Creditreform Bank Rating

Banque Fédérative du Crédit Mutuel SA (Group)

Creditreform Rating

Rating Object	Rating Information	
Banque Fédérative du Crédit Mutuel SA (Group) Creditreform ID: 355801929	Long Term Issuer Rating / Outlook: **A+ / stable** Stand Alone Rating: A+ Type: Update / Unsolicited	Short Term: **L2**
Rating Date: **14 November 2024** Monitoring until: withdrawal of the rating 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" CRA "Institutional Protection Scheme Banks v1.0" Rating History: www.creditreform-rating.de	Rating of Bank Capital and Unsecured Debt Instruments: Preferred Senior Unsecured (PSU): A+ Non-Preferred Senior Unsecured (NPS): A Tier 2 (T2): BBB+ Additional Tier 1 (AT1): -	

Rating Action

Creditreform Rating affirms Banque Fédérative du Crédit Mutuel's (Group) Long-Term Issuer Rating at A+ (Outlook: stable)

Creditreform Rating (CRA) affirms Banque Fédérative du Crédit Mutuel's (Group) Long-Term Issuer Rating at A+. The rating outlook is stable.

CRA affirms Banque Fédérative du Crédit Mutuel's Preferred Senior Unsecured Debt at A+, Non-Preferred Senior Unsecured Debt at A and Tier 2 Capital at BBB+.

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

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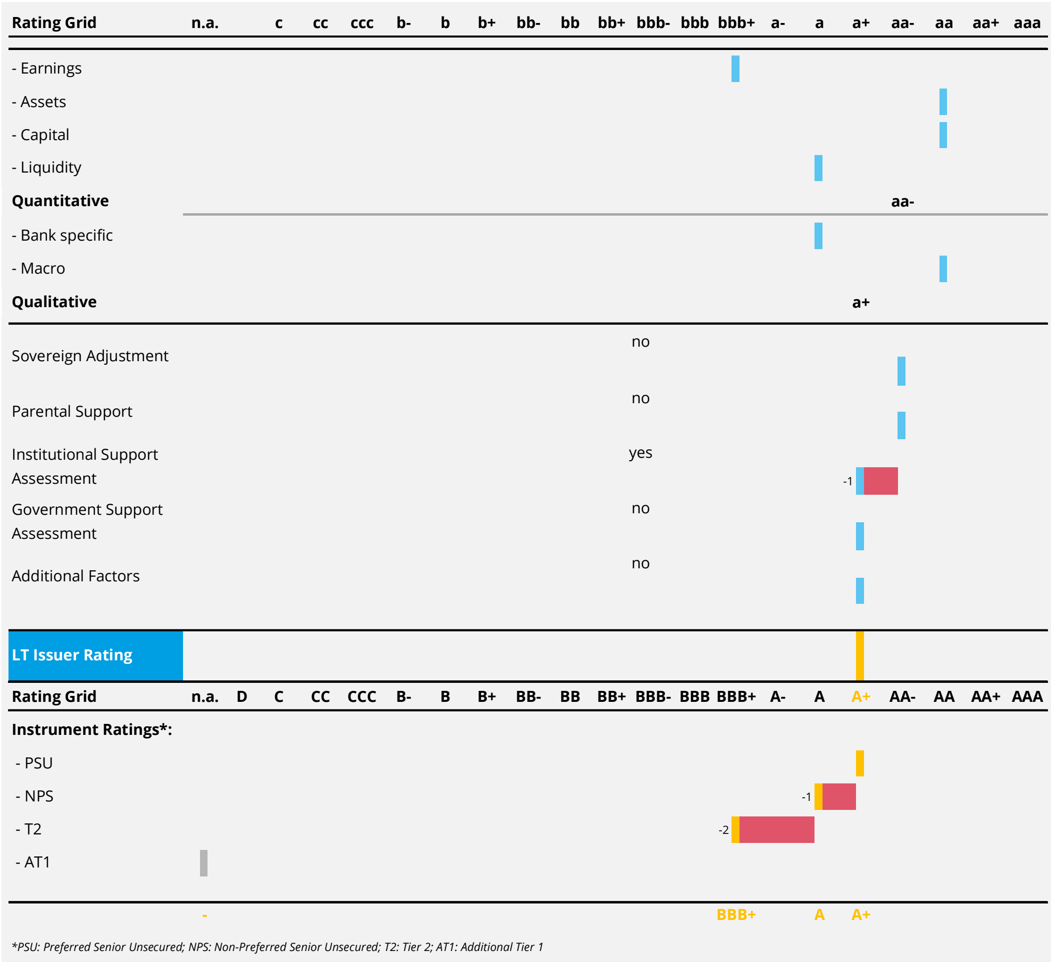
Key Rating Drivers

- Strong creditworthiness of Crédit Mutuel Group, the Institutional Protection Scheme, Banque Fédérative du Crédit Mutuel is affiliated with
- Bancassurance business model provides the cooperative banking group with predictable income streams
- Good asset quality benefitting from a high share of low risk mortgages und limited risk appetite
- Satisfactory profitability metrics; expectation that the higher interest rate environment in core markets will provide a tailwind to the group's net interest income in the medium term
- Significant liquidity buffer over regulatory requirements

Executive Summary



The rating of Banque Fédérative du Crédit Mutuel is prepared on the basis of group Crédit Mutuel Alliance Fédérale consolidated accounts, supplemented by information on the institutional protection scheme the bank is affiliated with.

The Long-Term Issuer Rating and all Debt and Bank Capital Ratings of Banque Fédérative du Crédit Mutuel are affirmed. The Long-Term Issuer Rating continues to reflect moderate profitability, strong asset quality and capitalisation, as well as good liquidity.

Institutional Support Assessment

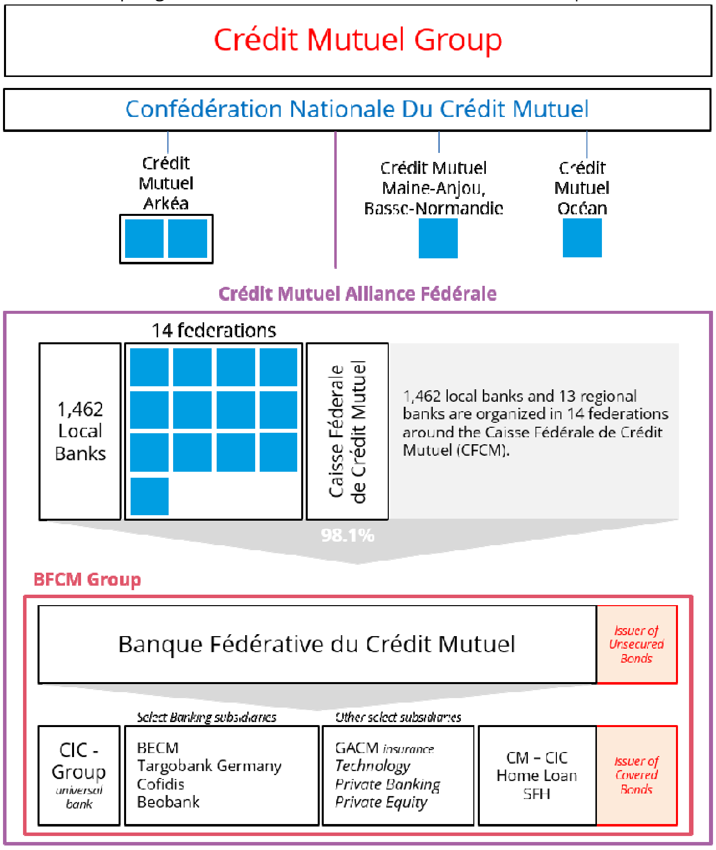
In the Institutional Support Assessment Creditreform Rating comes to the conclusion that in the case of Banque Fédérative du Crédit Mutuel's Long-Term Issuer Rating, there is a strong connection between Crédit Mutuel Group and Banque Fédérative du Crédit Mutuel. In the opinion of Creditreform Rating, a stand-alone rating of Banque Fédérative du Crédit Mutuel is thus not appropriate due to its affiliation with Crédit Mutuel Group. In addition to the creditworthiness of the individual institution, the rating therefore also reflects the impact of the creditworthiness of the institutional protection scheme.

Company Overview

Banque Fédérative du Crédit Mutuel (hereinafter: BFCM) is the central institution of Crédit Mutuel Alliance Fédérale (hereinafter: CMAF), a French cooperative banking alliance. BFCM serves as the alliance's refinancing entity and acts as custodian for its undertakings for collective investments. It is also the holding company for CMAF's subsidiaries and coordinates their activities. Major subsidiaries are CIC-Group (a universal bank), Targobank Germany, BECM (serving regional economies/cross-country business and real estate), Cofidis Group (consumer finance) and Beobank (banking and insurance services in Belgium).

CMAF itself is the single most important cooperative alliance within Crédit Mutuel Group (hereinafter: CMG or the group), which consists of 18 regional federations across France. CMAF represents an alliance of 14 of these regional federations, including well over a thousand cooperative banks, organized around the common federal bank Caisse Fédérale de Crédit Mutuel (hereinafter: CFCM).

Chart 1: Group organization chart Crédit Mutuel Alliance Fédérale| Source: CMAF/BFCM Annual Report 2023



Given BFCM's role within CMAF, it is an integral part of CMAF in our view and thus inseparable from the alliance. Thus, the ratings are based on CMAF's financials. Our view is underpinned by the fact that BFCM's is consolidated in CMAF's financial statements, with which it also shares a common strategy. Moreover, BFCM is also supervised on the level of CMAF, which is reflected by the fact that the bank does not have to meet any independent minimum capital requirements.

CMAF has structured its activities across three core segments: *"Retail Banking"* incorporates the bank's network activities including Crédit Mutuel local banks, Crédit Industriel et Commercial (CIC), Banque Européenne du Crédit Mutuel, Beobank. *Retail banking* also houses consumer lending activities in France and abroad (Targobank Germany and Cofidis Group) and various leasing and real estate services offered by subsidiaries. Secondly, the *"Insurance"* segment via Groupe des Assurances du Crédit Mutuel (GACM) offers a broad range of policies (P&C, health, savings & retirement, professional activities) which are distributed by the banking networks. As of end 2023, over 13mn policyholders held 37mn contracts with GACM. Thirdly, *"Specialized Businesses"* includes CMAF's domestic and foreign asset management and private banking operations, as well as the corporate banking and capital markets subdivisions and private equity.

Throughout 2023, CMAF continued to streamline its operations, disposing off non-strategic activities while strengthening its core franchises through selective acquisitions. The sale of GACM Espana to Axa Spain for a purchase price of EUR 310mn was closed in July 2023, the sale of Targobank Spain to Abanca was concluded in October. At the same time, Cofidias Group strengthened its position in the Hungarian consumer finance market through the acquisition of Magyar Cetelem Bank. In April 2024, CMAF acquired the remaining 20% it not already owned in Cofidis, therby becoming its sole shareholder.

At the end of 2023, CMAF launched its new 2024-2027 strategic plan. The plan is centered around three pillars: Togetherness, Performance, Solidarity. For each pillar, measurable key performance indicators were defined. With regard to the plans financial targets, CMAF aims to increase net banking income and net income to EUR 19bn. and EUR 5bn. by the end of 2027. This should translate into a return on assets (RoA) of 0.5% and a cost-income ratio (CIR) of 54%. According to the strategy update, CMAF also envisages to invest 15% of net income in the societal dividend each year. The societal dividend is earmarked to support the ecological transformation, as well as social and regional solidarity projects. In view of CRA, financial targets laid down in the new medium term strategy appear ambitious. However, we note that CMAF's management team has a sound track record when it comes to strategy execution, having met or exceeded the financial objectives of the 2019-2023 plan.

In the Institutional Support Assessment, Creditreform Rating examines the extent to which an existing cross-guarantee system or IPS can have an influence on BFCM's rating. As a result, Creditreform Rating comes to the conclusion that in the case of BFCM's Long-Term Issuer Rating, there is a strong connection between CMG and BFCM.

BFCM operates under the umbrella of Confedération Nationale du Crédit Mutuel (hereinafter: CNCM). CNCM is CMG's central body according to the French Monetary and Financial Code (L.511-30). CNCM is responsible in particular for ensuring the solidity of its network and the proper operation of its affiliated banks. It must take all necessary measures to this end, particularly ensuring the liquidity and solvency of each of its affiliated banks and that of the network as a whole (as required under Article L.511-31 of the French Monetary and Financial Code). The mutual support mechanism is based on a set of rules put in place at both the regional and federative level. Each federation has to set up a solidarity mechanism between the local banks within their respective territorial jurisdiction. The mechanism seeks to enable local banks to avoid long-term deficits or to restructure a deteriorated situation. A federal fund is set up by contributions and subsidies. Contributions in case of net profits and subsidies in case of losses are meant to equalize earnings between local banks. Difficulties are meant to be resolved at a regional level first, but if a regional solidarity solution proves insufficient, a national solidarity mechanism shall be implemented. To this end, CNCM must take all necessary measures to ensure the liquidity and solvency of each institution in trouble, as well as the entire network. There is unlimited solidarity between CNCM affiliates.

Due to its affiliation with CMG, a stand-alone rating of BFCM is not appropriate in view of Creditreform Rating. BFCM's strong connection with CMG enables additional notching under our methodology, which caps BFCM's rating at A+. In addition to the creditworthiness of the individual institution, the rating therefore also reflects the impact of the creditworthiness of the IPS.

Business Development

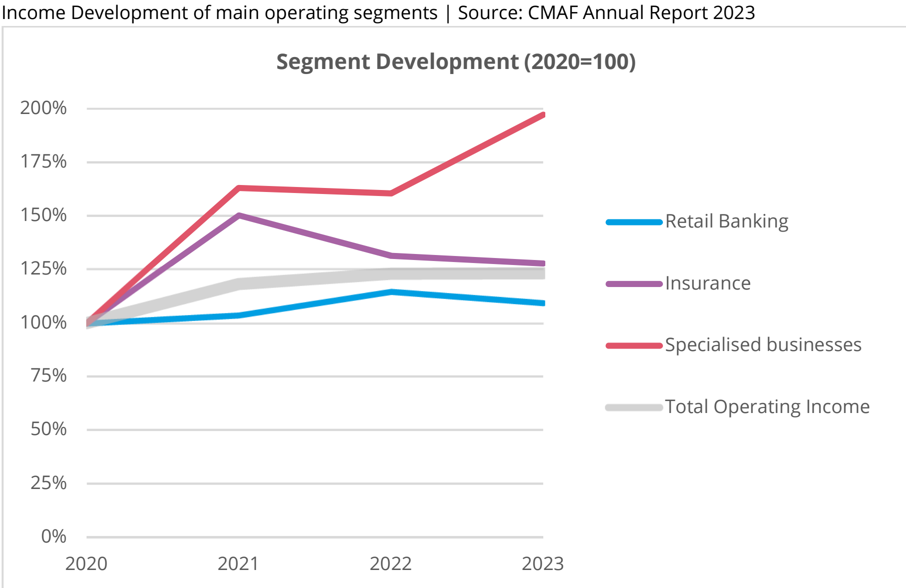
Profitability

Creditreform Rating AG follows a structural approach in the presentation of the income statement and balance sheet as well as in the calculation of key ratios. The presentation may therefore differ from that of the bank. Creditreform Rating pursues the goal of making financial statements of different banks as well as within the scope of consolidation as comparable as possible. Certain key ratios are also taken or calculated from the Bank's Pillar III Report for reasons of comparability. Balance sheet and income statement figures are taken from the consolidated financial statements of the respective years. One-off or exceptional items are, where possible, relegated to the line items non-recurring revenue and expense.

CMAF's net profit improved considerably in 2023 thanks to moderate revenue growth and the absence of one-off items, that weighted on profitability in 2022.

Operating income grew by 3.3% yoy. The bank's net interest income benefitted from improving net interest margins, supported by a rise in credit income and sound management of interest rate risk. We note however, that the higher interest result was driven by CMAF's lending operations with credit institutions and central banks. The interest result generated by the customer business declined, reflecting muted credit demand and further inflows into regulated saving products. Net fee income and net insurance income were virtually flat compared to the previous year. Written premiums at GACM expanded at a solid pace (+5.2% yoy) but the insurance segment had to deal with elevated natural disaster expenses. Considering CMAF's main operating segments, the specialized finance division showed the best revenue performance in 2023, as asset management, corporate banking and capital markets reported robustly growing revenues.

Chart 2: Income Development of main operating segments | Source: CMAF Annual Report 2023



Operating expense was up 4%, mainly on behalf of rising payroll expense in the context of inflation.

Cost of risk increased to EUR 1.3bn, up from 0.8bn. in 2022 (+68.8% yoy). Higher provisioning activity was particularly driven by CMAF's retail and consumer finance exposures, where credit quality suffered from deteriorating economic conditions.

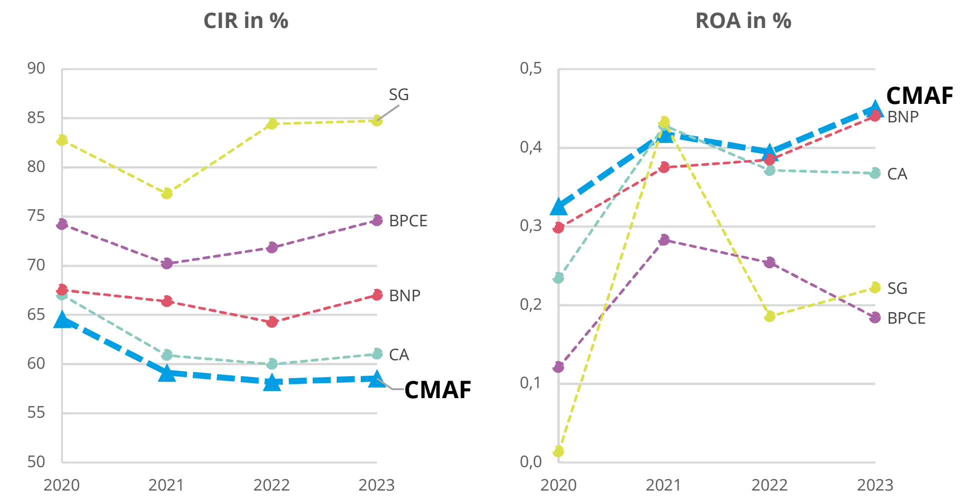
Unlike in 2022 and 2021, when CMAF reported considerable goodwill impairments on Targobank Germany, no negative one-off effects were observed in 2023.

As a result, CMAF's net profit before minorities rose by 18.1% on the year and reached EUR 4.1bn.

CMAF's interim results indicate a solid start into 2024. Although margin pressure in the R*etail Banking* segment prevailed, the cooperative alliance grew its revenues by 3.4% yoy in the first half of the year, benefitting from diversified revenue streams from its bancassurance business model. In particular, the *Insurance* segment delivered robust revenue growth (+9.3% yoy), backed by growing premiums across all insurance lines and rising capital gains. While operating expenses were up only marginally (+1.3% yoy) thanks to lower contributions to the Single Resolution Fund, cost of risk continued to climb. In H1-24, CMAF booked EUR 957mn of credit risk provisions (+41.1% yoy), mirroring rising business failures and rating migrations. Notwithstanding this, net income (before minorities) increased by 3.5% yoy in the first half of 2024.

Due to the rise in CMAF's net income, key earnings metrics - which are overall at a satisfactory level – improved in 2023. CMAF's return on risk-weighted assets inched up from 1.24% (2022) to 1.37%. Its return on assets (RoA), which came in at 0.45% last year (2022: 0.39%), was the highest among French universal banks and significantly above that of mutual banking peers Credit Agricole and BPCE. We also note that CMAF's RoA has been the least volatile among peers in recent years. In our view, this is a testimony of CMG's earnings quality that benefits from broad revenue diversification, including income streams from a large and relatively stable insurance segment. While CMAF's cost-income-ratio (CIR) at 58.2% in 2023 lags behind European best-in-class banks, we note that the CIR compares favorably to French peers (see Chart 3).

Chart 3: CIR and RoA of CMAF in comparison to the peer group | Source: eValueRate / CRA



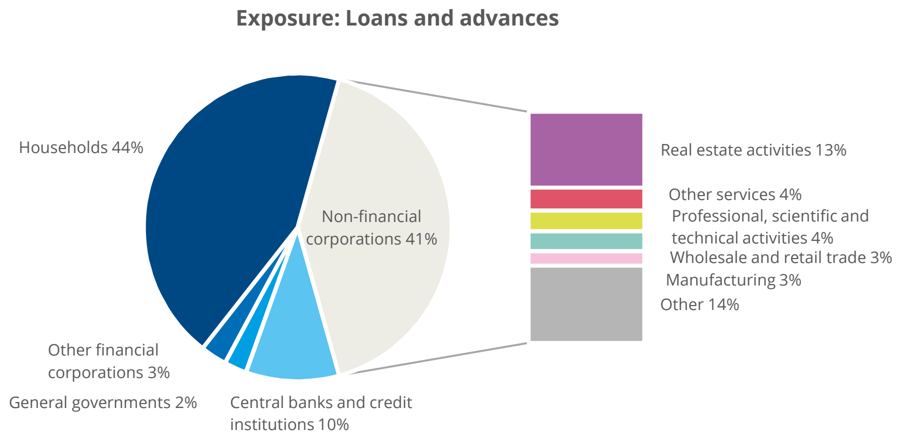
Asset Situation and Asset Quality

With total assets of EUR 913.5bn at year-end 2023, CMAF is by the largest cooperative alliance under the umbrella of CMG, accounting for 80% its consolidated asset base. Exposures are mainly concentrated in France (82%). In general, CMAF's focus on low-risk lending activities (see below) in the French market has been a boon to net income stability in recent years.

Commensurate with its business model, loans and advances to customers are by far CMAF's largest balance sheet position. The bulk of loans are mortgages for French properties, according to bank disclosures, CMAF carried EUR 264.9bn of housing loans on its books in 2023. Given that the vast majority of these mortgages carries fixed rates, the collateralized nature lending, and borrower based measures enshrined in French law (including a legally binding debt-service–to income limit of 35% and maturity limit of 25 years), we consider the risk profile of these loans as fairly low.

CMAF's mortgage lending operations are complemented by a sizeable portfolio of commercial real estate (CRE) loans. At year-end 2023, CRE loans amounted to EUR 79.8bn or 151.7% of CET1. In view of CRA risks associated with the alliances elevated CRE exposure are somewhat mitigated by the portfolio composition (89% in France, 49% residential property) and a conservative average LTV of 48%. Higher risk lending segments also comprise CMAF's consumer loans, which are primarily granted through Cofidis Group and Targobank Germany. The loan portfolio of Cofidis Group ended the year with loans outstanding of EUR 19.7bn (+8% yoy) and Targobank Germany's retail loans amounted to EUR 21.6bn (+9.7% yoy). Although we believe that the credit quality of consumer loans is particularly vulnerable in case of a sharp economic downturn, CMAF's overall exposure to consumer lending in relation to customer loans in excess of EUR 520bn appears manageable.

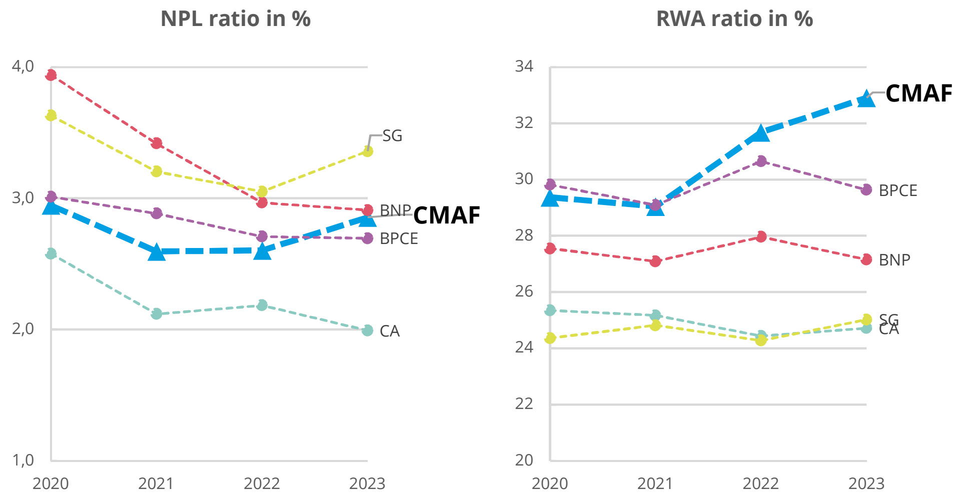
Chart 4: Credit Risk | Source: Pillar III



BFCM's ratings are supported by strong asset quality metrics. After a temporary drop in 2021/22, when asset quality had benefited from various government support measures in the wake of the Covid-19 pandemic, CMAF's ratio of non-performing loans (NPL) showed signs of normalization more recently. The NPL-ratio (as calculated by CRA) increased from 2.6% to 2.9% in 2023 and further to 3.1% at the end of Q2-24, thereby approaching pre-Covid levels. Simultaneously, CMAF's cost of risk climbed from 15bp. to 24bp. of customer loans over the last year. For H1-24, CMAF reported cost of risk at 35bp, still a sound level in our view. Alongside a rise in business failures and the transfer to non-performing of several market arrangements in France, the banking alliance mentioned higher provisioning needs for its consumer finance subsidiaries as key drivers behind this development. While a further increase cannot be ruled out against the backdrop of a slowing economic growth in France, we currently expect both the NPL-ratio and cost of risk to stabilize close to the current level in the 2024 financial year.

In terms of asset quality, CMAF is positioned in the midfield of French peers, its NPL-ratio has been closely aligned with that of BNP Paribas and BPCE more recently (see Chart 5) but significantly lower than Societe Generale's. At the same time, CMAF stands out in terms of its RWA-ratio, which at 32.9% was the highest among French universal banks. In our view, this is explained by the fact that CMAF uses the IRB approach to a much lesser extent than its peers. As of 2023, CMAF calculated capital requirements for 35% of its credit exposures under the standardized approach – by far the highest share among French peers.

Chart 5: NPL and RWA ratios of CMAF in comparison to the peer group | Source: eValueRate / CRA



Refinancing, Capital Quality and Liquidity

A large a granular base of retail customer deposits provides the backbone of CMAF's funding. Last year, customer deposits accounted for two thirds (67%) of financial liabilities – the largest share of all French banks CRA rates. CMAF registered sustained deposit inflows (+5.3% yoy) in 2023. Throughout the year, customers continued to shift funds from current accounts to term deposits and regulated savings accounts (Livrets Bleu and Livrets A) in order to benefit from rising interest rates on these products at the beginning of the year.

CMAF's strong deposit franchise is supplemented by wholesale funding.

Including subordinated debt, CMAF carried EUR 162.2bn debt securities on its balance sheet last year (2022: EUR 144.9bn.). CMAF regularly taps the market and issues debt instruments in various formats and currencies. In 2023, CMAF's issuance volume reached EUR 21.7bn, mainly comprising Senior Preferred debt. For 2024, CMAF targets to raise EUR 16bn of MLT funding, as of September EUR 15.3bn or 96% of the funding target has already been raised.

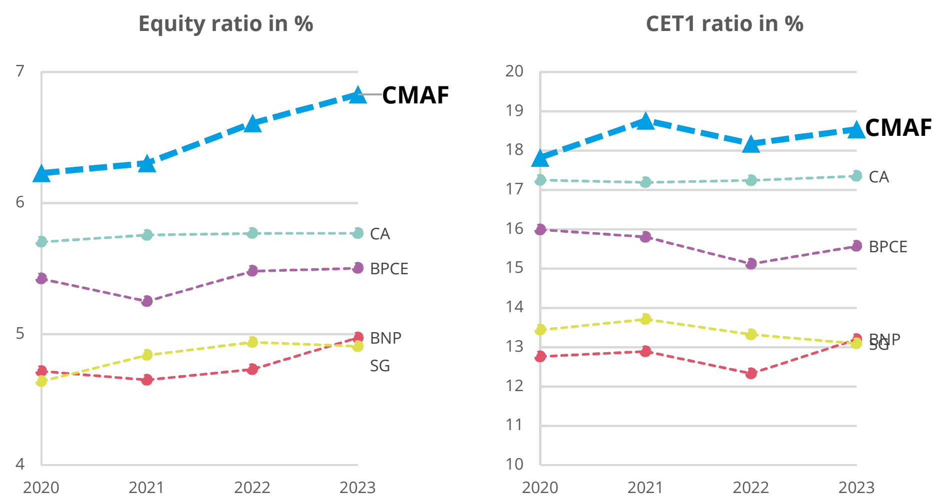
Deposits from banks decreased in 2023, following a substantial repayment of TLTRO III funds. As of year-end 2023, CMAF's outstanding amount under the central bank facility dropped to EUR 11.7bn (2022: 32.2bn). The remaining balance was almost completely repaid in the first half of 2024.

While BFCM itself does not report a CET1-ratio, its ratings remain supported by CMAF's capital metrics, which are extraordinary strong by both national and European industry standards (see chart 5). Consistent profitability and modest dividend distributions provide CMAF with a strong ability to build capital organically. However, we note that CMAF's regulatory capital ratios also benefit from a special calculation regime known as the Danish compromise. Under the Danish compromise, bancassurers are allowed to assign a risk weight of 250% to the equity value of their insurance subsidiaries instead of deducting them outright from capital.

That being said, CMAF's CET1-ratio increased from 18.2% to 18.5% in 2023, as earnings retention more than offset RWA-growth. At the same time, the banking alliance posted an extraordinarily high CET1 buffer of 1,020bp. above the regulatory minimum requirements. During the first half of 2024, the CET1-ratio remained stable. By the end of June 2024, CMAF had to comply with a CET1 minimum requirement of 8.9%, including a pillar 2 requirement (P2R) of 1% and a countercyclical buffer of 0.9%.

CMAF's liquidity position remains strong. The banking alliance had EUR 170bn in HQLA at the end of 2023, its average LCR over the year was 162.8% and further increased to 178% by the end of Q2-24. At this level, CMAF had a comfortable liquidity buffer over the minimum regulatory requirement of 100%.

Chart 6: Equity and CET1 ratios of CMAF in comparison to the peer group | Source: eValueRate / CRA / Pillar III



Due to Crédit Mutuel Group's bank capital and debt structure, BFCM's Preferred Senior Unsecured Debt instruments are not notched down in comparison to the Long-Term Issuer Rating. Due to the seniority structure, BFCM's Non-Preferred Senior Unsecured debt is rated A. BFCM's Tier 2 Capital is rated BBB+ based on the Crédit Mutuel Group's capital structure and seniority in accordance with our rating methodology.

Environmental, Social and Governance (ESG) Score Card

Creditreform Bank Rating
Environmental, Social and Governance (ESG) Bank Grade
Crédit Mutuel Alliance Fédérale (88-90 Rue Cardinet, 75847 Paris)

Creditreform Rating

BFCM/CMAF has one significant and two moderate ESG rating drivers

• Corporate Governance is identified as a highly significant rating driver. The relevance for the credit rating results from the impact of the Corporate Governance factor on all other ESG factors and the overall well-being of the bank. This sub-factor is rated neutral.

• Corporate Behaviour and Green Financing / Promoting are identified as moderate rating driver. While Green Financing / Promoting is rated neutral, Corporate Behaviour is rated positive.

ESG Bank Grade

3,8 / 5

Grade Guidance	
> 4,25	Outstanding
>3,5 - 4,25	Above-average
>2,5 - 3,5	Average
>1,75 - 2,5	Substandard
< = 1,75	Poor

	Sub-Factor	Consideration	Relevance Scale 2022	Eval.
Environmental	1.1 Green Financing / Promoting	The sub-factor "Green Financing/Promoting" has a moderate relevance for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	3	( )
	1.2 Exposure to Environ-mental Factors	The sub-factor "Exposure to Environmental Factors" has a low relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	2	(+)
	1.3 Resource Efficiency	The sub-factor "Resource Efficiency" has no significant relevance for the credit rating.	1	(+)
Social	2.1 Human Capital	The sub-factor "Human Capital" has low relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	2	(+)
	2.2 Social Responsibility	The sub-factor "Social Responsibility" has no significant relevance for the credit rating.	1	(+ +)
Governance	3.1 Corporate Governance	The sub-factor "Corporate Governance" is highly relevant for the credit rating, and is rated positive in terms of the CRA ESG criteria.	4	(+)
	3.2 Corporate Behaviour	The sub-factor "Corporate Behaviour" has a moderate relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	3	(+)
	3.3 Corporate Transparency	The sub-factor "Corporate Transparency" has no significant relevance for the credit rating.	1	( )

ESG Relevance Scale	
5	Highest Relevance
4	High Relevance
3	Moderate Relevance
2	Low Relevance
1	No significant Relevance

ESG Evaluation Guidance	
(+ +)	Strong positive
(+)	Positive
( )	Neutral
(-)	Negative
(- -)	Strong negativ

The ESG Grade is based on the Methodology "Environmental, Social and Governance Grade of Banken (Version 1.0)" of Creditreform Rating AG, which is available on our homepage https://creditreform-rating.de/en/about-us/regulatory-requirements.html. In addition, we refer to CRA's position paper "Consodering the Impact of ESG Factors".

Outlook

The outlook of the Long-Term Issuer Rating of BFCM is stable. In general, the stable outlook on BFCM's rating is supported by our view that the existing institutional arrangements, underpinning the mutual support within CMG, will remain in place. For CMG as a whole, we expect inflation induced cost pressures and the pass-through of higher interest rates to customers to put some pressure on the bank's bottom line in the short term. In the medium term however, rising interest rates should be a tailwind to CMG's profitability in view of its substantial lending activities. Also supporting our stable outlook, we believe that CMG's asset quality will not deteriorate significantly and the group will retain sizeable capital buffers above its regulatory minimum requirements for the forseeable future.

Scenario Analysis

Best-case scenario: AA-

Worst-case scenario: A-

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.

In a scenario analysis, the bank is able to reach a Long-Term Issuer Rating of AA- in the "Best-Case-Scenario" and a Long-Term Issuer Rating of A- 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.

We might upgrade BFCM's Long-Term Issuer Rating and the ratings of Bank Capital and Senior Unsecured Debt if CMG – the Institutional Protection Scheme BFCM is affiliated with – manages to increase its intrinsic profitability sustainably and at the same time maintains its very strong asset quality and capital metrics.

By contrast, a downgrade of BFCM's Long-Term Issuer Rating and the ratings of Bank Capital and Senior Unsecured Debt could occur if – contrarily to our expectation - significant changes to the mutual support framework are implemented, weakening the cohesion between members of the wider Crédit Mutuel Group.

Appendix

Bank ratings BFCM

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+ / stable / L2**

Bank Capital and Debt Instruments Ratings BFCM

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): **-**

Rating History

Please consult our website www.creditreform-rating.de for additional information regarding the dates of publication.

Figure 1: Rating History

Long-Term Issuer Rating	Rating Date	Result
LT / Outlook / Short-Term (Initial)	21.09.2018	A / stable / L2
Rating Update	19.12.2019	A / stable / L2
Monitoring	24.03.2020	A / NEW / L2
Rating Update	19.11.2020	A / stable / L2
Rating Update	12.11.2021	A+ / stable / L2
Rating Update	15.12.2022	A+ / stable / L2
Rating Update	13.12.2023	A+ / stable / L2
Rating Update	14.11.2024	A+ / stable / L2
Bank Capital and Debt Instruments	**Rating Date**	**Result**
Senior Unsecured / T2 / AT1 (Initial)	21.09.2018	A / BBB- / BB+
PSU / NPS / T2 / AT1	19.12.2019	A / A- / BBB- / BB+
PSU / NPS / T2 / AT1	24.03.2020	A / A- / BBB- / BB+ (NEW)
PSU / NPS / T2 / AT1	19.11.2020	A / A- / BBB- / BB+
PSU / NPS / T2 / AT1	12.11.2021	A+ / A / BBB / BBB-
PSU / NPS / T2 / AT1	15.12.2022	A+ / A / BBB / BBB-
PSU / NPS / T2 / AT1	13.12.2023	A+ / A / BBB+ / n.r.
PSU / NPS / T2 / AT1	14.11.2024	A+ / A / BBB+ / -

Tables Crédit Mutuel Group (IPS)

Figure 2: Income statement[1] | Source: eValueRate / CRA

Income Statement (EUR m)	2023	%	2022	2021	2020
Income					
Net Interest Income	9.376	+2,8	9.117	8.540	8.379
Net Fee & Commission Income	5.330	+1,5	5.251	5.044	4.393
Net Insurance Income	1.989	-1,7	2.023	3.854	3.281
Net Trading & Fair Value Income	782	-0,9	789	1.291	98
Equity Accounted Results	17	< -100	-6	-19	-16
Dividends from Equity Instruments	46	+9,5	42	40	22
Other Income	2.015	-4,3	2.106	1.763	3.228
Operating Income	**19.555**	**+1,2**	**19.322**	**20.513**	**19.385**
Expense					
Depreciation and Amortisation	948	+1,8	931	984	932
Personnel Expense	6.550	+5,2	6.229	7.091	6.710
Tech & Communications Expense	-	-	-	-	-
Marketing and Promotion Expense	-	-	-	-	-
Other Provisions	-	-	-	-	-
Other Expense	4.336	+2,6	4.225	4.544	4.831
Operating Expense	**11.834**	**+3,9**	**11.385**	**12.619**	**12.473**
Operating Profit & Impairment					
Operating Profit	**7.721**	**-2,7**	**7.937**	**7.894**	**6.912**
Cost of Risk / Impairment	1.422	+46,6	970	892	2.635
Net Income					
Non-Recurring Income	-	-	-	-	-
Non-Recurring Expense	-	-	958	775	-
Pre-tax Profit	**6.299**	**+4,8**	**6.009**	**6.227**	**4.277**
Income Tax Expense	1.701	-3,4	1.761	1.933	1.167
Discontinued Operations	-	-	-	8	4
Net Profit	**4.598**	**+8,2**	**4.248**	**4.302**	**3.114**
Attributable to minority interest (non-controlling interest)	27	-15,6	32	-	44
Attributable to owners of the parent	4.571	+8,4	4.216	4.266	3.070

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

Income Ratios (%)	2023	%	2022	2021	2020
Cost Income Ratio (CIR)	60,52	+1,59	58,92	61,52	64,34
Cost Income Ratio ex. Trading (CIRex)	63,04	+1,61	61,43	65,65	64,67
Return on Assets (ROA)	0,40	+0,02	0,38	0,40	0,30
Return on Equity (ROE)	6,09	+0,10	6,00	6,41	5,00
Return on Assets before Taxes (ROAbT)	0,55	+0,01	0,54	0,58	0,42
Return on Equity before Taxes (ROEbT)	8,35	-0,13	8,48	9,28	6,87
Return on Risk-Weighted Assets (RORWA)	1,28	+0,00	1,27	1,38	1,04
Return on Risk-Weighted Assets before Taxes (RORWAbT)	1,75	-0,05	1,80	1,99	1,43
Net Financial Margin (NFM)	1,10	-0,01	1,10	1,14	1,05
Pre-Impairment Operating Profit / Assets	0,68	-0,04	0,72	0,73	0,68

Change in %-Points

[1] 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	118.127	-16,9	142.201	157.145	129.800
Net Loans to Banks	74.016	+19,7	61.826	59.064	55.948
Net Loans to Customers	637.629	+4,3	611.185	563.777	529.545
Total Securities	69.086	+14,7	60.246	59.521	69.143
Total Derivative Assets	6.989	+19,8	5.833	8.212	10.199
Other Financial Assets	19.439	+22,1	15.924	12.985	15.773
Financial Assets	**925.286**	**+3,1**	**897.215**	**860.704**	**810.408**
Equity Accounted Investments	225	+13,6	198	213	344
Other Investments	594	+2,6	579	551	531
Insurance Assets	191.856	+7,0	179.226	194.196	185.891
Non-current Assets & Discontinued Ops	-	-	4.897	215	95
Tangible and Intangible Assets	8.759	+2,3	8.558	9.792	10.614
Tax Assets	3.466	+1,6	3.410	3.667	3.959
Total Other Assets	12.407	+13,0	10.979	11.153	9.768
Total Assets	**1.142.593**	**+3,4**	**1.105.062**	**1.080.491**	**1.021.610**

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

Asset Ratios (%)	2023	%	2022	2021	2020
Net Loans to Customers / Assets	55,81	+0,50	55,31	52,18	51,83
Risk-weighted Assets[1] / Assets	31,50	+1,30	30,20	28,89	0,00
NPL[2]/ Loans to Customers[3]	2,68	+0,21	2,47	2,54	2,87
NPL[2]/ Risk-weighted Assets[1]	4,75	+0,25	4,50	4,61	5,14
Potential Problem Loans[4]/ Loans to Customers[3]	6,47	-0,18	6,65	7,74	9,89
Reserves[5]/ NPL[2]	80,96	-0,05	81,01	81,35	77,72
Cost of Risk / Loans to Customers[3]	0,22	+0,06	0,16	0,16	0,49
Cost of Risk / Risk-weighted Assets[1]	0,40	+0,10	0,29	0,29	0,88
Cost of Risk / Total Assets	0,12	+0,04	0,09	0,08	0,26

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	26.189	+0,2	26.142	25.649	21.388
Total Deposits from Customers	594.738	+5,0	566.356	547.673	521.988
Total Debt	196.604	+14,2	172.108	153.974	162.911
Derivative Liabilities	10.293	-19,4	12.775	7.444	7.160
Securities Sold, not yet Purchased	-	-	-	-	-
Other Financial Liabilities	42.437	-39,2	69.779	67.383	43.667
Total Financial Liabilities	**870.261**	**+2,7**	**847.160**	**802.123**	**757.114**
Insurance Liabilities	171.842	+8,0	159.179	187.453	179.033
Non-current Liabilities & Discontinued Ops	-	-	3.622	345	94
Tax Liabilities	1.708	+15,0	1.485	2.240	2.330
Provisions	3.811	+0,9	3.778	4.450	4.523
Total Other Liabilities	19.524	+2,8	18.999	16.812	16.289
Total Liabilities	**1.067.146**	**+3,2**	**1.034.223**	**1.013.423**	**959.383**
Total Equity	**75.447**	**+6,5**	**70.839**	**67.068**	**62.227**
Total Liabilities and Equity	**1.142.593**	**+3,4**	**1.105.062**	**1.080.491**	**1.021.610**

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	6,60	+0,19	6,41	6,21	6,09
Leverage Ratio[1]	7,25	+0,58	6,67	7,98	7,60
Common Equity Tier 1 Ratio (CET1)[2]	19,19	+0,41	18,78	19,54	18,67
Tier 1 Ratio (CET1 + AT1)[2]	19,19	+0,41	18,78	19,62	18,84
Total Capital Ratio (CET1 + AT1 + T2)[2]	21,39	+0,07	21,32	22,61	21,86
CET1 Minimum Capital Requirements[1]	8,98	+0,47	8,51	8,49	8,49
Net Stable Funding Ratio (NSFR)[1]	114,33	-3,36	117,69	125,84	-
Liquidity Coverage Ratio (LCR)[1]	166,38	+15,74	150,64	183,00	168,00

Change in %-Points

1 Pillar 3 EU KM1
2 Regulatory Capital Ratios: Pillar 3 EU KM1

Tables CMAF

Figure 8: Income statement[2] | Source: eValueRate / CRA

Income Statement (EUR m)	2023	%	2022	2021	2020
Income					
Net Interest Income	8.497	+6,2	8.003	7.135	7.061
Net Fee & Commission Income	4.585	+0,8	4.547	4.098	3.650
Net Insurance Income	1.358	-0,9	1.371	2.900	2.384
Net Trading & Fair Value Income	624	+15,8	539	952	89
Equity Accounted Results	26	-	-	-18	-13
Dividends from Equity Instruments	27	+12,5	24	23	8
Other Income	1.643	-5,4	1.736	1.465	1.949
Operating Income	**16.760**	**+3,3**	**16.220**	**16.555**	**15.128**
Expense					
Depreciation and Amortisation	809	+7,7	751	697	721
Personnel Expense	5.498	+6,2	5.179	5.475	5.281
Tech & Communications Expense	-	-	-	-	-
Marketing and Promotion Expense	-	-	-	-	-
Other Provisions	-	-	-	-	-
Other Expense	3.505	-0,1	3.508	3.617	3.769
Operating Expense	**9.812**	**+4,0**	**9.438**	**9.789**	**9.771**
Operating Profit & Impairment					
Operating Profit	**6.948**	**+2,4**	**6.782**	**6.766**	**5.357**
Cost of Risk / Impairment	1.296	+68,8	768	698	2.379
Net Income					
Non-Recurring Income	27	-25,0	36	-	627
Non-Recurring Expense	18	-98,2	996	847	42
Pre-tax Profit	**5.661**	**+12,0**	**5.054**	**5.221**	**3.563**
Income Tax Expense	1.546	-1,5	1.569	1.703	968
Discontinued Operations	-	-	-	9	-
Net Profit	**4.115**	**+18,1**	**3.485**	**3.527**	**2.595**
Attributable to minority interest (non-controlling interest)	174	+2,4	170	284	306
Attributable to owners of the parent	3.942	+18,9	3.315	3.243	2.289

Figure 9: Key earnings figures| Source: eValueRate / CRA and Pillar III

Income Ratios (%)	2023	%	2022	2021	2020
Cost Income Ratio (CIR)	58,54	+0,36	58,19	59,13	64,59
Cost Income Ratio ex. Trading (CIRex)	60,81	+0,62	60,19	62,74	64,97
Return on Assets (ROA)	0,45	+0,06	0,39	0,42	0,33
Return on Equity (ROE)	6,60	+0,63	5,97	6,63	5,23
Return on Assets before Taxes (ROAbT)	0,62	+0,05	0,57	0,62	0,45
Return on Equity before Taxes (ROEbT)	9,08	+0,42	8,65	9,81	7,19
Return on Risk-Weighted Assets (RORWA)	1,37	+0,12	1,24	1,44	1,11
Return on Risk-Weighted Assets before Taxes (RORWAbT)	1,88	+0,08	1,81	2,13	1,52
Net Financial Margin (NFM)	1,20	+0,04	1,16	1,18	1,11
Pre-Impairment Operating Profit / Assets	0,76	-0,01	0,77	0,80	0,67

Change in %-Points

[2] 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 10: Development of assets| Source: eValueRate / CRA

Assets (EUR m)	2023	%	2022	2021	2020
Cash and Balances with Central Banks	97.504	-12,9	111.929	121.181	99.575
Net Loans to Banks	64.932	+16,6	55.696	59.276	54.109
Net Loans to Customers	520.523	+3,9	500.908	443.772	418.447
Total Securities	56.780	+12,2	50.596	47.763	53.234
Total Derivative Assets	5.073	+21,0	4.191	6.130	7.268
Other Financial Assets	15.789	+27,1	12.423	9.301	11.568
Financial Assets	**760.601**	**+3,4**	**735.743**	**687.423**	**644.201**
Equity Accounted Investments	798	+3,0	775	533	637
Other Investments	311	+4,4	298	61	82
Insurance Assets	131.324	+7,3	122.442	135.552	131.056
Non-current Assets & Discontinued Ops	-	-	4.897	107	0
Tangible and Intangible Assets	7.172	+1,5	7.069	7.711	8.663
Tax Assets	2.793	+0,1	2.791	3.023	3.248
Total Other Assets	10.531	+10,4	9.540	9.496	8.091
Total Assets	**913.530**	**+3,4**	**883.555**	**843.906**	**795.978**

Figure 11: Development of asset quality| Source: eValueRate / CRA and Pillar III

Asset Ratios (%)	2023	%	2022	2021	2020
Net Loans to Customers / Assets	56,98	+0,29	56,69	52,59	52,57
Risk-weighted Assets[1] / Assets	32,91	+1,23	31,69	29,04	0,00
NPL[2]/ Loans to Customers[3]	2,86	+0,25	2,60	2,60	2,95
NPL[2]/ Risk-weighted Assets[1]	5,02	+0,33	4,70	4,77	5,37
Potential Problem Loans[4]/ Loans to Customers[3]	6,20	-0,61	6,81	8,04	9,82
Reserves[5]/ NPL[2]	79,95	-0,05	80,00	80,78	76,77
Cost of Risk / Loans to Customers[3]	0,24	+0,09	0,15	0,15	0,56
Cost of Risk / Risk-weighted Assets[1]	0,43	+0,16	0,27	0,28	1,02
Cost of Risk / Total Assets	0,14	+0,05	0,09	0,08	0,30

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

Liabilities (EUR m)	2023	%	2022	2021	2020
Total Deposits from Banks	24.520	-3,8	25.490	26.048	20.820
Total Deposits from Customers	481.157	+5,3	456.995	425.183	408.812
Total Debt	162.194	+11,9	144.933	129.170	134.308
Derivative Liabilities	7.409	-20,4	9.303	5.488	4.817
Securities Sold, not yet Purchased	-	-	-	-	-
Other Financial Liabilities	37.990	-33,0	56.681	54.805	32.695
Total Financial Liabilities	**713.270**	**+2,9**	**693.402**	**640.694**	**601.452**
Insurance Liabilities	119.184	+8,8	109.564	131.424	126.461
Non-current Liabilities & Discontinued Ops	-	-	3.622	-	0
Tax Liabilities	1.260	+13,9	1.106	1.900	1.920
Provisions	3.477	+2,0	3.408	3.895	3.808
Total Other Liabilities	13.960	-0,6	14.045	12.782	12.762
Total Liabilities	**851.151**	**+3,2**	**825.147**	**790.695**	**746.403**
Total Equity	**62.379**	**+6,8**	**58.408**	**53.211**	**49.575**
Total Liabilities and Equity	**913.530**	**+3,4**	**883.555**	**843.906**	**795.978**

Figure 13: Development of capital and liquidity ratios | Source: eValueRate / CRA and Pillar III

Capital Ratios and Liquidity (%)	2023	%	2022	2021	2020
Total Equity / Total Assets	6,83	+0,22	6,61	6,31	6,23
Leverage Ratio[1]	7,10	+0,50	6,60	7,60	7,00
Common Equity Tier 1 Ratio (CET1)[2]	18,54	+0,37	18,18	18,77	17,82
Tier 1 Ratio (CET1 + AT1)[2]	18,56	+0,37	18,19	18,87	18,03
Total Capital Ratio (CET1 + AT1 + T2)[2]	20,71	+0,15	20,56	21,72	20,83
CET1 Minimum Capital Requirements[1]	8,34	+0,50	7,84	7,84	7,84
Net Stable Funding Ratio (NSFR)[1]	115,07	-1,00	116,06	125,56	-
Liquidity Coverage Ratio (LCR)[1]	162,80	+9,50	153,30	181,30	165,20

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. 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)
- Institutional Protection Scheme Banks (v1.0)
- 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 14 November 2024, the rating was presented by the analysts to the rating committee and adopted in a resolution.

The rating result was communicated to Banque Fédérative du Crédit Mutuel SA, 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 Banque Fédérative du Crédit Mutuel SA (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.

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No ancillary services in the regulatory sense were provided for this rating.

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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".

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