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Fitch Revises Santander BP's Outlook to Stable; Affirms at 'BBB+'

Fitch Ratings - Warsaw - 11 Jun 2021: Fitch Ratings has revised the Outlook on Santander Bank Polska S.A.'s (Santander BP) Long-Term Foreign Currency Issuer Default Rating (IDR) to Stable from Negative and affirmed the IDR at 'BBB+'. The bank's Viability Rating is unaffected by this rating action. A full list of rating actions is below.

The Outlook revision follows the revision of the Outlook on its parent, Banco Santander S.A. (A-/Stable/a-) to Stable from Negative (see Fitch Revises Santander's Outlook to Stable; Affirms IDR at 'A-' dated 7 June 2020 at www.fitchratings.com).

Key Rating Drivers

IDRS, NATIONAL RATINGS, SENIOR DEBT AND SUPPORT RATING

Santander BP's IDRs, its senior debt ratings and Support Rating (SR) are driven by the high probability of support from its parent, Banco Santander, in case of need. The support consideration reflects the strategic importance of the Polish market to the parent and Santander BP's role in the group. The bank's synergies with its parent are strong and underpinned by a solid record of supporting its parent's objectives, which is likely to continue.

In our opinion, any required support for the bank would be immaterial relative to its parent's ability to provide it. This view reflects Banco Santander's solid credit profile and the small size of Santander BP relative to its parent. The Outlook on Santander BP's IDR reflects that on the parent.

Santander BP's Short-Term IDR of 'F2' is the lower of the two options for the Long-Term IDR of 'BBB+' and is in line with Banco Santander's Short-Term IDR.

National Ratings reflect the bank's creditworthiness relative to Polish peers.

RATING SENSITIVITIES

IDRS, NATIONAL RATINGS, SENIOR DEBT AND SR

Factors that could individually or collectively lead to positive rating action/upgrade:

- An upgrade of the parent's IDR, while maintaining strong propensity to support the Polish subsidiary

Factors that could individually or collectively lead to negative rating action/downgrade:

- A downgrade of the parent's Long-Term IDR or weakening of its propensity to support the banks; and
- Santander BP's VR is downgraded.
- A downgrade of Santander BP's SR would require a multi-notch downgrade of parent's Long-Term IDR

Best/Worst Case Rating Scenario

International scale credit ratings of Financial Institutions and Covered Bond issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of four notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>

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

Santander BP's IDRs, senior debt ratings and SR are linked to Banco Santander's Long-Term IDR

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. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg

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Rating Actions

ENTITY/DEBT	RATING	RECOVERY	PRIOR	
Santander Bank Polska S.A.	LT IDR	BBB+ 	Affirmed	BBB+ 
	ST IDR	F2	Affirmed	F2
	Natl LT	AA(pol) 	Affirmed	AA(pol) 
	Natl ST	F1+(pol)	Affirmed	F1+(pol)
	Support	2	Affirmed	2
	• senior unsecured ^{LT}	BBB+	Affirmed	BBB+
	• senior unsecured ST	F2	Affirmed	F2

RATINGS KEY OUTLOOK WATCH

POSITIVE	⊕	◇
NEGATIVE	⊖	◇
EVOLVING	◊	◆
STABLE	○	

Applicable Criteria

[Bank Rating Criteria \(pub.28 Feb 2020\) \(including rating assumption sensitivity\)](#)

[National Scale Rating Criteria \(pub.22 Dec 2020\)](#)

Additional Disclosures

[Solicitation Status](#)

Endorsement Status

Santander Bank Polska S.A. EU Issued, UK Endorsed

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