Credit Mutuel Alliance Federale

Key Rating Drivers

Business Profile, Capital Drive Ratings: Credit Mutuel Alliance Federale's (CM Alliance Federale) ratings primarily reflect Fitch Ratings' assessment of Groupe Credit Mutuel's (Groupe CM) stable, domestically focused, retail and commercial banking business model. The group leverages on strong franchises in bancassurance and consumer finance. The Negative Outlook primarily reflects increased downside risks to the recovery of Groupe CM's profitability towards an operating profit/risk-weighted assets (RWA) ratio of about 2% by 2027.

The ratings are underpinned by Groupe CM's capitalisation, one of the strongest in Europe. They also factor in limited risk appetite, adequate albeit deteriorating asset quality, less profitable operations than European peers', stable funding and conservative liquidity.

Leading Bancassurer in France: Groupe CM has the third-largest retail and commercial banking franchise in France and well-established market positions in insurance and in consumer finance. The group generates most of its revenue domestically, but has diversification in Belgium and Germany, where it is mainly active in consumer finance, leasing and factoring. Oldenburgische Landesbank's (OLB) acquisition will support diversification away from domestic retail banking.

Groupe CM's main regional groups prioritise the steady, mainly organic, development of their historical franchises, with a particular focus on their social impact and their capital position.

Conservative Risk Profile: Groupe CM's cooperative status supports a low risk appetite, underpinned by its large portfolio of low-risk home loans in France, although higher-margin consumer loans result in structurally higher default rates. The group has limited tolerance for traded market risks, compared with larger French peers, which benefits its risk profile. Similar to other French banks, Groupe CM has structurally high exposure to interest rate risks.

Adequate, Albeit Deteriorated, Asset Quality: Groupe CM's impaired loans ratio rose to 3% at end-2024 (up 50bp from end-2022), above most 'A+' rated European peers'. We anticipate the domestic economic environment to further weaken the group's asset-quality metrics in 2025 and the impaired loans ratio to only slightly decrease by end-2027. Loan impairment charges (LICs) rose faster than at French peers and should remain at 25bp–35bp of gross loans over 2025–2027. This is mitigated by satisfactory loan loss allowance coverage (66% at end-2024).

Downside Risks to Profitability: Groupe CM's operating profitability dropped to a low 1.6% of RWAs in 2024 on rapidly rising LICs, a higher-than-peers RWA density and a rigid cost base. We forecast this ratio to slowly recover to about 2% in 2027, all else being equal. Our expectations are based on LICs remaining in line with European peers' average over the period and are sensitive to a further deterioration of the domestic economic environment.

Very Strong Capitalisation: Groupe CM's very strong capitalisation underpins the ratings and compares favourably with most European banks'. This is because the regional groups adopt prudent capital planning and have limited pay-outs to cooperative owners. The group's end-June 2025 common equity Tier 1 (CET1) ratio of 19.8% provided an ample buffer above regulatory requirements. We project the CET1 ratio to remain at 19%–20% by 2027.

Stable Funding, Conservative Liquidity: Groupe CM benefits from a large, stable deposit base, mainly from its retail banking networks in France, although its gross loans/customer deposits ratio (around 110% at end-2024) is slightly higher than most French peers'. Liquidity is managed conservatively by the regional groups, which hold large buffers of liquid assets. The group's sound buffer of high-quality liquid assets comfortably covers its short-term commitments.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

The rating headroom has materially decreased following the downgrade of France's sovereign rating to 'A+' and the subsequent revision of the French banking sector operating environment score to 'a+', as the ratings are now capped at this level and will likely be downgraded in the case of another sovereign downgrade.

We would likely downgrade CM Alliance Federale's ratings if Groupe CM's profitability rebound to 2% of operating profit/RWAs over the next two years was delayed, or if the group's impaired loans ratio was to remain durably above 3%. Although not expected, weaker risk controls or looser credit risk management, uncontrolled expansion in volatile businesses or geographies, or a decrease of the CET1 ratio below 17% would also be rating negative.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An upgrade is unlikely given the Negative Outlook on the Long-Term IDR. The Outlook on the Long-Term IDR could be revised to Stable if Groupe CM's earnings improve on a sustained basis, indicating it can consistently deliver an operating profit/RWAs of about 2%, while maintaining a low risk appetite evidenced by an impaired loans ratio sustainably below 3%.

Over the medium term, with an improvement of the French sovereign rating and the French banking sector operating environment, the ratings could be upgraded if Groupe CM strengthens its franchise, and its geographical and business diversification, improves its operating profit/RWAs towards 3%, while maintaining a conservative risk appetite and very strong capitalisation. An improvement in the impaired loans ratio towards 1% would also be rating positive.

Other Debt and Issuer Ratings

Rating Level	Rating
Banque Federative du Credit Mutuel S.A. (BFCM)	
Issuer Default Ratings	A+/F1
Viability Rating	a+
Government Support Rating	ns
Derivative Counterparty Rating	AA-(dcr)
Deposits	AA-/F1+
Senior preferred debt	AA-/F1+
Senior non-preferred debt	A+
Subordinated Tier 2 debt	A-
Credit Industriel et Commercial S.A. (CIC)	
Issuer Default Ratings	A+/F1
Viability Rating	a+
Government Support Rating	ns
Deposits	AA-/F1+
Senior preferred debt	AA-/F1+

Source: Fitch Ratings

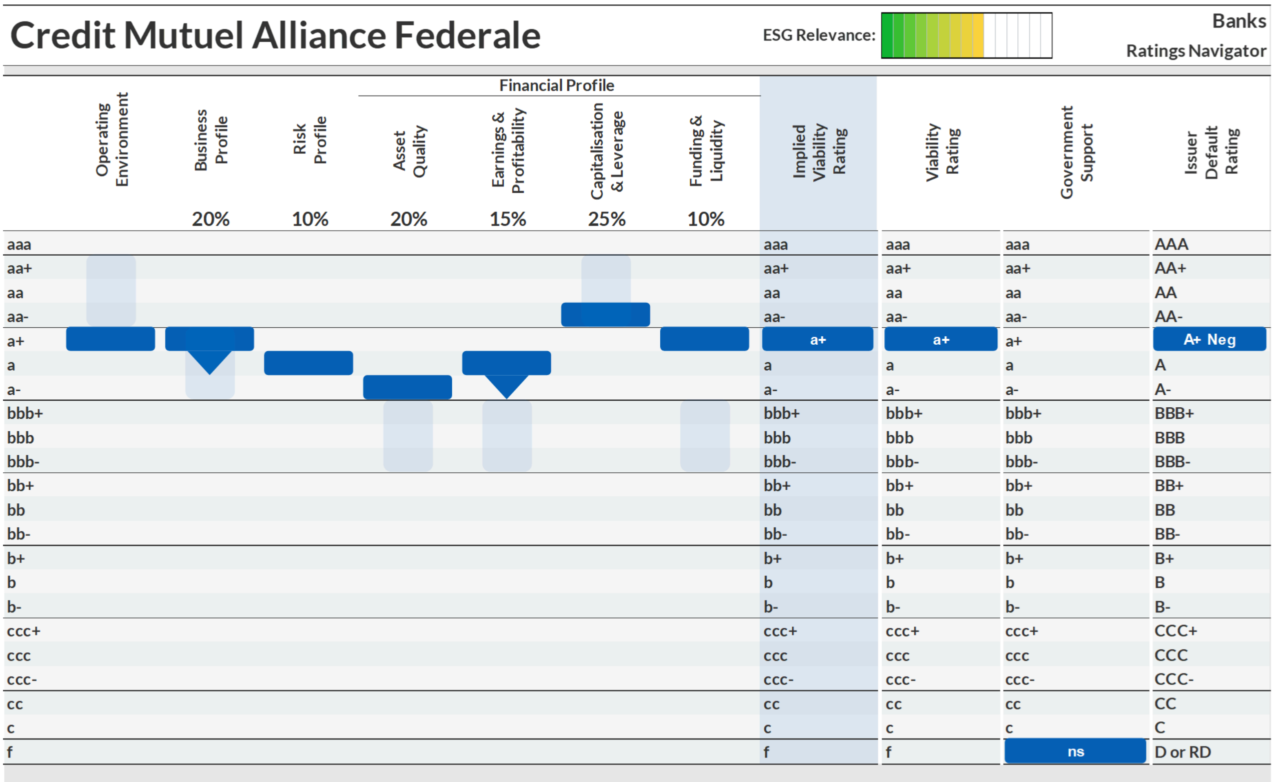
The total minimum requirement for own funds and eligible liabilities (MREL) is set at the level of Groupe CM at 25.3% of RWAs. As Groupe CM does not have a central debt issuance entity, each of the CM subgroups will need to have own funds and eligible liabilities above this threshold for Groupe CM to comply with MREL. We estimate Groupe CM's total capital and buffer of senior non-preferred debt at about 27.5% at end-June 2025, and we expect Groupe CM will continue to meet its total MREL without recourse to senior preferred debt. As a result, BFCM's and CIC's long-term deposits and senior preferred debt ratings are one notch above CM Alliance Federale's Long-Term IDR.

For the same reasons, we rate BFCM's senior non-preferred long-term debt in line with its Long-Term IDR. BFCM's Derivative Counterparty Rating (DCR) of 'AA-(dcr)' is in line with equally ranking senior preferred debt and deposits.

BFCM and CIC's 'F1+' short-term deposit and senior preferred debt ratings are the only options mapping to 'AA-' long-term ratings.

We rate BFCM's subordinated Tier 2 debt two notches below CM Alliance Federale's Viability Rating (VR), reflecting Fitch's baseline notching for loss severity for those instruments.

Ratings Navigator



The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

VR - Adjustments to Key Rating Drivers

CM Alliance Federale's implied VR Key Rating Drivers are derived from Groupe CM's consolidated accounts.

The operating environment score of 'a+' is below the 'aa' category implied score due to the following adjustment reason: sovereign rating (negative).

The asset quality score of 'a-' is above the 'bbb' category implied score due to the following adjustment reason: collateral and reserves (positive).

The earnings and profitability score of 'a' is above the 'bbb' category implied score due to the following adjustment reason: revenue diversification (positive).

The funding and liquidity score of 'a+' is above the 'bbb' category implied score due to the following adjustment reason: deposit structure (positive).

Other

Decentralised Cooperative Banking Group

Fitch rates CM Alliance Federale as a core part of Groupe CM. CM Alliance Federale is about 80% of Groupe CM's assets, and CM Arkea is over 15%. We believe the existing solidarity mechanism binding all affiliated CM entities is cohesive enough to equalise their default risk. This is supported by a legally established and effective support mechanism, as the central body can access the group's resources to support its affiliated members.

In addition, CM Arkea's decision to abandon its independence project has strengthened the group's cohesion over the last two years.

Groupe CM publishes consolidated audited accounts, is supervised as a group and assigned consolidated resolution debt requirements. There is a common risk framework and overarching risk supervision from the central body, which can prevent affiliated banks from taking on excessive risks. That said, regional groups run independent risk functions and strategies.

Fitch assigns a group VR to CM Alliance Federale and its subsidiaries, BFCM and CIC, which are core banks for Groupe CM. This is because the two subsidiaries are large and highly integrated domestic banks. Their credit profiles cannot be disentangled from those of CM Alliance Federale and Groupe CM, and we view their failure risk as substantially the same as that of the group as a whole. As a result of the above, the IDRs of BFCM and CIC are equalised with those of CM Alliance Federale.

Company Summary and Key Qualitative Factors

Business Profile

Strong Bancassurance Franchise in France

CM Alliance Federale is the largest alliance of local cooperative banks within the larger Groupe CM cooperative banking group. It is the fifth-largest retail and commercial bank by assets in France. CM Alliance Federale mainly operates in France through two banking networks, the local CM cooperative banks and CIC's regional banks, and has sound market shares of about 15% in loans and 13% in deposits.

Earnings diversification mainly comes from life and non-life insurance activities, which have strong domestic market positions, as well as from specialist consumer finance subsidiaries Targobank and Cofidis Group. These businesses have a significant profit contribution due to high interest margins. Wealth and asset management, and corporate and investment banking (CIB) activities remain small compared with those of larger French banks.

Strategic Roadmap for 2024–2027

As a cooperative group, CM Alliance Federale is less exposed to short-term pressure for shareholder returns than listed banks, allowing it to have a longer-term approach to strategy setting. The 2024–2027 strategic plan mostly focuses on retail and commercial banking in France and increased cross-selling with other business lines, such as insurance, consumer and equipment finance. The group also intends to diversify outside its retail banking business model, by strengthening its modest franchises in CIB and asset management.

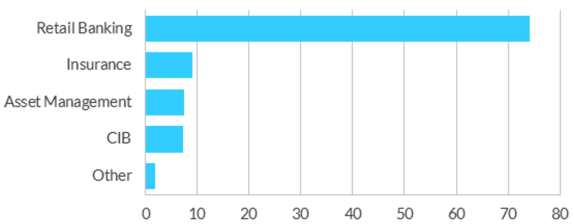
CM Alliance Federale targets an operating income of EUR19 billion and a net income of EUR5 billion in 2027. It also aims to lower its cost/income ratio to 54% by 2027. We view these aims as attainable, although sensitive to a further deterioration of the French economic environment.

OLB Acquisition to Broaden Presence in Germany

CM Alliance Federale announced the acquisition of German bank OLB in March 2025 from a consortium of investment firms that has owned OLB since 2013. This acquisition will be carried out by Targobank, the entity that consolidates CM Alliance Federale's activities in Germany, and should complete in 1H26.

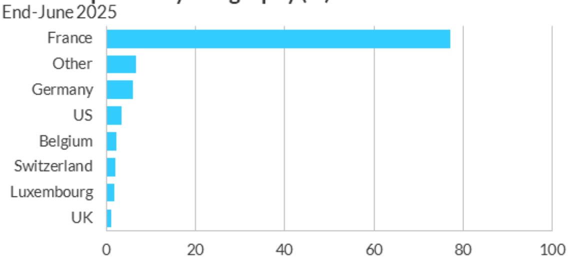
Germany accounted for 13% of CM Alliance Federale's revenue in 2024. The integration of OLB will support the geographical diversification of CM Alliance Federale's business model. We estimate the share of revenue generated in Germany could rise to about 17% in 2027. We also forecast that OLB's acquisition will support CM Alliance Federale's revenue base enough for it to reach EUR19 billion in 2027.

Income Split by Segment (%)
1H25



Source: Fitch Ratings, Fitch Solutions, CM Alliance Federale

Credit Exposure by Geography (%)
End-June 2025



Source: Fitch Ratings, Fitch Solutions, CM Alliance Federale

Risk Profile

Generally Sound Credit Risk Despite Higher-Risk Pockets

CM Alliance Federale's low risk appetite reflects the group's cooperative nature and domestic focus. The bank's risk profile is underpinned by its large portfolio of low-risk home loans in France. However, higher-margin consumer loans originated through specialised subsidiaries result in above-average default rates. Lending to corporates is mainly to professionals, SMEs and midcaps. CM Alliance Federale's underwriting standards are generally prudent, but asset quality has deteriorated over the past three years as corporate insolvencies in France increased materially.

The bank has a higher lending concentration to the real estate sector than domestic peers, but its exposure has performed well, with an impaired loans ratio broadly in line with the group average. Its commercial real estate (CRE) on- and off-balance-sheet exposure reached a fairly large EUR50 billion at end-2024 (73% of CET1 capital) but has a strong domestic focus and conservative loan-to-value ratios.

Lower-Than-Peers Exposure to Interest Rate and Market Risks

Similar to other French banks, Groupe CM is exposed to interest-rate risks from its domestic retail banking activities and, notably, the excess of fixed-rate housing loans over fixed-rate liabilities. CM Alliance Federale's net interest income proved more resilient in 2023 than other large retail banks' in France, reflecting an efficient hedging strategy. At end-June 2025, the bank estimated that a 200bp parallel downward rate shock would only reduce the net present value of its equity by 0.4% of Tier 1 capital.

CM Alliance Federale has low appetite for traded market risk and equity investments, although the latter generate some degree of earnings volatility. Its capital market activities comprise client flow-driven activities and a small proprietary trading operation, which invests in actively traded securities and within prudent limits. The bank also holds a small, granular portfolio of private equity investments, through which it seeks to support local entrepreneurs.

Financial Profile

Asset Quality

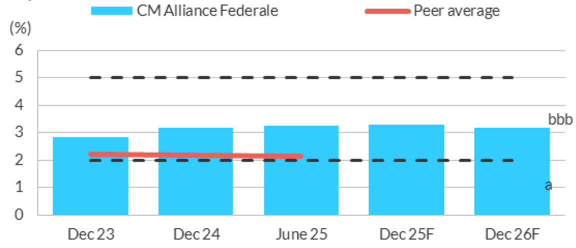
Asset Quality Pressured by Weaker Economic Environment

CM Alliance Federale's asset quality is underpinned by a large portfolio of fixed-rate housing loans. The quality of home loans originated by the CM and CIC French retail networks and loans to small businesses, SMEs and corporates is generally sound. However, a deterioration in the economic environment has recently weakened the group's asset quality.

The stock of impaired loans rose 8% yoy at end-June 2025, leading to an increase in the impaired loans ratio by 20bp to 3.3%. This weakening largely owes to pressure on exposure to small companies and SMEs and consumer loans, which was more marked than at French peers, and a number of large corporate defaults, which also affected domestic competitors. CM Alliance Federale's higher relative share of consumer loans in its loan portfolio also means they weigh more on its asset-quality metrics than at peers', as they represent a large share of impaired loans compared to their weight in the loan portfolio. We expect LICs to remain higher than long-term averages at 25bp–30bp of gross loans in 2025–2027.

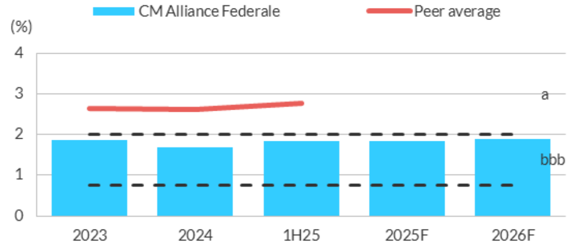
We believe the recent asset-quality weakness in France is mitigated by the bank's sound impaired loans reserve coverage ratio (end-June 2025: 65%), which helped cushion impaired loan formation. We expect CM Alliance Federale to accelerate the workout of its impaired loans, which has historically been slower than at European peers.

Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions, banks

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

Downside Risks to Earnings Recovery

CM Alliance Federale has a sound profitability record, which benefitted from some revenue diversification and good cost efficiency, but this record has deteriorated since 2022. The bank's operating profit slightly improved to 1.8% of RWAs in 1H25 but remained below most European peers', with a stable cost/income ratio of 57%.

Cost efficiency was one of the bank's strengths, owing to an efficient information system, decentralised structure and limited variable compensation schemes. However, a limited appetite for cost reductions constrains further profitability improvements, and CM Alliance Federale's cost efficiency is now on par with most similarly rated peers'.

Being less diversified than BNP Paribas SA or Credit Agricole, CM Alliance Federale is more affected by the underperformance of its domestic retail banking activities, which represented about 75% of total revenue in 1H25. LICs, which more than doubled over the past three years, pressure retail banking performance, which only represented about 50% of the bank's net income in 1H25. Insurance and CIB continue to support group profitability, but the weight of these businesses in the revenue mix is too small to offset the drop in retail banking.

We expect CM Alliance Federale's operating profit to reach about 2% of RWAs in 2027. We believe this trajectory is still consistent with the current ratings, but there are downside risks from a further deterioration of the economic environment resulting in higher-than-expected LICs, or from insufficient initiatives to resorb the current drag on profitability.

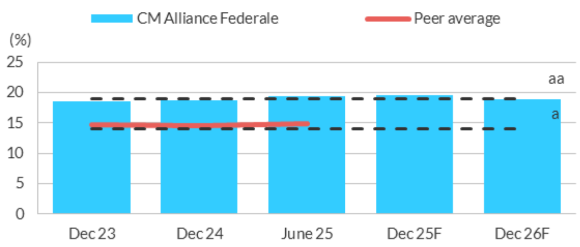
Capitalisation and Leverage

Capital Position Among Strongest in Europe

CM Alliance Federale is strongly capitalised compared with most European peers. The end-June 2025 CET1 ratio of 19.4% provided a very comfortable buffer above the 8.9% requirement. The ratio increased by 60bp from end-2024, due to stable RWAs and negligible effects of the first-time implementation of the Basel III endgame rules in 2025. We expect the bank to maintain this ample buffer despite OLB's acquisition, which should reduce the ratio by about 115bp.

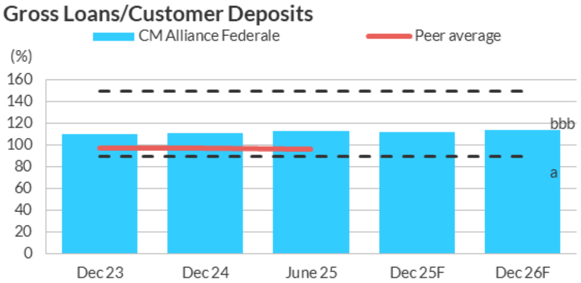
CM Alliance Federale has a strong regulatory leverage ratio (end-June 2025: 7.7%) due to a higher RWA density than large French peers, as the group uses fewer internal models to compute RWAs.

CET1 Ratio



Source: Fitch Ratings, Fitch Solutions, banks

Gross Loans/Customer Deposits



Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

Stable Deposits; Well-Established Market Access

The regional CM groups manage their funding and liquidity profiles independently and conservatively. Stable, granular deposits from retail customers are CM Alliance Federale's main funding source. Total customer deposits represent close to 70% of total funding, which is higher than at other large French banks. We expect CM Alliance Federale's loans/deposits ratio to remain in the range of 110%–115% over the next two years. The group also has well-established access to wholesale funding. CM Alliance Federale has completed its EUR17 billion 2025 funding plan and started to prefund for 2026. We do not observe a materially lower appetite for the bank's debt instruments despite the political uncertainties in France, and credit spreads have remained contained.

CM Alliance Federale has a sound liquidity profile, with central bank deposits and high-quality liquid assets totalling about EUR98 billion at end-June 2025 or 12% of total assets excluding insurance. Fitch calculates that this buffer comfortably covers the group's short-term funding and long-term debt coming due over the next 12 months. The liquidity coverage ratio and net stable funding ratio exceed requirements and compare well with French peers'.

Additional Notes on Charts

Black dashed lines represent boundaries for indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'a' category. Peer average includes Groupe BPCE (VR: a), Credit Agricole (a+), Lloyds Banking Group plc (a+), Cooperatieve Rabobank U.A. (a+), KBC Group NV (a), NatWest Group plc (a+), CaixaBank, S.A. (a-), ING Groep N.V. (a+), ABN AMRO Bank N.V. (a), BNP Paribas SA (a+). Unless otherwise stated, financial year end is 31 December for all banks in this report.

Financials

Financial Statements

	31 Dec 22	31 Dec 23	31 Dec 24	30 Jun 25	31 Dec 25F	31 Dec 26F
	12 months	12 months	12 months	1st half	12 months	12 months
	(EURm)	(EURm)	(EURm)	(EURm)	(EURm)	(EURm)
Summary income statement						
Net interest and dividend income	8,027	8,524	8,810	4,379	-	-
Net fees and commissions	4,531	4,585	4,807	2,411	-	-
Other operating income	4,783	2,977	3,016	1,993	-	-
Total operating income	17,341	16,086	16,633	8,783	17,481	18,260
Operating costs	10,328	9,174	9,259	5,024	9,815	10,188
Pre-impairment operating profit	7,013	6,912	7,374	3,759	7,666	8,072
Loan and other impairment charges	768	1,296	2,071	902	1,838	1,712
Operating profit	6,245	5,616	5,303	2,857	5,828	6,359
Other non-operating items (net)	-1,186	45	22	6	-	-
Tax	1,557	1,546	1,201	1,037	-	-
Net income	3,502	4,115	4,124	1,826	4,080	4,452
Other comprehensive income	-2,197	321	17	-28	-	-
Fitch comprehensive income	1,305	4,436	4,141	1,798	-	-
Summary balance sheet						
Assets						
Gross loans	510,464	530,609	538,254	539,909	543,637	578,973
– Of which impaired	13,180	15,133	17,114	17,664	-	-
Loan loss allowances	9,571	10,103	11,150	11,544	-	-
Net loans	500,893	520,506	527,104	528,365	-	-
Interbank	55,696	64,932	68,509	70,558	-	-
Derivatives	4,191	5,073	6,708	6,842	-	-
Other securities and earning assets	186,796	205,019	222,386	231,615	-	-
Total earning assets	747,576	795,530	824,707	837,380	-	-
Cash and due from banks	111,929	97,504	86,611	75,333	-	-
Other assets	25,582	20,496	20,891	19,145	-	-
Total assets	885,087	913,530	932,209	931,858	936,495	985,399
Liabilities						
Customer deposits	456,995	481,157	482,942	478,771	483,425	510,013
Interbank and other short-term funding	129,030	106,316	112,674	108,913	-	-
Other long-term funding	88,443	116,432	114,835	117,211	-	-
Trading liabilities and derivatives	11,357	8,752	9,703	9,726	-	-
Total funding and derivatives	685,825	712,657	720,154	714,621	-	-
Other liabilities	141,899	137,879	145,373	149,541	-	-
Preference shares and hybrid capital	615	615	634	26	-	-

Total equity	56,748	62,379	66,048	67,670	-	-
Total liabilities and equity	885,087	913,530	932,209	931,858	936,495	985,399

Source: Fitch Ratings, Fitch Solutions, CM Alliance Federale

Key Ratios

(%; annualised as appropriate)	31 Dec 22	31 Dec 23	31 Dec 24	30 Jun 25	31 Dec 25F	31 Dec 26F
Profitability						
Operating profit/risk-weighted assets	2.2	1.9	1.7	1.8	1.8	1.9
Net interest income/average earning assets	1.1	1.1	1.1	1.1	1.1	1.1
Non-interest expense/gross revenue	59.6	57.1	55.7	57.3	56.2	55.9
Net income/average equity	6.3	6.9	6.4	5.5	-	-
Asset quality						
Impaired loans ratio	2.6	2.9	3.2	3.3	3.3	3.2
Growth in gross loans	12.7	4.0	1.4	0.3	1.0	6.5
Loan loss allowances/impaired loans	72.6	66.8	65.2	65.4	65.5	66.6
Loan impairment charges/average gross loans	0.2	0.2	0.4	0.3	0.3	0.3
Capitalisation						
Common equity Tier 1 ratio	18.2	18.5	18.8	19.4	19.6	19.0
Tangible common equity/tangible assets	5.8	6.5	6.7	6.9	-	-
Basel leverage ratio	6.6	7.1	7.4	7.7	-	-
Net impaired loans/common equity Tier 1 capital	7.1	9.0	10.1	10.1	-	-
Funding and liquidity						
Gross loans/customer deposits	111.7	110.3	111.5	112.8	112.5	113.5
Liquidity coverage ratio	144.0	150.0	177.0	170.6	-	-
Customer deposits/total non-equity funding	67.5	68.2	67.7	67.7	-	-
Net stable funding ratio	116.1	115.1	116.7	117.4	-	-

Source: Fitch Ratings, Fitch Solutions, CM Alliance Federale

Support Assessment

Commercial Banks: Government Support	
Typical D-SIB GSR for sovereign's rating level (assuming high propensity)	a to a-
Actual jurisdiction D-SIB GSR	ns
Government Support Rating	ns
Government ability to support D-SIBs	
Sovereign Rating	A+/ Stable
Size of banking system	Negative
Structure of banking system	Negative
Sovereign financial flexibility (for rating level)	Neutral
Government propensity to support D-SIBs	
Resolution legislation	Negative
Support stance	Neutral
Government propensity to support bank	
Systemic importance	Neutral
Liability structure	Neutral
Ownership	Neutral

The colours indicate the weighting of each KRD in the assessment.
Influence: Light blue = lower; Dark blue = moderate; Red = higher

No Reliance on Sovereign Support

CM Alliance Federale, BFCM and CIC's Government Support Ratings of 'no support' (ns) reflect Fitch's view that, although possible, sovereign support cannot be relied on. Legislative, regulatory and policy initiatives, including the implementation of the EU's Bank Recovery and Resolution Directive, have substantially reduced the likelihood of sovereign support for EU commercial banks in general, in our view. This implies that senior creditors would probably be required to participate in losses, if necessary, instead of the bank receiving sovereign support, despite Groupe CM's systemic importance.

Environmental, Social and Governance Considerations

FitchRatings **Credit Mutuel Alliance Federale**

Banks
Ratings Navigator

Credit-Relevant ESG Derivation

Credit Mutuel Alliance Federale has 5 ESG potential rating drivers

- Credit Mutuel Alliance Federale has exposure to compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security) but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			ESG Relevance to Credit Rating
key driver	0	issues	5
driver	0	issues	4
potential driver	5	issues	3
not a rating driver	4	issues	2
	5	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	1	n.a.	n.a.	5
Energy Management	1	n.a.	n.a.	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile (incl. Management & governance); Risk Profile; Asset Quality	1

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Business Profile (incl. Management & governance); Risk Profile	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile (incl. Management & governance); Risk Profile	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile (incl. Management & governance)	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile (incl. Management & governance); Financial Profile	1

How to Read This Page
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.h scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Operational implementation of strategy	Business Profile (incl. Management & governance)	5
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Business Profile (incl. Management & governance); Earnings & Profitability; Capitalisation & Leverage	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile (incl. Management & governance)	3
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile (incl. Management & governance)	2
				1

CREDIT-RELEVANT ESG SCALE
How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/topics/esg/products#esg-relevance-scores.

Ratings

Foreign Currency	
Long-Term IDR	A+
Short-Term IDR	F1
Viability Rating	a+
Government Support Rating	ns
Sovereign Risk (France)	
Long-Term Foreign-Currency IDR	A+
Long-Term Local-Currency IDR	A+
Country Ceiling	AAA
Outlooks	
Long-Term Foreign-Currency IDR	Negative
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

ESG and Climate

Credit Mutuel Alliance Federale	
Environmental	2
Social	3
Governance	3

Applicable Criteria

Bank Rating Criteria (March 2025)

Related Research

Fitch Revises Outlook on Credit Mutuel Alliance Federale to Negative; Affirms IDR at 'A+' (December 2025)
Global Economic Outlook - December 2025
Large French Banks' Rating Headroom Reduced on Sovereign Downgrade (September 2025)
EU Bank Profitability and Capital Drive Better EBA Stress-Test Results (August 2025)
European Banks Resilient to US Tariffs (August 2025)
European Bank Consolidation: Q&A (July 2025)
French Bank Profits to Recover Further on Latest Livret A Rate Cut (July 2025)
Large French Banks – Peer Credit Analysis (June 2025)

Analysts

Sixte de Monteynard
+33 1 44 29 92 82
sixte.demonteynard@fitchratings.com

Olivia Perney
+33 1 44 29 91 74
olivia.perney@fitchratings.com

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

FORECAST DISCLAIMER FOR FINANCIAL INSTITUTIONS

Any forecast(s) in this report reflect Fitch's forward view on the issuer's financial metrics. They are constructed using a proprietary internal forecasting tool and based on a combination of Fitch's own performance assumptions, macroeconomic forecasts, sector-level outlook and issuer-specific considerations. As a result, Fitch's forecasts may differ materially from the rated entity's forecasts or guidance and may not reflect the assumptions that other market participants may make. To the extent Fitch is aware of material non-public information with respect to future events, such as planned recapitalisations or merger and acquisition activity, Fitch may not reflect these non-public future events in its published forecasts. However, where relevant, such information is considered by Fitch as part of the rating process.

Fitch may update the forecasts in future reports but assumes no responsibility to do so. Original financial statement data for historical periods may be processed by affiliates of Fitch, together with certain outsourcing services. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by its employees.

Fitch's forecasts are one component used by the agency to assign a rating or determine an Outlook. The information in the forecasts reflects material but not exhaustive elements of Fitch's rating assumptions for the issuer's financial performance. It cannot be used to establish a rating, and it should not be relied on for that purpose.