



## Rating Action: Moody's takes rating actions on 18 Italian financial institutions

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21 Nov 2023

### Rating actions follow the change in outlook on Italy's Baa3 government bond rating to stable from negative and the change of Italy's Macro Profile

Madrid, November 21, 2023 -- Moody's Investors Service (Moody's) has today taken rating actions on 16 Italian bank and 2 Italian government-related institutions (GRIs) following (1) the affirmation of the Italian government's Baa3 rating and outlook change to stable from negative, on 17 November 2023, and (2) the change of Italy's Macro Profile to Strong- from Moderate +.

For further information on the sovereign rating action, please refer to Moody's press release dated 17 November 2023. ("Moody's affirms Italy's ratings at Baa3, changes the outlook to stable from negative", <https://ratings.moodys.com/ratings-news/411464>).

Please click on this link [https://www.moodys.com/viewresearchdoc.aspx?docid=PBC\\_ARFTL482816](https://www.moodys.com/viewresearchdoc.aspx?docid=PBC_ARFTL482816) for the List of Affected Credit Ratings. This list is an integral part of this Press Release and identifies each affected issuer.

#### RATINGS RATIONALE

##### (1) CHANGE OF ITALY'S MACRO PROFILE REFLECTS IMPROVING OPERATING CONDITIONS

Moody's has raised Italy's Macro Profile to 'Strong-' from 'Moderate+' to reflect a more supportive operating environment and improving credit conditions for banks, which results in upward pressure on Italian banks' standalone credit profiles. Moreover, the strength of the banking sector is one of the driver for the stabilization of the outlook on Italy's government debt.

Credit conditions in Italy have improved significantly in recent years, supporting banks' lending capacity to the real economy. Nonperforming loans (NPLs) dropped to 2.4% of gross loans as of June 2023, a level broadly in line with European Union average, from 6.1% of gross loans as of June 2020. This mainly reflects large-scale NPL disposals and securitizations facilitated by the Italian government's Garanzia sulla Cartolarizzazione delle Sofferenze (GACS) guarantee program, which was discontinued in June 2022. Moreover banks report materially lower number of corporate defaults and their loan underwriting has been tightened over time.

Moody's expects current inflation and more challenging economic conditions to lead to a moderate increase in NPLs. However Italian banks' greater solvency, supported by retained earnings boosted by the hikes in net interest margins, will help them absorb the potential headwinds stemming from the weakened creditworthiness of both households and corporates.

##### (2) BANK-SPECIFIC CONSIDERATIONS

###### INTESA SANPAOLO S.P.A. (Intesa Sanpaolo)

The affirmation of Intesa Sanpaolo's baa3 Baseline Credit Assessment (BCA) reflects the strength of the bank's domestic franchise, with leading market positions across all business areas in Italy and above-peer revenue diversification, which results in a sustained and sound earnings generation capacity. Furthermore, strong asset metrics and robust capital buffers support the bank's sound solvency position. The affirmation of the bank's BCA also takes

into consideration its overall comfortable funding and liquidity position underpinned by Intesa Sanpaolo's large and granular retail deposit base.

While Intesa Sanpaolo's current creditworthiness points to a higher standalone financial profile Moody's caps the bank's BCA at the level of the Italian sovereign rating (Baa3) in recognition of the significant interconnectedness between the creditworthiness of the bank and that of the Italian sovereign.

The affirmation of Intesa Sanpaolo's Baa1 long-term deposit and senior unsecured debt ratings reflects: (1) the affirmation of the bank's baa3 BCA; (2) the outcome of Moody's Advanced LGF analysis which results in two notches of uplift, for both the deposit and senior unsecured debt ratings; and (3) Moody's assumption of a moderate probability of government support, which results in no further uplift, because Intesa Sanpaolo's ratings, before government support, are already higher than Italy's sovereign rating.

The upgrade of Intesa Sanpaolo's subordinated debt ratings to Baa3 from Ba1 is driven by the sustained issuance of deeply subordinated and subordinated instruments in order to satisfy its minimum requirement for own funds and eligible liabilities (MREL). Hence the revised outcome of Moody's Advanced LGF analysis now results in no adjustment from the bank's baa3 BCA to the subordinated debt ratings from previously one notch of negative adjustment.

#### UNICREDIT S.P.A. (UniCredit)

The affirmation of UniCredit's baa3 BCA underscores the bank's sound solvency, which is complemented by a comfortable funding and liquidity position. Moody's believes that robust fundamentals will help UniCredit cope with the prevailing macroeconomic headwinds in the group's core markets namely in Western Europe.

While UniCredit's current creditworthiness points to a higher standalone financial profile Moody's caps the bank's BCA at the level of the Italian sovereign rating (Baa3) in recognition of the significant interconnectedness between the creditworthiness of the bank and that of the Italian sovereign.

The affirmation of UniCredit's Baa1 long-term deposit and senior unsecured debt ratings reflects: (1) the affirmation of the bank's baa3 BCA; (2) the outcome of Moody's Advanced LGF analysis which results in two notches of uplift, for both the deposit and senior unsecured debt ratings; and (3) Moody's assumption of a moderate probability of government support, which results in no further uplift, because UniCredit's ratings, before government support, are already higher than Italy's sovereign rating.

The downgrade of UniCredit's subordinated debt ratings to Ba1 from Baa3 is driven by lower than expected issuance of Additional Tier 1 instruments, which has resulted in a higher loss given failure for the bank's subordinated debt. Since UniCredit is comfortably above its Total Loss Absorbing Capacity (TLAC) and MREL requirements, Moody's considers that the group's current volume of subordinated and deeply subordinated instruments is unlikely to change over the next 12 to 18 months. Consequently, a one notch negative adjustment is now applied from the bank's baa3 BCA to the subordinated debt ratings from no adjustment previously.

#### BANCO BPM S.P.A. (Banco BPM)

The two-notch upgrade of Banco BPM's BCA to baa3 from ba2 signals the significant strengthening of the bank's asset quality and profitability in the context of stronger operating conditions.

Banco BPM has continued to lower its NPL ratio in 2023 and strengthened its capital position while forcefully benefitting from interest rate hikes. Banco BPM's liquidity is sound, and its funding is characterized by (1) a stable and granular retail deposit base which has contributed to curbing its funding cost, and (2) the bank's good access to the wholesale bond markets.

The upgrades of Banco BPM's long-term deposits and senior unsecured debt ratings to Baa1 from Baa2 and to Baa2 from Ba1 respectively reflect the upgrade of the bank's standalone BCA, and the unchanged outcome of Moody's

Advanced LGF analysis, resulting in one notch of uplift for senior unsecured debt ratings, and two notches rather than three notches for the deposit ratings because long-term ratings cannot exceed Italy's Baa3 sovereign rating by more than two notches as per Moody's Banks Methodology.

Lastly Moody's assigns an unchanged low probability of support from the Government of Italy, which results in no further rating uplift.

#### BPER BANCA S.P.A. (BPER)

The affirmation of BPER's ba1 BCA reflects the relatively good solvency and liquidity positions of the bank. During 2023 the bank decreased further its NPL ratio, while profitability picked up, boosted by higher net interest margins. This context will likely further improve BPER's solvency given the stronger environment. BPER benefits from an overall good funding and liquidity underpinned by a large and granular retail deposit base that is larger than its loan book. The BCA also factors in the operational risks stemming from BPER's acquisition strategy.

The affirmation of BPER's long-term Baa2 deposit ratings and Ba1 issuer and senior unsecured debt ratings reflect the affirmation of the bank's BCA and the very low and moderate loss-given failure respectively in Moody's Advanced LGF analysis, resulting in two notches and no uplift respectively, as well as the unchanged low probability of support from the Government of Italy.

#### BANCA MONTE DEI PASCHI DI SIENA S.P.A. (MPS)

The upgrade of MPS' BCA to ba3 from b1 reflects the progress in the bank's restructuring, its stronger profit generation, and lower risk profile in the context of a more supportive operating environment.

MPS' level of NPLs continued to decrease in 2023, although remaining above the Italian banking system average. MPS' profit generation capacity significantly improved in 2023, benefiting from higher interest rates which boosted net interest income. The bank's restored capital position will help to cope with the challenges involved with its ongoing restructuring and legacy issues. The decrease in the operating costs, mainly following the reduction in personnel in 2022 also supported its profitability. MPS benefits from a large retail deposit base and has regained bond market access. While Moody's expects the bank to reduce its reliance on ECB's financing, it will remain material in the foreseeable future.

The BCA of ba3 still incorporates a one-notch negative adjustment signaling the execution challenges of the bank's strategy of restoring its fundamentals, which have thus far been dealt with effectively.

The upgrade of MPS' long-term deposit ratings to Ba1 from Ba2 and of the senior unsecured debt ratings to Ba3 from B1 reflects the upgrade of the bank's BCA, and the unchanged outcome of Moody's Advanced LGF analysis. This results in a very low and moderate loss given failure for junior deposits and senior unsecured debt ratings respectively resulting in two notches and no uplift respectively.

Moody's also maintained a low probability of government support for all rated instruments, which results in no further rating uplift.

#### CREDIT AGRICOLE ITALIA S.P.A. (CA Italia)

The affirmation of the ba1 BCA of CA Italia reflects the bank's improved asset risk, moderate capital and profitability, and its expanded franchise in Italy following the acquisition of Credito Valtellinese S.p.A. in April 2022.

The affirmation of the baa1 Adjusted BCA reflects Moody's assessment of a very high probability of support from CA Italia's parent, Credit Agricole S.A. (CASA, Aa3 stable, baa2), resulting in three notches of uplift.

The affirmation of CA Italia's long-term Baa1 deposit ratings reflects (1) the affirmation of the ba1 BCA and baa1 Adjusted BCA, and (2) the outcome of Moody's Advanced LGF analysis, which results in no uplift (at Baa1) rather than two notches for the deposit ratings because long term ratings cannot exceed Italy's Baa3 sovereign rating by

more than two notches as per Moody's Banks Methodology. The affirmation of CA Italia's ratings also incorporates Moody's unchanged assessment of a low probability of support from the Government of Italy resulting in no further uplift.

#### BANCA NAZIONALE DEL LAVORO S.P.A. (BNL)

The affirmation of the ba2 BCA of BNL reflects the bank's still large but declining stock of problem loans, adequate capitalization, and modest profitability. The BCA also factors in BNL's significant reliance on the funding extended by its parent BNP Paribas (Aa3/Aa3 Stable, baa1).

The affirmation of the baa2 Adjusted BCA reflects Moody's assessment of a very high probability of support from BNL's parent, resulting in three notches of uplift.

The affirmation of BNL's long-term Baa1 deposit and Baa2 issuer ratings reflects (1) the affirmation of the ba2 BCA, (2) the affirmation of the baa2 Adjusted BCA, (3) the outcome of Moody's Advanced LGF analysis, which results in one notch of uplift (at Baa1) rather than two notches for the deposit ratings because long-term ratings cannot exceed Italy's Baa3 sovereign rating by more than two notches as per Moody's Banks Methodology. The affirmation of BNL's ratings also incorporates Moody's unchanged assessment of a low probability of support from the Government of Italy resulting in no further uplift.

#### MEDIOBANCA S.P.A. (Mediobanca)

The affirmation of Mediobanca's baa3 BCA underscores the bank's good capitalization, sound and diversified profitability, and high reliance on wholesale funding. The BCA also factors in the bank's large stake in Assicurazioni Generali S.p.A. (Generali, insurance financial strength rating A3, stable), which exposes Mediobanca to equity risk.

The affirmation of Mediobanca's Baa1 long-term deposits, issuer and senior unsecured debt ratings also reflects the unchanged outcome of Moody's Advanced LGF analysis. This results in an extremely low loss given failure translated in three notches of uplift for the deposit ratings, which however is capped at Baa1, two notches above Italy's sovereign rating per Moody's Banks Methodology. The long-term issuer and senior unsecured debt ratings show a very low loss given failure resulting in two notches of uplift for the senior unsecured debt rating. The affirmation of Mediobanca's ratings also incorporates Moody's unchanged assessment of a low probability of support from the Government of Italy resulting in no further uplift.

#### CREDITO EMILIANO S.P.A. (Credem)

The affirmation of Credem's BCA of baa3 reflects the bank's good solvency and liquidity positions. This is supported by the combination of a higher than peers loan portfolio quality and a sound capital, which will slightly strengthen because of retained earnings growth.

Credem will continue to benefit from a large deposit base and access to the wholesale markets to fund its commercial development. This could have a bearing on the liquidity of the bank which however will remain good. The bank's deposits increased more than its loans in 2023, which contrasts with other Italian banks' more muted activity.

The affirmation of Credem's Baa2 long-term deposit ratings, Baa3 long-term senior unsecured debt ratings and Ba1 junior senior unsecured debt factors in the baa3 BCA and the outcome of Moody's Advanced LGF analysis resulting in one notch of uplift, no uplift and a one notch negative adjustment respectively. Lastly, Moody's assigns an unchanged low probability of support from the Government of Italy, which results in no further rating uplift.

#### CAAUTO BANK S.P.A. (CAAuto Bank)

The affirmation of the ba2 BCA of CAAuto Bank reflects the bank's low stock of problem loans and good profitability. It also reflects the bank's level of business diversification, its high reliance on wholesale funding, and the bank's transition to a new business model following its full acquisition by CASA.

The affirmation of the baa3 Adjusted BCA reflects Moody's assessment of a high probability of support from its ultimate parent CASA, which owns 100% of the bank through its subsidiary Credit Agricole Consumer Finance S.A., leading to two notches of uplift to the baa3 Adjusted BCA.

The affirmation of CAAuto Bank's Baa1 long-term deposit and issuer ratings reflects (1) the affirmation of the ba2 BCA, (2) the affirmation of the baa3 Adjusted BCA, and (3) the outcome of Moody's Advanced LGF analysis, which results in two notches of uplift (at Baa1) rather than three notches for the deposit ratings because long-term ratings cannot exceed Italy's Baa3 sovereign rating by more than two notches as per Moody's Banks Methodology.

Lastly Moody's assigns an unchanged low probability of support from the Government of Italy, which results in no further rating uplift.

#### BANCA SELLA HOLDING S.P.A. (Sella)

The affirmation of the ba2 BCA of Sella reflects its focus on small and medium-sized enterprises (SMEs) lending as well as a significant role in the domestic payment services. The BCA also factors in its moderate stock of NPLs, Sella's sound retail funding and strong level of liquidity, but also its modest profitability and weak capitalization.

The affirmation of Sella's Baa3 long-term deposit ratings reflects the affirmation of the bank's standalone BCA at ba2, and the outcome of Moody's Advanced LGF analysis which results in two notches of uplift from the BCA. Lastly Moody's assigns an unchanged low probability of support from the Government of Italy, which results in no further rating uplift.

#### BANCA DEL MEZZOGIORNO – MCC S.P.A. (Banca del Mezzogiorno)

The affirmation of the b1 BCA of Banca del Mezzogiorno reflects the bank's weak capital and asset quality. It also factors in a one-notch negative adjustment for corporate behaviour because of the uncertainty over the bank's strategy following the integration of failed bank BdM Banca S.p.A. (BdM, formerly Banca Popolare di Bari S.p.A.).

The affirmation of Banca del Mezzogiorno's Baa3 long-term deposit and Ba3 long-term issuer ratings reflects (1) the affirmation of the b1 BCA, (2) the bank's extremely low and moderate loss given failure for deposit and issuer ratings, which result in an uplift of three and zero notches, respectively, under our Advanced LGF analysis, and (3) the moderate probability of government support for the bank through its parent, Invitalia S.p.A., the Italian national agency for investment and economic development, which results in a one-notch rating uplift.

#### BANCA IFIS S.P.A. (Banca Ifis)

The affirmation of Banca Ifis' ba2 BCA reflects the bank's activity towards SMEs, and the acquisition and collection of households' unsecured NPLs in Italy. The affirmed BCA also reflects the bank's good capitalization, mitigated by good but volatile profitability and high reliance on market funding.

Current operating conditions will support a broadly stable asset quality and the bank's capital buffers while profitability will slightly increase despite higher market funding costs.

The affirmation of the Baa2 long-term deposit ratings, Baa3 long-term issuer and senior unsecured debt ratings as well as the Ba3 subordinate rating also factors in the unchanged extremely low, very low and high loss-given failure respectively in Moody's Advanced LGF analysis, resulting in three notches of uplift, two notches of uplift and one notch of negative adjustment respectively. Lastly Moody's assigns an unchanged low probability of support from the Government of Italy, which results in no further rating uplift.

#### BFF Bank S.P.A. (BFF)

The affirmation of BFF's ba2 BCA reflects the bank's sound asset quality and strong profitability mitigated by a moderate capitalization as well as its reliance on market funding. BFF's assets are characterized by a high

concentration of exposures to the Italian public sector, leading to a low level of problem loans. BFF reports high but declining sensitivity to market risk given significant holdings of Italian government bonds. BFF is committed to converting the proceeds of the securities at maturity into loans.

The affirmation of the Baa3 long-term deposit ratings and Ba2 long-term issuer ratings also factors in the unchanged very low and moderate loss-given failure respectively in Moody's Advanced LGF analysis, resulting in two notches of uplift and no uplift respectively. Lastly Moody's assigns an unchanged low probability of support from the Government of Italy, which results in no further rating uplift.

#### CASSA CENTRALE RAIFFEISEN S.P.A. (CC Raiffeisen)

The affirmation of the baa3 BCA of CC Raiffeisen reflects its role as the central treasury for 39 cooperative banks in the Autonomous Province of Bolzano (Baa1 negative) in Northern Italy, its strong capitalization, good asset quality, and the large deposit base of its affiliated cooperative banks.

The affirmation of CC Raiffeisen's Baa1 long-term deposit ratings reflects the affirmation of the bank's standalone BCA at baa3, and the outcome of Moody's LGF analysis, which results in two notches of uplift (at Baa1) rather than three notches for the deposit ratings because long term ratings cannot exceed Italy's Baa3 sovereign rating by more than two notches as per Moody's Banks Methodology.

The upgrade of CC Raiffeisen's long-term senior unsecured debt and issuer ratings to Baa1 from Baa2 reflects the outcome of Moody's LGF analysis which results in two notches of uplift to the ratings from the bank's BCA from one notch of uplift previously. This is driven by changes in the bank's liability structure, with a higher volume of bail-in-able debt relative to the bank's assets, which leads to lower loss given failure for senior unsecured debt. Lastly Moody's assigns an unchanged low probability of support from the Government of Italy, which results in no further rating uplift.

#### MEDIOCREDITO TRENTINO-ALTO ADIGE S.P.A. (MTAA)

The affirmation of the ba2 BCA of MTAA reflects its low business and geographical diversification, its sound capital and good liquidity, as well as the ongoing funding support from its shareholder mutual banks operating in Northeast Italy.

The affirmation of MTAA's Baa2 long-term deposit and Ba1 long-term issuer ratings reflects the affirmation of the bank's standalone BCA at ba2, and the outcome of Moody's LGF analysis which results in three notches of uplift for the deposit ratings, and one notch of uplift for the issuer ratings. Lastly Moody's assigns an unchanged low probability of support from the Government of Italy, which results in no further rating uplift.

#### CASSA DEPOSITI E PRESTITI S.P.A. (CDP) AND INVITALIA S.P.A. (Invitalia)

Moody's rating affirmation of CDP's and Invitalia's Baa3 long-term issuer ratings and change of the outlook on the issuers to stable from negative were driven by the affirmation with a stable outlook of the Italian government's debt rating. CDP's and Invitalia's Baa3 ratings are aligned with Italy's sovereign rating given the strong linkages and their strategic importance for the Italian government.

#### OUTLOOKS

The stable outlooks on the long-term deposit ratings and/or long-term senior unsecured debt ratings and long-term issuer ratings (where applicable) of Intesa Sanpaolo, UniCredit, Banco BPM, CA Italia, BNL, Mediobanca, Sella, Banca Ifis, Credem, BFF, CC Raiffeisen, and MTAA reflects Moody's view that the expected performance of the bank's financial fundamentals over the next 12 to 18 months is already captured in the bank's current ratings. Moody's anticipates a moderate increase in NPLs amid higher interest rates and inflationary pressures on households' purchasing power and corporate margins, yet this is unlikely to weaken banks' credit profiles mitigated by sound profitability and improved capital buffers. The stable outlook on these ratings is also driven by the stable outlook on Italy's sovereign debt rating. The stable outlook on the long-term deposit ratings of CA Auto Bank is driven by the stable outlook on Italy's sovereign debt rating.

The stable outlooks on the long-term deposit ratings and/or long-term senior unsecured debt ratings and long-term issuer ratings (where applicable) of Intesa Sanpaolo, UniCredit, Banco BPM, CA Italia, BNL, Mediobanca, Sella, Banca Ifis, Credem, BFF, CC Raiffeisen, and MTAA reflects Moody's view that the expected performance of the bank's financial fundamentals over the next 12 to 18 months is already captured in the bank's current ratings. Moody's anticipates a moderate increase in NPLs amid higher interest rates and inflationary pressures on households' purchasing power and corporate margins, yet this is unlikely to weaken banks' credit profiles mitigated by sound profitability and improved capital buffers. The stable outlook on these ratings is also driven by the stable outlook on Italy's sovereign debt rating.

The negative outlook on UniCredit's long-term senior unsecured debt ratings reflects a possible increase in the loss severity for this debt class in case the bank was to reduce the volume of senior or subordinated debt instruments or were to expand its balance sheet beyond Moody's expectation.

The positive outlook on the long-term deposits, long-term issuer and senior unsecured debt ratings of BPER reflects Moody's expectation that the more favorable operating conditions in Italy could lead in the next 12-18 months to improved fundamentals and hence an upgrade of the bank's BCA and ratings. In particular, Moody's expects BPER to generate strong profits that will strengthen its capital position, whilst maintaining good asset quality and a sound funding and liquidity profile.

The positive outlook on MPS' long-term deposit and senior unsecured debt ratings reflects Moody's view that the bank's improved creditworthiness, in particular reflected in its higher recurrent profitability and continued access to the bond market, could result in a higher standalone BCA if such improvements were to be sustained over the next 12 to 18 months.

The positive outlook on Credem's long-term deposit ratings reflects lower loss severity for these instruments provided the increased share of corporate deposits in the bank's deposit base is sustainable.

The negative outlook on CAAuto Bank's long-term issuer rating reflects the transition that Moody's expects the bank will have to manage in redefining its business model and franchise following its full acquisition by CASA in April 2023.

The outlook on BFF's long-term deposit ratings remains negative, reflecting that the potential impact of further significant balance-sheet expansion and limited issuance of more subordinated loss absorbing liabilities may lead to lower rating uplift under Moody's Advanced LGF analysis.

The negative outlook on Banca del Mezzogiorno's long-term deposit, long-term issuer and senior unsecured debt ratings reflects the challenges for the bank to expand its activities in the weakest region of southern Italy as well as the restructuring of BdM, which could lead to a material increase in NPLs. The negative outlook also reflects the potentially higher loss given failure on junior deposits and senior unsecured debt in case the bank's balance sheet was to expand more than anticipated.

The stable outlook on CDP and Invitalia reflect the stable outlook on Italy's sovereign debt rating.

## FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

The banks' BCAs could be downgraded if the current trajectory of their financial fundamentals were to be reversed, more specifically, if banks were to report a higher-than-expected deterioration in asset quality and profitability, which would weaken their capital position. Downward pressure could also be exerted on banks' BCAs if their funding and liquidity position were to deteriorate from current levels.

The banks' deposit and senior unsecured debt ratings could also experience upward or downward pressure from changes in the loss-given-failure faced by these liabilities.

The banks' BCAs could be upgraded following an improvement of their financial fundamentals beyond Moody's expectations, more specifically, if banks were to report lower NPLs, stronger profitability, and higher capital levels while

maintaining comfortable liquidity and funding positions.

The BCAs of Intesa Sanpaolo, UniCredit, Banco BPM, Mediobanca, CC Raiffeisen, and Credem, are at the same level as Italy's Baa3 sovereign debt rating and hence a BCA upgrade is unlikely unless Italy's government bond rating were to be upgraded. The BCAs of Intesa Sanpaolo and UniCredit are currently capped by Italy's rating, therefore they would likely be upgraded in case of an upgrade of Italy's rating.

The Baa1 long-term deposit ratings of Intesa Sanpaolo, UniCredit, Banco BPM, BNL, Mediobanca, CA Italia, CAAuto Bank, CC Raiffeisen are capped at two notches above Italy's sovereign debt rating, therefore an upgrade of Italy's government bond rating would likely lead to an upgrade of these banks' deposit ratings .

The BCAs and ratings of Intesa Sanpaolo, UniCredit, Banco BPM, Mediobanca, CC Raiffeisen, and Credem, could be downgraded if Italy's government bond rating were downgraded from its current Baa3 level. A downgrade of Italy's sovereign rating could also lead to a downgrade of the long-term deposit ratings of CA Italia, CAAuto Bank and BNL, and of the issuer rating of CAAuto Bank.

The long-term issuer and senior unsecured debt ratings of CDP and Invitalia could be upgraded or downgraded following an upgrade or downgrade of Italy's sovereign debt rating.

## PRINCIPAL METHODOLOGY

The principal methodology used in rating Banca del Mezzogiorno - MCC S.p.A., Banca Ifis S.p.A., Banca Monte dei Paschi di Siena S.p.A., Banca Nazionale Del Lavoro S.p.A., Banca Sella Holding S.p.A., Banco BPM S.p.A., BFF Bank S.p.A., BPER Banca S.p.A., CAAuto Bank S.p.A., CAAuto Bank S.p.A., Irish Branch, CAAuto Finance Suisse SA, Cassa Centrale Raiffeisen S.p.A., Credit Agricole Italia S.p.A., Credito Emiliano Holding S.p.A., Credito Emiliano S.p.A., Intesa Bank Ireland p.l.c., Intesa Sanpaolo Bank Ireland p.l.c., Intesa Sanpaolo Bank Luxembourg S.A., Intesa Sanpaolo Funding LLC, INTESA SANPAOLO S.P.A., Intesa Sanpaolo S.p.A., Hong Kong Branch, Intesa Sanpaolo S.p.A., London Branch, Intesa Sanpaolo S.p.A., New York Branch, Mediobanca International (Luxembourg) SA, Mediobanca S.p.A., Mediocredito Trentino-Alto Adige S.p.A., Sanpaolo IMI S.p.A., UniCredit Delaware Inc., UniCredit S.p.A., UniCredit S.p.A., London Branch and UniCredit S.p.A., New York Branch was Banks Methodology published in July 2021 and available at <https://ratings.moodys.com/rmc-documents/71997>. The principal methodology used in rating Cassa Depositi e Prestiti S.p.A. and Invitalia S.p.A. was Government-Related Issuers Methodology published in February 2020 and available at <https://ratings.moodys.com/rmc-documents/64864>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of these methodologies.

## REGULATORY DISCLOSURES

The List of Affected Credit Ratings announced here are a mix of solicited and unsolicited credit ratings. For additional information, please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website <https://ratings.moodys.com>. Additionally, the List of Affected Credit Ratings includes additional disclosures that vary with regard to some of the ratings. Please click on this link [https://www.moodys.com/viewresearchdoc.aspx?docid=PBC\\_ARFTL482816](https://www.moodys.com/viewresearchdoc.aspx?docid=PBC_ARFTL482816) for the List of Affected Credit Ratings. This list is an integral part of this Press Release and provides, for each of the credit ratings covered, Moody's disclosures on the following items:

- EU Endorsement Status
- UK Endorsement Status
- Rating Solicitation
- Issuer Participation
- Participation: Access to Management
- Participation: Access to Internal Documents



- Lead Analyst
- Releasing Office

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

The below contact information is provided for information purposes only. For disclosures on the lead rating analyst and the Moody's legal entity that issued the rating, please see the issuer/deal page on <https://ratings.moodys.com> for each of the ratings covered.

The relevant office for each credit rating is identified in "Debt/deal box" on the Ratings tab in the Debt/Deal List section of each issuer/entity page of the website.

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