Rating Report

Crédit Logement S.A.

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DBRS

Insight beyond the rating.

Ratings

Issuer	Obligation	Rating	Rating Action	Trend
Crédit Logement SA	Long-Term Issuer Rating	AA (low)	Confirmed June '18	Stable
Crédit Logement Assurance SA	Long-Term Issuer Rating	A (high)	Confirmed June '18	Stable
Crédit Logement SA	Intrinsic Assessment	AA (low)	--	--

See back of report for complete rating list.

Rating Drivers

Factors with Positive Rating Implications

Upward pressure on the ratings is less likely given their high level. However, a significant increase in the capital buffer, combined with maintenance of low risk profile could result in positive pressure on the rating.

Factors with Negative Rating Implications

A material weakening of the performance of CL's guarantee portfolio could exert downward pressure on the rating. In addition, a weakening of CL's risk management systems, a material decrease in its capital buffer, or deterioration in the financial strength of CL's partner banks could also lead to downward rating pressure.

Rating Considerations

Franchise Strength: Key position in the French home loans issuance with 50% - 60% share of financial guarantees on new home loans. Around one-third of all home loans in France are guaranteed by Crédit Logement. Leading position and distribution capacity, supported by cooperation with major French banking groups, which are also Crédit Logement's shareholders.	**Strong**
Earnings Power: CL has a track record of generating consistent earnings, however profitability is modest with profit maximisation not a strategic priority. Very low cost-to-income ratio.	**Strong**
Risk Profile: Low risk profile, underpinned by conservative underwriting, debt recovery expertise and healthy fundamentals of the French home loans market. Low risk investment portfolio. Concentration risk exists, due to focus on the French home loans market.	**Very Strong/ Strong**
Funding and Liquidity: Ability to delay guarantee pay-outs up to two years during periods of stress.	**Strong**
Capitalisation: Strong capital buffer. Ability to stop reimbursements from the Mutual Guarantee Fund during periods of stress. Shareholder commitment to maintain CL's solvency.	**Strong**

Financial Information

In EUR Millions

Crédit Logement	**31/12/2017**	**31/12/2016**	**31/12/2015**	**31/12/2014**	**31/12/2013**	**31/12/2012**
Total Assets (millions)	10,770	10,601	10,124	9,367	10,260	9,921
Equity (millions)	1,819	1,858	1,749	1,513	1,514	1,489
Net Income (millions)	121	108	236	70	74	104
Cost-to-Income ratio (%)	22.91	23.67	14.44	46.52	41.63	33.32
Tier 1 Capital Ratio (%)	17.09	17.47	16.89	16.12	23.98	23.13
Mutual Guarantee Fund (MGF)	5,318	4,924	4,570	4,140	3,950	3,703
Portfolio of Guarantees	325,720	301,096	280,344	254,288	245,470	232,870
Guarantee Commitments Received from Credit Institutions	2,373	2,637	2,928	3,301	3,624	3,425
MGF/Portfolio of Guarantees	1.63%	1.64%	1.63%	1.63%	1.61%	1.59%

Issuer Description

Crédit Logement is a non-bank financial institution, whose main activity is providing financial guarantees for home loans in France. The company is the leading player with 50% - 60% share of the French home loan guarantees issuance. At end-2017 Crédit Logement had EUR 326 billion in outstanding home loan guarantees and EUR 10.8 billion in assets.

Rating Rationale

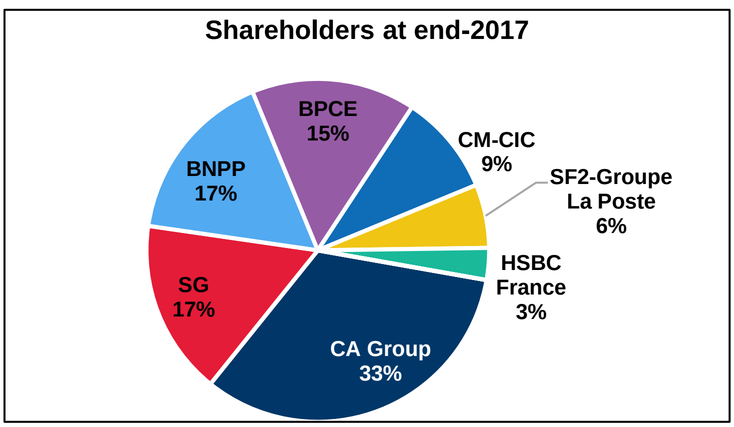
The confirmation of Crédit Logement's IA at AA (low), takes into account CL's strong franchise with its leading position in the French home loans guarantees issuance, a low risk profile, benefitting from its prudent underwriting standards and significant expertise in bad loans recovery, a healthy residential mortgage lending market in France, strong capital, sufficient to withstand a significant increase in defaults, and shareholders' commitment to maintain its solvency in case of stress. CL's three largest shareholders are Credit Agricole Group (AA (low), Stable), Société Générale (A (high), Positive), and BNP Paribas (AA (low), Stable).

Franchise Strength

Grid Grade: Strong

Crédit Logement (CL or the Company) is the leader in French home loan guarantees, with a share of between 50% and 60% in originated home loans with collateral in form of financial guarantees. Financial guarantees are an attractive alternative to mortgage collateralised lending for both lenders and borrowers and around 58% of outstanding home loans in France are secured by guarantees issued by financial companies, including credit institutions and insurers. At end-2017 CL's outstanding portfolio of home loan guarantees stood at EUR 326 billion, equivalent to 32% of all home loan outstandings in France. CL's leading position in home loans guarantees issuance is supported by the knowledge, expertise and capabilities that it has developed since its inception in 1975.

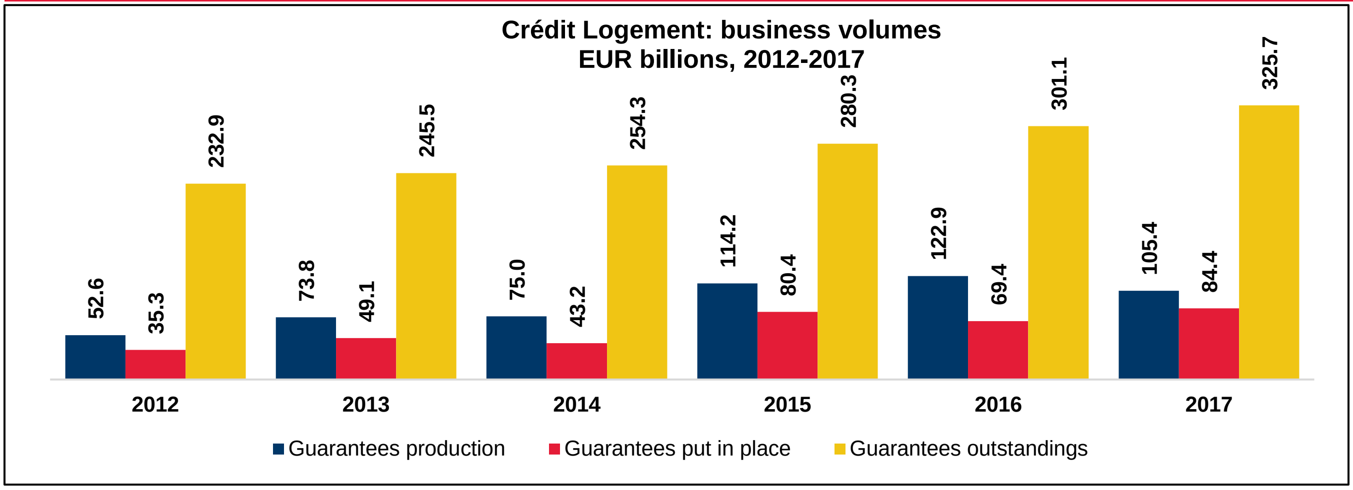
CL's position and distribution capacity are supported by cooperation with the major French banking groups, which are CL's shareholders. Credit Agricole Group owns 33% of CL's shares, of which 16.5% through Credit Agricole S.A. and 16.5% through LCL. BNP Paribas, and Société Générale/Crédit du Nord each 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 (9.5%), 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.



Source: Company documents, DBRS

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 and it also provides the bank-partners with a second independent risk review at origination. In the collection process CL benefits from the knowledge of its customers, acquired during underwriting. Being the leading guarantor in France, CL benefits from expertise and economies of scale in the recovery process. Given CL's leading position, it is also capable of providing a broad perspective on trends in the home loans market.

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 of the financed property. This has been evident in a gradual increase of the share of guarantees in the sector's new home loan production from 51% in 2010 to 58% 2016.



Source: Company documents, DBRS

Other important issuers of home loan guarantees include CEGC, BPCE's own guarantee vehicle/financing company, and CAMCA, Crédit Agricole's own guarantee vehicle. Their guarantee issuance is predominantly within their own banking networks. CA and BPCE are both shareholders of CL, but they use its guarantees less than other shareholders.

Crédit Logement Assurance (CL Assurance)

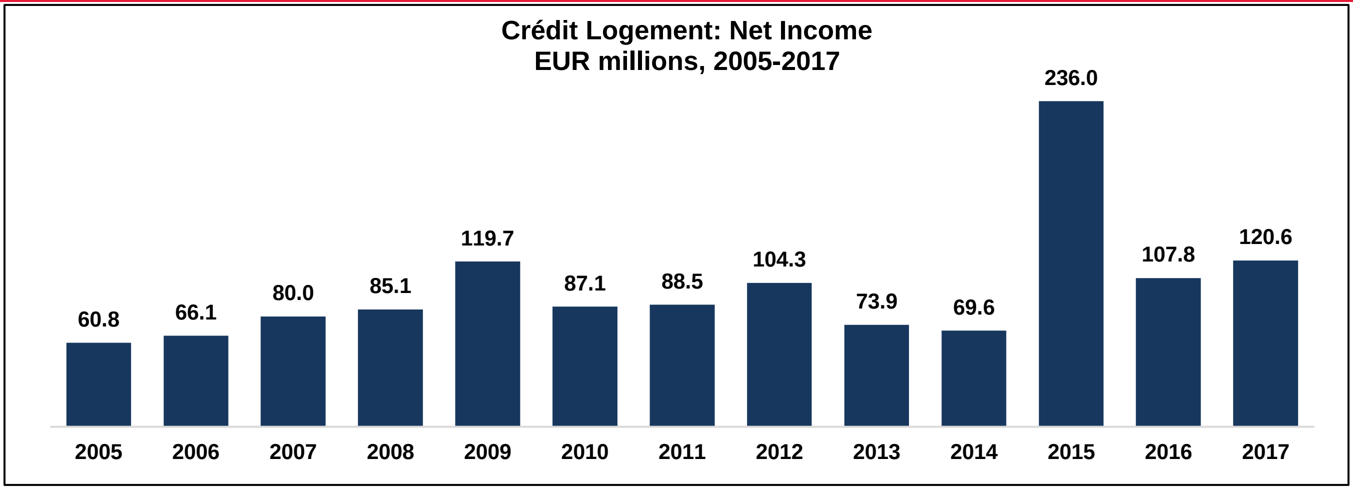
CL Assurance's principal activity is the provision of initial guarantees of property loans to individuals, addressing the needs of a segment of CL's clients. CL Assurance is 82%-owned by CL. Other shareholders include BNP Paribas, Crédit Lyonnais, and Société Générale, which are also CL's shareholders, and S.C.O.R., a French-based reinsurer. DBRS considers that CL is committed to supporting CL Assurance and this commitment is aligned with the interests of the other shareholders of CL Assurance.

Earnings Power

Grid Grade: Strong

While the Company has consistently reported positive earnings that reflect its sound financial fundamentals, profit maximisation is not its strategic goal. CL's revenues and earnings are driven, on the one hand, by the volume of home loan guarantees put in place, which is correlated with the volume of home loans production of its partner banks and the trends in the French housing market. And, on the other hand, the investment return on its funds, predominantly net interest income earned on bank deposits and other low risk investments. To obtain a CL guarantee, borrowers pay upfront around 1% of the loan amount, as participation in the Mutual Guarantee Fund (MGF) and around 0.30% in commissions, which cover the cost of administration. The commissions are booked in the profit and loss account and spread over the life of the guarantee. All borrowers are charged in the same way, irrespective of the assessment of their risk by CL.

CL's net profit in 2017 increased 12% year-on-year (YoY) to EUR 121 million. The main driver was a 19% increase in gross commissions, driven by a solid 22% increase in guarantees put in place over the course of 2017. Growth in commissions was in part offset by a reduction in net interest income (down 6%), reflecting non-recurrent costs related to the repayment of some of the subordinated debt. Overall CL's revenues were EUR 239 million, up 10% YoY, outpacing growth in operating expenses. Costs increased 6% to EUR 55 million. CL's cost base is relatively stable. DBRS estimates that its cost-to-income ratio was 22.9% in 2017 and 23.7% in 2016. The cost of risk on the guarantees portfolio is covered by the MGF and booked directly to equity.



Source: Company documents, DBRS

Risk Profile

Grid Grade: Very Strong/Strong

CL's risk profile is dominated by the credit risk inherent in its French home loan guarantees portfolio, which at end-2017 amounted to EUR 326 billion. Despite concentration in the French home loans market, DBRS views CL's risk profile as low, taking into account its prudent underwriting and substantial recovery expertise, resulting in significantly stronger asset quality of its guarantees exposure, when compared to that of home loans in the market.

CL has high underwriting standards and advanced risk monitoring procedures. Even with relatively strict underwriting standards of its bank partners, CL declines around 20% of applications received from banks under its own scoring. CL also has a strong expertise in the recovery of overdue loans. In DBRS's 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's guarantee portfolio also benefits from the credit profile of French home loans. French home loans are predominantly fixed rate and amortised. A well-developed system of social support in France limits defaults in case a borrower becomes unemployed. In addition, in the case of default, debt collection is not restricted to the financed property. 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. In addition, the share of doubtful exposures in CL's loan guarantees portfolio has never been above 1% in the same period.

The enhancing of internal risk management systems undertaken by CL in 2012 has had a positive effect on the quality of new guarantee generation since 2013. Guarantees issued between 2013 and 2017, which have a relatively high 75% share of total outstandings (end-2017), represented a relatively small, 14% of doubtful exposures. Generations with an above average loss rate, issued between 2007 and 2011 represented only 17% of outstandings but 60% of doubtful exposures. The share of doubtful exposures for the overall portfolio has been on a downward trend since 2015, declining to 0.63% at end-2017 from 0.70% a year earlier, benefiting from the improvement in risk profile, but also reflecting an 8% growth in the guarantee outstandings. The share of doubtful exposures in CL's guarantee portfolio is around half of that of home loans in the French market.

DBRS notes that a steady decline in interest rates on French home loans in recent years, driven by renegotiations and repurchases, should have a positive impact on the quality of home loans guaranteed by CL. Based on historical experience, the main catalyst for a deterioration in asset quality could be a recession and rising unemployment.

Investment Portfolio

Another important element of CL's risk profile is the credit risk of its investment portfolio of EUR 8.9 billion at end-2017. Management of the investment portfolio is subject to strict counterparty limits and stress tests. CL has also a policy of collateralisation of its investments. 59% of bank placements were collateralised and 99% of bank placements were with parties internally ranked in the A range or higher. The Company's short-term liquidity is invested mainly with banks and credit institutions in the eurozone (91% of counterparty risk at end-2017) and core eurozone sovereigns (8%). In DBRS's opinion, given the structure of placements and CL's investment policy, the credit risk of the investment portfolio is low.

Funding and Liquidity

Grid Grade: Strong

The nature of CL's liquidity risk is different from that of a typical bank. 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 in essence represents the risk of inadequacy of liquid funds when compared to CL's commitment as guarantor to cover creditor claims, especially in a scenario, where such claims were to rise abruptly and persist over a prolonged period of time.

The main element in CL's liquidity management is 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 non-stressed 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, non-stressed liquidity gaps in time brackets up to three years should remain positive before utilising the investment portfolio. Under CL's liquidity management framework, the only liquidity gaps that could remain negative, are those above 15 years, however they should not exceed EUR 100 million. 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 characteristic is that CL's investment portfolio is relatively low risk, predominantly in the form of deposits with major French banks, which are largely collateralised.

Capitalisation

Grid Grade: Strong

DBRS views CL's capital as strong, representing a sufficient buffer to withstand a significant increase in defaults in the home loans portfolio it guarantees. CL's regular stress tests indicate that the Company's resources are sufficient to cope with very adverse scenarios, including significant deterioration in the domestic economic environment and in the housing market. In addition, CL benefits from 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 allow for the treatment of the MGF as Common Equity Tier 1 (CET1) capital. CET1 capital also includes also the shareholders' equity and expected losses and doubtful loans are deducted from CET1. At end-2017 Pillar 1 capital requirements for credit risk, based on risk-weighted assets (RWAs) calculated using the advanced IRB method, were 7% for CET1 capital, and 10.5% (equivalent to EUR 2,645 million) for total capital. At end-2017 CL was well in excess of these requirements, with CET1 and total capital ratios of 16.1% and 22.8%, respectively. During 2017, CET1 ratio advanced by 0.6%, as the MGF increased by 8% to EUR 5.3 billion, reflecting strong borrower contributions. The impact of growth in guarantee outstandings on RWAs was partly offset by a reduction in credit risk weights, reflecting a decline in expected losses. Total capital ratio was down 0.7%, due to a net reduction in subordinated bonds and loans from shareholder banks. The net reduction in subordinated bond outstandings was part of capital optimisation undertaken late in 2017, whereas some of the outstanding subordinated bonds subject to grandfathering were repaid. In part the repayment was offset by issuance of new Tier 2 instruments (not subject to grandfathering).

Under standard circumstances, initial borrower contributions to the MGF are repaid pro rata for the proportion not used to cover defaults in the portfolio, once CL's guarantee commitment has expired due to loan repayment. From 1 January 2014, for the MGF to qualify as Core Tier 1, the repayment of the guarantee contribution to the borrower is subject to the approval of the Board of Directors and the agreement of the French regulators and can be stopped at any time. The ability to reduce or even stop such repayments to borrowers is an important characteristic of the MGF, which ensures that the resources of the fund can be used in full to cover losses, if necessary.

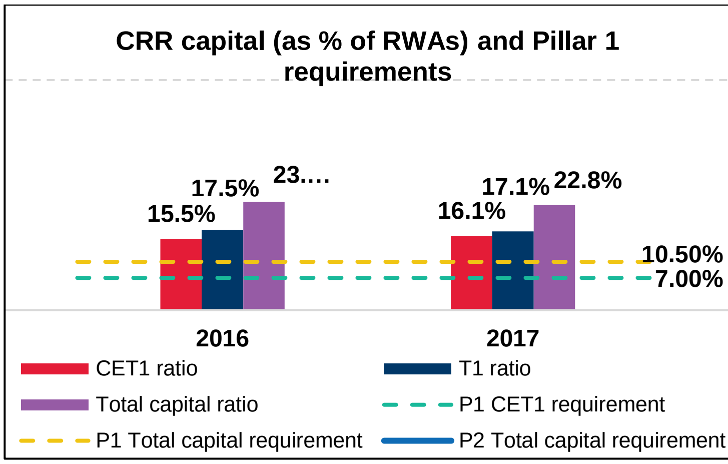
CL is also subject to Pillar 2 capital requirements, defined by ACPR. Pillar 2 requirements represent the effective floor for CL's regulatory total capital, given they are much higher than the Pillar 1 requirement. During 2017 ACPR changed the formula defining the Pillar 2 requirement. Under the new formula, CL is obliged to maintain total capital of at least 2% of guarantee outstandings. Previously, the minimum was defined as 80% of the requirement for residential retail mortgage exposures based on the standardised approach under CRR. The change of the requirement was due to ACPR's attempts to unify capital requirements for all types of issuers of home loan guarantees in the French market. As a result of the above change, CL's end-2017 Pillar 2 total capital requirement was EUR 6.5 billion (2% of guarantee outstandings) under the new rules, down from EUR 7.3 billion (equivalent to 2.4% of guarantee outstandings) under the previous rules at end-2016. Historically, CL has maintained a relatively small capital buffer over the relatively demanding Pillar 2 requirements.

As a result of the reduction in the Pillar 2 requirement, the total capital buffer increased to EUR 1.0 billion at end-2017 from EUR 0.4 billion, a year earlier.

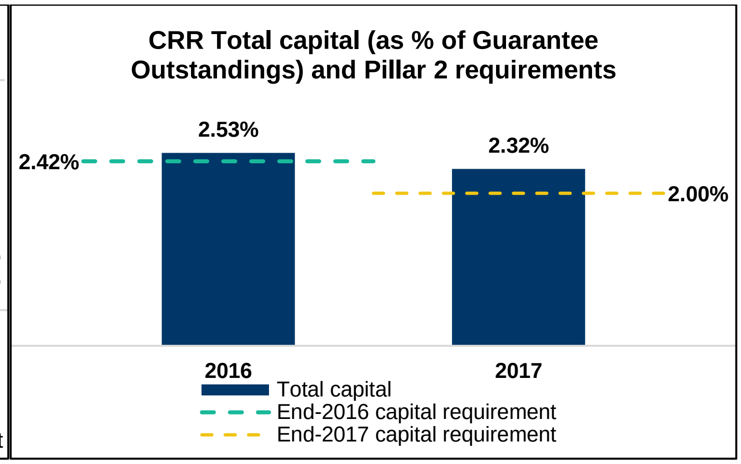
In DBRS's opinion, taking into account CL's strong capitalisation and relatively rigorous Pillar 2 requirements, a potential reduction in CL's total capital buffer above the stringent Pillar 2 requirement would not result in downward pressure on CL's ratings, provided that other elements of CL's credit profile remain strong. DBRS estimates that as of end-2017 the Pillar 2 requirement is equivalent to 19.7% of RWAs.

DBRS notes that CL pays dividends to its shareholders out of its net income. CL proposed to pay a dividend equivalent to 95% of its 2017 profits. If CL's need for capital increases, the share of dividends can be reduced, as has been demonstrated in the past.

DBRS notes 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 may lead to a decision to raise capital.



Source: Company documents, DBRS



Source: Company documents, DBRS

Crédit Logement SA EUR Millions	31/12/2017 EUR French GAAP	31/12/2016 EUR French GAAP	31/12/2015 EUR French GAAP	31/12/2014 EUR French GAAP	31/12/2013 EUR French GAAP
Balance Sheet					
Cash and deposits with central banks	6,998	7,911	8,074	7,482	8,845
Lending to/deposits with credit institutions	6,998	7,911	8,074	7,482	8,844
Financial Securities*	1,937	994	562	617	294
- Trading portfolio	0	0	0	0	0
- At fair value	0	0	0	0	0
- Available for sale	NA	NA	NA	NA	NA
- Held-to-maturity	NA	NA	NA	NA	NA
- Other	1,937	994	562	617	294
Financial derivatives instruments	0	0	0	0	0
- Fair Value Hedging Derivatives	NA	NA	NA	NA	NA
- Mark to Market Derivatives	NA	NA	NA	NA	NA
Gross lending to customers	1,336	1,245	1,079	890	731
- Loan loss provisions	NA	NA	NA	NA	NA
Insurance assets	NA	NA	NA	NA	NA
Investments in associates/subsidiaries	7	9	10	4	3
Fixed assets	NA	NA	NA	NA	NA
Goodwill and other intangible assets	5	4	3	4	4
Other assets	NA	NA	NA	NA	NA
Total assets	**10,770**	**10,601**	**10,124**	**9,367**	**10,260**
Total assets (USD)	12,932	11,180	10,996	11,339	14,136
Loans and deposits from credit institutions	15	32	36	52	56
Repo Agreements in Deposits from Customers	NA	NA	NA	NA	NA
Deposits from customers	25	23	22	19	19
- Demand	NA	NA	NA	NA	NA
- Time and savings	NA	NA	NA	NA	NA
Issued debt securities	0	0	0	0	0
Financial derivatives instruments	NA	NA	NA	NA	NA
- Fair Value Hedging Derivatives	NA	NA	NA	NA	NA
- Other	NA	NA	NA	NA	NA
Insurance liabilities	NA	NA	NA	NA	NA
Other liabilities	0	0	0	0	0
- Financial liabilities at fair value through P/L	NA	NA	NA	NA	NA
Subordinated debt	0	0	0	0	0
Hybrid Capital	7,959	7,963	7,610	7,179	8,153
Equity	1,819	1,858	1,750	1,514	1,514
Total liabilities and equity funds	**10,770**	**10,601**	**10,124**	**9,367**	**10,260**
Income Statement					
Interest income	162	120	296	173	175
Interest expenses	102	56	60	72	84
Net interest income and credit commissions	60	64	236	101	91
Net fees and commissions	176	150	175	109	116
Trading / FX Income	NA	NA	NA	NA	NA
Net realised results on investment securities (available for sale)	NA	NA	NA	NA	NA
Net results from other financial instruments at fair value	NA	NA	NA	NA	NA
Net income from insurance operations	NA	NA	NA	NA	NA
Results from associates/subsidiaries accounted by the equity method	NA	NA	NA	NA	NA
Other operating income (incl. dividends)	0	0	19	2	2
Total operating income	239	218	435	216	212
Staff costs	NA	33	34	30	28
Other operating costs	0	0	0	0	0
Depreciation/amortisation	NA	NA	NA	NA	NA
Total operating expenses	55	52	63	100	88
Pre-provision operating income	**184**	**166**	**372**	**115**	**124**
Loan loss provisions**	0	1	0	0	0
Post-provision operating income	184	166	372	115	124
Impairment on tangible assets	NA	NA	NA	NA	NA
Impairment on intangible assets	0	0	0	0	4
Other non-operating items***	0	0	0	0	0
Pre-tax income	183	164	372	115	120
(-)Taxes	66	56	136	46	46
(-)Other After-tax Items (Reported)	0	0	0	0	0
(+)Discontinued Operations (Reported)	0	0	0	0	0
(-)Minority interest	0	0	0	0	0
Net income	**121**	**108**	**236**	**70**	**74**
Net income (USD)	136	119	262	92	98

*Includes derivatives when breakdown unavailable, **LLP includes Impairments on financial assets, ***Incl. Other Provisions

Off-balance sheet and other items					
Asset under management	NA	NA	NA	NA	NA
Derivatives (notional amount)	NA	NA	NA	NA	NA
BIS Risk-weighted assets (RWA)	33,170	32,359	32,910	30,611	22,465
No. of employees (end-period)	NA	316	305	288	280
Earnings and Expenses					
Earnings					
Net interest margin [1]	0.58%	0.65%	2.54%	1.10%	0.93%
Yield on average earning assets	1.57%	1.21%	3.19%	1.89%	1.78%
Cost of interest bearing liabilities	1.28%	0.69%	0.78%	0.99%	1.02%
Pre-provision earning capacity (total assets basis) [2]	1.70%	1.60%	3.83%	1.21%	1.21%
Pre-provision earning capacity (risk-weighted basis) [3]	0.55%	0.51%	1.17%	0.43%	0.54%
Net Interest Income / Risk Weighted Assets	0.18%	0.20%	0.72%	NA	0.40%
Non-Interest Income / Total Revenues	74.74%	70.48%	45.62%	53.16%	57.11%
Post-provision earning capacity (risk-weighted basis)	0.55%	0.51%	1.17%	0.43%	0.54%
Expenses					
Efficiency ratio (operating expenses / operating income)	22.91%	23.67%	14.44%	46.52%	41.63%
All inclusive costs to revenues [4]	22.91%	23.67%	14.44%	46.52%	41.63%
Operating expenses by employee	NA	163,047	205,774	348,347	315,050
Loan loss provision / pre-provision operating income	0.00%	0.33%	0.00%	0.00%	0.00%
Provision coverage by net interest income	NA	11727.37%	NA	NA	NA
Profitability Returns					
Pre-tax return on Tier 1 (excl. hybrids)	3.23%	2.90%	6.69%	2.34%	2.22%
Return on equity	6.63%	5.80%	13.49%	4.60%	4.88%
Return on average total assets	1.11%	1.04%	2.43%	0.73%	0.72%
Return on average risk-weighted assets	0.36%	0.33%	0.74%	0.26%	0.32%
Dividend payout ratio [5]	NA	NA	NA	NA	NA
Internal capital generation [6]	NA	NA	NA	NA	NA
Growth					
Loans	7.30%	15.36%	21.27%	21.73%	24.29%
Deposits	8.55%	4.22%	13.78%	2.08%	2.92%
Net interest income	-6.21%	-72.81%	133.98%	11.15%	-45.48%
Fees and commissions	17.14%	-14.06%	60.01%	-5.38%	37.90%
Expenses	6.10%	-17.91%	-37.44%	13.73%	3.83%
Pre-provision earning capacity	10.69%	-55.32%	222.45%	-6.76%	-27.26%
Loan-loss provisions	NA	NA	NA	NA	NA
Net income	11.89%	-54.33%	239.11%	-5.83%	-29.12%
Risks					
RWA% total assets	3.08%	3.05%	3.25%	3.27%	2.19%
Credit Risks					
Impaired loans % gross loans	99.95%	99.95%	99.95%	NA	NA
Loss loan provisions % impaired loans	NA	NA	NA	NA	NA
Impaired loans (net of LLPs) % pre-provision operating income [7]	NA	NA	NA	NA	NA
Impaired loans (net of LLPs) % equity	NA	NA	NA	NA	NA
Liquidity and Funding					
Customer deposits % total funding	62.08%	41.53%	38.29%	27.19%	25.56%
Total wholesale funding % total funding [8]	37.92%	58.47%	61.71%	72.81%	74.44%
- Interbank % total funding	37.92%	58.47%	61.71%	72.81%	74.44%
- Debt securities % total funding	0.00%	0.00%	0.00%	0.00%	0.00%
- Subordinated debt % total funding	0.00%	0.00%	0.00%	0.00%	0.00%
Short-term wholesale funding % total wholesale funding	100.00%	100.00%	100.00%	100.00%	100.00%
Liquid assets % total assets	147.94%	158.63%	165.05%	166.33%	175.28%
Net short-term wholesale funding reliance [9]	308.28%	270.05%	253.18%	249.92%	232.11%
Adjusted net short-term wholesale funding reliance [10]	308.28%	270.05%	253.18%	249.92%	232.11%
Customer deposits % gross loans	1.87%	1.85%	2.05%	2.19%	2.61%
Capital [11]					
Tier 1	17.09%	17.47%	16.89%	16.12%	23.98%
Tier 1 excl. All Hybrids	17.09%	17.47%	16.89%	16.12%	23.98%
Core Tier 1 (As-reported)	16.11%	15.51%	14.63%	13.51%	19.26%
Tangible Common Equity / Tangible Assets	16.85%	17.49%	17.25%	16.12%	14.73%
Total Capital	22.79%	23.52%	23.25%	22.98%	36.30%
Retained earnings % Tier 1	NA	NA	NA	NA	NA

[1] (Net interest income + dividends)% average interest earning assets.
[2] Pre-provision operating income % average total assets.
[3] Pre-provision operating income % average total risk-weighted assets.
[4] (Operating & non-op. costs) % (op. & non-op. revenues)
[5] Paid dividend % net income.
[6] (Net income - dividends) % shareholders' equity at t-1.
[7] We take into account the stock of LLPs in this ratio.
[8] Whole funding excludes corporate deposits.
[9] (Short-term wholesale funding - liquid assets) % illiquid assets
[10] (Short-term wholesale funding - liquid assets- loans maturing within 1 year) % illiquid assets
[11] Capital ratios of Interim results exclude profits for the year

Rating Methodologies

Methodology and criteria: The principal applicable methodology is the Global Methodology for Rating Banks and Banking Organisations (May 2017). DBRS has also applied the RMBS Model under RMBS methodology.

Ratings

Issuer	Obligation	Rating	Rating Action	Trend
Crédit Logement S.A.	Long-Term Issuer Rating	AA (low)	Confirmed	Stable
Crédit Logement S.A.	Short-Term Issuer Rating	R-1 (middle)	Confirmed	Stable
Crédit Logement S.A.	Subordinated Debt	A	Confirmed	Stable
Crédit Logement Assurance S.A.	Long-Term Issuer Rating	A (high)	Confirmed	Stable
Crédit Logement Assurance S.A.	Short-Term Issuer Rating	R-1 (low)	Confirmed	Stable

Ratings History

Issuer	Obligation	Current	2017	2016	2015	2014
Crédit Logement S.A.	Long-Term Issuer Rating	AA (low)	AA (low)	AA (low)	AA (low)	AA
Crédit Logement S.A..	Short-Term Issuer Rating	R-1 (middle)	R-1 (middle)	-	-	-
Crédit Logement S.A.	Subordinated Debt	A	A	-	-	-
Crédit Logement Assurance S.A.	Long-Term Issuer Rating	A (high)	A (high)	A (high)	A (high)	AA (low)
Crédit Logement Assurance S.A.	Short-Term Issuer Rating	R-1 (low)	R-1 (low)	-	-	-

Previous Actions

- June 4, 2018: DBRS Confirms Crédit Logement's Issuer Rating at AA (low); Stable Trend
- November 14, 2017: DBRS Rates Crédit Logement Subordinated Debt at 'A', Stable Trend
- June 02, 2017: DBRS Confirms Crédit Logement's Issuer Rating at AA (low); Stable Trend
- May 27, 2016: DBRS Confirms Crédit Logement's Issuer Rating at AA (low); Stable Trend

Previous Report

- July 06, 2017: Crédit Logement, SA: Rating Report
- June 09, 2016: Crédit Logement, SA

Notes: All figures are in EUR unless otherwise noted.
For the definition of Issuer Rating, please refer to Rating Definitions under Rating Policy on www.dbrs.com.
Generally, Issuer Ratings apply to all senior unsecured obligations of an applicable issuer, except when an issuer has a significant or unique level of secured debt.

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