

Asset Quality Report as of 31st March 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 31st March 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	22 531
Loans to developers	
Other loans	
Total	22 531

Counterparty types	Outstanding balance (in M€)
Non-financial companies and individual entrepreneurs	
Individuals	22 531
Other	
Total	22 531

Guarantee types	Outstanding balance (in M€)
Residential mortgage	9 918
Business mortgage	
Guarantee (<i>cautionnement</i>) granted by a credit institution	12 613
Guarantee (<i>cautionnement</i>) granted by an insurance company	
Guarantee from <i>Fonds de garantie à l'accession sociale à la propriété</i>	
Total	22 531

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	8 440	1 477	9 918
Guarantee (<i>cautionnement</i>) granted by credit institution	11 064	1 550	12 613
Total	19 504	3 027	22 531

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	29	885	57	2 292	85	3 177
2007	61	1 823	152	5 146	213	6 969
2008	70	2 092	200	6 462	270	8 554
2009	78	1 931	313	8 106	391	10 037
2010	104	2 237	601	12 871	704	15 108
2011	154	4 368	625	17 403	778	21 771
2012	262	6 578	452	11 752	715	18 330
2013	556	10 497	623	12 753	1 179	23 250
2014	928	16 167	603	10 866	1 532	27 033
2015	1 554	21 351	1 491	21 127	3 045	42 478
2016	1 486	16 848	1 791	19 823	3 277	36 671
2017	1 632	14 643	2 558	23 162	4 190	37 805
2018	1 218	10 986	1 447	12 155	2 664	23 141
2019	1 192	10 276	1 425	11 802	2 618	22 078
2020	594	5 302	277	2 760	870	8 062
Total	9 918	125 984	12 613	178 480	22 531	304 464

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	1 420	5	4 672	7	6 092
1	17	2 357	56	7 542	73	9 899
2	43	3 172	121	8 119	164	11 291
3	83	4 807	208	9 427	290	14 234
4	139	6 162	381	12 078	521	18 240
5	167	6 163	462	12 196	630	18 359
6	187	5 159	511	11 302	698	16 461
7	254	5 723	553	10 455	807	16 178
8	326	6 228	677	10 894	1 004	17 122
9	411	6 687	770	11 131	1 181	17 818
10	369	5 671	706	9 492	1 075	15 163
11	451	6 386	904	10 765	1 355	17 151
12	419	5 487	669	7 682	1 088	13 169
13	501	6 099	740	7 926	1 241	14 025
14	614	6 773	708	7 152	1 323	13 925
15	512	5 335	597	5 729	1 109	11 064
16	653	5 961	902	7 088	1 555	13 049
17	532	4 799	561	4 364	1 093	9 163
18	612	5 394	641	4 765	1 253	10 159
19	618	5 219	380	2 898	998	8 117
20	522	4 295	292	2 223	813	6 518
21	884	6 208	615	3 839	1 499	10 047
22	517	3 417	361	2 122	878	5 539
23	618	4 098	567	3 331	1 185	7 429
24	409	2 569	210	1 187	618	3 756
25	58	391	16	101	75	492
26	1	2	-	-	1	2
27	0	2	-	-	0	2
28	-	-	-	-	-	-
29	-	-	-	-	-	-
30	-	-	-	-	-	-
Total	9 918	125 984	12 613	178 480	22 531	304 464

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 248 110.24 as of 31st March 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 31st March 2021, 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 March 2021, the market value of the portfolio is EUR 34 559 755.01. After ECB haircut, the value as replacement assets is EUR 34 270 685.49.

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 29 721 190 as of 31st March 2021.

V - Prepayments

The annualized prepayment rate calculated on the basis of home loan portfolio used as guarantee for the first quarter 2021 is 6.82%.

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.

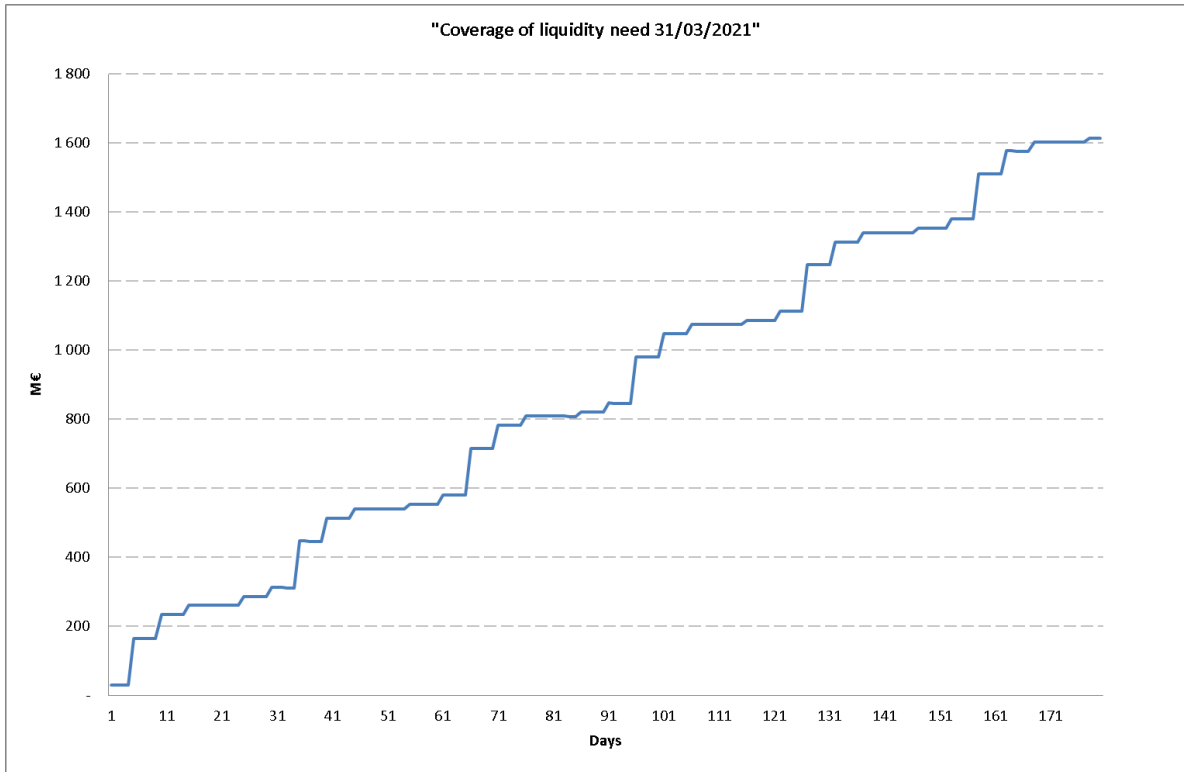
Such a composition of balance sheet items allows a natural hedging strategy for the fixed rate impasse. Finally, the sensitivity of the interest rate position is also negligible for the same reasons.

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 March 2021, 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, 29th April 2021

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