FitchRatings

Banks
Universal Commercial Banks
France

Credit Agricole

Key Rating Drivers

Strong Business and Financial Profile: Credit Agricole's (CA) ratings reflect a very diverse business model, low risk appetite, sound asset quality and profitability, strong capitalisation and funding compared with large European banks.

Cooperative Structure: Fitch Ratings rates CA as a cooperative banking group, bound by an effective mutual support mechanism. This legally established support mechanism encompasses the 39 regional banks (caisses regionales de Credit Agricole), as well as Credit Agricole S.A. (CA S.A.), the group's listed central body, and Credit Agricole Corporate and Investment Bank (CACIB). The group publishes consolidated accounts and the affiliated entities share a common strategy, brand and joint marketing activities. Risk management is also centralised.

CA S.A. is legally responsible for ensuring the affiliated entities meet liquidity and solvency requirements at all times. To this end, the central body can access the financial resources of all the member banks that are part of this effective cross-support mechanism.

Leading Franchises, Strong Execution: CA is France's largest bancassurance group, and CA S.A. owns Amundi (A+/Stable), Europe's largest asset manager. Under its 2025 plan, CA aims to strengthen its market positions through organic growth and cross-selling within the group. We expect selective acquisitions to reinforce its franchise in growing businesses. CA also aims to maintain its sound cost-efficiency and strong capitalisation.

Low Risk Profile: CA's low risk appetite and prudent underwriting standards reflect its cooperative nature and support its sound asset quality. Low-risk home loans account for 45% of its loan book and CA follows prudent origination in loans to SMEs and corporates. CA has a lower appetite than some other large French banks for traded market risk.

Resilient Asset Quality: CA's asset quality has remained stable and resilient despite adverse conditions in some sectors, supported by stringent underwriting and diversified credit exposure. CA's impaired loans ratio (end-September 2024: 2.2%) was below the large European banks' average. We expect the ratio to weaken but to stay below 2.5% by end-2026. CA's impaired loans reserve coverage is high compared with European peers.

Sound and Stable Profitability: CA's profitability is resilient and very stable, in line with its low risk profile. It benefits from CA's diversified business model with strong French retail and commercial banking franchises complemented by non-banking financial services such as asset management, insurance or specialised financial services. Fitch expects the operating profit/risk-weighted assets (RWAs) ratio to be 2.0%–2.5% in 2024–2025.

Solid Capitalisation: Capitalisation is strong, with a fully loaded common equity Tier 1 (CET1) ratio of 17.4% at end-September 2024. We expect CA's CET1 ratio to stay above this level for the rest of the strategic plan as it retains a large share of its profits, offsetting the impact from further RWA growth and bolt-on acquisitions.

Strong Funding and Liquidity: The group benefits from a strong domestic deposit franchise and access to a large investor base through diversified wholesale funding. CA's liquidity is sound, with high-quality liquid assets covering more than funding maturing within a year.

Weaker Economic Outlook: The negative trend on the French operating environment score mirrors the Negative Outlook on the French sovereign rating. We assess the French operating environment at 'aa-', capped at the sovereign rating, and would revise it down if the sovereign was downgraded.

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	AA-
Long-Term Local-Currency IDR	AA-
Country Ceiling	AAA

Outlooks

Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Negative
Sovereign Long-Term Local-Currency IDR	Negative

Highest ESG Relevance Scores

Environmental	2
Social	3
Governance	3

Applicable Criteria

Bank Rating Criteria (March 2024)

Related Research

Fitch Affirms Credit Agricole at 'A+'; Outlook Stable (December 2024)

Large European Banks Quarterly Credit Tracker (December 2024)

Global Economic Outlook (December 2024)

Western European Banks Outlook 2025 (December 2024)

Large French Banks' Ratings Intact After Sovereign Action; Outlook Changes for SG, LBP (October 2024)

Fitch Revises France's Outlook to Negative; Affirms at 'AA-' (October 2024)

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Rating Sensitivities

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

CA retains sufficient rating headroom to potentially withstand a one-notch downgrade of the French sovereign to 'A+' or a negative revision of the operating environment score given the group's strong business profile, sound profitability metrics, and ample capital and liquidity buffers.

However, CA's ratings could come under pressure if the French economic environment deteriorated more significantly than we expect, for example, due to a larger-than-anticipated effect from a more restrictive fiscal policy or structurally higher risks from already high private sector debt. Rating pressure would also arise if CA's impaired loans ratio increases above 3% without a clear path to reduction, operating profit deteriorates sustainably to below 1.5% of RWAs and the CET1 ratio falls below 16%.

CA's ratings would also be sensitive to a downgrade of the French sovereign by more than one notch, as the group's ratings would be capped at the level of the sovereign, all else being equal.

CA's ratings are also sensitive to material expansion into higher-risk businesses, especially in weaker operating environments, such as Italy, and emerging markets or in complex and more volatile capital-market activities.

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

An upgrade of the ratings is unlikely given the negative trend on the operating environment score and the Negative Outlook on the French sovereign.

Over the medium term, and with a stabilisation of the operating environment at the current level of 'aa-', the ratings could be upgraded if the group materially improves its operating profit/RWAs ratio to above 3% and asset quality with an impaired loans ratio close to 1.0%–1.5%, while maintaining capitalisation at least at current levels.

Other Debt and Issuer Ratings

Rating level	Rating
CA S.A.	
Deposits	AA-/F1+
Senior preferred debt	AA-/F1+
Senior non-preferred debt	A+
Subordinated Tier 2 debt	A-
Deeply subordinated debt and additional Tier 1	BBB
CACIB	
Senior preferred debt	AA-/F1+

Source: Fitch Ratings

Short-Term IDR

CA's Short-Term IDR of 'F1' is the lower of two options mapping to a 'A+' Long-Term IDR due to Fitch's 'a+' assessment of funding and liquidity for the group.

Derivative Counterparty Rating, Deposits and Senior Debt

We rate long-term senior preferred debt and deposits one notch above CA's Long-Term IDR to reflect the protection that will accrue to senior preferred debt from more junior debt and equity resolution buffers. Fitch expects CA to continue complying with its total minimum requirement for own funds and eligible liabilities (MREL), without recourse to senior preferred debt. CA's MREL was about 27.3% at end-September 2024, when excluding senior preferred debt, compared with a total requirement of 26.3%. For the same reason, we rate CA S.A.'s senior non-preferred debt in line with its Long-Term IDR. Short-term senior preferred and deposit ratings of 'F1+' are the only option mapping to the 'AA-' long-term ratings.

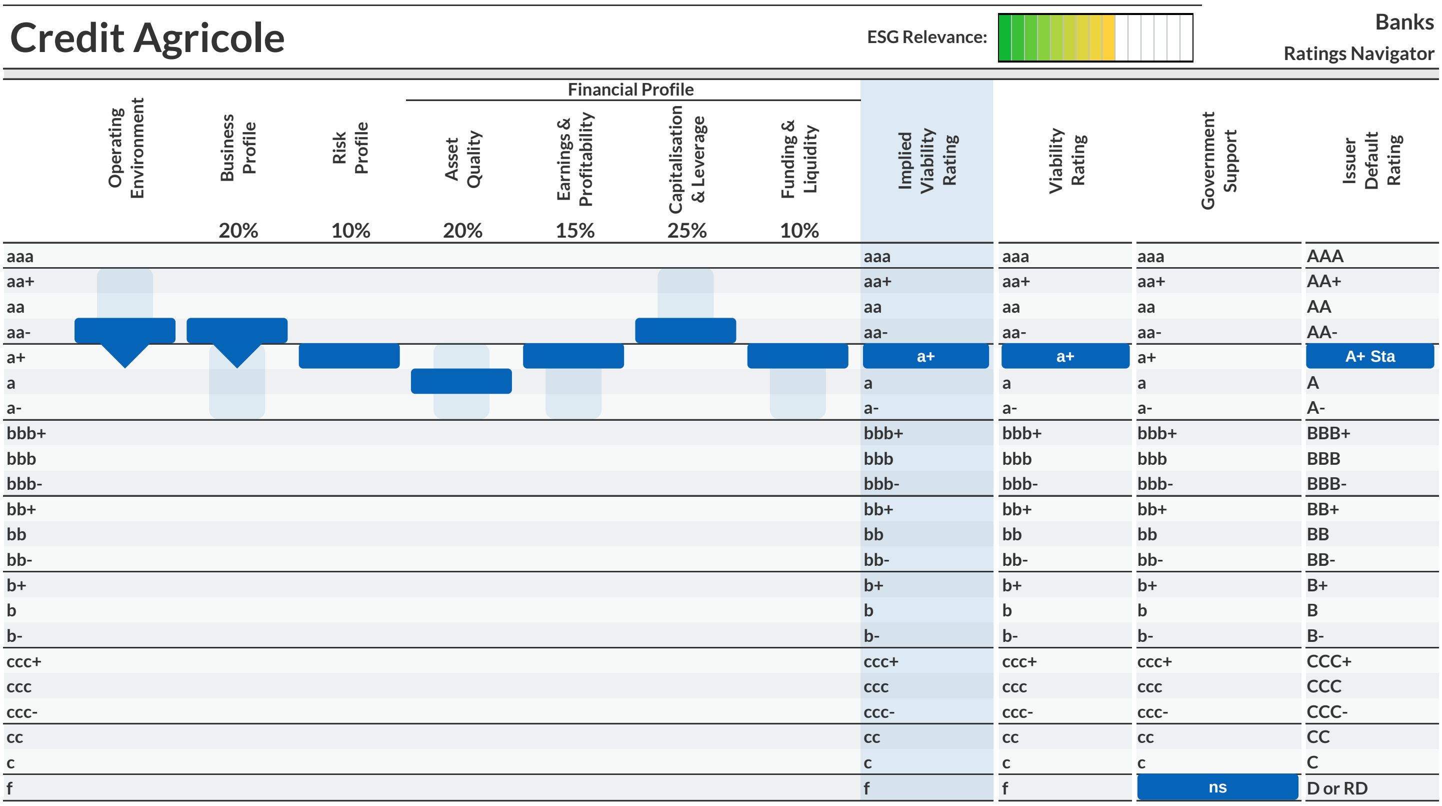
CACIB's 'AA-'/'F1+' senior preferred debt ratings are one notch above its IDRs. CACIB is part of CA's resolution scope. CA S.A. downstreams senior non-preferred debt to CACIB, which supports our view that junior debt and equity buffers available at the regional banks and CA S.A. would also protect CACIB's senior preferred creditors in a resolution.

The Derivative Counterparty Ratings (DCRs) of CA S.A. and CACIB are at the same level as the entities' senior preferred debt ratings. Derivative counterparties in France have no preferential status over other senior preferred obligations in a resolution scenario.

Subordinated Debt and Junior Subordinated Debt

We rate CA S.A.'s subordinated Tier 2 debt two notches below CA's VR to reflect Fitch's baseline notching for loss severity for those instruments. Additional Tier 1 and deeply subordinated securities are rated four notches below CA's VR, reflecting Fitch's baseline notching for loss severity and for non-performance. Our assessment is based on our expectation that the banking group will continue to operate with a CET1 ratio comfortably above coupon-omission thresholds and on the presence of substantial distributable reserves.

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

The business profile score of ‘aa-’ has been assigned above the ‘a’ implied category score due to the following adjustment reasons: business model (positive).

Company Summary and Key Qualitative Factors

Business Profile

Diversified and Leading Universal Banking Business Model

CA's leading franchises in several segments support the group's strong and very diverse business model. CA leads the market in French bancassurance, with strong market shares of 30% for loans to households and 15% in life insurance. Amundi had about EUR2.2 trillion of assets under management at end-September 2024, making it one of Europe's largest investment managers. The group also has solid pan-European franchises in consumer finance and in corporate and investment banking. Contributions from volatile investment banking activities or businesses in emerging markets are modest, and compare favourably with some large French and European peers.

CA's domestic retail and commercial banking activities generally contribute around half of operating revenue and generate solid and consistent earnings. International operations are focused on Europe and primarily in Italy, a strategic market where the group rolls out its key businesses.

CACIB has strong positions in asset-based finance (aircraft, shipping, commercial real estate and project finance) and has leading market shares in loan syndication in Europe. CACIB is also building up its global markets franchise, which is mainly concentrated on fixed-income and client flows.

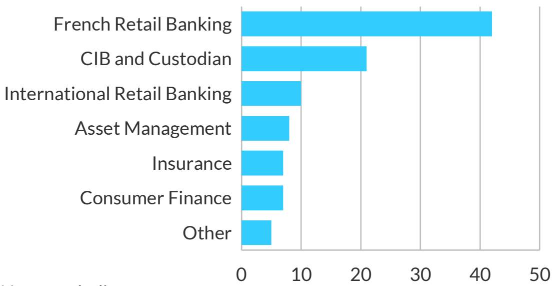
Consistent 2025 Strategic Plan

The management has a strong history of executing the group's strategy. As a cooperative group, CA has a strong corporate culture. CA S.A. has recently appointed Olivier Gavalda, a seasoned insider, as its new CEO. He will officially assume the role following the general shareholders' meeting in May 2025, and we expect him to continue his predecessor's strategy.

CA focuses on developing revenue synergies across its core businesses and forming partnerships with foreign financial institutions, mainly in Europe, to offer its products such as insurance, asset management, leasing, factoring, and consumer finance through alternative channels beyond its own banking networks.

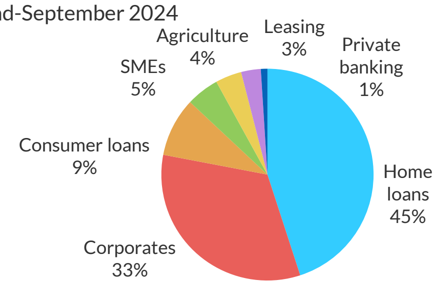
We believe CA is well-positioned to achieve its 2025 targets. The group aims to maintain conservative financial ratios, including a CET1 ratio of at least 17%, a total loss absorbing capacity (TLAC) ratio of at least 26% (excluding senior preferred debt), and a working assumption of loan impairment charges (LICs)/gross loans of 25bp at the group level (40bp for CA S.A.). Additionally, CA seeks to improve CA S.A.'s profitability with a cost/income ratio below 60% and a return on tangible equity above 12%.

Income Split by Segment (%)
9M24



Note: excluding corporate centre
Source: Fitch Ratings, Fitch Solutions, CA

Loan Book Split
End-September 2024



Note: excluding loans to financial institutions
Source: Fitch Ratings, CA

Risk Profile

CA's low risk appetite reflects the group's cooperative nature, its focus on France and its centralised and robust risk controls. CA is mainly exposed to credit risk. The domestic loan book accounts for around 65% of the group's, while the second-largest geographic exposure is Italy, which represented 9% of credit exposure at end-September 2024.

Underwriting criteria in French retail banking are generally more stringent than the industry average. CA's underwriting standards remain conservative despite a slight increase in average maturities on housing loans in the French banking sector since 2015. Lending is based on borrowers' ability to repay, and housing loans have low-risk features, being fully amortising and with fixed interest rates. Lending standards in relation to self-employed and SMEs are among the most prudent in the French banking sector.

In corporate banking, CACIB follows an originate-to-distribute strategy, reducing on-balance-sheet risk. Corporates exposures are well diversified by sector (the largest sectors being power, real estate, and automotive, all of which are under 10% of total corporate exposure at default). In Italy, CA has aligned underwriting standards and recovery processes with group standards and has been actively selling impaired loans portfolios.

CA has a fairly low appetite for traded market risks. CA S.A's value at risk (99%; 1 day) is moderate, and has recently been between EUR10 million–EUR20 million. Non-traded market risks primarily arise from interest rate risk in the banking book, stemming from a material share of housing loans with long-term fixed rates, which is adequately managed through hedging.

CA's net interest income (NII) was more resilient than that of some domestic peers to the rapid increase of interest rates levels, although its regional banks recorded a sharp decrease of their net interest margins in 2023. The group estimated that its NII would be EUR200 million lower, equivalent to about 1% of Fitch-calculated annualised 1H24, in case of an immediate 50bp rate decrease over a one-year horizon. The calculated impact of a 200bp parallel upward shift of the yield curve on the economic value of equity was EUR2 billion (about 2% of CET1 capital at end-June 2024).

Interest rate risks from CA's insurance activities are mitigated by a comfortable EUR9.2 billion policyholder participation reserve at end-June 2024 – or about 4.2% of outstanding capital guaranteed savings contracts, which are associated with low guaranteed rates.

Financial Profile

Asset Quality

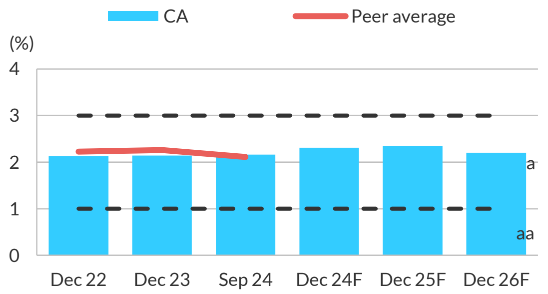
CA's asset quality is sound and its impaired loans ratio provides sufficient headroom to cushion potential impacts from the weaker economic environment in France and from vulnerable exposures. The ratio (end-September 2024: 2.2%) compares favourably with that of French and European peers. CA's asset quality is supported by fixed-rate French housing loans, which have performed well through the cycle.

CA has limited risk appetite for riskier lending and more volatile sectors. Therefore, we expect its impaired loans ratio to only slightly deteriorate in 2025 despite the higher inflows of defaulted loans stemming from lending to professionals and SMEs, where delinquencies increased in France. We believe the active management of impaired loans, and high provision coverage (83% at end-September 2024) to mitigate the impact from higher defaults of weaker borrowers. We expect LICs to remain slightly below the group's medium-term assumption of 25bp in 2025-2026. We anticipate that political uncertainties and potential adverse effects on French economic growth will not significantly affect CA's asset quality, even though the present uncertainties exert downward pressure on the loan book.

CACIB's exposure to large corporates can also occasionally generate quarterly spikes of LICs. However, the group's non-financial corporates exposure shows no significant sector concentration, except to energy and real estate, including construction. The group's commercial real estate portfolio (EUR58 billion, 2.3% default rate) is of good quality, with 70% investment-grade exposure, mainly in France, and a majority of exposure with an LTV below 60%. Exposure is also well diversified by type of borrowers. CA's exposure to more volatile sectors – such as shipping or aviation – are generally of good quality and diversified.

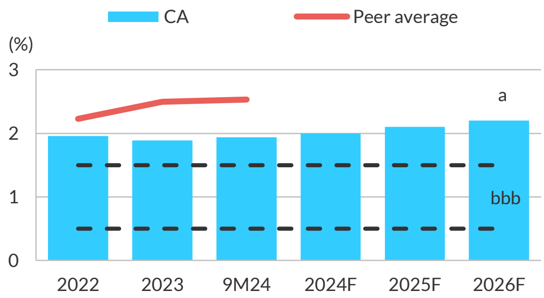
The securities portfolio is of good quality and mainly comprises sovereign and public-sector bonds. CA has a higher exposure to Italian sovereign bonds than other French peers, but we view concentration risks as acceptable.

Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions, banks

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

CA's average annual pre-impairment profit has averaged EUR13.7 billion over the past four years. This provides CA with the capacity to absorb larger asset-quality shocks than many peers, considering the group's diversification. French retail and commercial banking activities are the largest contributors, generating solid and consistent earnings along with asset management and insurance. CA's diverse business model supports the resilience of its profitability through economic cycles.

In 9M24, the annualised operating profit/RWAs ratio of 1.9% was lower than that of most large European banks. The benefit of higher rates is still not visible in CA's profitability metrics. However, nearly all divisions had robust performance, notably corporate and investment banking, which had a record 9M. CA had strong growth in asset management and insurance, while its international retail banking segment still benefitted from the high interest rates.

Regional banks' stated revenue declined slightly in 9M24 due to ongoing NII pressure in France, although home loans production recently picked up slightly. This underpins our expectation that the NII recovery will gradually accelerate in 2025 as loan volumes recover and new loans are originated at higher rates than the stock. This, along with the full effect of recent bolt-on acquisitions, should structurally improve profitability to levels above CA's long-term average.

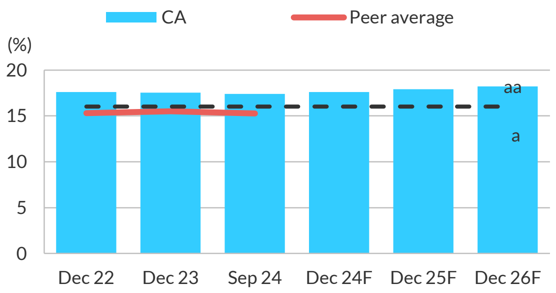
CA is more cost-efficient than other large French banks, with a cost/income ratio of 60% in 9M24, broadly stable from 2023. This is mainly due to lower regulatory costs, as other operating expenses increased due to integration costs from recent acquisitions, scope effect, and higher staff costs in an inflationary environment. We expect the cost/income ratio to remain below 60% in 2025.

Capitalisation and Leverage

High regulatory capital ratios, moderate pay-out ratios due to CA's cooperative structure combined with solid earnings retention, and low unreserved impaired loans (below 5% of CET1 capital) support CA's capitalisation. The CET1 ratio has been very stable at high levels (above 17%) since end-2020, highlighting CA's strong capital management and high financial flexibility. The current level provides a significant buffer of about 760bp above the 9.8% CET1 capital requirement at end-September 2024, putting the group in a good position to withstand a potential economic downturn. CA had a satisfactory phased-in regulatory leverage ratio of 5.5% at end-September 2024.

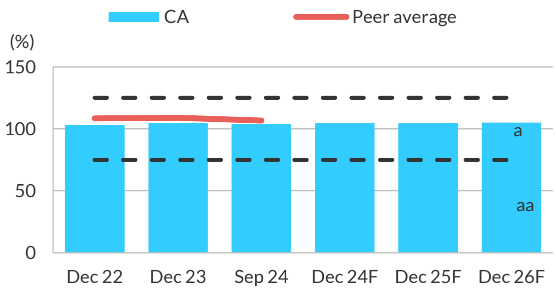
We expect the impact of Basel IV to be broadly neutral for CA S.A.'s CET1 ratio in 2025 (end-September 2024: 11.7%).

CET1 Ratio



Source: Fitch Ratings, Fitch Solutions, banks

Gross Loans/Customer Deposits



Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

Customer deposits make up about 60%–65% of total funding. CA's large deposit base benefits from its strong franchise in French retail banking as well as good access to institutional and corporate deposits through CACIB and CACEIS. CA's loans/deposits of less than 105% at end-September 2024 was satisfactory and lower than at large French cooperative banks. CA has access to diversified wholesale funding under different forms and currencies and has virtually completed its 2024 funding programme despite episodes of market volatility due to political turmoil in France.

The political uncertainties in France have not materially affected CA's access to wholesale markets, and its credit spreads have not materially moved. The bank has a large volume of short-term wholesale funding (EUR174 billion at end-September 2024, or less than 10% of total funding), which has increased in recent years but remains manageable in light of the large liquidity buffer and good access to a large investor base.

CA manages its liquidity coverage (end-September 2024: 143%) and net stable funding (119%) ratios with comfortable headroom relative to requirements.

Additional Notes on Charts

The forecasts in the charts in this section reflect Fitch's forward view on the bank's core financial metrics per Fitch's Bank Rating Criteria. They are based on a combination of Fitch's macro-economic forecasts, outlook at the sector level and company-specific considerations. As a result, Fitch's forecasts may materially differ from the guidance provided by the rated entity to the market.

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 will 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.

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 'aa' category.

Peer average includes Groupe BPCE (VR: a), Groupe Credit Mutuel, BNP Paribas SA (a+), Societe Generale S.A. (a-), ING Groep N.V. (a+), Cooperatieve Rabobank U.A. (a+), Lloyds Banking Group plc (a+), Nordea Bank Abp (aa-). Unless otherwise stated, financial year (FY) end is 31 December for all banks in this report. Latest average uses FY23 data for Groupe Credit Mutuel; 1H24 data for Cooperatieve Rabobank U.A.

Financials

Financial Statements

	30 Sep 24		31 Dec 23	31 Dec 22	31 Dec 21
	9 months - 3rd quarter	9 months - 3rd quarter	Year end	year end	Year end
	(USDm)	(EURm)	(EURm)	(EURm)	(EURm)
	Unaudited	Unaudited	Audited - unqualified	Audited - unqualified	Audited - unqualified
Summary income statement					
Net interest and dividend income	n.a.	n.a.	21,903	22,148	21,018
Net fees and commissions	n.a.	n.a.	11,837	10,945	10,750
Other operating income	31,849	28,447	2,823	5,489	5,446
Total operating income	31,849	28,447	36,563	38,582	37,214
Operating costs	18,883	16,866	22,084	24,453	23,081
Pre-impairment operating profit	12,966	11,581	14,479	14,129	14,133
Loan and other impairment charges	2,602	2,324	2,941	2,893	2,193
Operating profit	10,364	9,257	11,538	11,236	11,940
Other non-operating items (net)	-21	-19	281	145	476
Tax	2,356	2,104	2,748	2,508	2,463
Net income	7,987	7,134	9,071	8,873	9,953
Other comprehensive income	n.a.	n.a.	200	-6,747	-254
Fitch comprehensive income	7,987	7,134	9,271	2,126	9,699
Summary balance sheet					
Assets					
Gross loans	1,331,668	1,189,414	1,171,060	1,126,111	1,066,624
- Of which impaired	28,815	25,737	25,037	23,966	21,641
Loan loss allowances	23,863	21,314	20,676	19,862	18,946
Net loans	1,307,805	1,168,100	1,150,384	1,106,249	1,047,678
Interbank	154,841	138,300	120,546	104,970	90,824
Derivatives	23,512	21,000	122,308	154,275	111,566
Other securities and earning assets	1,053,656	941,100	791,091	701,345	750,866
Total earning assets	2,539,813	2,268,500	2,184,329	2,066,839	2,000,934
Cash and due from banks	189,100	168,900	180,723	210,804	241,191
Other assets	107,929	96,400	102,047	101,477	81,432
Total assets	2,836,843	2,533,800	2,467,099	2,379,120	2,323,557
Liabilities					
Customer deposits	1,281,158	1,144,300	1,119,041	1,091,467	1,040,793
Interbank and other short-term funding	83,634	74,700	344,246	350,733	380,300
Other long-term funding	785,176	701,300	254,331	168,170	155,746
Trading liabilities and derivatives	28,214	25,200	174,458	204,568	149,539
Total funding and derivatives	2,178,182	1,945,500	1,892,076	1,814,938	1,726,378
Other liabilities	496,655	443,600	432,674	430,386	463,124
Preference shares and hybrid capital	n.a.	n.a.	8,475	7,739	6,973
Total equity	162,006	144,700	133,874	126,057	127,082
Total liabilities and equity	2,836,843	2,533,800	2,467,099	2,379,120	2,323,557
Exchange rate		USD1 = EUR0.893176	USD1 = EUR0.912742	USD1 = EUR0.937559	USD1 = EUR0.884173

Source: Fitch Ratings, Fitch Solutions, CA

Key Ratios

	30 Sep 24	31 Dec 23	31 Dec 22	31 Dec 21
Ratios (%; annualised as appropriate)				
Profitability				
Operating profit/risk-weighted assets	1.9	1.9	2.0	2.0
Net interest income/average earning assets	n.a.	1.0	1.1	1.1
Non-interest expense/gross revenue	59.7	60.8	64.1	62.7
Net income/average equity	6.8	6.8	7.0	7.9
Asset quality				
Impaired loans ratio	2.2	2.1	2.1	2.0
Growth in gross loans	1.6	4.0	5.6	8.7
Loan loss allowances/impaired loans	82.8	82.6	82.9	87.6
Loan impairment charges/average gross loans	0.3	0.2	0.3	0.2
Capitalisation				
Common equity Tier 1 ratio	17.4	17.5	17.6	17.5
Fully loaded common equity Tier 1 ratio	17.3	17.4	17.2	17.2
Tangible common equity/tangible assets	5.0	4.6	4.5	4.6
Basel leverage ratio	5.5	5.5	5.3	6.1
Net impaired loans/common equity Tier 1 capital	4.0	4.1	4.1	2.6
Funding and liquidity				
Gross loans/customer deposits	103.9	104.7	103.2	102.5
Liquidity coverage ratio	143.0	144.3	167.6	183.0
Customer deposits/total non-equity funding	59.6	62.8	65.9	64.0
Net stable funding ratio	119.0	116.8	118.0	125.6

Source: Fitch Ratings, Fitch Solutions, CA

Support Assessment

Commercial Banks: Government Support	
Typical D-SIB GSR for sovereign's rating level (assuming high propensity)	a or a-
Actual jurisdiction D-SIB GSR	ns
Government Support Rating	ns
Government ability to support D-SIBs	
Sovereign Rating	AA-/ Negative
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.
Higher influence Moderate influence Lower influence

No Reliance on Sovereign Support

CA's Government Support Rating of 'no support' (ns) reflects 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 CA's systemic importance in France.

Subsidiaries and Affiliates

Subsidiary Ratings

Rating level	CA Personal Finance and Mobility (CAPFM)	CA Leasing & Factoring (CAL&F)	Amundi	CA Bank Polska	CA Auto Bank
Long-Term IDR	A+	A+	A+	A+	A-/Positive
Short-Term IDR	F1	F1	F1	F1	F1
Senior preferred debt	AA-/F1+	AA-/F1+			

Source: Fitch Ratings

The Shareholder Support Ratings (SSRs) and Long- and Short-Term IDRs of CAPFM and CAL&F, which are not covered by the group's mutual support mechanism, are based on shareholder support from CA S.A. and, ultimately, CA. Their IDRs are equalised with those of CA as we view them as key, growing and integral parts of the group as providers of consumer finance, and leasing and factoring solutions. They are also highly integrated within the group in terms of management, capital and liquidity.

Fitch does not assign a VR to CAPFM or to CAL&F as they do not have a meaningful standalone franchise that could exist without the ownership of the parent due to high levels of financial and operational integration.

The 'AA-'/'F1+' senior preferred debt ratings of CAPFM and CAL&F and its subsidiaries Auxifip, Finamur, Lixxbail and Unifergie are one notch above their respective issuer or guarantor's IDRs. CAPFM and CAL&F are part of CA's resolution scope. CA S.A. downstreams senior non-preferred debt to CAPFM and CAL&F, which supports our view that junior debt and equity buffers available at the regional banks and CA S.A. would also protect these subsidiaries' senior preferred creditors in a resolution.

Fitch deems Amundi to be a core subsidiary for CA as an integral part of CA's universal banking strategy. A disposal is highly unlikely under ordinary or foreseeable circumstances, but Amundi is part of neither CA's resolution perimeter nor the mutual support mechanism, and CA's resolution plan envisages a sale of Amundi among the means to address a capital shortfall. The equalisation of Amundi's Long-Term IDR to CA's also reflects that CA guarantees Amundi's structured notes under its EMTN programme.

CA Bank Polska's IDRs and SSR are driven by a very high probability of support from the bank's sole owner, CA S.A.

CA Auto Bank's IDRs are driven by support from CAPFM and CA. The SSR is notched off twice from CAPFM's and CA's Long-Term IDRs, mainly reflecting that CA Auto Bank still predominantly operates in Italy, which might constrain the group's ability and commitment to provide support in a sovereign distress. The SSR is underpinned by CA Auto Bank's focus on strategically important markets for the group, moderate contribution to the group's consumer finance business, full group ownership and common brand.

Environmental, Social and Governance Considerations

FitchRatings **Credit Agricole**

Banks
Ratings Navigator

Credit-Relevant ESG Derivation

Credit Agricole has 5 ESG potential rating drivers

- Credit Agricole 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

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

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.

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.

The highest level of ESG credit relevance is a strength of '3', unless otherwise disclosed in this section. A strength of '3' means ESG is credit neutral or has only a minimal credit impact, either due to their nature or the way they are managed. The scores are not inputs in the process; they are an observation on the relevance and materiality of ESG in the rating. For more information, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

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.