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Santander Consumer Bank AG

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Ratings Score Snapshot

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Issuer Credit Rating
A/Stable/A-1
Resolution Counterparty Rating
A+/--/A-1

SACP: bbb → **Support: +3** → **Additional factors: 0**

Anchor	bbb+	
Business position	Moderate	-1
Capital and earnings	Strong	+1
Risk position	Moderate	-1
Funding	Adequate	0
Liquidity	Adequate	
CRA adjustment		0

ALAC support	0
GRE support	0
Group support	+3
Sovereign support	0

Issuer credit rating
A/Stable/A-1
Resolution counterparty rating
A+/A-1

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

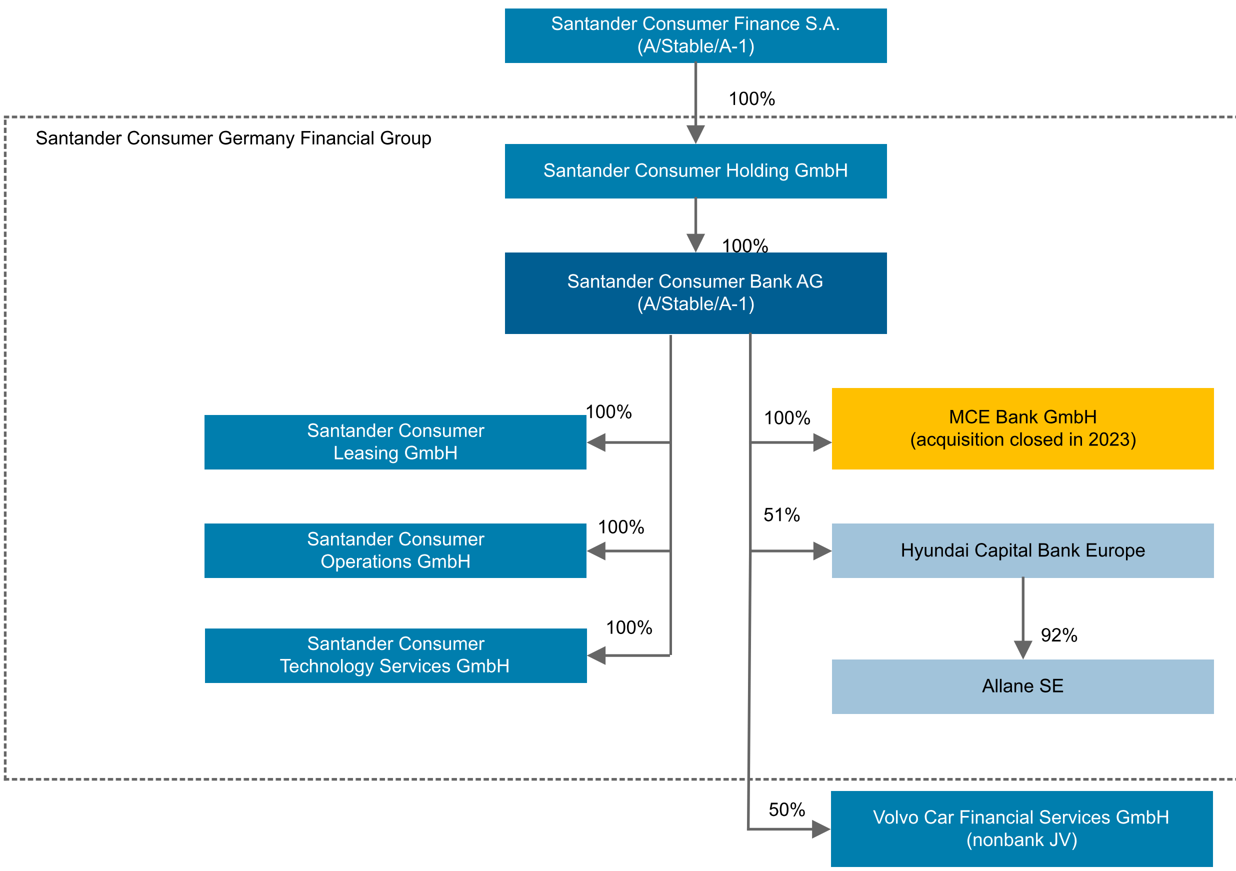
Overview

Key strengths	Key risks
Strong market share in noncaptive car financing and consumer finance in Germany.	Sectoral concentration on car financing and dependence on respective product demand.
Continued solid risk-adjusted profitability and sound capitalization.	Structurally more volatile main business segments--consumer loans and car financing.
High granularity of the loan portfolio.	Faster repricing of liabilities than assets can temporarily pressure margins in a rising interest rates environment.

Chart 1

With Anticipated MCE Bank Acquisition, SCB Remains Captive Partner of Many Non-German Car Producers

Ownership structure and nonconsolidated participations of Santander Consumer Bank AG



Source: S&P Global Ratings.

S&P Global Ratings expects Santander Consumer Bank (SCB) to remain a core subsidiary of its parent Santander Consumer Finance (SCF; A/Stable/A-1), and this continues to support the current issuer credit rating (ICR). SCB represents about 30% of SCF's lending volume. SCF's ultimate parent, Banco Santander S.A. (A+/Stable/A-1), concentrates most of its European consumer finance activities in the SCF group but also operates other retail-oriented entities in Europe, such as Openbank. We expect SCB's strategy will remain aligned with Banco Santander's consumer finance strategy and that the German entity would benefit from extraordinary group support if needed.

We view SCB's consumer finance and car financing businesses as structurally cyclical but expect the bank can defend its solid positions in these profitable market segments. SCB's revenue and loan exposures remain concentrated in historically riskier and more volatile segments. However, given its strong position in its niche markets, we believe SCB will be able to defend its sound earnings in German consumer and mobility finance through the cycle. That said, we also expect that the higher interest rate environment will pose challenges for SCB because interest expenses are likely to rise faster than interest income, thereby decreasing net interest income. We understand that this is partly driven by faster repricing of liabilities than of loans because higher rates, particularly in the important mobility segment, can only gradually be passed on to customers due to contractual obligations. Beyond that, the adjustment of interest conditions for TLTRO utilizations by the European Central Bank (ECB) has had a negative effect on net interest income.

SCB remains appropriately capitalized for the risks it takes. We expect SCB's S&P Global Ratings risk-adjusted capital (RAC) ratio will remain strong at 10%-11% over the next few years. This relative strength is balanced by the, in our view, higher vulnerability of SCB's main segments to macroeconomic swings. SCB's full earnings transfer agreement is sometimes mitigated by the partial reinvestment of those profits back into the bank, depending on the buffer above minimum capital requirements or further strategic investment needs. We understand that the proceeds from the sale of PSA Bank Deutschland GmbH will not be upstreamed to the parent but rather reinvested into organic growth. SCB also announced the acquisition of 100% of the shares of MCE Bank GmbH from Mitsubishi Corporation in November 2022. This gives SCB access to some additional large German car dealers.

We expect funding to remain adequate in a higher interest rate environment. SCB has made extensive use of ECB's TLTRO funding mechanism in recent years. Following the monetary policy turnaround, including the adjustment of TLTRO conditions, we understand SCB plans replace TLTRO by 2024, mostly by raising retail deposits, the securitization of customer receivables, and particularly by re-activating wholesale funding tools that were underutilized in recent years.

Outlook

The outlook on SCB is stable and mirrors that on its Spain-based parent, SCF (A/Stable/A-1). We expect SCB will remain a core subsidiary of SCF, within Santander's resolution perimeter, and would therefore be directly affected by a strengthening or weakening of its parent's credit profile.

Downside scenario

We could downgrade SCB in the next 18-24 months if we downgraded SCF. This could be triggered by a similar action on the ultimate parent, Banco Santander; a downgrade of the Spanish sovereign; or a weakening in Santander's commitment to SCF. In addition, a weakening of SCB's importance to SCF could lead us to lower the rating on SCB, although we view this as a remote possibility over the next 24 months.

Upside scenario

Although unlikely, we could consider upgrading SCB if we were to upgrade SCF, which would in turn stem from an upgrade of Banco Santander and the Spanish sovereign. An upgrade of SCB would also require no weakening of SCF's commitment to SCB and SCB remaining within Santander's resolution perimeter. An improvement in SCB's stand-alone creditworthiness alone would not result in an upgrade.

Key Metrics

Santander Consumer Bank AG--Key ratios and forecasts					
	--Fiscal year ended Dec. 31 --				
(%)	**2021a**	**2022a**	**2023f**	**2024f**	**2025f**
Growth in operating revenue	11.4	-6.0	(7.0)-(9.0)	7.0-8.0	6.0-7.0
Growth in customer loans	-1.3	11.5	(1.0)-1.0	2.0-4.0	5.0-7.0
Growth in total assets	11.0	-3.5	(3.5)-(4.5)	(1.0)-1.0	2.0-3.0
Net interest income/average earning assets (NIM)	2.37	2.12	1.70-1.80	1.90-2.00	2.00-2.20
Cost to income ratio	52.0	56.9	60.0-63.0	57.0-59.0	55.0-57.0
Return on average common equity	16.1	13.4	8.0-10.0	11.5-12.5	14.0-15.0
Return on assets	1.0	0.8	0.5-0.6	0.7-0.9	0.8-1.0
New loan loss provisions/average customer loans	0.54	0.45	0.50-0.60	0.45-0.55	0.40-0.50
Gross nonperforming assets/customer loans	1.31	1.52	1.75-1.85	1.60-1.70	1.45-1.55
Risk-adjusted capital ratio	12.7	10.8	10.0-11.0	10.0-11.0	10.0-11.0

All figures are S&P Global Ratings-adjusted. a--Actual. e--Estimate. f--Forecast. NIM--Net interest margin.

Anchor: 'bbb+' For Banks Operating Only In Germany

Our anchor for a bank operating mainly in Germany is 'bbb+' based on an economic risk score of '2' and an industry risk score of '4'. Both scores have a stable trend.

Our economic risk assessment considers that the German economy has a demonstrated ability to absorb large economic and financial shocks based on its wealth and the government's ample flexibility for countercyclical measures, including substantial fiscal stimulus and additional wide-ranging support.

Accordingly, our base-case scenario considers that economic risks for German banks are fairly limited by global standards, as German households, corporates, and public finances should be largely cushioned from the fallout related to geopolitical stresses. The stable economic risk trend signals our expectation that, in addition to economic resilience, improved balance sheets and higher capital buffers provide German banks meaningful buffers against further economic deterioration.

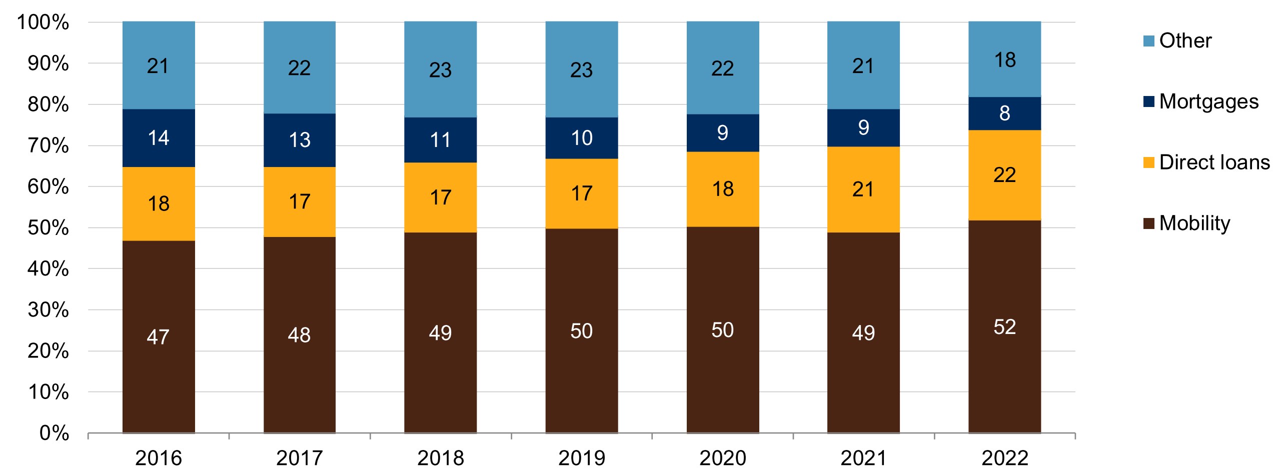
Our industry risk assessment of Germany considers that while the recent inflation-induced jump in interest rates has helped to boost banks' net interest margins for now, we expect high competition to continue to weigh on the sector's longer-term profitability. We believe German banks operate in a highly competitive and structurally overbanked market. While pressure on net interest margins has abated for now, we believe German banks still lag peers in terms of revenue diversification, cost efficiency, and digitalization.

Business Position: Strong But Concentrated Business Model In Historically Volatile Segments Of The German Banking Market

We expect SCB's business model to remain concentrated on cyclical mobility and consumer finance segments (chart 2). In our view, SCB's primary market segments--mobility financing and unsecured consumer lending--are somewhat more susceptible to adverse macroeconomic developments. SCB's strong domestic market share of about 8%-9% in the niche car finance market does not fully compensate for the related business concentration risk. We are sceptical about SCB's plans to diversify its revenue streams by expanding both its mortgage and corporate banking activities, considering the already very strong competition in this market segment in Germany.

Chart 2

Focus on mobility with limited diversification
Asset portfoltio by business area, net balances



Source: S&P Global Ratings.

While beneficial in the long term, we expect a temporarily negative impact due to the pace of changes to interest rates. We forecast SCB's pretax profit to decline in 2023 because its liabilities are repricing faster than its assets and therefore its interest margins and net interest income are being compressed. However, we expect earnings to converge back to historical levels after the loan book repricing has caught up with the higher costs on the liability side. The bank's cost-to-income ratio should remain at 55%-61%. This compares well with the German market but has the potential for improvement compared with consumer and car financing peers elsewhere. We note SCB has very effectively managed its costs over recent years and we expect it will continue to contain cost increases.

We expect competition in SCB's main market segments to remain stiff. Amid accelerated digitalization, we see barriers to entry into the large and attractive German market as shrinking. This will intensify competition from new entrants with digital platforms. We expect this to be particularly pressing in online-based and unsecured consumer finance business, with increasing competition from Klarna, for example, or other payment providers like PayPal. Big Techs are also offering consumer finance products, leveraging off large customer bases. There is also intragroup competition: Santander's Openbank, for example, started its digital banking offering--including payment accounts, card products, and robo-advisory services--in Germany in 2019. However, we view SCB's position as somewhat protected in its dealer-based car financing segment because of its long-established relationships with both producers and dealers.

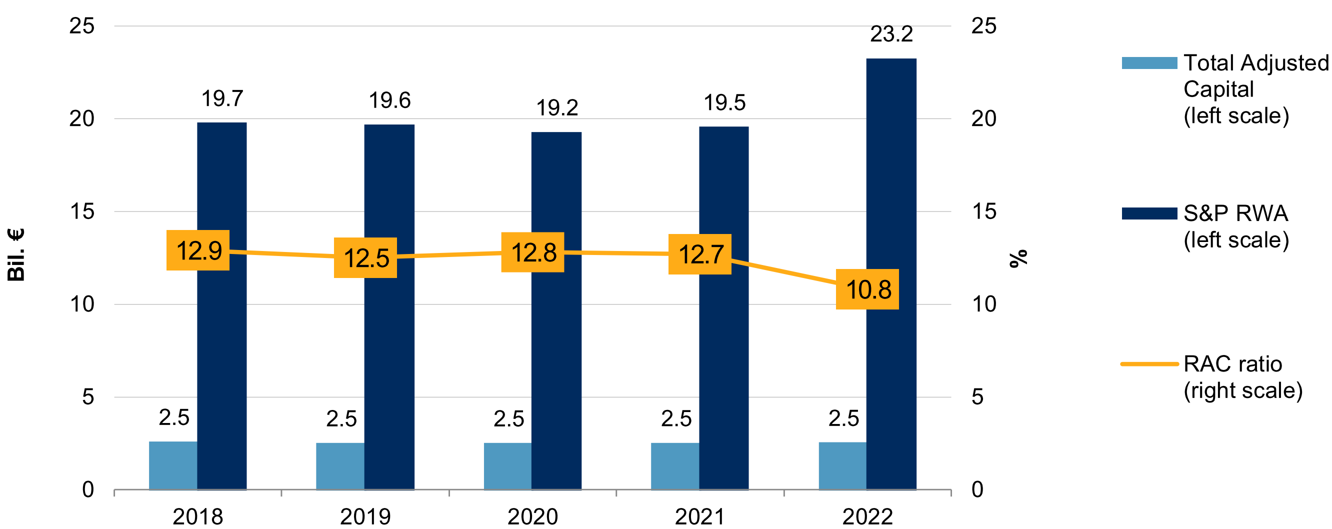
Capital And Earnings: Strong Capitalization, Despite Profit Transfer Agreement

We expect SCB's capitalization to remain a strength for its stand-alone creditworthiness. We forecast its S&P Global Ratings RAC ratio to remain 10%-11% over the next two years under our base case (see Key Metrics) after 10.8% at year-end 2022.

While SCB fully upstreams its profits under a profit and loss transfer agreement, its immediate holding company, Santander Consumer Holding GmbH, has some flexibility to reinject these funds back into SCB according to the latter's capital needs. SCB's regulatory capital ratios are solid with a sufficient buffer to the minimum capital requirements. For example, SCB's common equity tier 1 (CET 1) ratio stood at 12.92% as of December 2022, comfortably above the regulatory minimum requirement of 8.84%.

Chart 3

SCB is maintaining strong capitalization despite an uptick in risk-weighted assets
Evolution of risk-adjusted capital (RAC) ratio and its components



RWA--Risk-weighted assets. Source: S&P Global Ratings.

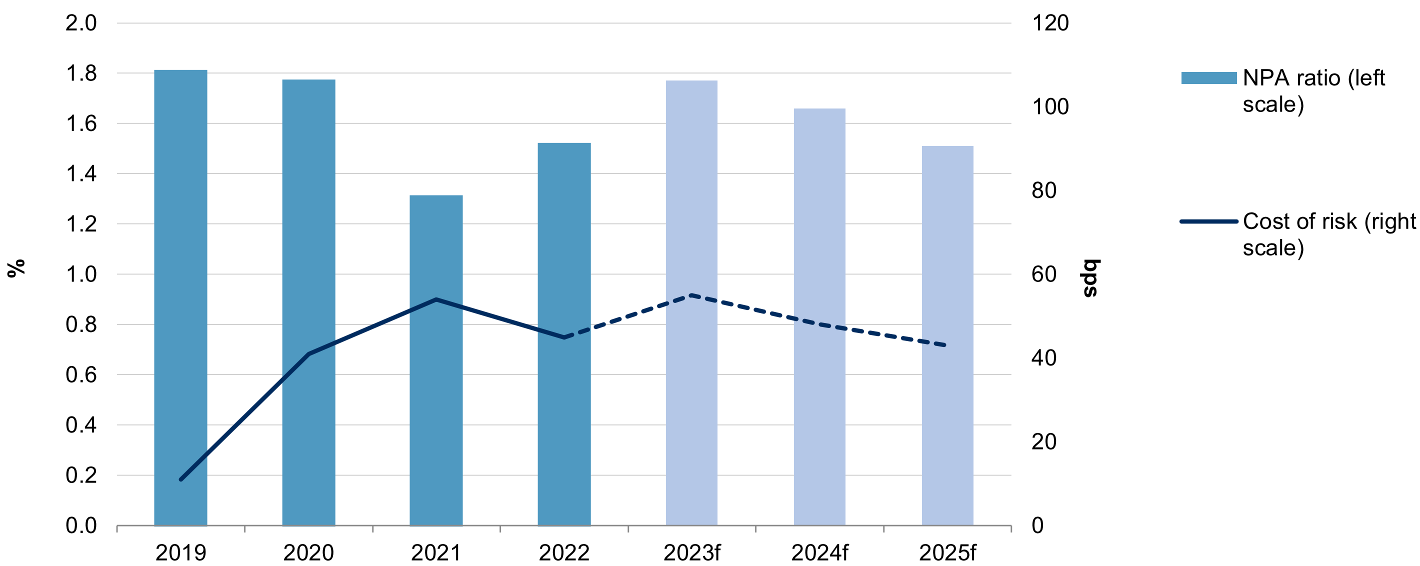
We believe SCB's earnings generation, its first line of defense if credit losses increase, will remain solid, thanks to a high share of high-margin lending. We estimate an earnings buffer, which measures the capacity for a bank's pre-provision earnings to cover normalized (annual average through the cycle) losses, at about 140-190 basis points of S&P Global Ratings risk-weighted assets, which is stronger than that of most German retail banks and also compares well globally with other universal or car financing banks.

Risk Position: Concentration On Higher Risk And Volatile Market Segments

SCB's risk profile is a relative weakness compared with larger and better diversified universal banks. We also compare SCB's risk position with consumer finance peers such as Cembra Money Bank or captives like Volkswagen Bank, which are active in similar segments and operate in banking systems with a comparable economic risk. While we recognize SCB's track record of limited losses compared with those of its pure consumer finance peers, we also note a heavy concentration in German consumer finance and motor vehicles financing exposures in its loan book (approximately 75%). In our view, the credit quality of such exposures is inherently more volatile and credit losses may inflate quickly. This is despite still relatively stable nonperforming loans (NPLs) at year-end 2022 of 1.5%. For 2023, we expect a moderate increase in risk costs from 45 to 55 bps and a slight uptick in the NPL ratio (see chart 4).

Chart 4

Moderate increase in cost of risk expected
NPA ratio and cost of risk between 2019-2024f



Cost of Risk - New loan loss provisions / average customer loans, NPA - Nonperforming assets, lighter area and dashed line indicate S&P Global Ratings' forecasts. f--Forecast, Source: S&P Global Ratings.

Despite some moderate growth in problem loans, we expect its self-reported coverage ratio to remain solid at around 80%-100%.

SCB intends to expand its retail mortgage and corporate businesses, but we doubt that this would lead to a material improvement in risk diversification over the next few years. In our view, the loan portfolio will continue to be dominated by car financing and unsecured consumer lending.

In its new business, SCB is quickly adjusting rates to current market conditions. However, we also understand that the bank bears costs from realizing interest rate risk. This stems from car leasing transactions that were agreed before the interest rate hike but could not be executed due to last year's supply chain bottlenecks.

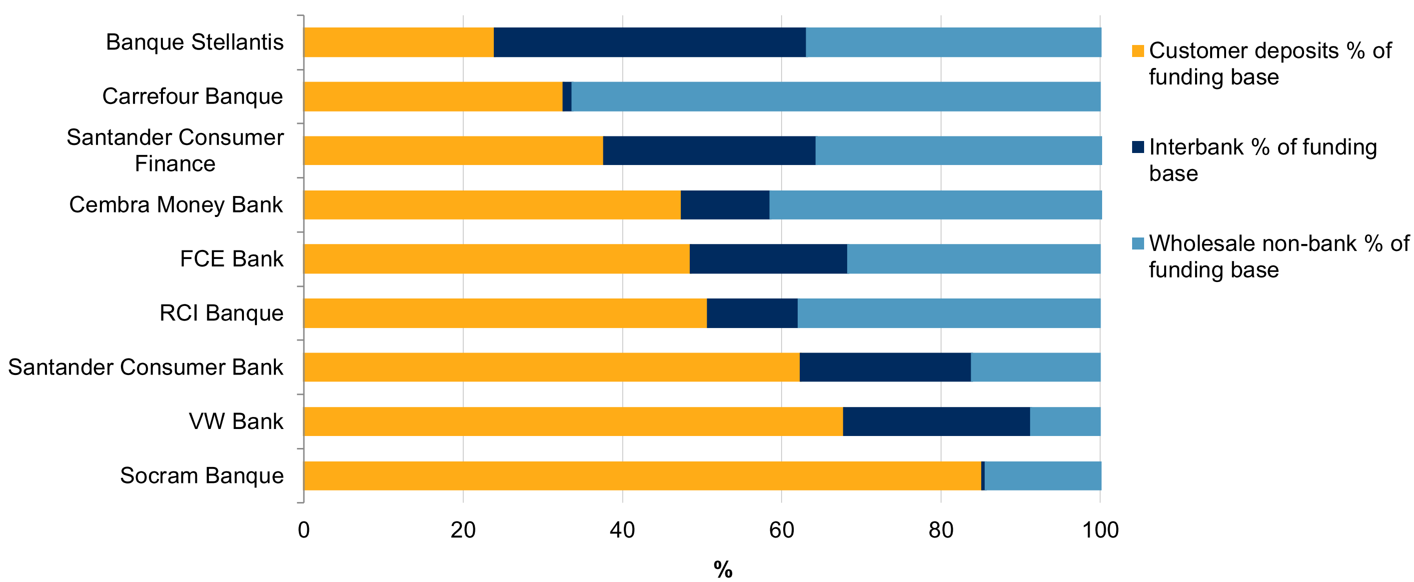
Funding And Liquidity: Franchise-Based And Online Deposits Accompanied By An Opportunistic Use Of Other Funding Sources

We continue to assess SCB's funding and liquidity profile as neutral factors to our assessment of its stand-alone creditworthiness. This is based on our expectation that the bank will remain largely deposit funded and reduce its retained, non-market ABS funding, while also securing a stable, long-term, and granular investor base.

The stable funding ratio, S&P Global Ratings' measure of available long-term funding relative to long-term funding needs, was 76% in 2022. This is lower than what we see among German peers that often demonstrate ratios comfortably above 100%. We consider this ratio well supported at the current level, benefitting from renewed retail demand for time instead of sight deposits, among other factors. We also acknowledge the diversified funding base, which we view as stronger than its more pure consumer finance-oriented peers and more in line with domestic universal bank peers (chart 5).

Chart 5

Diversified funding base with solid retail franchise
Breakdown of funding base as of year-end 2022

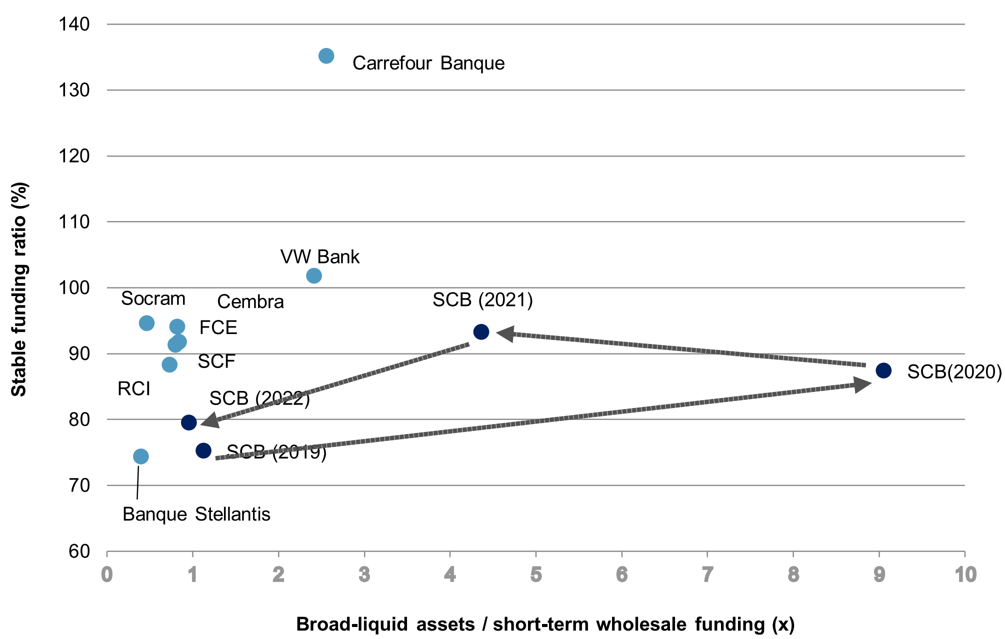


Source: S&P Global Ratings.

The ratio of broad liquid assets to short-term wholesale (BLAST) funding decreased to about 0.7x in 2022 from 4.4x in 2021. Overall, this significant reduction of liquidity buffers is in line with our expectations (chart 6). Over the past two years, opportunistic use of the ECB's TLTRO program had improved SCB's funding and liquidity metrics to unprecedented levels and triggered a balance sheet expansion. The adjustment of the conditions for the ECB's TLTRO program has reduced its attractiveness and will contribute to higher interest expenses in 2023. SCB has already reduced its TLTRO utilization to €8.5 billion in 2022 from €10.3 billion in 2021. We understand that SCB will replace the remaining TLTRO funding by increasing its retail deposits as well as through the securitization of customer receivables and wholesale funding. To that effect SCB has already materially increased rates on new and existing customer deposits, to attract additional deposits. We forecast its BLAST ratio to be 1x-2x, broadly in line with historical levels but slightly weaker than peers who have a stronger retail funding franchise.

Chart 6

Funding and liquidity metrics have normalized as expected
Broad-liquid assets / short-term wholesale funding (x) and stable funding ratio (%) as of year-end 2022



Socram - Socram Banque, SCF - Santander Consumer Finance, RCI - RCI Banque, FCE - FCE Bank, Cembra - Cembra Money Bank. Source: S&P Global Ratings.

Overall, SCB has a relatively high reliance on securitization. Asset-backed securitizations (ABS) have historically been an important funding vehicle for the bank and it has retained most of them on its own books as available collateral for opportunistic funding from the ECB in recent years.

We view positively SCB's additional liquidity buffers in retained ABS, which we do not acknowledge as liquid assets but believe could be sold if needed (or put up as eligible collateral for additional ECB funding).

We also consider the potential benefits and stability provided by SCB's membership in the Banco Santander group, although no committed facilities exist as far as we know. The regulatory liquidity coverage ratio was 232% as of year-end 2022 (compared to 520% in 2021), and we expect it will remain sufficiently high above the regulatory minimum.

Support: Three-Notches Of Uplift To The SACP

The long-term rating on SCB is three notches higher than its intrinsic creditworthiness, as reflected in the SACP, because we align the rating with that on its parent, Spain-based Santander Consumer Finance SA. The Spanish consumer finance activities--including the German operations--are part of the same resolution perimeter with a single point of entry at the Banco Santander level. As such, SCB indirectly benefits from additional loss-absorbing capacity (ALAC) of bail-in-able instruments at the Banco Santander level. In our view, this also reduces the default risk of SCB's senior unsecured debt.

Environmental, Social, And Governance

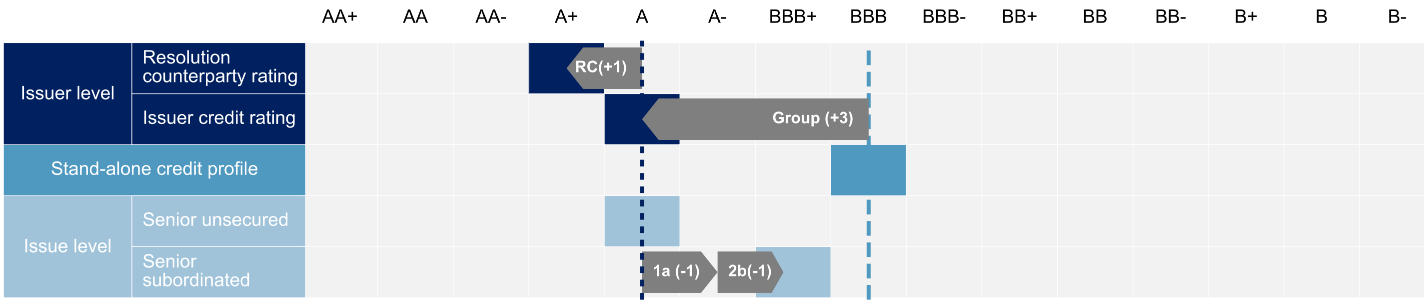
We believe ESG credit factors influence SCB's credit quality similarly to its industry and German peers. We see SCB's main potential risks as stemming from its concentration in the automotive market, which is going through a material transformation. However, we note SCB's strong diversification across different car brands as well as future growth potential in financing electric vehicles. We consider that SCB follows responsible lending practices in its consumer finance activities, such that social risk are in line with peers'. On the governance side, we note that the supervisory board of SCB predominantly comprises the international representatives of Banco Santander and SCB employees, so we view the bank as following the adequate governance standards implemented by the broader Santander Group internationally.

ESG factors have no material influence on our credit rating analysis of Santander Consumer Bank AG.

Issue Ratings

The 'A' ICR incorporates three notches of group support on top of the 'bbb' SACP. We think this group support would also partially flow to SCB's outstanding senior subordinated bond. For the issue rating of 'BBB+', we deduct two notches from the 'A' ICR. One notch reflects the statutory subordination under German law, which makes the plain vanilla senior bond subordinated in liquidation and resolution to other senior claims. We deduct another notch because we believe bail-in-able instruments issued by SCB do not benefit from Banco Santander's ALAC buffers accumulated at the Spanish group level. We assume that the subordinated debt issued at the ultimate parent level would not be used to support the nonpreferred investors of SCB in any future resolution scenario.

Santander Consumer Bank AG: Notching



Key to notching

- ----- Group stand-alone credit profile
- ------ Issuer credit rating
- RC — Resolution counterparty liabilities (senior secured debt)
- Group — Group support
- 1a — Contractual subordination
- 2b — Other nonpayment or default risk not captured already

Note: The number-letter labels in the table above are in reference to the notching steps we apply to hybrid capital instruments, as detailed in table 2 of our "Hybrid Capital: Methodology And Assumptions" criteria, published on March 2, 2022.

Resolution Counterparty Ratings (RCRs)

We have assigned our 'A+/A-1' RCRs to SCB because we assess the resolution regime in Germany as effective and the bank as likely to benefit from bail-in resolution powers being applied to the group if it reaches nonviability.

The RCR is a forward-looking opinion of the relative default risk of certain senior liabilities that may be protected from default through an exemption from bail-in.

Key Statistics

Table 1

Santander Consumer Bank AG--Key figures

	--Year-ended Dec. 31--				
(Mil. €)	**2022**	**2021**	**2020**	**2019**	**2018**
Adjusted assets	53,449.3	55,398.8	49,892.7	45,861.4	42,840.7
Customer loans (gross)	32,748.1	29,360.5	29,755.8	30,496.7	30,402.3
Adjusted common equity	2,482.2	2,468.7	2,458.4	2,459.1	2,536.0
Operating revenues	1,359.0	1,446.0	1,297.9	1,320.7	1,344.4
Noninterest expenses	774.0	752.4	779.9	833.1	815.3
Core earnings	444.1	532.7	393.5	454.2	463.4

Table 2

Santander Consumer Bank AG--Business position

	--Year-ended Dec. 31--				
(%)	**2022**	**2021**	**2020**	**2019**	**2018**
Loan market share in country of domicile	0.8	0.8	0.9	1.0	1.0
Deposit market share in country of domicile	0.6	0.6	0.6	0.6	0.6
Total revenues from business line (currency in millions)	1,359.0	1,446.0	1,298.0	1,320.7	1,344.4
Commercial & retail banking/total revenues from business line	100.0	100.0	100.0	100.0	100.0
Return on average common equity	13.4	16.1	12.3	14.8	15.1

Table 3

Santander Consumer Bank AG--Capital and earnings

	--Year-ended Dec. 31--				
(%)	**2022**	**2021**	**2020**	**2019**	**2018**
Tier 1 capital ratio	12.9	15.0	14.4	13.0	13.9
S&P Global Ratings' RAC ratio before diversification	10.8	12.7	12.8	12.5	12.9
S&P Global Ratings' RAC ratio after diversification	10.1	11.7	11.9	11.7	12.0
Adjusted common equity/total adjusted capital	100.0	100.0	99.9	99.9	99.9
Net interest income/operating revenues	74.7	72.3	77.8	79.0	84.6
Fee income/operating revenues	12.0	12.6	12.2	11.7	8.2
Market-sensitive income/operating revenues	0.0	0.0	0.0	0.0	(0.3)
Cost to income ratio	56.9	52.0	60.1	63.1	60.6
Preprovision operating income/average assets	1.1	1.3	1.1	1.1	1.2
Core earnings/average managed assets	0.8	1.0	0.8	1.0	1.1

Table 4

Santander Consumer Bank AG--Risk-adjusted capital framework data

(€ 000s)	**Exposure***	**Basel III RWA**	**Average Basel III RW(%)**	**S&P Global Ratings RWA**	**Average S&P Global Ratings RW (%)**
Credit risk					
Government & central banks	4,817,696.1	26.3	0.0	408,242.8	8.5
Of which regional governments and local authorities	259.0	0.0	0.0	9.3	3.6
Institutions and CCPs	6,821,599.9	749,025.0	11.0	1,737,241.1	25.5
Corporate	9,821,959.7	8,565,525.0	87.2	5,900,850.8	60.1
Retail	20,830,123.6	7,413,969.6	35.6	9,686,559.5	46.5
Of which mortgage	2,243,061.7	308,629.9	13.8	453,066.4	20.2
Securitization§	359,978.0	353,625.4	98.2	1,492,486.6	414.6
Other assets†	477,120.6	393,366.9	82.4	475,032.7	99.6
Total credit risk	43,128,477.9	17,475,538.3	40.5	19,700,413.5	45.7
Credit valuation adjustment					
Total credit valuation adjustment	--	48,633.9	--	0.0	--
Market Risk					
Equity in the banking book	165,900.3	613,822.2	370.0	1,451,616.8	875.0

Table 4

Santander Consumer Bank AG--Risk-adjusted capital framework data (cont.)					
Trading book market risk	--	0.0	--	0.0	--
Total market risk	--	613,822.2	--	1,451,616.8	--
Operational risk					
Total operational risk	--	1,869,396.4	--	2,054,055.1	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	22,374,000.0	--	23,206,085.3	100.0
Total Diversification/ Concentration Adjustments	--	--	--	1,662,256.1	7.2
RWA after diversification	--	22,374,000.0	--	24,868,341.4	107.2
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio before adjustments		2,927,566.0	13.1	2,482,194.3	10.8
Capital ratio after adjustments‡		2,927,566.0	13.1	2,482,194.3	10.1

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of 'Dec. 31 2022', S&P Global Ratings.

Table 5

Santander Consumer Bank AG--Risk position					
	--Year-ended Dec. 31--				
(%)	**2022**	**2021**	**2020**	**2019**	**2018**
Growth in customer loans	11.5	(1.3)	(2.4)	0.3	(3.2)
Total diversification adjustment/S&P Global Ratings' RWA before diversification	7.2	8.6	7.3	7.3	6.9
Total managed assets/adjusted common equity (x)	21.6	22.5	20.4	18.7	17.0
New loan loss provisions/average customer loans	0.5	0.5	0.4	0.1	0.2
Gross nonperforming assets/customer loans + other real estate owned	1.5	1.3	1.8	1.8	1.9
Loan loss reserves/gross nonperforming assets	141.4	130.8	102.1	96.9	94.6

Table 6

Santander Consumer Bank AG--Funding and liquidity					
	--Year-ended Dec. 31--				
(%)	**2022**	**2021**	**2020**	**2019**	**2018**
Core deposits/funding base	62.4	57.5	63.7	71.8	73.7
Customer loans (net)/customer deposits	126.9	123.4	128.3	129.3	131.4
Long-term funding ratio	86.5	94.1	98.2	89.4	90.3
Stable funding ratio	76.4	93.2	87.4	75.2	77.5
Short-term wholesale funding/funding base	14.6	6.3	1.9	11.6	10.6
Regulatory net stable funding ratio	106.8	N/A	N/A	N/A	N/A
Broad liquid assets/short-term wholesale funding (x)	0.7	4.4	9.1	1.1	1.1
Broad liquid assets/total assets	7.9	20.2	12.6	9.1	8.6

Table 6

Santander Consumer Bank AG--Funding and liquidity (cont.)					
	--Year-ended Dec. 31--				
(%)	**2022**	**2021**	**2020**	**2019**	**2018**
Broad liquid assets/customer deposits	16.7	48.1	27.7	18.2	16.3
Net broad liquid assets/short-term customer deposits	(7.0)	40.2	28.1	2.5	2.1
Regulatory liquidity coverage ratio (LCR) (x)	231.7	519.6	N/A	N/A	N/A
Short-term wholesale funding/total wholesale funding	38.8	14.8	5.4	41.0	40.5
Narrow liquid assets/3-month wholesale funding (x)	7.2	31.6	30.0	31.6	3.7

N/A--Not applicable.

Santander Consumer Bank AG--Rating component scores	
Issuer Credit Rating	A/Stable/A-1
SACP	bbb
Anchor	bbb+
Economic risk	2
Industry risk	4
Business position	Moderate
Capital and earnings	Strong
Risk position	Moderate
Funding	Adequate
Liquidity	Adequate
Comparable ratings analysis	0
Support	+3
ALAC support	0
GRE support	0
Group support	+3
Sovereign support	0
Additional factors	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

Related Criteria

- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions , Dec. 9, 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology , Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings , Oct. 10, 2021
- General Criteria: Group Rating Methodology , July 1, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology , July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings , April 7, 2017
- General Criteria: Principles Of Credit Ratings , Feb. 16, 2011

Related Research

- Banking Industry Country Risk Assessment: Germany; June 06, 2023

Ratings Detail (As Of August 8, 2023)*	
Santander Consumer Bank AG	
Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A+/--/A-1
Commercial Paper	A-1
Senior Unsecured	A
Issuer Credit Ratings History	
22-Mar-2022	A/Stable/A-1
16-Dec-2021	A/Negative/A-1
24-Jun-2021	A-/Stable/A-2
29-Apr-2020	A-/Negative/A-2
Sovereign Rating	
Germany	AAA/Stable/A-1+
Related Entities	
Banco Santander (Brasil) S.A.	
Issuer Credit Rating	BB-/Positive/B
Brazil National Scale	brAAA/Stable/brA-1+
Banco Santander-Chile S.A.	
Issuer Credit Rating	A-/Stable/A-2
Commercial Paper	
Foreign Currency	A-2
Senior Unsecured	A-
Banco Santander S.A.	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
Commercial Paper	
Foreign Currency	A-1
Senior Subordinated	A-
Banco Santander SA (London Branch)	
Certificate Of Deposit	
Local Currency	A-1
Banco Santander S.A. (New York Branch)	
Commercial Paper	
Local Currency	A-1
Banco Santander Totta S.A.	
Issuer Credit Rating	BBB+/Stable/A-2
Resolution Counterparty Rating	BBB+/--/A-2
Senior Unsecured	BBB+
Banque Stellantis France	
Issuer Credit Rating	BBB+/Stable/A-2

Ratings Detail (As Of August 8, 2023)*(cont.)	
Senior Unsecured	BBB+
Santander Bank, N.A.	
Issuer Credit Rating	A-/Stable/A-2
Senior Unsecured	A-
Short-Term Debt	A-2
Subordinated	BBB+
Santander Consumer Finance S.A.	
Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A+/--/A-1
Commercial Paper	
Local Currency	A-1
Senior Subordinated	BBB+
Senior Unsecured	A
Short-Term Debt	A-1
Subordinated	BBB
Santander Financial Services PLC	
Issuer Credit Rating	A-/Stable/A-2
Resolution Counterparty Rating	A/--/A-1
Santander Holdings U.S.A Inc.	
Issuer Credit Rating	BBB+/Stable/A-2
Senior Unsecured	BBB+
Santander UK Group Holdings PLC	
Issuer Credit Rating	BBB/Stable/A-2
Junior Subordinated	BB-
Senior Unsecured	BBB
Short-Term Debt	A-2
Subordinated	BB+
Santander UK PLC	
Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A+/--/A-1
Junior Subordinated	BB
Junior Subordinated	BB+
Preference Stock	BB
Senior Secured	AAA/Stable
Senior Unsecured	A-1

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.