

**SECURITIZATION FUND  
SANTANDER CONSUMER SPAIN AUTO 2016-1  
ISSUE PROSPECTUS  
€780,300,000**

		<b>DBRS</b>	<b>Moody`s</b>
<b>Series A</b>	€ 650,200,000	AA (sf)	Aa2 (sf)
<b>Series B</b>	€ 30,600,000	A (sf)	A3 (sf)
<b>Series C</b>	€ 42,100,000	BBB (sf)	Baa3 (sf)
<b>Series D</b>	€ 23,000,000	BB (low) (sf)	Ba1 (sf)
<b>Series E</b>	€ 19,100,000	Not Rated	Not Rated
<b>Series F</b>	€ 15,300,000	Not Rated	Not Rated

**BACKED BY CREDIT RIGHTS ASSIGNED BY**

**SANTANDER CONSUMER, E.F.C., S.A.**

**MANAGERS OF THE ISSUE**



**bekafinance**



**STRUCTURING ENTITIES OF THE ISSUE**



**beka** | structured  
securities  
Powered by Singular Lab

**Paying Agent and Back-Up Servicer Facilitator**



**Promoted and Administered by:**

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



## CONTENT

<b>RISK FACTORS.....</b>	<b>9</b>
<b>I. - Risk factors specific to the Fund.....</b>	<b>9</b>
(i) Insolvency risk of the Fund.....	9
(ii) Lack of legal personality of the Fund.....	9
(iii) Limitation of actions against the Managing Company.....	9
(iv) Compulsory replacement of the Managing Company.....	9
(v) Applicability of the Insolvency Law.....	9
(vi) Breach of contracts by third parties.....	10
<b>II. - Risk factors specific to the Credit Rights backing the issue.....</b>	<b>11</b>
(i) Risk of non-payment of the Credit Rights.....	11
(ii) Risk of early redemption of the Credit Rights.....	11
(iii) Liability.....	11
(iv) Protection.....	11
(v) Geographical Concentration Risk.....	11
(vi) Risk according to the date of formalization and depreciation of the vehicle.....	12
(vii) Dependence on proceeding of regain and recovery.....	12
(viii) Reservations of title.....	13
<b>III. - Risk factors specific to securities.....</b>	<b>14</b>
(i) Limited liquidity.....	14
(ii) Price.....	14
(iii) Yield and Duration .....	14
(iv) Late payment interest.....	14
(v) Ratings of the Bonds.....	15
(vi) Subordination of the Series .....	15
<b>REGISTRATION DOCUMENT.....</b>	<b>16</b>
<b>1. PERSONS RESPONSIBLE.....</b>	<b>17</b>
1.1. Persons responsible for the information contained in the Registration Document..	17
1.2 Statement granted by those responsible for the Registration Document.....	17
<b>2. ACCOUNT AUDITORS OF THE FUND.....</b>	<b>17</b>
2.1. Name and address of the account auditors of the Fund.....	17
2.2. Fiscal years and presentation of annual financial statements.....	17
<b>3. RISK FACTORS.....</b>	<b>18</b>

<b>4. INFORMATION ABOUT THE ISSUER.....</b>	<b>18</b>
4.1. Statement that the Issuer has been established as a securitization fund.....	18
4.2. Legal and commercial name of the Fund.....	18
4.3. Registration of the Issuer.....	18
4.4. Date of Incorporation and period of activity of the Fund, except where indefinite.	18
4.5. Domicile and legal personality of the Issuer; legislation applicable to its operation	23
4.6. Description of the amount of capital authorized and issued by the Fund.....	24
<b>5. DESCRIPTION OF THE COMPANY.....</b>	<b>25</b>
5.1. Brief description of the Issuer’s principal activities.....	25
5.2. General description of the parties involved in the securitization program.....	25
<b>6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE MANAGING COMPANY.....</b>	<b>28</b>
6.1. Legal Person of the Managing Company.....	28
<b>7. MAIN SHAREHOLDERS OF THE MANAGING COMPANY.....</b>	<b>40</b>
<b>8. FINANCIAL INFORMATION RELATING TO THE CREDIT RIGHTS AND TO TI RESPONSIBILITIES OF THE ISSUER, FINANCIAL POSITION, AND PROFITS A LOSSES.....</b>	<b>41</b>
8.1. Statement regarding the commencement of operations and financial statements of Issuer prior to the date of the Registration Document.....	41
8.2. Historical financial information.....	41
8.2.bis This section may only be used for issues of securities backed by credit rights th have an individual denomination equal to or higher than €50,000.....	41
8.3. Legal and arbitration proceedings.....	41
8.4. Important adverse change in the Issuer’s financial situation.....	41
<b>9. INFORMATION ABOUT THIRD PARTIES, STATEMENTS MADE BY EXPERTS AND DECLARATIONS OF INTEREST.....</b>	<b>41</b>
9.1. Statement or report attributed to a person acting as an expert.....	41
9.2. Information from a third party.....	41
<b>10. DOCUMENTS FOR CONSULTATION.....</b>	<b>41</b>
<b>SECURITIES NOTE.....</b>	<b>43</b>
<b>1. PERSONS RESPONSIBLE.....</b>	<b>44</b>
1.1. Persons responsible for the information contained in the Securities Note and in th Additional Module.....	44
1.2. Statement granted by those responsible for the Securities Note and the Additional Module.....	44
<b>2. RISK FACTORS.....</b>	<b>44</b>
<b>3. FUNDAMENTAL INFORMATION.....</b>	<b>44</b>
3.1. Interest of the natural persons and Legal Person participating in the issue.....	44

3.2. Purpose of the transaction.....	45
<b>4. INFORMATION RELATING TO THE SECURITIES TO BE OFFERED AND ADMITTED TO TRADING.....</b>	<b>45</b>
4.1. Total amount of the securities.....	45
4.2. Description of the type and class of securities.....	47
4.3. Legislation on the securities.....	47
4.4. Indication of whether the securities are in registered or bearer form and whether securities are in certificated or book-entry form.....	48
4.5. Currency of the issue.....	48
4.6. Ranking of the Securities according to Subordination.....	48
4.7. Description of the rights attached to the securities and procedure for the exercise of the said rights.....	50
4.8. Nominal Interest Rate and provisions relating to the payment of interests.....	50
4.9. Redemption price and provisions relating to the maturity of securities.....	52
4.10. Indication of investor's yield and calculation method.....	53
4.11. Representation of the security holders.....	62
4.12. Resolutions, authorizations and approvals by virtue of which the securities are issued.....	62
4.13. Date of issue.....	62
4.14. Restrictions on the free transferability of securities.....	62
<b>5. ADMISSION TO TRADING AND DEALING ARRANGEMENTS.....</b>	<b>63</b>
5.1. Indication of the Market where the securities will be traded.....	63
5.2. Paying Agent and Depository Institutions.....	63
<b>6. EXPENSES OF THE OFFER AND ADMISSION TO LISTING.....</b>	<b>65</b>
<b>7. ADDITIONAL INFORMATION.....</b>	<b>66</b>
7.1. Persons and entities acting as advisers in the issue.....	66
7.2. Information on the Securities Note reviewed by the auditors.....	66
7.3. Statement or report attributed to a person acting as an expert.....	66
7.4. Information provided by third parties.....	66
7.5. Ratings.....	66
<b>ADDITIONAL MODULE TO THE SECURITIES NOTE.....</b>	<b>68</b>
<b>1. SECURITIES.....</b>	<b>68</b>
1.1. Amount of the Issue.....	68
1.2. Confirmation that the information relating to a company or debtor that does not participate in the issue has been reproduced.....	68
<b>2. UNDERLYING ASSETS.....</b>	<b>68</b>
2.1. Confirmation as to the Credit Rights' capacity to generate funds payable to the securities.....	68
2.2. Credit Rights backing the issue of the Bonds.....	68

2.3. Assets actively managed backing the issue.....	118
2.4. Statement in the event that the issuer intends to issue new securities backed by same assets, and a description of how the holders of that Series will be informed.....	118
<b>3. STRUCTURE AND CASH FLOW.....</b>	<b>118</b>
3.1. Description of the structure of the transaction.....	118
3.2. Description of the entities that participate in the issue and description of the Functions to be performed.....	120
3.3. Description of the method and of the date of sale, transfer, novation or assignr of the Credit Rights.....	120
3.4. Explanation of the flow of funds, including.....	122
3.5. Name, address and significant business activities of the Assignor.....	139
3.6. Performance and reimbursement of the securities not related to other assets of the issuer	142
3.7. Management Service Provider and duties of the Managing Company.....	142
3.8. Name and address and a brief description of any counterparties involved in transactions relating to swap, credit, liquidity or accounts.....	151
<b>4. POST-ISSUANCE INFORMATION.....</b>	<b>151</b>
<b>DEFINITIONS.....</b>	<b>153</b>

This document is the information prospectus (hereinafter referred to, without distinction, as the “**Information Prospectus**” or the “**Prospectus**”) for the SECURITIZATION FUND, SANTANDER CONSUMER SPAIN AUTO 2016-1 (hereinafter, the “**Fund**”) approved and registered in the Spanish National Stock Exchange Commission (hereinafter, the “**CNMV**”) on 10<sup>th</sup> March 2016, in accordance with the provisions of the Regulation 809/2004; it includes the following:

1. A description of the main risk factors related to the issue, the securities and the assets that back the issue (hereinafter, the “**Risk Factors**”);
2. A registration document for the securities, drafted in accordance with the schedule established by Annex VII of the Regulation 809/2004 (hereinafter, the “**Registration Document**”);
3. A note on the securities, drafted as established by the provisions of Annex XIII of the Regulation 809/2004 (hereinafter, the “**Securities Note**”);
4. An additional module to the Securities Note, prepared according to the module established by Annex VIII of the Regulation 809/2004 (hereinafter, the “**Additional Module**”); and
5. A glossary with definitions (hereinafter, the “**Definitions**”).

## 1. RISK FACTORS

### I.- RISK FACTORS SPECIFIC TO THE FUND:

**(i) Insolvency risk of the Fund:**

In the event that the Fund is unable to comply with its payment obligations on a generalized basis, the provisions of article 23 of the Law 5/2015 will apply, i.e., the Managing Company, will proceed to the ordered liquidation of the Fund, in accordance with the rules established in this regard by this Prospectus.

The Fund will only be liable for the fulfillment of its obligations up to the amount of its assets.

**(ii) Lack of legal personality of the Fund:**

The Fund does not have any legal personality. Consequently, the Managing Company will be in charge of its administration and representation and must comply with the legally established obligations in connection with the Fund; should it fail to comply with the said obligations, the Managing Company will be liable to the Bondholders and the rest of creditors of the Fund up to the limit of its net worth, pursuant to the provisions of Chapter I, Title III of the Law 5/2015.

**(iii) Limitation of actions against the Managing Company:**

Bondholders and the rest of creditors of the Fund may only bring an action against the Managing Company of the Fund in the event that the latter has not performed its duties or has failed to comply with the provisions of the Deed of Incorporation or of this Prospectus in accordance with article 26.2 of the Law 5/2015.

**(iv) Compulsory replacement of the Managing Company:**

The Managing Company shall proceed to find a managing company to replace it if in compliance with article 33 of the Law 5/2015 the Managing Company is declared insolvent.

If, four (4) months have elapsed since the occurrence of the cause for the compulsory replacement and no other managing company has been appointed to be in charge of the management of the Fund, it will be necessary to proceed to the Early Liquidation of the Fund and to the Early Redemption of the securities issued against the said Fund, in accordance with the provisions of the Deed of Incorporation and this prospectus.

Likewise, the Managing Company shall proceed to find a managing company that replaces it if the authorization to act as a managing company were revoked.

**(v) Applicability of the Insolvency Law:**

The Assignor, SCF, Banco Santander, the Managing Company or any other counterparty entity of the Fund may be declared insolvent.

The insolvency of any of the parties could affect their contractual relationships with the Fund, in accordance with the provisions of Law 22/2003, of 9<sup>th</sup> July, of Insolvency (“**Insolvency Law**”).

In the event that the Assignor in accordance Insolvency Law –in its capacity of Management Services Provider– becomes insolvent, the Fund, by acting through the Managing Company, will have a right of separation in respect of the assigned Credit Rights, pursuant to articles 80 and 81 of the said Insolvency Law. Notwithstanding the foregoing, this right of separation will not necessarily extend to the money received by the Assignor, in its capacity of Management Services Provider, and kept by the latter

on behalf of the Fund prior to its deposit to the account of the Fund, since, given its fungible nature, it could be subject to the result of the insolvency proceedings according to the majority interpretation of article 80 of the Insolvency Law.

For the purposes of mitigating the said risk, certain mechanisms have been established, which are described in sections 3.4.4 (Cash Account, Principal Account, Commingling Reserve and Liquidity Reserve), and 3.7.1 (5) (Collection Management) of the Additional Module.

In the event that the Assignor of the Credit Rights is declared insolvent, the assignment of the Credit Rights to the Fund could be subject to restitution of the assets in compliance with the provisions of article 71 of the Insolvency Law, in the event that the existence of fraud is verified by the insolvency administrators, which in any case, in compliance with provisions of the Insolvency Law and the paragraph 4 of article 16 of the Law 5/2015, will not affect to the rights of bona fide third parties.

However, there is no case law that allows to know the interpretation of the Insolvency Law by the courts in relation to this issue.

Notwithstanding the foregoing, in case that the Third Additional Provision of the Law 1/1999, of 5<sup>th</sup> January, is applicable to the assignment of Credit Rights to the Fund, the assignment of Credit Rights could be terminable pursuant to article 71 of the Insolvency Law, which sets forth that the acts detrimental to the assets of the insolvency proceeding carried out within the two years preceding the declaration of insolvency, unless those acts were considered as ordinary acts of the company's performance carried out by the Assignor under normal circumstances.

In the case of insolvency of the Managing Company, this company must be replaced in accordance with the provisions of article 33 of the Law 5/2015.

The structure of this securitization transaction does not allow, except in the event that the parties fail to comply with their obligations, the existence of amounts in cash that might be included in the assets of the Managing Company, given that the amounts corresponding to revenues of the Fund must be credited, pursuant to the terms established by this Prospectus, to the accounts opened in the name of the Fund by the Managing Company (which, at the time to open the said accounts, is not only acting as a mere agent, but also as the legal representative of the Fund).

In the event that the insolvency proceeding of SCF is declared, the amounts received by SCF and kept by SCF on behalf of the Fund as a counterparty of the contracts entered into by the Fund, described in paragraph 3.4.4 of the Additional Module, prior to the date of the declaration of the insolvency proceeding, the amounts may be affected by the insolvency, according to majority interpretation of articles 80 and 81 of the Insolvency Law 5/2015. Likewise, and in order to reduce risks, certain remedies have been set forth as described in paragraph 3.4.4 (Cash Account, Principal Account, Commingling Reserve Account and Liquidity Reserve Account).

**(vi) Breach of contracts by third parties:**

The Fund has entered into various contracts with third parties for the provision of certain services relating to the Bonds. Consequently, Bondholders could be damaged in the event that the said third parties fail to comply with the obligations assumed by virtue of any of the aforementioned contracts formalized with third parties. However, certain mechanisms have been set forth –in certain contracts to reduce those possible breaches such as the possibilities of termination of the agreement in the event of a rating decrease of any of the counterparties. Those mechanisms are described throughout the Prospectus and the contracts signed by the Managing Company in the name of the Fund are described in section 3.1 of the Additional Module.



## **II.- RISK FACTORS SPECIFIC TO THE CREDIT RIGHTS BACKING THE ISSUE:**

### **(i) Risk of non-payment of the Credit Rights:**

The holders of the Bonds issued against the Fund will assume the risk of non-payment of the Credit Rights pooled in the Fund.

Santander Consumer does not assume any liability for non-payment on the part of Debtors, whether of principal, interests or any other amount that they might owe by virtue of the Credit Rights assigned to the Fund by virtue of the Assignment Agreement. The Assignor will only be liable for the existence and legitimacy of the Credit Rights at the time of the assignment and pursuant to the terms and conditions contained in the Prospectus and the Assignment Agreement, as well as for the legal personality pursuant to which the said assignment is made. The bondholders and the remaining creditors of the Fund will not have any action against those Debtors that have breached their payment obligations.

The Managing Company and the Assignor, in accordance with the provisions of sections 2.2.5 and 2.2.8 of the Additional Module, guarantee under the Assignment Agreement and on the occasion of the assignments of Additional Credit Rights, that the Credit Rights to be assigned to the Fund have no pending installments and that there are not any Delinquent Loans.

### **(ii) Risk of early redemption of the Credit Rights:**

The Credit Rights pooled in the Fund may be early redeemed when the Debtors prepay the portion of principal pending repayment, pursuant to the terms established by each one of the Loan Agreements from which the Credit Rights derive.

The risk of such early repayment will be transferred on each Payment Date to the Bondholders in accordance with the redemption rules provided in section 4.9 of the Securities Note.

### **(iii) Liability:**

The Bonds issued by the Fund do not represent an obligation of the Managing Company, the Assignor, the Managers nor the Structuring entities. The flow of funds used in order to comply with the obligations to which the Bonds give rise is only insured or guaranteed under the specific circumstances and up to the limits described in section 2.2.8 of the Additional Module. With the exception of these guarantees, there are not any other guarantees granted by any public or private entity, including the Assignor, the Managing Company and any of their affiliate companies or investee companies. The Credit Rights pooled in the Fund and the rights that they imply constitute the sole source of income of the Fund and, consequently, of payments to the holders of its liabilities, without prejudice to the credit enhancements described in section 3.4.2 of the Additional Module.

### **(iv) Protection:**

An investment in Bonds may be affected, among other things, by any deterioration in the general economic conditions having a negative effect on payments of the Credit Rights that support the issue of the Fund. In the event that non-payments reach a high 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 in section 3.4.2 of the Additional Module. Notwithstanding the foregoing,

the Bondholders do not have their risk mitigated but it will be subordinated by the Ranking described in section 3.4.6.(1)(b) of the Additional Module or, in accordance with the Post-Enforcement Ranking of section 3.4.6 (4) of the Additional Module.

**(v) Geographical Concentration Risk**

As specified in section 2.2.2.1.n) of the Additional Module, the Autonomous Regions representing the greatest concentration in terms of residence of the Debtors for the loans selected for assignment to the Fund upon its incorporation are, according to the percentage of the principal pending maturity, the following: Andalusia (18.8%), Catalonia (16.1%), Madrid (14.3%) and Valencia (10.3%), together representing 59.5%. Taking into account these levels of concentration, any situation of any kind that have any negative impact over those geographical zones could affect to the Debtors payments of the loans that support the issue of the Bonds.

**(vi) Risk according to the date of formalization and depreciation of the vehicle**

99.8% of the Outstanding Balance of the loans selected for their assignment to the Fund has been formalized between 2014 (15.4%) and 2015 (84.4%), as set forth in section 2.2.2.1.j) of the Additional Module.

The immediate depreciation suffered by a New Vehicle (vehicles with an age, since registration, of less than twelve (12) months) at the time that it leaves the corresponding dealer approximately represents 20% of its value, moreover, it is also necessary to take into account the average monthly depreciation, which is approximately 2% of the market value of the New Vehicle at each time (in any case, the depreciation depends on the vehicle model and these percentages do not apply equally) for the first year.

In case of, Used Vehicles (vehicles with an age, since registration, of more than twelve (12) months), in addition to the cumulative depreciation among the twelve (12) first years since registration, it should be added a 1% additional to the market value of the vehicle for the second and third years, and 0.5% for the fourth and subsequent years.

Therefore, if the corresponding Debtor breaches the repayment of any those loans, it cannot be ruled out that the value of the financed vehicle is not enough to cover the unpaid amount.

In this regard, a 38.8% of the balance of the loans in the Preliminary Portfolio earmarked for the acquisition of vehicles has an average down payment lower than 20%.

The product of sale depends on the market value of the financed vehicle. If, after the execution of the financed vehicle and all the guarantees, the incomes received were not enough to pay in full the Loan, and the Fund (or the Management Services Provider on its behalf) is also unable (despite the general financial responsibility of the Debtor) to receive the payment of the defaulting Debtor to pay in full the Loan, the resulting loss will cause a reduction of the funds available for the Fund to make payments in respect of the Bonds.

**(vii) Dependence on the collection and recovery**

The Managing Company in its capacity as administrator and manager of the assets in accordance with article 26.1.b of the Law 5/2015, will subcontract Santander Consumer, in order to, as Management Services Provider and through its unit specializing in collections and recoveries (the Recovery Business Unit (UNR)),

managed a quite active administration of the risks and recoveries and the establishment of restrictive risk policies, together with the implementation of new tools and decision-making models for the credit admission of customers, with the purpose of decreasing delinquency.

The charts below show data corresponding to the evolution of defaults and delinquent loans over the portfolio managed by the Assignor, excluding restructuring operations, vehicle “demo” and rent a car operations, or operations to be approved by an analyst judgment when the adopted decision goes against the automatic evaluation system (forced decisions).

With regard to December 2014, the default situation in percentage term per number of days is as follows:

Delinquency (days past due)	0 days	Up to 30 days	Between 31 and 60 days	Between 61 y 90 days	Above 90 days
Vehicle New	96.38%	1.37%	0.68%	0.73%	0.85%
Vehicle Used	94.42%	1.99%	0.99%	0.99%	1.62%

For the purposes of the Fund, Defaulted Loans would only be those loans whose payment is overdue for more than ninety (90) days, excluding the Delinquent Loans (Delinquent Loans are those loans that at any time starting from the Date of Incorporation (i) have or have had installments pending payment for periods equal to or longer than twelve (12) months or (ii) whose debt, in the opinion of Santander Consumer, will be classified as unrecoverable.

With regard to 2015, the situation in December is as follows:

Delinquency (days past due)	0 days	Up to 30 days	Between 31 and 60 days	Between 61 y 90 days	Above 90 days
Vehicle New	97.42%	1.13%	0.52%	0.42%	0.51%
Vehicle Used	95.10%	2.01%	0.87%	0.69%	1.33%

Below the delinquent accumulated gross ratio in percentage terms for new and used vehicles over the annual generated loans up to December 2015. Delinquent loans are deemed to be those that have amounts unpaid for a period of time equal to or longer than 12 months or those that the Assignor considers or has considered unrecoverable. For Loans originated in 2015, the accumulated ratio of delinquent up to December 2015 is zero, because there are not any unpaid amounts with an age equal to, or longer than 12 months yet.

Vehicle New		Cumulative gross loss %	
Origination year	Originated amount (EUR thousands)	to 12 months	to 24 months
2013	557,232	0.15%	0.58%
2014	771,898	0.07%	-

Auto Usado		Cumulative gross loss %	
Origination year	Originated amount (EUR thousands)	to 12 months	to 24 months
2013	196,893	0.09%	1.34%
2014	201,948	0.12%	-

**(viii) Reservations of title**

In order to guarantee the Credit Rights, as established in section 2.2.2.1 e) of the Additional Module, all the Loans (from which the Credit Rights are derived) contain reservation of title clauses (although not all the reservation of title clauses are registered in the Register of Installment Sales of Movable Properties, but those representing 22.4% of the balance in the Preliminary Portfolio, as provided in section 2.2.2.1 e) of the Additional Module). By including the said clause, Santander Consumer, in its capacity of creditor, becomes the owner of the asset that is the subject matter of the granted credit until this credit has been completely paid. Likewise, so that these clauses may be enforced against third parties, it will be necessary to register them in the Register of Installment Sales of Movable Properties, therefore, until their registration, those representing 77.6% of the Preliminary Portfolio may not be enforceable against third parties. Notwithstanding the foregoing, the vehicles subject matter of the loans granted remain in the possession of the Debtors, who may in fact instigate the loss of the vehicles, without prejudice to the resulting liability that they might incur. Likewise, the nature of the goods registered in the Register of Installment Sales of Movable Properties is such that, although from a legal point of view, the protection is similar to that of real estates, in practice, the level of protection may be lower.

The current policy relating to the registration of the reservation of title has been adapted in view of the better performance of the portfolios created in 2013, 2014 and 2015. So, the Preliminary Portfolio shows a lower number of Loans that have the reservation of title registered, as compared to more recent securitizations of Santander Consumer. However, the current processes of Santander Consumer envisage the immediate registration of the reservation of title for all those Loans that, at any time, have any non-payment. This policy will remain valid, even after the assignment of the Credit Rights to the Fund.

**III.- RISK FACTORS SPECIFIC TO SECURITIES:**

**(i) Limited liquidity:**

Given that the Bonds have been subscribed by the Subscribers, as established in item 4.1.(b) of the Securities Note, in the event that they are sold, there is no guarantee that the Bonds may be traded on the market with a minimum frequency or volume.

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 consideration.

Furthermore, the Fund may not in any case repurchase the Bonds from their holders, although the said Bonds may be early redeemed in their entirety, in the case of Early Liquidation of the Fund, pursuant to the terms established under section 4.4.c.1) of the Registration Document.

**(ii) Price**

The Bonds are issued to be subscribed by the Subscribers, as established in item 4.1. b) of the Securities Note. The Subscriber of the Series A Bonds, after having subscribed them, has the intention of using them as guarantee assets for Euro system credit transactions, without this limiting any other use of the Bonds or their eventual disposal.

Given that all the Bonds will be subscribed by the Subscribers and, consequently, their price will not be subject to comparison through market transaction, it is not possible to affirm that the economic conditions of the Bonds correspond to those applicable conditions on the secondary market on the Date of Incorporation. This consideration about the assessment of the Bonds is made for the purposes of informing third parties, in particular, investors or holders of the Bonds by way of guarantee, as it happens with the European Central Bank in Euro system credit transactions.

**(iii) Yield and Duration:**

The calculation of the average life, yield and term of the Bonds of each Series specified in section 4.10 of the Securities Note is subject, among other things, to hypotheses relating to early redemption rates and default of the Credit Rights that may or may not materialize. The compliance with the early redemption rate of the Credit Rights may be affected by a variety of geographic, economic and social factors, such as seasonal variation, market interest rates development, the economic situation of the Debtors, the sectorial distribution of the portfolio and, in general, the overall level of the economic activity.

Each potential investor, on the basis of its independence and own investigation and with the advice of its professional advisers shall be able to ascertain if the Bonds investment meets with their requirements.

**(iv) Late payment interest:**

The existence of any delays in the payment of interests or repayment of the principal to the Bondholders may not result, in any case, in the accrual of late payment interest in their favor.

**(v) Ratings of the Bonds:**

The credit risk of the Bonds from A, B, C and D Series issued against the Fund has been assessed by the rating agencies DBRS Ratings Limited and Moody's Ratings. The Bonds from Series E and the Bonds from Series F are not rated.

The final ratings assigned may be revised, suspended or withdrawn at any time by the aforementioned rating agencies in view of any information that might become known to them.

Their ratings are not and cannot, in any case, be interpreted to be an invitation, recommendation or encouragement to investors to carry out any kind of transaction in respect of the Bonds and, in particular, to acquire, hold, encumber or sell the said Bonds.

If, on the Subscription Date, before 10.00 am (Madrid time), the provisional credit ratings assigned of the Bonds from Series A, B, C and D were not confirmed as definitive, the Managing Company will start with cancellation of the Fund.

**(vi) Subordination of Series:**

The Series A, B, C, D, E and F Bonds will be subordinated sequentially. Therefore, the payment of interest and the reimbursement of principal for the Series B Bonds are subordinated to those for the Series A Bonds; the payment of interest and the reimbursement of principal for the Series C Bonds are subordinated to those for the Series A and Series B Bonds; the payment of interest and the reimbursement of principal for Series D Bonds are subordinated to those for the Series A, Series B and Series C Bonds, the payment of interest and the reimbursement of principal for Series E Bonds are subordinated to those for the Series A, Series B, Series C and Series D

Bonds and the payment of interest and the reimbursement of principal for Series F Bonds are subordinated to those for the Series A, Series B, Series C, Series D and Series E Bonds.

Subordination rules for the various Series, both for the payment of interest and the reimbursement of principal, are established by the Ranking and by the Post-Enforcement Ranking of the Fund, pursuant to item 3.4.6 (4) of the Additional Module.

If, on the Subscription Date, before 10.00 am (Madrid time), the Rating Agencies do not confirm as definitive any of the provisional credit ratings assigned by the Rating Agencies, this circumstance will be immediately communicated to the CNMV, publishing as provided in section 4 of the Additional Module. This circumstance will give rise to the termination of the incorporation of the Fund, of the issue of Bonds, of the agreements, excluding the Subordinated Loan Agreement, as regards the expenses incurred due to the incorporation of the Fund and the assignment of the Credit Rights.

## **REGISTRATION DOCUMENT**

This Registration Document has been prepared according to Annex VII of Regulation (EC) no. 809/2004 and has been approved by the Spanish National Stock Exchange Commission on 10<sup>th</sup> March 2016.

## **1. PERSONS RESPONSIBLE**

### **1.1. Persons responsible for the information contained in the Registration Document.**

Mr. IGNACIO ORTEGA GAVARA, acting in the name and on behalf of SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A., with business address at: Avenida de la Gran Vía de Hortaleza 3, 28003 Madrid, assumes responsibility for the information contained in this Registration Document.

Mr. IGNACIO ORTEGA GAVARA acts in his capacity of General Manager of the Managing Company and exercises the powers that were expressly conferred to him for the incorporation of the Fund by the Board of Directors of the Managing Company at its meeting held on the 21<sup>st</sup> of January 2016.

SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. is the promoter of the SECURITIZATION FUND, SANTANDER CONSUMER SPAIN AUTO 2016-1 and will be in charge of its administration and legal representation and the management and administration of the assets pooled in it.

### **1.2. Statement granted by those responsible for the Registration Document.**

Mr. IGNACIO ORTEGA GAVARA states that, after having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of his knowledge and belief, in accordance with the facts and does not omit anything that could affect its content.

## **2. ACCOUNT AUDITORS OF THE FUND**

### **2.1. Name and address of the account auditors of the Fund.**

In accordance with the provisions of section 4.4 of this Registration Document, the Fund does not have any historical financial information.

Nevertheless, during the term of the Fund, the annual financial statements will be audited on an annual basis by the account auditors.

The Board of Directors of the Managing Company, at its meeting that was held on the 4th of March 2016 and that made the decision to incorporate this Fund, appointed the following audit firm as the Account Auditor of the Fund: Pricewaterhousecoopers Auditores, S.L., whose particulars are detailed in section 5.2 1) of this Registration Document.

The Managing Company will inform the CNMV and the Rating Agencies of any change that might take place in the future as regards the appointment of the auditors of the Fund.

### **2.2. Fiscal years and presentation of annual financial statements.**

The fiscal year of the Fund will coincide with the calendar year. However, as an exception, the first fiscal year will start on the Date of Incorporation and will end on 31<sup>st</sup> December 2016, and the last fiscal year of the Fund will end on the date of cancellation of the Fund.

The Managing Company will submit the annual financial statements of the Fund to the CNMV, together with the audit report prepared in respect the said annual financial statements, within four (4) months following the closing date of the fiscal year of the Fund (i.e. prior to 30<sup>th</sup> April of each year).



The annual financial statements of the Fund and their corresponding audit report will be submitted to the CNMV on an annual basis, according to paragraph 5 of article 22 of the Law 5/2015.

Revenues and expenses will be recognized by the Fund according to the accrual principle, i.e., based on the actual stream represented by the said revenues and expenses, regardless of the time at which they are collected and paid.

The expenses incurred due to the incorporation of the Fund, the issue and admission to trading of the Bonds will be amortized on the first Payment Date, provided that the Fund has sufficient Available Funds, according to the Ranking described in section 3.4.6.(1) (b) of the Additional Module.

### **3. RISK FACTORS**

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

### **4. INFORMATION ABOUT THE ISSUER**

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

The Issuer is a securitization fund, with no legal personality, incorporated for the purposes of acquiring the Credit Rights assigned to the Fund by Santander Consumer and of issuing the Bonds, in accordance to Chapter III of the Law 5/2015.

The net equity of the Fund will be made up of open-end revolving assets and closed-end liabilities. The Assets will be made up of the Initial Credit Rights acquired on the Date of Incorporation and, by way of renewal due to the redemption of the Credit Rights, the Additional Credit Rights to be acquired in each of the Payment Date during the Revolving Period, which will end on the Payment Date corresponding to 20<sup>th</sup> July 2019, unless the early termination of the said Revolving Period occurs, as provided in item 2.2.2.2. of the Additional Module.

#### **4.2. Legal and commercial name of the Fund.**

The Fund will be incorporated under the name of SECURITIZATION FUND, SANTANDER CONSUMER SPAIN AUTO 2016-1 in accordance with the Spanish laws, and, in order to identify it, the following names may also be used, without distinction: FT SANTANDER CONSUMER SPAIN AUTO 2016-1 and F.T. SANTANDER CONSUMER SPAIN AUTO 2016-1.

#### **4.3. Registration of the Issuer.**

The incorporation of the Fund and the issue of the Bonds must firstly be registered in the official registers of the CNMV in Spain, the delivery of a copy of the Deed of Incorporation and the Assignment Contract, whose content shall be consistent with the provisions of this Prospectus and the draft of the Deed of Incorporation and the draft of Assignment Contract previously submitted to the CNMV, without, in any case, the provisions of the Deed of Incorporation or the Assignment Contract contradict, implement, alter or invalidate the content of this Prospectus.

This Prospectus has been registered in the CNMV on 10<sup>th</sup> March 2016.

Neither the incorporation of the Fund nor the Bonds to be issued against its assets will be registered in the Commercial Register, as authorized by paragraph 5 of article 22 of the Law 5/2015.

#### **4.4. Date of Incorporation and period of activity of the Fund, except where indefinite.**

##### **a) Date of Incorporation.**

The formalization of the Deed of Incorporation and the Assignment Agreement and, consequently, the Date of Incorporation is scheduled for 16<sup>th</sup> March 2016.

The Managing Company guarantees that the content of the Deed of Incorporation will coincide with the content of the Prospectus and that the Deed of Incorporation will coincide with the draft deed that has been submitted to the CNMV as a result of the registration of this Prospectus.

In accordance with the provisions of article 24 of the Law 5/2015, the Deed of Incorporation may be amended, at the request of the Managing Company, without implying, in any case, the creation of a new fund.

In order to proceed to the amendment of the Deed of Incorporation, the Managing Company must prove:

- a) That it has obtained the consent of all the holders of the securities issued against the Fund and the remaining creditors of their liabilities, excluding the non-financial creditors, according to the proceeding established in the Deed of Incorporation.
- b) The consent foreseen in the letter above will not be necessary, where the amendment is, in the opinion of the CNMV, of little relevance. The modifications that affects to the securities issued against the Fund, the settlement process rules regarding the securities issued or the rules to calculated the resources received by the Fund and its distribution among the payment obligations with in creditors will not be considered, under no circumstances amendments of little relevance.

In any case, the Managing Company must prove that the amendment does not reduce the guarantees and rights of the holders of the securities issued, that it does not establish any new obligations for them, and that the credit ratings granted to the Funds Liabilities are kept or improved following the amendment.

Once the CNMV has reviewed the compliance with the provisions of this article, the Managing Company will grant the public deed of amendment and will submit an authorized copy thereof to the referred CNMV for its inclusion in the corresponding public register.

The amendment of the Deed of Incorporation will be made public by the Managing Company by means of the periodic public information of the Fund and its web page

In any case and prior to the formalization of the public deed of amendment, the Managing Company (i) will inform the Rating Agencies, and (ii) will prove the fulfillment of the said requirements before the CNMV.

##### **b) Period of activity of the Fund.**

It is expected that the Fund will operate from the Date of Incorporation until the Legal Maturity Date of the Fund, i.e., 20<sup>th</sup> April 2032 (if this date is not a Working Day, the next Working Day), without prejudice to the provisions of sections 4.4.c) c.1) and 4.4.c) c.2) below.

##### **c) Early Liquidation of the Fund: Events. Cancellation of the Fund. Actions for liquidation and cancellation of the Fund.**

###### **c.1) Early Liquidation: Events.**

Notwithstanding the provisions of section b) above, the Managing Company is authorized to proceed to the Early Liquidation of the Fund and, thus, to the Early Redemption on a Payment Date of the whole issue of the Bonds, pursuant to the terms established by this section, in any of the following cases:

- (i) When the Outstanding Balance of the Credit Rights yet to be reimbursed, excluding the Delinquent Loans, is lower than 10% of the Outstanding Balance of the Initial Credit Rights on the Date of Incorporation, and provided that (a) the payment obligations deriving from all the Series of the Bonds may be completely fulfilled and cancelled in accordance with the Post-Enforcement Ranking, or (b) the sale price of the remaining Credit Rights of the Fund is enough to allow the Fund to attend and cancel all the payment obligations deriving from the Bonds of the Series A to the Series E according to the Post-Enforcement Ranking without the necessity of applying the Available Funds derived from the Reserve Fund.

In any case, it will be understood that the payment obligations deriving from each Series of the Bonds on the date of Early Liquidation of the Fund are the Outstanding Balance of each Series of the Bonds on that date plus any interest accrued and not paid until the said date; to all intents and purposes, these amounts will be legally considered to be due and payable on that date.

- (ii) Where, under the reasonable opinion of the Managing Company, exceptional circumstances take place, such as the existence of a change in regulations or additional legislative developments, the existence of a change in the applicable tax regulations to the Fund, the establishment of retention obligations or any other situations that might permanently affect the Fund, the Managing Company, after having informed the CNMV, will proceed to liquidate the Fund in an orderly manner, in compliance with the rules contained in the Deed of Incorporation and in the Prospectus.
- (iii) In (a) the case established in article 33 of the Law 5/2015, imposing the obligation to proceed to the early liquidation of the Fund and the amortization of the securities issued against the Fund and of the loans, according to the Deed of Incorporation if four (4) months had elapsed from the happened of the event resulting in the replacement of the Managing Company, and had not yet been found a new managing company which is willing to be in charge of the management, and in (b) the case of revocation of its administrative authorization, if no new managing company willing to undertake the management of the Fund has been found.
- (iv) When thirty (30) months have elapsed after the Final Maturity Date of the Loans, although there were still any amounts due and not paid, i.e., six (6) months before the Legal Maturity Date of the Fund.

The liquidation of the Fund will be firstly reported to the CNMV and, afterwards, to the Bondholders, as well as the Rating Agencies, in the manner specified by section 4.b) of the Additional Module, at least thirty (30) Working Days before the date on which the Early Redemption is to take place, which must necessarily be carried out on a Payment Date.

**c.2) Cancellation of the Fund.**

The Fund will be cancelled in accordance with article 23 of the Law 5/2015: (i) due to the redemption in full of the Credit Rights pooled in the Fund, and, if so, the liquidation of other assets or securities included in its asset have been taken place, (ii) due to the redemption in full of the Bonds, (iii) due to the full payment of the Fund liabilities' (iv) due to the completion of the Early Liquidation procedure established in section c.1) above, (v) on the Legal Maturity Date of the Fund, or (vi) if the provisional credit ratings of the Bonds are not confirmed as final before 10.00 am (Madrid time) on the Subscription Date.

Upon the happening of any of the events described above, the Managing Company will inform the CNMV and will initiate the relevant formalities for the cancellation of the Fund.

**c.3) Actions for the liquidation and cancellation of the Fund.**

So that the Fund, through its Managing Company, can carry out the liquidation and cancellation of the Fund and, as the case may be, the Early Liquidation of the Fund and the Early Redemption of the issue of Bonds in the cases specified in section 4.4.c.1) above and, in particular, so that the Fund can have sufficient Available Funds in order to comply with its payment obligations, the Managing Company, on behalf of the Fund, will proceed to carry out any or all of the following actions:

- (i) to sell the Credit Rights remaining in the Fund for a price that may not be less than the sum of the principal pending payment plus the accrued interest not collected in respect of the Credit Rights pending redemption. To that end, the Managing Company must request an offer from at least five (5) entities from among those most active in the sale and purchase of similar assets, and may not sell them at a price lower than the best offer received. The Assignor will have a right of first refusal to acquire the said Credit Rights in the terms established by the Managing Company at the time of the liquidation, in such a manner that it will have preference over third parties to acquire the Credit Rights. In order to exercise the right of first refusal, the Assignor will have a period of five (5) Working Days starting from the date on which the Managing Company has informed the Assignor of the conditions (price, form of payment, etc.) under which the disposal of the Credit Rights will take place. The offer of the Assignor must be equal, at least, to the best of the offers made by third parties.

In the event that no offer covers the value of the principal plus accrued interest not collected of the Credit Rights pending repayment, the Managing Company will accept the best offer received for the Credit Rights that, in its opinion, covers their market value. In order to determine the market value, the Managing Company may obtain such assessment reports as it deems necessary from third party entities other than those referred to above. In this case, the Assignor will also enjoy the right of first refusal described above, provided that its offer is, at least, equal to the best offer of those made by third parties.

This right of first refusal does not imply in any case an agreement or obligation of the Assignor to repurchase the Credit Rights; or

- (ii) to cancel those contracts that are nor necessary for the liquidation process of the Fund; or

- (iii) to arrange a credit line, the draws from which will be credited to the Cash Account and used, fully and immediately, for the Early Redemption of the Bond issue. The repayment of the said line of credit will be guaranteed only by the flows of interest and principal derived from the Credit Rights to be repaid and the proceeds obtained from the sale of any other goods that remain as assets of the Fund; and/or
- (iv) to sell any assets of the Fund –other than the Credit Rights and cash– for a price not lower than the market value. In order to determine the market value, the Managing Company will request such assessment reports as it deems necessary from, at least, one entity specializing in the assessment or marketing of assets similar to those whose sale is intended, and will proceed to the sale of the assets in question by means of the procedure that allows to obtain the highest price in the market.

As regards the actions (i), (iii) and (iv) above, the Assignor will have a right of first refusal so that, with preference over any third parties, it can acquire the Credit Rights or any other assets remaining in the Fund, or can grant the line of credit to the Fund to be exclusively used for the Early Redemption of the outstanding Bonds. To that end, the Managing Company will send the Assignor a list of the Credit Rights, the remaining other assets and offers received from third parties, and the Assignor will be entitled to exercise the aforementioned right of first refusal in respect of all the Credit Rights and other remaining assets offered by the Managing Company, or in respect of the line of credit, within five (5) Working Days following the receipt of the said communication, provided that its offer is, at least, equal to the best offer made by a third party.

The Managing Company will immediately apply all the amounts that it has obtained from the disposal of the Credit Rights and any other assets of the Fund to the payment of the various items, in the manner, for the amount and according to the Post-Enforcement Ranking that are specified in section 3.4.6. of the Additional Module, except for the amounts drawn from the line of credit, if applicable, that will be used entirely for the Early Redemption of the Bonds. The Early Redemption of all of the Bonds in any of the cases specified in section 4.4.c.1) above will be carried out for the Outstanding Balance of the Bonds until that date, plus any interest accrued and not paid until the Early Redemption date, which must necessarily coincide with a Payment Date, after having deducted, as the case may be, any withholding tax, and free of any expenses for the holder; to all intents and purposes, these amounts will be legally considered to be due and payable on this latter date.

In the event that –once that the Fund has been liquidated and all scheduled payments have been made pursuant to the Post-Enforcement Ranking established by section 3.4.6.(4) of the Additional Module– any remainder exists or any judicial or notarial proceedings brought as a consequence of the non-payment by any Debtor of the Credit Rights are pending resolution (all of this in accordance with the provisions of section 3.4.5.b) of the Additional Module), both the said remainder as well as the continuation and/or proceeds obtained from the resolution of the aforementioned proceedings will be in favor of Santander Consumer.

In any case, the Managing Company –acting in the name and on behalf of the Fund– will not cancel the Fund until it has proceeded to the liquidation of the

Credit Rights and any other remaining assets of the Fund and to the distribution of the available funds of the Fund, according to the Post-Enforcement Ranking established by the section 3.4.6 (4) of the Additional Module.

Following a maximum period of six (6) months starting from the liquidation of the Credit Rights and in any case before the Legal Maturity Date of the Fund and any other remaining assets of the Fund and the distribution of the available funds, the Managing Company will grant an official attestation before a notary public declaring (i) the Fund to be cancelled, as well as the causes established in this Registration Document that gave rise to its cancellation, (ii) the procedure followed to inform the Bondholders and the CNMV, and (iii) the distribution of the available amounts from the Fund according to the Post-Enforcement Ranking established by section 3.4.6 (4) of the Additional Module, and it will comply with such further administrative formalities as may be applicable. The said notarized attestation will be sent by the Managing Company to the CNMV.

In the event that the cause for cancellation specified in section 4.4.c.2) above occurs, the incorporation of the Fund as well as the Bond issue and the contracts formalized by the Managing Company, acting on behalf of the Fund, will be terminated, except for the Subordinated Loan Agreement, against which the incorporation and issue expenses that might have been incurred by the Fund will be paid. The said termination will be immediately reported to the CNMV and, in the term of one (1) month after the occurrence of the cause for termination of the incorporation of the Fund, the Managing Company will grant before a notary public an official attestation to be sent to the CNMV, to Iberclear, to AIAF and to the Rating Agencies, declaring the cancellation of the Fund and the relevant cause.

#### **4.5. Domicile and legal personality of the Issuer; legislation applicable to its operation.**

##### **a) Domicile of the Fund.**

The Fund lacks a registered office since it does not have its own legal personality. To all intents and purposes, the registered office of the Fund is deemed to be that of the Managing Company, i.e.:

SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A.  
Avenida de la Gran Vía de Hortaleza 3  
28033 Madrid  
Telephone: 91-289-32-89

##### **b) Legal personality of the Fund.**

The Fund will be a separate property without any legal personality and will be made up of open-end revolving assets and closed-end liabilities, in accordance with the provisions of article 21 of the Law 5/2015. The Managing Company is entrusted with the incorporation, administration and legal representation of the Fund, the management and administration of the Credit Rights, and –in its capacity of manager of third party business operations– with the representation and defense of the interests of the Bondholders and of the rest of the creditors of the Fund.

##### **c) Applicable legislation and country of incorporation.**

The Fund will be incorporated in Spain pursuant to the Spanish laws.

In particular, the Fund will be incorporated in accordance with (i) the Law 5/2015; (ii) the Securities Markets Act; (iii) the Royal Decree 1310/2005; and (v) such other legal and regulatory provisions as are in force and applicable from time to time.

This Prospectus has been prepared pursuant to the standard forms established by the Regulation (EC) No. 809/2004.

**d) Tax regime of the Fund.**

Below there is a brief summary of the general tax regulations applicable to the Fund. The said regulations must be understood without prejudice to the territorial peculiarities and the regulations that may apply at the time that the corresponding income is obtained or declared.

The tax regime applicable to Securitization Funds is the general regime contained in the Law 27/2014, of 27<sup>th</sup> November on the Corporate Income Tax and its implementing provisions, in the Royal Legislative Decree 1/1993, of 24<sup>th</sup> September, approving the Consolidated Text of the Law on Tax on Capital Transfers and Stamp Duty and, in the Law 37/1992, of 28<sup>th</sup> December on the Value Added Tax, which, in summary, establish the following fundamental principles:

- (i) The Fund will be exempt from all operations subject to the modality of “corporate operations” of the Tax on Capital Transfers and Documented Legal Acts.
- (ii) The Fund, pursuant to article 7.1.h of the Law 27/2014, is a taxpayer as regards the said Corporate Income Tax and determines its tax base according to the provisions of Title IV of the aforementioned regulatory text, and pays taxes at the general tax rate in effect at each time, which nowadays is established at 25% for the tax years started from 1<sup>st</sup> January 2016.

In this respect, the 13<sup>th</sup> rule of the Circular 2/2009, as amended by the Circular 4/2010, of 14<sup>th</sup> October both of them of the CNMV, determines the criteria according to which securitization funds should make the corresponding valuation adjustments due to impairment of the value of financial assets. According to article 13 of the Law 27/2014, the securitization funds will apply the same established criteria to credit entities in relation to the deductibility of value adjustments due to impairment in the value of debt instruments assessed at their amortized cost.

In accordance with last paragraph of article 16.6.a) of the Law 27/2014, the restriction on the possibility of the financial expenses may not be applicable to, among other entities, mortgage securitization funds, subject to Law 19/1992, of 7 July, on Regime of Real Estate Investment Funds and Companies and Mortgage Securitization Funds, and assets securitization funds according to Fifth Additional Disposition of the Law 3/1994, of 14 April, which harmonize the Spanish legislation on rules governing credit to de Second Directive on Bank Coordination and implements some other amendments related to financial system.

- (iii) Income from capital obtained by the Fund is subject to the general system of tax withholdings corresponding to the Corporate Income Tax, with the particularity established by article 61, k) of the Regulation, approved by the Royal Decree 634/2015, of 10<sup>th</sup> July, which states that “*returns on mortgage participations, loans or other credit rights that constitute income of Securitization Funds*” are not subject to tax withholding.

- (iv) The management services rendered by the Managing Company to the Fund will be exempt from the I.V.A. (article 20.One.18. of the Law 37/1992).
- (v) The creation and assignment of guarantees are subject to the general tax system.
- (vi) The issue, subscription, transfer, redemption and repayment of the Bonds are subject and exempt or not subject, as the case may be, to/from the I.V.A. (article 20.One.18 of the Law 37/1992) and to/from the Tax on Capital Transfers and Documented Legal Acts (article 45.I.B. of the Royal Legislative Decree 1/1993).
- (vii) The transfer of the Credit Rights to the Fund is an operation subject to and exempt from the Value Added Tax (article 20.One.18 of the Law 37/1992), not subject to the modality of “capital transfers” of the Tax on Capital Transfers and Documented Legal Acts (article 7.5 of the Royal Legislative Decree 1/1993, of 24<sup>th</sup> September), and not subject to the modality of “Documented Legal Acts”, notarial documents, of the last Tax to the extent that the said transfer is not documented by virtue of a public deed (article 31 of the Royal Legislative Decree 1/1993, of 24<sup>th</sup> September).
- (viii) The Managing Company, acting for and on behalf of the Fund, will be subject to, among others, the reporting obligations set forth in the First Additional Provision of the Law 10/2014, of 26<sup>th</sup> June, on organization, supervision and solvency of credit entities. The information procedure and obligations have been regulated under articles 42, 43 and 44 of the General Regulations on tax management and inspection procedures and operations and on the development of the common standards of tax application procedures, approved by the Royal Decree 1065/2007, of 27<sup>th</sup> July.

#### **4.6. Description of the amount of capital authorized and issued by the Fund.**

The Fund does not have any share capital.

### **5. DESCRIPTION OF THE COMPANY**

#### **5.1. Brief description of the Issuer’s principal activities.**

The Issuer is a securitization fund and, as such, its main activity is to acquire from Santander Consumer the Credit Rights and to issue the Bonds. That is to say, through the securitization process, Santander Consumer transfers the Credit Rights to the Fund, which pays their price with the proceeds obtained from the issue of the Bonds.

Thus, by means of this transaction, Santander Consumer receives in advance the collection of the Loans, i.e., the Credit Rights become liquid to Santander Consumer, Credit Rights that were not liquid at the time of their assignment to the Fund.

#### **5.2. General description of the parties involved in the securitization program.**

- a) SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. (“**Managing Company**”) acts as the Managing Company of the Fund.

SANTANDER DE TITULIZACIÓN S.G.F.T., S.A. is a Managing Company of Securitization Funds with business address at: Avenida de la Gran Vía de Hortaleza 3, 28003 Madrid and with Tax Identification Code no. A-80481419; a brief description of



this company and of its duties is provided in section 6 of the Registration Document and section 3.7.2 of the Additional Module.

SANTANDER DE TITULIZACIÓN S.G.F.T., S.A. is registered in the Commercial Register of Madrid, in Volume 4,789, Sheet 75, Page M-78658, 1<sup>st</sup> entry. Likewise, it is also registered in the special register of the CNMV, under the number 1.

The Managing Company has not been assigned any credit rating by rating agencies.

- b) SANTANDER CONSUMER, E.F.C., S.A. (“**Santander Consumer**”), a member of the Santander Consumer Group, acts as Assignor, Management Services Provider of the Credit Rights in accordance with the Provision 8 of the Deed of Incorporation and paragraph 3.7.1 of the Additional Module, as Subscriber of the Series B, C, D, E and F Bonds, and as a counterparty to the Subordinated Loan.

Santander Consumer is a Spanish credit institution with business address at: Avda. de Cantabria s/n, 28660 Boadilla del Monte (Madrid) and with Tax Identification Code A-79082244. A brief description of this entity is provided in section 3.5 of the Additional Module. It is registered in the Register of the Bank of Spain under the number 8236.

Santander Consumer has not been assigned any credit rating by rating agencies.

- c) SANTANDER CONSUMER FINANCE, S.A. (“**SCF**”), a member of the Santander Consumer Group, acts as a counterparty to the Fund in the Reinvestment Agreement for the Cash Account, the Principal Account, the Liquidity Reserve Account and the Commingling Reserve Account, Depository Institution of the Liquidity Reserve and Depository Institution of the Commingling Reserve and as Manager of the Issue.

In its capacity of Manager, it performs the following duties, pursuant to the terms established by article 35.1 of the Royal Decree 1310/2005:

- To receive the order from the Managing Company to carry out the operations relating to the design of the temporary financial and commercial conditions of the issue, and to coordinate the relationships with the supervisory authorities and the subscribers.

SCF is a Spanish credit institution with business address at: Ciudad Grupo Santander Avda. de Cantabria s/n 28660 Boadilla del Monte (Madrid) and with Tax Identification Code: A-28122570. It is registered in the Register of the Bank of Spain under the number 0224.

The last credit ratings made public by the rating agencies Fitch, Moody’s and Standard & Poor’s, respectively, for the unsubordinated and unsecured short and long term debt of SCF are the following:

- Fitch: A- (long term) and F2 (short term), with a stable outlook; date 4<sup>th</sup> December 2015.
- Moody’s: A3 (long term) and P-2 (short term), with a positive outlook; date: 17<sup>th</sup> June 2015.
- Standard & Poor’s: BBB+ (long term) and A-2 (short term), with a stable outlook; date: 2<sup>nd</sup> December 2015.

SCF is the parent company of the financial group with the same name and is the owner of 100% of Santander Consumer.

- d) BANCO SANTANDER, S.A. (“**Banco Santander**”) acts as the Paying Agent and Back-Up Servicer Facilitator in this respect, Banco Santander will undertake by virtue of a public document to perform, if so required, the duties of searching for a substitute

management services provider, in order to replace Santander Consumer, as the Management Services Provider, within sixty (60) days.

Banco Santander is a Spanish credit institution with business address in Santander, at: Paseo de Pereda 9-12, 39004, and with its operational headquarters located at: Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte (Madrid), with Tax Identification Code no. A-39000013 and C.N.A.E. (Spanish National Classification of Economic Activities) no. 651.

The current credit ratings assigned by the rating agencies to the unsubordinated and unsecured short and long term debt of Banco Santander are as follows:

DBRS	A	R-1 (Low)	Stable	July 2015
Fitch	A-	F2	Stable	July 2014
Moody's	A3	P-2	Positive	December 2015
Standard & Poor's	A-	A-2	Stable	December 2015
Scope	A+	S-1	Stable	March 2015
GBB Rating	AA-	-	Stable	

- e) CREDIT AGRICOLE CIB, (“**CA-CIB**”), acts as Manager and Structuring Company of the issue of the Bonds.

In its capacity of Manager, it performs the following duties, pursuant to the terms established by article 35.1 of the Royal Decree 1310/2005:

- To receive the order from the Managing Company to carry out the operations relating to the design of the temporary financial and commercial conditions of the issue, and to coordinate the relationships with the supervisory authorities and the subscribers.

CA-CIB is a French credit entity, which has its business address at: 9, quai Paul Doumer, F- 92 920 La Défense Cedex, Francia.

The credit ratings assigned by the rating agencies to the unsubordinated and unsecured short and long term debt of CA-CIB are as follows:

- Fitch: A (long term) and F1 (short term), with a positive outlook; date: 23<sup>rd</sup> June 2015.
- Moody’s: A2 (long term) and P-1 (short term), with a positive outlook; date: 23<sup>rd</sup> June 2015.
- Standard & Poor’s: A (long term) and A-1 (short term), with a stable outlook; date: 12<sup>th</sup> February 2015.

- f) BEKA FINANCE, SOCIEDAD DE VALORES, S.A. (“**BEKA**”) acts as Manager of the issue of Bonds.

In its capacity of Manager, it performs the following duties, pursuant to the terms established by article 35.1 of the Royal Decree 1310/2005:

- To receive the order from the Managing Company to carry out the operations relating to the design of the temporary financial and commercial conditions of the issue, and to coordinate the relationships with the supervisory authorities and the subscribers.

BEKA has its business address at Marqués de Villamagna 3, 28001 Madrid (España) and Tax Identification Code A-79203717, BEKA is registered in the Commercial Registry of Madrid under Volume 9,644, Sheet 175 and Page M-89417.

BEKA has not been assigned any credit rating by rating agencies.

- g) BEKA STRUCTURED SECURITIES, S.L. (“**BEKA STRUCTURED**”), act as Structuring entities of the issue of Bonds.

BEKA STRUCTURED has its business address at Marqués de Villamagna 3, Madrid (España) and Tax Identification Code B-87213351. BEKA STRUCTURED is registered in the Commercial Registry of Madrid under Volume 33.193, Sheet 20, Page M-597294.

BEKA STRUCTURED has not been assigned any credit rating by rating agencies.

- h) SANTANDER BENELUX SA/NV (“**Santander Benelux**”), acts as a Subscriber of the Series A Bonds.

Santander Benelux is a Belgian credit entity with business address at: Avenue des Nerviens / Nervierslaan 85, B - 1040 Brussels.

Santander Benelux has not been assigned any credit rating by rating agencies.

- i) DBRS RATINGS LIMITED (“**DBRS**”) acts as a Credit Rating Agency as regards the Bonds.

DBRS is a Rating Agency with business address at: 20 Fenchurch Street. 31st floor, London, EC3R 7AA, United Kingdom BY.

- j) MOODY’S INVESTORS SERVICES ESPAÑA, S.A. (“**Moody’s**”) acts as a credit rating agency as regards the Bonds.

Moody’s is a credit rating agency, with business address at: Calle Principe de Vergara, 131, 6 Planta, 28002 Madrid, España, and with Tax Identification Code no. A-80448475.

DBRS and Moody’s are authorized, as credit rating agencies in the European Union, pursuant to the provisions of the European Community Regulation no. 1060/2009 of the European Parliament and of the Council, dated on 16<sup>th</sup> September 2009, on Credit Rating Agencies and registered at ESMA (*European Security Markets Authority*).

- k) DELOITTE, S.L. (“**Deloitte**”) acts in its capacity of accounts auditor of the Managing Company and of Santander Consumer. Likewise, it will issue an audit report on the Preliminary Portfolio (“**Audit Report on the Preliminary Portfolio**”) from which the Loans to be assigned to the Fund will be extracted.

Deloitte is a limited liability company with business address in Madrid, at: Torre Picasso, Plaza Pablo Ruiz Picasso, s/n, with Tax Identification Code no. B-79104469; it is registered in the Official Register of Auditors of Accounts (R.O.A.C.) under the number S0692 and is registered in the Commercial Register of Madrid, in Volume 3,190, 8<sup>th</sup> Section, Sheet 1, Page M-54.414, 1<sup>st</sup> Entry.

- l) PRICEWATERHOUSECOOPERS AUDITORES, S.L. (“**PwC**”) has been appointed as Account Auditor of the Fund.

PwC is a limited liability company with business address in Madrid, Paseo de la Castellana 259 B, with tax Identification Code no. B-79031290, it is registered in the Official Register of Auditors of Accounts (R.O.A.C.) under number S0242 and is registered in the Commercial Register of Madrid, in Volume 9,267, Section 3<sup>a</sup>, Sheet 75, Book 8.054, Page 87250-1.

- m) CMS ALBIÑANA Y SUAREZ DE LEZO, S.L.P (“**CMS**”) acts as legal adviser in respect of the transaction structure and has revised the tax system of the Fund established in section 4.5.d) of the Registration Document.

CMS is a limited liability company incorporated in Spain, with Tax Identification Code: B-87100211, and with business address at: Paseo de Recoletos, 7-9, 28004 Madrid; it is registered in the Commercial Register of Madrid in Volume 16121, Sheet 80, 8<sup>th</sup> Section, Page M-273039.

For the purposes of article 5 of the **Securities Markets Act**, BANCO SANTANDER, S.A. SANTANDER BENELUX SA/NV., SANTANDER CONSUMER, E.F.C. S.A., SANTANDER CONSUMER FINANCE, S.A. and SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. form part of the SANTANDER GROUP.

For the purposes of article 5 of the **Securities Markets Act**, BEKA FINANCE, SOCIEDAD DE VALORES, S.A. y BEKA STRUCTURED SECURITIES, S.L. form part of the BEKA FINANCE GROUP.

There is no knowledge of the existence of any other relationship involving direct or indirect ownership or control between the aforementioned Legal Person that participate in the securitization transaction.

## **6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE MANAGING COMPANY**

### **6.1. Legal Person of the Managing Company**

In accordance with articles 25 and 26 of the Law 5/2015, the securitization funds lack separate legal personality; the managing companies of securitization funds are entrusted with their incorporation, administration and legal representation, and the management and administration of the assets pooled in the securitization funds, as well as with the representation and defense of the interests of the holders of the securities issued against the funds that they administer and of any other creditors of the said funds.

By virtue of the foregoing, this section details the information relating to SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A., in its capacity of managing company that incorporates, administers and represents the SECURITIZATION FUND, SANTANDER CONSUMER SPAIN AUTO 2016-1.

#### **a) Corporate name and business address.**

- Corporate name: SANTANDER DE TITULIZACIÓN, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, S.A.
- Business address: Avenida de la Gran Vía de Hortalezas 3, 28033 Madrid.
- Tax Identification Code: A-80481419
- C.N.A.E. number: 8199

#### **b) Incorporation and registration in the Commercial Register, as well as data relating to the administrative authorizations and registration in the CNMV.**

SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A., was incorporated by virtue of a public deed granted on the 21<sup>st</sup> day of December 1992, before the Notary Public of Madrid, Mr. Francisco Mata Pallarés, under the number 1,310 of his protocol, with the prior authorization of the Ministry of Economy and Finance granted on the 1<sup>st</sup> day of December 1992. It is registered in the Commercial Register of Madrid, in Volume 4,789, Sheet 75, Page M-78658, 1<sup>st</sup> Entry. Likewise, it is registered in the special register of the CNMV, under the number 1.

In addition, the Managing Company amended its Articles of Association by virtue of a resolution of its Board of Directors, adopted on the 15<sup>th</sup> day of June 1998, which was expressed in a public deed authorized by the Notary Public of Madrid, Mr. Roberto Parejo Gamir, on the 20<sup>th</sup> day of July 1998, under the number 3,070 of his protocol, in order to adapt to the requirements established for the Managing Companies of Securitization Funds by the Royal Decree 926/1998. The said amendment was authorized by the Ministry of Economy and Finance on the 16<sup>th</sup> day of July 1998, in accordance with the provisions of the Sole Transitional Provision of the aforementioned Royal Decree 926/1998.

Its corporate name was amended several times, adopting its current corporate name as “SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A.”, by virtue of the public deed authorized by Notary public, Mr. José María Mateos Delgado, on 8<sup>th</sup> March 2004, under number 622 of his records, filed with Mercantile Register of Madrid, Volume 4789, Page 93, Section 8<sup>a</sup>, Sheet m-78658, Record 30<sup>a</sup>.

The domicile was transferred to its current domicile by virtue of another public deed of 27 January 2016, granted before the Notary of Madrid Mr. José María Mateos Delgado under number 246 of his records.

Notwithstanding the foregoing, on 20<sup>th</sup> December 2013, the Managing Company granted a deed before the Notary Public of Madrid Mr. José María Mateos Salgado, protocol number 4,789, in order to amend the articles of association of the Managing Company for the purpose of undertaking the management and representation of Bank Assets Funds.

The duration of the Managing Company is indefinite, except for the occurrence of any of the causes where the legal provisions or the Articles of Association, as the case may be, might require its dissolution.

In accordance with the Sixth Transitional Disposition of the Law 5/2015, the Managing Company will proceed to fulfill the new requirements required by article 29.1.d) of the Law 5/2015, in this respect, within a maximum term of 18 months since the entry into force of the abovementioned Law (this is since 28<sup>th</sup> April 2015).

**c) Corporate purpose and brief description of the main activities carried out by the Managing Company.**

In compliance with the legal requirements, the second article of the Articles of Association of the Managing Company establishes that: “the only corporate purpose of the company will be the incorporation, administration and legal representation of Mortgage Securitization Funds –in the terms established by the sixth article of the Law 19/1992, of 7<sup>th</sup> July, regulating the Real Estate Investment Companies and Funds and Mortgage Securitization Funds– and of Asset Securitization Funds, pursuant to the provisions of article 12, item 1, of the Royal Decree 926/1998, of 14<sup>th</sup> May, regulating the Asset Securitization Funds and the Managing Companies of Securitization Funds. In its capacity of managing company of third party’s business operations, it is in charge of the representation and defense of the interests of the holders of the securities issued against the funds that this company administers and of any other creditors of the said funds, as well as the performance of any other duties attributable to the Managing Companies of Securitization Funds pursuant to the current regulations and bank assets funds”.

On the 27<sup>th</sup> March 2014, the executive committee of the CNMV authorised the amendment of article 2 of the articles of association of Santander Titulización, S.G.F.T., S.A. for the purposes of validating the authorization for undertaking the management and representation of Bank Asset Funds as provided in the current

article. Such articles of association amendment was adopted by the shareholders meeting of the Managing Company on 13<sup>rd</sup> December 2013. The resolution of the shareholders meeting was filed with the Commercial Registry of Madrid and has been registered on 2<sup>nd</sup> June 2014, in Volume 4,789, 8<sup>th</sup> Section, Sheet 116, Page M-78,658, 58<sup>st</sup> Entry.

As at 29<sup>st</sup> February 2016, the Managing Company manages the following funds:

ASSET SECURITIZATION FUNDS						
FUNDS	SERIES	OUTSTANDING BALANCE/FEEES	RATE PER SERIES	RATING AGENCY	DATE OF INCORPORATION	INITIAL BALANCE ASSETS
FTA UCI7	Serie A	€ 39,753,651.36	3M Euribor + 0.250%	S&P / Moody's	25/10/2001	€455,000,000.00
	Serie B	€ 3,412,500.50	3M Euribor + 0.700%			
	<b>Total</b>	<b>€ 43,166,151.86</b>				
FTA UCI8	Serie A	€ 59,527,011.47	3M Euribor + 0.220%	S&P / Moody's	24/06/2002	€600,000,000.00
	Serie B	€ 4,499,999.46	3M Euribor + 0.600%			
	<b>Total</b>	<b>€ 64,027,010.93</b>				
FTA UCI9	Serie A	€ 163,827,235.52	3M Euribor + 0.265%	S&P / Moody's	16/06/2003	€1,250,000,000.00
	Serie B	€ 12,148,582.50	3M Euribor + 0.65 %			
	Serie C	€ 2,679,834.72	3M Euribor + 1.20 %			
	<b>Total</b>	<b>€ 178,655,652.74</b>				
FTA SANTANDER HIPOTECARIO 1	Serie A	€ 273,147,069.12	3M Euribor + 0.18%	S&P / Moody's	11/06/2004	€1,875,000,000.00
	Serie B	€ 53,400,000.00	3M Euribor + 0.30%			
	Serie C	€ 46,900,000.00	3M Euribor + 0.50%			
	Serie D	€ 56,300,000.00	3M Euribor + 0.95%			
	<b>Total</b>	<b>€ 429,747,069.12</b>				
FTA FTPYME SANTANDER 2	Serie A	€ 0.00	3M Euribor + 0.20%	S&P	21/10/2004	€1,850,000,000.00
	Serie B	€ 0.00	3M Euribor + 0.00%			
	Serie C	€ 63,537,201.90	3M Euribor + 0.30%			
	Serie D	€ 58,500,000.00	3M Euribor + 0.70%			
	Serie E	€ 58,500,000.00	3M Euribor + 1.50%			
	<b>Total</b>	<b>€ 180,537,201.90</b>				
FTA UCI11	Serie A	€ 177,154,541.97	3M Euribor + 0.14%	S&P	17/11/2004	€850,000,000.00
	Serie B	€ 6,000,000.00	3M Euribor + 0.33%			
	Serie C	€ 22,900,000.00	3M Euribor + 0.75%			
	<b>Total</b>	<b>€ 206,054,541.97</b>				
FTA SANTANDER	Serie	€ 0.00	3M Euribor +	S&P /	27/10/2005	€3,100,000,000.00

EMPRESAS 1	A1		0.02%	Fitch		
	Serie A2	€ 0.00	3M Euribor + 0.12%			
	Serie B	€ 0.00	3M Euribor + 0.21%			
	Serie C	€ 0.00	3M Euribor + 0.29%			
	Serie D	€ 155,118,836.95	3M Euribor + 0.59%			
<b>Total</b>	<b>€ 155,118,836.95</b>					
FTA UCI14	Serie A	€ 422,537,242.75	3M Euribor + 0.15%	S&P/ Fitch	30/11/2005	€1,350,000,000.00
	Serie B	€ 34,100,000.00	3M Euribor + 0.29%			
	Serie C	€ 38,400,000.00	3M Euribor + 0.58%			
	<b>Total</b>	<b>€ 495,037,242.75</b>				
FTA UCI15	Serie A	€ 501,070,967.72	3M Euribor + 0.14%	S&P/ Fitch	28/04/2006	€1,430,000,010.22
	Serie B	€ 32,900,000.00	3M Euribor + 0.27%			
	Serie C	€ 56,500,000.00	3M Euribor + 0.53%			
	Serie D	€ 21,600,000.00	3M Euribor + 0.58%			
	<b>Total</b>	<b>€ 612,070,967.72</b>				
FTA SANTANDER HIPOTECARIO 2	Serie A	€ 538,695,365.07	3M Euribor + 0.15%	S&P/ Moody's	30/06/2006	€1,955,000,000.00
	Serie B	€ 51,800,000.00	3M Euribor + 0.20%			
	Serie C	€ 32,300,000.00	3M Euribor + 0.30%			
	Serie D	€ 49,800,000.00	3M Euribor + 0.55%			
	Serie E	€ 19,599,549.85	3M Euribor + 2.10%			
	Serie F	€ 17,600,000.00	3M Euribor + 1.00%			
	<b>Total</b>	<b>€ 709,794,914.92</b>				
FTA UCI16	Serie A1	€ 0.00	3M Euribor + 0.06%	S&P/ Fitch	18/10/2006	€1,800,000,000.00
	Serie A2	€ 720,113,472.40	3M Euribor + 0.15%			
	Serie B	€ 72,000,000.00	3M Euribor + 0.30%			
	Serie C	€ 41,400,000.00	3M Euribor + 0.55%			
	Serie D	€ 9,000,000.00	3M Euribor + 2.25%			
	Serie E	€ 19,800,000.00	3M Euribor + 2.30%			
	<b>Total</b>	<b>€ 862,313,472.40</b>				

FTA PYMES BANESTO 2	Serie A1	€ 0.00	3M Euribor + 0.13%	S&P/ Moody's Fitch	17/11/2006	€1,000,000,000.00
	Serie A2	€ 43,418,771.76	3M Euribor + 0.16%			
	Serie B	€ 24,300,000.00	3M Euribor + 0.27%			
	Serie C	€ 34,000,000.00	3M Euribor + 0.54%			
	<b>Total</b>	<b>€ 101,718,771.76</b>				
FTA SANTANDER FINANCIACION 1	Serie A	€ 0.00	3M Euribor + 0.15%	S&P/ Moody's	14/12/2006	€1,900,000,000.00
	Serie B	€ 0.00	3M Euribor + 0.20%			
	Serie C	€ 0.00	3M Euribor + 0.30%			
	Serie D	€ 42,745,079.00	3M Euribor + 0.55%			
	Serie E	€ 26,600,000.00	3M Euribor + 2.10%			
	Serie F	€ 14,300,000.00	3M Euribor + 1.00%			
<b>Total</b>	<b>€ 83,645,079.00</b>					
FTA SANTANDER EMPRESAS 2	Serie A1	€ 0.00	3M Euribor + 0.05%	Fitch/ Moody's	14/12/2006	€2,900,000,000.00
	Serie A2	€ 0.00	3M Euribor + 0.16%			
	Serie B	€ 0.00	3M Euribor + 0.22%			
	Serie C	€ 32,906,822.62	3M Euribor + 0.32%			
	Serie D	€ 59,500,000.00	3M Euribor + 0.55%			
	Serie E	€ 29,000,000.00	3M Euribor + 2.10%			
<b>Total</b>	<b>€ 53,700,000.00</b>	<b>€ 175,106,822.62</b>				
FTA SANTANDER HIPOTECARIO 3	Serie A1	€ 200,432,756.99	3M Euribor + 0.06%	Fitch/ Moody's	04/04/2007	€2,800,000,000.00
	Serie A2	€ 715,198,176.00	3M Euribor + 0.14%			
	Serie A3	€ 195,054,579.10	3M Euribor + 0.20%			
	Serie B	€ 79,200,000.00	3M Euribor + 0.22%			
	Serie C	€ 47,500,000.00	3M Euribor + 0.30%			
	Serie D	€ 72,000,000.00	3M Euribor + 0.55%			
	Serie E	€ 28,000,000.00	3M Euribor + 2.10%			
	Serie F	€ 22,400,000.00	3M Euribor + 0.50%			



<b>Total</b>		<b>€ 1,359,785,512.09</b>				
<b>FTA UCI17</b>	<b>Serie</b>		3M Euribor+	<b>S&amp;P/</b>	<b>07/05/2007</b>	<b>€1,415,400,000.00</b>
	<b>A1</b>	€ 0.00	0.10%	<b>Fitch</b>		
	<b>Serie</b>		3M Euribor+			
	<b>A2</b>	€ 653,630,429.94	0.18%			
	<b>Serie B</b>	€ 72,800,000.00	3M EuriborM			
			+ 0.35%			
	<b>Serie C</b>	€ 28,000,000.00	3M Euribor+			
			0.60%			
	<b>Serie D</b>	€ 15,400,000.00	3M Euribor+			
			2.25%			
<b>Total</b>		<b>€ 769,830,429.94</b>				
<b>FTA SANTANDER EMPRESAS 3</b>	<b>Serie</b>		3M Euribor+	<b>S&amp;P/</b>	<b>28/05/2007</b>	<b>€3,500,000,000.00</b>
	<b>A1</b>	€ 0.00	0.08%	<b>Moody's</b>		
	<b>Serie</b>		3M Euribor+	<b>Fitch</b>		
	<b>A2</b>	€ 32,558,940.00	0.17%			
	<b>Serie</b>		3M Euribor+			
	<b>A3</b>	€ 13,885,320.00	0.25%			
	<b>Serie B</b>	€ 39,700,000.00	3M Euribor+			
			0.28%			
	<b>Serie C</b>	€ 117,300,000.00	3M Euribor+			
			0.32%			
	<b>Serie D</b>	€ 70,000,000.00	3M Euribor+			
			0.65%			
	<b>Serie E</b>	€ 45,500,000.00	3M Euribor+			
			2.30%			
	<b>Serie F</b>	€ 45,500,000.00	3M Euribor+			
			0.50%			
<b>Total</b>		<b>€ 364,444,260.00</b>				
<b>FTA PITCH</b>	<b>Serie 1</b>	€ 1,200,000,000.00	5.1353%	<b>S&amp;P/</b>	<b>17/07/2007</b>	<b>€1,200,000,000.00</b>
				<b>Moody's</b>		
<b>Total</b>		<b>€ 1,200,000,000.00</b>				
<b>FTA UCI18</b>	<b>Serie A</b>	€ 762,697,322.80	3M Euribor+	<b>S&amp;P</b>	<b>27/02/2008</b>	<b>€1,700,000,000.00</b>
			0.32%			
	<b>Serie B</b>	€ 38,300,000.00	3M Euribor+			
			0.60%			
	<b>Serie C</b>	€ 21,200,000.00	3M Euribor			
			+1.20%			
	<b>Serie D</b>	€ 23,000,000.00	3M Euribor+			
			2.20%			
<b>Total</b>		<b>€ 845,197,322.80</b>				
<b>FTA SANTANDER 2</b>	<b>Pagarés</b>	<b>€ 1,040,000,000.00</b>		<b>S&amp;P</b>	<b>27/11/2008</b>	<b>€3,000,000,000.00</b>
				<b>Fitch</b>		
<b>FTA SANTANDER HIPOTECARIO 7</b>	<b>Serie A</b>	€ 878,728,896.00	3M Euribor+	<b>Moody's</b>	<b>22/07/2011</b>	<b>€2,096,100,000.00</b>
			0.65%			
	<b>Serie B</b>	€ 360,000,000.00	3M Euribor+	<b>DBRS</b>		
			1.30%			
	<b>Serie C</b>	€ 63,600,000.00	3M Euribor+			
			0.65%			

<b>Total</b>		<b>€ 1,302,328,896.00</b>				
<b>FTA SANTANDER HIPOTECARIO 8</b>	<b>Serie A</b>	€ 379,057,984.00	3M Euribor + 0,65%	<b>Moody's</b>	15/12/2011	€800,000,000.00
	<b>Serie B</b>	€ 160,000,000.00	3M Euribor + 1,00%	<b>DBRS</b>		
	<b>Serie C</b>	€ 28,100,000.00	3M Euribor + 0,65%+Parte extra			
	<b>Total</b>	<b>€ 567,157,984.00</b>				
<b>SANTANDER CONSUMER SPAIN AUTO 12-1</b>	<b>Serie A</b>	€ 68,127,542.50	Tipo Fijo 3,00%	<b>Moody's</b>	20/11/2012	€500,000,000.00
				<b>Fitch</b>		
	<b>Total</b>	<b>€ 68,127,542.50</b>				
<b>F.T.A. SANTANDER HIPOTECARIO 9</b>	<b>Serie A</b>	€ 375,112,799.58	3M Euribor + 0,30%	<b>Moody's</b>	25/06/2013	€767,000,000.00
	<b>Serie B</b>	€ 177,800,000.00	3M Euribor + 0,40%	<b>DBRS</b>		
	<b>Serie C</b>	€ 28,600,000.00	3M Euribor + 0,50%+Parte extra			
	<b>Total</b>	<b>€ 581,512,799.58</b>				
<b>SANTANDER CONSUMER SPAIN AUTO 2013-1</b>	<b>Serie A</b>	€ 207,861,798.60	Tipo Fijo 3,00%	<b>Moody's</b>	16/10/2013	€500,000,000.00
				<b>Fitch</b>		
	<b>Total</b>	<b>€ 207,861,798.60</b>				
<b>F.T.A. PYMES SANTANDER 6</b>	<b>Serie A</b>	€ 62,345,583.42	3M Euribor +1.50%	<b>S&amp;P</b>	19/11/2013	€340,000,000.00
	<b>Serie B</b>	€ 105,400,000.00	3M Euribor +1.60%	<b>DBRS</b>		
	<b>Serie C</b>	€ 68,000,000.00	3M Euribor +0.50%			
	<b>Total</b>	<b>€ 235,745,583.42</b>				
<b>F.T.A. PYMES SANTANDER 9</b>	<b>Serie A</b>	€ 180,258,848.98	3M Euribor +0.75%	<b>S&amp;P</b>	20/05/2014	€500,000,000.00
	<b>Serie B</b>	€ 168,300,000.00	3M Euribor +0.80%	<b>DBRS</b>		
	<b>Total</b>	<b>€ 348,558,848.98</b>				
<b>F.T.A. RMBS SANTANDER 1</b>	<b>Serie A</b>	€ 786,750,117.78	3M Euribor +0.90%	<b>Moody's</b>	23/06/2014	€1,495,000,000.00
	<b>Serie B</b>	€ 359,300,000.00	3M Euribor +1.30%	<b>DBRS</b>		
	<b>Serie C</b>	€ 59,800,000.00	3M Euribor +0.65%			
	<b>Total</b>	<b>€ 1,205,850,117.78</b>				
<b>F.T.A. RMBS SANTANDER 2</b>	<b>Serie A</b>	€ 2,032,497,649.13	3M Euribor +0.30%	<b>Moody's</b>	14/07/2014	€3,450,000,000.00
	<b>Serie B</b>	€ 655,100,000.00	3M Euribor +0.40%	<b>DBRS</b>		
	<b>Serie C</b>	€ 142,400,000.00	3M Euribor +0.50%			

<b>Total</b>		<b>€ 2,829,997,649.13</b>				
<b>F.T.A. RMBS SANTANDER 3</b>	Serie A	€ 4,356,759,881.84	3M Euribor +0.58%	Moody's	17/11/2014	€7,475,000,000.00
	Serie B	€ 1,568,400,000.00	3M Euribor +0.63%	DBRS		
	Serie C	€ 313,600,000.00	3M Euribor +0.65%			
	<b>Total</b>	<b>€ 6,238,759,881.84</b>				
<b>F.T.A. SCS AUTO 2014-1</b>	Serie A	€ 703,000,000.00	Tipo fijo 2,00%	Fitch	26/11/2014	€798,000,000.00
	Serie B	€ 27,400,000.00	Tipo fijo 2,50%	DBRS		
	Serie C	€ 15,200,000.00	Tipo fijo 3,50%			
	Serie D	€ 14,400,000.00	Tipo fijo 5,00%			
	Serie E	€ 38,000,000.00	Tipo fijo 5,00%			
	<b>Total</b>	<b>€ 798,000,000.00</b>				
<b>F.T.A. PYMES SANTANDER 10</b>	Serie A	€ 699,216,349.50	3M Euribor +0.35%	Moody's	28/11/2014	€4,560,000,000.00
	Serie B	€ 893,000,000.00	3M Euribor +0.60%	DBRS		
	Serie C	€ 760,000,000.00	3M Euribor +0.65%	Scope Ratings		
	<b>Total</b>	<b>€ 2,352,216,349.50</b>				
<b>F.T.A. RMBS PRADO 1 Total</b>	Serie A	€ 325,204,448.40	3M Euribor +0.90%	Moody's	28/05/2015	€450,000,000.00
<b>Total</b>	<b>€ 325,204,448.40</b>					
<b>F.T.A. RMBS SANTANDER 4</b>	Serie A	€ 2,227,274,308.00	3M Euribor+0.60%	DBRS	26/06/2015	€2,950,000,000.00
	Serie B	€ 590,000,000.00	3M Euribor+0.63%	S&P		
	Serie C	€ 147,500,000.00	3M Euribor+0.66% + Parte Extra	Scope Ratings		
	<b>Total</b>	<b>€ 2,964,774,308.00</b>				
<b>F.T.A. PYMES SANTANDER 11</b>	Serie A	€ 561,430,167.49	3M Euribor+0.25%	DBRS	19/05/2015	€3,575,000,000.00
	Serie B	€ 893,700,000.00	3M Euribor+0.50%	Moody's		
	Serie C	€ 178,800,000.00	3M Euribor+0.65% + Parte Extra			
	<b>Total</b>	<b>€ 1,633,930,167.49</b>				
<b>F.T.A. RMBS SANTANDER 5</b>	Serie A	€ 1,013,600,000.00	3M Euribor+0.60%	DBRS	15/12/2015	€1,338,700,000.00
	Serie B	€ 261,400,000.00	3M Euribor+0.63%	S&P		
	Serie C	€ 63,700,000.00	3M Euribor+0.65% + Parte Extra	Scope Ratings		
	<b>Total</b>	<b>€ 1,338,700,000.00</b>				
<b>F.T.A. PYMES SANTANDER 12</b>	Serie A	€ 2,100,000,000.00	3M Euribor+0.30%	DBRS	10/12/2015	€2,940,000,000.00
	Serie B	€ 700,000,000.00	3M Euribor+0.50%	Moody's		
	Serie C	€ 140,000,000.00	3M Euribor+0.65% + Parte Extra	Scope Ratings		
	<b>Total</b>	<b>€ 2,940,000,000.00</b>				
<b>TOTAL FTA</b>		<b>€35,814,977,636.69</b>				<b>€72,937,000,010.22</b>

MORTGAGE SECURITIZATION FUNDS						
FUNDS	SERIES	OUTSTANDING BALANCE/FEEES	RATE PER SERIES	RATING AGENCY	DATE OF INCORPORATION	INITIAL BALANCE ASSETS
FTH HIPOTEBANSA XI	Serie A		3M Euribor +	S&P / Moody's	26/11/2002	€1,062,000,000.00
	Serie B	€140,151,317.84	0.24% 3M Euribor +			
	Total	€9,082,688.44 €149,234,006.28	0.45%			
FTHUCI10	Serie A		3M Euribor +	S&P	14/05/2004	€700,000,000.00
	Serie B	€126,513,996.00	0.16% 3M Euribor +			
	Total	€8,075,361.00 €134,589,357.00	0.50%			
FTHUCI12	Serie A		3M Euribor +	S&P	30/05/2005	€900,000,000.00
	Serie B	€252,455,188.16	0.15% 3M Euribor +			
	Serie C	€8,999,999.92	0.27% 3M Euribor +			
	Total	€23,800,000.04 €285,255,188.12	0.60%			
TOTAL FTH		€569,078,551.40				€2,662,000,000.00
TOTAL (FTH+FTA)		€36,384,056,188.09				€75,599,000,010.22

**d) Share Capital**

**(i) Nominal amount subscribed and paid-up:**

The share capital of the Managing Company amounts to NINE HUNDRED AND ONE THOUSAND SIX HUNDRED AND FIFTY EUROS (€ 901,650), represented by fifteen thousand (15,000) registered shares with a nominal value of sixty euros with eleven cents (€ 60.11) each one of them, which are correlatively numbered from one (1) to fifteen thousand (15,000), both inclusive, and all of them are subscribed and fully paid-up.

**(ii) Series of shares:**

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

In accordance with the Sixth Transitional Disposition of the Law 5/2015, the Managing Company will proceed to fulfill the new requirements required by article

29.1.d) of the Law 5/2015, in this respect, within a maximum term of 18 months since the entry into force of the abovementioned Law (this is since 28<sup>th</sup> April 2015).

**e) Legal Person.**

The management and administration of the Managing Company are entrusted by the Articles of Association to the General Meeting of Shareholders and to the Board of Directors. The duties and powers of the said bodies are those corresponding to them in accordance with the provisions of the Spanish Corporations Law (*Ley de Sociedades de Capital*), the Law 5/2015, in connection with the corporate purpose.

**(i) Administrators**

The Board of Directors is made up of the following members:

Chairman: Mr. José García Cantera

Directors: Mr. Ignacio Ortega Gavara

Mr. José Antonio Soler Ramos

Ms. Ana Bolado Valle

Mr. Javier Antón San Pablo

Mr. Francisco Galiana Guiu

Mr. Adolfo Ramirez Morales

Ms. Marta Elorza Trueba

Mr. Jesús Fuentes Colella

Mr. Pablo Roig García-Bernalt

Secretary/Non-Director: Ms. María José Olmedilla González

**(ii) General Management**

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

**(iii) The table below describes the main activities corresponding to the persons listed in section (i) above that are performed outside the Managing Company, if the said activities are of relevance as regards the Fund and performed by the persons listed in this section:**

<u>Name</u>	<u>Performed activity</u>	<u>Type of Provided Activity System</u>	<u>Company through which the duties are provided</u>	<u>Position or duties hold it or perform it in the aforementioned Company</u>	<u>Position or duties hold it or perform it in Banco Santander</u>	<u>Position or duties hold it or perform it in Santander Consumer</u>
<a href="#">José García Cantera</a>	<a href="#">Banking</a>	<a href="#">Employee</a>	<a href="#">Santander Investment, SA</a>	<a href="#">President</a>	<a href="#">Managing Director</a>	
	<a href="#">Banking</a>		<a href="#">Bank Zachodni WBK, SA</a>	<a href="#">Member of the Board of Supervisors</a>		
	<a href="#">Energy</a>		<a href="#">Operator del Mercado Ibérico de Energía Polo Español, S.A.</a>	<a href="#">Member</a>		

<a href="#">Javier Antón San Pablo</a>	<a href="#">Banking</a>	<a href="#">Employee</a>	<a href="#">Santander Consumer Bank, S.p.A</a>	<a href="#">Member</a>		<a href="#">Director</a>
			<a href="#">Santander Consumer Bank AS</a>	<a href="#">Member</a>		
			<a href="#">Santander Benelux, S.A./N.V.</a>	<a href="#">President</a>		
			<a href="#">Santander Consumer (UK) plc.</a>	<a href="#">Director</a>		
<a href="#">Marta Florza Trueba</a>					<a href="#">Deputy Managing Director</a>	
<a href="#">Adolfo Ramirez Morales</a>	<a href="#">Banking</a>	<a href="#">Employee</a>	<a href="#">Sistema 4B</a>	<a href="#">Member</a>		<a href="#">Deputy Managing Director</a>
			<a href="#">Aegon Santander Vida Seguros y Reaseguros, S.A.</a>	<a href="#">Member</a>		
			<a href="#">Aegon Santander Generales Seguros y Reaseguros, S.A.</a>	<a href="#">Member</a>		
			<a href="#">Fondo Advance</a>	<a href="#">President</a>		
<a href="#">Francisco Galiana Guiu</a>	<a href="#">Banking</a>	<a href="#">Employee</a>	<a href="#">Santander Investment, S.A.</a>	<a href="#">Member</a>		<a href="#">Director</a>
<a href="#">José Antonio Soler Ramos</a>	<a href="#">Financial Intermediation</a>	<a href="#">Employee</a>	<a href="#">Santander Perpetual, S.A.U.</a>	<a href="#">President</a>		<a href="#">Assistant General Manager</a>
			<a href="#">Santander Commercial Paper, S.A.U.</a>			
			<a href="#">Santander US Debt, S.A.U.</a>			
			<a href="#">Santander Issuances, S.A.U.</a>			
			<a href="#">Santander International Debt, S.A.U.</a>			
			<a href="#">Santander Benelux, S.A./N.V.</a>			
<a href="#">Open Bank, S.A.</a>						
<a href="#">Ana Bolado Valle</a>					<a href="#">Assistant General Manager</a>	
<a href="#">Jesús Fuentes Colella</a>					<a href="#">Deputy Managing Director</a>	

The persons listed in this section 6.1.e) are not holders, whether directly or indirectly, of any share, convertible debenture or any other securities granting their holder a right to acquire shares of the Managing Company.

The business address for all persons mentioned in this section 6.1.e) is as follows:

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

Avenida de la Gran Hortaleza 3

28033 Madrid

**f) Lenders of the Managing Company - more than ten percent (10%).**

The Managing Company has not received any loan or credit from any person or entity. The long and short-term debts that appear in the Balance Sheet attached hereto correspond to debts owed to Banco Santander due to the tax consolidation system between the Managing Company and Banco Santander.

**g) Significant litigations and conflicts.**

As at the date of verification of this Prospectus, the Managing Company is not involved in any insolvency-related situation and there are not any significant litigations or conflicts that might affect its economic and financial position or, in the future, its capacity to perform the management and administration duties of the Fund that are established in this Prospectus.

**h) Economic information relating to the Managing Company:**

The annual financial statements of the Managing Company corresponding to the years ended on 31<sup>st</sup> December 2013 and 2014 were audited by Deloitte and were submitted to the Commercial Register of Madrid. The audit report corresponding to each of the said financial statements shows no remarks. The annual financial statements of the Managing Company corresponding to the year ended on 31<sup>st</sup> 2015 are pending to be audited by Deloitte.

The Managing Company keeps its accounting books in accordance with the General Accounting Plan approved by the Royal Decree 1514/2007, of 16<sup>th</sup> November.

The balance sheet and the profit and loss account corresponding to the audited years 2013, 2014 and as at 31<sup>st</sup> December 2015 (not audited) are shown below (amounts expressed in thousands of euros):

**Balance sheet corresponding to the years ended and audited 2013 and 2014 and as at 31<sup>st</sup> December 2015 without audit (amounts expressed in thousands of euros).**

ASSETS	31/12/2013	31/12/2014	31/12/2015
<b>FIXED ASSETS:</b>			
Intangible <u>fixed assets</u>	-	-	-
Tangible <u>fixed assets</u>	-	-	-
<b>Total fixed assets</b>	-	-	-
<b>CAPITAL ASSETS:</b>			
Long <u>term guarantees</u>	19	19	19
<b>Total capital assets</b>	<b>19</b>	<b>19</b>	<b>19</b>
<b>CURRENT ASSETS:</b>			
<b>Debtors</b>	<b>396</b>	<b>268</b>	<b>335</b>
Loan to <u>employees</u>	36	28	26
<u>Other debtors</u>	360	240	309
<u>Temporary financial investments</u>	-	-	-
<u>Public Treasury</u>	-	-	-
<b>Cash and banks</b>	<b>9,987</b>	<b>10,949</b>	<b>13,017</b>
<u>Time-period adjustments</u>	880	888	761
<b>Total current assets</b>	<b>11,263</b>	<b>12,105</b>	<b>14,113</b>
<b>TOTAL ASSETS</b>	<b>11,282</b>	<b>12,124</b>	<b>14,132</b>

LIABILITIES	31/12/2013	30/09/2014	31/12/2015
<b>EQUITY:</b>			
<u>Subscribed capital</u>	902	902	902
<u>Reserves</u>	182	182	182
<u>Results of the year - Profits</u>	1,553	604	1,538
<b>Total Equity</b>	<b>2,637</b>	<b>1,688</b>	<b>2,622</b>
<b>LONG TERM CREDITORS:</b>			
<u>Debt with Group companies</u>	7,679	7,678	8,897
	<b>7,679</b>	<b>7,678</b>	<b>8,897</b>
<b>SHORT TERM CREDITORS:</b>			
<u>Public Treasury</u>	710	956	2,364
<u>Other debts</u>	30	23	12
<u>Debts with Group companies</u>	3	3	-
<u>Time-period adjustment</u>	223	224	237
<u>Payable dividend</u>	-	1,552	-
<b>Total short term creditors</b>	<b>966</b>	<b>2,758</b>	<b>2,613</b>
<b>TOTAL LIABILITIES</b>	<b>11,282</b>	<b>12,124</b>	<b>14,132</b>

Profit and Loss Accounts corresponding to the years ended and audited 2013 and 2014 and as at 31<sup>st</sup> December 2015 without audit (amounts expressed in thousands of euros).



	31/12/2013	30/09/2014	31/12/2015
<b>CONTINUOUS OPERACIONES</b>			
Net amount of business turnover	7,544	5,086	8,732
Other operating income	25	2	247
Staff expenses	-1,050	-837	-1,050
Other operating expenses	-4,299	-3,388	-5,237
Depreciation of fixed assets	-	-	-
Impairment and result from disposal of fixed assets	-	-	-
<b>OPERATING RESULT</b>	<b>2,220</b>	<b>863</b>	<b>2,692</b>
Financial income	-	-	-
From negotiable securities and other financial instruments	-	-	-
<b>FINANCIAL RESULT</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>RESULT BEFORE TAX</b>	<b>2,220</b>	<b>863</b>	<b>2,692</b>
Profit tax	-667	-259	-1,154
<b>RESULT OF THE YEAR FROM CONTINUOUS OPERATIONS</b>	<b>1,553</b>	<b>604</b>	<b>1,538</b>
<b>INTERRUPTED OPERACIONES</b>			
Result of the year from interrupted operations, net of tax	-	-	-
<b>RESULT OF THE YEAR</b>	<b>1,553</b>	<b>604</b>	<b>1,538</b>

i) **Stakes in other Companies**

ii)

The Managing Company do not have any stakes in other companies

**7. MAIN SHAREHOLDERS OF THE MANAGING COMPANY**

- a) The shares of the Managing Company are distributed among the companies that are listed below, together with the participation percentage in the share capital of the Managing Company corresponding to each one of them:

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

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

For the purposes of article 5 of the **Securities Markets Act**, SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. forms part of SANTANDER GROUP.

In order to ensure the absence of abuses of control on the part of Banco Santander, S.A. over the Managing Company in accordance with article 29.1.j) of the Law 5/2015, the Managing Company approved an Internal Rules of Conduct in accordance with the Royal Decree 217/2008, of 15 February, about the legal status of the investment services companies and other entities that provided investment services and who partially amend the regulation of the Law 35/2003, of 4 November, of Collective Investment Institutions, that has been release to the CNMV.

**8. FINANCIAL INFORMATION RELATING TO THE CREDIT RIGHTS AND TO THE RESPONSIBILITIES OF THE ISSUER, FINANCIAL POSITION, AND PROFITS AND LOSSES**

**8.1. Statement regarding the commencement of operations and financial statements of the Issuer prior to the date of the Registration Document.**

The Managing Company states that, as at the date of verification of this Registration Document, the Fund has not been incorporated yet and, consequently, it has not initiated its operations and no financial statement in respect thereof has been prepared.

**8.2. Historical financial information.**

Not applicable.

**8.2.bis This section may only be used for issues of securities backed by credit rights that have an individual denomination equal to or higher than €50,000.**

Not applicable

**8.3. Legal and arbitration proceedings.**

Not applicable.

**8.4. Important adverse change in the Issuer's financial situation.**

Not applicable.

**9. INFORMATION ABOUT THIRD PARTIES, STATEMENTS MADE BY EXPERTS AND DECLARATIONS OF INTEREST**

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

Not applicable.

**9.2. Information from a third party.**

Not applicable.

**10. DOCUMENTS FOR CONSULTATION**

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

- (a) **The Articles of Association and the Memorandum of Association of the Managing Company.**
- (b) **This Prospectus.**
- (c) **The Deed of Incorporation and the Assignment Agreement.**
- (d) **The Subordinated Loan Agreement, the Reinvestment Agreement, and the Management, Structuring, Subscription and Payment Agency Agreement.**

- (e) **The Audit Report on the Preliminary Portfolio**, from which the Credit Rights to be assigned to the Fund will be extracted, prepared by Deloitte.
- (f) **The certification of the resolution adopted by the Board of Directors of Santander Consumer**, at its meeting held on 21<sup>st</sup> January 2016, by virtue of which it was decided to assign the Credit Rights to the Fund, and **the certification of the resolutions adopted by the Board of Directors of the Managing Company**, at its meeting held on 21<sup>st</sup> January 2016, by virtue of which it was agreed, among other things: the incorporation of the Fund, the acquisition by the Fund of the Credit Rights assigned by Santander Consumer, and the issue of the Bonds against the Fund and **the certification of the resolutions adopted by the Board of Directors of the Managing Company**, at its meeting held on 4<sup>th</sup> March 2016, by virtue of which it was agreed to appoint the Account Auditors of the Fund.
- (g) **The Annual Financial Statements and the audit reports of the Managing Company.**

A copy of all the aforementioned documents may be consulted at the business address of the Managing Company.

Likewise, the Prospectus, the Deed of Incorporation and the annual and quarterly report mentioned in article 34 of the Law 5/2015 may be consulted on the Managing Company's website ([www.santanderdetitulizacion.com](http://www.santanderdetitulizacion.com)).

Furthermore, a copy of all the documents referred to in the preceding paragraphs, except for those listed in paragraphs a) and d), may be consulted at the CNMV, at: Calle Edison 4, in Madrid.

A copy of the Prospectus will be available to the public on the web page of the CNMV ([www.cnmv.es](http://www.cnmv.es)) on the web page of AIAF ([www.aiaf.es](http://www.aiaf.es)) and on the web page of the Managing Company ([www.santanderdetitulizacion.com](http://www.santanderdetitulizacion.com)).

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

## 2. SECURITIES NOTE

This Securities Note has been prepared in accordance with Annex XIII of the Regulation (EC) no. 809/2004 and has been approved by the Spanish National Stock Exchange Commission on 10<sup>th</sup> March 2016.

## **1. PERSONS RESPONSIBLE.**

### **1.1. Persons responsible for the information contained in the Securities Note and in the Additional Module.**

Mr. IGNACIO ORTEGA GAVARA, acting in his capacity of Secretary of the Board of Directors of SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A., with business address at: Avenida de la Gran Hortaleza 3, 28033, Madrid, assumes responsibility for the information contained in this Securities Note and in the Additional Module.

Mr. IGNACIO ORTEGA GAVARA acts in his capacity of General Manager of the Managing Company and exercises the powers that were expressly conferred to him for the incorporation of the Fund by the Board of Directors of the Managing Company at its meeting held on 21<sup>st</sup> January 2016.

SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. is the promoter of the SECURITIZATION FUND, SANTANDER CONSUMER SPAIN AUTO 2016-1 and will be in charge of its administration and legal representation and the management and administration of assets brought together to it in accordance with article 26 of the Law 5/2015.

### **1.2. Statement granted by those responsible for the Securities Note and the Additional Module.**

Mr. IGNACIO ORTEGA GAVARA states that, after having taken all reasonable care to ensure that such is the case, the information contained in Securities Note and in the Additional Module is, to the best of his knowledge and belief, in accordance with the facts and does not omit anything that could affect its content.

## **2. RISK FACTORS.**

The risk factors specific to the Credit Rights that back the issue and to the securities are those respectively described in sections II and III of the document included at the beginning of this Prospectus under the name of “RISK FACTORS”.

## **3. ESSENTIAL INFORMATION.**

### **3.1. Interest of the natural persons and Legal Person participating in the issue.**

The natural persons and Legal Person participating in the issue are the following:

- a) SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. acts as the Managing Company of the Fund.
- b) SANTANDER CONSUMER, E.F.C., S.A. acts as Assignor and Management Services Provider of the Credit Rights, as Subscriber of the Series B, C, D and E Bonds and as a counterparty to the Fund in the Subordinated Loan Agreement.
- c) SANTANDER CONSUMER FINANCE, S.A. acts as counterparty to the Fund in the Reinvestment Agreement for the Cash Account, the Principal Account, the Liquidity Reserve Account and the Commingling Reserve Account, as Depository Institution of the Liquidity Reserve and Depository Institution of the Commingling Reserve, as established in section 3.4.4. of the Additional Module, as well as Manager of the issue.
- d) BANCO SANTANDER, S.A. acts as Paying Agent and as Back-Up Servicer Facilitator.

- e) CREDIT AGRICOLE CIB, acts as Manager of the issue of the Bonds and as Structuring Company in the securitisation transaction.
- f) BEKA FINANCE, SOCIEDAD DE VALORES, S.A. acts as Manager of the issue of the Bonds.
- g) BEKA STRUCTURED SECURITIES, S.L. acts as Structuring Company in the securitization transaction.
- h) SANTANDER BENELUX S.A./N.V. acts as the Subscriber of the Series A Bonds.
- i) DBRS and Moody's act as the Credit Rating Agencies for the Bonds.
- j) DELOITTE, S.L. acts as the accounts auditor of the Managing Company and of Santander Consumer. Likewise, it will prepare the Audit Report on the Preliminary Portfolio, from which the Loans will be extracted and the Credit Rights of which will be assigned to the Fund.
- k) PRICEWATERHOUSECOOPERS AUDITORES, S.L. has been appointed as Accounts Auditor for the Fund.
- l) CMS ALBIÑANA Y SUAREZ DE LEZO, S.L.P. acts as the legal adviser in respect of the transaction structure and has revised the tax system of the Fund established in section 4.5.d) of the Registration Document.

The said persons do not have any interest, including conflicting interests that might be relevant to the issue, except for those specifically described in section 5.2 of the Registration Document.

### **3.2. Purpose of the transaction.**

The amount of the issue of the Bonds of Series A, B, C, D and E will be used in its entirety for the acquisition of the Credit Rights pooled in the Fund and the creation of the Initial Reserve Fund, in the case of Series F Bonds.

As regards the Series A Bonds, once that the Subscriber of the Series A Bonds has subscribed them, said Subscriber has the intention of using them as guarantee assets for Euro system credit transactions, without this limiting any other use of the Bonds or their eventual disposal. Series B, C, D, E and F Bonds will be subscribed by Santander Consumer, without prejudice to their eventual disposal in the future.

Given that all the Bonds will be subscribed by the Assignor and Santander Benelux without any market transaction, their price will not be subject to comparison through market transaction, it is not possible to affirm that the economic conditions of the Bonds correspond to those applicable conditions on the secondary market on the Date of Incorporation. This consideration about the assessment of the Bonds is made for the purposes of informing third parties, in particular, investors or holders of the Bonds by way of guarantee, as it happens with the European Central Bank in Euro system credit transactions.

## **4. INFORMATION RELATING TO THE SECURITIES TO BE OFFERED AND ADMITTED TO TRADING.**

### **4.1. Total amount of the securities.**

#### **a) Total amount of the issue.**

The total amount of the Bonds to be issued is SEVEN HUNDRED AND EIGHTY MILLION THREE HUNDRED THOUSAND EUROS (€ 780,300,000) that

represents 100% of the nominal value of the Bonds, represented by seven thousand eight hundred and three (7,803) Bonds with a nominal value of ONE HUNDRED THOUSAND EUROS (€ 100,000) each one of them, which are distributed into six (6) Series of Bonds (A, B, C, D, E and F), each one of them with the following total nominal amount:

- **Series A:** with a total nominal amount of SIX HUNDRED AND FIFTY MILLION TWO HUNDRED THOUSAND EUROS (€ 650,200,000), made up of six thousand five hundred and two (6,502) Bonds, with a nominal value of ONE HUNDRED THOUSAND EUROS (€ 100,000) each one of them;
- **Series B:** with a total nominal amount of THIRTY MILLION SIX HUNDRED THOUSAND EUROS (€ 30,600,000), made up of three hundred and six (306) Bonds, with a nominal value of ONE HUNDRED THOUSAND EUROS (€ 100,000) each one of them;
- **Series C:** with a total nominal amount of FOURTY TWO MILLION ONE HUNDRED THOUSAND EUROS (€42,100,000), made up of four hundred and twenty one (421) Bonds, with a nominal value of ONE HUNDRED THOUSAND EUROS (€ 100,000) each one of them;
- **Series D:** with a total nominal amount of TWENTY THREE MILLION EUROS (€ 23,000,000), made up of two hundred and thirty (230) Bonds, with a nominal value of ONE HUNDRED THOUSAND EUROS (€ 100,000) each one of them.
- **Series E:** with a total nominal amount of NINETEEN MILLION ONE HUNDRED THOUSAND EUROS (€ 19,100,000), made up of one hundred and ninety one (191) Bonds, with a nominal value of ONE HUNDRED THOUSAND EUROS (€ 100,000) each one of them.
- **Series F:** with a total nominal amount of FIFTEEN MILLION THREE HUNDRED THOUSAND EUROS (€ 15,300,000), made up of one hundred and fifty three (153) Bonds, with a nominal value of ONE HUNDRED THOUSAND EUROS (€ 100,000) each one of them.

**b) Subscription of the Issue.**

The Managing Company will enter into a Management, Structuring, Subscription and Payment Agency Agreement, by virtue of which, among other obligations which are subject thereto, the Subscribers undertake to subscribe all the Bonds on 18<sup>th</sup> March 2016 from 10.00 am to 12.00 am (Madrid time) (the “**Subscription Date**”) as detailed below.

Santander Benelux, in its capacity of Subscriber of the Series A Bonds, will subscribe all the Series A Bonds, in accordance with the Management, Structuring, Subscription and Payment Agency Agreement.

Santander Benelux is classified as a “qualified investor” (according to the definition of this category of investors established in the Royal Decree 1310/2005).

Santander Consumer, in its capacity of Subscriber of the Series B, C, D, E and F Bonds, will subscribe all the Series B, C, D, E and F Bonds, in accordance with the Management, Structuring, Subscription and Payment Agency Agreement.

Santander Consumer is classified as a “qualified investor” (according to the definition of this category of investors established in the Royal Decree 1310/2005).

The Management, Structuring, Subscription and Payment Agency Agreement will be terminated in the event that the Rating Agencies do not confirm as final –prior to 10.00 am (Madrid time) on the Subscription Date– the provisional ratings granted to the Bonds, which are contained in this Prospectus.

SCF, in its capacity of Manager, act as such, pursuant to the terms detailed in section 5.2 of the Registration Document. SCF will not charge a fee by way of its managing services.

CA-CIB in its capacity of Manager and Structuring entities, acts as such, pursuant to the terms detailed in section 5.2 of the Registration Document. CA-CIB will not charge a fee by way of its managing services but it will charge a fee by way of its structuring services.

BEKA in its capacity of Manager, act as such, pursuant to the terms detailed in section 5.2 of the Registration Document. BEKA will not charge a fee by way of its managing services.

BEKA STRUCTURED in its capacity of Structuring, act as such, pursuant to the terms detailed in section 5.2 of the Registration Document. BEKA STRUCTURED will charge a fee by way of its structuring services

Santander Benelux and Santander Consumer will not charge any kind of fee in its capacity of Subscribers.

**c) Compliance with the Regulation, CRR, AIFM and Solvency II**

In compliance with the provisions of article 405 of the Regulation 575/2013, of 26<sup>th</sup> June, on prudential requirements of credit institutions and investment companies, amending the Regulation (EU) no. 648/2012 (the “**Regulation on CRR**”), article 51 of the Regulation (UE) N° 231/2013 of 19 December 2012 known as the Regulation of Management of Alternative Investment Funds (the “**Regulation on AIFM**”) and article 254 of the regulation (UE) 2015/35 of 10 October 2014 (the “**Regulation on Solvency II**”) the Assignor has informed the Managing Company that it will retain during the term of the Fund, in a constant manner, a significant net economic interest pursuant to the terms required by the Regulation on CRR. In this respect, the Assignor has informed the Managing Company that the words “in a constant manner” mean that the net economic interest retained will not be subject to reduction in the credit risk, to short positions or to other types of hedge and that it will not be sold. The Assignor will undertake, by virtue of the Deed of Incorporation, to include in the web page of Grupo Santander [www.santander.com](http://www.santander.com) (or any other web page that replaces it in the future) a reference to the location where all the updated details on the retention requirement of net economic interest can be found.

Notwithstanding the foregoing, certain details relating to the said retention are provided in this Prospectus below. In particular:

That, in compliance with the provisions of letter c) of the said article 405 and letter c) of paragraph 1 of article 51 of the Regulation on AIFM, the Assignor, in its capacity of originator of the securitization, will undertake under the Deed of Incorporation to retain, in a constant manner, randomly-chosen Credit Rights, equivalent to, at least, 5% of the nominal value of the securitized exposures (according to the relevant table of paragraph 2.2.2.1. of the Additional Module).

That, under the Deed of Incorporation, the Assignor will undertake to communicate the Managing Company, on a monthly basis, the compliance with the retention commitment assumed. For the purposes of this communication, the Assignor must explicitly state that it has not carried out any action (credit risk hedging, sale, taking



short positions, etc.) that might have undermined the application of the retention requirement.

In compliance with the provisions of article 409 of the Regulation on CRR, the Assignor must ensure that potential investors can easily access all relevant data on credit quality and evolution of the various underlying exposures, cash flows and the real guarantees backing the securitization exposures, and as much information as necessary to perform the thorough and documented stress tests as regards cash flows and the value of the real guarantees backing the underlying exposures.

#### **4.2 Description of the type and class of securities.**

The Bonds will have the legal nature of fixed income negotiable securities with explicit yield and will be subject to the system established by the Securities Markets Act and its implementing regulations, and are issued under the Law 5/2015.

#### **4.3 Legislation on the securities.**

The SECURITIZATION FUND, SANTANDER CONSUMER SPAIN AUTO 2016-1 is incorporated in compliance with and is subject to the Spanish Laws and, in particular, (i) the Deed of Incorporation and the Assignment Agreement, (ii) the Law 5/2015, (iii) the Royal Decree 1310/2005, (iv) the Securities Markets Act, (v) Order EHA/3537/2005, and (vi) the rest of legal and regulatory provisions in force that might be applicable from time to time.

This Securities Note has been prepared according to the form established by Annex XIII of the Regulation (EC) no. 809/2004.

#### **4.4 Indication of whether the securities are in registered or bearer form and whether the securities are in certificated or book-entry form.**

The Bonds will be represented by book entries in accordance with the provisions of the Law 5/2015 and will be created as such by virtue of their registration in the corresponding accounting register. The Deed of Incorporation will have the effects established in article 6 of the Securities Markets Act, as the document for representation of the securities by means of book entries.

The Bondholders will be identified as such (on their own account or for the account of third parties) according to the accounting register kept by Iberclear, whose business address is located in Madrid, at: Plaza de la Lealtad no. 1, which will be appointed as the entity in charge of the accounting register of the Bonds by virtue of the Deed of Incorporation. So, the clearing and settlement of the Bonds will be accomplished in accordance with the operating rules that, in respect of securities admitted to trading on the AIAF Fixed Income Market (the “**AIAF Market**”) and represented by book entries, are established or, in the future, might be approved by Iberclear.

#### **4.5 Currency of the issue.**

Bonds will be denominated in EUROS.

#### **4.6 Ranking of the Securities according to Subordination.**

The Managing Company, on behalf of the Fund, will proceed to apply on each Payment Date the amount of the Available Funds to the corresponding payments and retentions, according to the Ranking described in section 3.4.6.(1) (b) of the Additional Module that, as regards the payment of interest and principal on the Bonds, may be summarized as follows, without prejudice to the Post-Enforcement Ranking described in section 3.4.6. (4) of the Additional Module:

**a) Payment of interest:**

- a.1 The payment of interest accrued on the Series A Bonds holds the second (2<sup>nd</sup>) position in the Ranking.
- a.2 The payment of interest accrued on the Series B Bonds holds the third (3<sup>rd</sup>) position in the Ranking.
- a.3 The payment of interest accrued on the Series C Bonds holds the fourth (4<sup>th</sup>) position in the Ranking; consequently, it is postponed in ranking as regards the payment of interest accrued on the Series A and B Bonds.
- a.4 The payment of interest accrued on the Series D Bonds holds the fifth (5<sup>th</sup>) position in the Ranking; consequently, it is postponed in ranking as regards the payment of interest accrued on the Series A, B and C Bonds.
- a.5 The payment of interest accrued on the Series E Bonds holds the sixth (6<sup>th</sup>) position in the Ranking; consequently, it is postponed in ranking as regards the payment of interest accrued on the Series A, B, C and D.
- a.6 The payment of interest accrued on the Series F Bonds holds the ninth (9<sup>th</sup>) position in the Ranking; consequently, it is postponed in ranking as regards (i) the payment of interest accrued on the Series A, B, C, D and E Bonds, (ii) the application of the Available Principal Funds, and (iii) the withholding of the amount necessary for the maintenance of the Reserve Fund at the Required Level.

**b) Redemption of principal:**

The Available Principal Funds hold the seventh (7<sup>th</sup>) position in the Ranking established in item 3.4.6.(1)(b) of the Additional Module, without prejudice to the Post-Enforcement Ranking described in item 3.4.6(4) of the Additional Module.

The Available Principal Funds are defined as the minimum amount between:

- a) the positive difference existing on the Determination Date preceding the corresponding Payment Date between:
  - (i) the Outstanding Balance of Series A, Series B, Series C, Series D and Series E Bonds, and
  - (ii) the Outstanding Balance of the Credit Rights, excluding Delinquent Loans and
- b) the Available Funds once the payment obligations have been fulfilled or until the sixth (6<sup>o</sup>) position in the Ranking in section 3.4.6.(1)(b) of the Additional Module, notwithstanding the Post-Enforcement Ranking.

On each Payment Date during the period from the Date of Incorporation, 16<sup>th</sup> March 2016 to the Payment Date corresponding to 20<sup>th</sup> July 2019, both inclusive, or on a preceding Payment Date, in the event that the such period is early terminated (“**Revolving Period**”), the Available Principal Funds will be applied sequentially as follows:

- a) Firstly, to the payment of the amount of the Acquisition Amount of the Additional Credit Rights that will be at most the Available Principal Funds, provided that the Assignor have enough Additional Credit Rights to assign to the Fund and Election Requirements are observed.

The Acquisition Amount of the Additional Credit Rights will be equal to the equivalent amount of nominal value of the sum of the principal pending to maturity and the principal already expired and not paid to the Fund of the Additional Credit Rights Funds (“**Outstanding Balance of the Additional Credit Rights**”) pooled in the Fund, on the corresponding Payment Date, plus the interest accrued but not liquidated before the corresponded Payment Date;

- b) secondly, the provision of the Principal Account up to a maximum amount equal to 5% of the Outstanding Balance of Series A, B, C and D on the immediately preceding Determination Date; and
- c) thirdly, the early repayment of the Series A.

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

- b.1 The Available Principal Funds on each Payment Date will be used to redeem the principal of the Series A Bonds, until redeemed in full.
- b.2 Once that the Series A Bonds have been redeemed, all the Available Principal Funds, on each Payment Date, will be used to redeem the principal of the Series B Bonds, until redeemed in full.
- b.3 Once that the Series B Bonds have been redeemed, all the Available Principal Funds, on each Payment Date, will be used to redeem the principal of the Series C Bonds, until redeemed in full.
- b.4 Once that the Series C Bonds have been redeemed, all the Available Principal Funds, on each Payment Date, will be used to redeem the principal of the Series D Bonds, until redeemed in full.
- b.5 Once that the Series D Bonds have been redeemed, all the Available Principal Funds, on each Payment Date, will be used to redeem the principal of the Series E Bonds, until redeemed in full.

Series F Bonds will be redeemed in accordance with the provisions of item 4.9.2. b) of the Securities Note.

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

In compliance with the current regulations, the Bonds detailed in this Securities Note will not have for the investor that acquires them any political right, whether present or future, in respect of the Fund.

The economic and financial rights for the investor associated with the acquisition and holding of the Bonds will be those derived from the terms relating to the interest rate, yield and method of redemption pursuant to which they are issued, and that are contained in sections 4.8 and 4.9 below.

The financial servicing of the Bonds issued against the Fund will be handled by Banco Santander, in its capacity of Paying Agent. On each Payment Date, Banco Santander will proceed to make the payment of interests and the reimbursement of the principal corresponding to the Bonds according to the instructions received from the Managing Company.

Payments to be made by the Paying Agent will be made through the corresponding entities that participate in Iberclear, in the registers of which the Bonds are registered, according to the procedures that are being followed at the said service.

Bondholders may not file any claim against the Managing Company, except in the event that it fails to comply with its obligations described in this Prospectus, in the Deed of Incorporation and the Assignment Contract, or the obligations legally established. The Managing Company is the only authorized representative of the Fund before third parties and in any legal proceedings, in accordance with the applicable legislation.

Bondholders will not have any action against those Debtors that have violated their payment obligations, being the Managing Company, as legal representative of the Fund, who will have those actions.

Any matter, conflict or dispute in connection with the Fund or the Bonds issued against the said Fund that might arise during its period of operation or upon its settlement, whether between the Bondholders or between the Bondholders and the Managing Company, will be subject to the Spanish Courts, and the parties waive any other jurisdiction that might correspond to them.

#### **4.8. Nominal Interest Rate and provisions relating to the payment of interests.**

The yield on the Bonds will be determined by means of a fixed interest rate, pursuant to the following paragraphs:

- a) Bonds will accrue an annual fixed nominal interest payable on a quarterly basis on each Payment Date, provided that the Fund has sufficient Available Funds in the Cash Account, according to the Ranking established in section 3.4.6.(1)(b) of the Additional Module or, as the case may be, according to the Post-Enforcement Ranking of section 3.4.6. (4) of the Additional Module.

Any withholdings and taxes established or to be established in the future as regards the principal, interests or yield of the Bonds will be exclusively borne by the Bondholders, and their amount, if applicable, will be deducted by the Managing Company, for and on behalf of the Fund, through the Paying Agent, in the manner established by the Laws.

- b) The duration of the issue will be divided into successive Interest Accrual Periods comprising the days that have actually elapsed between each Payment Date; each Interest Accrual Period will include the initial Payment Date and will exclude the final Payment Date. The duration of the first Interest Accrual Period will be equal to the days elapsed between the Disbursement Date (inclusive) and the first Payment Date (not included).

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

- Series A: 1.25%;
- Series B: 1.65%
- Series C: 3.25%
- Series D: 6.00%
- Series E: 8.00%;
- Series F: 8.00%;

- d) The Nominal Interest Rate will be accrued on the days elapsed in each Interest Accrual Period for which it has been determined, based on the calculation according to a year of three hundred and sixty (360) days.

- e) The interest rate accrued by the Bonds will be payable on a quarterly basis, on each Payment Date, i.e., on 20<sup>th</sup> January, April, July and October of each year, until

redeemed in full, provided that the Fund has sufficient Available Funds in the Cash Account according to the Ranking established in section 3.4.6.(1) (b) of the Additional Module or, if applicable, according to the Post-Enforcement Ranking of section 3.4.6. (4) of the Additional Module.

In the event that any of the dates established in the preceding paragraph is not a Working Day, the payment of interests will be made on the immediately next Working Day, by accruing the interest corresponding to the current Interest Accrual Period, until the aforementioned first Working Day, not inclusive.

- f) The first payment of interests for the Bonds will be made on 20<sup>th</sup> July 2016.
- g) The calculation of interests for the Bonds payable on each Payment Date for each Interest Accrual Period will be carried out in accordance with the following formula:

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

Where:

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

P = Outstanding Balance of the Bonds on the Determination Date corresponding to the said Payment Date.

R = Nominal Interest Rate expressed as a percentage.

d = Number of days actually elapsed in each Interest Accrual Period.

Determination Date is understood as (i) during the Revolving Period, the date corresponding to the tenth (10<sup>th</sup>) Working Day preceding each Payment Date, and (ii) once the Revolving Period terminated, the date corresponding to the fifth (5<sup>th</sup>) Working Day preceding each Payment Date.

Both any interest resulting in favor of the Bondholders, calculated as established above, and the amount of interest accrued and not paid will be communicated to the Bondholders according to section 4 of the Additional Module and, at least, one (1) calendar day before each Payment Date.

- h) The payment of any interest accrued will be made on each Payment Date, provided that the Fund has sufficient Available Funds in the Cash Account according to the Ranking established in section 3.4.6.(1)(b) of the Additional Module or, if applicable, according to the Post-Enforcement Ranking specified in section 3.4.6. (4) of the Additional Module.

#### **4.8.1 Valid deadline in which interest may be claimed.**

Interest on the Bonds will be paid until the respective redemption of the said Bonds on each Payment Date and provided that the Fund has Available Funds to that end, according to the Ranking specified in section 3.4.6.(1)(b) of the Additional Module or, if applicable, according to the Post-Enforcement Ranking contained in section 3.4.6. (4) of the Additional Module.

In the event that, on a Payment Date, the Fund cannot make the payment, whether in full or in part, of any interest accrued by the Bonds according to the Ranking established in section 3.4.6.(1)(b) of the Additional Module, the amounts that the Bondholders have not received will be added on the next Payment Date to the interest that, if applicable, must be paid on the said Payment Date, and will be paid on the next Payment Date on which, according to the aforementioned Ranking, the Fund has sufficient liquidity to that end, and by order of maturity if it is not possible to pay them in their entirety due to insufficient Available Funds.

Any unpaid amounts of interest due will not accrue any additional interest or late payment interest and will not be added to the Outstanding Balance of the Bonds.

The Fund, through its Managing Company, may not defer the payment of any interest on the Bonds beyond the Legal Maturity Date of the Fund or, in the event that this date is not a Working Day, the next Working Day.

**4.8.2 Description of any episode of distortion of the market for the underlying asset.**

Not applicable.

**4.8.3 Rules for adjustment of the underlying asset.**

Not applicable.

**4.8.4 Calculation Agent.**

Not applicable.

**4.9. Redemption price and provisions relating to the maturity of securities.**

**4.9.1 Redemption price.**

Bonds will be redeemed at par.

**4.9.2 Date and methods of redemption**

Bonds will be redeemed by reducing their nominal value on 20<sup>th</sup> January, April, July and October of each year, until redeemed in full, pursuant to the ordinary redemption rules established below.

The Legal Maturity Date of the Fund the final redemption of the Bonds will take place on 20<sup>th</sup> April 2032 or, in the event that this date is not a Working Day, on the next Working Day, without prejudice to the fact that the Managing Company, for and on behalf of the Fund, and in compliance with the provisions of section 4.4 del Registration Document and subject to the Post-Enforcement Ranking of the Fund, proceeds to the early redemption of this issue.

Notwithstanding the provisions of the previous section, the Fund, through its Managing Company, will proceed to the partial redemptions of the Securitization Bonds pursuant to the terms described in the following sections.

The partial redemption dates will coincide with the Interest Payment Dates, i.e., the dates: 20<sup>th</sup> January, April, July and October of each year or, if applicable, on the following Working Day, until their full redemption (“**Payment Dates**”).

**a) Redemption Rules for the Series A, B, C, D and E**

The ordinary redemption of Series A, B, C, D and E Bonds will be carried out sequentially.

**Redemption of the Series A Bonds:**

The first payment for the redemption of Series A Bonds will correspond to 20<sup>th</sup> October 2019, unless the Revolving Period is early terminated as described in item 2.2.2.2 of the Additional Module, moment at which the first redemption of the Series A Bonds would be early carried out on the Payment Date on which the Revolving Period ends.

Likewise, on any Payment Date during the Revolving Period, Series A Bonds will be early redeemed, by reducing the nominal amount of each Bond, for an amount equal to the remaining, if any, Available Principal Funds, once the payment of the Acquisition Amount of the Additional Credit Rights has been made on said Payment Date and following the provision of Account of Principal Retention up to a maximum amount

equal to 5% of the Outstanding Balance of Series A, B, C, D and E on the immediately preceding Determination Date .

Without prejudice to the foregoing, the said early redemption of the Series A will not imply the termination of the Revolving Period, in any case.

Once that the Revolving Period has elapsed, the Series A Bonds will be redeemed by means of partial redemptions by reducing the nominal amount of each Series A Bond on each Payment Date.

#### **Redemption of Series B, C, D and E Bonds:**

The redemption of the Series B, C, D and E Bonds will also be subject to the redemption pattern for the Credit Rights pooled in the portfolio and will be sequentially carried out on each Payment Date by reducing their nominal amount until redeemed in full.

#### **b) Redemption Rules for the Series F**

##### **Redemption of the Series F Bonds:**

Once the redemption of Series E has been completed, the credit enhancement granted by the Reserve Fund will not be necessary, tuning, at that point, the Required Level of the Reserved Fund equal to ZERO EUROS (€ 0.00). In this regard, and taking into consideration that the Reserved Fund was originally filled with the payment of Series F, once the redemption of Series E has been completed, the Series F Bonds will be redeemed according to the Ranking.

#### **4.10. Indication of investor's yield and calculation method**

The main characteristic of the Bonds lies in the fact that their periodical redemption and, consequently, their average life and duration, mainly depends on the speed at which Debtors decide to pay off their Loans.

In this respect, early redemptions that the Debtors decide to make are subject to continuous changes and are estimated in this Prospectus by applying various future ACPRs; consequently, they will directly affect the speed of repayment of the Credit Rights and, therefore, the average life and the duration of the Bonds.

The following tables have been prepared on the basis of some hypothesis that remain constant during the term of the Fund and derived from the Preliminary Portfolio or from other portfolios of similar characteristics, as described below:

- (i) Regarding the Credit Rights:
  - a. Each of the Credit Rights meet the statements provided in section 2.2.8 of the Additional Module;
  - b. Any Credit Right will be substituted by the Assignor according to section 2.2.9 of the Additional Module;
  - c. During the Revolving Period all Credit Rights meet the Individual and Global Requirements.
  - d. The weighted average interest rate of the Credit Rights: 8.8% (weighted average interest rate of the Preliminary Portfolio); and
  - e. A constant and consistent default rate with respect to another credit rights with similar typology observed by the Assignor. The default rate assumed is equal to 3.75% of the Outstanding Balance of the Credit Rights with a recovery equal to 90% within 90 days and 12 months.

- (ii) That the Disbursement Date of the Bonds is 18<sup>th</sup> March 2016;
- (iii) That the ACPR (3%, 5% and 7%) remains constant throughout the life of the Bonds.
- (iv) The Revolving Period is not interrupted and during it, no early amortization is carried out.
- (v) The average interest rate of the Bonds on the Payment Date is equal to 1.81%
- (vi) The Subordinated Loan will be redeemed within the two first Payment Dates and the applicable interest rate will be equal to the Euribor (as defined in section 3.4.3 of the Additional Module) plus a margin of 3.95% (it is assumed that the three-month Euribor is equal to 0.00%)
- (vii) The average cost of the liabilities on the Date of Incorporation is equal to 1.82%.
- (viii) The interest obtained by the profitability of the accounts on behalf of the Fund is zero.
- (ix) It is not necessary to use the Commingling or the Liquidity Reserve.
- (x) Estimated annual Ordinary Expenses of the Fund: annual rate of 0.025% on the outstanding balance of the Credit Rights, which, during the first year, will correspond to an amount equivalent to ONE HUNDRED AND NINETY-ONE THOUSAND TWO HUNDRED AND FIFTY EUROS (€ 191,250). and
- (xi) The Principal Account is not filled

Variables above with respect to the Credit Rights and the ACPRs used in the tables included below arise from the historical information provided by the Assignor and that are reasonable for the portfolio of Credit Rights.

If we assume that the Managing Company, acting on behalf of the Fund, proceeds to the Early Liquidation of the Fund, as established by section 4.4.c) of the Registration Document when the Outstanding Balance of the Credit Rights, excluding the Delinquent Loans, is lower than 10% of the Balance of the Credit Rights on the Date of Incorporation, the average life, duration, maturity, IRR of the Bonds and the percentage of the accumulated gross Delinquent Loans over the initial balance of the Credit Rights would be the following at various ACPRs:



ACPR	3%	5%	7%
<b>Class A</b>			
<i>Weighted average life (years)</i>	5.29	5.20	5.12
<i>TIR</i>	1.255%	1.255%	1.255%
<i>Duration(years)</i>	5.30	5.22	5.14
<i>Expected maturity date</i>	20-oct.-23	20-jul.-23	20-jul.-23
<b>Class B</b>			
<i>Weighted average life (years)</i>	7.58	7.43	7.34
<i>TIR</i>	1.659%	1.659%	1.659%
<i>Duration(years)</i>	7.61	7.47	7.37
<i>Expected maturity date</i>	20-ene.-24	20-oct.-23	20-oct.-23
<b>Class C</b>			
<i>Weighted average life (years)</i>	7.94	7.88	7.69
<i>TIR</i>	3.287%	3.287%	3.286%
<i>Duration(years)</i>	8.00	7.94	7.75
<i>Expected maturity date</i>	20-abr.-24	20-abr.-24	20-ene.-24
<b>Class D</b>			
<i>Weighted average life (years)</i>	8.00	8.00	7.75
<i>TIR</i>	6.130%	6.130%	6.129%
<i>Duration(years)</i>	8.12	8.12	7.87
<i>Expected maturity date</i>	20-abr.-24	20-abr.-24	20-ene.-24
<b>Class E</b>			
<i>Weighted average life (years)</i>	8.00	8.00	7.75
<i>TIR</i>	8.234%	8.234%	8.233%
<i>Duration(years)</i>	8.16	8.16	7.91
<i>Expected maturity date</i>	20-abr.-24	20-abr.-24	20-ene.-24
<b>Class F</b>			
<i>Weighted average life (years)</i>	8.00	8.00	7.75
<i>TIR</i>	8.234%	8.234%	8.233%
<i>Duration(years)</i>	8.16	8.16	7.91
<i>Expected maturity date</i>	20-abr.-24	20-abr.-24	20-ene.-24
<i>Cumulative gross loss as a % of Loans Outstanding Balance at Incorporation Date</i>	6.00%	5.90%	5.70%

The Managing Company states that the information of the tables recorded below are for informative purposes only and that the amounts do not represent a specific obligation of payment to third parties by the Fund in the referred dates or periods. The data has been prepared under the assumption of a default and redemption rate of loans on a constant basis among the duration of the Fund, subject to constant changes.

Below there is the financial servicing table for each Series at the ACPR amounting to 5%. Tables for different scenarios are not included, given that differences in average lives are not significant

ACPR (5%)	Class A			
	Coupon: 1.25%			
Payment Date	Balance (EUR)	Amortization (EUR)	Interest (gross) (EUR)	Total flows (EUR)
18/03/16	100,000.00			
20/07/16	100,000.00	-	423.61	423.61
20/10/16	100,000.00	-	312.50	312.50
20/01/17	100,000.00	-	312.50	312.50
20/04/17	100,000.00	-	312.50	312.50
20/07/17	100,000.00	-	312.50	312.50
20/10/17	100,000.00	-	312.50	312.50
20/01/18	100,000.00	-	312.50	312.50
20/04/18	100,000.00	-	312.50	312.50
20/07/18	100,000.00	-	312.50	312.50
20/10/18	100,000.00	-	312.50	312.50
20/01/19	100,000.00	-	312.50	312.50
20/04/19	100,000.00	-	312.50	312.50
20/07/19	100,000.00	-	312.50	312.50
20/10/19	92,861.23	7,138.77	312.50	7,451.27
20/01/20	85,777.86	7,083.37	290.19	7,373.56
20/04/20	78,760.70	7,017.16	268.06	7,285.22
20/07/20	71,842.71	6,917.99	246.13	7,164.12
20/10/20	64,702.87	7,139.85	224.51	7,364.36

20/01/21	57,656.55	7,046.32	202.20	7,248.52
20/04/21	50,727.77	6,928.78	180.18	7,108.96
20/07/21	43,935.67	6,792.10	158.52	6,950.62
20/10/21	37,306.07	6,629.60	137.30	6,766.90
20/01/22	30,803.44	6,502.63	116.58	6,619.21
20/04/22	24,476.19	6,327.25	96.26	6,423.51
20/07/22	18,433.08	6,043.11	76.49	6,119.60
20/10/22	12,856.74	5,576.33	57.60	5,633.93
20/01/23	7,647.54	5,209.21	40.18	5,249.39
20/04/23	2,972.85	4,674.69	23.90	4,698.59
20/07/23	-	2,972.85	9.29	2,982.14
20/10/23	-	-	-	-
20/01/24	-	-	-	-
20/04/24	-	-	-	-
20/07/24	-	-	-	-
20/10/24	-	-	-	-
20/01/25	-	-	-	-

ACPR (5%)	Class B			
	Coupon: 1.65%			
Payment Date	Balance (EUR)	Amortization (EUR)	Interest (gross) (EUR)	Total flows (EUR)
18/03/16	100,000.00			
20/07/16	100,000.00	-	559.17	559.17
20/10/16	100,000.00	-	412.50	412.50
20/01/17	100,000.00	-	412.50	412.50
20/04/17	100,000.00	-	412.50	412.50
20/07/17	100,000.00	-	412.50	412.50
20/10/17	100,000.00	-	412.50	412.50
20/01/18	100,000.00	-	412.50	412.50
20/04/18	100,000.00	-	412.50	412.50
20/07/18	100,000.00	-	412.50	412.50
20/10/18	100,000.00	-	412.50	412.50
20/01/19	100,000.00	-	412.50	412.50
20/04/19	100,000.00	-	412.50	412.50
20/07/19	100,000.00	-	412.50	412.50
20/10/19	100,000.00	-	412.50	412.50
20/01/20	100,000.00	-	412.50	412.50
20/04/20	100,000.00	-	412.50	412.50
20/07/20	100,000.00	-	412.50	412.50

20/10/20	100,000.00	-	412.50	412.50
20/01/21	100,000.00	-	412.50	412.50
20/04/21	100,000.00	-	412.50	412.50
20/07/21	100,000.00	-	412.50	412.50
20/10/21	100,000.00	-	412.50	412.50
20/01/22	100,000.00	-	412.50	412.50
20/04/22	100,000.00	-	412.50	412.50
20/07/22	100,000.00	-	412.50	412.50
20/10/22	100,000.00	-	412.50	412.50
20/01/23	100,000.00	-	412.50	412.50
20/04/23	100,000.00	-	412.50	412.50
20/07/23	73,713.75	26,286.25	412.50	26,698.75
20/10/23	-	73,713.75	304.07	74,017.82
20/01/24	-	-	-	-
20/04/24	-	-	-	-
20/07/24	-	-	-	-
20/10/24	-	-	-	-
20/01/25	-	-	-	-

ACPR (5%)	Class C			
	Coupon: 3.25%			
Payment Date	Balance (EUR)	Amortization (EUR)	Interest (gross) (EUR)	Total flows (EUR)
18/03/16	100,000.00			
20/07/16	100,000.00	-	1,101.39	1,101.39
20/10/16	100,000.00	-	812.50	812.50
20/01/17	100,000.00	-	812.50	812.50
20/04/17	100,000.00	-	812.50	812.50
20/07/17	100,000.00	-	812.50	812.50
20/10/17	100,000.00	-	812.50	812.50
20/01/18	100,000.00	-	812.50	812.50
20/04/18	100,000.00	-	812.50	812.50
20/07/18	100,000.00	-	812.50	812.50
20/10/18	100,000.00	-	812.50	812.50
20/01/19	100,000.00	-	812.50	812.50
20/04/19	100,000.00	-	812.50	812.50
20/07/19	100,000.00	-	812.50	812.50
20/10/19	100,000.00	-	812.50	812.50
20/01/20	100,000.00	-	812.50	812.50
20/04/20	100,000.00	-	812.50	812.50
20/07/20	100,000.00	-	812.50	812.50
20/10/20	100,000.00	-	812.50	812.50
20/01/21	100,000.00	-	812.50	812.50

20/04/21	100,000.00	-	812.50	812.50
20/07/21	100,000.00	-	812.50	812.50
20/10/21	100,000.00	-	812.50	812.50
20/01/22	100,000.00	-	812.50	812.50
20/04/22	100,000.00	-	812.50	812.50
20/07/22	100,000.00	-	812.50	812.50
20/10/22	100,000.00	-	812.50	812.50
20/01/23	100,000.00	-	812.50	812.50
20/04/23	100,000.00	-	812.50	812.50
20/07/23	100,000.00	-	812.50	812.50
20/10/23	98,763.35	1,236.65	812.50	2,049.15
20/01/24	52,283.02	46,480.33	802.45	47,282.78
20/04/24	-	52,283.02	424.80	52,707.82
20/07/24	-	-	-	-
20/10/24	-	-	-	-
20/01/25	-	-	-	-

ACPR (5%)	Class D			
	Coupon: 6.00%			
Payment Date	Balance (EUR)	Amortization (EUR)	Interest (gross) (EUR)	Total flows (EUR)
18/03/16	100,000.00			
20/07/16	100,000.00	-	2,033.33	2,033.33
20/10/16	100,000.00	-	1,500.00	1,500.00
20/01/17	100,000.00	-	1,500.00	1,500.00
20/04/17	100,000.00	-	1,500.00	1,500.00
20/07/17	100,000.00	-	1,500.00	1,500.00
20/10/17	100,000.00	-	1,500.00	1,500.00
20/01/18	100,000.00	-	1,500.00	1,500.00
20/04/18	100,000.00	-	1,500.00	1,500.00
20/07/18	100,000.00	-	1,500.00	1,500.00
20/10/18	100,000.00	-	1,500.00	1,500.00
20/01/19	100,000.00	-	1,500.00	1,500.00
20/04/19	100,000.00	-	1,500.00	1,500.00
20/07/19	100,000.00	-	1,500.00	1,500.00
20/10/19	100,000.00	-	1,500.00	1,500.00
20/01/20	100,000.00	-	1,500.00	1,500.00
20/04/20	100,000.00	-	1,500.00	1,500.00
20/07/20	100,000.00	-	1,500.00	1,500.00
20/10/20	100,000.00	-	1,500.00	1,500.00
20/01/21	100,000.00	-	1,500.00	1,500.00



20/04/21	100,000.00	-	1,500.00	1,500.00
20/07/21	100,000.00	-	1,500.00	1,500.00
20/10/21	100,000.00	-	1,500.00	1,500.00
20/01/22	100,000.00	-	1,500.00	1,500.00
20/04/22	100,000.00	-	1,500.00	1,500.00
20/07/22	100,000.00	-	1,500.00	1,500.00
20/10/22	100,000.00	-	1,500.00	1,500.00
20/01/23	100,000.00	-	1,500.00	1,500.00
20/04/23	100,000.00	-	1,500.00	1,500.00
20/07/23	100,000.00	-	1,500.00	1,500.00
20/10/23	100,000.00	-	1,500.00	1,500.00
20/01/24	100,000.00	-	1,500.00	1,500.00
20/04/24	-	100,000.00	1,500.00	101,500.00
20/07/24	-	-	-	-
20/10/24	-	-	-	-
20/01/25	-	-	-	-

ACPR (5%)	Class E			
	Coupon: 8.00%			
Payment Date	Balance (EUR)	Amortization (EUR)	Interest (gross) (EUR)	Total flows (EUR)
18/03/16	100,000.00			
20/07/16	100,000.00	-	2,711.11	2,711.11
20/10/16	100,000.00	-	2,000.00	2,000.00
20/01/17	100,000.00	-	2,000.00	2,000.00
20/04/17	100,000.00	-	2,000.00	2,000.00
20/07/17	100,000.00	-	2,000.00	2,000.00
20/10/17	100,000.00	-	2,000.00	2,000.00
20/01/18	100,000.00	-	2,000.00	2,000.00
20/04/18	100,000.00	-	2,000.00	2,000.00
20/07/18	100,000.00	-	2,000.00	2,000.00
20/10/18	100,000.00	-	2,000.00	2,000.00
20/01/19	100,000.00	-	2,000.00	2,000.00
20/04/19	100,000.00	-	2,000.00	2,000.00
20/07/19	100,000.00	-	2,000.00	2,000.00
20/10/19	100,000.00	-	2,000.00	2,000.00
20/01/20	100,000.00	-	2,000.00	2,000.00
20/04/20	100,000.00	-	2,000.00	2,000.00
20/07/20	100,000.00	-	2,000.00	2,000.00
20/10/20	100,000.00	-	2,000.00	2,000.00
20/01/21	100,000.00	-	2,000.00	2,000.00

20/04/21	100,000.00	-	2,000.00	2,000.00
20/07/21	100,000.00	-	2,000.00	2,000.00
20/10/21	100,000.00	-	2,000.00	2,000.00
20/01/22	100,000.00	-	2,000.00	2,000.00
20/04/22	100,000.00	-	2,000.00	2,000.00
20/07/22	100,000.00	-	2,000.00	2,000.00
20/10/22	100,000.00	-	2,000.00	2,000.00
20/01/23	100,000.00	-	2,000.00	2,000.00
20/04/23	100,000.00	-	2,000.00	2,000.00
20/07/23	100,000.00	-	2,000.00	2,000.00
20/10/23	100,000.00	-	2,000.00	2,000.00
20/01/24	100,000.00	-	2,000.00	2,000.00
20/04/24	-	100,000.00	2,000.00	102,000.00
20/07/24	-	-	-	-
20/10/24	-	-	-	-
20/01/25	-	-	-	-

ACPR (5%)	Class F			
	Coupon: 8.00%			
Payment Date	Balance (EUR)	Amortization (EUR)	Interest (gross) (EUR)	Total flows (EUR)
18/03/16	100,000.00			
20/07/16	100,000.00	-	2,711.11	2,711.11
20/10/16	100,000.00	-	2,000.00	2,000.00
20/01/17	100,000.00	-	2,000.00	2,000.00
20/04/17	100,000.00	-	2,000.00	2,000.00
20/07/17	100,000.00	-	2,000.00	2,000.00
20/10/17	100,000.00	-	2,000.00	2,000.00
20/01/18	100,000.00	-	2,000.00	2,000.00
20/04/18	100,000.00	-	2,000.00	2,000.00
20/07/18	100,000.00	-	2,000.00	2,000.00
20/10/18	100,000.00	-	2,000.00	2,000.00
20/01/19	100,000.00	-	2,000.00	2,000.00
20/04/19	100,000.00	-	2,000.00	2,000.00
20/07/19	100,000.00	-	2,000.00	2,000.00
20/10/19	100,000.00	-	2,000.00	2,000.00
20/01/20	100,000.00	-	2,000.00	2,000.00
20/04/20	100,000.00	-	2,000.00	2,000.00
20/07/20	100,000.00	-	2,000.00	2,000.00
20/10/20	100,000.00	-	2,000.00	2,000.00
20/01/21	100,000.00	-	2,000.00	2,000.00

20/04/21	100,000.00	-	2,000.00	2,000.00
20/07/21	100,000.00	-	2,000.00	2,000.00
20/10/21	100,000.00	-	2,000.00	2,000.00
20/01/22	100,000.00	-	2,000.00	2,000.00
20/04/22	100,000.00	-	2,000.00	2,000.00
20/07/22	100,000.00	-	2,000.00	2,000.00
20/10/22	100,000.00	-	2,000.00	2,000.00
20/01/23	100,000.00	-	2,000.00	2,000.00
20/04/23	100,000.00	-	2,000.00	2,000.00
20/07/23	100,000.00	-	2,000.00	2,000.00
20/10/23	100,000.00	-	2,000.00	2,000.00
20/01/24	100,000.00	-	2,000.00	2,000.00
20/04/24	-	100,000.00	2,000.00	102,000.00
20/07/24	-	-	-	-
20/10/24	-	-	-	-
20/01/25	-	-	-	-

#### 4.11. Representation of the security holders.

As regards the Securitization Bonds, it is not envisaged to establish a Syndicate of Bondholders or creditors committee, in accordance with the provisions of article 25 and 26 of the Law 5/2015, it is the Managing Company –in its capacity of manager of third party business operations– the party that must be in charge of the representation and defense of the interests of the holders of the Bonds issued against the Fund and of the rest of the creditors of the said Fund. Consequently, the Managing Company must make its actions conditional upon their defense and abide by the provisions that might be established from time to time for this purpose.

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

The resolutions, agreements and authorizations by virtue of which these Bonds are issued are those specified below:

- a) Corporate resolutions:

- a.1 Resolution of the Board of Directors of Santander Consumer, dated on 21<sup>st</sup> January 2016, approving the assignment of the Credit Rights.
- a.2 Resolutions of the Board of Directors of the Managing Company, dated on 21<sup>st</sup> January 2016, among other decisions, approving the incorporation of the Fund, the acquisition by the Fund of the Credit Rights assigned by Santander Consumer and the issue of the Bonds against the Fund.
- a.3 Resolutions of the Board of Directors of the Managing Company, dated on 4<sup>th</sup> March 2016, approving the appointment of the the Account Auditors of the Fund.
- b) Registration of this Prospectus in the CNMV, which was carried out on 10<sup>th</sup> March 2016.
- c) Formalization of the Deed of Incorporation, which will take place on 16<sup>th</sup> March 2016, a copy of which will be sent to the CNMV and to Iberclear.
- d) Formalization of the Assignment Agreement, which will take place on 16<sup>th</sup> March 2016, a copy of which will be sent to the CNMV.

#### **4.13. Date of issue.**

The Bonds will be issued on 16<sup>th</sup> March 2016, the Date of Incorporation.

##### *4.13.1 Subscription Date.*

The Subscription Date will be 18<sup>th</sup> March 2016, from 10.00 am to 12.00 am (Madrid time).

##### *4.13.2 Disbursement Method and Date.*

The Disbursement Date will be 18<sup>th</sup> March 2016.

On the Disbursement Date, the Subscribers will credit the subscribed amount to the account specified to that end by the Paying Agent; value date: the said day, before 2.00 pm (Madrid time).

The Paying Agent will proceed to pay to the Fund before 3.00 pm (Madrid time) on the Disbursement Date (value date: that same day) the amount paid by the Subscribers in accordance with the provisions of the Management, Structuring, Subscription and Payment Agency Agreement and following the instructions provided by the Managing Company, by means of a deposit made to the Cash Account of the Fund.

#### **4.14. Restrictions on the free transferability of securities.**

Bonds may be freely transferred by any means allowed by the Laws and in accordance with the rules of the AIAF. The ownership of each Bond will be transferred by book entry. The registration of the transfer in favor of the acquirer in the accounting register will have the same effects as the transfer of certificates and, from this very moment, the transfer will be enforceable against any third parties. In this respect, the third party that acquires against payment the Bonds represented by book entries from a person that, according to the entries of the accounting register, is authorized to transfer them will not be subject to any action for repossession, unless the said third party has acted in bad faith or with gross negligence at the time of the acquisition.

The creation of limited rights *in rem* or any other kind of encumbrances on the Bonds must be registered in the corresponding account. The registration of a pledge will be equivalent to the transfer of the possession of the certificate.

The creation of an encumbrance will be enforceable against any third parties from the very moment at which the corresponding registration has been carried out.

## **5. ADMISSION TO TRADING AND DEALING ARRANGEMENTS**

### **5.1. Indication of the Market where the securities will be traded.**

In compliance with the provisions of article 18 of the Law 5/2015, the Managing Company, in the name and on behalf of the Fund, will be able to apply for the official admission to trading of this issue of Bonds, once that the Fund has been incorporated and before the disbursement has been made, on the AIAF, so that the Bonds can be traded within the maximum period of time of one (1) month starting from the Disbursement Date.

For the purpose of the official admission to trading, it will be understood as Bonds, the bonds of Series A, Series B, Series C and Series D. The bonds of Series E and Series F, are not going to be admitted to trading.

In the case of failure to comply with the condition relating to the aforementioned period of time for the admission to trading of the Bonds, the Managing Company will accordingly inform the CNMV and will make public in the Daily Transaction Gazette of the Market AIAF, both the causes for the said non-fulfillment and the new date expected for the admission of the Bonds to trading, without prejudice to the eventual liability of the Managing Company, if the non-fulfillment is attributable to it.

The Managing Company, in the name and on behalf of the Fund, will apply for the registration in the accounting register managed by IBERCLEAR of this issue of Bonds, so that the securities can be cleared and settled in the manner established by the operating rules that, in connection with the securities admitted for trading on the AIAF Market, are established or that might be approved in the future by IBERCLEAR.

The Managing Company, in the name and on behalf of the Fund, hereby states that it is aware of the requirements and conditions imposed as regards the listing, maintenance and exclusion of the Bonds on/from the AIAF Market, in accordance with the current regulations, as well as the requirements of its Governing Bodies, and that it accepts to respect them.

### **5.2. Paying Agent and Depository Institutions.**

#### **a) Paying Agent:**

The Managing Company, for and on behalf of the Fund, appoints SANTANDER, which accepts the appointment, as the Paying Agent for providing the financial service relating to the issue of the Bonds. The obligations assumed by SANTANDER, in its capacity of Paying Agent, are the following:

- **Disbursement of the issue.**

The Paying Agent will proceed to pay to the Fund before 3.00 pm (Madrid time) on the Disbursement Date (value date: that same day) by means of a deposit made to the Cash Account of the Fund, the amount paid to the Paying Agent by the Subscribers, according to Management, Structuring, Subscription and Payment Agency Agreement.

- **Payments made against the Fund.**

On each Payment Date, the Paying Agent will proceed to make the payment of any interests and the reimbursement of principal corresponding to the Bonds, according to the instructions received from the Managing Company. Payments to be made by the Paying Agent on each Payment Date will be made through the corresponding entities that participate in Iberclear, in the registers of which the Bonds are registered, according to the procedures that are being followed at the said service and following the instructions provided by the Managing Company.

In the event that, on a Payment Date, there are not any Available Funds in the Cash Account or in the Principal Account, the Paying Agent will not be obliged to make any payment.

- **Obligations in the case of credit rating downgrade**

**DBRS Ratings Limited criteria**

In the event that the Rating given by DBRS to the Paying Agent is downgraded to a rating lower than BBB in the long term, or if the said rating is withdrawn, the Managing Company must implement, by acting on behalf of the Fund and within a maximum period of time of thirty (30) Calendar Days starting from the moment at which the said situation takes place and after having informed the Rating Agencies, any of the necessary options described below, allowing to maintain a suitable level of protection in relation to the commitments derived from the duties contained in the respective agreement, so that the rating given to the Bonds by DBRS is not downgraded:

- i) To obtain guarantees or similar commitments from a credit entity or entities with a DBRS Rating not lower than BBB (without such rating being “*Under Review (Negative)*”) in the long term and that guarantee the commitments assumed by the Paying Agent. The guarantee or the commitment shall comply with the standards set forth by DBRS.
- ii) To replace the Paying Agent with an entity with a DBRS rating not lower than BBB (without this rating being “*Under Review (Negative)*”) in the long term, that undertakes, in the same terms, to perform the duties of the affected entity, as set forth in the respective agreement.

Any costs resulting from any of the aforementioned actions will be borne by the Paying Agent.

**Moody`s criteria**

In the event that the rating given by Moody`s to the Paying Agent is downgraded to a rating lower than Baa3 in the long term or P-3 in the short term, or if the said rating is withdrawn, the Managing Company must implement, by acting on behalf of the Fund and within a maximum period of time of thirty (30) Calendar Days starting from the moment at which the said situation takes place and after having informed the Rating Agencies, any of the necessary options described below, allowing to maintain a suitable level of protection in relation to the commitments derived from the duties contained in the respective agreement, so that the rating given to the Bonds by Moody`s is not downgraded:

- i) To obtain guarantees or similar commitments from a credit entity or entities with a rating not lower than Baa3 and P-3 in the long and short terms, that guarantee the commitments undertaken by the Paying Agent.
- ii) To replace the Paying Agent with an entity with a Moody`s rating not lower than Baa3 and P-3 in the long and short terms that undertakes, in the same terms, to perform the duties of the affected entity, as set forth in the respective agreement.

Any costs resulting from any of the aforementioned actions will be borne by the Paying Agent.

Likewise, the Paying Agent may terminate the Management, Structuring, Subscription and Payment Agency Agreement (referring exclusively to the payment agency) by giving at least two (2) months` notice to the Managing Company or may be replaced



by the Managing Company in compliance with the terms established in the Management, Structuring, Subscription and Payment Agency Agreement, provided that (i) another entity with similar financial characteristics and with a credit rating of, at least, BBB (without this rating being “Under Review (Negative)”) in the long term, according to DBRS, and Baa3 and P-3 in the long and short terms, according to Moody’s, and accepted by the Managing Company, replaces the Paying Agent as regards the duties undertaken by virtue of the Management, Structuring, Subscription and Payment Agency Agreement; and (ii) notice is given to the CNMV and the Rating Agencies. In the case of replacement, any costs resulting from the replacement process will be borne by the Fund, as well as any commission for the new Paying Agent.

The resignation or removal, as well as the appointment of the substitute agent, will be notified by the Managing Company to the CNMV.

Neither the resignation of the Payment Agent nor the replacement of the Payment Agent by the Managing Company, will have any effect until the appointment of the substitute payment agent takes place.

And for the Rating Agencies so that they can verify they comply with their criterias and that does not imply a downgrade to a rating lower to the Bonds.

**b) Depository Institutions:**

Not applicable.

**6. EXPENSES OF THE OFFER AND ADMISSION TO LISTING**

The estimated expenses are as follows:

Expenses	Euros
Fees CNMV (for the offer and the admission to trading)	60.000
Fees AIAF	41.000
Fees Iberclear	3.630
Others (Rating Agencies, legal advice, notary, audit and structuration)	670.370
<b>TOTAL</b>	<b>775.000</b>

The incorporation and issue expenses specified herein will be paid against the Subordinated Loan described in section 3.4.3.a) of the Additional Module.

Any expenses incurred due to the liquidation of the Fund will be the responsibility of the Fund.

**7. ADDITIONAL INFORMATION**

**7.1. Persons and entities acting as advisers in the issue.**

CMS ALBIÑANA Y SUÁREZ DE LEZO, S.L.P. acts as legal adviser in respect of the transaction structure, in its capacity of independent third party, and has revised the tax system of the Fund established in section 4.5.d) of the Registration Document.

**7.2. Information on the Securities Note reviewed by the auditors.**

Not applicable

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

DELOITTE –the name, address and registration data of which are specified in section 5.2 of the Registration Document– has prepared an audit report on the main attributes of the Credit Rights that is included in section 2.2 of the Additional Module, as of the date 9 March 2016 (“**Date of the Audit Report on the Preliminary Portfolio**”), and has audited the annual financial statements of the Managing Company and of Santander Consumer corresponding to the years 2013 and 2014 . The annual accounts of the Managing Company concerned to the financial year closed at 31 December 2015 are still pending to be audited by Deloitte.

### 7.4. Information provided by third parties.

The Managing Company confirms that the information supplied by Santander Consumer in its capacity of Assignor as regards this entity and the Credit Rights has been exactly reproduced in this Prospectus and that, insofar as it is aware and may determine based on the information provided by Santander Consumer, no information that could be relevant to the investor has been omitted or for the Fund and no information has been omitted that may lead to the informationis inaccurate or misleading.

### 7.5. Ratings.

The Bonds included in this Securities Note have been assigned the following provisional ratings by the Rating Agencies:

	<b>DBRS</b>	<b>Moody`s</b>
<b>Series A</b>	<b>AA (sf)</b>	<b>Aa2 (sf)</b>
<b>Series B</b>	<b>A (sf)</b>	<b>A3 (sf)</b>
<b>Series C</b>	<b>BBB (sf)</b>	<b>Baa3 (sf)</b>
<b>Series D</b>	<b>BB (low) (sf)</b>	<b>Ba1 (sf)</b>
<b>Series E</b>	<b>Not Rated</b>	<b>Not Rated</b>
<b>Series F</b>	<b>Not Rated</b>	<b>Not Rated</b>

The meaning of the rating given to the Bonds may be checked on the web page of the Rating Agency ([www.dbrs.com](http://www.dbrs.com) and [www.moodys.com](http://www.moodys.com)).

In the event that, on the Subscription Date of the Bonds, before 10.00 am (Madrid time), the Rating Agencies do not confirm as final any of the provisional ratings assigned by the Rating Agencies, this circumstance will be immediately reported to the CNMV and made public in the manner provided by section 4 of the Additional Module. This circumstance will result in the termination of the incorporation of the Fund, the issue of the Bonds, the agreements, except for the Subordinated Loan Agreement as regards the expenses of incorporation of the Fund, and the assignment of the Credit Rights.

The Rating Agencies have been authorized as credit rating agencies in the European Union in accordance with REGULATION (EC) N° 1060/2009 of the European Parliament and of the Council of 16<sup>th</sup> September 2009 on credit rating agencies and registered at ESMA (*European Security and Markets Authority*).

## **ADDITIONAL MODULE TO THE SECURITIES NOTE**

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

### **1. SECURITIES**

#### **1.1. Amount of the Issue.**

The Fund will be created with the Initial Credit Rights that Santander Consumer will assign to the Fund on the Date of Incorporation, with a total principal equal to or slightly higher than SEVEN HUNDRED AND SIXTY-FIVE MILLION EUROS (€ 765,000,000), equivalent to the nominal value of the issue of Series A, B, C, D and E Bonds.

The Managing Company estimates, based on the information provided by Santander Consumer as regards the amortization rate and the default of the Loans, that the outstanding balance of the Preliminary Portfolio as at the date of registration of this Prospectus is sufficient to incorporate the Fund with the initial assets specified in the previous paragraph.

#### **1.2. Confirmation that the information relating to a company or debtor that does not participate in the issue has been reproduced.**

Not applicable.

### **2. UNDERLYING ASSETS**

#### **2.1. Confirmation as to the Credit Rights' capacity to generate funds payable to the securities.**

The Managing Company confirms that the flows of principal, interest and any other amounts generated by the Credit Rights allow, according to their contractual characteristics, to make the payments due and payable to the Bonds.

However, in order to cover any eventual payment defaults of the Debtors, a series of enhancement operations have been provided in order to mitigate the risk of default, as regards both the principal and the interest of the Bonds; the said operations are described in sections 3.4.2 and 3.4.3 and 3.4.4 of this Additional Module. Under exceptional circumstances, the said enhancement operations could be insufficient.

If any of the circumstances abovementioned in section 4.4.c) of the Registration Document occur, the Managing Company may proceed to the Early Liquidation of the Fund and the resulting Early Redemption of the Bond issue.

#### **2.2. Credit Rights backing the issue of the Bonds.**

The Loans derived from the Credit Rights assigned to the Fund are Loans granted by Santander Consumer to natural persons and Legal Person residing in Spain, for the purposes of financing the acquisition of new or used vehicles, some of which have been granted in accordance with the Law 7/1995, of 23<sup>rd</sup> March, on Consumer Credit and the Law 16/2011, of 24<sup>th</sup> June, on consumer credit agreements (as regards the Additional Credit Rights, they will be assigned according to previous regulation or any other relevant rules that might replace them).

In accordance with the Internal Memorandum for the granting of loans summarized in section 2.2.7 below, some of the loans from which the Credit Rights derive have guarantees (guarantee or co-owner). All the loans of the Preliminary Portfolio have a reservation of title clause, and 22.4% of the outstanding principal of the Loans, has the reservation of title registered in the Register of Installment Sales of Movable Properties and in the Register of Motor Vehicles of the Directorate-General for Traffic. The specific percentages of the Loans

backed by a guarantee or co-owner, and those that do not have any special guarantee, as well as the details on the reservation of title clauses registered in the Register, where appropriate, are specified in section 2.2.2..1 e) relating to Guarantees.

From the random sample of the Preliminary Portfolio subject to the audit report, approximately 95.13% of the sample balance corresponds to loans privately subscribed and 4.87% of the sample balance correspond to loans executed by means of public deed (*póliza*) authorized by Notary Public. Notwithstanding, in the event that a non-compliance occurred, the reservation title will be formalized so that they can be registered with Register of Installment Sales of Movable Properties and in the Register of Motor Vehicles of the Directorate-General for Traffic.

The reservation of title represents a true acknowledgment of the ownership of the Assignor; so, the Debtor –as the purchaser of an asset with reservation of title in favor of the Assignor– lacks any power of disposal while the loan remains unpaid, unless the beneficiary of the reservation (the Assignor) gives its consent. After full payment of the loan, full and final title will be automatically transferred to the Debtor, without the need of a new agreement or contract.

Nowadays, the Register of Installment Sales of Movable Properties is a register of titles and encumbrances as to which the presumption of registration legitimacy is fully applicable, from which it is presumed that the rights registered therein exist and belong to their holder. Consequently, the reservation of title, if registered in the Register of Installment Sales of Movable Properties, is effective and enforceable against third parties from the time of registration.

Insofar as the corresponding contract is not registered in the Register of Installment Sales of Movable Properties, it will not enjoy the benefits established by the Law 28/1998, of 13<sup>th</sup> July, on the instalment sale of movable properties, except for the provisions relating to legal preference contained in article 16.5 of the said Law for those reservations of title documented under a deed granted before a Notary Public, as described in section 3.4.5 hereof.

With regard to reservation of title clauses that are not registered, the agreement will only have effect between the parties without affecting any third party purchasers that acted in good faith, whose acquisition will be valid in any case, without prejudice to the corresponding actions for compensation and relief of the Assignor against the Debtor deriving from the breach by the latter of the prohibition against disposal.

On the contrary, the Register of Motor Vehicles of the Directorate-General for Traffic is a register mainly in charge of the identification of the owner of a vehicle, the knowledge about its technical characteristics and its roadworthiness, the verification of any inspections performed, the existence of the compulsory motor vehicle insurance and the compliance with other legal obligations, the verification of the total number of vehicles and their distribution, and any other statistical purposes; so, this Register has a purely administrative character and, thus, its data cannot be used to prejudge any matters relating to ownership, fulfillment of contracts or, in general, any other civil or mercantile matters that might arise with respect to the vehicles registered in the said Register.

The reservation of title may be documented either under a deed granted before a Notary Public or under a private contract, and its registration in the Register of Installment Sales of Movable Properties is optional.

Reservations of title that are documented under a deed granted before a Notary Public and registered in the corresponding Register of Installment Sales of Movable Properties give their beneficiary, as provided by article 16.5 of the Law 28/1998, of 13<sup>th</sup> July, on the instalment sale of movable properties, the preference and rank established in articles 1922.2 of the Civil Code, by which, in relation to certain movable properties of the debtor, takes priority the credits

guaranteed by a pledge over the thing pledged and up to their value and 1926.1° of the Civil Code, but which if there are two or more credits over some movable properties and as regards the ranking, the collateral credit excludes the rest up to the value of the pledged property (*credito pignoraticio*) as described in section 3.4.5 hereof.

Similarly, in the case of breach of a reservation of title clause registered in the Register of Installment Sales of Movable Properties, the Management Services Provider may bring actions directly and exclusively against the goods acquired in installments, according to the procedure specified in article 16.2 of the Law 28/1998, of 13<sup>th</sup> July, on the instalment sale of movable properties, as described in section 3.4.5 hereof.

With respect to the reservation title formalized in private contract and not registered in the Register of Installment Sales of Movable Properties, the recognition of the right to recovery the vehicle, in favor of the Management Services Provider and in benefit for the Fund, will be done in compliance with the declarative proceeding described in section 3.4.5 subsequent.

The current policy relating to the registration of the reservation of title has been adapted in view of the better performance of the portfolios created in 2013, 2014 and 2015. So, the Preliminary Portfolio shows a lower number of Loans that have the reservation of title registered, as compared to more recent securitizations of Santander Consumer. However, the current processes of Santander Consumer envisage the immediate registration of the reservation of title for all those Loans that, at any time, have any non-payment. This policy will remain valid, even after the assignment of the Credit Rights to the Fund.

#### **Maximum Amount of the Credit Rights.**

The maximum amount of the Outstanding Balance of the Credit Rights pooled in the Fund will be equal to or slightly higher than SEVEN HUNDRED AND SIXTY-FIVE MILLION EUROS (€ 765,000,000) (the “**Maximum Amount of the Credit Rights**”), equivalent to the nominal value of the issue of Series A, B, C, D and E Bonds.

### **2.2.1 Legal jurisdiction governing the pool of Credit Rights.**

Assets are governed by the Spanish Laws.

In particular, Assets are governed by the Spanish banking regulations and, specifically and where applicable, by the Law 7/1995, of 23<sup>rd</sup> March, on Consumer Credit, the Law 16/2011, of 24<sup>th</sup> June, on consumer credit agreements (as regards the Additional Credit Rights, they will be governed under the aforementioned rules or any other relevant rules that might replace them) and the Circular 8/1990 of the Bank of Spain, of 7<sup>th</sup> September, on transparency of transactions and protection of customers, the Order EHA/2899/2011, of 28<sup>th</sup> October, on transparency and protection for customers of banking services, the Circular 5/2012, of 27<sup>th</sup> June, of the Bank of Spain, for credit entities and providers of payment services, on transparency of banking services and responsible granting of loans, where applicable, the Royal Legislative Decree 1/2007, of 16<sup>th</sup> November, approving the consolidated text of the General Law for the Protection of Consumers and Users and any other supplementary laws, and the Law 7/1998, of 13<sup>th</sup> April, on General Contracting Conditions.

### **2.2.2 General characteristics of the Credit Rights.**

#### **2.2.2.1 Initial Credit Rights**

The assignment by Santander Consumer of the Initial Credit Rights, in an undetermined number, the total Outstanding Balance of which will be equal to the Maximum Amount of the Credit Rights, i.e., SEVEN HUNDRED AND SIXTY-FIVE MILLION EUROS (€ 765,000,000) or an amount slightly exceeding and as close as possible to that amount, will be effective from the Date of Incorporation and will be documented by means of the Assignment Agreement.

The Preliminary Portfolio from which the Initial Credit Rights will be drawn is made up of seventy eight thousand seven hundred and forty five (78,745) Loans, with a principal that has not become due yet, as at 25<sup>th</sup> February 2016, amounting to EIGHT HUNDRED AND FIFTYTY MILLION NINE HUNDRED AND FIFTY TWO THOUSAND FIVE HUNDRED AND FIFTY SIX EUROS WITH EIGHTTY SEVEN EURO CENTS (€ 850,952,556.87). These are loans with no grace period for the repayment of principal or interest, with constant installments and concession periods ranging from nine (9) months to one hundred twenty one (121) months, and with an average granted amount of TEN THOUSAND EIGHT HUNDRED AND SIX EUROS WITH FORTYTHREE EURO CENTS (€ 10,806.43). The estimation for the Preliminary Portfolio is equal to THREE MILLION EUROS (€3,000,000) of accrued interest but not liquidated before the Date of Incorporation.

The Preliminary Portfolio was the subject matter of an audit report on attributes prepared by Deloitte, the said report deals with a series of qualitative and quantitative attributes of a sample of this Preliminary Portfolio and, in particular, as regards:

- Nature of the borrower
- Identification of the borrower
- Purpose of the Loan
- Approval of risk concession
- Formalization of the Loan
- Formalization date of the Loan
- Maturity date of the Loan
- Initial amount of the Loan
- Current balance of the Loan
- Fixed interest rate
- Guarantee
- Reservation of Title
- Late payments
- Transfer of Loans
- Repayment system
- Type of vehicle
- Identification of the vehicle
- Scoring
- Vehicle Brand

**a) Type of vehicle**

The following table shows the distribution of Loans according to the type of vehicle.

Vehicle type	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
Passenger Car	53,634	68.1%	522,148,685	61.4%
Four-Wheel Drive Vehicle	21,071	26.8%	287,351,779	33.8%
Light Commercial Vehicle	1,942	2.5%	16,838,405	2.0%
Passenger Car Derivatives	2,096	2.7%	24,585,273	2.9%
Medium Commercial Vehicle	2	0.0%	28,415	0.0%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

**Definition of Passenger Car:** vehicle intended for the transportation of people that has, at least, four wheels and that has, in addition to the driver's seat, no more than eight seats. In general, vehicles that are classified according to the engine capacity based on the following tranches, without including Four-Wheel Drive Vehicles or Passenger Car Derivatives:

- up to 1,200 c.c.
- from 1,201 c.c. to 1,600 c.c.
- from 1,601 c.c. to 2,000 c.c.
- more than 2,001 c.c.

**Definition of Four-Wheel Drive Vehicle:** sub classification of passenger cars that fall within the definition specified by the Directive 92/53 in its annex II item 4. In general, passenger cars identified in specialized magazines (GANVAM) under their relevant section.

**Definition of Light Commercial Vehicle:** vehicle intended for services or for the exclusive transportation of goods or people up to 3,500 Kg. If it is for people, it must have more than 9 seats including that of the driver.

**Definition of Passenger Car Derivatives:** sub classification of Passenger cars for the transportation of goods. Vehicle intended for services or exclusive transportation of goods, derived from a passenger car; the bodywork is maintained and the vehicle only has one row of seats.

**Definition of Medium Commercial Vehicle:** vehicle intended for services or for the exclusive transportation of goods or people from 3,500 Kg to 5,800 Kg. If it is for people, it must have more than 9 seats including that of the driver.

The distribution of the Loans among new and used vehicles is as follows:

Vehicle type New / Used	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
New	57,699	73.3%	684,797,048	80.5%
Used	21,046	26.7%	166,155,508	19.5%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

**Definition of New Car:** vehicle that has, at least, twelve (12) months old (from its date of registration).

**Definition of Used Passenger Car:** vehicle that has equal or less than twelve (12) months old (from its date of registration).

As regards the global loan portfolio of Santander Consumer, default rate in loans granted for the acquisition of used vehicles has been historically higher than that of loans granted for the acquisition of new vehicles, as specified in section o) below.

The distribution of the Loans by vehicles brand is as follows:

Brand	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
HYUNDAI	17,575	22.32%	205,083,378	24.10%
KIA	17,378	22.07%	188,556,004	22.16%
OPEL	10,395	13.20%	106,881,471	12.56%
MAZDA	3,738	4.75%	47,589,140	5.59%
FORD	4,453	5.65%	45,136,183	5.30%
CITROEN	2,906	3.69%	25,853,852	3.04%
MITSUBISHI	2,036	2.59%	25,798,597	3.03%
PEUGEOT	2,592	3.29%	23,541,413	2.77%
VOLKSWAGEN	2,087	2.65%	21,996,612	2.58%
SEAT	2,460	3.12%	21,364,187	2.51%
RENAULT	2,534	3.22%	20,884,779	2.45%
NISSAN	1,476	1.87%	16,409,391	1.93%
SUZUKI	1,031	1.31%	11,325,345	1.33%
AUDI	860	1.09%	10,818,832	1.27%
TOYOTA	1,080	1.37%	10,770,106	1.27%
BMW	813	1.03%	10,476,295	1.23%
DACIA	1,013	1.29%	10,000,354	1.18%
MERCEDES-BENZ	661	0.84%	10,000,217	1.18%
FIAT	1,132	1.44%	9,412,785	1.11%
SSANGYONG	535	0.68%	7,763,532	0.91%
Otros (1)	1,990	2.53%	21,290,081	2.50%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

(1) Each car brand in "Other" category represents less than 0.4% of portfolio's total outstanding balance

In the Preliminary Portfolio, the Loans granted to Volkswagen, Seat, Audi and Skoda vehicles represent a balance of €57,093,889.63 that represents a 6.71%.

The distribution of the Loans by vehicles brand among new and used vehicles is as follows:



Brand (new/used)	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
HYUNDAI	17,575	22.32%	205,083,378	24.10%
New	16,273	20.67%	193,298,879	22.72%
Used	1,302	1.65%	11,784,499	1.38%
KIA	17,378	22.07%	188,556,004	22.16%
New	16,856	21.41%	183,793,524	21.60%
Used	522	0.66%	4,762,479	0.56%
OPEL	10,395	13.20%	106,881,471	12.56%
New	7,917	10.05%	88,873,245	10.44%
Used	2,478	3.15%	18,008,226	2.12%
MAZDA	3,738	4.75%	47,589,140	5.59%
New	3,618	4.59%	46,668,979	5.48%
Used	120	0.15%	920,161	0.11%
FORD	4,453	5.65%	45,136,183	5.30%
New	2,161	2.74%	28,262,529	3.32%
Used	2,292	2.91%	16,873,654	1.98%
CITROEN	2,906	3.69%	25,853,852	3.04%
New	1,031	1.31%	12,927,531	1.52%
Used	1,875	2.38%	12,926,321	1.52%
MITSUBISHI	2,036	2.59%	25,798,597	3.03%
New	1,942	2.47%	24,948,122	2.93%
Used	94	0.12%	850,476	0.10%
PEUGEOT	2,592	3.29%	23,541,413	2.77%
New	892	1.13%	11,562,344	1.36%
Used	1,700	2.16%	11,979,069	1.41%
VOLKSWAGEN	2,087	2.65%	21,996,612	2.58%
New	551	0.70%	8,304,918	0.98%
Used	1,536	1.95%	13,691,694	1.61%
SEAT	2,460	3.12%	21,364,187	2.51%
New	647	0.82%	8,141,281	0.96%
Used	1,813	2.30%	13,222,906	1.55%
RENAULT	2,534	3.22%	20,884,779	2.45%

New	596	0.76%	7,906,762	0.93%
Used	1,938	2.46%	12,978,017	1.53%
<b>NISSAN</b>	<b>1,476</b>	<b>1.87%</b>	<b>16,409,391</b>	<b>1.93%</b>
New	852	1.08%	10,917,144	1.28%
Used	624	0.79%	5,492,247	0.65%
<b>SUZUKI</b>	<b>1,031</b>	<b>1.31%</b>	<b>11,325,345</b>	<b>1.33%</b>
New	915	1.16%	10,628,438	1.25%
Used	116	0.15%	696,908	0.08%
<b>AUDI</b>	<b>860</b>	<b>1.09%</b>	<b>10,818,832</b>	<b>1.27%</b>
New	142	0.18%	2,568,788	0.30%
Used	718	0.91%	8,250,044	0.97%
<b>TOYOTA</b>	<b>1,080</b>	<b>1.37%</b>	<b>10,770,106</b>	<b>1.27%</b>
New	514	0.65%	6,592,660	0.77%
Used	566	0.72%	4,177,446	0.49%
<b>BMW</b>	<b>813</b>	<b>1.03%</b>	<b>10,476,295</b>	<b>1.23%</b>
New	93	0.12%	2,278,224	0.27%
Used	720	0.91%	8,198,071	0.96%
<b>MERCEDES-BENZ</b>	<b>661</b>	<b>0.84%</b>	<b>10,000,217</b>	<b>1.18%</b>
New	234	0.30%	4,674,742	0.55%
Used	427	0.54%	5,325,475	0.63%
<b>DACIA</b>	<b>1,013</b>	<b>1.29%</b>	<b>10,000,354</b>	<b>1.18%</b>
New	890	1.13%	9,268,082	1.09%
Used	123	0.16%	732,271	0.09%
<b>FIAT</b>	<b>1,132</b>	<b>1.44%</b>	<b>9,412,785</b>	<b>1.11%</b>
New	415	0.53%	5,253,436	0.62%
Used	717	0.91%	4,159,349	0.49%
<b>SSANGYONG</b>	<b>535</b>	<b>0.68%</b>	<b>7,763,532</b>	<b>0.91%</b>
New	438	0.56%	7,050,847	0.83%
Used	97	0.12%	712,685	0.08%
<b>Otros</b>	<b>1,990</b>	<b>2.53%</b>	<b>21,290,081</b>	<b>2.50%</b>
New	722	0.92%	10,876,571	1.28%
Used	1,268	1.61%	10,413,510	1.22%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

**b) Down payment as regards the vehicle's value**

Downpayment over vehicle purchase price (%)	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
0-10	9,950	12.6%	126,507,365	14.9%
10-20	16,192	20.6%	203,458,201	23.9%
20-30	16,099	20.4%	180,775,599	21.2%
30-40	13,357	17.0%	136,914,073	16.1%
40-50	11,325	14.4%	109,464,534	12.9%
50-60	8,235	10.5%	71,649,622	8.4%
60-70	2,731	3.5%	18,976,533	2.2%
70-80	707	0.9%	2,858,822	0.3%
80-90	145	0.2%	342,731	0.0%
90-100	4	0.0%	5,076	0.0%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

<b>Minimum</b>	0%
<b>Maximum</b>	94%
<b>Weighted average</b>	27%

This table shows the percentage of the vehicle's value paid by the purchaser as a down payment with his or her own resources. The weighted average down payment represents 27% of the vehicle's value.

**c) Amount granted as regards the value of the vehicle**

The initial amount does not exceed the sum of the purchase price of the financed vehicle ("vehicle's value") plus, where appropriate, the financing of the formalization fees (opening, study and information, where appropriate) and/or insurance expenses linked to the operation.

The immediate depreciation suffered by a New Vehicle (vehicles with an age, since registration, of less than twelve (12) months) at the time that it leaves the corresponding dealer approximately represents 20% of its value, moreover, it is also necessary to take into account the average monthly depreciation, which is approximately 2% of the market value of the New Vehicle at each time (in any case, the depreciation depends on the vehicle model and these percentages do not apply equally) for the first year.

In case of, Used Vehicles (vehicles with an age, since registration, of more than twelve (12) months), in addition to the cumulative depreciation among the twelve (12) first years since registration, it should be added a 1% additional to the market value of the vehicle for the second and third years, and 0.5% for the fourth and subsequent years.

Therefore, if the corresponding Debtor breaches the repayment of any those loans, it cannot be ruled out that the value of the financed vehicle is not enough to cover the unpaid amount. In this regard, a 38.8% of the balance of the loans in the Preliminary Portfolio earmarked for the acquisition of vehicles has an average down payment lower than 20%.

The operations in which the ratio granted over the value of the vehicle is higher than 100%, this is because the fees and the insurance costs are also financed. Even though, 0.1% of the Loans balance of the Preliminary Portfolio is related to operations in which more than one vehicle is financed, the value of the vehicle used in the calculation of the ratio "amount granted as regards the value of the vehicle" only corresponds to the financed vehicle with higher value, which may also explain that the ratio granted over the value of the vehicle is higher than 100%.

Below, a table with the information related to the vehicles financed for each loan:

Number of financed vehicles per Loan	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
<u>One vehicle</u>	78,731	100.0%	850,434,842	99.9%
<u>More than one vehicle</u>	14	0.0%	517,714	0.1%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

**d) Default rate in the Preliminary Portfolio**

Delinquency	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
<u>No delinquency</u>	78,745	100.0%	850,952,556	100.0%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

**e) Guarantees**

The table below shows information on the guarantees of Loans, itemized as follows:

**1) Loans with personal third-party guarantees and Loans without personal third-party guarantees:**

Third party guaranties (guarantor or joint-debtor)	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
With third party guaranties	25,823	32.8%	295,687,185	34.7%
Without third party guaranties	52,922	67.2%	555,265,371	65.3%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

**2) Loan with reservation of title:**

All the Loans included in the Preliminary Portfolio have a reservation of title clause (notarised in a public document (policy) granted before a Notary Public or in a private agreement); for 22.4% of the outstanding principal of the Loans, the said reserve is registered in the Register of Installment Sales of Movable Properties.

Retention of title	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
Not registered	65,632	83.3%	660,622,549	77.6%
Registered	13,113	16.7%	190,330,006	22.4%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

**f) Maximum, minimum and average principal amounts of the Loans**

The following table shows the distribution of Loans according to the outstanding principal.

Outstanding balance (EUR)	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
0-5.000	6,566	8.3%	22,628,450	2.7%
5.000-10.000	32,696	41.5%	258,317,681	30.4%
10.000-15.000	26,598	33.8%	324,394,276	38.1%
15.000-20.000	9,096	11.6%	155,133,682	18.2%
20.000-25.000	2,859	3.6%	62,668,490	7.4%
25.000-30.000	654	0.8%	17,637,435	2.1%
> 30.000	276	0.4%	10,172,542	1.2%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

Minimum	529
Maximum	134,306
Weighted average	10,806

#### g) Debtors

The following table shows the distribution according to the type of debtor (natural person or Legal Person):

Type of borrower	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
Individuals	75,775	96.2%	814,582,310	95.7%
Legal entities	2,970	3.8%	36,370,246	4.3%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

The following table shows the distribution of Debtors according to their nationality (Spanish or foreign):

Borrower's Nationality	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
Spanish	73,624	93.5%	797,642,852	93.7%
Non Spanish	5,121	6.5%	53,309,703	6.3%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

The following table shows the distribution of Debtors according to their employment status as at the date on which the loan is granted:

Employment status	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
Employed	54,656	69.4%	588,410,492	69.1%
Self-employed	9,430	12.0%	109,034,105	12.8%
Does not work	4,922	6.3%	49,355,821	5.8%
Unemployed	0	0.0%	0	0.0%
Retired	6,767	8.6%	67,781,892	8.0%
Legal entity	2,970	3.8%	36,370,246	4.3%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

The employment status of “Does not work” corresponds to students, housewives or people that do not receive any income, excluding natural persons that are currently receiving unemployment benefits and, thus, are registered with the Social Security. The Loans granted to these natural persons are always backed by co-holders or guarantors.

**h) Applicable effective interest rate or financial charge at the present time: maximum, minimum and average rates of the Loans.**

100% of the Loans bear a fixed interest rate ranging from 5.00% to 12.8%; the weighted average interest rate of the Loans amounts to 8.8%.

The following table shows the distribution of Loans according to the interest rate:

Interest rate (%)	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
5-6	2,185	2.8%	33,965,096	4.0%
6-7	2,451	3.1%	29,921,483	3.5%
7-8	12,878	16.4%	142,531,834	16.7%
8-9	28,536	36.2%	316,863,988	37.2%
9-10	29,572	37.6%	309,108,017	36.3%
10-11	2,769	3.5%	16,870,228	2.0%
11-12	331	0.4%	1,628,399	0.2%
12-13	23	0.0%	63,512	0.0%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

<b>Minimum</b>	5.0%
<b>Maximum</b>	12.8%
<b>Weighted average</b>	8.8%

**i) Type of financing**

The following table summarizes the distribution by type of financing

Type of financing	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
Automotive	78,745	100.0%	850,952,556	100.0%
Demo Vehicles	0	0.0%	0	0.0%
Rent a car	0	0.0%	0	0.0%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

The automotive category represent those Loans granted with the purpose of financing the acquisition of new and used vehicles.

The vehicles Demo category represent those Loans granted with the purpose of financing the acquisition of self-registration vehicles.

The Rent a Car category represent those Loans granted with the purpose of financing the acquisition vehicles by the rent a car companies.

**j) Loan formalization dates and earliest and latest final maturity dates**

**Formalization date**

The following table summarizes the distribution by annuities of the concession.

Formalization date	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
2010	2	0.0%	8,403	0.0%
2011	2	0.0%	21,021	0.0%
2012	11	0.0%	214,533	0.0%
2013	141	0.2%	1,605,703	0.2%
2014	12,457	15.8%	130,782,078	15.4%
2015	66,132	84.0%	718,320,817	84.4%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

Minimum	11/11/2010
Maximum	31/10/2015
Weighted average	12/5/2015

The percentage of Loans granted in 2014 amounts to 15.4% of the total balance in the Preliminary Portfolio.

The percentage of Loans granted in 2015 amounts to 84.4% of the total balance in the Preliminary Portfolio.

#### ***Final Maturity Date of the Loans***

The following table summarizes the distribution by maturity annuities.

Maturity Date of the Loans	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
2016	610	0.8%	1,330,105	0.2%
2017	3,129	4.0%	12,104,611	1.4%
2018	5,930	7.5%	37,627,177	4.4%
2019	18,285	23.2%	164,566,310	19.3%
2020	26,713	33.9%	284,069,810	33.4%
2021	8,606	10.9%	111,274,019	13.1%
2022	6,828	8.7%	97,423,230	11.4%
2023	3,540	4.5%	55,295,329	6.5%
2024	1,801	2.3%	30,029,354	3.5%
2025	3,303	4.2%	57,232,608	6.7%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

Minimum	25/3/2016
Maximum	25/10/2025
Weighted average	16/3/2021

#### **k) Original term of the Loans**

The following table summarizes the distribution by the original term of the concession (in months)

Original term (months)	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
0-12	44	0.1%	89,799	0.0%
12-24	1,976	2.5%	6,296,263	0.7%
24-36	4,229	5.4%	21,366,344	2.5%
36-48	13,769	17.5%	115,212,782	13.5%
48-60	24,261	30.8%	245,332,075	28.8%
60-72	14,672	18.6%	166,685,210	19.6%
72-84	7,921	10.1%	107,409,298	12.6%
84-96	5,200	6.6%	77,180,513	9.1%
96-108	1,808	2.3%	28,054,228	3.3%
108-120	2,991	3.8%	51,358,623	6.0%
120-132	1,874	2.4%	31,967,421	3.8%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

Minimum	9
Maximum	121
Weighted average	70

#### l) Term to Maturity of the Loans

The following table summarizes the distribution by the period to maturity (in months)

Term to maturity (months)	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
0-12	1,024	1.3%	2,420,803	0.3%
12-24	3,482	4.4%	14,972,061	1.8%
24-36	7,406	9.4%	50,576,473	5.9%
36-48	19,576	24.9%	182,146,681	21.4%
48-60	24,398	31.0%	264,287,993	31.1%
60-72	8,366	10.6%	109,779,609	12.9%
72-84	6,426	8.2%	92,669,535	10.9%
84-96	3,060	3.9%	48,424,793	5.7%
96-108	2,248	2.9%	37,356,576	4.4%
108-120	2,759	3.5%	48,318,032	5.7%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

Minimum	1
Maximum	116
Weighted average	61

#### m) Seasoning of the Loans

The following table summarizes the distribution by seasonings of the Loans (in months)



Seasoning (months)	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
0-6	17,363	22.0%	201,235,180	23.6%
6-12	38,439	48.8%	414,344,793	48.7%
12-18	22,318	28.3%	226,319,099	26.6%
18-24	410	0.5%	6,390,904	0.8%
24-30	149	0.2%	1,871,129	0.2%
30-36	45	0.1%	486,942	0.1%
36-42	11	0.0%	157,636	0.0%
42-48	6	0.0%	117,449	0.0%
48-54	1	0.0%	12,237	0.0%
60-66	3	0.0%	17,188	0.0%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

Minimum	4
Maximum	64
Weighted average	9

**n) Specification of geographical distribution according to Autonomous Regions**

The following table summarizes the geographic distribution of the debtor by Autonomous Regions

Region	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
Andalucía	15,008	19.1%	160,284,990	18.8%
Aragón	2,190	2.8%	24,112,936	2.8%
Asturias	1,401	1.8%	15,041,379	1.8%
Baleares	2,416	3.1%	25,483,769	3.0%
Canarias	4,938	6.3%	46,743,430	5.5%
Cantabria	1,004	1.3%	10,810,111	1.3%
Castilla León	3,408	4.3%	37,544,216	4.4%
Castilla-La Mancha	4,476	5.7%	47,899,330	5.6%
Cataluña	12,058	15.3%	136,963,382	16.1%
Ceuta	125	0.2%	1,498,236	0.2%
Extremadura	577	0.7%	6,208,467	0.7%
Galicia	4,040	5.1%	43,991,141	5.2%
La Rioja	622	0.8%	6,773,213	0.8%
Madrid	11,499	14.6%	122,002,624	14.3%
Melilla	165	0.2%	1,881,647	0.2%
Murcia	2,562	3.3%	29,763,046	3.5%
Navarra	1,003	1.3%	10,775,247	1.3%
Pais Vasco	3,248	4.1%	35,874,344	4.2%
Valencia	8,005	10.2%	87,301,047	10.3%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

**o) Repayment system by means of monthly installments**

100% of the Loans have a monthly constant instalment system, without the possibility of grace periods for the principal and interests.

**p) Formalization of Loans included in the Preliminary Portfolio**

From the random sample of the Preliminary Portfolio, subject matter of the audit report, approximately 95.13% of the balance of the sample corresponds to loans formalized under private contracts and 4.87% of the balance of the sample corresponds to loans formalized under a deed granted before a Notary Public.

**q) Information on the number of Selected Debtors and their distribution:**

The following table shows the ten most important debtors with the greatest weight in the Preliminary Portfolio:

Borrower concentration	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
Borrower 1	12	0.02%	286,140	0.03%
Borrower 2	5	0.01%	144,586	0.02%
Borrower 3	1	0.00%	123,238	0.01%
Borrower 4	1	0.00%	95,406	0.01%
Borrower 5	6	0.01%	78,127	0.01%
Borrower 6	1	0.00%	68,141	0.01%
Borrower 7	4	0.01%	67,043	0.01%
Borrower 8	4	0.01%	66,202	0.01%
Borrower 9	3	0.00%	66,093	0.01%
Borrower 10	1	0.00%	65,403	0.01%
Resto of borrowers	78,707	99.95%	849,892,176	99.88%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

**r) Insurance**

The following table shows the distribution by type of insurance (not including the obligatory insurance policies for vehicles because these are not assigned to the Fund) :

Insurance	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
With insurance	75,528	95.9%	813,247,244	95.6%
Without insurance	3,217	4.1%	37,705,312	4.4%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

Number of insurances	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
1 insurance type	65,893	83.7%	730,804,863	85.9%
2 insurance types	9,068	11.5%	78,199,629	9.2%
3 insurance types	566	0.7%	4,236,894	0.5%
4 insurance types	1	0.0%	5,858	0.0%
Without insurance	3,217	4.1%	37,705,312	4.4%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

Life insurance	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
With life insurance	74,640	94.8%	805,565,501	94.7%
Without life insurance	4,105	5.2%	45,387,055	5.3%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

Unemployment insurance	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
With unemployment insurance	6,416	8.1%	58,250,061	6.8%
Without unemployment insurance	72,329	91.9%	792,702,495	93.2%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

Total loss insurance	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
With total loss insurance	4,672	5.9%	36,105,486	4.2%
Without total loss insurance	74,073	94.1%	814,847,070	95.8%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

Driver license insurance	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
With driver license insurance	3	0.0%	17,188	0.0%
Without driver license insurance	78,742	100.0%	850,935,368	100.0%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

s) **Information regarding the net economic rate**

The following table shows the information regarding the net economic rate.

Potfolio clasification	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
Elegible portfolio	74.791	95,0%	808.444.973	95,0%
Retained by the Seller	3.954	5,0%	42.507.583	5,0%
<b>Total</b>	<b>78.745</b>	<b>100%</b>	<b>850.952.556</b>	<b>100%</b>

The information of retention of the assignor (at the date of the Preliminary Portfolio) is referred to the retention of the net economic interest of the Fund, calculated as a percentage of the nominal value of the securitization exposure, as provided in section 4.1. c) of the Securities Note

t) **Information regarding the punctuation of the scoring system**

The following table shows the information regarding the punctuation of the scoring system, among new vehicles and used vehicles.

Scoring values	Number of loans	Number of loans (% of total)	Outstanding balance (EUR)	Outstanding balance (% of total)
<b>New Vehicles</b>	<b>57,699</b>	<b>73.27%</b>	<b>684,797,048</b>	<b>80.47%</b>
<=529 "Bad Quality"	212	0.27%	2,577,871	0.30%
530-544 "Acceptable Quality"	3,200	4.06%	52,613,746	6.18%
545-566 "Good Quality"	6,842	8.69%	107,905,183	12.68%
567-584 "Very Good Quality"	8,327	10.57%	115,788,950	13.61%
>=585 "Excellent Quality"	39,118	49.68%	405,911,298	47.70%
<b>Old Vehicles</b>	<b>21,046</b>	<b>26.73%</b>	<b>166,155,508</b>	<b>19.53%</b>
<=529 "Bad Quality"	242	0.31%	2,542,383	0.30%
530-545 "Acceptable Quality"	6,076	7.72%	57,605,205	6.77%
546-559 "Good Quality"	4,566	5.80%	39,688,294	4.66%
560-574 "Very Good Quality"	4,364	5.54%	32,491,738	3.82%
>=575 "Excellent Quality"	5,798	7.36%	33,827,887	3.98%
<b>Total</b>	<b>78,745</b>	<b>100%</b>	<b>850,952,556</b>	<b>100%</b>

% New Vehicle with scoring < 545	6.49%
% Used Vehicle with scoring < 539	4.19%

**2.2.2.2 Additional Credit Rights**

Following its incorporation, the Fund, represented by the Managing Company and provided that the Election Requirements are met, will successively acquire on each Payment Date during the Revolving Period Additional Credit Rights to replace the reduction of the

Outstanding Balance of the Credit Rights for a maximum amount equal to the Available Principal Funds on the Determination Date preceding the relevant Payment Date, provided that the Assignor have enough Additional Credit Rights to assign to the Fund and Election Requirements are observed.

#### **Revolving Period.**

On a quarterly basis, the Managing Company, in the name and on behalf of the Fund, will acquire Additional Credit Rights on each Payment Date between the Date of Incorporation, 16<sup>th</sup> March 2016, and the Payment Date corresponding to 20<sup>th</sup> July 2019, both inclusive.

#### **Early termination of the Revolving Period:**

The Revolving Period will be early and definitely terminated on the Determination Date of the Revolving Period, inclusive, on which any of the following circumstances, if applicable, has occurred:

- (i) That the average of the Default Ratio (Outstanding Balance of the Defaulted Loans divided by the Outstanding Balance of the Credit Rights) corresponding to the last day of the immediately preceding three (3) calendar months exceeds 3.35%; or
- (ii) That the Delinquency Ratio (Accumulated Balance of the Delinquent Loans divided by the Accumulated Balance of the Credit Rights) exceeds the following percentages:
  - Until the fourth Determination Date of the Revolving Period: 2.25%.
  - Until the eighth Determination Date of the Revolving Period: 3.75%.
  - Until the twelfth Determination Date of the Revolving Period: 4.55%.
- (iii) That the Reserve Fund has not been provided up to its required level on the Payment Date immediately following the Determination Date;
- (iv) That the tax regulations are amended in such a way that the assignment of Additional Credit Rights proves to be excessively onerous to the Assignor,
- (v) That Santander Consumer becomes involved in a situation of insolvency or arrangement with creditors' or if loses its capacity to grant loans for the acquisition of vehicles,
- (vi) That Santander Consumer ceases to perform or is replaced as regards its duties as Management Services Provider of the Credit Rights, or it fails to comply with any of its obligations established by the Deed of Incorporation.

#### **Acquisition Amount of the Additional Credit Rights.**

The Additional Credit Rights will be assign by a price equivalent to the Acquisition Amount of the Additional Credit Rights as provided in section 4.6 b) od the Secuties Note.

#### Election Requirements

For their assignment and inclusion in the Fund, the Additional Credit Rights must meet on their respective assignment date all the election requirements established in this section, i.e. both Individual and Global Requirements (the "**Election Requirements**").

#### Individual Requirements

For their assignment to the Fund, the Additional Credit Rights must individually comply with the statements and guarantees established in item 2.2.8 (b) below (the "**Individual Requirements**").

### Global Requirements

In addition to the fulfillment of the Individual Requirements, the Credit Rights that are going to be assigned to the Fund must jointly comply with the following requirements (the “**Global Requirements**”):

1. That, on each Offer Date, the Outstanding Balance of the Credit Rights corresponding to used vehicle does not exceed 30% of the total Outstanding Balance of the Credit Rights.
2. That, on each Offer Date, the Outstanding Balance of the Credit Rights corresponding to new vehicles with a scoring model punctuation of less than 545 not exceeding 15% of the total Outstanding Balance of the Credit Rights.
3. That, on each Offer Date, the Outstanding Balance of the Credit Rights corresponding to new vehicles with a scoring model punctuation of less than 539 not exceeding 20% of the total Outstanding Balance of the Credit Rights.
4. That, on each Offer Date, the Outstanding Balance of the Credit Rights corresponding to the same debtor does not exceed 0.05% of the total Outstanding Balance of the Credit Rights.
5. That, on each Offer Date, the Credit Rights corresponding to Legal Persons do not exceed 8% of the total Outstanding Balance of the Credit Rights.
6. That, on each Offer Date, the average maturity of the Credit Rights since the date of assignment to the Fund, weighted by the Outstanding Balance of the Credit Rights, does not exceed seventy-two (72) months.
7. That, on each Offer Date, the Outstanding Balance of the Credit Rights with a term to maturity exceeding ninety-six (96) months does not exceed 10% of the total Outstanding Balance of the Credit Rights.
8. That, on each Offer Date, the Outstanding Balance of the Credit Rights corresponding to the Autonomous Region with the highest representation does not exceed 30% of the total Outstanding Balance of the Credit Rights.
9. That, on each Offer Date, the Outstanding Balance of the Credit Rights corresponding to the three Autonomous Regions with the highest representation does not exceed 60% of the total Outstanding Balance of the Credit Rights.
10. That, on each Offer Date, the Outstanding Balance of the Credit Rights with an Outstanding Balance exceeding € 50,000 does not exceed 1.5% of the total Outstanding Balance of the Credit Rights.
11. That, on each Offer Date, the Outstanding Balance of the Credit Rights corresponding to a type of vehicle other than a Passenger Car and a Four-Wheel Drive Vehicle does not exceed 15% of the total Outstanding Balance of the Credit Rights.
12. That, on each Offer Date, the Outstanding Balance of the Credit Rights with a down payment percentage as regards the vehicle’s value lower than 5% does not exceed 10% of the total Outstanding Balance of the Credit Rights.
13. That, on each Offer Date, the Outstanding Balance of the Credit Rights with a down payment percentage as regards the vehicle’s value lower than 20% does not exceed 50% of the total Outstanding Balance of the Credit Rights.  
Rights.
14. That, on each Offer Date, the Outstanding Balance of the Credit Rights corresponding to debtors with an employment status of “Does not work” on the date on which the

Loan is granted does not exceed 7% of the total Outstanding Balance of the Credit Rights.

15. That, on each Offer Date, the weighted average rate of the Credit Rights is not lower than 7%.
16. That, on each Offer Date, the Outstanding Balance of the Credit Rights corresponding to debtors with an employment status of “Self-employed” on the date on which the Loan is granted does not exceed 18% of the total Outstanding Balance of the Credit Rights.

### **Offer Dates**

“Offer Request Dates” will be the dates corresponding to the eighth (8<sup>th</sup>) Working Day preceding each Payment Date of the Revolving Period on which Additional Credit Rights should be acquired.

“Offer Dates” will be the dates corresponding to the sixth (6<sup>th</sup>) Working Day preceding each Payment Date of the Revolving Period on which Additional Credit Rights should be acquired.

### **Procedure for the acquisition of Additional Credit Rights.**

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

Before 5.00 pm (CET Time) on the Offer Date, the Assignor will send to the Managing Company a written notice offering the assignment of Additional Credit Rights, along with a data file detailing the selected loans and their characteristics included in the assignment offer and which must meet the Election Requirements.

At the latest on the fifth (5<sup>th</sup>) Working Day preceding the Payment Date, the Managing Company will send to the Assignor a written notice accepting the assignment of Additional Credit Rights, along with a data file with the details of the Additional Credit Rights accepted and their characteristics, as notified by the Assignor.

In determining the Additional Credit Rights to be included in the assignment acceptance, the Managing Company will:

- (i) Check that the Credit Rights (and the Loans from which they are derived) listed on the assignment offer meet the Individual Requirements and the Global Requirements in accordance with the characteristics notified by the Assignor.
- (ii) Determine the Additional Credit Rights that are acceptable and eligible for assignment to the Fund for an amount not exceeding the Amount Equivalent to the Principal available funds.

### **2.2.2.3 Outstanding Balance of the Credit Rights.**

The outstanding balance of a Credit Right on a given date will be the sum of the capital or principal not yet due and the capital or principal due and not paid to the Fund of a Credit Right.

The Outstanding Balance of the Credit Rights on a given date will be the sum of the outstanding balance of each and every one of the Credit Rights on that date.

### **2.2.3 Legal nature of the assets.**

The assets securitized through their assignment to the Fund are Credit Rights deriving from Loans granted by Santander Consumer to finance the acquisition of new and/or used vehicles, some of which have been granted pursuant to the Law 7/1995, of 23<sup>rd</sup> March, on Consumer

Credit and the Law 16/2011, of 24<sup>th</sup> June, on consumer credit agreements (as regards the Additional Credit Rights, they will be governed under the aforementioned rules or any other relevant rules that might replace them).

Some of the Loans from which the Credit Rights are derived have guarantees (bank guarantees or co-owners), whilst all of them have a reservation of title clause, regardless of the fact that the Loans have been notarised in a public document (policy) granted before a Notary Public or in a private agreement (although not all the reservation of title clauses are registered in the Register of Installment Sales of Movable Properties and in the Register of Motor Vehicles of the Directorate-General for Traffic).

The Credit Rights will be directly assigned to the Fund by means of their sale on the part of Santander Consumer and their acquisition on the part of the Fund, in accordance with the terms established in section 3.3 of this Additional Module.

#### **2.2.4 Expiration or maturity date(s) of assets.**

Each of the selected Loans has a maturity date, without prejudice to the partial redemptions made periodically, according to the particular conditions of each one of them.

The Debtors may early redeem all or any part of the principal pending repayment at any time during the term of the Loans, and interest will cease to accrue on the part early redeemed as from the date of reimbursement.

The Final Maturity Date of the selected Loans is 25<sup>th</sup> January 2029. Consequently, the Legal Maturity Date of the Fund is 20<sup>th</sup> April 2032.

#### **2.2.5 Amount of the Credit Rights.**

The assets of the Fund will be the Credit Rights assigned by Santander Consumer to the Fund. The maximum amount of the Outstanding Balance of the Credit Rights pooled in the Fund will be equal to or slightly higher than SEVEN HUNDRED AND SIXTY-FIVE MILLION EUROS (765.000.000 €) equivalent to the nominal value of Series A, Series B, Series C Series D and Series E Bonds. As an exception, on the Date of Incorporation, the amount of the assigned Credit Rights may be slightly higher than the nominal value of Series A, B, C, D and E Bonds.

The Preliminary Portfolio from which the Credit Rights will be drawn is made up of seventy eight thousand seven hundred and forty five (78,745) Loans, with a principal that has not become due yet, as at 25<sup>th</sup> February 2016, amounting to EIGHT HUNDRED AND FIFTYTY MILLION NINE HUNDRED AND FIFTY TWO THOUSAND FIVE HUNDRED AND FIFTY SIX EUROS WITH EIGHTTY SEVEN EURO CENTS (€ 850,952,556.87).

Credit Rights derived from Loans that have installments pending payment will not be assigned.

#### **2.2.6 Ratio of the outstanding balance of principal as regards the appraisal value or level of over collateralization.**

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

There is no over collateralization in the Fund, given that the Maximum Amount of the Credit Rights will be equal to or slightly higher than SEVEN HUNDRED AND SIXTY-FIVE MILLION EUROS (765.000.000 €) equivalent to the nominal value of Series A, Series B, Series C Series D and Series E Bonds.

12.1% of the outstanding balance of the Preliminary Portfolio has a ratio of the amount granted over the value of the vehicle higher than 100% due to the fact that, in some cases, the



financing of insurances (life, unemployment, driving license withdrawal, and total loss insurances) or fees (opening, equal to 3% of the financed capital with a minimum of € 180 for operations ranging from € 3,000 to € 6,000, and a minimum of € 90 for operations with an amount lower than € 3,000) or because in the event that the Loan finances more than one vehicle, the value of the vehicle used for the estimation of the “amount granted over the value of the vehicle” ratio corresponds just to the financed vehicle with a higher value.

### **2.2.7 Description of the procedures established by Santander Consumer for the formalization of loans and credit facilities, as well as recovery procedures (“Internal Memorandum”).**

The Preliminary Portfolio Loans have been granted by Santander Consumer according to its usual procedures of analysis and assessment of the credit risk as regards the granting of loans to natural persons or Legal Person for the purchase of new and used vehicles.

100% of the Outstanding Balance of the Credit Rights complies with the current credit granting policy of Santander Consumer contained in this item 2.2.7.

#### **2.2.7.1 Criteria and procedures to grant loans**

The efficient management of the risk is one of the main aspects on which the strategy of Santander Consumer is based.

The main principles of the risk management, are as follows:

- Common basic model adapted to the specific needs of each market and to the business structure, both according to the type of customer and according to activity and geography.
- Continuous improvement of risk management processes, tools and methodology.
- Priority for risk quality criteria; business growth based on the maintenance/improvement of the quality of risk assets.
- Executive capacity based on experience and thorough knowledge of sectors and markets in which it operates.
- Functional independence with shared hierarchy, so that the goals and methodology can be established by the Risk Area, at the same time that the organizational structure is adapted to the commercial strategy and to the business needs defined by Top Management.
- Risk management by means of differentiated processes and systems according to the type of risk and the segment of customers and products.
- Specialization and differentiation of the credit process (admission, formalization, follow-up and recovery) according to the segment of customers.
- Use of systems such as *credit scorings* helping to make credit decisions and serving as tools that make the granting process more efficient, make the credit behavior monitoring easier and enable the treatment according to homogeneous groups of risk.
- Relevance of risk supervision in order to prevent eventual impairments in the risk quality, as an anticipatory measure.
- Risk diversification, by limiting, in general, the participation in the indebtedness that customers have in the credit system.

In particular, for the automotive sector business line, Santander Consumer has established, among others, the following general principles for credit risk:

- Segmentation consists of the classification of the risk according to certain criteria in order to optimize the efficiency in its management, by bearing in mind that the segmentation allows:
  - ✓ To analyze the risk differently according to its type.
  - ✓ To assess yield and risk better.
  - ✓ To improve the decision-making process, since more appropriate information is available.

The segmentation of Santander Consumer for the Automotive business line, is the following:

- New vehicles
- Used vehicles
  
- Integrity, given that risks are globally managed (admission, follow-up and recovery)

These criteria are based on four pillars: risk policies, automation of decisions, strictness in analysis, and efficient processes and systems.

The approach used for the risk management is the credit cycle, which is understood as the set of actions to be performed in order to administer the risk in credit operations, for the purposes of optimizing the ratio between risk and profitability.

The credit cycle, has four stages: planning, admission, portfolio management and collection or recovery.

#### **a) Sourcing channels**

Operations may enter Santander Consumer by means of the following channels:

- Office/Agent/Representative: act as an intermediated channel for the receipt of the documentation.
- Telephone: Advisors call the Call-Centre, which captures the application data. For the pre-approved applications is the client who call the *Call-Center* for the capture of the required documents.
- WEB: it is the Advisor who captures the said data through a web mask.

Agents and delegates are those natural persons or Legal Person that, independently and without any employment relationship with Santander Consumer, act on their own as mediators in order to attract new customers and to offer products marketed by Santander Consumer; so, their duties are limited to the presentation of operations.

The Advisor means the legal or natural person that assign financing operations of their clients to Santander Consumer (hereinafter, the “**Advisors**”).

#### **b) Products and risks**

The definition of the maximum limits, both for amounts as well as for deadlines, to be established as conditions of the asset products that are marketed, is made by applying risk criteria and commercial considerations jointly between the Risk Area and the corresponding Business Areas.

In this respect, the main credit determining factors are the following:

- Market assessments of the goods to be financed must be supported in some cases by independent appraisals and, in other cases, by data extracted from technical publications (e.g., Gamvan and Eurotax)
- The need, according to the type of product, that the client provides a minimum initial amount from its own resources (minimum initial down payment)
- Financing terms must be consistent with the useful life of the product to be acquired and must be proportional to the capacity of the debtor for repayment.

From the commercial point of view, the following is deemed essential:

- The strategic decisions communicated by Top Management
- The financial terms of the operation (fees, interests and expenses) must be proportional to the risk level to be assumed according to the product and period
- The competitive position as regards the offers from competitors.

Apart from the decisions made within the aforementioned scope, there are other bodies that may deal with these matters: the Board of Directors, the Executive Committee, the Management Committee, and the High Committee for Risks and the Monitoring Committee for Products and Operations.

Once that the limits have been established, the Business Areas include them in their products and the Risk Area must take them into account for its internal procedures.

Regarding the portfolio subject to securitization, should be noted that, as previous years, the Double TIN XXL campaign is included. It is a product with to 2 different repayment stages, the first one with a Nominal Interest Rate (NIR) at a 0% for a defined period according to the campaign (3, 6, 9 or 12 months) and a second one with a fixed Nominal Interest Rate (NIR). The application process for the admissions related to this campaign, does not defer from any other one that uses the same automatic decision templates, using always to measure the indebtedness, the higher quote of the second stage of the loan maturity. The Loans originated under the campaign Doble TIN XXL, will only be elected if they are in the second stage with a fixed Nominal Interest Rate (NIR).

Also, this year are included campaigns of the following transactions has been included: *Promofinance*. It is aimed at individual customers and the strategy consists in attracting cash customers (hence the high quality of operations), by offering an up-front discount. This is performed through a commissioning policy of Santander Consumer towards its advisors. It is currently being applied to Hyundai, Kia, Mazda and Suzuki. As regards the admission policy, it does not differ from that of the rest of financing applications.

### **c) Operations with Standardized Risks**

According to the type of client of the transaction and the total risk assumed by Santander Consumer España, the application is classified within Standardized Risks in accordance with the following criteria:

- All the applications in which clients are natural persons.
- Applications for proposals from Legal Persons when the outstanding risk is lower than or equal to € 250,000. Likewise, we have:
  - ✓ Operations of companies in which any Public Bodies have a majority or minority participation.
  - ✓ Operations with foundations, associations (profit or non-profit organizations), civil partnerships, cooperatives, community properties, property owners' communities, etc.

#### **I. Application admission procedure**

The admission procedure consists of a series of actions aimed at the resolution of credit applications with the purpose of (i) approving credit operations for those clients that are in the target market and meet the requirements, (ii) rejecting applications identified as having a greater risk of non-payment, and (iii) providing alternatives for those applications that require a more in-depth analysis.

The admission of operations is always started at the request of the advisor.

This commencement may take place by means of a telephone call made to the Call Centre or by means of the capture by the advisor in the WEB system implemented to that end.

In all cases, the process is started with the gathering of data and the introduction of the said data in the systems implemented to that end (AS/400 is the tool used at Santander Consumer).

During this registration process of the computer application, identifying data of the holders and guarantors (name and surname, corporate name, Tax Identification Number/Code), the conditions of the operation (amount, term, purpose, payments, etc.) and the information data (personal, employment and solvency) are introduced.

In the event that the operation has been approved and is to be formalized, the aforementioned data is validated and verified by means of the production of documents such as the National Identity Card, Tax Identification Number, last payslip, last tax return, evidence of property owned, document for direct debiting, deed of incorporation, corporate income tax, balance sheets, etc.

Aside from the information provided by customers, additional information is automatically obtained when the numbers of the customers' identity documents are entered in the computerized application. This additional information comes from the company's own database in respect of the behavior in previous transactions, as well as from external databases (negative such as Asnef-Equifax or Experian, or regarding default, such as R.A.I. or B.D.I.).

With all this information, or any other information that might be considered necessary, the application enters the assessment process, which can be:

- automatic: the assessment system is able to make a decision without the intervention of an analyst.
- manual: according to the opinion of an analyst, when the decision to be made is contrary to the decision of the model (forced decisions) or in the cases of operations for which the model, due to their type, cannot make an automatic decision (grey area of scoring or fulfillment of rules).

As operation rules, the following actions are necessary in all cases:

- The comprehensive control of veracity of the information entered in the system for its assessment by means of the quality control for each operation, once that the requested documents have been gathered, and by means of the penalty system created for advisors.
- The control over the eventual changes in the ownership of the account used for direct debits as regards the payments of installments during the life of the operations; those persons that are able to perform them must take into account that the study on the application has been carried out on the holder of the payment account that was initially registered.
- The strict respect of the system's recommendations.

The system used for the resolution of operations automatically analyzes the data entered. According to the purpose and type of object to be financed, a different scoring system will be used. In the case of the Automotive sector, we have three scoring tables: one for natural persons - new vehicles, one for natural persons - used vehicles, and one for SMEs.

The decision on the operation is made automatically (online assessment) and may produce one of the following results:

- **Approved:** the operation is feasible according to the gathered information.
- **Rejected:** the operation is not feasible.

- **Review:** the operation requires a manual study and is sent to the Operations Decisions-Making Unit (“**ODMU**”). The application is received with one or more alerts as regards the rules with which it does not comply, and following the assessment by the ODMU, it will be approved, rejected or it must await the production of additional documents to support the approval by the analyst.

In the event that the application is approved, the Call Centre sends the contract by fax/email to the Advisor, so that the client can sign it, after having gathered the necessary supporting documentation, which the Advisor will validate and send. (in the Web the Advisor print the agreement directly from the application.

Otherwise, if the operation is rejected, the Call Centre will inform the entity that the application has been rejected, without specifying the reason for the said rejection, in accordance with the Law on Data Protection.

It is possible to file an appeal as regards the rejected operations in the following cases:

- There is an appeal system for applications in those cases in which the business area deems it appropriate. All the appeals must be sent to the ODMU.
- In all cases, it is necessary to justify the reason supporting the appeal filed against the initial decision and the analyst must be provided with any additional information justifying the forced approval of the operation.

Once that the necessary documents have been gathered, the Advisor sends them to the Documentation Review Unit (“**DRU**”). The said unit, which reports to the operations department, analyzes the quality and sufficiency of the documents produced and, where appropriate, formalizes the operation.

## **II. Delegated powers or duties.**

The procedure followed for the delegation of powers established by Santander Consumer in connection with the approval of operations within its scope at the Standardized Risk Area is the following:

- The powers relating to risks are granted by the Manager of the Risk Area in a hierarchical manner.
- The Risk Management of Santander Consumer will delegate powers as regards the decision-making process for operations to the following units and department attached to the Risk Management:
  - ✓ Standardized Risk Department
  - ✓ Operation Decision-Making Unit (ODMU)
  - ✓ Restructuring Operation Decision-Making Unit (ODMU-R)
- As regards the applications on which a decision is made by the Standardized Risk Department, the following maximum levels are established:
  - ✓ Up to € 250,000 of total risk for applications made by natural persons
  - ✓ Up to € 500,000 in the case of applications made by natural persons with mortgage guarantee
  - ✓ Up to € 250,000 of total risk for proposals made by Legal Person

The total risk assumed with a client/group will be the highest risk between the limit used and the limit approved (whether it is or not formalized under a contract).

The following levels are established:

	Total risk for applications from individuals	Total risk for applications from individuals with mortgage guarantee	Total risk for applications from legal entities (SMEs)	Comments
Standardised Risks Management	€250.000	€500.000	€250.000	<ul style="list-style-type: none"> <li>&gt; Operations with individuals above these limits shall be submitted, once analysed and supported, to the Higher Risk Committee for their sign-off.</li> <li>&gt; Operations with legal entities with a total risk above € 250,000 shall be processed through the U.A.E.</li> <li>&gt; Operations with a mortgage guarantee restructured 3 or more times shall be approved by the Higher Risk Committee (regardless of the total risk) as well as those above the Standardised Risk Management authorised limits.</li> </ul>
Portfolio management and policy officer	€250.000	€500.000	€250.000	
Portfolio manager	€250.000	€500.000	€250.000	

The levels and powers conferred to the ODMU are defined by the Risk Management, together with the Head of the ODMU.

For each one of the analysts corresponding to this Unit, levels are established for general powers specifying the maximum amount of the risk that may be assumed, according to the following table:

	Total risk for applications from individuals	Total risk for applications from individuals with mortgage guarantee	Total risk for applications from legal entities (SMEs)	Comments
UDO Director	€250.000	€500.000	€250.000	<ul style="list-style-type: none"> <li>&gt; All operations above these limits shall be submitted, once analysed and supported by the UDO, to the Standardised Risks Department or, where appropriate, to the Higher Risk Committee for their sign-off.</li> </ul>
UDO Deputy Director	€200.000	€400.000	€200.000	
UDO analyst	€100.000	€200.000	€100.000	

The levels and faculties for ODMU-R are defined from the Risk Management together with the Responsible of the ODMU-R Restructuring Transaction Decision Unit.

For each analyst of this Unit, the general faculties are established in levels, in which are indicated the maximum amount of risk to be assumed, in accordance with the following table:

	Total risk for applications from individuals	Total risk for applications from individuals with mortgage guarantee	Total risk for applications from legal entities (SMEs)	Comments

UDO-R Director	€250.000	€500.000	€250.000	> All operations above these limits shall be submitted, once analysed and supported by the UDO-R, to the Standardised Risks Department or, where appropriate, to the Higher Risk Committee for their sign-off. > Operations with a mortgage guarantee restructured 3 or more times shall be approved by the Higher Risk Committee (regardless of the total risk).
UDO-R Deputy Director	€200.000	€400.000	€200.000	
UDO-R analyst	€100.000	€200.000	€100.000	

### III. Electronic Authorization

All the applications requiring a manual analysis by the ODMU are transferred to the Electronic Authorization system, which allows to manage this analysis by means of displays of information on the application to be manually assessed.

This tool allows:

- To make a decision on the application: “approval”, “rejection” or in order to apply for such additional requirements as may be deemed necessary by the analyst for the decision-making process.
- To identify the analyst(s) that has/have analyzed the application, and the number of times that the said application has been reviewed
- To encode the reason supporting the decision
- To include, in the section of Remarks, any more detailed information on the reason supporting the decision made.

### IV. Scoring tools

#### i. Models used in Santander Consumer España

The model gives a score to each application, which is obtained from the sum of the various variables that are scored. Once that the application has been scored and according to the rules that have been flagged up by the application, the application is put into a decision-making matrix for its classification as approved, rejected or grey area.

The list below shows the models for admission that are currently applied for assessing applications relating to the Automotive sector as regards the Loans from which the Credit Rights derive:

Scoring model	Customer type	Scope of application	Implementation date	Development
ANV1	Individual	Auto New	Dic-09	External-FICO
ANV2	Individual	Auto New	Nov-14	External-FICO
AUS1	Individual	Auto Used	Nov-09	Internal (PM)
AUS2	Individual	Auto USed	Oct-14	External-FICO
PME1	Legal entity	Non-corporate companies	Jun-10	External Experian
PME2	Legal entity	Non-corporate companies	Ago-14	External Experian
PVI1	Legal entity (Transolver)	Non-corporate companies	Oct-12	External Experian
ATN1	Self-employed	Self-employed	Dic-12	External Experian

		New/Used		
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## ii. Assessment and answers of the System

The process of an assessment model must be completed and produce a result:

- Accept the application.
- Reject the application.
- Review. The model does not have sufficient arguments for the acceptance or rejection of the application; consequently, the decision must be manually made by a risk analyst, according to his/her opinion.

In order to obtain this result, the models use two types of information:

- **Scoring:** the calculation is made by using the scoring model. This scoring is understood as a measurement of the probability of non-payment. The lower the score, the greater the risk of non-payment.
- **Rules:** we have only negative rules, which highlight all weak points observed in the application, such as fraud, indebtedness, insecurity of employment, previous experience, etc.

The combination of the “scoring” with the “rules result” establishes the basis upon which the result of the model or, as shown below, the resolution table is determined. As a minimum, a different table will be applied to each model, but various resolution tables can also be applied (different admission policies) according to the Advisor, profile, product or any other segmentation considered.

### Santander Consumer Model Rules

In order to strengthen the decision, a system of rules divided into Exclusion Rules and Review Rules is established and Information Rules.

- **Exclusion Rules**

These are those rules that invalidate the result of the scoring assessment for an operation, regardless of the score obtained. These rules will be applied to all the applications assessed by the model.

There are four blocks of exclusion rules:

- ✓ **Prevention Rules:** Rules used to identify cases of possible fraud
- ✓ **External Experience Rules:** these are rules that show negative experience with the applicant of the operation. The said rules are based on information from external files.
- ✓ **Internal Experience Rules:** Applicants with restructuring applications and/or operations at Santander Consumer, applicants with ongoing operations with returns on certain periods of time and type of non-payments (non-payment tranche), etc.
- ✓ **Rules of Applicants:** they refer to characteristics of the interested parties (job, income, payment capacity, etc.).

- **Review Rules**

This involves applications that have any parameter outside of the standards requiring a confirmation or review exclusively by the analyst. These rules are considered to be a “filter”,



so that the application that fulfills one of these rules cannot be approved by the system, whilst the analyst does not validate that the said operation has been completed pursuant to the generally required criteria.

- **Information Rules**

These are rules with recommendations relating to the actions to be followed prior to the formalization of the operation. For example, in the models for the Automotive sector, information is provided according to the rules on the formalization before a notary public or the reservation of title.

Below, there is a list with the final result of current models for the Automotive sector, as well as the various resolution tables applied. In the various decision-making models of Santander Consumer Finance España, the assessment result is the combination of the scoring table and credit rules, which produces a response that segments the applications according to their risk quality.

***New Automotive, Used Automotive & Self-Employed Workers ANV1, AUS1 and ATN1:***

The result of the model may be:

- AC: Automatic Acceptance.
- R1/R2: Review.
- RC: Rejection.

<b>RESOLUTION</b>	<b>DESCRIPTION</b>
<b>AC</b>	<b>ACCEPTED</b> ➤ The application exceeds the scoring and rules.
<b>RV</b>	<b>LEVEL 1 REVIEW</b> ➤ The application exceeds the scoring, but does not comply with any rule of less dedication.  <b>LEVEL 2 REVIEW</b> ➤ The application exceeds the scoring, but does not comply with any rule of more dedication.
<b>RC</b>	<b>REJECTED</b> ➤ The application does not exceed the scoring and/or does not comply with more serious rules.

The resolution table applied to the automotive sector models (New, Used and Self-Employed Workers) is the following:

<b>Score / Rules Result</b>	<b>YES</b>	<b>R1</b>	<b>R2</b>	<b>R3</b>
<b>Tranche 1</b>	<b>RC</b>	<b>RC</b>	<b>RC</b>	<b>RC</b>
<b>Tranche 2</b>	<b>AC</b>	<b>R1</b>	<b>R2</b>	<b>RC</b>

SMEs PME2:

The result of the model may be:

- AC: Automatic Acceptance.
- R1/R2: Review.
- RC: Rejection.

<b>RESOLUTION</b>	<b>DESCRIPTION</b>
<b>AC</b>	<b>ACCEPTED</b> ➤ Request exceeding the highest cut-off point scoring and do not breach any rule.
<b>RV</b>	<b>GREY ZONE REVIEW</b> ➤ Request exceeding the highest cut-off point scoring and do fulfil reviewing rules.
<b>RC</b>	<b>REJECTED</b> ➤ Request which does not exceed the minimum scoring. ➤ Request which does not exceed the minimum scoring and fulfil reviewing rules. ➤ Request which does not exceed the minimum scoring and fulfil excluding rules. ➤ Request which does not exceed the minimum scoring and fulfil excluding rules. ➤ Request which exceeds the minimum scoring and fulfil excluding rules.
<b>NI</b>	➤ Without minimum information to assess.
<b>NE</b>	➤ Not assessable by the system.

The applicable table for the SMEs Automotive model, is as follows:

Score / Rules Result	YES	R1	R2	R3
Tranche 1	RC	RC	RC	RC
Tranche 2	AC	R1	R2	RC

#### V. Criteria for requirement of guarantees in vehicle financing transactions

- The validity period of approvals is forty-five (45) days, regardless of the operation in question.
- Consequently, in the event that, following the said forty-five (45) days starting from the approval, the operation has not been formalized, the application must be newly filed for its ratification.
- Obligation to obtain the identity documents of the holders/guarantors.
- Formalization of the contractual documents before a notary public.

In the usual process for the admission of operations, the investment amounts plus the risk assumed with the client, from which the contracts and annexes relating to financing and leasing operations must be formalized before a notary public, are those listed below:

- ✓ Automotive sector products

Operations with Passenger Cars, Passenger Car Derivatives, four-wheel drive vehicles and vans up to 3,500 Kg. for new vehicles	Equal to or higher than € 30,000
--	----------------------------------

Operations with New Commercial Vehicles	Equal to or higher than € 24,000
---	----------------------------------

- ✓ For the rest of operations in which the financed objects are different from those previously specified, the amount from which it is necessary to formalize before a notary public the contracts and annexes in the operations will be:

Rest of operations	Equal to or higher than € 18,000
--------------------	----------------------------------

- ✓ The formalization before a notary public will also be necessary in the event that the client with the new operation has an accumulated risk that is equal to or higher than 24,000 euros and provided that the amount of the investment in the new operation is equal to or higher than 6,000 euros.

These figures will be calculated by adding the risks that the client has as the holder of ongoing operations, plus the amount of the new investment, without taking into account the amount that corresponds to insurances, such as redemption-life, total loss or unemployment insurances, and that might be financed in the same operation.

With respect to the mortgage operations, the risk of which is covered with a real guarantee on a real estate, these will not be taken into account for the calculation of the current risk.

- Restructuring products for standardized risk clients:

Restructuring operations of standardized risk clients must be formalized before a notary public, when the following conditions are met:

- ✓ Operations previously formalized as such (originally)
- ✓ Operations the holder of which has any financial records in Asnef, communicated by other entities of Group Santander.
- ✓ Restructuring processes of operations relating to the Automotive sector with an outstanding risk equal to or higher than € 18,000.
- ✓ Restructuring processes of products other than those of the Automotive sector with an outstanding risk equal to or higher than € 6,000.
- ✓ Restructuring processes of groups of products with a total outstanding risk equal to or higher than € 24,000.

Consequently and as an exception, any modification of the operations authorized according to the terms and conditions established by the Risk Management must be re-suggested to this Risk Management for their new authorization and approval, if applicable.

- Registration in the Register of Installment Sales:

For the good conclusion of risk operations of Santander Consumer, it is essential to properly register the reservation of title in the Register of Installment Sales, and, if applicable, in the Directorate-General for Traffic, for the goods subject matter of our operations.

According to the behavior of the interested parties, it may be necessary to register operations the registration of which was not initially compulsory. These operations will be shown in the

alert system that is daily printed at the Authorizing Centers, which are responsible for the appropriate registration and its correct follow-up.

The operations to be carried out for the registration in the Register of Installment Sales are the following:

✓ registration Criteria according to the object

- Passenger Cars, Passenger Car Derivatives, Four-Wheel Drive Vehicles and Vans up to 3,500 Kg.

The reservation of title will be immediately registered in the Register of Installment Sales of Movable Properties; the reservations of title corresponding to the operations that appear with the code “S” in the contract, namely:

- Those of an investment equal to or higher than € 24,000.
- Those in which at least one of its interested parties has any records in Asnef.
- Those that obtain a low scoring.
- Those that have any grace period for their installments.
- Those recommended by the risk analyst, according to his/her opinion.

As regards the financing of vehicles for portfolio clients, the registration will always be carried out, regardless of the financed amount.

- Motorbikes

The registration will be carried out if the investment of the operation is equal to or higher than € 6,000.

- Rest: Light Vehicles and Semi-trailers

All of them will be registered.

- Heavy Vehicles

All of them, except for those of public works that the Risk Department might expressly specify.

- Machinery and Equipment

Under a financing operation, it is necessary to register the operations with an investment exceeding € 30,000.

- Computing and Office Automation: they will not be registered, unless otherwise specified by the person authorizing the operation.

✓ File of the Register of Installment Sales

- The capture and identification of registration data and its follow-up in the system will be compulsory.
- The unit executing the operation will be the responsible party.

- In the case of an *a posteriori* registration due to the alerts described below, Santander Operations Retail (“SOR”) will be in charge of its update.

## VI. Formalization of the operations

*Once that the operation has been approved and accepted by the client, the resolution is captured in the system for its formalization. The steps to be followed are:*

- To print the contract for its execution: if the amount so requires, signatures of both parties must be appended before a notary public.
- To receive the signed contracts and supporting documents that justify the data provided in the application.
- To review the correct signature and documents provided.
- To formalize the operation.

*These steps may vary according to the payment method:*

- Advanced payment: the payment is issued to the advisor prior to the receipt of the contract and documents; consequently, following the payment of the operation and the receipt of documents, they are reviewed and a quality report is prepared in order to determine the classification of the assignee as regards the payment method.
- Post-payment: the payment is made after the review of the contract and documents.

*The essential information for the issue of the payment is the following:*

- Review of the correct signatures in the contract and annexes and to check them with the National ID Card.
- Confirmation that data entered in the scoring process are correct by means of any evidence provided.
- Correct direct debiting for installments
- According to the amount, confirmation that the contract has been formalized before a notary public.

*Other stages of this formalization process are:*

- Once that the operation is formalized, it must be registered from the accounting point of view.
- Request for number plates.
- Formalities for the reservation of title, if so required by the operation.
- Sending of the dossier to the digitalization center.
- Filing.

### **2.2.7.2 Risk management and monitoring**

Both the Business Department and Risk Departments carry out their tasks corresponding to monitoring, some processes and policies are established that define a correct management and control of the same, by bearing in mind the continuity throughout time of the risk monitoring and its clear focus on the client and all his/her exposures with the group. These processes are defined under three fundamental pillars:

- Periodic review of the credit rating (behavior scoring)
- Analysis and management of alerts relating to credit quality
- Monitoring of the evolution of portfolios

Furthermore and additionally, it is carry out the validation of credit rating models in order to ensure that the pillars supporting the monitoring process are correctly calibrated, which guarantees the monitoring quality.

The credit risk control, analysis and consolidation areas will generate the information necessary for an efficient portfolio monitoring.

#### **a) Risk monitoring reports**

The credit risk is monitored by means of the preparation and analysis of periodic information on the credit portfolio (current credit, report on scoring behavior, etc.)

Behavior reports are prepared on a quarterly basis about the operations that have been assessed by the models, in order to carry out a monitoring not only of the score obtained and of the assessment result (combination of score and credit rule) as regards default rates, but also of each one of the variables captured during the contracting process of the application in order to check the stability of population, to carry out an analysis of sub-populations (regional, branches, objects, etc.) for the purposes of adapting the model, if necessary.

Reports and measurements used for the risk monitoring are the following:

- Variation in Management Default (VMG)

Amount of the balance of default at the end of the period - Amount of the balance of default at the beginning of the period + Bad debts of the period - Recoveries of bad debts of the period.

- Risk Premium (RP)

Variation in Management Default of twelve (12) months / Average balance of the total risk portfolio during the same period.

- Vintages / Harvests

Number of contracts formalized within a certain period of time. This period usually corresponds to one calendar month, and months may be grouped in three-month periods, four-month periods, years, etc. and their performance is checked throughout time.

- Flow Rates

This report provides information by relating a current situation according to delay tranches of the portfolio with the same part of the portfolio according to delay tranches during the previous month. These are reports that allow to carry out quite detailed analyses of the portfolio evolution. These reports together with the reports on the portfolio evolution allow to carry out more in-depth analyses of the evolution of flows.

The information on flows, it is also shown according to the volume of operations and according to the amount of outstanding risk.

- Roll Rates

The information on flows involves showing how each portfolio is distributed in delay tranches. The various delay tranches that we analyze are as follows:

- ✓ Up to date
- ✓ 1-30 days on non-payment
- ✓ 31-60 days on non-payment
- ✓ 61-90 days on non-payment
- ✓ 91-120 days on non-payment
- ✓ 121-150 days on non-payment
- ✓ 151-180 days on non-payment
- ✓ More than 180 days on non-payment
- ✓ Bad debt (with details on the bad debt)

These reports allow to analyze the efficiency of the admission processes and recoveries, as well as the evolution of credit losses. They are used for the calculation of the VMG and of PR, and are essential as support for the carrying out of forecasts of these indicators.

- Admission

This report provides a monthly and daily view of the admission process for the last thirteen (13) months. Apart from volumes of applications according to the situation of the operation and the resolution of the model, some indicators are calculated, such as: automation percentage, automatic and manual approval percentage, transformation percentage, rejection percentage, forced decision percentage.

## **b) Portfolio Management Applications**

The main computer tools that are used in the credit risk monitoring are, in general:

- Decision-making systems: data registered in the very internal models (scoring)
- Management information system (SIG): it provides daily, monthly and yearly information according to business areas, products, etc.
- Management of irregular situations (GSI): this is an application that allows to obtain the information on operations that have not been paid upon their maturity and those that may become unpaid within a certain period of time.
- Position client and group (PFG): system that provides the risk position of the holder together with that of the Group to which the holder belongs.

And, specifically for SMEs, Santander Consumer España uses:

- Performance analysis system for managers of non-payments (ARGE) and unified management system for recoveries in Spain (SUGRE). They provide specific information on the management performed by the external collection and recovery companies hired.

## **c) Management and Analysis of Alerts**

In order to guarantee an evolution of the risk quality within the expected limits, each portfolio is monitored on a monthly basis by establishing observation limits (for deviations exceeding 10%) and corrective measures (for deviations exceeding 15%) of the following indicators:

- approval Rate

- Vintage 30+ at 3 months
- Roll Rate 1-30
- Total portfolio at the end of the period
- Risk Premium

The estimate of projection of the risk budgeted for the period is taken as a comparative basis.

In the event that any of these situations takes place, the necessary actions is carried out in order to stabilize the situation, by analyzing the causes and by taking measures to mitigate them, and always in total coordination with the business area.

### **2.2.7.3 Recovery process**

#### **1. RECOVERY PROCESS**

At Santander Consumer, the design of the collection strategy is exclusive to the Recovery Business Unit (“**RBU**”).

Collections are focused on the efficient management through the application of strategies giving priority to collection according to the client risk, the establishment of appropriate processes and the use of specialized systems.

The corporate portfolio department is in charge of receiving the unpaid installments and of transferring this information to the computer system. Once that this process has taken place, the automatic classification of the non-payment / default is made for these files.

According to this classification, the management of the recovery for these files with unpaid installments or bills will be carried out in the corresponding company or branch network, in accordance with the strategies pre-determined for such purpose on Tallyman (tool for the distribution of unpaid files to various recovery agents, according to products, client risk and the age of the non-payment).

When a credit operation registers a non-payment, a non-payment file is created or reactivated if the same had been already created. Consequently, there is a file for each operation that has generated a non-payment, to which a default key is automatically assigned according to a set of parameters previously established by the collection and recovery departments.

The main parameters are: method of entrance and exit of the default tranche (manual or automatic), date of maturity of the default tranche; date of receipt of the non-payment; and the number of installments that have not been paid.

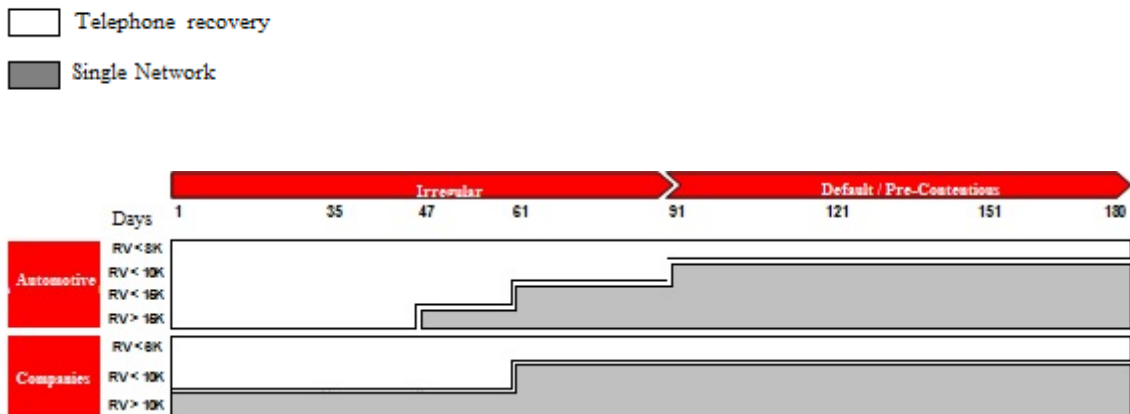
Each default tranche is linked to a recovery managing center, which is in charge of processing the whole file that is classified in the said tranche.

By means of a daily automatic process, the above parameters are checked for each unpaid instalment and, according to the development and the configuration of the entrance and exit options, a file may automatically change of default tranche.

Likewise, a management center or the collection department can manually transfer an operation to a new default tranche.

The recovery strategy of Santander Consumer is described in the following portfolio map:





In view of the classification at Santander Group of the assets according to the situation of collections, at Santander Consumer the management of irregular situations is divided into two tranches that are differentiated based on the age of the non-payment, the number of days spent in this tranche and the number of outstanding installments.

As regards the Circular 5/2012 issued by the Bank of Spain on transparency of banking services, there are procedures to comply with the requirement that establishes that, before bringing any legal action, it is necessary to inform that, if the borrower fails to comply with his/her payment obligations, and before undertaking any actions such as the demand of the whole loan or credit or the appeal filed to the courts, the Entity must warn the borrower of the potential consequences in terms of costs of late payment interest and other expenses, which would be derived if the non-payment persists, and of the possibilities and consequences that the eventual enforcement of the debt would have on his/her interests and properties.

### 1.1. Telephone recovery

In the case of operations with only a single instalment unpaid, the so-called Technical Recovery is carried out, which consists of an automatic re-deposit. The date on which this re-deposit takes place is determined according to a calendar prepared on a monthly basis on the specific application of remittances, but not beyond the first twelve (12) days of each month.

Automatic re-deposits made into this tranche are automatically accounted as a collection and consist of re-sending the installments returned for non-technical reasons to the banking entity.

From the first day and in parallel, the mass management is performed, which uses the telephone management that is performed by a team of telephone operators or branch network agents, according to the distribution established in the portfolio map.

Branch agents are distributed throughout the whole national territory. The operations corresponding to them in accordance with the portfolio map will be distributed according to the postal code and are automatically assigned to their corresponding managing center.

Mass telephone management is carried out on a daily basis; to that end, Santander Consumer sends the external contracted company a file in TXT format that the company includes in its computer systems (automatic dialers) and the result of the process is noted on SUGRE.

This file, without feedback, is daily sent until the day of the month on which it is decided to issue one or various mass remittances. The installments included in these remittances and not

returned since their issue are accounted as a collection during the first days of the following month. Collections are accounted approximately within forty (40) days following the dispatch.

In mass telephone management, the collection management for the files classified in this tranche is commenced by telephone contact with automatic predictive dialing and dialogue. The files are not assigned to agents, but there is an automatic distribution of calls per telephone operator, and there is also a daily follow-up of this management process.

Operations in which no payments are made will be transferred to the various specified non-payment tranches; only those that have not been transferred to Contentious will keep on being handled through the telephone management with an age exceeding one hundred and eighty (180) days, in accordance with the parameters established by Santander Consumer, which will take into account the product, risk and solvency of the clients.

From this moment, the operations are distributed among various recovery companies, and this generates greater competition. The management will continue to be made via telephone, by combining the mass dialing with the portfolio management and by giving great importance to locating clients by means of dialing at different times of the day and by looking for new data.

In this tranche, most companies work in their own management systems, given that they do not have access to SUGRE. To that end, they receive information by means of the daily sending of files with the accounting movements of the operations and with the demographic information necessary for their management. These files are directly sent by the Technology department.

Each company has a management deadline, after which they will lose the operations that have surpassed the said deadline; they may only keep those operations for which they have obtained a commitment to imminent payment. To that end, the company must request the corresponding extension that must be authorized by Santander Consumer.

In view of the type of operations and the difficulties for their collection, payment agreements are deemed a basic management piece; in these agreements, the customer may be encouraged to pay with reductions/cancellations of debt that must be previously authorized by Santander Consumer.

In this regard, Santander Consumer may also establish campaigns according to portfolio segments, in which powers will be granted to the various recovery companies in order to reach payment agreements with maximum reductions/cancellations of debt, by always taking into account the percentage of specific provisions maintained by the said operations.

## **1.2. Control of billing for services received from telephone platforms, external companies and branch networks**

This involves the follow-up and verification of the services received through the management performed by the recovery platforms, external companies and branch networks.

On a monthly basis, by means of an automatic process, the files of collections made in that month are obtained from the AS-400 database, itemized according to default tranches and the collection management center.

Once that the figures have been properly confirmed, by verifying that they coincide with the corresponding statistical data, the aforementioned files are sent to the recovery companies that issue and send the bills for the fees accrued by way of the services rendered.

When Santander Consumer receives the said bills, it checks that the calculation bases and percentages applied are correct according to files and the conditions established in the current contracts. The payment is authorized and sent to the Operations and Media Area that makes the said payment. In the case of payments made to external companies, these payments are authorized by the business area.

### **1.3. Collection through Branch Networks**

As described above in the portfolio map, Santander Consumer manages the irregular and defaulting files by means of a single branch network (“**NETWORKS**”).

The activity of this network is understood as the personal management for the collection of the defaulting clients/files in which the age of the oldest installment does not exceed one hundred and eighty (180) days starting from its maturity, according to the portfolio map, as well as those files that, although they are not within these limits, are “dragged” by view regarding the files.

The aim is to recover the debt and, to that end and according to the files, in addition to the recovery of the unpaid installments, this network will seek out financial solutions that will allow the client to normalize his/her economic situation, through the restructuring of his/her debt. For such purpose, the agents of both networks will use the following as financial instruments: the restructuring of the debt, the withdrawals of goods and repossessions, always in compliance with the regulations established by the Bank of Spain and the Corporate Policy of the Santander Group.

No file should, exceed the aforementioned maximum management deadlines without a relevant and formal decision having been made in respect of their transfer to contentious/delinquency or their continuance in the recovery management. Control and follow-up specific to the recovery files are implemented at the NETWORK that have exceeded the maximum deadline for their transfer to Contentious as well as a specific procedure demanding the periodic justification of the said status in connection to Committees.

In all cases the experience and development of the risk is take into account, the current payment situation or management tasks to be carried out, the indebtedness of the competitors, the judicial proceedings or incidences relating to non-payments with other entities, the proven solvency of holders and guarantors, etc., and the decisions deemed appropriate are made as regards the qualification of the situation and the management tasks which must continue to be performed or any new actions to be undertaken.

The committees existing at this management level that ratify the collection qualifications of the debt from “unlikely” to “delinquent” are:

- ✓ Regional Committees; weekly
- ✓ Central Contentious Committee; monthly
- ✓ Regional Contentious Committees; monthly
- ✓ Central and Regional Delinquency Committees (monthly)

The resolutions that the said committees may adopt and that are recorded in each file are:

- ✓ To continue the management process
- ✓ Registration in registers
- ✓ Restructuring
- ✓ Withdrawal of the financed goods
- ✓ Transfer to Legal Advice Department
- ✓ Others

The recovery management task performed by the NETWORK is carried out personally, as a qualitative element of physical localization and personal visit made to the debtor.

All management processes must be registered by the external agents in the log linked to each one of the files, by specifying the day of the particular management, its details and the result obtained; this allows to ensure the traceability of the management tasks performed, given that the application allows to identify who made the notation in the log by means of the user.

If the management tasks performed achieve the recovery of the claimed debt (even partially, in which case the collection process for the rest of the debt will continue), these payments must be made through the current accounts that Santander Consumer (or the rest of the companies on account of which the collection management is carried out) has opened with Banco Santander. In general, the debtor makes the deposit to the account directly or makes a transfer and specifies the information (file ref.) provided by the agent. In these cases, the debtor is required to send a fax to the attention of the agent with the deposit/transfer slip. It is possible to make the payment with a Santander Consumer referenced letter.

#### 1.4. Contentious and other procedures

The transfer to Contentious is automatically made according to the products, in accordance with criteria relating to the age of the debt, outstanding risk and unpaid installments, as shown below:

Product	Entry	Type of assignment	Outstanding Risk	Installments	Department	Center
AUTOMOTIVE (Financing)	175 days	Automatic	> € 2,000	>= 3	LEGAL ADVICE NETWORK	ERBRDA
COMPANIES (RV Customer)	175 days	Manual	Customer's Outstanding Risk > € 75,000		COMPANIES	ENT

There is a possibility of transferring files to Contentious that have an age below the age specified above; the said transfers must be authorized by the regional pre-contentious committees or by means of a direct decision made by Santander Consumer.

For the initial registration as contentious, the corresponding committee sends both the minutes of the meeting of the Committee and the solvency reports and contractual documents to the Contentious department.

In all cases, so that the transfer can be executed, the operation must always be registered in a contentious record file, in such a way that it is assigned to the contentious balance sheets, by entering any other information such as the procedure, action, judicial district and legal counsel or agent to whom the file has been assigned.

The management of the files will be assigned according to the product and the risk, based on the following distribution.

- **Companies with a risk exceeding €75,000.** These operations will be assigned to the office of companies, where all of them will be centrally managed.
- **Companies with a risk lower than €75,000, insolvency proceedings and rest of products.** They will be assigned to the various area managers that, in turn, will assign the file to an external legal counsel, according to geographic criteria.

In any case, they will complete the said documents, whether by drafting simple balance certificates or by requesting the administrative department to send them, by requesting the more complex certificates,

or by gathering from the notaries public that authorized the contracts the certification of the same; likewise, the legal counsel will draft and register the demands for payment.

As a general rule, claims must be filed within the period of time of thirty (30) days.

The follow-up of the process is performed via notations made in the management log of the file; the external legal counsel will send, for a detailed follow-up of the process, the most significant court rulings, such as answers or challenges to the complaint, judgments, etc.

From the moment at which the file is received, the extrajudicial recovery management begins in parallel, without interrupting the deadline for submission of the complaint or the judicial procedure.

Any monetary collections made must be credited on the same day, or on the following day, to the creditor company's account. Those made by virtue of writs of return issued by the courts and tribunals will be sent by the solicitors to the central services for their payment into the current accounts held by the creditor company and for their accounting registration.

Court orders (judgments) are enforced after having updated the solvency of the debtor (if necessary), by seizing any real estates or salaries, where applicable.

The seizure of assets must be registered in the public registers as soon as the order for registration is obtained; the entries must be renewed every four years, if the amount has not been previously collected.

On the other hand, the award of assets is authorized by the Contentious manager, following their appraisal on the part of appraisal companies/independent experts.

Once that the assets have been awarded, they are accounted, together with a copy of the Writ of Award and the appraisal of the asset.

#### **2.2.7.4. Money laundering and fraud**

In compliance with the risk policy of Santander Consumer, any type of credit risk operation –no matter how well guaranteed it is– must be rejected if the applicant is not duly identified, or if the applicant and applicant's activity are not properly known, or if the origin of guarantees offered as hedge or the funds used to repay the operation are not sufficiently identified.

##### **A. Fraud prevention in admission process**

The said prevention is carried out as follows:

- Monitoring and parameterization of fraud rules in the decision-making systems (within the block of exclusion rules). The failure to comply with these rules makes the application be rejected.
- Verification of the documents delivered by the customer upon the formalization of the agreement. For SMEs, it is necessary to obtain economic data about the companies by means of the external provider "Informa", which guarantees the truthfulness of the financial statements produced. Following this verification, the copy to be sent must be a perfectly legible and quality copy.

A fraud profile is created based on the characteristics of the operation, by classifying the operations into high, medium or low profiles. This classification is based on the score obtained by the different

variables involved in the operation establishing different documental review levels for the operation, according to the following table:

FRAUD PROFILE	HIGH	LEVEL 3
	MEDIUM	LEVEL 2
	LOW	LEVEL 1

Document reviews to be conducted for each level:

- Level 1: It must be verified that all the minimum required documents have been produced and coincide with those captured for the analysis of the operation. The validity of identity documents must be verified.
- Level 2: Additionally to the requirements of level 1, phone calls must be made to confirm the employment relationship of holders. No operations will be paid until these verifications have been conducted.
- Level 3: Additionally to the requirements of levels 1 and 2, phone calls must be made to the banks in order to confirm the accounts designated for the collection of installments; phone calls may be made to the customers in order to confirm contact telephones and the delivery of assets; other additional verifications may be conducted to guarantee that the operation is correct. No operations will be paid until these verifications have been conducted.

Below, there is a description of the steps to be taken during the operation analysis and resolution process, if false information is detected in the documents provided by the customer, relating to:

- ✓ Identification: alleged impersonation by counterfeiting or altering National ID Cards, passports, residence permits, etc.
- ✓ Information: false or altered pay-slips, non-existent company for which the customer supposedly works, false telephone number, etc.

Upon the detection of incidents both in the applications under study or in approved applications, it is necessary to send an email and to include a brief explanation of the detected type of incongruence, by stating the name and the National ID Card/Tax ID Number/Foreigner's ID Number of the identities involved.

## **B. Fraud detection**

In general, frauds are detected:

- ✓ At the network of branches and agencies, upon the receipt of documents for the operations. Likewise, fraud is detected upon receipt of the information relating to irregular behaviors of the corresponding advisor.
- ✓ At the RBU, when performing recovery actions with customers.
- ✓ When performing telephone recovery actions. If customers state that the payment of installments does not correspond to them, since they have not received the assets, they do not recognize the operation or they consider that the payment must be made by the advisor, all of this must be noted in the remarks and the file must be marked so that it is managed by specialized managers outside the usual procedure.

- ✓ Upon the telephone capture, when receiving the information from the advisors to capture operations.
- ✓ At the Corporate Security Area of the Bank, when receiving information from the State Security Forces and Bodies.
- ✓ At the Aftersales and Customer Service departments, when receiving letters of complaint from customers.
- ✓ At the Documental Review Unit, when reviewing the documents provided for the operations. These operations must be marked in the system, so that they are subject to a specific and differentiated management, when returns are received.
- ✓ At the Corporate Monitoring Unit, when receiving the Reports on the review of vehicles in stock credit, sent by the Technology and Operations Area.
- ✓ At the ODU, when analyzing operations.

Likewise, the following alert systems are established:

- a) Operations for which the first two installments have been returned; the following operations must be carried out:
- ✓ From the RBU, a list of these operations is obtained on a monthly basis.
  - ✓ The RBU will carry out a first search in order to prevent technical returns.
  - ✓ In the cases of non-located customers, the RBU will carry out the action previously defined for these cases at the back office of non-located customers.
  - ✓ The rest of operations and the non-located customers that persist once that the first action has been carried out will be sent to the business areas, so that they can make inquiries with the advisors, within fifty (15) days, in order to confirm the delivery of the assets, the place of delivery and any eventual contact telephone numbers of holders.
  - ✓ This information will be sent to the RBU to continue with the management.

### **C. Fraud Committee**

The management for fraud prevention in the whole credit cycle requires a high level of involvement of all areas concerned. Therefore, the Committee

- ✓ on a monthly.
- ✓ will be chaired by a member of the Management Committee of Santander Consumer. Likewise, the duties of Secretary will be performed by the representative of Risks.
- ✓ will be made up of: the head of Standardized Risk Fraud Management, one head of the RBU, one head of Technological and Operative Risk, Business Areas of Automotive Sector and Consumption and Legal Advice. Each area will provide a person that must always be the same representative for, at least, one year. For any change in these representatives, the approval of the Management Committee of Santander Consumer will be necessary. Likewise, the Regional Managers, ODU, URD, Agencies, will be invited on a rotating basis. In cases in which operations are submitted for an amount exceeding €100.m, the meeting must be attended by the Manager of the Branch and if the said amount exceeds € 200 M, it must be attended by the Regional Manager and the Area Manager.
- ✓ The person submitting the operations will be: the Fraud head of Reintegrate.
- ✓ Powers: the Committee will be empowered up to € 150,000 per each fraud. Beyond this amount, it is necessary to have the authorization of the Management Committee of

Santander Consumer. Likewise, it may decide on the transfer of any dealer from pre-payment to post-payment. If, for any reason, there is any conflict as regards the inclusion in post-payment, such a conflict must be settled by the Director-General Manager of Santander Consumer. However, the business network may reconsider any decision on the transfer to post-payment, but the Director-General Manager of Santander Consumer (CEO) will finally decide on the matter.

- ✓ The chairman will inform, together with the head of fraud management, both of the minutes and the relevant facts, improvements, involvements of other areas at the meeting of the Management Committee of Santander Consumer, held on Friday of that week.
- ✓ The relevant statistics will be prepared on the reviewed operations by the regional management, dealer/establishment, etc. Controls will be implemented on a monthly basis, with thirteen (13) rolling months for operations, reviewed amounts by the regional management, etc.

The decisions made by the fraud committee will be:

- ✓ To continue with the collection management, since it is considered appropriate to further deepen the management operations, or because more information or documents are still needed to solve the incident, or because it is ultimately deduced that the incident is not subject to fraud and, therefore, the file is reclassified. In this case, the RBU will control the operations in this situation and will specially supervise them; any alteration of this status must be authorized by the Fraud Committee.

In any case, if there are any reasonable doubts about the validity of the operation (impersonation or other alleged fraud), recovery actions must be preventively suspended until the possible fraud has been analyzed.

- ✓ To regularize and separate the holder, since it has been verified that he/she has been impersonated, or his/her documents have been used to impersonate them, or because they have been stolen. In all these cases, a formal complaint must have been filed before the Police or a Court by the damaged person; the said formal complaint is also analyzed and reviewed together with the rest of documents produced. The regularization implies to enter the debt in the accounting books as an operational risk loss (it will generate no VMG), within the category of external fraud.
- ✓ Contentious or Legal Advice, when it is verified that the person or entity that has carried out the irregular activity has been identified; the appropriate criminal actions will start, and the lawyer to whom the file has been assigned will make the formal complaint and bring the legal actions by means of petitions or claims, and the formal complaint is no longer managed by any proxy of Santander Consumer.

In those cases in which the legal action is not brought against the holder of the operation, he/she will be separated and the operation will be regularized, by registering in the books the debt corresponding to the file as an operational risk loss (not VMG), within the category of external fraud.

In those cases in which the legal action is brought against the holder of the operation due to document forgery, the holder will not be separated and the debt of the operation will be transferred to operational risk losses (not VMG), within the category of external fraud.



- ✓ Delinquent Loan, when there are no signs that the collection will be carried out and in view of the insolvency of holders, it is not considered to file any judicial claim.

To determine whether Santander Consumer appears as a private plaintiff and brings the criminal proceedings deemed appropriate.

### **3. 2.2.7.5. ADVISOR-RELATED RISK**

#### **1. Review of advisors**

##### **Periodical reviews:**

An automatic system classifies advisors on a monthly basis, by considering them at the level of establishment, based on the analysis of different variables that analyze the turnover generated and its quality. By means of this analysis, advisors are classified into five categories: category A corresponds to the lowest risk level and category E corresponds to the highest risk level.

Additionally, the following alerts have been established, with the possibility to define other new alerts:

- ✓ Bankruptcy situation: advisors that, at the end of the month, are bankrupt.
- ✓ FEVE [Firms Under Special Vigilance] category: advisors that, at the end of the month, have a FEVE Category of “Terminate” or a delinquency classification.
- ✓ Three first installments returned: advisors with whom the number of operations provided with the three first installments returned exceeds by a percentage the operations provided during the same period (twelve (12) last months). This percentage is currently established at 10%.
- ✓ CIRBE non-payments: advisors that, at the end of the month, have non-payments registered with CIRBE.
- ✓ Risk Premium: advisors that, at the end of the month, have a risk premium, twelve (12) last months, exceeding the established risk premium, which is currently 5% for the Automotive Sector and 10% for Consumption and Cards.
- ✓ ASNEF: advisors that, at the end of the month, have non-payments registered with ASNEF exceeding € 3.000.
- ✓ Duplicated chassis: advisors that submit such an incidence with a chassis for a period of time equal to or longer than (five) 5 days.
- ✓ High percentages of rejection: advisors with a percentage of application rejections exceeding 50%.

The combination of the classification of advisors and the alerts defined generates a table that categorizes each advisor into one type of action to be communicated to the Business Network:

Additionally, in order to continue working with advisors involved in bankruptcy, it will be compulsory to obtain the express authorization of the High Committee on Risks, with the prior approval of the Advisor Supervision Committee.

Twice a year, a list will be prepared with advisors that have not submitted any operations for, at least, twenty-four (24) months. This list will be communicated by Risks Department to the business units for its analysis, and, unless they belong to some group or have card agreements, they will be discharged due to inactivity. The reactivation of advisors discharged due to inactivity must be handled as a new registration.

#### **2. Specific reviews (portfolio maps)**

Specific reviews will be conducted, based on portfolio maps, according to types of business, products, branches/agencies or any other segmentation that might be established. For selected advisors, branches will receive a check list to be filled in, in order to analyze –based on the answers– the level of engagement of the advisor and the information on the advisor that is known. Standardized Risks will analyze these answers.

## **2.2.8 Statements and other guarantees given to the Issuer in connection with the Credit Rights.**

Santander Consumer, in its capacity of holder of the Loans –until the assignment of the Credit Rights to the Fund– and as Assignor of the Credit Rights, will state and assure the Managing Company, in the name and on behalf of the Fund, and the Managers, that:

### **(a) In relation to Santander Consumer:**

- (1) That Santander Consumer is a credit financial institution duly incorporated by virtue of the Spanish regulations in force and that it is registered in the Commercial Register and is authorized to grant loans for the acquisition of new or used vehicles.
- (2) That the Legal Person of Santander Consumer have validly adopted all the necessary corporate resolutions as regards the assignment of the Credit Rights to the Fund and the formalization of its Deed of Incorporation and the Assignment Agreement.
- (3) That neither as at the date of registration of the Prospectus, nor at any time after its incorporation, Santander Consumer has been involved in any situation of insolvency, creditors' proceedings.
- (4) That its annual financial statements relating to the fiscal years 2013 and 2014 have been duly audited by Deloitte and submitted to the Commercial Register of Madrid. The audit report corresponding to said years do not content any remarks.
- (5) That it is indicated in section 4.1.c) of the Prospectus complies with Regulation on CRR, the Regulation on AIFM and the Regulation on Solvency II.

### **(b) In relation to the Loans and the Credit Rights:**

- (1) That the grant of the Loans as well as the assignment of the Credit Rights to the Fund and all the aspects related to this operation have been and will be carried out according to the market criteria.
- (2) That the Loans exist and are valid and enforceable in accordance with the applicable legislation and that all applicable legal provisions have been observed in their granting, in particular and where applicable, the Law 7/1995, of 23<sup>rd</sup> March, on Consumer Credit and the Law 16/2011, of 24<sup>th</sup> June, on consumer credit agreements, the Royal Legislative Decree 1/2007, of 16<sup>th</sup> November, approving the consolidated text of the General Law for the Protection of Consumers and Users and any other supplementary laws, and the Law 7/1998, of 13<sup>th</sup> April, on General Contracting Conditions.
- (3) That, in connection with the granting or subrogation of each and every one of the Loans, Santander Consumer has faithfully applied the risk granting policy applicable from time to time. 100% of the Outstanding Balance of the Credit Rights complies with the current credit granting policy of Santander Consumer contained in item 2.2.7 of this Additional Module.

- (4) That Santander Consumer is, without limitation, the owner of the fee simple of all of the Loans, which are free from any encumbrances and claims.
- (5) That the Loans are not secured by any right in rem by way of guarantee, but they are personal Loans and the Debtor or Debtors are liable for their performance with all of their current or future assets. Some of the said loans are also secured by means of a guarantee (bank guarantee or co-owner) given by a person other than the Debtor or Debtors, and all the the Loans of them have a reservation of title clause, regardless of the fact that the Loans have been notarised in a public document (policy) granted before a Notary Public or in a private agreement (although not all reservation of title clauses are registered in the Register of Installment Sales of Movable Properties, but those representing the 22.4% of the Preliminary Portfolio Balance, as provided in section 2.2.2.1 e) of the Additional Module).
- (6) That the guarantees, where applicable, of the Loans are valid and enforceable in accordance with the applicable legislation; and that all the current legal provisions have been observed in their creation, and that Santander Consumer is not aware of the existence of any circumstance preventing their enforcement.
- (7) That the Loans are duly supported by documentation, whether under private agreements or in deeds granted before a notary public. All of them are duly deposited at the registered office of Santander Consumer at the disposal of the Managing Company, although not all of them are registered in the Register of Installment Sales of Movable Properties and in the Register of Motor Vehicles of the Directorate-General for Traffic (only those that Santander Consumer considers to have a greater risk of non-payment have been registered).
- (8) That the private agreements or the deeds granted before a notary public that document the Loans do not contain any clauses that prevent the assignment of the Loans or that require any authorization or notice in order to assign the Loans. And that, as regards the Loans that may not be freely transferred without the consent of the debtor, the said consent has been obtained.
- (9) The data relating to Loans that are included in the Constitution Deed and the policy of assignment of loans accurately reflect the situation of the Loans on the Date of Incorporation, as it is contained in private contracts or are tapped policies before notary documenting public loans, and that such data are accurate, complete and not misleading.
- (10) That all of the Debtors of the Loans are natural persons or Legal Person residing in Spain. None of them are employees, managers or directors of Santander Consumer.
- (11) That the Loans have been granted by Santander Consumer for the purpose of financing the acquisition of new and/or used vehicles on the part of natural persons or Legal Person residing in Spain.
- (12) That the principal amount of the Loan does not exceed the purchase value of the financed vehicle on the date of the formal execution of the Loan plus, where appropriate, the financing of expenses incurred due to the formal execution (opening, study and information, as they may apply) and/or insurance expenses related to the operations.
- (13) That no Loan is derived from debt restructurations (in the moment of assignment to the Fund).

- (14) That on the date of assignment to the Fund, it has not come to Santander Consumer's attention that any of the Debtors has been declared to be insolvent.
- (15) That all of the Loans are exclusively denominated and payable in euros.
- (16) That, on the date of the assignment, there will not be any Loan with a grace period for interest or principal after the corresponding assignment of the Credit Rights deriving from the said Loan to the Fund.
- (17) That payment obligations of all the Loans are fulfilled by direct bank debit from a bank account generated automatically and authorized by the corresponding Debtor at the time of the formalization of the transaction.
- (18) That at the time of the assignment of the Loans to the Fund, the Debtors have paid at least one (1) instalment.
- (19) That all of the Loans are clearly identified, both on computerized form and in the form of their private agreements or deeds granted before a notary public, and that they are analyzed and supervised by Santander Consumer.
- (20) That on the date of their assignment to the Fund, the Outstanding Balance of the Credit Rights is equal to the capital amount at which the Credit Rights are assigned to the Fund.
- (21) That the Final Maturity Date of the Loans is in no event later than 25<sup>th</sup> January 2029.
- (22) That as from the time of their granting, the Loans have been and are being administered by Santander Consumer in accordance with the usual procedures that it has established.
- (23) That Santander Consumer is not aware of the existence of any kind of litigation in relation to the Loans that may impair their validity and enforceability or that may lead to the application of article 1,535 of the Spanish Civil Code.
- (24) That all of the Loans accrue interest at a fixed interest rate, which is not lower than 5%.
- (25) That all data included in the Prospectus in relation to the Credit Rights accurately show their status as at the date on which the Preliminary Portfolio was selected and that the aforementioned data are correct.
- (26) That no person holds any preferential right over that of the Fund as the owner of the Loans.
- (27) That Santander Consumer has not received any notice from the Debtors regarding the total or partial early redemption of the Loans.
- (28) That the Loan has not matured before the date of its assignment to the Fund and that the final maturity date of the Loan does not coincide with the said date.
- (29) That installments are made up by the principal and interest of the Loans and are constant and payable on a monthly basis.
- (30) That none of the Loans have clauses envisaging deferment in payment of interest or principal, subsequently to the assignment of Credit Rights to the Fund.

- (31) That Santander Consumer is not aware that any of the Debtors of the Loans is the holder of any credit right vis-à-vis Santander Consumer that gives the said Debtor the right to exercise the set-off that could adversely affect the rights attributed to the Fund by reason of the assignment of the Loans.
- (32) That the payments of the Debtor deriving from the Loans are not subject to any tax deduction or withholding.
- (33) That each Loan constitutes a valid payment obligation that is binding upon the Debtor and is enforceable in accordance with its own terms.
- (34) That the Credit Rights are governed under the Spanish laws.
- (35) That none of the Loans has been formalized as a financial lease agreement.
- (36) That all of the Loans have been fully drawn by the corresponding Debtor.
- (37) That the payments for Loans are up to date.
- (38) That the Loans have not been approved in contrary of the evaluation of the automatic assessment system by an analyst (i.e., no Loan has been granted under a forced approval).
- (39) That the Loans are not the result of operations with Demo Vehicles, i.e., loans aimed at the acquisition of vehicles for self-registration.
- (40) That the Loans are not the result of Rent a Car operations, i.e., loans aimed at the acquisition of vehicles by vehicle rental companies.
- (41) That on the date on which the Loans are granted, the Debtors are not unemployed.

The Managing Company has obtained from the Assignor the representations and guarantees regarding the characteristics of the Loans that are described in this section and that will be ratified in the Assignment Agreement and on the occasion of each assignment of Additional Credit Rights. The Managing Company and the Assignor will guarantee in the Assignment Agreement that the Loans (from which the Credit Rights are derived) that will be assigned to the Fund do not have any outstanding installments.

### **2.2.9 Replacement of the Credit Rights.**

Regarding the Representations and Warranties set forth in paragraph 27 above, the Assignor has agreed that if it is proved that a debtor opted for the total or partial early termination of any of the Credit Rights before the Date of Incorporation, even if that option were unknown to Santander Consumer, the terms and commitments recorded in the following paragraphs, in particular a) and b), will be applicable, but this does not mean and may not be considered in any case as a lack of veracity or non-compliance with the Representation and Warranties, being possible the direct substitution of the affected Credit Rights.

In the case of the appearance of any hidden defects in any of the Credit Rights when it has been verified, after the Date of Incorporation, and notwithstanding the Representations and Warranties made by the Assignor and the diligence exercised by the Assignor to ensure its truthfulness, that the Credit Rights do not have the attributes specified in the Representations and Guarantees contained in section 2.2.8 (b) of the Additional Module and the Global Requirements established in item 2.22.2 above, or to the specific conditions and characteristics thereof notified by Santander Consumer to the Managing Company, Santander Consumer undertakes, after having obtained the consent from the Managing Company, to immediately proceed to remedy the aforementioned defects. In the event that this is not possible, Santander Consumer will replace them or, if applicable, repay the Credit Rights referred that are not

replaced by means of the automatic termination of the assignment of the Credit Rights affected, subject to the following rules:

- a) The party that becomes aware of the existence of any Credit Rights in the aforementioned situation, whether the Assignor or the Managing Company, will notify the other party of such circumstance. Within the period of fifteen (15) Working Days starting from the said notice Santander Consumer will have to proceed to remedy that circumstance, if possible, or to proceed to the replacement of the referred Credit Rights.
- b) The replacement will be carried out for the Outstanding Balance of the Credit Rights plus any interest accrued and not paid and any other amount that might correspond to the Fund until that date by of the corresponding replaced Credit Right.

In order to proceed to the said replacement, the Assignor will inform the Managing Company of the characteristics of the Credit Rights proposed to be assigned and that have the characteristics contained in section 2.2.8 (b) of this Additional Module, with similar characteristics as regards the purpose, term, interest rate, guarantee, manner of formal execution and outstanding principal balance. Once that the Managing Company has verified that the characteristics set forth in section 2.2.8 (b) of this Additional Module are satisfied and after having expressly communicated to the Assignor that the Loans to be assigned are appropriate, the Assignor will proceed to terminate the assignment of the affected Credit Right and will assign a new Credit Right or new Credit Rights.

The replacement of the Credit Rights will be carried out by granting a deed of amendment of the Assignment Agreement, and a copy of said document will be filed with the CNMV.

- c) In the event that no Credit Right is replaced pursuant to the terms established in rule b) of this section, the Assignor will automatically proceed to terminate the assignment of the affected Credit Right that has not been replaced. The said termination will be carried out by means of the repayment in cash to the Fund of the outstanding principal, any interest accrued and not paid, and any other amount that might correspond to the Fund until that date by virtue of the corresponding Credit Right, which will be paid into the Cash Account.
- d) In the case of termination of assignment of Credit Rights by reason of either replacement or repayment, the Assignor will have all of the rights derived from those Credit Rights and accrued after the termination date, or accrued and not due, or not paid as at that date.

#### **2.2.10 Relevant Insurance Policies relating to the Loans.**

The Credit Rights derived from de Loans that will be subject to assignment to the Fund allow de Debtor to underwrite option supletory services related to the insurance policy with regard to the vehicles which rights are assignment to the Fund in accordance with section 3.3.1. of the current Additional Module. The first beneficiary of the Santander Consumer insurance indemnization, been a 99.9% of the insurance hire with [Santander Insurance Ireland, that at the same time is part of Grupo Santander.](#)

In section 2.2.2.1 s) of the Additional Module are detailed the agreements included in the Preliminary Portfolio with the referred insurance policy. With respect to the Fund, the obligatory automotive insurance policy are not included in the Loans rate. So, taking into account that the premium of such insurance is not assign to the Fund, the eventual non-payment of the premium does not have any effect in the Loans repayment.

The types of insurances which rights are assign to the Fund are the followings:

**Live Insurance:** the live insurance release the client of his payment duties in the event of death of the insured title-holder.

**Unemployment Insurance:** the unemployment insurance grant the customer the guarantee of a monthly income equivalent to the loan, in the event of unemployment, if the insured is salaried employee with an indefinite contract and, in the event of a temporary incapacity to work for temporary workers, freelance workers, others.

**Driving Licenses Withdrawal Insurance:** the driving licenses withdrawal insurance grant to the customer the guarantee of a monthly income equivalent to the loan in the event of withdrawal of the driving licenses by a judicial or governmental order.

**Total Loss Insurance:** the total loss insurance guarantee to the customer the redemption in the events of total loss of the vehicle subject of the financial transaction caused by and accident, a robbery or extraordinary risks responsibility of the Insurance Compensation Consortium.

**2.2.11 Information relating to the Debtors in the cases where the assets include obligations of five (5) or fewer Debtors that are Legal Person, or if one Debtor represents twenty percent (20%) or more of the assets, or if one Debtor represents an important portion of the Assets.**

Not applicable.

**2.2.12 Details of the relationship between the issuer, the guarantor and the Debtor, if it is of relevance to the issue.**

As regards the issue of the Bonds, there are not any important relationships between the Fund, the Assignor, the Managing Company and any other parties involved in the transaction, other than those specified in section 5.2 of the Registration Document and section 3.2 of this Additional Module.

**2.2.13 If the assets include fixed income securities, description of the main conditions.**

Not applicable.

**2.2.14 If the assets include variable income securities, description of the main conditions.**

Not applicable.

**2.2.15 If the assets include variable income securities that are not traded on a regulated or equivalent market, and if they represent more than ten (10) percent of the assets, description of the main conditions.**

Not applicable.

**2.2.16 Assessment reports relating to the ownership and cash flows / income in the cases that an important portion of the assets is secured by real estates.**

Not applicable.

**2.3. Assets actively managed backing the issue.**

Not applicable.

**2.4. Statement in the event that the issuer intends to issue new securities backed by the same assets, and a description of how the holders of that Series will be informed.**

Not applicable.

**3. STRUCTURE AND CASH FLOW**

**3.1. 3.1 Description of the structure of the transaction.**

Through this securitization transaction, Santander Consumer will transfer the Credit Rights to the Fund. The Fund will acquire the Credit Rights and will issue the Bonds.

This transaction will be formalized by virtue of (i) the Assignment Agreement, (ii) the Deed of Incorporation, by virtue of which the Bonds will be issued, and (iii) the assignments of Additional Credit Rights pursuant to the procedure described in item 2.2.2. above and item 3.3.1 below.

A copy of the Deed of Incorporation and the Assignment Agreement will be sent to Iberclear and to the CNMV prior to the Subscription Date of the Bonds.

On another subject and in order to strengthen its financial structure and to procure the greatest possible hedge for the risks inherent in the issue, the Managing Company, acting on behalf of the Fund, will proceed to formalize, among others, the contracts specified below, with the power –in order to comply with the Fund’s operating structure pursuant to the terms set forth by the current regulations from time to time– to extend or amend the said contracts, to replace each of the providers of services to the Fund thereunder and, if necessary, even to enter into additional contracts, after having informed the CNMV and –if applicable, after having obtained the pertinent authorization– the Rating Agencies, provided that this does not affect the rights of the Bondholders and, in particular, provided that this does not imply a downgrade in the credit rating of the Bonds. Likewise, the said actions will not require the amendment of the Deed of Incorporation, provided that they do not give rise to the modification of the Ranking established in item 3.4.6 below.

The Managing Company will formalize with SCF the Reinvestment Agreement, by virtue of which SCF will not guarantee a variable yield on the amounts deposited by the Fund through its Managing Company in the Cash Account and in the Principal Account. Likewise, and in compliance with the aforementioned Reinvestment Agreement, the Commingling Reserve Account and the Liquidity Reserve Account will be opened. Any amounts deposited in the Cash Account, the Principal Account, and the Commingling Reserve Account and to the Liquidity Reserve Account will not accrue any interest.

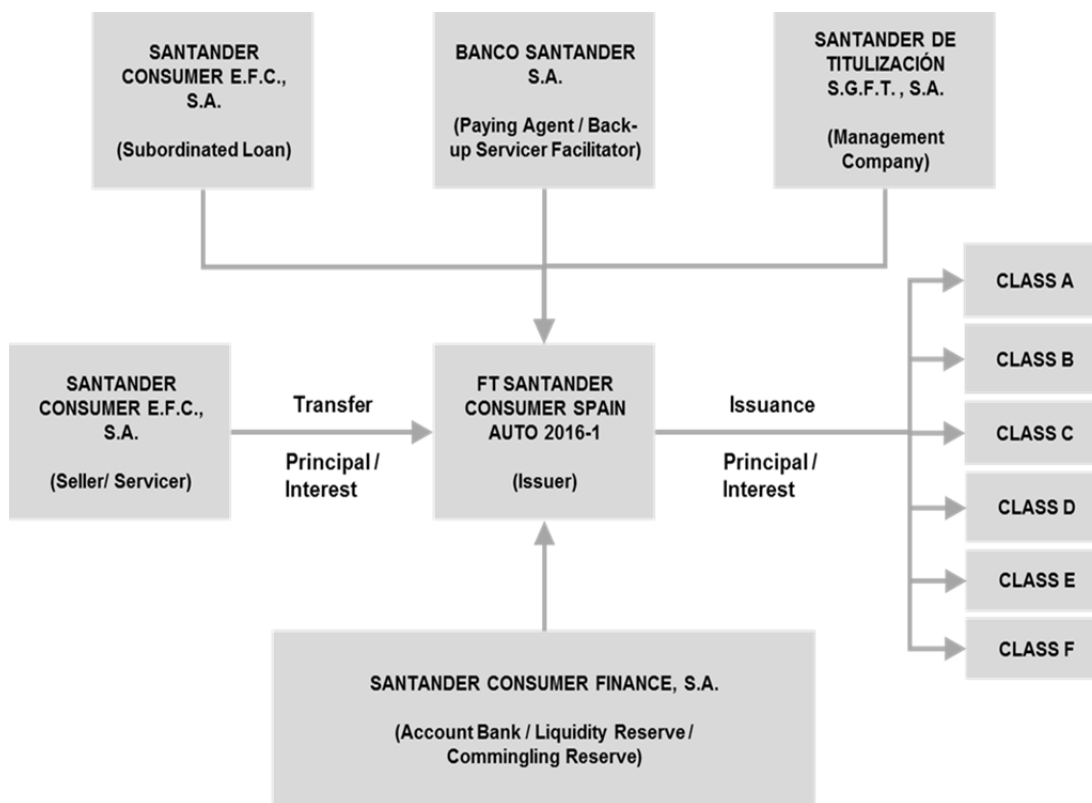
The Managing Company will formalize with Santander Consumer the Subordinated Loan that will be used, among other things, in order to finance the initial expenses incurred due to the incorporation of the Fund, including the amount of interest accrued and not become due of the Initial Credit Rights.

Finally, the Managing Company, for and on behalf of the Fund, will enter into the Management, Structuring, Subscription and Payment Agency Agreement with the Structuring entities, Subscribers, the Managers and the Paying Agent. The description of the contracts included in this section and in sections 4.1.b) and 5.2 of the Securities Note, and sections 3.4.3



and 3.4.4 of this Additional Module accurately shows the most relevant information contained in the said contracts. No data or information that may prove to be material to the investor has been omitted.

Below there is a diagram explaining the transaction:



### Initial Balance Sheet of the Fund

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

ASSETS (EUR)		LIABILITIES (EUR)	
Credit Rights	768,000,000	Issued Notes	780,300,000
Outstanding Balance	765,000,000	Class A Notes	650,200,000
Interest accrued but not paid (*)	3,000,000	Class B Notes	30,600,000
		Class C Notes	42,100,000
		Class D Notes	23,000,000
		Class E Notes	19,100,000

		Class F Notes	15,300,000
Treasury Account	16,075,000	Subordinated Loan	3,775,000
<b>TOTAL:</b>		<b>TOTAL:</b>	<b>784,075,000</b>

(\*) Estimation of the accrued and not liquidated interest of the Preliminary Portfolio at the Date of Incorporation.

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

A description of these entities is contained in section 5.2 of the Securities Note.

**3.3. Description of the method and of the date of sale, transfer, novation or assignment of the Credit Rights.**

**3.3.1 Formalization of the assignment of the Credit Rights.**

The Assignor will be liable to the Fund for the existence and lawfulness of the Credit Rights at the assignment moment but will not be liable of the Debtor solvency nor the enough guarantees of the Credit Rights as established in articles 348 of the Commercial Code and 1,529 of the Civil Code.

The Assignor will not bear the risk of non-payment on the Credit Rights and, consequently, will have no liability whatsoever for the non-payment by the Debtors of principal, interest or any other amount they might owe by virtue of the Loans, and will not be liable for the enforceability of any collateral security. Likewise, the Assignor will have no responsibility whatsoever to directly or indirectly guarantee that the transaction will be successfully completed, and will not grant any guarantee or security, or agree to replace or repurchase the Credit Rights, without prejudice to the provisions of section 2.2.9 of this Additional Module. The assignment of the Credit Rights derived from each of the Loans will be carried out for the total amount of the outstanding principal pending repayment on the date of assignment and for all ordinary interest on each Loan that is assigned, pursuant to the terms set forth below.

All the expenses and taxes incurred as a result of the assignment of the Credit Rights to the Fund will be borne by Santander Consumer.

The assignment of the Credit Rights by Santander Consumer will be carried out as described below.

**a) Assignment of the Initial Credit Rights**

Santander Consumer, in the act of incorporation of the Fund and at the time to grant the Deed of Incorporation, will assign the Initial Credit Rights to the Fund by means of the Assignment Agreement.

The assignment will be complete and unconditional and will be made for the entire term remaining until the total maturity of the Credit Rights as from the moment at which the Assignment Agreement is signed.

**b) Assignment of the Additional Credit Rights**

Following its incorporation, the Fund, represented by the Managing Company, will successively acquire on each Payment Date during the Revolving Period Additional

Credit Rights to replace the amount of the Outstanding Balance of the Credit Rights that might have been redeemed.

Additional Credit Rights will be assigned to the Fund by means of purchase offers and their acceptance by the Fund, in compliance with the provisions of item 2.2.2 above and the Deed of Incorporation. Any expenses and taxes resulting from the formalization of successive assignments will be borne by Santander Consumer.

For each new acquisition of Additional Credit Rights, the Managing Company must send the following documents to the CNMV:

- i. Via CIFRADO, the list of Additional Credit Rights assigned to the Fund and their main characteristics.
- ii. Statement granted by the Managing Company, and subscribed by Santander Consumer as well, that the said Additional Credit Rights meet all the Election Requirements established for their assignment to the Fund.

The assignment will be complete and unconditional and will be made for the entire term remaining until the total maturity of the Credit Rights as from the Payment Date on which they are acquired and paid by the Fund.

To be able to Assign Additional Credits, the financial statements shall be audited and register before the CNMV and that the audit report on the last financial year do not have any remark.

**c) Price of sale or assignment of the Credit Rights.**

**(1) Price of the assignment of Initial Credit Rights**

The assignment price for the Initial Credit Rights will be the nominal value plus any interest accrued but not liquidated prior to the Date of Incorporation. The price that the Fund, through its Managing Company, must pay to Santander Consumer on the Disbursement Date for the acquisition of the Initial Credit Rights will be equal to the amount of the Outstanding Balance of the Credit Rights pooled in the Fund on the Date of Incorporation, plus any interest accrued but not liquidated prior to the Date of Incorporation.

The price will be paid in full before 3.00 pm (Madrid time) on the Disbursement Date, with value date on that same day. The payment will be made by virtue of an order issued by the Managing Company to Banco Santander, and Banco Santander will charge the price for the acquisition of the Initial Credit Rights to the Cash Account opened with SCF in the name of the Fund, once that the amount of the Issue of the Bonds and the Subordinated Loan has been transferred to the said Cash Account.

In the event that the incorporation of the Fund and, consequently, the assignment of the Initial Credit Rights is terminated, (i) the obligation of the Fund to pay the price for the acquisition of the Initial Credit Rights will be extinguished, and (ii) the Managing Company will be obliged to reimburse Santander Consumer for any rights that might have been accrued in favor of the Fund due to the assignment of the Initial Credit Rights.

The Assignor will not receive any interest as a result of the deferral of payment of the sale price from the Date of Incorporation to the Disbursement Date.

**(2) Price of the assignment of Additional Credit Rights.**

The Additional Credit Rights will be assigned by a price equivalent to the Acquisition Amount of the Additional Credit Rights.

The price must be paid in full on the corresponding Payment Date on which the assignment is carried out, with value date on that same day; Santander Consumer will debit this amount to the Principal Account opened in the name of the Fund.

**d) Description of the rights that, in favor of their holder, are conferred by the assets on the Loans backing them.**

The Fund, as the holder of the Credit Rights deriving from the Loans, will have the right to receive all the payments made in respect of the following concepts:

- a) all of the amounts accrued due to the repayment of capital or principal of the Loans;
- b) all of the amounts accrued due to the ordinary interest on the Loans; ordinary interest will also include the interest on each of the Loans accrued but not due since the last interest payment date, prior to or on the date of assignment to the Fund;
- c) any other amounts, assets or rights that might be received, if applicable, by Santander Consumer in the form of the auction price or the amount determined by virtue of a court decision, or as a result of the disposal or use of the assets awarded or, as a result of the said enforcements, from the provisional administration and possession of the assets during the enforcement proceedings;
- d) all possible rights or compensations that might result in favor of Santander Consumer, payments made by any guarantors, etc., as well as those arising from any right ancillary to the Loans, including those derived from the reservation of title and the insurance contracts, as provided below.

All of the aforementioned rights will be accrued in favor of the Fund from the date of their assignment to the Fund by virtue of the formalization of the Assignment Agreement.

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

The rights of the Fund resulting from the Credit Rights are linked to the payments made by the Debtors against the Loans and, therefore, are directly affected by the evolution, delays, pre-payments and any other incident related to the said payments. Bank expenses deriving from the collection of non-payments and expenses deriving from pre-judicial, judicial or contentious proceedings will be borne by the Assignor.

**3.4. Explanation of the flow of funds, including:**

**3.4.1 How the cash flows from the Credit Rights will be used to fulfill the issuer's obligations as regards the holders of the securities.**

The amounts received by the Fund deriving from the Credit Rights will be credited by the Management Services Provider to the Cash Account. The said amounts will be credited within two (2) working days hours from their receipt.

The weighted average interest rate of the selected Loans as at 25<sup>th</sup> February 2016, as detailed in item 2.2.2.1 h) above, amounts to 8,8%, which is higher than the nominal rate of the each Series of Bonds.

### 3.4.2 Information on credit enhancements.

#### 3.4.2.1 Credit enhancements.

In order to strengthen the financial structure of the Fund, to increase the security or the regularity in the payments of the Bonds, to cover any temporary mismatches of the schedule of flows of principal and interest on the Loans and the Bonds, or, in general, to transform the financial characteristics of the Loans, and to complement the administration of the Fund, the Managing Company, on behalf of the Fund, will formalize the agreements and operations described below in the act of execution of the Deed of Incorporation, in accordance with the applicable regulations.

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

*a) Reserve Fund.*

It mitigates the credit risk due to default or non-payment of the Loans. The Reserve Fund is described below in section 3.4.2.2 of this Additional Module.

*b) Reinvestment Agreement*

At the Date of Incorporation, any amounts deposited in the Cash Account, the Principal Account, the Commingling Reserve Account and the Liquidity Reserve Account will not accrue any interest.

Notwithstanding the above, the compensation of the accounts under the Reinvestment Agreement may have a positive compensation as long as the market allow it and, in any case, keeping a minimum rate of zero per cent (0.00%) in which case the Reinvestment Agreement shall be .

*c) Amount of the Commingling Reserve*

It mitigates the risk of failure to comply on the part of the Management Services Provider with its obligation to transfer the amounts received from the Debtors to the Fund in prevision of the occurrence of any of the following events: (i) any breach is not remedied in the opinion of the Managing Company by the Management Services Provider obligations under the Deed of Incorporation, and specifically, the breach of not transferring to the Fund the amounts received from the Debtors within two (2) working days of receipt (provided that such failure or delay was not caused for an event that falls outside the reasonable control of Management Services Provider, an event of force majeure or similar); and (ii) if would find in bankruptcy proceeding or insolvency (“**Event of Replacement of the Management Services Provider**”).

*d) Amount of the Liquidity Reserve*

It mitigates the risk of an eventual delay in the receipt of the amounts to be received from the Credit Rights, in anticipation of a notification of a change in the guidelines of payment to the Debtors as a consequence of the replacement of the Management Services Provider.

#### 3.4.2.2 Reserve Fund

The Managing Company, in the name and on behalf of the Fund, will create a Reserve Fund from the disbursement of the Series F, with the following characteristics:

**(i) Required Level of the Reserve Fund:**

The Reserve Fund will initially amount to FIFTEEN MILLION THREE HUNDRED THOUSAND EUROS (€ 15.300.000), equivalent to 2% of the initial amount of Series

A, Series B, Series C Series D and Series E Bonds (the “**Required Level of the Reserve Fund**”).

The Reserved Fund will be provide on each Payment Date charged to the Available Funds according to the Ranking, up to Required Level of the Reserve Fund (with exception of the Payment Date in which the liquidation takes place).

Likewise, the Required Level of the Reserve Fund shall become equal to ZERO EUROS (€ 0.00), from the Payment Date in which the Bonds of the Series E will be complete default. So, the Reserved Fund is provided at the Date of Incorporation and it will state until the Series E Bonds are amortized, in which case it will come equivalent to zero.

**(ii) Use:**

The Reserve Fund will be applied, on each Payment Date, to the fulfillment of the payment obligations contained in the Ranking and, where appropriate, in the Post-Enforcement Ranking established in section 3.4.6.(1)(b) and 3.4.6.(4) below, respectively.

**(iii) Yield:**

The amount of the said Reserve Fund will be credited to the Cash Account on the Disbursement Date, and will be the subject matter of the Rate Reinvestment Agreement to be entered into with SCF pursuant to the terms described in section 3.4.4 of this Additional Module.

### **3.4.3 Details of any financing of subordinated debt.**

#### **Subordinated Loan Agreement.**

The Managing Company, in the name and on behalf of the Fund, will formalize with Santander Consumer the Subordinated Loan Agreement, a commercial agreement, for a total amount of THREE MILLION SEVEN HUNDRED SEVENTY FIVE THOUSAND EUROS (€ 3,775,000), which will be used to finance the expenses incurred due to the incorporation of the Fund and the issue of the Bonds, as well as the amount of interest accrued and not due of the Initial Credit Rights before the Date of Incorporation (with a estimation for the Preliminary Portfolio of THREE MILLION EUROS (€ 3.000.000)).

The amount of the Subordinated Loan will be credited to the Cash Account before 12.00 am on the Disbursement Date.

The Subordinated Loan will accrue an annual nominal interest, determined on a quarterly basis, for each Interest Accrual Period, which will be equal to 3 (three)-month Euribor (as defined below) plus 3.95% and will be paid only if the Fund has sufficient Available Funds in accordance with the Ranking established by section 3.4.6. (1)(b) or, where applicable, in accordance with the Post-Enforcement Ranking described in section 3.4.6 (4) of this Additional Module. Any interest accrued, which must be paid on a specified Payment Date, will be calculated on the basis of: (i) the actual days existing in each Interest Accrual Period, and (ii) a year with three hundred and sixty (360) days.

For the purposes of remunerating the Subordinated Loan, the reference basis will be EURIBOR (*Euro Interbank Offered Rate*), which is the money market reference rate for deposits in euros at three (3) months maturity, taken from the Reuters page

EURIBOR01 (or any other page that replaces this page in the future, the “**Relevant Screen**”). If the said page (or any other page that replaces this page in the future) is not available, the Relevant Screen will be –in this order– the electronic information pages offering EURIBOR rates (published by the European Banking Federation) such as Telerate, Bloomberg or any other page used in the market to show the EURO Interbank Market at 11:00 am on two (2) Working Days preceding the date of commencement of each Interest Accrual Period.

If it is impossible to obtain the EURIBOR for the said period of time, the reference interest rate will be the interest rate resulting from the simple arithmetic mean of the interbank offered interest rates for non-transferrable deposits, in the currency of the issue, that are provided by four (4) leading banking entities.

If it is not possible to apply the said reference interest rate, due to the fact that any of the four entities has continuously failed to provide the statement of quotations, the applicable interest rate will be the result of the simple arithmetic mean of the interest rates provided by, at least, two (2) of the leading entities.

If it is not possible to obtain the rates established in the preceding paragraphs, it will be necessary to apply the last reference interest rate applied to the last Interest Accrual Period and it will remain applicable as long as the said situation persists.

Interest accrued and not paid on a Payment Date will accumulate and accrue interest at the same rate as the nominal interest rate of the Subordinated Loan and will be paid, provided that the Fund has sufficient Available Funds and in accordance with the Ranking established by section 3.4.6.(1)(b) of this Additional Module, on the immediately following Payment Date.

In the event that the annual nominal interest of the Subordinated Loan calculated in accordance with this section will be negative, such interest will be equal to zero per cent (0.00%).

The Subordinated Loan may be early repaid on the first two Payment Dates, provided that the Fund has sufficient Available Funds in accordance with the Ranking established by section 3.4.6.(1)(b) of this Additional Module. For clarification purposes, if the Subordinated Loan has not been repaid in full on the first two Payment Dates, since the third Payment Date (included) the Subordinated Loan will be redeemed with the existing Available Funds once that the positions 1 to 10 of the Ranking have been paid.

Given that this Loan is a subordinated loan, it will be postponed in ranking as regards the rest of creditors of the Fund pursuant to the terms of sections 3.4.6.(1)(b) and 3.4.6.(4) of this Additional Module, including, but not limited to, the Bondholders.

If, on the Subscription Date, before 10.00 am (Madrid time), the Rating Agencies do not confirm as definitive any of the provisional credit ratings assigned, this circumstance will give rise to the termination of the Subordinated Loan Agreement, except as regards the expenses incurred due to the incorporation of the Fund and the issue of the Bonds.

Santander Consumer specifically and irrevocably waives any right of set-off against the Fund that could otherwise correspond to it by virtue of any agreement entered into with the Fund.

### 3.4.4 Specification of any investment parameter for the investment of temporary liquidity surpluses and description of the parties responsible for the said investment.

The Managing Company, for and on behalf of the Fund, and SCF will enter into the Reinvestment Agreement, by virtue of which SCF will not guarantee a yield on the amounts credited by the Fund, through its Managing Company, to the Cash Account and the Principal Account. On the Date of Incorporation, the amounts deposit in the Cash Account, the Principal Account, in the Commingling Reserve Account and in the Liquidity Reserve Account will not accrue, in principle, any interest.

Notwithstanding the foregoing, the remuneration of the accounts under the Reinvestment Agreement will have a positive compensation provided that the market conditions so permit, and in any case, maintaining a minimum rate of zero percent (0.00%), in which case it would proceed to the modification of Reinvestment Agreement.

By virtue of the Reinvestment Agreement, SCF could, if indicated by the Managing Company representing the Fund, invest its balance (partially or totally) of their Treasury Account and the Principal Account in suitable investments (hereinafter “**Suitable Investments**”) (i) any senior titles (not subordinated) dematerialized debt denominated in euros, (ii) other debt instruments (including, for avoidance of doubt, deposits), or (iii) commercial paper issued by, or non-subordinated fully and unconditionally guaranteed by an institution whose debt obligations are not guarantee and not subordinated, provided with at least the following requirements:

Regarding DBRS: (1) to the extent that the maturity of such Suitable Investment do not take more than 30 calendar days, a long-term rating of at least BBB (high) or a short-term rating of at least R-1 (low); or (2) to the extent that the maturity of such Suitable Investment exceeds 30 days but does not exceed the immediately following Payment Date after the investment have been perform, a long-term rating of at least AA (low) or a short-term rating of at least R-1 (middle); and

Regarding Moody's: (1) to the extent that the maturity of such Suitable Investment do not take more than 30 calendar days, a long-term rating of at least Baa2 and a short-term rating of at least P-2 (or if such Suitable Investment does not have long-term rating, then at least, a short-term rating of P-2); or (2) to the extent that the maturity of such Suitable Investment exceeds 30 days but does not exceed the immediately following Payment Date after the investment have been perform, a long-term rating of at least Baa1.

provided, in all cases, these investments (i) are immediately in sight, alienable without penalty and, in any case, have an expiration date on or prior to the immediately following Payment Date and (ii) offer a fixed amount of the principal at maturity (this amount cannot be less than initially invested amount) or if default or alienation, the principal amount after default or alienation is at least equal to the principal invested amount; and provided that in no case such investment is made, in whole or in part, actually or potentially in (a) tranches of other asset-backed securities; or (b) credit linked notes, swaps or other derivatives instruments, or synthetic securities; or (c) any other instrument not allowed by the regulations on monetary policy of the European Central Bank applicable at the time in order to provide the status of eligible collateral to bonds of Series A; and taking into account that in case of downgrade beyond the permitted rating under this definition, the securities shall be sold, if this can be achieved without experiencing losses, or otherwise will be left to overcome, provided that the maturity date is previous to the immediately following Payment Date or in the Payment Date.

**Cash Account.** In particular, any amounts received by the Fund by way of:

- (i) principal and interest of the Credit Rights;
- (ii) any other amounts corresponding to the Credit Rights pooled in the Fund, and to the disposal or use of assets awarded, or under provisional administration and possession of the assets during enforcement proceedings, as well as all possible rights and



- compensations, including those derived from any right ancillary to the Credit Rights, including, if applicable, those derived from reservation of title, excluding fees;
- (iii) the amounts, where appropriate, that make up the Reserve Fund from time to time, as described in section 3.4.2.2 of this Additional Module;
  - (iv) the amounts of the yields obtained on the balances existing in the Cash Account and the Principal Account because of the Suitable Investments;
  - (v) the amounts of any withholdings applied to income from capital that on each Payment Date must be made for any interest on the Bonds paid by the Fund, until their payment must be made to the Tax Authorities;
  - (vi) if applicable, the amounts drawn by the Managing Company, in the name and on behalf of the Fund, from the Commingling Reserve Account, pursuant to the terms and conditions established hereinafter; and
  - (vii) if applicable, the amounts drawn by the Managing Company, in the name and on behalf of the Fund, from the Liquidity Reserve Account, pursuant to the terms and conditions established hereinafter;

that will be credited to the Cash Account opened with SCF in the name of the Fund by the Managing Company.

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

Likewise, the amounts drawn on the line of credit that the Managing Company is authorized to arrange for the Early Liquidation of the Fund will also be credited to the said account.

On the Disbursement Date, the Cash Account will receive the effective amount of the payment for the subscription of the issue of Bonds and the initial amount of the Subordinated Loan; and, the balance existing in the said account will be used to pay the price of acquisition of the Credit Rights assigned by Santander Consumer for their initial amount, as well as the expenses incurred due to the incorporation and issue of the Fund, and to create the Reserve Fund.

### **Principal Account**

By virtue of the Reinvestment Agreement, the amounts that, from time to time, make up the Amount of Principal Retention will be deposited to the Principal Account opened with SCF in the name of Fund by the Managing Company.

### **Commingling Reserve Account**

In compliance with the Reinvestment Agreement, the Commingling Reserve Account will receive, if applicable, the Required Amount of the Commingling Reserve (as this term is defined hereinafter) in order to mitigate the risk of non-fulfillment on the part of the Management Services Provider of its obligation to transfer to the Fund the amounts received by the Debtors in anticipation of a possible Event of Replacement of the Management Services Provider.

Likewise, on each Determination Date, and only in the event that the rest of Available Funds do not allow to make the payments established in positions from (1) to (10) of the Ranking (i.e., until the repayment of Series F) provided in section 3.4.6 (1)(b), the amount of the Commingling Reserve Account drawn by the Managing Company, in the name and on behalf of the Fund, in accordance with the provisions of section “Amount of the Commingling

Reserve” below, will be transferred to the Cash Account and will form part of the Available Funds on each Payment Date, pursuant to the provisions of section 3.4.6.(1)(a) of this Additional Module.

At the Date of Incorporation, the Required Amount of the Commingling Reserve credited to the Commingling Reserve Account will not accrue any interest in favor of the Depository Institution of the Commingling Reserve.

Notwithstanding the foregoing, the compensation of the Commingling Reserve Account may have a positive compensation provided that the market conditions so permit, and in any case, maintaining a minimum rate of zero percent (0.00%) in which case proceed to the amendment of Reinvestment Agreement.

### **Liquidity Reserve Account**

In compliance with the Reinvestment Agreement, the Liquidity Reserve Account will receive, if applicable, the Required Amount of the Liquidity Reserve (as this term is defined hereinafter) in order to mitigate the risk of an the eventual delay in the amounts to be collect of the Credit Rights in anticipation of a possible notification of a change in the instructions to payment to the Debtors as a consequence of a replacement of the Management Services Provider.

Likewise, on each Determination Date, and only in the event that the rest of Available Funds do not allow to make the payments established in positions from (1) to (6) of the Ranking (i.e., until the payment of interest on the Series E Bonds) provided in section 3.4.6 (1)(b), the amount of the Liquidity Reserve Account drawn by the Managing Company, in the name and on behalf of the Fund, in accordance with the provisions of section “Amount of the Liquidity Reserve” below, will be transferred to the Cash Account and will form part of the Available Funds on each Payment Date, pursuant to the provisions of section 3.4.6.(1)(a) of this Additional Module.

At the Date of Incorporation, the Required Amount of the Liquidity Reserve credited to the Liquidity Reserve Account will not accrue any interest in favor of the Depository Institution of the Liquidity Reserve.

Notwithstanding the foregoing, the compensation of the Liquidity Reserve Account may have a positive compensation provided that the market conditions so permit, and in any case, maintaining a minimum rate of zero percent (0.00%) in which case proceed to the amendment of Reinvestment Agreement.

### **Yield obtained from amounts credited to the Cash Account and to the Principal Account**

SCF does not guarantees for the Fund, any annual fixed yield.

At the Date of Incorporation, the amounts received by the Fund in the Cash Account and the Principal Account will not earn any interest on behalf of the account opened with SCF on behalf of the Fund by the Managing Company.

Notwithstanding the foregoing, the compensation of the Cash Account and the Principal Account may have a positive compensation provided that the market conditions so permit, and in any case, maintaining a minimum rate of zero percent (0.00%) in which case proceed to the amendment of Reinvestment Agreement.

**Downgrade in the credit rating of the holder of the Cash Account and/or the Principal Account and/or the Commingling Reserve Account and/or the Liquidity Reserve Account**

In the event that the unsubordinated and unsecured debt of SCF, or of the entity with which the Cash Account and/or the Principal Account and/or the Commingling Reserve Account and/or the Liquidity Reserve Account are opened, undergoes, at any time during the life of the Bond Issue, a downgrade in the short term and long term credit rating below Baa2 or P-2, respectively, according to Moody's or according to Rating of DBRS, the credit risk in long term of SCF was reduced to a qualification less than BBB (high), the Managing Company must –within a maximum period of time of thirty (30) calendar days starting from the moment at which any of the said situations takes place– implement one of the options described below allowing to maintain an appropriate level of guarantee as regards the commitments derived from the Reinvestment Agreement (Cash Account, Principal Account, Commingling Reserve Account and Liquidity Reserve Account), so that the credit rating granted to the Bonds by the Rating Agencies is not impaired:

- a) to obtain from an entity with a minimum credit rating for its unsubordinated and unsecured debt equal to or above Baa2 and P-2 in the long and short terms, respectively, according to Moody's rating scale, and with a Rating of DBRS not below BBB (high) (without such qualification being "*Under Review (Negative)*") in the long term, , an unconditional and irrevocable guarantee on first demand, with waiver of the benefits of order, division and exclusion in order to guarantee for the Fund, at the mere request of the Managing Company, the timely fulfillment by the holder of the Cash Account and/or the Principal Account and/or the Commingling Reserve Account and/or the Liquidity Reserve Account of its payment obligation as regards the amounts deposited to the Cash Account and/or the Principal Account and/or the Commingling Reserve Account and/or the Liquidity Reserve Account, during the time that the situation of loss of the credit ratings.
- b) to transfer the Cash Account and/or the Principal Account and/or the Commingling Reserve Account and/or the Liquidity Reserve Account to an entity, the unsubordinated and unsecured debt of which has a credit rating equal to or above Baa2 and P-2 in the long and short term, respectively, according to Moody's and with Rating of DBRS not below to BBB (high) (without such qualification being "*Under Review (Negative)*") in long term, without this reducing the credit rating given to the Bonds, and to contract the maximum possible yield for its/their balances, which may be different from the yield contracted by virtue of the Reinvestment Agreement (Cash Account, Principal Account, Commingling Reserve Account and Liquidity Reserve Account).

In the event that the above situation b) takes place and that, subsequently, the unsubordinated and unsecured debt of SCF once again obtains a minimum credit rating of Baa2 and P-2 in the long and short term, respectively, according to Moody's, and a Rating of DBRS not below to BBB (high) (without such qualification being "*Under Review (Negative)*") in long term, the Managing Company will subsequently transfer the balances once again to SCF pursuant to the Reinvestment Agreement (Cash Account, Principal Account, Commingling Reserve Account and Liquidity Reserve Account).

All costs, expenses and taxes incurred due to the execution and formalization of the previous options will be borne by SCF or, if applicable, by the subsequent holder of the Cash Account

and/or the Principal Account and/or the Commingling Reserve Account and/or the Liquidity Reserve Account.

SCF, from the moment in which its credit rating is downgraded, undertakes to make any reasonable commercial efforts, so that the Managing Company may adopt one of the above options: a) or b).

### **Amount of the Commingling Reserve**

For the purposes of mitigating the risk of a failure to comply on the part of the Management Services Provider with its obligation to transfer the amounts received by the Debtors to the Fund in anticipation of a possible Event of Replacement of the Management Services Provider, a Commingling Reserve will be created pursuant to the provisions of the following paragraphs.

In the event that (i) the unsubordinated and unsecured debt of SCF undergoes, at any time during the life of the Bond issue, a downgrade in the short term and long term credit rating below Baa2 or P-2, respectively, according to Moody's or according to Rating of DBRS, the credit risk in long term of SCF was reduced to a qualification less than BBB (high) or (ii) the participation of SCF in Santander Consumer is reduced below 75%, SCF (the "**Depository Institution of the Commingling Reserve**"), must –within the maximum period of time of fourteen (14) days starting from the date on which the said downgrade in the credit rating or the said reduction in the participation of SCF in Santander Consumer has taken place– deposit to the Commingling Reserve Account of the Fund an amount equal to the Required Amount of the Commingling Reserve on the date of the deposit.

The Required Amount of the Commingling Reserve will be equal to  $1.15 \times$  the principal amount of the Credit Rights collected in the preceding month (the "**Required Amount of the Commingling Reserve**").

The amount credited to the Commingling Reserve Account may only be used in the Event of Replacement of Management Services Provider in order to cover the amount deposited in the Commingling Reserve Account to be allocated for the fulfillment as regards the positions from (1) to (10) of the Ranking (i.e., until the depreciation of the Bonds Series F), and provided that the rest of Available Funds are not sufficient to make the said payments.

As and when the Fund recovers those amounts received by the Management Services Provider in connection with the Credit Rights that, as a result of its failure to comply with its obligations, were not credited to the Cash Account of the Fund and that obliged to use the amounts credited to the Commingling Reserve Account, the Managing Company will have to credit the said amounts to the Commingling Reserve Account.

If, on a certain Payment Date, the amount deposited to the Commingling Reserve Account exceeds the Required Amount of the Commingling Reserve, the surplus will be returned to the Depository Institution of the Commingling Reserve regardless of the Ranking of the Fund. Likewise, if on a certain Payment Date, the amount deposited to the Commingling Reserve Account is lower than the Required Amount of the Commingling Reserve, the Depository Institution of the Commingling Reserve will have to deposit the difference to the Commingling Reserve Account within the maximum period of time of fourteen (14) days.

Similarly, the whole amount deposited to the Commingling Reserve Account will be returned (regardless of the Ranking or, if applicable, the Post-Enforcement Ranking) to the Depository Institution of the Commingling Reserve on the first one of the following dates:

(a) on the date on which Santander Consumer has been effectively replaced as Management Services Provider and there are not any outstanding amounts of the Credit Rights to be credited to the Cash Account of the Fund with a delay exceeding the delay established in section 3.4.5 below, or

(b) on the date on which these three circumstances simultaneously take place: (i) that Santander Consumer keeps on acting as the Management Services Provider; (ii) that SCF recovers its participation in the Management Services Provider equal to or higher than 75%, and (iii) that the short and long term credit rating of SCF is equal to or above Baa2 and P-2, respectively, according to Moody's rating scale, and BBB (high) according to the Rating of DBRS, or

(c) in any case, on the date on which the Fund is liquidated.

### **Amount of the Liquidity Reserve**

In anticipation of an eventual replacement of Santander Consumer as Management Services Provider and for the purposes of mitigating the risk of an eventual delay in the receipt in anticipation of a possible notification of a change in the instructions to payment to the Debtors as a consequence of a replacement of the Management Services Provider, a Liquidity Reserve will be created pursuant to the provisions of the following paragraphs.

In the event that (i) the unsubordinated and unsecured debt of SCF undergoes, at any time during the life of the Bond issue, a downgrade in the short term and long term credit rating below Baa2 or P-2, respectively, according to Moody's rating scale, according with the Rating of DBRS, the credit risk in long term of SCF was reduced to an inferior calcification of BBB (high), or (ii) the participation of SCF in Santander Consumer is reduced below 75%, SCF (the "**Depository Institution of the Liquidity Reserve**"), must –within the maximum period of time of fourteen (14) days starting from the date on which the said downgrade in the credit rating or the said reduction in the participation of SCF in Santander Consumer has taken place– deposit to the Liquidity Reserve Account of the Fund an amount equal to the Required Amount of the Liquidity Reserve on the date of the deposit.

The amount credited to the Liquidity Reserve Account of the Fund may only be used in the case of replacement of the Management Services Provider in order to cover the amount deposited in the Liquidity Reserve Account to be allocated for the fulfillment as regards the positions from (1) to (6) of the Ranking (i.e., until the payment of interests on the Series E), and provided that the rest of Available Funds are not sufficient to make the said payments.

As and when the Fund recovers those amounts received by the Management Services Provider in connection with the Credit Rights that, as a result of its failure to comply with its obligations, were not credited to the Cash Account of the Fund and that obliged to use the amounts credited to the Liquidity Reserve Account, the Managing Company will have to credit the said amounts to the Liquidity Reserve Account.

On each Payment Date, the Required Amount of the Liquidity Reserve will be equal to 1.00% of the Outstanding Balance of the Series A, Series B, Series C, Series D, and Series E Bonds (following the corresponding amortization of principal on the Payment Date) (the "**Required Amount of the Liquidity Reserve**").

On each Payment Date, the amount deposited to the Liquidity Reserve Account that exceeds the Required Amount of the Liquidity Reserve will be returned to the Depository Institution of the Liquidity Reserve regardless of the Ranking of the Fund.

Similarly, the whole amount deposited to the Liquidity Reserve Account will be returned (regardless of the Ranking or, if applicable, the Post-Enforcement Ranking) to the Depository Institution of the Liquidity Reserve on the first one of the following dates:

(a) on the date on which Santander Consumer has been effectively replaced as Management Services Provider and there are not any outstanding amounts of the Credit Rights to be credited to the Cash Account of the Fund with a delay exceeding the delay established in section 3.4.5 below, or

(b) on the date on which these three circumstances simultaneously take place: (i) that Santander Consumer keeps on acting as the Management Services Provider; (ii) that SCF recovers its participation in the Management Services Provider equal to or higher than 75%, and (iii) that the short and long term credit rating of SCF is equal to or above Baa2 and P-2, respectively, according to Moody's rating scale, and BBB (high) according to the Rating of DBRS, or

(c) in any case, on the date on which the Fund is liquidated.

### **3.4.5 How payments are received in respect of the Credit Rights.**

The Management Services Provider, in its capacity of collection manager, will receive on behalf of the Fund the amounts that are paid by the Debtors deriving from the Credit Rights, both by way of principal or by way of interest, as well as any other item assigned to the Fund.

The amounts received by the Fund derived from the Credit Rights will be credited by the Management Services Provider in the Cash Account open by the Managing Company on behalf of the Fund. The said amounts will be credited within two (2) working days from their receipt.

The Management Services Provider will not pay, in any case, any amount to the Fund that the Administrator has not previously received from the Debtors by way of payment of the Assets.

### **Powers of the holder of the Credit Rights in the case of breach by the Debtor or the Management Services Provider of their obligations.**

Santander Consumer, in its capacity of Management Services Provider of the Credit Rights, will apply the same diligence and procedures for making a claim for the amounts due and not paid on the Credit Rights as for the rest of loans contained in its portfolio and, in particular, Santander Consumer will bring the relevant legal actions if, once that the internal periods for action aimed at obtaining the payment of the interests of the Fund have elapsed, the desired effect has not been achieved. And, in any case, Santander Consumer will bring the aforementioned legal actions if the Managing Company, on behalf of the Fund and after having analyzed the specific circumstances of the case, deems them to be appropriate, in agreement with Santander Consumer. The current terms for action that Santander Consumer is applying are the following:

From 1 to 60 days of delay – Telephone collection - Konecta – Lindorff and Atento  
From 61 to 180 days – Collection in person, Santander Consumer and Lindorff

+180 days of delay – claim by means of the exercise of the relevant actions in ordinary declaratory proceedings, in the Payment Order Procedure (shorter than the ordinary declaratory and limited to amounts due below € 250,000) or in enforcement proceedings, according to the Spanish Rules of Civil Law Procedure. Notwithstanding the foregoing, in cases < € 5,000 the massive platform is used, i.e., a Call Centre used by Santander Consumer in which a number of collection managers make massive calls through automatic dialing systems.

Beyond twelve (12) months, the Assignor considers them as “delinquent”.

**a) Action against the Management Services Provider.**

The Managing Company, for and on behalf of the Fund, may bring an action against the Management Services Provider when the failure to comply with the payment obligation for these concepts is not a result of the Debtors' failure to pay and is attributable to the Management Services Provider.

The Management Services Provider will not be liable for such actions as may be taken according to the instructions given by the Managing Company.

**b) Actions in case of non-payment of the Loans.**

The Managing Company, on behalf of the Fund and in its capacity of holder of the Credit Rights, may bring all the legal actions arising from the ownership of the said Credit Rights, in accordance with the legislation in force.

For the aforementioned purposes, in the Deed of Incorporation, the Managing Company as administrator and manager of the assets according to article 26.1.b) of Law 5/2015, acting on behalf of the Fund, will grant a power of attorney, as broad and sufficient as may be required by the Laws, in favor of the Management Services Provider, so that the Management Services Provider, acting through any of its representatives sufficiently empowered for such purpose, can according to the instructions given by the Managing Company in the name and on behalf of the Managing Company or on its own name but on behalf of the Managing Company (as administrator and manager of the assets according to article 26.1.b) of Law 5/2015) as legal representative of the Fund demand by any judicial or non-judicial means, the Debtor of any of the Credit Rights, and if applicable to the guarantor, the payment of its debt and bring the corresponding legal action against them, in addition to any other powers required for the performance of its duties as Management Services Provider. These powers may also be granted under a document separate from the Deed of Incorporation or may be expanded and modify, if necessary, for the performance of the said duties.

Additionally, Santander Consumer undertakes to inform the Managing Company, on behalf of the Fund, on a quarterly basis, of any non-payments, early redemptions and adjustments of the interest rates, and to provide timely information regarding payment demands, certified notices given to the debtor, legal actions, and any other circumstances affecting the Loans. Furthermore, the Management Services Provider will provide the Managing Company with all the documents that the latter might request in relation to the said Loans and, in particular, the documents that the Managing Company might need for the purposes of bringing any legal actions.

In general, the Management Services Provider must initiate the corresponding judicial proceedings if, for a period of time of six (6) months, the Debtor of a Loan that has breached its payment obligations does not resume the payments to be made to the

Management Services Provider, and the Management Services Provider, with the consent of the Managing Company, has not obtained a payment commitment that is satisfactory to the interests of the Fund. In any event, the Management Services Provider must immediately file enforcement proceedings if an enforcement action is available to it, in the event that the Managing Company, on behalf of the Fund and after having analyzed the specific circumstances of the case, deems it to be appropriate. In order to speed up claim proceedings, the Managing Company may grant general powers to the Management Services Provider pursuant to the terms and subject to the limitations that it considers appropriate, without prejudice to the obligations to provide information that are contained in this section.

**c) Special consideration relating to the reservations of title**

The reservation of title may be documented either by virtue of a deed granted before a Notary Public or under a private contract, whether it is registered or not in the Register of Installment Sales of Movable Properties.

Any reservations of title documented by virtue of a deed granted before a Notary Public, as well as those registered in the corresponding Register of Installment Sales of Movable Properties, grant their beneficiary, as provided in article 16.5 of the Law 28/1998, of 13<sup>th</sup> July, on the instalment sales of movable properties, the preference and priority set forth in the Civil Code in article 1922.2<sup>nd</sup>, by virtue of which, with regard to certain movable properties of the debtor, credits guaranteed with a pledge have preference over the item pledged up to the value thereof, and in article 1926.1<sup>st</sup>, by virtue of which, if two or more credits compete with respect to certain movable properties, and as regards the order of priority for their payment, the secured credit excludes the rest of credits up to the value of the item pledged as a security.

Any reservations of title documented by virtue of a deed granted before a Notary Public will serve as an enforceable instrument in compliance with the provisions of article 517.2.5<sup>th</sup> of the Rules of Civil Law Procedure for the purpose of the recovery of the vehicle involved.

Likewise, in the case of breach of a reservation of title clause registered in the Register of Installment Sales of Movable Properties, the Management Services Provider may act directly and exclusively against the goods purchased in installments, according to the procedure specified in article 16.2 of the Law 28/1998, of 13<sup>th</sup> July, on the instalment sales of movable properties, and the credit rights derived from the same will correspond in any case to the Fund, except for those amounts that had not been assigned to the Fund in accordance with the provisions of this Prospectus. Thus, in accordance with the said article 16.2 of the Law 28/1998, of 13<sup>th</sup> July, on the instalment sales of movable properties, the creditor may act directly and exclusively against the goods purchased in installments, according to the following procedure:

- a. The creditor, through a notary public competent to act in the place where the assets are located, where the payment is to be made or in the place of residence of the debtor, will demand payment from the debtor, by stating the total amount claimed and the cause of the maturity of the obligation. Similarly, the debtor will be warned that, in the event that the debtor fails to comply with the obligation, the creditor will proceed to act against the goods purchased in installments pursuant to the provisions of the said article. Unless otherwise agreed, the liquid amount which is payable in the case of enforcement will be the amount specified in the certification issued by the creditor, provided that it has been verified, through a Notary Public, that the liquidation has been performed in the manner agreed by the parties



under the contract and that the balance coincides with the balance appearing in the account opened for the debtor.

- b. The debtor, within the next three (3) working days following the date on which the debtor received the said demand, will pay the amount demanded or will deliver the possession of the goods to the creditor or to the person designated by the creditor in the demand for payment.
- c. If the debtor fails to pay, but voluntarily delivers the possession of the goods purchased in installments, the said goods will be sold at a public auction, with the intervention of a Notary Public or a Certified Business Broker, according to their respective competences.

At the said auction, the rules established in article 1872 of the Civil Code and any complementary provisions will be observed, as they may apply, as well as the standards regulating the professional activity of Notaries Public and Business Brokers. At the first auction, the value will be the value established for that purpose by the parties in the contract. Notwithstanding the provisions of the preceding paragraphs, the creditor may opt for the adjudication of the goods as payment of the debt without the need to attend the public auction. In this case, the provisions of item e) of this section will apply.

- d. Should the debtor fail to pay the amount claimed and to deliver the possession of the goods for their sale at a public auction (referred to in the previous item), the creditor may request from the competent court the summary protection of its rights, by means of the exercise of the actions established in items 10 and 11 of the first section of article 250 of the Rules of Civil Law Procedure.
- e. The acquisition by the creditor of the goods delivered by the debtor will not prevent the claim between the parties for the corresponding amounts, if the value of the goods at the time of their delivery by the debtor, according to the reference tables or indexes of depreciation established in the contract, is lower or higher than the debt claimed.

In the event that no procedure for the calculation of the depreciation of the said goods has been agreed, the creditor must justify the said depreciation in the corresponding declaratory process.

- f. The acquisition of the auctioned goods will not prevent the claim for the corresponding amounts, if the value of the goods obtained at the auction is lower or higher than the debt claimed.

In the event that the goods sold with a reservation of title clause or a prohibition against disposal, which is registered in the Register of Installment Sales of Movable Properties, are in the possession of a person other than the buyer, the said person will be required, through a Notary Public, to pay the amount claimed or to surrender the goods, within a period of time of three (3) working days.

If the said person proceeds to pay, he or she will be subrogated in place of the satisfied creditor against the buyer. If the said person surrenders the goods, all the formalities of the enforcement transaction will be handled with him or her, whether before a Notary Public or by judicial means, and the remainder that might result after the payment to the plaintiff will be delivered to him or her. If the person in possession of the goods fails to pay or to surrender the said goods, the provisions of item d) and the following ones of the previous section will apply.

With regard to the reservations of title formally executed under a private contract and not registered in the Register of Installment Sales of Movable Properties, the recognition of the right to recover the vehicle involved, in favor of the Management Services Provider and in the interests of the Fund, will be determined by means of the appropriate declaratory proceedings.

Thus, in the event that the reservation of title clause is not register, in case of unpaiddment of the deferred price, the Management Services Provider may choose between: (a) termination of the agreement, been effective by an ordinary action of declaration, or an oral proceeding according to the amount of the demand, this action will have the purpose of terminating the agreement and immediate delivery of the vehicle subject of the agreement to the Management Services Provider, or (b) compliance action, by which the Management Services Provider will try the reinstatement of the credit, by executing an ordinary trial of declaration, payment procedure, or an action for enforcement, in this process the vehicle subject of the agreement which bears the reservation of title may be seized. Should be noted that this option has been criticized by the traditional doctrine, that considered the freezing of assets incompatible with the reservation of title, because they find in the aptitude of the seller, who required the freezing of the asset, as common of the hire-purchase, an implicit recognition of not having the formal ownership, taking into account that is not possible the freezing of the owned assets

That execution process may be start directly by the Management Services Provider if:

- (a) The loan has been documented in a deed granted before a Notary Public, is considered as an enforceable title according to article 517.2 of the Rules of Civil Law Procedure. Such enforceable action will imply the remission of a demand, to which the Debtor can opposed in certain cases, and the subsequent resolution of the tribunal ordering the seized of the assets, and the vehicle among other.
- (b) If the loan has not been documented in a deed and granted before a Notary Public the Management Services Provider may start a proceeding for the recognition of his right over the payment of the credit, previously to start an enforceable action against the assets of the Debtor. Such declaration proceeding will start with a demand, and the reply of the Debtor, after this it will be the preliminary hearing were all the formal or procedure issues will be discussed and is the moment were the parties request the means of proof. The next step will be the trial were the witnesses and experts perform their arguments and will concluded with the judgment of the trial. In the event that the judgment were in favor of the Management Services Provider, if the Debtor not comply with the obligations of the judgment, the Management Services Provider will be able to request the enforcement of the judgment and the corresponding seized of the assets, with the car among others.

As indicated, the assignment of the Credit Rights to the Fund cover in all the assignments the rights given by the reservation title clause. In this regards, the Order of 19 July 1999 by which the Ordinance for the Registration of the Hire Purchase of Personal Property is approved, allow to register the assignments make by the lender to a third party of his right in the face of the buyer. In particular, article 21 expressly provided the assignment of the rights register in favor of the securitization assets fund, in the event of securitization of loans guarantee by a reservation title. Notwithstanding, and with respect to the Fund, it has been agreed that the assignment of the rights derived from the reservation title clause, will not been register before the Registry of Personal Property in the name of the Fund while Assignor continue being the Management Services Provider. Only if the Assignor stop being the Management

Services Provider of the Credit Rights, the assignment of the referred rights will be register by the new management services provider in the name of the Fund.

Notwithstanding the foregoing, in any case, the rights, payments and compensations resulting in favor of Santander Consumer as a result, if applicable, of the exercise of the reservations of title will correspond to the Fund, except for those amounts that were not assigned to the Fund in accordance with the provisions of this Prospectus.

Consequently and in accordance with the previous paragraphs, in the case of non-payment of the Loans, the judicial and extrajudicial actions listed in this section will be initiated for the purposes of recovering the assets or, if applicable, the payment of the debt.

### **3.4.6 Origin and application of the funds.**

#### **(1) Origin and application of the Available Funds**

(a) **Origin:** The Available Funds, calculated on the Determination Date preceding the specific Payment Date on which they will be credited to the Cash Account, will be as follows:

(i) Amounts received by way of principal of the Credit Rights and transferred to the Fund in each Determination Period prior to the Payment Date, as well as the amounts deposited in the Principal Account on the preceding Payment Date.

The Determination Period will be the period between two consecutive Determination Dates; each Determination Period will include the initial Determination Date of the corresponding period and will exclude the final Determination Date of the corresponding period;

(ii) Any interest collected on the Credit Rights and transferred to the Fund during each Determination Period prior to the Payment Date;

(iii) Any possible yield obtained from the reinvestment of the Reserve Fund, as well as from the rest of amounts deposited into the Cash Account and the Principal Account, the payment of which will occur on the 13<sup>th</sup> day of each month;

(iv) The Reserve Fund, pursuant to the terms of section 3.4.2.2 of this Additional Module;

(v) If applicable, the amounts drawn from the Commingling Reserve Account, pursuant to the terms and conditions established in section 3.4.4 above;

(vi) If applicable, the amounts drawn from the Liquidity Reserve Account, pursuant to the terms and conditions established in section 3.4.4 above; and

(vii) Any other amounts, among others, the indemnizations of the insurance agreements that the Fund might receive in each Determination Period prior to the Payment Date, including those that might result from the enforcement sale of vehicles awarded to it, as well as from the corresponding security (guarantees, if any).

(b) **Application:** The Managing Company, on behalf of the Fund, will proceed to apply on each Payment Date the amount of the Available Funds to the following payments and retentions, in accordance with the Ranking described below:

1. Payment of the taxes, ordinary and extraordinary expenses of the Fund, whether or not paid by the Managing Company and duly justified, including the administration fee in favor of the Managing Company, and the rest of expenses and service fees, as well as, in each case, the commission of the management services provider if it's not Santander Consumer. According to this ranking, Santander Consumer will only be paid, in connection with the administration of the Credit Rights, those expenses that it has paid in advance on behalf of the Fund and any amounts that must be returned; all of them must be duly justified;
2. Payment of the interests accrued on the Series A Bonds;
3. Payment of interest accrued on Series B Bonds;
4. Payment of interests accrued on Series C Bonds;
5. Payment of interests accrued on Series D Bonds;
6. Payment of interests accrued on Series E Bonds;
7. Application of the Available Principal Funds to:
  - a. During the Revolving Period, the Principal Available Funds will be applicable sequentially in the following order (i) firstly shall be proceed in each Payment Date to the payment of the Acquisition Amount of the Additional Credit Rights assigned on that Payment Date, (ii) secondly to the provision of the Principal Account up to a maximum amount equal to 5% of the Outstanding Balance of Series A, B, C, D and E on the immediately preceding Determination Date, and (iii) thirdly to the early redemption of Series A, and
  - b. Following the expiration of the Revolving Period, to the sequential redemption of Series A, Series B, Series C, Series D and Series E of the Bonds.
8. Provision of the Reserve Fund for the reestablishment of its Required Level;
9. Payment of interest accrued on Series F Bonds;
10. Redemption of principal of the Bonds Series F;
11. Payment of interest accrued on the Subordinated Loan;
12. Redemption of principal of the Subordinated Loan; and
13. Payment quarterly to Santander Consumer of a variable amount or compensation for the financial intermediation process made equal to the difference between accounting income and expenses for the Fund at the closing date of the previous month.

**The expenses appearing in first place of the above Ranking are itemized as follows:**

The following items are considered as Ordinary Expenses:

- Expenses deriving from the annual audits of the Fund's financial statements.
- Expenses derived from maintenance of the ratings for the Bonds.
- Expenses derived from the redemption of the Bonds.

- Expenses related to any notices that, in accordance with the provisions of this Prospectus, must be given to the holders of outstanding Bonds.
- In general, any other expenses borne by the Managing Company and derived from its duties relating to the representation and management of the Fund.

The following items are considered as Extraordinary Expenses:

- Expenses, if any, derived from the preparation and formalization of amendments to the Deed of Incorporation and the agreements, and the execution of any additional agreements.
- Expenses necessary to enforce the loans underlying the Credit Rights.
- In general, any other extraordinary expenses borne by the Fund or by the Managing Company for and on behalf of the Fund.
- The fee for the Paying Agent in the case of replacement.

In the event that, on a Payment Date prior to the current Payment Date, any item had not been paid, the Ranking established in this section will be strictly followed, starting from the oldest item.

**(2) Exceptional rules of priority for payments made against the Fund.**

If Santander Consumer is replaced as the Management Services Provider of the Loans by another entity not forming part of Santander Consumer's consolidated group, a fee will be accrued in favor of the third party, the new management services provider, appearing in the 1<sup>st</sup> place of the Ranking established under section 3.4.6.(1)(b) above.

**(3) Failure to comply with the obligation to pay interest.**

In the event that, on a Payment Date, the Fund is not able to make the total or partial payment of the interest accrued by the Bonds as well as the Subordinated Loan interest, according to the Ranking established in section 3.4.6.(1)(b) of the Additional Module, the amounts that the Bondholders or creditors of the Subordinated Loan have not received will be added on the following Payment Date to the interest that, if applicable, must be paid on that Payment Date, and will be paid on the next Payment Date on which, in accordance with the said Ranking, the Fund has sufficient funds to make such payment, and by order of maturity if it is not possible to pay them in full due to a lack of Available Funds.

**(4) Post-Enforcement Ranking.**

The Managing Company will proceed to the liquidation of the Fund, when the Fund must be liquidated on the Legal Maturity Date of the Fund or on the Payment Date on which the Early Liquidation takes place, pursuant to the provisions of section 4.4.c) of the Registration Document. In both cases, this will coincide with the last Payment Date, by applying the available funds to the following items (hereinafter, the "**Funds Available for Liquidation**"): (i) the Available Funds, (ii) the amounts that are obtained by the Fund through the disposal of the remaining Credit Rights and of any other assets, and, if applicable, (iii) the amount drawn on the line of credit for the final redemption of the Bonds as provided in section 4.4 c.3) (iii) of the Registration Document, according to the following ranking (the "**Post-Enforcement Ranking**"):

1. Payment of the taxes, ordinary and extraordinary expenses of the Fund, whether or not paid by the Managing Company and duly justified, including the administration fee in favor of the Managing Company, and the rest of expenses and service fees, as well as, in each case, the commission of management services providers, if it's not Santander Consumer. According to this ranking, Santander Consumer will only be paid, in connection with the administration of the Credit Rights, those expenses that it has paid in advance on behalf of the Fund and any amounts that must be returned; all of them must be duly justified.
2. Payment of the interests accrued on the Series A Bonds.
3. Redemption of principal of the Series A Bonds.
4. Payment of the interests accrued on the Series B Bonds.
5. Redemption of principal of the Series B Bonds.
6. Payment of the interests accrued on the Series C Bonds.
7. Redemption of principal of the Series C Bonds.
8. Payment of the interests accrued on the Series D Bonds.
9. Redemption of principal of the Series D Bonds.
10. Payment of the interests accrued on the Series E Bonds.
11. Redemption of principal of the Series E Bonds.
12. Payment of the interests accrued on the Series F Bonds.
13. Redemption of principal of the Series F Bonds.
14. Payment of interests accrued by the Subordinated Loan.
15. Redemption of principal of the Subordinated Loan.
16. Repayment of the credit line designed for the Early Redemption of the Bonds.
17. Payment Santander Consumer of the Financial Intermediation Margin.

**3.4.7 Details of any other agreements affecting the payments of interest and principal made to the Bondholders.**

Not applicable.

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

The Assignor of the Credit Rights is Santander Consumer, E.F.C., S.A.

The business address of Santander Consumer, E.F.C., S.A. is: Avda. de Cantabria s/n, 28660 Boadilla del Monte (Madrid).

The main financial activities of Santander Consumer are the activities typical to any credit financial institution, in accordance with the specific nature of such entities and as established by the Laws. In this respect, we could basically highlight the following activities:

- Lending, including consumer credit, mortgage credit and financing of commercial transactions.
- Factoring, with or without recourse, and any complementary activities, such as investigation and classification of customers, accounting registration of debtors and, in general, any other activity intended to favor the administration, evaluation, security

and financing of the credits arising from domestic or international trade operations that are assigned to it.

- Financial leasing, including the following complementary activities:
  - Maintenance and upkeep of the assigned assets.
  - Granting of financing in relation to a present or future financial leasing transaction.
  - Intermediation in and management of financial leasing transactions.
  - Non-financial leasing transactions, which may or may not be accompanied by a purchase option.
  - Commercial reports and advisory services.
- Issuing and administering credit cards.
- Granting of guarantee and security and the formalization of similar commitments.

The table below shows individual financial information on Santander Consumer (Assignor) referred to the year ended, at 31<sup>st</sup> December 2013 and 2014 (audited).

The information in thousands of euros has been prepared according to the International Financial Reporting Standards that are applicable by virtue of the EC Regulation 1606/2002 and the Circular 4/2004 of the Bank of Spain.

ASSETS	Dec-14	Dec-13
Cash and balances with Central Banks	58	817
Trading portfolio	10.311	19.693
Lendings	3.817.666	3.754.030
Adjustments to financial assets for macro hedging	8.352	13.048
Hedging derivatives	-	163
Non-current assets for sale	1.054	1.286
Financial stakes	53.869	53.869
Tangible assets	1.307	1.704
Intangible assets	10.350	18.421
Tax assets	119.864	119.450
Other assets	15.451	10.546
<b>TOTAL ASSETS</b>	<b>4.038.282</b>	<b>3.993.027</b>

LIABILITIES AND NET EQUITY	Dec-14	Dec-13
Trading portfolio	10.309	19.808
Financial liabilities at depreciated cost	3.511.027	3.497.803
Hedging derivatives	9.358	15.976
Provisions	82.385	80.605
Tax liabilities	16.164	7.720
Other liabilities	55.739	37.711
<b>TOTAL LIABILITIES</b>	<b>3.684.982</b>	<b>3.659.623</b>
Own funds	355.598	334.951
Value adjustments	-2.298	-1.547
<b>TOTAL NET EQUITY</b>	<b>353.300</b>	<b>333.404</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>4.038.282</b>	<b>3.993.027</b>

PROFIT AND LOSS ACCOUNT	Dec-14	Dec-13
Interest and similar revenues	203.795	202.661
Interest and similar charges	-52.923	-57.955
<b>INTEREST MARGIN</b>	<b>150.872</b>	<b>144.706</b>
Return on equity instruments	1.122	1.648
Received fees and commissions	72.714	73.078
Paid fees and commissions	-24.391	-21.851
Net income from financial operations	724	-973
Net forex differences	-3	-
Other operating revenues	257	745
Other operating expenses	-3.500	-3.567
<b>GROSS MARGIN</b>	<b>197.795</b>	<b>193.786</b>
Administrative expenditure	-95.099	-89.863
Amortisation	-3.141	-10.505
Net contributions to provisions	-8.602	-3.487
Net impairment losses on financial assets	-48.110	-53.810
<b>OPERATING INCOME RESULTS</b>	<b>42.843</b>	<b>36.121</b>
Net impairment losses on other assets	-12.439	-
Non-current assets for sale not classified as discontinued operations	-1.390	-3.716
<b>GAIN / LOSS (of fiscal year)</b>	<b>29.014</b>	<b>32.405</b>
Income taxes	-8.367	-9.227
<b>YEARLY RESULTS</b>	<b>20.647</b>	<b>23.178</b>



### Information on the default rate of the Assignor

The graphs below show data corresponding to the evolution of the defaults and delinquency loans over the eligible similar portfolio managed by the Assignor excluding structuring transactions with “demo” cars and rent a car, or transactions approved by the criteria of an analyst when his adopted decision goes against the automatic assessment system (*forzajes*).

Referring to the month of December 2014, the percentage default rate, is the following:

Delinquency (days past due)	0 days	Up to 30 days	Between 31 and 60 days	Between 61 y 90 days	Above 90 days
Vehicle New	96.38%	1.37%	0.68%	0.73%	0.85%
Vehicle Used	94.42%	1.99%	0.99%	0.99%	1.62%

For the purposes of the Fund, the loans considered as Deafulted Loans will be those overdue for more than ninety (90) days in the payment of the expired debits, excluding the Delinquent Loans (means those loans that, at any time starting from the Date of Incorporation (i) have or have had installments pending payment for periods equal to or longer than twelve (12) months or (ii) whose debt, in the opinion of Santander Consumer, will not be recovered).

Concerning to 2015, the situation on August was as follows:

Delinquency (days past due)	0 days	Up to 30 days	Between 31 and 60 days	Between 61 y 90 days	Above 90 days
Vehicle New	97.42%	1.13%	0.52%	0.42%	0.51%
Vehicle Used	95.10%	2.01%	0.87%	0.69%	1.33%

Hereafter it is shown for new vehicle and used vehicle, the gross cumulative delinquency ratios, as December 2015 in percentage terms over the amount of the loan annually originated. The delinquent loans are deemed to be those that have amounts unpaid for a period of time equal to or longer than 12 months or those that the Assignor considers or has considered unrecoverable. For loans originated in 2015, the accumulated ratio of delinquency as December 2015 is zero since there is not unpaid amounts for periods equal to, or over, than 12 months.

Vehicle New		Cumulative gross loss %	
Origination year	Originated amount (EUR thousands)	to 12 months	to 24 months
2013	557,232	0.15%	0.58%
2014	771,898	0.07%	-

Vehicle Used		Cumulative gross loss %	
Origination year	Originated amount (EUR thousands)	to 12 months	to 24 months
2013	196,893	0.09%	1.34%
2014	201,948	0.12%	-

### 3.6 Return on or repayment of the securities linked to others that are not assets of the issuer.

Not applicable.

### **3.7. Management Services Provider and duties of the Managing Company.**

#### **3.7.1 Management Services Provider.**

Without prejudice that the obligations of administration and management of the Credit Rights is of the Managing Company in accordance with article 26.1.b) of the Law 5/2015 (as provided in section 3.7.2 of the Additional Module), the Managing Company the name, address and significant activities of which are detailed in section 5.2 of the Registration Document and in section 3.5 of the Securities Note subcontract or delegated to the Assignor all the administration and management duties of the Credit Rights; the relationships between Santander Consumer and the Fund will be governed under the Deed of Incorporation and this Prospectus.

Santander Consumer as Management Services Provider will accept the order received from the Managing Company and, by virtue of the said order, agrees as follows:

- (i) to be in charge of the administration and management of the Credit Rights acquired by the Fund pursuant to the terms and ordinary procedures of administration and management established in this Prospectus;
- (ii) to continue administering the Credit Rights, by devoting the same time and attention and the same level of expertise, care and diligence in their administration as those that it would devote and exercise in the administration of its own loans and, in any case, it will apply an appropriate level of expertise, care and diligence in the provision of the services specified in this Additional Module;
- (iii) that the procedures that it applies and will apply to the administration and management of the Credit Rights are and will be in accordance with the applicable laws and legal rules in force;
- (iv) to abide by the instructions given to it by the Managing Company, with due loyalty;
- (v) to indemnify the Fund for such damages as may be derived from the breach of the obligations assumed.

A description of the rules and of the ordinary procedures for the administration and custody of the Credit Rights is contained in the following sections.

#### **(1) Duration**

The services will be provided by Santander Consumer until, once that all of the Credit Rights have been redeemed, all the obligations assumed by Santander Consumer in relation to the said Credit Rights have been extinguished, without prejudice to the eventual early revocation of its mandate.

In the case of Event of Replacement of the Management Services Provider, the Managing Company may take one of the following actions:

- (i) to replace the Management Services Provider with another entity that, in the opinion of the Managing Company, has the suitable legal and technical capacity, provided that this does not negatively affect the rating of the Bonds;
- (ii) to require it to subcontract, delegate or be secured in the fulfillment of the said obligations by another entity that, in the opinion of the Managing Company, has the suitable legal and technical capacity, provided that this does not negatively affect the rating of the Bonds.

In the case of insolvency of the Management Services Provider, the only possible action will be (i) above.

In this regard, Event of Replacement of the Management Services Provider means with respect to the Management Service Provider any of the following events: (i) any breach is not remedied in the opinion of the Managing Company by the Management Service Provider obligations under the Deed of Incorporation, and specifically, the breach of not transferring to the Fund the amounts received from the Debtors within two (2) working days of receipt (provided that such failure or delay was not caused for an event that falls outside the reasonable control of Management Service Provider, an event of force majeure or similar); and (ii) if would find in bankruptcy proceeding or insolvency.

For the purposes of replacing the Management Services Provider, Banco Santander, in its capacity of Back-Up Servicer Facilitator, will undertake under a public document, if so required by the Managing Company, to perform the duties of searching for a new management services provider so that within sixty (60) days the said new management services provider can replace Santander Consumer as the Management Services Provider.

Without prejudice to this obligation of Banco Santander, the Managing Company will take into account the proposals made by the Management Services Provider both in connection with the subcontracting, delegation or appointment of the new Administrator for the fulfillment of its obligations, and in connection with the entity that could guarantee the fulfillment of the said obligations.

Notwithstanding the foregoing, the final decision as regards the appointment of the new management services provider and any of the aforementioned actions will correspond to the Managing Company, acting in the name and on behalf of the Fund. The Management Services Provider may, in turn, voluntarily decide not to administer and manage the Credit Rights, if permitted by the laws in force from time to time, and provided that (i) it is authorized by the Managing Company, (ii) the Managing Company has appointed a new Management Services Provider, (iii) the Management Services Provider has indemnified the Fund for any damages caused to the Fund by the resignation and replacement (moreover, any additional cost will be borne by the Administrator and, consequently, will not be charged to the Fund), and (iv) this does not negatively affect the rating of the Bonds.

## **(2) Liability of Santander Consumer as regards the custody and administration**

Santander Consumer undertakes to act with due diligence in the custody and administration of the Loans and the documents regarding the said Loans deposited with Santander Consumer, and will be liable to the Fund, through its Managing Company, for such damage as may arise from its negligence.

Santander Consumer will indemnify the Fund, through its Managing Company, for any damage, loss or expense incurred as a result of the breach of its obligations relating to custody and/or administration of the Loans and the documents regarding the said Loans.

## **(3) Liability of Santander Consumer as regards the collection management**

Santander Consumer undertakes to act with due diligence in the collection management for the Loans, and will be liable to the Fund, through its Managing Company, for such damage as may arise from its negligence.

Santander Consumer does not assume any responsibility in guaranteeing, directly or indirectly, the successful completion of the transaction, will not grant any guarantees or bank guarantees, and will not enter into any repurchase agreements in respect of the Credit Rights, except for those that do not adapt to the representations and guarantees contained in section 2.2.8 of this Additional Module.

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

The Management Services Provider will keep all the contracts, documents and computer records relating to the Loans in safe custody and will not abandon the possession, custody or control thereof without the prior written and relevant consent of the Managing Company, unless the Administrator is required to produce any of the said documents in order to start proceedings for the enforcement of a Loan.

The Management Services Provider will provide reasonable access, at all times, to the said contracts, documents and records to the Managing Company or to the Account Auditor of the Fund, duly authorized by the Managing Company. Likewise, if so requested by the Managing Company, the Management Services Provider will furnish, within five (5) Working Days following the said request and free of charge, a copy or photocopy of any of the said contracts and documents. The Management Services Provider will act in the same manner in the event that the Account Auditor of the Fund requests any information.

In any case, the Management Services Provider waives the privileges granted to it by the Law in its capacity of 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 any properties on deposit) and 276 of the Spanish Commercial Code (guarantee similar to retention under pledge of any properties on deposit).

**(5) Collection management**

Santander Consumer, in its capacity of collection manager, will receive for the Fund such amounts as are paid by the Debtors arising from the Credit Rights, both for principal and interest, as well as any other item assigned to the Fund, and will proceed to credit to the Cash Account the amounts that correspond to the Fund, within two (2) labour days following the receipt of funds.

**(6) Advance of funds**

Santander Consumer will not, in any case, advance any amount that it has not previously received from the Debtors by way of principal or an instalment pending maturity, interest, prepayment, etc., deriving from the Credit Rights.

**(7) Information**

The Management Services Provider will periodically inform the Managing Company within the maximum period of time of two (2) working days of the degree of compliance by the Debtors with the obligations deriving from the Credit Rights, the compliance by the Management Services Provider with its obligation to deposit the amounts received deriving from the Loans, and the actions carried out in the case of late payment and the existence of any hidden defects in the Loans.

The Management Services Provider will prepare and submit to the Managing Company such additional information as, in relation to the Loans or the rights deriving from them, may be reasonably requested by the Managing Company.

## **(8) Subrogation of the Debtor of the Credit Rights**

The Management Services Provider will be authorized to allow replacements in the position of the Debtor in the Loan agreements, exclusively in the cases in which the characteristics of the new Debtor are similar to those of the former Debtor and if they meet the criteria for the granting of loans, as described under section 2.2.7 of this Additional Module, and provided that the expenses derived from this modification are paid in full by the Debtors. The Managing Company may totally restrict this power of the Management Services Provider, when the aforementioned replacements can adversely affect the ratings assigned to the Bonds by the Rating Agencies.

In all cases, any subrogation made in accordance with the provisions of the above paragraph must be immediately reported by the Management Services Provider to the Managing Company.

## **(9) Powers and actions in relation to Loan renegotiation processes**

The Managing Company authorizes the Management Services Provider on a general basis to carry out renegotiations (understood as restructuring operations, for the purposes of this item 3.7.1. (9)), in the terms and conditions described below and always that won't diminishes the rank with this action or any else, legal effectiveness or economic value of the guarantees or of the Credit Rights; notwithstanding the foregoing, the Administrator will deal with the requests made by the Debtors with the same diligence and procedure as if dealing with other loans.

The amount of the principal of the Loans assigned to the Fund in respect of which the interest rate or the term of maturity is renegotiated may not exceed 10% of the Initial Outstanding Balance of the Credit Rights on the Date of Incorporation.

For these purpose, the Management Services Provider may not carry out restructuring referred to in the previous paragraph until the proceedings that preclude such actions that may involve any damage over the guarantee are determined.

Renegotiations of loans will be only formalized under a deed granted before a Notary Public if the following requirements are fulfilled:

- Operations previously formalized as such (originally).
- Operations the holder of which has any financial records in ASNEF, communicated by any entities other than Santander Consumer.
- Restructuring processes of operations relating to the Automotive sector with an outstanding risk equal to or higher than € 18,000.
- Restructuring processes of groups of products with a total outstanding risk equal to or higher than € 24,000.

The interest rate for a specific Loan may be renegotiated provided that the following requirements are met:

- That the interest rate applied to the said Loan is not lower than 5.00%.
- That the weighted average rate of the Loans resulting from the renegotiation is not lower than 7.00%.

The term of maturity for a specific Loan may be renegotiated provided that the following requirements are met:

- In any case, the term between principal repayments of the Loan will be maintained or reduced, and the same repayment schedule will be maintained.
- The new final maturity date or last repayment date of the Loan will be, at the latest, 25<sup>th</sup> January 2029.

In any event, after any renegotiation takes place in accordance with the provisions of this section, the Management Services Provider will immediately proceed to notify the Managing Company of the conditions resulting from each renegotiation.

The Managing Company, on behalf of the Fund, may at any time suspend or modify the authorization and the requirements for renegotiation by the Management Services Provider that are contained in this section.

Notwithstanding the foregoing, and if Debtors are Legal Person, it is necessary to bear in mind that pursuant to the provisions of the Royal Decree-Law 4/2014, of 7<sup>th</sup> March, adopting urgent measures in the field of business debt refinancing and restructuring, the fourth Additional Provision of the Insolvency Law is amended. As a result of the said amendment, the judge may order the judicial endorsement of the refinancing agreement which may have the following effects on the Loans in accordance with the majorities of the financial liabilities that have approved the refinancing: (i) extension, whether of the principal, interest or any other amount owed for a period of five years or more, but in no case exceeding ten; (ii) debt relief; (iii) conversion of the debt into shares or interests in the debtor company; (iv) conversion of the debt into equity loans for a term of five years or more, but in no case exceeding ten; or (v) the assignment of the creditors' property or rights in lieu of payment of all or part of the debt.

**(10) Exceptional expenses.**

On the other hand, Santander Consumer, on each Payment Date, will be entitled to the reimbursement of all exceptional expenses incurred, excluding the extrajudicial, once that they have been previously justified to the Managing Company, in relation to the Management Services of the Credit Rights. The said expenses, which will include, among others, those derived from the enforcement of guarantees, will be paid, provided that the Fund has sufficient Available Funds in the Cash Account and in accordance with the provisions of sections 3.4.6.(1)(b) and 3.4.6(4) of this Additional Module in respect of the Ranking and the Post-Enforcement Ranking, respectively.

**(11) Set-off.**

In the event that any of the Debtors of the Loans has a liquid, matured and enforceable credit right against the Management Services Provider and, consequently, one of the Loans is totally or partially set off against the said credit right, the Management Services Provider will remedy this circumstance or, if it is not possible to remedy it, the Management Services Provider will deposit in the Fund the amount that has been set off plus the accrued interest that would have corresponded to the Fund until the date of the said deposit; the said interest will be calculated in accordance with the conditions applicable to the corresponding Loan.

**(12) Subcontracting**

The Management Services Provider may subcontract any of the services that it has undertaken to provide by virtue of the foregoing, except for those services that cannot be delegated in compliance with the current regulations. This subcontracting may not

entail in any case any additional cost or expense for the Fund or the Managing Company and may not result in a downgrade of the credit rating given by the Rating Agencies to the Bonds. Notwithstanding any subcontracting or delegation, the Management Services Provider will not be exonerated or released by reason of the said subcontracting or delegation from any of its responsibilities that are assumed in accordance with this securitization process or that are legally attributable to or obligatory for the Administrator.

### **(13) Notices**

The Managing Company and the Assignor have agreed not to notify the assignment to the respective Debtors. In this respect, notice is not a requirement for the validity of the assignment of the Loans.

Nevertheless, the Assignor will grant the broadest powers, as necessary in accordance with the Laws, to the Managing Company, so that it can, in the name of the Fund, inform the Debtors of the assignment at such time as it deems it appropriate.

However, in the case of insolvency or any indications of insolvency, of intervention by the Bank of Spain, of liquidation or replacement of the Assignor or because the Managing Company considers it to be reasonably justified, the Managing Company may request the Assignor to notify the Debtors and, when applicable, the guarantors, of the transfer to the Fund of the Loans pending repayment, as well as of the fact that the payments deriving from them will only discharge debt if they are made into the Cash Account opened in the name of the Fund. However, in the event that the Assignor fails to notify the Debtors within the three (3) Working Days following receipt of the request, as well as in the case of insolvency of the Assignor, the Managing Company will directly notify the Debtors. The Managing Company will give such notice within the shortest possible period of time.

The Assignor will bear the expenses incurred due to the notices sent to the Debtors, even if they have been sent by the Managing Company.

### **3.7.2 Managing Company.**

The administration and legal representation of the Fund will correspond to the Managing Company, in the terms provided in article 26 of the Law 5/2015 and other applicable law, as well as in the terms of the Deed of Incorporation and this Prospectus.

The name, address and significant activities of the Managing Company which are detailed in section 5.2 and 6 of the Registration Document.

The Managing Company will perform for the fund the duties provided in Law 5/2015 and, in particular, will be responsible (in accordance with article 26.1.b) of the Law 5/2015) of the administration and management of the assets pooled in the Fund. The Managing Company may subcontract or delegate to a third entity those duties keeping its responsibility.

The Managing Company, in its capacity of manager of third-party business operations, is also in charge of the representation and defense of the interests of the Bondholders and of the rest of creditors of the Fund. Consequently, the Managing Company will at all times safeguard the interests of the Bondholders and will make its actions conditional upon their defense and will abide by the provisions that might be established from time to time for this purpose. The Bondholders and the remaining creditors of the Fund have no action against the Managing Company of the Fund except for the breach of its duties or failure to observe the provisions of

the Deed of Incorporation and of this Prospectus in accordance with article 26.2 of the Law 5/2015.

The actions that the Managing Company will perform in order to comply with its duties of administration and legal representation of the Fund and the administration and management of the Credit Rights are –for information purposes only and without prejudice to any other actions established by this Additional Module– the following:

- (i) To open the Cash Account and the Principal Account, in the name of the Fund, initially with SCF.
- (ii) To exercise the rights inherent in the ownership of the Credit Rights of the Fund and, in general, to carry out any acts of administration and decision that might be necessary for the proper performance of the administration and legal representation of the Fund and the administration and management of the Credit Rights.
- (iii) To carry out the financial administration of the Credit Rights with due diligence and rigor, without prejudice to the management duties assumed by the Assignor in its capacity of Management Services Provider, in accordance with the provisions of section 3.7.1 above.
- (iv) To verify that the amounts effectively received by the Fund correspond to the amounts that the Fund must receive in accordance with the conditions of each Asset and the conditions of the various contracts.
- (v) To validate and control the information that it receives from the Management Services Provider in connection with the Loans, as regards collections of ordinary installments, prepayments of principal, payments received for unpaid installments, and status and control of non-payments.
- (vi) To calculate the available funds and movements of funds that it will have to make once that the application thereof has been carried out in accordance with the corresponding ranking, by ordering the transfers of funds between the various credit and debit accounts and the corresponding payment instructions, including those assigned to meet the financial servicing of the Bonds.
- (vii) To calculate and settle the amounts that, by way of interest and fees, it must receive and pay through the various financial credit and debit accounts, as well as the fees to be paid for the various financial services arranged and the amounts that, for the repayment of principal and interest, correspond to the Bonds.
- (viii) In the event that, at any time during the life of the Bonds, the credit ratings assigned by the Rating Agencies to Banco Santander's debt are downgraded as regards the capacity of Banco Santander as Paying Agent, to carry out the actions described in section 5.2 a) of the Securities Note.
- (ix) To comply with its calculation obligations established in this Additional Module, in the Subordinated Loan Agreement and in the Reinvestment Agreement, which are described in sections 3.4.3 and 3.4.4 of this Additional Module. If the Managing Company does not receive the information required to comply with the said calculation obligations in order to determine the Available Funds before the next Payment Date, these will be determined as the amounts deposited in the Cash Account on the Determination Date preceding the Payment Date, by carrying out the necessary estimates in order to calculate the amounts to be collected.
- (x) To closely supervise the actions of the Management Services Provider for the recovery of non-payments, by giving instructions, when applicable, in order to



bring any enforcement proceedings. To carry out the corresponding actions that might be required according to the circumstances.

- (xi) To keep the accounting books of the Fund with due separation from those of the Managing Company, to render accounts and to comply with the tax or any other legal obligations that might correspond to the Fund.
- (xii) To provide the holders of the Bonds issued against the Fund, the CNMV and the Rating Agencies with such information and notices as are required by the current regulations and, in particular, those specified in this Prospectus.
- (xiii) In order to enable the Fund's operations pursuant to the terms established by the Prospectus and by the regulations that might be in force from time to time, to extend or modify the contracts that it has formalized on behalf of the Fund, to replace each of the providers of services for the Fund by virtue of the said contracts and, if necessary, to enter into additional contracts; all the foregoing subject to the legislation that might be in force from time to time, to the prior authorization, if necessary, from the CNMV or the competent governmental agency, and to the notice thereof to the Rating Agencies, and provided that the said actions do not result in a downgrade of the credit rating of the Bonds and do not damage the interests of the Bondholders. Any amendment to the Deed of Incorporation will be made pursuant to the provisions of article 24 of the Law 5/2015.
- (xiv) To appoint and replace, if applicable, the Account Auditor of the Fund in charge of auditing the annual financial statements of the Fund.
- (xv) To prepare and submit to the CNMV and the competent agencies all documents and information that must be submitted as established by the current regulations and by this Prospectus, or that might be requested, and to prepare and send the Rating Agencies any information that they might reasonably require.
- (xvi) To make the appropriate decisions in relation to the liquidation of the Fund, including the decision for the early maturity of the Bond issue and liquidation of the Fund, in accordance with the provisions of this Prospectus.
- (xvii) Not to carry out any actions that could downgrade the credit rating of the Bonds and to arrange for the adoption of such measures as are reasonably available to it, so that the credit rating of the Bonds is not adversely affected at any time.
- (xviii) To manage the Fund in such a manner that its net asset value is always zero.

The Managing Company will perform its activities with due diligence, as required in accordance with the the Law 5/2015, in the representation of the Fund and the defense of the interests of the Bondholders and of the rest of creditors of the Fund, as if it was dealing with its own interests, by maximizing the levels of diligence, reporting and defense of their interests, and by avoiding any situations that might involve conflicts of interest, by giving priority to the interests of the Bondholders and the rest of creditors of the Fund over its own interests. The Managing Company will be liable to the Bondholders and the rest of creditors of the Fund for all damages caused to them by the breach of its obligations. Furthermore, it will be liable as regards any sanctions applicable to it pursuant to the provisions of the Law 5/2015. The Managing Company has the necessary resources, including the appropriate computer systems, to perform the duties of administration of the Fund that are attributed to the Managing Company by the Law 5/2015.

The Managing Company in compliance with article 29, paragraph j) of the Law 5/2015, approve an Internal Conduct Regulation in accordance with the Royal Decree 217/2008, of 15<sup>th</sup> February, on the legal regime of investment services companies and other entities that

provide investment services and Regulation of the Law 35/2003, of 4<sup>th</sup> November, on Collective Investment Institutions, approved by Royal Decree 1309/2005, of 4<sup>th</sup> November, which was communicated to the CNMV.

The Managing Company may act as the Managing Company of the Fund, as well as of any other securitization fund, without the simultaneous management of the said funds implying in any way whatsoever a breach of its obligations of due diligence in its capacity of Managing Company of the Fund or other securitization funds.

### **3.7.3 Waiver and Replacement of the Managing Company.**

The Managing Company will be replaced as regards the administration and representation of the Fund in accordance with articles 32 (Waiver) and 33 (Forced Replacement) of the Law 5/2015, as applicable, the rules established in the future.

#### **Waiver**

The Managing Company may resign from its duties of administration and legal representation of the Fund when it deems it to be appropriate requesting its replacement, that shall be authorized by the CNMV in accordance with the conditions and proceedings regulatory provided.

The Managing Company may not, in any case, cease to perform its duties until the complete fulfillment of all the requirements and formalities necessary for the new Managing Company to be able to fully assume its duties in relation to the Fund.

All expenses incurred as a result of the said replacement will be borne by the Managing Company and will not be charged to the Fund in any case.

#### **Forced Replacement**

If the Managing Company has been declared to be insolvent, a managing company must be appointed to replace it.

Provided that in the case referred to in the preceding paragraph have elapsed four (4) months starting from the date of the event that gave rise to the replacement and a new managing company, willing to take over the management of the Fund, has not been appointed and, the Early Liquidation of the Fund and the Early Redemption of the Bonds issued and charged by the Issuer, as well as, the early redemption of the Credit Rights, in accordance with the provisions of this Prospectus and the Deed of Incorporation.

The Managing Company undertakes to grant any public and private documents that might be necessary for its replacement with another managing company, in compliance with the provisions of the preceding paragraphs of this section. The new managing company will be subrogated to the rights and obligations that, in connection with this Prospectus, correspond to the Managing Company. Likewise, the Managing Company will provide the substitute managing company with all the documents and accounting and computer records relating to the Fund that might be in its possession.

#### **Rules on the remuneration in favor of the Managing Company for the performance of its duties**

The Managing Company will be entitled on each Payment Date and provided that the Fund has sufficient Available Funds in the Cash Account according to the provisions of section 3.4.6.(1)(b) relating to the Ranking, or in section 3.4.6.(4) relating to the Post-Enforcement Ranking of this Additional Module, to a periodic annual administration fee equal to 0.023% that will be calculated in accordance with the formula set forth below, with a minimum annual amount of SEVENTY THOUSAND EUROS (€ 70,000), which will accrue for the actual days in each Interest Accrual Period, will be paid quarterly on each of the Payment Dates, and will be calculated on the basis of the sum of the Outstanding Balance of the Bonds, on the Determination Date corresponding to that Payment Date. The fee accrued from the Date of Incorporation until the first Payment Date will be adjusted in proportion to the days elapsed between both dates and will be calculated based on the nominal value of the Bonds issued.

In addition, the Managing Company is entitled at the first Payment Date provided that the Fund has sufficient Available Funds in the Cash Account in accordance with the provisions of section 3.4.6. (1) (b) of Ranking or paragraph 3.4.6. (4) on Post-Enforcement Ranking of this Additional Module, in a single fee for their assistance in structuring the Fund of FORTY THOUSAND EUROS (€ 40.000).

The periodic administration fee, payable on a given Payment Date, will be calculated according to the following formula:

$$A=B \times 0,023\% \times \frac{d}{365}$$

**Where**

A = Fee payable on a given Payment Date.

B = Outstanding Balance of the Bonds on the Determination Date corresponding to that Payment Date.

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

**3.8. Name and address and a brief description of any counterparties involved in transactions relating to swap, credit, liquidity or accounts.**

Santander Consumer is the counterparty of the Fund in the Subordinated Loan Agreement, described in section 3.4.3 of this Additional Module. Likewise, a brief description of Santander Consumer is included in section 5.2 of the Registration Document.

SCF, in turn, is the counterparty of the Fund in the Reinvestment Agreement, described in section 3.4.4 of this Additional Module. Likewise, a brief description of SCF is included in section 5.2 of the Registration Document.

**4. POST-ISSUANCE INFORMATION**

**a) Obligations and deadlines established for the preparation, auditing and approval of the annual financial statements and the management report.**

The Managing Company will submit to the CNMV the annual financial statements of the Fund and their audit report, within four (4) months starting from the closing date of the financial year of the Fund, which will coincide with the calendar year (i.e., before 30<sup>th</sup> April of each year).

**b) Obligations and deadlines established for making the periodic information on the economic and financial situation of the Fund available to the public and its sending to the CNMV and the Rating Agencies.**

**b.1. - Ordinary periodic notices**

The Managing Company, due to its duties relating to the management and administration of the Fund, undertakes to send (i) to the CNMV, any information that might be required in connection with the Bonds, and (ii) to the Rating Agencies, any information that might be required in connection with the Bonds, the evolution of the Credit Rights, prepayments and the economic and financial situation of the Fund; all of this, with the greatest possible diligence, on a quarterly basis or at any time at which it is so requested; furthermore, the Managing Company will also provide them with any other additional information that they might request.

- (b.1')
- At least, one (1) calendar day before each Payment Date, the Managing Company will inform the Bondholders of the following:
- i. The resulting interest on the Bonds together with their redemption;
  - ii. The early redemption average rates of the Credit Rights, as at the Determination Date;
  - iii. The residual average life of the Bonds calculated based on the hypotheses of maintenance of the said actual early redemption rate;
  - iv. The Outstanding Balance of the Bonds (after the redemption to be made on each Payment Date), expressed for each Bond, and the percentage that the said Outstanding Balance of the Bonds (expressed for each Bond) represents as regards the initial nominal amount of each Bond.

Likewise, and if applicable, the Bondholders will be informed of the interest accrued on the Bonds and not paid due to the fact that there are not sufficient Available Funds.

Notices specified in section b.1') will be given as provided in section b.3 below, and will also be sent to Iberclear and AIAF within a maximum period of time of two (2) Working Days prior to each Payment Date. Moreover, and after each Payment Date, the Rating Agencies will be sent a report with the following information:

- Outstanding Balance of the Credit Rights, interest accrued on them, both collected and not collected, and the amount in default of the Credit Rights.
- Report on the origin and subsequent use of the Available Funds, according to the Ranking contained in section 3.4.6.(1).(b) of this Additional Module.

In addition to the information specified in the preceding paragraphs, the information specified in the Circular 2/2009 (as amended from time to time) will be sent to the CNMV.

**b.2. - Extraordinary Notices.**

The Fund, through its Managing Company, will also inform the Bondholders, the CNMV and the Rating Agencies of any important fact that might take place in relation to the Credit Rights, the Bonds, the Fund, and the very Managing Company, which might significantly influence the trading of the Bonds and, in general, of any significant modification in the assets or liabilities of the Fund and any amendment to the Deed of

Incorporation, and also as regards any eventual decision for Early Redemption of the Bonds due to any of the causes specified in the Prospectus. In such a case, the notarial document concerning the liquidation and procedure referred to in section 4.4.c.3) of the Registration Document will be sent to the CNMV.

In the case of modification of the credit ratings granted by the Rating Agencies to each Series or of the credit ratings of the counterparties to the contracts implying their replacement, the creation of guarantees or deposits, etc., or in the event that the Reserve Fund cannot be reduced because of the occurrence of any of the circumstances described in section 3.4.2.2 of this Additional Module or if there is any modification in the Ranking described in section 3.4.6 of this Additional Module, the said events and any others of a similar nature that might arise will be communicated as soon as possible to the CNMV.

### **b.3. - Procedure.**

Any notices that, in accordance with the foregoing, must be sent to the Bondholders by the Fund through its Managing Company, will be given as follows:

1. Ordinary periodic notices referred to in section b.1) above, by means of their publication in the AIAF daily journal or any other journal that might replace it in the future or another having similar characteristics.
2. Extraordinary notices referred to in section b.2) above, by means of their publication as a Relevant Fact at the CNMV.

Furthermore, the aforementioned notices may also be given by means of their publication in other general media.

For purposes of this Prospectus, it will be considered that these notices have been given on the date of their publication; any day of the year, whether a Working Day or a Non-Working Day, will be suitable to that end.

Any downgrades in the credit ratings of the Bonds, as well as the measures to be taken in the case of activations of the *triggers* due to a downgrade in the credit rating of the counterparty in the financial agreements or any other cause, will be notified to the CNMV by sending the corresponding Relevant Facts.

### **c) Information to the Spanish National Stock Exchange Commission.**

The Managing Company will provide the CNMV with the information established in the preceding sections, as well as any other additional information that might be required by the CNMV or by the current regulations from time to time.

### **d) Information to be provided by Santander Consumer to the Managing Company.**

In addition, Santander Consumer undertakes to inform the Managing Company, on behalf of the Fund, on a quarterly basis and, in any case, at the request of the Managing Company, of any non-payments, early redemptions and changes in interest rates and, on a timely basis, of the payment demands, judicial actions and any other circumstances that might affect the Credit Rights. Likewise, Santander Consumer will provide the Managing Company with all documents that the latter might request from Santander Consumer in relation to the said Loans and, in particular, the documents that the Managing Company might need in order to bring any legal actions, if applicable.

**Mr. IGNACIO ORTEGA GAVARA, in the name and on behalf of SANTANDER DE TITULIZACIÓN, S.G.F.T. and in his capacity of General Manager of the Managing Company, signs this Prospectus in Madrid, on 10<sup>th</sup> March 2016.**

**4.**

## 5. DEFINITIONS

For the appropriate interpretation of this Prospectus, capitalized terms will be understood in accordance with the definition given to each one of them below, unless they are expressly attributed any other meaning. Any terms that are not expressly defined will be understood in their natural and obvious sense, according to their general usage. Likewise, it is stated for the record that any terms in the singular will include the plural and vice versa, whenever the context so requires.

The capitalized terms listed below will have the following meaning:

“**Account Auditor of the Fund**”: means PwC.

“**Accumulated Balance of the Credit Rights**”: means the sum of the principal pending maturity and of the matured principal not paid to the Fund of the Credit Rights on the date of their assignment to the Fund.

“**Accumulated Balance of the Delinquent Loans**”: means the sum of the principal pending maturity and of the matured principal not paid to the Fund of the Delinquent Loans on the date on which each of them became a Delinquent Loan, regarding the amounts recovered since the said date.

“**Accumulated Balance of the Renegotiated Loans**”: means the sum of the principal pending maturity and of the matured principal not paid to the Fund of the Renegotiated Loans on the date on which each of them became a Renegotiated Loan.

“**ACPR**”: means Annual Constant Prepayment Rate.

“**Acquisition Amount of the Additional Credit Rights**”: means an amount equal to the nominal value of the Outstanding Balance of the Additional Credit Rights pooled in the Fund, on the corresponding Payment Date, plus the interest accrued but not liquidated before the corresponded Payment Date.

“**Additional Credit Rights**”: means each one of the Credit Rights assigned to the Fund by the Assignor, or retained by the Assignor, as established in item 4.1. (c) of the Securities Note, subsequently to the Date of Incorporation, during the Revolving Period.

“**Additional Module**”: means the additional module to the securities note relating to the issue of Bonds, prepared according to Annex VIII of the Regulation (EC) no. 809/2004, approved by the CNMV on 10<sup>th</sup> March 2016.

“**AIAF**”: means AIAF, Fixed Income Securities Market.

“**AIAF Market**”: means Fixed Income Securities Market of the *Asociación de Intermediarios de Activos Financieros* (Association of Financial Asset Intermediaries).

“**Amount of Principal Retention**”: means the Available Principal Funds that during the Revolving Period have not been used for the acquisition of the Additional Credit Rights or the early redemption of the Series A and that will be retained in the Principal Account up to the maximum amount of 5% of the Outstanding Balance of Series A, B, C, D and E on the immediately preceding Determination Date.

“**Assignment Agreement**”: means the agreement for the purchase and sale of Initial Credit Rights, formalized under a deed, by virtue of which Santander Consumer assigns the Initial Credit Rights derived from the Loans to the Fund.

“**Assignor**”: means Santander Consumer.

“**Audit Report on the Preliminary Portfolio**”: means the audit report on the Preliminary Portfolio from which the Loans to be assigned to the Fund will be extracted, drafted by Deloitte.

“**Auditor Report Date of the Preliminary Portfolio**”: means 10 March 2016.

“**Available Funds**”: means, on each Payment Date, the amount credited to the Cash Account, which the Managing Company on behalf of the Fund will apply, on each Payment Date, to the payments and retentions described in the Ranking.

“**Available Funds for Liquidation**”: means:

- a) the Available Funds,
- b) amounts that the Fund obtains from the disposal of any remaining Credit Rights and of any other assets, if applicable, in the cases of Early Liquidation of the Fund pursuant to the requirements established by section 4.3.c of the Registration Document, and
- c) if applicable, the amount drawn from the line of credit available for the final redemption of the Bonds in compliance with the provisions of section 4.3.c) (iii) of the Registration Document.

“**Available Principal Funds**”: means the minimum amount of: a) the positive difference existing on the Determination Date preceding the corresponding Payment Date between (i) the Outstanding Balance of the Series A, Series B, Series C, Series D and Series E Bonds, and the sum of (ii) the Outstanding Balance of the Credit Rights, excluding any Delinquent Loans, and b) the Available Funds, following the fulfilment of the payment obligations up until the sixth (6<sup>o</sup>) place in the Ranking of the as provided in section 3.4.6. (1)(b) of the Additional Module, without prejudice on the Liquidation Ranking.

“**Back-Up Servicer Facilitator**”: means Banco Santander.

“**Banco Santander**”: means Banco Santander, S.A.

“**Banco Santander General Code of Conduct**”: means the Banco Santander General Code of Conduct at which the Managing Company is adhered, in compliance with article 29, paragraph j) of the Law 5/2015 and it may be consulted in the corporate website ([www.bancosantander.com](http://www.bancosantander.com)).

“**BEKA**”: means Beka Finance, Sociedad de Valores, S.A.

“**BEKA STRUCTURED**”: means Beka Structured Securities, S.L.

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

“**CA-CIB**”: means Credit Agricole CIB.

“**Calendar Day**”: means any day of the year, including Sundays and bank holidays.

“**Cash Account**”: means the account to be opened with SCF on behalf of the Fund by the Managing Company, the operational aspects of which will be established by the Reinvestment Agreement.

“**Circular 4/2004**”: the Circular 4/2004 of the Bank of Spain, of 22nd December, addressed to credit entities, on the rules relating to public and reserved financial information and financial statement forms.

“**CMS**”: means CMS ALBIÑA Y SUÁREZ DE LEZO, S.L.P.

“**CNMV**”: means Spanish National Stock Exchange Commission.

“**Commingling Reserve Account**”: means the account to be opened, if applicable, with SCF on behalf of the Fund by the Managing Company, the operational aspects of which will be established by the Reinvestment Agreement.

“**Credit Rights**”: means the portfolio of credit rights that will be the assets of the Fund, or that will be retained by the Assignor, as established in item 4.1. (c) of the Securities Note, and it is made up of credit rights deriving from loans for the acquisition of new and used vehicles. The said portfolio of credit rights will be made up of the Initial Credit Rights and the Additional Credit Rights.

“**Date of the Audit Report on the Preliminary Portfolio**”: means 9th March 2016.



**“Date of Incorporation”**: means the date on which the Deed of Incorporation and the Assignment Agreement are formalized. It is expected that the Date of Incorporation will be 16<sup>th</sup> March 2016.

**“DBRS”**: means DBRS Ratings Limited.

**“Debtors”**: means any natural persons or legal person, having their domicile in Spain, to which Santander Consumer has granted the Loans from which the Credit Rights subject to securitization derive.

**“Deed of Incorporation”**: means the Deed of Incorporation of the Securitization Fund, SANTANDER CONSUMER SPAIN AUTO 2016-1 and the Issuance of Bonds.

**“Defaulted Loans”**: means those loans, whose payment is overdue for more than ninety (90) days, excluding the Delinquent Loans.

**“Default Ratio”**: means the Outstanding Balance of the Defaulted Loans divided by the Outstanding Balance of the Credit Rights.

**“Delinquency Ratio”**: means the Accumulated Balance of the Delinquent Loans divided by the Accumulated Balance of the Credit Rights.

**“Delinquent Loans”**: means those loans that, at any time starting from the Date of Incorporation (i) have or have had installments pending payment for periods equal to or longer than twelve (12) months or (ii) whose debt, in the opinion of Santander Consumer, will not be recovered.

**“Deloitte”**: means Deloitte, S.L., account auditor of the Managing Company, of the Assignor, and auditor of certain attributes of the Preliminary Portfolio owned by Banco Santander.

**“Depository Institution of the Commingling Reserve”**: means SCF.

**“Depository Institution of the Liquidity Reserve”**: means SCF.

**“Disbursement Date”**: means 18th March 2016 before 2.00 pm (Madrid time).

**“Determination Dates”**: means (i) during the Revolving Period, the date corresponding to the tenth (10<sup>th</sup>) Working Day preceding each Payment Date and (ii) once completed the Revolving Period, the date corresponding to the fifth (5<sup>th</sup>) Working Day preceding each Payment Date.

**“Early Liquidation”**: means the liquidation of the Fund prior to the 20<sup>th</sup> day of April 2032 and, consequently, the Early Redemption on a Payment Date of the whole issue of the Bonds in the cases and according to the procedure established by section 4.4 c) of the Registration Document.

**“Early Redemption”**: means the redemption of the Bonds on any date prior to the Final Maturity Date of the Loans in the cases of Early Liquidation of the Fund in compliance with the requirements established by section 4.4 c) of the Registration Document.

**“Election Requirements”**: means the requirements recorded in the Individual and Global Requirements to be met by the Additional Credit Rights for their assignment and inclusion in the Fund on the corresponding assignment date.

**“Event of Replacement of the Management Services Provider”**: means, with respect to the Management Services Provider, any of the following events: (i) any breach of the obligations under the Deed of Incorporation, not remedied by the Management Services Provider, as per the discretion of the Managing Company, and in particular, the failure not to transfer to the Fund the amounts received from the Debtors within two (2) following working days as from receipt (provided that such failure or delay was not caused by an event that falls beyond the reasonable control of the Management Services Provider, an event of force majeure or similar ones); and (ii) in case of declaration of insolvency or insolvency.

**“Final Maturity Date of the Loans”**: means 25th January 2029, or, in the event that this date is not a Working Day, the next following Working Day, or the last date of the last maturity date of the Loans.

**“Financial Intermediation Margin”**: means variable and subordinated remuneration to which Santander Consumer is entitled.

**“Fund”** or **“Issuer”**: means SECURITIZATION FUND, SANTANDER CONSUMER SPAIN AUTO 2016-1.

**“Global Requirements”**: means the requirements to be jointly met by the Additional Credit Rights for their assignment and inclusion in the Fund on the corresponding assignment date.

**“Iberclear”**: means Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., the Spanish Central Securities Depository (Managing Company for the Securities Registration, Clearing and Settlement Systems).

**“Individual Requirements”**: means the individual requirements to be met by each Additional Credit Right for their assignment and inclusion in the Fund on the corresponding assignment date.

**“Interest Accrual Periods”**: means each one of the periods into which the issue of Bonds is divided comprising the days actually elapsed between each Payment Date; each Interest Accrual Period will include the initial Payment Date of the corresponding period and will exclude the final Payment Date of the corresponding period. The first Interest Accrual Period will have a duration equivalent to the days elapsed between the Disbursement Date and the first Payment Date.

**“International Financial Reporting Standards”**: means the International Financial Reporting Standards that are applicable to the financial information provided by Santander Consumer, according to the Regulation (EC) n°. 1606/2002 and the Circular 4/2004 of the Bank of Spain.

**“Initial Credit Rights”**: means each one of the Credit Rights assigned to the Fund by the Assignor, or retained by the Assignor, as established in item 4.1. (c) of the Securities Note, upon its Date of Incorporation.

**“Insolvency Law”**: means the Law 22/2003, of 9<sup>th</sup> July, the Insolvency Law.

**“IRR”**: means Internal Rate of Return the Bondholders of each Series.

**“Law 5/2015”**: means the Law 5/2015, of 27<sup>th</sup> April, on promotion of corporate finance.

**“Law 27/2014”**: means the Law 27/2014, of 27<sup>th</sup> November, on the Corporate Income Tax.

**“Law 37/1992”**: means the Law 37/1992, of 28<sup>th</sup> December, on the Value Added Tax.

**“Law of Hire Purchase of Personal Property”**: means the Law 28/1998, of 13<sup>th</sup> July, of Hire Purchase of Personal Property.

**“Securities Markets Act”**: means Royal Legislative Decree 4/2015, of 23<sup>rd</sup> October, approving the consolidated text of the Law on the Stock Exchange.

**“Legal Maturity Date of the Fund”**: means 20<sup>th</sup> April 2032 or, in the event that this date is not a Working Day, the next following Working Day and, in any case, it shall coincide with a Payment Date.

**“Legal Person”**: means any corporation, association or foundation with a public interest recognized by the law of public interest associations, regardless of being civil, corporate or industrial, where the association have its own personality, independently of the personality of its partners.

**“Liquidity Reserve Account”**: means the account to be opened, if applicable, with SCF on behalf of the Fund by the Managing Company, the operational aspects of which will be established by the Reinvestment Agreement.

**“Loans”**: means the loans granted by Santander Consumer to natural persons and legal person residing in Spain, for the purpose of financing the acquisition of new or used vehicles, from which the Credit Rights assigned to the Fund are derived.

**“Management Services Provider”**: means Santander Consumer, EFC, S.A. Without prejudice of the administration and management obligations over the Credit Rights, corresponds to the Managing Company in accordance with article 26.1.b) of the Law 5/2015 (as provided under section 3.7.2 of the Additional Mode), in the Deed of Incorporation, the Managing Company subcontract or delegated to the Assignor all the administration and management duties of the Credit Rights. Consequently, all the references made in this Prospectus to the Management Services Provider should be understood as made it to Santander Consumer.

**“Management, Structuring, Subscription and Payment Agency Agreement”**: means the structured bond management, structuring and subscription and payment agency agreement to be entered into by the Managing Company, for and on behalf of the Fund, the Subscribers, the Managers, the Structuring Entities and the Paying Agent.

**“Managers”**: means SCF, CA-CIB and BEKA.

**“Managing Company”**: means Santander de Titulización, S.G.F.T., S.A.

**“Maximum Amount of the Credit Rights”**: means the maximum amount of the Outstanding Balance of the Credit Rights pooled in the Fund, which will be an amount equal to the nominal value of the issue of Bonds, and, consequently, equal to the initial balance of the Credit Rights. As an exception, on the Date of Incorporation, the amount of the assigned Credit Rights may be slightly higher than the nominal value of the Issue of Series A, B, C, D and E.

**“Moody’s”**: means Moody’s Investors Service España, S.A.

**“Nominal Interest Rate”**: means the accrual of interest for each Series and Accrual Interest Periods:

- Series A: 1.25%
- Series B: 1.65%
- Series C: 3.25%
- Series D: 6.00%
- Series E: 8.00%
- Series F: 8.00%

**“ODMU”**: means operation decision-making unit.

**“ODMU-R”**: means restructuring operation decision-making unit.

**“ODU”**: means operation decision-making unit.

**“ODU-R”**: means restructuring operation decision-making unit.

**“Offer Dates”**: means the dates corresponding to the sixth (6th) Working Day preceding each Payment Date of the Revolving Period on which the Additional Credit Rights should be acquired.

**“Offer Request Dates”**: means the dates corresponding to the eighth (8th) Working Day preceding each Payment Date of the Revolving Period on which the Additional Credit Rights should be acquired.

**“Outstanding Balance of the Bonds”**: means the total outstanding balances of the Bonds (i.e., the principal amount of the Bonds pending redemption).

**“Outstanding Balance of the Credit Rights”**: means the sum of the principal pending to maturity and of matured principal not paid to the Fund of the Credit Rights corresponding to a given date.

**“Outstanding Balance of the Additional Credit Rights”**: means the sum of the principal pending to maturity and of matured principal not paid to the Fund of the Additional Credit Rights corresponding to a given date.

**“Outstanding Balance of the Defaulted Loans”**: means the sum of the principal pending to maturity and of matured principal not paid to the Fund of the Defaulted Loans corresponding to a given date.

**“Order EHA/3537/2005”**: means the Order EHA/3537/2005, implementing article 27.4 of the Law on the Stock Exchange.

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

**“Payment Dates”**: means the following dates: 20th January, April, July and October of each year, or, in the event that any of these dates is not a Working Day, the next following Working Day.

**“Post-Enforcement Ranking”**: means the ranking for payment or retention obligations of the Fund as regards the application of the Available Funds for Liquidation on the date of liquidation.

**“Preliminary Portfolio”**: means the preliminary portfolio of loans from which the Loans giving rise to the Credit Rights to be assigned to the Fund on the Date of Incorporation will be extracted, and it is made up of the Preliminary Portfolio, from which the Initial Credit Rights will be extracted, with seventy eight thousand seven hundred and forty-five (78,745) Loans, with a principal that has not become due yet, as at 25<sup>th</sup> February 2016, amounting to EIGHT HUNDRED AND FIFTY MILLION NINE HUNDRED AND FIFTY-TWO THOUSAND FIVE HUNDRED AND FIFTY-SIX EUROS WITH EIGHTY-SEVEN EURO CENTS (€ 850,952,556.87).

**“Principal Account”**: means the account to be opened with SCF on behalf of the Fund by the Managing Company, the operational aspects of which will be established by the Reinvestment Agreement.

**“Principal Deficit”**: means, on a Payment Date, the positive difference, if any, between a) the Outstanding Balance of the Bonds of the Series A, Series B, Series C and Series D, and (b) the sum of (i) the Outstanding Balance of the Credit Rights, excluding the Delinquent Loans, plus (ii) the Amount of Principal Retention.

**“Prospectus”**: means, collectively, the table of contents, the document describing the risk factors, the Registration Document, the Securities Note, the Additional Module and the document containing the definitions.

**“PwC”**: means Pricewaterhousecoopers Auditores, S.L., and Account Auditor of the Fund.

**“Ranking”**: means the ranking for the application of the payment or retention obligations of the Fund as regards the application of the Available Funds on each Payment Date.

**“Rating Agencies”**: means DBRS and Moody`s.

**“Rating of DBRS”**: means the public rating assigned by DBRS or, in case such public rating does not exist, private rating thereof, or, in case the latter does not exist, internal evaluation carried out by DBRS.

**“RBU”**: means Recovery Business Unit

**“Registration Document”**: means the registration document, including Annex VII as approved by the CNMV on 10 March 2016.

**“Regulation (EC) no. 809/2004”**: means the Commission Regulation (EC) no. 809/2004, of 29th April 2004, relating to the application of the Directive 2003/71/EC of the European Parliament and of the Council as regards the information contained in prospectuses, as well as the format, incorporation by reference, publication of the said prospectuses and dissemination of advertisements.

**“Regulation on AIFM”**: means the Regulations (UE) n° 231/2013, of 19th December 2012, known as the Regulations of Alternative Management Investment Funds.

**“Regulation on CRR”**: means the Regulations 575/2013, of 26th June, on prudential requirements of the credit entities and investment companies, and by which the Regulations (UE) n° 648/2012 is amended.

“**Regulation on Solvency II**”: means the Regulations (UE) 2015/35, of 10th October 2014.

“**Reinvestment Agreement**”: means the reinvestment agreement by virtue of which (i) SCF will not guarantee a variable yield on the amounts deposited by the Fund (through its Managing Company) in the Cash Account and the Principal Account, and (ii), if applicable, the Commingling Reserve Account and the Liquidity Reserve Account will be opened.

“**Renegotiated Loans**”: means those loans that, at any time starting from the Date of Incorporation, have been renegotiated, pursuant to the provisions of item 3.7.1.(9).

“**Required Amount of the Commingling Reserve**”: means 1.15 x the principal amount of the Credit Rights collected during the preceding month.

“**Required Amount of the Liquidity Reserve**”: means 1.00% of the Outstanding Balance of the Series A, B, C, D and E Bonds.

“**Required Level of the Reserve Fund**”: means the amount of the Reserve Fund at the time of the incorporation of the Fund, equivalent to FIFTEEN MILLION SIX HUNDRED THOUSAND EUROS (€ 15,600,000), i.e., equivalent to 2% of the initial amount of the Series A, Series B, Series C, Series D and Series E Bonds.

“**Reserve Fund**”: means the reserve fund to be created by the Managing Company, for and on behalf of the Fund, in compliance with the provisions of section 3.4.2.2 of the Additional Module.

“**Revolving Period**”: means the period from the Date of Incorporation, 16<sup>th</sup> March 2016, to the Payment Date corresponding to 20<sup>th</sup> July 2019, both inclusive, or on a preceding Payment Date, in the event of early termination of that period.

“**Risk Factors**”: means the description of the main risk factors linked to the issuance of the Bonds, to the securities and to the assets backing the issuance of the Bonds.

“**Royal Decree 634/2015**”: means the Royal Decree 634/2015, of 10th of July, approving the Regulation on the Corporate Income Tax.

“**Royal Decree 1310/2005**”: means the Royal Decree 1310/2005, of 4th November, whereby the Securities Markets Act is partially implemented, as regards the admission to trading of securities on official secondary markets, public offers of sale or subscription and the prospectus required for these purposes.

“**Royal Legislative Decree 1/1993**”: means the Royal Legislative Decree 1/1993, of 24th September, approving the consolidated text of the Law on Tax on Capital Transfers and Documented Legal Acts.

“**Rules of Civil Law Procedure**”: means the Law 1/2000, of 7th January, on the Rules of Civil Law Procedure.

“**Santander Benelux**”: means SANTANDER BENELUX SA/NV.

“**Santander Consumer**”: means Santander Consumer, E.F.C., S.A.

“**SCF**”: means Santander Consumer Finance, S.A.

“**Securities Note**”: means the securities note relating to the Bond issue, as prepared in accordance with Annex XIII of the Regulation (EC) no. 809/2004, approved by the CNMV on 10th March 2016.

“**Series**”: means each of the six (6) series into which the total amount of the Bonds issue is broken down.

“**Series A**”: means the Series with a total nominal amount of SIX HUNDRED AND FIFTY MILLION TWO HUNDRED THOUSAND EUROS (€ 650,200,000), made up of six thousand five hundred and

two (6,502) Bonds, with a nominal value of ONE HUNDRED THOUSAND EUROS (€ 100,000) each one of them.

“**Series B**”: means the Series with a total nominal amount of THIRTY MILLION SIX HUNDRED THOUSAND EUROS (€ 30,600,000), made up of three hundred and six (306) Bonds, with a nominal value of ONE HUNDRED THOUSAND EUROS (€ 100,000) each one of them.

“**Series C**”: means the Series with a total nominal amount of FOURTY TWO MILLION ONE HUNDRED THOUSAND EUROS (€42,100,000), made up of four hundred and twenty one (421) Bonds, with a nominal value of ONE HUNDRED THOUSAND EUROS (€ 100,000) each one of them.

“**Series D**”: means the Series with a total nominal amount of TWENTY THREE MILLION EUROS (€ 23,000,000), made up of two hundred and thirty (230) Bonds, with a nominal value of ONE HUNDRED THOUSAND EUROS (€ 100,000) each one of them.

“**Series E**”: means the Series with a total nominal amount of NINETEEN MILLION ONE HUNDRED THOUSAND EUROS (€ 19,100,000), made up of one hundred and ninety one (191) Bonds, with a nominal value of ONE HUNDRED THOUSAND EUROS (€ 100,000) each one of them.

“**Series F**”: means the Series with a total nominal amount of FIFTEEN MILLION THREE HUNDRED THOUSAND EUROS (€ 15,300,000), made up of one hundred and fifty three (153) Bonds, with a nominal value of ONE HUNDRED THOUSAND EUROS (€ 100,000) each one of them.

“**SOR**”: means Santander Operations Retail.

“**Subordinated Loan Agreement**” or “**Subordinated Loan**”: mean the subordinated loan agreement for an amount of THREE MILLION SEVEN HUNDRED AND SEVENTY-FIVE THOUSAND EUROS (€ 3,775,000) to be entered into by the Managing Company, for and on behalf of the Fund, and Santander Consumer, to be used for the purposes of financing the expenses incurred in the incorporation of the Fund and issue of the Bonds, including the amount of any accrued interests that have not become due of the Initial Credit Rights.

“**Subscribers**”: means Santander Benelux and Santander Consumer.

“**Subscriber of the Series A Bonds**”: means Santander Benelux.

“**Subscriber of the Series B, C, D, E and F Bonds**”: means Santander Consumer.

“**Subscription Date**”: means 18th March 2016, from 10.00 am to 12.00 am (Madrid time).

“**Suitable Investments**”: means (i) any debt senior title (not subordinated) dematerialized and denominated in euros, (ii) other debt instruments (including, to avoid any kind of doubt, the deposits), or (iii) commercial paper issued or guarantee fully and unconditionally with a non-subordinated character by an institution which debt obligations not guarantee and not subordinated, but in compliance of, at least, the following qualifications:

- Regarding DBRS: (1) if the maturity of the Suitable Investment not exceed the 30 calendar days, a long term rating of BBB (high) or a short term rating of, at least, R-1 (low); or (2) if the maturity of the Suitable Investment exceed the 30 calendar days but not the immediately following Payment Date, after the performance of the investment, a long term rating of, at least, AA (low) or a short term rating of, at least, R-1 (middle); and
- Regarding Moody`s: (1) if the maturity of the Suitable Investment not exceed the 30 calendar days, a long term rating of Baa2 and a short term rating of, at least, P-2 (if the Suitable Investment do not have a long term rating, it should have a short term rating of, at least, P-2); or (2) if the maturity of the Suitable Investment exceed the 30 calendar days but not the

immediately following Payment Date, after the performance of the investment, a long term rating of, at least, Baa1:

Provided that, those investments (i) can be immediately sale it without any penalty and, in any case, have a maturity date prior to the immediately following Payment Date or in the Payment Date, and (ii) offer a fix principal amount at maturity (not been this amount less than the initial investment amount) or in the event of redemption or sale, the principal amount after the redemption or the sale shall be, at least, equivalent to the principal amount invested; and provided that, in any case the investment is done totally or partially, real or potentially, in (a) section of other titles support it by other assets; (b) payments linked to credits, swaps or others derived instruments, or synthetic titles; (c) any other instruments forbidden by the regulations on monetary policies of the European Central Bank applicable, in each moment, to grant the condition of eligible collateral to the bonds of Series A; and taking into account, that in case of downgrade of the rating beyond the rating allowed by virtue of the current definition, the titles shall be sale, if it can be done without having losses, or let then expiry.

“**Structuring entities**”: means CA-CIB and BEKA STRUCTURED.

“**UNR**”: means the recovery business unit.

“**VAT**”: means the Value Added Tax.

“**Working Day**”: means any day other than:

- (i) Saturdays;
- (ii) Sundays;
- (iii) bank holidays according to the TARGET 2 calendar (for the sole purpose of determining the Nominal Interest Rate applicable for each Interest Accrual Period). It includes, in addition to the days recognized in the sections (i) and (ii) above, the following days: 1<sup>st</sup> January, Good Friday, Easter Monday, 1<sup>st</sup> May, 25<sup>th</sup> December and 26<sup>th</sup> December; and
- (iv) bank holidays in Madrid (for the sole purpose of determining the Nominal Interest Rate applicable for each Interest Accrual Period and for the rest of terms of the issue).