MOODY'S RATINGS

CREDIT OPINION
23 June 2025

Update

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RATINGS

CA Auto Bank S.p.A.

Domicile	Torino, Italy
Long Term CRR	Baa1
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Not Assigned
Long Term Deposit	Baa1
Type	LT Bank Deposits - Fgn Curr
Outlook	Positive

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

CA Auto Bank S.p.A.

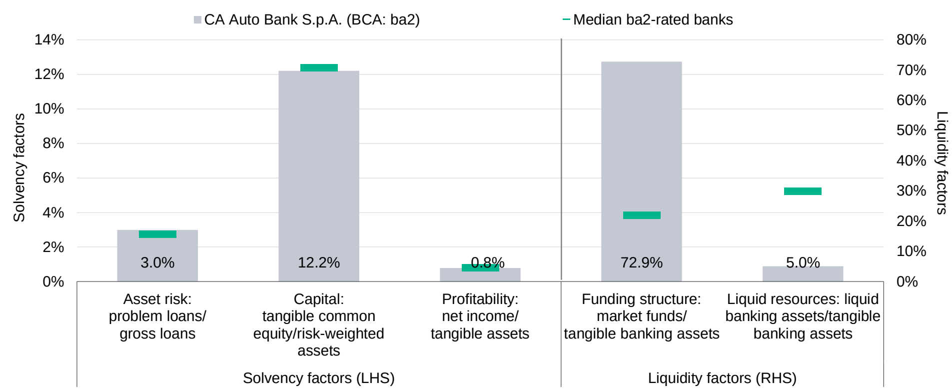
Update following rating action

Summary

CA Auto Bank S.p.A.'s (CA Auto Bank) Baa1 long-term deposit and issuer ratings reflect (1) the bank's ba2 standalone Baseline Credit Assessment, (2) a high probability of affiliate support from its ultimate parent Credit Agricole S.A. (CASA, A1/A1 stable, baa2[1]), 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, and (3) the extremely low loss given failure for deposits and issuer ratings, which result in three notches of uplift under our Loss Given Failure (LGF) analysis. However, the uplift on the deposit and issuer ratings are constrained at two notches of uplift by Italy's government bond rating (Baa3 positive), because under our Banks Methodology banks' ratings cannot exceed the domestic government debt rating by more than two notches. The ratings also reflect our assumption of low probability of support from the Government of Italy, which results in no further rating uplift.

The ba2 BCA of CA Auto Bank reflects stronger operating conditions in Italy, the bank's low stock of problem loans, good profitability, low level of business diversification, and its high reliance on wholesale funding.

Exhibit 1
Rating scorecard - Key financial ratios
As of December 2024



Source: Moody's Financial Metrics

Credit strengths

- Low stock of problem loans
- Good profitability

Credit challenges

- Low diversification of the business model
- Wholesale funding profile, mitigated by CASA's ongoing support

Outlook

The positive outlooks on the long-term deposit ratings and issuer ratings of CA Auto Bank are driven by the positive outlook on the Government of Italy's rating. Under our Banks methodology, banks' long-term ratings are typically constrained at two notches above the rating of the sovereign country.

Factors that could lead to an upgrade

The long-term deposit and issuer ratings of CA Auto Bank could be upgraded if the Government of Italy was upgraded from its current Baa3 level.

Factors that could lead to a downgrade

Given the positive outlook, a downgrade of CA Auto Bank's long-term deposit and issuer ratings is unlikely.

The bank's BCA could be downgraded if its asset risk profile were to deteriorate significantly, which in turn would put pressure on the bank's profitability and capital. The BCA could also be downgraded if the impact of the Financial Conduct Authority (FCA) investigation led to material losses.

Key indicators

Exhibit 2

CA Auto Bank S.p.A. (Consolidated Financials) [1]

	12-24[2]	12-23[2]	12-22[2]	12-21[2]	12-20[2]	CAGR/Avg.[3]
Total Assets (EUR Million)	33,158.2	31,161.5	28,308.8	29,459.4	30,177.1	2.4[4]
Total Assets (USD Million)	34,335.3	34,422.7	30,212.5	33,380.6	36,923.4	(1.8)[4]
Tangible Common Equity (EUR Million)	2,931.4	2,755.4	3,527.2	3,520.2	3,341.3	(3.2)[4]
Tangible Common Equity (USD Million)	3,035.5	3,043.8	3,764.4	3,988.8	4,088.3	(7.2)[4]
Problem Loans / Gross Loans (%)	3.0	2.0	1.6	1.8	1.2	1.9[5]
Tangible Common Equity / Risk Weighted Assets (%)	12.2	14.9	17.3	20.1	17.3	16.4[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	23.7	16.0	10.0	9.4	7.4	13.3[5]
Net Interest Margin (%)	1.5	1.9	2.8	2.6	2.6	2.3[5]
PPI / Average RWA (%)	2.3	2.3	3.4	3.8	3.4	3.1[6]
Net Income / Tangible Assets (%)	0.8	0.8	1.6	1.7	1.7	1.3[5]
Cost / Income Ratio (%)	57.7	51.0	30.0	54.9	53.6	49.4[5]
Market Funds / Tangible Banking Assets (%)	72.9	77.4	71.4	72.4	75.6	73.9[5]
Liquid Banking Assets / Tangible Banking Assets (%)	5.0	5.8	11.6	10.6	8.5	8.3[5]
Gross Loans / Due to Customers (%)	734.3	1036.6	834.9	809.2	1065.3	896.1[5]

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.

Sources: Moody's Ratings and company filings

Profile

CA Auto Bank S.p.A. (CA Auto Bank, former FCA Bank S.p.A.) is a company operating in the vehicle financing, leasing and in the mobility sector. It is fully owned by Credit Agricole Personal Finance & Mobility (CAPFM), which is itself fully owned by CASA.

CA Auto Bank was formerly a 50:50 joint venture between the car manufacturer Stellantis and CASA operating under the name of FCA Bank S.p.A.. On 4 April 2023, CASA's consumer finance subsidiary became the sole shareholder of CA Auto Bank, acquiring the 50% stake owned by Stellantis.

As part of the business and organizational reshape of CA Auto Bank, equity interests in Leasys have been sold by CA Auto Bank in December 2022. Leasys has been combined with Free2Move Lease (that had historically covered the PSA brands) to create a pan-European leasing joint venture equally owned by CASA's consumer finance subsidiary and Stellantis (Leasys current ultimate shareholder).

CA Auto Bank, which operates in 18 European countries and Morocco, either directly or through branches and subsidiaries, provides financing solutions mainly through car dealers and/or multi-brand distributors (that cannot rely on the respective manufacturers' captive finance company), as well as on-line for some brands. The bank features an ample offering of financial, insurance, and rental solutions, partnering with prestigious brands, and also has other commercial arrangements with newer automotive brands more active in the electric vehicle market. The bank is also active in the motorcycle segment, in the light and heavy commercial vehicle segment and in the recreational vehicles segment.

CA Auto Bank's macro profile is Strong

The bank's assigned macro profile is Strong, considering the issuer's activities in Italy (38% of loans) but also in other EU countries such as Germany (15%), France (8%), UK (15%) and Spain (4%) as of December 2024.

Detailed credit considerations

One notch negative adjustment for business diversification

CA Auto Bank's creditworthiness is constrained by the low level of diversification of its business model, which is reflected by a one-notch negative adjustment to its Financial Profile of ba1, which results in a BCA of ba2. This adjustment reflects the bank's strongly focused business profile, and sector concentration risks as an auto loan provider and lender to borrowers related to the automobile industry.

Good asset quality strained by the challenges involved with reshaping its business model

Our score for CA Auto Bank's Asset Risk is baa2, which is two notches below the Macro-Adjusted score. The assigned score takes into account the asset quality deterioration in 2024, as the bank's reported non-performing loans (NPL) ratio increased to 2.7% from 2% a year-earlier. The deterioration is asset quality was influenced by the transition of CA Auto Bank from a Stellantis captive bank to an independent, multi-brand bank under Crédit Agricole Personal Finance & Mobility's control. This shift included an increase in the portfolio of riskier second-hand vehicle financing and changes in its dealer network which directly impacted the NPL ratio.

Despite the challenges in redefining its business model, CA Auto Bank is successfully growing and expanding its existing partnerships' business across Europe with other brands outside the Stellantis network. CA Auto Bank's loan book grew to €29.8 billion as of December 2024 from €27.3 billion as of December 2023, of which 15% are outstanding loans of Stellantis' brands in run off since March 2023. This share of loans now exclusively relates to the Retail Financing and Financial Leasing portfolio, as the other business lines have completely phased out. The bank originated €11.3 billion new loans in 2024. Wholesale Financing loans increased by 31% to €3.8 billion, while the Drivalia (rental/mobility) activities grew by 50% to €3.6 billion, mostly due to the acquisition of ALD Automotive's operations in Norway and Ireland and Leaseplan in the Czech Republic and Finland.

Moderate capital levels

We assign a score of baa2 to CA Auto Bank's Capital, one notch below the Macro-Adjusted score, factoring the strategy of the group Credit Agricole which limits the excess capital held by subsidiaries. As of December 2024, the tangible common equity to risk weighted assets (TCE/RWA) ratio stood at 12.2% decreasing from 14.9% a year earlier, mainly due to the consolidation of Drivalia in the bank's risk-weighted assets.

After an extraordinary €1.1 billion dividend distribution paid to Stellantis and CASA's consumer finance subsidiary in April 2023 as part of a broader set of actions related to the transaction, no dividends were paid out during in 2024. CA Auto Bank's capital ratios remain comfortably above regulatory requirements. The group had a minimum total capital requirement of 11.37% against a reported level of 16.58% as of December 2024, and a common equity tier 1 (CET1) requirement of 7.87% (including a conservation buffer of 2.5% and a countercyclical buffer of 0.72%) against a CET1 of 12.46%.

CA Auto Bank computes its RWAs using the standardised approach, differently with most Italian banks which typically computes a significant share of their exposures under the Internal Risk-Based (IRB) approach.

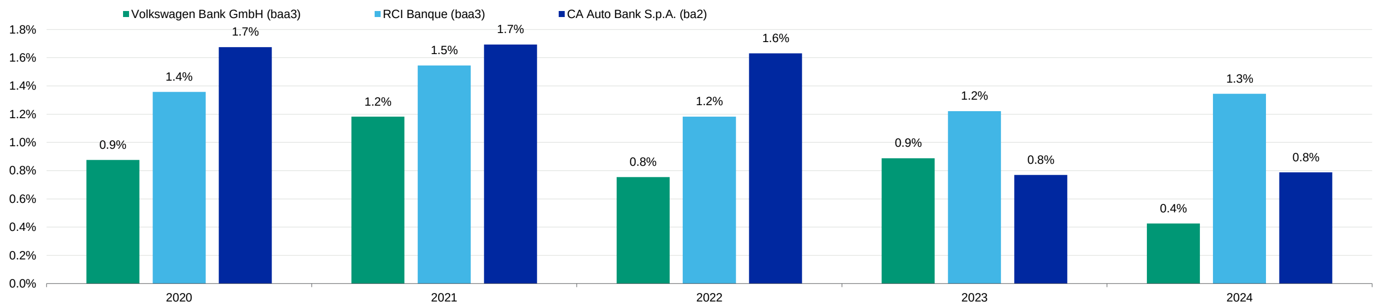
Good profitability

Our score for CA Auto Bank's Profitability is baa2, in line with the Macro-Adjusted score. The score reflects the bank's return on tangible assets of 0.8% in 2024, with revenues benefiting from the high interest rates environment in 2024, balanced against higher cost of wholesale funding.

Due to the integration of the CAPFM brand "Sofinco Auto Moto Loisirs" within CA Auto Bank (new automotive business volume only) and the acquisition of ALD and LeasePlan, net operating expenses increased to €308 million in 2024, which represents a 21% increase compared to 2023. With these acquisitions, the headcount increased materially causing payroll costs to grow by 31% to €224 million in 2024. The increase in net operating costs caused the cost income ratio on annual basis to increase to 37%, up from 31% in 2023. We expect profitability to remain broadly sound also in the lower interest rates environment, with pressures on margins offset by stronger loan volumes and lower cost of funding.

The 2024 cost of risk for CA Auto Bank rose due to its transition to an independent, multi-brand bank and a shift towards riskier used vehicle financing. In 2024, the cost of risk increased to 48 basis points (bps) from 40 bps a year earlier. Notably, the cost of risk for the Wholesale Financing business line rose to 10 bps from -40 bps at year-end 2023, driven by a volume effect from new partnerships and expected negative effects amid the current macroeconomic climate.

Exhibit 3
Return on Tangible Assets



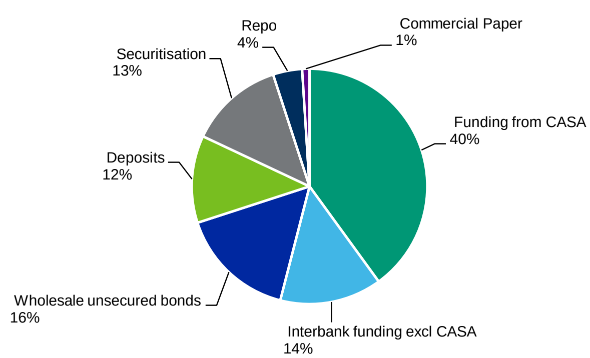
Source: Moody's Ratings

High reliance on wholesale funding mitigated by availability of liquidity from the parent

We assign a funding structure score of b3 to CA Auto Bank, three notches above the Macro-Adjusted score. The assigned score reflects the bank's structural high reliance on credit-sensitive market funding given its weak deposit base compared to commercial banks. However, CA Auto Bank can rely on stable funding provided by its parent CASA, which as of December 2024 accounted for 40% of the total funding. We believe this source of funding from the parent could increase in case of need and we consider it a form of ongoing support. The bank's deposits increased to 12% of total funding as of December 2024, from 8% as of December 2023, mainly from new online deposits in Austria, Ireland, and the Netherlands.

The bank has proven good access to markets in the past and also issued wholesale debt after the change in ownership. The maturities of the bank's senior debt also match the relatively short-term duration of assets. Besides, the financial support from the Crédit Agricole Group was further reinforced in 2024 and 2025 with two intercompany Additional Tier 1 (AT1) loans for a total of €900, two Tier 2 for a total amount of €500 million, followed by the issuance of a total of €1,150 million new Senior Non-Preferred bonds in June 2024, subscribed by Crédit Agricole Personal Finance & Mobility.

Exhibit 4
Diversified funding profile as of December 2024



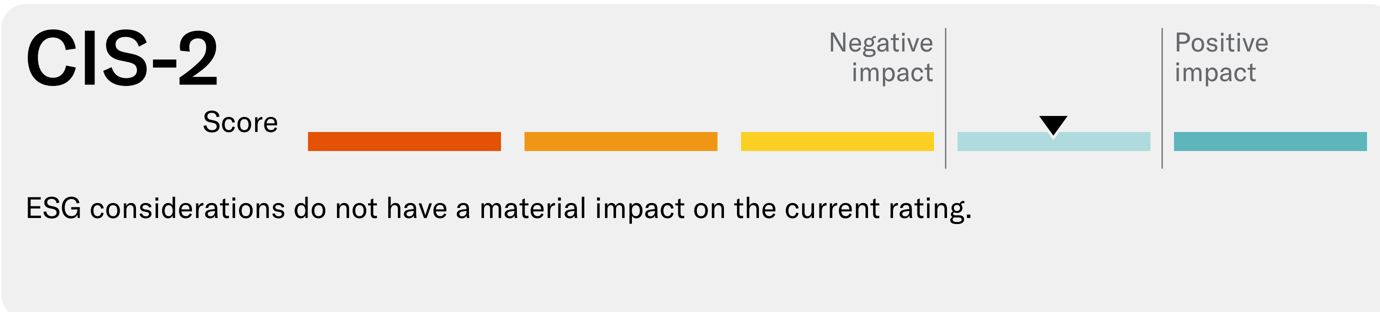
Sources: Bank's presentation and Moody's Ratings

We assign a liquid resources score of ba2, two notches above the Macro-Adjusted score to reflect the availability of liquidity from CASA in case of need which we consider a form of ongoing support. The bank's liquid assets decreased to 5.0% of its tangible assets as of December 2024 from 5.8% as of December 2023 and 11.6% as of December 2022. The decrease in 2023 was largely due to the extraordinary dividend related to the acquisition.

ESG considerations

CA Auto Bank S.p.A.'s ESG credit impact score is CIS-2

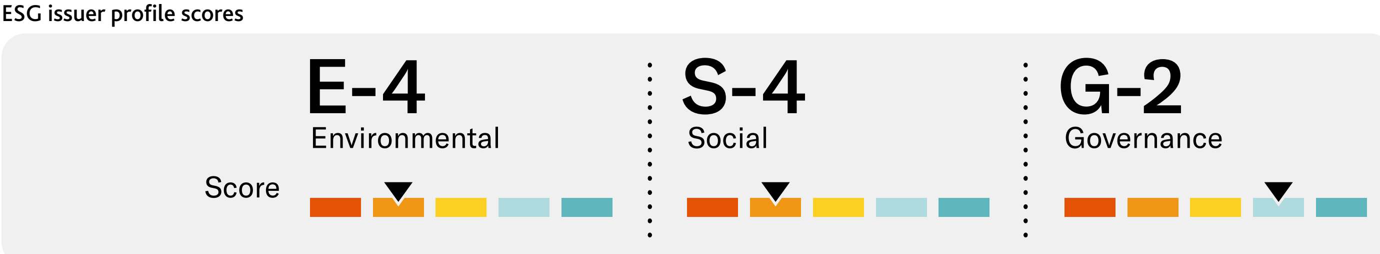
Exhibit 5
ESG credit impact score



Source: Moody's Ratings

CA Auto Bank's **CIS-2** indicates that ESG considerations do not have a material impact on current ratings. This reflects our expectation that Credit Agricole S.A., its sole parent, would support CA Auto Bank should its standalone profile shift lower because of ESG considerations. The **CIS-2** score also reflects the company's high environmental risk driven by the exposure of its lending product to the decarbonization of the economy, and its high social risks primarily reflecting the exposure of automobile manufacturers to societal trends and shifts in customer demand and transportation preferences.

Exhibit 6
ESG issuer profile scores



Source: Moody's Ratings

Environmental

CA Auto Bank faces high environmental risks due to its role as a facilitator of sales for car manufacturers. CA Auto Bank's high carbon transition risk is consistent with the global auto manufacturing sector because of stricter environmental regulation and the trend towards low and zero emission vehicles.

Social

CA Auto Bank, like other consumer-focused finance companies, faces moderate exposure to to fines and reputational damage due to product mis-selling or other types of misconduct. High cyber and personal data risks are also key considerations as more applications are submitted online. CA Auto Bank focuses on auto loan financing, the demand for which is subject to demographic changes like higher adoption of mass transportation and heightened environmental awareness and is highly correlated to the ability of the car manufacturers to meet consumers' demand.

Governance

CA Auto Bank faces low governance risks. The bank is 100% owned by Credit Agricole S.A. through its subsidiary Credit Agricole Consumer Finance; we have therefore aligned its board structure, policies and procedures scores with those of its ultimate parent, given the parent's oversight of its subsidiary board and the regulated nature of both entities.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Affiliate support

Our view that there is a high probability that CASA would extend extraordinary support to CA Auto Bank in case of need drives a two-notch uplift from the bank's ba2 BCA to an Adjusted BCA of baa3. This expectation is based on the fact that CA Auto Bank is a strategic subsidiary for CASA's European consumer finance business which has rebranded as Credit Agricole Personal Finance & Mobility.

Loss Given Failure (LGF) analysis

CA Auto Bank is domiciled in Italy, which we consider an operational resolution regime (ORR). Thus, we apply our advanced Loss Given Failure (LGF) analysis, using our standard assumptions. Furthermore, we take into account the full depositor preference, whereby junior deposits are preferred over senior debt creditors in accordance with a law decree introducing full depositor preference in Italy starting from 2019.

Our LGF analysis indicates that CA Auto Bank's deposits and issuer ratings are likely to face extremely low loss-given-failure, resulting in a three-notch from the bank's Adjusted BCA, which are however constrained to two notches above Italy's Baa3 sovereign debt rating, in accordance with our banks' methodology.

Government support considerations

There is no rating uplift, given our view of a low probability of government support for this entity, which is not considered systemic.

Methodology and scorecard

About Moody's Bank Scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 7

Rating Factors

Macro Factors		
Weighted Macro Profile	**Strong**	**100%**

Factor	**Historic Ratio**	**Initial Score**	**Expected Trend**	**Assigned Score**	**Key driver #1**	**Key driver #2**
Solvency						
Asset Risk						
Problem Loans / Gross Loans	3.0%	a3	↔	baa2	Operational risk	Expected trend
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	12.2%	baa1	↔	baa2	Expected trend	Access to capital
Profitability						
Net Income / Tangible Assets	0.8%	baa2	↔	baa2		
Combined Solvency Score		baa1		baa2		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	72.9%	caa3	↔	b3	Market funding quality	
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	5.0%	b1	↔	ba2	Access to committed facilities	Expected trend
Combined Liquidity Score		caa1		b1		
Financial Profile		ba1		ba1		
Qualitative Adjustments				Adjustment		
Business Diversification				-1		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				-1		
Sovereign or Affiliate constraint				Baa3		
BCA Scorecard-indicated Outcome - Range				ba1 - ba3		
Assigned BCA				ba2		
Affiliate Support notching				2		
Adjusted BCA				baa3		

Balance Sheet	**in-scope (EUR Million)**	**% in-scope**	**at-failure (EUR Million)**	**% at-failure**
Other liabilities	21,395	65.0%	21,746	66.1%
Deposits	3,445	10.5%	3,093	9.4%
Preferred deposits	2,549	7.7%	2,422	7.4%
Junior deposits	896	2.7%	672	2.0%
Senior unsecured bank debt	4,862	14.8%	4,862	14.8%
Junior senior unsecured bank debt	1,150	3.5%	1,150	3.5%
Dated subordinated bank debt	454	1.4%	454	1.4%
Preference shares (bank)	610	1.9%	610	1.9%
Equity	987	3.0%	987	3.0%
Total Tangible Banking Assets	32,904	100.0%	32,904	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	26.5%	26.5%	26.5%	26.5%	3	3	3	2	0	baa1
Counterparty Risk Assessment	26.5%	26.5%	26.5%	26.5%	3	3	3	1	0	baa2 (cr)
Deposits	26.5%	9.7%	26.5%	24.5%	3	3	3	2	0	baa1
Senior unsecured bank debt	26.5%	9.7%	24.5%	9.7%	3	3	3	2	0	baa1

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	2	0	baa1	0	Baa1	Baa1
Counterparty Risk Assessment	1	0	baa2 (cr)	0	Baa2(cr)	
Deposits	2	0	baa1	0	Baa1	Baa1
Senior unsecured bank debt	2	0	baa1	0		Baa1

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Ratings

Ratings

Exhibit 8

Category	Moody's Rating
CA AUTO BANK S.P.A.	
Outlook	Positive
Counterparty Risk Rating	Baa1/P-2
Bank Deposits	Baa1/P-2
Baseline Credit Assessment	ba2
Adjusted Baseline Credit Assessment	baa3
Counterparty Risk Assessment	Baa2(cr)/P-2(cr)
Issuer Rating	Baa1
CA AUTO BANK S.P.A., IRISH BRANCH	
Outlook	Positive
Counterparty Risk Rating	Baa1/P-2
Counterparty Risk Assessment	Baa2(cr)/P-2(cr)
Senior Unsecured	Baa1
Commercial Paper	P-2
CA AUTO FINANCE SUISSE SA	
Outlook	Positive
Bkd Senior Unsecured -Dom Curr	Baa1

Source: Moody's Ratings

Endnotes

1 The bank ratings shown are its deposit rating, senior unsecured debt rating (where available) and BCA.

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Asia Pacific	852-3551-3077
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