FitchRatings

RATING ACTION COMMENTARY

Fitch Upgrades CA Auto Bank and Drivalia to 'A' on Italy's Sovereign Upgrade; Outlooks Stable

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Fitch Ratings - Milan - 25 Sep 2025: Fitch Ratings has upgraded CA Auto Bank S.p.A.'s (CAAB) and subsidiary Drivalia's Long-Term Issuer Default Ratings (IDRs) to 'A' from 'A-', and Shareholder Support Ratings (SSRs) to 'a' from 'a-'. The Outlooks on the Long-Term IDRs are Stable. A full list of rating actions is below.

The upgrades follow the upgrade of Italy's Long-Term IDR to 'BBB+'/Stable, from 'BBB'/Positive (see Fitch Upgrades Italy to 'BBB+'; Outlook Stable), as the entities' Long-Term IDRs were constrained at two notches above the sovereign. This had reflected that country risk considerations might constrain the ability of the entities' parent Credit Agricole Personal Finance and Mobility (CAPFM; A+/Stable) and, ultimately, Credit Agricole (CA; A+/Stable), to provide support in a sovereign default. Following the upgrades, the Long-Term IDRs are in line with our assessment of a very high probability of group support. Country risk considerations no longer act as a constraint on the rating, although they might prevent future upside.

CAAB's Viability Rating (VR) of 'bb+' is unaffected by today's rating action. Unless noted below, the key rating drivers and sensitivities for the VR are those outlined in Fitch Affirms CA Auto Bank at 'A-'/Positive published on 18 June 2025, available at www.fitchratings.com.

KEY RATING DRIVERS

Support Drives Ratings: CAAB's IDRs are driven by a very high probability of support from CAPFM and, ultimately, CA. The SSR is notched down once from CAPFM's and CA's Long-Term IDRs to reflect the subsidiary's strategic but not integral role in the CA group, due to CAAB's product focus and moderate contribution - around a third of net banking revenue - to the CA group's consumer finance business, despite a presence in strategically important markets.

The one notch difference also reflects our view that CAAB's role as the group's pan-European competence centre for car finance is not yet sufficient to achieve rating equalisation. Support is underpinned by strong integration, full group ownership, a common brand, inclusion in the group's resolution perimeter, reputational risks from a subsidiary default and a strong group propensity to provide funding.

Rating Above Sovereign: CAAB's Long-Term IDR is two notches above Italy's sovereign IDR, as CAPFM's and CA's commitment to CAAB is likely to survive an Italian sovereign default. The bank has negligible direct exposure to sovereign risk and the risk of restrictions being imposed on its ability to service its obligations is exceptionally low.

RATING SENSITIVITIES

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

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

CAAB's ratings are sensitive to adverse changes in Fitch's assumptions about CA's propensity to support the bank. The former's attractiveness to CA is sensitive to the execution of the subsidiary's growth strategy and to unfavourable changes in CA's strategy and in the automotive sector, should these compromise CAAB's profitability and growth prospects.

A negative action on Italy's sovereign rating would be reflected on CAAB's Long-Term IDR and SSR, unless CAAB increases business in its markets outside Italy to about two-thirds of loans, leading to a higher likelihood of parental support in a default by the Italian sovereign. In this instance, Fitch may relax the sovereign constraint on the Long-Term IDR of CAAB to three notches above Italy's Long-Term IDR - the maximum difference allowed under Fitch's Bank Rating Criteria - making CAAB's rating resilient to a one-notch downgrade of Italy's sovereign rating.

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

An upgrade of CAAB's Long-Term IDR, and therefore the equalisation with CA's and CAPFM's Long-Term IDRs, would require continued successful execution of CAAB's growth strategy and a wider business diversification outside Italy. It would also require a larger role in CA's group and better performance and prospects than what is currently envisaged in CAAB's growth strategy.

An upgrade of CAAB's Long-Term IDR would also require Italy's Long-Term IDR to remain at least at its current level. This is because the factors that would likely drive an equalisation of the Long-Term IDR with CA's and CAPFM's would also likely support a widening of the maximum allowable notching difference between CAAB's Long-Term IDR and Italy's to three notches from the current two.

OTHER DEBT AND ISSUER RATINGS: KEY RATING DRIVERS

DEPOSITS

CAAB's deposit ratings are in line with the bank's IDRs. This is because we do 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.

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 CAAB's Long-Term IDR. The senior unsecured notes issued by CAAB's Irish Branch rank equally with CAAB's senior unsecured obligations. CA Auto Finance Suisse SA's senior unsecured notes are unconditionally and irrevocably guaranteed by CAAB, 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 CAAB's Short-Term IDR.

OTHER DEBT AND ISSUER RATINGS: RATING SENSITIVITIES

The deposit and senior unsecured debt ratings are sensitive to and would move in tandem with the bank's IDRs, from which they are notched.

SUBSIDIARIES & AFFILIATES: KEY RATING DRIVERS

Fitch equalises the ratings of Drivalia with those of CAAB, reflecting its view that any extraordinary support from CA and CAPFM to Drivalia would be part of, and not over and above, that provided to the CAAB group as a whole. Drivalia is the fully owned car rental subsidiary of CAAB. The rating equalisation considers Drivalia's strategic role for

CAAB, high operational integration into the immediate parent and direct access to CA group funding.

Fitch does not assign a Standalone Credit Profile to Drivalia due to the company's reliance on CAAB for key functions, including risk management and treasury. CAAB is highly involved in defining Drivalia's strategy, and the parent's commercial executives often oversee Drivalia's operations within their region, highlighting the subsidiary's close ties with and importance for CABB.

SUBSIDIARIES AND AFFILIATES: RATING SENSITIVITIES

Drivalia's ratings are sensitive to changes in CAAB's ratings, with which they are equalised. Drivalia's ratings are also sensitive to changes in the institutional arrangements with CAAB, i.e. full ownership, role in strategy, operational and funding integration.

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	Upgrade	A-
DRIVALIA S.p.A.	LT IDR	A Rating Outlook Stable	Upgrade	A- Rating Outlook Positive
	ST IDR	F1	Affirmed	F1
	Shareholder Support	a	Upgrade	a-
CA Auto Bank S.p.A.	LT IDR	A Rating Outlook Stable	Upgrade	A- Rating Outlook Positive
	ST IDR	F1	Affirmed	F1
	Shareholder Support	a	Upgrade	a-
long-term deposits	LT	A	Upgrade	A-
short-term deposits	ST	F1	Affirmed	F1

VIEW ADDITIONAL RATING DETAILS

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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

Solicitation Status

Endorsement Policy

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
DRIVALIA S.p.A.	EU Issued, UK Endorsed

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