

Announcement of Periodic Review: Moody's announces completion of a periodic review of ratings of Santander Consumer Bank AG

05 Oct 2021

Frankfurt am Main, October 05, 2021 -- Moody's Investors Service ("Moody's") has completed a periodic review of the ratings of Santander Consumer Bank AG and other ratings that are associated with the same analytical unit. The review was conducted through a portfolio review discussion held on 30 September 2021 in which Moody's reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), recent developments, and a comparison of the financial and operating profile to similarly rated peers. The review did not involve a rating committee. Since 1 January 2019, Moody's practice has been to issue a press release following each periodic review to announce its completion.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Credit ratings and outlook/review status cannot be changed in a portfolio review and hence are not impacted by this announcement. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

Key rating considerations are summarized below.

Santander Consumer Bank AG (SCB)'s A2 deposit and issuer ratings reflect the bank's baa2 Baseline Credit Assessment (BCA), one notch of rating uplift from its role as a core subsidiary of Santander Consumer Finance S.A. (SCF, deposits A2/senior unsecured debt A2, BCA baa2), and the application of Moody's Advanced Loss Given Failure (LGF) analysis to its liabilities, which indicates a very low loss given failure and results in two notches of rating uplift. SCB's ratings do not benefit from government support uplift because of its small size in the context of the German banking sector.

SCB's baa2 BCA reflects its strong market position as one of Germany's largest consumer finance lenders and its healthy credit risk profile, which benefits from sound capitalisation and asset risk, resilient profitability and strong access to diversified funding channels. The BCA also reflects more tightly managed liquid resources and strong access to a range of funding sources as well as the bank's limited business diversification given its strong reliance on the niche of consumer lending for its revenues and profits.

This document summarizes Moody's view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Banks Methodology published in July 2021. Please see the Rating Methodologies page on www.moody's.com for a copy of this methodology.

This announcement applies only to EU rated, UK rated, EU endorsed and UK endorsed ratings. Non EU rated, non UK rated, non EU endorsed and non UK endorsed ratings may be referenced above to the extent necessary, if they are part of the same analytical unit.

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