Santander Consumer Bank AG - Mortgage Covered Bonds

**Covered Bonds / Germany**

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**Client Service Desk**

**Reporting as of:**
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**Data as provided to Moody’s Investors Service (note 1)**

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**I. Programme Overview**

**Overview**
Year of initial rating assignment: 2018
Total outstanding liabilities: EUR 250,000,000
Total assets in the Cover Pool: EUR 635,341,257
Issuer name / CR Assessment: Santander Consumer Bank AG
Group or parent name / CR Assessment: Santander Consumer Finance S.A. / A3(cr)
Main collateral type: Residential

**Ratings**
Covered bonds rating: Aaa
Entity used in Moody’s EL & TPI analysis: Santander Consumer Bank AG
CB anchor: CR Assessment +1 notch
SUR: Unpublished
Unsecured claim used for Moody’s EL analysis: Yes

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**II. Value of the Cover Pool**

**Collateral quality**
Collateral Score: 5.0%
Collateral Score excl. systemic risk: 18%

**Cover Pool losses**
Residential / Collateral (Cover Pool – pre haircut): 96.6%
Other / Supplementary assets, 3.4%

**III. Over-Collateralisation Levels** (notes 2 & 3)
Over-Collateralisation (OC) figures presented below include Eligible only collateral.
Over-Collateralisation levels are provided on any of the following: nominal basis or unstressed NPV basis or on stressed NPV basis.

Current situation
Committed OC (Stressed NPV): 2.0%
Current OC (Unstressed NPV): 94.6%
OC consistent with current rating (note 4): 8.0%

Sensitivity scenario CB anchor
OC consistent with current rating
Scenario 2: CB anchor is lowered by 1 notch
Yes

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**IV. Timely Payment Indicator & TPI Leeway**

Timely Payment Indicator (TPI): High
TPI Leeway: Unpublished

Legal framework
Does a specific covered bond law apply for this programme: Yes, Pfandbrief Act
Main country in which collateral is based: Germany
Country in which issuer is based: Germany

Timely payment
Refinancing period for principal payments of 6 months or greater: No
Liquidity reserve to support timely payments on all issuances: Yes

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Notes:
1. The data reported in this PD is based on information provided by the issuer and may include certain assumptions made by Moody’s. Moody’s accepts no responsibility for the information provided to it and, whilst it believes the assumptions it has made are reasonable, cannot guarantee that they are or will remain accurate. Although Moody’s encourages all issuers to provide reporting data in a consistent manner, there may be differences in the way that certain data is categorized by issuers. The data reporting template (which Issuers are requested to use) is available on request.
2. This assumes the Covered Bonds rating is not constrained by the TPI. Also to the extent rating assumptions change following a downgrading or an upgrade at the issuer, the necessary OC stated here may also change. This is especially significant in the case of CR assessments of A3(cr) or Baa3(cr). In such cases, the necessary OC following a 1 notch downgrade may then be substantially higher than the amount suggested here in a market risk scenario and is considered more critically by Moody’s at this time. In any event, the necessary OC amounts stated here are subject to change at anytime at Moody’s discretion.
3. The minimum OC calculated to be consistent with the current rating under Moody’s expected loss model. However, the level of OC consistent with a generating rating may differ from the amount where ratings are capped under the TPI framework and, for example, where committee discretion is applied.
4. SCB is consistent with the current rating if the minimum level of over-collateralisation which is necessary to support the covered bond rating at its current level on the balance sheet of the bank has been determined. The sensitivity run is based on certain assumptions, including the Covered Bonds rating is not constrained by the TPI. Further, this sensitivity run is a model output only and therefore simplification as it does not take into account certain assumptions that may change as an issuer is downgraded, and as a result the actual OC number consistent with the current rating may be higher. The model output may also differ from the model output in situations where certain data is not available. In any event, the OC amounts stated here are subject to change at any time of Moody’s discretion.

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**Chart 1:** Rating history

**Chart 2:** Asset types in cover pool

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Santander Consumer Bank AG - Mortgage Covered Bonds
V. Asset Liability Profile

**Interest Rate & Duration Mismatch**

- Fixed rate assets in the cover pool: 90.7%
- Interest rate swap(s) in the cover pool: No
- WAL of outstanding covered bonds: 5.9 years
- WAL of the cover pool: 5.6 years
- Fixed rate covered bonds outstanding: 100.0%
- Intra-group interest rate swap(s) provider(s): No
- Currency swap(s) in the cover pool: No
- Intra-group currency swap(s) provider(s): No
- **Maximum mismatch: 44.9% in EUR millions**

**Swap Arrangements**

- Internal rate swap(s) in the Cover Pool: No
- Intra-group internal rate swap(s) provider(s): No
- Currency swap(s) in the Cover Pool: No
- Intra-group currency swap(s) provider(s): No

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(note 5) This assumes no prepayment.

(note 6) Based on principal flows only. Assumptions include no prepayments, principal collections limited to the portion of assets that make up the amount of the liabilities plus committed OC, no further CB issuance and no further assets added to the cover pool.

(note 7) Assumptions include no swap in place in Cover Pool, no prepayment and no further CB issuance.

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VI. Performance Evolution

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.
### VII. Cover Pool Information - Residential Assets

#### Overview

<table>
<thead>
<tr>
<th>Asset type: Residential</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset balance: 994,341,257</td>
<td></td>
</tr>
<tr>
<td>Average loan balance: 83,320</td>
<td></td>
</tr>
<tr>
<td>Number of loans: 8,688</td>
<td></td>
</tr>
<tr>
<td>Number of properties: 8,688</td>
<td></td>
</tr>
<tr>
<td>WA remaining term (in months): 219</td>
<td></td>
</tr>
<tr>
<td>WA seasoning (in months): 70</td>
<td></td>
</tr>
</tbody>
</table>

#### Specific Loan and Borrower characteristics

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans with an external guarantee in addition to a mortgage</td>
<td>n/a</td>
</tr>
<tr>
<td>Interest only loans</td>
<td>2.2%</td>
</tr>
<tr>
<td>Loans for second homes / Vacation</td>
<td>0.0%</td>
</tr>
<tr>
<td>Buy to let loans / Non owner occupied properties</td>
<td>14.6%</td>
</tr>
<tr>
<td>Limited income verified</td>
<td>0.0%</td>
</tr>
<tr>
<td>Adverse credit characteristics (**)</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

#### Details on LTV

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>WA unindexed LTV (*)</td>
<td>54.7%</td>
</tr>
<tr>
<td>WA indexed LTV</td>
<td>n/a</td>
</tr>
<tr>
<td>Valuation type</td>
<td>Lending Value</td>
</tr>
<tr>
<td>LTV threshold</td>
<td>60.0%</td>
</tr>
<tr>
<td>Junior ranks</td>
<td>n/a</td>
</tr>
<tr>
<td>Prior ranks</td>
<td>n/a</td>
</tr>
</tbody>
</table>

#### Performance

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans in arrears</td>
<td>0.0%</td>
</tr>
<tr>
<td>Loans in arrears</td>
<td>n/a</td>
</tr>
<tr>
<td>Loans in arrears</td>
<td>0.0%</td>
</tr>
<tr>
<td>Loans in a foreclosure procedure</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

#### Multi-Family Properties

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans to tenants of tenant-owned Housing Cooperatives</td>
<td>n/a</td>
</tr>
<tr>
<td>Other type of Multi-Family loans (***)</td>
<td>n/a</td>
</tr>
</tbody>
</table>

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*Note (*) may be based on property value at time of origination or further advance or borrower refinancing.*

*Note (**) Typically borrowers with a previous personal bankruptcy or borrowers with record of court claims against them at time of origination.*

*Note (***) This “other” type refers to loans directly to Housing Cooperatives and to Landlords of Multi-Family properties (not included in Buy to Let).*
### VIII. Cover Pool Information - Supplementary Assets

#### Overview
- **Asset type:** Supplementary Assets
- **Asset balance:** 21,000,000
- **WA remaining Term (in months):** n/d
- **Number of assets:** n/d
- **Number of borrowers:** n/d
- **Average asset size:** n/d
- **Average exposure to borrowers:** 21,000,000

#### Specific Loan and Borrower characteristics
- **Repo eligible assets:** 100.0%
- **Percentage of fixed rate assets:** 0.0%
- **Percentage of bullet assets:** 0.0%
- **Assets in non-domestic currency:** 0.0%

#### Performance
- **Assets in arrears (1-2 months – < 6 months):** 0.0%
- **Assets in arrears (6 months – < 12 months):** 0.0%
- **Assets in arrears (> 12 months):** 0.0%
- **Assets in enforcement procedure:** 0.0%

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**Chart A:**
- **Interest rate type**
  - Fixed: 100.0%
  - Other: 0%

**Chart B:**
- **Percentage of supplementary assets**
  - Supplementary Assets: 3.4%

**Chart C:**
- **Distribution by country, rating**
  - AAA: 100.0%

**Chart D:**
- **Distribution by country rating**
  - AAA: 100.0%
<table>
<thead>
<tr>
<th>ISIN</th>
<th>Series Number</th>
<th>Currency</th>
<th>Outstanding Amount</th>
<th>Issuance Date</th>
<th>Expected Maturity</th>
<th>Legal Final Maturity</th>
<th>Interest Rate Type</th>
<th>Coupon</th>
<th>Principal Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>XS1727499680</td>
<td>n/d</td>
<td>EUR</td>
<td>250,000,000</td>
<td>05/12/2017</td>
<td>05/12/2024</td>
<td>05/12/2024</td>
<td>Fixed rate</td>
<td>0.250%</td>
<td>BULLET</td>
</tr>
</tbody>
</table>
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