

Bulletin:

Santander's Acquisition Of Webster Financial Will Strengthen Its U.S. Franchise At An Affordable Cost

February 4, 2026

This report does not constitute a rating action.

MADRID (S&P Global Ratings) Feb. 4, 2026--S&P Global Ratings today said Banco Santander S.A.'s acquisition of U.S. bank Webster Financial Corp., announced late on Feb. 3, for a total consideration of US\$12.2 billion (€10.3 billion), supports Banco Santander's growth strategy and is affordable from a capital perspective. Thus, it has no immediate impact on our ratings on [Banco Santander](#) (A+/Stable/A-1) or our ratings on its U.S. operations, [Santander Bank N.A.](#) (A-/Stable/A-2) and its immediate parent, [Santander Holdings USA](#) (BBB+/Stable/A-2). We see the U.S. operations as strategically important for the parent.

The addition of [Webster Financial](#) (with total assets of US\$83 billion) will strengthen the scale and franchise of Santander's retail and commercial banking operations in the northern U.S. states, increasing its market share of deposits to 8%. It will also rebalance Santander's risk profile somewhat, reducing the relative weight of consumer loans in its U.S. credit portfolio; will strengthen the funding profile of its U.S. operations; and will enable stronger returns.

Although results are improving, they are still below the bank's ambitions (return on total equity of U.S. operations was reported at 10.5% at the end of 2025). In particular, Santander envisages significant cost synergies from the integration of Webster Financial into the group (€800 million pretax to be achieved by 2028, equivalent to 19% of the combined cost base of the two banks) and the addition of 3 percentage points to its U.S. operations' return on total equity by 2028. Upon completion of the deal, expected in the second half of 2026 and subject to regulatory approvals, the U.S. will account for about 15% of the Santander group's loan book, versus 10% today.

We consider the capital consumption of the acquisition, 140 basis points (bps) of common equity Tier 1 (CET1) capital, to be manageable, given that Santander expects to generate about 70 bps of capital organically this year (assuming a distribution of 50% of net profits to shareholders) and that at year-end 2025 it had accumulated some excess over its operating capital target of 12%-13%. The bank thus forecasts its CET1 capital will land at 12.8%-13.0% at year-end 2026, down from 13.5% at year-end 2025. The capital consumption primarily arises from the goodwill the deal will generate (Webster Financial is valued at 2x tangible book value), its financing (only 35% of the

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price will be paid in shares), the addition of Webster Financial's risk-weighted assets, and the expected restructuring costs.

Different from our previous expectation of a further strengthening of Santander's risk-adjusted capital ratio over 2026-2027, we now see it standing at around 8.5%, which is still commensurate with our adequate capital and earnings assessment.

Santander also announced yesterday its 2025 results, which were stronger than what we had expected and marked another record. Its net income reached €14 billion and its return on total equity was 16.3%. Santander closed its 2023-2025 business plan delivering on its goals, and is expected to announce its next strategic plan late this month.

Related Research

- [Spanish Banking Outlook 2026: The Momentum Is Set To Continue](#), Jan. 22, 2026
- [Banco Santander S.A.](#), Dec. 2, 2025
- [Santander Holdings USA Inc.](#), Sept. 25, 2025
- [Bulletin: Sabadell's Sale Of TSB To Santander Is A Plot Twist In BBVA Takeover, But No Ratings Impact Is Anticipated](#), July 2, 2025
- [Bulletin: Santander's Divestment Of Polish Retail Banking Operations Is Neutral for Its Ratings](#), May 7, 2025
- [Three Spanish Banks Upgraded, The Rest Affirmed On Stronger Industry Dynamics](#), March 27, 2025

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