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Ratings

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Santander Consumer Bank AG

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Santander Consumer Bank AG

Ratings Score Snapshot

Global Scale Ratings
Issuer Credit Rating
A/Stable/A-1
Resolution Counterparty Rating
A+/--/A-1

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

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

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

Additional factors: 0
Issuer credit rating
A/Stable/A-1
Resolution counterparty rating
A+/A-1

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

Credit Highlights

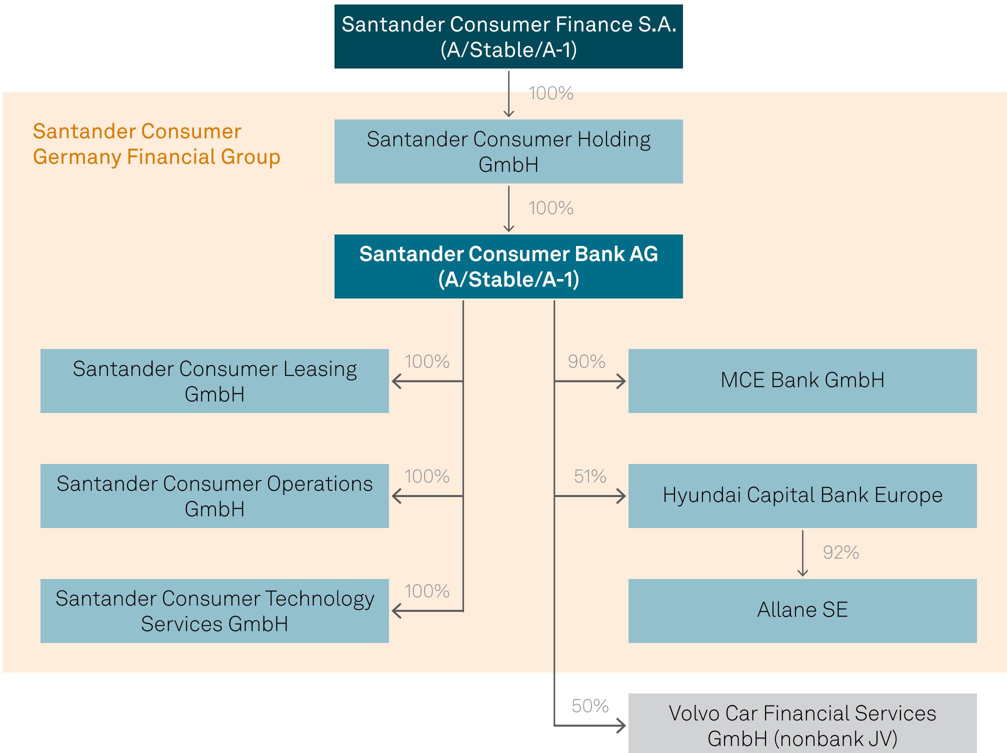
Overview

Key strengths	Key risks
Indirect, high strategic importance to its ultimate parent, Banco Santander S.A.	Sectoral concentration on car financing and dependence on respective product demand.
Strong market share in noncaptive car financing and the consumer finance in Germany.	Main business segments (consumer loans and car financing) are structurally more volatile.
High granularity of the loan portfolio.	Above-average reliance on wholesale funding markets and a more price sensitive retail funding franchise, compared to domestic peers.

Chart 1

SCB remains a captive partner of many non-German car makers

Ownership structure and non-consolidated participations of Santander Consumer Bank AG after the MCE Bank acquisition



Source: S&P Global Ratings.

S&P Global Ratings expects Santander Consumer Bank (SCB) to remain a core subsidiary of its parent Santander Consumer Finance (SCF; A/Stable/A-1), which will continue to support the current issuer credit rating (ICR). SCB represented 31% of SCF's lending volume in 2023. SCF's ultimate parent, Banco Santander S.A. (A+/Stable/A-1), concentrates most of its European consumer finance activities in the SCF group but also operates other retail-oriented entities in Europe, such as Openbank. We expect SCB's strategy will remain aligned with Banco Santander's consumer finance strategy and that the German entity will benefit from extraordinary group support if needed.

We view SCB's consumer finance and car financing businesses as structurally cyclical but expect the bank can defend its solid positions in these profitable market segments. SCB's revenue and loan exposure remain concentrated in historically riskier and more volatile segments. However, we believe SCB will be able to defend its solid and stable market position within its niches. This should also be supported by acquisition of MCE Bank in 2023 (see chart 1), which notably gives SCB access to additional, large German car dealers and help to offset business lost from the divestment of former joint venture participation PSA Bank Deutschland.

SCB's capitalization and earnings should continue to support its standalone creditworthiness. We expect S&P Global Ratings' risk-adjusted capital (RAC) ratio for SCB to recover to 10.0%-11.0% over the next 24 months, after it dropped to 9.5% at year-end 2023. Our assessment remains supported by SCB's significant financial flexibility, arising from its membership of the larger Santander group as well as above-peer earnings capacity. We consider these strengths are balanced by SCB's main segments' greater vulnerability to macroeconomic swings, which we consider to be a constraint for SCB's risk profile.

We consider that SCB's funding and liquidity benefits from its integration into the wider Santander group. On a stand-alone basis, its funding metrics are weaker than those of domestic peers. SCB generates about 70% of its funding base from core customer deposits, while the remainder is sourced from a variety of wholesale sources. Funding costs increased more sharply than the German market average amidst rising rates, highlighting SCB's more price-sensitive customer deposit base. Positively, this is balanced by the funding stability provided by its integration into the wider Santander group. SCB's excess liquidity has fallen, as expected, with the adjustment of targeted longer-term refinancing operations (TLTRO) conditions, but regulatory ratios have comfortable buffers above required minimums.

Outlook

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

Downside scenario

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

Upside scenario

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

Key Metrics

Santander Consumer Bank AG--Key ratios and forecasts

	--Fiscal year ended Dec. 31--				
(%)	**2022a**	**2023a**	**2024f**	**2025f**	**2026f**
Growth in operating revenue	(6.0)	(8.0)	5.0-5.5	3.0-4.0	3.0-4.0

Santander Consumer Bank AG--Key ratios and forecasts (cont.)					
	--Fiscal year ended Dec. 31--				
(%)	**2022a**	**2023a**	**2024f**	**2025f**	**2026f**
Growth in customer loans	11.5	12.4	4.0-5.0	(5.5)-(6.5)	8.5-9.5
Net interest income/average earning assets (NIM)	2.12	1.82	1.85-1.95	1.95-2.05	2.00-2.10
Cost to income ratio	56.9	59.7	55.0-58.0	53.0-56.0	50.0-53.0
Return on average common equity	13.4	7.9	8.5-9.5	10.5-11.5	12.0-13.0
New loan loss provisions/average customer loans	0.45	0.69	0.60-0.70	0.55-0.65	0.50-0.60
Gross nonperforming assets/customer loans	1.5	1.8	1.8-1.9	1.8-1.9	1.6-1.7
Risk-adjusted capital ratio	10.8	9.5	9.8-10.3	10.5-11.0	10.3-10.8

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

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

Our anchor, the starting point in assigning an issuer credit rating, for a bank operating mainly in Germany is 'bbb+', based on an economic risk score of '2' and an industry risk score of '4'. We view economic and industry risk trends as stable.

Our economic risk assessment for Germany takes a positive view of the economy's competitiveness and wealth, as well as its track record in absorbing large economic and financial shocks. Despite structural risks to Germany's economic model, higher sensitivity to geopolitical stress, and a modest economic outlook compared with European peers, we expect German households and corporates will remain resilient. We forecast only a modest annual increase in domestic credit losses to 20 basis points (bps) over 2024-2025, from a low 15 bps in 2023. This is also based on our expectation of a robust German labor market, the deterioration of which could increase credit losses materially. In our opinion, German banks' significant exposure to the commercial real estate (CRE) sector continues to represent a risk factor for some German banks' asset quality and profitability but will likely not impair their capital position. Therefore, CRE exposure does not pose a systemic risk to the German banking sector.

Our industry risk assessment for Germany considers the banking sector's structurally modest profitability, relative to peers. German banks have benefited significantly from higher interest rates. Yet we expect that cyclical interest rate support will peak in 2024 and that profitability will decline as policy rates begin to fall. Inefficient cost bases, overcapacity, and intense competition continue to put a structural strain on profit margins. We consider the banking sector's access to a very stable and broad domestic funding market to be a positive factor. German banks' funding profile largely includes sticky retail deposits, which benefit from a comprehensive deposit protection scheme, and covered bonds, which represent a very reliable and cost-efficient funding source.

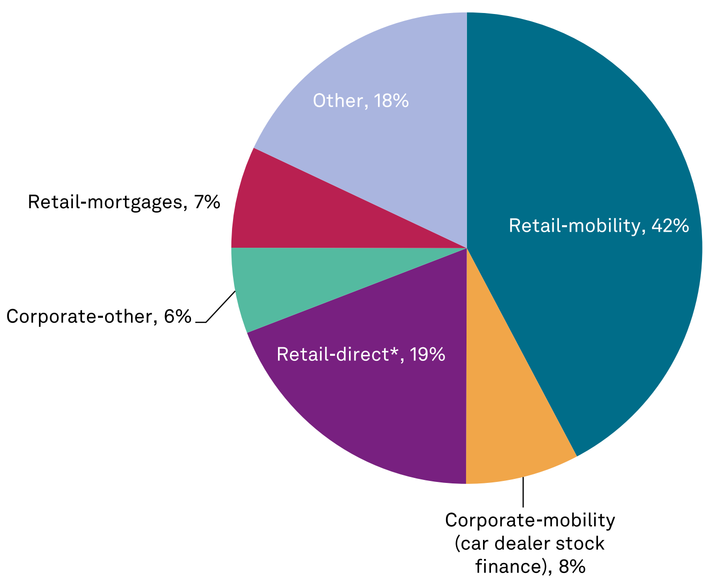
Business Position: Strong But Concentrated Business Model In Historically Volatile Segments Of The German Banking Market

We expect SCB's business model to remain concentrated on the cyclical mobility and consumer finance segments (see chart 2). In our view, SCB's primary market segments, mobility financing and unsecured consumer lending, are more susceptible to adverse macroeconomic developments. This is only partially balanced by SCB's solid domestic market share of about 8%-9% in the niche car finance market. SCB's business concentration will increase following its decision to stop new mortgage origination and to transfer its consumer financial services business to Openbank--both operations lacked sufficient scale at SCB to be profitable.

Chart 2

SCB's loan book remains dominated by mobility-related retail and corporate exposures and consumer installment loans

Customer loans split 2023



*Primarily installment loans. Source: S&P Global Ratings.

We consider competitive pressures to be particularly high in SCB's retail operations. That is somewhat offset by the dealer-based car financing segment, which benefits from long established relationships with both producers and dealers.

We expect a gradual recovery in profitability, which had been under pressure because funding costs increased faster than revenues. We expect SCB's net interest income, which accounts for roughly three quarters of its operating revenues, to increase again. SCB, like other consumer finance providers, was amongst the relatively few banks that did not profit, in the short-term, from the ECB's tightening of monetary policy. However, we expect this to be temporary and that SCB' net interest margins will recover as the repricing of assets, which lagged that of liabilities and weighed on margins, is nearing completion. Fee and commission income, too, remained under pressure in 2023, primarily due to a new regulatory cap on sales commissions for payment protection insurance (PPI). Additionally, from 2025 we expect a new mandatory requirement for a seven-day cooling-off period (between the writing of a credit contract and the sale of PPI) to become effective. That will continue to pressure this segment's revenue capacity. While we understand SCB is broadening its insurance portfolio to products not covered by the new regulations, we expect only a gradual recovery of operating non-interest income. Its strong focus on costs should help it achieve moderate improvements in already solid cost efficiency and profitability metrics, which remain slightly weaker than those of international auto and consumer finance peers.

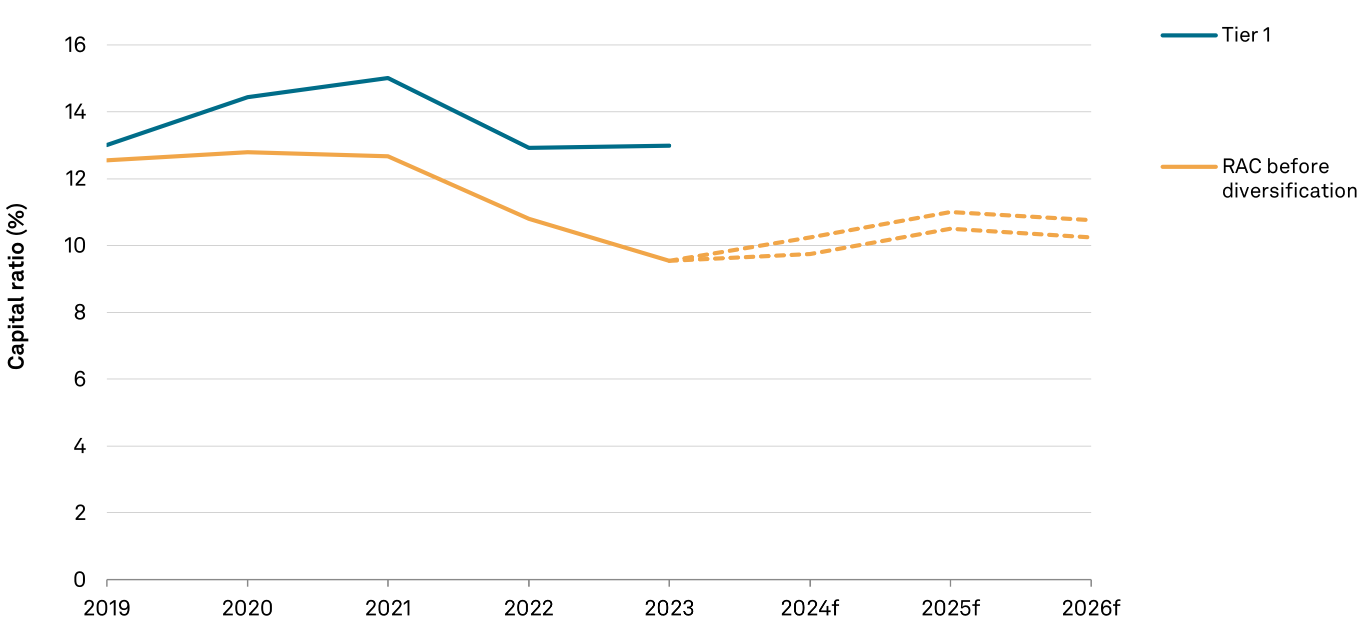
Capital And Earnings: Strong Capitalization, Despite Profit Transfer Agreement

We expect SCB's capitalization and earnings to remain strengths of its standalone creditworthiness. S&P Global Ratings' RAC ratio is forecast to increase to 10.0%-11.0% over the next two years, after it fell to 9.5% as per year-end 2023 (see chart 3). That dip was driven by a combination of higher risk exposures, particularly in corporate banking, and a shift from lower towards higher risk categories within the bank's on balance sheet securitization book. It also factored in our downward revision of economic risk under our German Banking Industry Country Risk Assessment (BICRA) in early 2023. SCB's Regulatory Tier 1 capital ratio remained stable and above requirements in 2023 at 13%.

Chart 3

We expect SCB's RAC ratio to have bottomed out in 2023

S&P Global Ratings-adjusted RAC and Tier 1 ratios



Dashed lines indicate forecast range. RAC--Risk-adjusted capital. f--Forecast. Source: S&P Global Ratings.

A strong earnings capacity and qualitative considerations support our assessment. Despite its lower earnings in 2023, SCB's structural earnings capacity remains strong and is helped by recovering margins, in our view: We expect its Earnings Buffer, which measures the capacity for a bank's pre-provision earnings to cover normalized losses, to recover to 1.7%-1.8% by 2025/2026, which compares well with its peers, up from 1.23% in 2023.

SCB profits are passed on to its parent, under a profit and loss transfer agreement, yet its immediate holding company, Santander Consumer Holding GmbH (see chart 1), has some flexibility to reinvest funds into SCB based on the German entity's capital needs. We incorporate this potential reinvestment in our base case forecast. We consider SCB's quality of capital to be high, with its total adjusted capital compromising only adjusted common equity and no hybrid instruments.

Risk Position: Concentration On Higher Risk And Volatile Segments Of The Market

SCB's risk profile is a relative weakness compared with larger and better diversified universal banks. We also compare SCB's risk position with consumer finance peers, such as Cembra Money Bank, and captive banks like Volkswagen Bank, which are active in similar segments and operate in banking systems with comparable economic risk. While we recognize SCB's track record of limited losses compared with pure consumer finance banks, its loan book remains heavily concentrated on German motor vehicle financing and consumer finance exposures. In our view, the credit quality of such exposures remain inherently volatile and credit losses may inflate quickly. Both the bank's non-performing asset (NPA) ratio and cost-of-risk increased to 1.8% and 0.7%, respectively, in 2023. This was driven by a deteriorating economic environment and, we understand, SCB's decision to take a less proactive approach to NPL sales and target higher inhouse collection rates. We expect no impact on its risk profile from SCB's decision to stop originating new mortgages. The same would be true should the existing portfolio eventually be transferred to another entity.

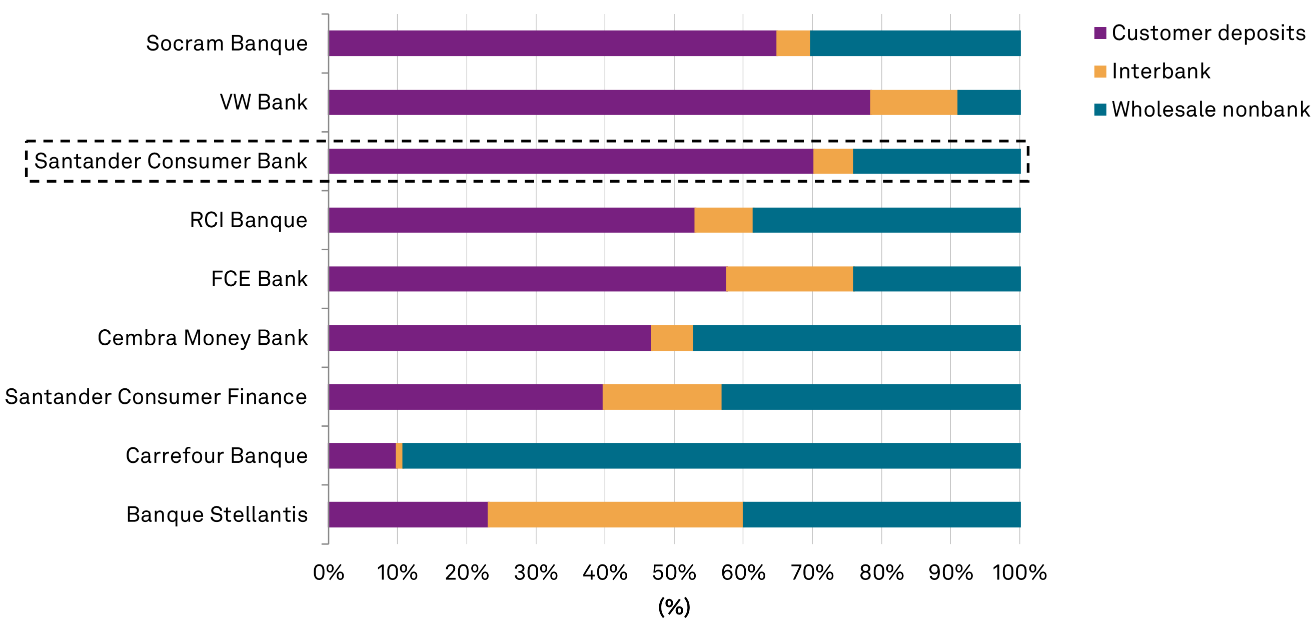
In contrast to most domestic peers, SCB was significantly exposed to interest rate risk in the banking book during the recent rate hike cycle and that contributed to its weaker 2023 performance. In 2023, SCB closed swaps for close to €6 billion (nominal), up 130% year-on-year. We expect SCB to maintain this higher-than-previous level of protection against changes in interest rates.

Funding And Liquidity: Weaker Metrics But Integration Into The Santander Group Provides Stability

We continue to assess SCB's funding and liquidity profile as neutral factors in our assessment of its stand-alone creditworthiness. This is based on our expectation that the bank will remain largely deposit-funded (see chart 4) and reduce its retained, non-market asset-backed security (ABS) funding, while also securing a stable, long-term and granular investor base.

Chart 4

Diversified funding base with a solid retail franchise
Breakdown of funding base as of year-end 2023

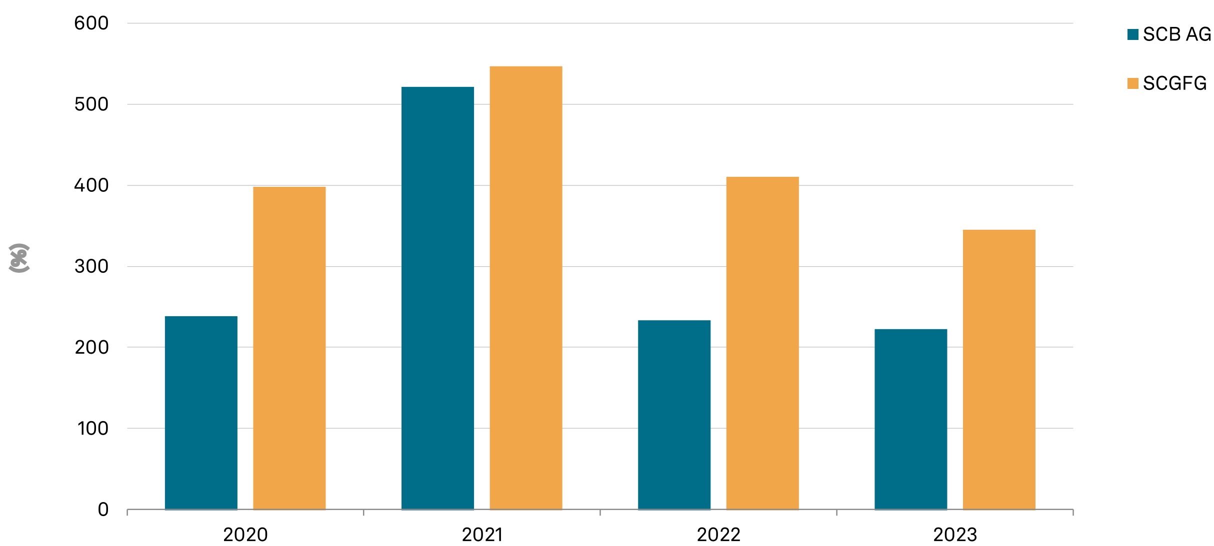


Source: S&P Global Ratings.

While SCB's standalone metrics are weaker than many of its peers', its integration in Banco Santander Group supports our neutral funding and liquidity assessment. Although Santander's group members are generally expected to be self-funded, SCB has been a net liquidity provider to the group, particularly to its own subsidiaries and participations, for many years. Nevertheless, SCB is also able to draw on funding provided by the group if needed. As a result, certain funding and liquidity metrics such as liquidity coverage ratio (LCR) are weaker at a standalone level than at a consolidated level (see chart 6) and understate SCB's liquidity buffers. The further deterioration in SCB's standalone ratio of broad liquid assets to short-term wholesale funding (BLAST) to about 0.52x in 2023, which was broadly in line with our expectations, also needs to be interpreted in that context.

Chart 5

Liquidity provision for subsidiaries has weighed on SCB's stand-alone metrics, while supervisory-perimeter metrics are more stable
Stand-alone and consolidated liquidity coverage ratios

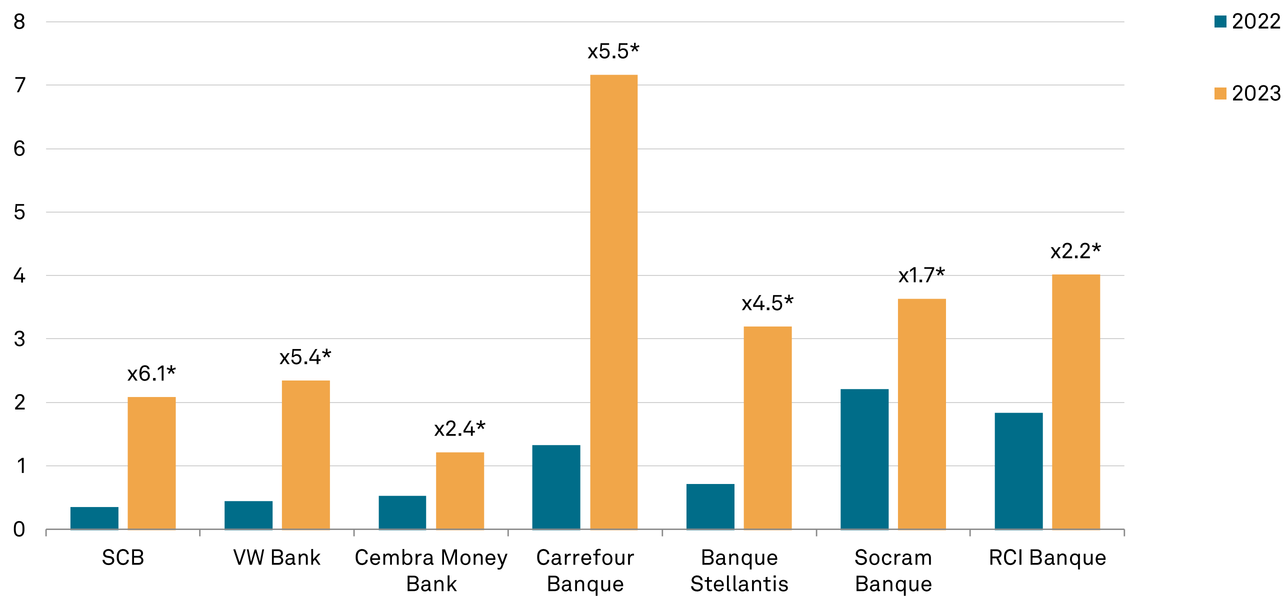


SCB AG--Santander Consumer Bank AG. SCGFG--Santander Consumer Germany Financial Group, includes SCB AG and non-consolidated subsidiaries.
LCR--Liquidity coverage ratio. Sources: Company reporting, S&P Global Ratings.

Opportunistic use of the European Central Bank (ECB)'s TLTRO program had improved SCB's funding and liquidity metrics to unprecedented levels and triggered a balance sheet expansion. The adjustment of the conditions for the TLTRO program has reduced its attractiveness and contributed to higher interest rate expense in 2023. SCB has already reduced its TLTRO utilization by almost 95%, to €500 million by year-end 2023. This structural change to its funding structure also contributed to SCB's interest expenses rising relatively faster compared to its peers (see chart 6).

Chart 6

SCB's interest expenses increase was greater than at its peers
Interest expense as % of funding base, 2022 and 2023, and increase multiple



* Interest expense increase as a multiple, 2022 to 2023. Source: S&P Global Ratings.

SCB continues to have a relatively high reliance on securitization. We understand that SCB will continue to focus its funding activities on retail deposits and securitization of customer receivables. ABS are an important funding vehicle for the bank. In the past, it often retained ABS on its own books, to be used opportunistically as collateral for ECB funding. Now, structures are more market-oriented and we expect increased market placements. This should support its stable funding ratio, which stood at a comparatively weak 86% at the end of 2023.

Support: Three-Notches Of Uplift To The SACP

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

Environmental, Social, And Governance

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

Resolution Counterparty Ratings (RCRs)

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

Key Metrics

Table 1

Santander Consumer Bank AG--Key figures

	--Year-ended Dec. 31--				
(Mil. €)	**2023**	**2022**	**2021**	**2020**	**2019**
Adjusted assets	53,059.9	53,424.3	55,398.8	49,892.7	45,861.4
Customer loans (gross)	36,809.1	32,748.1	29,360.5	29,755.8	30,496.7
Adjusted common equity	2,667.7	2,507.2	2,468.7	2,458.4	2,459.1
Operating revenues	1,250.5	1,359.0	1,446.0	1,297.9	1,320.7
Noninterest expenses	746.0	774.0	752.4	779.9	833.1
Core earnings	263.6	444.1	532.7	393.5	454.2

Table 2

Santander Consumer Bank AG--Business position

	--Year-ended Dec. 31--				
(%)	**2023**	**2022**	**2021**	**2020**	**2019**
Loan market share in country of domicile	0.9	0.8	0.8	0.9	1.0
Deposit market share in country of domicile	0.8	0.6	0.6	0.6	0.6
Total revenues from business line (currency in millions)	1,250.5	1,359.0	1,446.0	1,298.0	1,320.7
Commercial & retail banking/total revenues from business line	100.0	100.0	100.0	100.0	100.0
Return on average common equity	7.9	13.4	16.1	12.3	14.8

Table 3

Santander Consumer Bank AG--Capital and earnings

	--Year-ended Dec. 31--				
(%)	**2023**	**2022**	**2021**	**2020**	**2019**
Tier 1 capital ratio	13.0	12.9	15.0	14.4	13.0
S&P Global Ratings' RAC ratio before diversification	9.5	10.8	12.7	12.8	12.5
S&P Global Ratings' RAC ratio after diversification	9.0	10.1	11.7	11.9	11.7
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	99.9	99.9
Net interest income/operating revenues	75.6	74.7	72.3	77.8	79.0
Fee income/operating revenues	8.6	12.0	12.6	12.2	11.7
Market-sensitive income/operating revenues	0.0	0.0	0.0	0.0	0.0
Cost to income ratio	59.7	56.9	52.0	60.1	63.1
Preprovision operating income/average assets	0.9	1.1	1.3	1.1	1.1
Core earnings/average managed assets	0.5	0.8	1.0	0.8	1.0

Table 4

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

(€ 000s)	**Exposure***	**Basel III RWA**	**Average Basel III RW (%)**	**S&P Global Ratings RWA**	**Average S&P Global Ratings RW (%)**
Credit risk					
Government & central banks	4,524,631.0	1.0	0.0	404,192.0	9.0
Of which regional governments and local authorities	396.0	0.0	0.0	14.0	4.0
Institutions and CCPs	7,086,796.0	462,161.0	7.0	1,670,694.0	24.0
Corporate	11,991,741.0	10,667,884.0	89.0	7,881,115.0	66.0
Retail	21,604,927.0	5,826,603.0	27.0	11,034,120.0	51.0
Of which mortgage	2,290,951.0	284,853.0	12.0	531,607.0	23.0
Securitization§	290,862.0	584,683.0	201.0	2,472,061.0	850.0
Other assets†	359,705.0	303,306.0	84.0	400,031.0	111.0
Total credit risk	45,858,662.0	17,844,637.0	39.0	23,862,214.0	52.0
Credit valuation adjustment					
Total credit valuation adjustment	--	68,096.0	--	0.0	--
Market risk					
Equity in the banking book	190,900.0	706,372.0	370.0	1,670,361.0	875.0
Trading book market risk	--	0.0	--	0.0	--
Total market risk	--	706,372.0	--	1,670,361.0	--
Operational risk					
Total operational risk	--	1,882,885.0	--	2,417,260.0	--
Diversification adjustments					
RWA before diversification	--	22,462,000.0	--	27,949,835.0	100.0
Total diversification/concentration adjustments	--	--	--	1,829,941.0	7.0
RWA after diversification	--	22,462,000.0	--	29,779,776.0	107.0

Table 4

Santander Consumer Bank AG--Risk-adjusted capital framework data (cont.)

	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)
Capital ratio				
Capital ratio before adjustments	3,072,814.0	13.7	2,667,713.0	9.5
Capital ratio after adjustments‡	3,072,814.0	13.6	2,667,713.0	9.0

*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. CCPs--Central counterparty clearing house. Sources: Company data as of Dec. 31, 2023, S&P Global Ratings.

Table 5

Santander Consumer Bank AG--Risk position

	--Year-ended Dec. 31--				
(%)	**2023**	**2022**	**2021**	**2020**	**2019**
Growth in customer loans	12.4	11.5	(1.3)	(2.4)	0.3
Total diversification adjustment/S&P Global Ratings' RWA before diversification	6.5	7.2	8.6	7.3	7.3
Total managed assets/adjusted common equity (x)	20.0	21.4	22.5	20.4	18.7
New loan loss provisions/average customer loans	0.7	0.5	0.5	0.4	0.1
Gross nonperforming assets/customer loans + other real estate owned	1.8	1.5	1.3	1.8	1.8
Loan loss reserves/gross nonperforming assets	141.4	141.4	130.8	102.1	96.9

Table 6

Santander Consumer Bank AG--Funding and liquidity

	--Year-ended Dec. 31--				
(%)	**2023**	**2022**	**2021**	**2020**	**2019**
Core deposits/funding base	70.3	62.4	57.5	63.7	71.8
Customer loans (net)/customer deposits	114.3	126.9	123.4	128.3	129.3
Long-term funding ratio	92.8	86.5	94.1	98.2	89.4
Stable funding ratio	86.3	76.4	93.2	87.4	75.2
Short-term wholesale funding/funding base	7.8	14.6	6.3	1.9	11.6
Regulatory net stable funding ratio	--	106.8	--	--	--
Broad liquid assets/short-term wholesale funding (x)	0.5	0.7	4.4	9.1	1.1
Broad liquid assets/total assets	3.4	7.9	20.2	12.6	9.1
Broad liquid assets/customer deposits	5.8	16.7	48.1	27.7	18.2
Net broad liquid assets/short-term customer deposits	(6.0)	(7.0)	40.2	28.1	2.5
Regulatory liquidity coverage ratio (LCR) (%)	220.8	231.7	519.6	--	--
Short-term wholesale funding/total wholesale funding	26.2	38.8	14.8	5.4	41.0
Narrow liquid assets/3-month wholesale funding (x)	0.5	7.2	31.6	30.0	31.6

Santander Consumer Bank AG--Rating component scores

Issuer Credit Rating	**A/Stable/A-1**
SACP	bbb

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

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

Related Criteria

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, April 30, 2024
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Banking Industry Country Risk Assessment: Germany, June 6, 2023

Ratings Detail (As Of September 4, 2024)*	
Santander Consumer Bank AG	
Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A+/--/A-1
Commercial Paper	A-1
Senior Unsecured	A

Ratings Detail (As Of September 4, 2024)*(cont.)	
Issuer Credit Ratings History	
22-Mar-2022	A/Stable/A-1
16-Dec-2021	A/Negative/A-1
24-Jun-2021	A-/Stable/A-2
29-Apr-2020	A-/Negative/A-2
Sovereign Rating	
Germany	AAA/Stable/A-1+
Related Entities	
Banco Santander (Brasil) S.A.	
Issuer Credit Rating	BB/Stable/B
Brazil National Scale	brAAA/Stable/brA-1+
Banco Santander-Chile S.A.	
Issuer Credit Rating	A-/Stable/A-2
Commercial Paper	
Foreign Currency	A-2
Senior Unsecured	A-
Banco Santander S.A.	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
Commercial Paper	
Foreign Currency	A-1
Junior Subordinated	BBB-
Preference Stock	BBB-
Senior Subordinated	A-
Banco Santander SA (London Branch)	
Certificate Of Deposit	
Local Currency	A-1
Banco Santander S.A. (New York Branch)	
Issuer Credit Rating	A+/Stable/A-1
Commercial Paper	
Local Currency	A-1
Banco Santander Totta S.A.	
Issuer Credit Rating	A-/Positive/A-2
Resolution Counterparty Rating	A-/--/A-2
Senior Unsecured	A-
Banque Stellantis France	
Issuer Credit Rating	BBB+/Stable/A-2
Commercial Paper	A-2
Senior Unsecured	BBB+
Santander Bank, N.A.	
Issuer Credit Rating	A-/Stable/A-2
Senior Unsecured	A-
Short-Term Debt	A-2

Ratings Detail (As Of September 4, 2024)*(cont.)	
Subordinated	BBB+
Santander Consumer Finance S.A.	
Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A+/--/A-1
Commercial Paper	
Local Currency	A-1
Senior Subordinated	BBB+
Senior Unsecured	A
Short-Term Debt	A-1
Subordinated	BBB
Santander Financial Services PLC	
Issuer Credit Rating	A-/Stable/A-2
Resolution Counterparty Rating	A/--/A-1
Santander Holdings U.S.A Inc.	
Issuer Credit Rating	BBB+/Stable/A-2
Senior Unsecured	BBB+
Santander UK Group Holdings PLC	
Issuer Credit Rating	BBB/Stable/A-2
Junior Subordinated	BB-
Senior Unsecured	BBB
Short-Term Debt	A-2
Subordinated	BB+
Santander UK PLC	
Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A+/--/A-1
Junior Subordinated	BB
Junior Subordinated	BB+
Preference Stock	BB
Senior Secured	AAA/Stable
Senior Unsecured	A-1
Santander US Capital Markets LLC	
Issuer Credit Rating	A-/Stable/A-2

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