

Asset Quality Report As of 31st March 2016

This translation into English is for information purposes only. Only the French version published in the Bulletin des annonces légales obligatoires (BALO) or on La Banque Postale Home Loan SFH website is authoritative.

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 31st March 2016, 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 à 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	5 978
Loans to developers	
Other loans	
Total	5 978

Counterparty types	Outstanding balance (in M€)
Non-financial companies and individual entrepreneurs	
Individuals	5 978
Other	
Total	5 978

Guarantee types	Outstanding balance (in M€)
Residential mortgage	1 349
Business mortgage	
Guarantee (<i>cautionnement</i>) granted by a credit institution	4 629
Guarantee (<i>cautionnement</i>) granted by an insurance company	
Guarantee from <i>Fonds de garantie à l'accession sociale à la propriété</i>	
Total	5 978



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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.

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. 515-2 (CMF), and value of financed property	Total
Residential mortgage	693	656	1 349
Guarantee (<i>cautionnement</i>) granted by credit institution	2 917	1 711	4 629
Total	3 610	2 368	5 978

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	
	Outstanding principal (in M€)	Number of loans	Outstanding principal (in M€)	Number of loans
2006	18	491	112	2 766
2007	36	1 041	270	6 263
2008	41	1 175	337	7 805
2009	43	1 024	458	9 266
2010	52	1 119	757	13 581
2011	73	2 062	803	16 556
2012	134	2 991	494	9 789
2013	362	5 908	725	11 724
2014	413	6 630	464	7 294
2015	178	2 174	209	3 074
Total	1 349	24 615	4 629	88 118

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	
	Outstanding principal (in M€)	Number of loans	Outstanding principal (in M€)	Number of loans
0	0	251	2	1 502
1	3	481	18	2 750
2	8	594	42	3 150
3	12	703	69	3 850
4	15	705	117	4 876
5	19	742	158	4 914
6	35	1 086	183	4 933
7	50	1 529	217	5 252
8	69	2 607	249	6 071
9	53	1 409	265	5 210
10	45	985	332	5 792
11	50	1 035	265	4 614
12	81	1 414	328	4 904
13	103	1 607	348	4 805
14	75	1 052	332	4 358
15	34	522	231	3 066
16	44	642	201	2 710
17	84	994	253	3 104
18	123	1 476	297	3 546
19	90	1 008	224	2 678
20	34	431	164	1 930
21	43	547	110	1 432
22	68	756	95	1 183
23	113	1 165	83	999
24	95	835	41	451
25	4	35	3	36
26	0	1	0	2
27	0	1	-	-
28	0	1	-	-
29	0	1	-	-
30	-	-	-	-
Total	1 349	24 615	4 629	88 118



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) and AAL (DBRS), 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 EUR 72 673.34 as of 31st March 2016

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 31st March 2016, La Banque Postale Home Loan SFH holds following replacement assets (*valeurs de remplacement*):

1) Bonds

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

ISIN Code	Name of series	Nominal Amount (Euros)
FR0010288357	OAT 3.25 25/04/2016	10 900 000
FR0010415331	OAT 3.75 25/04/2017	10 900 000
FR0010604983	OAT 4.00 25/04/2018	10 900 000
FR0000189151	OAT 4.25 25/04/2019	10 900 000
FR0010854182	OAT 3.50 25/04/2020	10 900 000
FR0010192997	OAT 3.75 25/04/2021	10 900 000
FR0011196856	OAT 3.00 25/04/2022	10 900 000
FR0011486067	OAT 1.75 25/05/2023	10 900 000
	Total	87 200 000



This portfolio is ECB eligible.

As of 31st March 2016, the market value of the portfolio is EUR 100 192 932.83. After ECB haircut, the value as replacement assets is EUR 98 603 723.

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

2) 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 EUR 25 417 875.49 as of 31st March 2016.

V - Prepayments

The annualized prepayment rate calculated on the basis of home loan portfolio for the first quarter 2016 is 9.87%.

VI - Interest rate risk

Each covered bond issue is lent to La Banque Postale, by a guaranteed loan with the same principal amount and with a fixed nominal interest rate higher or equal to the fixed nominal rate of the issue, and of the same maturity. The only interest rate risk borne by La Banque Postale Home Loan SFH is the risk generated by the capital re-investment..

Since the first of January 2016, the EBA guidelines on the management of interest rate risk arising from non-trading activities (Guideline EBA/GL/2015/08 from 22 mai 2015) have been applied by La Banque Postale Home Loan SFH and henceforth the capital are excluded from the interest rate risk measurement without modification in the capital re-investment policy of the company (capital investment portfolio replicating a 10 years linear amortization).

In case of a La Banque Postale default, La Banque Postale Home Loan SFH would receive the home loans transferred as a guarantee in the Cover Pool: in such case, La Banque Postale Home Loan SFH would be exposed to interest rate risk, because of the mismatch between its bond issues and the home loan portfolio.

As of 31st March 2016, the sensitivity of the net present value of secured issuances and the share of Cover Pool necessary to respect the contractual rate of overcollateralization of 8.1% is EUR 19.17 million for a 200 bps move, that is to say 9.06% of the capital of La Banque Postale Home Loan SFH (taking into account a 12.46% per year prepayment rate in the Cover Pool).

Sensitivity to interest rate variation	M€
-2%	1.05
2%	-19.17

VII – Coverage of liquidity need

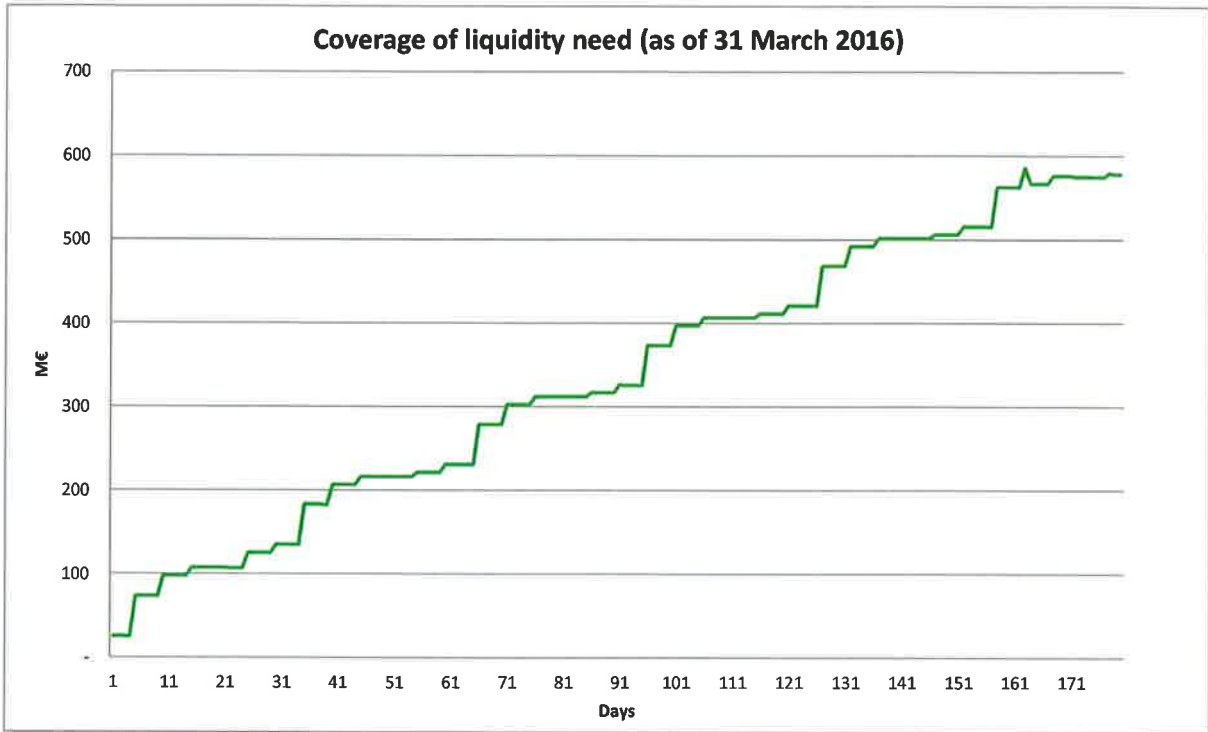
Pursuant to article R. 515-7-1 of the *French Code Monétaire et Financier*, the liquidity need is computed over a 180 days period in “transparency” ; i.e.

The cash-flows of the home loans received in collateral are recorded as inflows rather than the cash-flows of the “Credit Facility” guaranteed by the Home loans.

As of 31st March 2016, the liquidity need over 180 days is null and thus covered.



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Paris, 13th May 2016