

Rating Object	Rating Information
<p><b>Banca Nazionale del Lavoro S.p.A.</b></p> <p>Creditreform ID: 00651990582</p>	<p>Long Term Issuer Rating / Outlook: <b>A / stable</b></p> <p>Short Term: <b>L2</b></p> <p>Type: Update / Unsolicited</p>
<p>Rating Date: <b>11 July 2024</b></p> <p>Monitoring until: withdrawal of the rating</p> <p>Rating Methodology: CRA "Bank Ratings v.3.3" CRA "Rating of Bank Capital and Unsecured Debt Instruments v.2.2" CRA "Environmental, Social and Governance Score for Banks v.1.1" CRA "Rating Criteria and Definitions v.1.3"</p> <p>Rating History: <a href="http://www.creditreform-rating.de">www.creditreform-rating.de</a></p>	<p>Rating of Bank Capital and Unsecured Debt Instruments:</p> <p>Preferred Senior Unsecured (PSU): <b>A</b></p> <p>Non-Preferred Senior Unsecured (NPS): <b>A-</b></p> <p>Tier 2 (T2): <b>BBB-</b></p> <p>Additional Tier 1 (AT1): <b>BB+</b></p>

## Rating Action

### Creditreform Rating affirms Banca Nazionale del Lavoro's Long-Term Issuer Rating at A (Outlook: stable)

Creditreform Rating (CRA) affirms Banca Nazionale del Lavoro's Long-Term Issuer Rating at A. The rating outlook is stable.

CRA affirms Banca Nazionale del Lavoro's Preferred Senior Unsecured Debt at A, Non-Preferred Senior Unsecured Debt at A-, Tier 2 Capital at BBB- and AT1 Capital at BB+.

The ratings of Banca Nazionale del Lavoro S.p.A. are equalized with those of the parent BNP Paribas S.A.

Please find a complete list of rating actions regarding the bank at the end of this rating update.

## Key Rating Drivers

- Rating equalization with BNP Paribas S.A. due to inclusion into BNP Paribas S.A.'s consolidation perimeter (for Key Rating Drivers of the parent, see rating report BNP Paribas S.A. from 11 July 2024)

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## Executive Summary

Rating Grid	n.a.	c	cc	ccc	b-	b	b+	bb-	bb	bb+	bbb-	bbb	bbb+	a-	a	a+	aa-	aa	aa+	aaa	
- Earnings																					
- Assets																					
- Capital																					
- Liquidity																					
<b>Quantitative</b>	<b>n.a.</b>																				
- Bank specific																					
- Macro																					
<b>Qualitative</b>	<b>n.a.</b>																				
Sovereign Adjustment										n.a., see parent											
Parental Support										yes, BNP Paribas SA (A, STA)											
Institutional Support Assessment										n.a., see parent											
Government Support Assessment										n.a., see parent											
Additional Factors										n.a., see parent											
<b>LT Issuer Rating</b>																					
Rating Grid	n.a.	D	C	CC	CCC	B-	B	B+	BB-	BB	BB+	BBB-	BBB	BBB+	A-	A	A+	AA-	AA	AA+	AAA
<b>Instrument Ratings*:</b>																					
- PSU																					
- NPS																					
- T2																					
- AT1																					

\*PSU: Preferred Senior Unsecured; NPS: Non-Preferred Senior Unsecured; T2: Tier 2; AT1: Additional Tier 1

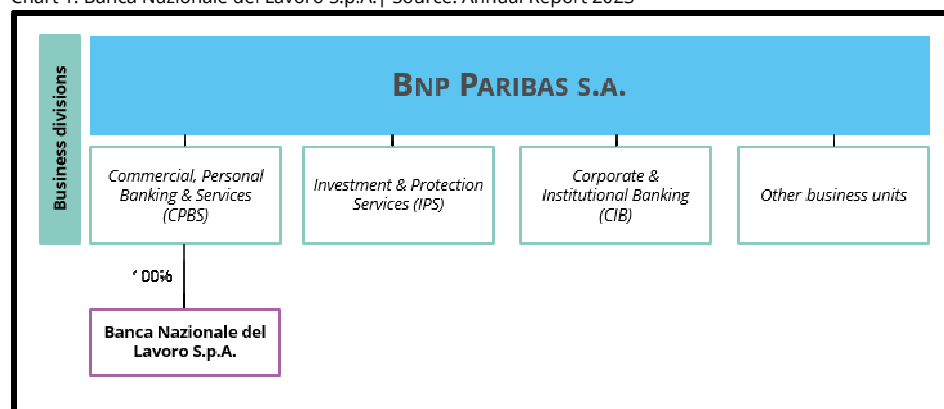
The rating of Banca Nazionale del Lavoro is prepared on the basis of group (BNP Paribas S.A.) consolidated accounts.

Banca Nazionale del Lavoro is a subsidiary of BNP Paribas S.A. Thus, in accordance with our rating methodology, the rating is derived from the Long-Term Issuer Rating of the parent company.

## Company Overview

Banca Nazionale del Lavoro S.p.A. (BNL) is a leading, Italian bank and a fully consolidated subsidiary of French banking group BNP Paribas S.A. BNL serves 2.6mn customers with 10,000 employees and operates as a commercial bank, serving both corporates and households. BNL is present throughout the country with a branch network. In synergy with BNP Paribas group companies in Italy, it occupies leading positions in consumer credit, leasing, factoring, cash management, international payments. It also operates in international banking, investment banking, project financing, financial risk management, and securities and real estate brokerage.

Chart 1: Banca Nazionale del Lavoro S.p.A. | Source: Annual Report 2023



Due to BNL's bank capital and debt structure, the Group's Preferred Senior Unsecured Debt instruments are not notched down in comparison to the Long-Term Issuer Rating. Due to the seniority structure, BNL's Non-Preferred Senior Unsecured debt is rated A-. BNL's Tier 2 Capital is rated BBB- based on the BNL's capital structure and seniority in accordance with our rating methodology. Additional Tier 1 Capital is rated BB+, reflecting the capital structure, seniority and a high bail-in risk in the event of resolution.

## Outlook

The outlook of the Long-Term Issuer Rating of Banca Nazionale del Lavoro is stable in line with that of its parent BNP Paribas S.A..

Best-case scenario: A+

Worst-case scenario: BBB+

Please note:

The scenarios are based on information available at the time of the rating. Within the forecast horizon, circumstances may occur that could lead to a change of the rating out of the indicated range.

## Scenario Analysis

In a scenario analysis, the bank is able to reach a Long-Term Issuer Rating of A+ in the “Best-Case-Scenario” and a Long-Term Issuer Rating of BBB+ in the “Worst-Case-Scenario”. The ratings of Bank Capital and Senior Unsecured Debt would respond similarly based on our rating methodology. These ratings are especially sensitive to changes in total equity and to the bank capital and debt structure in general.

Best- and Worst-Case-Scenario are in line with that of the parent BNP Paribas S.A..

## Appendix

### Bank ratings Banca Nazionale del Lavoro

The bank ratings are dependent on a host of quantitative and qualitative factors. An improvement in either sub-category may result in a higher rating score.

Long-Term Issuer / Outlook / Short-Term **A / L2 / stable**

### Bank Capital and Debt Instruments Ratings Banca Nazionale del Lavoro

The ratings for bank capital and debt instruments are inter alia dependent on subordination and relative size of the instrument class, based on the long-term issuer rating of the bank.

Preferred Senior Unsecured (PSU): **A**  
 Non-Preferred Senior Unsecured (NPS): **A-**  
 Tier 2 (T2): **BBB-**  
 Additional Tier 1 (AT1): **BB+**

### Rating History

Please consult our website [www.creditreform-rating.de](http://www.creditreform-rating.de) for additional information regarding the dates of publication.

Figure 1: Rating History

Long-Term Issuer Rating	Rating Date	Result
Initialrating	14.06.2018	A- / stable / L2
Rating Update	18.11.2019	A- / stable / L2
Monitoring	24.03.2020	A- / NEW / L2
Rating Update	26.11.2020	A- / stable / L2
Rating Update	02.11.2021	A- / positive / L2
Rating Update	06.12.2022	A / stable / L2
Rating Update	27.10.2023	A / stable / L2
Rating Update	11.07.2024	A / stable / L2
Bank Capital and Debt Instruments	Rating Date	Result
Senior Unsecured / T2 / AT1 (Initial)	14.06.2018	A- / BB+ / BB
PSU / NPS / T2 / AT1	18.11.2019	A- / BBB+ / BB+ / BB
PSU / NPS / T2 / AT1	24.03.2020	A- / BBB+ / BB+ / BB (NEW)
PSU / NPS / T2 / AT1	26.11.2020	A- / BBB+ / BB+ / BB
PSU / NPS / T2 / AT1	02.11.2021	A- / BBB+ / BB+ / BB
PSU / NPS / T2 / AT1	06.12.2022	A / A- / BBB- / BB+
PSU / NPS / T2 / AT1	27.10.2023	A / A- / BBB- / BB+
PSU / NPS / T2 / AT1	11.07.2024	A / A- / BBB- / BB+

## Tables Banca Nazionale der Lavoro S.p.A.

Figure 2: Income statement<sup>1</sup> | Source: eValueRate / CRA

Income Statement (EUR m)	2023	%	2022	2021	2020
<b>Income</b>					
Net Interest Income	1.287	-0,3	1.291	1.321	1.344
Net Fee & Commission Income	995	-1,0	1.005	1.009	916
Net Insurance Income	-	-	-	-	-
Net Trading & Fair Value Income	22	-29,8	32	21	64
Equity Accounted Results	-	-	168	34	-2
Dividends from Equity Instruments	36	-29,1	51	18	23
Other Income	48	-15,2	56	57	51
<b>Operating Income</b>	<b>2.388</b>	<b>-8,2</b>	<b>2.602</b>	<b>2.459</b>	<b>2.397</b>
<b>Expense</b>					
Depreciation and Amortisation	166	-15,5	196	168	160
Personnel Expense	867	+5,8	820	868	881
Tech & Communications Expense	47	-0,8	48	48	48
Marketing and Promotion Expense	16	-3,0	17	17	22
Other Provisions	28	-47,1	52	15	67
Other Expense	689	+10,7	623	524	475
<b>Operating Expense</b>	<b>1.813</b>	<b>+3,3</b>	<b>1.755</b>	<b>1.639</b>	<b>1.654</b>
<b>Operating Profit &amp; Impairment</b>					
<b>Operating Profit</b>	<b>575</b>	<b>-32,1</b>	<b>847</b>	<b>821</b>	<b>743</b>
Cost of Risk / Impairment	341	+15,6	295	368	408
<b>Net Income</b>					
Non-Recurring Income	-	-	2	0	4
Non-Recurring Expense	-	-	0	0	0
<b>Pre-tax Profit</b>	<b>234</b>	<b>-57,8</b>	<b>554</b>	<b>453</b>	<b>339</b>
Income Tax Expense	71	-46,9	134	118	107
Discontinued Operations	-	-	-	-	-
<b>Net Profit</b>	<b>163</b>	<b>-61,3</b>	<b>420</b>	<b>335</b>	<b>231</b>
Attributable to minority interest (non-controlling interest)	-	-	-	-	-
Attributable to owners of the parent	-	-	-	-	-

Figure 3: Key earnings figures | Source: eValueRate / CRA and Pillar III

Income Ratios (%)	2023	%	2022	2021	2020
Cost Income Ratio (CIR)	75,93	+8,47	67,45	66,63	69,00
Cost Income Ratio ex. Trading (CIRex)	76,64	+8,36	68,29	67,21	70,90
Return on Assets (ROA)	0,16	-0,25	0,40	0,33	0,24
Return on Equity (ROE)	2,77	-3,88	6,65	5,45	4,03
Return on Assets before Taxes (ROAbT)	0,23	-0,31	0,53	0,45	0,35
Return on Equity before Taxes (ROEbT)	3,97	-4,79	8,76	7,37	5,91
Return on Risk-Weighted Assets (RORWA)	0,37	-0,53	0,90	0,71	0,48
Return on Risk-Weighted Assets before Taxes (RORWAbT)	0,53	-0,65	1,19	0,96	0,70
Net Financial Margin (NFM)	1,38	+0,01	1,36	1,39	1,55
Pre-Impairment Operating Profit / Assets	0,56	-0,26	0,81	0,81	0,77

Change in %-Points

<sup>1</sup> Data by our data provider eValueRate, which is standardized for analytical reasons. Thus, the used data and the resulting figures do not have necessary to match the presentation of the bank, which refers to this and all subsequent tables and figures.

Figure 4: Development of assets | Source: eValueRate / CRA

Assets (EUR m)	2023	%	2022	2021	2020
Cash and Balances with Central Banks	9.951	+35,7	7.332	7.327	6.290
Net Loans to Banks	14.063	-12,9	16.148	13.078	11.317
Net Loans to Customers	64.435	-5,5	68.150	70.373	66.781
Total Securities	5.202	+23,9	4.200	4.086	4.097
Total Derivative Assets	1.141	+6,4	1.073	1.175	2.297
Other Financial Assets	317	+55,0	205	178	143
<b>Financial Assets</b>	<b>95.110</b>	<b>-2,1</b>	<b>97.107</b>	<b>96.217</b>	<b>90.926</b>
Equity Accounted Investments	466	+6,7	437	241	280
Other Investments	28	-2,4	29	124	97
Insurance Assets	-	-	-	-	-
Non-current Assets & Discontinued Ops	21	+0,0	21	14	-
Tangible and Intangible Assets	1.507	-3,1	1.555	1.725	1.822
Tax Assets	1.209	-6,7	1.295	1.447	1.664
Total Other Assets	4.738	+30,0	3.644	1.684	1.107
<b>Total Assets</b>	<b>103.078</b>	<b>-1,0</b>	<b>104.088</b>	<b>101.453</b>	<b>95.896</b>

Figure 5: Development of asset quality | Source: eValueRate / CRA and Pillar III

Asset Ratios (%)	2023	%	2022	2021	2020
Net Loans to Customers / Assets	62,51	-2,96	65,47	69,37	69,64
Risk-weighted Assets <sup>1</sup> / Assets	42,43	-2,35	44,78	46,60	0,00
NPL <sup>2</sup> / Loans to Customers <sup>3</sup>	4,05	-1,27	5,32	6,79	8,72
NPL <sup>2</sup> / Risk-weighted Assets <sup>1</sup>	6,11	-1,88	7,99	10,52	12,43
Potential Problem Loans <sup>4</sup> / Loans to Customers <sup>3</sup>	6,94	-93,06	100,00	100,00	100,00
Reserves <sup>5</sup> / NPL <sup>2</sup>	91,84	+3,17	88,67	90,59	49,61
Cost of Risk / Loans to Customers <sup>3</sup>	0,52	+0,10	0,42	0,50	0,59
Cost of Risk / Risk-weighted Assets <sup>1</sup>	0,78	+0,15	0,63	0,78	0,85
Cost of Risk / Total Assets	0,33	+0,05	0,28	0,36	0,43

Change in %-Points

1 RWA: Pillar 3, EU CR1

2 NPL: Gross; Non-Performing Loans of the categories Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

3 Loans to Customers: Gross; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

4 Potential Problem Loans: Stage 2; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

5 Reserves: Impairment & Provisions and Collateral & Guarantees; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

Figure 6: Development of refinancing and capital adequacy | Source: eValueRate / CRA

Liabilities (EUR m)	2023	%	2022	2021	2020
Total Deposits from Banks	17.629	-25,4	23.639	24.425	24.490
Total Deposits from Customers	65.803	-2,8	67.684	64.437	59.354
Total Debt	6.045	> +100	2.607	1.974	1.523
Derivative Liabilities	1.140	+31,7	866	1.262	2.444
Securities Sold, not yet Purchased	-	-	-	-	-
Other Financial Liabilities	4.011	> +100	702	1.209	0
<b>Total Financial Liabilities</b>	<b>94.629</b>	<b>-0,9</b>	<b>95.498</b>	<b>93.307</b>	<b>87.810</b>
Insurance Liabilities	-	-	-	-	-
Non-current Liabilities & Discontinued Ops	-	-	-	-	-
Tax Liabilities	98	-18,5	121	157	141
Provisions	601	+3,2	583	577	642
Total Other Liabilities	1.865	+19,2	1.565	1.264	1.569
<b>Total Liabilities</b>	<b>97.193</b>	<b>-0,6</b>	<b>97.766</b>	<b>95.306</b>	<b>90.162</b>
<b>Total Equity</b>	<b>5.886</b>	<b>-6,9</b>	<b>6.321</b>	<b>6.147</b>	<b>5.734</b>
<b>Total Liabilities and Equity</b>	<b>103.078</b>	<b>-1,0</b>	<b>104.088</b>	<b>101.453</b>	<b>95.896</b>

Figure 7: Development of capital and liquidity ratios | Source: eValueRate / CRA and Pillar III

Capital Ratios and Liquidity (%)	2023	%	2022	2021	2020
Total Equity / Total Assets	5,71	-0,36	6,07	6,06	5,98
Leverage Ratio <sup>1</sup>	4,80	-0,07	4,87	5,06	5,35
Common Equity Tier 1 Ratio (CET1) <sup>2</sup>	12,08	+0,34	11,74	11,85	11,58
Tier 1 Ratio (CET1 + AT1) <sup>2</sup>	13,09	+0,62	12,47	12,26	11,97
Total Capital Ratio (CET1 + AT1 + T2) <sup>2</sup>	15,86	+0,84	15,01	14,58	14,03
CET1 Minimum Capital Requirements <sup>1</sup>	7,99	+0,15	7,84	7,84	7,84
Net Stable Funding Ratio (NSFR) <sup>1</sup>	112,07	+2,88	109,18	112,12	n/a
Liquidity Coverage Ratio (LCR) <sup>1</sup>	134,22	+8,11	126,11	118,51	121,60

Change in %-Points

1 Pillar 3 EU KM1

2 Regulatory Capital Ratios: Pillar 3 EU KM1

## Regulatory

Creditreform Rating AG was neither commissioned by the rating object nor by any other third party for the rating. The analysis took place on a voluntary basis by Creditreform Rating AG and is to be described in the regulatory sense as an unsolicited rating. The following table clarifies the level of participation of the rated entity (rating object):

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	No
With Access to Internal Documents	No
With Access to Management	No

The rating is based on publicly available information and internal evaluation methods for the rated bank. The quantitative analysis is based mainly on the latest annual accounts, interim reports, other investor relations information of the bank, and calculated key figures by eValueRate / CRA.

The information and documents processed met the requirements of the rating system of Creditreform Rating AG as published on the website [www.creditreform-rating.de](http://www.creditreform-rating.de). The rating was carried out on the basis of the following methodologies and [Rating Criteria and Definitions \(v1.3\)](#):

- [Bank ratings \(v3.3\)](#)
- [Rating of bank capital and unsecured debt instruments \(v2.2\)](#)
- [Environmental, Social and Governance Score for Banks \(v1.1\)](#)

The complete presentation of the rating methodologies used by Creditreform Rating AG and the basic document Rating Criteria and Definitions are published on our homepage:

<https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html>

On 11 July 2024, the rating was presented by the analysts to the rating committee and adopted in a resolution.

The rating result was communicated to Banca Nazionale del Lavoro S.p.A., and the preliminary rating report was made available to the bank. There was no change in the rating.

The rating is valid until withdrawal and is subject to monitoring from the rating date (see cover page). The rating will be comprehensively reviewed at least once every year. Within this period, the rating can be updated.

In 2011 Creditreform Rating AG was registered within the European Union according to EU Regulation 1060/2009 (CRA-Regulation). Based on the registration Creditreform Rating AG (CRA) is allowed to issue credit ratings within the EU and is bound to comply with the provisions of the CRA-Regulation.

Rating Endorsement Status: The rating of Banca Nazionale del Lavoro S.p.A. (Group) was not



endorsed by Creditreform Rating AG from a third country as defined in Article 4 (3) of the CRA-Regulation.

### **Conflict of Interests**

No conflicts of interest were identified during the rating process that might influence the analyses and judgements of the rating analysts involved or any other natural person whose services are placed at the disposal or under the control of Creditreform Rating AG and who are directly involved in credit rating activities or approving credit ratings and rating outlooks.

Creditreform Rating AG guarantees that the provision of ancillary services does not cause a conflict of interest with its rating activities and discloses in the final rating report which ancillary services were provided for the rating object or for third parties associated with it. The following ancillary services were provided for this rating object or for related third parties:

Credit Service ancillary services for related third parties.

The final list of rating-related and credit services can be viewed on the Creditreform Rating AG website at <https://www.creditreform-rating.de/de/wir-ueber-uns/regulatorische-anforderungen.html#nebendienstleistungen>

### **Rules on the Presentation of Credit Ratings and Rating Outlooks**

The approval of credit ratings and rating outlooks follows our internal policies and procedures. In line with our policy "Rating Committee," all credit ratings and rating outlooks are approved by a rating committee based on the principle of unanimity.

To prepare this credit rating, CRA has used following substantially material sources:

1. Aggregated data base by eValueRate
2. Annual Report and interim reports
3. Investors relations information and other publications
4. Website of the rated bank
5. Public and internal market analyses
6. Internet research

There are no other attributes and limitations of the credit rating or rating outlook other than displayed on the CRA website. Furthermore CRA considers satisfactory the quality and extent of information available on the rated entity. In regard to the rated entity Creditreform Rating AG regarded available historical data as sufficient.

Between the disclosure of the credit rating to the rated entity and the public disclosure no amendments were made to the credit rating.

The "Basic data" information card indicates the principal methodology or version of methodology that was used in determining the rating, with a reference to its comprehensive description.

In case where the credit rating is based on more than one methodology or where reference only to the principal methodology might cause investors to overlook other important aspects of the

credit rating, including any significant adjustments and deviations, Creditreform Rating AG explains this fact in the credit rating and indicates how the different methodologies or these other aspects are taken into account in the credit rating. This information is integrated in the credit rating report.

The meaning of each rating category, the definition of default or recovery and any appropriate risk warning, including a sensitivity analysis of the relevant key rating assumptions, such as mathematical or correlation assumptions, accompanied by worst-case scenario credit ratings as well as best-case scenario credit ratings are explained in mentioned methodologies and / or in the credit rating report.

The date at which the credit rating was released for distribution for the first time and when it was last updated including any rating outlooks is indicated clearly and prominently in the rating report or in the "Basic data" card as a "Rating action"; first release is indicated as "initial rating", other updates are indicated as an "update", "upgrade or downgrade", "not rated", "confirmed", "selective default" or "default".

In the case of a rating outlook, the time horizon is provided during which a change in the credit rating is expected. This information is available in the rating report or the „Basic data“ information card.

In accordance to Article 11 (2) EU-Regulation (EC) No 1060/2009 registered or certified credit rating agency shall make available in a central repository established by ESMA information on its historical performance data, including the ratings transition frequency, and information about credit ratings issued in the past and on their changes. Requested data are available at the ESMA website: <https://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml>.

An explanatory statement of the meaning of Creditreform's default rates are available in the credit rating methodologies disclosed on the website.

### **Disclaimer**

Any rating performed by Creditreform Rating AG is subject to the Creditreform Rating AG Code of Conduct which has been published on the web pages of Creditreform Rating AG. In this Code of Conduct, Creditreform Rating AG commits itself – systematically and with due diligence – to establish its independent and objective opinion as to the sustainability, risks and opportunities concerning the enterprise or the issue under review.

Future events are uncertain, and forecasts are necessarily based on assessments and assumptions. This rating is therefore no statement of fact, but an opinion. For this reason, Creditreform Rating AG cannot be held liable for the consequences of decisions made on the basis of any of their ratings. Neither should these ratings be construed as recommendations for investors, buyers or sellers. They should only be used by market participants (entrepreneurs, bankers, investors etc.) as one factor among others when arriving at corporate or investment decisions. Ratings are not meant to be used as substitutes for one's own research, inquiries and assessments.

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