

Asset Quality Report as of 31st December 2020

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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 31st December 2020, 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	21 492
Loans to developers	
Other loans	
Total	21 492

Counterparty types	Outstanding balance (in M€)
Non-financial companies and individual entrepreneurs	
Individuals	21 492
Other	
Total	21 492

Guarantee types	Outstanding balance (in M€)
Residential mortgage	9 121
Business mortgage	
Guarantee (<i>cautionnement</i>) granted by a credit institution	12 370
Guarantee (<i>cautionnement</i>) granted by an insurance company	
Guarantee from <i>Fonds de garantie à l'accession sociale à la propriété</i>	
Total	21 492

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	7 461	1 661	9 121
Guarantee (<i>cautionnement</i>) granted by credit institution	10 563	1 807	12 370
Total	18 024	3 468	21 492

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

Année de conclusion du contrat de prêt	Prêts garantis par une hypothèque sur un immeuble à usage d'habitation		Prêts garantis par une caution délivrée par un établissement de crédit		Totaux	
	Encours (en M€)	Nombre de prêts	Encours (en M€)	Nombre de prêts	Encours (en M€)	Nombre de prêts
2006	26	810	60	2 357	86	3 167
2007	53	1 631	160	5 229	213	6 860
2008	61	1 872	211	6 628	272	8 500
2009	61	1 635	325	8 242	386	9 877
2010	80	1 884	615	13 380	695	15 264
2011	124	3 861	641	18 146	765	22 007
2012	225	5 849	463	11 842	689	17 691
2013	537	10 075	639	12 851	1 175	22 926
2014	910	15 736	616	10 934	1 526	26 670
2015	1 536	20 863	1 522	21 133	3 058	41 996
2016	1 452	16 038	1 797	19 526	3 249	35 564
2017	1 614	14 196	2 559	22 639	4 172	36 835
2018	1 175	10 373	1 384	11 391	2 558	21 764
2019	1 064	8 965	1 281	10 390	2 345	19 355
2020	203	1 645	99	920	302	2 565
Total	9 121	115 433	12 370	175 608	21 492	291 041

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

Durée résiduelle (années)	Prêts garantis par une hypothèque sur un immeuble à usage d'habitation		Prêts garantis par une caution délivrée par un établissement de crédit		Totaux	
	Encours (en M€)	Nombre de prêts	Encours (en M€)	Nombre de prêts	Encours (en M€)	Nombre de prêts
0	1	1 380	6	4 894	7	6 274
1	14	1 969	54	7 383	68	9 352
2	38	2 842	116	7 941	154	10 783
3	73	4 180	200	9 282	273	13 462
4	123	5 645	327	10 578	450	16 223
5	158	6 059	488	12 956	645	19 015
6	167	4 753	499	11 109	666	15 862
7	221	5 226	535	10 396	756	15 622
8	288	5 618	642	10 438	930	16 056
9	350	5 867	719	10 452	1 069	16 319
10	324	4 988	694	9 328	1 018	14 316
11	392	5 652	890	10 675	1 282	16 327
12	384	5 038	693	7 996	1 077	13 034
13	435	5 344	718	7 671	1 153	13 015
14	529	5 914	684	7 015	1 214	12 929
15	456	4 743	585	5 594	1 041	10 337
16	621	5 726	875	7 055	1 496	12 781
17	522	4 629	572	4 467	1 095	9 096
18	576	5 028	635	4 707	1 211	9 735
19	565	4 717	424	3 145	989	7 862
20	440	3 715	249	1 925	689	5 640
21	825	5 886	567	3 636	1 391	9 522
22	571	3 799	379	2 244	949	6 043
23	595	3 926	510	3 000	1 104	6 926
24	444	2 717	307	1 697	751	4 414
25	10	68	3	24	13	92
26	0	1	-	-	0	1
27	0	3	-	-	0	3
28	-	-	-	-	-	-
29	-	-	-	-	-	-
30	-	-	-	-	-	-
Total	9 121	115 433	12 370	175 608	21 492	291 041

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 810 448.61 as of 31st December 2020.

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 December 2020, 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
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	32 700 000	

This portfolio is ECB eligible.

As of 31st December 2020, the market value of the portfolio is EUR 34 645 222.96. After ECB haircut, the value as replacement assets is EUR 34 355 409.58.

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 69 487 650.69 as of 31st December 2020.

V - Prepayments

The annualized prepayment rate calculated on the basis of home loan portfolio used as guarantee for the fourth quarter 2020 is 7.63%.

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.

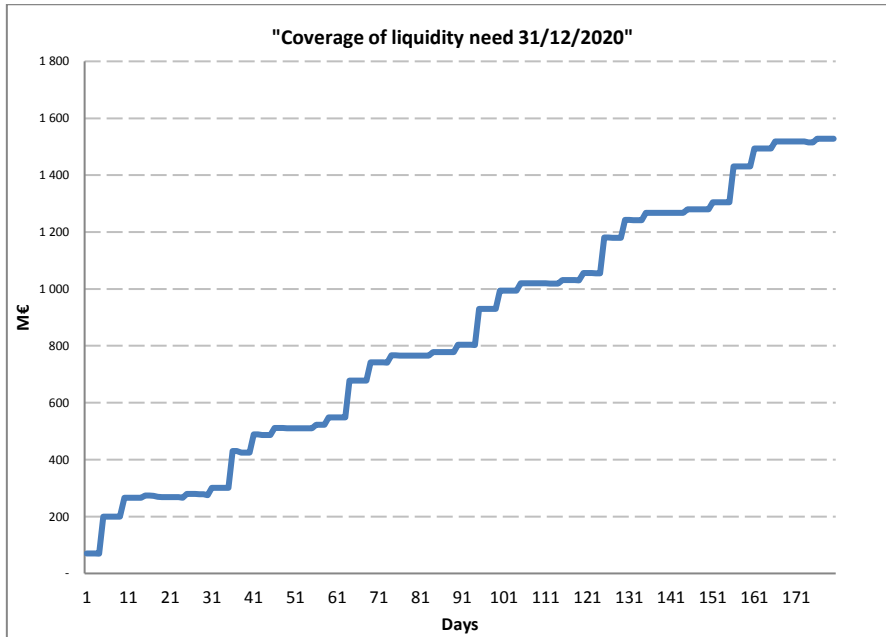
Such a composition of balance sheet items allows a natural hedging strategy for the fixed rate impasse. Finally, the sensitivity of the interest rate position is also negligible for the same reasons.

VII – Coverage of liquidity need

Pursuant to article R. 513-7-1¹ 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 31st December 2020, the liquidity need over 180 days is null and thus covered.

¹ This article also provides that Banque de France eligible assets may cover the liquidity needs.



Paris, 12th February 2020

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