

23 SEP 2022

## Fitch Rates Banca Akros S.p.A. 'BBB-'/Stable

Fitch Ratings - Milan - 23 Sep 2022: Fitch Ratings has assigned Banca Akros S.p.A.'s (Akros) a Long-Term Issuer Default Rating (IDR) of 'BBB-' with Stable Outlook'. A full list of rating actions is provided below.

### Key Rating Drivers

Akros is the corporate and investment bank of Banco BPM S.p.A. (BBPM) the third-largest domestic bank in Italy. The subsidiary undertakes capital markets, brokerage and corporate finance (including advisory) activities.

**Shareholder Support Drives Ratings:** Akros' IDRs and Shareholder Support Rating (SSR) are equalised with the IDRs of BBPM (BBB-/Stable/F3). The equalisation reflects Fitch's view of high probability of support from BBPM in case of need.

**High Integration:** Akros' performance being supported by synergies and strong integration into the parent, and a wide range of shared risk-management and operational practices are a key consideration. BBPM has a strong ability to provide support if needed as Akros' limited size relative to the overall group is unlikely to represent a constraint.

**Important to Parent Strategy:** Fitch views Akros' importance to BBPM's strategy as a provider of specialised financial services, in particular to the group's mid-market corporate clientele, and in certain instances to the parent. It also has a long record in contributing to the group's financial and business objectives, as shown by its adequate profitability. At end-1H22, Akros contributed to the group operating income and total assets of about 3% and 4%, respectively.

**No Viability Rating (VR) Assigned:** Fitch does not deem appropriate to assign a VR to Akros because its high integration with the parent results in a non-distinctive standalone franchise.

### Rating Sensitivities

#### Factors that could, individually or collectively, lead to negative rating action/downgrade:

Akros' IDRs would be downgraded if BBPM's IDRs are downgraded. The IDRs would also be downgraded if its strategic importance to BBPM is reduced, which we currently do not expect.

#### Factors that could, individually or collectively, lead to positive rating action/upgrade:

Akros' IDRs would be upgraded if BBPM's IDRs are upgraded.

## **OTHER DEBT AND ISSUER RATINGS: KEY RATING DRIVERS**

Akros' Derivative Counterparty Rating (DCR) is at the same level as the Long-Term IDR because in Italy derivative counterparties have no preferential legal status over other senior obligations in a resolution.

## **OTHER DEBT AND ISSUER RATINGS: RATING SENSITIVITIES**

Factors that could, individually or collectively, lead to negative rating action/downgrade:

DCR

Akros' DCR would be downgraded if its Long-Term IDR is downgraded.

Factors that could, individually or collectively, lead to positive rating action/upgrade:

DCR

Akros' DCR would be upgraded if its Long-Term IDR is upgraded.

## **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>

## **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**

Banca Akros' ratings are directly linked to the ratings of BBPM.

## **ESG Considerations**

Unless otherwise stated 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](http://www.fitchratings.com/esg)

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**Rating Actions**

ENTITY/DEBT	RATING	RECOVERY	PRIOR	
Banca Akros S.p.A.	LT IDR	BBB- ●	New Rating	WD
	ST IDR	F3	New Rating	WD
	DCR	BBB-(dcr)	New Rating	
	Shareholder Support	bbb-	New Rating	

## RATINGS KEY    OUTLOOK    WATCH

POSITIVE	⊕	◇
NEGATIVE	⊖	◇
EVOLVING	◊	◆
STABLE	○	

### Applicable Criteria

[Bank Rating Criteria \(pub.07 Sep 2022\) \(including rating assumption sensitivity\)](#)

### Additional Disclosures

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