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CREDIT OPINION
8 March 2024

Update

Send Your Feedback

Banque Federative du Credit Mutuel

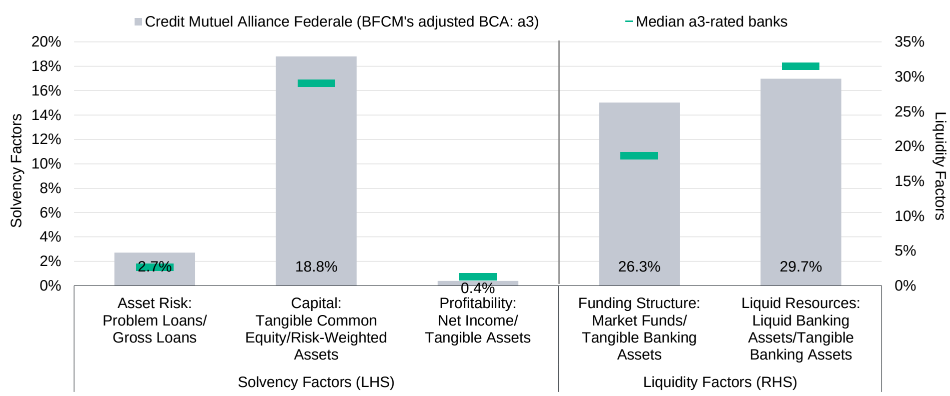
Update following rating affirmation

Summary

Banque Federative du Credit Mutuel's (BFCM) a3 Baseline Credit Assessment (BCA) is driven by our assessment of the standalone creditworthiness of Credit Mutuel Alliance Federale (CMAF). BFCM's acts as the issuing vehicle and holding company for all the operating subsidiaries of the mutualist group CMAF, part of 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 deposit and senior unsecured debt ratings of Aa3, with a stable outlook, reflect the bank's Adjusted BCA of a3, based on GCM's standalone credit profile; the very low loss given failure under our Advanced Loss Given Failure (LGF) analysis at the level of GCM, which results in two notches of uplift; and an additional support uplift of one notch, reflecting a moderate probability of support from the Government of France (Aa2 stable) because of GCM's systemic importance to the domestic economy.

Exhibit 1
Rating Scorecard - Key financial ratios



Source: Moody's Financial Metrics

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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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100

Credit strengths

» Strong retail bancassurance franchise, mainly in France, drives low-risk profile and resilient earnings.

» Strong capitalisation stems from the very high retention of earnings.

» The funding structure and comfortable liquidity buffer mitigate material reliance on wholesale funding.

Credit challenges

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

» Low margins on residential mortgage loans in France

Outlook

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

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

Factors that could lead to an upgrade

An upgrade of BFCM's long-term deposit and senior unsecured debt ratings is unlikely over a 12-18-month horizon because it would be contingent upon a much higher profitability of the overall group (GCM). Or, it would require a greater issuance of subordinated debt than currently projected in order to reduce the loss given failure for deposits and senior unsecured debt.

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, mainly as a result of worsening asset quality or a further significant deterioration in its net interest margin; a significant weakening in the group's capitalisation, for example, following major acquisitions; adverse changes in its liquidity or funding profile; or a significant weakening of the operating environment in France.

The ratings of BFCM's long-term deposits, senior unsecured debt and junior senior unsecured debt (also referred to as senior non-preferred) could be downgraded because of a deterioration in the stand-alone financial strength of GCM, resulting in lower Adjusted BCAs; or reduced subordinated debt, resulting in a higher loss given failure.

Key indicators

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

	06-23[2]	12-22[2]	12-21[2]	12-20[2]	12-19[2]	CAGR/Avg.[3]
Total Assets (EUR Million)	891,740.4	874,923.0	838,335.0	790,425.0	712,447.0	6.6[4]
Total Assets (USD Million)	972,889.1	933,759.2	949,922.4	967,129.2	799,720.5	5.8[4]
Tangible Common Equity (EUR Million)	55,253.4	52,653.0	44,862.0	40,292.0	38,040.0	11.3[4]
Tangible Common Equity (USD Million)	60,281.5	56,193.8	50,833.4	49,299.5	42,699.8	10.4[4]
Problem Loans / Gross Loans (%)	2.7	2.6	2.6	2.9	3.1	2.8[5]
Tangible Common Equity / Risk Weighted Assets (%)	18.8	18.8	18.3	17.2	16.9	18.0[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	21.4	21.2	21.7	25.0	26.0	23.1[5]
Net Interest Margin (%)	0.9	0.9	0.9	0.9	1.0	0.9[5]
PPI / Average RWA (%)	2.3	2.7	2.8	2.3	2.6	2.5[6]
Net Income / Tangible Assets (%)	0.4	0.5	0.5	0.3	0.4	0.5[5]
Cost / Income Ratio (%)	58.2	59.6	57.4	62.2	61.4	59.7[5]
Market Funds / Tangible Banking Assets (%)	26.8	26.3	27.4	25.9	31.1	27.5[5]
Liquid Banking Assets / Tangible Banking Assets (%)	29.7	29.7	32.9	32.4	29.2	30.8[5]
Gross Loans / Due to Customers (%)	112.6	111.7	106.5	104.7	116.4	110.4[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 Ratings and company filings

Profile

Banque Federative du Credit Mutuel (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 (CMAF) (the largest subgroup within the wider GCM), which accounted for around 80% of GCM's consolidated total assets. 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 CMAF, both strategically and operationally, BFCM fulfills a key role as CMAF's main issuing vehicle and, hence, an important liquidity provider to the group members. BFCM is also the holding company for 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 other federations on amended by-laws, which, among other things, will preserve the strategic independence of all federations, which was deemed essential by CMA. As a result, 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, for a more comprehensive analysis of GCM's structure and rating construction.

Detailed credit considerations

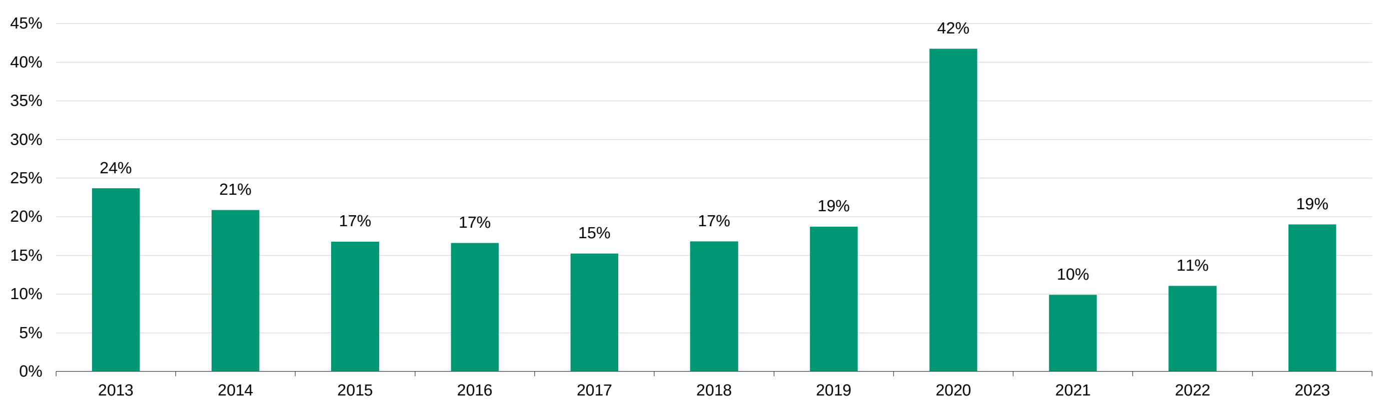
Low-risk profile

As reflected in the assigned Asset Risk score of a3, CMAF has a low-risk profile, characterised by its large exposures to the home loan market (around 51% of its loan book as of December 2023), which are predominantly domestic and secured (by physical property or by a guarantee).

However, the bank's problem loan ratio of 2.8% as of December 2023 is weaker than the EU average[2] (1.8% as of September 2023) but CMAF's IFRS Stage 2 loan ratio of 5.1% as of June 2023 is much lower than the EU average[3] (9.1% as of the same date) mainly given the high proportion of housing loans.

CMAF's large exposure to residential mortgage loans balances higher credit risks coming from corporate (37% of outstanding loans as of June 2023) and consumer loans (10% of loans). We expect the bank's cost of risk and problem loans to remain low (below 35 basis points [bps] of customer loans). In 2023, CMAF's cost of risk increased to 24 bps from 17 bps in 2022. The escalation in cost of risk can be attributed predominantly to two key elements. The first one is the significant decline in the credit quality of large corporate clients. The second element is the impact of a deteriorating macroeconomic environment that affected all business lines. We forecast a slower economic growth in France (GDP growth of 0.7% in 2024 compared to 0.9% in 2023) and higher unemployment (7.8% in 2024 from 7.3% in 2023[4]).

Exhibit 3
Loan loss provisions/pre-provision income



Source: Moody's Ratings and bank reports

A strong capital base and high profit retention

The Capital score of aa2 assigned to CMAF is driven by its high capital ratio, its low leverage and its history of profit retention (exceeding 90%) most of its profit. This consistent profit retention - permitted by its cooperative structure - has allowed the bank to steadily grow its capital base over time. Hence, capital is one of the main strengths of the bank.

The bank's capitalisation will likely remain high despite some commercial expansion and the introduction of a 15% societal dividend of net income from 2024 onwards.

CMAF's Common Equity Tier 1 (CET1) capital ratio was 18.5% as of December 2023 versus a Supervisory Review and Evaluation Process (SREP) requirement of 8.82% for 2024[5]. Its Tier 1 leverage ratio was 6.9% as of H1 2023. While all French bancassurers' risk-weighted capital ratios are somewhat boosted by the so-called Danish compromise[6], CMAF's leverage, measured as Moody's-adjusted tangible common equity (TCE)/total assets[7] (including insurance assets) was sound at 6.2% as of H1 2023.

CMAF's capital adequacy is also bolstered by the issuance of cooperative shares, which we view as high-quality capital. Its cooperative shares of €8.2 billion accounted for 14% of total shareholders' equity as of H1 2023. 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 risk-weighted assets (RWA; 14.35% of RWA for the subordination MREL requirement) and 6.54% in terms of Leverage Ratio Exposure (LRE). As of year-end 2022, GCM reported MREL ratios well above these requirements. GCM's subordinated MREL ratio, made up with own funds, eligible subordinated and senior non-preferred liabilities, was 22.84% of RWA and 9.18% of LRE as of year-end 2022.

Low but resilient profitability because of home loan large exposure in France

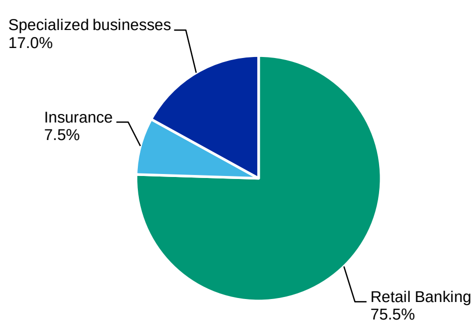
Our ba1 Profitability score for BFCM reflects its low-risk and low-return credit profile. Moreover it reflects its bancassurance model, which allows the cross-selling of diversified products to its clients. This will continue to support CMAF's earnings stability and help offset margin pressure faced by French banks since July 2022 when the European Central Bank (ECB) started to increase interest rates. In 2023, fees and commissions, net insurance revenue and revenue from other activities accounted for around 50% of the bank's net banking income.

CMAF is predominantly focused on domestic retail banking, small and medium-sized enterprise (SME) banking, and the French insurance sector. Including the network of CIC, 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 and the interest rate hedging strategies enable the group to deliver resilient and predictable earnings.

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 is also one of the largest insurers in France through GACM, with 37 million life and non-life insurance contracts as of year-end 2023 (up 3.2% from year-end 2022). Insurance activities will continue to be key to the development of the group, both domestically and in Germany.

Exhibit 4
CMAF has some degree of business diversification



Source: Moody's Ratings and bank reports

In 2023, CMAF reported a return on assets at 0.46%, which was weaker than its 0.51% adjusted ratio for extraordinary items in 2022[8] and the EU average of 0.71% as of September 2023[9].

CMAF's net interest margin, in line with that of many of its French peers, has not benefitted from the successive hikes in the ECB's interest rates. This is mainly because home loans are almost exclusively at fixed rates in France and because of the higher interest rate paid on time deposits. The remuneration of term deposits in France is largely a function of regulated savings rates. More than half of CMAF's total deposits consisted of time deposits as of December 2023. The net interest margin experienced pressure due to two primary factors. Firstly, the phenomenon known as 'taux d'usure' led to a delay in the repricing of loans. Secondly, there has been a decrease in the demand for credit.

In view of the above-mentioned factors, CMAF's revenue grew by only 2.8% in 2023 compared with 2022, constrained by low retail banking activity (+1.7%) and a slight drop in insurance revenue (1.5%). The main driver of revenue growth was the 15% rise in asset management, and corporate and institutional banking revenue. In 2023, CMAF's operating expenses and cost of risk increased more than its revenue (€563 million and €528 million, respectively, compared with revenue growth of €435 million).

The bank disclosed a cost-to-income ratio of 57% as of year-end 2023, which weakened because of higher operating expenses from the 55% reported as of December 2022. Nevertheless these performances rank CMAF higher than its French peers (at 70% as of September 2023 and 69% as of December 2022). In contrast, EU banks on average increased significantly their revenue far beyond their expenses, reaching a 55% efficiency ratio as of September 2023 compared with 61% as of December 2022[10].

Retail deposit 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[11] was 113% as of H1 2023, versus 107% as of year-end 2021 and 105% in 2019. Significant 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.

In 2023, CMAF increased its deposits by 5%. However, like for its peers, the bank's share of time deposits also increased (7%, close to 56% of the outstanding mix) as interest rates increased.

Nonetheless, wholesale funding will still remain a significant funding source for the group in the foreseeable future. As of H1 2023, the total amount of market funding (including covered bonds) was €155 billion, of which 66% was 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 needs) on all maturity buckets from three months up to five years. CMAF had liquidity reserves of €170 billion as of December 2023, which we consider sufficient because they fully covered much more than the wholesale debt maturing within 12 months.

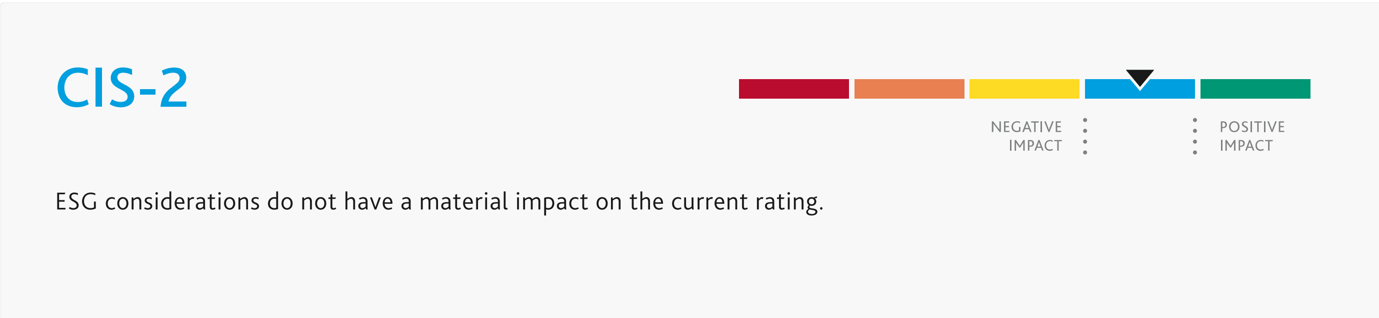
CMAF reported a liquidity coverage ratio (LCR) of 163% on average in 2023. The average high-quality liquid asset (HQLA) portfolio during the same period amounted to €126 billion, 80% of which were deposits with the central banks (mainly the ECB).

The assigned Liquidity Resources score of baa1 incorporates a negative adjustment for targeted longer-term refinancing operations (TLTRO) and 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 in 2024 as a consequence of the repayment of its TLTRO (€11 billion), remaining at a good level.

ESG considerations

Banque Federative du Credit Mutuel's ESG credit impact score is CIS-2

Exhibit 5
ESG credit impact score



Source: Moody's Ratings

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

Exhibit 6
ESG issuer profile scores

Source: Moody's Ratings

Environmental

BFCM faces moderate environmental risks primarily because of its portfolio exposure to carbon transition risk as a diversified bank. In line with its peers, the bank is exposed to mounting business risks and stakeholder pressure to meet broader carbon transition goals. In response, BFCM is developing its climate risk and portfolio management capabilities, and is actively transitioning its lending portfolios to achieve carbon neutrality targets.

Social

BFCM is exposed to high social risks particularly related to customer relations risk and associated regulatory and litigation risks, requiring high compliance standards. These risks are mitigated by BFCM's developed policies and procedures. BFCM's sound IT framework helps to manage high cyber and data security risks.

Governance

BFCM faces low governance risks. Its risk management policies and procedures are in line with industry practices and the bank has a proven track record of conservative financial policies and contained risk appetite. BFCM is part of the Credit Mutuel mutualist group (GCM), benefiting from the oversight of the group's central body Confederation Nationale du Credit Mutuel. As a mutualist group, GCM's structure has a multi-layered governance set-up, which entails governance and risk management challenges.

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 the 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 support from the French government 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 Aa2/Prime-1

The CRRs of 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 CRRs also benefit 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 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 7

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	↓	a3	Expected trend	
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - fully loaded)	18.8%	aa2	↓	aa2	Expected trend	Capital retention
Profitability						
Net Income / Tangible Assets	0.4%	ba1	↔	ba1	Earnings quality	
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	↓	baa1	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 Ratings

Ratings

Exhibit 8

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 Ratings

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 European Banking Authority (EBA) Risk Dashboard, Q3 2023.

3 EBA Risk Dashboard, Q3 2023.

4 Growth for G-20 economies to stabilize at modestly lower levels in 2024, March 2024.

5 Including a 4.5% Pillar 1 requirement, a 0.98% CET1 Pillar 2 requirement, a 2.5% capital conservation buffer and a 0.84% countercyclical buffer. The other systemically important institution (O-SII) buffer is set at the GCM level only (0.5%).

6 According to the European Union's Capital Requirement Directive IV and Capital Requirement Regulation, the exposure of bancassurers' insurance activities is reflected in their RWA with a weight of 250%. This results in a higher solvency ratio than if the capital allocated to insurance activities were to be fully deducted from the bank's capital base.

7 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 results in a lower ratio.

8 CMAF's return on assets was 0.51% in 2022, adjusted for extraordinary items related to Targobank. This included a goodwill impairment in Germany of €958 million and for €270 million related to the sale of the Spanish entity to ABANCA Corporacion Bancaria, S.A. (Baa3/Baa3 stable, ba1).

9 EBA Risk Dashboard, Q3 2023.

10 EBA Risk Dashboard, Q3 2023.

11 Moody's calculation.

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