

CREDIT OPINION

19 December 2024

Update



RATINGS

Credit Industriel et Commercial

Domicile	Paris, France
Long Term CRR	Aa3
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	A1
Type	Senior Unsecured - Fgn Curr
Outlook	Stable
Long Term Deposit	A1
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.

Contacts

Guy Combot +33.1.5330.5981
VP-Senior Analyst
guy.combot@moodys.com

Yana Ruvinskaya +33.1.5330.3393
Lead Ratings Associate
yana.ruvinskaya@moodys.com

Olivier Panis +33.1.5330.5987
Associate Managing Director
olivier.panis@moodys.com

CLIENT SERVICES

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

Credit Industriel et Commercial

Update following sovereign rating action

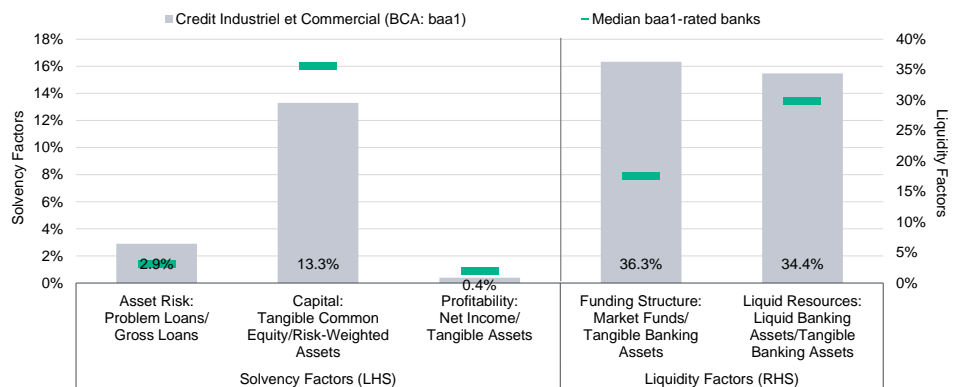
Summary

[Credit Industriel et Commercial's](#) (CIC) Baseline Credit Assessment (BCA) of baa1 reflects the bank's solid franchise and sound liquidity, which is managed by Credit Mutuel Alliance Federale (CMAF), its good solvency, single-name concentration in its corporate banking business and risks stemming from its capital market activities.

CIC benefits from a very high probability of affiliate support from Groupe Credit Mutuel (GCM), resulting in an Adjusted BCA of a3, which is based on our assessment of the standalone creditworthiness of CMAF and GCM.

CIC's long-term senior unsecured debt and deposit ratings of A1 with a stable outlook reflect the Adjusted BCA of a3 and the application of our Advanced Loss Given Failure (LGF) analysis, which results in two notches of uplift from the Adjusted BCA that stem from GCM's significant volume of senior debt and junior deposits.

Exhibit 1
Rating scorecard - Key financial ratios



Source: Moody's Ratings

Credit strengths

- » CIC has solid domestic retail and corporate banking franchises.
- » The bank's funding structure and comfortable liquidity buffer mitigate some reliance on wholesale funding.
- » Robust solvency which is managed by the bank's parent company.

Credit challenges

- » Some earnings volatility arising from CIC's role as a hub for CMAF's corporate banking and financial market activities.
- » Higher prices and subdued economic growth, which affect French customers' creditworthiness.
- » Low margins on residential mortgage loans in France.

Outlook

The outlook on CIC's A1 long-term deposit and senior unsecured debt ratings is stable, reflecting our view that the bank will be able to maintain its strong financial performance and metrics close to the current levels over a 12-18-month horizon despite the subdued economic conditions in France and Europe.

Further, the negative effect of a decrease of its intrinsic creditworthiness as expressed through our BCA and Adjusted BCA or higher loss-given-failure on the bank's long-term deposits and senior unsecured debt ratings, could at least be partly offset by a recovery of a one-notch government support uplift, which was previously incorporated in those ratings.

Factors that could lead to an upgrade

An upgrade of CIC's A1 long-term deposit and senior unsecured debt ratings could occur if GCM's solvency and liquidity were to improve further leading to a higher Adjusted BCA.

An upgrade of the [Government of France](#)'s rating (Aa3 stable) could also result in an upgrade of CIC's deposit and senior unsecured ratings through a one-notch government support uplift.

Factors that could lead to a downgrade

CIC's long-term deposit and senior unsecured debt ratings could be downgraded if there is a deterioration in the standalone financial strength of GCM, resulting in lower Adjusted BCA. This could happen in case of a significant weakening in GCM's underlying profitability, mainly as a result of worsening asset quality or a further significant deterioration in its net interest margin; a significant weakening in the group's capitalisation, for example, following major acquisitions; adverse changes in its liquidity or funding profile; or a significant weakening of the operating environment in France.

A downgrade could also follow a reduction in subordinated debt, resulting in a higher loss given failure.

However, the negative effect of a decrease in the BCA or Adjusted BCA or higher loss-given-failure on the bank's long-term deposit and senior unsecured debt ratings could at least be partly offset by a recovery of a one-notch government support uplift, which was previously incorporated in those ratings.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

Credit Industriel et Commercial (Consolidated Financials) [1]

	06-24 ²	12-23 ²	12-22 ²	12-21 ²	12-20 ²	CAGR/Avg. ³
Total Assets (EUR Million)	412,976.0	403,656.0	396,387.0	356,914.0	349,828.0	4.9 ⁴
Total Assets (USD Million)	442,608.6	445,900.6	423,042.9	404,421.4	428,034.1	1.0 ⁴
Tangible Common Equity (EUR Million)	20,066.0	20,211.0	18,134.0	16,643.0	14,920.0	8.8 ⁴
Tangible Common Equity (USD Million)	21,505.8	22,326.2	19,353.5	18,858.3	18,255.5	4.8 ⁴
Problem Loans / Gross Loans (%)	2.9	2.8	2.4	2.4	2.5	2.6 ⁵
Tangible Common Equity / Risk Weighted Assets (%)	13.3	13.9	13.4	13.8	13.2	13.5 ⁶
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	30.5	29.2	27.0	26.3	28.6	28.3 ⁵
Net Interest Margin (%)	0.8	0.8	0.8	0.8	0.8	0.8 ⁵
PPI / Average RWA (%)	1.8	1.9	2.1	2.3	1.7	2.0 ⁶
Net Income / Tangible Assets (%)	0.4	0.5	0.6	0.6	0.2	0.5 ⁵
Cost / Income Ratio (%)	58.8	58.7	56.2	55.8	62.7	58.4 ⁵
Market Funds / Tangible Banking Assets (%)	38.0	36.3	37.3	31.6	31.8	35.0 ⁵
Liquid Banking Assets / Tangible Banking Assets (%)	35.5	34.4	36.2	33.9	36.3	35.2 ⁵
Gross Loans / Due to Customers (%)	113.3	110.5	109.0	102.4	98.9	106.8 ⁵

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.

Sources: Moody's Ratings and company filings

Profile

Credit Industriel et Commercial (CIC) is a French universal bank active in retail and private banking, finance and capital markets, specialised businesses, asset management, insurance and private equity. CIC has operations throughout France, and also carries out international operations, notably private banking and financial market activities.

CIC is owned by [Banque Federative du Credit Mutuel](#) (BFCM, A1/A1, stable, a3), which is owned by 14 regional federations and the local banks of the cooperative GCM. These 14 regional federations, together with BFCM and CIC, make up CMAF — the largest subgroup within the wider GCM, accounting for around 80% of GCM's consolidated total assets as of December 2023. Two federations — Maine Anjou and Ocean — remain independent, while two other federations, namely Bretagne and Sud Ouest, are jointly operating under the same name, that is, [Credit Mutuel Arkea](#) (A1/A1 stable, baa1¹).

Refer to [Groupe Credit Mutuel: Mutual support guarantee in a fragmented group drives our ratings approach](#) for a more comprehensive analysis of GCM's structure and rating construction.

Detailed credit considerations

Domestic retail and corporate lending drives low asset risks

The bulk of CIC's activities relates to domestic retail and corporate lending. The asset risk is, on average, moderate, which is reflected in the bank's low reported nonperforming loan ratio of 2.9% as of the end of June 2024, slightly up from year-end 2023. The EU nonperforming loan ratio average was slightly lower at 1.9% at the same date.²

Our Asset Risk score, currently at baa1, accounts for several key factors. These include the bank's significant proportion of low-risk residential housing loans in France, which made up 45% of the bank's total loan portfolio as of the end of June 2024. However, this is balanced by a considerable exposure to the small and medium-sized enterprise (SME) sector, constituting 44% of the bank's loans. Additionally, there is a certain degree of single-name concentration within the corporate banking business, which also affects our Asset Risk score.

CIC's track record on credit risk is sound. The bank reported an increase in the cost of risk to 23 basis points (bps) in H1 2024 from 10 bps in H1 2023. The increase in the cost of risk was primarily due to a higher number of defaults in retail banking and consumer finance, reflecting the weakening macroeconomic environment in France. However, the increase in the bank's cost of risk was mitigated by some release of provisions. Some of the provision releases were associated with major corporations that experienced a recovery in 2023. The current

cost of risk is lower than the 51-bp peak seen in 2020. We expect a minor uptick in risk costs by 2025, but they are likely to stay under the around 45-bp average observed in France.³ The subdued economic growth will continue to strain asset quality. We forecast slower economic growth in France (GDP growth of 1.3% in 2024 and 0.8% in 2025, compared with 1.1% in 2023), with a stable unemployment ratio (7.5% in 2024 and 2025, compared with 7.3% in 2023⁴).

Capital is commensurate with the low-risk profile and CMAF's policy

Our a3 Capital score for CIC takes into consideration the bank's good regulatory buffers and its relatively weaker capital position on a standalone basis than that of its EU peers. However, CIC's capital position is managed by CMAF and is commensurate with its low asset risk profile.

CIC reported a Common Equity Tier 1 (CET1) capital ratio of 12.3% as of the end of June 2024, down 40 bps from that as of year-end 2023 due to an increase in risk-weighted assets (RWA). The bank, as a standalone entity of CMAF, has no Supervisory Review and Evaluation Process (SREP) requirement to comply with.

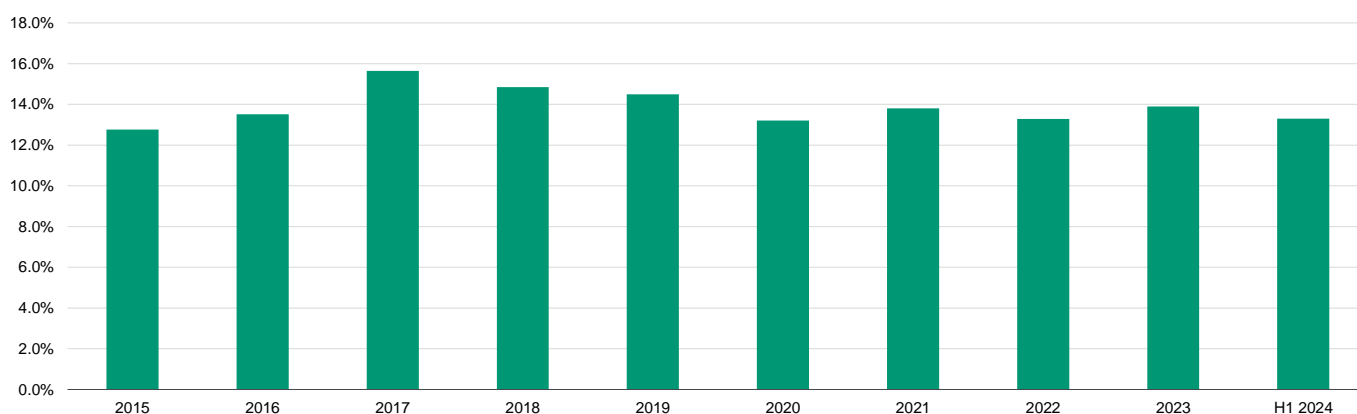
CIC's CET1 ratio of 12.3% compares unfavourably with the 16.1% EU average as of June 2024,⁵ considering CIC's business activities, namely capital market and exposure to the SME sector. This is also the case for the bank's leverage ratio, which was 4.6% as of the end of June 2024 (4.7% as of year-end 2023), weaker than the 5.8% EU average as of Q2 2024.⁶

However, CIC's capital, which is managed at the group level, could benefit from parental support in case of need. CMAF's CET1 ratio was 18.5% as of June 2024 (more than six percentage points higher than that of CIC) and its leverage ratio was 7.3% (around 2.7 percentage points lower than that of CIC). CMAF's Moody's-calculated tangible common equity (TCE)/RWA was 19% as of the end of June 2024, while CIC's TCE ratio was 13.3%.

The minimum requirement for own funds and eligible liabilities (MREL) is set by the European Single Resolution Authority at the group level (GCM), which is the single point of entry. Although CIC is outside of GCM's solidarity mechanism,⁷ the bank is considered a significant entity (referred to as "relevant legal entity") for the group according to the regulation. Hence, it is subject to an internal minimum requirement for own funds and eligible liabilities (I-MREL), which is not disclosed.

Exhibit 3

CIC has consistently maintained good capital adequacy TCE/RWA (%)



Sources: Bank's report and Moody's Ratings

Corporate banking and financial market activities entail some earnings volatility

CIC has a sound franchise in the domestic retail segment, with estimated market shares in France of around 7% in both loans and deposits (that is, CIC accounts for close to half of CMAF's market shares). CIC's strong franchise in the SME and corporate segments is a key credit strength, providing the bulk of the bank's revenue.

Our Profitability score of ba1 takes into consideration the above-mentioned factors, which entail low-risk return in its core businesses (retail and SME lending) but also some volatility because the bank is the hub for CMAF's capital market activities. These activities are

now limited in absolute terms and have been scaled down over time. Capital market activities represented a low 9% of CIC's net banking income in H1 2024, compared with 13% in 2012.

CIC's net income as a percentage of its assets has seen a gradual decline, dropping to 0.4% in the first half of 2024, from 0.5% in 2023 and 0.6% in 2022, continuing the trend that began in 2021.

CIC's current return on assets of 0.4% is slightly lower than the 0.45% achieved by French banks in H1 2024. This figure is significantly below the EU average of 0.74%⁸.

CIC's profitability was hurt by a decline in revenue (-3%) because of lower net interest margins. The net interest margin was strained by the continued decline in demand for credit since July 2022 when the European Central Bank's (ECB) increased its interest rates. In H1 2024, CIC's profitability also faced higher cost of risk (+68%).

We expect profitability to progressively benefit from higher interest rates in its lending book. CIC's net interest margin, in line with that of many of its French peers, has not fully benefitted from the successive hikes in the ECB's interest rates. This is mainly because home loans are almost exclusively at fixed rates in France and because of the higher interest rate paid on time deposits. The remuneration of term deposits in France is largely a function of regulated savings rates.

In line with industry trends, the bank experienced over the 2 years to June 2024 an increase in the proportion of time deposits and saving accounts (+16 percentage points), which now constitute 56% of its total deposit mix. This contributed to overall growth (2.4%) in CIC's deposits during this period.

CIC's reported cost-to-income ratio of 58.8% as of the end of June 2024 was much lower than the French average (66%) but higher than the average ratio for EU banks (53% as of Q2 2024⁹).

Retail deposits and comfortable liquidity buffer mitigate some reliance on wholesale funding

Our analysis focuses on the liquidity and funding of CMAF, which are managed centrally by BFCM, including CIC. The assigned scores for CIC's Funding Structure and Liquid Resources in the bank's scorecard are, therefore, aligned with those of CMAF (both at baa1).

We assign a baa1 Funding Structure score to CMAF. Despite having a broad and stable deposit base, its loan-to-deposit ratio declined to 111%¹⁰ as of June 2024, from 105% as of year-end 2020. This decline is mainly attributed to its commercial operations expanding at a slightly quicker rate than its deposit collection activities.

In this context, wholesale funding will remain a significant funding source for CMAF over the next 12-18 months. As of June 2024, the total amount of market funding (including covered bonds) was €162 billion, of which 64% were medium- to long-term resources.

CMAF's reliance on market funding, which is confidence-sensitive, is mitigated by the term structure of its debt, which minimises funding gaps (that is, shortfall in funding over asset needs) in all maturity buckets from three months to five years. CMAF had liquidity reserves of €166 billion as of June 2024, which we consider sufficient because they more than fully cover the wholesale debt maturing within 12 months.

CMAF reported a good liquidity coverage ratio of 178% on average in H1 2024. The average high-quality liquid asset portfolio during the same period was high and amounted to €124 billion, 77% of which were deposits with the central banks (mainly the ECB).

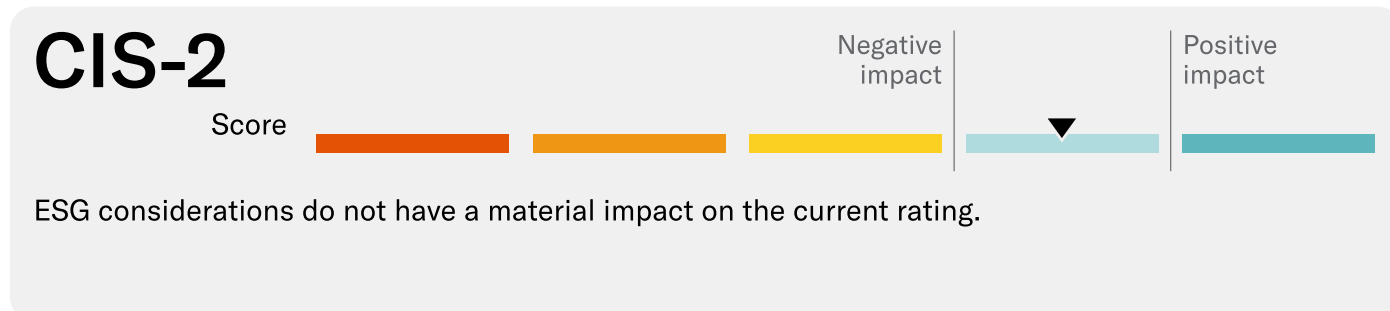
The assigned Liquidity Resources score of baa1 incorporates a negative adjustment for ECB's financing and the share of regulated deposits that are not available for business because they are mandatorily centralised at [Caisse des Depots et Consignations](#) (Aa3/Aa3 stable).

ESG considerations

Credit Industriel et Commercial's ESG credit impact score is CIS-2

Exhibit 4

ESG credit impact score



Source: Moody's Ratings

Credit Industriel et Commercial (CIC)'s **CIS-2** reflects that ESG considerations are not material to the rating.

Exhibit 5

ESG issuer profile scores



Source: Moody's Ratings

Environmental

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

Social

CIC faces moderate social risks mainly related to customer relations as well as to demographic and societal trends. The bank's developed policies and procedures mitigate conduct risk associated with the distribution of financial products such as regulatory and reputational risks, as well as exposure to litigation. Continued investments in technology and the bank's long track record of handling sensitive customer data, as well as appropriate culture and governance that ensure adherence to regulatory standards, help to manage high cyber and personal data risks. CIC operates mainly in France, which faces challenges from adverse demographic trends affecting long-term economic growth prospects and impacting the demand for certain banking products. Product diversity as well as an ability to adapt to consumer preferences, regulatory changes and societal trends such as digitization are key to address these risks.

Governance

CIC faces low governance risks, and its risk management policies and procedures are in line with industry practices. CIC is controlled by the Banque Federative du Credit Mutuel through its 93% ownership. Therefore, we have aligned the subsidiary's board structure, policies and procedures score with that of its parent, given (i) the bank's strategic importance for the mutualist group, (ii) the parent's oversight over the board's subsidiary and (iii) the same regulatory frameworks both entities are required to comply with.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moody's.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Affiliate support

We assign an Adjusted BCA of a3 to CIC, incorporating one notch of uplift from its BCA of baa1 for the affiliate support provided by GCM.

Although CIC does not fall under the legal scope of GCM's solidarity mechanism, because it is not an affiliated member of the mutualist group, it is fully integrated within CMAF both strategically and operationally, and holds one of the main franchises of the group. Therefore, an adverse scenario affecting CIC would likely hurt the credit strength of CMAF and, by extension, that of GCM. Hence, our ratings incorporate a very high probability of support from CMAF and, in turn, from GCM.

Loss Given Failure (LGF) analysis

GCM and its operating entities in France are subject to the EU Bank Recovery and Resolution Directive, which is an operational resolution regime. We assume that a resolution, if any, would occur at the level of GCM once the said group reaches the point of non-viability. If financial difficulties occur at the CIC level, these would be addressed by GCM through affiliate support.

Our analysis incorporates our standard assumptions under our Advanced LGF.

Our Advanced LGF analysis indicates a very low loss given failure for deposits and senior unsecured debt, leading to a two-notch uplift to the Adjusted BCA. This uplift is prompted by the loss absorption provided by a combination of substantial deposit volume and subordinated instruments including residual equity.

Government support considerations

In line with our approach in many other operational resolution regimes we assign an unchanged moderate probability of support to the long-term deposit, senior unsecured debt and issuer ratings, where applicable, of French banks we consider to be systemic and strategic, including GCM.

However, because of the proximity of CIC's long-term deposit and senior unsecured debt ratings to the French sovereign debt rating, a moderate probability of government support does not result in any uplift.

For senior non-preferred, junior senior or other junior securities, potential government support is low and these ratings do not include any related uplift.

Methodology and scorecard

About Moody's Bank Scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may significantly differ from that suggested by raw data alone (although 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 6

Rating Factors

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	2.9%	a2	↔	baa1	Market risk	Single name concentration	
Capital							
Tangible Common Equity / Risk Weighted Assets (Basel III - fully loaded)	13.3%	a2	↓	a3			
Profitability							
Net Income / Tangible Assets	0.4%	ba1	↔	ba1			
Combined Solvency Score		a3		baa1			
Liquidity							
Funding Structure							
Market Funds / Tangible Banking Assets	36.3%	ba2	↔	baa1	Term structure		
Liquid Resources							
Liquid Banking Assets / Tangible Banking Assets	34.4%	a2	↔	baa1	Asset encumbrance		
Combined Liquidity Score		baa2		baa1			
Financial Profile				baa1			
Qualitative Adjustments				Adjustment			
Business Diversification				0			
Opacity and Complexity				0			
Corporate Behavior				0			
Total Qualitative Adjustments				0			
Sovereign or Affiliate constraint				Aa3			
BCA Scorecard-indicated Outcome - Range				a3 - baa2			
Assigned BCA				baa1			
Affiliate Support notching				-			
Adjusted BCA				a3			
Balance Sheet		in-scope (EUR Million)	% in-scope	at-failure (EUR Million)	% at-failure		
Other liabilities		211,984	22.9%	272,324	29.4%		
Deposits		591,571	63.9%	531,231	57.4%		
Preferred deposits		437,763	47.3%	415,874	44.9%		
Junior deposits		153,808	16.6%	115,356	12.5%		
Senior unsecured bank debt		65,937	7.1%	65,937	7.1%		
Junior senior unsecured bank debt		15,874	1.7%	15,874	1.7%		
Dated subordinated bank debt		12,120	1.3%	12,120	1.3%		
Junior subordinated bank debt		22	0.0%	22	0.0%		
Preference shares (bank)		816	0.1%	816	0.1%		
Equity		27,783	3.0%	27,783	3.0%		
Total Tangible Banking Assets		926,107	100.0%	926,107	100.0%		

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	25.7%	25.7%	25.7%	25.7%	3	3	3	3	0	aa3
Counterparty Risk Assessment	25.7%	25.7%	25.7%	25.7%	3	3	3	3	0	aa3 (cr)
Deposits	25.7%	6.1%	25.7%	13.2%	2	3	2	2	0	a1
Senior unsecured bank debt	25.7%	6.1%	13.2%	6.1%	2	1	2	2	0	a1
Dated subordinated bank debt	4.4%	3.1%	4.4%	3.1%	-1	-1	-1	-1	0	baa1

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	-	Aa3	Aa3
Counterparty Risk Assessment	3	0	aa3 (cr)	-	Aa3(cr)	
Deposits	2	0	a1	-	A1	A1
Senior unsecured bank debt	2	0	a1	-	A1	A1
Dated subordinated bank debt	-1	0	baa1	-		(P)Baa1

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.

Source: Moody's Ratings

Ratings

Exhibit 7

Category	Moody's Rating
CREDIT INDUSTRIEL ET COMMERCIAL	
Outlook	Stable
Counterparty Risk Rating	Aa3/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	baa1
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa3(cr)/P-1(cr)
Senior Unsecured	A1
Subordinate MTN	(P)Baa1
Commercial Paper -Dom Curr	P-1
Other Short Term	(P)P-1
PARENT: BANQUE FEDERATIVE DU CREDIT MUTUEL	
Outlook	Stable
Counterparty Risk Rating	Aa3/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	a3
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa3(cr)/P-1(cr)
Senior Unsecured	A1
Junior Senior Unsecured -Dom Curr	A3
Junior Senior Unsecured MTN -Dom Curr	(P)A3
Subordinate -Dom Curr	Baa1
Pref. Stock Non-cumulative -Dom Curr	Baa3 (hyb)
Commercial Paper -Dom Curr	P-1
Other Short Term	(P)P-1
CREDIT INDUSTRIEL ET COMMERCIAL, NEW YORK	
BR	
Commercial Paper	P-1

Source: Moody's Ratings

Endnotes

- [1](#) The ratings shown here are the bank's long-term deposit and senior unsecured debt ratings, together with the outlook and BCA.
- [2](#) European Banking Authority, EBA, [Risk Dashboard, Q2 2024](#).
- [3](#) EBA, [Risk Dashboard, Q2 2024](#).
- [4](#) [Growth and inflation converging to steady state as economic expansion persists](#), October 2024.
- [5](#) EBA, [Risk Dashboard, Q2 2024](#).
- [6](#) EBA, [Risk Dashboard, Q2 2024](#).
- [7](#) Groupe Credit Mutuel's unity is ensured by a mutual support guarantee. The cohesion of GCM's subgroups is secured by the group's central body, which mainly performs oversight because it is required by law to ensure that all group entities have sufficient liquidity and capital. GCM's entities are also mutually bound by law to ensure adequate capital and liquidity for all. Accordingly, any entity facing significant financial difficulties or a major disruption would receive support from the rest of the group as long as that entity remains part of the group.
- [8](#) EBA [Risk Dashboard, Q2 2024](#).
- [9](#) EBA [Risk Dashboard, Q2 2024](#).
- [10](#) Moody's calculation.

© 2024 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved. CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moody's.com under the heading "Investor Relations — Corporate Governance — Charter Documents - Director and Shareholder Affiliation Policy."

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V., I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., and Moody's Local PA Calificadora de Riesgo S.A. (collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions (as defined in Moody's Investors Service Rating Symbols and Definitions): Please note that a Second Party Opinion ("SPO") is not a "credit rating". The issuance of SPOs is not a regulated activity in many jurisdictions, including Singapore. JAPAN: In Japan, development and provision of SPOs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

CLIENT SERVICES

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