MOODY'S INVESTORS SERVICE

CREDIT OPINION

21 July 2023

New Issue

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Closing date

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Contacts

Juan Miguel Martin-Abde +34.91.768.8239
AVP-Analyst
juan.martin-abde@moodys.com

Rodrigo Conde +34.91.768.8305
Vice President - Senior Analyst
rodrigo.conde@moodys.com

» Contacts continued on last page

FT Santander Consumo 5

New Issue – Banco Santander S.A. issues new consumer loan transaction in Spain

Capital structure

Exhibit 1

Definitive ratings

Series	Rating	Amount (millions)	% of (assets)	Legal final maturity	Coupon	Subordination[(1)]	Reserve fund[(2)]	Total credit enhancement[(3)]
Class A	Aa1(sf)	€ 640.0	80.00%	Mar-2036	3mE + 0.85%	20.00%	2.00%	22.00%
Class B	A2(sf)	€ 43.2	5.40%	Mar-2036	3mE + 1.60%	14.60%	2.00%	16.60%
Class C	Baa2(sf)	€ 35.6	4.45%	Mar-2036	3mE + 2.40%	10.15%	2.00%	12.15%
Class D	Ba1(sf)	€ 30.8	3.85%	Mar-2036	3mE + 5.50%	6.30%	2.00%	8.30%
Class E	NR	€ 50.4	6.30%	Mar-2036	3mE + 10.50%	0.00%	2.00%	2.00%
Class F	NR	€ 16.0	2.00%	Mar-2036	3mE + 1.65%	0.00%	0.00%	0.00%
Total		€ 816.0	102.00%					

(1) At closing.
(2) As of initial pool balance; Class F funds the reserve fund and is not backed by the asset pool.
(3) No benefit attributed to excess spread.
Sources: FT Santander Consumo 5 prospectus, and Moody's Investors Service

Summary

Santander Consumo 5, Fondo De Titulizacion (FT Santander Consumo 5) is a five-month revolving cash securitisation of unsecured consumer loan receivables extended by Banco Santander, S.A. (A2/P-1; A3(cr)/P-2(cr)) to private obligors residing in Spain.

Our analysis focused, amongst other factors, on (i) an evaluation of the underlying portfolio of loans at closing and incremental risk due to loans being added during the revolving period; (ii) the historical performance information of the total book and past ABS transactions; (iii) the credit enhancement provided by the subordination, the excess spread and the reserve fund; (iv) the liquidity support available in the transaction, by way of principal to pay interest, and the reserve fund and (v) the overall legal and structural integrity of the transaction.

Our cumulative default expectation for the asset pool is 4.25%, recovery rate is 15.0% and portfolio credit enhancement (PCE) is 17.0%.

Credit strengths

- » ***Portfolio quality:*** The securitised portfolio has a weighted average seasoning of 1.16 years and is highly granular with the largest and 10 largest borrowers representing 0.00% and 0.02% of the pool, respectively. Additionally, the securitised portfolio does not have any loan in arrears, and the eligibility criteria of loans in this portfolio has excluded the loans with internal PDs greater than 6.0% (see "Asset description - Assets as of the cut-off date - Pool characteristics")
- » ***Financial strength of Banco Santander S.A.:*** Banco Santander S.A. is rated (A2/P-1; A3(cr)/P-2(cr)) and acts as originator, servicer, collection account bank, issuer account bank provider and the swap counterparty in the transaction. The bank's sound credit profile limits the deal's exposure to operational issues: specifically likelihood of interruption in the portfolio servicing during the lifetime of the deal is limited. Furthermore, the bank has significant experience in origination and servicing of consumer loan portfolios (See "Asset description - Originator and servicer").
- » ***Strong default definition***: The transaction structure benefits from an artificial write-off, which traps the available excess spread to cover any losses. The full amount of the loan will be artificially written off if it has been three months in arrears, subject to a materiality threshold (see "Securitisation structure analysis - Primary structural analysis - Default definition").
- » ***Senior fees reserve***: The transaction has implemented a reserve mechanism designed to pay increased servicing fees in the event of servicer replacement. Once the rating trigger is hit, Santander is to fund a reserve for an amount equal to the product of a) 1.0% of the outstanding balance of receivables and b) the weighted-average life of the outstanding balance of receivables, assuming 0.0% CPR. (see "Securitisation structure description - Detailed description of the structure - Servicer event reserve").

Credit challenges

- » ***High degree of linkage to Banco Santander S.A.:*** Banco Santander S.A (A2/P-1; A3(cr)/P-2(cr)) acts as an originator, servicer, collection account bank, issuer account bank and swap counterparty of the transaction. There will be suitable replacement triggers in place to offset these risks (See Securitisation structure description - Detailed description of the structure").
- » ***Complex structure:*** The structure includes some complex structural features: (1) deferral of interest on Classes E and F notes upon certain default levels being hit benefits the repayment of the class of notes senior to each of them, but also increases the expected loss of deferred classes and (2) pro rata payments on all class of notes (excluding Class F notes) cease to exist after the sequential redemption event triggers but extend the time of redemption for the senior classes (see "Securitisation structure description").
- » ***Pre-approved loans:*** Around 80.6% of the securitised portfolio is composed of pre-approved loans where the borrower was offered an unsecured consumer loan up to a maximum amount without initiating an application process. Moody's has received separate vintage information on these type of loans (see "Asset description - Assets as of the cut-off date - Pool characteristics").
- » ***Excess spread compression:*** The securitised pool yields a weighted average interest rate of approximately 6.5%. In addition, the eligibility criteria provides for a weighted average minimum portfolio yield of 7.05% after the addition of receivables during the revolving period. On the other hand, WA margin of the notes is 1.7% and issuer pays a swap rate of 3.24% to mitigate fixed-floating risk. (see "Securitisation structure description - Detailed description of the structure - Excess spread").
- » ***Revolving period***: The five-months revolving period could increase performance volatility of the underlying portfolio, although this is mitigated with early amortisation triggers and strict eligibility criteria on both individual loan and portfolio level. (see "Asset description - Changes to the asset pool after issuance - Revolving period and replenishment criteria")
- » ***Fixed-floating risk hedging:*** Of the underlying loans, 100.0% are linked to fixed interest rates, and the rated notes are all floating rate indexed to Euribor. As a result, the issuer is subject to fixed-floating mismatch — the risk that the interest rate on the rated notes could differ from the interest rate payable on this portfolio. This risk is mitigated by a balance guaranteed swap that is provided by Banco Santander S.A (A2/P-1; A3(cr)/P-2(cr)). (See "Securitisation structure description - Detailed description of the structure - Interest rate mismatch").

ESG considerations

We consider overall environmental, social, and governance (ESG) risk to be low for securitisations backed by personal loans. Our credit analysis of the transaction, which considers ESG risk, includes the social and demographic trends that affect the obligors in ABS backed by personal loans, and the very low exposure to severe weather events or other environmental factors. The geographic and industry diversification of personal loan portfolios overall mitigates environmental risk. In addition, governance risk is largely mitigated by the structure of the transaction and our consideration of the transaction parties. Please refer to our Cross-Sector Rating Methodology: General Principles for Assessing Environmental, Social and Governance Risks, 19 October 2021, which explains our general principles for assessing ESG risks in our credit analysis globally.

- **Environmental:** The transaction has low to modest sector-wide exposure to meaningful environmental risks, with potential consequences not likely to be material to the credit quality of the notes. (See "Asset analysis - Additional asset analysis - ESG-Environmental considerations")
- **Social:** The social risk is generally low in personal loans ABS transactions. Social risks can arise with changes in government policy which could lead to increased volatility in recovery levels. Additionally, demographic trends in demand for goods and services shift over time, but the industry diversity of the obligors in loan pools should help protect the transactions from the risk of any one industry downturn. (See "Asset analysis - Additional asset analysis - ESG-Environmental considerations")
- **Governance:** Governance risks for this transaction are low based on the presence of transaction features such as risk retention, comprehensive agreed upon procedures (AUPs) report, servicing oversight, and R&W enforcement.(See "Securitisation structure analysis - Additional structural analysis - ESG-Governance considerations")

Key characteristics

Exhibit 2

Asset characteristics

Securitised pool, cut-off date as of 19th April 2023

Seller/originator:	Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr))
Servicer(s):	Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr))
Receivables:	Unsecured consumer loans granted to private individuals residing in Spain
Total amount:	€ 1,457,150,031.5
Length of revolving period in years:	0.4 years
Number of borrowers	113,900
Number of contracts	134,011
WA remaining term in years:	5.2
WA seasoning in years:	1.2
WAL of initial portfolio in years (excl. prepayments):	1.5
WA portfolio interest rate:	6.5%
Delinquency status:	None of the loans are in arrears at cut-off date
Cumulative default rate observed:	Total book cumulative average vintage value between Q1 2017 - Q4 2022: 3.3%; Pre-approved loans cumulative average vintage value between Q1 2017 - Q4 2022: 3.8%; Non pre-approved loans loans cumulative average vintage value between Q1 2017 - Q4 2022: 2.0%; (cumulative 90+ days delinquency proxy)
Recovery rate observed:	Total book cumulative average vintage value between Q3 2012 - Q4 2022: 24.8% Pre-approved loans cumulative average vintage value between Q3 2012 - Q4 2022: 22.4% Non pre-approved loans cumulative average vintage value between Q3 2012 - Q4 2022: 28.4% (cumulative 90+ days delinquency proxy)
Cumulative default rate (modelled):	4.25%, in line with the peer group in the Spanish Consumer ABS market
Recovery rate (modelled):	15.0%, in line with the peer group in the Spanish Consumer ABS market
Portfolio credit enhancement (PCE):	17.0%, in line with the peer group in the Spanish Consumer ABS market (equals a coefficient of variation of 52.0%)

Sources: FT Santander Consumo 5 prospectus, and Moody's Investors Service

Exhibit 3

Securitisation structure characteristics

Transaction parties	At closing
Issuer:	Santander Consumo 5, Fondo De Titulizacion (FT Santander Consumo 5)
Back-up servicer(s):	N/A
Back-up servicer facilitator(s):	Santander de Titulizacion S.G.F.T., S.A.
Cash manager:	Santander de Titulizacion S.G.F.T., S.A.
Back-up cash manager:	N/A
Calculation agent/computational agent:	Santander de Titulizacion S.G.F.T., S.A.
Back-up calculation/computational agent:	N/A
Swap counterparty:	Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr))
Issuer account bank:	Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr))
Collection account bank:	Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr))
Paying agent:	Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr))
Note trustee:	Santander de Titulizacion S.G.F.T., S.A.
Issuer administrator/corporate servicer provider:	Santander de Titulizacion S.G.F.T., S.A.
Arrangers:	Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr))
Joint lead manager(s):	Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr)); Societe Generale S.A. (A1/P-1; A1(cr)/P-1(cr)); Unicredit Bank AG (A2/P-1 deposit rating; A1(cr)/P-1(cr)); BofA Securities Europe SA
Start-up expenses loan provider:	Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr))
Liabilities, credit enhancement and liquidity	
Annualised excess spread at closing:	Approx. 1.02% at closing (weighted average asset yield minus senior costs and coupons on classes A-E notes)
Credit enhancement/reserves:	1.02% modelled average annualised stressed excess spread at closing; Amortising reserve fund representing 2.0% of outstanding balance of classes A- E notes at closing; Subordination of the notes;
Form of liquidity:	Excess spread, reserve fund, principal to pay interest mechanism
Number of months liquidity based on Moody's assumptions:	Approx. 4.4 months
Interest payments:	Quarterly in arrears on each payment date
Principal payments:	Pass-through on each payment date
Payment dates:	21st calendar day in March, June, September, December First payment date: 21st December 2023
Hedging arrangements:	Balance guaranteed swap

Sources: FT Santander Consumo 5 prospectus, and Moody's Investors Service

Asset description

The figures presented in this report refer to the portfolio characteristics at the cut-off date, 19 April 2023, while the final pool that is transferred to the issuer on the incorporation date amounts to € 800.0 million.

Assets as of the cut-off date

Pool characteristics

The balance of the securitised portfolio equals €1,457.2 million, having 134,011 loans. The weighted average remaining maturity of the portfolio is approximately 5.2 years and weighted average seasoning is 1.2 years. As described in the prospectus, unsecured loans in this portfolio were used to finance mainly living expenses (22.3%), home improvements (8.9%) or the purchase of vehicles (6.9%). Approximately (59.7%) of the loans have no loan purpose information. This is mostly explained by the increasing pre-approved loans origination volume where the borrower does not have to indicate the purpose of the loan. Pre-approved loans are mainly extended to existing clients of the bank that have shown a strong credit history.

The loans in the securitised pool are 100.0% fixed rate. All loans are annuity style amortising loans with no balloon; which is the market standard for Spanish consumer loans. All loans pay monthly via direct debit. The loans can be prepaid at no penalty.

The securitised portfolio does not include restructured loans and none of the loans in the securitised pool are in arrears as at the cut-off date.

The exhibit below summarizes additional portfolio information of the securitised portfolio.

Exhibit 4

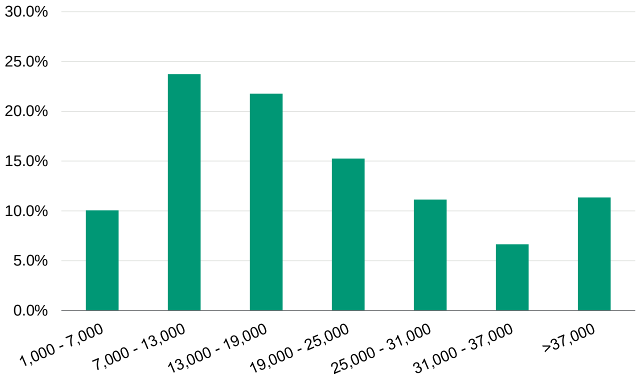
Additional information on asset characteristics

Average principal outstanding balance:	€ 10,873.0
Origination channel:	Branch originated loans
Geographic concentration	
1st largest region:	Madrid (19.6%)
2nd largest region:	Andalucia (17.3%)
3rd largest region:	Cataluña (10.9%)
Obligor concentration	
Single obligor (group) concentration:	0.00%
Top 5 obligor (group) concentration:	0.01%
Top 10 obligor (group) concentration:	0.02%
Top 20 obligor (group) concentration:	0.04%

Source: Banco Santander S.A

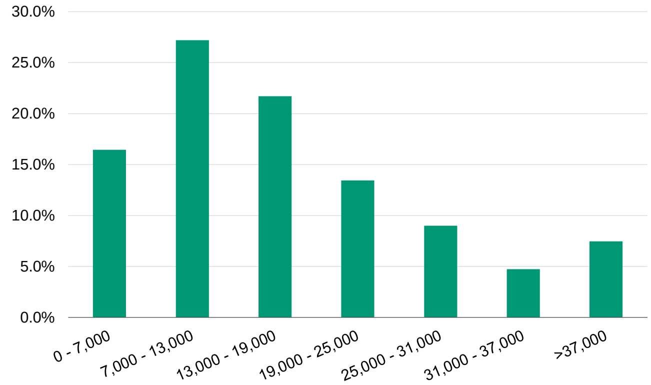
The exhibits below describe the distribution of the securitised portfolio's initial and outstanding balance.

Exhibit 5
Portfolio breakdown by initial balance as a percentage of outstanding balance.



Source: Banco Santander S.A.

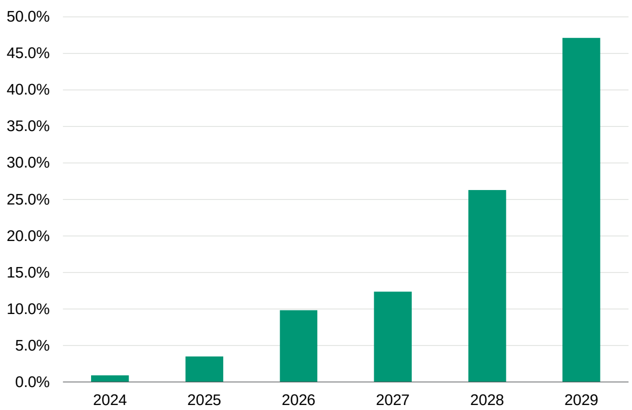
Exhibit 6
Portfolio breakdown by outstanding balance as a percentage of outstanding balance.



Source: Source: Banco Santander S.A

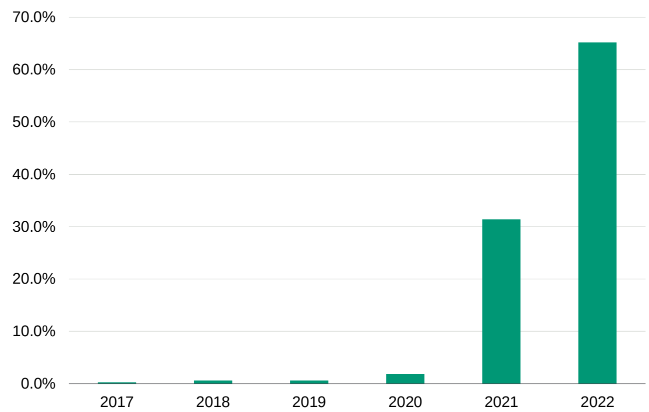
The exhibits below show the breakdown by maturity and origination year as a percentage of outstanding balance.

Exhibit 7
Portfolio breakdown by maturity year



Source: Banco Santander S.A.

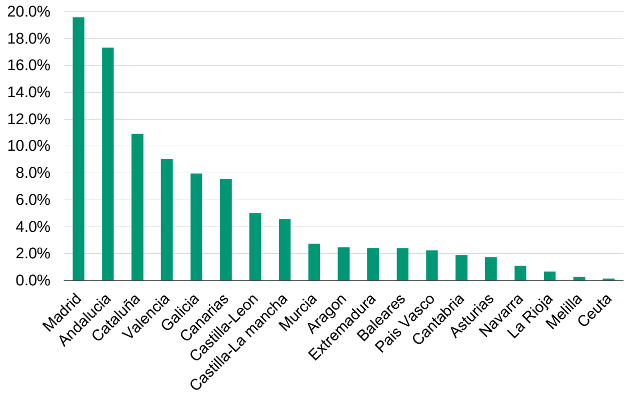
Exhibit 8
Portfolio breakdown by origination year



Source: Banco Santander S.A.

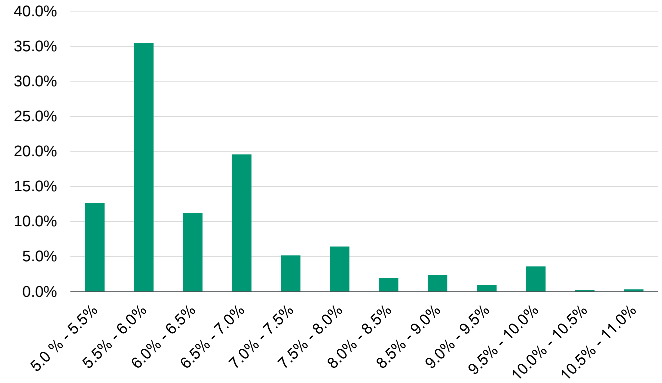
The exhibits below show the portfolio breakdown by regional concentration and interest rate as a percentage of outstanding balance.

Exhibit 9
Portfolio breakdown by regional concentration



Source: Banco Santander S.A.

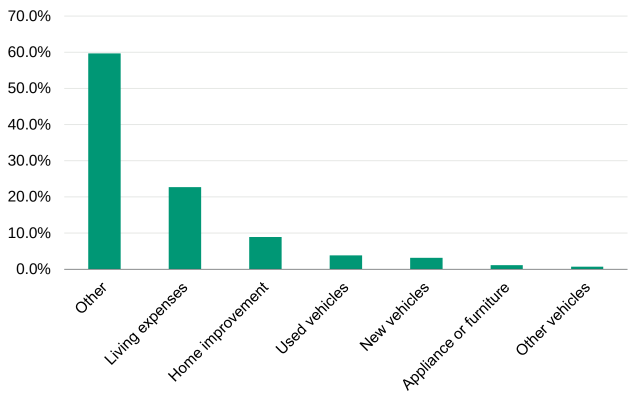
Exhibit 10
Portfolio breakdown by interest rate



Source: Banco Santander S.A.

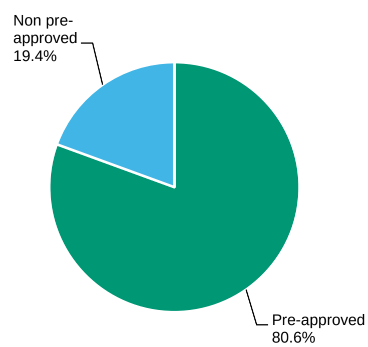
The exhibits below show the portfolio breakdown by loan purpose and loan type as a percentage of outstanding balance.

Exhibit 11
Portfolio breakdown by loan purpose



Source: Banco Santander S.A.

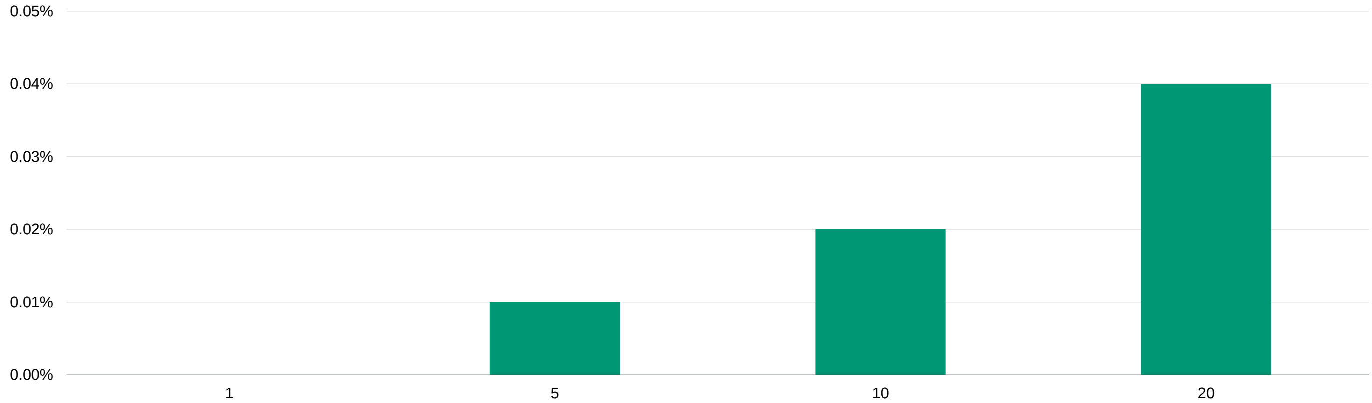
Exhibit 12
Portfolio breakdown by loan type



Source: Banco Santander S.A.

The exhibits below show the portfolio breakdown by debtor concentration as a percentage of outstanding balance.

Exhibit 13
Portfolio breakdown by debtor concentration



Source: Banco Santander S.A.

Eligibility criteria

The portfolio's main eligibility criteria are as follows:

» Loans do not contain any clauses that prevent the assignment of the loans or that require any authorization or notice in order to assign the loans;

» None of the loans are in arrears;

» Each and every loan has been fully drawn by the corresponding borrower;

» Each and every loan has a PD equal or less than 6.0%;

» Santander is, without limitation, the sole owner of all of the receivables, which are free of any liens and encumbrances;

» Each obligor under the loans is a natural person residing in Spain;

» Each loan is denominated and payable exclusively in euros;

» None of the loans has been granted by Banco Popular;

» No receivable derives from a restructured receivable;

» None of the receivables is a balloon loan;

» Each obligor has paid at least one installment;

» No loan has or shall have an outstanding principal balance greater than EUR 100,000;

» The remaining term to maturity of each and every loan is in no event greater than 9 years;

» The maturity date of each Loan is in no event later than the final maturity date (1 January 2034);

» None of the loans have clauses contemplating deferrals of interest payments after the assignment of receivables to the fund;

» The loans are governed under by Spanish law;

» No borrower was unemployed on the date on which the receivable was granted;

» None of the loans have been formalized as a financial lease agreement;

» The loans are supported by personal guarantee by the borrower;

» Payments are fulfilled by direct debit from a bank account that occur automatically;

» No notice of total or partial prepayment of loan has been received by Santander;

» The loan has not matured before or on the date of assignment to the fund;

» No Covid-19 moratoriums have been granted or requested.

Originator and servicer

Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr)) acts as the originator and servicer in the FT Santander Consumo 5 transaction.

Santander has a full banking license under the Spanish regulatory framework. Santander's total consolidated assets are approximately EUR 1.7 trillion as of March 2023. Santander Group has 161 million active customers, 8,993 branches and 210,169 employees as of March 2023. Santander is a Spanish leading financial group with 1,909 branches and 27,047 employees as of March 2023.

The underlying assets in this transaction are branch originated unsecured consumer loans extended to natural individuals residing in Spain. From June 2015, Santander shifted its focus towards loan origination via its programme “1/2/3”. The programme's goal is to target existing clients of the bank through pre-approved applications. Thus, new originated contracts have been mainly extended to existing clients with solid credit history. Thanks to the availability of borrower's behavioral banking data, the bank can better assess the risk profile of the clients, and, therefore, offer the product characteristics suitable to each borrower.

The underwriting process is mainly driven by an automated scoring system, which considers among other things (i) credit bureau information; (ii) a household budget computation; (iii) the customer's debt history; (iv) behavioral banking activity; and (iv) fraud information. The underwriting process is in line with the market standard.

Collection procedures rely on direct debit, which accounts for 100% of payments in this transaction. The collection process and early arrears management are highly automated. Collections are conducted at the branch level for delinquent account that are less than 150 days in arrears. Depending on the outstanding delinquent amount and risk profile of the client, external agencies may take part of the collection process. Before 150 days past due, the bank pursues no legal action against the client. Altamira and Aktua, external collection agencies, manage delinquent contracts that are 150+ days in arrears.

The exhibit below summarizes the main characteristics of the originator's background.

Exhibit 14

Originator profile, servicer profile and operating risks

Originator background	
Rating:	Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr))
Financial institution group outlook for sector:	Stable
Ownership structure:	N/A
Asset size:	Total assets are EUR 1.8 trillion (as of March 2023)
% of total book securitised:	N/A
Transaction as % of total book:	N/A
% of transaction retained:	1.96%
Servicer background	
Rating:	Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr))
Regulated by:	Bank of Spain
Total number of receivables serviced:	N/A
Number of staff:	23,000 (as of April 2023)
Receivables administration	
Method of payment of borrowers in the pool:	100.0% direct debit
% of obligors with account at originator:	N/A
Distribution of payment dates:	Evenly throughout the month

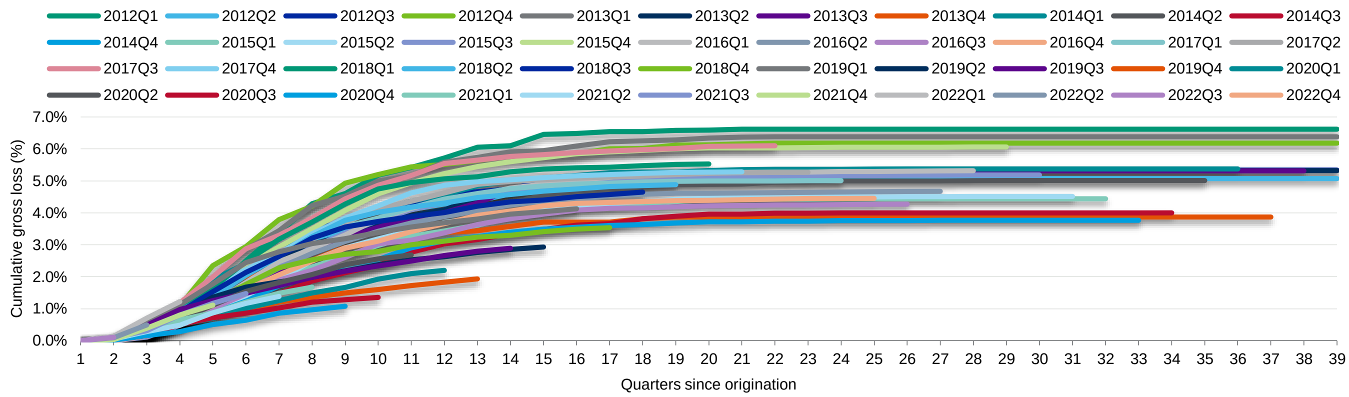
Source: Banco Santander S.A.

The originator provided us with historical data on its consumer loans book, split by pre-approved and non pre-approved loans with an internal PD of up to 6.0%. Static vintage data was provided on defaults for the period Q1-2012 to Q4-2022 and on recoveries for the period Q3-2012 to Q4-2022. In our view, the quantity and quality of data received is comparable to transactions that have achieved high investment grade ratings in this sector in other European countries.

The exhibits below show static cumulative default and recovery rates for the portfolio based on default definition covering the period Q1-2012 to Q4 2022 and Q3-2012 to Q4-2022 respectively.

Exhibit 15

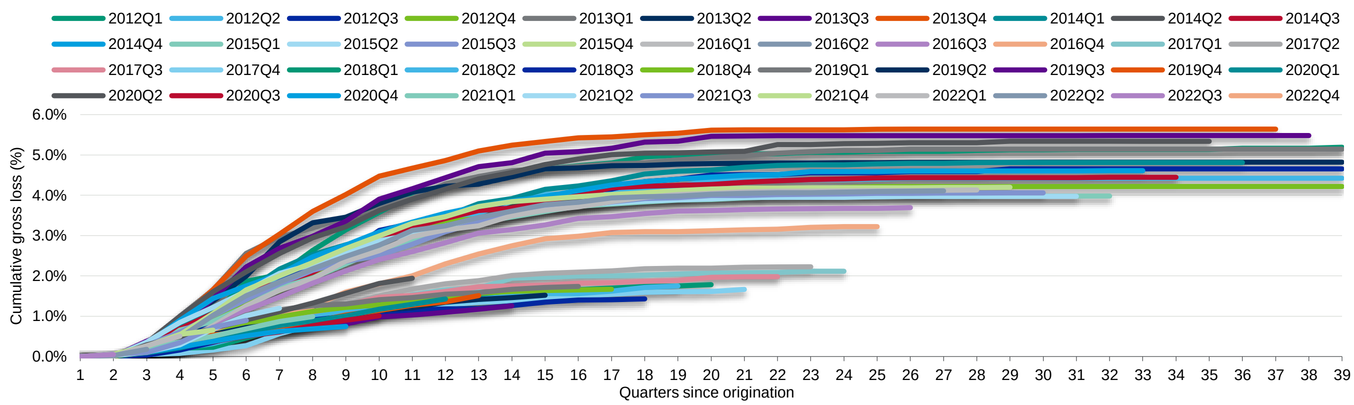
Vintage default data for pre-approved loans (90+ days in arrears)



Source: Banco Santander S.A.

Exhibit 16

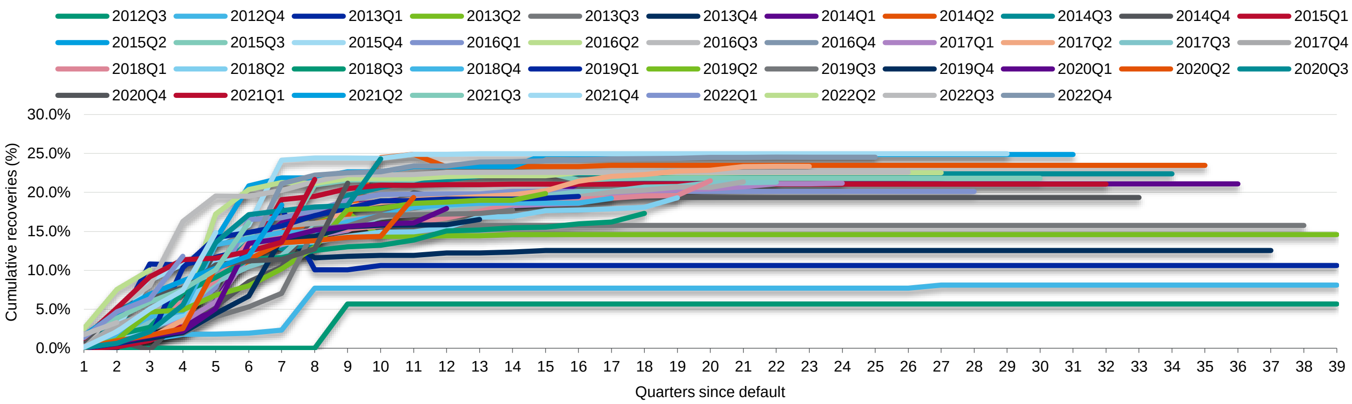
Vintage default data for non pre-approved loans (90+ days in arrears)



Source: Banco Santander S.A.

Exhibit 17

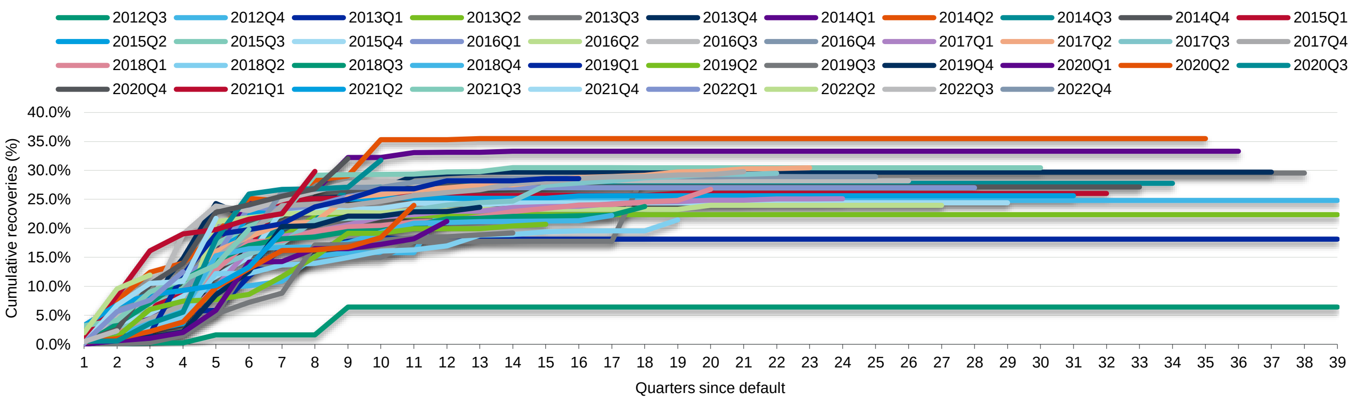
Vintage recovery data for pre-approved loans



Source: Banco Santander S.A.

Exhibit 18

Vintage recovery data for non pre-approved loans



Source: Banco Santander S.A.

Changes to the asset pool after issuance

Revolving period and replenishment criteria

The structure has a revolving period of five months, during which the issuer will use principal redemptions from the consumer loans to purchase additional portfolios from the seller. The addition of loans can expose note-holders to additional credit risk.

In addition to the original eligibility criteria, the following replenishment criteria applies to the whole underlying portfolio of the issuer, and partly mitigate the additional credit risk of adding new loans to the portfolio:

» Single obligor concentration does not exceed 0.05%;

» Weighted average remaining maturity does not exceed 84.0 months;

» Maximum single regional concentration of 26.0%;

» Maximum three largest region concentration of 65.0%.

» Weighted average interest rate of the total portfolio is not lower than 7.05%;

» No more than 5.0% of loans with an outstanding balance greater than EUR 60,000.

» On the date of their assignment to the fund, the outstanding balance of the receivables is equal to the nominal amount (at par) at which the receivables are assigned to the fund.

Loan renegotiations

The management company authorises Banco Santander S.A. to renegotiate the interest rate and the term on the loans. Any such renegotiation must comply with the following requirements:

» To modify the nominal interest rate of a fixed interest rate loan, the interest rate of the loan after renegotiations shall not be lower than 6.2%. The maximum outstanding balance that may be novated in this particular case over the life of the fund may not exceed of 5.0% of the outstanding balance of the loan at date of incorporation.

» The maturity term of a loan may be extended provided that the amount of the sum of capital or principal assigned to the fund from the loan whose maturities have been extended may not be more than 10.0% of the outstanding balance of the loan at date of incorporation. The new final maturity date or final repayment of the loan in question may be no later than the final maturity date (1 January 2034).

Asset analysis

Primary asset analysis

Our analysis of the credit quality of the assets includes an examination of the loan default distribution of the securitised pool, based on our assumptions and historical data.

Loan default distribution

The first step in the analysis was to define a default distribution of the pool of loans to be securitised. Because of the large number of loans, we used a continuous distribution to approximate the default distribution: the lognormal distribution. The probability default distribution associates a probability with each potential future default scenario for the portfolio. This distribution has hence been applied to numerous default scenarios on the asset side to derive the level of losses on the notes.

Two main parameters determine the shape of the default distribution: the mean default and the portfolio credit enhancement (PCE). The expected default captures our expectations of performance considering the current economic outlook, while PCE captures the loss we expect the portfolio to suffer in the event of a severe recession scenario. We generally derive these parameters from the historical data; we may make adjustments based on further analytical elements such as performance trends, differences in portfolio composition or changes in servicing practices among others.

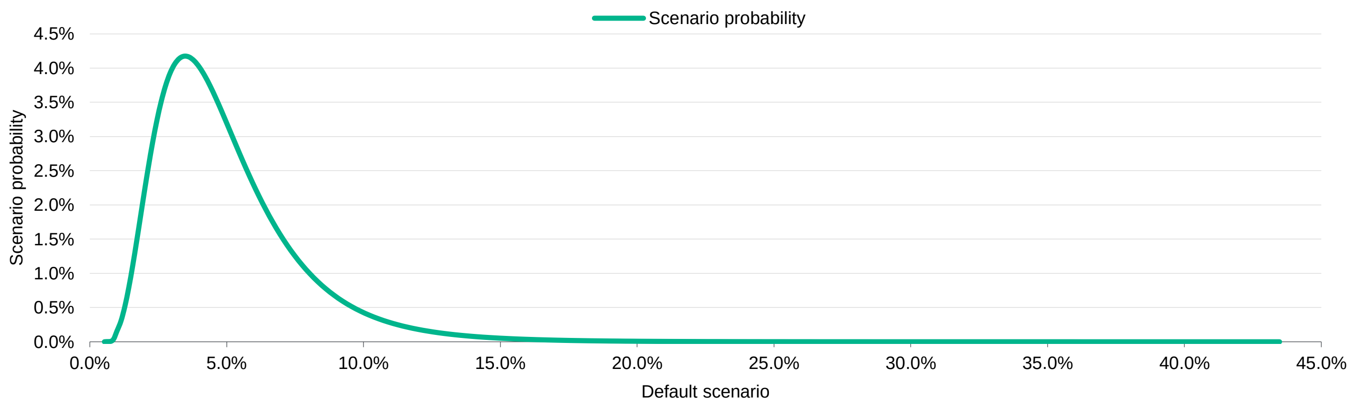
Incorporating sovereign risk into ABS transactions

Our maximum achievable rating in a given country (the local-currency country risk ceiling, or LCC) is incorporated in the default curve. The current Spanish LCC is Aa1, and is the maximum rating that we will assign to notes issued by a domestic Spanish issuer including structured finance transactions backed by Spanish receivables.

The exhibit below shows the log normal default distribution of the portfolio.

Exhibit 19

Lognormal default probability distribution



Source: Moody's Investors Service

Derivation of loan default rate expectation

Portfolio expected defaults of 4.25% is in line with the Spanish consumer loan ABS average and are based on Moody's assessment of the lifetime expectation for the pool taking into account (i) historic performance of the loan book of the originator and the positive selection of consumer loans in this portfolio excluding the highest internal PDs, (ii) the pool composition in terms of the exposure to certain products i.e. pre-approved loans where the borrower was offered an unsecured consumer loan up to a maximum amount without initiating an application process, (iii) benchmark transactions, and (iv) other qualitative considerations.

Derivation of recovery rate assumption

Portfolio expected recoveries of 15.0% are in line with the Spanish consumer loan ABS average and are based on our assessment of the lifetime expectation for the pool taking into account (i) historic performance of the loan book of the originator, (ii) benchmark transactions, and (iii) other qualitative considerations.

Derivation of portfolio credit enhancement (PCE)

PCE of 17.0% is in line with the Spanish consumer loan ABS average and is based on Moody's assessment of the pool which is mainly driven by: (i) evaluation of the underlying portfolio, complemented by the historical performance information as provided by the originator, and (ii) the relative ranking to originator peers in the Spanish consumer loan ABS market.

The PCE of 17.0% results in an implied coefficient of variation (CoV) of 52.0%.

Commingling risk

Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr)) collects all payments under the loans in this pool into a collection account under its name. All payments are made via direct debit. In the event of a servicer bankruptcy, and until notification has been delivered to the borrowers, debtors would continue to pay into Banco Santander's account, and hence commingling losses could arise. There is no early notification trigger prior to Banco Santander's insolvency.

Set-off risk

We did not receive data on the exact exposure of obligors holding deposits with Santander.The portfolio consists of granular assets to largely retail obligors and deposit insurance protects retail deposits. Also, the risk from deposits set-off is limited in Spain because only unpaid instalments that are considered as fully due and payable prior to the declaration of insolvency of Banco Santander might be offset against deposits held by the borrower. Therefore, we have not considered it in our base case cash flow model.

Comparables

Prior transactions

The precedent consumer loans ABS transactions by Banco Santander S.A. are Fondo de Titulizacion Santander Consumo 2, Fondo de Titulizacion Santander Consumo 3 and Fondo de Titulizacion Santander Consumo 4 which closed on December 2016, April 2020 and February 2021 respectively.

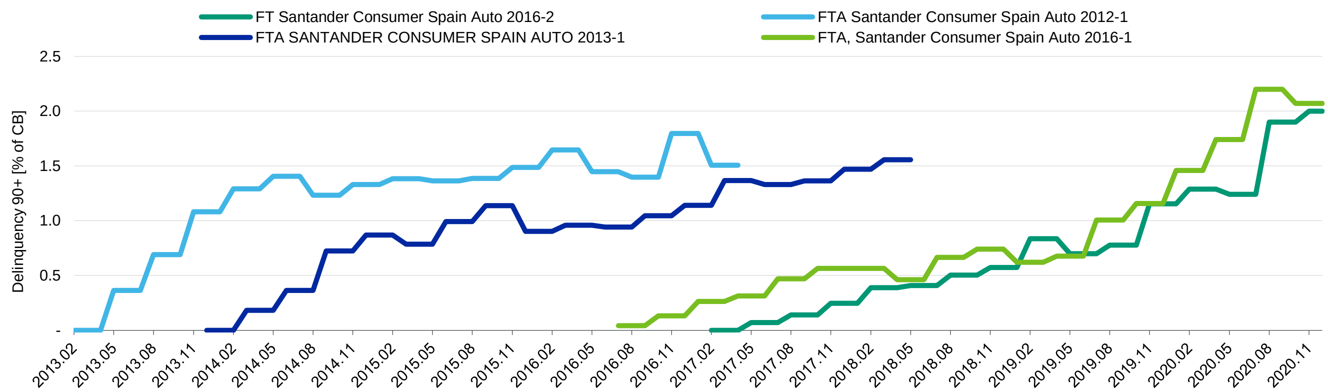
Transactions of other sellers/servicers

For benchmarking purposes the charts below include 90+ days, 180+ days delinquency and cumulative defaults data for Spanish consumer ABS that we rated. Please note however that the performances shown can be affected by several factors, such as the seasoning of the securitised loans, the age of the transaction, pool-specific characteristics as well as the length of the revolving period.

The exhibits below show the performance of comparable transactions among other originators in the Spanish ABS market.

Exhibit 20

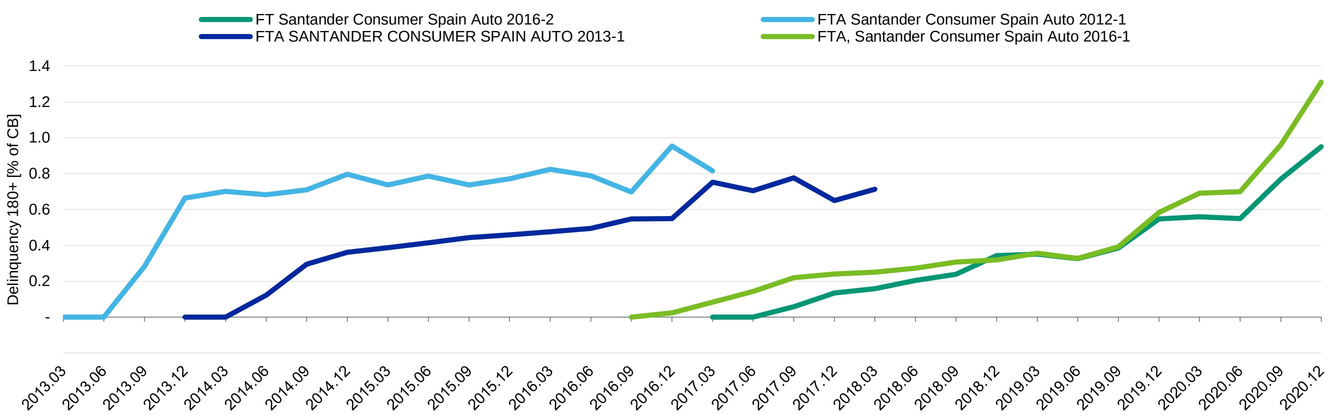
90+ days arrears for Santander Consumo 2012-1, 2013-1, 2016-1 and 2016-2



Source: Moody's Investors Reports

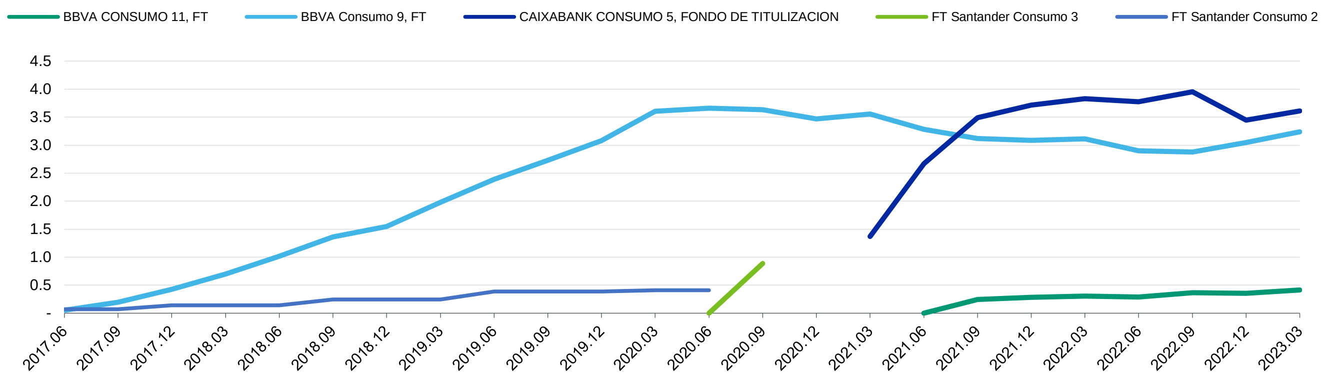
Exhibit 21

180+ days arrears for Santander Consumo 2012-1, 2013-1, 2016-1 and 2016-2



Source: Moody's Investors Reports

Exhibit 22
Cumulative Defaults for Santander Consumo 5 peer transactions



Source: Moody's Investors Reports

The exhibit below shows a benchmark table including portfolio characteristics of comparable transactions in Spain.

Exhibit 23
Comparable transactions - Asset characteristics

Deal name	Ft Santander Consumo 5	FT Santander Consumo 4	FT Santander Consumo 3	Bbva Consumo 11, FT	Bbva Consumo 12, FT	Caixabank Consumo 5, FT
Country:	Spain	Spain	Spain	Spain	Spain	Spain
Closing date or rating review date (dd/mm/yyyy):	21/07/2023	23/02/2021	07/04/2020	16/03/2021	16/03/2023	23/06/2020
Currency of rated issuance:	EUR	EUR	EUR	EUR	EUR	EUR
Rated notes volume (excluding NR and equity):	€ 749,600,000.0	€ 1,500,000,000.00	€ 2,000,000,000.00	€ 2,500,000,000.00	€ 3,000,000,000.00	€ 3,715,482,714.00
Originator/servicer:	Banco Santander S.A. (Spain)	Banco Santander S.A. (Spain)	Banco Santander S.A.	Banco Bilbao Vizcaya Argentaria, S.A.	Banco Bilbao Vizcaya Argentaria, S.A.	CaixaBank, S.A.
Captive finance company?:	No	No	No	No	No	No
Long-term rating:	A2	A2	A2	A3	A3	A3
Short-term rating:	P-1	P-1	P-1	P-2	P-2	P-2
Securitised pool balance (total pool):	€ 1,457,150,031.52	€ 1,799,000,000.00	€ 2,000,000,000.00	€ 2,500,000,000.00	€ 3,000,000,000.00	€ 3,715,482,714.00
Unsecured consumer loan receivables %:	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Personal loan receivables %:	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Portion of (fully) amortising contracts %:	100.0%	100.0%	100.0%	100.0%	100.0%	97.9%
Portion of bullet / balloon contracts %:	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%
Method of payment - direct debit (minimum payment):	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Wa portfolio interest rate (initial pool):	6.5%	7.2%	8.1%	6.8%	5.8%	8.6%
Minimum yield for additional portfolios p.a.:	Min WA portfolio yield of 7.05%	Min WA portfolio yield of 6.8%	Min WA portfolio yield of 7.0%	N/A	N/A	N/A
Wal of total pool initially (in years) :	1.5	2.9	1.9	2.0	1.7	5.1
Wa original term (in years) :	6.4	2.9	2.8	6.8	7.1	5.1
Wa seasoning (in years) :	1.2	1.4	1.6	1.5	1.4	1.1
Wa remaining term (in years):	5.2	5.3	5.1	5.4	5.6	4.1
No. of contracts:	134,011	186,193	226,148	306,682	316,147	650,694
No. of obligors:	113,900	164,877	198,077	275,353	283,263	533,896
Single obligor (group) concentration %:	0.00%	0.01%	0.01%	0.004%	0.004%	0.09%
Top 5 obligor (group) concentration %:	0.01%	0.04%	0.04%	0.02%	0.02%	N/A
Top 10 obligor (group) concentration %:	0.02%	0.04%	0.07%	0.04%	0.04%	0.60%
Top 20 obligor (group) concentration %:	0.04%	0.12%	0.12%	0.06%	0.07%	0.91%
Private obligors %:	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Name largest region:	Madrid	Madrid	Madrid	Catalonia	Catalonia	Cataluña
Name 2nd largest region:	Andalucia	Andalucia	Andalucia	Andalucia	Andalucia	Andalucia
Name 3rd largest region:	Cataluña	Cataluña	Cataluña	Madrid	Madrid	Madrid
Size % largest region:	19.6%	19.1%	19.9%	27.9%	26.4%	31.5%
Size % 2nd largest region:	17.3%	17.2%	16.9%	15.8%	16.7%	17.6%
Size % 3rd largest region:	10.9%	11.2%	11.0%	11.6%	12.0%	10.5%

Sources: FT Santander Consumo 5 prospectus and Moody's Investors Service

Exhibit 24

Comparable transaction - Asset assumptions

Deal name	Ft Santander Consumo 5	FT Santander Consumo 4	FT Santander Consumo 3	Bbva Consumo 11, FT	Bbva Consumo 12, FT	Caixabank Consumo 5, FT
Gross default / net loss definition in this deal:	3 months	3 months	3 months	6 months	2 Quarters	12 months
Default definition captured by data?:	Yes	Yes	Yes	No	N/A	No
Data available for each subpool?:	Yes	Yes	Yes	No	Yes	
Period covered by vintage data (in years):	11	8	7	8	9.0	12
Type of default / loss distribution:	Lognormal	Lognormal	Lognormal	Lognormal	Lognormal	Lognormal
Model running on defaults/losses:	Defaults	Defaults	Defaults	Default	Default	Defaults
Mean gross default/net loss rate - initial pool:	4.25%	4.25%	4.25%	4.50%	4.5%	6.75%
Mean gross default/net loss rate - replenished	4.25%	4.25%	4.25%	N/A	N/A	N/A
Default timing curve:	Sine (1-5-15)	Sine (1-6-18)	Sine (1-5-15)	Sine (6-21-60)	Sine (2-6-19)	Sine(4-6-17)
Mean recovery rate:	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Recovery lag:	5% after 3 quarter, 15% after 4 quarter, 20% after 6 quarters, 20% after 8 quarters, 20% after 10 quarters and 20% after 14 quarters	5% 3 quarter, 15% 4 quarter, 20% 6 quarters, 20% 8 quarters, 20% 10 quarters and 20% 14 quarters	5% 3 quarter, 15% 4 quarter, 20% 6 quarters, 20% 8 quarters, 20% 10 quarters and 20% 14 quarters	WA recovery lag of 8 months	WA recovery lag of 2.1 years	5% 3 quarter, 15% 4 quarter, 20% 6 quarters, 20% 8 quarters, 20% 10 quarters and 20% 14 quarters
PCE:	17.0%	17.0%	17.0%	17.0%	17.0%	19.0%
Prepayment rate(s):	17.5% for first 18 months; 22.5% thereafter	12.5% first 18 months; 17.5% thereafter	12.5% first 18 months; 17.5% thereafter	10.0% first 6 quarters; 15.0% thereafter	10.0% first 6 quarters; 15.0% thereafter	10% first 18 months; 15% thereafter
Stressed fees modelled:	0.1%, floor of 150,000	1.0%	1.0%	1.0%	1.0%	1.0%
Assumed portfolio yield p.a. - initial pool:	6.1%	6.8%	8.1%	5.4%	5.1%	8.6%
Assumed portfolio yield p.a. - additional pool:	7.1%	6.2%	6.2%	N/A	N/A	N/A
Index rate assumed in 1st period:	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Sources: FT Santander Consumo 5 prospectus and Moody's Investors Service

Originator/servicer quality

The main strengths of the originator in this transaction are its several years of experience in the Spanish consumer market and its large market share meaning that it does not target niche consumer segments. It also has well established processes for underwriting loans. The bank's main focus in recent years has been to originate loans to existing clients with strong credit history. The underlying loans in this transaction have been solely originated at branches of Banco Santander S.A.

Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr)) acts as servicer. No back up servicer is in place at closing. However, Banco Santander is investment grade, and the management company is to act as a back up servicing facilitator, in that it will be charged to find a replacement servicer in case Banco Santander is unable to continue as servicer (see "Securitisation structure description - detailed description of the structure - Replacement of the servicer" for additional information).

Additional asset analysis

ESG - Environmental considerations

The environmental risk for ABS backed by personal loans is low. Most personal loan pools can withstand severe weather events such as hurricanes and tornados because the obligors are spread over a large geographic footprint resulting in very low exposure to any one severe weather event.

ESG - Social considerations

Social risk is generally low in personal loan ABS transactions. Potential consumer protection legislation, which is more likely to be enacted during a recession, could make it more difficult to collect loan payments or realize recoveries on defaulted loans. Additionally, demographic trends in demand for goods and services shift over time, but the industry diversity of the obligors in loan pools should help protect the transactions from the risk of any one industry downturn.

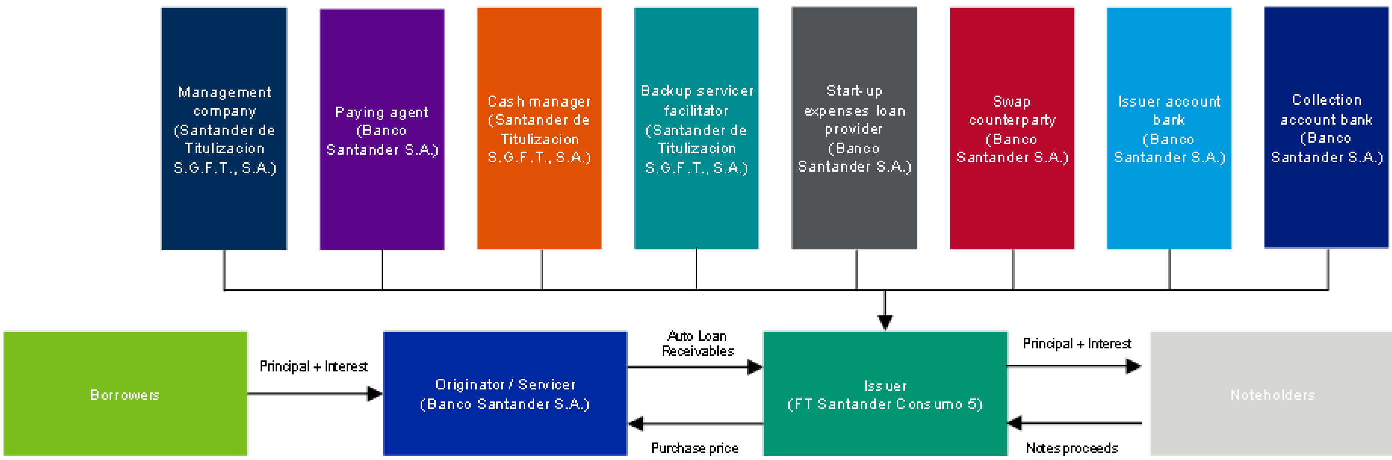
Securitisation structure description

The issuer is a special purpose vehicle incorporated under the laws of Spain. Interest on the notes is paid quarterly.

Structural diagram

Below is a structural diagram for the transaction, illustrating the relationship between the issuer, FT Santander Consumo 5, and the other transaction parties.

Exhibit 25
Structural diagram for FT Santander Consumo 5



Source: FT Santander Consumo 5 prospectus

Detailed description of the structure

Credit enhancement

Credit enhancement in the transaction includes excess spread, an amortising reserve fund, and subordination of the notes.

Allocation of payments/waterfall

On each payment date, the issuer's available funds - interest collections and recoveries received from defaulted loans, any amount to be drawn from the reserve fund on such payment date, and principal from the loans - will be applied in the simplified order of priority of the interest waterfall described below.

- Senior expenses;
- Payment of the net amount of the swap agreements or any amounts derived from the early termination of the swap agreements, which is payable to the swap counterparty (unless the swap counterparty is the only defaulting or affected party);
- Interest on Class A;
- Interest on Class B;
- Interest on Class C;
- Interest on Class D;
- Interest on Class E unless it has been deferred;
- Replenishment of the reserve fund up to the required amount;
- Interest on Class F unless it has been deferred;
- During the revolving period, principal proceeds will be applied sequentially in the following order
  - first, to acquire additional receivables,

   - second, to amortise on a pro-rata basis the Class A, Class B, Class C, Class D and Class E notes.
- After the revolving period, to amortise on pro-rata basis, Class A, Class B, Class C, Class D and Class E, unless a subordination event. Upon the occurrence of a subordination event to amortise Classes A-E notes sequentially.
   - Upon the occurrence of a subordination event, the principal target redemption amount will be applied:
      - in the first place to amortise the Class A Notes until their full redemption;
      - in the second place to amortise the Class B Notes until their full redemption;
      - in the third place to amortise the Class C Notes until their full redemption;
      - in the fourth place to amortise the Class D Notes until their full redemption, and;
      - in the fifth place to amortise the Class E Notes until their full redemption.
- Payment of interest in arrears and interest accrued on the Class E notes, if deferred;
- Payment of interest in arrears and interest accrued on the Class F notes, if deferred;
- Payment of class F notes target amortisation amount, until fully redeemed;
- Payment of interest accrued and payable by virtue of the start-up expenses loan agreement.
- Payment of principal accrued and payable by virtue of the start-up expenses loan agreement.
- Any net swap payments if swap counterparty is the defaulting party.
- Payment of the servicer's fee assuming there is no replacement of servicer.
- Any financial intermediation margin to the Seller

Interest deferral trigger: means, on any payment date, the interest on classes E and F notes will be deferred if the cumulative default ratio is higher than 3.5%. Interest is not to be deferred once the relevant class of notes becomes the most senior class of notes outstanding.

Subordination Events:

- the cumulative default ratio exceeds on any determination date immediately preceding the following payment dates:
   - 21/12/2023: 1.30%;
   - 21/03/2024: 1.60%;
   - 21/06/2024: 1.90%;
   - 21/09/2024: 2.30%;
   - 21/12/2024: 2.60%;
   - 21/03/2025: 3.00%;
   - 21/06/2025: 3.30%;
   - 21/09/2025: 3.60%;
   - 21/12/2025: 3.90%;
   - 21/03/2026: 4.20%;
   - 21/06/2026: 4.50%;

  - 21/09/2026: 4.80%;
  - 21/12/2026: 5.10%;
  - 21/03/2027: 5.50%;

- The positive difference between (a) the outstanding balance of Classes A-E notes minus the outstanding balance of non-defaulted receivables on the determination date, and (b) the available funds following the payment of items 1 to 9 under the waterfall, is greater than EUR 12,000,000
- The outstanding balance of the receivable arising from loans granted to the same borrower, as at the immediately preceding determination date, is equal to, or greater than 0.1% of the outstanding balance of the receivables;
- The seller defaults in the performance or observance of any of its obligations under any of the transaction documents to which it is a party (unless such defaults is remedied within the earlier of thirty business days or the following purchase ate); or
- An event of replacement of the servicer has occurred;
- A swap counterparty downgrade event occurs and is not remedied;
- Exercise of seller's call options;
- A clean-up call event occurs (clean-up call event means the event when, at any time, the aggregate outstanding balance of the receivables falls below 10.0% of the aggregate outstanding balance thereof on the date of incorporation).

*Cumulative default ratio:*means the outstanding balance of the defaulted receivables divided by the sum of (i) outstanding balance of initial receivables at the date of incorporation and (ii) outstanding balance of additional receivables on the date of their respective assignment.

Class F notes target amortisation amount: means, an amount equal to the minimum of: (i) (a) 10.0% of the initial balance of the Class F Notes plus (b) any unpaid amount under (a) on previous payment dates; and (ii) the available funds, following the fulfilment of the previous items in the waterfall

Allocation of payments/PDL-like mechanism: The definition of the notes required amortisation amount ensures that excess spread and recoveries will be applied toward reducing defaults of the period and previous periods. The target principal amortisation amount after the replenishment period has ended is the difference between the Classes A-E notes outstanding principal balance and the performing assets remaining in the portfolio.

Reserve fund

The cash reserve is funded on the closing date with the corresponding proceeds from the disbursement of Class F notes. On the closing date, the reserve fund is equal to 2.0% of the balance of Classes A, B C, D and E notes on the date of incorporation and is to remain constant during the revolving period.

After the revolving period, it may be reduced on each payment date and be at the higher of:

- 0.5% of the outstanding balance of Classes A, B C, D and E notes at closing and;
- The lower of the following amounts:
  - 2.0% of the outstanding balance of Classes A, B C, D and E notes on the precedent determination date; and
  - The reserve fund amount at closing.

However, the reserve fund is to stop amortising if, i) the reserve fund is not funded to its required level, and (ii) a subordination event is triggered switching the amortisation of the class A-E notes from pro rata to sequential.

The reserve fund is available to cover interest shortfalls on the class A-E notes and its release could be used to provision losses as it is part of the available funds.

Servicer event reserve

Banco Santander S.A. is to create a servicer event reserve by funding the cash flow account if its senior unsecured rating falls below Baa2. The required servicer event reserve amount will be equal to the product of a) 1.0% of the outstanding balance of receivables on the relevant determination date and b) the weighted-average life of the outstanding balance of receivables on the same determination date, assuming 0.0% CPR. The amounts credited to the reserve will be used for financing the servicer's fee if there is replacement servicer appointed and any excess amounts standing to the credit of the reserve will be returned to Banco Santander S.A.

Performance triggers

The revolving period will stop and early amortisation of the notes will be triggered if any of the following conditions apply:

» A subordination event occurs;

» The reserve fund is not fully funded;

» On the payment date immediately preceding the determination date, the outstanding balance of the non-defaulted receivables is less than 75.0% of the principal amount outstanding of the Classes A-E notes; or

» Tax regulations are amended in such a way that the assignment of additional receivables proves to be excessively onerous to the seller; or

» Insolvency of the servicer; or

» The seller ceases to perform or is replaced as servicer of the receivables, or it fails to comply with any of its obligations established by the deed of incorporation or under the prospectus; or

» The audit reports on the seller's annual accounts show qualifications, which in the opinion of the CNMV, could affect the additional receivables; or

» The credit granting policy is materially modified; or

» The principal amount outstanding of the Class A notes, Class B notes, Class C notes, Class D notes and Class E notes on the preceding determination date is higher than the sum of (i) the outstanding balance of the receivables on the determination date, (ii) acquisition amount of the additional receivables to be acquired on that payment date, and (iii) the remaining principal account balance on that payment date after payment of the additional receivables.

Originator/servicer related triggers

The appointment of the servicer will be terminated if any of the following events occur (always at the discretion of the management company):

» Any breach of its obligations under the deed of incorporation, in the reasonable opinion of the management company, and in particular, its obligation to transfer to the fund the amounts received by the borrowers within two business days as from receipt (except if the breach is due to a force majeure);

» Insolvency event.

Other counterparty rating triggers

The issuer account bank will be replaced if its long term bank deposit rating falls below A2.

Excess spread

All assigned loans are purchased by the issuer at par. The weighted-average portfolio interest rate of the securitised portfolio is 6.5% and the minimum weighted average portfolio interest rate during replenishment is 7.05%. Having deducted senior fees which we do not materially stress due to the servicer event reserve, and stressed the yield further for prepayments, the issued notes benefit from an average modelled annual excess spread at closing of 1.02% after interest payments made to Class F.

Excess spread represents the first layer of credit enhancement as well as a limited liquidity cushion to the transaction. Such excess spread will however vary depending on actual costs, portfolio amortisation, prepayment rates and default levels as well as on a potential portfolio rate compression as the underlying loan contracts redeem/prepay.

The revolving period allows lower yielding assets to be substituted into the pool. Also, as the highest yielding assets could have a propensity to prepay, subject to an overall portfolio weighted average floor of 7.05%, the excess spread could be compressed further.

Interest rate mismatch

The underlying loan contracts in the securitised pool are 100.0% fixed rate, while Classes A, B, C, D and E notes pay variable coupon denominated in Euro. As a result, the issuer is subject to a fixed-floating interest rate mismatch (i.e., the risk that the interest rate on the floating rate notes differs from the interest rate payable on this portion of the portfolio).

To mitigate the fixed-floating rate mismatch, the issuer has entered into a balance guaranteed swap agreement for the Classes A to E notes, with Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr)).

Under the swap agreement: (i) the issuer pays the swap counterparty, a fixed rate of 3.24%, ii) the swap counterparty pays the index on the notes, 3 month Euribor, (iii) the notional of the swap is the outstanding balance of the non-defaulted receivables, (iv) the swap replacement and collateral posting triggers is set at loss of Baa3/Baa3(cr) and Baa1/Baa1(cr) rating of the swap counterparty respectively, and (v) the swap framework is ISDA and it substantially complies with Moody's delinkage criteria with no material linkage to the swap counterparty.

Asset transfer/true sale/bankruptcy remoteness

The purchase of the asset portfolio is financed by the issuance of (i) Class A notes (ii) Class B notes (iii) Class C notes (iv) Class D notes and (v) Class E notes. The purchase is a true sale of the loan receivables and ancillary receivables under Spanish law to the issuer for the benefit of the noteholders.

The Issuer is a special purpose vehicle incorporated under the laws of Spain as a *Sociedad Gestora de Fondos de Titulizacion*.

Cash manager

Santander de Titulizacion S.G.F.T., S.A. acts as the cash manager in the transaction. The cash manager's main responsibilities include the preparation of the investor report, making payments according to the waterfall and drawing on the reserve fund and other sources of liquidity.

The cash manager is to make cash flow calculations on each quarterly payment date falling on the 21st of March, June, September and December of each year or if any such date is not a business day, the business day immediately after. Events that could lead to termination of the cash manager include insolvency and a failure to perform that the cash manager does not remedy within the grace period.

There is no back-up cash manager appointed at closing.

Replacement of the servicer

There is no back-up servicer appointed at closing. Santander de Titulizacion S.G.F.T., S.A. is to act as the back-up servicing facilitator in case Banco Santander S.A. can no longer act as servicer, as it will use reasonable commercial endeavours to find a back-up servicer in case of a servicer insolvency or another servicer termination event. In the event of servicer insolvency or another event, the transaction will have available the principal to pay interest, the reserve fund and excess spread.

Securitiation structure analysis

Primary structural analysis

We base our primary analysis of the transaction structure on the default distribution of the portfolio in order to derive our cash flow model.

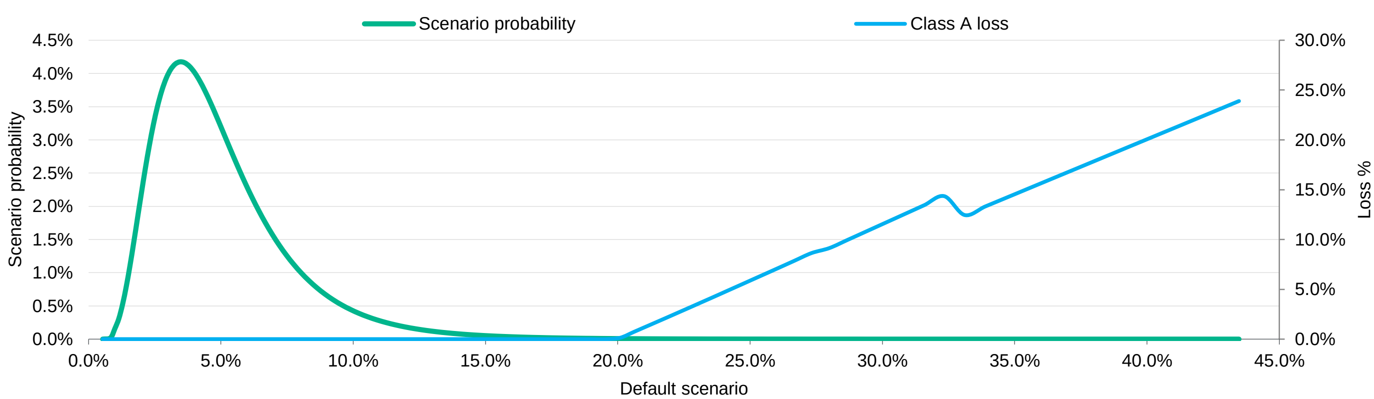
Tranching of the notes

We used a lognormal distribution to describe the default distribution of the portfolio. We used this distribution in the cash flow model to ultimately derive the level of losses on the notes under each default scenario.

The chart below represents the default distribution (green line) that we used in modelling loans defaults.

Exhibit 26

Lognormal loan default probability distribution including tranche A losses as % of initial notes amount



Source: Moody's Investors Service

We considered the allocation to each of the parties within the transaction of the cash flows that the collateral generates, and the extent to which the structural features of the transaction might themselves provide additional credit protection to investors, or alternatively act as a further source of risk in addition to the intrinsic risk of the loan assets. For example, we analysed the strength of early amortisation triggers.

As a first step towards determining the theoretical rating of the notes, we used an expected- loss methodology that reflects the probability of default for the notes multiplied by the severity of the loss expected for the notes.

In order to allocate losses to the notes in accordance with their priority of payment and relative size, we used a cash-flow model that reproduces most of the deal-specific characteristics.

We have already described above the main input parameters of the model. The result of weighting the loss severity and the average life of the notes in each loss scenario output (the result of inputting each default scenario into ABSROM) with its probability of occurrence is the expected loss and the expected average life of the notes, respectively

We then compare both values to Moody's idealised expected loss table.

Timing of defaults

We have tested different timings for the default curve to assess the robustness of the ratings. In the base case scenario, the timing of defaults curve assumed is sinus. For the initial pool, we model first defaults occurring with a 3-month lag (according to the default definition), a peak in quarter 5 and last default in quarter 15.

Default definition

The definition of a defaulted loan receivable in this transaction is one (1) which has a credit obligation that exceeds the materiality threshold and is more than three months in arrears or (2) where the borrower has declared bankruptcy and the servicer had to terminate the receivable early as a consequence, or (3) the servicer has determined that the owed amount is uncollectable.

Exhibit 27

Comparable transactions - Structural features

Deal name	Ft Santander Consumo 5	FT Santander Consumo 4	FT Santander Consumo 3	Bbva Consumo 11, FT	Bbva Consumo 12, FT	Caixabank Consumo 5, FT
Revolving period (in years):	0.4	1	1	Static	Static	Static
Size of credit rf ongoing (as % of rated notes):	2.00%	2.00%	1.50%	5.00%	5.00%	5.00%
Rf amortisation floor (as % of initial total pool):	0.5% of Class A-E initial notes balance	0.5% of Class A-E initial notes balance	0.5% of Class A-E initial notes balance	2.50%	2.5%	No floor
Set-off risk?:	No	No	No	No	No	No
Set-off mitigant :	N/A	N/A	N/A	other	Other	N/A
Commingling risk?:	Yes	Yes	Yes	No	Yes	Yes
Commingling mitigant:	Transfers made every two days	Transfers made every two days	Transfers made every two days	other	Payments are transferred every two days to the issuer account in the name of the SPV	Daily sweep
Back-up servicer appointed if servicer rated below:	N/A	N/A	N/A	N/A	N/A	N/A
Back-up servicer name:	N/A	N/A	N/A	N/A	N/A	N/A
Back-up servicer facilitator:	Santander de Titulizacion S.G.F.T., S.A.	Santander de Titulizacion S.G.F.T., S.A.	Santander de Titulizacion S.G.F.T., S.A.	Europea de Titulizacion, S.G.F.T., S.A.	Europea de Titulizacion, S.G.F.T., S.A.	CaixaBank Titulización, S.G.F.T., S.A
Swap in place?:	Yes	Yes	Yes	No	No	No
Swap counterparty long-term rating:	A3	A3	A3	N/A	N/A	N/A
Swap counterparty short-term rating:	P-2	P-1	P-1	N/A	N/A	N/A
Type of swap:	Balance guaranteed swap	Cap	Fixed-floating	other	N/A	N/A
Size of Aaa rated class:	N/A	N/A	N/A	Jan 1900	0.0%	N/A
Aa1 rated class:	80.00%	N/A	N/A	N/A	N/A	N/A
Aa2 rated class:	0.00%	84.19%	N/A	94.00%	0.0%	N/A
Aa3 rated class:	0.00%	N/A	87.50%	0.00%	95.00%	91.00%
A rated class:	5.40%	7.00%	N/A	0.00%	0.0%	N/A
Baa rated class:	4.45%	2.77%	N/A	0.00%	0.0%	N/A
Ba rated class:	3.85%	3.19%	N/A	0.00%	0.0%	N/A
B rated class:	0.00%	2.86%	N/A	6.00%	5.00%	N/A
NR class:	8.30%	2.00%	3.90%	0.00%	0.0%	N/A
Reserve fund as % of inital total pool:	2.00%	2.00%	0.55%	5.00%	5.00%	5.00%
Annualised net excess spread as modelled:	1.02%	4.81%	6.00%	4.75%	1.35%	2.00%

Sources: FT Santander Consumo 5 prospectus and Moody's Investors Service

Additional structural analysis

Asset transfer, true sale and bankruptcy remoteness

We consider the purchase of the loan receivables is an effective true sale under Spanish law and the Issuer which to be a bankruptcy remote entity. Our assessment is based on the analysis of the transaction documentation and takes into account the legal opinion provided by the transaction counsel.

Reserve fund

Due to the amortising reserve fund structure, where it is available for liquidity and also to amortise the notes at the end of the transaction, we consider the cash reserve in this transaction as being in line with other comparable consumer loan ABS transactions.

Commingling risk

Commingling risk is mitigated by payment transfer within two days to the issuer account in the name of the SPV and held at Banco Santander. In addition, obligors will be notified about the assignment and instructed to redirect payments to the issuer account by the BUS facilitator upon Banco Santander's insolvency.

According to our methodology, given that Banco Santander is rated above Baa2 and exposure does not exceed 1 month, commingling risk is not modeled for this transaction.

Set-off risk

Moody's did not receive data on the exact exposure of obligors holding deposits with Santander. However, the risk from deposits set-off is limited in Spain because only unpaid instalments that are considered as fully due and payable prior to the declaration of insolvency of Banco Santander might be offset against deposits held by the borrower.

ESG - Governance considerations

This securitisation's governance risk is low and is typical of other consumer loans ABS in the Spanish market. Strong ABS governance relates to transaction features that promote the integrity of the operations of the transaction for the benefit of investors, as well as the data provided to investors. The following are some of the governance considerations related to the transaction:

» **Risk retention:** This transaction is subject to the European risk retention requirements, which require the sponsor to hold at least 5% of the transaction's credit.

» **Agreed upon procedures (AUPs):** An independent due diligence firm reviewed a sample of the portfolio and provided an agreed upon procedures (AUPs) report for data integrity matters. This increases our confidence that the data that we and investors relied on is accurate.

» **Servicing oversight:** Banco Santander, S.A. (A2/P-1; A3(cr)/P-2(cr)) is a fully regulated bank the supervision of the national bank regulator and has to adhere to certain standards in terms of independent control and audit functions, as well as internal credit policies and servicing procedures in relation to the granting of personal loans.

» **Bankruptcy remoteness:** We have received legal opinions to the effect that in the event of a bankruptcy or insolvency proceeding with respect to key transaction parties, the securitised consumer loans would not be treated as part of the estate of such party. Also, the SPV is a special purpose entity and is independently owned and managed. SPV directors are not incentivised by applicable bankruptcy law to file for bankruptcy.

Methodology and monitoring

The principal methodology used in this rating was Moody's Approach to Rating Consumer Loans Backed ABS, published in December 2022.

We will monitor the transaction on an ongoing basis to ensure that it continues to perform in the manner expected, including checking all supporting ratings and reviewing periodic servicing reports. Any subsequent changes in the rating will be publicly announced and disseminated through Moody's Client Service Desk.

Data Quality: The transaction will provide a finalised investor report and discuss it with a Moody's analyst. This report will include all necessary information for Moody's to monitor the transaction.

Data Availability: Santander de Titulizacion S.G.F.T., S.A. will provide the investor report. Transaction documentation will set out a timeline for the investor report. Santander de Titulizacion S.G.F.T., S.A. will publish the priority of payment section on the interest payment date and will publish the completed report on each quarterly payment date. The investor report will be published quarterly. The frequency of the interest payment date is quarterly during both the revolving period and during the amortisation period. Investor reports will be publicly available on Santander de Titulizacion S.G.F.T., S.A website.

Modelling assumptions

Sensitivity to variation in some of the modelling assumptions may have been considered in the analysis.

Exhibit 28

Modelling assumptions

Expected default rate:	4.25%
PCE:	17.0%
Covariance (Cov):	52.0%
Timing of defaults/losses:	Sine (1-5-15)
Recovery rate:	15.0%
Recovery lag:	5% after 3 quarters, 15% after 4 quarters, 20% after 6 quarters, 20% after 8 quarters, 20% after 10 quarters and 20% after 14 quarters
Conditional prepayment rate (CPR):	17.5% first 18 months; 22.5% thereafter
Fees (as modelled):	0.1% with a floor of €150,000
Pdl definition:	Defaults
Amortisation profile:	Scheduled amortisation of the assets
Country ceiling:	Aa1
Margin compression:	CPR applied to 50.0% of the highest yielding loans
Basis risk adjustment - lender variable rate:	N/A
Basis risk adjustment - other basis mismatch:	N/A
Interest on cash:	Yes
Commingling risk modelled?	No
Excess spread (model output)*:	1.02%

* Annualised excess spread in a zero default scenario based upon the first payment period value using Moody's stressed asset yield and fees assumptions.
Source: Moody's Investors Service

Moody's related publications

For a more detailed explanation of Moody's approach to this type of transaction as well as similar transactions, please refer to the following reports:

Methodology used:

- Moody's Approach to Rating Consumer Loan-Backed ABS, December 2022 (1336494)

Credit opinion:

- Banco Santander S.A. (Spain): Update to credit analysis, January 2023 (1356018)

New issue report:

- Bbva Consumo 12, FT, March 2023 (1359846)
- BBVA Consumo 11, FT, March 2021 (1271278)
- Santander Consumo 4, February 2021 (1265726)
- Caixabank Consumo 5, Fondo de Titulizacion, June 2020 (1234888)
- FT Santander Consumo 3, April 2020 (1216806)

Special report:

- Global Structured Finance Collateral Performance Review - Excel Data, June 2023 (SF220325)
- Structured Finance – Europe: Structured finance supports funding of the economy, diversifies banks' refinancing, June 2023 (1362467)
- Consumer loan ABS - Europe: Performance Update - Excel, April 2023 (1362579)
- Structured finance – Europe: Efforts to contain banking sector stress limit spillover risks for structured finance, March 2023 (1362297)
- ABS and RMBS – Europe: Collateral performance remains broadly stable, but weakening for some UK transactions, March 2023 (1360103)
- European Energy Monitor – February 2023: Energy supply has improved but strains are likely to persist into next winter, February 2023 (1349941)

Please note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

Appendix 1: Summary of Originator's Underwriting Policies and Procedures

Exhibit 29

Originator Ability	At Closing
Sales and Marketing Practices	Santander
Origination Channels:	100% branch
Origination Volumes:	0.12% top 10 dealers
Average Length of Relationship Between Dealer and Originator:	N/A
Underwriting Procedures	
% of Loans Automatically Underwritten:	N/A
% of Loans Manually Underwritten:	N/A
Ratio of Loans Underwritten per FTE* per Day:	N/A
Average Experience in Underwriting or Tenure with Company:	N/A
Approval Rate:	N/A
Percentage of Exceptions to Underwriting Policies:	N/A
Underwriting Policies	
Source of Credit History Checks:	Internal database, external database:
Methods Used to Assess Borrowers' Repayments Capabilities:	DTI: 35% maximum income multiples: not used affordability calculation: Not used expenses based on actual data
Income Taken into Account in Affordability Calculations:	Net income including 100% base salary
Other Borrower's Exposures (i.e. other debts) Taken in Account in Affordability Calculations:	all outstanding secured and/or unsecured debt/ unsecured debt
Method Used for Income Verification:	Internal check on current account
Maximum Loan Size:	EUR 100,000
Average Deposit Required:	N/A
Credit Risk Management	
Reporting Line of Chief Risk Officer:	To CEO
*FTE: Full Time Employee	N/A

Originator Stability:	At Closing
Quality Controls and Audits:	
Responsibility of Quality Assurance:	Independent team (include the number of staff)PLUS team leader
Number of Files per Underwriter per Month Being Monitored:	N/A
Management Strength and Staff Quality	
Average Turnover of Underwriters:	N/A
Training of New Hires and Existing Staff:	N/A
Technology	
Frequency of Disaster Recovery Plan Test:	Quarterly

Source: Banco Santander S.A.

Appendix 2: Summary of Servicer's Collection Procedures

Exhibit 30

Servicer Ability	At Closing
Loan Administration	SANTANDER
Entities Involved in Loan Administration:	SANTANDER (with its branches)
Early Stage Arrears Practices	early attempts contact, quality of contact and promise to pay 90 days delinquents
Entities involved in Early Stage Arrears:	outsourced to third parties; staff at branches, centralised at head office
Definition of Arrears	
Arrears Strategy for 1-29 Days Delinquent:	between 90 and 12 months
Arrears Strategy for 30 to 59 Days Delinquent:	no activity at this stage
Arrears Strategy for 60 to 89 Days Delinquent:	no activity at this stage
Data Enhancement in Case Borrower is Not Contactable:	N/A
Loss Mitigation and Asset Management Practices	
Transfer of a Loan to the Late Stage Arrears Team:	After 90 days in arrears
Entities Involved in Late Stage Arrears:	N/A
Ratio of Loans per Collector (FTE):	N/A
Time from First Default to Litigation /Sale:	N/A
Average Recovery Rate (on Vehicle):	N/A
Channel Used to Sell Repossessed Vehicles:	N/A
Average Total Recovery Rate (after vehicle sale):	N/A

Servicer Stability	At Closing
Management and Staff	
Average Experience in Servicing or Tenure with Company:	N/A
Training of New Hires Specific to the Servicing Function (i.e. excluding the company induction training):	N/A
Quality Control and Audit	
Responsibility of Quality Assurance:	Independent team (include the number of staff) plus team leader, combination of both
IT and Reporting	
Frequency of Disaster Recovery Plan Test:	N/A

Source: Banco Santander S.A.

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Contacts

Alberto Barbáchano +34.91.768.8212
VP-Sr Credit Officer
alberto.barbachano@moodys.com

Mayela Lara Basulto +44.20.7772.1000
Associate Analyst
mayela.larabasulto@moodys.com

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

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