

Asset Quality Report as of 30th September 2019

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 30th September 2019, 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	13 256
Loans to developers	
Other loans	
Total	13 256

Counterparty types	Outstanding balance (in M€)
Non-financial companies and individual entrepreneurs	
Individuals	13 256
Other	
Total	13 256

Guarantee types	Outstanding balance (in M€)
Residential mortgage	4 449
Business mortgage	
Guarantee (<i>cautionnement</i>) granted by a credit institution	8 807
Guarantee (<i>cautionnement</i>) granted by an insurance company	
Guarantee from <i>Fonds de garantie à l'accession sociale à la propriété</i>	
Total	13 256

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. 513-1 (CMF), and value of financed property	Total
Residential mortgage	3 384	1 065	4 449
Guarantee (<i>cautionnement</i>) granted by credit institution	6 702	2 105	8 807
Total	10 086	3 170	13 256

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	16	504	76	2 441	92	2 945
2007	28	864	187	5 378	215	6 242
2008	33	1 035	238	6 591	270	7 626
2009	34	980	346	8 491	380	9 471
2010	43	1 254	646	15 238	688	16 492
2011	72	2 426	682	17 364	753	19 790
2012	150	3 875	478	11 356	628	15 231
2013	368	6 852	659	12 104	1 027	18 956
2014	610	10 811	604	10 019	1 214	20 830
2015	1 035	13 573	1 425	18 445	2 460	32 018
2016	888	9 604	1 356	14 193	2 244	23 797
2017	785	6 747	1 608	13 662	2 393	20 409
2018	347	3 033	442	3 544	789	6 577
2019	40	367	61	478	101	845
Total	4 449	61 925	8 807	139 304	13 256	201 229

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	1 001	4	4 003	5	5 004
1	6	999	50	6 759	56	7 758
2	16	1 320	96	6 920	112	8 240
3	35	1 839	153	7 150	188	8 989
4	57	2 852	218	7 983	275	10 835
5	89	3 924	295	8 325	384	12 249
6	111	3 948	496	11 278	607	15 226
7	104	2 942	440	8 959	544	11 901
8	128	2 885	463	8 321	591	11 206
9	154	2 906	505	7 734	659	10 640
10	167	2 762	529	7 266	696	10 028
11	212	3 038	637	8 033	849	11 071
12	223	3 052	653	7 807	875	10 859
13	224	2 796	576	6 379	800	9 175
14	202	2 407	466	5 130	668	7 537
15	219	2 502	394	4 353	613	6 855
16	299	2 950	521	4 922	820	7 872
17	342	3 174	562	4 903	904	8 077
18	279	2 405	417	3 406	697	5 811
19	237	2 093	278	2 253	515	4 346
20	170	1 605	139	1 270	309	2 875
21	277	2 263	177	1 461	454	3 724
22	393	2 883	289	2 013	682	4 896
23	337	2 260	289	1 730	626	3 990
24	151	1 014	144	853	296	1 867
25	14	104	17	93	31	197
26	0	1	-	-	0	1
27	-	-	-	-	-	-
28	-	-	-	-	-	-
29	-	-	-	-	-	-
30	-	-	-	-	-	-
Total	4 449	61 925	8 807	139 304	13 256	201 229

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 34 341 as of 30th September 2019.

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 30th September 2019, La Banque Postale Home Loan SFH holds following replacement assets (*valeurs de remplacement*):

1) 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 (Euros)	Classification
FR0010854182	OAT 3.50 25/04/2020	10 900 000	HTC
FR0010192997	OAT 3.75 25/04/2021	10 900 000	HTC
FR0011196856	OAT 3.00 25/04/2022	10 900 000	HTC
FR0011486067	OAT 1.75 25/05/2023	10 900 000	HTC
	Total	43 600 000	

This portfolio is ECB eligible.

As of 30th September 2019, the market value of the portfolio is EUR 47 218 656. After ECB haircut, the value as replacement assets is EUR 46 743 278.

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 50 050 194 as of 30th September 2019.

V - Prepayments

The annualized prepayment rate calculated on the basis of home loan portfolio for the third quarter 2019 is 8.7%.

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 22nd May 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 30th September 2019, 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 17.5 Million for a 200 bps move, that is to say 8.25 % of the capital of La Banque Postale Home Loan SFH (taking into account a 11.19 % per year prepayment rate in the Cover Pool).

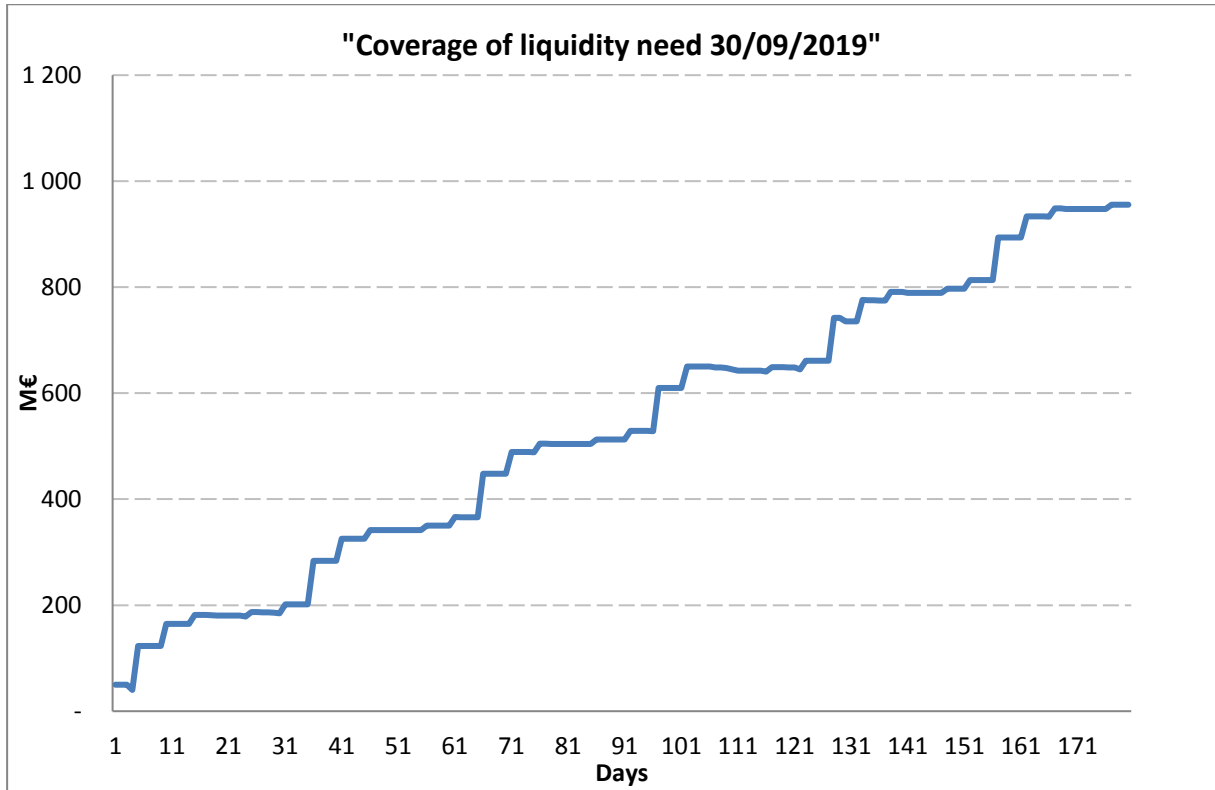
Sensitivity to interest rate variation	M€
-2%	1.8
2%	-17.5

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”.

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 30th September 2019, the liquidity need over 180 days is null and thus covered.



Paris, 14th November 2019

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