S&P Global
Ratings

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Ratings On 12 French Banks Affirmed Under Revised Criteria For Financial Institutions

February 2, 2022

- We have reviewed our ratings on 12 French banks under our revised criteria.
- We have affirmed the ratings on these banks, and the outlooks are unchanged.

PARIS (S&P Global Ratings) Feb. 2, 2022--S&P Global Ratings today said that it has affirmed its issuer credit ratings, resolution counterparty credit ratings, and issue ratings on the following 12 French banks and selected entities of the corresponding groups (see the Ratings List for details). The affirmations follow a revision to our criteria for rating banks and nonbank financial institutions and for determining a Banking Industry Country Risk Assessment (BICRA) (see "Financial Institutions Rating Methodology," and "Banking Industry Country Risk Assessment Methodology And Assumptions," both published Dec. 9, 2021, on RatingsDirect). Our outlooks as well as our group stand-alone credit profiles (SACPs) on these banks and related entities are unchanged, with the exception of our group SACP for the larger Opel Bank SA.

The affirmations include:

- BNP Paribas;
- BPCE;
- Credit Agricole S.A. (central body of Crédit Agricole group);
- Societé Générale;
- La Banque Postale;
- Dexia Credit Local;
- RCI Banque;
- Oney Bank;
- Carrefour Banque;
- Socram Banque;
- Opel Bank S.A. Niederlassung Deutschland (German branch of Opel Bank SA); and
- My Money Bank.

Our assessments of economic risk and industry risk in France also remain unchanged at '3' and '4', respectively. These scores determine the BICRA and the anchor, or starting point, for our ratings on financial institutions that operate primarily in that country. The trends for economic risk and industry risk both remain stable.

PRIMARY CREDIT ANALYSTS

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

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

Philippe Raposo
Paris
+ 33 14 420 7377
philippe.raposo
@spglobal.com

Mathieu Plait
Paris
+ 33 14 420 7364
mathieu.plait
@spglobal.com

Emna Chahed
Paris
+ 33 14 075 2524
emna.chahed
@spglobal.com

Mehdi El mrabet
Paris
+ 33 14 075 2514
mehdi.el-mrabet
@spglobal.com

See complete contact list at end of article.

BNP Paribas

Primary analyst: Nicolas Malaterre

We affirmed our ratings on BNP Paribas (BNPP) and selected subsidiaries and branches of the group. The ratings reflect BNPP's high geographic and business diversity, which enables very resilient revenue generation. The group is not as strong an earner as some of its peers, notably those in the U.S. However, it generally displays more stable earnings through the cycle.

Outlook

The stable outlook indicates our view that BNPP will demonstrate good resilience to the economic implications from the pandemic, and sufficiently mitigate the negative effect of low interest rates on revenue. We anticipate that the group will incrementally improve cost efficiency in the next couple of years, delivering profitability that covers its cost of capital. We also assume that BNPP will continue to focus on organic growth and small bolt-on acquisitions, and sustain its adequate capitalization in the coming two years. The positive outlook on Banca Nazionale del Lavoro SpA (BNL) mirrors that on Italy (unsolicited; BBB/Positive/A-2).

Downside scenario: Downward rating pressure would most likely stem from weakening profitability, either due to the group's inability to largely offset the persistent negative effect of low interest rates on its retail banking revenue, or a less-supportive environment for its capital market activities. In a less-benign credit and market environment, BNPP's heavier cost base than that of large international peers could become a more pronounced rating weakness. Any material expansion in countries with higher economic risk than the rest of the group could also weigh on the ratings.

Under these scenarios, we could revise down BNPP's group SACP and in turn lower the issue ratings on its senior nonpreferred debt and other hybrids. Whether we also lower the issuer credit rating could depend on its progress in building its ALAC buffer; indeed, with the group SACP at the lower 'a-' level, we could include an additional notch of ALAC if the buffer exceeded sustainably our threshold for a second ALAC notch on BNPP.

Upside scenario: We consider an upgrade a remote prospect. Upward rating pressure would most likely arise only if BNPP undertakes a sizable increase in its capital ratios. We would also need to see material improvements in cost efficiency and returns, closing the gap with the strongest global peers, including Nordic and large U.S. banks.

Ratings Score Snapshot

Issuer credit rating: A+/Stable/A-1

Stand-alone credit profile: a

- Anchor: bbb+
- Business position: Very strong (+2)
- Capital and earnings: Adequate (0)
- Risk position: Adequate (0)

- Funding and liquidity: Adequate and adequate (0)
- Comparable ratings analysis: 0

Support: +1

- ALAC support: +1
- Government-related entity (GRE) support: 0
- Group support: 0
- Sovereign support: 0

Additional factors: 0

ESG Credit Indicators: E-2, S-2, G-2

BPCE

Primary analyst: Nicolas Malaterre

We affirmed our ratings on BPCE and its rated group entities. BPCE's business model and revenue structure are more sensitive than those of French peers to prolonged low interest rates in the eurozone, considering its past stable but modest profitability and weaker efficiencies. Given BPCE's continued objective to maintain its capital strength, we project our risk-adjusted capital (RAC) ratio before diversification will revert to above 10%.

Outlook

The outlook on BPCE and its rated entities is stable. We take into account BPCE's good positioning in domestic activities as the No. 2 player and aligned segments such as insurance that should support earnings in the coming two years.

Downside scenario: The main downside risk we see for BPCE in the next 18-24 months is if its SACP further deteriorates. This could happen if the bank does not adjust its business, including in retail banking, to the evolving interest rate environment, and our RAC trajectory fails to revert above 10%, for example, on the back of materially reduced earnings prospects or a material increase in risk exposure.

Upside scenario: Although unlikely in the next two years, upside could come from profitability, cost-to-income efficiency, and solvency sustainably in line with those of rated peers with an 'a' SACP. At the 'a-' SACP, our issuer credit and resolution counterparty ratings on the bank could also benefit from a second notch of ALAC support if its bail-in-able debt is sustainably above 6%. A prerequisite would be that we consider that such outcome would better reflect the group's creditworthiness.

Ratings Score Snapshot

Issuer credit rating: A/Stable/A-1

Stand-alone credit profile: a-

- Anchor: bbb+
- Business position: Adequate (0)
- Capital and earnings: Strong (+1)
- Risk position: Adequate (0)
- Funding and liquidity: Adequate and adequate (0)
- Comparable ratings analysis: 0

Support: +1

- ALAC support: +1
- GRE support: 0
- Group support: 0
- Sovereign support: 0

Additional factors: 0

ESG Credit Indicators: E-2, S-2, G-2

Credit Agricole Group

Primary analyst: François Moneger

We affirmed our ratings on Crédit Agricole S.A. (CASA) and selected banking entities of the Crédit Agricole group (GCA). Our ratings reflect that GCA is one of the strongest bank-insurance groups in Europe, with a high degree of business diversity and deep retail foothold, notably in France. The group sustains a solid capital position and enjoys predictable revenue. Although we believe that low interest rates will continue to weigh on retail banking interest margins, we anticipate a sizable improvement in core earnings in 2021, essentially on the back of a normalizing cost of risk. Our ratings also reflect GCA's strong risk diversification and granularity, and its high nonperforming loan (NPL) coverage. We incorporate one notch of ALAC support, since we expect the group will continue building its ALAC buffer far above our 275 basis-point (bp) threshold for one notch of ALAC extraordinary support on CASA.

Outlook

Our stable outlooks on CASA and GCA's other core banking entities reflect our view that GCA will maintain the 'a' group SACP in the coming two years, with a leading franchise in its key business segments, especially domestic retail, asset management, and insurance. We also expect GCA will keep disciplined underwriting standards and comparatively superior coverage of its impaired assets, reflecting its low-risk profile. We expect that the group will sustain satisfactory cost efficiency and adequate capitalization. We believe that GCA will continue to demonstrate good resilience to the economic implications from the pandemic, and sufficiently mitigate the negative effects from persisting low interest rates on its retail revenue.

Our stable outlooks on the group's core insurance entities-- Predica, Pacifica IARD, and the insurance holding company Crédit Agricole Assurances--all of which we rate in reference to GCA's group SACP, reflect that we see no particular upward or downward pressure on the group SACP.

The stable outlooks on these entities are also supported by our favorable view of their stand-alone credit quality.

Downside scenario: We could lower our ratings if GCA's asset quality deteriorates to an extent that is insufficient to maintain a low-risk profile. Downward rating pressure could also stem from weakening profitability if GCA does not continue largely offsetting the negative effect of low interest rates on its retail revenue, or if there is a rapid increase in investments and operating costs in a context of accelerated digital transformation. In addition, although we do not consider this a likely scenario, any significant geographic expansion into areas with higher economic risks than the rest of the group could weigh on overall creditworthiness. Under all these scenarios, we could also revise down our assessment of GCA's group SACP and lower our issue ratings on its senior nonpreferred debt and other hybrids.

Upside scenario: We consider that an upgrade would entail structural changes and hence consider it unlikely in the short-to-medium term.

Ratings Score Snapshot

Issuer credit rating: A+/Stable/A-1

Stand-alone credit profile: a

- Anchor: bbb+
- Business position: Strong (+1)
- Capital and earnings: Adequate (0)
- Risk position: Strong (+1)
- Funding and liquidity: Adequate and adequate (0)
- Comparable ratings analysis: 0

Support: +1

- ALAC support: +1
- GRE support: 0
- Group support: 0
- Sovereign support: 0

Additional factors: 0

ESG Credit Indicators: E-2,S-2,G-2

Societe Generale

Primary analyst: Philippe Raposo

We affirmed our ratings on Societe Generale (SG) and all the group's rated core entities. The challenges around profitability and sustainability of its business model are well captured in our 'bbb+' SACP. As a listed bank, the group is competing domestically with large domestic cooperatives, which have only modest return targets. We continue to follow how the ongoing corporate and investment bank (GBIS) optimization and the merger of French retail banks Société Générale and Crédit du Nord will improve SG's cost to income and returns relative to those of peers. SG's volumes of bail-in-able debt issued and its policy to keep a high bail-in-able buffer support the current two notches of ALAC uplift.

Outlook

The stable outlooks on SG and its core subsidiaries reflect the ongoing economic recovery in countries in which the group operates. We anticipate asset quality will deteriorate in the coming quarters as government support measures are gradually lifted but believe SG will maintain manageable credit costs of 30 bps-40 bps in next two years. We also incorporate in our projections that SG will maintain a buffer of bail-in-able securities commensurate with a two-notch ALAC uplift above the 'bbb+' group SACP.

Downside scenario: We could lower the ratings on SG and its core entities in the next two years if profitability lowers materially. This could happen if credit losses are far higher than our projections, or if the group cannot sustainably improve its efficiency ratio to be at least in line with historical standards. Although less likely, pressure on the long-term issuer credit rating could also come if the bank cannot maintain a sufficient ALAC buffer.

Upside scenario: An upgrade, although unlikely in the next 12 months, could come at a later stage if SG improves its efficiency and profitability, and achieves a sustainable business model on par with those of 'A+' rated banks. We would also expect better operating conditions in SG's retail markets, good results from the merger of its two French networks, and solid performance from investment banking activities.

Ratings Score Snapshot

Issuer credit rating: A/Stable/A-1

Stand-alone credit profile: bbb+

- Anchor: bbb+
- Business position: Adequate (0)
- Capital and earnings: Adequate (0)
- Risk position: Adequate (0)
- Funding and liquidity: Adequate and adequate (0)
- Comparable ratings analysis: 0

Support: +2

- ALAC support: +2
- GRE support: 0
- Group support: 0
- Sovereign support: 0

Additional factors: 0

ESG Credit Indicators: E-2, S-2, G-2

La Banque Postale

Primary analyst: Mathieu Plait

We affirmed our ratings on La Banque Postale (LBP). We align our long- and short-term issuer credit ratings on LBP with those on La Poste S.A. (A+/Stable/A-1), given our view that LBP is a core subsidiary of La Poste. This is four notches higher than our assessment of LBP's stand-alone creditworthiness. The latter reflects its prominent domestic franchise in low-risk residential housing, of which more than 95% is secured by a financial guarantee or a mortgage. But also, our view that the upcoming acquisition of CNP Assurances' minorities will materially weigh on our measure of LBP's capitalization.

At the same time, we affirmed our 'A+/A-1' long- and short-term issuer credit ratings on La Poste, given that LBP's stand-alone creditworthiness is a key input for the ratings. The outlook remains stable.

Outlook

The stable outlook on LBP mirrors that on La Poste. We continue to see LBP as a core subsidiary of La Poste group, and any rating action on the parent would lead to a similar action on LBP. We expect La Poste group will maintain a strong, lasting interest in LBP in the near future. LBP is an integral part of the group's strategy, and we see it as strongly integrated within the group.

Downside scenario: We could lower the rating on LBP if we take a negative rating action on La Poste, which could follow a negative rating action on France or weakening of the blended SACP of the La Poste group. Given the enduring, strategic, and operational integration of LBP into La Poste, we see limited risk of weaker interest or support from the parent in the next two years. However, such a scenario could emerge if LBP becomes a less profitable or riskier subsidiary, which in turn could lead us to reconsider its core status to La Poste group and result in rating pressure.

We could revise downward our assessment of LBP's SACP and lower our ratings on its hybrids if:

- LBP fails to deliver on its new strategic plan or is unable to develop and adjust its business to the evolving interest-rate environment. This could be indicated by materially reduced earnings prospects or erosion of revenue; or
- LBP's robust funding and liquidity profile weakens compared with that of other French banks, and this is not offset by strengthening of other factors.

Upside scenario: We could take a positive rating action on LBP if we take a similar action on La Poste, which we view as unlikely at this time.

A positive rating action on France would not automatically trigger a positive rating action on La Poste, although it is a prerequisite.

We could revise our assessment of LBP's SACP upward if, contrary to our base-case scenario, the bank rebuilds its capital base after the acquisition while increasing diversification toward lending to professionals, consumer finance activities, and local authorities, contributing to stronger overall risk-adjusted profitability than we expect; and maintains higher funding and liquidity than domestic peers.

Ratings Score Snapshot

Issuer credit rating: A+/Stable/A-1

Stand-alone credit profile: bbb

- Anchor: bbb+
- Business position: Adequate (0)
- Capital and earnings: Moderate (-1)
- Risk position: Moderate (-1)
- Funding and liquidity: Strong and strong (1)
- Comparable rating analysis: 0

Support: +4

- ALAC support: 0
- GRE support: 0
- Group support: +4
- Sovereign support: 0

Additional factors: 0

ESG Credit Indicators: E-2, S-2, G-2

Dexia Credit Local

Primary analyst: Mathieu Plait

We affirmed our ratings on Dexia Credit Local (DCL). Our ratings encompass the continued strong commitment of the Belgian and French governments to assist the group in its orderly wind-down. Our rating incorporates three notches of uplift above Dexia's group SACP, reflecting our opinion that there is a high likelihood of timely and sufficient extraordinary support from the Belgian and French states in the event of financial distress. Dexia's stand-alone creditworthiness stands at 'bb'. The bank remains constrained by its dependence on its shareholders' funding support through its sovereign-guaranteed debt programs and potentially significant liquidity needs. Under the new criteria, our funding and liquidity assessment is weighing more negatively on its SACP, but this is balanced by a positive comparable ratings analysis (CRA) adjustment reflecting our view that Dexia stand-alone creditworthiness is at 'bb'.

Outlook

The stable outlook reflects our expectation that the bank will implement an orderly wind-down of its operations and continue to benefit from the strong commitment of the Belgian and French governments in this process over the next two years. The ratings already factor in our expectation that, although DCL will be loss-making for several years, its capitalization will adequately cover risks, as deleveraging continues. A downgrade of Belgium or France would not in itself prompt us to lower the issuer credit ratings on DCL. However, it would affect our issue ratings on DCL's debt that is guaranteed by these states.

Downside scenario: We might lower the ratings on DCL if, contrary to our expectations, the bank is unable to maintain sufficient access to market funding to implement its wind-down plan. We could also lower the ratings if the likelihood of government support diminishes, or if the pandemic induces material delays in the bank's deleveraging plan or affects its results and solvency beyond our expectations.

Upside scenario: Ratings upside is remote, given the level of ongoing and extraordinary government support we factor into the ratings.

Ratings Score Snapshot

Issuer credit rating: BBB/Stable/A-2

Stand-alone credit profile: bb

- Anchor: bbb
- Business position: Adequate (0)
- Capital and earnings: Adequate (0)
- Risk position: Constrained (-2)
- Funding and liquidity: Moderate and moderate (-2)
- Comparable ratings analysis: +1

Support: +3

- ALAC support: 0
- GRE support: +3
- Group support: 0
- Sovereign support: 0

Additional factors: 0

ESG Credit Indicators: E-2, S-2, G-2

RCI Banque

Primary analyst: Mathieu Plait

We affirmed our ratings on RCI Banque, which is fully owned by Renault S.A. Our ratings reflect its concentrated business model and high dependence on wholesale funding compared to larger and diversified banks as well as its strong and recurring risk-adjusted profitability compared to peers. The bank has strong fundamentals among auto-captive peers, with one of the lowest cost-to-income ratios of 33% at June 2021 and highest levels of profitability.

Outlook

The stable outlook on RCI Banque incorporates our view that the bank's financial risk profile will remain strong, with steady risk-adjusted profitability and continued conservative capital management over the next two years. Furthermore, a downgrade to Renault would not automatically entail a similar rating action on RCI Banque.

Downside scenario: We could downgrade the bank if Renault's creditworthiness comes under further material pressure and RCI Banque is unable to maintain its strong financial risk profile. In particular, we could consider a downgrade if the bank's capitalization is no longer a strength, with RAC falling sustainably below 10%, or if contagion risks from Renault start affecting RCI's access to debt markets or cost of funding.

Upside scenario: An upgrade could happen only if Renault's creditworthiness doesn't deteriorate further. To raise our long-term rating on the bank, we would need to revise the SACP upward. A higher SACP would require RCI Banque's capital and funding strategy to fundamentally shift and strengthen. We regard this as a remote scenario.

Ratings Score Snapshot

Issuer credit rating: BBB-/Stable/A-3

Stand-alone credit profile: bbb-

- Anchor: bbb
- Business position: Moderate (-1)
- Capital and earnings: Strong (+1)
- Risk position: Adequate (0)
- Funding and liquidity: Moderate and adequate (-1)
- Comparable ratings analysis: 0

Support: 0

- ALAC support: 0
- GRE support: 0
- Group support: 0
- Sovereign support: 0

Additional factors: 0

ESG Credit Indicators: E-2, S-2, G-2

Oney Bank

Primary analyst: Emna Chahed

We affirmed our ratings on Oney Bank (OB). We consider that the ongoing integration of OB within BPCE group will further strengthen OB's risk-management framework, capabilities, and ultimately asset quality. Although the strengthening ongoing support from the parent to its strategically important subsidiary counters our view of a more challenging operating environment, we now see limited upside to the rating.

We expect OB's risk management will further strengthen and harmonize thanks to its affiliated status since BPCE's 50.1% acquisition in 2019 and related responsibilities for BPCE to guarantee OB's solvability, as well as the ongoing integration.

Outlook

The stable outlook on OB reflects our view of the benefits of its ongoing integration within BPCE group, particularly in capital, risk, funding, and liquidity management. The stable outlook also reflects our view that OB will remain a strategically important subsidiary of BPCE group over the next two years.

Downside scenario: We could consider a downgrade if BPCE group proves reluctant to provide funding and liquidity support, or if we see that the bank's importance within BPCE weakens markedly. We currently consider this scenario remote.

Upside scenario: We currently deem rating upside limited. However, we could consider a positive rating action if OB's business prospects materially improve stemming from its integration with BPCE. This could only happen if ongoing funding and liquidity support provided by BPCE doesn't weaken.

Ratings Score Snapshot

Issuer credit rating: BBB/Stable/A-2

Stand-alone credit profile: bb

- Anchor: bbb
- Business position: Constrained (-2)
- Capital and earnings: Moderate (-1)
- Risk position: Adequate (0)
- Funding and liquidity: Adequate and adequate (0)
- Comparable ratings analysis: 0

Support: +3

- ALAC support: 0
- GRE support: 0
- Group support: +3
- Sovereign support: 0

Additional factors: 0

ESG Credit Indicators: E-2, S-2, G-2

Carrefour Banque

Primary analyst: Clement Collard

We affirmed our ratings on Carrefour Banque (CB). Our rating on CB reflect its strategic importance to BNP Paribas group and as such is currently three notches higher than its 'bb' SACP. The latter reflects its concentrated business profile toward the French unsecured consumer lending and revolving credit segment, a segment under pressure in a highly competitive market. It also reflects our view that its robust capitalization sufficiently balances its relatively low asset quality.

Outlook

The negative outlook on CB indicates that we could lower the ratings in the coming two years if pressure on its financial profile, especially capitalization, intensifies and ceases to be a rating strength.

Downside scenario: We could lower our long-term issuer credit rating by one notch if we believed CB were unable maintain its RAC ratio above 10% by end-2022. This could be caused by stronger risk-weighted assets growth due to a higher share of problem loans, a higher dividend pay-out ratio, or weaker performance stemming from a lack of business prospects, among other deterring factors.

Although less likely, we could also lower our long-term rating by one notch if Carrefour or the BNP Paribas group proved reluctant to provide funding and liquidity support, or if we saw that the bank's importance within the BNP Paribas group weakened markedly. This would include a reduction in the BNP Paribas group's ownership of CB.

Upside scenario: We could revise the outlook to stable if CB's RAC increases in line with our expectations--with our ratio surpassing the 10% threshold, while the bank is able to grow its portfolio, all else being equal--and if the bank successfully implemented its business transformation. We could also revise the outlook to stable if we upgraded Carrefour to 'BBB+', all else being equal.

Ratings Score Snapshot

Issuer credit rating: BBB/Negative/A-2

Stand-alone credit profile: bb

- Anchor: bbb+
- Business position: Constrained (-3)
- Capital and earnings: Strong (1)
- Risk position: Moderate (-1)
- Funding and liquidity: Moderate and adequate (-1)
- Comparable ratings analysis: 0

Support: +3

- ALAC support: 0
- GRE support: 0
- Group support: +3
- Sovereign support: 0

Additional factors: 0

ESG Credit Indicators: E-2, S-2, G-2

Socram Banque

Primary analyst: Mathieu Plait

We affirmed our ratings on Socram Banque (SB). Our ratings on SB reflect its moderately strategic importance to BPCE group and SB's business model concentrated in the competitive French auto loans segment. The bank has suffered from a lack of new drivers of growth, and difficulties to deliver a strategy to added-value offerings.

Outlook

The negative outlook on SB reflects our view of the execution risks for the bank's transformation plan in a highly competitive consumer finance market. The outlook also reflects the uncertainty we see in SB's capacity to strengthen its distribution network and reinforce its business prospects and profitability over the coming 12-24 months.

Downside scenario: We could consider a downgrade if we think SB's low business volumes could last beyond 2021, or if a lack of business prospects and transformational charges undermine its profitability. This could translate into an even weaker assessment of SC's business risk profile.

We could also lower the rating if, in the absence offsetting factors, SC's overall importance to BPCE diminishes and leads to a potential weakening of extraordinary support from BPCE group, that we incorporate in the rating on SB.

Upside scenario: We could revise the outlook on SB to stable if the bank strengthens its loan production while remaining profitable, demonstrating its ability to tap the large client base of its mutual shareholders while keeping very high capitalization levels and a low risk profile.

Ratings Score Snapshot

Issuer credit rating: BBB/Negative/A-2

Stand-alone credit profile: bbb-

- Anchor: bbb+
- Business position: Constrained (-3)
- Capital and earnings: Very strong (+2)

- Risk position: Adequate (0)
- Funding and liquidity: Moderate and adequate (-1)
- Comparable ratings analysis: 0

Support: +1

- ALAC support: 0
- GRE support: 0
- Group support: +1
- Sovereign support: 0

Additional factors: 0

ESG Credit Indicators: E-2, S-2, G-2

Opel Bank S.A. Niederlassung Deutschland

Primary analyst: Emna Chahed

We affirmed our ratings on Opel Bank S.A. Niederlassung Deutschland. We derive these ratings from our assessment of the creditworthiness of the larger group Opel Bank S.A., and the strategic importance to BNP Paribas group. The revised group stand-alone creditworthiness incorporates weaker profitability metrics and scale compared to European auto-captive peers.

Outlook

The stable outlook on the German branch of Opel Bank reflects our view that the bank's business and financial profiles should remain resilient over the next two years, and that FCA's merger reduced potential risks to the bank and its branch from the carmaker. It also reflects our assumption that Stellantis' credit quality will remain stable, and the likelihood of support from the BNP Paribas group unchanged.

Downside scenario: We could lower our rating on the branch in case of pressure on the creditworthiness of Stellantis. This could happen in the event of a lingering downturn in the European auto market, or if Stellantis specifically experiences any strategic or financial difficulties that would spill over to the bank. A perceived weaker interest from the other partner, BNPP, in the joint venture, and therefore lower propensity to provide support if needed, could have implications for the rating. Currently, however, we consider this scenario remote.

Upside scenario: Upward rating pressure is remote, considering the still-challenging business environment with sluggish production of new vehicles that will likely linger in 2022.

Ratings Score Snapshot

Issuer credit rating: BBB+/Stable/A-2

Stand-alone credit profile: bb+

- Anchor: bbb+
- Business position: Constrained (-2)
- Capital and earnings: Strong (+1)
- Risk position: Adequate (0)
- Funding and liquidity: Moderate and adequate (-1)
- Comparable ratings analysis: -1

Support: +3

- ALAC support: 0
- GRE support: 0
- Group support: +3
- Sovereign support: 0

Additional factors: 0

Note: The above scores reflect our view of the larger Opel Bank group

ESG Credit Indicators: E-2, S-2, G-2

My Money Bank

Primary analyst: Mehdi El mrabet

We affirmed our ratings on My Money Bank (MMB). Our investment-grade rating on MMB is underpinned by the bank's high solvency ratio, as well as its solid performance track record in terms of credit losses. We project that capital will remain a strength for the rating and buffer against its transformation-linked costs from the upcoming acquisition of French retail business of HSBC Continental Europe. MMB accelerated its deposit collection and achieved a more diversified and cost-effective funding with covered bonds. We see potential positive developments from the acquisition through access to stable retail deposits that will lower the group's reliance on institutional and bank investors.

Outlook

The developing outlook indicates that we may raise, lower, or affirm the long-term rating on MMB over the next 12-24 months, depending on our evaluation of the impact of the planned acquisition.

If the regulator does not approve the acquisition, or it does not take place as is currently foreseen, we may reevaluate the ratings.

Downside scenario: We could lower the ratings on MMB if the planned acquisition significantly weakens the group's creditworthiness. Specifically, we consider elevated restructuring charges related to the transformation will incur losses that could weaken the bank's business profile.

We could also lower the ratings if My Money Group's solvency weakened unexpectedly, with a projected RAC ratio approaching 15%. This could materialize from delays in the transformation that could hamper capitalization. Potential spill-over effects on its funding and liquidity position could also lead us to lower the ratings.

Upside scenario: We could raise the ratings on MMB if we foresee that the access to retail deposits and limited clientele attrition following the closing will lead to a more diversified and stable funding profile.

Ratings Score Snapshot

Issuer credit rating: BBB-/Developing/A-3

Stand-alone credit profile: bbb-

- Anchor: bbb+
- Business position: Constrained (-2)
- Capital and Earnings: Very strong (+2)
- Risk position: Moderate (-1)
- Funding and liquidity: Moderate and adequate (-1)
- Comparable ratings analysis: 0

Support: 0

- ALAC support: 0
- GRE support: 0
- Group support: 0
- Sovereign support: 0

Additional factors: 0

ESG Credit Indicators: E-2, S-2, G-2

Related Criteria

- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Insurance | General: Insurers Rating Methodology, July 1, 2019
- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
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- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March

28, 2018

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Guarantee Criteria, Oct. 21, 2016
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
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Ratings List

* * * * * * * * * * * * * * * BNP Paribas * * * * * * * * * * * * * * *	
Ratings Affirmed	
BNP Paribas	
Exane S.A.	
Exane Derivatives S.N.C.	
BNP Paribas Securities Services (Milan Branch)	
BNP Paribas Securities Services (Madrid Branch)	
BNP Paribas Securities Services (Luxembourg Branch)	
BNP Paribas Securities Services (London Branch)	
BNP Paribas Securities Services (Frankfurt Branch)	
BNP Paribas Securities Services	
BNP Paribas Securities Corp.	
BNP Paribas SA (Milan Branch)	
BNP Paribas SA (Dublin Branch)	
BNP Paribas Personal Finance	
BNP Paribas Issuance B.V.	
BNP Paribas Fortis SA/NV	
BNP Paribas Fortis (New York Branch)	
BNP Paribas (New York Branch)	
BNP Paribas (London Branch)	
BGL BNP Paribas S.A.	
Issuer Credit Rating	A+/Stable/A-1
BNP Paribas	
BNP Paribas Securities Services (Madrid Branch)	
BNP Paribas Securities Services (Luxembourg Branch)	
BNP Paribas Securities Services (London Branch)	
BNP Paribas Securities Services (Frankfurt Branch)	
BNP Paribas Securities Services	
BNP Paribas SA (Dublin Branch)	
BNP Paribas Personal Finance	
BNP Paribas Issuance B.V.	
BNP Paribas Fortis SA/NV	
BNP Paribas Fortis (New York Branch)	
BNP Paribas (New York Branch)	
BNP Paribas (London Branch)	
BGL BNP Paribas S.A.	
Resolution Counterparty Rating	AA-/--/A-1+

Carrefour Banque	
Issuer Credit Rating	BBB/Negative/A-2
Opel Bank S.A. Niederlassung Deutschland	
Issuer Credit Rating	BBB+/Stable/A-2
BNP Paribas (China) Ltd.	
Issuer Credit Rating	A-/Stable/A-2
BNP Paribas SA (Milan Branch)	
BNP Paribas Securities Services (Milan Branch)	
BNP Paribas Securities Corp.	
Resolution Counterparty Rating	A+/--/A-1
Banca Nazionale del Lavoro SpA	
Issuer Credit Rating	BBB+/Positive/A-2
Resolution Counterparty Rating	A-/--/A-2
*** * * * * * * * * * * * * * * * * BPCE * * * * * * * * * * * * * * * * ***	
Ratings Affirmed	
BPCE	
Natixis S.A.	
Natixis Financial Products LLC	
Natixis Australia Pty Ltd.	
Natixis (New York Branch)	
BRED - Banque Populaire	
Issuer Credit Rating	A/Stable/A-1
BPCE	
Natixis S.A.	
Natixis (New York Branch)	
BRED - Banque Populaire	
Resolution Counterparty Rating	A+/--/A-1
Socram Banque	
Issuer Credit Rating	BBB/Negative/A-2
Compagnie Europeenne de Garanties et Cautions	
Issuer Credit Rating	A/Stable/--
Financial Strength Rating	A/Stable/--
Credit Foncier de France	
Issuer Credit Rating	A-/Stable/A-2
Resolution Counterparty Rating	A/--/A-1
Parnasse Garanties	
Issuer Credit Rating	A/Stable/--

* * * * * * * * * * * * * * Credit Agricole S.A. * * * * * * * * * * * * *
Ratings Affirmed
Credit Agricole S.A.
Credit Lyonnais
Credit Agricole Corporate and Investment Bank
Credit Agricole Corporate And Investment Bank (New York Branch)
Caisse Regionale de Credit Agricole Mutuel du Nord-Est
Caisse Regionale de Credit Agricole Mutuel du Morbihan
Caisse Regionale de Credit Agricole Mutuel du Languedoc
Caisse Regionale de Credit Agricole Mutuel du Finistere
Caisse Regionale de Credit Agricole Mutuel du Centre Ouest
Caisse Regionale de Credit Agricole Mutuel des Savoie
Caisse Regionale de Credit Agricole Mutuel des Cotes D'Armor
Caisse Regionale de Credit Agricole Mutuel de la Touraine et du Poitou
Caisse Regionale de Credit Agricole Mutuel de la Reunion
Caisse Regionale de Credit Agricole Mutuel de la Martinique-Guyane
Caisse Regionale de Credit Agricole Mutuel de la Guadeloupe
Caisse Regionale de Credit Agricole Mutuel de l'Anjou et du Maine
Caisse Regionale de Credit Agricole Mutuel de Normandie-Seine
Caisse Regionale de Credit Agricole Mutuel de Lorraine
Caisse Regionale de Credit Agricole Mutuel de Loire-Haute Loire
Caisse Regionale de Credit Agricole Mutuel de Franche-Comte
Caisse Regionale de Credit Agricole Mutuel de Charente-Maritime Deux Sevres
Caisse Regionale de Credit Agricole Mutuel de Champagne-Bourgogne
Caisse Regionale de Credit Agricole Mutuel de Centre-France
Caisse Regionale de Credit Agricole Mutuel de Centre Loire
Caisse Regionale de Credit Agricole Mutuel d'Ille et Vilaine
Caisse Regionale de Credit Agricole Mutuel d'Aquitaine
Caisse Regionale de Credit Agricole Mutuel Val de France
Caisse Regionale de Credit Agricole Mutuel Toulouse 31
Caisse Regionale de Credit Agricole Mutuel Sud-Mediterranee
Caisse Regionale de Credit Agricole Mutuel Sud Rhone-Alpes
Caisse Regionale de Credit Agricole Mutuel Pyrenees-Gascogne
Caisse Regionale de Credit Agricole Mutuel Provence Cote d'Azur
Caisse Regionale de Credit Agricole Mutuel Paris Ile-de-France
Caisse Regionale de Credit Agricole Mutuel Normandie
Caisse Regionale de Credit Agricole Mutuel Nord de France
Caisse Regionale de Credit Agricole Mutuel Nord Midi-Pyrenees

Caisse Regionale de Credit Agricole Mutuel Charente Perigord	
Caisse Regionale de Credit Agricole Mutuel Centre-Est	
Caisse Regionale de Credit Agricole Mutuel Brie Picardie	
Caisse Regionale de Credit Agricole Mutuel Atlantique Vendee	
Caisse Regionale de Credit Agricole Mutuel Alsace-Vosges	
Caisse Regionale de Credit Agricole Mutuel Alpes Provence	
CACEIS	
CA Consumer Finance	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
*** * * * * * * * * * * * * * * * Dexia S.A. * * * * * * * * * * * * * * * ***	
Ratings Affirmed	
Dexia Credit Local	
Issuer Credit Rating	BBB/Stable/A-2
Dexia Crediop SpA	
Issuer Credit Rating	BBB/Negative/A-2
*** * * * * * * * * * * * * * * * * * Oney Bank * * * * * * * * * * * * * * * * ***	
Ratings Affirmed	
Oney Bank	
Issuer Credit Rating	BBB/Stable/A-2
*** * * * * * * * * * * * * * * * * La Poste * * * * * * * * * * * * * * * ***	
Ratings Affirmed	
La Banque Postale	
La Poste	
Issuer Credit Rating	A+/Stable/A-1
*** * * * * * * * * * * * * * * Promontoria MMB * * * * * * * * * * * * * ***	
Ratings Affirmed	
My Money Bank	
Issuer Credit Rating	BBB-/Developing/A-3
Promontoria MMB	
Issuer Credit Rating	BB+/Developing/B
*** * * * * * * * * * * * * * * * Renault S.A. * * * * * * * * * * * * * * ***	
Ratings Affirmed	
RCI Banque	
DIAC S.A.	
Issuer Credit Rating	BBB-/Stable/A-3

*************** **Societe Generale** **************	
Ratings Affirmed	
Societe Generale	
Societe Generale Bank & Trust	
Societe Generale (New York Branch)	
SG Americas Securities LLC	
Issuer Credit Rating	A/Stable/A-1
Societe Generale	
Societe Generale Bank & Trust	
Societe Generale (New York Branch)	
Resolution Counterparty Rating	A+/--/A-1
SG Americas Securities LLC	
Resolution Counterparty Rating	A/--/A-1

Contact List

PRIMARY CREDIT ANALYST

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

PRIMARY CREDIT ANALYST

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

PRIMARY CREDIT ANALYST

Philippe Raposo
Paris
+ 33 14 420 7377
philippe.raposo@spglobal.com

PRIMARY CREDIT ANALYST

Mathieu Plait
Paris
+ 33 14 420 7364
mathieu.plait@spglobal.com

PRIMARY CREDIT ANALYST

Emna Chahed
Paris
+ 33 14 075 2524
emna.chahed@spglobal.com

PRIMARY CREDIT ANALYST

Mehdi El mrabet
Paris
+ 33 14 075 2514
mehdi.el-mrabet@spglobal.com

PRIMARY CREDIT ANALYST

Clement Collard
Paris
clement.collard@spglobal.com