

RATING ACTION COMMENTARY

Fitch Affirms CA Auto Bank at 'A-/Positive'

Wed 18 Jun, 2025 - 05:34 ET

Fitch Ratings - Milan - 18 Jun 2025: Fitch Ratings has affirmed CA Auto Bank S.p.A.'s Long-Term Issuer Default Rating (IDR) at 'A-' with Positive Outlook. We also affirmed CA Auto Bank's Shareholder Support Rating (SSR) at 'a-' and Viability Rating (VR) at 'bb+'. Fitch has also affirmed CA Auto Bank's senior unsecured debt rating at 'A-' and assigned a long-term deposit rating of 'A-'. A full list of rating actions is below.

The Positive Outlook reflects the potential for the SSR to be upgraded to three notches above Italy's 'BBB' Long-Term IDR, which is also on Positive Outlook, compared with the current two. As CA Auto Bank continues to expand its business volumes outside Italy, it will become less exposed to an Italian sovereign default. The bank's role as Credit Agricole group's pan-European car financing platform will strengthen, in Fitch's opinion, and it will become more strategically important for the group once its non-Italian exposure approaches two-thirds of its total loans.

We would then expect the propensity of Credit Agricole Personal Finance and Mobility (CAPFM; A+/Stable) and, ultimately, Credit Agricole (CA; A+/Stable), to support CA Auto Bank to become less constrained by Italian country risk considerations, supporting a one-notch upgrade of the SSR and Long-Term IDR.

KEY RATING DRIVERS

Support Drives Ratings: CA Auto Bank's IDRs are driven by a very high probability of support from CAPFM and, ultimately, CA. The SSR is notched down twice from CAPFM and CA's Long-Term IDRs, reflecting that CA Auto Bank's operations in Italy remain sizeable. This might constrain the group's commitment to provide support in a sovereign default.

The SSR is supported by CA Auto Bank's focus on consumer finance and mobility services, which are key growth areas for the CA group, and by its presence in strategically important markets. It is also underpinned by a moderate contribution —

around a third of net banking revenue — to the CA group's consumer finance business, full group ownership and a common brand.

Rating Above Sovereign: CA Auto Bank's Long-Term IDR is two notches above Italy's sovereign IDR, as Fitch believes CAPFM and CA's commitment to CA Auto Bank is likely to survive an Italian sovereign default. This reflects CA Auto Bank's close integration with the parent, role in the CA group, inclusion in the group's resolution perimeter and reputational risk for the group from a subsidiary default.

Limited Sovereign Risk Exposure: CA Auto Bank has negligible direct exposure to Italian sovereign risk. Fitch also believes the risk of restrictions being imposed on its ability to service its obligations is exceptionally low. Fitch may widen the difference between the Long-Term IDRs of CA Auto Bank and Italy to three notches - the maximum difference allowed by Fitch's Bank Rating Criteria - as CA Auto Bank's international diversification increases, resulting in a higher likelihood of parental support.

Post-Stellantis Strategy Adjustment: CA Auto Bank focuses on financing and mobility solutions across Europe. The bank has outperformed its preliminary forecasts by originating ample white-label business to offset the discontinuation of its arrangement with Stellantis N.V. (BBB/Stable). The bank has also continued to expand its partnerships with automakers and its dealer-financing operations. However, its new strategy has yet to be fully tested. This constrains our business profile assessment at 'bb+', which constrains the VR at one notch below the implied VR of 'bbb-'.

Adequate Asset Quality: CA Auto Bank had an adequate impaired loan ratio of about 3% at end-2024. Our asset-quality assessment also considers that its loans are highly granular and largely secured, and that risk practices, including management of residual value risk, are prudent and aligned with those of the CA group.

Capitalisation Managed by CA: CA Auto Bank's group common equity Tier 1 (CET1) ratio decreased to 12.5% at end-2024 from 15.8% at end-2023, following the recent inclusion of its operating leasing into the prudential perimeter. We expect the bank's capitalisation to improve on internal capital generation and completion of a risk transfer securitisation, and for it to remain commensurate with the bank's business and risk profiles.

Parent Supports Funding Profile: CA Auto Bank has a well-diversified range of funding sources, including access to various wholesale funding instruments and investor bases. The share of parental funding increased to 40% of total funding at end-2024, from 34% at end-2023. However, CA Auto Bank is also increasing its funding diversification,

notably through retail deposits, which rose to 12% of total funding at end-2024, from 8% at end-2023. Fitch considers CA's propensity to provide funding high.

RATING SENSITIVITIES

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

We would revise the Outlook to Stable if CA Auto Bank failed to achieve greater international diversification or took on a large direct exposure to Italian sovereign risk.

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

CA Auto Bank's ratings are sensitive to adverse changes in Fitch's assumptions about CA's propensity to support the bank. CA Auto Bank's attractiveness to CA is sensitive to the execution of the subsidiary's 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 caps CA Auto Bank's Long-Term 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 SSR.

CA Auto Bank's VR could be downgraded if the bank failed to deliver its stated business plan or if its financial profile deteriorated materially.

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

The Positive Outlook reflects a probable upgrade if CA Auto Bank continues to execute on its post-Stellantis strategy and increases business in its current markets outside Italy to about two-thirds of its total loans. We expect CA Auto Bank to achieve this threshold in the next 12-18 months, based on current business originations.

An upgrade could also follow an upgrade of Italy's Long-Term IDRs, provided the Italian operating environment does not deteriorate and CA Auto Bank's exposure to Italian sovereign risk remains limited.

An upgrade of CA Auto Bank's VR would require a successful execution of the business plan, leading to a stronger franchise and new business originations, while maintaining its adequate financial profile.

OTHER DEBT AND ISSUER RATINGS: KEY RATING DRIVERS

DEPOSITS

The 'A-' long-term deposit rating is in line with the Long-Term IDR. This is because Fitch does not believe internal resolution debt and equity buffers would offer obvious incremental protection to depositors over and above the shareholder support benefit already factored into the bank's IDRs, given that the latter are constrained by country risk considerations.

SENIOR UNSECURED DEBT

The senior unsecured debt issued by CA Auto Bank S.p.A. Irish Branch and CA Auto Finance Suisse SA is 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 equally with CA Auto Bank's senior unsecured obligations. CA Auto Finance Suisse SA's senior unsecured notes are unconditionally and irrevocably guaranteed by CA Auto Bank, and rank equally with the guarantor's senior unsecured obligations.

The senior unsecured debt ratings do not benefit from an uplift above the IDR, because we do not believe 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.p.A Irish Branch is 'F1', the same level as CA Auto Bank's Short-Term IDR, as the bank's funding and liquidity score is not high enough to assign the higher option under Fitch's correspondence table.

OTHER DEBT AND ISSUER RATINGS: RATING SENSITIVITIES

Deposit and senior unsecured debt rating are sensitive to changes to the bank's IDRs, from which they are notched.

The long-term deposit rating sensitive to and would move in tandem with the Long-Term IDR.

The long-term senior unsecured debt ratings would be downgraded if buffers of senior unsecured and subordinated debt fell below 10% of risk-weighted assets, which we do not expect.

VR ADJUSTMENTS

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

The operating environment score of 'bbb' is below the 'a' implied category score due to the following adjustment reason: sovereign rating (negative).

The business profile score of 'bb+' is below the 'bbb' implied category score due to the following adjustment reason: historical and future developments (negative).

The capitalisation and leverage score of 'bbb-' is above the 'bb' implied category score due to the following adjustment reason: capital flexibility and ordinary support (positive).

The funding and liquidity score of 'bbb' is above the 'b & below' implied category score due to the following adjustment reason: liquidity access and ordinary support (positive).

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

CA Auto Bank's ratings are driven by parental support from CAPFM and, ultimately, by CA.

ESG CONSIDERATIONS

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

RATING ACTIONS

ENTITY / DEBT ↕	RATING ↕	PRIOR ↕

CA Auto Finance Suisse
SA

senior unsecured	LT	A-	Affirmed	A-
CA Auto Bank S.p.A.	LT IDR	A-	Affirmed	A-
	ST IDR	F1	Affirmed	F1
	Viability	bb+	Affirmed	bb+
	Shareholder Support	a-	Affirmed	a-
long-term deposits	LT	A-	New Rating	
short-term deposits	ST	F1	New Rating	
CA Auto Bank S.p.A. Irish Branch				
senior unsecured	LT	A-	Affirmed	A-

VIEW ADDITIONAL RATING DETAILS

Additional information is available on www.fitchratings.com

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APPLICABLE CRITERIA

[Non-Bank Financial Institutions Rating Criteria \(pub. 31 Jan 2025\) \(including rating assumption sensitivity\)](#)

[Bank Rating Criteria \(pub. 21 Mar 2025\) \(including rating assumption sensitivity\)](#)

ADDITIONAL DISCLOSURES

[Dodd-Frank Rating Information Disclosure Form](#)

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ENDORSEMENT STATUS

CA Auto Bank S.p.A.	EU Issued, UK Endorsed
CA Auto Bank S.p.A. Irish Branch	EU Issued, UK Endorsed
CA Auto Finance Suisse SA	EU Issued, UK Endorsed

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