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CREDIT OPINION
20 December 2023

Update

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RATINGS

Credit Agricole S.A.

Domicile	Paris, 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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Credit Agricole S.A.

Update following rating affirmation

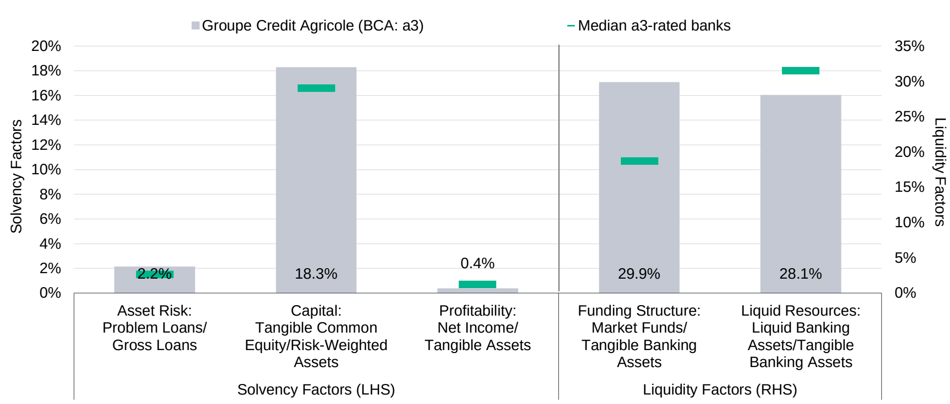
Summary

Credit Agricole S.A.'s (CASA) deposit and senior unsecured Aa3 debt ratings reflect (1) the bank's Baseline Credit Assessment (BCA) of baa2; (2) two notches of affiliate support from Groupe Credit Agricole (GCA; the Group); (3) a very low loss given failure for long-term depositors and senior unsecured creditors based on our Advanced Loss Given Failure (LGF) analysis resulting in a two-notch uplift from the adjusted BCA (a3) ; and (4) our assumption of moderate support from the Government of France (Aa2 stable), resulting in one notch of uplift.

CASA's adjusted BCA of a3 primarily reflects the Group's strong capitalisation, which benefits from the capacity of the group to retain a larger fraction of its earnings than private banks. It also reflects the Group's dominant retail banking, insurance and asset management franchises in France. The Group's standalone financial strength is also characterised by a high asset quality, which remained stable through the recent economic and market turmoils, stable earnings supported by diversified businesses in France and abroad and a strong funding structure.

CASA's Aa3 deposit and senior unsecured debt ratings also benefit from two notches of uplift from our Advanced Loss Given Failure (LGF) analysis which factors in the volume of junior deposits and the amount of subordinated debt; and one notch of uplift stemming from a moderate probability of government support, given the systemically importance of the Group in France and globally.

Exhibit 1
Rating Scorecard - Key financial ratios



Source: Moody's financial metrics

Thanks to the internal support mechanisms prevailing within GCA's co-operative perimeter, CASA's adjusted BCA of a3 is driven by the assessment of the Group's creditworthiness on a consolidated basis, whereas its BCA of baa2 reflects the bank (CASA)'s weaker overall credit fundamentals compared with those of the group.

Credit strengths

» Solid asset quality and strong coverage of risks by provisions

» Robust capital generation stemming from stable and diversified earnings and high profit retention at group level

» Large capital buffer, which results in a solid loss absorption capacity

» Very low loss-given-failure for deposits and senior unsecured debt given the large amounts of junior deposits and senior debt as well as a large cushion of subordinated instruments

» Moderate probability of government support owing to the systemic importance of the Group in France and globally.

Credit challenges

» Despite the ongoing rise in interest rates, margin pressure persists as regulated savings in France are repriced more swiftly than the loan book.

» Reliance on wholesale funding, which is counterbalanced by diversified long term resources, stable deposit base as well as by a comfortable liquidity buffer.

Rating outlook

The outlook on CASA's long-term issuer rating and GCA rated entities' long-term deposit and senior unsecured debt ratings is stable, reflecting our view that the Group's profitability prospects and strong solvency, which are underpinned by a diversified universal banking model and the proven capacity to grow businesses organically and externally, will continue to generate sustained capital accretion. Despite our expectation of moderate asset risk deterioration in coming quarters and continued margin pressure in French retail networks, we believe that GCA's and CASA's strong creditworthiness will not be altered.

Factors that could lead to an upgrade

» An upgrade of the ratings would result from stronger Group financial metrics which would be reflected in higher Adjusted BCAs at CASA and CACIB, in particular if the ongoing diversification were to yield sustained improvements in profitability without deterioration of currently strong asset quality, and if market funding were to account for a lower share of the Group's funding. However, the proximity of CASA and CACIB's Aa3 deposit and senior unsecured debt ratings with France' sovereign rating of Aa2 could also constrain the possibility of an upgrade.

Factors that could lead to a downgrade

» We could downgrade CASA's long-term ratings in case of a significant increase in the Group's asset risk, due to e.g. a worsening of the operating environment in key markets and/or if further erosion in net interest margin in French retail activities were not offset by other revenues. The senior unsecured debt ratings could also be downgraded because of a decrease in their volume and/or in the volume of instruments subordinated to them, which would result in a higher loss-given-failure.

Key indicators

Exhibit 2

Groupe Credit Agricole (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)	2,398,986.0	2,197,930.0	2,215,468.0	2,077,178.0	1,883,850.0	7.2[4]
Total Assets (USD Million)	2,617,294.5	2,345,734.7	2,510,360.0	2,541,543.4	2,114,618.3	6.3[4]
Tangible Common Equity (EUR Million)	116,332.0	105,537.0	100,015.0	92,799.0	92,657.1	6.7[4]
Tangible Common Equity (USD Million)	126,918.3	112,634.1	113,327.6	113,544.7	104,007.4	5.9[4]
Problem Loans / Gross Loans (%)	2.1	2.1	2.0	2.4	2.5	2.2[5]
Tangible Common Equity / Risk Weighted Assets (%)	19.5	18.4	17.1	16.5	16.6	17.6[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	18.0	19.1	18.2	20.8	20.6	19.3[5]
Net Interest Margin (%)	0.8	0.9	0.9	0.9	1.0	0.9[5]
PPI / Average RWA (%)	2.4	2.3	2.3	2.0	2.1	2.2[6]
Net Income / Tangible Assets (%)	0.4	0.4	0.4	0.3	0.5	0.4[5]
Cost / Income Ratio (%)	61.1	64.8	63.3	65.9	65.3	64.1[5]
Market Funds / Tangible Banking Assets (%)	--	29.9	31.7	31.8	31.5	31.2[5]
Liquid Banking Assets / Tangible Banking Assets (%)	27.9	28.1	30.2	29.5	25.8	28.3[5]
Gross Loans / Due to Customers (%)	--	103.2	102.3	102.0	108.7	104.1[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

Exhibit 3

Credit Agricole S.A. (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)	2,028,061.8	1,999,803.0	1,963,221.0	1,826,275.0	1,640,580.0	6.2[4]
Total Assets (USD Million)	2,212,616.1	2,134,284.3	2,224,537.4	2,234,549.5	1,841,548.1	5.4[4]
Tangible Common Equity (EUR Million)	44,765.0	43,741.2	42,783.0	39,309.0	41,634.0	2.1[4]
Tangible Common Equity (USD Million)	48,838.6	46,682.7	48,477.7	48,096.8	46,734.1	1.3[4]
Problem Loans / Gross Loans (%)	2.6	2.7	2.6	3.3	3.3	2.9[5]
Tangible Common Equity / Risk Weighted Assets (%)	11.9	12.1	11.4	11.7	12.9	12.0[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	25.0	25.1	23.0	27.4	25.8	25.3[5]
Net Interest Margin (%)	0.7	0.6	0.6	0.7	0.7	0.7[5]
PPI / Average RWA (%)	3.0	2.2	2.4	2.1	2.5	2.4[6]
Net Income / Tangible Assets (%)	0.4	0.3	0.3	0.2	0.4	0.3[5]
Cost / Income Ratio (%)	56.4	64.0	61.7	64.6	61.4	61.6[5]
Market Funds / Tangible Banking Assets (%)	36.5	41.4	42.3	41.5	40.3	40.4[5]
Liquid Banking Assets / Tangible Banking Assets (%)	58.2	58.7	60.8	60.6	57.8	59.2[5]
Gross Loans / Due to Customers (%)	64.1	59.7	59.6	57.4	62.0	60.6[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

The financial data in the following sections are sourced from GCA's financial statements and CASA's quarterly presentations.

GCA is the largest retail bancassurance group in both France and Europe and is one of Europe's major financial institutions, with €2.4 trillion assets as of June 2023. The group has leading domestic market shares in retail and corporate deposits and mortgage loans of around 26% and 33%, respectively, as of June 2023. GCA is also the leading insurance group by written premiums and one of the largest life insurance company in France through Credit Agricole Assurances. CASA is the central body of GCA's mutualist network, which, according to French law is tasked with oversight functions over all affiliated members and is required to ensure that all entities have adequate capital and liquidity at all times. As of end-September 2023, it is held at 59.7% by the Group's 38[1] regional banks (themselves held by mutual shareholders, who are the banks' customers) whereas 6.8% is owned by employees and around 33% is free floating.

As a universal bank, GCA operates in retail banking, insurance, payment services, asset management, leasing, factoring, consumer finance, and corporate and investment banking, both in France and internationally. The Group activities are grouped in five main business lines: asset gathering (asset management, through Amundi, the leading European asset manager by assets under management, insurance through Credit Agricole Assurances and wealth management); retail banking in France (CA regional banks and LCL), Italy with Credit Agricole Italia S.p.A (CA Italia, Baa1 stable, ba1) and marginally in a few other locations; specialized financial services (consumer finance and leasing and factoring); large customers (CA-CIB - Aa3/Aa3 stable, baa3- and CACEIS, the EU largest custodian); and corporate center (real estate, payment services, equity holdings). Several self-funded acquisitions have been completed in recent years to shore up the group's diversification and create synergies with its existing businesses, including the acquisition of Creval by CA Italia 2021, Sabadell AM and Lyxor by Amundi in 2020 and 2021 respectively, RBC Investor Services by CACEIS in 2023, or some material car leasing portfolios from ALD and LeasePlan by CACF in 2023.

As a mutualist banking group, GCA is governed by Article 511-31 of the French Financial and Monetary Code. Under this framework, the central body of mutual groups is responsible for ensuring cohesion between member banks. The central body is required to take all necessary measures to ensure that each affiliated member, including the central body itself, if necessary, maintains satisfactory liquidity and solvency. This framework provides the legal basis for the mutual support mechanism in place in each mutual banking group according to which each affiliated member is committed to providing financial support of all other members under the oversight of the central body. In practice, GCA's internal support scheme involves CASA, the other member banks (the 39 regional banks) and affiliated subsidiaries (CACIB and BforBank). Under this mechanism, CASA might, for example, decide to merge regional banks in order to tackle difficulties. In addition, a joint and several guarantee issued in 1988 sets out that the regional banks guarantee all of CASA's obligations to third parties and they also cross-guarantee each other, should CASA become insolvent.

Please click here for further details on France's banking system profile and here for further information on the structure of French mutualist banking groups.

Detailed credit considerations

Strong asset quality combined with high and improving coverage of risks by provisions

We view GCA's asset quality as strong, which has been confirmed by its resilience through the pandemic crisis. The Group's asset base is diversified and granular as more than half of its loan portfolio stems from retail activities. The group is also an important lender to small and mid-sized corporates (around 9% of total net risk exposure at end-December 2022), somewhat more exposed to the effects of rising inflation and to recessionary risks in Europe. Nevertheless, the Group also has material exposure to lumpier exposures to corporate sectors more sensitive to the surge in energy price such as shipping and aviation (around 0.7% and 0.8% respectively of GCA's exposure at default as of end-December 2022) and oil and gas (1.3% of GCA's exposure at default excluding credit institutions as of end-December 2022)[2] essentially underwritten by Credit Agricole Corporate and Investment Bank (CACIB), its corporate and investment banking subsidiary. Those risks are mitigated by the long-standing experience of the bank in asset financing, the strong financial profile of most borrowers in these sectors and the highly collateralized structures of most exposures. The group has also a material exposure to commercial real estate (3.3% of Group's commercial lending at the end of June 2023) of which most of the exposure is to real estate professionals with a default rate of 2.6%, a coverage ratio of NPLs of 53% whereas 73% of the CRE exposure feature a loan-to-value below 60%. The majority of the exposure is in France (71%), Italy (6%) and the rest of the European Union (5%). Although we expect negative effects from rising interest rates on this portfolio's performance, risks to the group seem to be relatively limited.

Exposures to inherently more volatile capital market activities, which CASA reports under the Capital Markets and Investment Banking division of its Large Customers business line represented around 9% of GCA's revenues in the first nine months of 2023. Market risks associated with GCA's capital market activities decreased since the end of 2022. Average Value at Risk has decreased slightly to an average of €13 million as of end-September 2023 down from €15 million average in December 2022, well below other French banks with large capital market activities.

In June 2021, CA Italia successfully completed the acquisition of Credito Valtellinese's (Creval, ratings withdrawn), enhancing the group's presence in the North of Italy, as the 6th largest Italian bank by customer assets. In the first nine months of 2023, the stock of €3.4 billion of NPLs remained broadly flat and the coverage ratio of gross NPLs in Italy (including CA Italia, Agos, Credit Agricole Auto Bank and CACIB) continued to increase to 77.8% at the end of September up from 73.5% at the end of 2022 and 71.4% at the end of 2021, providing a buffer against asset quality deterioration.

The group's NPL to gross loans ratio stood at 2.2% at end-September 2023, broadly stable in the past two years and close to the EU average. So far, repayment on loan with moratoria extended during the pandemic has been performing well, and the majority of state-guaranteed loans have been converted into medium-term loans. The military conflict in Ukraine and international sanctions on Russia created new risks, but the group has already provisioned fully its equity risk in CA Ukraine and its provisioning on Russian exposures (€466 million provisions as of end-September 2023) has started to decrease in 2023 as the group reduced its exposure by €3.8 billion since the start of the conflict. As of end-September 2023, the residual exposure to Russia amounted to €0.2 billion on-shore and €1.6 billion off-shore. The share of stage 2 loans[3] was broadly stable at year-end 2022 at 9.9% of total loans (9.8% in 2021), the slight increase mainly stemming from French retail networks.

Although more provisions and NPL formation could materialize as a consequence of high inflation, rising interest rates and low macroeconomic growth in Europe, we expect that the bank's prudent provisioning on performing loans and high NPL coverage ratio (83% including so called "collective reserves" as of September 2023), one of the highest among large European banks, provides a large buffer representing more than eight years of average annual cost of risk reported since 2015.

In the first nine months of 2023, in a context of economic uncertainty and high inflation, the group's underlying cost of risk slightly increased from 2022. Group's cost of risk was 24 basis points (bps) of gross loans in Q3 2023, in line with 25 basis points of gross loans in 2022[4] and in line with the bank's Medium-Term plan assumption of 25 basis points for the period 2022-2025.

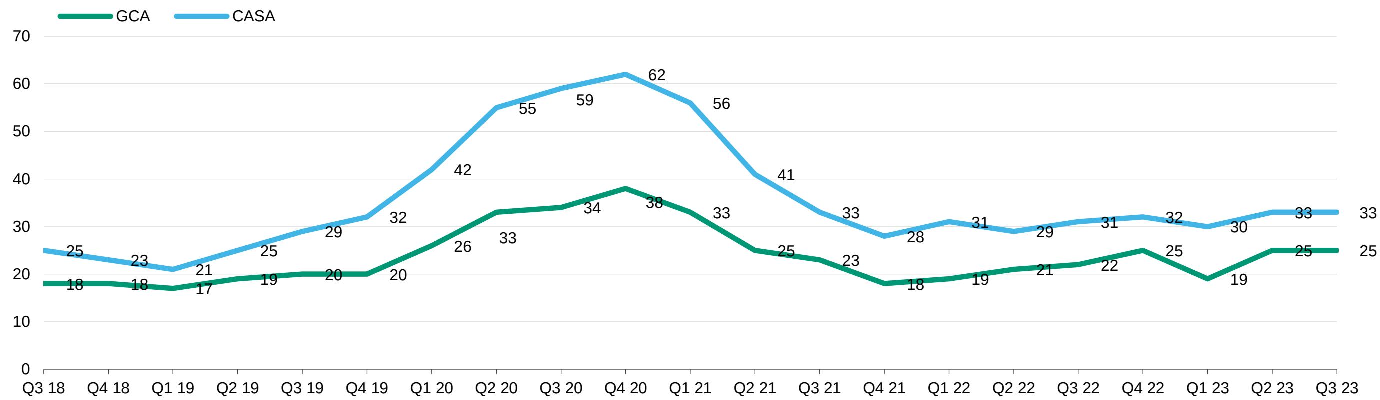
Provisions for impaired loans (Stage 3 provisions under IFRS 9 standards) normalised from the post-Covid low levels in 2021, increasing 54% in 2022 and 73% in the first nine months of 2023 and represented most of the total risk charges. Similarly, as deteriorated economic conditions were being reflected in IFRS 9 models, the group continued to add provisions to its performing loan look (stage 1 and stage 2 under IFRS9), in consideration of some sectorial risks and uncertainty about the macroeconomic environment. In recent quarters provisions on performing loans stemmed mainly from regional banks (around €180 million additional S1/S2 provisions in the first nine months of 2023) whilst corporate banking activities have rather released forward-looking provisions (around €120 million of releases in the first nine months of 2023). As a result of the conservative provisioning that the bank has undertaken, the stock of loan loss reserves amounted to €20.9 billion as of end-September 2023, of which around 42% relate to performing loans compared to 29% at the end of 2019, contributing to a continued improvement in risk buffers against a potential increase in asset risks.

As illustrated by the trend in provisions reported in Q3 2023 (+9% increase year-on-year, stemming from a net release of €28 million of S1/S2 provisions and a 45% increase in S3 provisions), we expect the current macroeconomic challenges to drive an increase in provisions for proven risks, which should be partly moderated by some release of forward-looking provisions accumulated since 2020.

Exhibit 4

CASA and GCA's cost of risk on outstanding loans

Loan loss provisions in basis points of gross loans



Cost of risk in basis points over a rolling four-quarter period on outstanding customer loans net of impairment. The bank also provided it on an annualised basis points for Q3 2023 at 33 bps for CASA and 24 bps for GCA.

Source: Company report

GCA's assigned Asset Risk score of a2 is currently a relative strength for the group's BCA and incorporates the expectation of a gradual deterioration in asset risks in 2024, as well as the very high loan loss reserves of the group.

High capital buffers, resulting in solid loss-absorption capacity

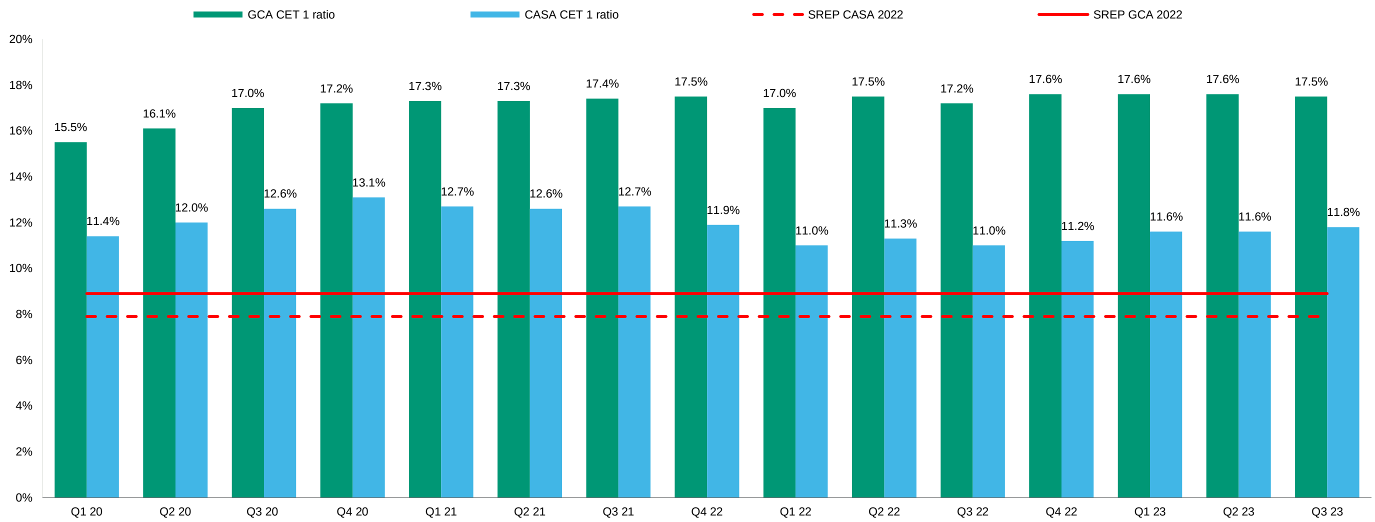
The group's capital ratio (CET1) remained stable at 17.5% at end-September 2023, broadly stable from year-end 2022 and year-end 2021 despite the impacts of the purchase of CASA shares by SAS rue la Boetie and various acquisitions. The 9 month earnings in 2023 contributed to a 82 bps increase, offset by increasing risk-weighted assets (- 58 bps from organic growth), the planned CASA shares buy-out by SAS rue la Boétie (-17 bps) and various other M&A, methodological and OCI effects (for instance the IFRS 17 implementation had a 10 bps positive effect, but the phasing out of IFRS 9 exemptions had a 13 bps negative impact). The CET1 ratio is above the group's target of 17% target in its medium-term plan to 2025.

At CASA level, phased-in CET1 ratio increased to 11.8% at end-September 2023 from 11.2% at year-end 2022 with a buffer over the SREP requirement of 8.2% as of September 2023, which will increase to 8.5% in January 2024, primarily due to the increase in France's countercyclical buffer to 1% up from 0.5%. The capital increase over 2023 mainly reflected retained results (+56 bps), the positive effect of IFRS 17 implementation (+32 bps), a change in treatment of insurance goodwill (+15bps) only partly offset by organic growth (-46 bps), the phasing out of IFRS 9 transitional measures (-10 bps) and other effects.

CET1 ratio at GCA level remains comfortably above the minimum required CET1 ratio of 9.3% notified by the European Central Bank's Supervisory Review and Evaluation Process (SREP) as of September 2023 (including 2.5% conservation buffer, 0.43% countercyclical buffer, a G-SIB buffer of 1% and Pillar 2 Requirement of 0.84%)[5]. This leaves GCA with a minimum headroom of 768 bps of risk-weighted assets (RWAs) above the maximum distributable amount (MDA).[6] The SREP target will increase to 9.7% in January 2024.

Exhibit 5

GCA and CASA CET1 ratios* are well above regulatory requirements



*Phased-in CET1 ratios

Source: Company report

We expect CASA's CET1 ratio will remain close to its target of 11% and the group CET1 ratio to remain above its 17% target set in its 2022-2025 medium-term plan. The regional banks announced in August 2023 their intention to acquire up to one million of additional shares in CASA, which follow the same transaction completed in 2022 (with an estimated impact of 17 bps on CET1 ratio booked in Q3) whilst affirming their intention not to hold more than 65% of CASA's capital.

We view GCA's capital position as very strong, and at the high end of its European peers. The Capital score of aa2 assigned to GCA reflects the group's (1) high phased-in Common Equity Tier 1 (CET1) ratio of 17.5% at the end of September 2023[7]; (2) phased-in leverage ratio of 5.6% at the same date; and (3) the group's ability to retain around 80% of its net earnings owing to its co-operative structure and a historically low payout ratio.

Moderate but resilient profitability supported by the diversification of its universal banking model

The Group exhibits moderate profitability overall, yet its diversified retail-focused activities in France result in a certain degree of stability. GCA's diversified earnings base, which includes profits generated by insurance, asset management, leasing & factoring, consumer finance and corporate and investment banking activities in addition to retail banking, allowed the Group to offset the negative revenue trends in French retail banking due to the low interest rate environment in recent years. Recent acquisitions made by the group should also contribute to further diversify the group revenues and contribute to its operating efficiency through synergies.

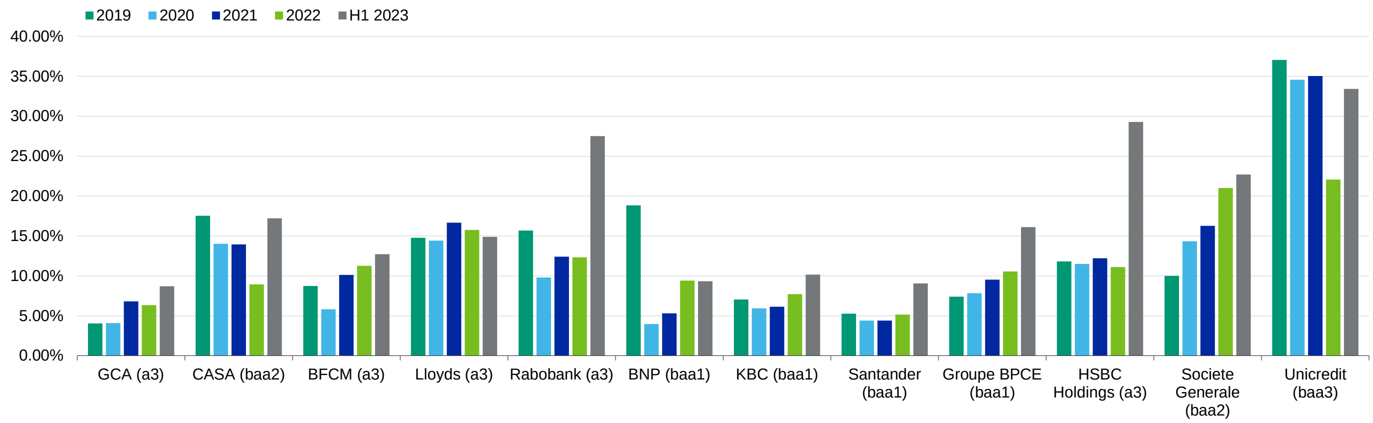
During GCA's medium-term strategic plan 2019-2022, revenues increased by around 3.9% on average per year. Despite solid net income growth over the period, the group's net income to tangible assets ratio marginally declined over the period (0.37% in 2022 from 0.46% in 2019), largely due to thin margins in retail banking caused by a decade of low interest rates. Solid loan growth and rising fee and commission income could only partly offset the impact. Despite the interest rate hikes in 2022, GCA and its French peers have not benefited as much as other European peers from their positive effect on net interest margins, because (i) the stock of retail loans is almost entirely at fixed rates, (ii) French banks' capacity to increase rates was capped by the French “usury rate” and (iii) rising rates impacted more rapidly regulated savings than assets. This largely explained the 1.7% reduction in 2022 revenues in the French regional banks network.

However GCA's operating profit has historically been more stable than peers'. Steady lending volumes and fast growth (organic and external) in businesses with strong operating efficiency, higher fees, such as insurance or asset management, have supported revenue generation since 2019.

Exhibit 6

GCA's gross operating income has been more stable than peers' in recent years

Pre-provision income volatility (standard deviation of PPI/mean of PPI)



Source: Company data, Moody's Investors Service

GCA's cost-to-income ratio[8] has also been very stable in recent years, in the 63-65% range, despite the material size of its retail networks in France. Among the large French banks, GCA was the only bank with BNP Paribas reporting an improving operating efficiency in 2020 during the health crisis.

Following the outbreak of the pandemic crisis, the group benefitted from the cheap funding from the ECB through its Targeted Long-term Refinancing Operations (TLTROs).

Despite challenging market conditions and weaker margins in retail banking, the universal banking model supports profits in 2023
Groupe Credit Agricole (GCA) reported underlying[9] net income group share of €6.1 billion in the first nine months of 2023, up 9% from 2022.

GCA's 2023 revenues in the first nine months (+6% from 2022) reflected solid business activity across most divisions, including insurance, asset management, the integration of CA Auto Bank in the Specialized Financial Services (SFS) division, high corporate and investment banking revenues and the effects of rising margins in the international retail banking division. This more than offset a market slowdown in the French retail banking loan production and pressure on margins, stemming from monetary policy tightening, similar to other French retail banks. Underlying revenues of French regional banks and LCL were down 5% and 3% respectively in the first nine months.

Operating expenses in the first nine months of 2023 increased 4% from the same period in 2022. This cost increase reflected mainly the recovery in activity, the increase in payroll, IT investments, in the context of fast-rising inflation, and some scope effects such as the first consolidation of CA Auto Bank within SFS and the RBC European activities within the asset servicing business line. However the control in cost allowed the bank to post a 9% increase in its gross operating income over the first nine months of 2023. The cost to income ratio at group level, excluding SRF contributions, remained broadly stable at 58.5% in the first nine months of 2023 down from 58.8% over the same period in 2022.

GCA's reported underlying net income group share of €6 billion in the first nine months of 2023 rose 9% from previous year, despite cost of risk moderately increasing 8% over the period. As explained in the Asset Risk section, most of this increase stemmed provisions on proven risks, in contrast with 2022, only partly offset by some gradual release in forward-looking provisions, in particular in the corporate banking book. Despite the negative effects of the macroeconomic slowdown and inflationary pressures on cost of risk (+65% versus the first nine months of 2019), GCA managed in recent years to grow revenues organically and externally (+7% versus the first nine months of 2019) developing its diversification away from French retail activities, while controlling costs (+1% versus the first nine months of 2019) which resulted in strong profit generation (+15% versus the first nine months of 2019).

Asset Gathering business [10] revenues increased 13% in the first nine months of 2023, supported by a 57% increase in insurance revenues from 2022 which was negatively impacted by declining equity markets in Q3 2022 and the non-recurring nature of weather events, and a 2% increase in asset management revenues benefitting from a 4% increase in assets under management since September 2022.

The **Large Customers** revenues in 2023 increased by 11% in the first nine months of 2023. Revenues from financing activities increased by 2% from the previous year, attributed to a growing business activity from the structured finance (revenues up 10%) and good activity momentum in cash management, partly offsetting weaker commercial banking trend than in previous year. Revenues from capital market and investment banking division in the first nine months (+18%) were mostly supported by strong activity in structured products and securitisation in a context of rising rates, more than offsetting lacklustre M&A activity. The asset servicing revenues increased 28% over the first nine months of 2023, reflecting the integration of RBC IS Europe, renamed CACEIS Investor Services Bank (+17% excluding this integration in Q3) and increasing net interest margins.

LCL's (French retail banking) revenues decreased (-3%) in first nine months of 2023 from the previous year, as margins were negatively impacted by higher refinancing costs, including the end of TLTRO special interest rates and the higher cost of regulated savings in France (rates increased to 3% in February 2023 from 0.5% in 2021) and loan production receded in line with other French retail banks (production of home loans in Q3 2023 was 51% lower than in Q3 2022). Rising loan yields and macro-hedging in place have gradually stabilized margins in the second half of 2023.

GCA's **French regional banks** posted similar business volume trends as LCL, with a 36% decline in home loans production in Q3 year-over-year, albeit loans outstanding remain 4% higher in at end-September 2023 than twelve months before. Rising cost of resources, in particular from regulated savings (for instance outstanding volume of Livret A savings were up 17% at end-September year-on-year) leading to a 17% decline in net interest margin in Q3 from previous year. However, margin has also started to stabilize in the second half of the year.

International retail businesses' revenues in the first nine months of 2023 were robust in Italy, the group's second domestic market (+24%) thanks to rising margins and dynamic home loan production (+50% between Q3 2022 and Q3 2023) and customer acquisition. Revenues were also dynamic in other international retail markets, including Poland and Egypt, thanks to strong rises in net interest margins and loan volumes.

Specialised Financial Services' underlying revenues increased 17% year-on-year in the first nine months of 2023 and 31% when including the scope effects of the new organisation of CACF's mobility activities, with the 100% acquisition of CA Auto Bank and the acquisition of ALD and LeasePlan's fleet of vehicles in six European countries in Q3, which increased the car financing portfolio by 23% year-on-year as of September 2023. Revenues in leasing and factoring were also up 9% over the period, thanks to strong production.

The diversified universal banking model will continue stabilizing profits

We expect margin pressure in French retail activities will gradually moderate in next quarters as flows to regulated savings accounts have already started to reduce in recent months at French retail networks and LCL (at regional banks, outstanding passbook accounts increased 0.6% in Q3 2023 versus 2.9% in Q1), whilst demand deposits have stabilized (at regional banks, they were almost stable in Q3 2023 from previous quarter). However lower loan production in France, resulting from rising rates and constrained by regulatory prudential limits on debt affordability will continue affecting loan margins. In addition, the decision by the ECB to stop remunerating banks' minimum reserves starting September 2023, will represent around €400 million loss in potential revenue in the full year 2024[11].

In addition, we expect the universal banking model of GCA will continue help offsetting margin pressure in retail activities. Firstly reflecting the bancassurance operating model of the group, retail fees and commissions keep rising (+6% in the first nine months of 2023 year-on-year for LCL), representing more than 50% of retail banking revenues at LCL over the period. Also, the bank's international retail businesses enjoy a strong positive impact from interest rate hikes which have contrasted with the specific margin constrains of the French retail banking market. The positive margin effect in international retail portfolios should however gradually normalize in 2024. Other non-retail businesses have also performed very well. CIB and asset servicing revenues contributed 22% to the group revenues in the first nine months 2023 and 25% to group's net income, as the rising rates environment drove strong activity in structured products and securitisation mitigating weak M&A flows, and strong cash management offset declining commercial banking. Asset Management activity has also been gradually recovering from 2022 market turbulences, as asset flows turned positive mostly in passive management and treasury products, and there are very solid flows in Asian less mature markets and strong traction in the recent Amundi technology division.

The group continues to diversify its activities with a material reorganisation and ambitious targets for its mobility business. The acquisition of 100% of FCA Bank led to the creation of Credit Agricole Auto Bank (Baa1/Baa1, negative outlook, ba1) which has the ambition of becoming a large multibrand car financer generating €10 billion revenues per year in 2026. Meanwhile, its joint venture with Stellantis to form a European car leasing leader with a fleet of one million vehicles in 2026 is progressing fast with the recent acquisition of more than 100,000 vehicles from ALD and LeasePlan. Overall, with other recent self-financed acquisitions including Creval (Italian retail), Lyxor (asset management), RBC Investor Services (asset servicing), Worldline (payments) or the upcoming purchase of Degroof Petercam (wealth management) among others, the group expects to continue generating higher revenues (estimated at €1.9 billion annually by 2025 with a cost-to-income ratio of around 58% close to CASA's MTP target of below 60%.

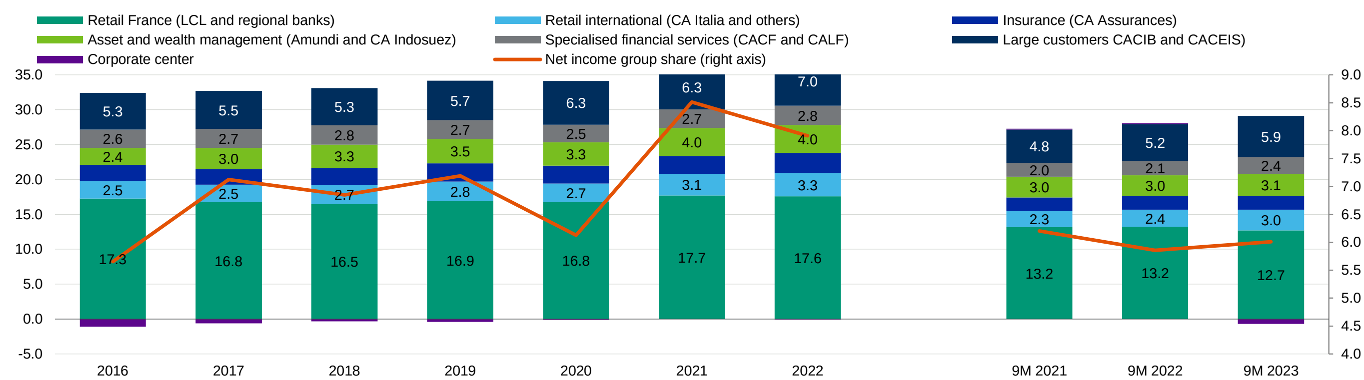
In the absence of major transformation program, we expect that cost discipline and continued investment in the digitalisation of processes will drive the group's operating expenses in coming quarters, while continued inflation in 2024 will continue creating challenges. After several years of increase (almost threefold between 2017 and 2022), the bank's contributions to the Single Resolution Fund (SRF) has reduced by around 23% in 2023 and we expect that this contribution will be largely discontinued in 2024.

We expect the group's cost of risk to remain close to the Medium-term plan assumption of 25 bps of gross loans for the period 2022-2025. Even as stage 3 provisions normalize from very low levels in previous years, the bank has accumulated provisions on performing loans in previous years that constitute a material buffer against a material and sudden increase in risk charges.

Exhibit 7

GCA's net income group share increased by 9% in 9M 2023

Contribution of the business lines to GCA's revenues (in € billion)



Source: Company reports

GCA's assigned Profitability score of baa3, two notches above the historical macro-weighted score of ba2, reflects the moderate but stable and diversified earnings profile of the group, which we expect to remain resilient to high inflation and recession risks in Europe over the next 12 to 18 months, even slightly improving from the recent years' average.

Some structural reliance on wholesale funding, counterbalanced by good liquidity

We view GCA's funding and liquidity profile as sound, despite some reliance on the wholesale markets. The group's gross loans-to-customer deposits ratio[12] remained stable in H1 2023 at 106%, 3% above previous year. As for other French banks, GCA's deficit of deposits over loans is due to an unbalance between loans (including mortgages), which largely remain on banks' balance sheets, and customers' funds, a large amount of which is diverted towards off-balance-sheet regulated savings products (life insurance savings, channeled to insurance companies, and Livret A, partly centralized at the State-owned Caisse des Dépôts et Consignations – See New rules for regulated savings will lower costs for banks (June 2018)). Fiscal and monetary policy support measures initiated at the beginning of the health crisis explained part of the deposit inflation between 2019 and 2022, together with lock-down and recession effects on consumption and investment. However tightening monetary policy since 2022 resulted in opposite effects as deposit inflation previously observed receded.

Customer deposits were broadly stable in the first nine months of 2023 whilst loans and receivables due from customers increased 3%. We expect the deposit growth to be moderate in next quarters as economic activity remains subdued and households' purchase power and savings capacity gets negatively impacted by rising inflation. Simultaneously, we also expect lending growth to remain low in a subdued economic growth context and loan-to-deposit ratio to remain broadly stable.

GCA has a very stable customer deposit profile, compared with most international peers, with 67% from individuals and SMEs as of end-September 2023, and around 55% guaranteed either by CDC or deposit guarantee schemes.

GCA's wholesale funding comprises a sizeable €262 billion amount of medium and long-term debt, materially down from €284 billion as of December 2022 after the group repaid more than €53 billion of TLTRO in the first nine months of the year, and a broadly stable amount of short-term debt of €156 billion as of end of September 2023.

We see GCA's funding as satisfactory in view of :

» The €178 billion surplus of long-term debt over long-term assets reported by the Group in September 2023 (albeit down from €279 billion at year-end 2021 following the TLTRO repayment of €71 billion in 2022 and €53 billion in 2023), which illustrates the long duration of most wholesale funding;

» The very strong geographical and product diversification of the group's funding sources; and

» The group's proven capacity to undertake private placements via the retail networks and structured notes market via CACIB.

GCA is already meeting its loss-absorbing MREL requirement of 25% of RWAs, with a MREL buffer of 27.1% as of September 2023, without taking into account eligible senior preferred debt (representing 5.1% of RWAs).

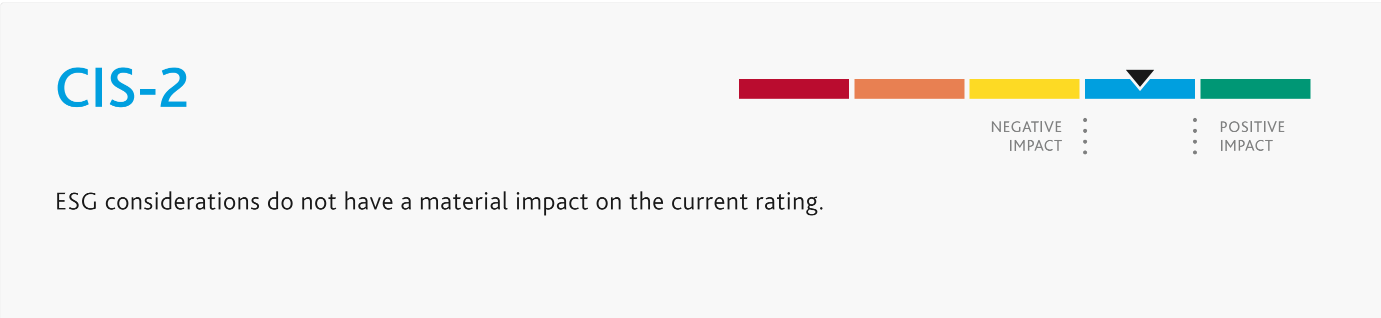
Finally, GCA's liquidity profile is sound. As of September 2023, the portfolio of high-quality liquid assets (HQLA), of €125 billion, after haircuts, and cash at central bank of €148 billion[13] covers all the short-term debt. The group also holds other liquid securities (non-HQLA) of €23 billion and other non-liquid European Central Bank-eligible assets (including self-securitisations) worth €123 billion. The total liquidity reserves of €419 billion (intrinsically liquid or eligible for European Central Bank liquidity, after haircuts) covers the group's total short-term and medium-to-long-term wholesale debt of €418 billion. The group's ample liquidity is also evidenced in its LCR of 150.8% [14]as of September 2023, exceeding its MTP 2025 target of 110%. We expect that the liquidity reserve will decrease further in 2024 mainly because of the repayment of remaining €37.6 billion of TLTRO but remain ample. Although the termination of the temporary mechanism that allowed the group to post individual home loans directly as collateral to Banque de France, resulted in a material decline in non-HQLA eligible assets to central banks (€50 billion as of September 2023 from €132 billion at year-end 2022), GCA has rebuilt its collateral pool mainly through self-subscribed securitisations (€73 billion in September 2023 from €6 billion at year-end 2022).

Both market funding and liquidity scores still reflect the abundant source of cheap funding and liquidity made available by the European Central Bank through the Targeted Long-term Refinancing Operations (TLTROs) in recent years. As of September 2023, the bank still had €37.6 billion of outstanding TLTRO, down from €91 billion at year-end 2022. A large portion of this extensive drawdown was deposited back at the ECB, which was used to take advantage of favorable terms offered on deposits before the recalibration, rather than for being recycled for lending and/or investment purposes. Consequently the bank's balance sheet was temporarily inflated in recent years because the portion of borrowed funds that were re-deposited at the ECB will be running off in 2024. We excluded €91 billion, equivalent of the variation of cash reserves at central bank excluding mandatory reserves between year-end 2022 and year-end 2019 [15], when estimating the adjusted amount of year-end 2022 market funding and liquid resources ratios. This adjustment would result in a reduction of GCA's market funding ratio to around 26% from 30% and GCA's adjusted liquid Banking Assets ratio would reduce to around 24% from around 28% at year-end 2022.

ESG considerations

Credit Agricole S.A.'s ESG credit impact score is CIS-2

Exhibit 8
ESG credit impact score



Source: Moody's Investors Service

CASA's CIS-2 reflects the limited credit impact of environment and social factors on the ratings to date and its low governance risks.

Exhibit 9
ESG issuer profile scores

Source: Moody's Investors Service

Environmental

Groupe Credit Agricole (GCA) faces moderate exposure to environmental risks, primarily because of its portfolio exposure from carbon transition. Like its peers, CASA is facing mounting business risks and stakeholder pressure to meet more demanding carbon transition targets. As a result, CASA and the group have taken steps to further develop their risk management and climate risk reporting frameworks, and have also started transitioning lending and investment portfolios towards less carbon-intensive assets.

Social

GCA faces high industrywide social risks related to regulatory and litigation risks, requiring high compliance standards. The French supervisor's focus on mis-selling and misrepresentation might generate risks, which are mitigated by developed policies and procedures. High cyber and personal data risks are mitigated by technology solutions and organisational measures to prevent data breaches.

Governance

GCA faces low governance risks, and its risk management, policies and procedures are in line with industry best practices. In recent years, the group has implemented conservative financial policies and has endeavoured to contain its risk appetite. Like other global systemically important banks, GCA — CASA's majority owner — has a complex legal structure, reflecting its diversified domestic and global footprint, which entails governance and risk management challenges. CASA is a listed company and its hybrid ownership structure, namely both mutualist (GCA) and private, results in a very specific governance set-up, but this 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

CASA's Adjusted BCA of a3, two notches above its BCA of baa2, is driven by our assessment of GCA's standalone credit strength, owing to the strong solidarity mechanisms prevailing within the group.

Loss Given Failure

Groupe Credit Agricole and its operating entities in France are subject to the European Union (EU) Bank Recovery and Resolution Directive (BRRD), which we consider to be an operational resolution regime. We assume that resolution, if any, would occur at the level of Groupe Credit Agricole in the event that the group reaches the point of non-viability. If financial difficulties occur at the level of CASA, this would be addressed by the group through the solidarity mechanism. Our LGF analysis is, therefore, based on Groupe Credit Agricole consolidated liability structure in France, excluding foreign subsidiaries from our calculations. We assume residual tangible common equity of 3%, losses post-failure of 8% of tangible banking assets, a 25% run-off in junior wholesale deposits, a 5% runoff in preferred deposits, a proportion of junior deposits of 26% of total customer deposits and assign a 25% probability to deposits being preferred to senior unsecured debt. These assumptions are typically applied to most banks in the EU. All Additional Tier 1 (AT1) instruments are included in our LGF analysis, including the €6.2 billion of high-trigger AT1 instruments as of December 2022.

Considering the bank's foreign subsidiaries, we view that a group-wide resolution will include the entities required to issue internal loss absorbing capital in jurisdictions that have an operational resolution regime for banks. Under this mechanism losses will be passed on by subsidiaries onto the parent at the point of failure. In the case of CASA, we include the tangible banking assets of its subsidiary CA Italia and Credit Agricole Bank Polska in the resolution perimeter of Credit Agricole S.A., designated as the single point of entry for the group resolution.

Under Moody's Advanced forward-looking LGF analysis, the portion of GCA's TLTRO drawdowns which we estimate were redeposited at the ECB as of December 2022 (equivalent of €91 billion of increase in cash at central bank excluding mandatory reserves from end-December 2021) are deducted from the projected bank’s tangible banking assets, thereby reducing the inflationary impact of TLTRO on the bank’s balance sheet. We assume that the portion of borrowed funds re-deposited at the ECB will be running off in 2024.

Our LGF analysis shows that deposits and senior unsecured debt are likely to face very low loss-given-failure, owing to the volume of deposits themselves and the loss absorption provided by subordinated debt. This results in an uplift of two notches above the Adjusted CA for both deposit and senior unsecured debt ratings.

The junior senior debt is rated in line with the adjusted BCA, which better captures the risk characteristics of this class of debt following our view around the distribution of losses post failure. For subordinated securities, our LGF analysis indicates high loss given failure because of the small volume of debt and limited protection from more subordinated instruments and residual equity.

See the notching/loss given failure and government support table in the scorecard below for complete notching details on all of the group's liabilities. The resolution scope for CASA's depositors and debtholders is the consolidated GCA, from which foreign subsidiaries in non-operational resolution regimes are subtracted.

Government support

We believe that there is a moderate likelihood of government support for CASA's senior debt and deposits in the event of the bank's failure, resulting in one notch of uplift. This likelihood reflects the bank's systemic importance in France, including its significant share of retail and corporate deposits and its interconnectedness with other financial institutions as well as its status of Global Systematically Important Institution.

Counterparty Risk Rating (CRRs)

The CRRs are Aa2/P-1

The counterparty risk rating of Aa2 reflects the adjusted BCA of a3, three notches of uplift reflecting the extremely low loss-given failure from the high volume of instruments that are subordinated to CRR liabilities. The CRR also benefits from one notch of systemic support, as an assumption of a very high likelihood of government support. The short-term CRR is Prime-1.

Counterparty Risk (CR) Assessment

The CR Assessment is Aa2(cr)/Prime-1(cr)

The CR Assessment is positioned four notches above CASA's adjusted BCA of a3, based on (1) the buffer against default provided to these operating obligations by bail-in-able liabilities, including senior debt and deposits (providing three notches of support); and (2) the moderate probability of government support (one notch of support). The main difference between the CR Assessment and our Advanced LGF approach, which is used to determine instrument ratings, is that the CR Assessment captures the probability of default on certain senior obligations, rather than the expected loss. Therefore, we focus purely on subordination and take no account of the volume of the instrument class.

About Moody's Bank Scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgment. When read in conjunction with our research, a fulsome presentation of our judgment 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 10

Credit Agricole S.A.

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	2.8%	a2	↔	baa1	Sector concentration	Long-run loss performance
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - fully loaded)	11.9%	baa1	↔	baa2	Expected trend	
Profitability						
Net Income / Tangible Assets	0.3%	ba2	↔	ba1	Earnings quality	
Combined Solvency Score		baa1		baa2		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	41.4%	b1	↔	baa1	Deposit quality	
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	58.7%	aa2	↔	baa1	Asset encumbrance	
Combined Liquidity Score		baa2		baa1		
Financial Profile				baa2		
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				baa1 - baa3		
Assigned BCA				baa2		
Affiliate Support notching				-		
Adjusted BCA				a3		

Balance Sheet	**in-scope (EUR Million)**	**% in-scope**	**at-failure (EUR Million)**	**% at-failure**
Other liabilities	360,631	22.0%	471,422	28.8%
Deposits	1,086,188	66.4%	975,397	59.6%
Preferred deposits	803,779	49.1%	763,590	46.7%
Junior deposits	282,409	17.3%	211,807	12.9%
Senior unsecured bank debt	79,678	4.9%	79,678	4.9%
Junior senior unsecured bank debt	31,600	1.9%	31,600	1.9%
Dated subordinated bank debt	22,953	1.4%	22,953	1.4%
Preference shares (bank)	6,467	0.4%	6,467	0.4%
Equity	49,098	3.0%	49,098	3.0%
Total Tangible Banking Assets	1,636,615	100.0%	1,636,615	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	24.5%	24.5%	24.5%	24.5%	3	3	3	3	0	aa3
Counterparty Risk Assessment	24.5%	24.5%	24.5%	24.5%	3	3	3	3	0	aa3 (cr)
Deposits	24.5%	6.7%	24.5%	11.6%	2	3	2	2	0	a1
Senior unsecured bank debt	24.5%	6.7%	11.6%	6.7%	2	1	2	2	0	a1
Junior senior unsecured bank debt	6.7%	4.8%	6.7%	4.8%	0	0	0	0	0	a3
Dated subordinated bank debt	4.8%	3.4%	4.8%	3.4%	-1	-1	-1	-1	0	baa1
Non-cumulative bank preference shares	3.4%	3.0%	3.4%	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	A3
Dated subordinated bank debt	-1	0	baa1	0	Baa1	Baa1
Non-cumulative bank preference shares	-1	-2	baa3	0	Baa3 (hyb)	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

Exhibit 11

Groupe Credit Agricole

Macro Factors						
Weighted Macro Profile	**Strong +**					
Financial Profile						
Factor	**Historic Ratio**	**Macro Adjusted Score**	**Credit Trend**	**Assigned Score**	**Key driver #1**	**Key driver #2**
Solvency						
Asset Risk						
Problem Loans / Gross Loans	2.2%	a2	←→	a2	Long-run loss performance	Expected trend
Capital						
TCE / RWA	18.3%	aa2	←→	aa2	Expected trend	
Profitability						
Net Income / Tangible Assets	0.4%	ba2	↑	baa3	Earnings quality	Expected trend
Combined Solvency Score		a2		a2		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	29.9%	baa2	↑	baa1	Deposit quality	
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	28.1%	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		
Scorecard Calculated BCA range				**a2 - baa1**		
Assigned BCA				**Private**		
Affiliate Support notching				**--**		
Adjusted BCA				**Private**		

Source: Moody's Financial Metrics

Ratings

Exhibit 12

Category	Moody's Rating
CREDIT AGRICOLE S.A.	
Outlook	Stable
Counterparty Risk Rating	Aa2/P-1
Bank Deposits	Aa3/P-1
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa2(cr)/P-1(cr)
Issuer Rating	Aa3
Senior Unsecured	Aa3
Junior Senior Unsecured	A3
Junior Senior Unsecured MTN	(P)A3
Subordinate	Baa1
Pref. Stock Non-cumulative	Baa3 (hyb)
Commercial Paper -Dom Curr	P-1
Other Short Term	(P)P-1
CA AUTO BANK S.P.A.	
Outlook	Stable(m)
Counterparty Risk Rating	Baa1/P-2
Bank Deposits	Baa1/P-2
Baseline Credit Assessment	ba2
Adjusted Baseline Credit Assessment	baa3
Counterparty Risk Assessment	Baa2(cr)/P-2(cr)
Issuer Rating	Baa1
CREDIT AGRICOLE S.A., LONDON BRANCH	
Outlook	Stable
Counterparty Risk Rating	Aa2/P-1
Counterparty Risk Assessment	Aa2(cr)/P-1(cr)
Senior Unsecured	Aa3
Junior Senior Unsecured	A3
Junior Senior Unsecured MTN	(P)A3
Subordinate MTN	(P)Baa1
Other Short Term	(P)P-1
CA AUTO BANK S.P.A., IRISH BRANCH	
Outlook	Negative
Counterparty Risk Rating	Baa1/P-2
Counterparty Risk Assessment	Baa2(cr)/P-2(cr)
Senior Unsecured	Baa1
Commercial Paper	P-2
CA AUTO FINANCE SUISSE SA	
Outlook	Negative
Bkd Senior Unsecured -Dom Curr	Baa1

Source: Moody's Investors Service

Moody's related publications

Reports

- Credit Agricole S.A. : Lower Groupe Credit Agricole's 2022 profits reflect impact on interest rates on asset management and French retail (February 2023)
- Credit Agricole S.A. : CACEIS' acquisition of RBC Investor Services operations in Europe would provide economies of scale (October 2022)
- Groupe Credit Agricole and Societe Generale : Societe Generale's sale of Lyxor-run operation to Credit Agricole's Amundi would benefit both banks (April 2021)
- Credit Agricole Assurances creates credit positive partnership with Spain's Abanca (July 2019)
-

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

Endnotes

1 Excluding the Regional Bank of Corsica which is 99.9% controlled by Crédit Agricole S.A

2 At the end of December 2022 the shipping Exposure at Default (EAD) amounted to €13.9 billion, aviation €16.7 billion and oil & gas excluding commodity traders was €25.4 billion.

3 Performing loans showing signs of significant deterioration in credit risk

4 On outstandings over four rolling quarters

5 Pillar 2 Requirement is 0.844% for CET1, 1.125% for Tier 1 capital and 1.5% for total capital.

6 The distance to Maximum Distributable Amount trigger threshold is the lowest of the gap between CET1, Tier 1 and Total Capital SREP requirements

7 17.3% on a fully-loaded basis

8 Moody's adjusted ratio

9 Main adjustments in 2023 and 2022 related to the loan portfolio hedges and the home purchase savings plans.

10 Asset management, Wealth management and Insurance

11 Minimum reserves at central banks were around €11 billion as of September 2023, of which we estimate around €10 billion at the ECB. Revenue loss is estimated based on a 4% benchmark deposit rate as of publication date.

12 Moody's adjusted ratio

13 excluding cash and mandatory reserves of €11 billion

14 Average LCR over 12 months

15 The cash reserves at central bank excluding mandatory reserves amounted to €197 billion in 2022 and €106 billion in 2019.

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

MOODY'S INVESTORS SERVICE