

Asset Quality Report as of 31 December 2021

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 31 December 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	23 521
Loans to developers	
Other loans	
Total	23 521

Counterparty types	Outstanding balance (in M€)
Non-financial companies and individual entrepreneurs	
Individuals	23 521
Other	
Total	23 521

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	10 998
Business mortgage	
Guarantee (<i>cautionnement</i>) granted by a credit institution	12 523
Guarantee (<i>cautionnement</i>) granted by an insurance company	
Guarantee from <i>Fonds de garantie à l'accession sociale à la propriété</i>	
Total	23 521

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	9 110	1 888	10 998
Guarantee (<i>cautionnement</i>) granted by credit institution	11 012	1 511	12 523
Total	20 121	3 399	23 521

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	24	684	52	1 727	75	2 411
2007	49	1 618	122	4 588	171	6 206
2008	58	1 903	160	5 861	218	7 764
2009	65	1 772	258	7 279	323	9 051
2010	90	2 064	506	11 787	597	13 851
2011	137	3 847	527	14 210	664	18 057
2012	228	6 085	383	10 711	612	16 796
2013	491	9 726	533	11 696	1 023	21 422
2014	822	14 971	516	9 908	1 337	24 879
2015	1 406	20 083	1 287	19 360	2 693	39 443
2016	1 381	16 167	1 613	18 668	2 995	34 835
2017	1 562	14 528	2 408	22 761	3 970	37 289
2018	1 258	11 535	1 515	12 958	2 772	24 493
2019	1 420	12 076	1 746	14 305	3 166	26 381
2020	1 401	10 636	669	5 702	2 069	16 338
2021	607	4 058	228	1 709	835	5 767
Total	10 998	131 753	12 523	173 230	23 521	304 983

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	2	1 937	5	4 625	7	6 562
1	18	2 749	53	7 418	72	10 167
2	48	3 965	127	8 696	174	12 661
3	94	5 435	238	10 113	332	15 548
4	130	5 955	385	12 484	515	18 439
5	151	4 935	418	10 831	568	15 766
6	204	5 366	462	10 161	666	15 527
7	271	5 875	577	10 409	848	16 284
8	351	6 339	672	10 621	1 022	16 960
9	366	5 977	672	9 719	1 038	15 696
10	402	6 184	823	10 616	1 225	16 800
11	402	5 559	654	7 986	1 056	13 545
12	461	5 911	716	7 955	1 177	13 866
13	586	6 809	725	7 636	1 311	14 445
14	586	6 230	637	6 234	1 223	12 464
15	619	5 989	839	7 052	1 458	13 041
16	527	4 864	565	4 539	1 093	9 403
17	619	5 528	695	5 234	1 314	10 762
18	680	5 704	565	4 156	1 244	9 860
19	782	6 150	421	3 016	1 203	9 166
20	858	6 260	574	3 753	1 432	10 013
21	585	3 991	386	2 367	971	6 358
22	682	4 592	616	3 664	1 298	8 256
23	758	4 749	487	2 783	1 244	7 532
24	703	4 079	179	1 009	883	5 088
25	115	618	30	153	146	771
26	0	3	-	-	0	3
27	-	-	-	-	-	-
28	-	-	-	-	-	-
29	-	-	-	-	-	-
30	-	-	-	-	-	-
Total	10 998	131 753	12 523	173 230	23 521	304 983



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 10/21/2021) and AAL (DBRS' last review dated 06/08/2021), therefore it benefits from the highest level 'Tableaux FR' 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 1.08 million EUR as of 31 December 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 31 December 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.



HOME LOAN SFH

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 31 December 2021, the market value of the portfolio is 22.6 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 44.2 million EUR as of 31 December 2021.

V - Prepayments

The annualized prepayment rate calculated on the basis of home loan portfolio used as guarantee for the third quarter 2021 is 7,62%.

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 as long as outstanding below internal threshold) 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).

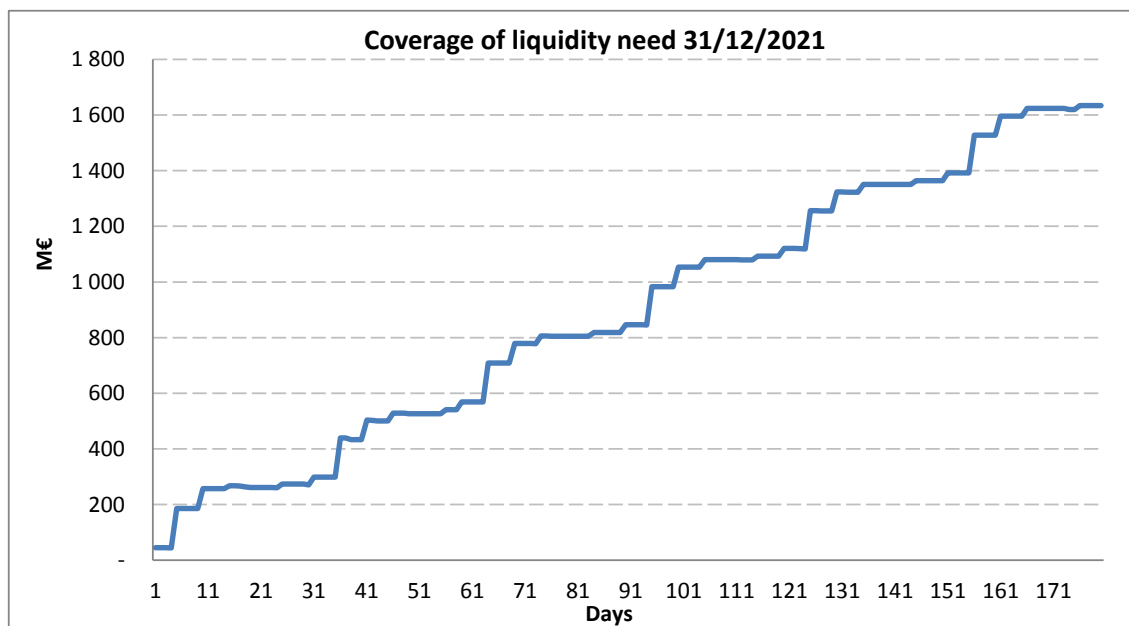
As the balance sheet items are made up of fixed rate assets and liabilities, with the exception of the Banque de France account and deposit account which represent an insignificant amount outstanding, this results in a structural fixed rate gap negligible over the residual life of the covered bonds.

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 inflows rather than the cash-flows of the “Credit Facility” guaranteed by the Home loans.

As of 31 December 2021, the liquidity need over 180 days is null and thus covered.



Paris, 7 February 2022

Patrick PEAUCELLE
Chief Executive Officer of La Banque Postale Home Loan SFH