Credit Update

Presentation to Investors
May 2022
Santander Consumer Bank AG
Disclaimer

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Agenda Presentation to Investors

I. Executive Summary
II. SCB Germany within Santander Group
III. Business Model and Strategy
IV. Financials 2021
V. Risk Management
VI. Funding Strategy
VII. Appendix (Cover Pool Data)
Executive Summary
In 2021 Santander Consumer Bank has once again proven its crisis resilience

35.4% Increase in profit before tax compared to 2020
- Cost-Income ratio improved by 5 percentage points to 57.2%
- Operating income up by 31.8% to EUR 584.9m

Conservative underwriting policy in order to maintain the above average risk quality of the loan portfolio
- NPL ratio down by 20 basis points to 1.5% in line with good asset quality
- Loan loss provisions conservatively increased by 8.5%

Capital position further strengthened
- CET1 increased by 12 bps to 15%
- Total capital ratio up by 15 bps to 17.1%

2 rating upgrades in 2021 by Moody’s and S&P following increased loss-absorbing capacity and rating methodology change
### Executive Summary (2/2)

What do the Rating Agencies say?

<table>
<thead>
<tr>
<th>Rating Agency</th>
<th>Long Term Rating</th>
<th>Short Term Rating</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard &amp; Poor’s</td>
<td>A</td>
<td>A-1</td>
<td>Stable</td>
</tr>
<tr>
<td>Moody’s</td>
<td>A2</td>
<td>P-1</td>
<td>Stable</td>
</tr>
<tr>
<td>Fitch Ratings</td>
<td>A-</td>
<td>F2</td>
<td>Stable</td>
</tr>
</tbody>
</table>

1) S&P Rating Report dated 15th February 2022
2) Moody’s Rating Report dated 27th July 2021; BCA stands for baseline credit assessment
3) Fitch Ratings dated 9th June 2021.

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"We believe SCB’s earnings generation, its first line of defense in case of increasing credit losses, will remain solid, thanks to a high share of stable high-margin lending." ¹)

"SCB’s baa2 BCA reflects, and is supported by, the bank’s sound asset quality, solid capitalisation and above-average profitability compared with the German banking sector." ²)

"SCB AG has the potential, as one of a very few sizable German banks, to continue to earn its cost of capital through the crisis and maintain its profitability well above the sector average, thanks to its focus on consumer finance." ³)

"….strong management expertise, execution record and well tested risk management…” ³)
SCB Germany within Santander Group
Founded in 1957, Santander Consumer Bank AG (SCB) is the largest non-captive and one of the largest car finance providers in Germany.

SCB is also a market leader in consumer goods financing in Germany with a fully-fledged retail banking service.

SCB is wholly owned by Santander Consumer Finance S.A. (SCF), a leader in consumer finance in Europe, which in turn is wholly owned by Banco Santander S.A.

Grupo Santander is one of the largest banks worldwide serving 153 million customers.

SCF is represented in Germany by SCB.
Santander Consumer Bank AG has a full banking license since 1967 and conducts banking business subject to the supervision of the ECB according to the uniform European Single Supervisory Mechanism (SSM) and the German Federal Financial Services Authority in cooperation with the German central bank and in accordance with the German Banking Act.

Santander Consumer Bank’s entire share capital is held by Santander Consumer Holding GmbH, a limited liability company based in Mönchengladbach.

100% of share capital of SCB held by SCF

Source: Santander Consumer Bank

1) Directly (75%) and indirectly (25%)
SCB Germany within Santander Group
Subsidiaries’ Model and Deposit Protection Scheme safeguard SCB

A decentralised model with legally autonomous subsidiaries ...

- Subject to local regulation and supervision 1)
- Transparency

Firewall

National deposit guarantee fund

Independent in capital and liquidity

Market discipline

... which benefits from the Group’s corporate policies

- Corporate Governance
- Technological environment
- Product development
- Risk management

- Subsidiaries’ model limits possible contagion among the Group’s units thereby reducing systemic risks
- In addition, state of the art deposit protection scheme in place to safeguard SCB’s customers

Source: Banco Santander S.A. and Santander Consumer Bank AG
1) Subject to the supervision of the ECB according to the uniform European Single Supervisory Mechanism (SSM)
SCB Germany within Santander Group
Santander's strong Market Share in three Geographic Regions

Source: Banco Santander S.A. - Market share data as of 30th September 2021; Argentina and USA latest available; Note: Spain includes Santander Espana (public criteria) + Hub Madrid + SCF Espana + Openbank and Other Resident sectors in deposits; UK includes London branch. Poland including SCF business in Poland. The US include all states where Santander operates. Brazil: Deposits including debentures, LCA (agribusiness notes), LCI (real estate credit notes), financial bills (letras financieras) and COE (certificates of structured operations) The three geographic regions include North America, South America and Europe.
SCB Germany within Santander Group

Germany makes up 32% of SCF’s Assets

SCF Portfolio: EUR 117.8 bn
December 2021

- SCF’s portfolio is well spread across 16 European countries and well balanced between car and consumer loans
- SCF has critical mass and TOP 3 positions in all countries
- Germany makes up 32% of SCF’s portfolio

<table>
<thead>
<tr>
<th>SCF Geographies</th>
<th>Portfolio Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>32%</td>
</tr>
<tr>
<td>Nordics</td>
<td>15%</td>
</tr>
<tr>
<td>Spain</td>
<td>12%</td>
</tr>
<tr>
<td>France</td>
<td>13%</td>
</tr>
<tr>
<td>UK</td>
<td>11%</td>
</tr>
<tr>
<td>Italy</td>
<td>8%</td>
</tr>
<tr>
<td>Poland</td>
<td>3%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2%</td>
</tr>
<tr>
<td>Austria</td>
<td>2%</td>
</tr>
<tr>
<td>Portugal and others</td>
<td>2%</td>
</tr>
</tbody>
</table>
Business Model and Strategy
Business Model and Strategy
Facts and Figures SCB

189
Branches

3.8m
customers

EUR 55.6bn
Balance Sheet total

EUR 28.9bn
Receivables from customers

EUR 532.7m
Profit before tax

EUR 3.3bn
Equity

Source: Santander Consumer Bank

- 2021: Strengthening of platform business in mobility
- 2020: Acquisition of Sixt Leasing via Hyundai Capital Bank Europe
- 2016: Pfandbrief licence obtained and Joint Venture „PSA Bank Deutschland GmbH“
- 2015: Joint Venture „Volvo Car Financial Services GmbH“
- 2011: Acquisition of the German Retail Business of „SEB“
- 2009: Acquisition of and Merger with „GE Money Bank“
- 2008: Acquisition of and Merger with „RBS“
- 2006: Change of name into „Santander Consumer Bank“
- 1987: Branding into „CC-Bank“ and Acquisition by „Santander“
- 1957: Founded as „Curt Briechle KG Absatzfinanzierung“

All data as of 31.12.2021
## Business Model and Strategy

Our Customer's Needs are at the Center of our Business Activities

<table>
<thead>
<tr>
<th>Customers</th>
<th>Sales</th>
<th>Products</th>
<th>Business and corporate banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private clients</td>
<td>Indirect sales</td>
<td>Installment loans</td>
<td>Corporate and commercial clients</td>
</tr>
<tr>
<td>Dealers</td>
<td>Dealer network</td>
<td>AutoDispoPlus-Card</td>
<td></td>
</tr>
<tr>
<td>Importers</td>
<td>Sales reps</td>
<td>Leasing</td>
<td></td>
</tr>
<tr>
<td>Manufacturers</td>
<td>Regional HVC</td>
<td>Factoring</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Online activities</td>
<td>Stock financing</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Importer financing</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Insurances</td>
<td></td>
</tr>
</tbody>
</table>

- Private clients
- Retailers
- Direct sales
- Brances
- Remote advice
- Online activities
- Direct sales
- Branches
- Remote advice
- Online activities
- Cash Management
- Trade Finance
- Working Capital Finance
- Growth and Investment Financing
- Interest Hedging
- Currency Hedging

Source: Santander Consumer Bank; HVC: Dealer Sales Office (Händler Vertriebs Center)
Business Model and Strategy
Santander among the Top 5 banks in Germany

1) Incl. Leasing
2) Including extensions and increases of loan size

* Number of loans granted

Source: Santander Consumer Bank; data as of end of December 2020

1) Incl. Leasing
2) Including extensions and increases of loan size

* Number of loans granted

Loans granted per working day: ≈ 13,200 units²)

New Business (EUR m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Mobility business</th>
<th>Consumer Financial Services</th>
<th>Direct business</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>7,426</td>
<td>662</td>
<td>2,180</td>
</tr>
<tr>
<td>2020</td>
<td>7,103</td>
<td>419</td>
<td>2,116</td>
</tr>
<tr>
<td>2021</td>
<td>6,998</td>
<td>499</td>
<td>2,522</td>
</tr>
</tbody>
</table>

Tickets 2021*

Outstanding (EUR bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Mobility business</th>
<th>Consumer Financial Services</th>
<th>Direct business</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>364,000</td>
<td>17.4</td>
<td>662,000</td>
</tr>
<tr>
<td>2020</td>
<td>12,453</td>
<td>0.5</td>
<td>431,000</td>
</tr>
<tr>
<td>2021</td>
<td>4,585</td>
<td>6.0</td>
<td>189,000</td>
</tr>
</tbody>
</table>

Distribution

<table>
<thead>
<tr>
<th>Year</th>
<th>Mobility business</th>
<th>Consumer Financial Services</th>
<th>Direct business</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>12,453</td>
<td>4,585</td>
<td>189</td>
</tr>
<tr>
<td>2020</td>
<td>12,453</td>
<td>4,585</td>
<td>189</td>
</tr>
<tr>
<td>2021</td>
<td>12,453</td>
<td>4,585</td>
<td>189</td>
</tr>
</tbody>
</table>

Main Competitors

<table>
<thead>
<tr>
<th>Category</th>
<th>Mobility business</th>
<th>Consumer Financial Services</th>
<th>Direct business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Bank</td>
<td></td>
<td></td>
<td>Targobank (Crédit Mutuel)</td>
</tr>
<tr>
<td>Mercedes Bank</td>
<td></td>
<td></td>
<td>ING</td>
</tr>
<tr>
<td>BMW Bank</td>
<td></td>
<td></td>
<td>TeamBank</td>
</tr>
<tr>
<td>Opel Bank</td>
<td></td>
<td></td>
<td>Deutsche Bank</td>
</tr>
<tr>
<td>Various German and Non-German banks</td>
<td></td>
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</tbody>
</table>
Business Model and Strategy
Strategic Priorities in our four Business Fields

MOBILITY BUSINESS
- Maintain leadership position with value-adding services for our dealers and innovative solutions for the end customer

DIRECT BUSINESS
- Grow business through comprehensive offering of products and financial services via branch and digital channels

CONSUMER FINANCIAL SERVICES
- Transform business model with e-commerce products and diversified dealer relationships

BUSINESS AND CORPORATE BANKING
- Strengthen business with German mid-sized segment through the strong expertise in Santander's core markets

Source: Santander Consumer Bank
Business Model and Strategy
Journey of Banco Santander to be net zero by 2050

- Set the decarbonization targets for other material sectors, including Oil & Gas, Transport, and Mining & Metals
- Remove unnecessary single-use plastics
- Becoming carbon neutral in our own operations
- Using 100% of electricity from renewable sources in all countries
- Align Santander power generation portfolio with the Paris Agreement
- Stop providing financial services to power generation clients with more than 10% of revenues dependent on thermal coal
- Eliminate all exposure to thermal coal mining worldwide
- Raise or facilitate the mobilization of over €120 Billion in green finance since 2019
- Raise or facilitate the mobilization of over €220 Billion in green finance since 2019

✓ = Already implemented in Germany
# Business Model and Strategy

**Responsible Banking Priorities in Germany: Mapped to ESG**

<table>
<thead>
<tr>
<th>Goals</th>
<th>Initiatives</th>
</tr>
</thead>
</table>
| **Environmental**<br>Contribute to Paris Agreement goals by aligning our portfolios, helping our customers to transition to a low carbon economy and leading by example in our own operations | Net 0 of own operations  
- Carbon neutral since 2020, review further carbon saving activities  
- Product related initiatives to support reduction of customer footprint  
- Share of alternative drive technologies (EVs & PHEVs) increased from 15 (2020) to 27% in 2021  
- Expansion of ESG-compliant investment funds |
| **Social**<br>Have a best in class inclusive proposition that is relevant for our business, support our diverse stakeholders and has an impact in society that is concrete and measurable | Foster inclusive & collaborative culture  
- Ensure comprehensive healthy and wellbeing approach (e.g. Be Healthy program, Covid measures)  
- Further drive gender equality  
Leverage Santander Universities  
- Contribute to education, employability and entrepreneurship through around 1,000 scholarships  
Drive Corporate Citizenship  
- Support around 47,000 people through selected community programs |
| **Governance**<br>Ensure doing the things the right way by further embedding our culture, having clear and relevant policies, leverage mainstream processes, listen to our stakeholders and ensure oversight by a solid governance | Reflect ESG standards & requirements in governance & risk management  
- Incorporate ESG practices towards suppliers  
- Update of the Sustainability and Sector Policies which set conditions and include exclusions for our business activities  
Drive transparency & reporting  
- Evolve reporting and measurement approach |
Business Model and Strategy

Outlook

Targets

Maintain solid risk quality

Strong increase in profit before tax envisaged; however low visibility on 2022 earnings forecast given the uncertain further development of the pandemic and the war in Ukraine in light of supply bottlenecks in mobility business

Continue to seize growth opportunities by increasing the number of products per customer
Financials 2021
Facts and Figures SCB 2021

Profit before Taxes
532.7 Million Euro
Previous year: 393.6 Million Euro

LCR¹
519.6%
Previous year: 236.6%

Common Tier 1 Capital Ratio
15%
Previous year: 14.9%

RoRWA²
1.9%
Previous year: 1.3%

Employees³
2,868
Previous year: 3,075

Cost/Income Ratio
57.2%
Previous year: 62.2%

Total Capital Ratio
17.1%
Previous year: 16.9%

Client Accounts
4,574 Thousand
Previous year: 4,788 Thousand

Source: https://www.santander.de/ueber-santander/investor-relations/finanzinformation/ ; Santander Consumer Bank Annual Report 2021; a subsequent amendment has been made to the capital ratios of 2020
1) Liquidity Coverage Ratio
2) Return on Risk Weighted Assets
3) Headcount includes permanent and temporary employees, averaged over year
Financials 2021
Strong Track Record of SC Germany

Profit before Taxes (in EUR m)\(^1\)

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</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>533</td>
<td>463</td>
<td>548</td>
<td>582</td>
<td>500</td>
<td>507</td>
<td>471</td>
<td>506</td>
<td>486</td>
<td>611</td>
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Cost-Income Ratio (in %, incl. depreciation)

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</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>45.4</td>
<td>54.1</td>
<td>52.8</td>
<td>51.5</td>
<td>52.3</td>
<td>54.3</td>
<td>53.0</td>
<td>54.1</td>
<td>53.5</td>
<td>48.7</td>
<td>42.7</td>
</tr>
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</table>

Managed Loans (in EUR bn)\(^2\)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>29.7</td>
<td>29.4</td>
<td>29.0</td>
<td>29.0</td>
<td>29.4</td>
<td>28.8</td>
<td>27.2</td>
<td>26.8</td>
<td>26.0</td>
<td>25.7</td>
<td></td>
</tr>
</tbody>
</table>

Customer Accounts (in thsnd.)\(^3\)

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>9,168</td>
<td>8,524</td>
<td>8,205</td>
<td>7,490</td>
<td>7,252</td>
<td>7,058</td>
<td>6,714</td>
<td>6,077</td>
<td>5,384</td>
<td>4,788</td>
<td>4,574</td>
</tr>
</tbody>
</table>

1) Management View incl. IFRS
2) Without Leasing;
3) The decline was caused by reassessments of the portfolio during several IT migrations as well as the change in customer preferences due to the low interest rate environment.
## Financials 2021

### Strong Balance Sheet

<table>
<thead>
<tr>
<th>in EUR m</th>
<th>2020</th>
<th>2021</th>
<th>∆ 21/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash reserve</td>
<td>5,349</td>
<td>10,757</td>
<td>5,409</td>
</tr>
<tr>
<td>Receivables from Banks</td>
<td>2,860</td>
<td>2,755</td>
<td>-104</td>
</tr>
<tr>
<td>Receivables from Customers</td>
<td>29,217</td>
<td>28,856</td>
<td>-362</td>
</tr>
<tr>
<td>Debt &amp; other fixed-income securities</td>
<td>11,435</td>
<td>11,969</td>
<td>534</td>
</tr>
<tr>
<td>Other assets</td>
<td>1,266</td>
<td>1,286</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>50,127</td>
<td>55,623</td>
<td>5,497</td>
</tr>
<tr>
<td>Liabilities to Banks</td>
<td>7,253</td>
<td>10,473</td>
<td>3,220</td>
</tr>
<tr>
<td>Liabilities to Customers</td>
<td>22,774</td>
<td>23,390</td>
<td>616</td>
</tr>
<tr>
<td>Provisions</td>
<td>685</td>
<td>720</td>
<td>34</td>
</tr>
<tr>
<td>Issuances</td>
<td>15,218</td>
<td>16,712</td>
<td>1,495</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>878</td>
<td>1,010</td>
<td>132</td>
</tr>
<tr>
<td>Equity</td>
<td>3,318</td>
<td>3,318</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Equity</strong></td>
<td>50,127</td>
<td>55,623</td>
<td>5,497</td>
</tr>
</tbody>
</table>

- The increase in the cash reserve reflects our conservative liquidity buffer (LCR: 519.6%) and opportunistic TLTRO funding
- Receivables from banks decreased slightly due to lower deposits with other banks
- Decrease in receivables from customers due to lower consumer installment loans in the second corona year
- Debt & other fixed-income securities increased due to the top-up of a retained ABS transaction (EUR 1.8 bn) and the slight increase in the portfolio of high quality liquid assets (HQLA)
- Liabilities to banks increased due to opportunistic TLTRO drawings
- Growth in liabilities to customers mainly driven by the increase in sight deposits
- Increase in issuances in 2021 due to the top-up of a retained ABS transaction (EUR 1.8 bn) and the closing of a market ABS transaction (EUR 1.5 bn). In addition small increase in the commercial paper portfolio

---

1) Equity excluding subordinated liabilities and profit participation certificates
In addition to Covid-19 effects the following aspects influenced the development of customer assets:

- Mobility outstanding mainly decreased due to supply chain disruptions in car production leading to higher delivery times of new cars and lower supply of used cars
- In comparison to the shown return-driven decline in the net balance of consumer financial services, new business increased by 19.1% due to e-commerce boom
- Increase in direct loans mainly due to higher new business (+19.2%)
- Outstanding mortgages decreased due to high redemptions

Source: SCB AG figures according to German GAAP (HGB); figures may not add up to 100% due to rounding
## Income Statement

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>∆ 21/20</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest Income</strong></td>
<td>1,187.1</td>
<td>1,066.8</td>
<td>-120.4</td>
<td>-10.1%</td>
</tr>
<tr>
<td><strong>Interest Expenses</strong></td>
<td>-177.4</td>
<td>-21.3</td>
<td>156.2</td>
<td>-88.0%</td>
</tr>
<tr>
<td><strong>Net Interest Income</strong></td>
<td>1,009.7</td>
<td>1,045.5</td>
<td>35.8</td>
<td>3.5%</td>
</tr>
<tr>
<td><strong>Income from Capital Instruments</strong></td>
<td>0.2</td>
<td>25.3</td>
<td>25.1</td>
<td>15.2%</td>
</tr>
<tr>
<td><strong>Net fees and commissions</strong></td>
<td>158.0</td>
<td>182.0</td>
<td>24.1</td>
<td>15.2%</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td>1,167.9</td>
<td>1,252.8</td>
<td>85.0</td>
<td>7.3%</td>
</tr>
<tr>
<td><strong>Personnel Expenses</strong></td>
<td>-294.7</td>
<td>-270.3</td>
<td>24.4</td>
<td>-8.3%</td>
</tr>
<tr>
<td><strong>General Expenses</strong></td>
<td>-376.4</td>
<td>-373.3</td>
<td>3.1</td>
<td>-0.8%</td>
</tr>
<tr>
<td><strong>Administrative Cost</strong></td>
<td>-671.0</td>
<td>-643.6</td>
<td>27.5</td>
<td>-4.1%</td>
</tr>
<tr>
<td><strong>Amortization</strong></td>
<td>-55.4</td>
<td>-72.7</td>
<td>-17.4</td>
<td>31.4%</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td>-726.4</td>
<td>-716.3</td>
<td>10.1</td>
<td>-1.4%</td>
</tr>
<tr>
<td><strong>Net Operating Income</strong></td>
<td>441.5</td>
<td>536.5</td>
<td>95.0</td>
<td>21.5%</td>
</tr>
<tr>
<td><strong>Other operating Income/Expenses</strong></td>
<td>1.7</td>
<td>48.3</td>
<td>46.6</td>
<td></td>
</tr>
<tr>
<td><strong>Depreciation and valuation allowances to investments, shares in associated companies and securities held as fixed assets</strong></td>
<td>0.1</td>
<td>-26.5</td>
<td>-26.6</td>
<td></td>
</tr>
<tr>
<td><strong>Net Loan-Loss Provisions</strong></td>
<td>-123.7</td>
<td>-134.3</td>
<td>-10.5</td>
<td>8.5%</td>
</tr>
<tr>
<td><strong>Earnings from profit transfer agreement</strong></td>
<td>74.1</td>
<td>108.7</td>
<td>34.6</td>
<td>46.7%</td>
</tr>
<tr>
<td><strong>Profit before Taxes</strong></td>
<td>393.6</td>
<td>532.7</td>
<td>139.2</td>
<td>35.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Notes:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Interest income fell significantly driven by lower average interest rates in mobility and direct business as well as decreasing non-customer business (securities, ABS Bonds EUR -73.7 m).</td>
</tr>
<tr>
<td>- Drop in interest expenses due to opportunistic TLTRO usage and condition adjustments.</td>
</tr>
<tr>
<td>- Income from capital instruments due to first time dividend of PSA Bank Deutschland GmbH.</td>
</tr>
<tr>
<td>- Net fees and commissions increased by 15.2% due to income from servicing fees from HCBE and securities services.</td>
</tr>
<tr>
<td>- Lower personnel expenses are partly offset by higher amortization costs attributable to higher amortization of software.</td>
</tr>
<tr>
<td>- Despite the difficult market environment caused by the pandemic, the increase in LLP was lower than expected.</td>
</tr>
<tr>
<td>- Other operating income and depreciation and valuation allowances to investments contain two offsetting accounting items resulting from the passing on of losses from an ABS transaction to external investors (positive net effect EUR 8.8 m).</td>
</tr>
<tr>
<td>- 46.7% increase in earnings from profit transfer agreements due to SC Leasing.</td>
</tr>
</tbody>
</table>

Source: Santander Consumer Bank figures according to German GAAP (HGB);
Figures may not add up due to rounding.
Financials 2021
All Key Performance Indicators improving

Net Interest Margin (in %)
- 2020: 2.3%
- 2021: 2.4%

Cost-Income Ratio (in %)
- 2020: 62%
- 2021: 57%

Return on Equity\(^1\)
- 2020: 11.9%
- 2021: 16.1%

RORWA\(^2\)
- 2020: 2.0%
- 2021: 2.3%

---

1) Profit before taxes (HGB) in % of equity without participation rights and subordinated loans
2) Calculation basis: management result / management view; calculation: Profit after taxes / RWA
Improving Capitalisation

- All capital ratios are comfortably above the regulatory minimum requirements in December 2021
- A capital increase in 2020 and RWA optimizations in 2020 and 2021 strengthened the capital ratios
Risk Management
## Risk Management

Risk Prudence leads to favorable Risk Situation

<table>
<thead>
<tr>
<th>PD Band</th>
<th>Private Customers</th>
<th>Business Customers</th>
<th>Private Real Estate Financing</th>
<th>Commercial Real Estate Financing</th>
<th>Total (in % and EUR m) ¹)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 1.0%</td>
<td>80.3%</td>
<td>94.9%</td>
<td>98.9%</td>
<td>83.4%</td>
<td>83.7%</td>
</tr>
<tr>
<td></td>
<td>16,074.9</td>
<td>2,602.5</td>
<td>2,392.7</td>
<td>148.6</td>
<td>21,218.7</td>
</tr>
<tr>
<td>&gt;= 1.0% - 99.9%</td>
<td>17.9%</td>
<td>4.6%</td>
<td>0.8%</td>
<td>15.6%</td>
<td>14.8%</td>
</tr>
<tr>
<td></td>
<td>3,587.3</td>
<td>126.5</td>
<td>19.6</td>
<td>27.8</td>
<td>3761.2</td>
</tr>
<tr>
<td>100.0%</td>
<td>1.8%</td>
<td>0.5%</td>
<td>0.3%</td>
<td>0.9%</td>
<td>1.5%</td>
</tr>
<tr>
<td></td>
<td>362.1</td>
<td>14.6</td>
<td>7.2</td>
<td>1.7</td>
<td>385.6</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>20,024.3</td>
<td>2,743.6</td>
<td>2,419.5</td>
<td>178.1</td>
<td>25,365.5</td>
</tr>
</tbody>
</table>

- 84% of loans have a probability of default (PD) of less than 1%
- Broadly diversified private customer loan portfolio
Risk Management

Comprehensive Risk Controlling Processes established

Normative and Economic View

- Supervisory Board
- Management Board
- Risk / Loan Committees
- Individual credit authorities

Experienced Risk Managers

Expertise in Risk Analytics

Planning & Limit Setting

Robust Models and Methods

Solid Risk Data Infrastructure

Measurement

Controlling

Governance & Communication

Monitoring & Evaluation

VaR

Scenarios

Ad-hoc

Planning

Risk Identification & Assessment

Business Strategy

Risk Strategy

Risk Manual

- ALM
- Controlling
- Risk & Credit Policies + Decision
- Limit Management
- OpRisk Controlling
- Internal Control Unit
- Collection Policies

Risk KPIs

- Risk Report
- LLR Budgeting
- Parameters (PD/LGDs/EL)

Vintage Analysis

- New Business
- ROA, RORWA

Ad-hoc Analysis

- Single Portfolio Evaluation

VaR Scenarios Planning Ad-hoc

Santander

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Risk Pro = Worldwide initiative to reinforce a solid and holistic risk culture through the whole entity. With this initiative the awareness that everyone is responsible for risk management, in their day-to-day work, is established.
NPL ratio further decreased in 2021 as write-off volume exceeded net new entries
- Decrease of ratio as well as conservative underwriting policy resulting in good asset quality
Funding Strategy
Funding Strategy
Further Diversification of Funding Mix envisaged

Targets of funding strategy

- Maintain strong retail deposit base
- Strengthen ABS funding via market transactions
- Make efficient use of TLTRO on an opportunist basis
- Further broadening and diversification of the investor base by issuing
  - Senior Unsecured Debt
  - Commercial Paper
- Pfandbrief issuance subject to further development of cover pool

Securitisations as an important funding tool

- SCB has a long track record of originating and structuring European ABS deals
- Full Stack transactions to optimize RWA
- Retained transactions to create collateral for TLTRO
- Main features of our structures include
  - Highly granular and well diversified loan portfolio
  - STS\(^1\) true sale loan transaction
  - Credit enhancement: excess spread, subordination, overcollateralization

Intensifying further funding sources

- To establish reputation as a frequent issuer with respect to
  - Senior Unsecured Debt
  - Commercial Paper

1) Simple, transparent and standardised
36% of funding portfolio is provided by retail deposits in 2021
Opportunistic TLTRO funding to be reduced in 2022

Source: SCB AG figures according to German GAAP (HGB); figures may not add up to 100% due to rounding; balance sheet view including retained ABS and equity
Credit Update

- Conservative business model and stable market position in Germany
- Strong recurrent earnings generation
- Conservative risk management ensures the high risk quality of the loan portfolio
- Solid capital position
- Further diversification of the funding base envisaged

Santander Consumer Bank AG
**Snapshot of Success Numbers**

**Profit and Loss Figures Santander Consumer Bank AG**

### Profit before Taxes

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>€555.6 million</td>
</tr>
<tr>
<td>2021</td>
<td>€537.7 million</td>
</tr>
</tbody>
</table>

### Cost-Income Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>52.20%</td>
</tr>
<tr>
<td>2021</td>
<td>57.98%</td>
</tr>
</tbody>
</table>

### Return on Risk Weighted Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>1.24%</td>
</tr>
<tr>
<td>2021</td>
<td>1.81%</td>
</tr>
</tbody>
</table>

### CET 1

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>14.01%</td>
</tr>
<tr>
<td>2021</td>
<td>18.02%</td>
</tr>
</tbody>
</table>

---

**Carman CAAP (€ million)**

<table>
<thead>
<tr>
<th>Period</th>
<th>Net Interest Income</th>
<th>Net Fees and Commissions</th>
<th>Income from Capital Instruments</th>
<th>Gross Margin</th>
<th>Personnel Expenses</th>
<th>General Expenses</th>
<th>Amortisations</th>
<th>Other Operating Income and Expenses</th>
<th>Operating Income</th>
<th>Net Loan Loss Provisions</th>
<th>Depreciation and valuation allowances to investments, shares in associated companies and securities held as fixed assets</th>
<th>Earnings from Profit Transfer Agreements</th>
<th>Profit before Income Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/01 - 31/12/2021</td>
<td>1,045.5</td>
<td>182.0</td>
<td>25.3</td>
<td>1,253.8</td>
<td>270.3</td>
<td>373.3</td>
<td>72.7</td>
<td>48.4</td>
<td>584.9</td>
<td>134.3</td>
<td>26.5</td>
<td>108.7</td>
<td>532.7</td>
</tr>
<tr>
<td>01/01 - 31/12/2020</td>
<td>1,009.7</td>
<td>158.0</td>
<td>0.2</td>
<td>1,167.9</td>
<td>294.7</td>
<td>316.4</td>
<td>55.4</td>
<td>2.5</td>
<td>443.9</td>
<td>123.7</td>
<td>-0.1</td>
<td>74.1</td>
<td>393.6</td>
</tr>
<tr>
<td>Change</td>
<td>3.5</td>
<td>15.2</td>
<td>11,438.5</td>
<td>7.3</td>
<td>-8.3</td>
<td>-0.8</td>
<td>31.4</td>
<td>1,869.9</td>
<td>8.5</td>
<td>n. a.</td>
<td>46.7</td>
<td>35.4</td>
<td></td>
</tr>
</tbody>
</table>

### Ratios

<table>
<thead>
<tr>
<th>Period</th>
<th>Cost-Income-Ratio</th>
<th>Return on Risk Weighted Assets</th>
<th>NPL Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/01 - 31/12/2021</td>
<td>57.18</td>
<td>1.87</td>
<td>1.5</td>
</tr>
<tr>
<td>01/01 - 31/12/2020</td>
<td>62.20</td>
<td>1.34</td>
<td>1.7</td>
</tr>
<tr>
<td>Change</td>
<td>52</td>
<td>52</td>
<td>-20</td>
</tr>
</tbody>
</table>

### Banking Regulatory Ratios

<table>
<thead>
<tr>
<th>Period</th>
<th>Common Equity Tier 1 Ratio (CET 1)</th>
<th>Total Capital Ratio</th>
<th>Leverage Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>31/12/2021</td>
<td>15.01</td>
<td>16.92</td>
<td>6.70</td>
</tr>
<tr>
<td>31/12/2020***</td>
<td>14.89</td>
<td>16.76</td>
<td>7.32</td>
</tr>
<tr>
<td>Change</td>
<td>12</td>
<td>16</td>
<td>-62</td>
</tr>
</tbody>
</table>

### Balance Sheet Figures

<table>
<thead>
<tr>
<th>Period</th>
<th>Balance Sheet Total</th>
<th>Liabilities to Customers</th>
<th>Receivables from Customers</th>
<th>Equity *</th>
</tr>
</thead>
<tbody>
<tr>
<td>31/12/2021</td>
<td>55,623</td>
<td>23,390</td>
<td>28,856</td>
<td>3,318</td>
</tr>
<tr>
<td>31/12/2020</td>
<td>50,127</td>
<td>22,774</td>
<td>29,217</td>
<td>3,318</td>
</tr>
<tr>
<td>Change</td>
<td>11.0</td>
<td>2.7</td>
<td>-1.2</td>
<td>0.0</td>
</tr>
</tbody>
</table>

### Ratings

<table>
<thead>
<tr>
<th>Rating</th>
<th>Long Term</th>
<th>Short Term</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody’s</td>
<td>A2</td>
<td>P1</td>
<td>Stable</td>
</tr>
<tr>
<td>Standard &amp; Poor’s</td>
<td>A</td>
<td>A-</td>
<td>Stable</td>
</tr>
<tr>
<td>Fitch Ratings</td>
<td>A-</td>
<td>F2</td>
<td>Stable</td>
</tr>
</tbody>
</table>

**Notes**

- Equity excluding subordinated liabilities and profit participation certificates
- Ratings as of day of preparation of annual report
- A subsequent amendment was made to the previous year’s figures

*Figures may not add up due to rounding.*
Unser Anspruch ist, zum Erfolg von Menschen und Unternehmen beizutragen.

Unsere Kultur basiert auf der Überzeugung, dass alles, was wir tun, einfach, persönlich und fair ist:

**Simple Personal Fair**

<table>
<thead>
<tr>
<th>Name</th>
<th>Titel</th>
<th>Telefon</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andreas Glaser</td>
<td>CFO, Executive Vice President</td>
<td>00 49 173 304 5883</td>
<td><a href="mailto:andreas.glaser@santander.de">andreas.glaser@santander.de</a></td>
</tr>
<tr>
<td>Tomasz Osipowicz</td>
<td>Head of Capital Markets</td>
<td>00 49 173 239 3455</td>
<td><a href="mailto:tomasz.osipowicz@santander.de">tomasz.osipowicz@santander.de</a></td>
</tr>
<tr>
<td>Philipp Thrun</td>
<td>Head of Debt Issuance</td>
<td>00 49 173 516 2829</td>
<td><a href="mailto:philipp.thrun@santander.de">philipp.thrun@santander.de</a></td>
</tr>
<tr>
<td>Holger Grawe</td>
<td>Investor Relations Manager</td>
<td>00 49 173 886 9531</td>
<td><a href="mailto:holger.grawe@santander.de">holger.grawe@santander.de</a></td>
</tr>
</tbody>
</table>

**Santander Consumer Bank AG**

Cover Pool Data (1/5)
Broad Regional Diversification

Source: Santander Consumer Bank; internal data of 31.12.2021
Figures may not add up to 100% due to rounding.
**Cover Pool Data (2/5)**

Other Characteristics

**Cover Pool – by property type**
- Condominium: 23.5%
- Single-Family House: 74.1%
- Multi-Family House: 2.5%

**Cover Pool – by property use**
- Owner-Occupied: 82.2%
- Used by Third Party: 11.5%
- Owner-Occupied / Used by Third Party: 6.3%

**Cover Pool – by employment status**
- Employee: 73.2%
- Laborer: 7.4%
- Civil Servant: 7.8%
- Self-Employed: 2.1%
- Pensioner: 6.2%
- Other: 3.3%

**Cover Pool – by loan volume in cover**
- Amounts in EUR: 97.6%
- x < 300k: 0.1%
- 300k < x < 1m: 2.3%
- x > 1m: 2.3%

Source: Santander Consumer Bank; internal data of 31.12.2021
Figures may not add up to 100% due to rounding.
Maturity Profile – Time to Interest Rate Reset

- x > 10 yrs: 8.9%
- 10 yrs < x ≤ 5 yrs: 32.8%
- 5 yrs < x ≤ 4 yrs: 10.5%
- 4 yrs < x ≤ 3 yrs: 11.5%
- 3 yrs < x ≤ 2 yrs: 10.8%
- x ≤ 2 yrs: 25.5%

Seasoning

- x > 10 yrs: 27.4%
- 10 yrs ≤ x > 5 yrs: 25.9%
- 5 yrs ≤ x > 3 yrs: 21.1%
- 3 yrs ≤ x > 2 yrs: 12.4%
- 2 yrs ≤ x > 1 yr: 9.9%
- x ≤ 1 yr: 3.3%

Source: Santander Consumer Bank; internal data of 31.12.2021
Figures may not add up to 100% due to rounding.
Cover Pool Data (4/5)

Ratios

Weighted Average Loan-To-Mortgage Lending Value (LTMLV) Ratio: 44.64%

Source: Santander Consumer Bank; internal data of 31.12.2021
Figures may not add up to 100% due to rounding.
Source: Santander Consumer Bank; internal data of 31.12.2021
Figures may not add up to 100% due to rounding.