

Rating Object:

Bearer notes with the ISIN: XS1760446168 issued by CRE Loan Debt Issuance S.à r.l., Compartment CRE Senior 9 Issuance

Rating:

A-

Rating Outlook / Addition:

Outlook stable

Rating Information:

Initial Issue Date	29.05.2015
Jurisdiction rated entity	Luxembourg law
Exchange	--
Legal form	Luxembourg securitization company in the form of a S.à r.l
Issue volume	350 millions Euro
Seniority	Non-subordinated
Collateralisation	Non-collateralized
Credit Enhancement	Available
Legal Maturity	29.05.2027
Coupon	0,25 % p.a.
Coupon period	Annually
Coupon type	Fix, deferrable
Lead analyst	q.lin@creditreform-rating.de / +49 2131 1091938
Co-analyst	s.giebler@creditreform-rating.de / +49 2131 1091397

Rating Rationale:

As of the rating date, CRA identifies low structural risk, increased operational risk and moderate portfolio and credit risk. CRA sees no significant adverse change in the structural risk compare to last rating. The elevated operational risk is due to the currently increasing market uncertainties. The analysts hold the opinion that the manager's asset class-specific experience and abilities are likely to mitigate the operational risk to certain extent. Regarding to the portfolio and credit risk, some waivers granted in Covid-19 pandemic still remain, while 3 defaulted Intu loans are in the recovery process, and total loss provision increases from 11,5m to 20,9 m as of rating cut-off date. However, the current average ICR increases from 2,5x to 3,6x. According to the manager, no further defaults take place in the last year. CRA sees evidence of stabilizing development of the portfolio. In the quantitative analysis, CRA derived an A- base case result. No additional qualitative notching is applied to the quantitative result to derive the final rating.

Primary Key Rating Factors:

- (+) General credit enhancements: excess spread, liquidity reserve, coupon deferral, partially amortizing loan agreements
- (+) Minimum Cash Reserve at borrower level amounting to 0.5% of the notes outstanding nominal amount
- (+) Hedging of FX risks (nominal and interest payments)
- (+) Loans secured only by first lien mortgages, other assets and covenants
- (+) Relatively low expected portfolio LTV and relatively high degree of diversification
- (-) Possibility to leverage up to 10.0% of the aggregate amount of the subscribers maximum commitments at CRE Senior 9 Issuance level and leverage up to 25.0% of the NAV at fund level. So far no leverage has been used by the Manager.
- (-) Floating rate loans only partially not floored
- (-) 3 loans in default and recovery process (further increasing impairments may trigger a rating review)

Ratings Sensitivities:

Best-case scenario: In this scenario, we stressed LGD of the portfolio assets by an amount of -10%, resulting in a rating of A+.

Worst-case scenario: In this scenario, we assumed a 0% recovery on the defaulted portfolio assets (Intu), resulting in a rating of BBB.

ESG-Criteria:

CRA generally considers ESG factors (environment, social and governance) within its rating decisions. In the present case, ESG criteria had no comprehensive impact to the rating.

ESG factors with material impact were not identified.

Latest Rating Date / Disclosure to Rated Entity / Maximum Validity:

27/06/2022 / 27/06/2022 / 29/05/2027

Between the disclosure of the credit rating to the rated entity and the public disclosure, no amendments were made to the credit rating.

Initial Rating Date:

27.02.2015 / A- /restricted

Status of Solicitation:

The rating is a solicited rating. The degree of participation was as follows:

With Rated Entity or Related Third Party Participation: Yes

With Access to Internal Documents: Yes

With Access to Management: Yes

Notes:

This document is a CRA Press Release. The CRA Press Release outlines significant rating-relevant changes compared to CRA's most recent rating action. It immediately follows that the assigned rating must not be limited to the motivators mentioned in the CRA Press Release. Instead, a comprehensive acknowledgement of all explanations provided in previous reports, other forms of documentation, rating updates and, in particular, the CRA initial rating report is indispensable. At this point, CRA refers the reader to these forms of documentation, rating updates and reports.

Regulatory Requirements and Legal Disclosures :

Creditreform Rating AG was mandated on 10/02/2015 by AXA REIM SGP to conduct a rating for the bearer notes under Luxembourg law, issued by CRE Loan Debt Issuance S.à r.l., Compartment CRE Senior 9 Issuance. This is a public rating which is regulatory applicable according to EU Regulation 1060/2009 (CRA-Regulation).

The rating was conducted on the basis of Creditreform Rating's "Issue Ratings" in conjunction with Creditreform's basic document "Rating Criteria and Definitions".

Important sources of information in the context of the rating were submitted documents and information provided by by AXA REIM SGP or rather the Issuer were sufficient to meet the requirements of Creditreform Rating AG's rating methodology.

A complete description of Creditreform Rating's rating methodologies and Creditreform's basic document "Rating Criteria and Definitions" is published on the following internet page:

<https://creditreform-rating.de/en/about-us/regulatory-requirements.html>

On the subject of ESG (environment, social and governance), Creditreform Rating AG has published the basic document "The Impact of ESG Factors on Credit Ratings", which is available on the homepage under the following link:

<https://creditreform-rating.de/en/about-us/regulatory-requirements.html>

This rating was carried out by analysts Qinghang Lin (Lead) and Stephan Giebler, all located in Neuss/Germany. The function of Person Approving Credit Ratings (PAC) was performed by Sascha Pomorin.

Closing of the transaction occurred on 16/09/2018. The rating is based on the portfolio information and transaction documentation as of 31/03/2022, as provided by AXA REIM SGP or the Issuer.

The issuer or all relevant parties have examined the rating report prior to publication and were provided with at least one full working day to appeal the rating committee decision and provide additional information. The rating decision was not amended following this examination.

Ancillary services were provided. A pre-rating was conducted.

In 2011 Creditreform Rating AG was registered within the European Union according to EU Regulation 1060/2009 (CRA-Regulation). Based on the registration Creditreform Rating AG (CRA) is allowed to issue credit ratings within the EU and is bound to comply with the provisions of the CRA-Regulation.

Conflicts of Interest

No conflicts of interest were identified during the rating process that might influence the analyses and judgements of the rating analysts involved or any other natural person whose services are placed at the disposal or under the control of Creditreform Rating AG and who are directly involved in credit rating activities or approving credit ratings and rating outlooks.

In case of providing ancillary services to the rated entity, CRA will disclose all ancillary services in the credit rating report.

Rules on the Presentation of Credit Ratings and Rating Outlooks

The approval of credit ratings and rating outlooks follows our internal policies and procedures. In line with our "Rating Committee" policy, all credit ratings and rating outlooks are approved by a rating committee based on the principle of unanimity.

To prepare this credit rating, CRA has used following substantially material sources:

1. Transaction structure and participants
2. Transaction documents
3. Issuance documents

There are no other attributes and limitations of the credit rating or rating outlook other than those displayed on the CRA website. Furthermore CRA considers satisfactory the quality and extent of information available on the rated entity. In regard to the rated entity Creditreform Rating AG regarded available historical data as sufficient.

Between the time of disclosure of the credit rating to the rated entity and the public disclosure, no amendments were made to the credit rating.

This rating was not endorsed by Creditreform Rating AG from a third country as defined in Article 4 (3) of the CRA-Regulation.

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In cases where the credit rating is based on more than one methodology or where reference only to the principal methodology might cause investors to overlook other important aspects of the credit rating, including any significant adjustments and deviations, Creditreform Rating AG explains this fact in the credit rating report and indicates how the different methodologies or other aspects are taken into account in the credit rating. This information is integrated in the credit rating report.

The meaning of each rating category, the definition of default or recovery and any appropriate risk warning, including a sensitivity analysis of the relevant key rating assumptions, such as mathematical or correlation assumptions, accompanied by worst-case scenario credit ratings and best-case scenario credit ratings are explained.

The date at which the credit rating was initially released for distribution and the date when it was last updated including any rating outlooks is indicated clearly and prominently in the “Basic Data” card or in the press release published on Creditreform Rating’s website as a “rating action”; first release is indicated as “initial rating”, other updates are indicated as an “update”, “upgrade or downgrade”, “not rated”, “confirmed”, “selective default” or “default”.

In the case of a rating outlook, the time horizon is provided during which a change in the credit rating is expected. This information is available within „Basic data“ information card Creditreform`s basic document “Rating Criteria and Definitions”.

In accordance to Article 11 (2) EU-Regulation (EC) No 1060/2009 registered or certified credit rating agency shall make available in a central repository established by ESMA information on its historical performance data, including the ratings transition frequency, and information about credit ratings issued in the past and on their changes. Requested data are available at the ESMA website:

<https://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml>.

An explanatory statement of the meaning of Creditreform`s default rates are available in the credit rating methodologies disclosed on the website. Further information can also be found on the CRA website in the document “Rating Criteria and Definitions”.

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