Credit Update

Danske Bank

07 September 2026

Investment Research

Corporate Bond News

Credit Mutuel Arkeá

- We regard CMA's H1 26 report as solid, and we assess it overall as credit neutral. The French banking group presented strong development in operating income derived from diversified sources, controlled operating expenses, adequate asset quality, and CMA continues to hold a robust and well-capitalised balance sheet. Its CET1 ratio improved further to a strong level at 18.1%, well above its regulatory requirement of 9.2%. Its liquidity coverage ratio also remained very strong at 149%. On balance, the observed uptick in cost of risk is acceptable and NPL remains at an adequate 2.03% level, however this is a factor that requires attention in the following reporting periods.
- Regarding valuation, the subordinated 3.5% 2029 Tier-2 bond in EUR (FR0013236544) currently yields around 3.6% p.a. The bond now trades at a fair yield-to-maturity relative to a 'BBB-' Tier-2 Financials curve, and with an observed Z-spread of 48bp it is less interesting relative to alternatives in the Tier-2 space. Furthermore, we favour the issuer's 'stable' characteristics, i.e. domestic and retail exposure, and the diversification strategy. We find the valuation 'justified' but consider the spread potential to be very limited after a tightening of approx. 40bp; hence, we lower our recommendation on the ISIN to Marketweight

Issuer information

Sector	Banks
Corporate ticker	CMARK Corp
Equity ticker	NA
Market cap	N/A
Total assets	EUR211.5bn
Issuer credit rating	
S&P	NR
Moody's	A1 (Negative)
Fitch	AA- (Negative)

Latest publication on issuer

Credit update – CMA, 20 February 2026

Source: Bloomberg, Danske Bank Credit Research

Selected bond

Company	ISIN	Min. Piece	Seniority	Currency	Maturity/Call	CPN	Issue Size (m)	Credit Ratings	Price	Yield*	Recommendation
CREDIT MUTUEL ARKEA	FR0013236544	100,000	Subordinated	EUR	09/02/2029	3.500	500	NR/Baa1/A-	99.7	3.6%	Marketweight

Note: Credit ratings by S&P, Moody's, Fitch, respectively. Source: Bloomberg, Danske Bank Credit Research

Credit Mutuel Arkeá – H1 26 credit update

Credit Mutuel Arkeá (CMA) has released its H1 26 report, and we see the key highlights as follows.

- CMA reported operating income of EUR461m, up 26.8% y/y, reflecting underlying strong revenue streams and controlled expenses. The pre-tax profit was EUR324m, up 17.3% y/y, amid the cost of risk outgrew the pace as core income developed. The return on (notional) equity was 6%, up 0.1pp compared with FY 25, which is progressing according to the group's FAIRE 2030 strategic plan, aiming at a 7% target.
- CMA reported total revenue of EUR1.3bn, up 16.5% y/y with net interest income up 29.7%, fees and commissions income up 14.4% and insurance revenue up 13.1%, underpinning the strength of the strong degree of diversification. Also, operating expenses amounted to EUR877m, up by 11.8%, but underlying excluding non-recuring items the cost base rose by 2%. This translates to a 2.8pp y/y decline in the cost-income ratio to 65.6%.
- Additionally, the asset quality remained balanced as the cost of risk stood at EUR137m compared with EUR87m y/y. Although the amount is EUR50m higher y/y, the cost of risk translates to a contained annualised level of 29bp out of the base of outstanding loans, representing an uptick of a modest 5bp since FY 25 and 10bp y/y. This stems from known exposures within professional real estate and agriculture markets. Also, non-performing loans (stage 3) rose slightly to 2.03% from 1.91% since FY 25 and 1.82% y/y. The group refers to the added provisions related to a downgrade of macroeconomic assumptions and higher weighting assigned to the severe scenario used in provisioning models. That said, the group considers the level to be among the lowest of French banks. The risk-

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More information:

For further information, see the latest *Corporate Bond Lists, 7 September 2026.*

weighted assets (RWA) amounted to EUR51.1bn compared with EUR50.6bn as of end-December 2025, mostly seen as stable and 92% of total related to credit risk.

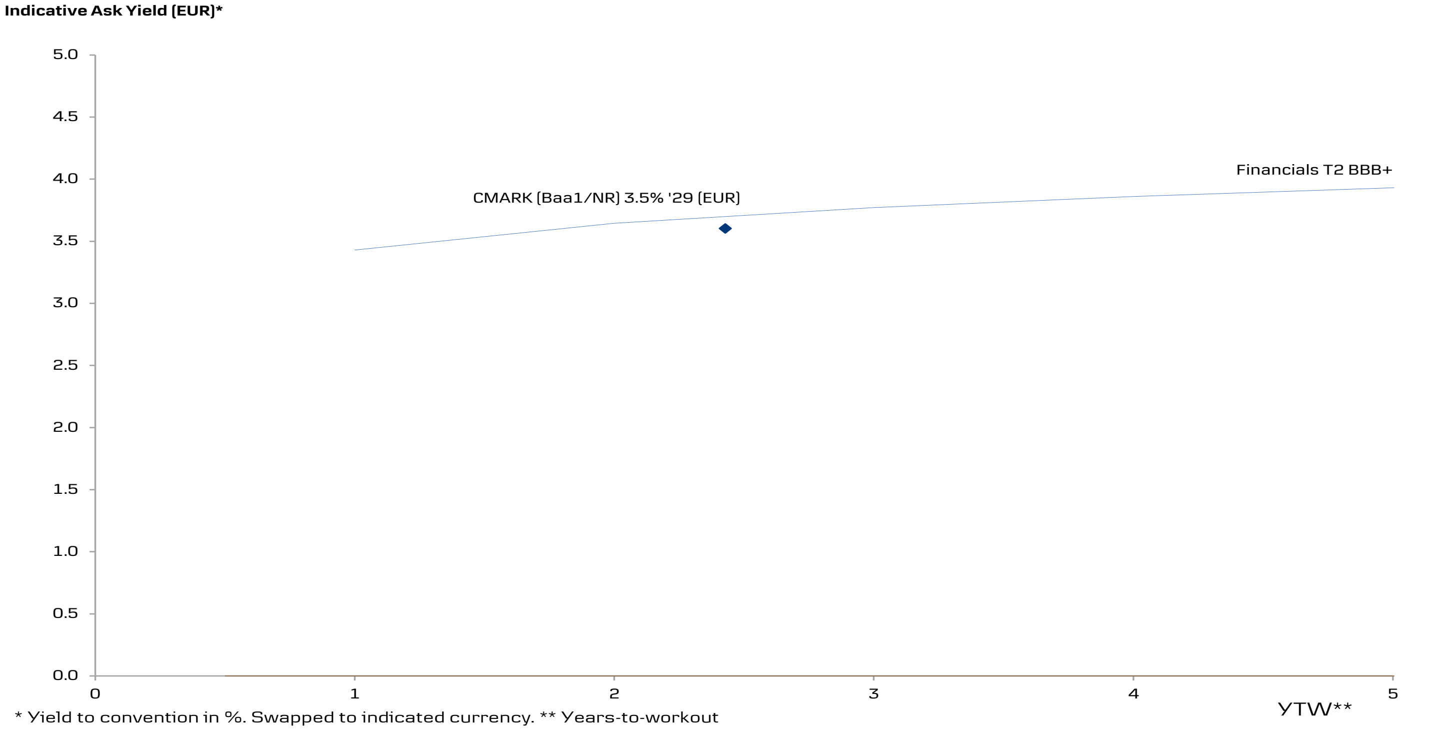
- The CET1 ratio stands strong at 18.1%, up 0.2pp compared with FY 25, mainly due to change in regulatory capital and offset by RWA development. This is 8.9pp above its regulatory requirement of 9.21%. Also, its liquidity coverage ratio (LCR) remained high y/y at 149% with liquidity reserves amounting to EUR39.2bn. Meanwhile, funding wise the group remains healthy with a loan/deposit ratio of 102%.
- The group reiterates its FAIRE 2030 strategy to include an objective for 2027 of net income of more than EUR550m, corresponding to a 7% ROE, a CET1 ratio equal to or above 16%, a cost-income ratio equal to or below 67%, loan-to-deposit ratio of less than 110%, and to grow the customer base to 7m from the current 5.8m.
- Regarding credit ratings Fitch retained its negative outlook as recently as 12 May 2026, while upgrading the issuer rating to AA- from A+ while the subordinated rating remained at A-. This revision was subsequent to a mechanical revision following a criteria update on French banking groups. In addition, Moody's affirmed the negative outlook as recently as December 2025, including the A1 issuer rating and the Baa1 subordinated rating.

Credit conclusion

We regard CMA's H1 26 report as solid, and we assess it overall as credit neutral. The French banking group presented strong development in operating income derived from diversified sources, controlled operating expenses, adequate asset quality, and CMA continues to hold a robust and well-capitalised balance sheet. Its CET1 ratio improved further to a strong level at 18.1%, well above its regulatory requirement of 9.2%. Its liquidity coverage ratio also remained very strong at 149%. On balance, the observed uptick in cost of risk is acceptable and NPL remains at an adequate 2.03% level, however this is a factor that requires attention in the following reporting periods.

Regarding valuation, the subordinated 3.5% 2029 Tier-2 bond in EUR (FR0013236544) currently yields around 3.6% p.a. The bond trades now at a fair yield-to-maturity relative to a 'BBB-' Tier-2 Financials curve, and with an observed Z-spread of 48bp it is less interesting relative to alternatives in the Tier-2 space. Furthermore, we favour the issuer's 'stable' characteristics, i.e. domestic and retail exposure, and the diversification strategy. We find the valuation 'justified' but consider the spread potential to be very limited after a tightening of approx. 40bp; hence, we lower our recommendation on the ISIN to Marketweight.

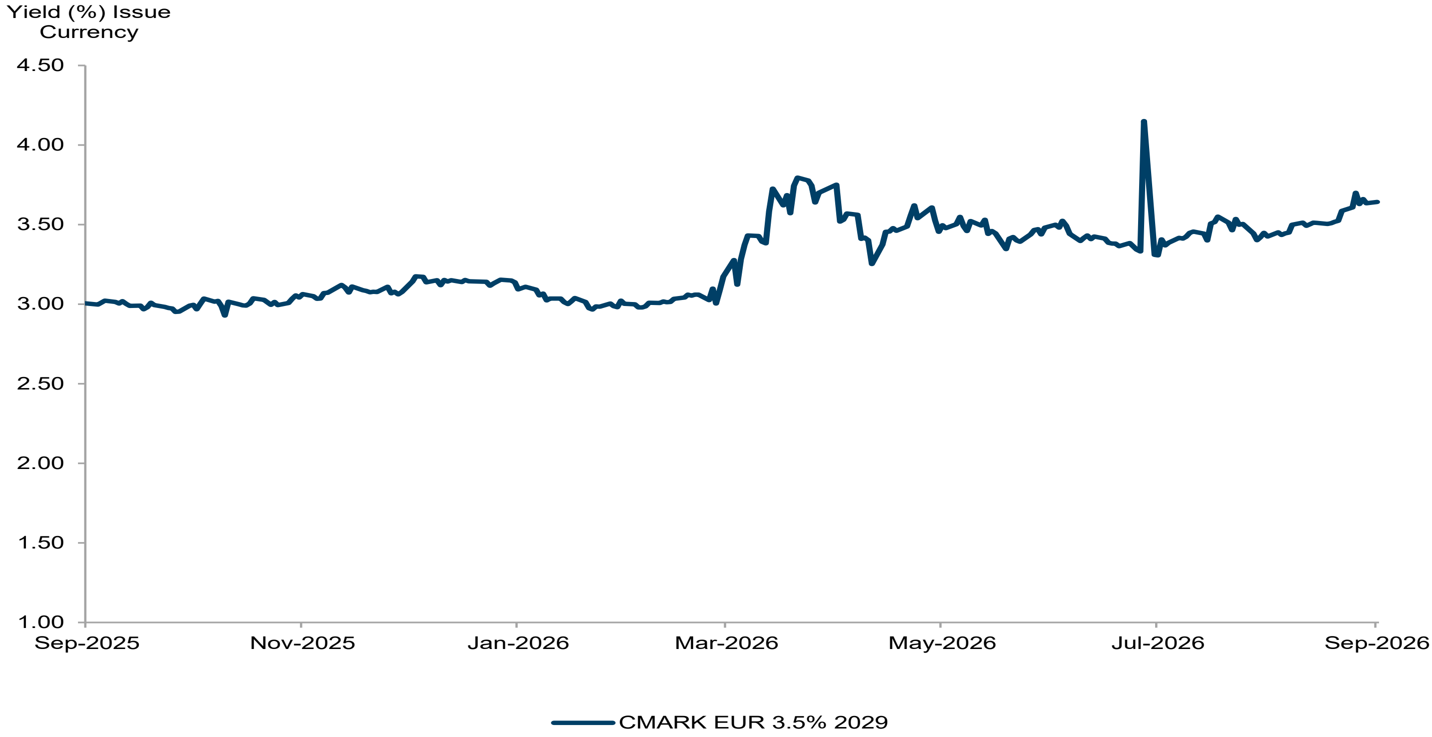
Relative value: CMARK 3.5% 2029 in EUR (YTM)



* Yield to convention in %. Swapped to indicated currency. ** Years-to-workout
Note: Fair value curve(s) based on Danske Bank Credit Research's (mid) peer group of European issuers

Source: Bloomberg, Danske Bank Credit Research

Historical yield: CMARK 3.5% 2029 in EUR (YTM)



Source: Bloomberg, Danske Bank Credit Research

Disclosures

This research report has been prepared by Credit Research, a division of Danske Bank A/S ('Danske Bank'). The author of this research report is Rasmus Justesen, Chief Analyst.

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Major risks connected with recommendations or opinions in this research report, including a sensitivity analysis of relevant assumptions, are stated throughout the text.

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We expect to update this investment analysis following the publication of Credit Mutuel Arkea's annual report provided that at such time the bond continues to be among our preferred credits.

This publication should be read in conjunction with the international single name credit bond publications *Corporate Bond News*, *Corporate Bonds: Investment opportunities in single name international fixed income credit* and *Company Profiles*. These publications are typically published once a month.

Completion and first dissemination

The completion date and time in this research report mean the date and time when the author hands over the final version of the research report to Danske Bank's editing function for legal review and editing.

The date and time of first dissemination mean the date and estimated time of the first dissemination of this research report. The estimated time may deviate up to 15 minutes from the effective dissemination time due to technical limitations.

See the final page of this research report for the date and time of first dissemination.

Financial models, valuation and/or methodology used in this research report

Calculations and presentations in this research report are based on standard econometric tools and methodology as well as publicly available statistics for each individual security, issuer and/or country.

Credit Research bases its bond valuation conclusion on an estimation of a fair business and financial risk profile of the issuing entity. By combining these risk profiles with market technical and bond-specific issues such as documentation and structuring, Credit Research arrives at an overall bond risk profile. Credit Research compares the bond spread with those of peers with similar risk profiles and on this background, we estimate whether the bond is attractively priced in the market. Credit Corporate Bond Research expresses this view with either an Overweight, Marketweight, Underweight or Sell recommendation. This signals our opinion about the bond's performance potential compared with relevant peers in the coming six months.

More information about the valuation and/or methodology and the underlying assumptions is accessible via *https://danskeci.com/ci/research/research-disclaimer*. Select Methodology under Credit Research Methodology.

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Rating	Anticipated performance	Time horizon	Distribution of recommendations	Investment banking relationships
Overweight	Outperformance relative to peer group	12 months	47%	14%
Marketweight	Performance in line with peer group	12 months	43%	38%
Underweight	Underperformance relative to peer group	12 months	10%	6%
Sell	A decrease in price of more than 10%	12 months	-	-

Changes in recommendation over past 12 months

ISIN FR0013236544

Date	New recommendation	Old recommendation
7 September 2026	Marketweight	Overweight

Validity time period

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