

MOODY'S

RATINGS

Announcement of Periodic Review: Moody's Ratings announces completion of a periodic review of ratings of Advanzia Bank S.A.

09 Apr 2025

Paris, April 09, 2025 -- Moody's Ratings (Moody's) has completed a periodic review of the ratings of Advanzia Bank S.A. and other ratings that are associated with this issuer.

The review was conducted through a rating committee held on 4 April 2025 in which we reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), and recent developments.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Please see the Issuer page on <https://ratings.moodys.com> for the most updated credit rating action information and rating history.

Key Rating considerations and rationale are summarized below.

Advanzia Bank S.A.'s (Advanzia) ratings, including its Baa3 long-term deposit ratings and ba2 Baseline Credit Assessment (BCA), as well as all the other ratings and assessments associated with this issuer remain unchanged.

Advanzia deposit, issuer and senior unsecured debt ratings of Baa3 result from (1) the bank's BCA of ba2, (2) the application of our Advanced Loss Given Failure (LGF) analysis, resulting in a very low loss given failure and a two-notch uplift for deposit and senior unsecured ratings and (3) a low probability of government support, resulting in no uplift.

Advanzia's BCA of ba2 reflects (1) the bank's very high asset risk incurred through its unsecured consumer lending activities pursued in Western Europe, primarily in Germany, since its foundation in 2005, (2) its very high profitability resulting from high-margin revolving credits, providing good coverage of loan-loss charges, (3) its limited risk-weighted capitalisation buffer above regulatory minima, reflecting high loan growth and dividend payouts, (4) its funding profile dependent on price-sensitive

online saving deposits which the bank wants to gradually diversify into more stable, albeit confidence-sensitive, market funding instruments, (5) its adequate liquidity and (6) elevated regulatory risks on consumer lending activities, especially as the bank is exclusively focused on these activities.

The stable outlook on Advanzia's long-term deposit, issuer and senior unsecured debt ratings reflects our view that the bank will be able to maintain an adequate credit profile over the outlook horizon thanks to the very high profitability of its lending activities.

This document summarizes our view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Banks published in November 2024. Please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

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