FitchRatings

Fitch Rates BPCE Assurances IFS 'A+'; Outlook Stable

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Fitch Ratings - Paris - [publication date will be automatically inserted]

Fitch Ratings has assigned BPCE Assurances an Insurer Financial Strength (IFS) Rating of 'A+' and a Long-Term Issuer Default Rating (IDR) of 'A'. The Outlooks on the Long-Term IDR and the IFS Rating are Stable.

The ratings ultimately reflect BPCE Assurances' ownership by Groupe BPCE (IDR: A/Stable).

KEY RATING DRIVERS

Ratings Alignment with Groupe BPCE: We consider BPCE Assurances' IDR to be aligned with Groupe BPCE's IDR given the insurer's close operational linkage to the group's banking network, the strategic importance of the business to the group, and our expectation of capital fungibility within the group, including potential capital upstreaming from BPCE Assurances or support from Groupe BPCE. The ownership structure also supports the alignment of BPCE Assurances' and Groupe BPCE's IDRs. No ownership adjustment was required, as BPCE Assurances' standalone credit quality is already in line with the group's rating.

Strong Company Profile: We view BPCE Assurances' business profile as strong relative to its French peers', reflecting a well-established life insurance franchise, as the fifth largest life insurer by premiums and the fourth largest in creditor insurance in France. Its business risk profile is supported by a high share of unit-linked production and traditional savings with very low in-force guarantees, although this is tempered by fairly low diversification, reflecting concentration in France, in line with the group's domestic footprint, and by a distribution capacity largely limited to Groupe BPCE's bank network.

Strong Capitalisation and Leverage: BPCE Assurances' Prism Global score was 'Very Strong' at end-2024 and end-2023, and the Solvency II ratio, calculated using the standard formula and without transitional measures, was 175% at end-2024 (end-2023: 177%). The quality of capital, based on Fitch's capital base calculation, includes a high portion of contractual service margin (CSM), subordinated debt, the profitsharing reserve, and the potential for increased capital returns to Groupe BPCE, which constrains our assessment of capitalisation.

The financial leverage ratio, as calculated by Fitch, was stable at 14% at end-2024. We expect the ratio to remain broadly stable over the next 12 to 24 months.

Very Strong Financial Performance: Fitch views BPCE Assurances' profitability as a rating strength. The Fitch-calculated return on equity was 18.9% in 2024 (2023: 16.8%), which is high versus peers', driven by profitable savings business and term creditor insurance, while the CSM rose to EUR4 billion at end-2024 from EUR2.9 billion at end-2023, supported by strong savings net inflows and a favourable revision of lapse assumptions.

Non-life profitability (excluding creditor insurance) has been under pressure for the past two years, prompting reserve strengthening. However, recent portfolio pruning should strongly improve performance. We expect strong overall profitability to continue, supported by a steady CSM release of about 10% a year, and for the non-life segment to return to underwriting profits.

Moderate Asset Risks: BPCE Assurances' asset risk, as calculated by Fitch, is fairly high but in line with large French bancassurers', with a risky assets ratio at 89% at end-2024 versus 100% at end-2023, driven by high equity exposure and mitigated by the ability to share investment losses with policyholders. BPCE Assurances is less exposed to French sovereigns than the market on average, and we believe its sensitivity to a widening of French sovereign spreads is manageable. BPCE Assurances' reinvestment strategy is focused on European sovereign bonds and as a result we expect asset risk to decrease over the next 12 months.

Strong Asset-Liability Management, Liquidity: Fitch views BPCE Assurances' assets and liabilities management as strong, supported by active duration-gap management, low sensitivity to interest-rate risk, and low average guaranteed rates. In addition, we believe BPCE Assurances is less exposed to lapse risk than most peers due to a higher share of unit-linked assets, a smaller stock of legacy guaranteed-rate policies, and the ability to offer competitive crediting rates as higher interest rates feed through more quickly into portfolio yields than at some peers, helped by a smaller in-force book. Fitch views BPCE Assurances' balance-sheet liquidity as very strong.

RATING SENSITIVITIES

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

-- A downgrade of Groupe BPCE

-- A reduced propensity of Groupe BPCE to support BPCE Assurances, combined with a sharp deterioration in BPCE Assurances' standalone credit quality, which we view as unlikely

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

-- An upgrade of Groupe BPCE

DATE OF RELEVANT COMMITTEE

25-Sep-2025

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

BPCE Assurances' ratings are linked to Groupe BPCE's ratings

ESG CONSIDERATIONS

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

RATING ACTIONS

ENTITY	RATING		
BPCE Assurances	LT IDR	A	New Rating
	LT IFS	A+	New Rating

FITCH RATINGS ANALYSTS

Thibaut Droumaguet
Associate Director
Primary Rating Analyst
+33 1 44 29 91 85
thibaut.droumaguet@fitchratings.com
Fitch Ratings Ireland Ltd
28 avenue Victor Hugo
Paris 75116

Sixte de Monteynard
Director
Secondary Rating Analyst
+33 1 44 29 92 82
sixte.demonteynard@fitchratings.com

Graham Coutts, ACA
Senior Director
Committee Chairperson
+44 20 3530 1654
graham.coutts@fitchratings.com

Media relations

Athos Larkou
London
+44 20 3530 1549
athos.larkou@thefitchgroup.com

Additional information is available on www.fitchratings.com

Applicable Criteria

Insurance Rating Criteria (pub.04-Mar-2024)(includes rating assumption sensitivity)

Applicable Models

Prism Global (ex-U.S.) Model, v1.8.2 (1)

Additional Disclosures

Dodd-Frank Rating Information Disclosure Form

DISCLAIMER & DISCLOSURES

ENDORSEMENT POLICY