

F.T.A. SANTANDER HIPOTECARIO 2

I. COLLATERAL

Mortgage transmission certificates (MTC's) corresponding to loans granted by Banco Santander Central Hispano (the "Bank") to individuals with legal address in Spain, with the sole purpose of financing residential properties.

The MTC's are derived from mortgage loans which have LTV ratios over 80% (97% of the Pool). The MTC's represented, as at 28th April 2006, the following outstanding principal amounts:

	Outstanding balance	Outstanding balance %	Nº of loans	Nº of loans %
L.T.V. ≤ 80%	69.048,73 €	3,31%	502	3,54 %
80 < L.T.V. ≤ 90%	1.129.640,22 €	54,46%	7.739	54,84 %
90 < L.T.V. ≤ 100%	768.607,62 €	37,02%	5.056	35,80 %
100 < L.T.V. ≤ 120%	108.475,23 €	5,21%	824	5,82 %
Totals	2.075.771.845,05 €	100%	14.121	100%

The 100% of the Pool consists of floating interest rate loans. A 92,54% are referred to the average of EURIBOR one year plus an average margin of 0,74%, a 7,43% are indexed to TRH combined of the Financial Entities plus an average margin of 0,12% and a 0,03% are indexed to MIBOR one year plus an average margin of 0,61%. The average floating interest rate is 3,06%. The global average margin of the floating interest rate loans is 0,76% over Euribor.

The 18% of the Pool with LTV ratios between 80% and 97% present the additional security of being transactions insured with several Mortgage Loan Insurance from GE Mortgage Insurance Limited ("GEMI") and AIG Europe ("AIG").

The repayment frequency of the mortgage loans is as follows: A 99,95% of the pool is done on a monthly basis and the remaining 0,05% of the pool is done on a quarterly, bi-annual or annual basis. Floating rate loans have neither caps nor floors in interest rates or monthly instalments. In no case there are loans with interest capitalisation and therefore, no negative amortisation could occur.

The Provisional Pool of mortgage loans are been audited by Deloitte & Touche with no relevant mistakes expected.

The MTC's pass-through rate will be equal to the mortgage loans interest rate.

II. BONOS DE TITULIZACIÓN DE ACTIVOS (BTA'S)

A structure with the following details:

CLASS	AMOUNT	RATING S&P/Moody's
Class A	1.801.500.000 €	AAA/Aaa
Class B	51.800.000 €	AA-/Aa2
Class C	32.300.000 €	A-/A2
Class D	49.800.000 €	BBB/Baa2
Class E	19.600.000 €	BB/Ba3
Class F (Reserve Fund)	17.600.000 €	CCC-/Caa2

Payment Dates: each January 18th, April 18th, July 18th, and October 18th, commencing October 18th, 2006.

Pay down Rules:

All amounts available under item (8) of the Priority of Payments will be used to redeem BTA'S in accordance with the following Principal Allocation Priority:

1. All amounts available for this purpose will be used to redeem Class A until the they have been redeemed in full;
2. Once the Class A have been redeemed in full all amounts available will be used to redeem Class B;
3. Once the Class B have been redeemed in full all amounts available will be used to redeem Class C;
4. Once the Class C have been redeemed in full all amounts available will be used to redeem Class D.
5. Once the Class D have been redeemed in full all amounts available will be used to redeem Class E.

The approximate average lives of the BTA'S and the expected final maturity, at various assumed CPR's for the mortgage loans, and based on the assumption, among others, that FTA SANTANDER HIPOTECARIO 2 will exercise its option to redeem the BTA'S when the outstanding balance of the MTC's falls below 10% of its initial balance, are as follows:

TACP	8%	10%	12%	14%	16%
CLASS A					
AVERAGE LIFE	6,78	5,81	5,06	4,47	3,99
EXPECTED FINAL MATURITY	18/10/2024	18/07/2022	18/10/2020	18/04/2019	18/01/2018
CLASS B					
AVERAGE LIFE	18,28	16,02	14,28	12,77	11,53
EXPECTED FINAL MATURITY	18/10/2024	18/07/2022	18/10/2020	18/04/2019	18/01/2018
CLASS C					
AVERAGE LIFE	18,28	16,02	14,28	12,77	11,53
EXPECTED FINAL MATURITY	18/10/2024	18/07/2022	18/10/2020	18/04/2019	18/01/2018
CLASS D					
AVERAGE LIFE	18,28	16,02	14,28	12,77	11,53
EXPECTED FINAL MATURITY	18/10/2024	18/07/2022	18/10/2020	18/04/2019	18/01/2018
CLASS E					
AVERAGE LIFE	18,28	16,02	14,28	12,77	11,53
EXPECTED FINAL MATURITY	18/10/2024	18/07/2022	18/10/2020	18/04/2019	18/01/2018
CLASS F					
AVERAGE LIFE	13,68	11,89	10,52	9,37	8,43
EXPECTED FINAL MATURITY	18/10/2024	18/07/2022	18/10/2020	18/04/2019	18/01/2018

III. INTEREST RATE SWAP (SWAP)

FTA Santander Hipotecario 2 will enter into one (1) Swap Agreement with the Bank in the following way:

FTA Santander Hipotecario 2 will pay an amount calculated by applying a rate equal to the result from dividing (i) the sum of interest received on the MTC's, by (ii) the Notional Principal Balance of the Swap as defined below, all multiplied by the result of dividing 360 by the number of days of the settlement period.

The Bank will pay an amount calculated by applying a rate equal to the sum of (i) the weighted average interest rate of the BTA's plus (ii) 0,65%, to the Notional Principal Balance of Swap.

The Notional Principal Balance of the Swap will be equal to the daily average outstanding balance of the MTC's, which are not in arrears for over ninety (90) days.

In the event of a downgrading of the short-term rating of the Bank below A-1 (S&P) or the long-term rating below A1 (Moody's), and in a maximum term of ten (10) Business Days from the date when the notification of this circumstance was made, the Bank will form: (i) a cash deposit or a securities deposit in favour of FTA Santander Hipotecario 2 for an amount equal to the market value of the Swap, or (ii) will elect for a third entity with a short-term rating equal to or more than A-1 (S&P) or A1 long-term rating (Moody's), to

guarantee the fulfilment of its contractual obligations, or (iii) will look for a third entity with a long-term rating equal to or more than A-1 short-term rating (S&P) or A1 long-

term rating (Moody's), to assume its contractual position and substitute it before terminating the Swap Agreement with the Bank; all of which subject to the terms and conditions which the Gestora and the Rating Agencies deem pertinent for maintaining the ratings assigned to each BTA,s. Any costs, expenses and taxes incurred from breach in the above obligations shall be payable by the Bank.

IV. RESERVE FUND

The Reserve Fund described below will be funded at the beginning of the transaction through a subordinated Class F of Bonds .

The Reserve Fund, will have an initial balance of 17.600.000 euros, which will remain constant the first three years. After that it will be allowed to decline once it reaches 1,80 % of the outstanding balance of the BTA's. The required balance of the Reserve Fund in respect of each Payment Date will thereafter remain at such percentage and will consequently reduce proportionately until its balance equals 8.797.500 euros. At this moment the Reserve Fund will remain constant on such level until the BTA's are redeemed in full. These funds will be deposited in the collection account initially opened in the Bank and will be subject to the GIC as far as the Bank holds at least a A-1/ P-1 rating. The decrease of the Reserve Fund will also be available to offset any losses incurred on the loans.

V. GIC AND COLLECTION ACCOUNT

FTA. Santander Hipotecario 2 will enter into a GIC with the Bank so that the Bank will guarantee a rate of interest equal to the then existing three months Euribor, to all amounts deposited in the Collection Account initially opened in the Bank.

In the event that the short term rating of the Bank falls below A-1 rating, the Collection Account will be moved to another institution and consequently it will cease to benefit from the GIC. In this event, the Sociedad Gestora will be obliged to establish the Collection Account with a A-1/P-1 rating institution under the most favourable terms available.

VI. PRIORITY OF PAYMENTS

On each quarterly Payment Date, the Available Cash with respect to the immediately preceding quarterly Period will be used to make the following payments or provisions in the following order:

- (1) payment of the expenses of FTA Santander Hipotecario 2 including the fee payable to the Sociedad Gestora (0,025)% per annum calculated on the outstanding balance of the BTA'S), any ordinary or extraordinary expenses reimbursable to the Sociedad Gestora;
- (2) payments on the Swap;
- (3) payments of interest on the Class A BTA'S;
- (4) payments of interest on the Class B BTA'S;
- (5) payments of interest on the Class C BTA'S;

- (6) payments of interest on the Class D BTA'S;

- (7) payments of interest on the Class E BTA'S;
- (8) provision for an amount equal to the difference between the outstanding balance of the MTC's and the outstanding balance of the BTA'S (Class A, B, C, D and E), with such amounts to be allocated in accordance with the "Principal Allocation Priority" described above;
- (9) provision for an amount to be retained in the Reserve Fund equal to its required level;
- (10) payments of interest on the Class F BTA'S;
- (11) provision for an amount equal to the positive difference between the Balance of the Principal Pending Payment of Class F BTA'S on the Date of Determination preceding the corresponding Payment Date and the amount of the Reserve Fund required on the corresponding Payment Date.
- (12) payment of the amount due for termination of the swap, as the case may be, in the event of the Bank's default;
- (13) payment of the interest and amortisation of the principal due in the Subordinated Loan;
- (14) payment to the Bank of a fixed fee and a variable amount as compensation for the process of financial intermediation represented by FTA Santander Hipotecario 2 equal to the difference between its accounting income and expenses.

PROVISIONAL POOL

F.T.A. SANTANDER HIPOTECARIO 2

LOAN SIZES

The distribution of the Loans in the Provisional Pool by reference to size of outstanding principal balance (both by value and number of the Loans) is set out in TABLE A. This table was prepared on the basis of information as at 28th April, 2006.

TABLE A
SIZE OF THE LOANS IN THE PROVISIONAL POOL

Range of Outstanding Principal Amount (Euros)	Outstanding Principal Balance		Number of Loans	
	Within Range (Euros)	Proportion of Total (%)	Within Range	Proportion of Total (%)
3.000,00 44.999,99	6.051,19	0,29	174,00	1,23
45.000,00 89.999,99	206.686,34	9,95	2,82	19,94
90.000,00 134.999,99	465.138,53	22,40	4,15	29,41
135.000,00 179.999,99	573.054,94	27,60	3,68	26,05
180.000,00 224.999,99	363.868,69	17,52	1,83	12,94
225.000,00 269.999,99	177.727,29	8,56	728,00	5,15
270.000,00 314.999,99	87.101,13	4,19	299,00	2,11
315.000,00 359.999,99	66.040,88	3,18	196,00	1,38
360.000,00 404.999,99	34.919,49	1,68	92,00	0,65
405.000,00 449.999,99	15.375,67	0,74	36,00	0,25
450.000,00 2.179.586,39	79.807,65	3,84	119,00	0,84
TOTALS:	2.075.771.845,05 €	100,00	14,121	100,00

The average principal balance of the Loans as at 28th April, 2006 was euros 146.998,92 €. of financing economic activities or property acquisitions by self-employed.

The distribution of the Loans in the Provisional Pool by type of borrower is as follows:

LOAN INTEREST RATES

The distribution of the Loans in the Provisional Pool by reference to actual applicable interest rate (both by value and number of the Loans) is set out in TABLE B. This table was prepared on the basis of information as at 28th April, 2006.

TABLE B
INTEREST RATES APPLICABLE TO THE LOANS IN THE PROVISIONAL POOL

Range of Interest Rates (%)	Outstanding Principal Balance		Number of Loans	
	Within Range (Euros)	Proportion of Total (%)	Within Range	Proportion of Total (%)
0,52 0,99	731,08	0,03	5	0,03
1 1,49	1.574,97	0,07	12	0,08
1,5 1,99	0,00	0	0	0
2 2,49	1.874,62	0,09	6	0,04
2,5 2,99	772.005,83	37,19	4.933	34,93
3 3,49	839.376,83	40,43	5.908	41,83
3,5 3,99	439.530,27	21,17	3.099	21,94
4 4,49	19.769,77	0,95	151	1,06
4,5 4,99	757,24	0,03	6	0,04
5 5,49	0,00	0	0	0
5,5 5,78	151,19	0	1	0
TOTALS:	2.075.771.845,05 €	100,00	14,121	100,00

The weighted average rate of interest applicable to the Loans as at 28th April, 2006 was 3.14 per cent.

LOAN REFERENCE INTEREST RATES

The distribution of the Loans in the Provisional Pool by loan reference interest rate is set out in TABLE C. This table was prepared on the basis of information as at 28th April, 2006.

TABLE C
LOAN REFERENCE INTEREST RATES TO THE LOANS IN THE PROVISIONAL POOL

Codes	Outstanding Principal Balance	
	Within Range (Euros)	Proportion of Total (%)
Mibor Hipotecario a 1 año	770,55	0,03
TRH Total Entidades	154.287,49	7,43
Euribor a 1 año	1.920.713,78	92,54
TOTALS:	2.075.771.845,05 €	100,00

ORIGINATION DATE

The distribution of the Loans in the Provisional Pool (both by value and number of the Loans) by reference to their dates of origination is set out in TABLE D. This table was prepared on the basis of information as at 28th April, 2006.

TABLE D
ORIGINATION DATE OF THE LOANS IN THE PROVISIONAL POOL

Range of Origination Date		Outstanding Principal Balance		Number of Loans	
		Within Range (Euros)	Proportion of Total (%)	Within Range	Proportion of Total (%)
03/01/2003	30/06/2003	46.889,94	2,25	356	2,52
01/07/2003	31/12/2003	188.083,77	9,06	1.580	11,18
01/01/2004	30/06/2004	371.780,53	17,91	2.778	19,67
01/07/2004	31/12/2004	404.957,18	19,50	2.894	20,49
01/01/2005	09/12/2005	1.064.060,40	51,28	6.513	46,14
TOTALS:		2.075.771.845,05 €	100.00	14,121	100.00

MATURITY OF LOANS

The distribution of the Loans in the Provisional Pool by maturity (both by value and number of the Loans) is set out in TABLE E. This table was prepared on the basis of information as at 28th April, 2006.

TABLE E - Maturity of the Loans in the Provisional Pool					
Range of Maturities		Outstanding Principal Balance		Number of Loans	
		Within Range (Euros)	Proportion of Total (%)	Within Range	Proportion of Total (%)
19/04/2006	31/12/2013	2.101,36	0,07	37	0,19
01/01/2014	31/12/2014	1.892,89	0,08	28	0,19
01/01/2015	31/12/2015	3.767,16	0,17	46	0,32
01/01/2016	31/12/2016	1.594,30	0,06	24	0,16
01/01/2017	31/12/2017	3.923,56	0,18	23	0,15
01/01/2018	31/12/2018	7.206,99	0,34	96	0,67
01/01/2019	31/12/2019	18.125,20	0,86	138	0,97
01/01/2020	31/12/2020	12.926,48	0,61	120	0,84
01/01/2021	31/12/2021	4.439,98	0,21	42	0,29
01/01/2022	31/12/2022	4.086,89	0,19	42	0,29
01/01/2023	31/12/2023	21.454,46	1,02	213	1,49
01/01/2024	31/12/2024	43.961,79	2,11	425	3
01/01/2025	31/12/2025	45.203,20	2,17	357	2,52
01/01/2026	31/12/2026	5.995,09	0,27	50	0,34
01/01/2027	31/12/2027	7.884,23	0,37	55	0,38
01/01/2028	31/12/2028	48.606,15	2,33	426	3,01
01/01/2029	31/12/2029	108.818,63	5,23	895	6,32
01/01/2030	31/12/2030	91.904,24	4,42	648	4,58
01/01/2031	31/12/2031	13.180,34	0,63	89	0,62
01/01/2032	31/12/2032	16.549,79	0,79	125	0,87
01/01/2033	31/12/2033	153.377,54	7,38	1.103	7,8
01/01/2034	31/12/2034	568.735,56	27,39	3.885	27,5
01/01/2035	31/12/2035	635.314,35	30,6	3.829	27,11
01/01/2036	31/12/2036	3.064,08	0,13	18	0,12
01/01/2037	31/12/2037	2.302,74	0,1	12	0,07
01/01/2038	31/12/2038	2.267,24	0,1	17	0,11
01/01/2039	31/12/2039	3.040,59	0,13	17	0,11
01/01/2040	31/12/2040	26.128,97	1,25	157	1,1
01/01/2041	11/12/2045	217.917,71	10,47	1.204	8,5
TOTALS:		2.075.771.845,05 €	100,00	14,121	100,00

PAYMENT DELAY

TABLE F
PAYMENT DELAY OF THE LOANS IN THE PROVISIONAL POOL

Range of Days	Outstanding Principal Balance		Number of Loans	
	Within Range (Euros)	Proportion of Total (%)	Within Range	Proportion of Total (%)
0 - 29	2.029.008,32	97,74	13.796	97,69
30 - 59	34.956,80	1,68	230	1,62
60 - 89	11.806,71	0,56	95	0,67
TOTALS:	2.075.771.845,05 €	100,00	14,121	100,00

On the Disbursement Date none of the Loans will have payment delay of more than thirty (30) days.

GEOGRAPHICAL DISTRIBUTION

The distribution of the Loans in the Provisional Pool by Autonomous Regions (both by value and number of the Loans) is set out in TABLE G, This table was prepared on the basis of information as at 28th April, 2006.

TABLE G
GEOGRAPHICAL DISTRIBUTION OF THE LOANS IN THE PROVISIONAL POOL

Autonomous Regions	Outstanding Principal Balance		Number of Loans	
	Within Range (Euros)	Proportion of Total (%)	Within Range	Proportion of Total (%)
1 ANDALUCIA	323.907,88	15,55	2.644	18,68
2 ARAGON	49.688,44	2,37	315	2,21
3 ASTURIAS	25.407,91	1,22	210	1,48
4 BALEARES	52.663,11	2,53	335	2,37
5 CANARIAS	207.028,73	9,97	1.559	11,03
6 CANTABRIA	44.285,98	2,13	306	2,16
7 CASTILLA LA MANCHA	60.096,61	2,87	465	3,27
8 CASTILLA LEON	79.428,74	3,78	633	4,44
9 CATALUÑA	370.817,12	17,85	452	14,78
10 CEUTA	1.733,01	0,08	15	0,10
11 COM VALENCIANA	200.983,59	9,66	1.581	11,19
12 EXTREMADURA	25.739,76	1,23	285	2,01
13 GALICIA	75.182,50	3,60	596	4,20
14 MADRID	350.090,51	16,86	1.769	12,52
15 MELILLA	3.826,40	0,18	37	0,26
16 MURCIA	48.817,65	2,35	405	2,86

1					
7	NAVARRA	9.871,49	0,47	68	0,48
1					
8	P VASCO	137.047,71	6,59	748	5,29
1					
9	LA RIOJA	9.154,44	0,44	60	0,42
TOTALS:		2.075.771.845,05 €	100,00	14,121	100,00

18th May, 2006