

RATING ACTION COMMENTARY

Fitch Upgrades Santander Consumer Bank AS to 'A' Following Parent's Upgrade

Fri 14 Feb, 2025 - 7:31 AM ET

Fitch Ratings - Frankfurt am Main - 14 Feb 2025: Fitch Ratings has upgraded Santander Consumer Bank AS's (SCB) Long-Term Issuer Default Rating (IDR) to 'A' from 'A-' and its Shareholder Support Rating (SSR) to 'a' from 'a-'. The Outlook on the Long-Term IDR is Stable. A full list of rating actions is below.

The upgrade mirrors the rating action on SCB's ultimate parent, Banco Santander, S.A. (Santander; A/ Stable), and its intermediate parent, Santander Consumer Finance, S.A. (SCF; A/ Stable), as SCB's IDRs are driven by shareholder support (see "Fitch Upgrades Santander to 'A'; Outlook Stable", dated 11 February 2025, on www.fitchratings.com for further details).

Unless noted below, the key rating drivers for SCB are those outlined in our rating action commentary published on 5 March 2024 (see "Fitch Affirms Santander Consumer Bank AS at 'A-/Stable").

KEY RATING DRIVERS

Parent Support Drives IDRs: SCB's IDRs are equalised with Santander's as Fitch sees a very high probability that SCB would be supported directly by Santander or indirectly via its intermediate parent and 100% shareholder, SCF. This is reflected in SCB's 'a' SSR. The Stable Outlook on SCB's Long-Term IDR mirrors that on its parents.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

SCB's IDRs and SSR would be downgraded if SCF's and Santander's IDRs are downgraded.

SCB's IDRs and SSR are also sensitive to a weakening of Santander's and SCF's propensity to support SCB, for example, if the Nordic countries or the consumer-finance segment become less strategic for the group or if SCB becomes significantly less integrated within the group, which we do not expect.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

SCB's IDRs and SSR would be upgraded if Banco Santander's and SCF's ratings are upgraded, provided our assumptions surrounding potential support remain unchanged.

OTHER DEBT AND ISSUER RATINGS: KEY RATING DRIVERS

SCB's long-term senior preferred debt and deposit ratings have been upgraded to 'A+' from 'A', to maintain their one-notch differential with the Long-Term IDR. This reflects our expectation of the protection that will accrue to senior preferred debt and deposits from resolution buffers of junior debt raised by the parents. This is because SCB is part of the same resolution group as Santander and SCF under the group's single-point-of-entry resolution strategy.

Its short-term senior preferred debt and deposit ratings of 'F1' have been affirmed and are in line with the parents' short-term senior preferred debt and deposit ratings.

SCB's 'F1' support-driven Short-Term IDR has been upgraded by one notch following the upgrade of the bank's Long-Term IDR. It is the lower of two options mapping to the Long-Term IDR of 'A' and is aligned with the parents'.

OTHER DEBT AND ISSUER RATINGS: RATING SENSITIVITIES

SCB's long-term senior preferred debt and long-term deposit ratings are sensitive to changes of SCF's and Santander's IDRs, as SCB's shareholder-support driven ratings are sensitive to the same factors that might drive a change in its parents' IDRs.

The senior preferred debt and deposit ratings could also be downgraded by one notch on changes to the group resolution strategy that result in lower protection for these classes of debt from internal resources within the group.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

SCB's ratings are linked to the ratings of Santander and SCF.

ESG CONSIDERATIONS

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation of the materiality and relevance of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

RATING ACTIONS

ENTITY / DEBT	RATING			PRIOR
Santander Consumer Bank AS	LT IDR	A	Upgrade	A-
	ST IDR	F1	Upgrade	F2
	Shareholder Support	a	Upgrade	a-
long-term deposits	LT	A+	Upgrade	A
Senior preferred	LT	A+	Upgrade	A
short-term deposits	ST	F1	Affirmed	F1
Senior preferred	ST	F1	Affirmed	F1

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APPLICABLE CRITERIA

[Bank Rating Criteria \(pub. 15 Mar 2024\) \(including rating assumption sensitivity\)](#)

ADDITIONAL DISCLOSURES

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ENDORSEMENT STATUS

Santander Consumer Bank AS

EU Issued, UK Endorsed

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