Rating Report
Crédit Logement S.A.

Morningstar DBRS
17 June 2024

Contents

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Credit Ratings

Debt	Credit Rating	Credit Rating Action	Trend
Long-Term Issuer Rating	AA (low)	Confirmed May '24	Stable
Short-Term Issuer Rating	R-1 (middle)	Confirmed May '24	Stable
Intrinsic Assessment	AA (low)	Maintained May '24	--

Credit Rating Drivers

Factors with Positive Credit Rating Implications

- An upgrade of the credit ratings is unlikely in the short to medium term. However, a material improvement in earnings and a significant strengthening of capital cushions combined with maintenance of the low risk profile could result in an upgrade.

Factors with Negative Credit Rating Implications

- A downgrade of the credit ratings would result from a severe deterioration in the credit quality of CL's guarantee or investment portfolio and/or a weakening of its capital cushions.

Credit Rating Considerations

Franchise Strength (Good/Moderate)

- Leading issuer of financial guarantees for French home loans. Strong market position as guarantor of around one-third of all home loans in France. Extensive distribution capacity, supported by cooperation with major French banking groups (which are also shareholders), and strong expertise in doubtful loans recovery.

Earnings Power (Good)

- Crédit Logement has a track record in generating consistent earnings; however, profit maximisation is not its strategic priority. Very low cost-to-income ratio.

Risk Profile (Strong)

- Very low risk profile, underpinned by conservative underwriting, advanced debt recovery expertise and strong asset quality of the French home lending. Low risk investment portfolio. Concentration risk exists, due to focus on the French home loans market.

Funding and Liquidity (Strong)

- Substantial portfolio of high-quality liquid investments. Ability to delay guarantee pay-outs up to two years during periods of stress.

Capitalisation (Good/Moderate)

- Strong capital levels, sufficient to meet relatively demanding Pillar 2 requirements. Shareholder commitment to maintain CL's solvency in case of need.

Financial Data Through 2023	Scorecard Building Block (BB) Assessment	Grids BB Assessment	Combined BB Assessment
Franchise	M/W	VS/S	G
Earnings	G/M	G	G
Risk	S	S	S
Funding & Liquidity	NA	S	S
Capitalisation	S/G	S	S

Overall Assessment	Intrinsic Assessment Range (IAR)	Assigned IA
S/G	['AA', 'AA (low)', 'A (high)']	AA (low)

Financial Information

	For the Year Ended December 31 (IFRS)				
(In EUR Millions unless otherwise stated)	**2023**	**2022**	**2021**	**2020**	**2019**
Total Assets	12,462	12,553	12,402	11,931	11,385
Guarantees Portfolio	429,622	413,343	390,313	374,660	345,684
Income Before Provisions and Taxes (IBPT)	138	159	165	146	156
Net Attributable Income	104	120	120	99	103
Net Interest Margin	0.6%	0.5%	0.5%	0.4%	0.5%
Cost / Income ratio	29.4%	26.4%	25.6%	27.7%	25.8%
CET1 Ratio	11.89%	11.88%	19.26%	19.12%	17.32%

Source: Morningstar Inc., Company Documents

Issuer Description

Crédit Logement (CL or the Company) is a nonbank financial institution providing financial guarantees for home loans in France. CL has a dominant market share in the segment of home loans secured by financial guarantees. CL's market position and distribution capacity benefit from cooperation with the major French banking groups, which are its shareholders. Its asset quality benefits from strong expertise in the recovery of doubtful exposures. The company is the leading issuer of French home loan guarantees.

Credit Rating Rationale

The ratings take into account the Company's strong franchise and leading position in the home loan guarantee market in France. It also incorporates CL's low risk profile, supported by conservative underwriting and significant expertise in the recovery of doubtful exposures; a strong capital position; and the shareholders' commitment to maintain its solvency in the case of stress. CL's shareholders are major French banking groups, with Credit Agricole Group (AA (low) Stable), Société Générale (A (high), Stable), and BNP Paribas (AA (low), Stable) being the three largest shareholders.

Franchise Strength

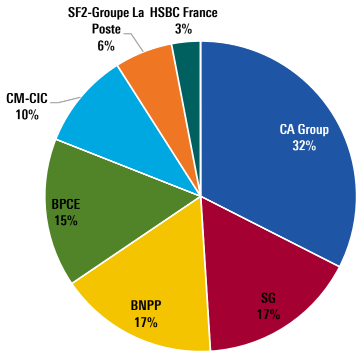
Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Moderate/Weak	Very Strong/Strong	Good

CL is the leading issuer of financial guarantees in the French home loans market. Financial guarantees are the most popular form of collateral in France, securing close to 60% of all outstanding French home loans. At end-2023, CL's outstanding portfolio of home loan guarantees was EUR 421 billion, equivalent to around one-third of all home loans outstanding in France. CL's strong franchise is further supported by the expertise and capabilities that it has developed over many decades. Additionally, CL's market position and distribution capacity benefit from cooperation with the major French banking groups, which are also its shareholders. CL is a non-bank financial institution regulated by the French banking and insurance supervisor Autorité de Contrôle Prudentiel et de Résolution (ACPR).[1]

Credit Agricole Group owns 32.5% of CL's shares, of which 16.0% through Credit Agricole S.A. and 16.5% through LCL. BNP Paribas and Société Générale/Crédit du Nord each own about 16.5%. BPCE and Credit Foncier (both members of the BPCE Group) hold stakes totalling 15.5%. Remaining stakes are owned by Crédit Mutuel/CIC (10.0%), SF2-Groupe La Banque Postale (6.0%), and HSBC France (3.0%). While most of CL's guarantees are provided to home loan borrowers through its shareholder banks, a range of smaller banks also benefit from CL's guarantees.

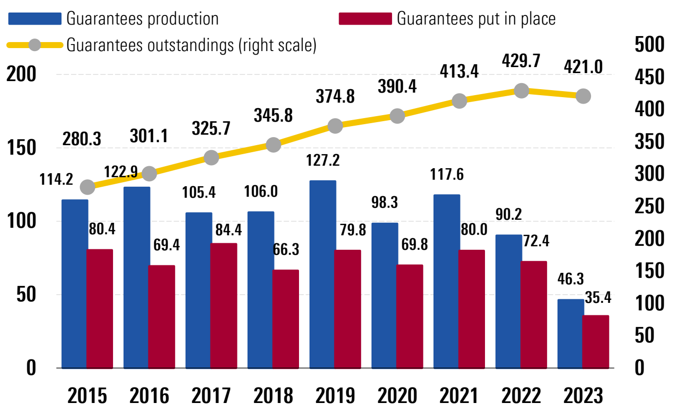
Guarantees securing French home loans are the main product offered by CL. For the banks providing the actual loans, CL's guarantee covers all unpaid instalments and capital of the loan. After three unpaid instalments, CL takes over the recovery of the loan and begins to work with the borrower. The recovery process is fully managed by CL. In the collection process CL benefits from the knowledge of its customers acquired during underwriting. As the leading guarantor in France, CL benefits from expertise and economies of scale in the recovery process. CL also provides its banking partners with a second independent risk review at origination. Given CL's significant market share, it is also capable of providing a broad perspective on trends in the home loans market.

Exhibit 1 Shareholders, end-2023



Source: Morningstar DBRS, Company Documents.

Exhibit 2 Business Volumes, 2015-2023



Source: Morningstar DBRS, Company Documents.

[1] Morningstar DBRS rates CL under its Global Banking Methodology (GBM)

Borrowers tend to favour home loans guarantees over mortgages because of pricing, speed, and convenience. Guarantees are an attractive alternative to mortgages as they offer simplified administrative procedures and are easier to transfer in case of a change in the financed property.

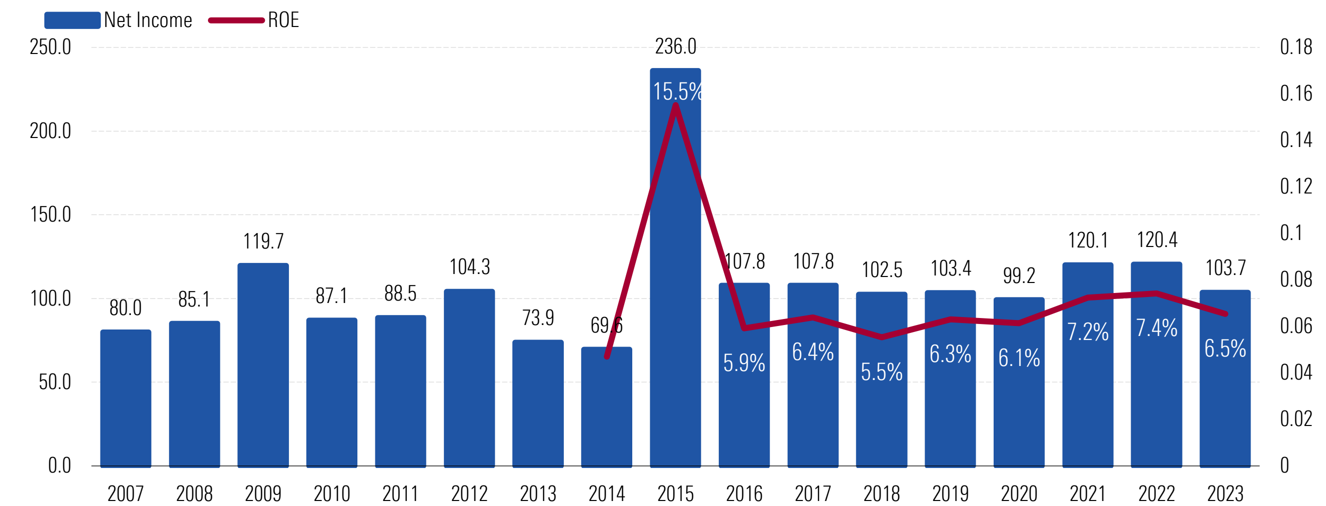
Earnings Power

Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Good/Moderate	Good	Good

CL has a good track record in generating consistent earnings. However, profit maximisation is not a strategic goal, and earnings metrics are somewhat moderate. Revenues are predominantly composed of commissions paid by borrowers and net interest income earned on bank deposits and other low-risk investments. As a result, the Company's revenues and earnings are driven by the volume of guarantees put in place and the investment return on its funds. Borrowers obtaining CL's guarantee pay upfront around 1% of the loan amount as participation in the Mutual Guarantee Fund (MGF) and around 0.30% in commission, which covers the cost of administration. The commissions are booked in the profit and loss account and spread over the life of the guarantee.

CL's 2023 net profit declined by 14% year-on-year (YOY) to EUR 103.7 million, adversely affected by a 48% drop of new guarantees put in place. This also caused outstanding guarantees to drop to EUR 421 billion from EUR 429 billion at end-2022. As a result, net fee and commission income dropped by 25% YOY to EUR 115.4 million. The drop in new guarantee reflects the sharply increased borrowing rates and well as a higher proportion of equity requested by banks. This was only partly offset by at 22.5% increase in net interest income to EUR 71.3 million. Costs increased by 2.4% YOY to EUR 56.2 million, driven by higher administrative costs and higher expenses for depreciation and amortisation. The cost-to-income ratio deteriorated as a result to 29% from 26% a year earlier but remained very low when compared with banks. The cost of risk in the guarantees portfolio is covered by the Mutual Guarantee Fund (MGF) and booked directly to equity.

Exhibit 3 Net Income Evolution, 2007—22



Source: Morningstar DBRS, Company Documents.

Risk Profile

Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Strong	Strong	Strong

CL's risk profile primarily reflects the credit risk of its French home loan guarantees portfolio, which amounted to EUR 421 billion at the end of 2023. Despite a concentration in the French home loans market, we view CL's risk profile as low, supported by conservative underwriting standards, advanced risk monitoring procedures, and strong expertise in the recovery of overdue loans. In our opinion, CL's position as the leading guarantor of home loans and its longstanding expertise in the French market represent an advantage in assessing risks.

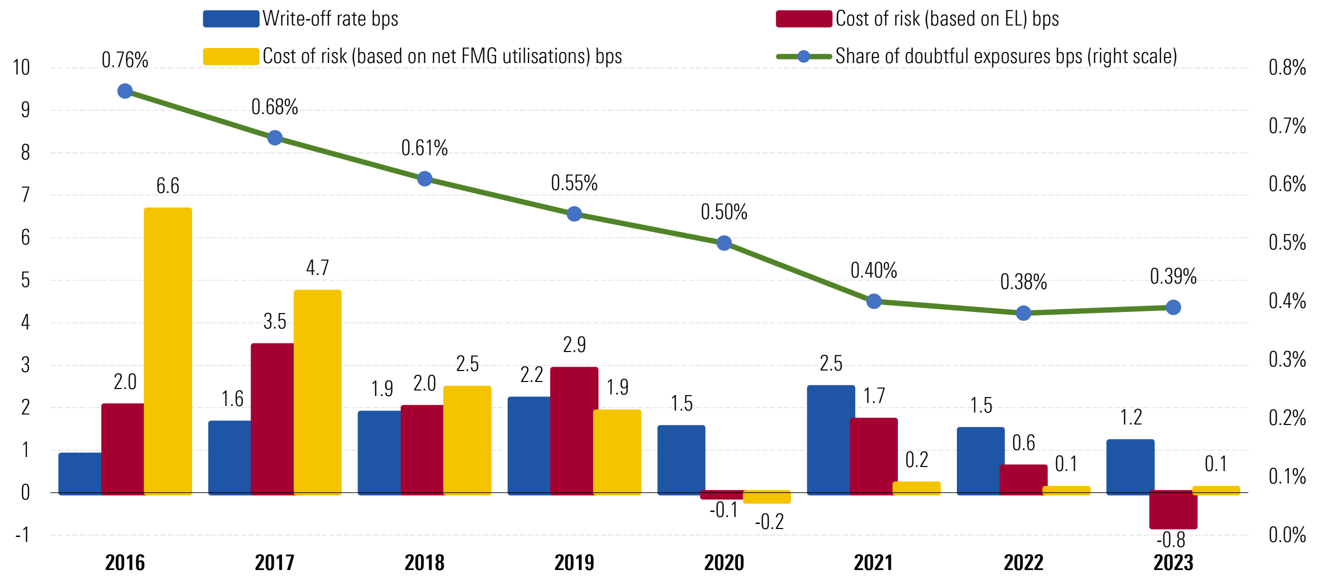
CL has high underwriting standards and advanced risk monitoring procedures. Even with the relatively strict underwriting standards of its bank partners, CL declines close to 20% of applications received from banks under its own scoring. CL also has strong expertise in the recovery of overdue loans. CL's guarantee portfolio also benefits from the credit profile of French home loans. French home loans are predominantly fixed rate and amortising. A well-developed system of social support in France limits defaults in case a borrower becomes unemployed. In addition, lenders have recourse to the borrower. From a historical perspective, the asset quality of French home loans has been solid with the share of doubtful home loans below 2% since 2001, while doubtful exposures in CL's loan guarantees portfolio always remained below 1%.

The enhancement of internal risk management systems combined with a benign credit environment has had a positive effect on the quality of new guarantees in recent years. In addition, we note that a steady decline in interest rates on French home loans for an extended period of time had resulted in loan refinancing at lower rates, improving household finances over the longer term. As a result, the share of doubtful exposures for the overall portfolio remained low at 0.39%, almost unchanged YOY. The share of doubtful exposures in CL's guarantee portfolio is substantially below that observed in the broader French market. Moreover, the doubtful exposure compares to a guarantee fund representing 1.66% of total exposure, covering doubtful exposures by more than four times. Overall, we believe that the increase in the average lending rate in France to 4.24% at the end of 2023 compared with 1.06% at the end of 2021 and the the lengthening of average loan durations, reaching an historical high of 248 months, will only have a limited impact on CL's portfolio quality.

Investment Portfolio

Another important element of CL's risk profile is the credit risk of its investment portfolio of EUR 10.4 billion at the end of 2023. The management of the investment portfolio is subject to strict counterparty limits and stress tests. CL also has a policy of collateralisation of its investments. In Morningstar DBRS's opinion, given the structure of placements and CL's investment policy, the credit risk of the investment portfolio is low.

Exhibit 4 Asset Quality of the Guarantees Portfolio, 2016-2023



Source: Morningstar DBRS, Company Documents.

Funding and Liquidity[2]

Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
NA	Strong	Strong

We view CL's approach to the management of liquidity risk as conservative. The issuance of guarantees generates liquidity in the form of contributions to CL's MGF, which is later used for potential future losses that result from defaults of guaranteed loans. The liquidity risk represents the risk of having on-hand liquidity to cover creditor claims, especially in a scenario where such claims were to rise abruptly and persist over a prolonged period of time.

In order to meet its liquidity needs the Company maintains a substantial buffer of highly quality placements, which can be activated quickly and runs regular stress tests, which assume a significant increase in losses on CL's guarantee portfolio. CL's liquidity management takes into account regulatory and internal liquidity thresholds. Under the regulatory limits, in the stress scenario liquidity gaps in time brackets up to three years should remain positive after utilising the investment portfolio. Under the nonstressed scenario, which is based on CL's long-term business planning, liquidity gaps up to one year should remain positive. Also, liquidity coverage ratios over various time horizons should remain in excess of 100%. Under the internal limit, nonstressed liquidity gaps in time brackets up to three years should remain positive before utilising the investment portfolio. CL's internal model of liquidity management was validated by the French banking and insurance supervisor (Autorité de Contrôle Prudentiel et de Résolution) in May 2011.

An important feature, which is a positive from the point of view of CL's liquidity management is that, based on the agreements with its bank shareholders, CL can delay the payment of claims for up to two years in the case of an extremely challenging market environment. Another supporting

[2] There is no Scorecard ratio for Funding and Liquidity, as CL is not a deposit taking institution. However, we assess the funding and liquidity profile based on factors laid out in this section and assign a grids score.

characteristic is that CL's investment portfolio is relatively low risk, predominantly in the form of deposits with major French banks, and sovereign or quasi-sovereign core-EU bonds.

Capitalisation

Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Strong/Good	Strong	Strong

In our opinion, CL's capital base represents a sufficient buffer to withstand a significant increase in defaults in CL's portfolio of home loan guarantees. CL's regular stress tests indicate that the Company's capital cushions are large enough to cope with very adverse scenarios, including significant deterioration in the domestic economic environment and in the housing market. In addition, CL benefits from its shareholders' commitment to maintain its solvency in case of stress.

CL is subject to the French prudential regulations for financial companies ("Sociétés de Financement"), which allows for the treatment of the MGF as Common Equity Tier 1 (CET1) capital. CET1 capital also includes shareholders' equity. Until 2021, expected losses and doubtful loans were deducted from CET1 capital based on an internal rating model. Following regulatory guidance, the internal rating model had to be revised and became effective as of 31 December 2022. The new model results in higher expected losses, and therefore a higher amount deducted from CET1 equity, which is only partly offset by the fact that CL no longer needs to deduct NPLs from equity. In addition, RWAs are higher under the new model. As a result, CL's CET1 ratio declined from 19.3% in 2021 to 11.9% in 2022 and has remained at this level in 2023. Although the ratio is lower than in previous years, it remains well above the Pillar 1 capital requirements of 7% and is less volatile under extreme stress-test scenarios. The 2023 Total Capital ratio stood at 15.2% compared to a requirement of 10.5%.

Pillar 2 requirements represent the effective floor for CL's regulatory Total Capital, given that they are much higher than the Pillar 1 requirement. In addition, CL is obliged to maintain total capital of at least 2% of guarantees outstanding, equivalent to EUR 8.4 billion at the end of 2023. Historically, CL has maintained a relatively small capital cushion over the relatively demanding Pillar 2 requirements. At the end of 2023, the regulatory total capital represented 2.1% of guarantees outstanding and the cushion above the total capital requirement was around EUR 600 million.

We note that CL has also a capital planning procedure in place, aimed at minimising the risk of falling below the required solvency levels. The procedure involves forward-looking simulations of solvency, based on conservative assumptions about the evolution of risk parameters, the volume of production and outstandings. Depending on the result of forward-looking simulations, the capital planning procedure may lead to a decision to raise capital.

Exhibit 5 Capital Ratios, 2019- 2023

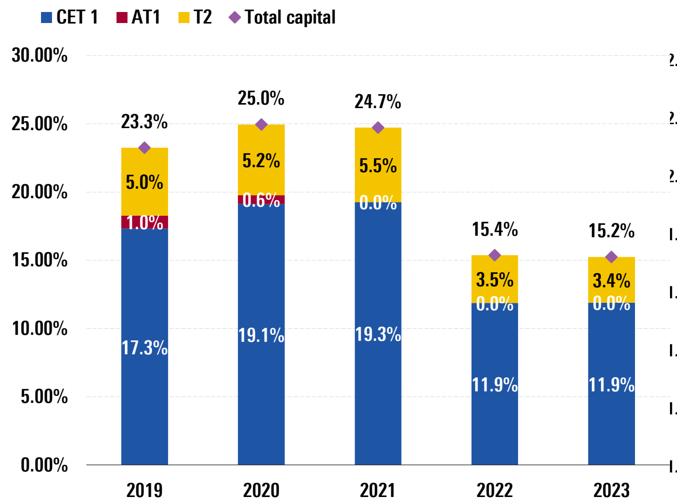
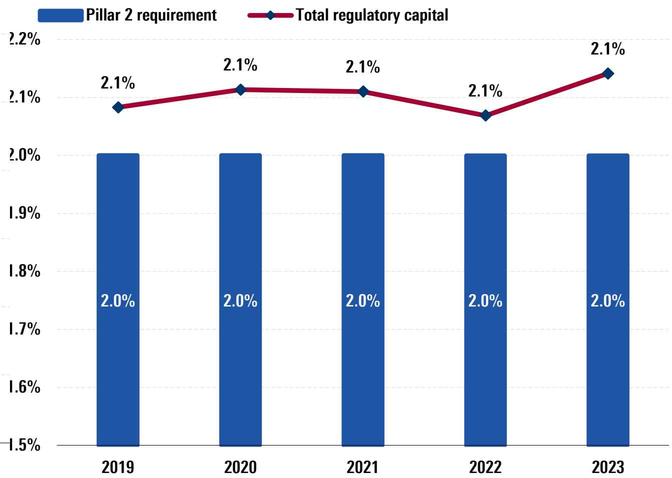


Exhibit 6 Capital and P2 Requirements*, 2019-2023



Source: Morningstar DBRS, Company Documents, * expressed as % of guarantees portfolio.

Crédit Logement, SA

ESG Checklist

ESG Factor		ESG Credit Consideration Applicable to the Credit Analysis: Y/N		Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)*
Environmental		**Overall:**	N	N
	Emissions, Effluents, and Waste	Do we consider that the costs or risks for the issuer or its clients result, or could result, in changes to an issuer's financial, operational, and/or reputational standing?	N	N
	Carbon and GHG Costs	Does the issuer face increased regulatory pressure relating to the carbon impact of its or its clients' operations resulting in additional costs and/or will such costs increase over time affecting the long-term credit profile?	N	N
	Climate and Weather Risks	In the near term, will climate change and adverse weather events potentially disrupt issuer or client operations, causing a negative financial impact?	N	N
		In the long term, will the issuer's or client's business activities and infrastructure be materially affected financially under key IPCC climate scenarios up to a 2°C rise in temperature by 2050?	N	N
		Climate and Weather Risks	N	N
	Passed-through Environmental credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by environmental factors (see respective ESG checklist for such issuer)?	N	N
Social		**Overall:**	N	N
	Social Impact of Products and Services	Do we consider that the social impact of the issuer's products and services pose a financial or regulatory risk to the issuer?	N	N
	Human Capital and Human Rights	Is the issuer exposed to staffing risks, such as the scarcity of skilled labour, uncompetitive wages, or frequent labour relations conflicts, that could result in a material financial or operational impact?	N	N
		Do violations of rights create a potential liability that could can negatively affect the issuer's financial wellbeing or reputation?	N	N
		Human Capital and Human Rights	N	N
	Product Governance	Does failure in delivering quality products and services cause damage to customers and expose the issuer to financial and legal liability?	N	N
	Data Privacy and Security	Has misuse or negligence in maintaining private client or stakeholder data resulted, or could it result, in financial penalties or client attrition to the issuer?	N	N
	Community Relations	Does engagement, or lack of engagement, with local communities pose a financial or reputational risk to the issuer?	N	N
	Access to Basic Services	Does a failure to provide or protect with respect to essential products or services have the potential to result in any significant negative financial impact on the issuer?	N	N
	Passed-through Social credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by social factors (see respective ESG checklist for such issuer)?	N	N
Governance		**Overall:**	N	N
	Bribery, Corruption, and Political Risks	Do alleged or actual illicit payments pose a financial or reputational risk to the issuer?	N	N
		Are there any political risks that could affect the issuer's financial position or its reputation?	N	N
		Bribery, Corruption, and Political Risks	N	N
	Business Ethics	Do general professional ethics pose a financial or reputational risk to the issuer?	N	N
	Corporate / Transaction Governance	Does the issuer's corporate structure allow for appropriate board and audit independence?	N	N
		Have there been significant governance failures that could negatively affect the issuer's financial wellbeing or reputation?	N	N
		Does the board and/or management have a formal framework to assess climate-related financial risks to the issuer?	N	N
		Corporate / Transaction Governance	N	N
	Passed-through Governance credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by governance factors (see respective ESG checklist for such issuer)?	N	N
		Consolidated ESG Criteria Output:	N	N

* A Relevant Effect means that the impact of the applicable ESG risk factor has not changed the rating or rating trend on the issuer.
A Significant Effect means that the impact of the applicable ESG risk factor has changed the rating or trend on the issuer.

ESG Considerations

Environmental

The Environmental factor does not affect the credit ratings or trend assigned to Crédit Logement. The Group is currently building its ESG framework with the aim of reducing its carbon footprint. In addition, CL works with French banks to improve data collection of information requested by the ECB and EBA (such as the certificates of energy performance by geographies thanks to geocoded portfolio). In addition, we view as likely that the cost of guarantees will reflect climate risk factors in the future, based on the energy performance of homes that are being financed or their localization in areas affected by climate risks (such as floods).

Social

The Social factor does not affect the credit ratings or trend assigned to Crédit Logement. Shortcomings in the Bank's internal process regarding data protection could have a significant impact on CL's reputation and franchise. However, there have been no such cases to date involving CL. Any significant data breach or cybersecurity attack could have significant reputational and financial consequences. CL’s approach of recovering home loans that are not paying takes into account the potential social impact of its actions. The potential negative impact is then mitigated, with repossession seen as the very last option, which differs significantly from the approach of a commercial bank.

Governance

The Governance factor does not affect the credit ratings or trend assigned to Crédit Logement. Shortcomings regarding business ethics or governance could have a significant impact on CL's reputation and franchise or income statement. However, there have been no such cases to date involving CL. CL’s board of directors is composed of 14 members coming from the different French banks and reflecting CL’s ownership by the French banks.

Credit Logement, SA

Financial Data Through 2023	Scorecard Indicator (1)	Scorecard Indicator Data (1)	Scorecard Indicator Assessment (2)	Scorecard Building Block (BB) Assessment (3)	Grids BB Assessment (4)	Combined BB Assessment (5)
Franchise	Adjusted Assets	14	M/W	M/W	VS/S	G
	Sovereign Rating Category	19	VS/S			
Earnings	Return on Equity	6.91%	G/M	G/M	G	G
	Return on Assets	0.91%	S/G			
	IBPT/Avg.Assets	1.23%	G/M			
Risk	Net NPLs/Net Loans	-1.25%	VS	S	S	S
	Provisions/IBPT	12.45%	S/G			
Funding & Liquidity	Sovereign-Adjusted Funding Ratio	NA	NA	NA	S	S
Capitalisation	Sovereign-Adjusted Capital Ratio	13.08%	S	S/G	S	S
	NPL/[Equity + Loan Loss Reserves]	19.74%	S/G			
	5-Year Accumulated Net Income/Total Assets	4.50%	VS			

6 Overall Assessment	7 Intrinsic Assessment Range (IAR)			8 Assigned IA
S/G	AA	AA (low)	A (high)	AA (low)

Notes: (1) Based on financial data as of F2023. (2) For more information, see Global Methodology for Rating Banks and Banking Organizations published on 15 April 2024. (3) IAR and IA refer to bank level rating.

Annual Financial Information

	For the Year Ended December 31 (IFRS)				
	2023	**2022**	**2021**	**2020**	**2019**
Balance Sheet (EUR Millions)					
Cash & Cash Equivalents*	4,396	4,094	4,831	5,809	6,073
Investments in Financial Assets	5,356	6,043	5,812	4,303	3,425
Gross Loans to Customers	1,000	1,030	1,090	1,253	1,327
Loan Loss Reserves	(1)	(1)	(1)	(1)	(1)
Net Lending to Customers	999	1,029	1,089	1,252	1,327
Total Assets	12,462	12,553	12,402	11,931	11,385
Deposits from Customers	NA	NA	NA	NA	NA
Debt & Capital Lease Obligations	8,964	8,921	8,619	8,589	8,298
Total Liabilities	10,882	10,960	10,748	10,266	9,819
Total Equity	1,580	1,593	1,654	1,665	1,566
Income Statement (EUR Millions)					
Net Interest Income	71	58	58	45	54
Non Interest Income	124	158	164	157	156
Equity Method Results	NA	NA	NA	NA	NA
Total Operating Income	196	217	222	202	210
Total Operating Expenses	58	57	57	56	54
Income Before Provisions and Taxes (IBPT)	138	159	165	146	156
Loan Loss Provisions	(0)	0	0	(0)	(0)
Irregular Income/Expenses	0	(1)	(0)	0	(1)
Net Attributable Income	104	120	120	99	103
Growth (%) - YoY Change					
Net Interest Income	22.52%	-0.01%	29.56%	-16.26%	-14.77%
Total Operating Income	-9.66%	-2.50%	10.17%	-3.87%	2.54%
Total Operating Expenses	0.57%	0.73%	1.62%	3.28%	2.52%
IBPT	-13.34%	-3.61%	13.45%	-6.36%	2.55%
Net Attributable Income	-13.84%	0.24%	21.15%	-4.08%	0.86%
Gross Loans & Advances	-2.93%	-5.52%	-12.99%	-5.61%	-1.55%
Deposits from Customers	NA	NA	NA	NA	NA
Earnings (%)					
Net Interest Margin	0.64%	0.51%	0.50%	0.41%	0.51%
Non-Interest Income / Total Revenue	63.56%	73.13%	73.80%	77.72%	74.42%
Cost / Income ratio	29.44%	26.45%	25.60%	27.75%	25.83%
LLP / IBPT	-0.04%	0.10%	0.00%	-0.07%	-0.19%
Return on Avg Assets (ROAA)	0.83%	0.97%	0.99%	0.85%	0.93%
Return on Avg Equity (ROAE)	6.54%	7.42%	7.24%	6.14%	6.31%
IBPT over Avg RWAs	0.24%	0.34%	0.48%	0.44%	0.46%
Internal Capital Generation	6.54%	7.42%	7.24%	6.14%	6.31%
Risk Profile (%)					
Cost of Risk	NA	NA	NA	NA	NA
Gross NPLs over Gross Loans	NA	NA	NA	NA	NA
NPL Coverage Ratio	NA	NA	NA	NA	NA
Net NPLs over Net Loans	NA	NA	NA	NA	NA
NPLs to Equity and Loan Loss Reserves Ratio	NA	NA	NA	NA	NA
Funding & Liquidity (%)					
Net Loan to Deposit Ratio	NA	NA	NA	NA	NA
Liquidity Coverage Ratio	NA	NA	NA	NA	NA
Net Stable Funding Ratio	NA	NA	NA	NA	NA
Capitalization (%)					
CET1 Ratio	11.89%	11.88%	19.26%	19.12%	17.32%
Tier1 Ratio	11.89%	11.88%	19.26%	19.76%	18.27%
Total Capital Ratio	15.24%	15.37%	24.72%	24.95%	23.25%
Leverage Ratio	NA	NA	NA	NA	NA
Dividend Payout Ratio	NA	NA	NA	NA	NA

Source: Morningstar Inc., Company Documents

*Includes Loans to Banks

Credit Rating Methodology

The applicable methodologies are the *Global Methodology for Rating Banks and Banking Organisations* (15 April 2024) and *Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings* (23 January 2024), which can be found on our website under Methodologies.

Credit Ratings

Issuer	Obligation	Credit Rating Action	Credit Rating	Trend
Crédit Logement, SA	Long-Term Issuer Rating	Confirmed	AA (low)	Stable
Crédit Logement, SA	Short-Term Issuer Rating	Confirmed	R-1 (middle)	Stable
Crédit Logement, SA	Subordinated Debt	Confirmed	A	Stable

Credit Ratings History

Issuer	Obligation	Current	2023	2022	2021
Crédit Logement, SA	Long-Term Issuer Rating	AA (low)	AA (low)	AA (low)	AA (low)
Crédit Logement, SA	Short-Term Issuer Rating	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
Crédit Logement, SA	Subordinated Debt	A	A	A	A

Previous Action

- Morningstar DBRS Confirms Crédit Logement's Long-Term Issuer Rating at AA (low); Stable Trend, May 28, 2024.

Related Research

- European Banks' Exposure to Russia: Work in Progress; Full Exit Remains the Ultimate Goal, May 10, 2024.
- European Banks' Cost Of Risk Remained Steady in FY 2023; Some Deterioration in Germany, Portugal, Ireland and Spain, April 16, 2024.
- European Banks' NPLs Resilient in FY 2023, But Increased Pressure in Some Countries, April 16, 2024.
- French CRE: Signs of Deterioration Appear but Should Remain Manageable for Banks, April 15, 2024.
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