



**La Banque Postale Home Loan SFH
Interim Financial Report
at 30 June 2023**

INTRODUCTION

Company and trading name

The name of the Company is “La Banque Postale Home Loan SFH”.

Legal form – Applicable legislation

French limited company (*société anonyme*).

The Company is governed by current laws and regulations, specifically:

- the provisions of the French Commercial Code (*Code de commerce*) regarding commercial companies;
- the provisions applicable to specialised credit institutions and in particular to home financing companies, under Articles L. 511-1 *et seq.* and L. 513-1 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*);
- the provisions of French government order No 2014-948 of 20 August 2014 regarding governance and transactions involving the share capital of companies with public shareholdings;
- its Articles of Association.

Place of registration and registration number – Incorporation date – Country of origin

The Company was registered with the Paris Trade and Companies Registry under number 522 047 570 on 26 April 2010.

Country of origin: France

Legal entity identifier (LEI): 969500D5PFMTWUYSUF61

Share capital

The share capital is set at two hundred forty-four million euros (€244,000,000). It is divided into twenty-four million four hundred thousand (24,400,000) fully paid-up shares of the same category, with a par value of ten euros (€10) each.

Duration of the Company

The duration of the Company is 99 years from the date of its registration with the Trade and Companies Registry, except in the event of early dissolution, or extension.

Registered office

The Company's registered office is located at 115, rue de Sèvres, 75275 Paris Cedex 06, France.

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1.

Presentation of La Banque Postale Home Loan SFH

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1.1 General presentation of La Banque Postale Home Loan SFH

La Banque Postale Home Loan SFH⁽¹⁾, initially created as an SAS⁽²⁾, took the form of a French limited company (SA) by decision of the shareholders at the Extraordinary General Meeting of 7 February 2013. La Banque Postale Home Loan SFH is managed by a Board of Directors comprising at least three and a maximum of 18 directors. La Banque Postale Home Loan SFH is authorised to operate as a credit institution under French law, with status as a specialised credit institution, i.e., as a home financing company (*Société de Financement de l'Habitat – SFH*)⁽³⁾.

In accordance with its Articles of Association, La Banque Postale Home Loan SFH's purpose is to finance home loans. The refinancing of these transactions is based on a €30 billion issuance programme of home loan bonds (covered bonds) rated AAA by Standard & Poor's⁽⁴⁾.

The approach consists of issuing home loan bonds (in the form of Euro Medium-Term Notes [EMTNs] or *Namens*) and transferring the principal of these issues to La Banque Postale in the form of loans collateralised by a portfolio of real estate loans. These bonds enjoy the legal privilege defined by the French Monetary and Financial Code under Article L. 513-11. La Banque Postale Home Loan SFH has no employees. Management of the business is supported by La Banque Postale under a set of agreements drawn up between the two companies. As a home financing company, La Banque Postale Home Loan SFH has the option of refinancing itself with the European Central Bank.

Principal activities of the Issuer

To achieve its corporate purpose (pursuant to Article 2 of its Articles of Association), La Banque Postale Home Loan SFH may carry out the following activities and transactions:

- grant loans to any credit institution guaranteed by the transfer, assignment or pledging of receivables attached to home loans⁽⁵⁾;
- acquire promissory notes issued by any credit institution⁽⁶⁾;
- for the financing of the aforementioned loans, issue home loan bonds that enjoy the privilege defined in Article L. 513-11 of the French Monetary and Financial Code, and collect other resources whose issue or subscription contract mentions this privilege.

La Banque Postale Home Loan SFH may also finance the aforementioned activities by issuing bonds or other debt that do not enjoy the privilege provided under Article L. 513-11 of the French Monetary and Financial Code. However, La Banque Postale Home Loan SFH is not authorised to hold any form of equity interest in any entity.

La Banque Postale Home Loan SFH's assets comprise home loans that meet home financing company eligibility criteria under French law.

The funds of each secured issue are loaned to La Banque Postale Group in the form of a collateralised loan of the same nominal amount and maturity, with an additional margin on the issue. La Banque Postale Home Loan SFH therefore has no other interest rate risk⁽⁷⁾ than that generated by the reinvestment of its equity.

The assets provided as collateral are either mortgage loan activities (mortgage loans or moneylender's privilege) or secured loans. At 30 June 2023, all of the loans carrying a legal entity guarantee were guaranteed by financing company Crédit Logement.

Description of the Issuer's Group and the Issuer's position within the Group

La Banque Postale Group is wholly owned by La Poste Groupe, its parent company, except for one share held on loan by the Chairman of the Supervisory Board.

(1) Herein referred to as "La Banque Postale Home Loan SFH", "LBP HL SFH", "SFH", "the Issuer" or "the Company".

(2) See glossary in Appendix 2.

(3) Upon entry into force of the European Capital Requirements Regulation (CRR), the Company acquired the status of specialised credit institution (on 1 January 2014). La Banque Postale Home Loan SFH is supervised by the European Central Bank.

(4) As of the publication date of this document.

(5) Pursuant to and in accordance with the provisions of Articles L. 211-36 to L. 211-40 or Articles L. 313-23 to L. 313-35 of the French Monetary and Financial Code.

(6) Pursuant to and in accordance with the provisions of Articles L. 313-43 to L. 313-48 of the French Monetary and Financial Code, and the issue of which is intended to refinance receivables associated with home loans that meet the legal criteria defined by Article L. 513-29 of said Code.

(7) See Section 2 on interest rate risk.

La Banque Postale Home Loan SFH (the Issuer) is a French limited company (*société anonyme*) with a Board of Directors and is governed by French law as a home financing company.

La Banque Postale is a credit institution authorised by the French Prudential Supervision and Resolution Authority (*Autorité de contrôle prudentiel et de résolution – ACPR*) and is supervised directly by the European Central Bank (ECB). Its role is to assist La Banque Postale Home Loan SFH in its activities as a support institution, as defined by the regulations applicable to home financing companies, in particular within the meaning of Article L. 513-15 of the French Monetary and Financial Code.

The percentages indicated in the table below correspond to La Banque Postale Group's ownership interest in the subsidiary. For the CNP Assurances group, the percentage corresponds to the interest held in the holding company.

LA BANQUE POSTALE GROUP			
BANCASSURANCE FRANCE		INTERNATIONAL BANCASSURANCE	
La Banque Postale ⁽¹⁾		CNP Assurances Holding – International	100%
Ma French Bank	100%		
La Banque Postale Consumer Finance	100%		
EasyBourse	100%		
SOFIAP	66.00%		
La Banque Postale Home Loan SFH ⁽²⁾	100%		
SCI CRSF Métropole ⁽²⁾	100%		
SCI Tertiaire Saint Romain ⁽²⁾	100%		
CNP Assurances Holding – France	100%		
La Banque Postale Leasing & Factoring ⁽²⁾	100%		
WEALTH AND ASSET MANAGEMENT		CORPORATE AND INVESTMENT BANKING	
Louvre Banque Privée	100%	La Banque Postale ⁽¹⁾	
Louvre Banque Privée Immobilier Conseil	100%	La Banque Postale Leasing & Factoring ⁽²⁾	100%
LBP AM	75.00%	La Banque Postale Home Loan SFH ⁽²⁾	100%
Tocqueville Finance SA	75.00%	SCI CRSF Métropole ⁽²⁾	100%
		SCI Tertiaire Saint Romain ⁽²⁾	100%
		LBP Dutch Mortgage Portfolio 1 BV	100%
		LBP Dutch Mortgage Portfolio 2 BV	100%
		FCT Elise 2012	95.00%
CORPORATE CENTRE			
T15K	100%		

(1) Parent company.

(2) Entities allocated to several business lines in the management accounts.

The organisational chart shown above does not include entities held for sale or that are less than 1% owned.

Extent to which the Issuer is dependent on other Group entities

La Banque Postale Group's role is to assist La Banque Postale Home Loan SFH in the refinancing of home loans, on the one hand, and to ensure the operational management of the company, on the other. Their relationship is governed by a set of agreements as specified in the base prospectus.

La Banque Postale Home Loan SFH and La Banque Postale Group have entered into an uncommitted loan agreement entitled "Uncommitted Facility Agreement" (the "Credit Agreement") defining the terms and conditions under which the Issuer undertakes to use the proceeds of the issuance of Notes to grant loans to La Banque Postale Group for a maximum total amount corresponding to the Programme Limit.

The Credit Agreement is guaranteed by a security agreement (the "Collateral Security Agreement") under which La Banque Postale Group undertakes, as security for its financial obligations, to transfer, through the conveyance of full ownership as a guarantee to La Banque Postale Home Loan SFH⁽⁸⁾, home loans meeting the eligibility criteria provided for in Article L. 513-29 of the French Monetary and Financial Code, and other assets within the meaning of French legislation applicable to home financing companies.

(8) In accordance with Articles L. 211-36 et seq. of the French Monetary and Financial Code.

La Banque Postale Home Loan SFH has also entered into the following agreements with La Banque Postale Group:

- an outsourcing and services agreement;
- a management agreement;
- an account agreement;
- a full-ownership transfer agreement as a guarantee;
- a set of agreements specifying important and critical services within the meaning of the European Banking Authority (EBA) Guidelines.

1.2 Regulatory framework

La Banque Postale Home Loan SFH is a specialised credit institution within the meaning of Article L. 513-1 of the French Monetary and Financial Code which, in this capacity, may only carry out banking transactions resulting from the legislative and regulatory provisions, or the approval decision, that are specific to it.

In its capacity as an authorised home financing company, La Banque Postale Home Loan SFH “has the exclusive purpose of granting or financing home loans and holding securities, exposures and deposits under the conditions determined by Council of State (*Conseil d'État*) decree” under the conditions defined in Articles L. 513-28 *et seq.* of the French Monetary and Financial Code.

As a credit institution, La Banque Postale Home Loan SFH is subject to the supervision of the ACPR and to compliance with the provisions of European Regulation No 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation, CRR). La Banque Postale Home Loan SFH is exempt from compliance on an individual basis with capital adequacy ratios, in accordance with the provisions of Article 7 of the CRR.

As a home financing company, La Banque Postale Home Loan SFH is subject to Regulation No 99-10 of the French Banking and Financial Regulation Committee (*Comité de la Réglementation Bancaire et Financière* – CRBF) and to specific ACPR instructions⁽⁹⁾ relating to the coverage ratio, the 180-day cash position, the difference in the average life of liabilities and assets, the Coverage Plan for preferred debt and the quality of the financed assets. The home loans provided as collateral are identified individually in the IT system.

The European Covered Bonds Directive as transposed into French law and the new wording of Article 129 of the CRR both came into effect on 8 July 2022. The European directive aims to standardise the European covered bond models and create two labels, namely the “European Covered Bond” label and the “European High-Quality Covered Bond” label.

On 8 July 2022, the ACPR confirmed that La Banque Postale Home Loan SFH complies with the conditions of the “European High-Quality Covered Bond” label, set out in particular in ACPR Instruction 2022-I-05. The home loan bonds issued by La Banque Postale Home Loan SFH under the EMTN programme therefore carry this label as from that date.

(9) Instruction 2016-I-09 relating to the coverage ratio of home financing companies; Instruction 2014-I-17 relating to the regulatory statements referred to in Article 10 of CRBF Regulation No 99-10 of 9 July 1999; Instruction 2011-I-07 on the publication by mortgage loan companies and home financing companies of information relating to the quality of the financed assets.

1.3 Responsible refinancing policy

La Banque Postale Group: a company purpose (*raison d'être*) aligned with the just transition

In 2022, La Banque Postale Group became a mission-led company, making its community foundations the key driver of its performance in support of the just transition. This decision was approved at the Bank's Extraordinary General Meeting of Shareholders on 23 February 2022 in line with the approach taken by La Poste Groupe, which also became a mission-led company in June 2021.

La Banque Postale Group's company purpose (*raison d'être*) has accordingly been included in its Articles of Association:

"Because it was created with the purpose of serving the public, La Banque Postale believes that there can be no long-lasting value creation without redistribution, no economic growth without local prosperity, and no sustainable development without respect for planet boundaries.

By offering quality and accessible services, our purpose is to enable everyone to fulfil their potential and to contribute, through their investment, savings, insurance and consumption choices, to building a society that is more attentive to the planet and all who live on it.

As a committed banker and insurer, it is our desire to work towards this just transition alongside our customers and employees."

The transformation of La Banque Postale Group into a mission-led company is aligned with its 2030 strategic plan, "the just transition in action", and the creation of its Sustainability Department in 2021. It constitutes a real corporate governance tool for La Banque Postale Group, supporting the just transition. The three social and environmental objectives enshrined in La Banque Postale's Articles of Association are:

- transform La Banque Postale's bancassurance model by leveraging its environmental, social and regional impact culture;
- develop and promote products and services that meet environmental, social and regional challenges;
- advance best practices and regulatory standards in the bancassurance sector through La Banque Postale's exemplary actions.

Since 2021 and the announcement of its new strategic plan, La Banque Postale Group has been developing its business model in response to the major trends that are reshaping its environment. These trends give rise to several challenges:

- societal challenges (ageing of the population, new consumer patterns, financial inclusion, etc.);
- environmental challenges (global warming and preservation of biodiversity);
- regional challenges (regional reindustrialisation, population flows from large cities to medium-sized towns, etc.);
- digital challenges (digital accessibility of banking services, controlling the energy impact of digital technology, securing personal data, etc.).

These challenges are all issues facing La Banque Postale Home Loan SFH as a whole and La Banque Postale Group. Giving everyone the means to work towards the just transition also means giving everyone the means to meet these challenges and address the changes taking place in the world.

La Banque Postale Home Loan SFH's thematic bond issue

La Banque Postale Group leverages a responsible refinancing policy to align its lending business with the just transition.

In April 2019, La Banque Postale Group created a green, social and sustainable bond issuance framework for both La Banque Postale SA and La Banque Postale Home Loan SFH, which was independently rated by Moody's ESG Solutions. La Banque Postale Group applies best practices in the management and reporting of the net issue proceeds as part of a dynamic approach aimed at ensuring that the total amount of the portfolio of eligible loans corresponds to the amounts issued. Its impact reports include a large quantity of information, including the methods, assumptions and references used. Reports on the use of the issue proceeds, project impact assessments and details of the sustainability-themed issues are available on La Banque Postale Group's corporate website. The new green, social and sustainable bond issuance framework has been in place since September 2023.

In 2022, La Banque Postale Home Loan SFH carried out an inaugural green covered bond issue to help finance the energy transition. The €750 million in 8-year 1.625% covered bonds were placed at a final spread of 4 bps over the mid-swap rate. A total of 85 investors participated in the transaction, the majority of whom (66%) apply ESG screens. The €3.7 billion order book (a record for La Banque Postale and for La Banque Postale Home Loan SFH) was 4.7 times oversubscribed. The issue proceeds are being used to refinance real estate loans granted for the acquisition or construction of new builds in France that comply with strict thermal regulations in force at the time of financing. A total of 5,785 real estate projects are eligible for this green bond refinancing, with 97.3% of the projects concerning green new builds and 2.7% concerning green new

builds with additional improvements. With this issue, La Banque Postale Group is helping to finance four of the 17 Sustainable Development Goals defined by the UN in 2015.

On 31 January 2023, La Banque Postale Home Loan SFH carried out its first social covered bond issue to help finance home-income loans (*prêts d'accession sociale*) for an amount of €1.25 billion. The 8-year bonds were placed at a final spread of 27 bps over the mid-swap rate with a fixed interest rate of 3.0%. A total of 65 investors participated in the transaction, the majority of whom (70%) apply ESG screens. Total orders came to €1.6 billion on completion of the transaction, with €1.25 billion in bonds placed at a competitive price. The issue proceeds will serve to refinance affordable housing and more specifically low-income home loans that meet the criteria defined by France's 2003 Finance Act. Intended to broaden access to home ownership, such loans may only be obtained for a main residence (for buying it or having it built). More than €1.3 billion in loans were identified as eligible as they met specific criteria based on household income and the location of the asset needing to be financed.

2.

Interim management report

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2.1 Economic and financial environment in first-half 2023

Signs of a slowdown in euro zone economic activity since the spring

Economic activity was fairly resilient at the start of 2023 despite two major shocks in 2022 (the energy crisis caused by the war in Ukraine and the rapid steep rise in interest rates). Labour markets held up very well on both sides of the Atlantic, with unemployment rates in the various countries remaining low by historical standards. The US economy grew at a very respectable rate in the first quarter, thanks to continued high rates of job creation and robust consumer spending. In China, while the end of the zero-COVID policy had a very positive effect on domestic demand, industrial activity remained hesitant. Euro zone GDP contracted slightly in the first quarter, on the back of a decline in the fourth quarter of 2022. However, trends differed considerably between Germany, which experienced a fairly sharp erosion of GDP due to its dependence on global industrial activity, and Italy (supported by the European recovery plan) and Spain (boosted by the post-COVID-19 surge in demand for services), which enjoyed much stronger growth. France occupied the middle ground, with GDP up by 0.2%. However, as in other European countries, business surveys revealed signs of weakness in the spring, especially in the manufacturing sector, but more recently in services too.

In France, after holding up well at the start of the year the building sector began to run out of steam, due to the downturn in the housing market following the repeated interest rate hikes. Prices of existing homes fell in the first quarter, for the first time since 2015, and annual sales of existing homes were down by 9% (based on cumulative sales over 12 months). Sales of new builds also continued to fall, while housing starts came close to the lows observed during the 2008 financial crisis and in the mid-2010s. These trends led to a steep 27% drop in home loan originations (excluding renegotiations and debt consolidations involving a change of bank), penalised by softer demand and the government cap on interest rates (application of the usury rate rule). In the corporate sector in France, insolvencies (except for micro-enterprises) rose to above their 2019 level.

Progress in bringing down inflation, thanks mainly to energy prices

On the inflation front, the good news came from the energy markets. Uncertainty over global demand weighed on oil prices, which in June returned to around \$75 a barrel, compared with a peak of over \$120 after the outbreak of war in Ukraine. In addition, gas prices on the European wholesale market continued to fall, confirming the trend established in autumn 2022 and leading to cheaper electricity prices, thanks to a geographical restructuring of European supplies, a mild winter and assertive measures to reduce electricity use. In June, gas prices averaged €32.5 per megawatt-hour (MWh), compared with a peak of €339/MWh at the end of August 2022. Energy prices in the euro zone were down year-on-year in June, after peaking at over 40% in March 2022,

although in France, the increase in regulated gas and electricity tariffs at the start of the year delayed these effects to a certain extent. Food price inflation remained high in the euro zone, but showed signs of easing as input costs came down. However, excluding energy and food prices, core inflation has proved more difficult to bring under control, due to cost-of-living wage increases that most companies have largely passed on to customers so far. Overall annual euro zone inflation fell to 5.5% in June (4.5% in France) from its peak of over 10% in October 2022.

Tighter monetary policy and high interest rates for the foreseeable future

Central banks continued to tighten their monetary policies in the first half of the year. The US Federal Reserve (Fed) took time out from its programme of interest rate hikes in June (keeping its key rate in the 5-5 1/4% range). However, it held firm to its anti-inflation rhetoric and Fed members are projecting a further 50 basis point increase before the end of the year. In the euro zone, the ECB raised its refinancing rate to 4% in June and its deposit rate to 3.5%. This drove up the 3-month Euribor to 3.58% at the end of June, compared with an average of 2% last December. The ECB also began to reduce its balance sheet more significantly. The bank has announced that its asset purchase programme (APP) portfolio will be scaled down by discontinuing the reinvestment of principal payments from maturing securities as from 1 July. In addition, euro zone banks repaid almost €500 billion worth of long-term loans at the end of June.

Long-term interest rates declined in the wake of last March's financial turbulence (bank failures in the United States, UBS's takeover of Crédit Suisse brokered by the Swiss banking authorities), as investors became more risk averse and the markets downgraded their key interest rate forecasts. However, the measures taken by the central banks gradually restored investor confidence, leading to a progressive recovery in long-term rates. With the central banks not expected to continue their interest rate hikes after the summer, long-term interest rates are now probably close to peaking, with the average 10-year OAT rate in June at 2.93%.

The rise in long-term interest rates had an impact on the structure of household and business savings. French households' demand deposits, which rose sharply during the period of very low interest rates in the mid-2010s, declined significantly in recent months, contracting by €47 billion or 7% between their August 2022 peak and May 2023. The decline primarily benefited *Livret A* passbook savings accounts (whose rate depends on inflation and short-term interest rates) and time deposits. A similar trend was observed for businesses. Corporate demand deposits (which had been inflated by the proceeds of State-guaranteed loans) fell by €115 billion between their peak of €680 billion in July 2022 and April 2023.

The euro has held firm against the dollar

Thanks to the ECB's firm stance, the euro appreciated slightly in the first half of the year (to \$1.09 at 30 June, compared with €1.07 at 31 December). One of the stand-out features of the currency markets was the weakening of the yen (which lost around 10% against the dollar between the end of December and the end of June), with the Bank of Japan's highly accommodative monetary policy contrasting with the repeated interest rate hikes in the United States and Europe. For its part, the Bank of England seemed anxious to take time out from its monetary tightening policy last spring. However, stubbornly high inflation, partly due to the tight labour market post-Brexit, forced the bank to raise its key rate by 50 basis points in June (to 5%). If anything, this supported the pound, which stood at £0.86/€ at the end of June, close to the end-2022 exchange rate. Among emerging currencies, the Brazilian real has appreciated against the euro in recent months (to R\$5.22 at 30 June compared with R\$5.66 at 31 December), supported by high interest rates and slowing Brazilian inflation.

On the stock market, banking stocks have been suffering from the liquidity crisis since March 2023

Last March's liquidity crisis brought to a halt the recovery in stock market indices that had begun in early 2023. Banking stocks were still considerably lower at the end of June compared with the beginning of March (down by around 8% in the euro zone and 15% in the United States). However, with investor confidence restored and indications that the repeated interest rate hikes could soon come to an end, the main stock market indices rallied from April onwards, despite fears about economic growth. The CAC 40 gained 14.3% in the first half of the year (after losing 9.5% in 2022), to stand at 7,400 points on 30 June 2023.

2.2 Significant events of first-half 2023

The crisis phase of the coronavirus or COVID-19 pandemic is now over and will have no impact on the activity or results of La Banque Postale Home Loan SFH. Furthermore, the armed conflict between Russia and Ukraine had no specific or significant impacts on La Banque Postale Home Loan SFH's operations, earnings, assets or financial position. Lastly, the rising rate environment has increased debt issuance costs, but been offset by reinvesting the proceeds raised with La Banque Postale under the usual conditions or readjusted if necessary.

In first-half 2023, La Banque Postale Home Loan SFH issued €3,250 million worth of home loan bonds as part of its covered bonds programme, in the form of EMTNs. This resulted in an initial social bond issue (series 46) for an amount of €1,250 million and a public issue (series 47) for an amount of €1,000 million taken up by La Banque Postale (series 46). A €1,000-million issue of retained non-callable bonds (series 48) was created to replace the abovementioned issues (series 32 and 36) following their recall. Details of the issues are given below.

Series	ISIN	Amount (in € million)	Settlement date	Maturity	Rate	Hard/soft format	Public/Private/ Retained	Callable	Theme
46	FR001400FD12	1,250	31/01/2023	31/01/2031	Fixed	Soft	Public	No	SOCIAL
47	FR001400HF42	1,000	19/04/2023	19/04/2029	Fixed	Soft	Public	No	
48	FR001400ILH4	1,000	20/06/2023	20/06/2029	Fixed	Soft	Retained	No	

For asset/liability management reasons, La Banque Postale Home Loan SFH early redeemed three retained bond issues (series 24, 32 and 36), the details of which are given below:

Series	ISIN	Amount (in € million)	Initial settlement date	Recall date
24	FR0013397338	500	17/01/2024	30/01/2023
32	FR0013481942	500	07/05/2024	20/06/2023
36	FR0013504594	500	27/09/2024	20/06/2023

The above transactions bring the total outstanding amount of home loan bonds to a cumulative nominal amount of €20,216 million at 30 June 2023.

La Banque Postale Home Loan SFH's preferred debt is secured by La Banque Postale Group's cover pool of home loan portfolios. The cover pool was recorded off-balance sheet under "Other securities received as collateral" for an amount of €26,451 million at 30 June 2023. The main features of the cover pool are presented below:

- outstanding principal: €26,451 million;
- number of loans: 315,044 units;
- average outstanding principal: €84.0 thousand.

The breakdown by type of collateral is as follows:

Type of collateral	Breakdown of number of loans	Breakdown of outstanding amounts
First-rank mortgage	7.2%	6.1%
Moneylender's privilege	36.3%	38.2%
Crédit Logement guarantee	56.6%	55.8%

In connection with the covered bond issues, the cover pool was regularly topped up with home loans in order to maintain sufficient coverage ratios. The ratio obtained on asset coverage testing and the regulatory coverage ratio were both greater than 128% at 30 June 2023. Said levels were reported on La Banque Postale Home Loan SFH's website according to the European Covered Bond Company label format.

2.3 Outlook for second-half 2023

Over the second half of 2023, La Banque Postale Home Loan SFH will continue to support the financing needs of La Banque Postale Group's lending activities.

La Banque Postale Home Loan SFH will therefore continue to issue preferred debt in the form of EMTNs and securities in the form of *Namens*.

2.4 Presentation of the interim financial statements

The 2023 interim financial statements have been prepared in accordance with presentation rules and measurement methods provided for by the regulations in force.

The collateralised loans granted by La Banque Postale Home Loan SFH to La Banque Postale Group are matched in terms of nominal amount and maturity to preferred debt: a fixed margin is applied to the fixed rate of the loans intended to cover La Banque Postale Home Loan SFH's fixed costs based on an issue programme totalling €30 billion. The primary and secondary costs associated with the covered bonds are passed on to the collateralised loans.

The services provided by La Banque Postale Group on behalf of La Banque Postale Home Loan SFH are re-billed at cost to La Banque Postale Home Loan SFH.

Gross operating profit for first-half 2023 amounted to €728 thousand, reflecting:

- net banking income of €2,839 thousand;
- general operating expenses of €2,111 thousand.

Pre-tax profit was equivalent to gross operating profit. Income tax amounted to €463 thousand. Taking these items into account, net profit for the period amounted to €265 thousand.

At 30 June 2023, La Banque Postale Home Loan SFH had total assets of €20,526,413 thousand and equity of €250,673 thousand (taking into account the inclusion of profit for the period in retained earnings).

2.5 Main risks and uncertainties

Market risk

In accordance with its Articles of Association, which prohibit it from engaging in any activity that does not strictly correspond to its corporate purpose, the Company has no market activities. SFH's Financial Management Charter also excludes trading activities.

As a result, it has no trading portfolio, neither for its core business (issuing preferred debt) nor for the management of its residual cash. Lastly, its currency risk is nil, meaning the banking portfolio also has no market risk.

Interest rate and liquidity risk

By construction, the Company's preferred debt is perfectly matched by its assets, consisting of collateralised loans granted to La Banque Postale.

The Company's interest rate and liquidity risks are limited to the reinvestment of own funds. Interest rate risk is moderate at present. The Company is maintaining its policy of investing its own funds over the medium term, which now represents a risk within the meaning of the EBA guidelines (own funds duration of zero).

Apart from this residual exposure, the Company bears no interest rate or liquidity risk.

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First-half 2023 results

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3.1 2023 interim financial statements

Condensed balance sheet

<i>(in € thousands)</i>	Notes	30 June 2023	31 Dec. 2022
ASSETS			
Interbank transactions			
○ Cash, central banks	2.1	441	7
○ Government paper and equivalents	2.2	0	10,992
○ Loans and advances to credit institutions	2.3	20,524,209	19,280,464
Customer transactions			
○ Current accounts in debit		-	-
○ Trade receivables		-	-
○ Other customer loans and lease receivables		-	-
Bonds, equities and other fixed- and variable-income securities			
○ Bonds and other fixed-income securities		-	-
Equities and other variable-income securities		-	-
Long-term equity interests, investments in related companies and other long-term securities			
○ Equity investments and other long-term securities		-	-
○ Investments in subsidiaries and associates		-	-
Property, plant and equipment, and intangible assets			
○ Intangible assets		-	-
○ Property, plant and equipment		-	-
Accruals and other assets			
○ Other assets	2.4	1,107	772
○ Accruals	2.4	656	25
TOTAL		20,526,413	19,292,260
LIABILITIES			
Interbank transactions			
○ Central banks		-	-
○ Liabilities due to credit institutions		-	-
Customer transactions			
○ Regulated savings accounts		-	-

○ Customer current accounts in credit		-	-
○ Other liabilities due to customers		-	-
Debt securities	2.5		
○ Short-term notes		-	-
○ Interbank securities and money market securities		-	-
○ Bonds		20,249,368	19,015,882
○ Other debt securities		-	-
Accruals and other liabilities	2.6		
○ Other liabilities		26,372	25,969
○ Accruals		-	-
Provisions		-	-
Subordinated debt		-	-
Fund for general banking risks (FGBR)		-	-
Shareholders' equity (excluding FGBR)	2.8		
○ Issued capital		244,000	244,000
○ Share premium account		-	-
○ Reserves		588	555
○ Regulated provisions and investment grants		-	-
○ Retained earnings		5,820	5,186
○ Net profit for the period		265	667
TOTAL		20,526,413	19,292,260

Parent company off-balance sheet items

<i>(in € thousands)</i>	30 June 2023	31 Dec. 2022
Financing commitments, financial guarantees and securities commitments given	-	-
Financing commitments		
○ To credit institutions	-	-
○ To customers	-	-
Financial guarantees		
○ To credit institutions	-	-
○ To customers	-	-
Securities commitments		
○ Securities to be delivered	-	-
Financing commitments, financial guarantees and securities commitments received	-	-
Financing commitments		
○ From credit institutions	-	-
○ From customers	-	-
Financial guarantees		
○ From credit institutions	-	-
○ From customers	-	-
Securities commitments		
○ Securities to be received	-	-
Other commitments given and received	(26,450,103)	(25,275,903)
Other commitments given	1,090	754
Other commitments received	(26,451,193)	(25,276,658)

Income statement

<i>(in € thousands)</i>	Notes	First-half 2023	Full-year 2022	First-half 2022
Interest income:	3.1	84,868	99,598	43,607
○ Cash and interbank transactions		84,769	99,281	43,413
○ Customer transactions		-	-	-
○ Bonds and other fixed-income securities		99	318	194
○ Other interest income		-	-	-
Interest expense:	3.1	(82,428)	(95,059)	(41,373)
○ Cash and interbank transactions		-	-	-
○ Customer transactions		-	-	-
○ Bonds and other fixed-income securities		(82,428)	(95,059)	(41,373)
○ Other interest expense		-	-	-
Income from variable-income securities		-	-	-
Fee and commission income	3.2	-	-	-
Fee and commission expense	3.2	(20)	(49)	(39)
Gains or losses on trading portfolio transactions		-	-	-
Gains or losses on available-for-sale portfolio transactions		-	-	-
Other banking income ⁽¹⁾	3.3	450	450	450
Other banking expenses	3.3	(31)	(50)	(33)
Net banking income		2,839	4,890	2,611
General operating expenses:	3.4	(2,111)	(3,466)	(2,450)
○ Payroll costs		-	-	-
○ Other general operating expenses		(2,111)	(3,466)	(2,450)
○ Re-invoicing		-	-	-
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		-	-	-
Gross operating profit		728	1,424	161
Cost of risk		-	-	-
Operating profit		728	1,424	161
Gains or losses on non-current assets		-	-	-
Pre-tax profit		728	1,424	161
Non-recurring items		-	-	-
Income tax	3.5	(463)	(757)	(442)
Net allocations to the fund for general banking risks (FGBR) and regulated provisions		-	-	-
Net profit		265	667	(281)
Parent company earnings per share (in €)		0.01	0.03	(0.01)
Parent company diluted earnings per share (in €)		-	-	-
Number of shares		24,400,000	24,400,000	24,400,000

⁽¹⁾ Fees for the management of financing to cover the average difference in increased costs under the Uncommitted Facility Agreement. This amount is recorded in full in respect of the annual coverage.

Statement of cash flows

The statement of cash flows is presented using the indirect method.

- **Cash flows from investing activities** represent cash flows from the acquisition and disposal of equity interests, securities, property, plant and equipment and intangible assets.
- **Cash flows from financing activities** correspond to cash flows from structural financial transactions involving equity and subordinated debt.
- **Cash flows from operating activities** consist of all cash flows that fall outside the above two categories.

Net cash includes cash in hand, receivables and debts with central banks, as well as current accounts (assets and liabilities) with credit institutions. Adjustments have been made to the breakdown between cash, central banks, accounts with credit institutions and overnight loans and borrowings.

<i>(in € thousands)</i>	First-half 2023	Full-year 2022	First-half 2022
Pre-tax profit	728	1,424	161
+/- Net depreciation and amortisation of property, plant and equipment and intangible assets			
+/- Net changes in provisions and impairment charges			
+/- Net losses/gains on investing activities			
+/- Net losses/gains on financing activities			
+/- Other movements	(17,121)	(18,921)	900
= Total of non-cash items included in pre-tax profit and other adjustments	(17,121)	(18,921)	900
+/- Net cash from/used in transactions with credit institutions	(1,243,127)	(1,761,679)	(1,278,712)
+/- Net cash from/used in customer transactions			
+/- Net cash from/used in other transactions impacting financial assets or liabilities	1,260,877	1,760,876	1,260,904
+/- Net cash from/used in other transactions impacting non-financial assets or liabilities	(648)	(110)	(480)
- Taxes paid	(378)	(612)	(233)
= Net increase/decrease in assets and liabilities from operating activities	16,724	(1,525)	(18,521)
Net cash from/used in operating activities (A)	331	(19,022)	(17,460)
+/- Net cash from/used in sales and purchases of financial assets and equity investments			
+/- Net cash from/used in sales and purchases of investment property			
+/- Net cash from/used in sales and purchases of property, plant and equipment and intangible assets			
Net cash from/used in investing activities (B)	-	-	-
+/- Net cash from/used in transactions with owners		-	-
+/- Other net cash from/used in financing activities			

Net cash from/used in financing activities (C)	-	-	-
Effect of changes in exchange rates on cash and cash equivalents (D)			
Net increase (decrease) in cash and cash equivalents (A+B+C+D)	331	(19,022)	(17,460)
Net cash from/used in operating activities (A)	331	(19,022)	(17,460)
Net cash from/used in investing activities (B)	-	-	-
Net cash from/used in financing activities (C)	-	-	-
Effect of changes in exchange rates on cash and cash equivalents (D)	-	-	-
Opening cash and cash equivalents	26,249	45,271	45,271
Cash, central banks (assets and liabilities)	7	1,084	1,084
Accounts (assets and liabilities) with credit institutions and interbank overnight loans and borrowings	26,242	44,187	44,187
Closing cash and cash equivalents	26,580	26,249	27,811
Cash, central banks (assets and liabilities)	441	7	353
Accounts (assets and liabilities) with credit institutions and interbank overnight loans and borrowings	26,139	26,242	27,457
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	331	(19,022)	(17,460)

3.2 Notes to the financial statements

NOTE 1 ACCOUNTING PRINCIPLES AND MEASUREMENT METHODS

Summary of significant accounting policies

The interim financial statements have been drawn up in accordance with French generally accepted accounting principles applicable to credit institutions.

La Banque Postale Home Loan SFH, which is wholly owned by La Poste, is consolidated in La Banque Postale Group's financial statements and is part of the La Poste Groupe's tax group.

Changes in method and comparability

There has been no change in the method used to prepare La Banque Postale Home Loan SFH's interim financial statements.

History

La Banque Postale Home Loan SFH was authorised to operate as a financial company on 18 July 2013 and then had to opt for status as a specialised credit institution in order to comply with the provisions of the European Capital Requirements Regulation (CRR).

Significant events

Business activity in first-half 2023

At 30 June 2023, the home loan bonds issued under the covered bonds programme, in EMTNs or *Namens*, represented a cumulative nominal amount of €20,216 million in La Banque Postale Home Loan SFH's balance sheet. The premiums and expenses related to the issues are spread over the life of the securities issued.

La Banque Postale Home Loan SFH's preferred debt is secured by La Banque Postale Group's cover pool of home loans. The size of the cover pool has evolved as follows over the last five years:

- €10.9 billion at the end of December 2018;
- €15.8 billion at the end of December 2019;
- €21.7 billion at the end of December 2020;
- €25.3 billion at the end of December 2022;
- €26.5 billion at the end of December 2023.

The collateralised loans granted by La Banque Postale Home Loan SFH to La Banque Postale Group are matched in terms of nominal amount and maturity to preferred debt: a fixed margin is applied to the fixed rate of the loans intended to cover La Banque Postale Home Loan SFH's fixed costs based on an issue programme. The costs associated with the covered bonds are passed on to the loans.

On 9 December 2016, La Banque Postale Home Loan SFH entered into a cash deposit agreement with La Banque Postale Group for an amount of €25 million for a period of one year, which has since been automatically renewed for an identical duration, as this agreement aims to cover 180-day cash requirements, in accordance with the applicable regulations, in the absence of repayment of the principal of the issues.

The crisis phase of the coronavirus or COVID-19 pandemic is now over and will have no impact on the activity or results of La Banque Postale Home Loan SFH. Furthermore, the armed conflict between Russia and Ukraine had no specific or significant impacts on La Banque Postale Home Loan SFH's operations, earnings, assets or financial position. Lastly, the rising rate environment has increased debt issuance costs, but been offset by reinvesting the proceeds raised with La Banque Postale under the usual conditions or readjusted if necessary.

Subsequent events

La Banque Postale Home Loan SFH has not identified any significant events occurring after the reporting date.

Presentation and measurement policies

The Company applies the rules and principles of ANC Regulation 2014-07 of 26 November 2014 on the presentation of the financial statements of banking institutions. This regulation defines the methods for recognising all banking-related transactions (loans and advances to credit institutions and customers, fixed-income securities, signature commitments and financial instruments) and for managing the related credit risk. The credit risk for a given counterparty is the risk of a loss being incurred in the event that the counterparty defaults on its obligations.

1 – Loans and advances to credit institutions and customers – Signature commitments

Loans and advances to credit institutions are analysed by initial maturity or by type: demand (current accounts and overnight transactions) and term for credit institutions.

2 – Loans

Loans are recorded under assets at their repayment amount. The corresponding interest is recorded in the income statement on an accruals basis. A loan or advance is classified as non-performing when it is probable that all or part of the amount due will not be recovered in line with the commitment given by the counterparty.

3 – Securities

Securities are recorded in the balance sheet according to their type:

- government paper (treasury bills and equivalents);
- bonds and other fixed-income securities (money market securities and interbank securities);
- equities and other variable-income securities.

Pursuant to ANC Regulation 2014-07 of 26 November 2014, securities are recognised in the following categories based on the management intent: held-to-maturity, available-for-sale or trading. Specific measurement rules apply to each category, as described below. In the event of an incurred credit risk, fixed-income securities held in the "available-for-sale" or "held-to-maturity" portfolios are classified as non-performing according to the same criteria as those applicable to non-performing loans and commitments.

Available-for-sale securities

Available-for-sale securities are securities that do not meet the criteria for classification in the trading or held-to-maturity portfolios. Available-for-sale securities are initially recognised at their acquisition price, excluding transaction costs. They are managed on a "first-in, first-out" basis and valued as follows, by group of securities with similar characteristics, and without offsetting gains or losses against the losses or gains recorded on other categories of securities:

- bonds: unrealised losses compared with market value, calculated on the basis of the closing price, are recorded as an impairment loss;
- treasury bills, money market securities and interbank securities: impairment losses are recorded depending on the issuers' solvency and market indicators.

Gains on micro-hedging transactions are taken into account when calculating the impairment loss. Any premiums or discounts attached to fixed-income securities are recognised over the remaining life of the securities by the yield to maturity method.

Income from available-for-sale securities is recognised in the income statement under interest income from fixed-income securities and income from variable-income securities.

Realised gains or losses as well as impairment losses and reversals are recorded in the income statement under "Gains or losses on available-for-sale portfolio transactions".

Available-for-sale securities can be transferred to the "Held-to-maturity" category if:

- an exceptional market situation requires a change in the holding strategy;
- the securities are fixed income securities that can no longer be traded on an active market after their acquisition, and La Banque Postale Home Loan SFH has the ability to hold them for a foreseeable period or until maturity.

The transferred securities are recorded in their new category at their market value on the date of transfer.

In the absence of an active market, the fair value of available-for-sale securities is determined using valuation techniques. These techniques include the prices of recent transactions carried out on arm's length terms. They use recognised valuation methods based on market data, fair values of substantially identical instruments, discounted cash flow models or option pricing models. The aim of these techniques is to establish what the price of an instrument would be under normal market conditions. For example, the fair value of bonds or variable-income securities and futures is determined using quoted prices. Valuation techniques based on market data are used mainly to value over-the-counter derivatives, Negotiable European Commercial Paper (NEU CP) and repo deposits.

Held-to-maturity securities

Held-to-maturity securities consist of fixed-income securities purchased or reclassified from the "Available-for-sale" or "Trading" portfolio, with the clear intention of holding them until maturity. They are initially recognised at their acquisition price excluding transaction costs.

If the carrying amount of the securities is greater than their market price, no impairment loss is recorded for the difference. Conversely, an impairment loss is recognised when it is probable that all or part of the securities' redemption price will not be recovered at maturity. The difference between the acquisition and repayment price of the securities (premium or discount) is amortised by the yield-to-maturity method.

Interest on held-to-maturity securities is recognised in the income statement under "Interest income on bonds and other fixed-income securities". Impairment losses or reversals are recognised in the income statement under "Cost of risk".

In the event of disposal or transfer to another category of held-to-maturity securities representing a significant amount in relation to the total value of the "Held-to-maturity" portfolio, no securities may be classified in this category during the remainder of the accounting period or in the following two years. In addition, all the remaining securities in the "Held-to-maturity" portfolio are reclassified immediately to the "Available-for-sale" portfolio. When trading and available-for-sale securities are transferred to the "Held-to-maturity" portfolio due to exceptional market situations requiring a change of strategy, if the transferred securities are sold before maturity because they can once more be traded on an active market, this does not lead to the automatic reclassification of the other securities in the portfolio.

4 – Debt securities

Debt securities consist of securities issued as part of La Banque Postale Home Loan SFH's EMTN issuance programme.

Accrued interest on the securities is recorded in an accrued interest sub-account and in the income statement. The issue costs and premiums are spread over the term of the debt.

NOTE 2 BALANCE SHEET – BREAKDOWN BY CATEGORY

2.1 Cash, central banks

<i>(in € thousands)</i>	30 June 2023	31 Dec. 2022
Cash		
Central banks	441	7
Accrued interest		
CASH, CENTRAL BANKS	441	7

2.2 Financial transactions – Breakdown by category

(in € thousands)	30 June 2023				31 Dec. 2022					
	Securities			Portfolio activity	Securities			Portfolio activity	Total	
	Trading*	Available-for-sale	Held-to-maturity		Trading*	Available-for-sale	Held-to-maturity			
Government paper and equivalents										
Redemption price			-	-			10,900		10,900	
Unamortised premiums/discounts		-	-	-		-	(23)		(23)	
Accrued interest			0	0			115		115	
Loss allowances				-					-	
Net carrying amount			0	0			10,992		10,992	
<i>Of which loaned securities</i>				-					-	
<i>Of which listed securities</i>			0	0			10,992		10,992	
Bonds and other fixed-income securities										
Redemption price				-					-	
Unamortised premiums/discounts				-					-	
Accrued interest				-					-	
Loss allowances				-					-	
Net carrying amount				-					-	
<i>Of which loaned securities</i>										
<i>Of which listed securities</i>										
Equities and other variable-income securities										
Gross carrying amount										
Accrued income										
Loss allowances										
Net carrying amount				-					-	
<i>Of which loaned securities</i>										
<i>Of which listed securities</i>										
NET TOTAL BY PORTFOLIO TYPE	-	-	0	-	0	-	-	10,992	-	10,992

2.2.1 Market value of financial transactions

(in € thousands)	30 June 2023				31 Dec. 2022			Portfolio activity	Total
	Securities			Portfolio activity	Securities				
	Trading*	Available-for-sale	Held-to-maturity		Trading*	Available-for-sale	Held-to-maturity		
Government paper and equivalents									
Net carrying amount ⁽¹⁾			-				10,992		
Market value		-	-			-	10,986		
Bonds and other fixed-income securities									
Net carrying amount ⁽¹⁾									-
Market value									-
Equities and other variable-income securities									
Net carrying amount ⁽¹⁾									
Market value									
NET TOTAL BY PORTFOLIO TYPE	-	-	-	-	-	-	10,986	-	-

(1) Impairment losses are calculated taking into account unrealised gains and losses on any financial instruments designated as hedges of available-for-sale securities.

2.3 Loans and advances to credit institutions

<i>(in € thousands)</i>	30 June 2023	31 Dec. 2022
Current accounts in debit	26,139	26,242
Overnight accounts and loans		
Securities received under collateralised reverse repurchase agreements		
Suspense accounts		
Non-performing loans and advances		
Accrued interest		
GROSS TOTAL	26,139	26,242
LOSS ALLOWANCES		
LOANS AND ADVANCES TO CREDIT INSTITUTIONS REPAYABLE ON DEMAND	26,139	26,242
Term accounts and loans	20,421,645	19,178,519
Securities received under collateralised reverse repurchase agreements		
Subordinated loans		
Non-performing loans and advances		
Accrued interest	76,425	75,703
GROSS TOTAL	20,498,070	19,254,222
LOSS ALLOWANCES		
TERM LOANS AND ADVANCES TO CREDIT INSTITUTIONS	20,498,070	19,254,222
LOANS AND ADVANCES TO CREDIT INSTITUTIONS	20,524,210	19,280,464

2.4 Accruals and other assets

<i>(in € thousands)</i>	30 June 2023	31 Dec. 2022
Prepaid expenses	206	25
Accrued income from derivatives	-	-
Other accrued income	450	-
Revaluation of derivatives and foreign exchange instruments	-	-
Collection accounts	-	-
Other accruals	0	-
ACCRUALS	656	25
Purchased options	-	-
Collective management of <i>Livrets de Développement Durable</i>	-	-
Guarantee deposits paid	4	4
Taxes other than on income	-	-
Securities settlement accounts	-	-
Accrued interest	-	-
Other assets	1,103	768
Loss allowances	-	-
OTHER ASSETS	1,107	772
ACCRUALS AND OTHER ASSETS	1,763	797

2.5 Debt securities

<i>(in € thousands)</i>	30 June 2023	31 Dec. 2022
Short-term notes		
Accrued interest		
SHORT-TERM NOTES		
Interbank securities		
Certificates of deposit		
BMTN medium-term notes and TCN money markets		
Accrued interest		
INTERBANK SECURITIES AND MONEY MARKET SECURITIES		
Bonds	20,216,000	18,966,000
Issue premiums	(41,137)	(23,148)
Accrued interest	74,504	73,030
BONDS	20,249,368	19,015,882
Other debt securities		
Accrued interest		
OTHER DEBT SECURITIES		
DEBT SECURITIES	20,249,368	19,015,882

2.6 Accruals and other liabilities

<i>(in € thousands)</i>	30 June 2023	31 Dec. 2022
Deferred income	-	-
Accrued expenses	-	-
Revaluation of derivatives and foreign exchange instruments	-	-
Other accruals	-	-
ACCRUALS	-	-
Written options	-	-
Securities-related liabilities	-	-
Suppliers	519	532
Taxes other than on income	-	-
Other payables	25,853	25,437
Securities settlement accounts	-	-
Accrued interest	-	-
OTHER LIABILITIES	26,372	25,969
ACCRUALS AND OTHER LIABILITIES	26,372	25,969

2.7 Transactions with credit institutions and customers by residual term

<i>(in € thousands)</i>	Accrued interest	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	30 June 2023
ASSETS	76,425	(15,776)	2,047,822	7,093,302	11,322,436	20,524,209
Loans and advances to credit institutions	76,425	(15,776)	2,047,822	7,093,302	11,322,436	20,524,209
Loans and advances to customers						-
Security portfolios (trading, available-for-sale, held-to-maturity)						-
Government paper and equivalents	-	-				-
Bonds and other fixed-income securities						-
LIABILITIES	74,504	-	2,001,807	6,998,694	11,174,363	20,249,368
Liabilities due to credit institutions						-
Customer deposits						-
Debt securities	74,504	-	2,001,807	6,998,694	11,174,363	20,249,368
Bonds						-
Interbank securities and money market securities						-
Other debt securities						-
Subordinated debt						-
OFF-BALANCE SHEET						-
Financing commitments given						-
Guarantee commitments given						-

2.8 Shareholders' equity

<i>(in € thousands)</i>	Fund for general banking risks	Share capital	Additional paid-in capital	Legal reserves	Other reserves and retained earnings	Net profit	Total shareholders' equity
EQUITY AT 31 DECEMBER 2021		244,000		531	4,737	473	249,741
Appropriation of 2021 net profit/(loss)				24	449	(473)	
Prior year dividend							
Capital increase/decrease (x)							
Charge to/Reversal of regulated provisions							
2022 net profit						667	667
Other movements							
EQUITY AT 31 DECEMBER 2022		244,000		555	5,186	667	250,408
Appropriation of 2022 net profit/(loss)				33	634	(667)	
Prior year dividend							
Capital increase/decrease (x)							
Charge to/Reversal of regulated provisions							
First-half 2023 net profit						265	265
Other movements							
EQUITY AT 30 JUNE 2023		244,000		588	5,820	265	250,673

La Banque Postale Home Loan SFH's share capital is two hundred forty four million euros (244,000,000), divided into twenty-four million four hundred thousand (24,400,000) shares with a par value of €10 each.

31 May 2023

Appropriation of profit for the year ended 31 December 2022 amounting to €667,013.33:

- Legal reserves: €33,350.67, and
- Retained earnings: €633,662.66.

NOTE 3 FINANCIAL TRANSACTIONS – BREAKDOWN BY CATEGORY

3.1 Interest on cash and interbank transactions

<i>(in € thousands)</i>	First-half 2023	Full-year 2022	First-half 2022
Interest income from interbank transactions	84,769	99,281	43,412
o Interest on current accounts in debit			
o Interest on accounts and loans	84,813	99,368	43,456
o Negative interest on accounts and loans ⁽¹⁾	(43)	(88)	(43)
o Interest on assets received under reverse repurchase agreements			
o Interest on securities received under collateralised reverse repurchase agreements			
o Income on swap points			
o Other interest income			
Interest income from customer transactions	-	-	-
Interest income from bonds and other fixed-income securities	99	318	194
o Interest income on available-for-sale securities			
o Interest income on held-to-maturity securities	99	318	194
o Other interest income			
Interest income from investments in subordinated debt			
Other interest income			
INTEREST INCOME	84,868	99,598	43,607
Interest expense on interbank transactions	-	-	-
o Interest on current accounts in credit			
o Interest on demand and term borrowings			
o Interest on securities sold under collateralised repurchase agreements			
o Other interest expense			
Interest expense on customer transactions	-	-	-
Interest expense on bonds and other fixed-income securities	(82,428)	(95,058)	(41,373)
o Interest on negotiable certificates of deposit and BMTNs			
o Interest and expenses on bond issues	(82,150)	(105,611)	(42,635)
o Amortisation of bond premiums	(277)	10,553	1,262
o Other interest expense			
Interest expense on subordinated debt			
Other interest expense	-	-	-
INTEREST EXPENSE	(82,428)	(95,058)	(41,373)

⁽¹⁾ The presentation has been adjusted to recognise negative interest on loans.

3.1.1 Interest on fixed-income securities

<i>(in € thousands)</i>	First-half 2023	Full-year 2022	First-half 2022
Interest income on available-for-sale securities			
Interest income on held-to-maturity securities	99	318	194
Other interest income			
INTEREST INCOME FROM BONDS AND OTHER FIXED-INCOME SECURITIES	99	318	194
Interest on negotiable certificates of deposit and BMTNs			
Interest and expenses on bond issues	(82,428)	(95,058)	(42,635)
Amortisation of bond premiums	(2,441)	(4,539)	1,262
Other interest expense			
INTEREST EXPENSE ON BONDS AND OTHER FIXED-INCOME SECURITIES	(84,869)	(99,597)	(41,373)

3.2 Fees and commissions

<i>(in € thousands)</i>	First-half 2023		Full-year 2022		First-half 2022	
	Income	Expenses	Income	Expenses	Income	Expenses
Cash and interbank transactions	-	(8)	-	(31)	-	(29)
Customer transactions	-	-	-	-	-	-
Securities transactions	-	(12)	-	(18)	-	(10)
Transactions on forward financial instruments	-	-	-	-	-	-
Provision of financial services	-	-	-	-	-	-
Foreign exchange transactions	-	-	-	-	-	-
Other fees and commissions	-	-	-	-	-	-
FEES AND COMMISSIONS	-	(20)	-	(49)	-	(39)

3.3 Other banking income and expenses

<i>(in € thousands)</i>	First-half 2023		Full-year 2022		First-half 2022	
	Income	Expenses	Income	Expenses	Income	Expenses
Re-invoiced expenses, retroceded income, and transfers of expenses	-	-	-	-	-	-
Other operating income and expenses	450	(31)	450	(50)	450	(33)
Provisions/reversals recorded in other operating income and expenses	-	-	-	-	-	-
Other banking income and expenses	450	(31)	450	(50)	450	(33)
NET BANKING INCOME AND EXPENSES	419		400		417	

3.4 General operating expenses

<i>(in € thousands)</i>	First-half 2023	Full-year 2022	First-half 2022
Wages and salaries	-	-	-
Pensions	-	-	-
Payroll taxes	-	-	-
Discretionary and statutory profit sharing	-	-	-
Payroll-based taxes	-	-	-
Other expenses	-	-	-
PAYROLL COSTS	-	-	-
Amount of attendance fees paid to directors	-	-	-
Taxes other than on income	178	230	96
Lease payments	-	-	-
Rents and rental expenses	-	-	-
Fees	370	558	204
Other operating expenses	1,563	2,678	2,150
OTHER GENERAL OPERATING EXPENSES	2,111	3,466	2,450
GENERAL OPERATING EXPENSES	2,111	3,466	2,450

3.5 Tax expense

<i>(in € thousands)</i>	First-half 2023	Full-year 2022	First-half 2022
Income tax	(463)	(757)	(442)
Tax credit			
INCOME TAX EXPENSE	(463)	(757)	(442)
Tax loss carryforwards			

3.5.1 Type of differences

<i>(in € thousands)</i>	First-half 2023	Full-year 2022	First-half 2022	
Temporary	Loans and deposits			
	Home loan provision option			
	Company social solidarity contribution	(39)	(77)	(43)
	UCITS			
	Financial instruments			
	Other temporary differences			
Definitive	Parent-subsidiary regime			
	Tax credit			
	Fines			
DIFFERENCES	(39)	(77)	(43)	

4.

Statutory Auditors' review report on the 2023 interim financial information

STATUTORY AUDITORS' REVIEW REPORT ON THE 2023 INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2023

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying interim financial statements of La Banque Postale Home Loan SFH for the six months ended 30 June 2023;
- the verification of the information contained in the interim management report.

These interim financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the results of its operations for the six months ended 30 June 2023 and of the financial position and assets and liabilities of the Company at that date, in accordance with French accounting principles.

Specific verification

We have also verified the information given in the interim management report on the interim financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the interim financial statements.

The Statutory Auditors

Mazars
Courbevoie, 21 September 2023

Charles de Boisriou
Partner

KPMG SA
Courbevoie, 21 September 2023

Xavier de Coninck
Partner

5.

Responsibility for the interim financial report

PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

Patrick Peaucelle

Chief Executive Officer

La Banque Postale Home Loan SFH

STATEMENT BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

I hereby declare that, to the best of my knowledge, the interim financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit of the Company, and that the interim business report gives a true and fair view of the significant events that occurred during the first six months of the financial year and their impact on the financial statements, the main related-party transactions, and the description of the main risks and uncertainties in the remaining six months of the year.

Paris, 22 September 2023

Patrick Peaucelle

Chief Executive Officer

La Banque Postale Home Loan SFH

6.

Interim financial report cross-reference table

To make this document easier to navigate, the table below cross-references the information required in interim financial reports in France, under Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and Article 222-4 of the General Regulation of the French Financial Markets Authority (*Autorité des marchés financiers* – AMF).

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