

Rating Object:

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

Rating:

BBB+

Rating Outlook / Addition:

Outlook positive

Rating Information:

Initial Issue Date	5/29/2015
Jurisdiction Rating Object	Luxembourg law
Exchange	--
Legal Form	Luxembourg securitization company in the form of a S.à r.l
Issue Volumen	EUR 350m
Seniority	Non-subordinated
Collateralisation	Unsecured
Credit Enhancement	Available
Legal Maturity	5/29/2027
Coupon	0.25% p.a.
Coupon Period	Annually
Coupon Type	Fix, deferrable
Lead Analyst	m.peiss@creditreform-rating.de / +49 2131 109 1053
Co-Analyst	m.remmert@creditreform-rating.de / +49 2131 109 5257
Co-Analyst	k.kollmorgen@creditreform-rating.de / +49 2131 109 5240

Rating Rationale:

At the time of the follow-up rating, CRA continues to identify low structural risks in the light of a significant built-up of credit enhancement through partial early note amortization in combination with note redemption caused by the realization of further portfolio assets. In CRA's opinion, operational risks are moderate and mainly driven by the persistent market dislocation, for which, however, an optimistic outlook is currently emerging. The portfolio and credit risk is considered to be elevated, as two of the formerly three defaulted Intu loans are still in the recovery process and subject to significant loss expectations. In addition, the realization of further watchlist assets tends to be delayed due to operational challenges. Apart from this, the portfolio wind-down is continuing as planned, with a third defaulted loan having been sold at a price exceeding initial recovery expectations. By updating the quantitative model and taking qualitative factors into account, CRA confirms a rating of BBB+ for the time being. Despite the significant improvement in the quantitative base-case result, largely due to the substantial build-up of credit enhancement, CRA acknowledges the remaining portfolio risks, but expects the manager to be able to mitigate at least some of these risks. As a result, CRA is initiating the likely forthcoming rating upgrade with a positive rating outlook, indicating the clear upward trend in the credit quality of the rating object.

Primary Key Rating Factors:

- (+) Credit Enhancement building up through early Note redemption, accelerated in high-interest environment given predominantly floating-rate portfolio
- (+) Reduction of interest payment risk due to the deferability of the coupon
- (+) Maintenance of a minimum Cash reserve of EUR 1m on borrower level over the term of the Notes
- (+) Hedging of FX risks from non-EUR investments made by the IVV
- (+) Diversified portfolio of loans secured by first lien mortgages, other assets and covenants
- (-) Illiquid underlying assets, especially in times of economic downturns
- (-) Market-driven uncertainties in the wake of recent macroeconomic trends (e.g. high levels of interest rates and inflation)
- (-) Decreased appraisal values across large parts of the financed properties
- (-) Two defaulted loans with losses expected throughout the workout process

Ratings Sensitivities:

Best-case scenario: CRA assumes no additional asset value stress for property values with out-of-date property valuation reports (i.e. older than a year) – resulting in a weighted average scenario AA LGD of 11.7% - and derives, ceteris paribus, a quantitative result of AA.

Worst-case scenario: CRA assumes an increase in Intu loan LGDs to 100% and derives, ceteris paribus, a quantitative result of A+.

ESG-Criteria:

CRA generally takes ESG-relevant factors (environmental, social and governance) into account when assessing the rating object. 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:

7/8/2024 / 7/8/2024 / 5/29/2027

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:

2/27/2015 / 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 2/10/2015 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, in addition to the submitted documents, a due diligence call on 6/13/2024. The submitted documents and information provided 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 Matthias Peiss (Lead), Moritz Remmert and Kevin Kollmorgen. The function of Person Approving Credit Ratings (PAC) was performed by Jan Löckenhoff.

Closing of the transaction occurred on 9/16/2018. The rating is based on the portfolio information and transaction documentation as of the rating date.

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.

In 2011 Creditreform Rating AG was registered within the European Union according to EU Regulation 1060/2009. 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 EU Regulation 1060/2009.

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.

Creditreform Rating AG guarantees that the provision of ancillary services does not cause a conflict of interest with its rating activities, and discloses in the final rating report which ancillary services were provided for the rating object or for third parties associated with it. The following ancillary services were provided for this rating object or for related third parties:

- Rating-related services for related third parties.

The final list of rating-related services and credit services can be viewed on the Creditreform Rating AG website at <https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html#non-core-business-activities>.

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 EU Regulation 1060/2009.

The “Basic Data” information card or the press release published on Creditreform Rating’s website indicates the principal methodology or version of methodology that was used in determining the rating, with a reference to its comprehensive description.

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 in 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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Creditreform Rating AG

Contact

Creditreform Rating AG

Europadamm 2-6
D - 41460 Neuss

Phone +49 (0) 2131 / 109-626
Fax +49 (0) 2131 / 109-627
E-Mail info@creditreform-rating.de
Internet www.creditreform-rating.de

Chief Executive Officer:
Dr. Michael Munsch
Chairman of the Supervisory Board:
Michael Bruns

HRB 10522, Amtsgericht Neuss