FitchRatings

Banks
Retail & Consumer Banks
Norway

Santander Consumer Bank AS

Ratings

Foreign Currency

Long-Term IDR	A-
Short-Term IDR	F2
Viability Rating	bbb+
Shareholder Support Rating	a-

Sovereign Risk (Norway)

Long-Term Foreign-Currency IDR	AAA
Long-Term Local-Currency IDR	AAA
Country Ceiling	AAA

Outlooks

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

Key Rating Drivers

Parent Support Drives IDRs: Santander Consumer Bank AS's (SCB) Issuer Default Ratings (IDRs; A-/Stable/F2) are equalised with the IDRs of its ultimate parent, Banco Santander, S.A. (Santander). This is because Fitch Ratings sees a very high probability that SCB would be supported directly by Santander, or indirectly via its intermediate parent, Santander Consumer Finance S.A. (SCF; A-/Stable). This is reflected in SCB's Shareholder Support Rating (SSR) of 'a-'. The Stable Outlook on SCB's Long-Term IDR mirrors that on its parents.

Strong Intrinsic Creditworthiness: SCB's Viability Rating (VR; bbb+) reflects its leading Nordic consumer-finance franchise, underpinned by a clear and consistent business model, moderate risk appetite in auto and unsecured lending, and strong financial metrics.

The VR is one notch below the implied VR of 'a-'. This is because we attribute high importance to the business profile score of 'bbb+' to reflect SCB's limited business diversification, stemming from its focus on consumer finance. We believe this focus may have a long-term impact on SCB's financial metrics beyond that captured in the financial profile scores.

Leading Nordic Auto Lender: SCB is a leading Nordic consumer finance bank, with strong market shares and relationships in the four main Nordic countries. It is particularly strong in auto finance, where the bank holds number one positions in Norway and Denmark. SCB's franchise benefits from being part of SCF, particularly through globally arranged captive agreements, branding, and strategic partnerships.

Well-Controlled Credit Risk: The bank's underwriting standards are sound, underpinned by a dominant share of well-collateralised auto lending (about 85% of loans) and the generally sound repayment capacity of borrowers in the Nordic countries. Asset-quality metrics have remained resilient over the credit cycle, due to SCB's prudent risk appetite, evenly balanced geographical mix, strong risk controls, and adequate risk-based pricing.

Manageable Asset-Quality Pressure: Deterioration in the operating environment will likely weigh on asset quality in 2024, but we believe economic slowdown will be moderate in the Nordic region.

We expect SCB's impaired loan ratio to remain around 3% in 2024, and for loan-impairment charges (LICs)/gross loans to reach about 70bp in 2024. This broadly corresponds to the bank's historical average risk costs and is in line with our expectations for a consumer lender operating in the Nordics.

Solid Earnings Generation: SCB's healthy and resilient pre-impairment profitability is underpinned by strong margins and robust cost efficiency, providing adequate loss-absorption capacity for its concentration on consumer finance. We forecast SCB's operating profit at 2.6% of risk-weighted assets (RWAs) in 2024. Sluggish credit expansion, particularly in higher-yielding unsecured lending, will weigh on income growth, but we expect this to be mitigated by cost-saving measures in the short term.

Sound Capitalisation: SCB's common equity Tier 1 ratio (CET1; end-2023: 18.6%) and Basel leverage ratio (12.6%) compare favourably with those of similarly rated peers. Fitch expects higher payout ratios of annual earnings once macroeconomic uncertainties reduce, leading to a CET1 ratio towards 16%.

Stable Funding Profile: SCB's funding is a rating weakness due to a less developed deposit and wholesale debt franchise than at higher-rated large Nordic banks. Our assessment also reflects SCB's appropriate liquidity, good access to wholesale funding and the availability of ordinary support from the Santander group.

Applicable Criteria

Bank Rating Criteria (March 2024)

Related Research

Fitch Affirms Santander Consumer Bank AS at 'A-'; Outlook Stable (March 2024)

Global Economic Outlook (March 2024)

Fitch Affirms Santander Consumer Finance at 'A-'; Outlook Stable (November 2023)

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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, as SCB's shareholder-support-driven ratings are sensitive to the same factors that might drive a change in its parents' IDRs.

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.

The VR could be downgraded if SCB's financial profile materially weakens. This would require a sustained contraction of its operating profit/RWAs and CET1 ratios to below 1.5% and 15%, respectively, combined with increases in the impaired loans (to above 4%) and LICs/gross loans (to above 1%) ratios on a sustained basis.

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

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

Over the long term, an upgrade of SCB's VR would be contingent on a more diversified business model and a longer record of funding self-sufficiency.

Other Debt and Issuer Ratings

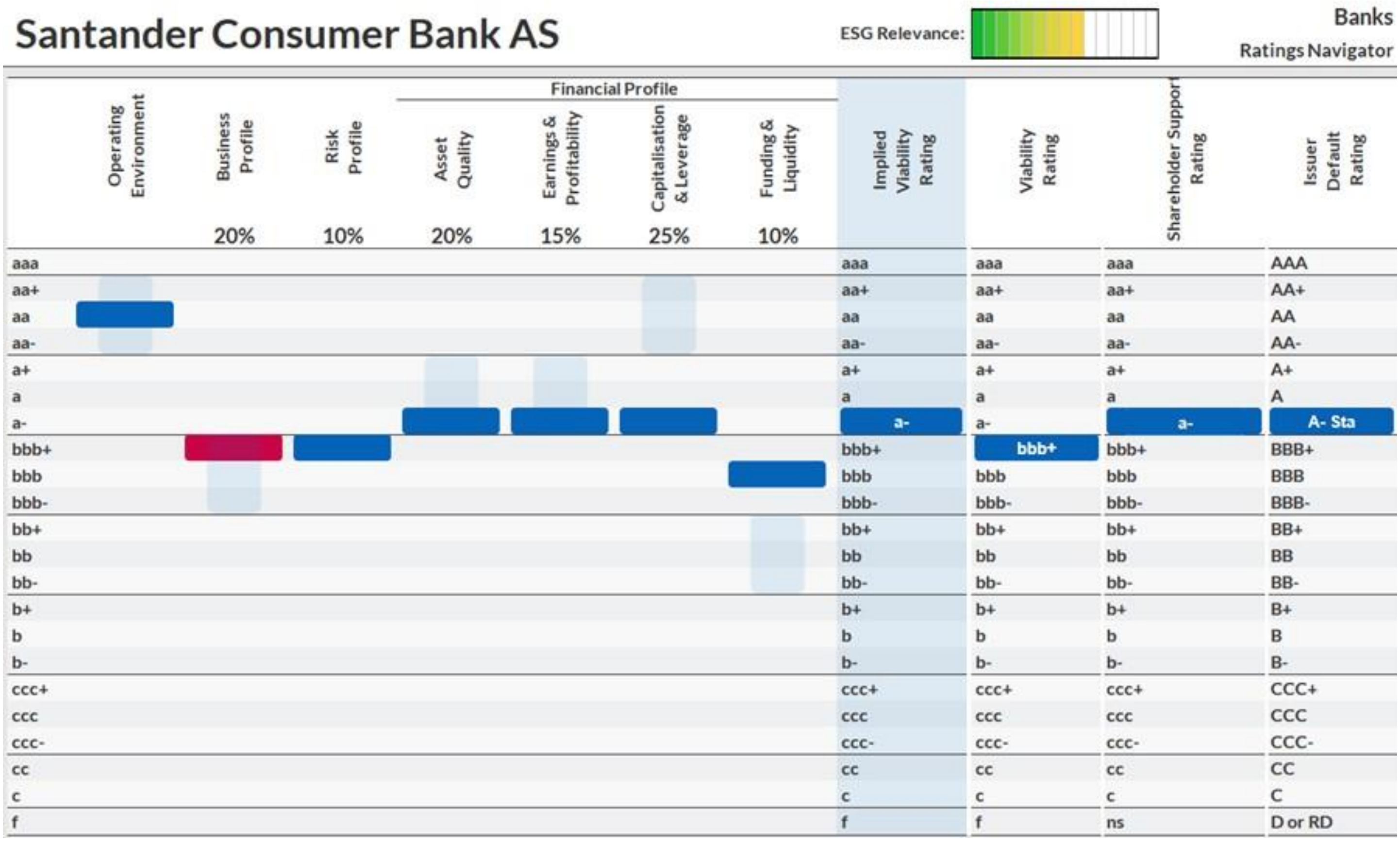
Rating Level	Rating
Long-term deposits: long term	A
Senior preferred: long term	A
Senior preferred: short term	F1
Short-term deposits: short term	F1

Source: Fitch Ratings

SCB's long-term senior preferred debt and deposit ratings are one notch above the bank's Long-Term IDR. This reflects our expectation of the protection that will accrue to senior preferred debt and deposits from junior resolution debt buffers raised by the parent. 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.

The short-term preferred senior debt and deposit ratings of 'F1' are the lower of two options mapping to the long-term ratings of 'A', in line with the parents' short-term preferred senior debt and deposit ratings.

Ratings Navigator



The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

VR - Adjustments to Key Rating Drivers

The VR of ‘bbb+’ is below the implied VR of ‘a-’ due to the following adjustment reason: business profile (negative).

The capitalisation and leverage score of ‘a-’ is below the ‘aa’ category implied score due to the following adjustment reasons: risk profile and business model (negative) and historical and future metrics (negative).

The funding and liquidity score of ‘bbb’ is above the ‘bb’ category implied score due to the following adjustment reasons: non-deposit funding (positive) and liquidity access and ordinary support (positive).

Company Summary and Key Qualitative Factors

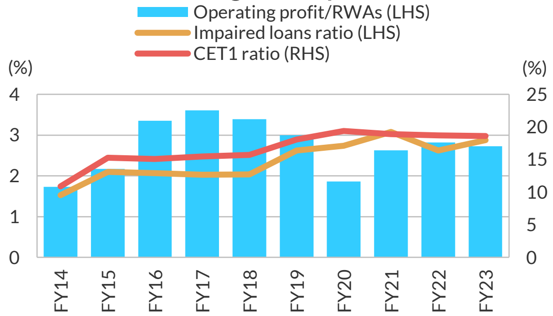
Business Profile

Auto finance is the bank's core product, accounting for about 85% of loans. It is mainly distributed through relationships with auto manufacturers, dealers, and importers, and, to a lesser extent, through direct marketing and the bank's own website. Unsecured lending makes up the remainder of the loans and consists of consumer and credit card loans, and sales finance. It is sourced mainly through the internet and through business partners, with sales finance especially benefitting from online retail distribution and agreements with retailers and merchants.

Revenue almost solely consists of net interest income (around 95% of revenue). SCB has some pricing power in its four markets and benefits from the high perceived quality of the Santander brand compared with many peers. Other benefits also include efficiency advantages from technology and product-development synergies.

The bank's strategy is closely aligned with that of SCF and of Santander. The bank wants to maintain its position in auto finance in the Nordic region. SCB's senior management has a clear strategic vision and a good degree of depth. It has also demonstrated an ability to both integrate acquired businesses and grow organically, while maintaining its prudent risk appetite. Management quality and execution benefit from integration with Santander in terms of corporate culture and governance.

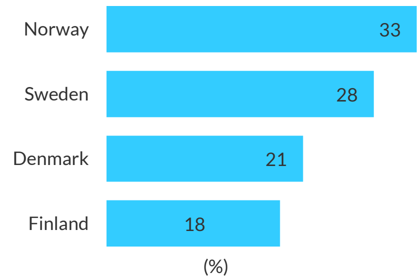
Performance Through the Cycle



Source: Fitch Ratings, Fitch Solutions, SCB

Loan Split by Geography

End-2023



Source: Fitch Ratings, Fitch Solutions, SCB

Risk Profile

We believe SCB's risk-management policies and procedures are good and appropriate given its business model, being closely integrated with those of the wider Santander group. This includes limits on credit, market and liquidity risk exposures, operational, compliance and IT risks.

SCB's loan growth rate has fluctuated in recent years due to foreign-exchange-rate movements, acquisitions, tightened lending standards for unsecured loans, and shifting demand for auto financing. SCB's annual credit volume generation is high and should be viewed in light of a short effective maturity of loans (about two years for auto loans). However, the fast loan book turnover is well controlled and balance sheet growth has been comfortably matched by capital generation.

We expect the product split between auto financing (end-2023: 86%) and unsecured (14%) will remain broadly stable over the next few years. We believe credit standards are largely consistent, but may vary slightly over economic cycles. The loan approval process is largely automated for auto and unsecured loans, with a generally stable level of acceptance. Auto financing mostly comprises loans to private individuals, followed by SMEs (fleet financing and wholesale financing). SCB's portfolio is fairly granular, given its predominantly retail nature, which reduces borrower concentration. Loans are well-diversified geographically. The residual value risk management in auto lending is prudent, in our view.

Financial Profile

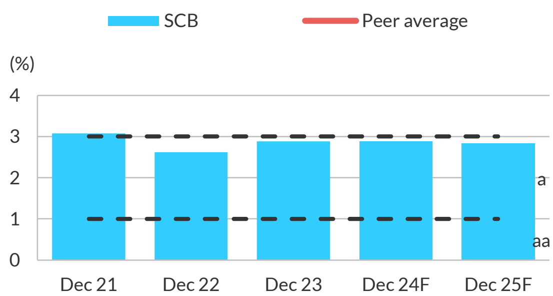
Asset Quality

Asset quality was resilient over the credit cycle, due to SCB's prudent risk appetite, its well-balanced geographical mix, strong risk controls and adequate risk-based pricing. We do not expect the cost of risk to rise materially above the historical average in 2024, despite macro-economic uncertainties. This is because a high proportion of SCB's loan book is secured and the bank's recently tightened debt affordability assessment (in line with EBA guidelines) has increased the resilience of unsecured loan exposures.

The operating environment will remain challenging in 2024, but monetary policy tightening is close to an end, and we expect the Nordic labour markets to deteriorate only a little. In addition, SCB is entering the economic downturn from a strong asset quality position. The Stage 2 ratio decreased to a low 2.8% at end-2023 (end-2022: 3.8%), while the Stage 3 ratio deteriorated slightly to 2.9% (end-2022: 2.6%). The bank's impaired loans are conservatively classified, with about 25% comprising loans without payment arrears longer than 90 days. The impaired loans/gross loans ratio was materially higher for unsecured lending at 10.5%, compared with 1.6% for auto loans. Impaired loans are comfortably covered by specific loan loss allowances (end-2023: 55%).

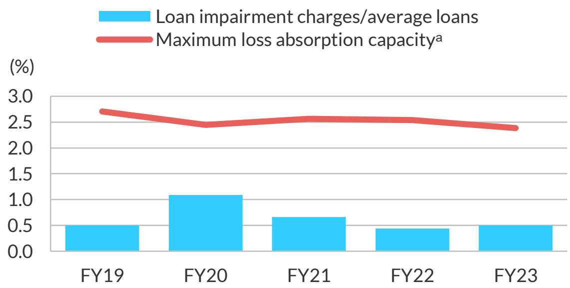
SCB's pre-impairment operating profit in the past five years has been sufficient to absorb LICs equivalent to about 250bp of average gross loans annually, while the highest credit risk cost in the past decade was 110bp (in both 2014 and 2020).

Impaired Loans/Gross Loans



F - Forecast
Source: Fitch Ratings, Fitch Solutions, banks

P&L Loss Absorption Capacity



[a] Pre-impairment operating profit/average loans
Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

SCB's strong profitability throughout the credit cycle reflects its low cost base, sound interest margins and contained LICs. The net interest margin increased slightly in 2023 to 3.8% (2022: 3.6%), and the ratio net of loan impairment charges was strong at 3.3% (2022: 3.2%). SCB's net interest income increased by 14% year-on-year, mainly driven by foreign-currency effects as the Norwegian krona weakened. The positive impact of the loan book repricing from higher interest rates was partly offset by a steep increase in funding cost, as well as increased competition and a changed product mix, leaning more towards lower-yielding secured auto lending.

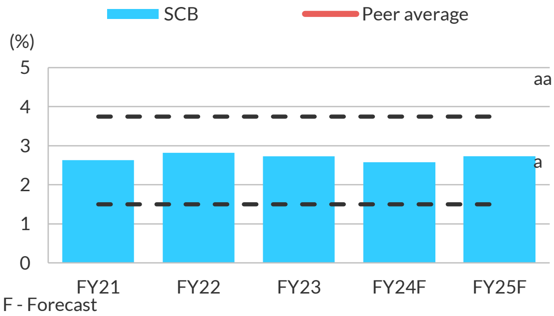
Cost efficiency is robust despite SCB's small size. The bank plans to improve its cost/income ratio to below 35% in the medium term through disciplined operating expense management, assisted by digitalisation. However, we believe that SCB's cost/income ratio target is unlikely to be achieved in light of inflation-led pressure and limited income growth prospects. We expect a cost/income ratio in 2024 at about 40%.

Capital and Leverage

SCB's capitalisation is sound for the rating level and the business model. At end-2023, the fully loaded CET1 ratio was about 550bp above the requirement and the leverage ratio a high 12.6%, owing to the banks' high RWA density. SCB applies the standardised method for calculating capital requirements for auto loans for private customers in Denmark and all unsecured lending.

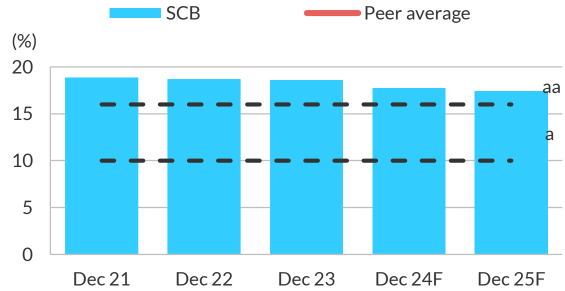
Fitch expects higher pay-out ratios once macroeconomic uncertainties reduce, as it expects the CET1 ratio to move towards 16%. The bank aims to keep the CET1 ratio at least 130bp above its requirement (end-2023: 13.1%).

Operating Profit/Risk-Weighted Assets



F - Forecast
Source: Fitch Ratings, Fitch Solutions, banks

CET1 Ratio



F - Forecast
Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

SCB has recently successfully increased its deposit base, in line with the group's strategy to have self-funded subsidiaries. SCB has a deposit license in Norway, Sweden and Denmark. By offering competitive prices, deposits increased by 17% in 2023 and represented about 50% of all funding at end-2023. SCB's deposits are more price- and confidence-sensitive than those of larger Nordic banking groups as its customers generally do not have other products with SCB, and the bank mainly competes on price.

The bank has recently issued about NOK16 billion of senior non-preferred debt to its parent company Santander Consumer Finance S.A. to meet its minimum requirements for own funds and eligible liabilities (MREL). The bank's self-funding ratio reached 84% at end-2023 (end 2022: 77%) on a senior liabilities' basis. We expect the bank to gradually decrease its reliance on parent bank funding over the next three years, predominantly by growing customer deposits.

SCB also funds itself via securitisations and unsecured debt, and, particularly on the unsecured side, has been able to tap the markets more frequently in recent years. The use of secured funding has gradually decreased (7% of funding at end-2023) due to strict legislation in Norway, although SCB is still able to issue ABS in its other markets. Following expected regulatory changes, we expect the bank to increase its ABS issuances in Norway again.

At end-2023, SCB's liquid assets equalled about 6% of total assets, which is lower than most peers, but this equalled about 20% when including undrawn multicurrency committed facilities from the parent. We believe the bank would receive liquidity support from the parent if access to wholesale funding markets was uncertain or prohibitively expensive.

Additional Notes on Charts

The forecasts in the charts in this section reflect Fitch's forward view on the bank's core financial metrics per Fitch's Bank Rating Criteria. They are based on a combination of Fitch's macro-economic forecasts, outlook at the sector level and company-specific considerations. As a result, Fitch's forecasts may materially differ from the guidance provided by the rated entity to the market.

To the extent Fitch is aware of material non-public information with respect to future events, such as planned recapitalisations or merger and acquisition activity, Fitch will not reflect these non-public future events in its published forecasts. However, where relevant, such information is considered by Fitch as part of the rating process.

Black dashed lines represent indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'aa' category. Light-blue columns represent Fitch's forecasts. Peer average includes Santander Consumer Finance, S.A. (VR: a-), LeasePlan Corporation N.V. (bbb+), Santander Consumer Bank AG (a-). Latest average uses 9M23 data for LeasePlan Corporation N.V..

Financials

Financial Statements

	31 Dec 23		31 Dec 22	31 Dec 21	31 Dec
	12 months	12 months	12 months	12 months	12 months
	(USDm)	(NOKm)	(NOKm)	(NOKm)	(NOKm)
	Not disclosed	Not disclosed	Not disclosed	Unaudited	Unaudited
Summary income statement					
Net interest and dividend income	752	7,685	6,754	7,088	7,655
Net fees and commissions	30	307	367	318	262
Other operating income	19	197	-65	0	-101
Total operating income	801	8,189	7,056	7,406	7,816
Operating costs	346	3,537	2,472	2,871	3,369
Pre-impairment operating profit	455	4,652	4,584	4,535	4,447
Loan and other impairment charges	93	946	850	1,176	1,999
Operating profit	362	3,706	3,734	3,359	2,448
Other non-operating items (net)	—	—	-150	—	253
Tax	87	885	877	793	571
Net income	276	2,821	2,707	2,566	2,130
Other comprehensive income	10	106	315	-49	71
Fitch comprehensive income	286	2,927	3,022	2,517	2,201
Summary balance sheet					
Assets					
Gross loans	19,060	194,884	187,401	175,589	181,267
– Of which impaired	548	5,607	4,918	5,402	4,961
Loan loss allowances	457	4,672	4,425	4,949	5,004
Net loans	18,604	190,212	182,976	170,640	176,263
Interbank	329	3,366	3,663	4,391	7,238
Derivatives	53	540	717	102	18
Other securities and earning assets	1,011	10,333	6,000	9,692	6,851
Total earning assets	19,996	204,451	193,356	184,825	190,370
Cash and due from banks	110	1,127	5,680	3,784	3,363
Other assets	634	6,479	3,858	3,748	5,159
Total assets	20,740	212,057	202,894	192,357	198,892
Liabilities					
Customer deposits	8,660	88,546	75,925	73,304	81,142
Interbank and other short-term funding	2,560	26,174	36,561	30,443	29,363
Other long-term funding	5,937	60,705	53,797	53,981	54,037
Trading liabilities and derivatives	60	611	883	63	25
Total funding and derivatives	17,217	176,036	167,166	157,791	164,567
Other liabilities	613	6,269	4,992	4,711	5,153
Preference shares and hybrid capital	220	2,250	2,250	2,250	2,250
Total equity	2,690	27,502	28,486	27,605	26,922
Total liabilities and equity	20,740	212,057	202,894	192,357	198,892
Exchange rate		USD1 = NOK10.2245	USD1 = NOK9.8332	USD1 = NOK8.8517	USD1 = NOK8.7324

Source: Fitch Ratings, Fitch Solutions, SCB

Key Ratios

	31 Dec 23	31 Dec 22	31 Dec 21	31 Dec 20
Ratios (%; annualised as appropriate)				
Profitability				
Operating profit/risk-weighted assets	2.7	2.8	2.6	1.9
Net interest income/average earning assets	3.8	3.6	3.8	4.0
Non-interest expense/gross revenue	43.2	35.0	38.8	43.1
Net income/average equity	10.1	9.9	9.3	8.3
Asset quality				
Impaired loans ratio	2.9	2.6	3.1	2.7
Growth in gross loans	4.0	6.7	-3.1	9.6
Loan loss allowances/impaired loans	83.3	90.0	91.6	100.9
Loan impairment charges/average gross loans	0.5	0.4	0.7	1.1
Capitalisation				
Common equity Tier 1 ratio	18.6	18.7	18.9	19.4
Tangible common equity/tangible assets	12.4	13.5	13.8	13.0
Basel leverage ratio	12.6	12.9	13.5	13.8
Net impaired loans/common equity Tier 1	3.7	2.0	1.9	-0.2
Funding and liquidity				
Gross loans/customer deposits	220.1	246.8	239.5	223.4
Liquidity coverage ratio	166.0	184.5	144.0	237.0
Customer deposits/total non-equity funding	49.8	45.1	45.8	48.7
Net stable funding ratio	112.1	107.2	110.1	114.4

Source: Fitch Ratings, Fitch Solutions, SCB

Support Assessment

Shareholder Support	
Parent IDR	A-
Total Adjustments (notches)	0
Shareholder Support Rating	A-
Shareholder ability to support	
Shareholder Rating	A-/ Stable
Shareholder regulation	Equalised
Relative size	Equalised
Country risks	Equalised
Shareholder propensity to support	
Role in group	Equalised
Reputational risk	Equalised
Integration	Equalised
Support record	1 Notch
Subsidiary performance and prospects	Equalised
Legal commitments	2+ Notches

The colours indicate the weighting of each KRD in the assessment.
Higher influence Moderate influence Lower influence

We consider SCB a key and integral part of Santander's consumer-finance activities. SCB operates in one of SCF's core geographies, and Santander considers consumer finance one of its core markets. Any required support for SCB would be immaterial relative to Santander's ability to provide it due to SCB's modest size.

SCB is highly integrated into the Santander group and has received ordinary support in the form of funding and capital from its parent to support business growth. SCB's management and corporate culture are highly integrated into SCF's, and ultimately into Santander's. SCB also benefits from shared risk-management practices within the group and operates under the Santander brand name.

Environmental, Social and Governance Considerations

FitchRatings **Santander Consumer Bank AS**

Banks
Ratings Navigator

Credit-Relevant ESG Derivation

Santander Consumer Bank AS has 5 ESG potential rating drivers

- Santander Consumer Bank AS has exposure to compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security) but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			Overall ESG Scale
key driver	0	issues	5
driver	0	issues	4
potential driver	5	issues	3
not a rating driver	5	issues	2
	4	issues	1

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference	E Scale
GHG Emissions & Air Quality	2	n.a.	n.a.	5
Energy Management	1	n.a.	n.a.	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile (incl. Management & governance); Risk Profile; Asset Quality	1

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Business Profile (incl. Management & governance); Risk Profile	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile (incl. Management & governance); Risk Profile	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile (incl. Management & governance)	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile (incl. Management & governance); Financial Profile	1

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
Management Strategy	3	Operational implementation of strategy	Business Profile (incl. Management & governance)	5
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Business Profile (incl. Management & governance); Earnings & Profitability; Capitalisation & Leverage	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile (incl. Management & governance)	3
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile (incl. Management & governance)	2
				1

How to Read This Page
ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI) and the Sustainability Accounting Standards Board (SASB).

Sector references in the scale definitions below refer to Sector as displayed in the Sector Details box on page 1 of the navigator.

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

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 SCB, either due to their nature or the way in which they are being managed by the bank. 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.

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

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