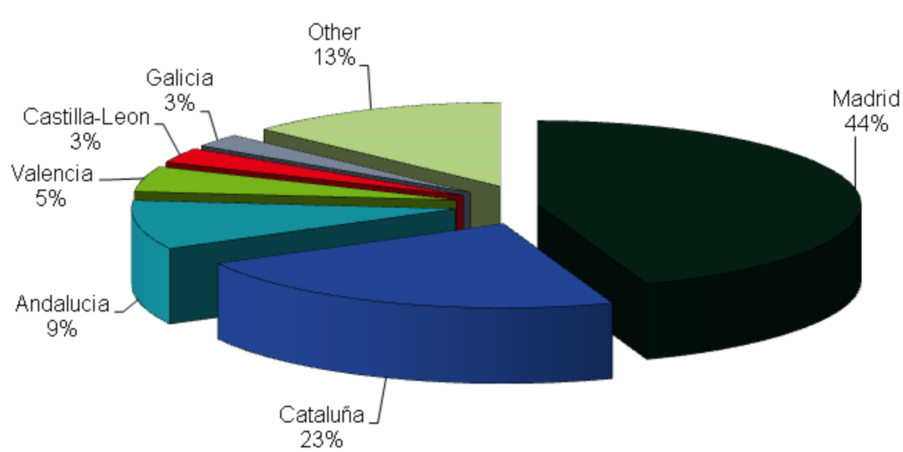


Source: DBRS and Banco Santander

Portfolio Distribution – Collateral Type

The portfolio of loans benefits from multiple types of guarantees, including personal guarantees and pledges, but not mortgages, other assets, or cash deposits. As per the DBRS SME methodology, DBRS will assign a recovery rate to senior unsecured loans of 24.5% and 27% at AA and B rating levels, respectively.

Portfolio Distribution – Borrower Location by Region



Source: DBRS and Banco Santander

F.T.A. Santander Empresas 11

Report Date

28 March 2012

Portfolio Distribution – Borrower Industry Sector Classification

The portfolio exhibits a reasonable diversity of industry types. Aggregate construction plus real estate activities are at approximately 29.81%, which is comparable to other Spanish SME CLOs.

Industry Classification (as of the Close Date)	Percentage of Balance
Construction	25.24%
Manufacturing	15.72%
Automotive Sales & Repair	15.48%
Finance & Insurance	14.55%
Hotels & Food Service	8.04%
Real Estate	4.57%
Professional, Scientific & Technical Services	3.16%
Goods Transportation	2.60%
Agriculture	2.44%
Utilities	2.06%
Communications & IT	1.35%
Other Services	1.34%
Water & Environmental	1.14%
Administration & Support	0.89%
Other industries	1.42%
Total	**100.0%**

Source: DBRS, Banco Santander

Portfolio Distribution – Largest Exposures

The top ten obligors represent 42.10% of the outstanding balance of the portfolio making it very granular portfolio.

Rank (as of the Close Date)	Balance (EUR million)	Percentage of portfolio	Region	Industry
1	332.80	12.56%	Madrid	Construction
2	186.47	7.04%	Madrid	Finance & Insurance
3	146.25	5.52%	Cataluña	Hotels & Food Service
4	102.72	3.88%	Madrid	Automotive Sales & Repair
5	94.85	3.58%	Madrid	Construction
6	68.46	2.58%	Andalucia	Manufacturing
7	66.08	2.49%	Cataluña	Manufacturing
8	46.08	1.74%	Madrid	Construction
9	46.03	1.74%	Madrid	Finance & Insurance
10	26.00	0.98%	Cataluña	Finance & Insurance
Total	1,115.74	42.10%		

Source: DBRS, Banco Santander

DBRS Analysis

Average Annualised Default Rate

The average annualised default rate is determined from the historical data supplied by the Originator. Banco Santander supplied historical performance data by vintage on their SME book for loans originated between 2000 and 2011. The average annualised default rate for the period was 2.09%, while the average annualised default data considering only the last eight-year period was 2.26%. The base case PD that DBRS used for the portfolio default analysis was 2.26%.

Correlation

Based on the Master European Granular Corporate Securitisations (SME CLOs) methodology, the correlation must be selected from a range. Compared to other Spanish SME transactions, the regional and industry concentrations are not excessive. As a result, DBRS decided to use the mid-level correlations of 22.0% at the AAA (sf) level for the analysis.

Recovery Rates

DBRS applies the recovery rates as defined in its Master European Granular Corporate Securitisations (SME CLOs) methodology. The portfolio did not benefit from mortgage guarantees, therefore DBRS applied its senior unsecured recovery rates assumption. The recovery rate assumed is lower for higher target ratings, reflecting an additional stress on the higher rated Notes.

AA Unsecured Recovery Rate	BBB (high) and below Unsecured Recovery Rate
24.5%	27%

Sovereign Default Risk

In the analysis of securitisation transactions, the effect of external influences is often minimized through restrictive requirements. For example, the risk of the Account Bank defaulting - and the Issuer being unable to have access to its money - is reduced by setting a minimum rating for the Account Bank, and making it a requirement that such bank be changed if its rating drops below the threshold. If the Account Bank is not changed in this situation, then the transaction runs the risk of its rating being reduced irrespective of the performance of the assets.

In May 2011, DBRS published the commentary, “The Effect of Sovereign Risk on Securitisations in the Euro Area,” which discussed the risks faced by European securitisations as the rating of the domiciled country declined. The impact of sovereign default on structured securitisations is difficult to predict, as there are no historical examples to reference.

Based on this discussion, DBRS therefore stresses the annualised default rate for a transaction once the rating of the domicile country is below AA (low). The amount that the default rate is increased by depends on the Weighted Average Life of the portfolio and the actual rating of the country. The rating of the Kingdom of Spain is AA (low) on Negative Trend and the annualised default rate was adjusted assuming the rating of Spain was one notch below, as described in the section below.

Asset Default Analysis

The F.T.A. Santander Empresas 11 portfolio exhibits significant obligor concentration, with the top 30 obligors representing about 53% of the portfolio notional. For this transaction, DBRS did not use its Large Pool Default Model (“LPDM”), as this is designed for granular SME portfolios. Instead, the asset risk analysis was conducted in the DBRS CDO Toolbox model, as this model is able to address obligor concentration by stressing the intra- and inter-obligor correlation, as well as allowing the use of stressed assumptions for the top obligors.

To validate this analysis, DBRS first compared the results obtained from the Large Pool Default Model with those obtained by creating a portfolio of 1,000 equally weighted assets in the CDO Toolbox Model. Given the same base case PD and WAL inputs, the results were identical in both models.

DBRS then constructed a portfolio of about 1,000 assets with obligor concentrations weights representative of the actual portfolio. This allowed the CDO Toolbox model to capture the obligor concentration risk.

Lastly, DBRS stressed the default rate of the largest exposures in the portfolio by a factor of two. The base case PD used for the granular loans in the pool was 2.10%, and, including the sovereign risk adjustment, it was 2.20%, while the PD used for the top 30 assets was double (4.40%).

The table below compares the expected portfolio lifetime defaults at each stress level for three portfolio methods:

- **Method 1**: a granular portfolio analysed with the Large Pool Default Model;
- **Method 2A**: a concentrated portfolio analysed under the CDO Toolbox with the same PD and correlation assumptions as used in the LPDM;
- **Method 2B**: same as method 2A, but with a stressed PD for the largest 30 obligors in the portfolio and application of sovereign risk adjustment.

Parameters	Method 1	Method 2A	Method 2B
Model	Large Pool Default Model	CDO Toolbox	CDO Toolbox
1 year Base PD	2.10%	2.10%	2.20%
1 year Base PD (top 30 assets)	N/A	2.10%	**4.40%**
'AAA' correlation	22%	22%	22%
Weighted Average Life of SME Portfolio	2.0 Years	2.0 Years	2.0 Years
asset size assumption	Equal weight	Actual portfolio	Actual portfolio

Lifetime Total Default Rate:

Rating	Method 1	Method 2A	Method 2B
AAA	42.38%	47.37%	60.08%
AA (high)	34.39%	43.99%	56.23%
AA	32.77%	42.32%	54.13%
AA (low)	32.13%	41.48%	53.42%
A (high)	28.91%	40.69%	52.29%
A	28.17%	39.45%	51.16%
A (low)	27.30%	38.22%	50.02%
BBB (high)	22.53%	33.57%	45.19%
BBB	20.28%	29.86%	41.22%
BBB (low)	16.91%	24.47%	35.07%
BB (high)	13.33%	19.83%	29.52%
BB	11.91%	17.33%	26.33%
BB (low)	10.49%	14.76%	23.07%
B (high)	9.52%	13.04%	20.74%
B	8.63%	11.48%	18.58%
B (low)	7.07%	8.50%	14.67%

The Lifetime Total Default Rates resulting from Method 2B represent the threshold levels that the rated Notes must withstand in order to achieve their specific target rating.

Interest Rate Scenarios

The purpose of the interest rate stress scenarios is to determine whether the transaction has any systemic interest rate risk exposure. For example, an issuer will have an increased interest rate risk if i) a large portion of the asset portfolio has a fixed interest rate, ii) all the liabilities have interest rates that are floating and iii) there is no interest rate swap. Multiple scenarios are run to determine the interest rate risk. The scenarios used are i) the forward interest rate curve, ii) an increasing interest rate curve and iii) a decreasing interest rate curve.

The higher the target rating, the more extreme the level of interest rate stress used. For example, the rates assumed under the increasing interest rate stress scenario are higher for a target rating of AAA than they are for a target rating of BB. The increasing and decreasing interest rate stress scenarios are referred to as the "Up" scenario and the "Down" scenario, respectively.

There are three rating-specific interest rate stress scenarios:

- AAA
- AA/A
- BBB and below

For this transaction, the "AA/A" and the "BBB and below" scenarios were used.

Default Timing Vectors Scenarios

In addition to the interest rate scenarios, DBRS also varies the timing of when the defaults occur. There are three scenarios, which are used for all target ratings:

Default Vector	Year 1	Year 2	Year 3	Year 4
Front	40%	30%	20%	10%
Back	20%	30%	40%	10%
Smooth	30%	30%	30%	10%

Thus, for all ratings, the relevant interest rate scenario is run for each of the default timing vectors.

Overall Cash Flow Model Summary

The Lifetime Total Default Rate is the cumulative default rate that the transaction must survive if the specified Notes are assigned the target rating, under the nine interest rate and default timing vector scenarios described above.

At the AA (sf) and B (sf) ratings, the average of the nine break-even default rate scenarios must exceed the Lifetime Total Default Rates, as calculated in Method 2B above. Specifically, in order to pass the AA (sf) rating level, the Class A Notes must not have any losses when 54.13% of the portfolio is defaulted. In order to pass the B (sf) rating level, the Class B Notes must not have any losses when 18.58% of the portfolio is defaulted.

Cash Flow Model Results

At closing, the outstanding balance of the credit lines represented 67.31% of the portfolio. These credit lines, if fully drawn at once, could further increase the liabilities by EUR 729 million. Such potential increase in the exposure is funded by the principal proceeds available due to partial reductions on other credit lines or amortization of term loans. If the available Principal Proceeds are not sufficient to cover the further drawings on the credit lines, then the Issuer can draw on a Liquidity Line that is also provided by Banco Santander and which is senior to the Series A Bonds.

If the credit lines are fully drawn after closing, it will increase the risky portfolio from EUR 2,650 million to EUR 3,379 million, and consequently result in a dilution on the credit enhancement levels available to support the Series A and Series B Bonds to 37.6% and 22%, respectively.

DBRS considers that even if the credit lines were to be fully drawn by EUR 729 million, the drawings on the Liquidity Line would most likely be lower. This opinion is based on the fact that any future drawings are first funded through the principal proceeds available from amortisation of term loans. In addition, the relative short life and dynamic nature of the credit lines indicates that this risk is only temporary, as by the end of 2012 this potential exposure will be reduced by more than 80%.

DBRS therefore assumed that the Liquidity Line would increase by a maximum of EUR 450 million. This was taken into consideration in the cash-flow model by creating a Liquidity Line liability of EUR 450 million paid senior to the Series A Bonds and applying the stressed default rate assumptions on a maximum portfolio of EUR 3,100 million.

Factor / Result	Series A Bonds	Series B Bonds
Minimum Required Lifetime Default Rate	54.13%	18.58%
Break-even Default Rate	54.73%	34.06%
Cushion	0.60%	15.48%
Result	**PASS**	**PASS**

The results of the break-even default rate analysis indicate that the Series A Bonds can withstand a higher default level than the level required for the AA rating if analysed with senior liability of EUR 450 million. Therefore, DBRS was able to assign AA (sf) ratings to the Series A Bonds.

The rating of the Series C Bonds is based on a qualitative assessment of its ability to repay, as well as the following considerations:

- The Series C Bonds are the first loss position, as its proceeds were used to fund the Reserve Account.
- DBRS does not expect the principal of the Series C Bonds to be repaid in full.
- Because the rating of the Series C Bonds addresses the ultimate payment of interest and principal, default would most likely occur at the maturity of the transaction.

F.T.A. Santander Empresas 11

Report Date

28 March 2012

Methodologies Applied

The following are the primary methodologies DBRS applied to assign a rating to the above referenced transaction, which can be found on www.dbrs.com under the heading Methodologies. Alternatively, please contact info@dbrs.com, or contact the primary analysts whose contact information is listed in this report.

- Master European Granular Corporate Securitisations (SME CLOs) June 2011
- Legal Criteria for European Structured Finance Transactions August 2011
- Rating Global High-Yield Loan Securitizations, Structured Loans and Tranched Credit Derivatives, March 2009
- Unified Interest Rate Model for European Securitisations June 2011
- Master European Structured Finance Surveillance Methodology July 2011
- Swap Criteria for European Structured Finance Transactions June 2011
- The CDO Toolbox April 2007

Monitoring and Surveillance

The rating of the Notes depends on the portfolio performance and counterparties' ratings. The main triggers that DBRS will rely on for monitoring are:

- Maintenance of the Reserve Fund at the required level;
- Updated SME default data from Banco Santander;
- Downgrade, below certain trigger levels, of the public or private internal credit ratings by DBRS of the counterparties engaged in the transaction; and
- Any event of default by the Issuer.

DBRS will monitor the transaction on an on-going basis to ensure that it continues to perform as expected. Any subsequent changes in the rating will be publicly announced.