

Bulletin:

# Credit Mutuel Anchors Bank Insurance Franchise In Germany Through Acquisition Of Oldenburgische Landesbank

March 21, 2025

PARIS (S&P Global Ratings) March 21, 2025--S&P Global Ratings said today that its ratings and outlook on France-based Banque Federative du Credit Mutuel (BFCM; A+/Stable/A-1) are unchanged following Credit Mutuel Alliance Federale (CMAF) announcing an agreement with the shareholders of Germany-based Oldenburgische Landesbank AG (OLB) to acquire 100% of OLB.

BFCM is the funding arm, central organ, and substantial part of CMAF--the largest subgroup of regional federations of cooperative banks that form the Credit Mutuel group (GCM, rated entity Caisse Centrale du Credit Mutuel, A+/Stable/A-1). CMAF plans to acquire OLB via BFCM's Germany-based subsidiary Targobank Deutschland GmbH.

We think that, following this transaction, CMAF will benefit from a better franchise and will be in a favorable position to expand further its activities in Germany, its second domestic market, in line with its strategic plan 2027. While this move will increase CMAF's diversification, it does not alter our overall view of GCM's business position, given the relatively small size of OLB compared to CMAF's French operations.

OLB is a profitable universal bank with a network of 80 branches, operations throughout Germany, and a strong foothold in Lower Saxony. It serves one million customers and provides a full range of banking and insurance services to individuals and professionals. As of year-end 2024, OLB's customer loans stood at €25.4 billion, and were well balanced between retail (80% of which being mortgages, essentially in Germany) and diversified corporate lending. CMAF said that with this acquisition, Targobank will be the 10th largest bank by assets in Germany, with a consolidated 4.8 million customers and €79 billion in total assets. In 2024, OLB generated a net banking income of nearly €750 million with a low cost-to-income ratio, well below 50%, and a net income after tax of €270 million.

CMAF estimates that this move will lower its common equity tier 1 ratio by 115 basis points. This immediate impact materially reduces its buffer to absorb any potential pressure on asset quality and earnings, or growth in exposures. However, we do not expect the acquisition to alter our view of GCM's strong capitalization, which is supported by sound earnings and a conservative dividend policy owing to its cooperative structure. We continue to forecast that our risk-adjusted capital ratio before diversification for GCM will stand well above our 10% mark until 2026. We do not expect this acquisition to materially change the group's risk profile. We will monitor the execution of the transaction and the further integration of OLB.

**PRIMARY CREDIT ANALYST**

**Francois Moneger**  
Paris  
+ 33 14 420 6688  
francois.moneger  
@spglobal.com

**SECONDARY CONTACT**

**Nicolas Malaterre**  
Paris  
+ 33 14 420 7324  
nicolas.malaterre  
@spglobal.com

**RESEARCH ASSISTANT**

**Nicolas Poirier**  
Paris

CMAF said the completion of the transaction is expected by the first half of 2026, subject to receipt of customary regulatory approvals.

This report does not constitute a rating action.

Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.spglobal.com/ratings](http://www.spglobal.com/ratings) (free of charge), and [www.ratingsdirect.com](http://www.ratingsdirect.com) (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.spglobal.com/usratingsfees](http://www.spglobal.com/usratingsfees).

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.