

# Outlook On Three Italian Banks Revised To Positive From Stable On Similar Action On Sovereign; Ratings Affirmed

October 25, 2021

- On Oct. 22, 2021, S&P Global Ratings revised its outlook to positive from stable and affirmed its 'BBB/A-2' long- and short-term sovereign credit ratings on Italy.
- If we were to raise the rating on Italy, we would raise our ratings on FCA Bank SpA, Banca Nazionale del Lavoro SpA, and New York Mellon S.A./N.V. (Italian Branch) after accounting for greater parental support from their foreign owners.
- We revised our outlook to positive from stable and affirmed our long- and short-term issuer credit ratings (ICR) on these banks.
- The positive outlooks mirror that on Italy.

MILAN (S&P Global Ratings) Oct. 25, 2021--S&P Global Ratings today said it revised its outlook on FCA Bank SpA, Banca Nazionale del Lavoro SpA (BNL), and New York Mellon S.A./N.V. (Italian Branch) (BNY Italian Branch) to positive from stable.

At the same time, we affirmed our long- and short-term issuer credit ratings on FCA Bank, BNL, and BNY Italian Branch and our resolution counterparty ratings on BNL.

The outlook revision follows that on Italy. If we were to upgrade Italy, we could incorporate more parental support into our ratings on these banks, which are owned by financially stronger foreign groups.

The sovereign credit rating on Italy continues to constrain the issuer credit ratings on the banks. Our ratings on FCA Bank are at the level of the ratings on Italy, given that we do not believe its parent company would provide it with sufficient support to withstand a stress associated with a sovereign default. Our issuer credit rating on BNL remains one notch above the sovereign rating, because the bank's core strategic importance to parent company BNP supports our view it would receive sufficient support to potentially withstand a sovereign default. Our long-term rating on BNY Italian Branch is 'A+', four notches above our 'BBB' ratings on Italy but still one notch below the parent company rating because, despite its branch status, the ratings remain constrained by the sovereign rating on Italy.

## PRIMARY CREDIT ANALYSTS

**Alessandro Ulliana**  
Milan  
+ 39027211228  
alessandro.ulliana  
@spglobal.com

**Emna Chahed**  
Paris  
+ 33 14 075 2524  
emna.chahed  
@spglobal.com

## SECONDARY CONTACT

**Mirko Sanna**  
Milan  
+ 39027211275  
mirko.sanna  
@spglobal.com

## Outlook

### FCA Bank SpA

The positive outlook on FCA Bank mirrors that on Italy. It reflects our opinion that FCA Bank will likely receive extraordinary support from CASA in case of stress.

We could raise the ratings on FCA Bank in the next 12-24 months if we upgraded Italy, provided that our view on the potential support from CASA had not changed.

We could revise the outlook to stable following a similar action on Italy. Although less likely, we could also revise the outlook if we concluded that the strategic importance of FCA Bank for CASA had significantly decreased.

### Banca Nazionale del Lavoro SpA

The positive outlook on BNL mirrors that on Italy.

We could raise our long-term ratings on the bank following a similar action on Italy over the next 12-24 months.

We could revise the outlook to stable if we took the same action on Italy.

### Bank of New York Mellon S.A./N.V. (Italian Branch)

The positive outlook on Bank of New York Mellon S.A./N.V. (Italian Branch) mirrors that on Italy.

We could raise our long-term ratings on the bank following a similar action on Italy over the next 12-24 months.

We could revise the outlook to stable if we took the same action on Italy.

## Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- General Criteria: Methodology For National And Regional Scale Credit Ratings, June 25, 2018
- Criteria | Financial Institutions | General: Methodology For Assigning Financial Institution Resolution Counterparty Ratings, April 19, 2018
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Guarantee Criteria, Oct. 21, 2016
- Criteria | Financial Institutions | Banks: Bank Rating Methodology And Assumptions: Additional

Loss-Absorbing Capacity, April 27, 2015

- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 20, 2013
- Criteria | Financial Institutions | Banks: Assessing Bank Branch Creditworthiness, Oct. 14, 2013
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- Criteria | Financial Institutions | Banks: Commercial Paper I: Banks, March 23, 2004

**Related Research**

- Italy Outlook Revised To Positive From Stable On Commitment To Pro-Growth Reforms; 'BBB/A-2' Ratings Affirmed, Oct. 22, 2021

**Ratings List**

\*\*\*\*\* BNP Paribas \*\*\*\*\*

**Ratings Affirmed**

**Banca Nazionale del Lavoro SpA**

Resolution Counterparty Rating A/--/A-2

**Ratings Affirmed/Outlook Action**

To	From
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**Banca Nazionale del Lavoro SpA**

Issuer Credit Rating	BBB+/Positive/A-2	BBB+/Stable/A-2
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\*\*\*\*\* Bank of New York Mellon Corp. \*\*\*\*\*

**Ratings Affirmed**

**Bank of New York Mellon S.A./N.V. (Italian Branch)**

Resolution Counterparty Rating A+/-/A-1

**Ratings Affirmed; /Outlook Action**

To	From
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**Bank of New York Mellon S.A./N.V. (Italian Branch)**

Issuer Credit Rating	A+/Positive/A-1	A+/Stable/A-1
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\*\*\*\*\*Credit Agricole S.A.\*\*\*\*\*

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### Ratings Affirmed/Outlook Action

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	To	From
<b>FCA Bank SpA</b>		
Issuer Credit Rating	BBB/Positive/A-2	BBB/Stable/A-2

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Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at [https://www.standardandpoors.com/en\\_US/web/guest/article/-/view/sourceId/504352](https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352) Complete ratings information is available to subscribers of RatingsDirect at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating action can be found on S&P Global Ratings' public website at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column. Alternatively, call one of the following S&P Global Ratings numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow 7 (495) 783-4009.

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