

Asset Quality Report as of 30 June 2021

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La Banque Postale Home Loan SFH, is a French Société Anonyme under the laws of France, licensed as credit institution with the status of établissement de crédit spécialisé - société de financement de l'habitat.

The assets of La Banque Postale Home Loan SFH consist of home loans and replacement assets that are eligible for sociétés de financement de l'habitat, in terms of the French legal framework.

The present asset quality report of La Banque Postale Home Loan SFH, based on the figures as of 30 June 2021, is in accordance with provisions of Article 13 of Règlement n°99-10 of 'Comité de réglementation bancaire et financière', related to sociétés de crédit foncier and Instruction n°2011-I-07, related to publication, by sociétés de crédit foncier and sociétés de financement de l'habitat, of information concerning the quality of refinanced assets.

I – Guaranteed Loans

1) Breakdown of eligible outstanding balance of guaranteed loans by type of counterparties and guarantees:

Categories of receivables	Outstanding balance (in M€)
Commercial receivables	
Export credit	
Cash credit	
Investment loans	
Home loans	22 499
Loans to developers	
Other loans	
Total	22 499

Counterparty types	Outstanding balance (in M€)
Non-financial companies and individual entrepreneurs	
Individuals	22 499
Other	
Total	22 499

The only credit institution that grants guarantees (cautionnement) for the home loans in the Cover Pool is Crédit Logement. There are no non-performing loans in the Cover Pool.

Guarantee types	Outstanding balance (in M€)
Residential mortgage	10 044
Business mortgage	
Guarantee (<i>cautionnement</i>) granted by a credit institution	12 455
Guarantee (<i>cautionnement</i>) granted by an insurance company	
Guarantee from <i>Fonds de garantie à l'accession sociale à la propriété</i>	
Total	22 499

2) Breakdown of eligible outstanding balance of loans, guaranteed by a mortgage or credit institution (*cautionnement*), according to the eligible amount for financing by privileged debt:

Guarantee types	Outstanding principal (in M€)	Product of financing portion, as defined under the article R. 513-1 (CMF), and value of financed property	Total
Residential mortgage	8 659	1 385	10 044
Guarantee (<i>cautionnement</i>) granted by credit institution	11 106	1 349	12 455
Total	19 765	2 734	22 499

3) Breakdown of eligible outstanding balance of guaranteed loans by the year of conclusion of the loan contract:

Year of conclusion of the loan contract	Loans secured by residential mortgage		Loans guaranteed (<i>cautionnement</i>) by guarantee granted by credit institution		Total	
	Outstanding principal (in M€)	Number of loans	Outstanding principal (in M€)	Number of loans	Outstanding principal (in M€)	Number of loans
2006	26	836	55	2 169	81	3 005
2007	57	1 757	141	4 984	198	6 741
2008	65	2 005	185	6 228	251	8 233
2009	73	1 862	293	7 788	366	9 650
2010	98	2 163	564	12 417	663	14 580
2011	147	4 142	587	16 072	734	20 214
2012	250	6 421	428	11 447	678	17 868
2013	533	10 236	590	12 386	1 123	22 622
2014	889	15 756	575	10 580	1 464	26 336
2015	1 503	20 941	1 427	20 609	2 930	41 550
2016	1 447	16 585	1 728	19 472	3 175	36 057
2017	1 612	14 613	2 503	23 038	4 114	37 651
2018	1 230	11 142	1 465	12 372	2 695	23 514
2019	1 252	10 753	1 516	12 504	2 768	23 257
2020	814	6 736	380	3 524	1 194	10 260
2021	49	334	16	133	65	467
Total	10 044	126 282	12 455	175 723	22 499	302 005

4) Breakdown of eligible outstanding balance of guaranteed loans by loans remaining terms:

Remaining term (years)	Loans secured by residential mortgage		Loans guaranteed (<i>cautionnement</i>) by guarantee granted by credit institution		Total	
	Outstanding principal (in M€)	Number of loans	Outstanding principal (in M€)	Number of loans	Outstanding principal (in M€)	Number of loans
0	1	1 708	5	4 673	7	6 381
1	18	2 548	57	7 733	75	10 281
2	46	3 451	121	8 197	167	11 648
3	84	4 824	212	9 409	296	14 233
4	144	6 436	405	12 834	548	19 270
5	159	5 620	426	11 231	585	16 851
6	190	5 182	502	11 082	692	16 264
7	263	5 817	559	10 336	822	16 153
8	327	6 144	664	10 607	991	16 751
9	400	6 526	763	10 973	1 163	17 499
10	366	5 649	697	9 353	1 063	15 002
11	448	6 247	851	10 153	1 299	16 400
12	427	5 556	672	7 615	1 099	13 171
13	514	6 200	725	7 733	1 238	13 933
14	604	6 553	689	6 876	1 292	13 429
15	532	5 437	625	5 765	1 157	11 202
16	610	5 542	816	6 411	1 426	11 953
17	557	4 961	597	4 539	1 154	9 500
18	608	5 320	636	4 695	1 243	10 015
19	656	5 446	355	2 698	1 010	8 144
20	576	4 547	339	2 447	915	6 994
21	834	5 783	586	3 628	1 420	9 411
22	543	3 570	418	2 470	961	6 040
23	638	4 136	589	3 385	1 226	7 521
24	444	2 749	134	800	579	3 549
25	56	327	15	80	71	407
26	0	3	-	-	0	3
27	-	-	-	-	-	-
28	-	-	-	-	-	-
29	-	-	-	-	-	-
30	-	-	-	-	-	-
Total	10 044	126 282	12 455	175 723	22 499	302 005



HOME LOAN SFH

5) Breakdown of eligible outstanding balance of guaranteed loans by location of the financed property by country:

All properties financed by home loans in the cover pool are located in France.

6) Breakdown of eligible outstanding balance of guaranteed loans by weighting assigned under the cover ratio between assets and privileged debt:

Home loans that are guaranteed by a credit institution (cautionnement) are guaranteed by Crédit Logement, the institution that does not take part in the scope of consolidation of La Banque Postale group.

The long-term ratings of Crédit Logement are Aa3 (Moody's last review dated 07/29/2020) and AAL (DBRS' last review dated 06/08/2021), therefore it benefits from the highest level of credit assessment, according to the French Regulation, hence the weighting assigned to home loans guaranteed by Crédit Logement is 100%.

Home loans guaranteed by a first-ranking mortgage are weighted by 100%.

7) Breakdown of outstanding balance of loans mobilized by promissory notes, under the articles L. 313-42 to L. 313-49 of French Monetary and Financial Code:

No loans mobilized by promissory notes under the home loans granted as collateral security.

II - Exposure to public entities

La Banque Postale Home Loan SFH has no exposure on public entities except for those described in §IV relative to "Replacement Assets" and cash on the current account opened in the books of Banque de France with an outstanding credit balance of 0.39 million EUR as of 30 June 2021.

III - Securitization vehicles and similar entities

La Banque Postale Home Loan SFH has no exposure on securitization vehicles and similar entities.

IV - Replacement Assets (valeurs de remplacement)

As of 30 June 2021, La Banque Postale Home Loan SFH holds following replacement assets (valeurs de remplacement):

Bonds :

La Banque Postale Home Loan SFH holds a bond portfolio classified as "Held-to-Collect" with an exposure on French state only and corresponding to the reinvestment of a part of its capital.

ISIN Code	Name of series	Nominal Amount (M Euros)	Classification
FR0011196856	OAT 3.00 25/04/2022	10.9	HTC
FR0011486067	OAT 1.75 25/05/2023	10.9	HTC
	Total	21.8	

This portfolio is ECB eligible. As of 30 June 2021, the market value of the portfolio is 22,7 million euros. After ECB haircut, the value as replacement assets is 22,5 million euros

As of today, this portfolio has not been posted in collateral to the Central Bank.

Cash :

La Banque Postale Home Loan SFH disposes of two current accounts opened in the books of La Banque Postale, with an outstanding credit balance of 30,3 million EUR as of 30 June 2021.

V - Prepayments

The annualized prepayment rate calculated on the basis of home loan portfolio used as guarantee for the second quarter 2021 is 7.47%.

VI - Interest rate risk

The features (amount, maturity and type of interest rate) of the loans granted by La Banque Postale Home Loan SFH to La Banque Postale are identical to those of the covered bond issues. The rates of these loans correspond to the issue rates plus a margin intended to cover the operating expenses of La Banque Postale Home Loan SFH.

Consequently, the residual interest rate risk is considered negligible with regard to the amount of equity of La Banque Postale Home Loan SFH.

A Financial Management Committee dedicated to the SFH meets monthly and notably establishes the monitoring of structural rate risk and the projection of fixed rate positions from all balance sheet items viewed by transparency.

La Banque Postale Home Loan SFH's balance sheet is made up of the following assets and liabilities:

- real estate loans making up the cover pool (100% at fixed rate);
- securities (100% in government bonds) replacing part of the equity;
- cash pledge granted by La Banque Postale to La Banque Postale Home Loan SFH to cover 180-day cash requirements (zero interest rate);
- cash placed in a deposit account at La Banque Postale (zero interest rate) and, for a negligible part, in an account at the Banque de France (currently remunerated at a negative rate);
- equity, restitution debt and adjustment accounts; assimilated to fixed rate (zero interest rate) positions;
- liabilities linked to the cash pledge (zero interest rate);
- covered bonds (100% fixed rate).

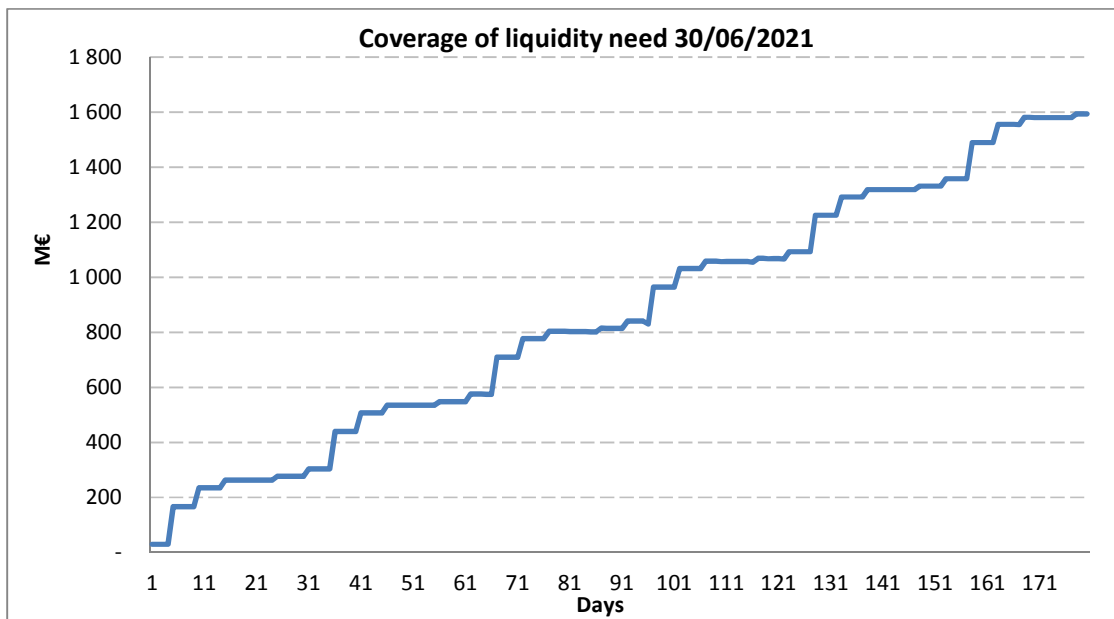
As the balance sheet items are made up of fixed rate assets and liabilities, with the exception of the Banque de France account which represents an insignificant amount outstanding, this results in a structural fixed rate gap negligible over the residual life of the covered bonds.

Such a composition of balance sheet items allows a natural hedging strategy for the fixed rate impasse. Finally, the sensitivity of the interest rate position is also negligible for the same reasons.

VII – Coverage of liquidity need

Pursuant to article R. 513-7-1 of the French Code Monétaire et Financier, the liquidity need is computed over a 180 days period in “transparency”. The cash-flows of the home loans received in collateral are recorded as

As of 30 June 2021, the liquidity need over 180 days is null and thus covered.



Paris, 29 July 2021

Stéphane MAGNAN
Chief Executive Officer of La Banque Postale Home Loan SFH