

Fitch Rates BPCE Assurances' RT1 and Tier 2 Notes 'BBB'

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

Fitch Ratings has assigned BPCE Assurances S.A.'s (BPCE Assurances) proposed EUR280 million deeply subordinated restricted tier 1 (RT1) and proposed EUR400 million subordinated Tier 2 green notes 'BBB' ratings.

The ratings on both the RT1 and Tier 2 notes are three notches below BPCE Assurances' 'A' Long-Term Issuer Default Rating (IDR), reflecting two notches for poor recovery prospects and one notch for moderate non-performance risk, in line with Fitch's notching criteria.

The net proceeds will refinance BPCE Assurances' outstanding EUR270 million grandfathered Tier 1 (callable December 2025) and EUR300 million grandfathered Tier 2 (maturing December 2025) bonds.

KEY RATING DRIVERS

The proposed instruments (RT1 and Tier 2 green notes) are subordinated to all senior obligations of BPCE Assurances. BPCE Assurances, the issuing entity, is a non-operating holding company, which results in structural subordination of these instruments to operating company creditors. In a winding-up, the RT1 notes rank behind unsubordinated creditors, including holders of Tier 2 instruments, while the proposed Tier 2 green notes rank ahead of RT1 but remain behind senior creditors. This subordination supports Fitch's baseline recovery assumption of 'Poor' for both instruments, in line with Fitch's notching criteria, under which each instrument's rating is notched two levels from the IDR for recovery when issued from a holding company, reflecting structural subordination.

Both instruments include features that allow flexibility on interest payments, but of different types. The RT1 notes include mandatory interest cancellation if any solvency capital requirement (SCR) applicable to the issuer is not met, or if the regulator notifies the issuer that payments under the notes must be cancelled. By contrast, the Tier 2 notes include an interest deferral feature that allows interest payments to be deferred under similar conditions. Fitch views both features as leading to "Moderate" non-performance risk, which is reflected in a one-notch downward adjustment from the IDR.

The RT1 notes include a loss-absorption feature whereby they can be written down upon specific trigger events, such as a breach of 75% of the SCR, a breach of 100% of the SCR for more than three months, or a breach of the minimum capital requirement. This conversion or write-down feature does not affect our notching beyond the factors described above. The RT1 notes do not have any coupon step-up features and are non-cumulative perpetual securities. Fitch therefore treats the RT1 notes as 100% equity in both its Prism Global model and in the financial leverage calculation. The Tier 2 notes qualify as Tier 2 regulatory capital under Solvency II and are

therefore treated as 100% capital in Fitch's Prism Global model. However, because they are dated instruments, we treat them as 100% debt in our financial leverage ratio calculation.

Fitch views the combination of the RT1 and Tier 2 issuances and the redemption of the existing grandfathered notes as marginally positive for BPCE Assurances' capitalisation, as available capital will increase by the difference between the new issuances and the grandfathered debts repurchased. We expect the financial leverage ratio to remain broadly unaffected and to be broadly stable at end2025 compared with 14% at end-2024, given the marginal net increase relative to the existing debt and equity base and our 100% equity treatment of RT1 notes. Fitch expects fixed-charge coverage to remain very strong, supported by BPCE Assurances' high operating profits.

RATING SENSITIVITIES

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

-- A downgrade of BPCE Assurances' Long-Term IDR would be reflected in the notes' rating.

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

-- An upgrade of BPCE Assurances' Long-Term IDR would be reflected in the notes' rating.

DATE OF RELEVANT COMMITTEE

08-Oct-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.

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			
subordinated	LT	BBB	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)

Additional Disclosures

Dodd-Frank Rating Information Disclosure Form

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