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CREDIT OPINION

21 July 2023

Update

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RATINGS

Banque Federative du Credit Mutuel

Domicile	Strasbourg, France
Long Term CRR	Aa2
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Aa3
Type	Senior Unsecured - Fgn Curr
Outlook	Stable
Long Term Deposit	Aa3
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Banque Federative du Credit Mutuel

Update to credit analysis

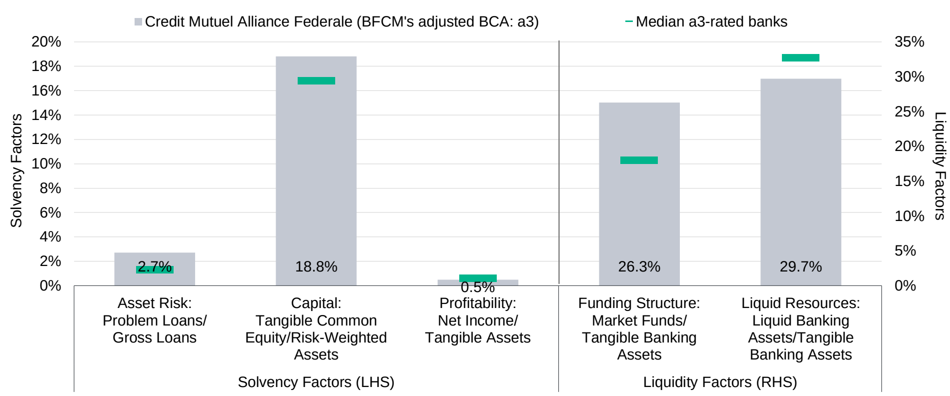
Summary

The Baseline Credit Assessment (BCA) of a3 of Banque Federative du Credit Mutuel (BFCM) is driven by our assessment of the standalone creditworthiness of Credit Mutuel Alliance Federale (CMAF). This is explained by BFCM's role as the issuing vehicle and holding company for all the operating subsidiaries of the mutualist group CMAF, part of the Groupe Credit Mutuel (GCM). The a3 BCA reflects CMAF's very stable financial fundamentals and low risk profile. These characteristics stem from the group's strong retail bancassurance franchise and commercial banking business, predominantly based on a large branch network in France.

BFCM's long-term senior unsecured debt and deposit ratings of Aa3 with a stable outlook reflect the Adjusted BCA of a3; the application of our Advanced Loss Given Failure (LGF) analysis, resulting in two notches of uplift from the Adjusted BCA for both deposits and senior debt, stemming from GCM significant volume of senior debt and junior deposits; and a government support uplift of one additional notch, reflecting a moderate probability of government support in view of GCM's systemic importance to the domestic economy.

Exhibit 1

Rating Scorecard - Key financial ratios



Source: Moody's Financial Metrics

Credit strengths

» Large retail bancassurance activities mainly in France drives low risk profile and resilient earnings.

» Strong capitalisation stems from very high retention of earnings.

» Funding structure and comfortable liquidity buffer mitigate some reliance on wholesale funding.

Credit challenges

» Inflation and lower economic growth will affect customers' creditworthiness.

» Inflationary pressures will weigh on operating costs.

Outlook

The outlook on BFCM's Aa3 long-term deposit and senior unsecured ratings is stable, reflecting our view that the bank will be able to maintain its strong financial and performance metrics close to current levels over a 12-18-month horizon.

The stable outlook also assumes that the liability structure and probability of government support will remain broadly unchanged for GCM.

Factors that could lead to an upgrade

» BFCM's deposit and senior unsecured ratings could be upgraded if GCM's liability structure results in lower loss given failure for these liabilities because of higher subordination.

Factors that could lead to a downgrade

» BFCM's BCA and Adjusted BCA could be downgraded in the case of a significant weakening in GCM's underlying profitability, chiefly as a result of asset-quality deterioration; significant deterioration in the group's capitalisation, for example, following major acquisitions; weakened liquidity or funding profiles; or a significant weakening in the operating environment in France.

» BFCM's deposit and senior unsecured ratings could be downgraded as a result of a deterioration in the standalone financial strength of GCM, resulting in a lower Adjusted BCA; or a change in GCM's liability structure, resulting in higher loss given failure. This could occur if the group were to exhibit rapid growth in assets that would not be matched by appropriate increase in debt issuance.

Key indicators

Exhibit 2
Credit Mutuel Alliance Federale (Consolidated Financials) [1]

	12-22[2]	12-21[2]	12-20[2]	12-19[2]	12-18[2]	CAGR/Avg.[3]
Total Assets (EUR Million)	874,923.0	838,335.0	790,425.0	712,447.0	660,192.0	7.3[4]
Total Assets (USD Million)	933,759.2	949,922.4	967,129.2	799,720.5	754,694.9	5.5[4]
Tangible Common Equity (EUR Million)	52,653.0	44,862.0	40,292.0	38,040.0	34,940.0	10.8[4]
Tangible Common Equity (USD Million)	56,193.8	50,833.4	49,299.5	42,699.8	39,941.5	8.9[4]
Problem Loans / Gross Loans (%)	2.6	2.6	2.9	3.1	3.1	2.9[5]
Tangible Common Equity / Risk Weighted Assets (%)	18.8	18.3	17.2	16.9	16.3	17.5[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	21.2	21.7	25.0	26.0	26.9	24.2[5]
Net Interest Margin (%)	0.9	0.9	0.9	1.0	1.0	0.9[5]
PPI / Average RWA (%)	2.7	2.8	2.3	2.6	2.5	2.6[6]
Net Income / Tangible Assets (%)	0.5	0.5	0.3	0.4	0.5	0.5[5]
Cost / Income Ratio (%)	59.6	57.4	62.2	61.4	61.9	60.5[5]
Market Funds / Tangible Banking Assets (%)	26.3	27.4	25.9	31.1	33.2	28.8[5]
Liquid Banking Assets / Tangible Banking Assets (%)	29.7	32.9	32.4	29.2	27.8	30.4[5]
Gross Loans / Due to Customers (%)	111.7	106.5	104.7	116.4	122.5	112.4[5]

[-] Further to the publication of our revised methodology in July 2021, only ratios from annual 2020 onwards included in this report reflect the change in analytical treatment of the "high-trigger" Additional Tier 1 instruments. [1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.
Sources: Moody's Investors Service and company filings

Profile

BFCM is owned by 14 regional federations (out of the 18 federations that make up the entire Groupe Credit Mutuel) and their affiliated local banks. These 14 regional federations, together with BFCM and Credit Industriel et Commercial (CIC, Aa3/Aa3 stable, baa1[1]) make up Credit Mutuel Alliance Federale — the largest subgroup within the wider GCM, accounting for around 78% of GCM's consolidated total assets as of year-end 2022. Two federations remain independent, Maine Anjou and Ocean, while two other federations, namely Bretagne and Sud Ouest, are jointly operating under the umbrella of Credit Mutuel Arkea (CMA, Aa3/Aa3 stable, baa1).

Being fully integrated within Credit Mutuel Alliance Federale, both strategically and operationally, BFCM fulfills a key role as Credit Mutuel Alliance Federale's main issuing vehicle and, hence, an important liquidity provider to the group members. BFCM is also the holding of the group's specialised subsidiaries, such as Cofidis, Targobank and Groupe des Assurances du Credit Mutuel (GACM, Baa1(hyb) stable).

In May 2023, CMA reached an agreement with the Confédération Nationale du Crédit Mutuel (CNCM) and all federations on amended by-laws, which, among other things, will preserve the strategic independence of all federations, which was deemed essential by CMA. Consequently, CMA has abandoned its plan for a separation from the group, which had involved numerous litigation cases over the last 10 years or so with the Confederation.

Please refer to Groupe Credit Mutuel: Mutual support guarantee in a fragmented group drives our ratings approach, published on 5 July 2018, for a more comprehensive analysis of GCM's structure and rating construction.

Detailed credit considerations

Credit Mutuel Alliance Federale has a low risk profile

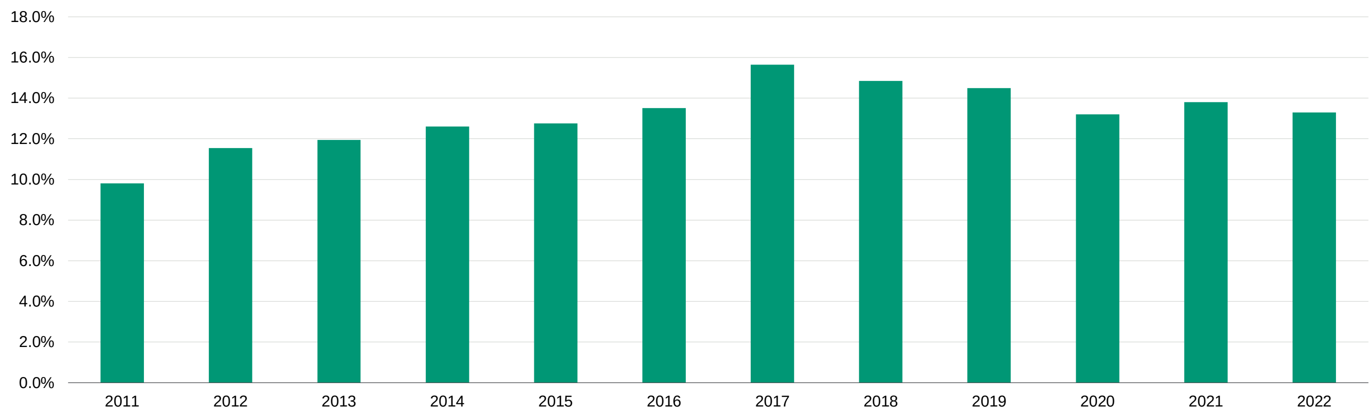
As reflected in the assigned Asset Risk score of a2, the group has a low risk profile, characterised by its large exposures to the residential home loan market (around 51% of its loan book as of year-end 2022), which are predominantly domestic and secured (by physical property or by a guarantee).

CMAF's cost of risk remained low at 17 basis points (bps) of customer loans in 2022 (it was 16 bps in 2021). However, in absolute terms, loan-loss provisions increased to €768 million in 2022, up from €699 million a year earlier, reflecting higher cost of risk for retail, consumer and corporate customers and uncertainties related to the current economic environment. CMAF's cost of risk would have more materially increased had the bank not released the so-called overlay provisions related to the Covid-19 pandemic. These overlay provisions are allocated to performing loans as a precautionary measure to address risk from retail clients and corporates. Although the bank did not disclose any guidance on provisions, we believe they will continue to increase in 2023.

CMAF's problem ratio of 2.6% as of year-end 2022 remained unchanged compared with last year. This compares with an EU average of 1.8%

Exhibit 3

Loan-loss provisions/pre-provision income



Sources: Moody's Investors Service and bank reports

The group has a strong capital base and high profit retention

The Capital score of aa2 assigned to CMAF is driven by its high capital ratio, low leverage and its track record of retaining (historically exceeding 90%) most of its profit to consistently increase its capital base thanks to its cooperative ownership structure. Hence, the capital is one of the main strength of the bank.

CMAF's Common Equity Tier 1 (CET1) capital ratio as of year-end 2022 was 18.2% versus a Supervisory Review and Evaluation Process (SREP) requirement of 7.8% for 2023[2]. Its Tier 1 leverage ratio was 6.6% as of year-end 2022. While all French bancassurers' risk-weighted capital ratios are somewhat boosted by the so-called Danish compromise[3], CMAF's leverage, measured as Moody's-adjusted tangible common equity (TCE)/total assets[4], (including insurance assets) was sound at 6.0% as of year-end 2022.

CMAF's capital adequacy is also bolstered by the issuance of cooperative shares, which we view as high-quality capital. The amount of cooperative shares of €8.4 billion represented 15% of total shareholders' equity as of year-end 2022. The return on these instruments, which qualify as core capital (CET1) under the Capital Requirements Regulation, is capped by law at the average yield of the bonds issued by French private companies plus a maximum of 2% that can be added at the bank's discretion. In addition, cooperative shareholders have historically reinvested a very high share of dividends into newly issued cooperative shares, further strengthening CMAF's capital base. This ability to retain most of the annual profit provides the bank with additional flexibility to shore up its capital base and makes it easier to absorb unexpected losses or adjust to further capital needs prompted by regulatory changes.

The minimum requirement for own funds and eligible liabilities (MREL) is set at the level of GCM on a consolidated basis. GCM's MREL requirements are currently as follows: 20.99% of RWA (14.35% of RWA for the subordination MREL requirement) and 6.55% in terms of Leverage Ratio Exposure (LRE). As of year-end 2022, GCM displayed MREL ratios well above these requirements. GCM's subordinated MREL ratio, made up with own funds, eligible subordinated and senior non-preferred liabilities, was 23.06% of RWA and 10.61% of LRE as of year-end 2021.

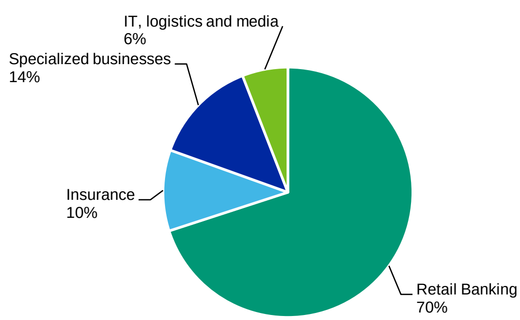
Solid domestic activities will continue to generate resilient earnings

CMAF, which includes the group's cooperative bank network in addition to BFCM, is predominantly focused on domestic retail banking, small and medium-sized enterprise (SME) banking and the French insurance sector. Including CIC network, a large subsidiary of BFCM, the group's geographical coverage is nationwide, with particularly high market shares, exceeding 30% in the east of France. The concentration in relatively low-risk sectors enables the group to deliver resilient and predictable earnings. We assign a ba1 Profitability score to BFCM.

CMAF is one of the largest insurers in France through GACM, with 36.6 million life and non-life insurance contracts as of year-end 2022 (up 2.8% from year-end 2021). Insurance activities will continue to be critical to the development of the group both domestically and across borders.

Exhibit 4

Operational business lines' contribution to revenue in 2022



Sources: Moody's Investors Service and bank reports

CMAF operates in the European consumer credit market (Targobank in Germany and Cofidis, particularly in France, Spain, Portugal and Belgium), bringing geographical and business diversification to a portfolio historically focused on French residential loans. These high-margin activities have improved CMAF's overall profitability. CMAF has also developed alternative services (mobile phones and home tele-monitoring), which are sold through its banking networks. While rather marginal in size, these activities provide CMAF with limited alternative earnings, leveraging its large retail networks.

The group's profitability is in line with the European sector average, yet stronger and more stable than for most French peers, as illustrated by net income/tangible assets of 0.51% and a cost-to-income ratio of 59.6% in 2022. This compares with EU averages of 0.52% and 60.6% respectively[5]. The group's relatively good efficiency comes from cost controls and cross-selling (multiple financial products and services to its clients, including insurance products, consumer credit, private banking). In 2022, the sum of fees and commissions, net insurance revenue and revenue from other activities represented around 50% of net banking income.

Considering the new consolidated perimeter (which encompasses Credit Mutuel Nord Europe since January 2022), the €3.5 billion net income posted in 2022 exceeded the €3 billion target of the 2019-2023 strategic plan.

However, CMAF's net income decreased by 3.6% in 2022 against 2021 results at constant scope. This decline occurred despite a supportive lending activity (mortgages loans +7%, equipment +13%, consumer +7.6%).

CMAF's retail banking revenue, which make up 70% of the revenue of operating activities, increased by 5.9% in 2022, driven by higher net interest margins following increases made by the European Central Bank (ECB) since July 2022. However, CMAF's net interest margin, like many of its French peers, has not yet fully benefitted from these increases of interest rates. This is because of higher interest rate paid on regulated savings, combined with the difficulty in fully reflecting the rise in interest rates in new housing loans because of the taux d'usure — the formula-based legal cap applicable on lending rates in France. This constraint will affect the business line's net interest margins in 2023. Additionally, as a result of the change in the terms of the Targeted Long-term Refinancing Operation (TLTRO) since 23 November 2022, CMAF, like all other banks, no longer benefits from the cheap funding the instrument provided over the past three years.

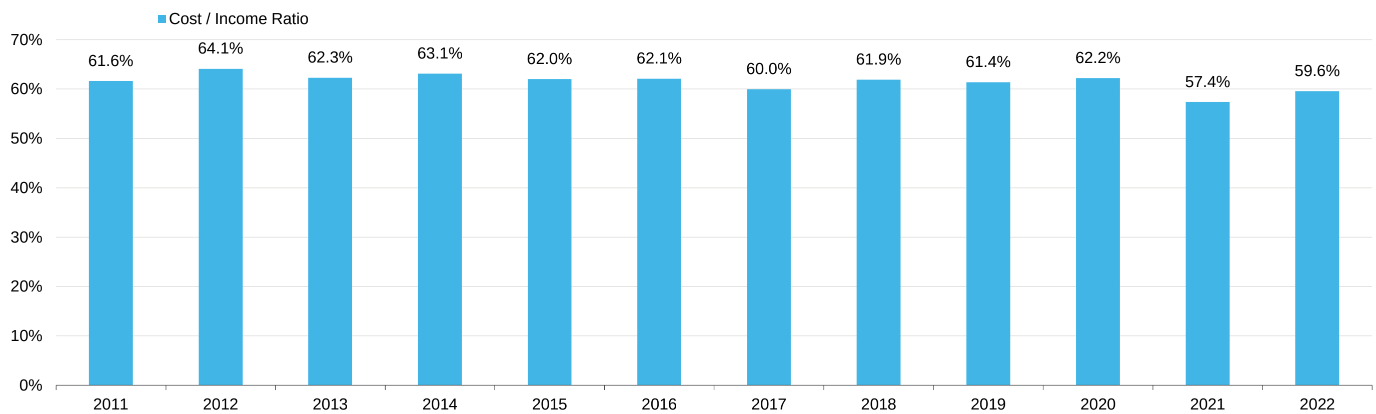
The negative market environment in 2022 also added pressure on other CMAF's revenues. Insurance revenue (around 10% of CMAF's revenue) declined by 5.2% in 2022 because of higher payouts on weather claims in 2022. Also, the revenue from private equity and capital market activities dropped by 17.1% and 2.7%, respectively, at constant scope. These decreases were mitigated by the growing revenues of the asset management and private banking (around 6% of CMAF's revenue, +1% in 2022) and corporate banking businesses (3% of CMAF's revenue, +9% in 2022).

CMAF's net income was affected mainly by the higher pace at which operating costs increased (+13% in part because of employee benefit expenses) compared with revenue (only +8.9%). In 2022, CMAF booked extraordinary net losses on Targobank. This is because of a goodwill impairment in Germany of €958 million related to the hike of interest rates and for €270 million due to the sale of the Spanish entity to ABANCA Corporacion Bancaria, S.A. (Baa3/Baa3 stable, ba1), which was announced at year-end 2022.

Exhibit 5

The group's efficiency exhibited strong stability over time

Cost-to-income ratio



Sources: Moody's Investors Service and bank reports

Funding structure and comfortable liquidity buffer mitigate moderate reliance on wholesale funding

We assign a baa1 Funding structure score to CMAF. CMAF's loan-to-deposit ratio[6] was 112% as of year-end 2022, versus 107% as of year-end 2021 and 105% in 2019. Material progress was achieved since 2010 when this ratio was around 144%, mainly through the re-intermediation of off-balance-sheet customers' savings and the adoption of an internal policy requiring loan growth to be funded by new deposits.

Nonetheless, wholesale funding will still remain a significant funding source for the group in the foreseeable future. As of year-end 2022, the total amount of market funding (including covered bonds) was €157 billion (26.3% of tangible banking assets), out of which 68% were medium- to long-term resources. CMAF's reliance on market funding, which is confidence sensitive, is mitigated by the term structure of its debt, which minimises funding gaps (that is, shortfall of funding over assets) on all maturity buckets from three months up to five years. In practice, the bank had no funding gap as of year-end 2022 on any maturity bucket, based on a static balance sheet[7] (assets and liabilities maturing in accordance with their contractual maturities and assuming no additional asset origination and debt issuance).

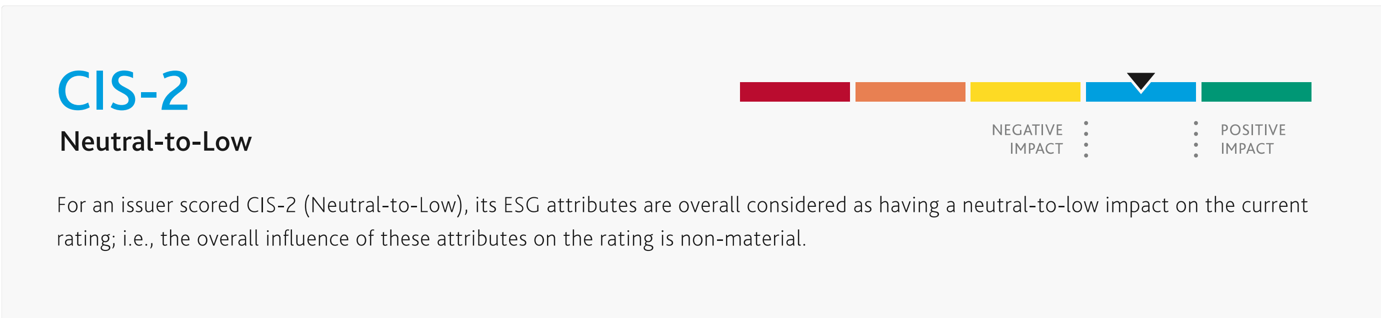
CMAF had liquidity reserves of €190 billion as of year-end 2022, which we consider sufficient and adequate since they fully covered the wholesale debt maturing within 12 months. CMAF reported a liquidity coverage ratio (LCR) of 153.3% on average in 2022. The average high-quality liquid asset (HQLA) portfolio during 2022 amounted to €132.8 billion, 81% of which were deposits with the central banks (mainly the ECB).

The assigned Liquidity Resources score of a3 incorporates a negative adjustment for the share of regulated deposits that are not available for business because they are mandatorily centralised at Caisse des Depots et Consignations (Aa2, Aa2 stable). We expect CMAF's liquidity to decrease as TLTRO has been repaid, remaining at good level.

ESG considerations

Banque Federative du Credit Mutuel's ESG Credit Impact Score is Neutral-to-Low CIS-2

Exhibit 6
ESG Credit Impact Score



Source: Moody's Investors Service

Banque Federative du Credit Mutuel's **CIS-2** reflects that ESG considerations are not material to the rating.

Exhibit 7
ESG Issuer Profile Scores

Source: Moody's Investors Service

Environmental

BFCM faces moderate exposure to environmental risks primarily because of its portfolio exposure to carbon transition risk as a diversified bank operating mainly in France. Similarly to its peers BFCM is facing mounting business risks and stakeholder pressure to meet more demanding carbon transition targets. In response, BFCM has taken steps to further develop its comprehensive risk management and climate risk reporting frameworks.

Social

BFCM faces high industrywide social risks related to regulatory risk and litigation exposure, in particular in the area of customer relationships. The bank is required to meet high compliance standards. High cyber and personal data risks are mitigated by technology solutions and organizational measures to prevent data breaches.

Governance

BFCM faces neutral-to-low governance risks, and its risk management policies and procedures are in line with industry best practices. The group has a proven track record of conservative financial policies and contained risk appetite. In recent years, the group has not been subject to any significant failures in its risk management and controls. As a mutualist group, BFCM has a relatively simple legal structure, reflecting its domestic and retail franchise and a specific, multi-layered governance set-up, which does not result in incremental governance risks.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Affiliate support

We assign an Adjusted BCA of a3 to BFCM. This is based on the fact that BFCM's affiliation to CNCM was officially validated in September 2020. Therefore, BFCM falls under the legal scope of GCM's solidarity mechanisms. Besides, the bank is fully integrated within CMAF, both strategically and operationally. It also plays a critical role in the group's payment systems. Therefore, an adverse scenario affecting BFCM would likely be negative for CMAF's credit strength and, by extension, for GCM. We, therefore, take into account an affiliate-backed support for BFCM from GCM. However, this does not result in any rating uplift because BFCM's BCA is at the same level as our assessment of GCM's standalone creditworthiness.

Loss Given Failure (LGF) analysis

GCM and its operating entities in France are subject to the European Union Bank Recovery and Resolution Directive (BRRD), which we consider an operational resolution regime. We assume that resolution, if any, would occur at the level of GCM once the said group has reached the point of non-viability. If financial difficulties occur at the level of BFCM, this would be addressed by GCM through affiliate support. Our LGF analysis is, therefore, based on GCM's consolidated liability structure. We also assume residual TCE of 3% and post-failure losses of 8% of tangible banking assets, a 25% runoff in junior wholesale deposits and a 5% runoff in preferred deposits, and assign a 25% probability to deposits being preferred to senior unsecured debt. The proportion of deposits considered junior is 26%. These are in line with our standard assumptions.

» Our LGF analysis indicates a very low loss given failure for deposits and senior unsecured debt, leading us to assign a two-notch uplift to the Adjusted BCA. This uplift comes from the loss absorption provided by the combination of substantial deposit volume and subordination.

» Our Advanced LGF analysis indicates likely moderate loss severity for junior senior creditors in the event of the bank's failure, leading to a rating identical to the bank's Adjusted BCA of a3.

» Our Advanced LGF analysis indicates a high loss given failure for subordinated debt securities, leading to a negative adjustment of one notch to the Adjusted BCA. This adjustment is prompted by a small volume of debt and limited protection from more subordinated instruments and residual equity.

Government support considerations

We expect a moderate probability of government support for both deposits and senior unsecured debt issued by BFCM because of GCM's systemic importance in France. This results in a one-notch government support uplift for BFCM's deposit and senior unsecured ratings to Aa3. Subordinated and other junior securities do not benefit from government support, given their purpose is to absorb losses in a resolution scenario.

Counterparty Risk Ratings (CRRs)

BFCM's CRRs are at Aa2/Prime-1

The CRR for BFCM, before government support, is three notches higher than the Adjusted BCA of a3, based on the level of subordination to CRR liabilities in the bank's balance sheet and assuming a nominal volume of such liabilities. The CRR also benefits from one notch of government support, in line with our support assumptions on deposits and senior unsecured debt.

Counterparty Risk (CR) Assessment

BFCM's CR Assessment is at Aa2(cr)/Prime-1(cr)

Before government support, the CR Assessment includes a three-notch uplift to the Adjusted BCA of a3, based on the buffer against default provided to the senior obligations represented by the CR Assessment by subordinated instruments.

The CR Assessment also benefits from one notch of government support, in line with our assumptions on deposits and senior unsecured debt. This reflects our view that any support provided by governmental authorities to a bank, which benefits senior unsecured debt or deposits, is very likely to benefit operating activities and obligations reflected by the CR Assessment as well, consistent with our belief that governments are likely to maintain such operations as a going concern to reduce contagion and preserve a bank's critical functions.

Methodology and scorecard

About Moody's Bank Scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 8
Credit Mutuel Alliance Federale

MACRO FACTORS		
WEIGHTED MACRO PROFILE	STRONG +	100%

FACTOR	HISTORIC RATIO	INITIAL SCORE	EXPECTED TREND	ASSIGNED SCORE	KEY DRIVER #1	KEY DRIVER #2
Solvency						
Asset Risk						
Problem Loans / Gross Loans	2.7%	a2	↔	a2	Expected trend	Long-run loss performance
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - fully loaded)	18.8%	aa2	↔	aa2	Expected trend	Capital retention
Profitability						
Net Income / Tangible Assets	0.5%	ba1	↔	ba1	Earnings quality	Loan loss charge coverage
Combined Solvency Score		a2		a2		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	26.3%	baa2	↔	baa1	Term structure	
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	29.7%	a3	↔	a3	Asset encumbrance	
Combined Liquidity Score		baa1		baa1		
Financial Profile				a3		
Qualitative Adjustments				Adjustment		
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				Aa2		
BCA Scorecard-indicated Outcome - Range				a2 - baa1		
Assigned BCA				a3		
Affiliate Support notching				-		
Adjusted BCA				a3		

BALANCE SHEET	IN-SCOPE (EUR MILLION)	% IN-SCOPE	AT-FAILURE (EUR MILLION)	% AT-FAILURE
Other liabilities	205,796	23.4%	263,443	29.9%
Deposits	565,169	64.1%	507,522	57.6%
Preferred deposits	418,225	47.5%	397,314	45.1%
Junior deposits	146,944	16.7%	110,208	12.5%
Senior unsecured bank debt	61,136	6.9%	61,136	6.9%
Junior senior unsecured bank debt	10,826	1.2%	10,826	1.2%
Dated subordinated bank debt	10,870	1.2%	10,870	1.2%
Junior subordinated bank debt	27	0.0%	27	0.0%
Preference shares (bank)	824	0.1%	824	0.1%
Equity	26,432	3.0%	26,432	3.0%
Total Tangible Banking Assets	881,080	100.0%	881,080	100.0%

DEBT CLASS	DE JURE WATERFALL		DE FACTO WATERFALL		NOTCHING		LGF NOTCHING GUIDANCE VS. ADJUSTED BCA	ASSIGNED LGF NOTCHING	ADDITIONAL NOTCHING	PRELIMINARY RATING ASSESSMENT
	INSTRUMENT VOLUME + SUBORDINATION	SUB-ORDINATION	INSTRUMENT VOLUME + SUBORDINATION	SUB-ORDINATION	DE JURE	DE FACTO				
Counterparty Risk Rating	25.0%	25.0%	25.0%	25.0%	3	3	3	3	0	aa3
Counterparty Risk Assessment	25.0%	25.0%	25.0%	25.0%	3	3	3	3	0	aa3 (cr)
Deposits	25.0%	5.6%	25.0%	12.5%	2	3	2	2	0	a1
Senior unsecured bank debt	25.0%	5.6%	12.5%	5.6%	2	1	2	2	0	a1

Junior senior unsecured bank debt	5.6%	4.3%	5.6%	4.3%	0	0	0	0	0	a3
Dated subordinated bank debt	4.3%	3.1%	4.3%	3.1%	-1	-1	-1	-1	0	baa1
Non-cumulative bank preference shares	3.1%	3.0%	3.1%	3.0%	-1	-1	-1	-1	-2	baa3

INSTRUMENT CLASS	LOSS GIVEN FAILURE NOTCHING	ADDITIONAL NOTCHING	PRELIMINARY RATING ASSESSMENT	GOVERNMENT SUPPORT NOTCHING	LOCAL CURRENCY RATING	FOREIGN CURRENCY RATING
Counterparty Risk Rating	3	0	aa3	1	Aa2	Aa2
Counterparty Risk Assessment	3	0	aa3 (cr)	1	Aa2(cr)	
Deposits	2	0	a1	1	Aa3	Aa3
Senior unsecured bank debt	2	0	a1	1	Aa3	Aa3
Junior senior unsecured bank debt	0	0	a3	0	A3	
Dated subordinated bank debt	-1	0	baa1	0	Baa1	
Non-cumulative bank preference shares	-1	-2	baa3	0	Baa3 (hyb)	

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Investors Service

Ratings

Exhibit 9

Category	Moody's Rating
BANQUE FEDERATIVE DU CREDIT MUTUEL	
Outlook	Stable
Counterparty Risk Rating	Aa2/P-1
Bank Deposits	Aa3/P-1
Baseline Credit Assessment	a3
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa2(cr)/P-1(cr)
Senior Unsecured	Aa3
Junior Senior Unsecured -Dom Curr	A3
Junior Senior Unsecured MTN -Dom Curr	(P)A3
Subordinate -Dom Curr	Baa1
Pref. Stock Non-cumulative -Dom Curr	Baa3 (hyb)
Commercial Paper -Dom Curr	P-1
Other Short Term	(P)P-1
CREDIT INDUSTRIEL ET COMMERCIAL	
Outlook	Stable
Counterparty Risk Rating	Aa2/P-1
Bank Deposits	Aa3/P-1
Baseline Credit Assessment	baa1
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa2(cr)/P-1(cr)
Senior Unsecured	Aa3
Subordinate MTN	(P)Baa1
Commercial Paper -Dom Curr	P-1
Other Short Term	(P)P-1
CREDIT INDUSTRIEL ET COMMERCIAL, NEW YORK BR	
Commercial Paper	P-1

Source: Moody's Investors Service

Endnotes

1 The bank ratings shown in this report are the bank's deposit rating, senior unsecured debt/issuer rating (where available) and the BCA.

2 Including a 4.5% Pillar 1, a 0.8% Pillar 2 requirement (the overall Pillar 2 Requirement is 1.5%), a 2.5% capital conservation buffer and excluding the Pillar 2 guidance. The Other Systematically Important Institution (OSII) buffer is set at GCM level only (0.5%).

3 According to the European Union's Capital Requirement Directive IV and Capital Requirement Regulation, the exposure of bancassurers' insurance activities is reflected in their risk-weighted assets [RWA] with a weight of 250%. This results in a higher solvency ratio than fully deducting the capital allocated to insurance activities from the bank's capital base.

4 The bank's TCE leverage ratio is lower than the regulatory Tier 1 leverage ratio because, in line with the European Commission's Delegated Act of 10 October 2014, French bancassurers only include their investments in their insurance subsidiaries instead of total business-related assets in the denominator of the regulatory leverage ratio. Our TCE leverage ratio is based on the bancassurer's total assets, which implies a lower ratio.

5 European Banking Authority, Risk Dashboard Data as of Q4 20022.

6 Moody's calculation.

7 Static funding gaps are based on contractual maturities and incorporate off-balance-sheet commitments.

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