

Asset Quality Report as of 31st March 2020

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 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	20 791
Loans to developers	
Other loans	
Total	20 791

Counterparty types	Outstanding balance (in M€)
Non-financial companies and individual entrepreneurs	
Individuals	20 791
Other	
Total	20 791

Guarantee types	Outstanding balance (in M€)
Residential mortgage	8 126
Business mortgage	
Guarantee (<i>cautionnement</i>) granted by a credit institution	12 664
Guarantee (<i>cautionnement</i>) granted by an insurance company	
Guarantee from <i>Fonds de garantie à l'accession sociale à la propriété</i>	
Total	20 791

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	5 739	2 387	8 126
Guarantee (<i>cautionnement</i>) granted by credit institution	9 492	3 172	12 664
Total	15 232	5 559	20 791

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	17	541	71	2 398	87	2 939
2007	31	991	181	5 385	212	6 376
2008	38	1 208	237	6 873	275	8 081
2009	42	1 117	362	8 422	404	9 539
2010	55	1 493	683	16 098	737	17 591
2011	91	2 882	721	18 582	811	21 464
2012	183	4 657	513	12 238	696	16 895
2013	487	8 793	713	13 339	1 200	22 132
2014	845	14 190	671	11 201	1 516	25 391
2015	1 462	19 151	1 671	22 166	3 133	41 317
2016	1 367	14 693	1 866	19 521	3 234	34 214
2017	1 625	13 963	2 535	21 630	4 160	35 593
2018	1 064	9 343	1 298	10 358	2 362	19 701
2019	821	6 865	1 142	8 903	1 963	15 768
2020	-	-	-	-	-	-
Total	8 126	99 887	12 664	177 114	20 791	277 001

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	1 032	5	4 288	6	5 320
1	8	1 269	54	7 469	62	8 738
2	24	1 863	113	7 649	136	9 512
3	48	2 515	176	8 056	224	10 571
4	83	4 189	263	9 340	347	13 529
5	126	5 140	451	11 791	576	16 931
6	136	4 728	524	11 868	660	16 596
7	150	3 802	545	10 667	695	14 469
8	204	4 290	577	9 843	780	14 133
9	248	4 486	674	10 006	923	14 492
10	307	4 703	761	10 190	1 068	14 893
11	288	4 151	718	9 058	1 006	13 209
12	371	4 937	919	10 291	1 290	15 228
13	337	4 143	662	7 350	999	11 493
14	391	4 562	696	7 205	1 086	11 767
15	459	4 822	668	6 528	1 127	11 350
16	431	4 260	604	5 632	1 035	9 892
17	594	5 190	903	6 983	1 496	12 173
18	476	4 134	531	4 112	1 007	8 246
19	501	4 384	591	4 398	1 092	8 782
20	440	3 714	298	2 361	738	6 075
21	463	3 754	287	2 220	750	5 974
22	869	5 992	615	3 804	1 485	9 796
23	497	3 291	361	2 098	859	5 389
24	506	3 447	535	3 157	1 041	6 604
25	169	1 084	134	750	303	1 834
26	0	1	-	-	0	1
27	-	2	-	-	-	2
28	0	2	-	-	0	2
29	-	-	-	-	-	-
30	-	-	-	-	-	-
Total	8 126	99 887	12 664	177 114	20 790	277 001

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 138 627 as of 31st March 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 March 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
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 31st March 2020, the market value of the portfolio is EUR 46 967 132. After ECB haircut, the value as replacement assets is EUR 46 494 558.

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 60 035 621 as of 31st March 2020.

V - Prepayments

The annualized prepayment rate calculated on the basis of home loan portfolio for the first quarter 2020 is 8.9%.

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 31st March 2020, 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 15.5 Million for a 200 bps move, that is to say 7.33 % of the capital of La Banque Postale Home Loan SFH (taking into account a 11.01 % per year prepayment rate in the Cover Pool).

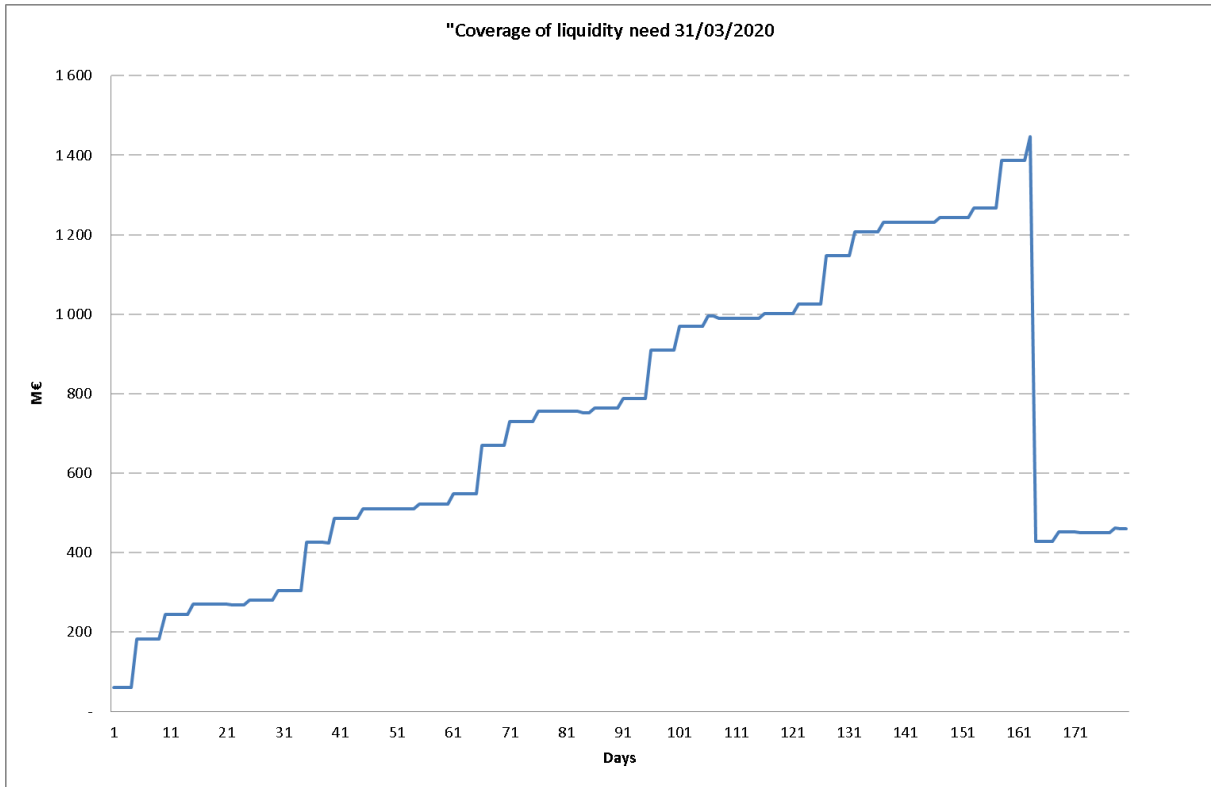
Sensitivity to interest rate variation	M€
-2%	2.4
2%	-15.5

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 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, 13th May 2020

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