CREDIT OPINION
13 December 2024

New Issue

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Closing date

31 October 2018

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Contacts

Anne-Sophie Spirito +33.1.5330.2180
VP-Sr Credit Officer
anne-sophie.spirito@moodys.com

MMB SCF – Mortgage Covered Bonds

New Issue – French covered bonds

Ratings

Exhibit 1

Cover Pool (€)	Ordinary Cover Pool Assets	Covered Bonds (€)	Rating
2,920,949,804	Residential Mortgage Loans	2,400,000,000	Aaa

All data in the report is as of September 30, 2024 unless otherwise stated
Source: Moody's Ratings

Summary

The covered bonds (*Obligations Foncières*) issued by MMB SCF (a *Société de Crédit Foncier*) (the issuer, unrated) under it's €10 billion MMB SCF - Mortgage Covered Bonds programme are full recourse to the issuer and are secured by a cover pool of assets consisting almost entirely of residential mortgage loans (97.9%) in France along with other supplementary assets (2.1%).

Credit strengths include the credit strength of My Money Bank S.A. (MMB or the sponsor bank, borrower or collateral provider, rating unpublished) and the benefit from two layers of protection by having full recourse of the covered bonds to the issuer and the support provided by the French legal framework for *Sociétés de Crédit Foncier* (SCF) (the SCF law), which provides for the issuer's regulation and supervision.

Credit challenges include the high level of dependency on the issuer. As with most covered bonds in Europe, there are few restrictions on the future composition of the cover pool. The cover pool also has geographical concentration risk.

Our credit analysis takes into account the cover pool's credit quality, which is reflected in the collateral score of 4.0%, and the over-collateralisation (OC) of 21.7% (on a nominal value basis) as of 30 September 2024.

In general, we consider environmental and governance credit risks to be low and social credit risks to be moderate for this transaction. Environmental credit risk is low in this programme as covered bondholders benefit from the cover pool's geographical diversification. Social credit risk is moderate in this programme, mainly because social issues that affect lenders can also affect the cover pool. Social credit risks are mitigated by the cover pool's diversification.

This report was republished on 13 December 2024 with a corrected closing date.

Governance credit risk is low in this programme due to (i) French covered bond law; and (ii) the fact that the issuer is a regulated entity and maintains the cover pool on the issuer's group balance sheet, incentivising it to maximise cover pool value and aligning its interest with that of covered bond investors. For further details, please see “ESG Considerations” section below.

Credit strengths

» ***Recourse to the issuer***: The covered bonds are full recourse to the issuer MMB SCF, which is licensed as an SCF, a specialised credit institution wholly owned by the sponsor bank, MMB. Through the collateralised loan structure, the issuer itself has a recourse against the sponsor bank. (See “Covered bond description”)

» ***Support provided by the French legal framework - Sociétés de Crédit Foncier (the SCF law)***: The covered bonds are governed by the SCF law, which provides for the issuer's regulation and supervision, and sets certain minimum requirements for the covered bonds and the cover pool. (See “France - Legal Framework for Covered Bonds”)

» ***High credit quality of the cover pool***: The covered bonds are supported by a cover pool of high-quality assets. Most of the assets are residential mortgage loans backed by properties in France. The collateral quality is reflected in the collateral score, which is currently 4.0%. (See “Cover pool analysis”)

» ***Refinancing risk*****:** Following what we call a covered bond (CB) anchor event, refinancing risk would be mitigated by a well-established and deep market for French *Obligations Foncières*, as well as the liquidity-matching requirements. Furthermore, following the insolvency of the issuer, the covered bonds would continue to be paid according to their original scheduled maturity dates, in accordance with the SCF law. A CB anchor event occurs when the issuer, or another entity within the issuer group that supports the issuer, ceases to service the payments on the covered bonds. (See “Covered bond analysis”)

» ***Liquidity facility:*** as per the SCF law, the issuer is required to maintain a 180-day liquidity buffer at all times. (See “Covered bond analysis”)

» ***Level of OC available to bondholders:*** The sponsor supports the covered bond programme with an OC commitment of 5%. (See “Cover bond description”)

» ***Supervision:*** The issuer is a licensed financial institution regulated by the Autorité de Contrôle Prudentiel et de Résolution (ACPR). Pursuant to the SCF law, the issuer must appoint a specific controller (*contrôleur spécifique*) with the approval of the ACPR. (See “Covered bond analysis”)

Credit challenges

» ***High level of dependency on the issuer:*** As with most covered bonds, before the insolvency of the issuer, the issuer can materially change the nature of the programme. For example, the issuer can add new assets to the cover pool, issue new covered bonds with varying promises and enter into new hedging arrangements. Also, similar to most of the covered bonds in Europe, this programme has few restrictions on the future composition of the cover pool. These changes could affect the credit quality of the cover pool as well as the overall refinancing and market risks. Further, if the quality of the collateral deteriorates below a certain threshold, the issuer would have the ability, but not the obligation, to increase the OC in the cover pool. (See “Covered bond analysis”)

» ***Cover pool concentration****:* The cover pool has geographical concentrations, with all of the loans backed by properties in France and in particular in Île-de-France (18.9%) region of France. (See “Cover pool analysis”)

» ***Market risks***: Following a CB anchor event, covered bondholders, to achieve timely principal payment, might need to rely on proceeds raised through the sale of, or borrowing against, the cover pool assets. The market value of these assets may be subject to high volatility after a CB anchor event. In addition, covered bondholders might have exposure to interest rate risk. (See “Covered bond analysis”)

- ***Time subordination***: After a CB anchor event, later-maturing covered bonds are subject to time subordination. Principal cash collections may be used on a first-come, first-served basis, paying earlier-maturing covered bonds before later-maturing covered bonds. This subordination could lead to the erosion of OC before any payments are made to later-paying covered bonds. (See "Covered bond analysis")

Key characteristics

Exhibit 2
Covered bond characteristics

Moody's Programme Number:	530
Issuer:	MMB SCF
Covered Bond Type:	Residential mortgage covered bonds
Issued under Covered Bonds Law:	Yes
Applicable Covered Bonds Law:	French Covered Bond Act
Entity used in Moody's TPI analysis:	My Money Bank
CR Assessment:	Unpublished
CB Anchor:	CR assessment +1 notch
Senior unsecured/deposit rating:	Unpublished
Total Covered Bonds Outstanding:	€2,400,000,000
Main Currency of Covered Bonds:	EUR (100.0%)
Extended Refinance Period:	Yes (12 months)
Principal Payment Type:	Soft bullet
Interest Rate Type:	Fixed rate covered bonds (100.0%)
Committed Over-Collateralisation:	5.0% (on a nominal basis)
Current Over-Collateralisation:	21.7% (on a nominal basis)
Intra-group Swap Provider:	n/a
Monitoring of Cover Pool:	Supervision of French Financial Authorities (ACPR)
Trustees:	n/a
Timely Payment Indicator:	Probable-High
TPI Leeway:	Unpublished

Sources: Moody's Ratings and issuer data

Exhibit 3
Cover pool characteristics

Size of Cover Pool:	€2,920,949,804
Main Collateral Type in Cover Pool:	Residential assets (97.9%), Other supplementary assets (2.1%)
Main Asset Location of Ordinary Cover Assets:	France
Main Currency:	EUR (100.0%)
Loans Count:	27,111
Number of Borrowers:	25,502
WA Unindexed LTV:	52.7%
WA Indexed LTV:	49.9%
WA Seasoning (in months):	54
WA Remaining Term (in months):	205
Interest Rate Type:	Fixed rate assets(95.7%), Floating rate assets (4.3%)
Collateral Score:	4.0%
Cover Pool Losses:	17.5%
Further Cover Pool Details:	See Appendix 1
Pool Cut-off Date:	30 September 2024

Sources: Moody's Ratings and issuer data

Exhibit 4
Transaction counterparties

Counterparty Type	Transaction Counterparty
Sponsor	My Money Bank S.A.
Servicer	My Money Bank S.A.
Back-up Servicer	n/a
Back-up Servicer Facilitator	n/a
Cash Manager	My Money Bank S.A.
Back-up Cash Manager	n/a
Account Bank	BNP Paribas
Standby Account Bank	n/a
Account Bank Guarantor	n/a

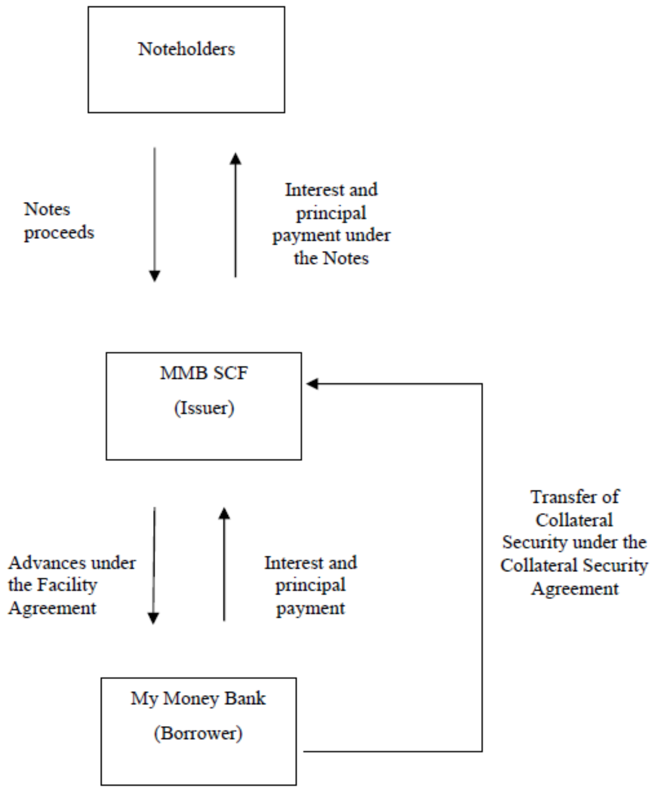
Sources: Moody's Ratings and issuer data

Covered bond description

The covered bonds issued under the mortgage covered bond programme of MMB SCF are full recourse to the issuer. Upon a CB anchor event, covered bondholders would have access to a cover pool of residential mortgage loans.

Structural diagram

Exhibit 5



Source: Issuer

Structure description

The bonds

Bonds with a “soft bullet” maturity benefit from a twelve months maturity extension. This extension will occur automatically if the issuer fails to redeem the covered bonds on their scheduled maturity date. As of date of the publication, 100% of the bonds had a soft bullet maturity.

The proceeds of the covered bond issuances are on-lent by the issuer to the sponsor bank by way of borrower advances under a facility agreement. The repayment of the borrower advances is secured by the collateral security to be made available by the sponsor bank and the collateral providers in line with the programme documents. The terms and conditions of the borrower advances mirror the final terms of the corresponding covered bonds.

Issuer recourse

The covered bonds are full recourse to the issuer. Therefore, the issuer is obliged to repay principal and pay interest on the covered bonds.

As a result of the borrower advances described above, the sponsor bank owes to the issuer, under the borrower advances, amounts equivalent to interest and principal due under the covered bonds.

Recourse to cover pool and over-collateralisation

The holders of the covered bonds will have the indirect benefit of the collateral security constituted of French residential mortgage loans. The obligations under the collateral security agreement, including the obligation to cure any breach of the asset cover test (ACT), will be secured pursuant to the terms of the collateral security (*remise à titre de garantie*) created in accordance with articles L.211-38 of the Monetary and Financial Code over the home loans satisfying the eligibility criteria. (See “Cover pool description” for the cover pool characteristics and “Cover pool analysis” for our analysis of the pool).

As of September 2024, the level of OC in the programme was 21.7% on a nominal value basis.

The current covered bond rating relies on:

- A level of OC that meets the minimum legal requirements of the French legal framework, whereby the OC must exceed the principal balance of the bonds by 5.0%.

- The 5.0% committed OC provided by the sponsor bank under the ACT.

Based on data as of 30 September 2024, the OC consistent with the current covered bond rating is 15.5%. This shows that our analysis does currently rely on OC that is not in a committed form.

Although the issuer has the ability to increase the OC in the cover pool if collateral quality deteriorates below a certain threshold, the issuer does not have any obligation to do so. The failure to increase OC following a deterioration in the collateral could lead to a negative rating action.

Legal framework
The covered bonds are governed by the SCF law, which provides for the issuer's regulation and supervision, and sets certain minimum requirements for the covered bonds and the cover pool. (See France - Legal Framework for Covered Bonds, June 2022, for a description of the general legal framework for *Obligations Foncières* governed by the SCF Law).

Covered bond analysis
Our credit analysis of the covered bonds primarily focuses on the issuer's credit quality, refinancing risk, interest rate risk and currency risk, as well as the probability that payments on the covered bonds would be made in a timely fashion following a CB anchor event, which we measure using the Timely Payment Indicator (TPI) (See “Timely Payment Indicator”).

Primary analysis
Issuer analysis - Credit quality of the issuer
The issuer MMB SCF is unrated. It is 100% owned by MMB (the sponsor bank, rating Unpublished).

The reference point for the sponsor’s credit strength in our analysis is the CB anchor, which for covered bond programmes under the covered bond law in France is the Counterparty Risk (CR) Assessment plus one notch.

The covered bond rating is linked to the credit strength of the sponsor bank, MMB, mainly because of the structure of the borrower advances described in the “Covered bond description” section. The support provided by the sponsor bank means that the reference point for our analysis will be the CB anchor of MMB, The sponsor bank's commitment to the covered bond programme is further underlined by the range of functions it carries out on behalf of the issuer.

The issuer is a specialist credit institution, so it may continue to operate for a period after MMB defaults. MMB's CR Assessment is unpublished.

Issuer analysis - Dependency on the issuer's credit quality
The credit quality of the covered bonds depends primarily on the credit quality of the sponsor bank. If the sponsor bank’s credit strength were to deteriorate, there would be a greater risk that a CB anchor event would occur, leading to refinancing risk for the covered bonds. Consequently, the credit quality of the covered bonds would deteriorate unless other credit risks were to decrease.

In the event that the CB anchor deteriorates, the issuer would have the ability, but not the obligation, to increase the OC in the cover pool. Failure to increase the level of OC under these circumstances could lead to a negative rating action.

Under the programme, the sponsor bank and its subsidiaries act as (1) borrower, (2) collateral provider, (3) issuer calculation agent, (4) cash collateral provider and (5) administrator. The holders of the covered bonds will have the indirect benefit of the collateral security comprising eligible assets pledged by the collateral providers.

The appropriate level of collateral is secured through the ACT. In case the ACT is not complied with, the sponsor bank shall cure such noncompliance by causing the collateral providers to grant additional eligible assets, and this noncompliance must be cured within one month. During that period, the issuer will cease to grant any further borrower advances and no further covered bonds can be issued. If the ACT is not cured before the next monthly ACT date, this would constitute a breach of ACT and a borrower event of default will have occurred.

Reasons for the high level of dependency of the covered bonds with the issuer also include exposure to decisions made by the issuer in its discretion as manager of the covered bond programme. For example, before a CB anchor event, the issuer may add new assets to the cover pool and remove assets from the cover pool, issue further bonds and enter new hedging arrangements. Such actions could reduce the value of the cover pool.

As with most of the covered bonds in Europe, there are few contractual restrictions on the future composition of the cover pool, which creates substitution risk. Nevertheless, cover pool quality over time will be protected by, among other things, the requirements of the SCF law, which specifies what types of assets are eligible. (See "France - Legal Framework for Covered Bonds")

Refinancing risk
Following a CB anchor event, the "natural" amortisation of the cover pool assets alone cannot be relied on to repay the principal. We assume that funds must be raised against the cover pool at a discount if covered bondholders are to receive timely principal payment. Where the portion of the cover pool that is potentially exposed to refinancing risk is not contractually limited, our expected loss analysis typically assumes that this amount is in excess of 50% of the cover pool.

After a CB anchor event, the market value of these assets may be subject to volatility. Examples of the stressed refinancing margins we use for different types of prime-quality assets are published in our Rating Methodology. (See "Moody's Approach to Rating Covered Bonds")

The refinancing-positive factors outweigh the negative ones. The refinancing-positive aspects of this covered bond programme include:

» The requirement in the SCF law to maintain a 180-day liquidity buffer at all times.

» All covered bonds currently issued have a 12-month extension period.

» The SCF legal framework, which guarantees that the insolvency of the issuer will not trigger an acceleration of the covered bonds.

» The ability of the issuer to sell or transfer part or all of the cover pool.

» The legal requirement to limit asset-liability mismatches: Under the covered bond law, the difference between the weighted average life (WAL) of the cover pool (up to 105% of the covered bonds) and the WAL of the outstanding covered bonds must not exceed 18 months.

The refinancing-negative aspects of this covered bond programme include:

» MMB is a specialised lender and the mortgage loans refinanced in the cover pool are debt consolidation loans. As the debt consolidation loans market is a niche market with few specialised entities focusing on this type of product, it might be more difficult to refinance this cover pool following a CB anchor event, compared to a pool of standard mortgage loans.

» There is no interest rate or currency swap in place in the programme and any unhedged exposure to market risk may cause a reduction in the value of the cover pool.

Interest rate and currency risk
As with most European covered bonds, there is potential for interest rate and currency risks, which could arise from the different payment promises and durations made on the cover pool and the covered bonds.

Exhibit 6
Overview of assets and liabilities

	WAL Assets (Years)	WAL Liabilities (Years)	Assets (%)	Liabilities (%)
Fixed rate	9.4	4.6	95.7%	100.0%
Variable rate	5.1	n/a	4.3%	0.0%

WAL = Weighted average life.
Sources: Moody's Ratings and issuer data

In the event of issuer insolvency, we currently do not assume that the insolvency administrator would always be able to efficiently manage any natural hedge between the cover pool and the covered bonds. Therefore, following a CB anchor event, our model would separately assess the impact of increasing and decreasing interest rates on the expected loss of the covered bonds, taking the path of interest rates that leads to the worst result. The interest rate and currency stresses used over different time horizons are published in our Rating Methodology.

Aspects of this covered bond programme that are market-risk positive include:

» No currency risk: As of the pool cutoff date, all of the covered bonds and all of the cover pool assets are denominated in euro, so there is no currency risk in the programme.

Aspects of this covered bond programme that are market-risk negative include:

» There is no swap in place to hedge the interest rate risk.

» A potential sale of fixed-rate assets to meet payments due on covered bonds following a CB anchor event could lead to a crystallisation of mark-to-market losses caused by interest rate movements upon issuer default. Most of the cover pool assets are fixed-rate loans.

Timely Payment Indicator

Our TPI assesses the likelihood that timely payments would be made to covered bondholders following a CB anchor event, and thus determines the maximum rating a covered bond programme can achieve with its current structure while allowing for the addition of a reasonable level of OC. We have assigned a TPI of Probable-High to these covered bonds, in line with other mortgage covered bonds issued under the SCF law.

The TPI leeway for this programme is unpublished. The TPI leeway implies that we might downgrade the covered bonds' rating because of a TPI cap if we were to lower the CB anchor by more than the TPI leeway, all other variables being equal.

The TPI-positive aspects of this covered bond programme include:

» The extendable maturity of the covered bonds.

» The SCF legal framework, which guarantees that an insolvency of the issuer will not accelerate payments under the covered bonds.

» The ACT, designed to ensure that the cover pool has substantial value at the time of the occurrence of the borrower event of default.

» The credit quality of the cover pool assets, reflected by the collateral score of 4.0%.

» The positive factors mentioned in the “Refinancing risk” and “Interest rate and currency risk” sections above.

The TPI-negative aspects of this covered bond programme include:

» The negative factors mentioned in the “Refinancing risk” and “Interest rate and currency risk” sections above.

Additional analysis

Liquidity

Cash flow from the assets may not be sufficient to meet the repayment obligations of the covered bonds issued under the programme. However, covered bondholders benefit from:

» The intervention of the specific controller, whose role is, among others, to monitor the balance between the issuer's assets and liabilities, and notify the issuer and the ACPR if it considers this balance to be unsatisfactory.

» A 180-day liquidity buffer as provided by the SCF law.

» The requirement under the SCF law that the difference between the remaining average life of the cover pool assets and that of the covered bonds must not exceed 18 months (based only on assets up to 105% of covered bonds).

Time subordination

After a CB anchor event, later-maturing covered bonds would be subject to time subordination. Principal cash collections may be used on a first-come, first-served basis, paying earlier-maturing covered bonds before later-maturing covered bonds. Such payments could result in the erosion of OC before any payments are made to later-paying covered bonds. However, this is mitigated by the following:

» The legal minimum 5% OC requirement.

» The contractual minimum committed OC of 5%.

» Because of the nature of the corporate object of the issuer and the provisions of the SCF law, the likelihood of bankruptcy proceedings being commenced against the issuer appears relatively remote.

Cover pool description

Pool description as of 30 September 2024

As of 30 September 2024, the cover pool consisted entirely of French residential mortgage loans backed by residential assets (97.9%) in France along with other supplementary assets (2.1%). The mortgage loans in the cover pool are debt consolidation loans (mortgage refinancing) where the borrower consolidates several loans (auto, consumer and residential for example) into one loans that is entirely secured by a mortgage on the property. For details on the sponsor bank's underwriting criteria, see "Appendix: Income underwriting and valuation."

As Exhibit below shows, all of the assets in the cover pool are residential mortgage loans with total outstanding balance of around €2.86 billion. All the properties backing the loans are in France, with particular concentration in Île-de-France (18.9%). The weighted average unindexed loan-to-value (LTV) ratio of residential assets is 52.7%, and almost all the loans are performing (99.3%).

On a nominal value basis, the cover pool assets total €2.92 billion, which back €2.40 billion in covered bonds, resulting in an OC level of 21.7% on a nominal value basis.

Exhibits below show more details about the cover pool characteristics.

Residential mortgage loans

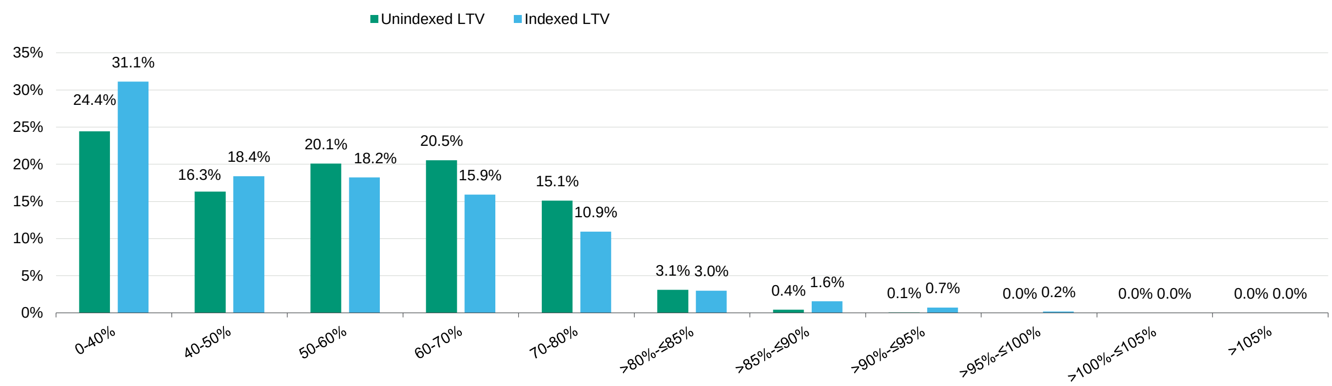
Exhibit 7
Cover pool summary

Overview		Specific Loan and Borrower characteristics	
Asset type:	Residential	Loans with an external guarantee in addition to a mortgage:	0.0%
Asset balance:	2,860,908,308	Interest only Loans	0.0%
Average loan balance:	105,526	Loans for second homes / Vacation:	2.9%
Number of loans:	27,111	Buy to let loans / Non owner occupied properties:	1.8%
Number of borrowers:	25,502	Limited income verified:	n/d
Number of properties:	27,756	Adverse credit characteristics (**)	n/d
WA remaining term (in months):	205		
WA seasoning (in months):	54	**Performance**	
		Loans in arrears (≥ 2months - < 6months):	0.6%
Details on LTV		Loans in arrears (≥ 6months - < 12months):	0.1%
WA unindexed LTV (*)	52.7%	Loans in arrears (≥ 12months):	0.0%
WA Indexed LTV:	49.9%	Loans in a foreclosure procedure:	0.0%
Valuation type:	Market Value		
LTV threshold:	80%	**Multi-Family Properties**	
Junior ranks:	0.0%	Loans to tenants of tenant-owned Housing Cooperatives:	n/a
Loans with Prior Ranks:	0.0%	Other type of Multi-Family loans (***)	n/a

n/a: not available.
(*) May be based on property value at the time of origination or further advance or borrower refinancing.
(**) Typically borrowers with a previous personal bankruptcy or borrowers with a record of court claims against them at the time of origination.
(***) This "other" type refers to loans directly to Housing Cooperatives and to Landlords of Multi-Family properties (not included in Buy to Let).
Sources: Moody's Ratings and issuer data

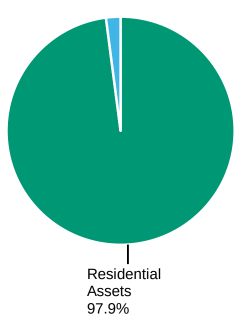
Cover pool characteristics

Exhibit 8
Balance per LTV band



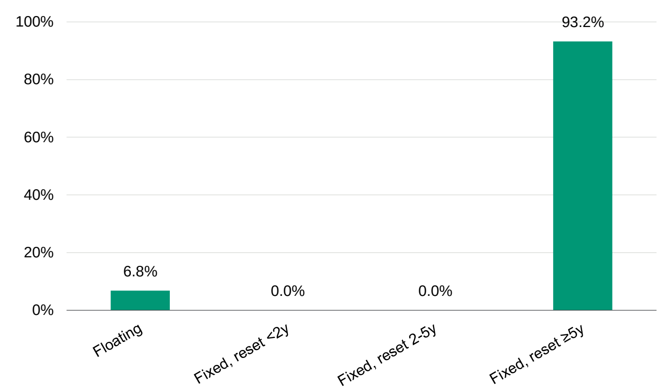
Sources: Moody's Ratings and issuer data

Exhibit 9
Percentage of residential assets



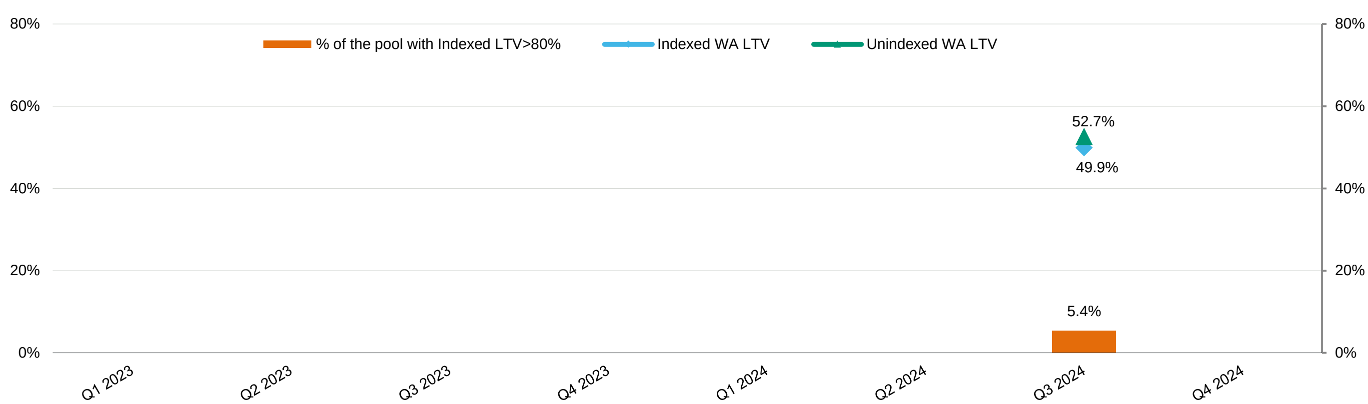
Sources: Moody's Ratings and issuer data

Exhibit 10
Interest rate type



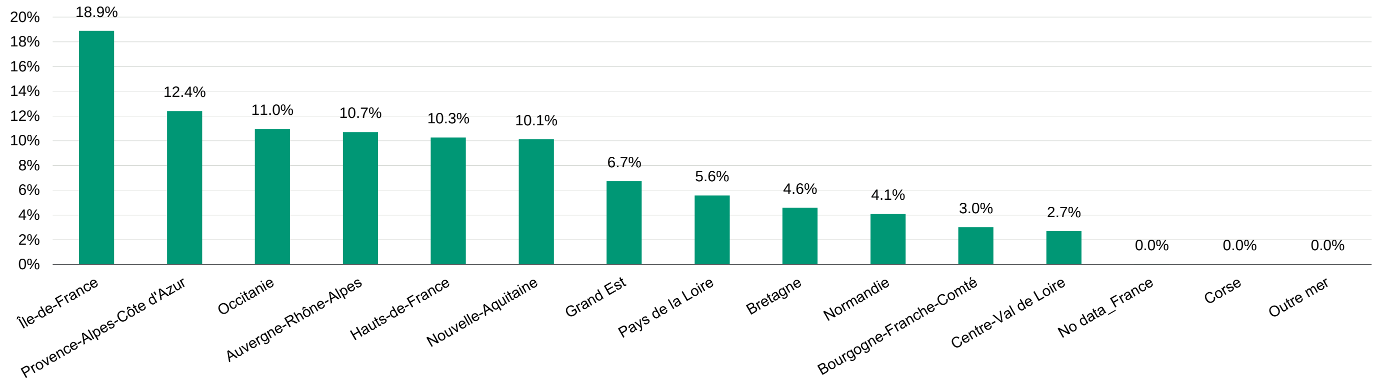
Sources: Moody's Ratings and issuer data

Exhibit 11
LTV



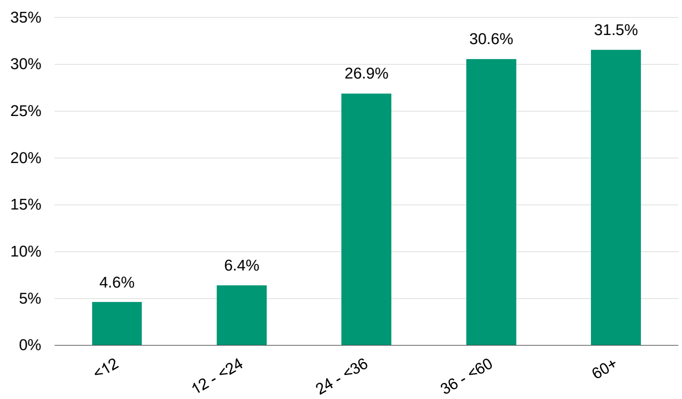
Sources: Moody's Ratings and issuer data

Exhibit 12
Main country regional distribution



Sources: Moody's Ratings and issuer data

Exhibit 13
Seasoning (in months)



Sources: Moody's Ratings and issuer data

Cover pool monitor

Pursuant to the French covered bond law, a cover pool monitor (*contrôleur spécifique*) has been appointed by the issuer. (See "France - Legal Framework for Covered Bonds")

Cover pool analysis

Our credit analysis of the pool takes into account specific characteristics of the pool, as well as legal risks.

Primary cover pool analysis

We calculate the collateral score for the cover pool using a scoring model to assess the credit risk for the residential assets in the cover pool. Our analysis takes into account, among other factors, the LTV ratios of the mortgage loans, the seasoning and the geographical distribution.

For this programme, the collateral score of the current pool is 4.0%, which is less than the average collateral score (5.4%) in other French mortgage covered bonds. (For details, see "Moody's Global Covered Bonds Sector Update, Q3 2024").

The loan eligibility criteria include the following cumulative eligibility criteria:

» No amount is due but unpaid under the Loan as at the Cut-Off Date preceding the relevant Calculation Date on which such Loan Receivable is transferred as Collateral Security;

» The Loan is not a defaulted loan;

- The relevant Loan has been fully drawn and does not provide for the ability for the borrower to re-draw thereunder;
- All sums due under the relevant Loan (including interest and costs) are secured by a fully effective Loan Security;
- The borrower under the Loan is not an employee of My Money Bank or any of its subsidiaries;
- The borrower under the relevant Loan has paid at least one (1) instalment (in principal and/or interest) in respect of the Loan.

From a credit perspective we view the following pool characteristics as credit positive:

- All mortgage loans are amortizing on a regular basis with no bullet loans in the cover pool.
- Low LTV of 52.7% on an unindexed property value basis.
- Majority of the mortgage loans are secured on owner-occupied (90.7%) residential properties in France.
- Majority of assets (95.7%) and all the liabilities are fixed rate.
- High granularity of the pool.
- Almost all the loans (99.3%) are performing.

From a credit perspective we view the following pool characteristics as credit negative:

- The cover pool consists of debt consolidation loans that are secured by a mortgage. Historically these loans have exhibited a riskier profile than standard mortgage loans.

Additional cover pool analysis

Commingling risk

As a result of the cash management mechanisms, following the service by the issuer to the sponsor bank of a borrower enforcement notice and the transfer of title over the home loans to the issuer, the holders of the covered bonds will be exposed to the risk that (1) payments continue to be made to the collateral provider instead of being paid to the issuer directly; and (2) the collections standing to the credit of the collection accounts are not capable of being identified or are not transferred to the issuer in a timely manner. This may translate into a potential liquidity shortage or, if the collections have not been properly earmarked, into a credit issue. We believe that the above-mentioned risks are mitigated by the fact that, if the sponsor's Counterparty Risk Assessment falls below Baa2(cr), a reserve will be funded, based on the amount of collections received over the last two months prior to the trigger being breached.

Set-off risk

Set-off may be possible between the claim of a collateral provider (in its capacity as lender) under the home loan and a claim of its debtor vis-à-vis the relevant collateral provider. In addition to any contractual set-off that may be agreed between the parties, set-off may be imposed if (1) the conditions for legal set-off are met, or (2) the claims of the relevant parties are reciprocal and interrelated (*connexes*). With respect to interrelated debt, the most likely circumstances where set-off would have to be considered are when counterclaims resulting from a current account relationship will allow a debtor to set-off such counterclaims against sums due under a home loan. Some mitigants for this risk are as follows: (1) contractual set-off is excluded by an eligibility criteria that provides that no borrower benefits from a contractual right of set-off and (2) the cover pool consists of a granular pool of retail obligors with secured loans and a deposit insurance protects retail deposits in France.

Comparables

Exhibit 14

Comparables - MMB SCF – Mortgage Covered Bonds and other select French deals

PROGRAMME NAME	MMB SCF – Mortgage Covered Bonds	CCF SFH – Mortgage Covered Bonds	Societe Generale SFH - Mortgage Covered Bonds	Arkea Home Loans SFH - Mortgage Covered Bonds	BPCE SFH - Mortgage Covered Bonds	Credit Agricole Home Loan SFH - Mortgage Covered Bonds
Overview						
Programme is under the law	SCF Law	SFH Law	SFH Law	SFH Law	SFH Law	SFH Law
Main country in which collateral is based	France	France	France	France	France	France
Country in which issuer is based	France	France	France	France	France	France
Total outstanding liabilities	2,400,000,000	3,500,000,000	43,640,000,000	9,732,500,000	48,071,500,000	41,496,147,898
Total assets in the Cover Pool	2,920,949,804	4,663,679,951	52,368,301,541	12,165,926,131	63,963,322,890	61,857,677,116
Issuer name	MMB SCF	CCF SFH	Societe Generale SFH	Arkéa Home Loans SFH	BPCE SFH	Credit Agricole Home Loan SFH
Issuer CR assessment	n/a	n/a	n/a	n/a	n/a	n/a
Group or parent name	My Money Bank	CCF	Société Générale	Credit Mutuel Arkea	BPCE	Crédit Agricole SA
Group or parent CR assessment	Unpublished	A3(cr)	A1(cr)	Aa2(cr)	Aa3(cr)	Aa2(cr)
Main collateral type	Residential	Residential	Residential	Residential	Residential	Residential
Collateral types	Residential 97.9%, Commercial 0%, Public Sector 0%, Other/Supplementary assets 2.1%	Residential 96.3%, Commercial 0%, Public Sector 0%, Other/Supplementary assets 3.7%	Residential 100%, Commercial 0%, Public Sector 0%, Other/Supplementary assets 0%	Residential 100%, Commercial 0%, Public Sector 0%, Other/Supplementary assets 0%	Residential 100%, Commercial 0%, Public Sector 0%, Other/Supplementary assets 0%	Residential 99%, Commercial 0%, Public Sector 0%, Other/Supplementary assets 1%
Ratings						
Covered bonds rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
Entity used in Moody's EL & TPI analysis	My Money Bank	CCF	Societe Generale	Credit Mutuel Arkea	BPCE	Credit Agricole S.A.
CB anchor	Unpublished	A2	Aa3	Aa1	Aa2	Aa1
CR Assessment	Unpublished	A3(cr)	A1(cr)	Aa2(cr)	Aa3(cr)	Aa2(cr)
SUR / LT Deposit	Unpublished	Baa2	A1	Aa3	A1	Aa3
Unsecured claim used for Moody's EL analysis	Yes	Yes	Yes	Yes	Yes	Yes
Value of Cover Pool						
Collateral Score	4.0%	2.0%	2.0%	3.6%	5.0%	3.5%
Collateral Score excl. systemic risk	n/a	n/a	1.7%	3.0%	n/a	n/a
Collateral Risk (Collateral Score post-haircut)	2.7%	1.3%	1.3%	2.4%	3.3%	2.3%
Market Risk	14.8%	15.0%	12.7%	24.5%	13.3%	15.4%
Over-Collateralisation Levels						
Committed OC*	5.0%	5.0%	8.5%	10.7%	8.1%	8.1%
Current OC	21.7%	33.2%	20.0%	25.0%	33.1%	49.1%
OC consistent with current rating	15.5%	16.0%	4.5%	0.0%	0.5%	0.0%
Surplus OC	6.2%	17.2%	15.5%	25.0%	32.6%	49.1%
Timely Payment Indicator & TPI Leeway						
TPI	Probable-High	Probable-High	Probable-High	Probable-High	Probable-High	Probable-High
TPI Leeway	Unpublished	1	3	5	4	5
Reporting date	30 September 2024	30 September 2024	30 June 2024	30 June 2024	31 March 2024	30 June 2024

*We consider this level of OC as committed according to our methodology even though the level of OC provided via the asset cover test might be higher because the issuer could reduce the level of OC down to this level without an impact on our covered bond rating.
Sources: Moody's Ratings and issuer data

ESG considerations

We assess Environmental, Social and Governance (ESG) credit risks in our analysis based on general principles described in detail in the ESG cross-sector rating methodology available on moodys.com.

Environmental considerations
Overall exposure to meaningful environmental credit risks is low in this programme.

» In respect of physical risks to the cover pool,
    – the geographical diversification of the pool, the largest concentration being 18% in the Ile de France region.
» In respect of regulatory risk, we expect that over time properties that do not meet climate-aligned standards for energy efficiency or carbon emissions will face regulatory sanctions and value impairment. However, we expect much of this risk to be gradually absorbed into the periodic updating of property valuations and income underwriting.

In the event of shocks in connection with regulation or physical hazards, the impact on property collateral will be partly mitigated by borrowers' liability to repay mortgage loans regardless of property value.

Social considerations
Overall exposure to social factors is moderate for this programme. Misconduct, poor handling of data security and customer privacy breaches by lenders are the most significant social risks that may in due course affect the credit quality of the cover pool, although lenders' financial and operational flexibility and track record of adjusting to social issues may mitigate this. In addition, the diversified nature of the cover pool is a mitigant to exposure to social factors.

Social factors that potentially affect the cover pool have varied implications. Social risks can arise from changing demographic trends such as aging, urbanization, an increase in telecommuting and flight from cities, population declines or ways of living trends in general that impact the supply or demand for housing in particular areas, which can reduce home values. Societal and demographic trends will be relevant but typically develop over an extended timeframe that smooths out materiality for expected loss.

Social issues may also be driven also by a political agenda related to housing and consumer protection, particularly in down cycles, creating pressure on recovery values. Borrower-friendly legislation as a reaction to consumer activism can affect both the underwriting and the servicing of mortgage loans in the cover pool. Social policy-driven decisions in France, such as lowering underwriting standards at government-sponsored enterprises to increase homeownership, would reduce the credit quality of the cover pool.

Governance considerations
Overall exposure to meaningful governance credit risks is low and similar to other covered bond programmes under French law.

The principal sources of governance for this programme are France's covered bond law; and the operational and substantive provisions of the programme documents. In this programme, there are control mechanisms in place that are designed to protect covered bondholders from mistakes, misallocation of cash flows and misappropriation of assets, and that promote compliance with the covered bond legal framework and operational and reporting requirements.

In particular, we note that (i) the sponsor bank is a regulated credit institution with experience and expertise in carrying out residential lending and servicing activities; (ii) the issuer is a regulated entity and maintains the cover pool on the issuer's group balance sheet, incentivising it to maximise cover pool value and aligning its interest with that of covered bond investors; (ii) the cover pool monitor has an independent role mandated and governed by the covered bond law and the cover pool monitor owes duties to bondholders; and the covered bond law (iii) ensures the bankruptcy remoteness of the cover pool; and (iv) contains detailed reporting requirements and sanctions for issuer noncompliance.

Methodology and monitoring

The primary methodology we use in rating the issuer's covered bonds is "Moody's Approach to Rating Covered Bonds", published in October 2024. Other methodologies and factors that may have been considered in the rating process can also be found on http://www.moodys.com. In addition, we publish a weekly summary of structured finance credit, ratings and methodologies, available to all registered users of our website, at www.moodys.com/SFQuickCheck.

We expect the issuer to deliver certain performance data to us on an ongoing basis. In the event that this data is not made available to us, our ability to monitor the ratings may be impaired. This lack of data availability could negatively impact the ratings or, in some cases, our ability to continue to rate the covered bonds.

Appendix: Income underwriting and valuation

Exhibit 15

A. Residential Income Underwriting	
1 Is income always checked?	Yes - Income is always checked.
2 Does this check ever rely on income stated by borrower ("limited income verification") ?	Income stated by borrower is not permitted within our underwriting standards.
3 Percentage of loans in Cover Pool that have limited income verification	0%
4 If limited income verification loans are in the Cover Pool, describe what requirements lender has in place for these loans.	N/A
5 Does income in all cases constrain the amount lent (for example through some form of Income Sufficiency Test ("IST")?	MMB underwriting standards are based on DTI and Disposable Income.
6 If not, what percentage of cases are exceptions.	N/A
For the purpose of any IST:	
7 Is it confirmed that income after tax is sufficient to cover both interest and principal?	This information is always checked although MMB underwriting standards are based on pre-tax income.
8 If so over what period is it assumed principal will be paid (typically on an annuity basis)? Any exceptions?	N/A
9 Does the age of the borrower constrain the period over which principal can be amortised?	Yes - Borrower age limit at the end of the loan is 85 years old.
10 Are any stresses made to interest rates when carrying out the IST? If so when and for what type of products?	MMB loans are fixed rate loans since 2016.
11 Are all other debts of the borrower taken into account at the point the loan is made?	Yes
12 How are living expenses of the borrower calculated? And what is the stated maximum percentage of income (or income multiple if relevant) that will be relied on to cover debt payments. (specify if income is pre or post tax)	Disposable income is required and depends on family structure and debt to income ratio. The income taken into account is the pre-tax income.
Other comments	

B. Residential Valuation	
1 Are valuations based on market or lending values?	Valuations are based on market values.
2 Are all or the majority of valuations carried out by external valuers (with no direct ownership link to any company in the Sponsor Bank group)?	Yes - All valuations are carried out by external valuers. Always based on statistical analysis approach and/or through an independant real estate expert for physical analysis.
3 How are valuations carried out where an external valuer not used?	N/A
4 What qualifications are external valuers required to have?	Our service providers undertake to ensure that real estate experts meet the expertise level requirements as defined by the "Charte de expertise en évaluation immobilière" (https://charteexpertiseimmo.org/accueil.html).
5 What qualifications are internal valuers required to have?	N/A - MMB do not have internal valuers.
6 Do all external valuations include an internal inspection of a property?	Yes
7 What exceptions?	On an exceptional Risk exemption when, for example, the property to be taken as guarantee is a building with several identical places.
8 Do all internal valuations include an internal inspection of a property?	N/A
9 What exceptions?	N/A
Other comments	

Source: Issuer

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