



RATING ACTION COMMENTARY

Fitch Assigns Leasys' 2024 Notes Final 'BBB+' Rating

Feedback

Fri 16 Jul, 2021 - 10:51 ET

Fitch Ratings - Milan - 16 Jul 2021: Fitch Ratings has assigned Leasys S.p.A.'s EUR500 million senior unsecured notes due July 2024 (ISIN: XS2366741770) a final rating of 'BBB+'.

The final rating of the senior unsecured notes follows a review of the final terms and conditions conforming to information already received when Fitch assigned the expected rating (see "Fitch Rates Leasys' Inaugural Bond 'BBB+(EXP)'" on www.fitchratings.com for further details).

The net proceeds of the new senior unsecured bond will be used to finance or refinance Leasys' eligible green portfolio, in line with its Green Bond Framework. Specifically, Leasys plans to allocate the net proceeds in the next two years to facilitate the shift of its fleet towards electric and hybrid cars and the establishment of a network of charging points for electric vehicles.

KEY RATING DRIVERS

The rating of Leasys' senior unsecured debt is equalised with the company's Long-Term Issuer Default Rating (IDR) of 'BBB+'. This reflects the bond's status as Leasys' reference obligation.

Unless noted below, the key rating drivers and sensitivities for Leasys are those outlined in our Rating Action Commentary published on 27 April 2021 (see 'Fitch Affirms Leasys at 'BBB+' / Negative on Parental Support' on www.fitchratings.com).

The ratings of Leasys are based on Fitch's assessment of its integration with FCA Bank and the availability of potential support from CA Consumer Finance (CACF; A+/Negative), and ultimately from Credit Agricole (CA). CA owns a 50% stake in FCA Bank through CACF and provides ongoing support to FCA Bank, mostly through funding and liquidity. The provision of funding and liquidity is governed via a joint-venture (JV) agreement with FCA Italy S.p.A. (FCA Bank's other 50% shareholder), a 100% subsidiary of Stellantis N.V. (BBB-/Stable). The Negative Outlook on Leasys' Long-Term Foreign-Currency IDR mirrors that on CA's.

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade of the senior unsecured bond:

An upgrade of Leasys' Long-Term IDR would be mirrored in an upgrade of the bond rating.

Factors that could, individually or collectively, lead to negative rating action/downgrade of the senior unsecured notes:

A downgrade of Leasys' Long-Term IDR would result in a corresponding downgrade of the bond rating.

BEST/WORST CASE RATING SCENARIO

International scale credit ratings of Financial Institutions and Covered Bond issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of four notches over three years.

The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit

<https://www.fitchratings.com/site/re/10111579>

DATE OF RELEVANT COMMITTEE

08 July 2021

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.

ESG CONSIDERATIONS

As support-driven issuers have strong linkages to their support providers, the ESG Relevance Score assigned to the 'supported' subsidiaries often mirror those of their corporate and financial institution parents. This reflects our opinion that many of the ESG elements at the parent level are credit-relevant for the subsidiary.

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This 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. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg

Please refer to Leasys' Rating Report dated 18 May 2021 for further disclosure on the individual ESG Relevance Scores (available on www.fitchratings.com).

RATING ACTIONS

ENTITY/DEBT	RATING			PRIOR
Leasys S.p.A.				
● senior unsecured	LT	BBB+	New Rating	BBB+ (EXP)

[VIEW ADDITIONAL RATING DETAILS](#)

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APPLICABLE CRITERIA

[Non-Bank Financial Institutions Rating Criteria \(pub. 28 Feb 2020\) \(including rating assumption sensitivity\)](#)

ADDITIONAL DISCLOSURES

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

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Leasys S.p.A.

EU Issued, UK Endorsed

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Non-Bank Financial Institutions Europe Italy
