FitchRatings

CA Auto Bank S.p.A.

Ratings

Foreign Currency

Long-Term IDR	A-
Short-Term IDR	F1
Viability Rating	bb+
Shareholder Support Rating	a-

Sovereign Risk (Italy)

Long-Term Foreign-Currency IDR	BBB
Long-Term Local-Currency IDR	BBB
Country Ceiling	AA

Outlooks

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

Key Rating Drivers

Support Drives Ratings: The affirmation of CA Auto Bank S.p.A.'s Long-Term Issuer Default Rating (IDR) reflects Fitch Ratings' view of a high probability of support from the bank's 100% shareholder, CA Consumer Finance (CACF; A+/Stable), and ultimately from Credit Agricole S.A.'s (CA; A+/Stable) in case of need. The Stable Outlook mirrors those on CACF and CA.

Rating Notched Twice: CA Auto Bank's ratings are based on Fitch's assessment of the availability of potential support from CACF and, ultimately, CA. CA provides ongoing support to CA Auto Bank, providing funding and liquidity. A funding scheme between CA Auto Bank and CA has been renewed upon the recent reorganisation.

Fitch expects that CA Auto Bank will remain important for CA (in line with its strategic focus on car and dealer finance), despite the termination of its distribution agreement with Stellantis. Fitch assesses CA's propensity to support CA Auto Bank to be high in light of the full ownership, and high reputational risk for CA in case of a CA Auto Bank default.

Rating Above Sovereign: CA Auto Bank's ratings are not constrained at the level of Italy's sovereign IDR (BBB/Stable), because CA Auto Bank has negligible direct exposure to Italian sovereign risk. Fitch also believes that CA Auto Bank is less exposed than universal deposit-taking banks to the risk of restrictions being imposed on its ability to service its obligations, should Italy's operating environment materially worsen.

Fitch is unlikely to rate CA Auto Bank more than two notches above Italy's Long-Term IDR, because the bank generates about half of its business in Italy and retail deposits were 9% of its non-equity funding at end-2022. This caps CA Auto Bank's Long-Term IDR at 'A-'.

Post-Stellantis Strategic Challenge: CA Auto Bank's standalone profile is under pressure due to a weaker franchise outside Stellantis and execution risks with its new strategy. We expect CA Auto Bank's business and balance sheet to shrink to about a third of its end-2022 size in the next three years, while it continues to manage the loan portfolio that was originated for Stellantis's former FCA brands. White-label agreements with new car manufacturers and larger dealer-financing volumes are feasible, but volumes will remain limited in the short term.

Capitalisation to Decline: Fitch expects CA Auto Bank to distribute dividends in excess of its net income in the next three years, to release excess capital given a smaller asset size. We expect CA Auto Bank's common equity Tier 1 (CET1) ratio to remain over 12%, which we see as commensurate with the low credit risk in its mostly secured portfolio.

The cost of risk averaged 0.2% of gross loans in 2019-2022. CA Auto Bank's rental subsidiary, Drivalia, is not part of the regulated banking group and is only partly included in the bank's risk-weighted assets, but this is a small part of its total assets.

Parent's Funding Gradually Reducing: CA Auto Bank's funding sources are sufficiently diversified, with access to various wholesale funding instruments and investor bases. CA Auto Bank will adjust its funding plans to its decreasing needs, but we do not expect a reduction in funding availability. CA's propensity to provide funding remains high, in our view, despite the reduction in CA's contribution to the bank's funding since 2010. This is part of CA's strategy to increase the autonomy of its subsidiaries' funding profiles.

Applicable Criteria

Bank Rating Criteria (September 2022)

Non-Bank Financial Institutions Rating Criteria (May 2023)

Related Research

Fitch Affirms CA Auto Bank at 'A-'; Outlook Stable (July 2023)

Global Non-Bank Financial Institutions Mid-Year Outlook 2023 (June 2023)

Global Economic Outlook (June 2023)

Risk Headquarters (May 2023)

Fitch Affirms Italy at 'BBB'; Outlook Stable (May 2023)

Fitch Upgrades CA Auto Bank to 'A-'; Outlook Stable (April 2023)

Fitch Affirms Credit Agricole's Long-Term IDR at 'A+'; Stable Outlook (October 2022)

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Rating Sensitivities

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

A downgrade of CA and CACF's IDRs would result in a downgrade of CA Auto Bank's IDR and SSR, reflecting a weakening of the parents' ability to support a wholly owned subsidiary.

CA Auto Bank's ratings are sensitive to adverse changes in Fitch's assumptions about CA's propensity to support the company. CA Auto Bank's attractiveness to CA is sensitive to the execution of its new strategy outside Stellantis and to unfavourable changes in both CA's strategy and in the automotive sector, should these compromise CA Auto Bank's profitability and growth prospects.

Fitch would likely cap CA Auto Bank's IDR at two notches above Italy's Long-Term IDR. It would therefore mirror any negative action on Italy's current sovereign rating on CA Auto Bank's Long-Term IDR and Shareholder Support Rating.

CA Auto Bank's Viability Rating could be downgraded if the bank fails to deliver the stated business plan or if the financial profile deteriorates materially.

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

Upgrade potential is limited in the medium term and would require an upgrade of Italy's Long-Term IDR, while the Italian operating environment remains stable and CA Auto Bank's exposure to Italian sovereign risk remains limited. It would also require a successful execution of CA Auto Bank's strategy outside Stellantis.

An upgrade of CA Auto Bank's Viability Rating would require a successful execution of the business plan, leading to a stronger bank franchise and new business origination, while maintaining its sound financial profile.

Recent Developments

Wholly Owned CA Subsidiary

CA Auto Bank is now a wholly owned subsidiary of CACF, following the reorganisation of Stellantis's captive finance JVs in 2H22 and 1H23. CA acquired 100% ownership of the then FCA Bank S.p.A. on 3 April 2023, buying a 50% stake from Stellantis. The bank changed its company name to CA Auto Bank on the same date.

Standalone Profile Is under Pressure

In Fitch's view, CA Auto Bank's standalone profile is under pressure after exiting the Stellantis group. Stellantis' car sales and dealers accounted for about 75% of new loans volume in 2017-2022, while the partnership with Jaguar Land Rover Automotive plc (which was not renewed at end-2022) accounted for another 15%. We expect growth in other business partnerships to mitigate the decrease, resulting in loan origination decreasing by about 70%. CA Auto Bank aims EUR10 billion total portfolio at end-2026 (end-1H22: EUR26 billion) after running down its legacy assets.

CA Auto Bank will focus on retail car financing as an independent bank (i.e. partnering with non-Stellantis car manufacturers), on car-dealer financing and on rental/leasing through its wholly owned subsidiary Drivalia (net fleet of EUR359 million at end-2022). CA Auto Bank will manage and collect the loan portfolio that was originated until end-1Q23 for Stellantis's former FCA brands.

In Fitch's view, execution risks of the new strategy outside Stellantis are material because this strategy relies on partnering mainly with niche original equipment manufacturers (e.g. caravan makers) and with new entrants in the European market without a local captive lender (e.g. carmakers from Asia). The recently announced partnership with Tesla could, in Fitch's view, originate large new loan volumes, but new loans origination from the other sources is untested and will remain well below CA Auto Bank's current level in the medium term. Fitch also believes there are high execution risks in the possible competition between the spun-off Leasys and the retained Drivalia. CA Auto Bank's plans for car dealer finance is less risky, because it can build on existing relationships.

Neutral Mid-2023 Outlook for the Automotive Sector

Easing supply-chain disruptions will allow for higher global vehicle production in 2023. Pent-up demand is still apparent among European customers, with new car registrations increasing 18% year on year in 1H23, but sales are still constrained by weaker economic conditions. Fitch expects global auto production to rise by about 5% in 2023. Carmakers' profitability will be supported by lower commodity prices and an easing of costs, such as logistics. Higher production will lead to normalisation of vehicle mix and higher incentives, which will bring net pricing and auto manufacturers' margins down from the very high levels of 2022.

Short-term Rental Expansion by Acquisitions

Drivalia will acquire more than 70,000 vehicles in Ireland, Norway, Czech Republic and Finland in 2023, that ALD S.A. (BBB+/Positive) and LeasePlan Corporation N.V. (BBB+/Positive) are divesting as part of their merger. Drivalia will also set up greenfield operations in Belgium, the Netherlands, Switzerland, Germany and Poland during 2023.

Italian Economic Growth to Slow in 2023

Fitch forecasts GDP growth of 1.1% in 2023 and 1.0% in 2024, owing to the significant easing of the natural gas crisis in Europe, a strong rebound in tourism and a strengthening global demand. Reflecting these dynamics, the Italian economy exceeded expectations in 1Q23, picking up to 0.5% quarter on quarter. However, Italy's GDP growth has slowed significantly from 3.7% in 2022 due to the European energy crisis, high inflation, and a sharp acceleration in monetary policy tightening. The effective deployment of NextGenerationEU funds remains important to Italy's potential growth rate and debt sustainability.

Shareholder Support Assessment

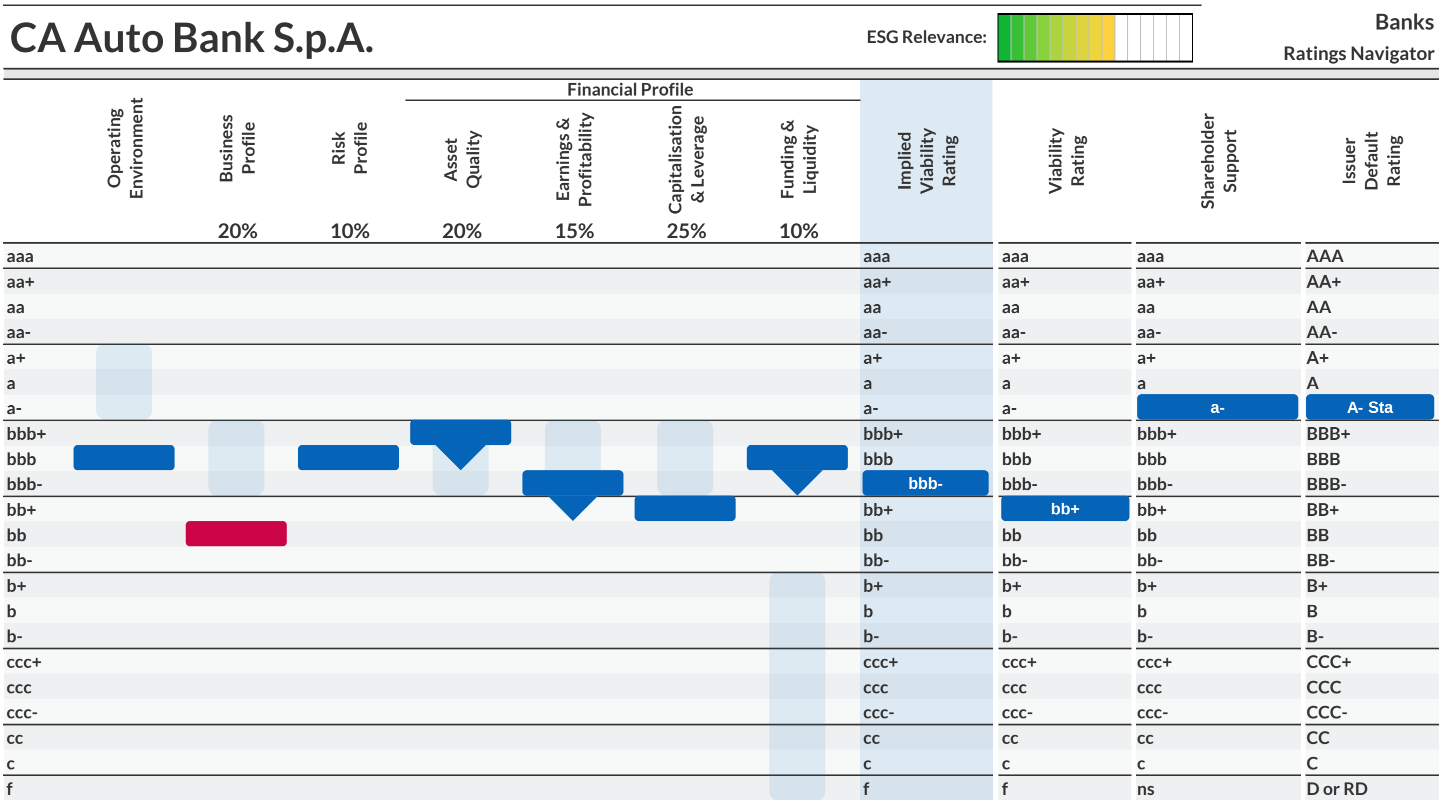
Shareholder Support	
Shareholder IDR	A+
Total Adjustments (notches)	-2
Shareholder Support Rating	a-
Shareholder ability to support	
Shareholder Rating	A+/ Stable
Shareholder regulation	1 Notch
Relative size	Equalised
Country risks	2+ Notches
Shareholder propensity to support	
Role in group	1 Notch
Reputational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

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

CA Auto Bank's Performance and Role in the CA Group

In Fitch's view, CA Auto Bank remains attractive for CA despite the end of its distribution agreement with Stellantis because car finance (including dealer finance) remains strategically important for CA. However, a failure to execute its new strategy and uncertainty surrounding its long-term viability could lead to a wider notching between the IDRs of CA and CA Auto Bank as the benefits of a separate standalone legal entity within CA for these activities will have decreased.

Ratings Navigator



Adjustments

The Viability Rating of 'bb+' has been assigned below the 'bbb-' Implied Viability Rating due to the following adjustment reason: Business Profile (negative).

The Operating Environment score of 'bbb' has been assigned below the 'a' category implied score due to the following adjustment reason: Sovereign Rating (negative).

The Business Profile score of 'bb' has been assigned below the 'bbb' category implied score due to the following adjustment reason: Historical and Future Developments (negative).

The Capitalisation & Leverage score of 'bb+' has been assigned below the 'bbb' category implied score due to the following adjustment reason: Historical and Future Metrics (negative).

The Funding, Liquidity & Coverage score of 'bbb' has been assigned above the 'b' category implied score due to the following adjustment reason: Liquidity Access and Ordinary Support (positive).

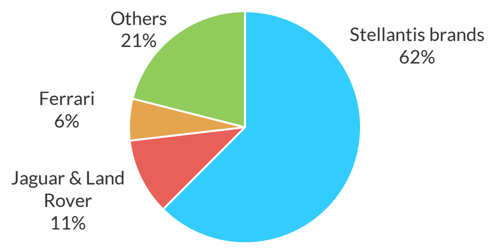
Key Qualitative Factors

Pan-European Presence Will Remain, Focus on Italy Will Reduce

CA Auto Bank operates in 17 markets across Europe and in Morocco. Italy is the largest market (46% of outstanding loans at end-2022), followed by Germany (23%), UK, France and Spain. Fitch expects that the focus on Italy will reduce materially, as the legacy portfolio from Stellantis amortises, because the north European and French markets are more attractive for CA Auto Bank's target partners (i.e. car manufacturers from Asia and large dealer networks).

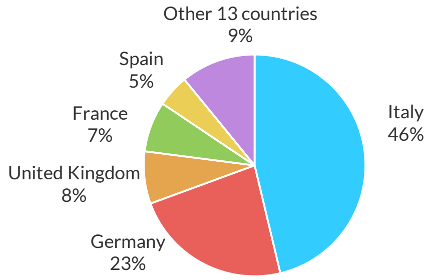
CA Auto Bank obtained its banking licence in 2015. It is regulated directly by the Bank of Italy and indirectly (through CA) by the ECB.

Financed Volumes by Brand During 2022



Source: Fitch Ratings, CA Auto Bank

Outstanding Exposures by Country at End-2022



Note: Ferrari Financial Services GmbH (4%) is accounted in Germany.
Source: Fitch Ratings, CA Auto Bank

Robust Risk Governance, Driven by CA

CA Auto Bank's risk appetite mirrors CA's, is monitored at CA's level, and we do not expect it to change due to the corporate reorganisation. CA Auto Bank's credit policies and scorecards are set centrally, while approval authority at each operating entity is limited. Scorecards are tailored for each product and country, with regular calibration and no possibility of manual override. Impairment policy is prudent, in Fitch's view, and the general loss provision is accrued according to statistical models. Residual value risk is assessed quarterly against the evolution of the market for used cars, but appetite for residual value risk could increase, as CA Auto Bank underwrites new vehicles for which there is limited record or a less liquid secondary market.

Foreign exchange and interest rates are hedged with derivatives and CA's standards encompass a conservative policy on liquidity-matching.

Financial Profile

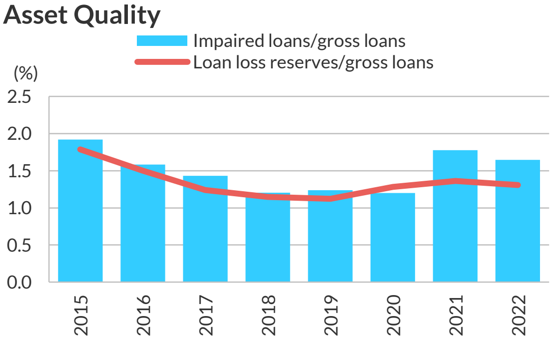
Low Impaired Loans Generation

Impaired loans were a modest 1.6% of gross loans at end-2022 (1.5% on average between 2015 and 2021). Loan migration to Stage 3 remains contained (0.6% in 2022) and in Fitch's view will continue in line with the historical record during the amortisation of the portfolio generated until 1Q23. The impact of the cost-of-living crisis should be limited.

High Car Prices Reduce Residual Value Risk

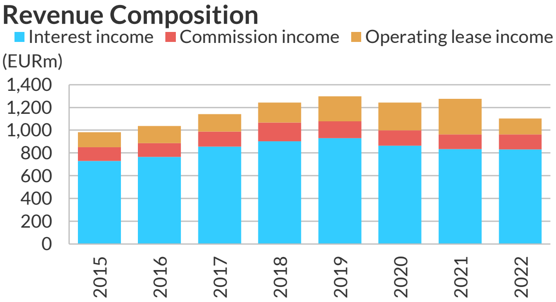
Higher prices for used cars since early 2020 have mitigated residual value risk, which is related mostly to car loans in the UK. We expect that CA Auto Bank's strong risk controls will help to contain residual value risk, despite the higher car prices at the origination of new exposures. However, the residual value performance of new and niche brands is untested and a source of execution risk, in Fitch's view. Residual value risk from Drivalia is still limited (EUR359 million net fleet at end-2022).

Asset Quality



Source: Fitch Ratings, CA Auto Bank

Revenue Composition



Note: Operating Lease Income is net of operating costs and depreciation charges.
Source: Fitch Ratings, CA Auto Bank

Resilient Margins, but Profit Volume Will Reduce

Fitch expects margins to remain stable in the next two years (pre-tax income to average risk-weighted assets of 3.6% between 2015 and 2022), owing to good cost control and to the absence of a proprietary outlet network. However, the net income volume (2022: EUR937 million, net of Leasys) will contract as earning assets reduce by about two thirds. In Fitch's view, CA Auto Bank can protect its margins by channelling higher interest rates onto its customers. However, there is uncertainty on the financed asset and the partnerships, which may put pressure on loan yields. The revenue contribution by new mobility services and short-term rental will increase from the current low level, but their profitability at scale is uncertain.

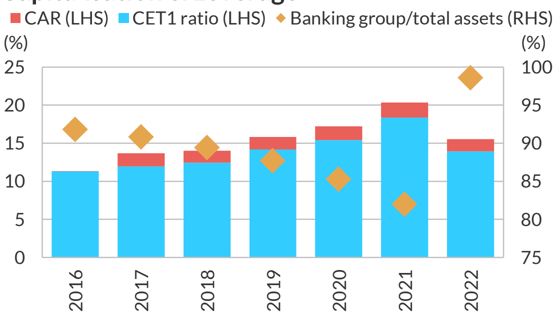
CA Auto Bank's profitability is modest through the cycle, reflecting the low credit risk in its portfolio. Funding costs benefit from consistent appetite for CA Auto Bank's secured and unsecured issuance programmes among wholesale investors.

Excess Capital, Above Long-Term Trend

CA Auto Bank's capitalisation is adequate, with a CET1 ratio of 13.92% at end-2022, and it is further supported by a secured loans portfolio with low credit risk. The CET1 ratio declined significantly (20.09% at end-2H22) due to a EUR1.2 billion dividend payment in late 2022, following the spin-off of Leasys. Fitch expects that CA Auto Bank will target a CET1 ratio of about 13% in the medium term and this, with the contraction of risk-weighted assets after 1H23, is likely to result in large capital distributions.

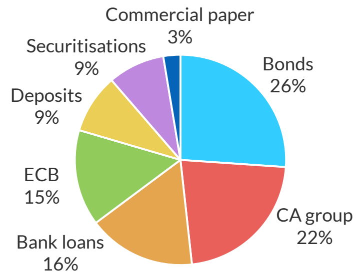
Drivalia is not part of the regulated banking group and is consolidated by equity method. Its assets are therefore not included in CA Auto Bank's risk-weighted assets (but amounted to only 1% of bank's total assets at end-2022). Fitch expects Drivalia to be highly leveraged in the medium term due to Italy's regulation on exposures to related parties (i.e. the sum of Drivalia's equity and intercompany loans to it cannot be more than 15% of CA Auto Bank's capital).

Capitalisation & Leverage



Source: Fitch Ratings, CA Auto Bank

Funding Sources at End-2022



Source: Fitch Ratings, CA Auto Bank

Diversified Wholesale Funding, Small Portion of Deposits

CA Auto Bank's funding and liquidity are underpinned by CA, which provided 20% of total debt at end-2022. CA is committed to provide funding and liquidity to CA Auto Bank at market rates and in sufficient amounts to meet the bank's needs even in the most stressful scenarios. Fitch believes funding support from CA, if needed, would be timely and adequate, but we also expect CA Auto Bank to maintain an autonomous funding profile.

The bank's funding is largely wholesale (e.g. bonds, bank debt, ECB loans). The bank collects customer deposits since 2015, when it received a full bank status. Deposits have grown but comprise a small 9% of non-equity funding at end-2022. CA Auto Bank has also access to ECB funding (such as targeted longer-term refinancing operations) and issues European commercial paper.

CA Auto Bank has significantly diversified its wholesale funding, both in terms of counterparties and instruments. It regularly taps the debt capital markets through its EUR12 billion medium-term note programme and its securitisations. However, Fitch expects the bank to reduce the scale of its funding activities after 1H23, in line with its portfolio amortisation. This should not impair its access to funding, but CA Auto Bank may lose its status as a large and frequent issuer and the consequent benefits in terms of funding profile, including reduced diversification by source and instrument.

Debt Ratings

Debt Ratings : CA Auto Bank S.p.A. Irish Branch

Rating level	Rating	Outlook
Senior unsecured: long-term	A-	
Senior unsecured: short-term	F1	

Source: Fitch Ratings

Debt Ratings : CA Auto Finance Suisse SA

Rating level	Rating	Outlook
Senior unsecured: long-term	A-	

Source: Fitch Ratings

Debt Ratings in Line with IDR

The senior unsecured debt instruments issued out of CA Auto Bank S.p.A. Irish Branch and CA Auto Finance Suisse SA (formerly FCA Capital Suisse SA) are rated 'A-', in line with CA Auto Bank's Long-Term IDR. The senior unsecured notes issued by CA Auto Bank's Irish Branch rank pari passu with CA Auto Bank's senior unsecured obligation. CA Auto Finance Suisse SA's senior unsecured notes are unconditionally and irrevocably guaranteed by CA Auto Bank, and rank pari passu with the guarantor's senior unsecured obligations.

The senior unsecured debt ratings are aligned with CA Auto Bank's Long-Term IDR and do not benefit from an uplift above it, because we do not believe that internal resolution debt and equity buffers would offer obvious incremental protection over and above the institutional support benefit already factored into the bank's IDRs.

The Short-Term senior unsecured debt rating of CA Auto Bank's Irish branch is 'F1', the same level as CA Auto Bank's Short-Term IDR.

Debt Rating Sensitivities

A downgrade or upgrade of CA Auto Bank's IDRs would be mirrored in a downgrade or upgrade of the company's debt ratings.

Environmental, Social and Governance Considerations

FitchRatings **CA Auto Bank S.p.A.**

Banks
Ratings Navigator

Credit-Relevant ESG Derivation

CA Auto Bank S.p.A. has 7 ESG potential rating drivers				ESG Relevance to Credit Rating
CA Auto Bank S.p.A.	key driver	0	issues	5
CA Auto Bank S.p.A.	driver	0	issues	4
CA Auto Bank S.p.A. 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.	potential driver	7	issues	3
Governance is minimally relevant to the rating and is not currently a driver.	not a rating driver	4	issues	2
	not a rating driver	3	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	3	n.a.	n.a.	5
Energy Management	3	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

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

The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to result in a negative impact unless indicated with a '+' sign for positive impact.h 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), the Sustainability Accounting Standards Board (SASB), and the World Bank.

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
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) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
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

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.

As support-driven issuers have strong links to their support providers, the ESG Credit-Relevance Score assigned to the ‘supported’ subsidiaries often mirrors those of their corporate and FI parents. This reflects our opinion that many of the ESG elements at the parent level are credit relevant for the subsidiary.

CA Auto Bank’s scores are mostly aligned with CA’s. CA Auto Bank differs from CA with scores for ‘GHG Emissions’ and ‘Energy Management’ at ‘3’, reflecting its focus on the automotive industry.

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of ‘3’. ESG issues are credit neutral or have only a minimal credit impact on CA Auto Bank, either due to their nature or the way in which they are being managed. For more information on Fitch’s ESG Relevance Scores, visit www.fitchratings.com/esg.

Financials

Income Statement

(EURm)	2022	2021	2020	2019	2018	2017	2016
Revenues							
Interest income	830	835	864	930	903	855	764
Interest expense	-165	-197	-209	-237	-242	-266	-263
Commission income	134	128	133	148	164	133	123
Commission expense	-61	-49	-43	-46	-55	-49	-43
Net interest income	**737**	**716**	**745**	**795**	**771**	**672**	**581**
Income from operating leasing, net	178	321	259	231	178	156	150
Labour and administrative costs	-244	-286	-274	-278	-268	-252	-245
Depreciation & amortisation	-142	-26	-29	-25	-14	-12	-7
Other operating income/expenses, net	636	-12	48	0	-76	5	-11
Other income, net	2	3	-15	-39	-22	-16	-5
Impairment expenses	-66	-30	-71	-47	-21	-33	-47
Pre-tax income	**1,100**	**685**	**663**	**638**	**548**	**521**	**417**
Income tax	-163	-191	-162	-171	-159	-139	-105
Net income of continuing operations	**937**	**494**	**501**	**467**	**388**	**383**	**312**
Net income of subsidiaries held for disposal	82	0	0	0	0	0	0
Net income	**1,019**	**494**	**501**	**467**	**388**	**383**	**312**
Net income attributable to minority shareholders	8	9	7	7	5	5	3
Net income for shareholders of the holding company	**1,011**	**485**	**494**	**460**	**383**	**378**	**309**

Source: Fitch Ratings, CA Auto Bank S.p.A.

CA Auto Bank's income statement for 2022 includes the results of Leasys, while its balance sheet at end-2022 does not, because Leasys was spun off in December 2022. Other operating income in 2022 includes the gains on the sale of Leasys (EUR647 million).

Balance Sheet

(EURm)	2022	2021	2020	2019	2018	2017	2016
Assets							
Cash & equivalents	3,140	2,259	572	585	363	0	0
Due from banks & financial assets	186	858	2,069	2,093	2,230	2,180	1,645
Gross client receivables	**23,214**	**20,190**	**22,366**	**24,176**	**23,862**	**21,521**	**18,839**
Memo: impaired receivables included above	382	358	268	299	288	308	298
Less: RECEIVABLE loss allowances	-303	-275	-286	-271	-274	-267	-283
Net client receivables	**22,911**	**19,915**	**22,080**	**23,905**	**23,588**	**21,254**	**18,556**
Net rental fleet	359	4,089	3,337	3,092	2,495	1,925	1,461
Goodwill and intangible assets	121	322	296	263	247	237	226
Tax assets	177	359	360	300	274	269	259
Insurance reserves	10	9	9	13	10	11	16
Fixed assets	173	108	124	105	51	34	30
Other assets	1,232	1,540	1,330	1,350	1,279	1,276	1,091
Total assets	**28,309**	**29,459**	**30,177**	**31,706**	**30,536**	**27,187**	**23,284**
Liabilities							
Deposits from clients	2,781	2,495	2,100	1,799	1,823	1,483	702
Loans and deposits from banks	11,874	11,411	10,372	10,278	9,807	8,556	8,022
Debt securities	8,402	9,948	12,438	14,857	14,577	13,336	11,088
Tax liabilities	178	317	311	238	192	167	131
Liabilities of subsidiaries held for disposal	0	0	0	0	0	0	0
Other liabilities	1,345	1,387	1,303	1,363	1,260	1,133	1,104
Total liabilities	**24,580**	**25,557**	**26,523**	**28,535**	**27,659**	**24,675**	**21,046**
Total equity	**3,728**	**3,902**	**3,654**	**3,171**	**2,878**	**2,512**	**2,238**
Total liabilities and equity	**28,309**	**29,459**	**30,177**	**31,706**	**30,536**	**27,187**	**23,284**

Source: Fitch Ratings, CA Auto Bank S.p.A.

Summary Analytics

	2022	2021	2020	2019	2018	2017	2016
Business profile							
Total operating income (USDm)	978	1,177	1,215	1,107	1,059	973	765
Asset quality metrics (%)							
Impaired loans/gross loans	1.6	1.8	1.2	1.2	1.2	1.4	1.6
Loans loss allowances/impaired loans	79.5	76.6	106.9	90.5	95.2	86.8	94.9
Origination of new stage 3 loans	0.6	0.5	0.3	0.5	0.6	n.a.	n.a.
Loans impairment charges/average gross loans	0.3	0.1	0.3	0.2	0.1	0.2	0.3
Growth of gross loans	15.0	-9.7	-7.5	1.3	10.9	14.2	19.7
Earnings and profitability metrics (%)							
Pre-tax income/average risk-weighted assets[1]	3.3	3.7	3.3	3.0	2.6	2.8	2.4
Pre-tax income/average assets[1]	2.2	2.3	2.1	2.1	1.9	2.1	1.9
Net income/average equity[1]	12.1	13.1	14.7	15.5	14.5	16.2	14.4
Operating expenses/net revenues	33.6	40.1	37.1	35.2	34.8	37.7	42.4
Interest income/average gross loans	4.4	4.5	4.3	4.5	4.7	4.9	5.1
Interest expense/average debt	1.0	1.0	1.0	1.1	1.2	1.5	1.7
Capitalisation and leverage metrics							
CET1 ratio (%)	13.92	18.37	15.43	14.20	12.45	11.98	11.31
Capital adequacy ratio (%)	15.54	20.33	17.21	15.82	14.02	13.69	11.34
Debt/tangible equity (x)	6.7	7.4	8.3	10.3	11.1	11.7	11.3
Impaired receivables less loss allowances/CET1 (%)	2.8	2.6	-0.6	1.0	0.5	1.7	0.8
Assets of banking group/total assets (%)	98.6	82.0	85.3	87.7	89.4	90.8	91.8
Funding and liquidity metrics (%)							
Net loans/deposits	837	962	1211	1501	1431	1562	2853
Unsecured debt/total debt	91.3	91.6	86.2	79.0	78.0	81.0	82.1
Parental funding/total non-equity funding	22.2	17.2	16.7	13.1	11.6	11.7	14.4
Unsecured debt/total non-parental debt	88.8	89.8	83.4	75.9	75.1	78.4	79.0
Deposits/total non-equity funding	9.1	9.7	6.1	4.1	3.5	2.2	1.0
Short-term debt/total debt	72.1	28.8	41.6	34.7	37.2	31.2	24.7
Cash and equivalents/short-term debt	20.0	45.3	25.5	28.7	26.6	29.8	33.6
Short-term assets/short-term debt	84.6	151.2	135.4	147.2	154.7	198.7	246.4
Liquidity coverage ratio	186	199	243	282	259	n.a.	n.a.
Net stable funding ratio	112	113	116	106	110	n.a.	n.a.

[1] Fitch deducted the EUR647 million gain on the disposal of Leasys and the EUR87 million goodwill impairment from these ratios.
Source: Fitch Ratings, CA Auto Bank S.p.A.

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