

Rating Report

Crédit Logement S.A.

DBRS Morningstar

8 June 2021

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Ratings

Debt	Rating	Rating Action	Trend
Long-Term Issuer Rating	AA (low)	Confirmed May '21	Stable
Short-Term Issuer Rating	R-1 (middle)	Confirmed May '21	Stable
Intrinsic Assessment	AA (low)	Maintained May '21	N/A

Rating Drivers

Factors with Positive Rating Implications

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

Factors with Negative Rating Implications

- A downgrade of the ratings would result from a severe deterioration in CL's asset quality and material weakening of its capital cushions.

Rating Considerations

Franchise Strength (Strong)

- 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 (Strong)

- 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 (Very Strong/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 (Strong)

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

Financial Information

Crédit Logement	2020Y	2019Y	2018Y	2017Y	2016Y
Reported Currency Millions					
Total Assets	11,931	11,385	10,813	10,770	10,601
Equity Attributable to Parent	1,666	1,567	1,710	1,872	1,858
Income Before Provisions and Taxes (IBPT)	146	154	151	184	165
Net Attributable Income	99	103	102	121	108
IBPT over Avg RWAs (%)	0.44	0.46	0.45	0.56	0.50
Cost / Income ratio (%)	27.49	26.47	26.14	22.93	23.82
Return on Avg Equity (ROAE) (%)	6.07	6.31	5.53	6.39	5.92
CET1 Ratio (Phased-In) (%)	19.12	17.32	16.48	16.11	15.51

Source: DBRS Morningstar Analysis; Copyright © 2021, S&P Global Market Intelligence*

Issuer Description

Crédit Logement (CL or the Company) is a non-bank 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.

Rating Rationale

CL's IA of AA (low) takes into account the Company's strong franchise and leading position in the home loan guarantees market in France; its low risk profile, supported by conservative underwriting and significant expertise in the recovery of doubtful exposures; strong capital, sufficient to withstand a significant increase in defaults, and shareholders' commitment to maintain its solvency in case of stress. CL's shareholders are the 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.

DBRS Morningstar considers it likely CL will suffer some deterioration in the quality of its guarantee portfolio in the medium term as a result of the COVID-19 pandemic. However, the impact on CL's risk profile is likely to be largely mitigated by its conservative underwriting, and the low risk of its guarantee outstandings as well as government measures put in place in France to support corporates and families.

We note that CL's capital provides a buffer large enough to withstand a significant increase in defaults in CL's portfolio of home loan guarantees, as indicated by CL's regular stress tests. DBRS Morningstar notes also that the Company has a capital planning procedure in place, and in case of a very severe deterioration in asset quality, leading to the risk of falling below the required solvency levels, it has the option to issue subordinated loans to its bank shareholders and partners. In addition, based on agreements with its shareholders, CL can delay the payment of claims for up to two years in the case of an extremely challenging market environment, which limits liquidity risk. We do not expect CL to report losses because of the COVID-19 crisis, nor the net profit to be materially down. Nevertheless, we expect the cost of risk to increase in 2021, albeit from low levels, and we note a deterioration in credit quality is booked directly to equity.

Franchise Strength

Grid Grade: Strong

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. CL has a leading position in home loans financial guarantees. At end-2020, CL’s outstanding portfolio of home loan guarantees stood at EUR 390 billion, equivalent to around one-third of all home loans outstanding in France. CL’s strong franchise reflects its leading position in the market and is supported by the expertise and capabilities that it has developed over many decades.

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 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 and it also provides its banking partners with a second independent risk review at origination. 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. Given CL’s leading position, it is also capable of providing a broad perspective on trends in the home loans market.

Exhibit 1 Shareholders, end-2020

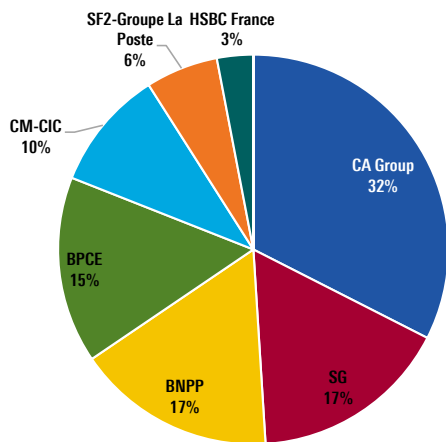
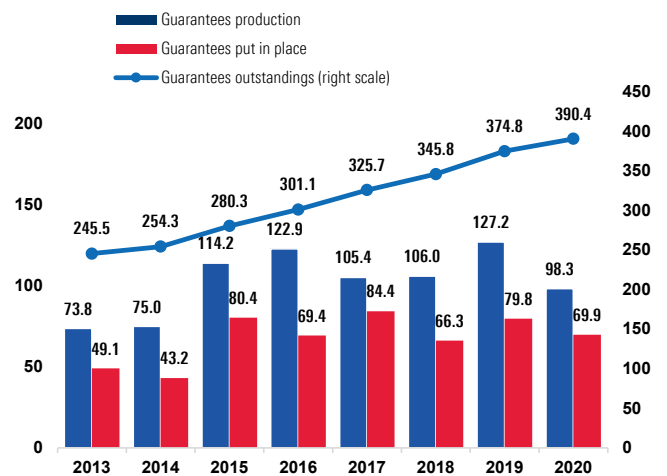


Exhibit 2 Business Volumes, 2013-2020



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. This has been evident in a gradual increase in the share of financial guarantees in the sector's new home loan production.

Earnings Power

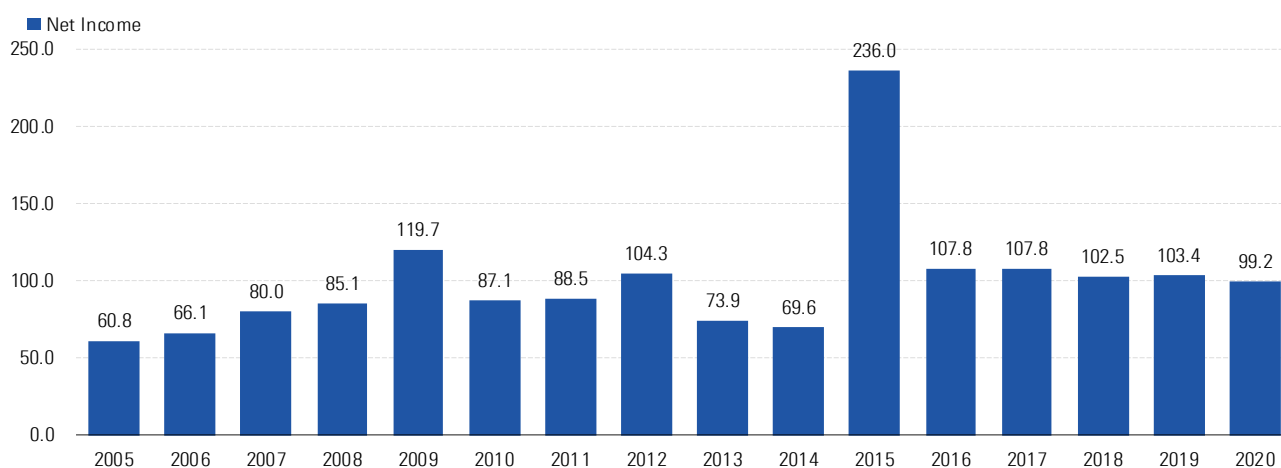
Grid Grade: Strong

CL has a good track record in generating consistent earnings. Although we recognise profit maximisation is not its strategic goal, the retention of earnings supports the group's capital generation. The Company's revenues and earnings are driven, on the one hand, by the volume of guarantees put in place and, on the other hand by the investment return on its funds. Revenues are predominantly composed of net interest income earned on bank deposits and other low risk investments. 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 cover the cost of administration. The commissions are booked in the profit and loss account and spread over the life of the guarantee.

CL's 2020 net profit was down 4.1% year-on-year (YoY) to EUR 99.1 million. The main driver was an 16.3% decrease in net interest income due to the ongoing low rates despite the 1.5% surge in gross commissions, in line with an increase in guarantees put in place in 2020. Costs were stable YoY at EUR 55.3 million, and DBRS Morningstar estimates that CL's cost-to-income ratio was a very low 27.5% in 2020 compared to 26.2% in 2019. The cost of risk on the guarantees portfolio is covered by the MGF and booked directly to equity.

DBRS Morningstar does not expect CL to report losses because of the COVID-19 crisis, nor the net profit to be materially down. Nevertheless, we expect the cost of risk to increase, albeit this will be booked directly to equity.

Exhibit 3 Net Income Evolution, 2005-2020



Risk Profile

Grid Grade: Very Strong/Strong

CL's risk profile reflects primarily the credit risk of its French home loan guarantees portfolio, which at end-2020 amounted to EUR 390 billion. Despite a concentration in the French home loans market, DBRS Morningstar views 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 DBRS Morningstar'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.

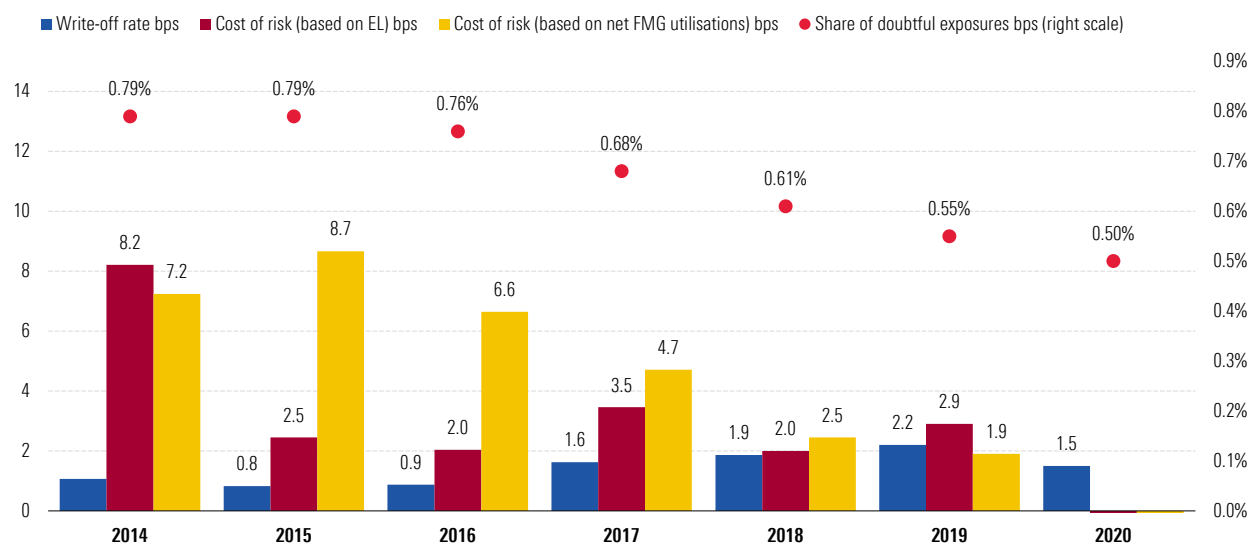
CL has high underwriting standards and advanced risk monitoring procedures. Even with the relatively strict underwriting standards of its bank partners, CL declines close to 20% of applications received from banks under its own scoring. CL also has strong expertise in the recovery of overdue loans. In DBRS Morningstar'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 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, DBRS Morningstar notes that a steady decline in interest rates on French home loans in recent years, driven by renegotiations and repurchases has had a positive impact on the quality of home loans guaranteed by CL. Based on the latest update of the home loans market in France the share of doubtful exposures was 1.29% at end-2019, improving from 1.32% a year earlier. Nevertheless, we expect the share of doubtful exposures to increase due the COVID-19 crisis, albeit in very low proportions compared to commercial banks as the Company is only exposed to home loans. The share of doubtful exposures for the overall portfolio remained on a downward trend and was 0.50% at end-2020 down from 0.55% at end-2019, benefiting from the improvement in risk profile. The share of doubtful exposures in CL's guarantee portfolio remained substantially below that observed in the broader French market.

Investment Portfolio

Another important element of CL's risk profile is the credit risk of its investment portfolio of EUR 10.1 billion at end-2020. 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. 65% of bank placements were collateralised and 99.7% of the investment portfolio was invested in parties internally ranked in the A range or higher. In DBRS Morningstar'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, 2014-2020

Source: DBRS Morningstar, Company Documents

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 represents the risk of inadequacy of its liquid placements to cover creditor claims, especially in a scenario, where claims were to rise abruptly and persist over a prolonged period of time.

CL has a conservative approach to liquidity risk management. The Company maintains a substantial buffer of highly quality placements, which can be activated on a short time basis 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 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

In DBRS Morningstar's opinion, capital is strong and 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 resources 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 allow for the treatment of the MGF as Common Equity Tier 1 (CET1) capital. CET1 capital also includes shareholders' equity. Expected losses and doubtful loans are deducted from CET1. During 2020, CET1 ratio strengthened by 1.8% to 19.1%, reflecting mainly a EUR 287 million increase in the MGF, which was EUR 6.4 billion at end-2020, a reduction in doubtful loans of EUR 74 million deducted from the MGF and the suspension of dividend distribution in 2020 to provide more flexibility during the COVID-19 crisis.

RWAs were lower YoY as the impact of growth in guarantee outstandings on RWAs was offset by a reduction in credit risk weights, driven by a decline in expected losses. The Total Capital ratio stood at 24.95%, up 1.7% YoY. At these levels, CL's CET1 and Total Capital ratios are well above the corresponding regulatory requirements. In March 2020, following the outbreak of the Covid-19 pandemic, the High Council for Financial Stability reduced the countercyclical buffer to 0% from 0.25% previously. As a result, the Pillar 1 capital requirements based on risk-weighted assets (RWAs) for CET1 capital and Total Capital declined to 7% and 10.5%, respectively.

Pillar 2 requirements represent the effective floor for CL's regulatory Total Capital, given they are much higher than the Pillar 1 requirement. CL is obliged to maintain total capital of at least 2% of guarantee outstandings, equivalent to EUR 7.8 billion at end-2020. Historically, CL has maintained a relatively small capital cushion over the relatively demanding Pillar 2 requirements. At end-2020 the regulatory total capital represented 2.1% of guarantee outstandings and the cushion above the total capital requirement was EUR 442 million.

DBRS Morningstar 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 procedure may lead to a decision to raise capital.

Exhibit 9 Capital Ratios, 2016- 2020

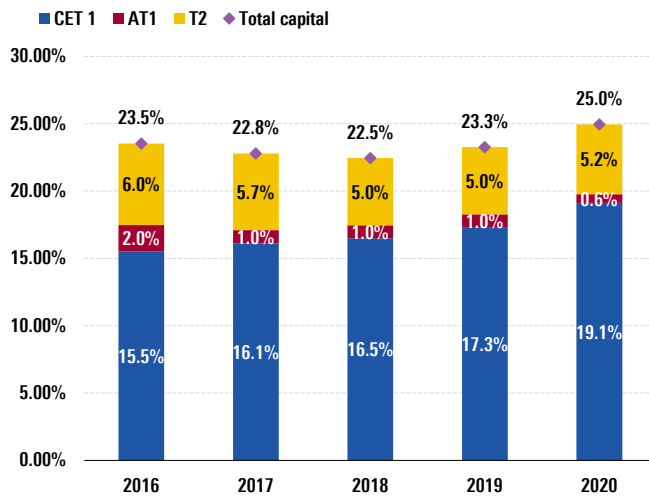
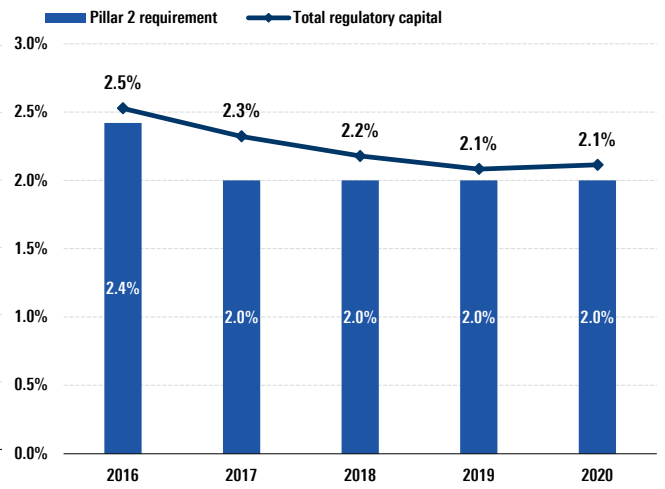


Exhibit 10 Capital and P2 Requirements (as % of guarantees portfolio), 2016-2020



Source: DBRS Morningstar, Company Documents

ESG Checklist

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 the costs or risks 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?	N	N
Climate and Weather Risks	Will climate change and adverse weather events potentially disrupt issuer or client operations, causing a negative financial impact?	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 could 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	N	N
	Do violations of rights create a potential liability that could 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 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
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 impact 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 limit 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
		Corporate / Transaction Governance:	N N
Consolidated ESG Criteria Output:		N	N

ESG Considerations

Environmental

The Environmental factor does not affect the ratings or trend assigned to Crédit Logement. The Group is in the very early process of thinking about an ESG framework that involves environmental factors through definition of consulting processes, with the aim of reducing its carbon footprint.

Social

The Social factor does not affect the 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 has been no similar cases to date involving CL. 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 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 has been no similar cases to date involving CL.

Financials:

	Crédit Logement	Crédit Logement	Crédit Logement	Crédit Logement	Crédit Logement
Reported Currency Millions	2020Y	2019Y	2018Y	2017Y	2016Y
Balance Sheet	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
Cash and Deposits with Central Banks	0	0	0	0	7,911
Lending to/Deposits with Credit Institutions	5,809	6,073	6,182	6,998	7,911
Financial Securities	4,301	3,422	2,747	1,937	994
Financial Derivatives Instruments	NA	NA	NA	NA	NA
Net Lending to Customers	1,252	1,327	1,347	1,336	1,245
- Gross Lending to Customers	1,253	1,327	1,348	1,336	NA
- Loan Loss Reserves	1	1	1	1	NA
Investment in Associates or Subsidiaries	2	3	7	7	9
Total Intangible Assets	11	9	6	5	4
Fixed Assets	13	13	13	13	NA
Insurance Assets	NA	NA	NA	NA	NA
Other Assets (including DTAs)	543	539	511	474	-7,473
Assets	11,931	11,385	10,813	10,770	10,601
Deposits from Banks	6	6	7	15	32
Deposits from Central Banks	NA	NA	NA	NA	NA
Deposits from Credit Institutions	NA	NA	NA	NA	NA
Deposits from Customers	13	10	24	25	23
Issued Debt Securities	572	588	345	105	0
Issued Subordinated Debt	8,576	8,289	7,893	7,959	7,963
Financial Derivatives Instruments	NA	NA	NA	NA	NA
Insurance Liabilities	0	0	0	0	NA
Other Liabilities	1,099	926	833	793	725
Equity Attributable to Parent	1,666	1,567	1,710	1,872	1,858
Minority Interests	0	0	0	0	0
Liabilities & Equity	11,931	11,385	10,813	10,770	10,601

	Crédit Logement	Crédit Logement	Crédit Logement	Crédit Logement	Crédit Logement
Reported Currency Millions	2020Y	2019Y	2018Y	2017Y	2016Y
Income Statement	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
Interest Income	113	118	124	162	120
Interest Expenses	68	64	61	102	56
Net Interest Income	45	54	63	60	64
Net Fees and Commissions	153	151	139	176	150
Results from Financial Operations	0	0	0	0	0
Equity Method Results	NA	NA	NA	NA	NA
Net Income from Insurance Operations	0	0	0	0	NA
Other Operating Income	3	4	3	2	2
Total Operating Income	201	209	204	238	216
Staff Costs	35	36	34	34	33
Other Operating Costs	15	14	16	17	NA
Depreciation/Amortisation	5	5	4	4	NA
Total Operating Expenses	55	55	53	55	52
Income Before Provisions and Taxes (IBPT)	146	154	151	184	165
Loan Loss Provisions	0	0	0	0	1
Securities & Other Financial Assets Impairment	0	-2	0	0	0
Other Impairments	0	-2	0	1	0
Other Non-Operating Income (Net)	0	-1	0	0	0
Income Before Taxes (IBT)	146	157	151	183	164
Tax on Profit	47	54	48	66	56
Discontinued Operations	0	0	0	0	0
Other After-tax Items	0	0	0	4	0
Minority Interest	0	0	0	0	0
Net Attributable Income	99	103	102	121	108

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	Crédit Logement	Crédit Logement	Crédit Logement	Crédit Logement	Crédit Logement
	2020Y	2019Y	2018Y	2017Y	2016Y
Earnings Power					
Earnings					
Net Interest Margin (%)	0.41	0.51	0.60	0.36	0.36
Yield on Average Earning Assets (%)	1.02	1.12	1.18	0.96	0.67
Cost of Interest Bearing Liabilities (%)	0.79	0.75	0.74	1.25	0.71
IBPT over Avg Assets (%)	1.25	1.39	1.37	1.69	1.59
IBPT over Avg RWAs (%)	0.44	0.46	0.45	0.56	0.50
Expenses					
Cost / Income ratio (%)	27.49	26.47	26.14	22.93	23.82
Operating Expenses by Employee	167,624	166,967	162,863	168,209	163,047
LLP / IBPT (%)	0.00	0.00	0.00	0.00	0.33
Profitability Returns					
Return on Avg Equity (ROAE) (%)	6.07	6.31	5.53	6.39	5.92
Return on Avg Assets (ROAA) (%)	0.85	0.93	0.93	1.11	1.04
Return on Avg RWAs (%)	0.30	0.31	0.31	0.37	0.33
Dividend Payout Ratio (%)	NA	NA	NA	NA	NA
Internal Capital Generation (%)	NA	NA	NA	NA	NA
Risk Profile					
Gross NPLs over Gross Loans (%)	NA	NA	NA	NA	NA
Net NPLs over Net Loans (%)	NA	NA	NA	NA	NA
NPL Coverage Ratio (%)	NA	NA	NA	NA	NA
Net NPLs over IBPT (%)	857.60	861.27	892.47	726.32	NA
Net NPLs over CET1 (%)	19.80	22.80	24.36	24.98	NA
Texas Ratio (%)	75.14	84.65	78.78	71.32	66.97
Cost of Risk (%)	NA	NA	NA	NA	NA
Level 2 Assets/ Total Assets (%)	NA	NA	NA	NA	NA
Level 3 Assets/ Total Assets (%)	NA	NA	NA	NA	NA
Funding and Liquidity					
Bank Deposits over Funding (%)	0.06	0.07	0.07	0.16	0.20
- Interbank over Funding (%)	NA	NA	NA	NA	NA
- Central Bank over Funding (%)	NA	NA	NA	NA	NA
Customer Deposits over Funding (%)	0.14	0.10	0.26	0.26	0.14
Wholesale Funding over Funding (%)	99.80	99.83	99.67	99.58	99.65
- Debt Securities over Funding (%)	6.02	6.38	3.72	1.10	0.00
- Subordinated Debt over Funding (%)	93.78	93.45	95.95	98.47	99.65
Liquid Assets over Assets (%)	84.74	83.40	82.57	82.97	158.63
Non-Deposit Funding Ratio (%)	99.87	99.90	99.73	99.72	99.74
Net Loan to Deposit Ratio (%)	9,676.73	13,854.16	5,563.83	5,333.62	5,395.93
LCR (Phased-in) (%)	NA	NA	NA	NA	NA
NSFR (%)	NA	NA	NA	NA	NA
Capitalisation					
CET1 Ratio (Phased-In) (%)	19.12	17.32	16.48	16.11	15.51
CET1 Ratio (Fully-Loaded) (%)	NA	NA	NA	NA	NA
Tier 1 Capital Ratio (Phased-In) (%)	19.76	18.27	17.46	17.09	17.47
Total Capital Ratio (Phased-In) (%)	24.95	23.25	22.45	22.79	23.52
Tang. Equity / Tang. Assets (%)	13.88	13.69	15.76	17.34	17.49
Leverage Ratio (DBRS) (%)	NA	NA	NA	NA	NA
Growth					
Net Attributable Income YoY (%)	-4.1	0.9	-15.0	11.9	-54.3
Net Fees and Commissions YoY (%)	1.5	8.9	-21.1	17.1	-14.1
Total Operating Expenses YoY (%)	-0.2	3.8	-2.3	6.1	-17.9
IBPT YoY (%)	-5.2	2.0	-17.9	11.5	-55.7
Assets YoY (%)	4.8	5.3	0.4	1.6	4.7
Gross Lending to Customers YoY (%)	-5.6	-1.6	0.9	NA	NA
Net Lending to Customers YoY (%)	-5.6	-1.6	0.9	7.3	15.4
Loan Loss Provisions YoY (%)	NA	NA	NA	NA	NA
Deposits from Customers YoY (%)	35.1	-60.5	-3.3	8.6	4.2

Source: DBRS Morningstar Analysis, Copyright © 2021, S&P Global Market Intelligence*

Rating Methodology

The applicable methodology is the *Global Methodology for Rating Banks and Banking Organisations (June 8, 2020)* and the *DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings (February 3, 2021)* which can be found on our website under Methodologies.

Ratings

Issuer	Obligation	Rating Action	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

Ratings History

Issuer	Obligation	Current	2020	2019	2018	2017
Crédit Logement S.A.	Long-Term Issuer Rating	AA (low)	AA (low)	AA (low)	AA (low)	AA (low)
Crédit Logement S.A.	Short-Term Issuer Rating	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
Crédit Logement S.A.	Subordinated Debt	A	A	A	A	A

Previous Action

- [DBRS Morningstar Confirms Crédit Logement's Long-Term Issuer Rating at AA \(low\); Stable Trend, June 1, 2021](#)
- [DBRS Morningstar Confirms Crédit Logement's Long-Term Issuer Rating at AA \(low\); Stable Trend, June 2, 2020](#)

Related Research

- [ESG Factors for Financial Institutions, Part One: Environmental Factors, April 27, 2021](#)
- [Gender Diversity at European Banking Boards: Still a Long Way to Go, February 22, 2021](#)

Previous Report

- [Crédit Logement, SA: Rating Report, July 8, 2020](#)
- [Crédit Logement, SA: Rating Report, July 31, 2019](#)
- [Crédit Logement, SA: Rating Report, July 23, 2018](#)
- [Crédit Logement, SA: Rating Report, July 6, 2017](#)

European Bank Ratios & Definitions

- [European Bank Ratios & Definitions, 11 June, 2019.](#)

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