MOODY'S INVESTORS SERVICE

CREDIT OPINION
2 September 2021

Pre-Sale

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[•] 2021

TABLE OF CONTENTS

Capital structure 1
Summary 1
Credit strengths 2
Credit challenges 2
ESG considerations 3
Key characteristics 4
Asset description 6
Asset analysis 13
Securitisation structure description 18
Securitisation structure analysis 22
Methodology and monitoring 25
Modelling assumptions 25
Moody's related publications 26
Appendix 1: Summary of the originator's underwriting policies and procedures 27
Appendix 2: Summary of the servicer's collection procedures 28

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Santander Consumer Spain Auto 2021-1

Pre-Sale – Santander Consumer Finance S.A. to issue a new auto loan transaction in Spain

Capital structure

Exhibit 1
Provisional (P) ratings

Series	Rating	Amount (millions)	% of assets	Legal final maturity	Coupon	Subordination[(1)]	Reserve fund[(2)]	Total credit enhancement[(3)]
Class A	(P) Aa1 (sf)	€[•]	88.23%	Jun-35	3mE+[•]%	11.77%	1.01%	12.78%
Class B	(P) A2 (sf)	€[•]	5.79%	Jun-35	3mE+[•]%	5.98%	1.01%	6.99%
Class C	(P) Baa3 (sf)	€[•]	4.00%	Jun-35	3mE+[•]%	1.98%	1.01%	2.99%
Class D	(P) Ba1 (sf)	€[•]	0.99%	Jun-35	[•]%	0.99%	1.01%	2.00%
Class E	(P) Ba2 (sf)	€[•]	0.99%	Jun-35	[•]%	0.00%	1.01%	1.01%
Class F	NR	€[•]	1.01%	Jun-35	[•]%	0.00%	0.00%	0.00%
Total		€[•]	101.01%					

(1) At closing.
(2) As of initial pool balance; Class F funds the cash reserve and is not backed by the asset pool.
(3) No benefit attributed to excess spread.
Source: Moody's Investors Service

Summary

Santander Consumer Spain Auto 2021-1, Fondo de Titulización (Santander Consumer Spain Auto 2021-1, FT) is a 15 months revolving cash securitisation of auto loan receivables extended by Santander Consumer Finance S.A. (SCF, A2/P-1; A3(cr)/P-2(cr)) to private and corporate obligors located in Spain for the purpose of financing new or used vehicles.

Our analysis focused, among other things, on (i) an evaluation of the underlying portfolio of receivables; (ii) historical performance on defaults and recoveries from January 2013 to June 2021; (iii) the credit enhancement provided by excess spread, subordination and cash reserve; (iv) the liquidity support available in the transaction by way of principal to pay interest, cash reserve and excess spread; and (v) the legal and structural aspects of the transaction.

Our cumulative default expectation for the asset pool is 4.0%, recovery rate is 35.0% and portfolio credit enhancement (PCE) is 13.0%.

Credit strengths

» ***Portfolio composition:*** The provisional portfolio is highly granular, with the largest and 10 largest borrowers representing 0.02% and 0.12% of the pool, respectively. (See "Asset description - Assets as of cut-off date - Pool characteristics")

» ***Credit enhancement provided via significant excess spread and reserve fund:*** The initial portfolio yields a weighted average interest rate of around 6.2%. After deducting the expected senior costs and interest payments, the transaction benefits from an initial excess spread of around [2.2]% under our stressed assumptions. This is the first layer of credit enhancement for the notes. In addition, an amortising reserve fund equal to 1.01% of the rated notes provides liquidity on an ongoing basis and is available to cover losses at legal final, floored at 0.25% of the rated notes at closing. Please see relevant sections in this report for more information. (See "Securitisation structure description").

» ***Experienced servicer and originator:*** SCF is an experienced servicer and originator of auto and consumer loans. It also has an extensive background in securitisation. (See "Asset description - Originator and servicer")

» ***Covid-19 payment holiday assignment exclusion***: Loans with Covid-19 payment holidays granted before the assignment are excluded as per the eligibility criteria. However, the seller will neither replace nor repurchase such loans affected by the Covid-19 moratorium after the sale to the issuer. (See "Asset description - Eligibility criteria")

Credit challenges

» **Revolving structure:** The structure includes a 15 months revolving period, where new assets will be purchased. Subject to certain eligibility and concentration limits, this feature creates more uncertainty and volatility in the performance of the pool and was considered in our analysis. There are also triggers in place to stop the purchase of new receivables if performance deteriorates (See "Asset overview" – "Revolving period and replenishment criteria").

» ***High Degree of linkage to Santander entities:*** Santander Consumer Finance S.A. (SCF, A2/P-1; A3(cr)/P-2(cr)) is the servicer, originator and issuer account bank. Its ultimate parent is Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr)), which is the paying agent and cap counterparty of the transaction. There are suitable replacement triggers in place to offset this risk. (See "Securitisation structure analysis - Additional structural analysis").

» ***Complex structure***: The structure includes some complex structural features such as pro rata principal repayments on all rated classes of notes, thus extending the time of redemption for the senior classes, although this is mitigated with sequential amortisation trigger events. (See "Securitisation structure description").

» ***Interest rate mismatch risk:*** Of the underlying loans, 100% of the pool pays a fixed interest rate, while Class A, B and C notes pay floating rate. Therefore, there is a fixed-floating mismatch. This risk is mitigated by an interest rate cap agreement provided by Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr)). Banco Santander S.A. will pay to the issuer the positive difference between 3 months Euribor and the strike rate of 0.5%. (See "Securitisation structure description - Detailed description of the structure - Interest rate mismatch and spread compression").

ESG considerations

We consider overall environmental, social, and governance (ESG) risks to be moderate for securitisations backed by auto loans. Our credit analysis of the transaction, which takes into consideration ESG risks, includes the risks to vehicles' recovery values from changes in carbon emissions regulations, the social and demographic trends that affect the obligors in ABS backed by auto loans, and the low exposure to severe weather events or other environmental factors. 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, 26 April 2021, which explains our general principles for assessing ESG risks in our credit analysis globally.

» ***Environmental***: This transaction has moderate exposure to significant environmental risks; however, the potential consequences, mitigated by the short transaction tenor, are 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 auto ABS transactions. Technological obsolescence, shifting demand patterns and changes in government policy mean that some segments will experience greater volatility in auto sales and recovery levels but the short tenor of the transaction mitigates the risk from long-term trends. In addition, the geographical and demographical diversity of the obligors in loan pools should help protect the transaction from the risk of any one region or industry downturn. (See "Asset analysis - Additional asset analysis - ESG - Social 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 representations and warranties enforcement. (See "Securitisation structure analysis - Additional structural analysis - ESG - Governance considerations")

Key characteristics

The exhibit 2 below describes the main asset characteristics of the eligible portfolio. WA and WAL stand for weighted average and weighted average life, respectively.

Exhibit 2

Portfolio characteristics of the eligible portfolio with cut-off date 25 August 2021

Seller/Originator:	Santander Consumer Finance S.A. (SCF, A2/P-1; A3(cr)/P-2(cr))
Servicer(s):	Santander Consumer Finance S.A. (SCF, A2/P-1; A3(cr)/P-2(cr))
Receivables:	Auto loans granted to obligors domiciled in Spain
Total amount:	€634.7 mn
Length of revolving period in years:	1.3
Number of borrowers	54,194
Number of contracts	54,458
WA remaining term in years:	5.5
WA seasoning in months:	18.1
WAL of initial portfolio in years (excl. prepayments):	3.0
WA portfolio interest rate:	6.2%
Delinquency status:	No loans are currently in arrears
Cumulative default rate observed:	Cumulative average vintage value for new auto between Q1 2013 - Q2 2021: 2.7% (cumulative 90+ days delinquency proxy) Cumulative average vintage value for used auto between Q1 2013 - Q2 2021: 4.3% (cumulative 90+ days delinquency proxy)
Recovery rate observed:	Cumulative average vintage value for new auto between Q1 2013 - Q2 2021: 66.2% (cumulative 90+ days delinquency proxy) Cumulative average vintage value for used auto between Q1 2013 - Q2 2021: 55.9% (cumulative 90+ days delinquency proxy)
Cumulative default rate (modelled):	4.0% - in line with Peer Group in the EMEA Auto ABS market
Recovery rate (modelled):	35.0% - in line with Peer Group in the EMEA Auto ABS market
Portfolio credit enhancement (PCE):	13.0% - in line with Peer Group in the EMEA Auto ABS market

Sources: Moody's Investors Service and SCF

The exhibit 3 below shows the counterparties associated with the transaction.

Exhibit 3
Securitisation structure characteristics

Transaction Parties	At Closing
Issuer:	FT Santander Consumer Spain Auto 2021-1
Back-up servicer(s):	N/A
Back-up servicer facilitator(s):	N/A
Cash manager:	Santander de Titulizacion S.G.F.T., S.A. (NR)
Back-up cash manager:	N/A
Calculation agent / computational agent:	Santander de Titulizacion S.G.F.T., S.A. (NR)
Back-up calculation / computational agent:	N/A
Cap counterparty:	Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr))
Issuer account bank:	SCF
Collection account bank:	SCF
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. (NR)
Issuer administrator / corporate servicer provider:	Santander de Titulizacion S.G.F.T., S.A. (NR)
Co-arrangers:	Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr))
Lead manager(s):	Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr))
Lead manager(s):	Citigroup Global Markets Europe AG (A1/P-1) , Bank of America Securities Europe SA (NR)
Senior co-manager:	N/A
Custodian:	N/A
Liabilities, credit enhancement and liquidity	
Annualized excess spread at closing:	[2.2]% excess spread at closing under Moodys' stressed assumptions
Credit enhancement / reserves:	[2.2]% modelled average annualized stressed excess spread at closing Amortising cash reserve representing 1.0% of Class A- E notes total portfolio Subordination of the notes
Form of liquidity:	Excess spread, cash reserve, principal to pay interest mechanism
Number of interest payments covered by liquidity:	6 months
Interest payments:	Quarterly in arrears on each payment date
Principal payments:	Pass-through on each payment date
Payment dates:	22nd calendar day in December, March, June and September First payment date: 22nd December 2021
Hedging arrangements:	Interest rate cap

Sources: Moody's Investors Service and SCF

Asset description

The provisional portfolio consists of a diversified pool of unsecured auto loans, extended to individuals and legal entities resident in Spain, to finance the acquisition of new or used vehicles. All the loan contracts contain a "*reserva de dominio*" clause, meaning that the vehicles can be registered at the seller's option on the "*Registro de Bienes Muebles*", the Spanish moveable goods register. Upon registration, the borrower cannot sell the underlying vehicle to a third party without the permission of the lender.

Data and information on the portfolio set out in this report are based (unless stated otherwise) on the provisional eligible portfolio with the cut-off date on 25 August 2021 and as further described in the prospectus.

Assets as of cut-off date

Pool characteristics

The eligible portfolio totaled around €634.7 million, over 54,458 loans as of the cut off date. The weighted average remaining maturity of the portfolio is 65.9 months and weighted average seasoning is 18.1 months. Loans in this portfolio were used to purchase new (29.6%) or used (70.4%) vehicles and are originated to private individuals (98.0%) and to legal entities (2.0%). The loans are all first lien, fixed rate, annuity-style amortising loans with no balloon or residual value risk, which is market standard for Spanish auto loans.

All loans pay monthly and through direct debit. The loans can be prepaid at no penalty. All the loans were originated via the seller's network of intermediaries spread across Spain.

The exhibit 4 below summarises additional information about the eligible portfolio.

Exhibit 4

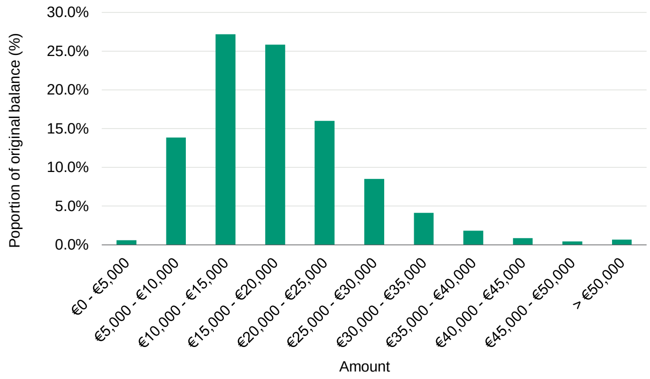
Additional information on asset characteristics

Average principal outstanding balance:	€11,655.2
Origination channel:	Dealer network
Geographic concentration	
1st largest region:	Andalucía (24.5%)
2nd largest region:	Cataluña (14.0%)
3rd largest region:	Valencia (10.6%)
Obligor concentration	
Single obligor (group) concentration:	0.02%
Top 5 obligor (group) concentration:	0.06%
Top 10 obligor (group) concentration:	0.12%
Top 20 obligor (group) concentration:	0.21%

Sources: Moody's Investors Service and SCF

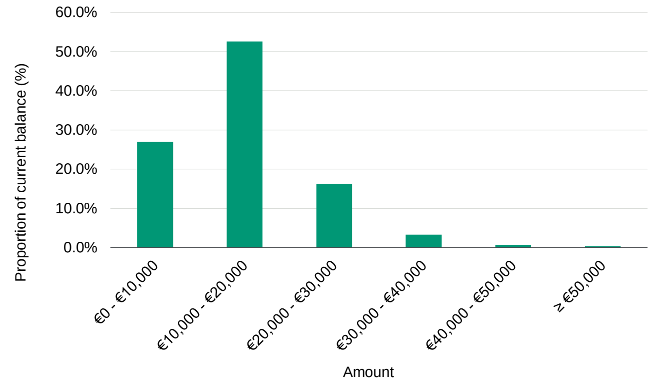
The exhibits 5 and 6 below describe the distribution of the eligible portfolio's original balance and outstanding balance as a percentage of outstanding balance.

Exhibit 5
Portfolio breakdown by original balance



Source: SCF

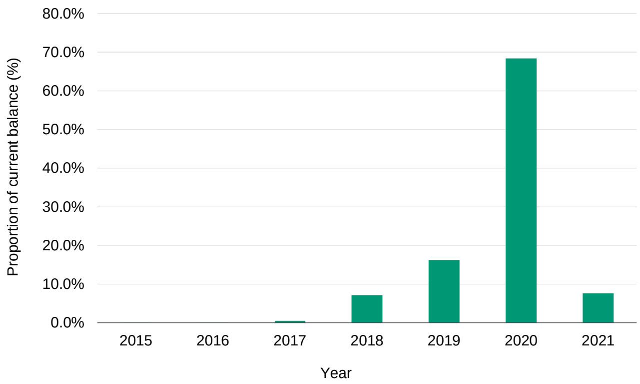
Exhibit 6
Portfolio breakdown by outstanding balance



Source: SCF

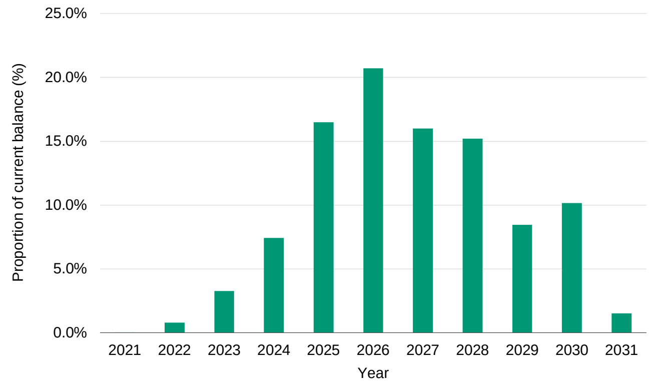
The exhibits 7 and 8 below show the breakdown by origination and maturity year as a percentage of outstanding balance.

Exhibit 7
Portfolio breakdown by origination year



Source: SCF

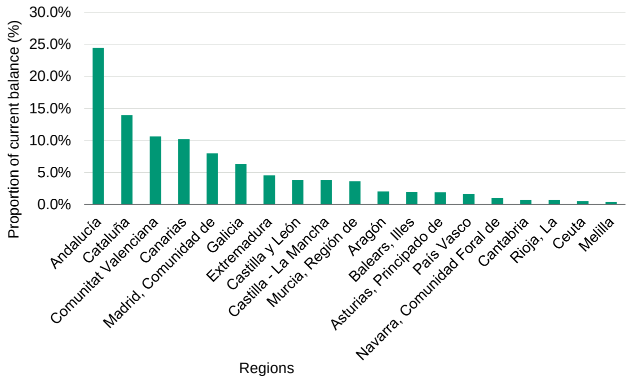
Exhibit 8
Portfolio breakdown by maturity year



Source: SCF

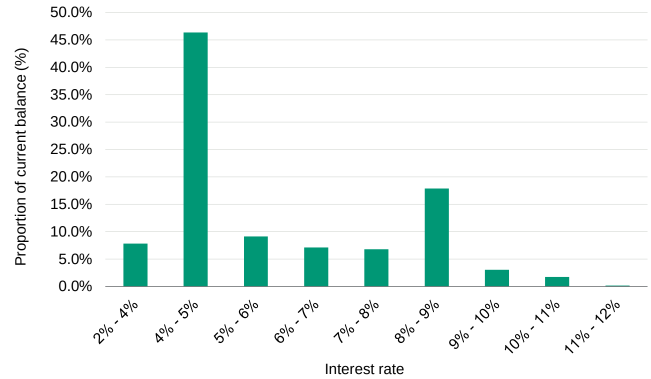
The exhibits 9 and 10 below show the portfolio breakdown by regional concentration and interest rate as a percentage of outstanding balance.

Exhibit 9
Portfolio breakdown by regional concentration



Source: SCF

Exhibit 10
Portfolio breakdown by interest rate

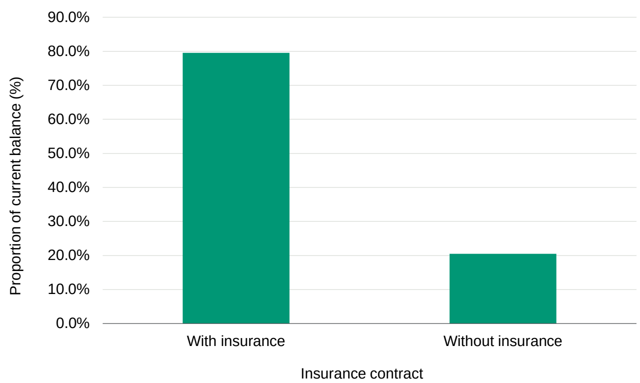


Source: SCF

The exhibits 11 and 12 below show the portfolio breakdown by insurance contracts and vehicle brands as a percentage of outstanding balance.

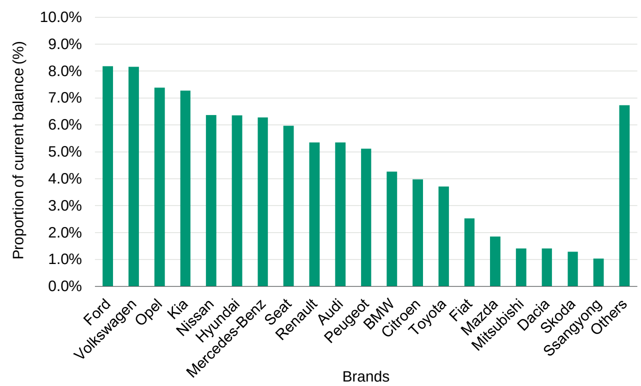
Insurance contracts can be for diverse purposes, such as life insurance, temporary or permanent disability insurance and unemployment insurance.

Exhibit 11
Portfolio breakdown by insurance contracts



Source: SCF

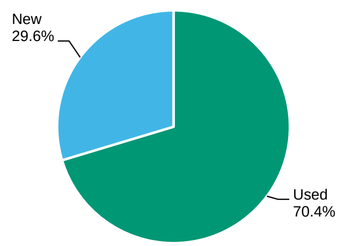
Exhibit 12
Portfolio breakdown by vehicle brand



Source: SCF

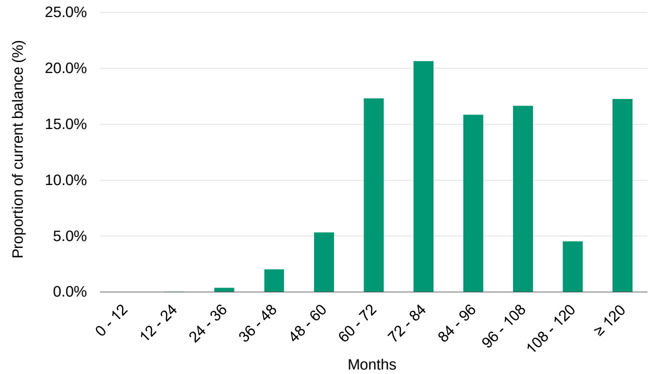
The exhibits 13 and 14 below show the portfolio breakdown by vehicle type and original term (in months) as a percentage of outstanding balance.

Exhibit 13
Portfolio breakdown by vehicle type



Source: SCF

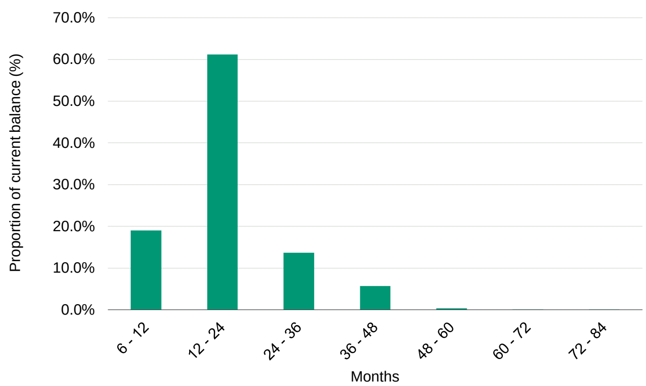
Exhibit 14
Portfolio breakdown by original term



Source: SCF

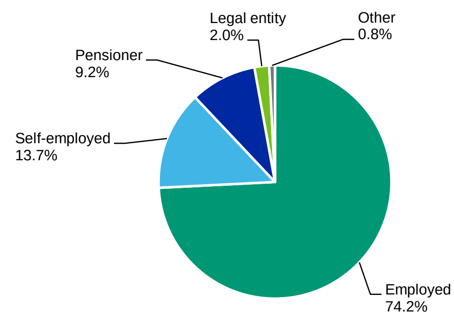
The exhibits 15 and 16 below show the portfolio breakdown by seasoning and employment type as a percentage of outstanding balance.

Exhibit 15
Portfolio breakdown by seasoning



Source: SCF

Exhibit 16
Portfolio breakdown by employment type



Source: SCF

Eligibility criteria

The key individual eligibility criteria for all loans are as follows:

- Borrowers are not an employee of the SCF and are residents of Spain (this resident criteria only apply for the initial pool);
- The loans have been granted for the purpose of financing the acquisition of new vehicles or used vehicles;
- The loans originated are denominated in euro;
- The loans are payable by direct debit;
- The loans are amortised on a monthly basis and gives rise to monthly instalment payments, which consist of principal and interest;
- Each borrowers has made at least one payment of instalment;
- The final maturity of each loan is no later than the final maturity date;
- No loan contains any unpaid and outstanding instalments;
- No loan agreement has been executed with an unemployed borrower;
- Each loan should have regulatory PD strictly less than 4.0%;
- Each loan bears a fixed rate of interest strictly greater than 3.95% per annum;
- No loan has been granted under a forced approval;
- No loan is derived from debt refinancings or restructurings;
- No loan is under COVID-19 moratorium period;
- The loans contain "*reserva de dominio*" clause; and
- Each loan agreement is governed by Spanish law.

Originator and servicer

Santander Consumer Finance S.A. (SCF, A2/P-1; A3(cr)/P-2(cr)), wholly owned by Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr)), acts as an originator and servicer in the Santander Consumer Spain Auto 2021-1, FT transaction.

As of March 2021, the originator's total book amounted to €8,674.1 billion and had a staff of 638 employees spread across 48 branches and 58 agencies.

The originator has a strong market position in the automobile financing sector in Spain, ranking highly in terms of market share. The originator has multiple captive agreements allowing them to provide auto financing to main auto brands in Spain, such as with Mazda, Mitsubichi, Suzuki, SSanyong and Subaru.

The originator's offering are auto loans marketed through indirect distribution channels to private individuals and commercial obligors. Auto loan contracts are originated through a network of around 1,373 auto dealers. Each distribution group is monitored by the commercial team, with around 400 employees. Each distribution group supports several brands with multiple points of sale. Every year, Santander Consumer's commercial network formalises cooperation agreements with the main distribution groups in Spain to agree, among other things, on service fees and rates.

A scoring system is in place to assess borrowers' credit risk, which takes into consideration among other things (i) credit bureau information; (ii) a household budget computation; (iii) the customer's debt history; and (iv) fraud information. The scoring model has a set of minimum acceptance criteria, such as no fraud, and client characteristics: age, employment status, internal previous negative experience and external previous negative experience. The underwriting process is in line with the market standard. Automated auto loan applications make up to 85%, depending on the vehicle status. The automated application model goes through quarterly validation and has not been subject to any significant adjustments since its implementation in 2009.

Collection procedures rely mainly on direct debit, which accounts for 100% of payments in this transaction. The collection process and early arrears management are highly automated. The Originator's Collection Business Unit is responsible for designing the collections and recoveries strategies. Legal proceedings can take place after the account is over 180 days past due.

The exhibit 17 below summarises the main characteristics of the originator.

Exhibit 17

Originator profile, servicer profile and operating risks

Originator background	
Rating:	Santander Consumer Finance S.A. (SCF, A2/P-1; A3(cr)/P-2(cr))
Financial institution group outlook for sector:	Stable
Ownership structure:	Owned by Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr))
Asset size:	N/A
% of total book securitized:	N/A
Transaction as % of total book:	N/A
% of transaction retained:	N/A
Servicer background	
Rating:	Santander Consumer Finance S.A. (SCF, A2/P-1; A3(cr)/P-2(cr))
Regulated by:	Bank of Spain
Total number of receivables serviced:	N/A
Number of staff:	638 (as of March 2021)
Receivables administration	
Method of payment of borrowers in the pool:	100% direct debit
% of obligors with account at originator:	N/A
Distribution of payment dates:	Evenly throughout the month

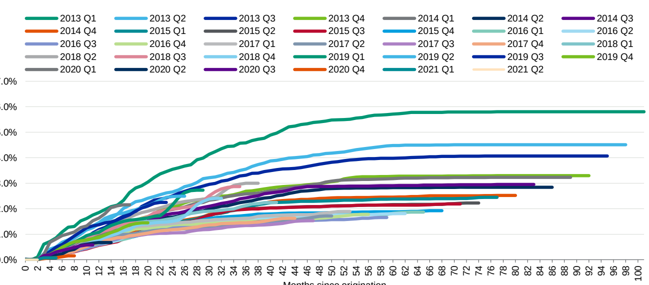
Sources: Moody's Investors Service and SCF

The originator provided us with historical data on its whole book of broker-originated auto loans. Static vintage data is provided on defaults for the period Q1 2013 to Q2 2021 and on recoveries for the period Q1 2013 to Q2 2021 for both new and used vehicles.We also received dynamic delinquency data covering the period from Q1 2013 to Q2 2021. We received the line by line data set for the eligible portfolio. We also received prepayment data from precedent transactions. In our view, the quantity and quality of data received are comparable with transactions that have achieved high investment-grade ratings in this sector in other European countries.

The exhibits 18 and 19 below show static cumulative default data, based on a definition of 90+ days in arrears, for loans originated in the period Q1 2013 to Q2 2021, split into loans for the purpose of acquiring new or used vehicles.

Exhibit 18

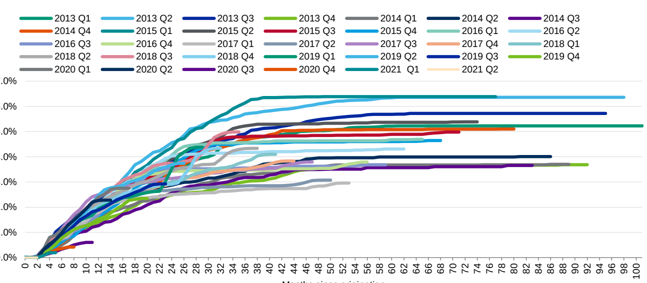
Vintage default data for new vehicles (90+ days in arrears)



Source: SCF

Exhibit 19

Vintage default data for used vehicles (90+ days in arrears)

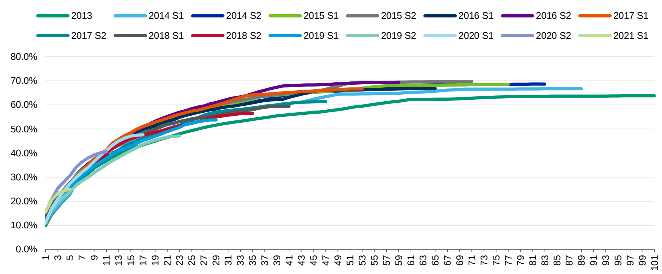


Source: SCF

The exhibits 20 and 21 below show static cumulative recovery rates for loans that have reached 90+ days in arrears, again split into loans for financing new versus used vehicles, also covering the period Q1 2013 to February 2021.

Exhibit 20

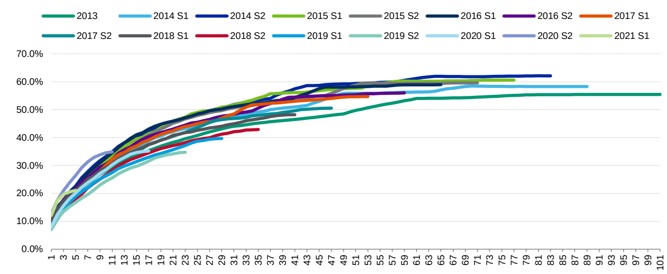
Vintage recovery data for new vehicles (90+ days in arrears)



S1 and S2 represent first and second halves of the year, respectively.
Source: SCF

Exhibit 21

Vintage recovery data for the used vehicles (90+ days in arrears)



S1 and S2 represent first and second halves of the year, respectively.
Source: SCF

Revolving period and replenishment criteria

The structure includes a revolving period of 1.25 years subject to certain eligibility and concentration limits. The revolving period exposes noteholders to credit risk as portfolio quality could deteriorate.

New receivables, together with the purchased receivable, will need to comply with the aggregate portfolio criteria, which are described as follows:

- » Used vehicles should not exceed 80% of the aggregate outstanding principal balance;
- » New vehicles with scoring less than 545 should not exceed 15% of the aggregate outstanding principal balance;
- » Used vehicles with scoring less than 545 should not exceed 25% of the aggregate outstanding principal balance;
- » Single borrower should not exceed 0.05% of the aggregate outstanding principal balance;
- » Legal persons should not exceed 8% of the aggregate outstanding principal balance;
- » WA maturity of pool should not exceed 72 months;
- » Loans with maturity above 96 months should not exceed 18.5% of the aggregate outstanding principal balance;
- » Concentration in a single autonomous region should not exceed 30% of the aggregate outstanding principal balance;
- » The sum of the concentration in the top three autonomous regions should not exceed 60% of the aggregate outstanding principal balance;
- » Loans with outstanding balance above €50,000 should not exceed 1.5% of the aggregate outstanding principal balance;
- » Exposure to vehicles other than passenger cars and four wheel drive vehicles should not exceed 15% of the aggregate outstanding principal balance;
- » Loans with down payment/value lower than 5% should not exceed 25% of the aggregate outstanding principal balance;
- » Loans with a down payment/value lower than 20% should not exceed 75% of the aggregate outstanding principal balance;
- » Exposure to unemployed borrowers should not exceed 7% of the aggregate outstanding principal balance;
- » WA interest rate of additional receivable should be at least 5.8%; and
- » Exposure to self-employed borrowers should not exceed 18% of the aggregate outstanding principal balance.

Asset analysis

Primary asset analysis

Our analysis of the credit quality of the assets includes the securitised pool's loss distribution, which is parameterised by our asset assumptions, which are in turn partly based upon historical data provided by the originator.

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.

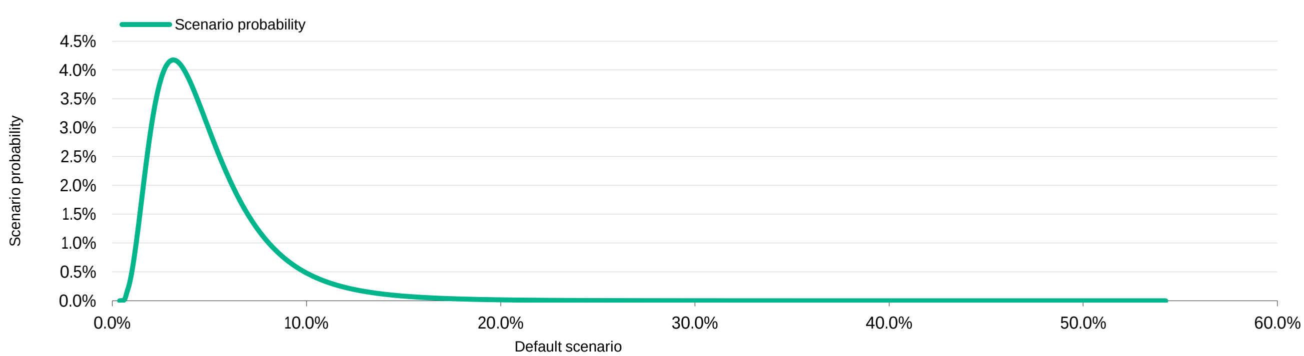
Two main parameters determine the shape of the default distribution: the mean default and the portfolio credit enhancement (PCE). The expected default captures our expectations of performance considering the current economic outlook, while PCE captures the loss we expect the portfolio to suffer in the event of a severe recession scenario. We generally derive these parameters from the historical data and 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 to 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, which includes structured finance transactions backed by Spanish receivables.

The exhibit 22 below shows the lognormal default distribution of the portfolio assumed by us.

Exhibit 22
Lognormal default probability distribution



Source: Moody's Investors Service

Derivation of loan default rate expectation

The portfolio's expected mean default rate of 4.0% is in line with other Spanish auto loan transactions and is 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; (iii) the exclusion of Covid-19 related payment holidays as per the eligibility criteria; and (iv) other qualitative considerations, including the current volatile economic environment.

Derivation of recovery rate assumption

Portfolio expected recoveries of 35.0% are in line with the Spanish auto loan 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 such as quality of data provided and asset security provisions, including the *reserva de dominio* clause.

Derivation of Portfolio Credit Enhancement (PCE)

The PCE of 13.0% is in line with other Spanish auto loan peers and is based on our assessment of the pool, taking into account the ranking relative to the originator peers in the Spanish auto market and the fact that the transaction is static.

The PCE of 13.0% results in an implied coefficient of variation (CoV) of 59.7%.

The PCE has been defined following analysis of the data's variability over time, as well as by benchmarking this portfolio with prior and similar transactions. Factors that affect the potential variability of a pool's credit losses are (i) historical data variability; (ii) quantity, quality and relevance of historical performance data; and (iii) originator and servicer quality.

Comparables

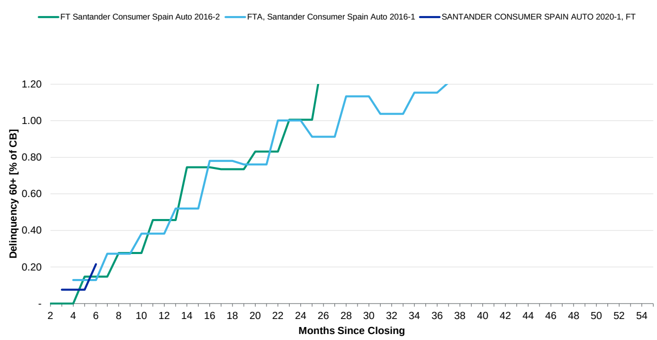
Prior transactions

Some of the originator's precedent transactions have performed worse than our expectations. While the notes issued by Santander Consumer Spain Auto 2010-1 and FTA Santander Consumer Spain Auto 2011-1 performed in line with our expectations and have been fully redeemed with no losses; we observed that Classes C, D and E notes of Santander Consumer Spain 07-2 were fully written down with a loss. The Santander Consumer Spain Auto 2012-1 and 2013-1 transactions performed in line with expectations and have been fully redeemed with no losses.

Santander Consumer Spain Auto 2016-1 and Santander Consumer Spain Auto 2016-2 are performing better than our expectations while Santander Consumer Spain Auto 2020-1 is performing in line with our expectations.

Exhibit 23

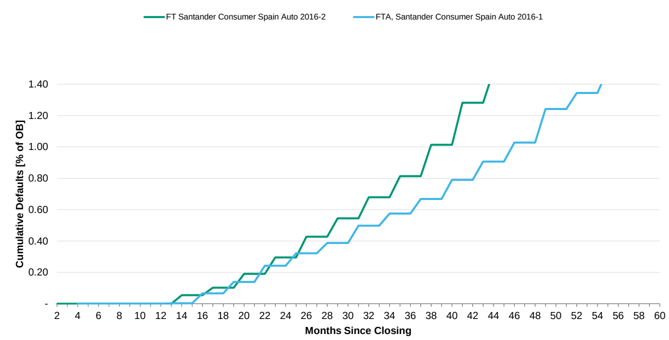
60+ days in arrears: FTA Santander Consumer Spain 2016-1, FT Santander Consumer Spain 2016-2 and Santander Consumer Spain Auto 202-1



Sources: Moody's Investors Service, Moody's Performance Data Service and periodic investor/servicer reports

Exhibit 24

Cumulative defaults: FTA Santander Consumer Spain 2016-1 and FT Santander Consumer Spain 2016-2



Sources: Moody's Investors Service and periodic investor/servicer reports

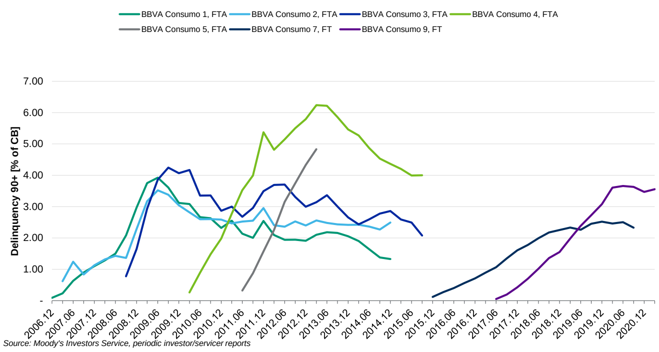
Transaction of other sellers/servicers

For benchmarking purposes, the charts below include 90+ and 180+ days in arrears dynamic delinquency data for other Spanish Auto loan ABS that we rate. However, the performance shown can be affected by several factors, such as the seasoning of the securitised loans, the age of the transaction, pool-specific characteristics and the length of the revolving period.

The exhibits 25 to 28 below show the performance of comparable transactions among other originators in the Spanish ABS market.

Exhibit 25

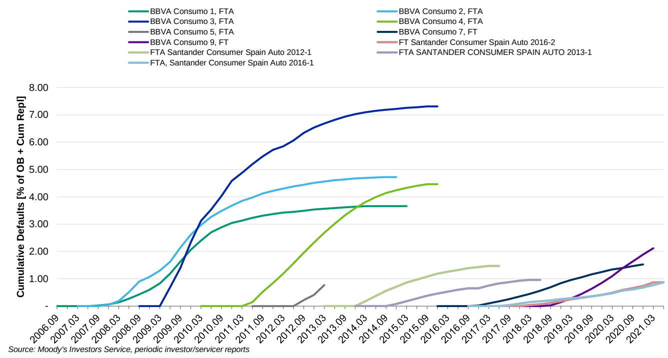
90+ days arrears for BBVA ABS transactions



Source: Moody's Investors Service

Exhibit 26

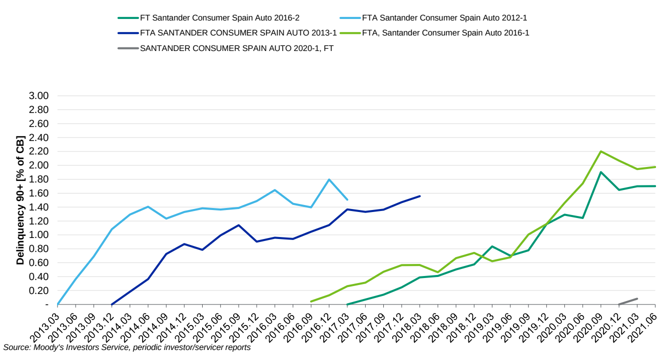
Cumulative write-offs for BBVA and Santander Consumer Spain Auto transactions



Source: Moody's Investors Service

Exhibit 27

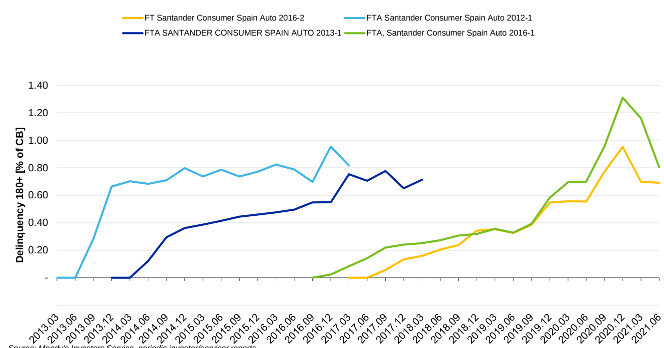
90+ days in arrears FTA Santander Consumer Spain 2012-1, 2013-1, 2016-1 and 2016-2



Source: Moody's Investors Service

Exhibit 28

180+ days in arrears FTA Santander Consumer Spain 2012-1, 2013-1, 2016-1 and 2016-2



Source: Moody's Investors Service

The exhibit 29 and 30 below shows a benchmark table including portfolio characteristics of comparable transactions in Spain.

Exhibit 29

Comparable transactions - Asset characteristics

Deal Name	FT Santander Consumer Spain Auto 2021-1	Santander Consumer Spain Auto 2020-1, FT	FTA, Santander Consumer Spain Auto 2016-1	FT Santander Consumer Spain Auto 2016-2	BBVA Consumer Auto 2020-1 FT	Autonoria Spain 2021, Fondo De Titulizacion
Country	Spain	Spain	Spain	Spain	Spain	Spain
Closing date or rating review date (dd/mm/yyyy)	[•]	25/09/2020	18/03/2016	09/12/2020	16/06/2020	28/06/2021
Currency of rated issuance	EUR	EUR	EUR	EUR	EUR	EUR
Rated notes volume (excluding NR and equity)	[•]	520,000,000	745,900,000	650,000,000	1,067,000,000	985,000,000
Originator / servicer	Santander Consumer Finance S.A.	Santander Consumer E.F.C.	Santander Consumer E.F.C.	Santander Consumer E.F.C.	Banco Bilbao Vizcaya Argentaria, S.A.	Banco Cetelem
Captive finance company?	No	No	No	No	No	No
Long-term rating	A2	NR	NR	NR	A3	NR
Short-term rating	P-1	NR	NR	NR	P-2	NR
Portion of (fully) amortising contracts %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Portion of bullet / balloon contracts %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
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)	6.2%	6.9%	8.8%	8.8%	6.9%	7.2%
Minimum yield for additional portfolios p.a.	5.0%	N/A	WA total portfolio min. yield 7.0%	WA total portfolio min. yield 7.0%	6.75%	WA total portfolio min. yield 6.0%
WAL of total pool initially (in years)	3.0	3.1	2.8	3.0	4.8	3.2
WA original term (in years)	7.0	6.9	N/A	6.1	7.2	7.2
WA seasoning (in years)	1.5	1.3	0.8	0.5	1.1	1.5
WA remaining term (in years)	5.5	5.5	5.1	5.6	6.0	5.7
No. of contracts	54,458	49,547	78,745	61,306	113,443	97,911
No. of obligors	54,194	49,379	78,346	61,045	112,710	97,547
Single obligor (group) concentration %	0.02%	0.01%	0.03%	0.01%	0.01%	0.01%
Top 5 obligor (group) concentration %	0.06%	0.06%	0.09%	0.05%	0.03%	0.04%
Top 10 obligor (group) concentration %	0.12%	0.10%	0.12%	0.07%	0.05%	0.07%
Top 20 obligor (group) concentration %	0.21%	0.19%	N/A	0.11%	0.10%	0.12%
Private obligors %	97.96%	97.24%	95.70%	96.72%	100.00%	100.00%
Name largest region	Andalucía	Andalucía	Andalucia	Andalucia	Cataluña	Madrid
Name 2nd largest region	Cataluña	Cataluña	Catalonia	Madrid	Andalucía	Barcelona
Name 3rd largest region	Valencian Community	Canarias	Madrid	Catalonia	Valencian Community	Valencia
Size % largest region	24.5%	20.5%	18.8%	19.5%	20.3%	13.1%
Size % 2nd largest region	14.0%	13.8%	16.1%	15.7%	19.6%	11.6%
Size % 3rd largest region	10.6%	11.8%	14.3%	15.2%	10.7%	5.9%

Sources: Moody's Investors Service and SCF

Exhibit 30

Comparable transaction - Asset assumptions

Deal Name	FT Santander Consumer Spain Auto 2021-1	FTA Santander Consumer Spain Auto 2020-1	FTA, Santander Consumer Spain Auto 2016-1	FT Santander Consumer Spain Auto 2016-2	BBVA Consumer Auto 2020-1 FT	Autonoria Spain 2021, Fondo De Titulizacion
Gross default / net loss definition modelled	3 months	3 months	12 months	12 months	6 months	5 months
Data available for each subpool?	Yes	Yes	N/A	No	N/A	Yes
Period covered by vintage data (in years)	8.0	7.0	N/A	10.0	8.0	10.0
Type of default / loss distribution	Lognormal	Lognormal	Lognormal	Lognormal	Lognormal	Lognormal
Model running on defaults/losses	Default	Defaults	Defaults	Defaults	Default	Default
Mean gross default/net loss rate - initial pool	4.0%	5.5%	5.0%	5.0%	5.0%	4.0%
Mean gross default/net loss rate - replenished pool	4.0%	N/A	5.0%	5.0%	5.0%	4.0%
Default timing curve	Sine(1-7-20) in quarters	Sine(1-7-21) in quarters	Sine(4-7-23) in quarters	Sine(4-8-24) in quarters	Sine (2-7-22)	Sine(5-18-54)
Mean recovery rate	35.0%	35.0%	30.0%	30.0%	35.0%	15.0%
Recovery lag (in months)	Vector over 36 months	Vector over 36 months	Vector over 36 months	WA lag of 1.3 years	WA recovery lag of 6.4 months	5.0% after 3 months, 15.0% after 6 months, 20.0% after 12 months, 20.0% after 18 months, 20.0% after 24 months,
Portfolio credit enhancement (PCE)	13.0%	14.0%	16.0%	16.0%	15.0%	15.0%
Conditional prepayment rate (CPR)	5% first 18 months; 10% thereafter	5% first 18 months; 10% thereafter	5% first 18 months, 7.5% thereafter	5% first 18 months; 10% thereafter	5% first 6 quarters; 10% thereafter	10.0% first 18 months, 15.0% thereafter
Stressed fees modelled	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Assumed portfolio yield p.a. - initial pool	6.2%	6.9%	7.0%	Stressed vector yield	6.9%	7.0%
Assumed portfolio yield p.a. - additional pool	5.0%	N/A	N/A	6.9%	6.8%	3.3%
Index rate assumed in 1st period	0.0%	0.0%	N/A	0.0%	0.0%	0.0%

Sources: Moody's Investors Service and SCF

Originator/servicer quality

The main strengths of the originator in this transaction are its several years of experience in the Spanish consumer and auto loan 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 main challenge to the originator's ability is the need to continually monitor its extensive broker network, via Santander Consumer's compensation scheme and on-site visits.

The originator also acts as a servicer. No backup servicer is in place at closing. Furthermore, the management company also acts as backup servicing facilitator of last resort, in that it will be charged to find a replacement servicer in case the other mechanisms to find a replacement servicer fail. (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 auto loans is moderate. Our analysis of the transaction, which takes into consideration ESG risk, includes the risks to vehicles' recovery values from changes in carbon emissions regulations. The risk is somewhat mitigated, however, by the short tenor of the transaction. Most auto loan pools can withstand severe weather events such as hurricanes and tornadoes because the obligors are spread over a large geographical footprint resulting in very low exposure to any one severe weather event.

ESG - Social considerations

Social risk is generally low in Auto ABS transactions. Technological obsolescence, shifting demand patterns and changes in government policy mean that some segments will experience greater volatility in auto sales, recovery levels and residual values, but the short tenor of the transaction mitigates the risk from long-term trends. In addition, the geographical and demographical borrower diversification of the pool should mitigate the risk of any one region's or industry's economic decline.

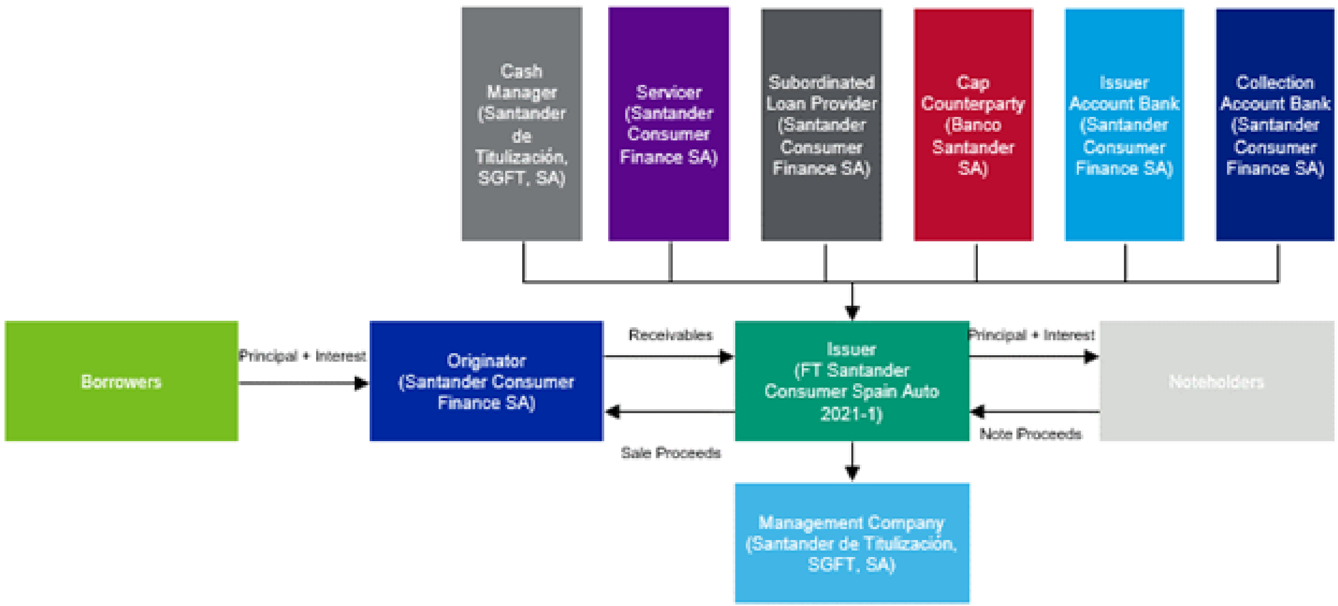
Securitisation structure description

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, Santander Consumer Spain Auto 2021-1, FT, and the other transaction parties.

Exhibit 31
Structural diagram for FT Santander Consumer Spain Auto 2021-1



Source: SCF

Detailed description of the structure

The transaction structure is a senior subordinated structure with a reserve fund.

Credit enhancement

Credit enhancement in the transaction includes excess spread, cash reserve and subordination of the notes.

Allocation of payments/Waterfall

On each payment date, the issuer's available funds, comprising interest collections, recoveries received from defaulted loans, the reserve fund and principal received from the loans, will be applied in the simplified order of priority as described by the cash-flow waterfall below:

1. Senior expenses;

2. Interest on Class A

3. Interest on Class B

4. Interest on Class C

5. Interest on Class D

6. Interest on Class E

7. Replenish reserve fund

8. Interest on Class F

9. Portfolio replenishment during the revolving period;

10. During revolving period, to purchase additional receivables. After end of the revolving period, pro rata amortisation of Classes A, B, C, D and E unless the subordination event is triggered. When the subordination event is triggered, sequential amortisation of Classes A to E;

11. Interest on subordination loan

12. Principal on subordination loan

12. Principal on Class F for the lower of (i) 10% of the initial balance of the Class F notes and (ii) the available excess spread

13. Junior expenses

Subordination events switching the amortisation of the rated notes to sequential are:

» an insolvency event occurs in respect of the seller;

» the cumulative loss ratio exceeds on the determination date immediately preceding the following payment dates: (a) 20 December 2021, 0.45%; (b) 20 March 2022, 0.75%; (c) 20 June 2022, 1.05%; (d) 20 September 2022, 1.35%; (e) 20 December 2022, 1.55%; (f) 20 March 2023, 1.95%; (g) 20 June 2023, 2.15%; (h) 20 September 2023, 2.35%; (h) 20 June 2025, 2.55%; and (i) as from 20 September 2025, 2.85%;

» the cumulative defaulted receivables are equal or higher than 100% of the sum of the principal amount outstanding of the Class D notes, Class E notes and the Class F notes at closing;

» the outstanding balance of the receivables included in the portfolio arising from loans granted to the same borrower, is equal to, or greater than 2% of the outstanding balance of the portfolio;

» 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 default is remedied within five (5) business days);

» an event of replacement of the servicer occurs;

» an interest rate cap provider downgrade event occurs and none of the remedies provided for are put in place within the term required thereunder;

» a cleanup call event occurs; or

» an exercise of a seller's call option.

Allocation of payments/Principal deficiency ledger (PDL)-like mechanism

The definition of the notes required amortisation amount ensures that excess spread and recoveries will be applied towards reducing defaults of the period and of previous periods. The target principal amortisation amount is the difference between the Class A-E notes outstanding principal balance and the aggregate of the outstanding balance of the non-defaulted receivables.

Class F notes have a scheduled amortisation for the minimum of (i) 10% of the initial balance of the Class F notes, and (ii) the available excess spread.

Cash reserve

The reserve fund is 1.01% of the initial outstanding rated notes balance and is fully funded at the closing date using the proceeds of Class F notes issuance. It provides liquidity protection to the rated notes and credit protection at legal final.

As from closing, reserve fund amortises to 1.0% of the outstanding Class A, B, C, D and E notes, with a floor of 0.25% of Class A, B, C, D and E notes at closing.

However, reserve fund is not allowed to amortise (i) if the reserve fund is not funded to its required level, and (ii) if a subordination event is triggered switching the amortisation of the rated notes from pro rata to sequential.

Performance triggers

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

» a subordination event occurs;

» on the payment date immediately preceding the relevant determination date, the outstanding balance of the non-defaulted receivables is less than 75% of the principal amount outstanding of the rated notes on the disbursement date;

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

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

Other counterparty rating triggers

The issuer account bank will be replaced if its deposit rating falls below A3. The paying agent will be replaced if its long-term Counterparty Risk Assessment rating falls below A3(cr).

Excess spread

All assigned loans will be purchased by the issuer at par. The weighted average portfolio interest rate of the eligible portfolio is 6.2%.

Excess spread represents the first layer of credit enhancement, as well as a limited liquidity buffer to the transaction.

Excess spread available at closing under our stressed assumptions is [2.2]%.

Interest rate mismatch and spread compression

Of the underlying loans, 100% of the pool pays a fixed interest rate (WA rate of 6.2%), while 97.0% of the asset-backed notes at closing (Class A, B and C notes) pay a floating rate. Remaining classes of notes pay fixed rate. Therefore, there is a fixed-floating mismatch between assets and Class A, B and C notes. This risk is mitigated by an interest rate cap agreement provided by Banco Santander S.A. (A2/P-1; A3(cr)/P-2(cr)). Banco Santander, S.A. will pay to the issuer the positive difference between Euribor three months and the strike rate of 0.5%.

The notional of the swap follows the amortisation profile of the floating A, B and C notes in a 0% Conditional prepayment rate (CPR) and 0% defaults scenario. The Issuer has an option to revise the cap notional up to two times a year, and adjust it to the Class A-C notes outstanding balance at that time. .

The swap collateral posting and replacement triggers will be set at loss of A3(cr) and Baa3(cr) ratings of the swap counterparty, respectively, and the swap framework is ISDA.

The cap mitigates the fixed-floating risk between the fixed rate assets and the floating rate liabilities once the 0.5% strike is reached. On top of that we applied a 7.5% CPR stress to the 50% highest-yielding loans.

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 Titulización*.

Cash manager

Santander de Titulización S.G.F.T., S.A. (NR) acts as cash manager in the transaction. The cash manager's main responsibilities are the preparation of the investor report, making payments according to the waterfall and drawing on the cash reserve and other sources of liquidity. The cash manager will make cash flow calculations on each quarterly payment date including the yearly interest payment dates. 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 backup cash manager appointed at closing.

Replacement of the servicer

There is no backup servicer appointed at closing. Santander de Titulización S.G.F.T., S.A. (NR) will act as *de facto* backup servicing facilitator after a servicer insolvency or servicer termination event. In the event of servicer insolvency or servicer termination event, the transaction will have available the principal to pay interest, the cash reserve and excess spread.

Securitisation structure analysis

Primary analysis

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

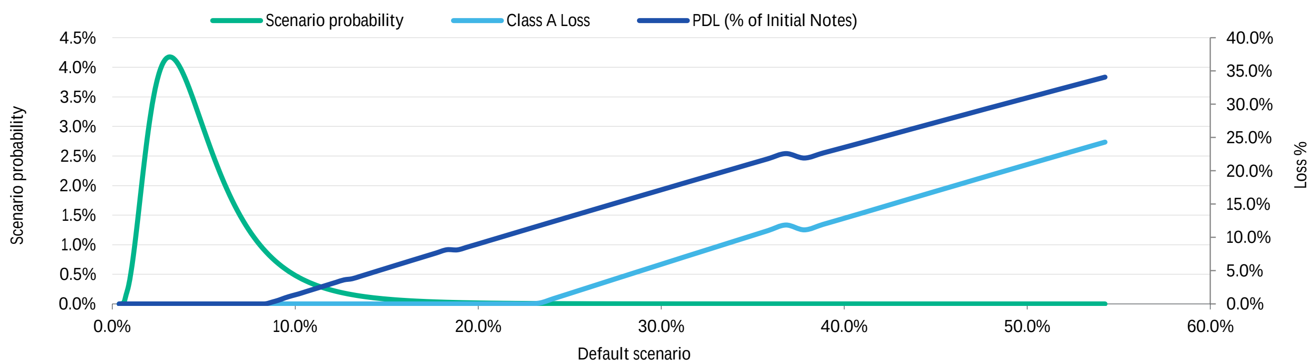
Tranching of the notes

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. This distribution has been applied to numerous default scenarios on the asset side to derive the level of losses on the notes.

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

Exhibit 32

Lognormal loan default probability distribution including tranche A losses and PDL 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.

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.

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

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

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, with the first default occurring with a one-month lag (according to the transaction's definition), a peak at quarter 7 and last default at quarter 20.

Default definition

The definition of a defaulted loan receivable in this transaction is one in respect of which (i) there are one or more instalments that are more than 90 days overdue; or (ii) the servicer, in accordance with the servicing policies, considers that the relevant borrower is unlikely to pay the instalments under the loans as they fall due. Once a receivable has been classified as a defaulted, it will remain classified as such.

Exhibit 33
Comparable transactions - Structural features

Deal Name	FT Santander Consumer Spain Auto 2021-1	Santander Consumer Spain Auto 2020-1, FT	FTA, Santander Consumer Spain Auto 2016-1	FT Santander Consumer Spain Auto 2016-2	BBVA Consumer Auto 2020-1 FT	Autonoria Spain 2021, Fondo De Titulizacion
Revolving period (in years)	1.3	N/A	3.0	4.0 (from first IPD)	1.5	1.0
Size of credit RF (as % of rated notes)	1.0%	1.0%	2.1%	2.0%	0.5%	1.0%
RF amortisation floor (as % of initial total pool)	0.3%	0.5%	2.0%	2.0%	Minimum of 0.5% Class A-C or EUR 1.5 million	0.5%
Set-off risk?	No	No	Yes	Yes	No	No
Set-off mitigant	N/A	N/A	N/A	N/A	N/A	Reserve funded at closing
Commingling risk?	No	No	Yes	Yes	No	No
Commingling mitigant	N/A	N/A	Commingling reserve upon trigger breach	Commingling reserve upon trigger breach	N/A	Reserve funded at closing
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	N/A	Santander de Titulizacion SGFT	Santander de Titulizacion SGFT	Santander de Titulizacion SGFT	Europea de Titulizacion, S.G.F.T., S.A.	Intermoney titulización, S.F.G.T., S.A
Swap in place?	Yes	Yes	No	N/A	Yes	Yes
Swap counterparty long-term rating	A2	A3	N/A	N/A	A2	NR
Swap counterparty short-term rating	P-1	P-2	N/A	N/A	P-1	NR
Type of swap	Cap agreement	Cap agreement	N/A	N/A	Fixed-Floating	Three fixed-floating interest rate swaps
Size of Aaa(sf) rated class	-	-	-	-	-	-
Aa1(sf) rated class	[88.23]%	86.6%	-	-	86.5%	79.0%
Aa2(sf) rated class	-	-	85.0%	85.0%	-	5.5%
Aa3(sf) rated class	-	-	-	-	-	0.0%
A(sf) rated class	[5.79]%	4.6%	4.0%	4.0%	2.5%	5.0%
Baa(sf) rated class	[4.00]%	3.6%	5.5%	8.5%	3.0%	4.0%
Ba(sf) rated class	[1.98]%	3.3%	3.0%	2.5%	3.0%	3.0%
B(sf) rated class	-	1.9%	-	-	2.0%	2.0%
NR class	[1.01]%	1.0%	-	-	3.5%	1.5%
Reserve fund as % of inital total pool	1.0%	1.0%	2.5%	2.0%	0.4%	0.9%
Annualised net excess spread as modelled	[2.2]%	4.6%	N/A	3.2%	Approx 5%	3.1%

Sources: Moody's Investors Service and SCF

Additional structural analysis

Asset transfer, true sale and bankruptcy remoteness

We consider the purchase of the loan receivables an effective true sale under Spanish law and the issuer 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.

Cash reserve

The reserve fund will be fully funded at the closing date through the issuance of Class F. The reserve fund will be available for interest of Classes A to E on an ongoing basis and will cover principal at legal final, thus providing credit enhancement. As from day 1, it amortises to 1% of the outstanding balance of Class A to E notes with a floor of 0.25% of Class A to E notes at closing. The reserve fund in this transaction is in line with other comparable consumer loan ABS transactions.

Commingling risk

The servicer, SCF, is rated A2/P-1 (deposit rating) and commingling risk has not been modelled in our base case model run.

Payments are transferred every two working days to the issuer account in the name of the special purpose vehicle (SPV) held by SCF.

In the event of insolvency or administration by the Bank of Spain, liquidation or substitution of the servicer, or because the management company deems it reasonable, the management company may demand that the servicer notifies obligors of the portfolio's transfer to the issuer and advise obligors that payments on their loans will only be effective as a discharge if made into the issuer account. The management company also has the ability to carry out the notification.

Set-off

SCF is not a deposit-taking entity and deposit set-off has not been modelled in our base case.

Some set-off risk could arise as certain insurance policies were signed together with the loan contract and a default of the insurance provider could theoretically allow borrowers to set-off the premium amount funded via the loan, which is paid up front by the borrowers, against the debt owed to the financing company (or issuer) in case both contracts are considered as linked contracts. However, the funded premium amount as a percentage of the outstanding balance of the pool is not very significant, and we deem this risk as remote given the conditions for set-off in the Spanish legislation; therefore, we have not considered it in our base case cash flow model.

ESG - Governance considerations

This securitisation's governance risk is low and is typical of other auto ABS in the 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 European risk retention requirements, which require the sponsor to hold at least 5% of the credit risk of the transaction.

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

Servicing oversight: The servicer (rated A2/P-1; A3(cr)/P-2(cr)) is a fully regulated bank under 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 auto loans.

Bankruptcy remoteness: We expect to receive legal opinions to the effect that in the event of a bankruptcy or insolvency proceeding with respect to key transaction parties, the securitised auto 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

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 issuer will provide a finalised investor report to us. This report will include all necessary information for us to monitor the transaction.

Data availability*:* Santander de Titulización S.G.F.T., S.A. (NR) will provide the investor report. Transaction documentation will set out a timeline for the investor report. Santander de Titulización 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, no later than one month after the relevant payment date. The frequency of the interest payment date is quarterly during the amortisation period. Investor reports will be publicly available on Santander de Titulización S.G.F.T., S.A.'s website.

Modelling assumptions

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

Exhibit 34
Modelling assumptions

Expected default:	4.0%
PCE:	13.0%
Coefficient of variation (CoV):	59.7%
Timing of defaults/losses:	Sine (1-7-20)
Recovery rate:	35.0%
Recovery lag:	5% quarter 1, 15% quarter 2, 20% quarter 4, 20% quarter 6, 20% quarter 8 and 20% quarter 12
Conditional prepayment rate (CPR):	5% first 18 months; 10% thereafter
Fees (as modelled):	1.0% annual; €100,000 minimum
PDL definition:	Defaults
Amortization profile:	Scheduled amortisation of the assets
Country ceiling:	Aa1
Margin compression:	7.5% CPR stress applied to 50% highest yielding loans
Basis risk adjustment - lender variable rate:	N/A
Basis risk adjustment - other basis mismatch:	N/A
Interest on cash:	0.0%
Commingling risk modelled?	No
Excess spread (model output)*:	[2.2]%

* Annualised excess spread in a zero-default scenario based on 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 Global Approach to Rating Auto Loan- and Lease-Backed ABS, December 2020

New Issue Report:

- Santander Consumer Spain Auto 2020-1, FT
- BBVA Consumer Auto 2020-1 FT
- Autonoria Spain 2021, Fondo De Titulización
- FT, Santander Consumer Spain Auto 2016-1
- FT, Santander Consumer Spain Auto 2016-2

Credit Opinion:

- Santander Consumer Finance S.A., October 2020

Sector Comments:

- Structured Finance – Global: Heard from the Market: Investors andissuers see improving credit environment, June 2021
- Auto ABS – EMEA: Sector Update – Q1 2021: Higher growth in alternative fuel vehicle adoption rates, May 2021
- Auto ABS – Global: Performance risks will increase as coronavirus lockdowns resume and payment moratoriums expire, November 2020

Sector In-Depth:

- Auto loan and lease ABS - EMEA: Performance Update – Excel, May 2021
- Auto ABS- EMEA - Sector Update – Q4 2020: Performance stable in the main markets, February 2021
- Auto ABS – Global Performance risks will increase as coronavirus lockdowns resume and payment moratoriums expire, November 2020

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 the originator's underwriting policies and procedures

Exhibit 35

Originator Ability	At Closing
Sales and Marketing Practices	
Origination Channels:	65% captives, 35% non captives
Origination Volumes:	N/A
Average Length of Relationship Between Dealer and Originator:	N/A
Underwriting Procedures	
% of Loans Automatically Underwritten:	85%
% of Loans Manually Underwritten:	15%
Ratio of Loans Underwritten per FTE* per Day:	N/A
Average Experience in Underwriting or Tenure with Company:	0-5 years
Approval Rate:	Individuals: 72.98% New Car; 64.91% Used Car
Percentage of Exceptions to Underwriting Policies:	N/A
Underwriting Policies	
Source of Credit History Checks:	Internal database, external database: ASNEF, EXPERIAN, CIRBE, INFORMA
Methods Used to Assess Borrowers' Repayments Capabilities:	DTI: used income multiples: not used affordability calculation: Not used
Income Taken into Account in Affordability Calculations:	N/A
Other Borrower's Exposures (i.e. other debts) Taken in Account in Affordability Calculations:	all outstanding secured and/or unsecured debt with SCF
Method Used for Income Verification:	Internal check on current account
Maximum Loan Size:	EUR 250,000
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 integrated within SCF (one manager, one assistant manager and 16 analysts)
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:	Formalised underwriting induction programme and ongoing training
Technology	
Frequency of Disaster Recovery Plan Test:	N/A

Source: SCF

Appendix 2: Summary of the servicer's collection procedures

Exhibit 36

Servicer Ability	At Closing
Loan Administration	
Entities Involved in Loan Administration:	Outsourced to: Reintegra, Lindorff, Codeactivos, Exco Expansion, Arvato-Team4-Gescobro, Link
Early Stage Arrears Practices	Early attempts contact; face to face visits starting from the 45th day in arrears.
Entities involved in Early Stage Arrears:	Functions outsourced to Reintegra SA
Definition of Arrears	
Arrears Strategy for 1-29 Days Delinquent:	Activity starts after 1 days past due with a reminder letter/sms/e-mail sent to the client
Arrears Strategy for 30 to 59 Days Delinquent:	Follow-up calls and face to face visits Frequency of attempt until reaching the borrower
Arrears Strategy for 60 to 89 Days Delinquent:	Follow-up calls and face to face visits
Data Enhancement in Case Borrower is Not Contactable:	Strategies to obtain correct/updated contact details: use of outsourced back office and face to face recovery agents database
Loss Mitigation and Asset Management Practices	
Transfer of a Loan to the Late Stage Arrears Team:	After 90 days in arrears, contracts with an outstanding amount lower than EUR 5,000 remain with the early stage arrears team. After 180 days, the contract is moved to the legal recovery phase.
Entities Involved in Late Stage Arrears:	Face to face recovery agents from SCF and external recovery agents from Lindorff
Ratio of Loans per Collector (FTE):	Between 100 and 150 loans per collector
Time from First Default to Litigation /Sale:	175 days from first default to litigation
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:	0-5 years
Training of New Hires Specific to the Servicing Function (i.e. excluding the company induction training):	Two months of training
Quality Control and Audit	
Responsibility of Quality Assurance:	Outsourced to Reintegra SA
IT and Reporting	
Frequency of Disaster Recovery Plan Test:	N/A

Source: SCF

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