

# Santander Consumer Finance S.A.

August 19, 2025

This report does not constitute a rating action.

## Ratings Score Snapshot

**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: +3**

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

**Additional factors: 0**

Issuer credit rating
<b>A/Stable/A-1</b>
Resolution counterparty rating
<b>A+/-/A-1</b>

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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

High strategic importance to its parent, Banco Santander S.A.

Leading consumer finance franchise, with broad geographic diversification within Europe.

Comfortable capital position and solid earnings capacity.

#### Key risks

High exposure to a pressured auto sector, which could affect loan growth and some borrowers' repayment capacity.

Business concentration in the inherently riskier consumer finance activities.

Margin sensitivity to interest rate hikes.

**The long-term issuer credit rating (ICR) on Santander Consumer Finance (SCF) benefits from a three-notch uplift owing to parental support.** We base this on the bank's position as a solidly profitable subsidiary of Banco Santander, with consumer finance operations across Europe that are integral to the overall group strategy. We also think Banco Santander is highly unlikely to sell SCF as a whole, although it could divest parts of SCF's business in times of stress. We think the group supports SCF management and could, if necessary, cover its financial needs under almost

all foreseeable circumstances, in the form of capital and funding, for example. Also, SCF falls under its parent's resolution perimeter, so the source of parent support includes Santander's buffer of subordinated bail-inable instruments.

**We expect profitability to improve modestly amid auto sector challenges.** SCF's net profit declined by 19%-20% in each of the past two years, bringing return on equity (ROE) down to 7.5% in 2024 from 9.5% in 2023 and 12.2% in 2022, according to our calculations. We expect modest recovery in profitability, with net income projected to increase by about 2% in 2025. While loan growth is likely to remain subdued, reflecting a challenging environment for vehicle sales and production, and some further stress from impairment charges cannot be ruled out, we expect SCF's improved net interest margin to support its profitability as the loan book reprices at higher rates and funding costs ease. We forecast the bank's ROE to be about 7.5% this year, increasing toward 8.1%-8.3% in 2026.

**SCF holds strong capital buffers against emerging asset quality pressures.** We expect increased earnings and contained risk-weighted asset growth--driven by loan book deleveraging and greater use of risk transfer techniques, such as securitizations--to support a moderate improvement in SCF's risk-adjusted capital (RAC) ratio, which we anticipate will increase to 12.2%-12.4% in 2025 from 11.9% in 2024. This strengthening in capital comes when asset quality pressure is beginning to emerge, with the group's nonperforming loan (NPL) ratio having increased to 2.63% in March 2025 from 2.14% in 2023. While we anticipate further asset quality deterioration in 2025, with the NPL ratio increasing to 2.9% and the cost of risk standing at about 100 basis pointed (bps; from 90 bps in 2024), we think the bank's capital buffers remain more than sufficient to absorb the stress without compromising solvency metrics.

**We analyze SCF at the legal perimeter level.** Banco Santander's reporting segment, "Digital Consumer Bank", includes SCF, and segments that do not fall within SCF's legal perimeter, such as Openbank and the Open Digital Services platform, which we exclude from our analysis.

## Outlook

The stable outlook on SCF mirrors that on its parent, Santander, as well as that on Spain (unsolicited; A/Stable/A-1), SCF's country of domicile. As long as we continue to assess the bank as highly strategic to Santander, and it remains within Santander's resolution perimeter, our long-term rating on SCF will remain one notch below that on its parent and subject to a cap at the level of our sovereign rating on Spain.

### Downside scenario

We could lower the ratings on SCF if we downgraded its parent or Spain, we thought that the parent's commitment to SCF had weakened, or the bank fell out of Santander's resolution perimeter.

### Upside scenario

An upgrade is unlikely because we include as much extraordinary support from the parent as possible, given SCF's group status and the rating on Santander. However, we could consider raising the ratings on SCF if we raised both the ratings on Santander and the sovereign rating on Spain, or if we were to consider SCF a core entity of Santander.

## Key Metrics

### Santander Consumer Finance S.A.--Key ratios and forecasts

(%)	--Year ended Dec. 31--				
	2023a	2024a	2025f	2026f	2027f
Growth in operating revenue	(2.3)	1.1	5.5-6.8	1.8-2.3	1.4-1.8
Growth in customer loans	8.5	3.3	(1.8)-(2.2)	0.0-0.0	0.9-1.1
Growth in total assets	10.0	3.3	(2.0)-(2.4)	0.2-0.3	0.7-0.9
Net interest income/average earning assets (NIM)	2.9	2.8	2.8-3.1	2.9-3.3	3.0-3.3
Cost to income ratio	50.4	50.3	48.5-51.0	49.5-52.0	50.6-53.2
Return on average common equity	9.5	7.5	7.1-7.8	7.8-8.7	7.8-8.6
Return on assets	1.0	0.7	0.7-0.8	0.7-0.9	0.7-0.9
New loan loss provisions/average customer loans	0.6	0.9	0.9-1.0	0.8-0.9	0.8-0.8
Gross nonperforming assets/customer loans	2.1	2.6	2.7-3.0	2.6-2.9	2.6-2.9
Risk-adjusted capital ratio	11.2	11.9	12.0-12.6	12.2-12.9	12.4-13.1

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

## Anchor: 'bbb+'; A Composite Measure Of Economic Risk Diversification And A Industry Exposure To Spain

The 'bbb+' anchor is the starting point in assigning the rating on SCF, reflecting our economic risk assessment of '3' and our industry risk assessment of '3' (on a scale of '1' to '10', '10' signifying the highest risk). We view the trend for both economic and industry risks as stable.

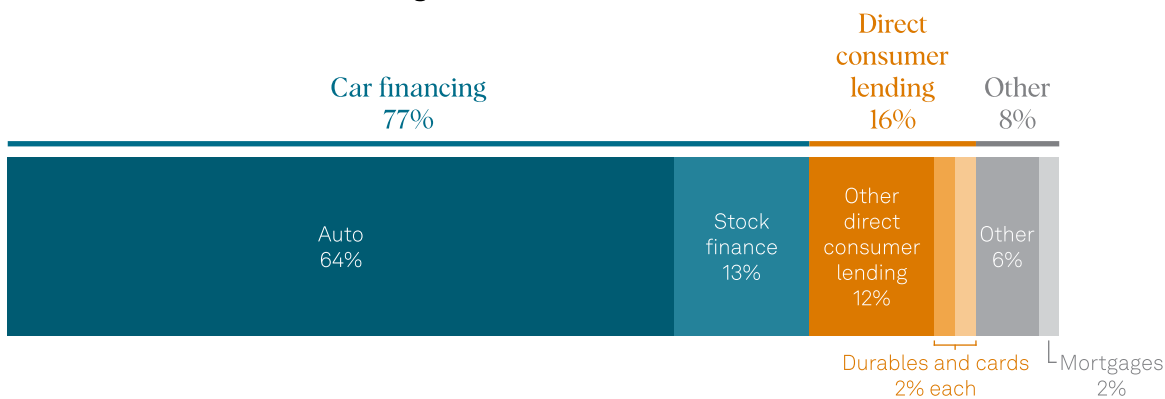
SCF's anchor reflects our view of the weighted-average economic risk of the countries where the bank has operations, and the industry risk in Spain, where the bank is legally incorporated and primarily regulated. Given SCF's broad geographic diversification within Europe, the economic risk to which it is exposed is lower than that faced by institutions operating primarily in Spain. The weighted-average economic risk for SCF is '3' because most of its operations are in countries where we see lower economic risks than in Spain, such as Germany, France, and the Nordic region. At year-end 2024, the bank's German and Austrian operations accounted for about 38% of its total loans, followed by France (16%) and Italy (15%). Our industry risk assessment is supported by Spanish banks' solid funding profiles and improved profitability. Customer deposits, largely provided by households and therefore cheap and stable, more than fully fund banks' loan books, and Spanish banks have become net external creditors. Also, Spanish banks' profitability has substantially improved, and we expect it will remain solid as interest rates normalize, with banks benefiting from the return of lending growth, hedging strategies, and their lean operating structures after a decade of downsizing. Largely supervised by the European Central Bank, Spain's regulatory and supervisory framework is aligned with international standards, as are banks' governance and disclosure standards.

# Business Position: A Specialized Player In Consumer Finance With Wide Geographic Diversification

SCF is one of the largest consumer finance specialists in Europe, with a significant market presence and a geographically diversified footprint across regions, including countries with lower-than-average economic risk profiles, like Germany or France. While this provides some risk dispersion, the business model remains highly concentrated in consumer lending, which is inherently more cyclical and exposed to economic volatility than traditional and more diversified retail banking activities.

Chart 1

**While diversified by product, SCF’s business is concentrated in riskier auto and direct consumer lending**

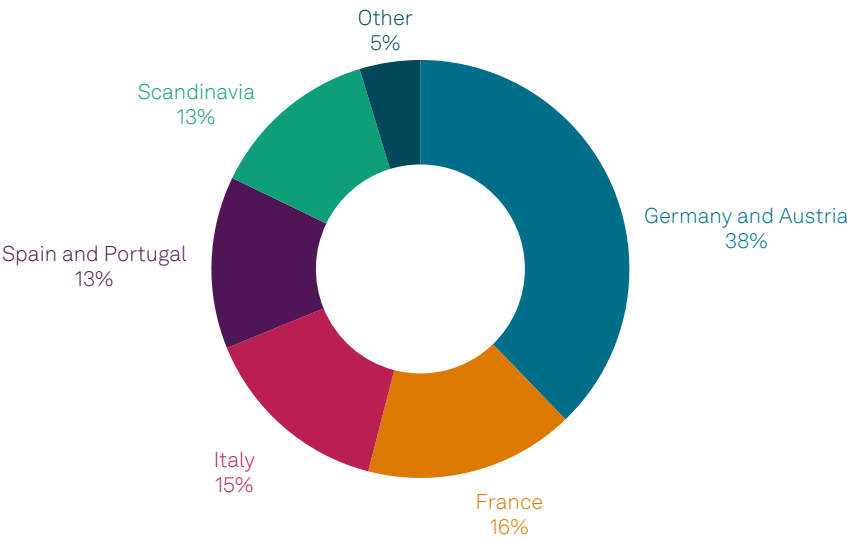


Data as of end-2024. Sources: Bank's financial statements, S&P Global Ratings.  
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Chart 2

SCF's business is well diversified geographically

Gross loan book by country as of December 2024



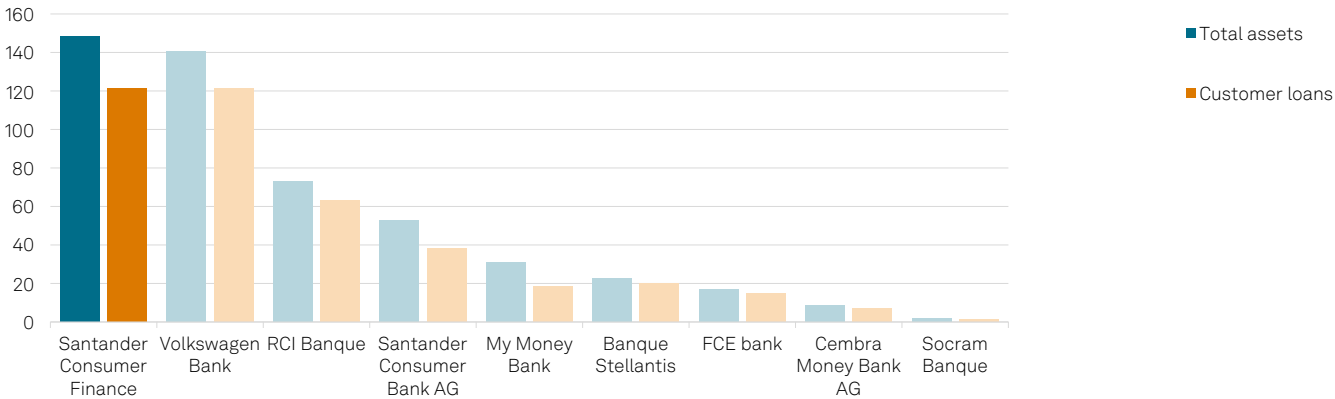
Sources: SCF's 2024 financial statements, S&P Global Ratings.  
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SCF's consumer business model is skewed towards auto financing, where it is active in both new and used car financing, as well as in stock financing for car dealers--segments that together represented about 77% of its loan book and 78% of its new business as of year-end 2024. The bank has developed a wide and resilient distribution network, establishing over 110 agreements with 20 auto partners, which positions it among the top auto lenders in multiple European markets. Notably, SCF implemented an agreement in 2023 with Stellantis (BBB/Negative/A-2)--the second-largest automaker in Europe--to finance the automaker's vehicle brands in Belgium, France, Italy, the Netherlands, Poland, Portugal, and Spain.

Chart 3

SCF enjoys the largest franchise among European peers

Bil. €



Data as of December 2024. Source: S&P Global Ratings.  
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As a result, the bank’s reach has significantly increased in recent years, with its customer loan base increasing about 22% from 2024-2020 (with €121.5 billion gross loans at year-end 2024). Despite credit expansion, SCF’s net interest income (NII)--which represents about 70% of total operating revenue--came under pressure following the European Central Bank’s tightening monetary policy that started in 2022. The compression in margins reflected a slower pass-through of higher rates on the asset side than funding costs, which adjusted more rapidly. That trend began to reverse in 2024, with SCF’s NII increasing 2.7% (compared with a 4.1% decline in 2023), as margin compression eased on the loan book and the bank reduced its reliance on more expensive wholesale funding by expanding its deposit base.

While our projections assume a continued recovery in SCF’s net interest margin in 2025-2026, we expect the ongoing pressure in the auto sector to weigh on loan growth prospects. Following a temporary improvement in 2023, driven by the easing of supply-side bottleneck that constrained the industry in 2021-2022,the auto industry came under pressure again in 2024, now finding itself at the forefront of the U.S. administration’s trade conflict. We expect European light vehicle sales to decrease up to 2% in 2025, owing to ongoing trade tensions, supply-side disruption risks, and higher vehicle prices--as manufactures attempt to pass tariff-related costs onto customers--ultimately dampening demand. Also, competitive pressure is set to intensify with Chinese original equipment manufacturers beginning production in Europe from late 2025 (see “[Global Auto Outlook: From Drive To Dive](#),” May 6, 2025).

Despite these issues, we expect SCF’s operating revenue to increase about 6% in 2025, slightly outpacing the growth in operating expense and allowing the bank to maintain stable efficiency metrics. We are still projecting expense to rise about 5% this year, reflecting SCF’s ongoing effort to simplify its structure and transform its business operating model into a single global platform for all its product and markets. We project the bank's cost to income to range from 50%-52% over the next 24 months.

# Capital And Earnings: Solid Capital Position And Strong Revenue Capacity

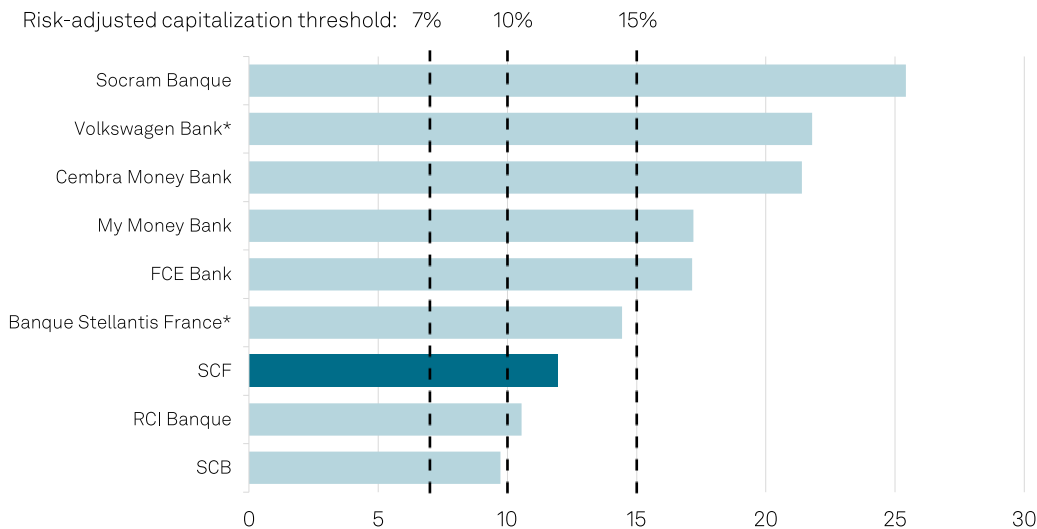
We consider SCF's capital and earnings to be robust enough to cover its concentrated consumer finance risks. SCF ended 2024 with a RAC ratio of 11.9%, slightly above the 11.2% at end-2023, and we forecast it could grow to 12.0%-12.5% over the next 12-24 months. Improved profitability and a broadly stable risk-weighted asset base will support the strengthening, despite projected payouts--against profit and unrestricted reserves--of about 65%.

On a regulatory basis, SCF's common equity Tier 1 (CET1) stood at 12.64% at end 2024, well above the requirement of 8.52% for Santander Consumer Finance Group. We expect the bank to maintain its CET1 ratio above 12%, in line with the overall group's commitment. Given the anticipated capital build-up and the existing buffer, the bank retains flexibility for potentially higher dividend distributions to its parent, Banco Santander, should it be desired. Nevertheless, even when accounting for more aggressive dividend payouts, SCF's RAC ratio would remain comfortably above the 10% threshold that underpins our strong capital assessment. Furthermore, quality of capital is satisfactory and consistent with most peers. At end-2024, SCF's hybrid instruments, subscribed by its parent, totaled €1.2 billion or 10% of our measure of the bank's total adjusted capital.

Chart 4

## SCF's capitalization is strong, albeit below the peer average

Risk-adjusted capitalization ratio end-2024 (%)



\*Data as of December 2024. Source: S&P Global Ratings.

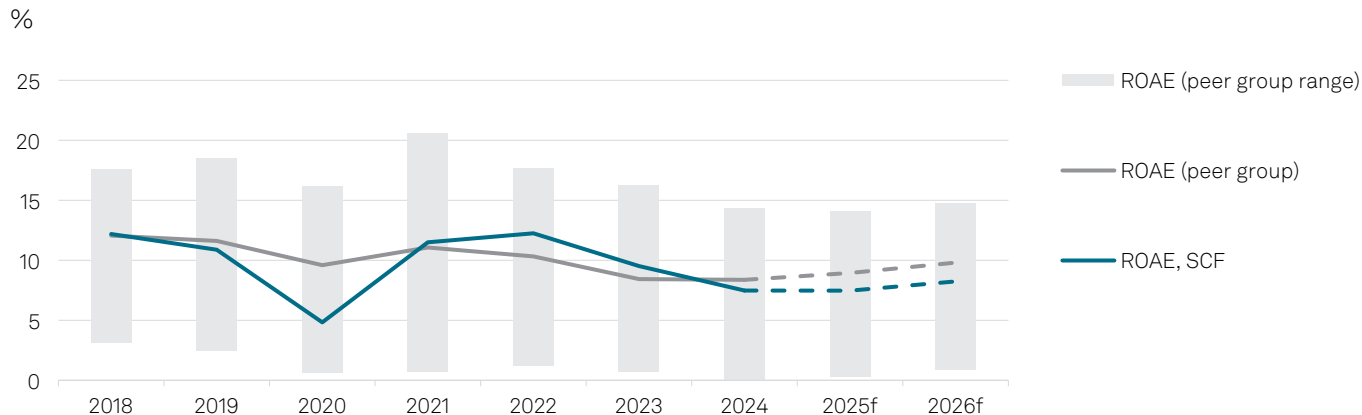
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SCF's profitability fell about 19% in 2023 as margin pressure peaked, further exacerbated by the shift in financing conditions under the targeted longer-term refinancing operations (TLTRO). In 2024, margin compression eased but slower loan growth (1.5% vs 8.5% in 2023) and higher loan impairments, led to a further 20% decline in net profit, with SCF's ROE down to 7.5%-9.5% from the 12.25% in 2022. For 2025, we expect the ongoing pressure in the auto sector to curb new lending and lead to a modest further increase in credit impairments, but see net income rising by about 2% on margin gains and the bank's strong potential to unlock economies of scale. We

forecast profitability to improve in 2026, with ROE at about 8.2%, supported by further margin improvement and lower new loan loss provisions.

Chart 5

### SCF's earning capacity is broadly in line with that of peers



Note: Peers includes Socram Banque, Cembra Money Bank, Volkswagen Bank, MMB, FCE Bank, SCB, Banque Stellantis France, and RCI Banque. f--Forecast. ROAE--Return on average equity. Source: S&P Global Ratings.

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## Risk Position: Concentration In The Auto Sector

SCF's business model is concentrated in inherently higher-risk consumer lending, particularly in the auto sector, which accounts for approximately three-fourths of its total loan book. Another 12% relates to direct financing, credit cards and durables. We regard this concentration as a weakness because of the higher vulnerability of consumer lending in times of economic stress, while the auto industry's cyclical nature is partly balanced by SCF's relatively granular base of operations with car brands, dealers, and geographic diversification across Europe. In addition, SCF has rapidly expanded through a series of acquisitions, which signals an above-peer-average appetite for growth. However, the bank depicts a solid track record of quick consolidation and rapid implementation of its risk framework at each new subsidiary.

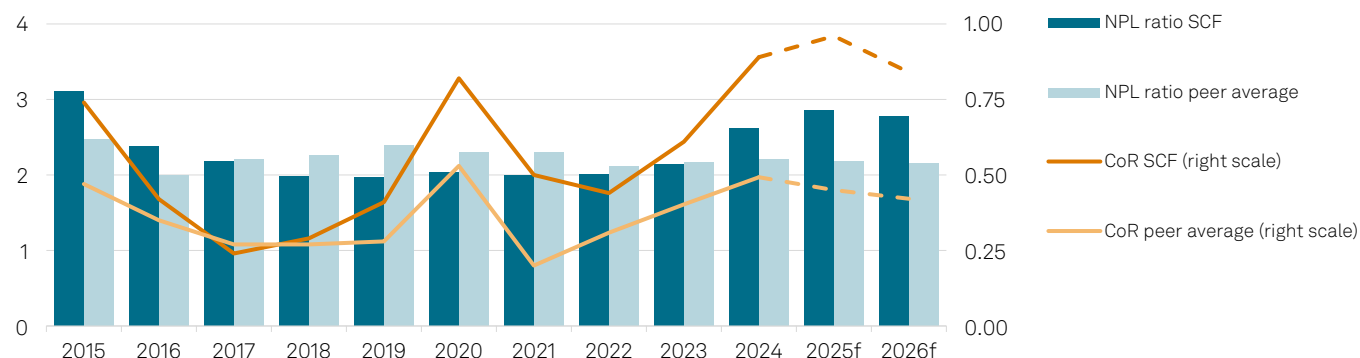
Following seven years of steady improvement, with SCF's NPL ratio declining to 2% in 2021 (down from 4.5% in 2014), the trend reversed amid rising inflation and tighter monetary policy, which eroded affordability and increased financing costs. By March 2025, NPLs had risen to 2.63%, while cost of risk more than doubled reaching 98 bps (from 44 bps at end-2022). Although the loan book is expected to remain under pressure due to ongoing sectoral headwinds and elevated risk costs, credit quality should still stay within manageable levels. In addition, we anticipate that SCF will continue to resort to the sale of defaulted portfolios to preserve its NPL ratio. We project NPLs to edge closer to 3% by year-end 2025 with the cost of risk stabilizing near 100 bps, improving to 2.8% and about 85 bps, respectively, in 2026. We think the bank retains adequate capital buffers to absorb this pressure without placing solvency metrics at risk.



Chart 6

**SCF's credit metrics are under pressure amid ongoing economic turbulence**

%



Note: Peers include Socram Banque, Cembra Money Bank, Volkswagen Bank, MMB, FCE Bank, SCB, Banque Stellantis Fr, and RCI banque. CoR--Cost of risk. f--Forecast. NPL--Nonperforming loan. Source: S&P Global Ratings.

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We consider SCF's single-name concentration manageable, with its top 20 corporate exposures representing about 2.6% of the gross loan book, or 25.7% of total adjusted capital, as of December 2024. As SCF builds its operating leasing business, it will have to manage its increasing exposure to residual value risk. As of December 2024, SCF transferred to third parties about 80% of such risk (indirect exposure), retaining a direct exposure of €3.3 billion (about 2.8% of its gross loans).

## Funding And Liquidity: Balanced Funding Profile And The Benefit Of Ongoing Parental Support

We consider SCF's funding and liquidity ratings neutral because we balance its wholesale-dependent funding profile with the benefits from being part of the Santander Group.

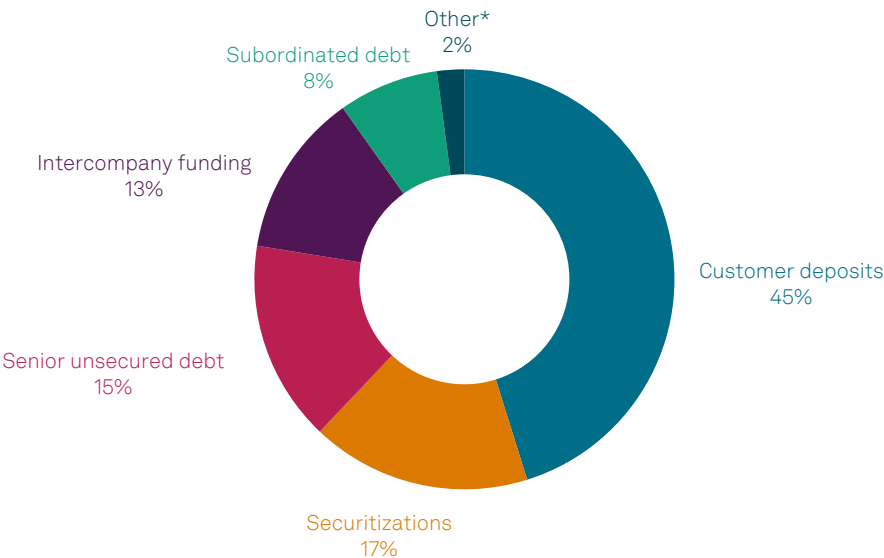
SCF has a relatively balanced funding profile thanks to customer deposits, whose share in total funding increased significantly in the past two years, to 45% at year-end 2024 from 36% in 2022 (the total deposit balance increased 1.38x in that time). These deposits are largely based in Germany, which accounts for 52% of total deposits, and are primarily gathered through retail branches, followed by the Nordic region, at 15%. We also see increasing volumes in countries, such as Belgium, France, and Austria, that are sourced digitally and tend to be more price sensitive.

We expect the bank's increasing reliance on deposit funding to continue expanding, with deposits representing a progressively larger share of its funding base over the next 18-24 months. In parallel, the bank is set to increasingly leverage intragroup funding sources, including interbank loans with Banco Santander and Openbank. As a result, we expect capital issuances to decrease in favor of these more cost-efficient internal funding channels. Furthermore, the overall shift in the funding mix should lessen the bank's sensitivity to interest rate hikes.

SCF has accessed capital markets in different jurisdictions, even during financial crises. Aside from deposits, the bank's funding sources include senior unsecured debt, securitizations, group intercompany funding, and subordinated debt.

Chart 7

SCF's funding structure is becoming less wholesale-dependent



\*Mainly interbank, covered bonds, and repurchase agreements. Sources: SCF's 2024 financial statements, S&P Global Ratings.  
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Our calculated stable funding ratio for SCF stood at 90.8% as of March 2025, in line with the average of its peer group (at 93%). This highlights some weaknesses because we expect banks to fund long-term assets with appropriate forms of stable long-term funding, plus a margin to absorb potential losses of customer deposits. Like most European banks, SCF took advantage of the attractive terms of TLTRO, up to €20.1 billion, which it fully repaid in 2024. The bank mainly replaced this debt with customer deposits, intra group funding, and some senior debt in the market, maintaining the ratio at a similar level compared with the one achieved at end-2023, of 91.3%.

In our view, the ongoing parental support balances SCF's partial reliance on short-term liabilities to finance long-term assets. As of December 2024, the bank benefited from about €15.8 billion of funding from the Santander group. Our calculated ratio of broad liquid assets on short-term wholesale funding (BLAST) was 0.79x as of March 2025, while SCF's regulatory liquidity coverage ratio stood at 263%.

Environmental, Social, And Governance (ESG)

We view ESG factors as broadly neutral factors in our analysis of SCF. The entity's main ESG-related considerations are primarily linked to its concentration in the auto market, which is undergoing a material transformation. While the exposure to this industry is higher than that of traditional retail banks and subject to specific environmental regulation targets, we do not view this as having a greater impact on SCF's creditworthiness than the industry average. Of note, the bank benefits from broad diversification, operating with a large network of car manufacturers

across multiple regions. On the social front, SCF is exposed to customer litigation, in line with industry peers, and we do not think this poses a material differentiation risk. Also, the bank adheres to responsible lending practices. In terms of governance, we view SCF's standards as adequate, reflecting sound risk management and compliance practices, in line with the broader Santander group.

## **Support: One Notch Below The Parent To Reflect Its Highly Strategic Importance To The Group**

We classify SCF as a subsidiary of high strategic importance to Banco Santander. Therefore, our long-term ICR on SCF is one notch below that on its parent.

Our assessment of SCF as a subsidiary of high strategic importance primarily reflects the bank's position as a solidly profitable subsidiary with operations across Europe that are integral to Santander's group strategy. We think the group supports SCF's management and will provide financial assistance under almost all foreseeable circumstances, for example in the form of capital and funding. We also think that Banco Santander is highly unlikely to sell SCF as a whole, although we think the parent could opportunistically divest parts of SCF's business in times of stress.

SCF, together with Santander Totta, are the only subsidiaries of the Santander Group that have not been identified as a separate point of entry in resolution, rather falling under the resolution perimeter of Santander. Therefore, we consider Santander's group credit profile, which includes one notch of additional loss-absorbing capacity (ALAC) uplift, a source of support for SCF. As long as we continue to assess SCF as highly strategic to Banco Santander, and it remains under the latter's resolution perimeter, our ratings on SCF will remain one notch below those on its parent, provided they don't exceed the ratings on Spain.

## **Group Structure, Rated Subsidiaries, And Hybrids**

We rate two of SCF's operating subsidiaries in Europe: Germany-based Santander Consumer Bank AG (SCB) and Banque Stellantis France (BSF). We consider SCB core to the group, whereas we consider BSF strategically important. In both cases, the subsidiaries benefit from group support and, as a result, our ratings on these entities are higher than their stand-alone credit profiles (SACPs).

SCB benefits from a three-notch uplift above its 'bbb' SACP, since we equalize the ICR with that on SCF. BSF is a joint venture (JV), 50% owned by SCF and 50% owned by Stellantis N.V. Our ratings on BSF benefit from a two-notch uplift above its 'bbb-' SACP. We think it is unclear whether BSF's senior creditors will benefit from the ALAC built up at the Santander group level, and therefore consider that the reference point for the extraordinary group support that BSF would likely receive if needed from SCF should be an ICR of 'A-' rather than 'A'.

Our 'BBB' rating on SCF's Tier 2 subordinated instruments stands three notches below our 'A' ICR on the entity. We derive this gap as follows:

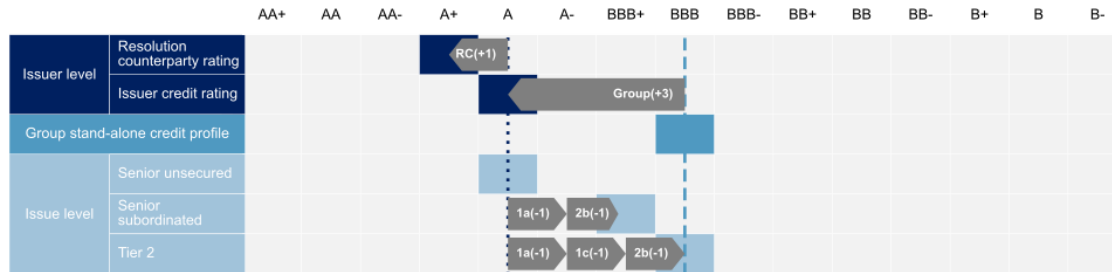
- One notch for contractual subordination, since SCF is an investment-grade issuer.
- One notch because they are regulatory capital instruments, and we think authorities could force their write-down to absorb losses before the bank reaches nonviability.

## Santander Consumer Finance S.A.

- One notch because we think ALAC support at the parent level would not be available to support SCF's hybrid instruments.

Similarly, our 'BBB+' rating on SCF's senior nonpreferred (SNP) instruments stands two notches below the ICR, incorporating one notch for contractual subordination and a further notch based on our belief that ALAC support at Santander would not be available to support SCF's SNP instruments.

### Santander Consumer Finance S.A.: Notching



#### Key to notching

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

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

The long- and short-term RCRs on SCF are 'A+/A-1', one notch above the long- and short-term ICRs on the bank. An RCR is a forward-looking opinion of the relative default risk of certain senior liabilities that may be protected from default through an effective bail-in resolution process for the issuing financial institutions. RCRs apply to issuers in jurisdictions where we assess the resolution regime to be effective and we consider that the issuer will likely be subject to a resolution that entails a bail-in if it reaches nonviability.

## Key Statistics

### Santander Consumer Finance S.A. Key Figures

Mil. EUR	2025*	2024	2023	2022	2021
Adjusted assets	144,082	145,739	140,989	128,083	128,768
Customer loans (gross)	120,573	121,481	117,641	108,456	101,674
Adjusted common equity	11,039	10,859	10,534	10,520	9,921
Operating revenues	1,315	5,004	4,947	5,062	4,768
Noninterest expenses	692	2,518	2,491	2,361	2,181
Core earnings	218	1,117	1,280	1,627	1,542

\*2025 data is for the 3 months to end-March. EUR--euro.

## Santander Consumer Finance S.A.

### Santander Consumer Finance S.A. Business Position

(%)	2025*	2024	2023	2022	2021
Total revenues from business line (currency in millions)	1,315	5,004	4,947	5,062	4,768
Return on average common equity	5.5	7.5	9.5	12.3	11.5
*2025 data is for the 3 months to end-March. N.M.--Not meaningful.					

### Santander Consumer Finance S.A. Capital And Earnings

(%)	2025*	2024	2023	2022	2021
Tier 1 capital ratio	--	14.5	14.4	14.4	14.5
S&P Global Ratings' RAC ratio before diversification	N/A	11.9	11.2	11.8	12.9
S&P Global Ratings' RAC ratio after diversification	N/A	12.5	11.5	12.2	13.3
Adjusted common equity/total adjusted capital	90.2	90.1	89.8	89.8	89.2
Double leverage	N.M.	N.M.	N.M.	N.M.	N.M.
Net interest income/operating revenues	69.2	70.3	69.2	70.5	74.6
Fee income/operating revenues	12.9	16.5	14.7	15.5	16.0
Market-sensitive income/operating revenues	(0.2)	(1.4)	2.8	1.2	0.0
Cost to income ratio	52.7	50.3	50.4	46.7	45.7
Preprovision operating income/average assets	1.7	1.7	1.8	2.1	2.1
Core earnings/average managed assets	0.6	0.8	0.9	1.3	1.2
*2025 data is for the 3 months to end-March. N.M.--Not meaningful.					

### Santander Consumer Finance S.A. RACF [Risk-Adjusted Capital Framework] Data

(Mil. €)	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
<b>Credit risk</b>					
Government and central banks	16,096	723	4	771	5
Of which regional governments and local authorities	320	16	5	12	4
Institutions and CCPs	6,004	1,896	32	1,822	30
Corporate	21,295	17,582	83	16,593	78
Retail	73,557	37,277	51	50,641	69
Of which mortgage	2,401	301	13	576	24
Securitization§	5,909	758	13	2,758	47
Other assets†	9,156	7,654	84	11,110	121
Total credit risk	132,019	65,891	50	83,695	63
<b>Credit valuation adjustment</b>					
Total credit valuation adjustment	'--	1,552	'--	0	'--
<b>Market risk</b>					
Equity in the banking book	745	2,574	345	6,522	875
Trading book market risk	'--	902	'--	1,353	'--
Total market risk	'--	3,476	'--	7,875	'--
<b>Operational risk</b>					
Total operational risk	'--	5,726	'--	9,492	'--

## Santander Consumer Finance S.A. RACF [Risk-Adjusted Capital Framework] Data

(Mil. €)	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
(Mil. €)	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global Ratings RWA	% of S&P Global Ratings RWA
<b>Diversification adjustments</b>					
RWA before diversification	'--	76,645	'--	101,062	100
Total diversification/ concentration adjustments	'--	'--	'--	(4,183)	(4)
RWA after diversification	'--	76,645	'--	96,879	96
(Mil. €)		Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global RAC ratio (%)
Capital ratio		S&P Global Ratings RWA	S&P Global Ratings RWA	S&P Global Ratings RWA	S&P Global Ratings RWA
Capital ratio before adjustments		11,148	14.5	12,059	11.9
Capital ratio after adjustments†		11,148	14.5	12,059	12.4

\*Exposure at default. \$Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of Dec. 31 2024, S&P Global Ratings.

## Santander Consumer Finance S.A. Risk Position

(%)	2025*	2024	2023	2022	2021
Growth in customer loans	(3.0)	3.3	8.5	6.7	2.0
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	(4.1)	(3.1)	(3.1)	(3.2)
Total managed assets/adjusted common equity (x)	13.3	13.6	13.6	12.4	13.2
New loan loss provisions/average customer loans	1.0	0.9	0.6	0.4	0.5
Net charge-offs/average customer loans	2.5	0.6	0.6	0.6	0.8
Gross nonperforming assets/customer loans + other real estate owned	2.6	2.6	2.1	2.0	2.0
Loan loss reserves/gross nonperforming assets	78.8	78.8	84.9	89.7	104.0
*2025 data is for the 3 months to end-March.					

## Santander Consumer Finance S.A. Funding And Liquidity

(%)	2025*	2024	2023	2022	2021
Core deposits/funding base	47.3	45.0	40.17	37.7	35.1
Customer loans (net)/customer deposits	200.5	209.7	236.5	257.7	254.7
Long-term funding ratio	85.8	85.2	85.7	87.4	86.0
Stable funding ratio	90.8	91.1	91.3	92.3	98.9
Short-term wholesale funding/funding base	15.6	16.3	15.7	14.0	15.4
Regulatory net stable funding ratio	--	--	--	--	--
Broad liquid assets/short-term wholesale funding (x)	0.8	0.8	0.9	0.9	1.4
Broad liquid assets/total assets	10.5	11.4	11.3	10.2	17.7
Broad liquid assets/customer deposits	26.0	29.7	33.1	32.3	59.3
Net broad liquid assets/short-term customer deposits	(7.3)	(6.9)	(6.5)	(5.3)	16.8
Regulatory liquidity coverage ratio (LCR) (x)	--	--	--	--	--

**Santander Consumer Finance S.A. Funding And Liquidity**

Short-term wholesale funding/total wholesale funding	29.1	29.1	25.8	22.0	23.3
Narrow liquid assets/3-month wholesale funding (x)	1.9	2.0	4.1	1.9	2.9

\*2025 data is for the 3 months to end-March.

## Rating Component Scores

**Rating Component Scores**

Issuer Credit Rating	A/Stable/A-1
SACP	bbb
Anchor	bbb+
Business position	Moderate (-1)
Capital and earnings	Strong (1)
Risk position	Moderate (-1)
Funding and liquidity	Adequate and Adequate (0)
Comparable ratings analysis	0
Support	3
ALAC support	0
GRE support	0
Group support	3
Sovereign support	0
Additional factors	0

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

## Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Feb. 10, 2025
- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), April 30, 2024
- [Criteria | Financial Institutions | General: Financial Institutions Rating Methodology](#), Dec. 9, 2021
- [Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions](#), 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: Guarantee Criteria](#), Oct. 21, 2016
- [General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

## Related Research

- [Banking Industry Country Risk Assessment: Spain](#), May 28, 2025
- [Global Auto Outlook: From Drive To Dive](#), May 6, 2025
- [Spain 'A/A-1' Ratings Affirmed; Outlook Stable](#), March 14, 2025
- [Three Spanish Banks Upgraded, The Rest Affirmed On Stronger Industry Dynamics](#), March 27, 2025
- [Spanish Banking Outlook 2025: Another Solid Year in Prospect](#), Jan. 22, 2025
- [Banco Santander S.A.](#), Sept. 27, 2024

### Ratings Detail (as of August 19, 2025)\*

#### [Santander Consumer Finance S.A.](#)

Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A+/-/A-1
Commercial Paper	
<i>Local Currency</i>	A-1
Senior Subordinated	BBB+
Senior Unsecured	A
Short-Term Debt	A-1
Subordinated	BBB

### 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

### Sovereign Rating

Spain	A/Stable/A-1
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### Related Entities

#### [Banco Santander \(Brasil\) S.A.](#)

Issuer Credit Rating	BB/Stable/B
<i>Brazil National Scale</i>	brAAA/Stable/brA-1+

#### [Banco Santander-Chile S.A.](#)

Issuer Credit Rating	A-/Stable/A-2
Commercial Paper	
<i>Foreign Currency</i>	A-2
Senior Unsecured	A-

#### [Banco Santander S.A.](#)

Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
Commercial Paper	
<i>Foreign Currency</i>	A-1
Junior Subordinated	BBB-
Preference Stock	BBB-
Senior Subordinated	A-



## Santander Consumer Finance S.A.

### Ratings Detail (as of August 19, 2025)\*

#### 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/Stable/A-1

Resolution Counterparty Rating A+/-/-A-1

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

Subordinated BBB+

#### Santander Consumer Bank AG

Issuer Credit Rating A/Stable/A-1

Resolution Counterparty Rating A+/-/-A-1

Commercial Paper A-1

Senior Unsecured A

#### 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 International Products PLC

Issuer Credit Rating A+/Stable/A-1

#### 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

Ratings Detail (as of August 19, 2025)\*

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
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\*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.

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