Santander, 8 de septiembre de 2006

De conformidad con el artículo 82 de la Ley 24/1988, de 28 de julio, del Mercado de Valores, se adjunta Comunicación de Hecho Relevante dirigido a esa Comisión, relativo a la calificación otorgada por MOODY'S INVESTORS SERVICE a CAJA DE AHORROS DE SANTANDER Y CANTABRIA, cuyo informe, de fecha 29 de agosto de 2006, se adjunta como Anexo I.

Atentamente,

CAJA DE AHORROS DE SANTANDER Y CANTABRIA
P.p.

D. Luis Fernando García Andrés

CAJA CANTABRIA, Plaza de Velarde, 3 - 39001 Santander. Teléfono: 942 20 45 00. Telex: 35835 CADER E. SWIFT: CECA ES MM 066
Inscrita en el Registro Mercantil de Santander en el Tomo 464 de la Sección General, al Folio 1, Hoja 2551, Inscripción 1.ª C.I.F.: G39003785
Inscrita en el Libro de Cajas de Ahorros del Banco de España, n.º 55

A LA COMISIÓN NACIONAL DEL MERCADO DE VALORES
COMUNICACIÓN DE HECHO RELEVANTE

D. Luis Fernando García Andrés, mayor de edad, con D.N.I. número 13.681.907-N y domicilio a efectos de notificaciones en Plaza de Velarde 3, 39001 Santander, actuando en nombre y representación de la sociedad CAJA DE AHORROS DE SANTANDER Y CANTABRIA (la "**Sociedad**"), ante la COMISIÓN NACIONAL DEL MERCADO DE VALORES (la "**CNMV**") comparece y

EXPONE

I. Que la agencia de calificación MOODY'S INVESTORS SERVICE LTD ("**Moody's**") ha emitido informe de calificación del crédito de la Sociedad con fecha 29 de agosto de 2006.

II. Que Moody's mantiene la calificación crediticia de la Sociedad en A3/P-1/C.

III. Que Moody's califica su perspectiva de la valoración de la Sociedad como ESTABLE.

En virtud de lo anterior

SE SOLICITA
A LA COMISIÓN NACIONAL DEL MERCADO DE VALORES

Que teniendo por presentada la presente Comunicación de Hecho Relevante, se sirva admitirla y, previos los trámites oportunos, proceda a su inscripción en el correspondiente Registro de esa Comisión.

En Santander, a 8 de septiembre de 2006

CAJA DE AHORROS DE SANTANDER Y CANTABRIA
P.p.

D. Luis Fernando García Andrés

COMISIÓN NACIONAL DEL MERCADO DE VALORES
Dirección General de Mercados e Inversiones
Paseo de la Castellana 19
28046 Madrid

K-107 694 JUN00

ANEXO-I

Moody's Investors Service

Global Credit Research
Credit Opinion
29 AUG 2006

Credit Opinion: Caja de Ahorros de Santander y Cantabria

Caja de Ahorros de Santander y Cantabria

Santander, Spain

Ratings

Category	Moody's Rating
Outlook	Stable
Bank Deposits	A3/P-1
Bank Financial Strength	C
Subordinate -Dom Curr	Baa1
Preferred Stock -Dom Curr	Baa2
Cantabria Preferentes, S.A.	
Outlook	Stable
Bkd Preference Stock -Dom Curr	Baa2

Contacts

Analyst	Phone
David Golin/London	44.20.7772.5454
Olga Cerqueira/Madrid	34.91.310.14.54
Antonio Carballo/London	

Key Indicators

Caja de Ahorros de Santander y Cantabria

	[1]2005	2004	2003	2002	2001	5-Year Avg.
Total assets (EUR billion)	**6.96**	**6.05**	**4.98**	**4.02**	3.50	[2]16.46
Total capital (EUR billion)	**0.64**	**0.55**	**0.44**	**0.37**	0.30	[2]21.94
Return on average assets	**0.62**	**0.54**	**0.54**	**0.48**	0.83	**0.60**
Recurring earnings power [3]	**0.99**	**1.00**	**1.16**	**0.91**	1.17	**1.05**
Net interest margin	**1.97**	**2.08**	**2.76**	**3.19**	3.22	**2.64**
Cost/income ratio (%)	**66.92**	**70.03**	**69.41**	**75.88**	69.70	**70.39**
Problem loans % gross loans	**1.11**	**1.53**	**1.14**	**1.51**	1.66	**1.39**
Tier 1 ratio (%)	**6.27**	**6.92**	**7.45**	**7.10**	8.74	**7.30**

[1] As of December 31. [2] Compound annual growth rate. [3] Preprovision income % average assets.

Opinion

Credit Strengths

The credit strengths of Caja de Ahorros de Santander y Cantabria (Caja Cantabria) include

- Strong regional franchise in northern Spain

- Improving revenue diversification capacity with less reliance on interest income

- A good product range and an extensive SME customer base in its home region could offer good growth potential

- Good asset quality indicators

- Ample liquidity

- Increasing diversification and improving duration of its funding sources

Credit Challenges

Credit challenges of the bank include:

- Margins under increased pressure, and declining

- In common with its Spanish peers, intense competition in all segments which challenges growth and profitability

- Low recurring profitability and modest operating efficiency compared to peers, despite recent improvement

- Concentration risk is high due to exposure to a few counterparties and the real estate sector

- Low level of core capital

- Strong lending growth in the past few years has led to a stronger reliance on the more expensive market funding

Rating Rationale

The A3/P-1/C ratings of Caja de Ahorros de Santander y Cantabria (Caja Cantabria) are underpinned by its strong regional franchise in the Northern Spanish region of Cantabria, its improving revenue diversification capacity, and increased duration of its funding mix. In April 2003, the short-term rating was upgraded to P-1 (from P-2), based on the bank's good liquidity, stable funding and low transition risk. The ratings also reflect the bank's modest profitability and efficiency levels, which lag behind those of similarly rated peers and the intense competition in all the bank's customer segments.

Caja Cantabria is one of the smaller sized Spanish savings banks, but is the leading player in the Comunidad Autónoma of Cantabria, where it enjoys strong market shares in deposits and lending. The bank's strategy has been focused on retail customers and SMEs, although in the past few years management has increased its concentration risk towards the real estate sector and to a few local developers which has increased the bank's risk profile.

Management's strategy is focused on improving the bank's profitability, efficiency and solvency. This led to the implementation of a rationalisation programme, which has started to impact positively on Caja Cantabria's accounts; however, increased efforts and further improvements are expected, given that cost efficiency remains comparatively low. The bank continues to benefit from a sound deposit base, which has been a key competitive advantage in terms of funding stability and cost, although the strong balance sheet growth implemented in the past few years has put some pressure on the bank's funding profile, leading it to rely on the more expensive market funding to sustain such growth. One of the bank's main challenges remains the improvement in profitability given the strong and sustained competitive pressure. Moreover, we note that, despite the increasing leverage of the bank's regulatory capital base, its core capital is low in light of its current risk profile and earnings generation capacity which could challenge future growth.

Rating Outlook

The ratings outlook is stable.

What Could Change the Rating - Up

Although we acknowledge recent improvement, an upgrade is unlikely in the near future as Caja Cantabria's profitability and efficiency levels are not yet in line with those of A2-rated banks The bank's also has a relatively high risk profile due to its large exposures to Spanish real estate developers.

What Could Change the Rating - Down

A lack of progress in reducing the bank's concentration risk, and only modest improvement in the bank's profitability and efficiency levels could have negative rating implications.

Recent Developments/Results

In H1 2006 Caja Cantabria's unconsolidated and unaudited profit before tax rose 55% y-o-y to EUR 39 million, mainly due to stronger revenues and writebacks on loans and provisions due to the recovery of two NPLs which were fully provisioned. Net interest income increased 12.7% y-o-y, and fee and commission income rose 10.5%. Total assets increased 17.8% y-o-y to EUR 7.5 billion, and total lending 23.8% to EUR 6 billion. The NPL ratio improved to 0.65% from 1.16% (H1 2005).