# Santander Consumer Bank AG

## Full Rating Report

### Ratings

| | |
|---|---|
| Long-Term IDR | A- |
| Short-Term IDR | F2 |
| Viability Rating | a- |
| Support Rating | 1 |
| Derivative Counterparty Rating | A-(dcr) |
| Long-Term Deposit Rating | A- |
| Short-Term Deposit Rating | F2 |

### Sovereign Risk

| | |
|---|---|
| Long-Term Foreign-Currency IDR | AAA |
| Long-Term Local-Currency IDR | AAA |

### Outlooks

| | |
|---|---|
| Long-Term Foreign-Currency IDR | Stable |
| Sovereign Long-Term Foreign-Currency IDR | Stable |
| Sovereign Long-Term Local-Currency IDR | Stable |

### Financial Data

| Santander Consumer Bank AG | 2016 | 2015 |
|---|---|---|
| Total assets (USDm) | 45,803 | 45,862 |
| Total assets (EURm) | 43,453 | 42,124 |
| Total equity (EURm) | 3,063 | 3,063 |
| Net interest margin (%) | 2.9 | 3.1 |
| Cost/income ratio (%) | 56 | 56 |
| Operating profit/RWAs (%) | 2.6 | 2.7 |
| Operating ROAE (%) | 17.3 | 17.9 |
| LICs/gross loans (%) | 0.3 | 0.4 |
| NPL ratio (%) | 2.1 | 3.0 |
| Fitch Core Capital ratio (%) | 14.0 | 13.7 |
| CET1 ratio (fully loaded) (%) | 13.2 | 12.8 |
| Tangible equity/tangible assets (%) | 6.5 | 6.6 |
| Loans/client deposits (%) | 133 | 124 |

RoRWA: Return on Average Risk Weighted Assets
RoAE: Return on Average Equity
LICs: Loan Impairment Charges
NPL: Non-Performing Loans

### Related Research

Santander Consumer Bank AG - Ratings Navigator (August 2017)

Fitch Affirms Santander Consumer Finance at 'A-'; Outlook Stable (November 2017)

Fitch 2018 Outlook: Western European Banks (December 2017)

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## Key Rating Drivers

**VR and Support Drive IDRs:** Santander Consumer Bank AG's (SCB AG) Issuer Default Ratings (IDRs) reflect its solid standalone profile reflected in its Viability Rating (VR) and strong support from its ultimate parent, Banco Santander, S.A. (Santander, A-/Stable/a-). SCB AG's VR reflects its strong and stable profitability underpinned by its good consumer lending franchise in Germany, well-controlled risk, adequate capitalisation and sound funding profile.

**Integration Underpins Support:** Fitch Ratings believes Santander's ability and propensity to provide SCB AG with support are high. Consumer finance is a core activity for Santander. SCB AG is deeply integrated into the group's systems via its intermediate parent Santander Consumer Finance, S.A. (SCF; A-/Stable/bbb+) and uses Santander's brand name. SCB AG has by far the largest stock of loans and deposits of all SCF's subsidiaries.

**Strong and Stable Performance:** SCB AG's operating profitability has consistently been one of the German banking sector's highest and most stable through recent economic cycles. The bank benefits from strong pricing power in its established consumer finance franchise, which ensures robust risk pricing and mitigates the pressure from the low-interest-rate environment.

**Diversification beyond Consumer Finance:** We expect SCB AG to gradually diversify its revenue as it expands its still modest SME banking and mortgage lending franchises. This will moderately dilute its interest margins, but its high-margin consumer finance business should continue to dominate and ensure solid profitability, even if the operating environment weakens.

**Solid Risk Profile:** SCB AG's solid and improving asset quality reflects its focus on granular, mostly secured, retail lending, supported by its risk-management expertise in consumer finance amid a strong German economy. With its good non-performing loan (NPL) reserve coverage and diversification beyond consumer finance, this mitigates the higher risk inherent in this asset class. Interest-rate risk is modest as consumer loans with moderate duration dominate.

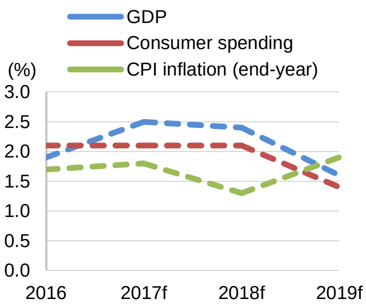
**Adequate Capitalisation, No Profit Retention:** Our assessment of SCB AG's capitalisation includes Santander's ordinary support available through a control and profit transfer agreement (CPTA), which obliges SCF to compensate any annual loss SCB AG may incur. However, the CPTA also prevents internal capital generation as it forces SCB AG to transfer its entire net income to SCF. This would make SCB AG rely on capital injections from Santander if it resumes significant loan growth, envisages acquisitions or incurs large operating losses.

**Diversified Funding, Independent from Santander:** SCB AG has diversified its funding since 2014 by increasing the origination of retained auto and consumer asset-backed securities (ABS) to reduce its funding costs by accessing the ECB's targeted longer-term refinancing operations (TLTRO) in 2016. In 2017, the bank also started issuing senior unsecured debt and mortgage-backed Pfandbriefe, which will further diversify its funding mix, although we expect retail deposits to remain its main funding source.

## Rating Sensitivities

**Group Support, Earnings Diversification:** SCB AG's IDRs would only be downgraded if we downgrade its VR and if, in addition, we perceive weakening support from Santander (driven by a downgrade of Santander's IDRs or a weaker incentive to support). Severe margin or asset-quality pressure in consumer finance or capital injections from Santander that are insufficient to match SCB AG's loan growth may trigger a downgrade of the VR. An upgrade of the VR would require significant diversification outside consumer finance with contained margin dilution.

**Germany - Forecast Summary**




Source: Fitch - Germany - December 2017 Global Economic Outlook Forecast

## Operating Environment

### Benign German Economic Environment

SCB AG operates almost exclusively in Germany, where household and corporate insolvencies are low and property markets remain generally sound despite rising risk of local overheating. The strong labour market supports household consumption, but the savings rate close to 10% is higher than in most advanced markets. Global uncertainties are a significant risk for Germany's highly open economy, subdued global growth may affect the development of export-oriented SMEs, and the protracted Brexit process adds risks as it is likely to weigh on the exports of EU economies. However, the sound domestic fundamentals should continue to support growth.

### Most German Banks' Performance Suffers from High Competitive Pressure

German banks' performance benefits from the strong domestic economic environment, with loan impairments at historical lows in all asset classes in which SCB AG operates. However, only a minority of banks (including SCB AG) successfully mitigate the strong margin pressure, mostly by focusing on less affected asset classes. Margin pressure is driven by structurally strong competition and currently compounded by low interest rates. This limits most banks' internal capital generation and weakens investor confidence in the banking sector's earnings capacity.

The German banking sector's reliance on unsecured market funding is moderate as the vast domestic deposit market is the sector's main funding source. A resolution regime for German banks in force since 2017 includes retroactive statutory subordination of non-structured senior unsecured bonds to deposits, derivatives and structured liabilities. This considerably limits the banks' need to issue unsecured debt to fulfil their minimum requirements for own funds and eligible liabilities and total loss-absorbing capacity (TLAC). We expect the outstanding non-structured senior unsecured bonds to rank pari passu with the new class of contractual senior non-preferred debt that the German legislator will have to introduce by end-2018 to implement the revision of the EU's Bank Resolution and Recovery Directive decided in December 2017.

## Company Profile

### Successful Long-Term Presence in Germany

SCB AG conducts Santander's German operations, with a primary focus on consumer finance, one of Santander's 10 core markets. Santander's commitment to German consumer finance dates back to 1988, when it bought 50% of SCB AG's forerunner CC-Bank. The group merged its German direct banking operations with CC-Bank in 2003, which was renamed Santander Consumer Bank AG in 2006. SCB AG's average RoAE of 15%-20% since 2009 makes it a profitable investment generating predictable returns for Santander. Since 2012, SCB AG has upstreamed profits of about EUR2 billion to Santander. This exceeds Santander's equity injections to back SCB AG's acquisitions in the preceding years.

### Simplification of Organisation Should Facilitate Synergies and Cost Savings

SCB AG has operated two brands as fairly independent silos with distinct products, branch networks and IT systems. The Santander Consumer Bank (SCB) brand covers retail deposit taking and consumer lending, both secured (mostly cars) and unsecured (notably durable goods at retailers' points of sales). The Santander Bank (SB) brand covers residential mortgage lending, small business banking, retail deposit taking and a small investment product business. SB largely emanates from the German operations of Swedish bank SEB, which SCB AG acquired in 2011, and also includes an online branch, Santander Direkt Bank.

In 3Q17, SCB AG announced a restructuring plan including the closure of about a third of its branches, a reduction of its workforce by about 15% and a merger of SCB and SB into a single "Santander" brand. The bank's entire product offering will then become available from about 200 remaining branches. This should improve the brand's visibility and cross-selling of SB and

**Related Criteria**

Global Bank Rating Criteria (November 2016)

SCB's clients, which the current setup considerably constrains. The alignment of SCB and SB's IT systems in recent years should facilitate the integration and limit operational risk.

### Leading German Consumer Lender; Expands in SME and Mortgage Lending

SCB AG has six million consumer finance clients and is the largest non-captive car lender in Germany (excluding the aggregated market shares of cooperative and savings banks, which do not form consolidated groups). It ranks second in the fragmented car financing market behind Volkswagen Bank and ahead of Ford's, PSA's, Daimler's and BMW's captive finance arms.

Since the acquisition of SEB's German operations, SCB AG has been transitioning to a medium-sized universal banking model. This positively influences our assessment of its company profile and contrasts with its sister banks across Europe, most of which are still pure consumer lenders. SCB AG is expanding into mortgage lending and corporate banking, offering trade finance and ancillary services, including hedging and foreign-currency loans, to entrepreneurs who export to Santander's core markets.

Guided by a cautious approach to growth, this transition has limited risk as management has had ample time since 2011 to gather the necessary expertise and adapt its risk infrastructure to the slow growth of these new asset classes. The bank's focus on a limited suite of core products should enable it to maintain a lean organisational setup, although its cost structure is unlikely to remain as highly efficient as when it was a pure consumer finance lender.

## Management and Strategy

### Solid Record of Executing Clearly Defined Objectives

SCB AG's stable corporate culture is aligned with that of Santander, which defines its strategic targets. In consumer lending, SCB AG grows organically to defend its leading market share. In business and corporate banking, it cooperates with Santander to increase its low market share by developing its international business and differentiate itself from domestic banks with less-developed foreign networks.

Management turnover is moderate and senior roles are regularly staffed with managers from Santander. We do not expect material implications from the replacement of SCB's chief executive in 1Q18 as the bank's strategic objectives will remain closely coordinated with Santander and the new chief executive has been with the group for five years. SCB AG's management has good depth and strong expertise in consumer finance, where its solid franchise reflects its well defined and executed strategy. Management has a good record of integrating sizeable acquisitions over the past two decades and benefits from the resources and expertise of Santander, whose record of forming universal or consumer banks through acquisitions across Europe is equally solid.

SCB AG's sound corporate governance practices and effective corporate oversight are in line with those of its parent. Its supervisory board includes independent members and non-executive directors linked to other companies of the Santander group.

## Risk Appetite

### Sound Risk Management Infrastructure

SCB AG's strong record of risk management and monitoring is underpinned by its long experience in consumer lending. The bank is fully integrated into Santander's centralised risk management framework. Its low and declining NPL ratio and moderate charge-off rate also reflect its robust credit approval process and sound underwriting standards and strongly benefit from the strength of the German economy. Most retail loans are secured by mortgages on residential real estate or in consumer lending, by the transfer of title of the financed vehicles by way of security or by the security assignment of wage claims to SCB AG.

SCB AG complies with Santander's general lending requirements. Its own credit approval process benefits from very high automation in consumer finance, where all credit applications are processed through standardised scorecards to verify clients' creditworthiness and separate assessments of collateral and debt servicing capacity. The bank also uses credit risk management modules for residential real estate and unsecured corporate lending.

### Cautious Approach to Interest-Rate Risk; No Material Traded Market Risk

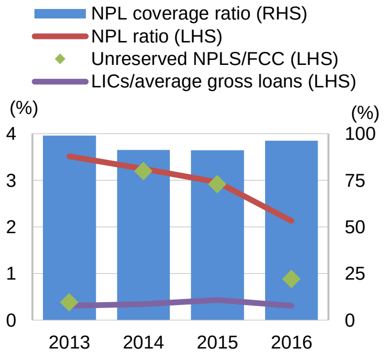
As a non-trading bank, taking on market risk is not part of SCB AG's business model. Interest-rate risk from the maturity mismatch between its assets and liabilities is its dominant (but moderate) source of market risk, particularly since the acquisition of SEB's housing loan portfolio. This is because residential mortgage lending in Germany is predominantly at fixed rates resettable after 10 years (and increasingly longer at some competitors).

SCB AG systematically hedges its interest-rate risk by swapping the fixed rates on its mortgage loans to variable, mostly with Santander. Consequently, a 200bp upward parallel shift of the interest-rate curve would have reduced its equity by a modest EUR14 million at end-2016.

We also expect SCB AG to maintain its cautious approach to interest-rate risk by awaiting a material increase in interest rates to allocate more capital to ramp up mortgage loan origination, which has been muted since the acquisition of SEB's portfolio. Beside management's sound risk-return standards, this approach reflects the flexibility arising from the strong risk-return profile of the consumer lending business. It also contrasts with most large German banks, which, by originating large volumes of mortgage loans to counter the erosion of their net interest income, have also been locking in very low fixed rates in recent years. We also expect SCB AG to fund a significant share of its future mortgage lending with long-term Pfandbriefe.

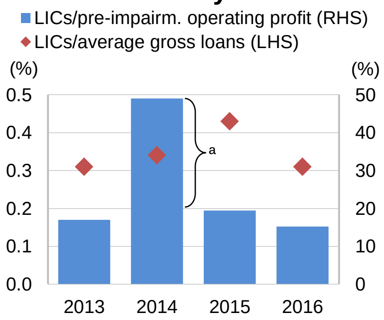
In addition, SCB AG's structural interest-rate risk is likely to remain moderate as consumer loans should continue to dominate its loan exposure in the medium term. Consumer loans generate little structural interest-rate risk as their average duration of less than three years broadly matches the bank's funding base, which consists of about 70% of medium-term funds (notably TLTRO and retained ABS). We also estimate that SCB's pricing power in consumer finance would adequately mitigate the upward repricing of its overnight deposits (about 30% of total funding) that an increase of market interest rates would trigger.

**Sound Asset Quality**




Source: SCB AG

**LICs Remain Very Low**




[a] Pre-impairment income depleted by two thirds due to loan processing fee repayment
Source: SCB AG

## Asset Quality

### Solid Loan Book Dominated by Collateralised Car and Mortgage Financing

SCB AG's asset quality is stable and its NPLs are low for a business dominated by consumer lending. Loans are well collateralised and unreserved NPLs amounted to only 1% of the bank's common equity Tier 1 (CET1) at end-2016. Increasing the NPL coverage to 100% would cost a modest 5% of the bank's 2016 net income. We expect the NPL ratios in consumer and mortgage lending to remain low and NPL coverage (including conservatively valued mortgage collateral) to stay high in the medium term, helped by the solid economic growth prospects.

SCB AG's sophisticated collection process includes intensive contacts with borrowers from the first day past due and allows high recoveries compared with peers. The loan portfolio's risk profile benefits from its good diversification by loan type and from its high granularity.

Most of SCB AG's loans are secured by passenger cars or residential properties. Two thirds of the car financing portfolio pertains to used cars, which typically allow higher recoveries than new cars. The bank does not finance large fleets, which is positive for its probability of default (PD) volatility, loss given default and concentration risk. The auto loans' average PD has decreased substantially in recent years thanks to the benign economic environment. The latter also benefits car dealers, to which SCB AG has a sizeable exposure and which are particularly vulnerable to severe economic downturns (such as in 2009-2010).

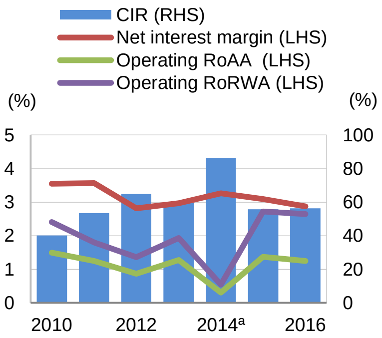
The bank focuses on originating mortgages with loan-to-value (LTV) ratios in the 54-72% range to maximise their eligibility to its growing Pfandbrief pool. However, this is only slowly improving the stock's average LTV as loan origination is currently very low.

## Earnings and Profitability

### Strong and Stable Profitability

SCB AG's underlying profits have been stable through the latest economic and interest-rate cycles, and its profitability metrics have consistently and clearly exceeded the German banking sector's average. Although consumer loans generally carry fixed rates, their moderate duration offers high flexibility to adapt to changing market and interest-rate environments. SCB AG reports under German GAAP only. While German GAAP generally smooths earnings volatility, we believe this effect is limited at SCB AG in light of its balance-sheet structure.

**Stable Performance**

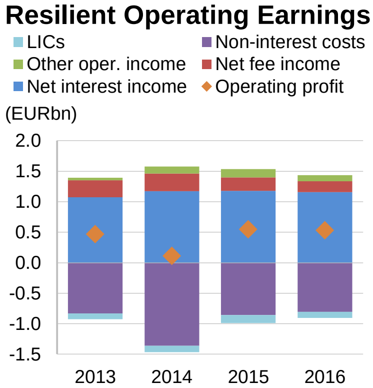



ª Hit by repayment of loan processing fees
Source: SCB AG

We expect the bank's pricing power to remain strong enough to fend off the margin pressure that arises from increasing competition as some competitors increasingly turn to consumer lending as a way to mitigate tighter margins in corporate and mortgage lending.

SCB AG's ability to absorb out of its 2014 operating profit the repayment of the loan processing fees earned in the preceding 10 years illustrates its resilience to unforeseen operational events (the bank provisioned EUR456 million in 2014 to cover client claims following a ruling by the German Federal Court of Justice that processing fees are not permitted in consumer loan contracts).

**Resilient Operating Earnings**




Source: SCB AG

### Consumer Finance Dominates

We expect the high-margin car and unsecured consumer financing business to remain the bank's dominant profit driver. In 2016, new and used car financing business origination increased by 10% and 6%, respectively. At the same time, the revenue contribution from unsecured durable goods financing declined by 6%, mainly due to changes in consumer habits and the trend from purchases at the point-of-sale towards e-commerce. The bank is investing in e-commerce projects to limit the erosion of its traditional client base.

### Record-Low Loan Impairment Charges

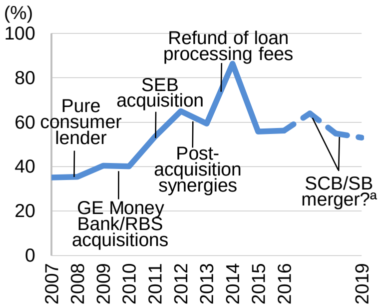
SCB AG's loan impairment charges (LICs) declined by 27% in 2016 to a very low EUR96 million, driven by the exceptionally benign German economy and the optimisation of NPL collection. We expect LICs to remain sufficiently low to offset SB's weak performance until SB ramps up its new business origination to material levels.

### SB's Slow Turnaround and Mortgage Loan Portfolio Dilute Profits

Mortgage lending contributed less than 15% to SCB AG's net interest income in 2016 as the segment's performance suffers from the aggressively priced portfolio inherited from SEB in 2011 and very low origination ever since. It will take several years of origination at the current rate for the portfolio to provide material profit diversification and its profit contribution is likely to remain well below that of the consumer lending business. This is only partly mitigated by the strong growth of business and corporate banking in relative terms but from a very low base.

**Cost-Income Ratio**

Impact of one-off developments




ª Fitch assumptions (broad trend only)
Source: SCB AG, Fitch

We believe the planned merger of the SB and SCB brands could trigger material short-term restructuring costs but also improve the bank's medium-term cost/income ratio towards 50%. SB's restructuring has mitigated the erosion of SCB AG's interest margin driven by competitive pressure in other segments, such as car dealer financing. In our view, SB could have become initially modestly but durably profitable from 2018 even without the merger.

## Capitalisation and Leverage

### Material Asset Growth Relies on Capital Reinjections from Santander

Our assessment of SCB AG's capitalisation includes Santander's ordinary support available through the CPTA, which obliges SCF to compensate any annual loss SCB AG may incur.

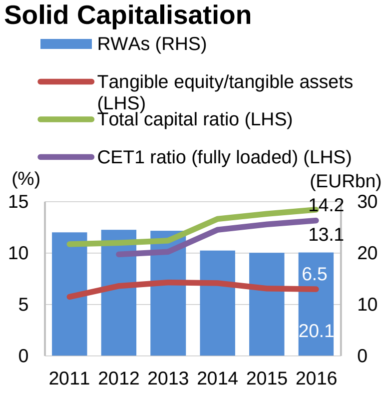
However, the CPTA also prevents earnings retention by forcing SCB AG to upstream its full annual profit to SCF via its immediate parent Santander Consumer Holding GmbH, a Germany-based holding company. In principle, the CPTA does not deprive SCB AG's of its ability to build up capital by allocating a part of its operating profits to its reserve for general banking risks under Article 340g of the German commercial code. However, the bank's modest use of these reserves has made it reliant on capital injections from Santander to back large acquisitions or material loan growth. Asset growth is most likely to resume when interest rates rise, which should prompt an acceleration of mortgage loan origination.

### Bail-In-Able Senior Debt Buffer Likely to Increase

Under Santander's multiple-points-of-entry resolution strategy, major local subsidiaries must fulfil the group's TLAC requirements by early 2019. Retail deposits and secured funding (ABS) have historically dominated SCB AG's funding, resulting in a small buffer of non-preferred senior unsecured and junior debt of about 2% of its risk-weighted assets (RWAs) at end-2016. However, the bank issued an inaugural non-preferred senior unsecured bond of EUR500 million in 3Q17 under its new EUR5 billion debt issuance programme (DIP)

Senior preferred issuances may follow to increase funding diversification. Moreover, the bank, being in a resolution group with Banco Santander and Santander Consumer Finance, will be prepared to place internal senior non-preferred debt with its parent company SCF, if minimum requirement for own funds and eligible liabilities and TLAC requirements demand so and will issue more to build up local TLAC. The multiple-points-of-entry approach is unlikely to lower the high fungibility of capital between SCB AG and Santander as long as the CPTA is in place.

**Solid Capitalisation**



Source: SCB AG

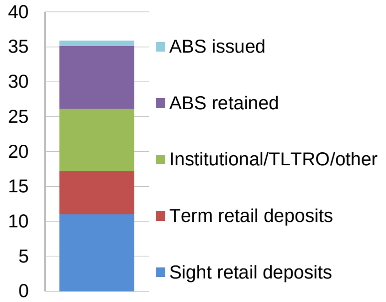
### RWA Optimisation Through Capital Management

Capital management measures since 2014, of which the first-time use of the advanced internal rating-based approach (IRBA) for retail consumer loans (74% of total client assets) in 2014 was the most significant, and, to a lesser extent, lower deductions for intangible assets have reduced SCB AG's RWAs by 22% and strengthened its CET1 ratio to about 13% at end-2015 from about 10% at end-2013. ABS issuance with risk transfer has further reduced capital usage by reducing RWAs by EUR0.9 billion in 2015 and EUR0.4 billion in 2016. The shift to the IRBA was a one-off measure, but we view further capital-enhancing ABS issues as possible.

### Dominance of Consumer Lending Results in Solid Leverage

SCB AG's regulatory leverage ratio of 7.4% at end-2016 is high for a retail bank operating in a strong market and is well above the German banking sector's average. The bank's CET1 and leverage ratios have diverged since the shift to IRBA in 2014. However, its risk density close to 50% at end-2016 remains well above the banking sector's average as consumer loans carry inherently high risk-weights even under IRBA. Therefore, the leverage ratio should remain robust as we expect the bank to remain predominantly a consumer lender.

**Simplified Funding Mix**
End-2016
(EURbn)



Source: SCB AG, Fitch

## Funding and Liquidity

### Funding Independent from Santander

Unlike consumer finance units of other large banking groups, SCB AG's funding is independent from its parent. From 2008 to 2011, the rapid growth of its granular retail deposits had turned SCB AG into a net liquidity provider to Santander. However, the German regulator drastically curtailed liquidity upstreaming in 2012 amid concerns surrounding the Spanish banking sector by imposing a limit that still remains in place.

### Liquidity Buffer Significantly Improved

SCB AG's liquidity investments used to concentrate on retained ABS issuances. However, due to restrictions on liquidity upstreaming imposed by the German regulator, the bank's liquidity buffer now almost entirely consists of ECB-eligible retained ABS. Thanks to its large stock of retail deposits considered stable, SCB AG regulatory liquidity coverage and net stable funding ratios are strong at 234% and 122% respectively at end-2016. The bank has boosted the share of its total assets that are ECB-eligible to 19% at end-2016 from 5% at end-2013 by significantly increasing its ABS issuance. This supports our view that its large pool of high-quality assets enables flexible and reliable creation of liquidity.

### TLTRO, Pfandbriefe and DIP Cuts Funding Costs and Diversify Funding Mix

SCB AG's increasingly diversified funding and ability to issue large volumes of secured funding (ABS and, increasingly, Pfandbriefe) provide sufficient flexibility to adapt to changing market conditions. The bank has rapidly raised its issuance of ECB-eligible retained ABS since 2013 to build up its stock of comparably cheap TLTRO funding to EUR5.5 billion at end-2016. Having received regulatory approval to issue mortgage-backed Pfandbriefe in 2016, the bank placed its inaugural issuance of EUR250 million in 4Q17 to accomplish market entry. Debt markets may be used to replace some maturing TLTROs in the future.

Establishing a presence, even modest, in the senior unsecured debt market will further improve the bank's funding diversification and flexibility.

### Significant Asset Encumbrance

The diversification toward TLTRO and Pfandbriefe reduces SCB AG's funding costs, reliance on individual funding sources and asset/liability mismatch arising from its long-term mortgage loans. However, it also increases the already material asset encumbrance that results from the bank's intensive use of ABS funding. We estimate that 23% of the bank's total assets were pledged for secured funding at end-2016.

## Senior Debt, Deposit and Derivative Counterparty Ratings

The ratings of SCB AG's DIP and non-preferred senior notes are equalised with, and sensitive to, changes in the IDRs. The bank's funding remains dominated by deposits and ABS, which both benefit from preferential treatment under the German statutory resolution regime in place since 2017. As a result, the still modest (but rapidly rising) loss-absorbing buffer of junior and vanilla senior debt does not yet provide material incremental PD protection to derivative counterparties or depositors or enough comfort that recoveries would be above average in a default scenario. Therefore, we equalise the Derivative Counterparty (DCR) and Deposit Ratings with the IDRs.

### Further TLAC Issuance Could Trigger DCR and Deposit Rating Uplift

However, we could notch the DCR and Long-Term Deposit Rating once above the Long-Term IDR if the bank increases its qualifying junior and vanilla senior debt buffers sufficiently to restore viability and prevent a default on its derivative obligations and deposits after a failure. Assuming roughly stable RWAs in the medium term, adding EUR1 billion of non-preferred senior debt to the EUR500 million already issued in 2017 could be sufficient to merit a one-notch uplift of the DCR and Long-Term Deposit Rating. The DCR and Deposit Ratings are also sensitive to changes in the IDRs and to any changes to the resolution regime, which may alter the hierarchy of liabilities in resolution, although this is not our expectation.

# Santander Consumer Bank AG
# Income Statement

| | 31 Dec 2016 Year End EURm Audited - | 31 Dec 2015 Year End EURm Audited - | 31 Dec 2014 Year End EURm Audited - | 31 Dec 2013 Year End EURm Audited - | 31 Dec 2012 Year End EURm Audited - |
|---|---|---|---|---|---|
| 1. Interest Income on Loans | 1,411 | 1,541 | 1,722 | 1,847 | 2,166 |
| 2. Other Interest Income | 110 | 100 | 67 | 34 | 39 |
| 3. Dividend Income | 0 | 0 | 0 | 0 | 0 |
| **4. Gross Interest and Dividend Income** | **1,521** | **1,641** | **1,789** | **1,881** | **2,205** |
| 5. Interest Expense on Customer Deposits | n.a. | n.a. | n.a. | n.a. | n.a. |
| 6. Other Interest Expense | 364 | 464 | 613 | 808 | 1,133 |
| **7. Total Interest Expense** | **364** | **464** | **613** | **808** | **1,133** |
| **8. Net Interest Income** | **1,157** | **1,177** | **1,176** | **1,073** | **1,072** |
| 9. Net Gains (Losses) on Trading and Derivatives | n.a. | n.a. | n.a. | n.a. | n.a. |
| 10. Net Gains (Losses) on Other Securities | n.a. | n.a. | n.a. | n.a. | n.a. |
| 11. Net Gains (Losses) on Assets at FV through Income Statement | n.a. | n.a. | n.a. | n.a. | n.a. |
| 12. Net Insurance Income | n.a. | n.a. | n.a. | n.a. | n.a. |
| 13. Net Fees and Commissions | 178 | 219 | 288 | 276 | 275 |
| 14. Other Operating Income | 100 | 141 | 113 | 47 | 64 |
| **15. Total Non-Interest Operating Income** | **279** | **360** | **401** | **323** | **339** |
| 16. Personnel Expenses | 260 | 302 | 267 | 255 | 301 |
| 17. Other Operating Expenses | 547 | 555 | 1,094 | 575 | 615 |
| **18. Total Non-Interest Expenses** | **807** | **857** | **1,361** | **830** | **916** |
| 19. Equity-accounted Profit/ Loss - Operating | n.a. | n.a. | n.a. | n.a. | n.a. |
| **20. Pre-Impairment Operating Profit** | **628** | **681** | **216** | **566** | **494** |
| 21. Loan Impairment Charge | 96 | 132 | 106 | 97 | 161 |
| 22. Securities and Other Credit Impairment Charges | 2 | 1 | n.a. | n.a. | n.a. |
| **23. Operating Profit** | **530** | **547** | **110** | **470** | **334** |
| 24. Equity-accounted Profit/ Loss - Non-operating | n.a. | n.a. | n.a. | n.a. | n.a. |
| 25. Non-recurring Income | n.a. | n.a. | n.a. | n.a. | n.a. |
| 26. Non-recurring Expense | n.a. | n.a. | n.a. | n.a. | n.a. |
| 27. Change in Fair Value of Own Debt | n.a. | n.a. | n.a. | n.a. | n.a. |
| 28. Other Non-operating Income and Expenses | n.a. | n.a. | 0 | n.a. | n.a. |
| **29. Pre-tax Profit** | **530** | **547** | **110** | **470** | **334** |
| 30. Tax expense | 0 | 0 | 0 | 4 | 0 |
| 31. Profit/Loss from Discontinued Operations | n.a. | n.a. | n.a. | n.a. | n.a. |
| **32. Net Income** | **530** | **547** | **110** | **466** | **334** |
| 33. Change in Value of AFS Investments | n.a. | n.a. | n.a. | n.a. | n.a. |
| 34. Revaluation of Fixed Assets | n.a. | n.a. | n.a. | n.a. | n.a. |
| 35. Currency Translation Differences | n.a. | n.a. | n.a. | n.a. | n.a. |
| 36. Remaining OCI Gains/(losses) | n.a. | n.a. | n.a. | n.a. | n.a. |
| **37. Fitch Comprehensive Income** | **530** | **547** | **110** | **466** | **334** |
| 38. Memo: Profit Allocation to Non-controlling Interests | n.a. | n.a. | n.a. | n.a. | n.a. |
| 39. Memo: Net Income after Allocation to Non-controlling Interests | 530 | 547 | 110 | 466 | 334 |
| 40. Memo: Common Dividends Relating to the Period | 530 | 547 | 110 | 466 | 334 |
| 41. Memo: Preferred Dividends Related to the Period | n.a. | n.a. | n.a. | n.a. | n.a. |

# Santander Consumer Bank AG
## Balance Sheet

| | 31 Dec 2016 Year End EURm | 31 Dec 2015 Year End EURm | 31 Dec 2014 Year End EURm | 31 Dec 2013 Year End EURm | 31 Dec 2012 Year End EURm |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| **A. Loans** | | | | | |
| 1. Residential Mortgage Loans | 4,311 | 4,719 | 5,161 | 5,798 | 6,411 |
| 2. Other Mortgage Loans | 0 | n.a. | n.a. | n.a. | n.a. |
| 3. Other Consumer/ Retail Loans | 25,602 | 24,361 | 24,080 | 23,421 | 23,167 |
| 4. Corporate & Commercial Loans | 1,635 | 1,781 | 1,610 | 1,946 | 1,925 |
| 5. Other Loans | 0 | 0 | 0 | 0 | 0 |
| 6. Less: Reserves for Impaired Loans | 647 | 833 | 915 | 1,087 | 1,208 |
| **7. Net Loans** | **30,901** | **30,028** | **29,936** | **30,077** | **30,295** |
| **8. Gross Loans** | **31,548** | **30,861** | **30,851** | **31,164** | **31,503** |
| 9. Memo: Impaired Loans included above | 671 | 913 | 1,002 | 1,097 | 1,154 |
| 10. Memo: Loans at Fair Value included above | n.a. | n.a. | n.a. | n.a. | n.a. |
| **B. Other Earning Assets** | | | | | |
| 1. Loans and Advances to Banks | 910 | 1,359 | 889 | 3,352 | 3,874 |
| 2. Reverse Repos and Cash Collateral | n.a. | n.a. | n.a. | n.a. | n.a. |
| 3. Trading Securities and at FV through Income | n.a. | n.a. | n.a. | n.a. | n.a. |
| 4. Derivatives | n.a. | n.a. | n.a. | n.a. | n.a. |
| 5. Available for Sale Securities | n.a. | n.a. | n.a. | n.a. | n.a. |
| 6. Held to Maturity Securities | n.a. | n.a. | n.a. | n.a. | n.a. |
| 7. Equity Investments in Associates | 301 | 106 | 104 | 101 | 1 |
| 8. Other Securities | 9,243 | 7,868 | 6,206 | 2,478 | 2,066 |
| **9. Total Securities** | **9,544** | **7,975** | **6,310** | **2,579** | **2,067** |
| 10. Memo: Government Securities included Above | n.a. | n.a. | n.a. | 0 | 10 |
| 11. Memo: Total Securities Pledged | n.a. | n.a. | n.a. | n.a. | n.a. |
| 12. Investments in Property | n.a. | n.a. | n.a. | n.a. | n.a. |
| 13. Insurance Assets | n.a. | n.a. | n.a. | n.a. | n.a. |
| 14. Other Earning Assets | n.a. | n.a. | n.a. | n.a. | n.a. |
| **15. Total Earning Assets** | **41,356** | **39,362** | **37,135** | **36,008** | **36,235** |
| **C. Non-Earning Assets** | | | | | |
| 1. Cash and Due From Banks | 1,689 | 2,293 | 1,016 | 343 | 301 |
| 2. Memo: Mandatory Reserves included above | n.a. | n.a. | n.a. | n.a. | n.a. |
| 3. Foreclosed Real Estate | n.a. | n.a. | n.a. | n.a. | n.a. |
| 4. Fixed Assets | 74 | 76 | 53 | 52 | 51 |
| 5. Goodwill | n.a. | n.a. | n.a. | n.a. | 0 |
| 6. Other Intangibles | 252 | 315 | 353 | 457 | 472 |
| 7. Current Tax Assets | n.a. | n.a. | n.a. | n.a. | n.a. |
| 8. Deferred Tax Assets | n.a. | n.a. | n.a. | n.a. | n.a. |
| 9. Discontinued Operations | n.a. | n.a. | n.a. | n.a. | n.a. |
| 10. Other Assets | 83 | 78 | 77 | 33 | 41 |
| **11. Total Assets** | **43,453** | **42,124** | **38,635** | **36,892** | **37,098** |
| **Liabilities and Equity** | | | | | |
| **D. Interest-Bearing Liabilities** | | | | | |
| 1. Customer Deposits - Current | 13,490 | 14,077 | 12,823 | 12,390 | 10,267 |
| 2. Customer Deposits - Savings | 1,385 | 1,632 | 2,062 | 2,422 | 2,922 |
| 3. Customer Deposits - Term | 8,897 | 9,121 | 10,682 | 12,381 | 16,576 |
| **4. Total Customer Deposits** | **23,772** | **24,830** | **25,567** | **27,193** | **29,765** |
| 5. Deposits from Banks | 5,914 | 4,991 | 1,954 | 1,704 | 760 |
| 6. Repos and Cash Collateral | n.a. | n.a. | n.a. | n.a. | n.a. |
| 7. Commercial Paper and Short-term Borrowings | n.a. | n.a. | n.a. | 0 | 0 |
| **8. Total Money Market and Short-term Funding** | **29,686** | **29,821** | **27,521** | **28,898** | **30,526** |
| 9. Senior Unsecured Debt (original maturity > 1 year) | n.a. | n.a. | n.a. | n.a. | n.a. |
| 10. Subordinated Borrowing | 0 | 22 | 42 | 98 | 151 |
| 11. Covered Bonds | n.a. | n.a. | n.a. | n.a. | n.a. |
| 12. Other Long-term Funding | 9,238 | 7,758 | 6,730 | 3,459 | 2,182 |
| **13. Total LT Funding (original maturity > 1 year)** | **9,238** | **7,780** | **6,772** | **3,557** | **2,333** |
| 14. Derivatives | n.a. | n.a. | n.a. | n.a. | n.a. |
| 15. Trading Liabilities | n.a. | n.a. | n.a. | n.a. | n.a. |
| **16. Total Funding** | **38,924** | **37,601** | **34,293** | **32,455** | **32,858** |
| **E. Non-Interest Bearing Liabilities** | | | | | |
| 1. Fair Value Portion of Debt | n.a. | n.a. | n.a. | 0 | 0 |
| 2. Credit impairment reserves | n.a. | n.a. | n.a. | n.a. | n.a. |
| 3. Reserves for Pensions and Other | 612 | 582 | 795 | 540 | 558 |
| 4. Current Tax Liabilities | n.a. | n.a. | n.a. | 0 | 0 |
| 5. Deferred Tax Liabilities | n.a. | n.a. | n.a. | n.a. | n.a. |
| 6. Other Deferred Liabilities | 85 | 94 | 106 | 107 | 102 |
| 7. Discontinued Operations | n.a. | n.a. | n.a. | n.a. | n.a. |
| 8. Insurance Liabilities | n.a. | n.a. | n.a. | n.a. | n.a. |
| 9. Other Liabilities | 545 | 561 | 154 | 503 | 393 |
| **10. Total Liabilities** | **40,166** | **38,837** | **35,348** | **33,605** | **33,911** |
| **F. Hybrid Capital** | | | | | |
| 1. Pref. Shares and Hybrid Capital accounted for as Debt | 218 | 219 | 219 | 219 | 220 |
| 2. Pref. Shares and Hybrid Capital accounted for as Equity | 5 | 5 | 5 | 5 | 5 |
| **G. Equity** | | | | | |
| 1. Common Equity | 3,063 | 3,063 | 3,063 | 3,063 | 2,963 |
| 2. Non-controlling Interest | n.a. | n.a. | n.a. | n.a. | n.a. |
| 3. Securities Revaluation Reserves | n.a. | n.a. | n.a. | n.a. | n.a. |
| 4. Foreign Exchange Revaluation Reserves | n.a. | n.a. | n.a. | n.a. | n.a. |
| 5. Fixed Asset Revaluations and Other Accumulated OCI | n.a. | n.a. | n.a. | n.a. | n.a. |
| **6. Total Equity** | **3,063** | **3,063** | **3,063** | **3,063** | **2,963** |
| **7. Total Liabilities and Equity** | **43,453** | **42,124** | **38,635** | **36,892** | **37,098** |
| 8. Memo: Fitch Core Capital | 2,811 | 2,748 | 2,710 | 2,606 | 2,491 |

# Santander Consumer Bank AG
# Summary Analytics

| | 31 Dec 2016 Year End | 31 Dec 2015 Year End | 31 Dec 2014 Year End | 31 Dec 2013 Year End | 31 Dec 2012 Year End |
|---|---|---|---|---|---|
| **A. Interest Ratios** | | | | | |
| 1. Interest Income on Loans/ Average Gross Loans | 4.5 | 5.0 | 5.6 | 5.9 | 7.0 |
| 2. Interest Expense on Customer Deposits/ Average Customer Deposits | n.a. | n.a. | n.a. | n.a. | n.a. |
| 3. Interest Income/ Average Earning Assets | 3.8 | 4.3 | 5.0 | 5.2 | 5.8 |
| 4. Interest Expense/ Average Interest-bearing Liabilities | 0.95 | 1.30 | 1.87 | 2.48 | 3.25 |
| 5. Net Interest Income/ Average Earning Assets | 2.87 | 3.09 | 3.26 | 2.97 | 2.82 |
| 6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets | 2.6 | 2.7 | 3.0 | 2.7 | 2.4 |
| 7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Asset: | 2.9 | 3.1 | 3.3 | 3.0 | 2.8 |
| **B. Other Operating Profitability Ratios** | | | | | |
| 1. Non-Interest Income/ Gross Revenues | 19.4 | 23.4 | 25.4 | 23.1 | 24.0 |
| 2. Non-Interest Expense/ Gross Revenues | 56.2 | 55.7 | 86.3 | 59.4 | 65.0 |
| 3. Non-Interest Expense/ Average Assets | 1.89 | 2.14 | 3.66 | 2.24 | 2.36 |
| 4. Pre-impairment Op. Profit/ Average Equity | 20.5 | 22.2 | 7.1 | 18.8 | 17.1 |
| 5. Pre-impairment Op. Profit/ Average Total Assets | 1.47 | 1.70 | 0.58 | 1.53 | 1.27 |
| 6. Loans and securities impairment charges/ Pre-impairment Op. Profit | 15.6 | 19.6 | 49.0 | 17.0 | 32.5 |
| 7. Operating Profit/ Average Equity | 17.3 | 17.9 | 3.6 | 15.6 | 11.6 |
| 8. Operating Profit/ Average Total Assets | 1.24 | 1.37 | 0.30 | 1.27 | 0.86 |
| **9. Operating Profit / Risk Weighted Assets** | **2.64** | **2.72** | **0.54** | **1.93** | **1.36** |
| **C. Other Profitability Ratios** | | | | | |
| 1. Net Income/ Average Total Equity | 17.3 | 17.9 | 3.6 | 15.5 | 11.6 |
| 2. Net Income/ Average Total Assets | 1.2 | 1.4 | 0.3 | 1.3 | 0.9 |
| 3. Fitch Comprehensive Income/ Average Total Equity | 17.3 | 17.9 | 3.6 | 15.5 | 11.6 |
| 4. Fitch Comprehensive Income/ Average Total Assets | 1.2 | 1.4 | 0.3 | 1.3 | 0.9 |
| 5. Taxes/ Pre-tax Profit | 0.0 | 0.0 | 0.2 | 0.8 | 0.0 |
| 6. Net Income/ Risk Weighted Assets | 2.6 | 2.7 | 0.5 | 1.9 | 1.4 |
| **D. Capitalization** | | | | | |
| **1. FCC/FCC-Adjusted Risk Weighted Assets** | **14.0** | **13.7** | **13.2** | **10.7** | **10.2** |
| 2. Tangible Common Equity/ Tangible Assets | 6.5 | 6.6 | 7.1 | 7.2 | 6.8 |
| 3. Tier 1 Regulatory Capital Ratio | 13.2 | 12.8 | 12.3 | 10.1 | 9.9 |
| 4. Total Regulatory Capital Ratio | 14.2 | 13.8 | 13.3 | 11.2 | 11.0 |
| 5. Common Equity Tier 1 Capital Ratio | 13.2 | 12.8 | 12.3 | 10.1 | 9.9 |
| 6. Equity/ Total Assets | 7.1 | 7.3 | 7.9 | 8.3 | 8.0 |
| 7. Cash Dividends Paid & Declared/ Net Income | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 8. Internal Capital Generation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **E. Loan Quality** | | | | | |
| 1. Growth of Total Assets | 3.2 | 9.0 | 4.7 | (0.6) | (8.0) |
| 2. Growth of Gross Loans | 2.2 | 0.0 | (1.0) | (1.1) | 2.6 |
| **3. Impaired Loans/ Gross Loans** | **2.1** | **3.0** | **3.3** | **3.5** | **3.7** |
| 4. Reserves for Impaired Loans/ Gross Loans | 2.1 | 2.7 | 3.0 | 3.5 | 3.8 |
| 5. Reserves for Impaired Loans/ Impaired Loans | 96.3 | 91.2 | 91.3 | 99.1 | 104.7 |
| 6. Impaired loans less Reserves for Impaired Loans/ Fitch Core Capital | 0.9 | 2.9 | 3.2 | n.a. | n.a. |
| 7. Impaired Loans less Reserves for Impaired Loans/ Equity | 0.8 | 2.6 | 2.8 | 0.3 | (1.8) |
| 8. Loan Impairment Charges/ Average Gross Loans | 0.3 | 0.4 | 0.3 | 0.3 | 0.5 |
| 9. Net Charge-offs/ Average Gross Loans | 1.2 | 0.8 | 1.2 | 1.5 | 0.8 |
| 10. Impaired Loans+Foreclosed Assets/Gross Loans+Foreclosed Assets | 2.1 | 3.0 | 3.3 | 3.5 | 3.7 |
| **F. Funding and Liquidity** | | | | | |
| **1. Loans/ Customer Deposits** | **133** | **124** | **121** | **115** | **106** |
| 2. Interbank Assets/ Interbank Liabilities | 15 | 27 | 46 | 197 | 509 |
| 3. Customer Deposits/ Total Funding (excluding derivatives) | 61 | 66 | 74 | 83 | 90 |
| 4. Liquidity Coverage Ratio | n.a. | n.a. | n.a. | n.a. | n.a. |
| 5. Net Stable Funding Ratio | n.a. | n.a. | n.a. | n.a. | n.a. |

# Santander Consumer Bank AG
## Reference Data

| | 31 Dec 2016 Year End EURm | 31 Dec 2015 Year End EURm | 31 Dec 2014 Year End EURm | 31 Dec 2013 Year End EURm | 31 Dec 2012 Year End EURm |
|---|---|---|---|---|---|
| **A. Off-Balance Sheet Items** | | | | | |
| 1. Managed Securitized Assets Reported Off-Balance Sheet | n.a. | n.a. | n.a. | n.a. | n.a. |
| 2. Other off-balance sheet exposure to securitizations | n.a. | n.a. | n.a. | n.a. | n.a. |
| 3. Guarantees | 87 | 65 | 38 | 34 | 39 |
| 4. Acceptances and documentary credits reported off-balance sheet | n.a. | n.a. | n.a. | n.a. | n.a. |
| 5. Committed Credit Lines | 871 | 829 | 798 | 618 | 564 |
| 7. Other Off-Balance Sheet items | n.a. | n.a. | n.a. | 0 | 0 |
| 8. Total Assets under Management | n.a. | n.a. | n.a. | n.a. | n.a. |
| **B. Average Balance Sheet** | | | | | |
| Average Loans | 31,204 | 30,899 | 31,009 | 31,333 | 30,808 |
| Average Earning Assets | 40,359 | 38,098 | 36,040 | 36,121 | 37,955 |
| Average Assets | 42,789 | 40,064 | 37,156 | 36,995 | 38,853 |
| Average Managed Securitized Assets (OBS) | n.a. | n.a. | n.a. | n.a. | n.a. |
| Average Interest-Bearing Liabilities | 38,263 | 35,739 | 32,761 | 32,657 | 34,845 |
| Average Common equity | 3,063 | 3,063 | 3,053 | 3,013 | 2,889 |
| Average Equity | 3,063 | 3,063 | 3,053 | 3,013 | 2,889 |
| Average Customer Deposits | 24,301 | 24,962 | 26,498 | 28,479 | 30,594 |
| **C. Maturities** | | | | | |
| **Asset Maturities:** | | | | | |
| Loans & Advances < 3 months | 1,474 | 1,870 | 2,324 | 1,562 | 2,239 |
| Loans & Advances 3 - 12 Months | 3,270 | 3,904 | 3,504 | 3,491 | 3,419 |
| Loans and Advances 1 - 5 Years | 14,364 | 14,248 | 13,436 | 12,347 | 11,544 |
| Loans & Advances > 5 years | 11,794 | 10,006 | 10,672 | 12,677 | 13,093 |
| Debt Securities < 3 Months | n.a. | n.a. | n.a. | n.a. | n.a. |
| Debt Securities 3 - 12 Months | 63 | 40 | 90 | 0 | 10 |
| Debt Securities 1 - 5 Years | n.a. | n.a. | n.a. | n.a. | n.a. |
| Debt Securities > 5 Years | 9,176 | 7,819 | 6,108 | 2,473 | 2,054 |
| Loans & Advances to Banks < 3 Months | 126 | 1,050 | 304 | 1,615 | 3,853 |
| Loans & Advances to Banks 3 - 12 Months | 398 | n.a. | n.a. | 0 | 0 |
| Loans & Advances to Banks 1 - 5 Years | 156 | n.a. | n.a. | 0 | 0 |
| Loans & Advances to Banks > 5 Years | 1 | 1 | 1 | 5 | 20 |
| **Liability Maturities:** | | | | | |
| Retail Deposits < 3 months | 2,351 | 2,208 | 2,735 | 1,842 | 16,519 |
| Retail Deposits 3 - 12 Months | 3,712 | 3,736 | 3,915 | 5,218 | 5,159 |
| Retail Deposits 1 - 5 Years | 2,550 | 2,937 | 3,585 | 5,103 | 7,864 |
| Retail Deposits > 5 Years | 285 | 240 | 447 | 218 | 224 |
| Other Deposits < 3 Months | n.a. | n.a. | n.a. | n.a. | n.a. |
| Other Deposits 3 - 12 Months | n.a. | n.a. | n.a. | n.a. | n.a. |
| Other Deposits 1 - 5 Years | n.a. | n.a. | n.a. | n.a. | n.a. |
| Other Deposits > 5 Years | n.a. | n.a. | n.a. | n.a. | n.a. |
| Deposits from Banks < 3 Months | 5 | 4 | 86 | 1,005 | 9 |
| Deposits from Banks 3 - 12 Months | 11 | 10 | 12 | 13 | 16 |
| Deposits from Banks 1 - 5 Years | 5,553 | 4,569 | 1,377 | 75 | 112 |
| Deposits from Banks > 5 Years | 344 | 406 | 472 | 565 | 623 |
| Senior Debt Maturing < 3 months | n.a. | n.a. | n.a. | n.a. | n.a. |
| Senior Debt Maturing 3-12 Months | n.a. | n.a. | n.a. | n.a. | n.a. |
| Senior Debt Maturing 1- 5 Years | n.a. | n.a. | n.a. | n.a. | n.a. |
| Senior Debt Maturing > 5 Years | n.a. | n.a. | n.a. | n.a. | n.a. |
| Total Senior Debt on Balance Sheet | n.a. | n.a. | n.a. | n.a. | n.a. |
| Fair Value Portion of Senior Debt | n.a. | n.a. | n.a. | n.a. | n.a. |
| Subordinated Debt Maturing < 3 months | n.a. | n.a. | n.a. | n.a. | n.a. |
| Subordinated Debt Maturing 3-12 Months | n.a. | n.a. | n.a. | n.a. | n.a. |
| Subordinated Debt Maturing 1- 5 Year | n.a. | n.a. | n.a. | n.a. | n.a. |
| Subordinated Debt Maturing > 5 Years | n.a. | n.a. | n.a. | n.a. | n.a. |
| Total Subordinated Debt on Balance Sheet | 0 | 22 | 42 | 98 | 151 |
| Fair Value Portion of Subordinated Debt | n.a. | n.a. | n.a. | n.a. | n.a. |
| **D. Risk Weighted Assets** | | | | | |
| 1. Risk Weighted Assets | 20,097 | 20,094 | 20,518 | 24,328 | 24,517 |
| 2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk V | n.a. | n.a. | n.a. | n.a. | n.a. |
| 3. Fitch Core Capital Adjusted Risk Weighted Assets | 20,097 | 20,094 | 20,518 | 24,328 | 24,517 |
| 4. Other Fitch Adjustments to Risk Weighted Assets | n.a. | n.a. | n.a. | n.a. | 0 |
| 5. Fitch Adjusted Risk Weighted Assets | 20,097 | 20,094 | 20,518 | 24,328 | 24,517 |
| **E. Equity Reconciliation** | | | | | |
| 1. Equity | 3,063 | 3,063 | 3,063 | 3,063 | 2,963 |
| 2. Add: Pref. Shares and Hybrid Capital accounted for as Equity | 5 | 5 | 5 | 5 | 5 |
| 3. Add: Other Adjustments | n.a. | n.a. | n.a. | n.a. | n.a. |
| 4. Published Equity | 3,068 | 3,068 | 3,068 | 3,068 | n.a. |
| **F. Fitch Core Capital Reconciliation** | | | | | |
| 1. Total Equity as reported (including non-controlling interests) | 3,063 | 3,063 | 3,063 | 3,063 | 2,963 |
| 2. Fair value effect incl in own debt/borrowings at fv on the B/S- CC only | 0 | 0 | 0 | 0 | 0 |
| 3. Non-loss-absorbing non-controlling interests | 0 | 0 | 0 | 0 | 0 |
| 4. Goodwill | 0 | 0 | 0 | 0 | 0 |
| 5. Other intangibles | 252 | 315 | 353 | 457 | 472 |
| 6. Deferred tax assets deduction | 0 | 0 | 0 | 0 | 0 |
| 7. Net asset value of insurance subsidiaries | 0 | 0 | 0 | 0 | 0 |
| 8. First loss tranches of off-balance sheet securitizations | 0 | 0 | 0 | 0 | 0 |
| **9. Fitch Core Capital** | **2,811** | **2,748** | **2,710** | **2,606** | **2,491** |

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.