Santander Consumer Bank AG - Mortgage Covered Bonds

Covered Bonds / Germany

Contacts
Lenhard, Martin - +49 (69)7 073-0743 - Martin.Lenhard@moodys.com
Kale, Armin - +91 (989) 333-3885 - Armin.Kale@moodys.com

Monitoring
Monitor.CB@moodys.com

Client Service Desk
London: +44 20 7772-5454, callid@moodys.com

Reported as of: 02/07/2021
All amounts in EUR (unless otherwise specified)

For information on how to read this report, see the latest Moody’s Covered Bonds Sector Update

I. Programme Overview

Overview
Year of initial rating assignment: 2018
Total outstanding liabilities: EUR 1,000,000,000
Total asset in the Cover Pool: EUR 1,984,718,295
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: Aa1
CR Assessment: A3(cr)
Adjusted BCA / SUR: baad / X
Unsecured claim used for Moody’s EL analysis: Yes

II. Value of the Cover Pool

Collateral quality
Collateral score: 9.0%
Collateral score excl. systemic risk: 1.7%

Cover Pool losses
Collateral score (Collateral Score post-haircut): 3.4% / 23%
Market Risk: 11.5% / 7.5%

III. Over-Collateralisation Levels (notes 2 & 3)

Over-Collateralisation (OC) 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 (Undistressed NPV): 26.7%
OC consistent with current rating (note 4): 5.0%

Sensitivity scenario CB anchor
OC consistent with current rating
Scenario 1: CB anchor is lowered by 1 notch 8.0%

IV. Timely Payment Indicator & TPI Leeway

Timely Payment Indicator (TPI):
High
TPI Leeway: 4

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

[Notes]
(1) The data reported in this PO 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, current and reliable, it does not warrant 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 categorised by issuers. The data reporting template (which issuers are requested to use) is available on request. Credit ratings, TPI and TPI Leeway shown in this PO are as of publication date. Moody’s reserve the right to modify credit ratings and rating opinions at any time. All information is available on moodys.com.
(2) The Covered Bond rating is not constrained by the TPI. Further, this sensitivity run is a model output only and therefore a 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 than shown. The OC may also differ from the model output to situations where creditor discretion is applied to such events. The OC amounts shown are subject to change at any time at Moody’s discretion.
(3) Sensitivity scenario CB anchor is lowered by 1 notch.
(4) The OC consistent with the current rating is the minimum level of over-collateralisation which is necessary to support the covered bond rating at its current level on the basis of the pool as per the cut-off date. The sensitivity run is based on certain assumptions, including that the Covered Bonds rating is not constrained by the TPI. Further, this sensitivity run is a model output only and therefore a 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 than shown. The OC may also differ from the model output to situations where creditor discretion is applied to such events. The OC amounts shown are subject to change at any time at Moody’s discretion.
V. Asset Liability Profile

Interest Rate & Duration Mismatch (note 5)
- Fixed rate assets in the cover pool: 86.1%
- Interest rate swap(s) in the Cover Pool: No
- Fixed rate covered bonds outstanding: 100.0%
- WAL of outstanding covered bonds: 6.0 years
- WAL of the cover pool: 4.8 years

Swap Arrangements
- 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: 11.3% in EUR millions

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>Characteristic</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Type</td>
<td>Residential</td>
</tr>
<tr>
<td>Asset balance</td>
<td>£1,134,786,295</td>
</tr>
<tr>
<td>Average loan balance</td>
<td>58,334</td>
</tr>
<tr>
<td>Number of loans</td>
<td>19,452</td>
</tr>
<tr>
<td>Number of properties</td>
<td>14,152</td>
</tr>
<tr>
<td>WA remaining term (in months)</td>
<td>74</td>
</tr>
<tr>
<td>WA seasoning (in months)</td>
<td>86</td>
</tr>
</tbody>
</table>

### Specific Loan and Borrower characteristics

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Details</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>2.9%</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>11.2%</td>
</tr>
<tr>
<td>Unlimitet income verified</td>
<td>n/d</td>
</tr>
<tr>
<td>Adverse credit characteristics (**)</td>
<td>0%</td>
</tr>
</tbody>
</table>

### Performance

<table>
<thead>
<tr>
<th>Details on LTV</th>
<th>Details on LTV</th>
</tr>
</thead>
<tbody>
<tr>
<td>WA unindexed LTV (%)</td>
<td>50.2%</td>
</tr>
<tr>
<td>WA indexed LTV</td>
<td>0%</td>
</tr>
<tr>
<td>Evaluation Type</td>
<td>Lending Value</td>
</tr>
<tr>
<td>LTV threshold</td>
<td>60.0%</td>
</tr>
<tr>
<td>Junior ranks</td>
<td>n/d</td>
</tr>
<tr>
<td>Loans with Prior Ranks</td>
<td>0%</td>
</tr>
</tbody>
</table>

### Multi-Family Properties

| Details on Multi-Family loans (***):              | Details on Multi-Family loans (***):              |
|                                                  | Loans to tenants of tenant-owned Housing Cooperatives: n/a |
|                                                  | Other type of Multi-Family loans (****):          | n/a                                                |

---

(*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.

(***) 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

<table>
<thead>
<tr>
<th>Asset type:</th>
<th>Supplementary Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset balance</td>
<td>50,000,000</td>
</tr>
<tr>
<td>WA remaining term on maturity</td>
<td>0.0</td>
</tr>
<tr>
<td>Number of assets</td>
<td>1</td>
</tr>
<tr>
<td>Number of borrowers</td>
<td>1</td>
</tr>
<tr>
<td>Average asset size</td>
<td>50,000,000</td>
</tr>
<tr>
<td>Average exposure to borrowers</td>
<td>50,000,000</td>
</tr>
</tbody>
</table>

Specific Loan and Borrower characteristics

- Repo eligible assets: 100.0%
- Percentage of fixed rate assets: 0.0%
- Percentage of bullet assets: 0.0%
- Number of non-domestic currency: 0.0%

Performance

- Assets in arrears (> 12 months): 0.0%
- Assets in arrears (1-6 months): 0.0%
- Assets in arrears (< 1 month): 0.0%
- Assets in enforcement procedure: 0.0%

Charts:

- Chart A: Interest rate type
- Chart B: Percentage of supplementary assets
- Chart C: Distribution by country, rating
- Chart D: Distribution by country rating
<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>HYPFE0003</td>
<td>n/d</td>
<td>EUR</td>
<td>500,000,000</td>
<td>14/02/2020</td>
<td>14/02/2030</td>
<td>14/02/2030</td>
<td>Fixed rate</td>
<td>0.25%</td>
<td>HARD BULLET</td>
</tr>
<tr>
<td>HYPFE0002</td>
<td>n/d</td>
<td>EUR</td>
<td>500,000,000</td>
<td>05/12/2017</td>
<td>05/12/2024</td>
<td>05/12/2024</td>
<td>Fixed rate</td>
<td>0.05%</td>
<td>HARD BULLET</td>
</tr>
</tbody>
</table>
CREDIT RATINGS ISSUED BY MOODY’S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF DEBTORS, CREDIT COMMITMENTS, OR DEBT OR DEBT- LIKE SECURITIES, AND MATERIAL PRODUCTS, SERVICES, AND INFORMATION PUBLISHED BY MOODY’S COLLECTIVELY (“PUBLICATIONS”) MAY INCLUDE SUCH CURRENT OPINIONS. MOODY’S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSSES BY THE EVENT OF REALITY OR IMPAIRMENT. SEE APPLICABLE MOODY’S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY’S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICING VARIABILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS AND THEIR AFFILIATES’ AND OTHER OPINIONS INCLUDED IN MOODY’S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY’S ANALYTICS, INC. AND ITS AFFILIATES. MOODY’S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL SERVICE, AND MOODY’S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY’S ISSUES ITS CREDIT RATINGS, ASSESSMENTS, AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT THEY WILL BE UTILIZED AS PART OF A全面 INVESTOR’S INVESTMENT DECISION, IF IN DOUBT YOU SHOULD CONULT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISOR.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFORMED, DISSEMINATED, REDISTRIBUTED OR REPRODUCED, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, WITHOUT THE PRIOR WRITTEN CONSENT OF MOODY’S.

MOODY’S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IN NO EVENT SHOULD YOU CONSIDER IT INVESTMENT ADVICE. IN ANY EVENT, THE PUBLICATION OF SUCH MATERIALS DOES NOT CONSTITUTE A BENCHMARK.

MOODY’S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS HAVE BEEN PREPARED BY MOODY’S IN ITS ROLE AS INDEPENDENT THIRD PARTY. TO THE EXTENT PERMITTED UNDER LAW, MOODY’S AND ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES AND LICENSORS PROVIDE NO WARRANTY OR GUARANTEE OF ANY KIND TO ANY PERSON OR ENTITY OF THE CONTENT AND INFORMATION IN THE MATERIALS OR THE RESULTS FROM USING SUCH MATERIALS. MOODY’S AND ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES AND LICENSORS ARE NOT LIABLE FOR ANY DAMAGES OR LOSSES ARISING FROM ANY USE OF SUCH MATERIALS OR THE INFORMATION CONTAINED THEREIN.

MOODY’S AND ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES AND LICENSORS MAKE NO REPRESENTATION OR WARRANTY THAT THE INFORMATION CONTAINED HEREIN IS COMPLETE OR ACCURATE AND THEY ASSUME NO LIABILITY OF ANY KIND TO ANY PERSON OR ENTITY WITH RESPECT TO ACTUAL RESULTS OR PERFORMANCE OF SECURITIES OR OTHER PRODUCTS, SERVICE OR MATERIALS, OR THE ACCURACY OR INTEGRITY OF INFORMATION CONTAINED HEREIN OR ITS TIMELINESS, THE CONTENT, THE MATERIALS OR THE INFORMATION ITSELF.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY’S IN ANY FORM OR MANNER WHATSOEVER.