



**Annual financial report of  
La Banque Postale Home Loan SFH  
at 31 December 2022**

# Introduction

## Company and trading name

The corporate name of the Company is “La Banque Postale Home Loan SFH”.

## Legal form – Applicable legislation

Public limited company

The Company is governed by current laws and regulations, specifically:

- the provisions of the French Commercial Code (*Code de commerce*) regarding commercial companies;
- the provisions applicable to specialised credit institutions and in particular to housing finance companies (Articles L. 511-1 et seq. and L. 513-1 et seq. of the French Monetary and Financial Code);
- the provisions of French Order No. 2014-948 of 20 August 2014 regarding governance and transactions involving the share capital of companies with public shareholdings;
- its Articles of Association.

## Place of registration and registration number – Incorporation date – Country of origin

The Company was registered in the Paris Trade and Companies Register under number 522 047 570 on 26 April 2010.

Country of origin: France

Legal entity identifier (LEI): 969500D5PFMTWUYSUF61

## Share capital

The share capital is set at two hundred and forty-four million euros (€244,000,000). It is divided into twenty-four million four hundred thousand (24,400,000) shares with a par value of ten euros (€10) each, fully paid up and of the same category.

## Duration of the Company

The duration of the Company is 99 years from the date of its registration in the Trade and Companies Register, except in the event of early dissolution or extension.

## Registered office

The Company's registered office is located at 115, rue de Sèvres, 75275 Paris Cedex 06, France.

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# 1.

## 2022 management report

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# Ordinary General Meeting of 30 May 2023

## Report of the Board of Directors to the Annual Ordinary General Meeting

Dear Shareholders,

In accordance with the legal and statutory provisions, we have called this Ordinary General Meeting to report to you on the activity of La Banque Postale Home Loan SFH during the financial year ended on 31 December 2022 and on the results of this activity and its outlook, on the one hand, and to submit the balance sheet and annual financial statements for the said financial year for your approval, on the other.

The notices required by law have been duly sent to you and all the documents and items required by the regulations in force have been made available to you within the allotted time.

## 1.1 Position and activity of La Banque Postale Home Loan SFH during the past financial year

### 1.1.1 Presentation of La Banque Postale Home Loan SFH and its regulatory framework

#### 1.1.1.1 Presentation of La Banque Postale Home Loan SFH

La Banque Postale Home Loan SFH<sup>(1)</sup>, initially created as a SAS<sup>(2)</sup>, took the form of a French public limited company by decision of the shareholders at the Extraordinary General Meeting of 7 February 2013. La Banque Postale Home Loan SFH is managed by a Board of Directors comprising at least 3 and at most 18 directors. La Banque Postale Home Loan SFH is authorised in France as a credit institution with the status as a specialised credit institution – *Société de Financement de l'Habitat (SFH - housing finance company)* <sup>(3)</sup>.

In accordance with its Articles of Association, the purpose of La Banque Postale Home Loan SFH is to finance home loans. The refinancing of these transactions is based on a €30 billion issuance programme of AAA-rated Housing Finance Bonds (Covered Bonds)<sup>(4)</sup>.

The mechanism consists of issuing housing finance bonds (in EMTN format) and transferring the principal of these issues to La Banque Postale in the form of loans collateralised by a portfolio of real estate loans. These bonds benefit from the legal privilege as defined by the French Monetary and Financial Code (Article L. 513-11). La Banque Postale Home Loan SFH has no employees. The management of the activity is supported by La Banque Postale according to the service and outsourcing contract between the two companies. As a housing finance company, La Banque Postale Home Loan SFH has the option of refinancing itself with the European Central Bank.

#### Principal activities of the Issuer

To achieve its corporate purpose (pursuant to Article 2 of its Articles of Association), La Banque Postale Home Loan SFH may carry out the following activities and transactions:

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(1) La Banque Postale Home Loan SFH or LBP HL SFH or SFH or the Issuer or the Company.

(2) See glossary in Appendix 2.

(3) Upon entry into force of the European Capital Requirements Regulation (CRR), the Company acquired the status as a specialised credit institution (since 1 January 2014). La Banque Postale Home Loan SFH is supervised by the European Central Bank.

(4) On the date of publication of this document.

- grant loans to any credit institution guaranteed by the transfer, assignment or pledging of receivables attached to home loans<sup>(5)</sup>;
- acquire promissory notes issued by any credit institution<sup>(6)</sup>;
- for the financing of the aforementioned loans, issue housing finance bonds benefiting from the privilege defined in Article L. 513-11 of the French Monetary and Financial Code, and collect other resources whose issue or subscription contract mentions this privilege.

La Banque Postale Home Loan SFH may also finance the aforementioned activities by issuing bonds or resources that do not benefit from the privilege of Article L. 513-11 of the French Monetary and Financial Code. However, La Banque Postale Home Loan SFH is not authorised to hold any form of capital interest in any entity.

The assets of La Banque Postale Home Loan SFH are composed of housing loans and securities, exposures, eligible for a housing finance company in application of the French legal framework.

The funds of each secured issue are loaned to La Banque Postale Group in the form of a collateralised loan of the same nominal amount and the same maturity, with an additional margin on the issue. La Banque Postale Home Loan SFH therefore has no other interest rate risk<sup>(7)</sup> than that generated by the reinvestment of La Banque Postale Home Loan SFH's equity.

The assets provided as collateral are either mortgage loans, lender's liens or secured loans. At 31 December 2022, 100% of the loans with a legal entity guarantee were guaranteed by Crédit Logement.

### **Description of the Issuer's group and the Issuer's position within the group**

La Banque Postale Group is a wholly-owned subsidiary, with the exception of the loan of one share to the Chairman of the Supervisory Board by La Poste Group, which is the parent entity of La Banque Postale Group.

La Banque Postale Home Loan SFH (the Issuer) is a public limited company with a Board of Directors governed by French law as a housing finance company.

La Banque Postale is a credit institution authorised by the French Prudential Control Authority (Autorité de contrôle prudentiel et de résolution – ACPR) and is supervised directly by the European Central Bank (ECB). Its role is to assist La Banque Postale Home Loan SFH in its activities as a support institution, as defined by the regulations applicable to housing finance companies, in particular within the meaning of Article L. 513-15 of the French Monetary and Financial Code.

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(5) Pursuant to and in accordance with the provisions of Articles L. 211-36 to L. 211-40 or Articles L. 313-23 to L. 313-35 of the French Monetary and Financial Code.

(6) Pursuant to and in accordance with the provisions of Articles L. 313-43 to L. 313-48 of the French Monetary and Financial Code, the issue of which is intended to refinance receivables attached to housing loans that meet the legal criteria defined by Article L. 513-29 of the said Code.

(7) See Paragraph 2 on interest rate risk.



LA BANQUE POSTALE GROUP			
BANCASSURANCE FRANCE		INTERNATIONAL BANCASSURANCE	
La Banque Postale(1)		CNP Assurances – International	100%
Ma French Bank	100%		
La Banque Postale Consumer Finance	100%		
Easy Bourse	100%		
SOFIAP	66.00%		
La Banque Postale Home Loan SFH(2)	100%		
SCI CRSF Métropole(2)	100%		
SCI Tertiaire Saint Romain(2)	100%		
CNP Assurances – France	100%		
La Banque Postale Assurance Santé	51.00%		
La Banque Postale Assurances IARD	100%		
La Banque Postale Prévoyance	100%		
La Banque Postale Conseil en Assurances	100%		
WEALTH AND ASSET MANAGEMENT		CORPORATE AND INVESTMENT BANKING	
Louvre Banque Privée	100%	La Banque Postale(1)	
Louvre Banque Privée Immobilier Conseil	100%	La Banque Postale Leasing & Factoring	100%
La Banque Postale Asset Management Holding	75.00%	La Banque Postale Collectivités Locales	65.00%
La Banque Postale Asset Management	75.00%	La Banque Postale Home Loan SFH	100%
Tocqueville Finance SA	75.00%	SCI CRSF Métropole(2)	100%
		SCI Tertiaire Saint Romain(2)	100%
		LBP Dutch Mortgage Portfolio 1 BV	100%
		LBP Dutch Mortgage Portfolio 2 BV	100%
		FCT Elise 2012	95.00%
CORPORATE CENTRE			
115K	100%		

(1) Parent company.

(2) Entities allocated to several business lines in the management accounts.

## Degree of dependence of the Issuer on other Group entities

The role of La Banque Postale Group is to assist La Banque Postale Home Loan SFH in the refinancing of home loans, on the one hand, and to ensure the operational management, on the other. The relationships are governed by a set of documents as specified in the base prospectus.

La Banque Postale Home Loan SFH and La Banque Postale Group have entered into an unconfirmed loan agreement entitled “Uncommitted Facility Agreement” (the “Credit Agreement”) defining the terms and conditions under which the Issuer undertakes to use the proceeds of the issuance of Notes to grant loans to La Banque Postale Group for a maximum total amount corresponding to the Programme Limit.

The Credit Agreement is guaranteed by a guarantee agreement entitled “Collateral Security Agreement” under which La Banque Postale Group undertakes, as security for its financial obligations, to transfer, through the transfer of full ownership as a guarantee to La Banque Postale Home Loan SFH<sup>(8)</sup>, housing loans meeting the eligibility criteria provided for in Article L. 513-29 of the French Monetary and Financial Code, and other assets within the meaning of the French legal framework applicable to housing finance companies.

La Banque Postale Home Loan SFH has also entered into the following agreements with La Banque Postale Group:

- an outsourcing and services provision agreement;
- a management agreement;
- an account agreement;
- a full ownership transfer agreement as a guarantee;
- a set of agreements specifying important and critical services within the meaning of the EBA Guidelines.

(8) In accordance with Articles L. 211-36 et seq. of the French Monetary and Financial Code.

### 1.1.1.2 Regulatory framework

La Banque Postale Home Loan SFH is a specialised credit institution within the meaning of Article L. 513-1 of the French Monetary and Financial Code which, in this capacity, can only carry out banking transactions resulting from the legislative and regulatory provisions, or the approval decision, that are specific to it.

In accordance with its approval as a housing finance company, La Banque Postale Home Loan SFH “has the exclusive purpose of granting or financing housing loans and holding securities, exposures and deposits under the conditions defined by Council of State decree” under the conditions defined in Articles L. 513-28 *et seq.* of the French Monetary and Financial Code.

As a credit institution, La Banque Postale Home Loan SFH is subject to the supervision of the ACPR and to compliance with the provisions of European Regulation No. 575/2013 concerning the prudential requirements applicable to credit institutions and investment firms (the Capital Requirements Regulation, CRR). La Banque Postale Home Loan SFH is exempted from compliance on an individual basis with capital ratios, in accordance with the provisions of Article 7 of the CRR.

As a housing finance company, La Banque Postale Home Loan SFH is subject to Regulation No. 99-10 of the French Banking and Financial Regulation Committee (Comité de la réglementation bancaire et financière) and to specific ACPR instructions<sup>(9)</sup> relating to the coverage ratio, the 180-day cash position, the difference in the Average Lifespan of liabilities and assets, the preferred liability Hedging Plan and the quality of the financed assets. The real estate loans provided as collateral are identified individually in the Information System.

On 8 July 2022, the transposition of the European Covered Bonds Directive into French law and the new wording of Article 129 of the CRR entered into force. The European directive aims to standardise the European covered bond models and to create two labels, namely the “European Covered Bond” label and the “European High-Quality Covered Bond” label.

On 8 July 2022, the ACPR confirmed to La Banque Postale Home Loan SFH that it complies with the conditions of the “European High-Quality Covered Bond” label, described in particular in ACPR’s Instruction No. 2022-I-05. As a result, the Housing Financing Bonds issued by La Banque Postale Home Loan SFH under the EMTN programme benefit from this label as of this date.

### 1.1.1.3 Economic and financial environment in 2022

#### Resilience of the global economy in 2022 despite everything

The first half of 2022 was marked by a multiplication of negative factors for the global economy (war in Ukraine, upward shock on the prices of energy and numerous other commodities, fuelling an inflationary wave not seen in 40 years, increase in long-term rates, tightening of health restrictions in China in the spring). In this context, business surveys have deteriorated, both in the United States and in Europe, leading to a sharp slowdown in the global economy. However, economies have shown some resilience in recent months. GDP growth was positive in the 3<sup>rd</sup> quarter in the United States (+0.8% quarter-on-quarter) and in the euro zone (+0.3%), while China recorded a rebound in its growth following the temporary easing of its health policy at the beginning of the summer. Several factors contributed to this resilience of economies despite the headwinds mentioned above. In Europe, the normalisation of the health situation in the spring and summer of 2022 led to a surge in tourism and service activities more generally. In addition, European countries have adopted various measures to support households and companies faced with the energy crisis, to the tune of nearly four points of GDP (the German plan alone represents more than a third of the total) while the recovery plan adopted during the COVID crisis is still active (Italy, for example, benefited fully in terms of investment in 2022). On the other side of the Atlantic, households are using the “over-savings” accumulated during the COVID crisis to continue to consume. In general, the labour markets have thus far held up well. In the United States, the unemployment rate is at its lowest since the 1960s. In the euro zone, it is also lower than before the 2008 financial crisis.

However, the economic outlook darkened during the year. Indeed, business climate indices in the euro zone are at levels that have corresponded in the past to periods of stagnation or even contraction of the economy. In addition, the US real estate market is turning downwards, as suggested by several indicators (home sales, loan demand), due to a sharp rise in mortgage rates. Lastly, in China, in addition to the stop-and-go policy in terms of health, it is above all the real estate issue that is at the heart of the current difficulties (from January to November 2022, new housing construction fell by 39% compared to the same period of the previous year).

#### Inflation: signs of easing after the surge in the first months of 2022

Inflation increased very significantly in 2022. The increase in consumer prices peaked at 9% year-on-year in the United States in June, before returning to 7.1% in November. In the euro zone, year-on-year inflation reached 10.1% in November, with even more spectacular increases (over 20%) in the Baltic States due to their dependence on Russian energy. This inflationary wave is due to the tensions of all kinds caused by the post-COVID recovery of the global economy and the rebound in commodity prices accentuated by the outbreak of the war in Ukraine. Europe was particularly affected by the surge in gas prices due to the reduction in its supplies from Russia, which accounted for around 40% of its imports. In a

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(9) Instruction 2016-I-09 relating to the coverage ratio of housing finance companies; Instruction 2014-I-17 relating to the regulatory statements referred to in Article 10 of CRBF Regulation No. 99-10 of 9 July 1999; Instruction 2011-I-07 on the publication by mortgage credit companies and housing finance companies of information relating to the quality of the financed assets.

context of a tight labour market, wages gradually adjusted upwards, more markedly in the United States than in the euro zone, although their growth remained significantly lower than inflation.

However, signs of easing are perceptible upstream in the price formation chain. The prices of industrial and food commodities declined after their spring peak, although they still remain high compared to the levels observed before the health crisis. For its part, the price of a barrel of Brent returned to around \$US85 per barrel at the end of December compared to a peak of nearly \$US125 in early June. In general, the worsening demand outlook, indicating an economic slowdown, weighed on commodity prices whereas the news on the supply side were rather reassuring (for example as regards the supply of cereals). The price of gas on the European wholesale market, which peaked at €350 per megawatt hour (MWh) at the end of August, returned below €80/MWh at the end of December against a backdrop of lower demand, due in part to a rather mild winter, and replenished European reserves. The supply difficulties of companies are also being resolved. The price of shipping a container, which had multiplied by five between mid-2020 and the beginning of 2022, has fallen in recent months to approach the level that prevailed before the health crisis. Producer prices in industry have begun to incorporate these different aspects. In October they were up by 8% year-on-year in the United States compared to 22% in June. They were even down year-on-year in China in November, while they were up by 18% in October 2021. Import prices in the euro zone are beginning to bear the mark of these refluxes. This applies also to producer prices, although they remain at a very high level (31% year-on-year in October after peaking at 43% in August), resulting in a sharp deterioration in the region's competitiveness.

### **The French economy is partly protected by the tariff shield**

After a disappointing start to the year marked by a new epidemic wave, the French economy returned to growth in the 2<sup>nd</sup> quarter (+0.5%) and more moderately in the 3<sup>rd</sup> quarter (+0.2%) in a context of easing of the health constraints. Compared to other countries in the euro zone, the tariff shield has played an important role in the economic momentum. Inflation in France was one of the lowest in the euro zone (7.1% year-on-year in November according to the harmonised index, and 5.9% in December according to the national measure). The freeze on regulated gas prices since October 2021 and electricity prices since February 2022, as well as the rebate on the price of petrol, largely explain this difference. In addition, various measures to revalue earned income (increase in the minimum wage and the civil servant index point) and numerous social benefits (including pensions) supported household income in the second half of 2022. In addition, net job creation remained dynamic despite the strong uncertainty about the economic outlook. More than 430,000 jobs were created in the private sector between the 3<sup>rd</sup> quarter of 2021 and the 3<sup>rd</sup> quarter of 2022, and approximately 930,000 compared to the end of 2019. However, this dynamism is partly due to a surge in apprenticeship contracts, encouraged by public hiring subsidies. In the third quarter of 2022, the household savings rate remained above its level before the health crisis. This explains why consumption is weak. For the moment, the real estate market has not yet suffered too much from the rise in interest rates, but the production of home loans has begun to weaken. The financial results of companies have been mixed in recent months: the margin rate was up sharply in the 3<sup>rd</sup> quarter in energy sectors and transport services compared to 2019 while it decreased in industry (excluding energy), construction and market services (excluding transport). The easing of commodity prices should, however, contribute to a rebalancing of margins between the major sectors of activity. Corporate defaults also continued to normalise in 2022 after two atypical years.

### **Monetary tightening and sharp rebound in long-term rates**

Faced with the surge in inflation, central banks tightened their monetary policy. In December 2021, the US Federal Reserve increased its key rate, which has been zero since the end of March 2020, to bring it to the 4¼ – 4½% range one year later and began to reduce its balance sheet. The ECB took a more wait-and-see approach, believing that the inflationary shock was mainly due to external factors against which monetary policy would be ineffective. Faced with the strength of inflation, it nevertheless increased its key rates in July 2022, bringing the refinancing rate to 2.5% in December. The interbank rates reflected this recovery in European short-term rates (the ESTER reached 1.90% at the end of December compared to -0.58% before the first key rate hike by the ECB) and the 3-month EURIBOR (the rate at which large banks lend each other for a period of three months) reached 2.15% compared to -0.57% a year earlier. The good news is that the determination of the central banks has convinced financial investors whose medium-term inflation expectations have so far remained close to the central banks' targets.

In line with the decisions of the central banks and the surge in inflation, the interest rates on government bonds recovered sharply in 2022. At the beginning of the summer and at the end of the autumn their recovery marked a pause but the upward movement then resumed. The US 10-year rate ended the year at 3.83% (up by 230 basis points compared to the end of 2021). The recovery in long-term rates was even more spectacular in the euro zone. The yield on the 10-year OAT, still in negative territory in the autumn of 2021, ended the year 2022 at 3.11%. The announcement in July of the implementation by the ECB of a specific tool to combat financial fragmentation nevertheless made it possible to stabilise the spreads between the main issuing countries in the euro zone since the summer.

Sharp decline in stock markets: the economic uncertainty and the increase in long-term rates weighed on stock markets in 2022. The CAC 40 ended the year at 6,474 points (up by 9.5% over the year, after an increase of 28.9% in 2021). The S&P 500, the flagship American index, decreased more sharply than the European indices (-19.4% in one year) but assessed in euros the underperformance of the American index was more measured (-14.4%).

Strength of the dollar: the euro suffered from the more marked US monetary tightening in the first part of 2022. It hit a low of \$US0.96 per euro at the end of September (it was trading at \$US1.13/€ at the end of 2021). However, the ECB's firmness supported it at the end of 2022 (it rose to \$US1.07/€ on 30 December).

### 1.1.1.4 Responsible refinancing policy

#### La Banque Postale Group: a purpose at the service of the just transition

In 2022, La Banque Postale Group adopted the status as a company with a mission, thus making its civic vocation the driving force of its performance in the service of the just transition. This decision was ratified at the Extraordinary General Meeting of 23 February 2022. This approach is consistent with that of Le Groupe La Poste, which also became a mission-led company in June 2021.

The purpose of La Banque Postale Group has therefore been incorporated into its Articles of Association:

*"Because it was created with the purpose of serving the public, La Banque Postale believes there can be no long-lasting value creation without redistribution, no economic growth without local prosperity and no sustainable development without respect for planet boundaries. By offering quality and accessible services, our purpose is to enable everyone to fulfil their potential and to contribute, through their investment, savings, insurance and consumption choices, to building a society that is more attentive to the planet and all who live on it. As a committed banker and insurer, it is our desire to work towards this just transition alongside our customers and employees."*

The transformation of La Banque Postale Group into a company with a mission is in line with its strategic plan for 2030, "the just transition in action", and with the creation of its Community Engagement Department in 2021. It is a real governance tool for La Banque Postale Group, in the service of the just transition. The three social and environmental objectives set out in La Banque Postale's Articles of Association are:

- transform La Banque Postale's bancassurance model through a culture of environmental, social and regional impact;
- develop and promote products and services that meet environmental, social and regional challenges;
- promote the best standards and regulatory practices in bancassurance through the example of the actions of La Banque Postale.

Since 2021, and the announcement of its new strategic plan, La Banque Postale Group has been changing its business model in response to the major trends that are changing its environment. These trends result in several challenges:

- societal challenges (ageing of the population, new ways of consuming, financial inclusion, etc.);
- environmental challenges (global warming and biodiversity conservation);
- regional challenges (re-industrialisation of regions, population flows from large cities to medium-sized cities, etc.);
- digital challenges (digital accessibility of banking services, management of the energy impacts of digital technology, personal data security, etc.).

These challenges are all issues facing La Banque Postale Home Loan SFH as a whole and La Banque Postale Group. Giving everyone the means to act for the just transition also means giving everyone the means to respond to these challenges and to the changes taking place in the world.

#### Sustainable bond issue of La Banque Postale Home Loan SFH

In order to ensure its lending activity in favour of the just transition, La Banque Postale Group can rely on its responsible refinancing policy.

In April 2019, La Banque Postale Group adopted a framework for the issuance of "green, social and sustainable" bonds for the two entities La Banque Postale SA and La Banque Postale Home Loan SFH, which was assessed independently by Moody's ESG Solutions. La Banque Postale Group is aligned with best practices in the management and reporting of net amounts raised: a dynamic approach has been adopted and aims to ensure that the total amount of the portfolio of eligible loans corresponds to the amounts issued. The impact reports include a large amount of information, including the methods, assumptions and references used. The reports on the allocation of funds, the impact measurements of the projects financed as well as the details of these sustainable-themed issues are available on La Banque Postale Group's institutional website.

In 2022, La Banque Postale Home Loan SFH issued its first "green" covered bond, contributing to the financing of the energy transition in the amount of €750 million at 8 years, with a final spread of MS +4 bps and a coupon of 1.625%. The order book brought together 85 investors with a majority of investors with ESG criteria in their analysis (66%). The very high subscription amount closed at €3.7 billion (a record for La Banque Postale and its SFH), i.e. a subscription ratio of 4.7 times. The funds raised through this issue refinance residential real estate loans granted for the acquisition or construction of new homes in France that meet the strict criteria of the thermal regulations in force at the time of financing. A total of 5,785 real estate projects are eligible for this refinancing of "green" loans: 97.3% of the projects concern "new green residential buildings" and 2.7% are "new green residential buildings" with additional work. Through this issue, La Banque Postale Group is helping to finance 4 of the 17 Sustainable Development Goals defined by the UN in 2015.

On 23 January 2023, La Banque Postale Home Loan SFH issued its first "social" covered bond dedicated to social home ownership loans (*Prêts d'accèsion sociale* – PAS) for an amount of €1.25 billion at 8 years, with a final spread of MS +27 bps and a coupon of 3.0%. The order book brought together 65 investors with a majority of investors with ESG criteria in their analysis (70%). The size of the order book, which totalled €1.6 billion at the close, made it possible to place €1.25 billion in bonds at a competitive price. The funds raised through this issue refinance affordable housing and more specifically social home ownership loans that meet the criteria defined by the 2003 Finance Act. The social home ownership loan is

granted to people with modest incomes. It must be used to become the owner of its main residence (by buying it or having it built). An amount of loans of more than €1.3 billion was identified as eligible because they meet specific criteria determined by household income and the location of the asset to be financed.

### 1.1.1.5 Business activity of La Banque Postale Home Loan SFH in 2022

The net income after tax for the 2021 financial year was allocated to the legal reserve in the amount of 5%, i.e. the minimum annual allocation pursuant to Article L. 232-10 of the French Commercial Code, and the balance to retained earnings.

In 2022, La Banque Postale Home Loan SFH always had sufficient cash. Since the closing of 30 September 2017, the information sent by La Banque Postale Home Loan SFH to the rating agency Standard & Poor's ("S&P") has enabled the latter to publish quarterly monitoring reports in accordance with the requirements of the European Central Bank relating to the disclosure requirements on mortgage bonds.

La Banque Postale Home Loan SFH joins the "Covered Bond Label Foundation", whose objective is to promote quality and transparency standards in the European covered bond market. La Banque Postale Home Loan SFH publishes monthly reports on its website in a format that is harmonised with the other issuers.

As part of the programme and pursuant to Article R. 513-16, IV of the French Monetary and Financial Code, the Board of Directors has set the maximum amount of the quarterly issuance programmes as follows:

- €6,000 million or euro equivalent of issues in foreign currencies for the 1<sup>st</sup> quarter of 2022;
- €5,000 million or euro equivalent of issues in foreign currencies for the 2<sup>nd</sup> quarter of 2022;
- €4,250 million or euro equivalent of issues in foreign currencies for the 3<sup>rd</sup> quarter of 2022;
- €4,250 million or euro equivalent of issues in foreign currencies for the 4<sup>th</sup> quarter of 2022.

In 2022, La Banque Postale Home Loan SFH issued €2,750 million in housing finance bonds as part of its Covered Bonds programme, in EMTN format. This resulted in the marketing of three issues, one of €1,000 million subscribed by La Banque Postale (Series 43) and two public issues of €750 million (Series 44) and €1,000 million (Series 45) respectively. The characteristics of the issues are detailed below.

Series	ISIN	Amount (in € millions)	Settlement date	Maturity	Rate	Hard/soft format	Public Private Retained	Callable	Theme
43	FR0014007X14	1,000	27.01.2022	27.01.2042	Fixed	Soft	Retained	Yes	
44	FR001400A9N7	750	12.05.2022	12.05.2030	Fixed	Soft	Public	No	GREEN
45	FR001400DC98	1,000	19.10.2022	23.01.2030	Fixed	Soft	Public	No	

In connection with the covered bond issues during the year, the cover pool was regularly topped up with real estate loans in 2022 in order to maintain sufficient coverage rates. Thus, the coverage ratios proved to be well above the regulatory (105%) and contractual (108.1%) expectations in 2022. The asset coverage ratio and the regulatory coverage ratio were both greater than 130% at 31 December 2022. Their levels are reported on La Banque Postale Home Loan SFH's website according to the format of the European Covered Bond Company label.

## 1.2 Main risks and uncertainties, risk management system

The risk factors to which La Banque Postale Home Loan SFH is exposed are described in [the first supplement to the Base Prospectus dated 5 July 2022](#), incorporated by reference.

## 1.3 Main features of the internal control and risk management procedures

### 1.3.1 Reference texts on internal control

The internal control of La Banque Postale Home Loan SFH is based on the provisions of the French Monetary and Financial Code, the French Decision of 25 February 2021 amending the Decision of 3 November 2014 on the internal control and prudential regulations applicable to credit institutions, as well as on the texts specific to the housing finance companies regime.

As La Banque Postale Home Loan SFH is part of La Banque Postale Group's internal control system, its regulatory foundations are formalised and supplemented by La Banque Postale Group's internal documents; either in terms of periodic control, by the General Inspection Charter, or in terms of permanent control, by the "Key control elements" reference note and the "Risk management policy" or by the Compliance Charter.

These documents are themselves broken down into operational control processes and procedures.

In addition, the outsourcing and services provision agreement or agreements specifying services classified as important or critical<sup>(10)</sup> entered into between La Banque Postale Home Loan SFH and La Banque Postale Group in 2013 and 2021 respectively:

- describe the terms and conditions of execution by La Banque Postale Group of La Banque Postale Home Loan SFH's regulatory obligations resulting from its status as a specialised credit institution;
- provide for the procedures for controls by La Banque Postale Home Loan SFH, or where applicable by a third party, of the essential services entrusted to La Banque Postale Group, in accordance with Articles 21 and 231 et seq. of the Decision of 3 November 2014 on the internal control of companies in the banking sector.

### 1.3.2 Fundamental principles

La Banque Postale Home Loan SFH's internal control and risk management system is in line with the principles set by La Banque Postale Group, on the basis of which each business line and subsidiary sets out its priorities for action and the associated risk management system. These fundamentals are described in the Group's risk appetite statement and risk management policy.

La Banque Postale Home Loan SFH's internal control is based on La Banque Postale Group's internal control system (see the players or structures exercising control activities below), which is based on:

- the responsibility of all players, the foundation of an effective management and control system;
- the proportionality of the controls to the level of risk to be controlled;
- the completeness of the scope of the control system. All of La Banque Postale Group's activities, as well as its essential outsourced services, are covered by the internal control system.

Internal control is implemented by La Banque Postale Group. Since the 2019 financial year, the coordination of the second-level permanent controls and the implementation of some of them have been taken over by the Risk Management teams of La Banque Postale Group's Corporate and Investment Banking (RM-CIB).

### 1.3.3 Organisation of the internal control

The Chief Executive Officer of La Banque Postale Home Loan SFH is responsible for the implementation of the internal control, under the supervision of the Board of Directors of La Banque Postale Home Loan SFH, which for this purpose is informed of the work of the Risk Committee. He is assisted in this function by the Head of Risk Management of La Banque Postale Home Loan SFH<sup>(11)</sup> who is also responsible for the risk management of Corporate and Investment Banking. La Banque Postale Home Loan SFH's internal control system is structured around:

- a first- and second-level permanent control system. The first-level permanent controls are provided by the first line of defence made up of the business lines, which are responsible for their day-to-day activities and the associated operational risks. The second-level permanent controls are provided by the second line of defence. It is independent

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(10) Where applicable, their amendments.

(11) The risk management of Corporate Banking and Investment (CIB) reports hierarchically to the Group Risk Department and functionally to the CIB's Director.



and reports to the Group Risk Department. Its role is to ensure that all risks are effectively monitored by the first line of defence and remain within the limits set by the Group;

- a Risk and Compliance Committee which meets quarterly and is chaired by the Chief Executive Officer of La Banque Postale Home Loan SFH. The risk management dedicated to La Banque Postale Home Loan SFH, in charge of coordination between the various internal control players at La Banque Postale, reports in particular on the results of the controls in connection with La Banque Postale Home Loan SFH's risk mapping. It is also responsible for issuing alerts when necessary. Thus, this committee:
  - analyses the main risks of all kinds to which La Banque Postale Home Loan SFH is exposed and draws up a risk map at least once a year,
  - monitors the progress of the permanent control plan and informs General Management of the control results,
  - monitors the implementation of the commitments made by La Banque Postale Group on behalf of La Banque Postale Home Loan SFH following internal and external audits,
  - alerts of any event or malfunction that could affect the proper functioning of La Banque Postale Home Loan SFH.

The permanent control system covers the risks identified and assessed for the six processes of La Banque Postale Home Loan SFH, including:

- two that are specific to its activity: such as the management of the cover pool as well as the production of regulatory and contractual reports, including the asset quality report;
- four that are integrated into La Banque Postale Group's processes: governance, operational management, financial management and financial intermediation.

The frequency of the controls is determined based on the risk level assessment carried out as part of the process review carried out at least once a year. The determination of the asset coverage ratio and the regulatory coverage ratio makes it possible to periodically ensure that the value of the cover pool complies with the contractual and legal limits on overcollateralisation. Prior processing is carried out to ensure that the loans provided as collateral meet the legal and contractual eligibility criteria. The value of the assets provided as collateral is also reassessed during this periodic processing.

The controls also aim to ensure the consistency between the average maturity of the issues and the average residual maturity of the loans provided as collateral.

Regulatory and contractual reporting specific to a home financing institution is carried out in accordance with the expectations and within the deadlines defined by the ACPR, the rating agencies or the Covered Bond label.

## First-level permanent controls

The first-level permanent controls are carried out within the business lines by the operational staff (Front Office and the Operations Department which includes the Middle Office, Back Office and the project owner) of La Banque Postale Group's Corporate and Investment Banking as part of the accounting, administrative, regulatory and IT processing required for La Banque Postale Home Loan SFH's operations. The controls are carried out as part of self-checks, managerial controls, cross-checks or automatic controls. They can be carried out on a comprehensive basis or by sampling. The results of the first-level controls are presented quarterly within the Risk and Compliance Committee. These results are also regularly circulated to the members of CIB's Management Committee *via* the RM-CIB dashboard.

## Second-level permanent controls

The second-level permanent controls bring together, under the responsibility of La Banque Postale Home Loan SFH, the controls carried out independently by:

- the Group Risk Department which, on the one hand, ensures the reliability of the information communicated in La Banque Postale Home Loan SFH's specific regulatory and prudential reports, and, on the other hand, integrates La Banque Postale Home Loan SFH's financial, interest rate and liquidity risks into its risk monitoring;
- other internal cross-functional functions at La Banque Postale Group, in particular:
  - the Accounting Department for accounting supervision and regulatory reporting to the ACPR (excluding ratios specific to SFHs),
  - the Compliance Department, which includes both the investment services advisory aspects and the financial crime, anti-money laundering and terrorist financing aspects.

The second-level permanent controls include the following components:

- remote, on-site and off-site checks;
- thematic reviews;
- the analysis of the quality and results of the permanent controls sent by department managers and the monitoring of action plans on the most significant or recurring anomalies.

The results of the controls performed by La Banque Postale Group's departments in charge of the second-level permanent controls are consolidated in a quarterly dashboard. Each control topic is subject to a risk rating based on the latest results and the corrective measures implemented. The results are commented on if necessary and the recommendations are specified.

The permanent control dashboard is communicated to General Management and analysed within the Risk and Compliance Committee. This body, which is chaired by the Chief Executive Officer (see above), decides and monitors action plans aimed at remedying any malfunction in the implementation of compliance obligations. The results of the controls and the monitoring of the action plans are examined by the Risk Committee of La Banque Postale Home Loan SFH using the dashboard.

## Periodic controls

As La Banque Postale Home Loan SFH is part of the Commercial Collateral Division of Corporate and Investment Banking as an auditable structure, the periodic control function is performed by La Banque Postale's General Inspection. The fundamental principles governing the General Inspection are presented in La Banque Postale Group's Periodic Control Charter. Thus, the general objectives defined by the General Inspection are:

- carry out periodic controls within the meaning of the Decision of 3 November 2014;
- provide reasonable assurance to the Executive Board and Supervisory Board of La Banque Postale Group and to the Board of Directors and General Management of La Banque Postale Home Loan SFH on the degree of risk control and on the regularity and compliance of transactions within the Company;
- monitor the implementation, within a reasonable timeframe, of the action plans drawn up following the findings of the various internal or external audit teams;
- assess the operational efficiency and productivity of the Company in relation to its objectives as well as assess the system put in place to ensure quality customer service and continuous improvement.

## Internal control governance committees

The Board of Directors has set up a Risk Committee and a Financial Statements Committee responsible for verifying the clarity of the information provided and assessing the relevance of the accounting methods adopted by La Banque Postale Group and the quality of the internal control.

La Banque Postale Home Loan SFH has also set up a Risk and Compliance Committee. This committee brings together, around the Chief Executive Officer, the managers in charge of internal control to ensure consistency and effectiveness. This committee meets before any meeting of the Risk Committee to:

- review the internal control system and the control system implemented;
- report the results of the completed second-level controls;
- review the main risks of all kinds to which the entity is exposed and any changes made to the risk and result measurement systems;
- take any decision necessary to remedy weaknesses in internal control;
- monitor the implementation of the commitments made following internal and external audits;
- decide on corrective measures for the deficiencies identified by the audit assignments as well as by the activity and control reports available to the heads of the control functions or management.

## 1.3.4 Role of the Board of Directors in terms of internal control

### Board of Directors

The Board of Directors, which meets at least once a quarter, is informed by the Chief Executive Officer, based on his activity report, of the organisation, activity and results of the internal control.

In addition, the Board of Directors, which decides on quarterly issuance programmes and authorises issuance, is informed of the main risks incurred by La Banque Postale Home Loan SFH. It is also regularly informed of the levels of use of the issuance programme as well as of the issuance terms and conditions.

At least once a year, and in particular at the time of the Board meeting held to approve the annual financial statements, the Board of Directors reviews the activity and results of the permanent and periodic control on the basis of the management report and the report on internal control (prepared in accordance with Articles 258 to 266 of the Decision



of 25 February 2021 amending the Decision of 3 November 2014 on the internal control of companies in the banking sector).

The significant incident alert threshold within the meaning of Article 98 of the Decision of 25 February 2021 on the internal control of companies in the banking sector is €1,000,000, i.e. 0.5% of Tier 1 capital. This threshold was approved by the Board of Directors on 11 February 2014. In addition to this threshold for reporting to the ACPR, the Board has set, for its own information, a €50,000 threshold for triggering the reporting of incidents. In 2022, the internal control procedures did not reveal any significant incidents.

Lastly, the Specific Controller of La Banque Postale Home Loan SFH, who is called to all General Meetings of Shareholders, as well as to all Boards of Directors and Risk Committee meetings:

- certifies to the Board the compliance with the coverage ratio for the quarterly bond issuance programmes or for issuances exceeding €500 million;
- attaches to La Banque Postale Home Loan SFH's annual financial statements an opinion on the procedures for the valuation and revaluation of real estate pledges and on the compliance of the published results with these procedures;
- prepares an annual report on the performance of his or her duties for the executives and deliberative bodies.

## Role of the executive body

The Chief Executive Officer is responsible and directly involved in the organisation and operation of La Banque Postale Home Loan SFH's internal control system. He is assisted by the Deputy CEO.

A Management Committee assists General Management in making decisions relating to the management of La Banque Postale Home Loan SFH's assets and liabilities. This committee enables it to monitor changes in the cover pool and all the metrics of the management framework; in particular, it enables it to ensure that the limits are compatible with the level of capital, the level of overcollateralisation and the difference in average maturity between the secured issues and the cover pool received as collateral.

In addition, a Risk and Compliance Committee reports in summary form the results of the first-level controls carried out and monitors the action plans undertaken on the various projects concerning La Banque Postale Home Loan SFH. A second-level control is also carried out by the Group Risk Department. General Management is informed of the main deficiencies identified by the internal control system and of the corrective measures proposed.

## 1.3.5 Summary description of the internal control and risk management system

### Risk measurement and monitoring

As La Banque Postale Home Loan SFH is a specialised credit institution and belongs to La Banque Postale Group, its internal control system complies with the principles laid down by the Decision of 25 February 2021, amending the Decision of 3 November 2014 on the internal control of companies in the banking sector, and by La Banque Postale Group. This system takes into account La Banque Postale Home Loan SFH's legal form, i.e. a public limited company with a Board of Directors, and the lack of its own human, material or technical resources.

La Banque Postale Group fulfils its regulatory obligations, which result from its status as a specialised credit institution, in accordance with the terms and conditions described in the outsourcing and services provision agreement. The outsourcing of these services that are essential or important for La Banque Postale Home Loan SFH's activity within the meaning of Article 10 of the Decision of 25 February 2021 on the internal control of companies in the banking sector is carried out in accordance with Articles 21 and 231 *et seq.* of the decision. In 2021 and 2022, the agreement and its annexes were brought into compliance with the requirements of the European Banking Authority. Consequently, La Banque Postale Home Loan SFH remains solely legally responsible for the tasks entrusted to its essential service provider, La Banque Postale Group, with respect to the competent authorities and, more generally, for its compliance with the regulations applicable to it.

To this end, La Banque Postale Home Loan SFH exercises control over the proper execution of the outsourced services. La Banque Postale Home Loan SFH's activities are fully integrated into La Banque Postale Group's control process. Their treatment does not differ in this respect from that which would prevail in an entity of the parent company.

As a result, La Banque Postale Group implements risk measurement, monitoring and management processes and systems within the scope of La Banque Postale Home Loan SFH (credit, counterparty, market, settlement, overall interest rate, liquidity, accounting and operational risks) adapted to the activities and integrated into La Banque Postale Group's internal control system.

The main risk factors to which La Banque Postale Home Loan SFH is exposed, namely credit and counterparty risk, market risk, interest rate and foreign exchange risk, liquidity risk, accounting risk, and operational risks, are subject to special

monitoring. An operational risk map is kept up to date to take into account changes observed at both La Banque Postale Group and La Banque Postale Home Loan SFH (control results, progress of risk management plans, changes in the regulatory framework, etc.). Detailed information on risk measurement and monitoring is presented in the management report.

## Permanent control system

Under the terms of the outsourcing and services provision agreement, La Banque Postale Home Loan SFH has entrusted La Banque Postale Group with the performance of control tasks as part of the permanent control system implemented by La Banque Postale Group.

Thus, the first-level permanent controls are carried out by the operational entities (Front Office and the Operations Department, which includes the Middle Office, Back Office, project owner) of La Banque Postale's Corporate and Investment Banking. They relate in particular to compliance with the limits and powers granted to the Chief Executive Officer by the Board of Directors (compliance with the authorised budget and the financial conditions of the issues), the validation of transactions in accordance with the rules and procedures and their correct settlement, etc.; the second-level permanent controls are performed by La Banque Postale Group's permanent control functions (Risk, Finance, Compliance). The results of the permanent controls are sent to La Banque Postale Home Loan SFH.

## Non-compliance risk control system

The Compliance team of La Banque Postale Home Loan SFH controls the risks of the Company failing to comply with the laws, regulations and internal standards applicable to it. An intra-group agreement between La Banque Postale Group and La Banque Postale Home Loan SFH was signed in December 2021 and concerns the KYC third-party introduction and services related to the screening of financial sanctions and the management of embargoes.

Thus, La Banque Postale Home Loan SFH benefits from the management and monitoring resources implemented within La Banque Postale Group: staff training, regulatory monitoring, control of compliance with written internal rules such as the Code of Ethics, right of whistleblowing, prevention and management of conflicts of interest, information barriers, fight against money laundering and the financing of terrorism.

The year 2022 was marked by the arrival of a new Group Compliance Director. A Compliance Department dedicated to the CIB of La Banque Postale Group was created on 1 July 2022. The head of this department is also responsible for the compliance of La Banque Postale Home Loan SFH. La Banque Postale Home Loan SFH is part of La Banque Postale Group's system to fight against money laundering and the financing of terrorism, as follows:

- During the first half of 2022, the work on the compliance of La Banque Postale Home Loan SFH focused on securing KYC documentation and data entry in the IS;
- The business relationship entry process of La Banque Postale Home Loan SFH is integrated into that of the La Banque Postale SA's CIB Department;
- KYC data entry and documentation collection are handled by a dedicated KYC process unit.

The person responsible for the La Banque Postale Home Loan SFH system, who is the Tracfin correspondent, is also the national Tracfin correspondent for La Banque Postale Group.

For the year 2022, no malfunction was identified in the implementation of the compliance obligations.

## Control system for information systems and business continuity plans

Under the outsourcing and services provision agreement, La Banque Postale Home Loan SFH's IT security and business continuity procedures are based on the system in force at La Banque Postale Group described below.

### Emergency and business continuity plan (EBCP)

La Banque Postale Group complies with the definition of an emergency and business continuity plan (EBCP) as stipulated in the Decision of 25 February 2021, amending the Decision of 3 November 2014 on the internal control of companies in the banking, payment services and investment services sector subject to supervision by the ACPR.

At La Banque Postale Group, the EBCP includes crisis management.

#### A. Reference framework

The general policy and governance of the EBCP aims to provide a reference framework by defining the organisation, missions and responsibilities in terms of the EBCP, as well as the principles and rules to be respected within the Group as part of the Group's risk management policy. The objectives of this policy are to:

- control the impacts during the occurrence of major events;
- implement and control the developed solutions;
- mobilise all La Banque Postale Group players;

- implement a consistent business continuity governance and management system whose actions are formalised, traced and shared with management, the Group Risk Department and the Executive Board.

The principles set out in the general policy and governance of the EBCP:

- the management of business continuity is an integral part of all banking, non-banking and financial activities of La Banque Postale Group, which includes La Banque Postale Group, its subsidiaries and La Poste's Financial Services Department;
- the policy and governance set out in the policy apply to all La Poste Group employees acting in the name and on behalf of La Banque Postale Group;
- all partners and service providers involved in La Banque Postale Group's banking and financial activities or not and acting in the name and on behalf of the Group, regardless of their location, must commit to business continuity clauses in accordance with the policy;
- it is the responsibility of each entity<sup>(12)</sup> subject to this policy to implement the organisation and resources necessary to achieve these principles;
- the Group Risk Department sets the framework, issues the rules to be followed, issues an opinion on the business continuity policies specific to certain business lines, provides the necessary assistance to the business lines, monitors the overall effectiveness of the system, and reports on it to the Group Risk Management Committee or the Executive Board as necessary;
- within the Group Risk Department, the EBCP and Safety of People and Property team ensures that the Bank has tested and operational EBCPs. In addition, this team functionally coordinates a network of correspondents that make up the EBCP network.

The Group Risk Department is responsible for managing and monitoring the implementation of these principles.

## B. Scenarios used

La Banque Postale Group's EBCP is based on several technical solutions for Information Systems backup, and a complete organisational system including an organisation, response methods, communication actions, etc.

It aims to cover extreme shocks and is designed to address at least the crisis scenarios used by La Banque Postale Group, classified into four categories:

- damage to buildings;
- failure of information systems and/or technical systems;
- absence of employees;
- unavailability of essential service providers.

The scenarios include the eight scenarios selected by the financial market:

- general transport strike;
- 100-year flood;
- pandemic;
- multiple bombing attacks;
- electrical blackout;
- nuclear, radiological, biological and/or chemical accident or attack;
- failure of an essential market service provider;
- cyberattack.

## C. Organisation

La Banque Postale Home Loan SFH is part of the organisation of Corporate and Investment Banking (CIB) within La Banque Postale Group to ensure the implementation and maintenance of the EBCP in operational condition.

For La Banque Postale Home Loan SFH, this is based on:

- a correspondent for the EBCPs (CIB C-EBCP) is responsible for the CIB scope for the operational implementation of La Banque Postale's EBCP, and for its monitoring and the associated reporting;
- the Business Continuity Relay (BCR SFH), which is the relay of the C-EBCP within La Banque Postale Home Loan SFH. The BCR collects information on critical activities and ensures the implementation of the EBCP.

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(12) The term "entity" refers to the business lines, areas and subsidiaries of La Banque Postale Group.

CIB's C-EBCP is the guarantor of an organisation dedicated to crisis management, making it possible to classify any event that puts critical activities at risk, including La Banque Postale Home Loan SFH. The decision-making unit has a procedure and tools enabling it to inform and bring together all members if necessary.

## Security of information systems

Information systems security is defined as a global risk coverage system that guarantees an appropriate level of protection for this information and the related assets in order to guarantee:

- availability, in order to ensure that authorised users have access to the information and related resources at the right time;
- integrity, in order to ensure the accuracy and reliability of the information and data processing methods;
- confidentiality, in order to ensure that only authorised persons can access the information; and
- traceability, in order to know who has accessed the information and when they did so.

In June 2014, the Group Risk Management Committee approved an information systems security governance system which places the IT security process under the responsibility of the business lines and under the management of the Group Information Systems Security Manager. This process addresses information security in all of La Banque Postale Group's activities.

The process is based on four main areas:

- the definition of La Banque Postale Group's ISS strategy, resulting from the risk management policy. It is composed of the general information systems security policy, thematic policies, technical security directives, operational procedures and IT charters;
- the monitoring of the operational implementation of this ISS strategy, issuing alerts in the event of deviation;
- support for the business lines, in compliance with the ISS strategy, in their approach to mitigating IS-related risks, in particular by:
  - challenging their risk analyses on the IS aspect,
  - raising employee awareness of changes in IS security risks;
  - the summary of La Banque Postale Group's ISS risk exposures in order to inform the Group Risk Department, which in turn informs the General Management bodies of the risk exposure.

A Security Committee, co-chaired by the Information Systems Directors and Group Chief Risk Officer, meets bimonthly and makes it possible to validate changes made to the security frameworks, oversee their deployment, set operational security risk management objectives for the IS, and monitor security-related events likely to pose a major risk for La Banque Postale Group.

## Internal control system for accounting and financial information

In accordance with the outsourcing and services provision agreement, La Banque Postale Home Loan SFH's accounting is carried out by La Banque Postale Group. Consequently, the responsibility for preparing La Banque Postale Home Loan SFH's financial statements is entrusted to the Accounting Department of La Banque Postale Group. In this context, the Accounting Department shows in a visible manner the resources dedicated to the bookkeeping of the Group's subsidiaries and to other business line accounting activities in order to guarantee the resources necessary for the production and use of accounting data. It also guarantees the continuity of the accounting processes through the versatility and professionalism of the teams.

La Banque Postale Home Loan SFH's accounting is integrated into the subsidiary and business line accounting department. It thus benefits from the separation of functions and accounting control system in place within La Banque Postale Group. The "payment" functions are separated from the "accounting" activities. The accountants in charge of La Banque Postale Home Loan SFH do not have access to means of payment. Furthermore, the accounts are kept daily and the production of La Banque Postale Home Loan SFH's financial statements is revised monthly by the second-level accounting control, which provides monthly reports, through an accounting quality dashboard, on the results of these controls, and also drafts a summary for the auditors four times a year.

The scope of the outsourced accounting activities corresponds to the production of the Company's financial statements, the production of financial statements in accordance with international standards and their integration into the consolidation process of La Banque Postale Group and also to the process of regulatory declarations to the ACPR (excluding specific statements for La Banque Postale Home Loan SFH, which are the responsibility of Corporate and Investment Banking) and to Banque de France (Balance of Payments).

In 2022, the Company's statutory auditors were KPMG and Mazars.

The Accounting Department has no open permanent control recommendations or external auditors.

## Periodic control system

La Banque Postale Home Loan SFH's periodic control system is part of La Banque Postale's periodic control system. For the year 2022, the General Inspection Audit plan included, for the scope of La Banque Postale Home Loan SFH, an assignment to un-overlap La Banque Postale Home Loan SFH for which it issued two "Moderate" criticality findings.

## 1.4 Earnings – Appropriation – Dividends previously distributed

### 1.4.1 Presentation of the annual financial statements

The annual financial statements for the financial year ended on 31 December 2022 that we submit for your approval have been prepared in accordance with the presentation rules and valuation methods provided for by the regulations in force.

The collateralised loans granted by La Banque Postale Home Loan SFH to La Banque Postale Group are matched in nominal terms and at maturity to privileged resources: a fixed margin is applied to the fixed rate of the loans intended to cover La Banque Postale Home Loan SFH's fixed costs on the basis of a programme of issues of €30 billion. The primary and secondary costs associated with the secured issues are passed on to the collateralised loans.

The services provided by La Banque Postale Group on behalf of La Banque Postale Home Loan SFH are re-invoiced to La Banque Postale Home Loan SFH on the basis of their cost price.

The gross operating profit for the 2022 financial year amounted to €1,424 thousand and was the result of:

- net banking income of €4,890 thousand;
- general operating expenses for €3,466 thousand.

The recurring income before tax is at the same level as the gross operating profit. The income tax amounted to €757 thousand. Taking these items into account, the net income for the financial year amounted to a profit of €667 thousand. At 31 December 2022, La Banque Postale Home Loan SFH's balance sheet total amounted to €19,291,804 thousand and equity to €250,408 thousand (taking into account the integration of the profit for 2022 in retained earnings).

Attached as Appendix 1 to this report is the table of results provided for in Article R. 225-102 of the French Commercial Code.

### 1.4.2 Proposed appropriation of earnings

Shareholders will be asked to allocate the distributable profit for the financial year ended on 31 December 2022, amounting to €5,819,795.85, as follows:

<b>Net income for the year</b>	<b>667,013.33</b>
- Allocation to the legal reserve	33,350.67
+ Previous retained earnings	5,186,133.19
<b>Distributable income</b>	<b>5,819,795.85</b>
Appropriation:	
- as dividends	0
- the balance to "Retained earnings"	<b>5,819,795.85</b>

### 1.4.3 Amount of dividends previously distributed

In accordance with Article 243 *bis* of the French General Tax Code, we remind you that no dividends were distributed in the last three financial years.

## 1.4.4 Non-tax deductible expenses

In accordance with the provisions of Articles 223 *quater* and 223 *quinquies* of the French General Tax Code, we inform you that during the past financial year there were no non-tax-deductible expenses and charges referred to in Article 39-4 of the said Code, nor were any overheads included in application of Article 39-5 of the same Code.

## 1.4.5 Information on supplier and customer payment terms

In accordance with the provisions of Articles L. 441-14 and D. 441-6 of the French Commercial Code, you will find below information on payment terms for suppliers and customers of La Banque Postale Home Loan SFH:

	Article O. 441-1-1: Invoices received but not paid at the closing date of the financial year whose term has expired						Article O. 441-1-2: Invoices issued but not paid at the closing date of the financial year whose term has expired					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total
<b>(A) Late payment tranches</b>												
Number of invoices concerned	3	3		1		7						
Total amount of invoices concerned (incl. tax)	258,839.88	269,560.54	0.00	600.00	0.00	529,000.42						0.00
Percentage of the total amount of purchases for the financial year (incl. tax)	6.30%	6.56%	0.00%	0.01%	0.00%	12.87%						
Percentage of revenue for the financial year (incl. tax)							0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>(B) Invoices excluded from (A) relating to disputed or unrecognised payables and receivables</b>												
Number of invoices												

This information does not include banking and related transactions.

## 1.5 Cover pool

La Banque Postale Home Loan SFH's privileged liabilities are secured by the guarantee by La Banque Postale Group of a portfolio of housing loans, the cover pool. The cover pool was recorded off-balance sheet under "Other securities received as collateral" for an amount of €25,276 million at 31 December 2022. The main features of the cover pool are presented below:

- outstanding capital: €25,276 million;
- number of loans: 318,295 units;
- average outstanding capital: €79.4 thousand.

The breakdown by type of collateral is as follows:

Type of collateral	Breakdown by number	Breakdown by outstandings
First rank mortgage	7.3%	6.6%
Lender's lien	36.0%	38.9%
Housing loan surety	59.7%	54.6%

## 1.6 Annual return on assets

The annual return on assets calculated by dividing the net income, amounting to €667 thousand, by the balance sheet total, in the amount of €19,291,804 thousand, was 0.0035%.

## 1.7 Significant events since closing

Between 1 January 2023 and 16 March 2023, La Banque Postale Home Loan SFH carried out the following transactions:

- redemption on 18 January 2023 of the issue of Series 13 with a nominal value of €500 million;
- reminder of the issue of Series 24 (€500 million nominal) dated 30 January 2023;
- issue of "social" bonds for a nominal amount of €1,250 million, maturing in January 2031. This issue refinances social home ownership loans (see above). Like all issues carried out by La Banque Postale Home Loan SFH since the entry into force of the harmonised European framework for covered bonds (8 July 2022), this issue benefits from the ACPR Premium label (European High-Quality Covered Bond).

## 1.8 Foreseeable changes and outlook for the 2022 financial year

During the 2023 financial year, La Banque Postale Home Loan SFH may issue up to €13 billion in privileged resources, in the form of Euro Medium Term Notes (EMTN) and securities in the form of *Namens*.

## **1.9 Branches – Information on investments**

### **1.9.1 Existing branches**

La Banque Postale Home Loan SFH has not set up any branches.

### **1.9.2 Equity investments**

In accordance with legal provisions, La Banque Postale Home Loan SFH does not hold any equity investments.

### **1.9.3 Adjustment of cross-shareholdings**

We hereby inform you, in accordance with the provisions of Article R. 233-19 of the French Commercial Code, that La Banque Postale Home Loan SFH has not carried out any adjustments under the provisions of Article L. 233-29 of the said Code.

## **1.10 Distribution of the share capital**

At 31 December 2022, La Banque Postale Group held 24,399,999 shares out of the 24,400,000 shares comprising the share capital of La Banque Postale Home Loan SFH, i.e. 99.99% of the share capital. In accordance with the provisions of Article L. 225-1 of the French Commercial Code, a second shareholder holds one share of La Banque Postale Home Loan SFH.

## **1.11 Issues of securities giving access to the share capital**

We hereby inform you, in accordance with the provisions of Article R. 228-90 of the French Commercial Code, that La Banque Postale Home Loan SFH has not issued any securities giving access to the share capital.

## **1.12 Employee shareholding**

In accordance with the provisions of Article L. 225-102 of the French Commercial Code, we hereby inform you that La Banque Postale Home Loan SFH has no employees and, as such, there is no employee shareholding in La Banque Postale Home Loan SFH's share capital.



## 1.13 Statutory auditors' fees

The statutory auditors' fees for the 2022 financial year (excl. VAT) break down as follows:

- for the statutory audit of the financial statements: €18,000;
- for the other assignments: €9,000.

The services other than the certification of the financial statements that the statutory auditors provided to La Banque Postale Home Loan SFH during the 2022 financial year were as follows:

- for Mazars: Comfort letter relating to the update of the base prospectus relating to the La Banque Postale Home Loan SFH issuance programme;
- for KPMG Audit SA: Comfort letter relating to the update of the base prospectus relating to the La Banque Postale Home Loan SFH issuance programme.

## 1.14 Research and development activities

In accordance with the provisions of Article L. 232-1 of the French Commercial Code, we remind you that La Banque Postale Home Loan SFH does not carry out any research and development activities.

## 1.15 Injunctions or financial penalties for anti-competitive practices

No injunction or financial penalty for anti-competitive practices has been issued against La Banque Postale Home Loan SFH.

## 1.16 Social and environmental information

The management of La Banque Postale Home Loan SFH has been entrusted to the services of La Banque Postale Group as agent. This implies that, where applicable, its social, environmental and societal issues are under the control of this entity.

Furthermore, La Banque Postale Home Loan SFH has no employees, suppliers or subcontractors other than the usual service providers involved in issues, partnerships or sponsorship, or dialogue with stakeholders other than the other La Banque Postale entities.

### 1.16.1 Social information

La Banque Postale Home Loan SFH has no employees.

## 1.16.2 Environmental information

La Banque Postale Home Loan SFH has no premises. Moreover, La Banque Postale Home Loan SFH's social activity does not involve any activity that pollutes or is classified as at risk and does not lead it to finance polluting activities. Lastly, La Banque Postale Home Loan SFH is not involved in any environmental litigation.

For all the reasons mentioned in the paragraph above, La Banque Postale Home Loan SFH's direct activity has no impact on climate change. The indirect impact of La Banque Postale Home Loan SFH's products and services on climate change is clarified in the section "Managing the environmental footprint of its products and services" in Chapter 2 of La Banque Postale Group's 2022 Universal Registration Document.

## 1.16.3 Societal information

In terms of fair practices, La Banque Postale Group's ethics, anti-corruption and integrity system, including dedicated training sessions, applies to the operations carried out on behalf of La Banque Postale Home Loan SFH. More information is available in the "Other risks" section of Chapter 6 of La Banque Postale Group's Universal Registration Document at 31 December 2022 and in the "Ethics and professional standards" section of Chapter 2 of La Banque Postale Group's 2022 Universal Registration Document.

# Appendix 1 – Table presenting the last five financial years

(in € thousands)	Notes	31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018
<b>ASSETS</b>						
<b>Interbank and similar transactions</b>						
– Cash, central banks	1	7	1,084	810	28	6
– Government securities and similar assets	3.1; 3.2	10,992	22,092	33,385	44,867	56,649
– Receivables from credit institutions	2	19,280,464	17,516,962	16,454,673	11,541,263	7,339,213
<b>Transactions with customers</b>						
– Ordinary accounts in debit		-				
– Trade receivables		-				
– Other customer loans and leasing and similar transactions		-				
<b>Bonds, equities, other fixed- and variable-income securities</b>						
– Bonds and other fixed-income securities		-				
– Equities and other variable-income securities		-				
<b>Equity investments, shares in related companies and other securities</b>						
<b>Long-term holdings</b>						
– Long-term holdings of equity investments and other securities		-				
– Shares in related companies		-				
<b>Property, plant and equipment and intangible assets</b>						
– Intangible assets		-				
– Property, plant and equipment		-				
<b>Adjustment accounts and miscellaneous assets</b>						
– Other assets	4	772	641	167	11	16
– Adjustment accounts		25	27	332	32	236
<b>TOTAL</b>		<b>19,292,260</b>	<b>17,540,806</b>	<b>16,489,367</b>	<b>11,586,201</b>	<b>7,396,120</b>

(in € thousands)	Notes	31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018
<b>LIABILITIES</b>		-				
<b>Interbank and similar transactions</b>		-				
- Central banks						
- Amounts due to credit institutions		-				
<b>Transactions with customers</b>		-				
- Special regime savings accounts		-				
- Ordinary customer accounts in credit						
- Other amounts due to customers		-				
<b>Debt securities</b>		-				
- Savings certificates						
- Interbank market securities and negotiable debt securities						
- Bonds and similar loans	5	19,015,882	17,265,260	16,248,297	11,346,364	7,158,199
- Other debt securities		-				
<b>Adjustment accounts and miscellaneous liabilities</b>						
- Other liabilities	6	25,969	25,805	25,802	26,188	25,716
- Adjustment accounts		-				
<b>Provisions</b>		-				
<b>Subordinated debt</b>		-				
<b>Fund for general banking risks (Fonds pour risques bancaires généraux – FRBG)</b>		-				
<b>Equity attributable to owners of the parent (excl. FRBG)</b>	8					
- Subscribed capital		244,000	244,000	210,000	210,000	210,000
- Issue and contribution premiums		-				
- Reserves		555	531	450	378	282
- Regulated provisions and investment subsidies		-				
- Retained earnings		5,186	4,737	3,199	1,827	
- Net income for the year		667	473	1,619	1,444	1,923
<b>TOTAL</b>		<b>19,292,260</b>	<b>17,540,806</b>	<b>16,489,367</b>	<b>11,586,201</b>	<b>7,396,120</b>

## Appendix 2 – Glossary

Title	Definition
<b>ACPR (<i>Autorité de Contrôle Prudentiel et de Résolution</i>)</b>	French Prudential Control Authority.
<b>AMF (<i>Autorité des Marchés Financiers</i>)</b>	French Financial Markets Authority.
<b>ANC (<i>Autorité des Normes Comptables</i>)</b>	French Accounting Standards Authority.
<b>Asset Covered Test</b>	Coverage test of loans granted to La Banque Postale Group by the outstandings provided as collateral.
<b>COFRAC (<i>Comité Français d'Accréditation</i>)</b>	French Accreditation Committee.
<b>EBA</b>	European Banking Authority.
<b>CMF (<i>Code Monétaire et Financier</i>)</b>	French Monetary and Financial Code.
<b>Cover pool</b>	Portfolio of housing loans pledged by La Banque Postale Group to its subsidiary La Banque Postale Home Loan SFH.
<b>Covered bonds</b>	Here: housing finance bonds.
<b>CRD</b>	Capital Requirements Directive.
<b>CRR</b>	Capital Requirements Regulation.
<b>Secured issue</b>	Issuance of housing finance bonds benefiting from the legal privilege (Article L. 513-11 of the French Monetary and Financial Code).
<b>MTN/EMTN</b>	(Euro) Medium Term Notes.
<b>Namen (<i>Namenschuldverschreibung</i>)</b>	Private issues under German law.
<b>Level of overcollateralisation</b>	Ratio between the outstanding amount of the home loan eligible for refinancing and pledged as collateral and the outstanding OFH issued.
<b>Housing finance obligation (OFH)</b>	Bonds issued by housing finance companies and benefiting from the privilege defined in Article L. 513-11 of the French Monetary and Financial Code to finance transactions referred to in Article L. 513-29 of the said Code.
<b>Privileged liabilities</b>	Resources benefiting from the privilege defined in Article L. 513-11 of the French Monetary and Financial Code (privileged resources).
<b>Collateralised loan</b>	Loans granted by La Banque Postale Home Loan SFH to the parent company and guaranteed by a portfolio of housing loans, the cover pool.
<b>Coverage ratio</b>	Ratio of assets eligible for refinancing to privileged liabilities (Articles L. 513-12 and R. 513-8 of the French Monetary and Financial Code).
<b>SFH (<i>Société Financier de l'Habitat</i>)</b>	Housing finance company.
<b>SURFI (<i>Système Unifié de Reporting Financier</i>)</b>	Unified Financial Reporting System; Regulatory reports for the ACPR.

# 2.

## Annual financial statements at 31 December 2022

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## 2.1 Presentation of the annual financial statements

### Condensed balance sheet

(in € thousands)	Notes	31.12.2022	31.12.2021
<b>ASSETS</b>			
<b>Interbank and similar transactions</b>			
– Cash, central banks	2.1	7	1,084
– Government securities and similar assets	2.2	10,992	22,092
– Receivables from credit institutions and similar	2.3	19,280,464	17,516,962
<b>Transactions with customers</b>			
– Ordinary accounts in debit		-	-
– Trade receivables		-	-
– Other customer loans and leasing and similar transactions		-	-
<b>Bonds, equities, other fixed- and variable-income securities</b>			
– Bonds and other fixed-income securities		-	-
Equities and other variable-income securities		-	-
<b>Equity investments, shares in related companies and other long-term securities</b>			
– Long-term holdings of equity investments and other securities		-	-
– Shares in related companies		-	-
<b>Property, plant and equipment and intangible assets</b>			
– Intangible assets		-	-
– Property, plant and equipment		-	-
<b>Adjustment accounts and miscellaneous assets</b>			
– Other assets	2.4	772	641
– Adjustment accounts	2.4	25	27
<b>TOTAL</b>		<b>19,292,260</b>	<b>17,540,806</b>
<b>LIABILITIES</b>			
<b>Interbank and similar transactions</b>			
– Central banks		-	-
– Amounts due to credit institutions and similar		-	-
<b>Transactions with customers</b>			

- Special regime savings accounts		-	-
- Ordinary customer accounts in credit		-	-
- Other amounts due to customers		-	-
<b>Debt securities</b>	2.5		
- Savings certificates		-	-
- Interbank market securities and negotiable debt securities		-	-
- Bonds and similar loans		19,015,882	17,265,260
- Other debt securities		-	-
<b>Adjustment accounts and miscellaneous liabilities</b>	2.6		
- Other liabilities		25,969	25,805
- Adjustment accounts		-	-
<b>Provisions</b>		-	-
<b>Subordinated debt</b>		-	-
<b>Fund for general banking risks (Fonds pour risques bancaires généraux – FRBG)</b>		-	-
<b>Equity (excl. FRBG)</b>	2.7		
- Subscribed capital		244,000	244,000
- Issue and contribution premiums		-	-
- Reserves		555	532
- Regulated provisions and investment subsidies		-	-
- Retained earnings		5,186	4,737
- Net income for the year		667	473
<b>TOTAL</b>		<b>19,292,260</b>	<b>17,540,807</b>



## Off-balance sheet

(in € thousands)	31.12.2022	31.12.2021
<b>Financing and guarantee commitments and commitments on securities given</b>	-	-
Financing commitments		
– In favour of credit institutions	-	-
– In favour of customers	-	-
Guarantee commitments		
– In favour of credit institutions	-	-
– In favour of customers	-	-
Commitments on securities		
– Securities to be delivered	-	-
<b>Financing and guarantee commitments and commitments on securities received</b>	-	-
Financing commitments		
– Received from credit institutions	-	-
– Received from customers	-	-
Guarantee commitments		
– Received from credit institutions	-	-
– Received from customers	-	-
Commitments on securities		
– Securities to be received	-	-
<b>Other commitments given and received</b>	<b>(25,275,903)</b>	<b>(23,797,500)</b>
Other commitments given	754	473
Other commitments received	(25,276,658)	(23,797,973)

## Income statement

(in € thousands)	Notes	31.12.2022	31.12.2021
<b>Interest and similar income:</b>	3.1	<b>99,598</b>	<b>79,779</b>
– Treasury and interbank transactions		99,281	79,245
– Transactions with customers		-	-
– Bonds and other fixed-income securities		318	534
– Other interest and similar income		-	-
<b>Interest and similar expenses:</b>	3.1	<b>(95,059)</b>	<b>(75,259)</b>
– Treasury and interbank transactions		-	-
– Transactions with customers		-	-
– Bonds and other fixed-income securities		(95,059)	(75,259)
– Other interest and similar expenses		-	-
Income from variable-income securities		-	-
Commissions (income)	3.2	-	-
Commissions (expenses)	3.2	(49)	(112)
Gains or losses on trading book transactions		-	-
Gains or losses on investment portfolios and similar transactions		-	-
Other banking operating income	3.3	450	450
Other banking operating expenses	3.3	(50)	(48)
<b>Net Banking Income</b>		<b>4,890</b>	<b>4,810</b>
<b>General operating expenses:</b>	3.4	<b>(3,466)</b>	<b>(3,534)</b>
– Personnel expenses		-	-
– Other general operating expenses		(3,466)	(3,534)
– Re-invoicing		-	-
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		-	-
<b>Gross operating profit</b>		<b>1,424</b>	<b>1,276</b>
Cost of risk		-	-
<b>Operating profit</b>		<b>1,424</b>	<b>1,276</b>
Gains or losses on fixed assets		-	-
<b>Recurring income before tax</b>		<b>1,424</b>	<b>1,276</b>
Exceptional income		-	-
Income tax	3.5	(757)	(803)
Net allocations to the FRBG and regulated provisions		-	-
<b>Net earnings</b>		<b>667</b>	<b>473</b>
Net earnings per share (in euros)		0.00003	0.00002
Diluted earnings per share (in euros)			
<b>Number of shares</b>		<b>24,400,000</b>	<b>21,000,000</b>

## Statement of cash flows

The statement of cash flows is presented using the indirect method model:

- **The investing activities** represent cash flows for the acquisition and disposal of equity investments, long-term investment securities, property, plant and equipment, and intangible assets.
- **The financing activities** result from changes related to financial structure transactions concerning equity and subordinated debt.
- **The operational activities** include flows that do not fall into the other two categories.

The notion of net cash includes cash in hand, receivables and debts with central banks, as well as current accounts (assets and liabilities) of credit institutions. We have adjusted the breakdown between cash, central banks, and demand accounts and loans/borrowings with credit institutions.

(In € thousands)	31.12.2022	31.12.2021
<b>Income before tax</b>	<b>1,424</b>	<b>1,276</b>
+/- Net depreciation and amortisation of property, plant and equipment and intangible assets.		
+/- Net provisions and impairments		
+/- Net losses/gains on investing activities		
+/- Net losses/gains on financing activities		
+/- Other movements	(18,921)	17,322
<b>= Total non-monetary items included in net income before tax and other adjustments</b>	<b>(18,921)</b>	<b>17,322</b>
+/- Cash flows related to transactions with credit institutions	(1,761,679)	(1,087,668)
+/- Cash flows related to transactions with customers		
+/- Cash flows related to other transactions affecting financial assets or liabilities	1,760,876	1,011,012
+/- Cash flows related to other transactions affecting non-financial assets or liabilities	(110)	149
- Taxes paid	(612)	(1,118)
<b>= Net decrease/increase in assets and liabilities from operating activities</b>	<b>(1,525)</b>	<b>(77,625)</b>
<b>Total net cash flows generated by operating activities (A)</b>	<b>(19,022)</b>	<b>(59,027)</b>
+/- Cash flows related to financial assets and equity investments		
+/- Cash flows related to investment properties		
+/- Flows related to property, plant and equipment and intangible assets		
<b>Total net cash flows related to investing activities (B)</b>	<b>-</b>	<b>-</b>
+/- Cash flows from or to shareholders		34,000
+/- Other net cash flows from financing activities		
<b>Total net cash flows related to financing activities (C)</b>	<b>-</b>	<b>34,000</b>
<b>Effect of changes in exchange rates on cash and cash equivalents (D)</b>		
<b>Net increase (decrease) in cash and cash equivalents (A + B + C + D)</b>	<b>(19,022)</b>	<b>(25,027)</b>
Net cash flow from operating activities (A)	(19,022)	(59,027)
Net cash flow related to investing activities (B)	-	-
Net cash flow related to financing activities (C)	-	34,000
Effect of changes in exchange rates on cash and cash equivalents (D)	-	-

<b>Opening cash and cash equivalents</b>	<b>45,271</b>	<b>70,298</b>
Cash, central banks (assets and liabilities)	1,084	810
Accounts (assets and liabilities) and demand loans/borrowings from credit institutions	44,187	69,488
<b>Closing cash and cash equivalents</b>	<b>26,249</b>	<b>45,271</b>
Cash, central banks (assets and liabilities)	7	1,084
Accounts (assets and liabilities) and demand loans / borrowings from credit institutions	26,242	44,187
<b>CHANGE IN NET CASH AND CASH EQUIVALENTS</b>	<b>(19,022)</b>	<b>(25,027)</b>

## 2.2 Notes to the financial statements

### NOTE 1 ACCOUNTING PRINCIPLES AND VALUATION METHODS

#### Main rules for the valuation and presentation of the annual financial statements

The annual parent company financial statements are prepared in accordance with the general principles applicable to credit institutions in France.

La Banque Postale Home Loan SFH is 100% owned by La Banque Postale Group and is consolidated in the latter's financial statements, and is part of the tax consolidation scope of La Poste Group.

#### Change in method and comparability

There had been no change in the method used to prepare the annual financial statements of La Banque Postale Home Loan SFH.

#### History

La Banque Postale Home Loan SFH was approved as a financial company on 18 July 2013 and then had to opt for the status as a specialised credit institution in order to comply with the provisions of the European Capital Requirements Regulation (CRR).

## Significant events

### Business activity in 2022

At 31 December 2022, the housing finance bonds issued under the Covered Bonds programme, in EMTN or *Namens* format, represented a cumulative nominal value of €18,966 million in La Banque Postale Home Loan SFH's balance sheet. The premiums and expenses related to the issues are spread over the life of the securities issued.

La Banque Postale Home Loan SFH's privileged liabilities are secured by La Banque Postale Group pledging a pool of housing loans, the cover pool. The size of the cover pool has evolved as follows over the last five years:

- €8.5 billion at the end of December 2017;
- €10.9 billion at the end of December 2018;
- €15.8 billion at the end of December 2019;
- €21.7 billion at the end of December 2020;
- €25.3 billion at the end of December 2022.

The collateralised loans granted by La Banque Postale Home Loan SFH to La Banque Postale Group are matched at nominal and at maturity to privileged resources: a fixed margin is applied to the fixed rate of the loans intended to cover La Banque Postale Home Loan SFH's fixed costs on the basis of an emissions programme. The costs associated with the secured issues are passed on to the loans.

On 9 December 2016, La Banque Postale Home Loan SFH entered into a cash deposit agreement with La Banque Postale Group for an amount of €25 million for a period of one year, which has since been automatically renewed for an identical duration, this agreement aiming to cover the cash requirements for 180 days in accordance with the regulatory requirements in the absence of repayment of the principal of the issues.

In 2022, the macroeconomic conditions in which La Banque Postale Home Loan SFH operates changed considerably compared to the environment at the end of 2021. While economists had predicted that the waning of the COVID-19 pandemic would be followed by several years of sustained economic recovery (accompanied by accommodative public policies and in favour of the environmental transition), the outbreak of armed conflict in Europe between Ukraine and Russia in first-quarter 2022 has plunged the global economy back into uncertainty. At this stage, no significant impact has been noted on the results, assets and financial situation of the company.

### Significant events after the closing date

Between 1 January 2023 and 16 March 2023, La Banque Postale Home Loan SFH carried out the following transactions:

- redemption on 18 January 2023 of the issue of Series 13 with a nominal value of €500 million;
- reminder of the issue of Series 24 (€500 million nominal) dated 30 January 2023;
- issue of "social" bonds for a nominal amount of €1,250 million, maturing in January 2031. This issue refinances social home ownership loans (see above) at a fixed rate of 3% in EMTN format as a soft bullet issue. Like all issues carried out by La Banque Postale Home Loan SFH since the entry into force of the harmonised European framework for covered bonds (8 July 2022), this issue benefits from the ACPR Premium label (European High-Quality Covered Bond). The funds raised by this issue were reinvested with La Banque Postale Group with a margin of 0.014%.

## Presentation and valuation rules

Regulation No. 2014-07 of the French Accounting Standards Authority (*Autorité des normes comptables* – ANC) of 26 November 2014 on the financial statements of companies in the banking sector is applied. This regulation defines the methods for recognising all transactions relating to the banking activity (receivables from credit institutions and customers, fixed-income securities, signature commitments and financial instruments) and for processing the related credit risk. For a given counterparty, the credit risk is characterised by the existence of a potential loss related to the possibility of default by the counterparty in relation to the commitments it has made.

### 1 – Receivables from credit institutions and customers – Signature commitments

The receivables from credit institutions are broken down according to their initial term or the type of loan: demand loans (ordinary accounts and day-to-day transactions) and term loans for credit institutions.

## 2 – Loans

Loans are recognised as assets at their repayment value. The corresponding interest is recognised in the income statement *pro rata temporis*. Doubtful receivables are those for which the institution considers probable the risk of not receiving all or part of the sums due in respect of the commitments made by the counterparty.

## 3 – Securities

Securities are recorded in the balance sheet according to their type:

- government securities (treasury bills and similar securities);
- bonds and other fixed-income securities (negotiable debt securities and interbank market securities);
- equities and other variable-income securities.

Pursuant to Regulation No. 2014-07 of the ANC of 26 November 2014, these securities are recognised according to their intended portfolio: long-term investment, short-term investment, transaction, corresponding to the economic purpose of their holding. For each category of portfolio, they are subject to specific valuation rules described below. In the event of a proven credit risk, the fixed-income securities recorded in the short- or long-term investment portfolio are identified as doubtful according to the same criteria as those applicable to doubtful receivables and commitments.

### Short-term investment securities

Short-term investment securities include securities that do not meet the conditions for classification in trading or investment portfolios. Short-term investment securities are recorded on the date of their acquisition and at their acquisition price, excluding fees. They are managed according to the “first in, first out” method and valued as follows, by homogeneous groups of securities and without offsetting against the capital gains recorded on the other categories of securities:

- bonds: unrealized losses calculated in relation to the market value on the basis of the closing price are recognised in the form of impairment;
- Treasury bills, negotiable debt securities and interbank market securities: impairments are recorded according to the creditworthiness of the issuers and by reference to market indicators.

Gains on micro-hedging transactions are taken into account for the calculation of impairment. Any premiums or discounts attached to fixed-income securities are spread over the residual maturity of the security.

The income from short-term investment securities is recognised in the income statement as interest income for fixed-income securities and as income from variable-income securities otherwise.

The realized gains or losses as well as the allocations and reversals of provisions for impairment are recognised in the income statement under “Gains or losses on investment portfolio transactions and similar”.

Short-term investment securities may be transferred to the long-term investment securities category if:

- an exceptional market situation requires a change in holding strategy; or
- the fixed-income securities are no longer tradable on an active market after their acquisition and if La Banque Postale Home Loan SFH has the ability to hold them in the foreseeable future or until maturity.

The securities thus transferred are recorded in their new category at their market value on the date of the transfer.

In the absence of an active market, the accounting valuation must be determined using valuation techniques. These techniques include the use of recent transactions in a context of normal competition. They are based on market data, fair values of substantially identical instruments, discounted cash flow or option pricing models and use recognised valuation methods. The objective of a valuation technique is to establish what the price of the instrument would have been in a normal market. For example, the fair value of bonds, variable-income securities and futures is determined using listed prices. The use of valuation techniques referring to market data generally concerns over-the-counter derivatives Neu-CP (Negotiable European Commercial Paper) and repo deposits.

### Long-term investment securities

The long-term investment securities consist of fixed-income securities acquired or reclassified from the “Short-term investment securities” or “Trading securities” category with the clear intention to hold them to maturity. They are recorded on the date of their acquisition and at their acquisition price, excluding costs.

Unrealized losses that may exist between the book value of the securities and their market price are not subject to impairment. However, when it is probable that the institution will not receive all or part of the redemption value at maturity, an impairment loss is recognised. The difference between the acquisition price and the redemption value of the securities (premium or discount) is amortised on an actuarial basis.

The interest income on these securities is recognised in the income statement as interest income on fixed-income securities. Impairment charges or reversals are recognised in the income statement under “Cost of risk”.

In the event of a sale of securities or transfers to another category, for a significant amount compared to the total amount of the other long-term investment securities held, the classification in this category is no longer authorised for the current period, nor for the following two financial years. All securities held and classified as "Long-term investment securities" are then reclassified as "Short-term investment securities". When, in the event of exceptional market situations requiring a change in strategy, trading securities and short-term investment securities have been transferred to this category, the disposals made before the maturity of these long-term investment securities, if they are related to the fact that they become tradable again on an active market, do not result in the application of the rule, described above, for the reclassification of the other securities held.

## 4 – Debt securities

The debt securities consist of issues carried out as part of La Banque Postale Home Loan SFH's €30 billion EMTN issue programme.

The accrued interest on these securities is recorded in a related debt account with an offsetting entry in the income statement. The issue costs and premiums are spread over the term of the loans.

# NOTE 2 BALANCE SHEET – BREAKDOWN BY CATEGORY

## 2.1 Breakdown, cash and central banks

(In € thousands)	31.12.2022	31.12.2021
Cash		
Central banks	7	1,084
Receivables from central banks		
<b>CASH, CENTRAL BANKS</b>	<b>7</b>	<b>1,084</b>

## 2.2 Financial transactions – Breakdown by category

	31.12.2022					31.12.2021				
	Transac- tion*	Short- term investm ent securiti es	Investm ent	Portfolio activity	Total	Transac- tion *	Short- term investm ent securiti es	Investm ent	Portfolio activity	Total
(in € thousands)										
<b>Government securities and similar assets</b>										
Redemption value			10,900		10,900			21,800		21,800
Residual premiums/discounts		-	(23)		(23)		-	(47)		(47)
Related receivables			115		115			339		339
Impairment					-					-
<b>Net book value</b>			<b>10,992</b>		<b>10,992</b>			<b>22,092</b>		<b>22,092</b>
Of which securities loaned					-					-
Of which listed securities			10,992		10,992			22,092		22,092
<b>Bonds and other fixed-income securities</b>										
Redemption value					-					-
Residual premiums/discounts					-					-
Related receivables					-					-
Impairment					-					-
<b>Net book value</b>					-					-
Of which securities loaned										
Of which listed securities										
<b>Equities and other variable-income securities</b>										
Gross value										
Related receivables										
Impairment										
<b>Net book value</b>					-					-
Of which securities loaned										
Of which listed securities										
<b>NET TOTAL BY PORTFOLIO TYPE</b>	<b>-</b>	<b>-</b>	<b>10,992</b>	<b>-</b>	<b>10,992</b>	<b>-</b>	<b>-</b>	<b>22,092</b>	<b>-</b>	<b>22,092</b>



## 2.2.1 Market value of financial transactions

	31.12.2022					31.12.2021				
	Transac- tion*	Short- term investm ent securiti es	Investm ent	Portfolio activity	Total	Transac- tion*	Short- term investm ent securitie s	Invest ment	Portfolio activity	Total
(in € thousands)										
<b>Government securities and similar assets</b>										
Net book values <sup>(1)</sup>			10,992					22,092		
Market value		-	10,986				-	22,627		
<b>Bonds and other fixed-income securities</b>										
Net book values <sup>(1)</sup>					-					-
Market value					-					-
<b>Equities and other variable-income securities</b>										
Net book values <sup>(1)</sup>										
Market value										
<b>NET TOTAL BY PORTFOLIO TYPE</b>	-	-	10,986	-	-	-	-	22,627	-	-

(1) The impairment is calculated taking into account the unrealized gains and losses on the financial instruments allocated, where applicable, to hedge investment securities.

## 2.3 Amounts due to credit institutions and similar

(In € thousands)	31.12.2022	31.12.2021
Ordinary accounts in debit	26,242	44,187
Overnight accounts and loans		
Securities received under repurchase agreements		
Unallocated securities		
Doubtful loans		
Related receivables		
<b>GROSS TOTAL</b>	<b>26,242</b>	<b>44,187</b>
<b>IMPAIRMENT</b>		
<b>RECEIVABLES (DEMAND DEPOSITS) FROM CREDIT INSTITUTIONS</b>	<b>26,242</b>	<b>44,187</b>
Term accounts and loans	19,178,519	17,416,839
Securities received under repurchase agreements		
Subordinated loans		
Doubtful loans		
Related receivables	75,703	55,936
<b>GROSS TOTAL</b>	<b>19,254,222</b>	<b>17,472,775</b>
<b>IMPAIRMENT</b>		
<b>RECEIVABLES (TERM DEPOSITS) FROM CREDIT INSTITUTIONS</b>	<b>19,254,222</b>	<b>17,472,775</b>
<b>RECEIVABLES FROM CREDIT INSTITUTIONS AND SIMILAR</b>	<b>19,280,464</b>	<b>17,516,963</b>

## 2.4 Details of adjustment accounts and other assets

(In € thousands)	31.12.2022	31.12.2021
Prepaid expenses	25	27
Accruals on derivatives	-	-
Other accruals	-	-
Revaluation of derivatives and foreign exchange instruments	-	-
Collection accounts	-	-
Other adjustment accounts	-	-
<b>ADJUSTMENT ACCOUNTS</b>	<b>25</b>	<b>27</b>
Conditional instruments purchased	-	-
Collective management of sustainable development savings accounts	-	-
Guarantee deposits paid	4	4
State, taxes and duties	-	-
Settlement accounts for securities transactions	-	-
Related receivables	-	-
Other assets	768	637
Impairment	-	-
<b>MISCELLANEOUS ASSETS</b>	<b>772</b>	<b>641</b>
<b>ADJUSTMENT ACCOUNTS AND MISCELLANEOUS ASSETS</b>	<b>797</b>	<b>668</b>

## 2.5 Debt securities

(In € thousands)	31.12.2022	31.12.2021
Savings certificates	-	-
Related debt	-	-
<b>SAVINGS CERTIFICATES</b>	-	-
Interbank market securities	-	-
Deposit certificates	-	-
Negotiable medium-term notes and other negotiable debt securities issued	-	-
Related debt	-	-
<b>INTERBANK MARKET SECURITIES AND NEGOTIABLE DEBT SECURITIES</b>	-	-
Bonds and similar loans	18,966,000	17,216,000
Issue premium	(23,148)	(4,193)
Related debt	73,030	53,453
<b>BONDS AND SIMILAR LOANS</b>	<b>19,015,882</b>	<b>17,265,260</b>
Other debt securities	-	-
Related debt	-	-
<b>OTHER DEBT SECURITIES</b>	-	-
<b>DEBT SECURITIES</b>	<b>19,015,882</b>	<b>17,265,260</b>

## 2.6 Details of adjustment accounts and other liabilities

(In € thousands)	31.12.2022	31.12.2021
Deferred income	-	-
Accrued expenses	-	-
Revaluation of derivatives and foreign exchange instruments	-	-
Other adjustment accounts	-	-
<b>ADJUSTMENT ACCOUNTS</b>	-	-
Conditional instruments sold	-	-
Securities debt	-	-
Suppliers	-	-
State, taxes and duties	-	-
Miscellaneous creditors	25,969	25,805
Settlement accounts for securities transactions	-	-
Related debt	-	-
<b>MISCELLANEOUS LIABILITIES</b>	<b>25,969</b>	<b>25,805</b>
<b>ADJUSTMENT ACCOUNTS AND MISCELLANEOUS LIABILITIES</b>	<b>25,969</b>	<b>25,805</b>

## Breakdown of transactions with credit institutions and customers by remaining term

(In € thousands)	Accrued interest	<= 3 months	3 months to 1 year	1 to 5 years	> 5 years	31.12.2022
<b>ASSETS</b>	<b>75,818</b>	<b>545,504</b>	<b>501,315</b>	<b>8,610,452</b>	<b>9,558,367</b>	<b>19,291,456</b>
Receivables from credit institutions and similar	75,703	534,627	501,315	8,610,452	9,558,367	19,280,464
Receivables from customers						-
Securities portfolios (trading, short term, long term)						-
Government securities and similar assets	115	10,877				10,992
Bonds and other fixed-income securities		-				-
<b>LIABILITIES</b>	<b>73,030</b>	<b>499,972</b>	<b>501,315</b>	<b>8,510,273</b>	<b>9,431,292</b>	<b>19,015,882</b>
Amounts due to credit institutions and similar		-				-
Amounts due to customers		-				-
Debt securities	73,030	499,972	501,315	8,510,273	9,431,292	19,015,882
<b>Bonds</b>		-				-
<b>Interbank market securities and negotiable debt securities</b>		-				-
<b>Other debt securities</b>		-				-
Subordinated debt		-				-
<b>OFF-BALANCE SHEET</b>		-				-
Financing commitments given		-				-
Guarantee commitments given		-				-

## 2.7 Equity

	Fund for general banking risks	Capital	Issue and contribution premium	Legal reserves	Other reserves and retained earnings	Corporate income	Total equity
<i>(In € thousands)</i>							
<b>EQUITY AT 31 DECEMBER 2020</b>		<b>210,000</b>		<b>450</b>	<b>3,199</b>	<b>1,619</b>	<b>215,268</b>
Appropriation of Y-2 net income				81	1,538	(1,619)	
Y-1 distribution in respect of Y-2 result							
Capital increase/decrease (x)		34,000					34,000
Regulated provision/reversal							
Y-1 result						473	473
Other movements							
<b>EQUITY AT 31 DECEMBER 2021</b>		<b>244,000</b>		<b>531</b>	<b>4,737</b>	<b>473</b>	<b>249,741</b>
Appropriation of Y-1 net income				24	449	(473)	
Distribution Y in respect of Y-1 result							
Capital increase/decrease (x)							
Regulated provision/reversal							
Result N						667	667
Other movements							
<b>EQUITY AT 31 DECEMBER 2022</b>		<b>244,000</b>		<b>555</b>	<b>5,186</b>	<b>667</b>	<b>250,408</b>

The share capital of La Banque Postale Home Loan SFH amounts to two hundred and forty-four million euros (€244,000,000) divided into twenty-four million and four hundred thousand (24,400,000) shares with a par value of ten euros (€10) each.

### 31 December 2022

The net income for the 2022 financial year amounted to €667,013.33.

## NOTE 3 FINANCIAL TRANSACTIONS – BREAKDOWN BY CATEGORY

### 3.1 Interest on treasury and interbank transactions

(In € thousands)	31.12.2022	31.12.2021
Interest and similar income on transactions with credit institutions	99,281	79,245
– Interest on ordinary accounts in debit		
– Interest on accounts and loans	99,368	79,325
– Negative income on accounts and loans (1)	(88)	(79)
– Interest on assets received under repurchase agreements		
– Interest on securities received under repurchase agreements		
– Premium/discount income		
– Other interest and similar income		
Interest and similar income on transactions with customers	-	-
Interest and similar income on bonds and other fixed-income securities	318	534
– Interest and similar income on short-term investment securities		
– Interest and similar income on long-term investment securities	318	534
– Other interest and similar income		
Interest and similar income on subordinated debt transactions		
Other interest and similar income		
<b>INTEREST AND SIMILAR INCOME</b>	<b>99,598</b>	<b>79,779</b>
Interest and similar expenses on transactions with credit institutions	-	-
– Interest on ordinary accounts in credit		
– Interest on sight and term loans		
– Interest on securities given under repurchase agreements		
– Other interest and similar expenses		
Interest and similar expenses on transactions with customers	-	-
Interest and similar expenses on bonds and other fixed-income securities	(95,058)	(75,258)
– Interest on negotiable certificates of deposit and negotiable medium-term notes		
– Interest and expenses on bonds	(105,611)	(85,505)
– Premium spread on bonds	10,553	10,246
– Other interest expenses		
Interest and similar expenses on subordinated debt transactions		
Other interest and similar expenses	-	-
<b>INTEREST AND SIMILAR EXPENSES</b>	<b>(95,058)</b>	<b>(75,258)</b>

(1) The presentation has been adapted to recognise negative interest on loans.



## Interest on fixed-income securities

(In € thousands)	31.12.2022	31.12.2021
Interest and similar income on short-term investment securities		
Interest and similar income on long-term investment securities	318	534
Other interest and similar income		
<b>INTEREST AND SIMILAR INCOME ON BONDS AND OTHER FIXED-INCOME SECURITIES</b>	<b>318</b>	<b>534</b>
Interest on negotiable certificates of deposit and negotiable medium-term notes		
Interest and expenses on bonds	(95,058)	(85,505)
Premium spread on bonds	(4,539)	10,246
Other interest expenses		
<b>INTEREST AND SIMILAR EXPENSES ON BONDS AND OTHER FIXED-INCOME SECURITIES</b>	<b>(99,597)</b>	<b>(75,258)</b>

## 3.2 Commissions

(In € thousands)	31.12.2022		31.12.2021	
	Income	Expenses	Income	Expenses
Treasury and interbank transactions	-	(31)	-	(97)
- Transactions with customers	-	-	-	-
- Securities transactions	-	(18)	-	(15)
- Transactions on forward financial instruments	-	-	-	-
- Provision of financial services	-	-	-	-
- Foreign exchange transactions	-	-	-	-
- Other commissions	-	-	-	-
<b>COMMISSIONS</b>	<b>-</b>	<b>(49)</b>	<b>-</b>	<b>(112)</b>

### 3.3 Other banking income and expenses

(In € thousands)	31.12.2022		31.12.2021	
	Income	Expenses	Income	Expenses
- Re-invoiced expenses, retroceded income and transferred expenses	-	-	-	-
- Other miscellaneous operating income and expenses	450	(50)	450	(48)
- Additions to/reversals of provisions for other operating income and expenses	-	-	-	-
<b>Other banking operating income and expenses</b>	<b>450</b>	<b>(50)</b>	<b>450</b>	<b>(48)</b>
<b>NET AMOUNT OF BANKING OPERATING INCOME AND EXPENSES</b>	<b>400</b>		<b>402</b>	

### 3.4 General operating expenses

(In € thousands)	31.12.2022	31.12.2021
Wages and salaries	-	-
Pensions	-	-
Social security charges	-	-
Incentives and profit-sharing	-	-
Taxes and similar payments on remuneration	-	-
Other expenses	-	-
<b>PERSONNEL EXPENSES</b>	<b>-</b>	<b>-</b>
Amount of directors' fees paid to directors		
Taxes and duties	230	208
Leasing fees	-	-
Rents, rental expenses	-	-
Fees	558	503
Other operating expenses	2,678	2,823
<b>OTHER GENERAL OPERATING EXPENSES</b>	<b>3,466</b>	<b>3,534</b>
<b>GENERAL OPERATING EXPENSES</b>	<b>3,466</b>	<b>3,534</b>

## 3.5 Tax expense

(in € thousands)		31.12.2022	31.12.2021
Corporate income tax		(757)	(803)
Tax credit			
<b>TAX EXPENSE</b>		<b>(757)</b>	<b>(803)</b>
Tax loss carryforwards			

### Nature of differences

(in € thousands)		31.12.2022	31.12.2021
Temporary	Loans and deposits		
	Home savings provision option		
	Social solidarity contribution of companies	77	85
	UCITS		
	Financial instruments		
	Other temporary differences		
Definitive	Parent-daughter plan		
	Tax credit		
	Fines		
<b>DIFFERENCES</b>		<b>77</b>	<b>85</b>

### Statutory audit fees

(amounts excl. taxes; in € thousands)	KPMG		MAZARS*	
	Amount	%	Amount	%
Statutory audit, review of individual and consolidated financial statements	18	50%	15	58%
Services other than certification of financial statements	18	50%	11	42%
<b>TOTAL</b>	<b>36</b>	<b>100%</b>	<b>26</b>	<b>100%</b>

\* Provisions.

# 3.

## Statutory auditors' report on the annual financial statements

### STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

**Financial year ended 31 December 2022**

To the General Meeting of La Banque Postale Home Loan SFH,

#### Opinion

In compliance with the assignment entrusted to us by your Annual General Meeting, we have audited the annual financial statements of La Banque Postale Home Loan SFH SA for the financial year ended 31 December 2022, as attached to this report.

We certify that the annual financial statements are, in accordance with French accounting rules and principles, regular and fair and give a true and fair view of the results of operations for the past financial year and of the financial position and assets of the company at the end of the year.

The opinion expressed above is consistent with the content of our report to the Financial Statements Committee.

#### Basis for opinion

##### Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the information we have collected is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the "Responsibilities of the Statutory Auditors relating to the audit of the annual financial statements" section of this report.

##### Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from 1 January 2022 to the date of our report and, in particular, we did not provide any services prohibited by Article 5 (1) of Regulation (EU) No. 537/2014.

#### Justification of assessments - Key audit matters

Pursuant to the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risks of material misstatement, which, in our professional judgement, were the most important for the audit of the annual financial statements for the year, as well as the responses we have provided to these risks.

We determined that there were no key audit matters to disclose in our report.

## Specific verifications

In accordance with professional standards applicable in France, we also performed the specific verifications required by law and regulations.

### Information given in the management report and in the other documents provided to shareholders on the financial position and the annual financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents on the financial position and the annual financial statements provided to the shareholders, except for the item below.

Concerning the fair presentation and the consistency with the financial statements of the disclosures provided in relation to the payment terms referred to in Article D. 441-6 of the French Commercial Code, we have the following matter to report: as indicated in the management report, these disclosures do not include banking and related transactions as the Company considers that such disclosures are not within the scope of disclosures to be provided.

### Report on corporate governance

We attest that the Board of Directors' report on corporate governance contains the information required by Articles L.225-37-4 and L.22-10-10 of the French Commercial Code.

## Other verifications or information required by law and regulations

### Presentation of the annual financial statements to be included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the presentation of the annual financial statements to be included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to verify that the annual financial statements that will be included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

### Appointment of Statutory Auditors

We were appointed as Statutory Auditors of La Banque Postale Home Loan SFH at the General Meetings of 21 May 2013 in the case of KPMG SA and 31 May 2022 in the case of Mazars.

As of 31 December 2022, KPMG SA, as the successor to KPMG Audit FS I, was in the 10<sup>th</sup> year of its engagement, including nine years since the Company was recognized as an EIP (*Entité d'Intérêt Public* - Public-Interest Entity) Mazars was in its first year.

### Responsibilities of management and those charged with governance for the annual financial statements

It is the responsibility of management to prepare annual financial statements that present a true and fair view in accordance with French accounting rules and principles and to implement the internal control that it deems necessary for the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing in these financial statements any necessary information relating to its continuation as a going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

It is the responsibility of the Financial Statements Committee to monitor the process of preparing financial information and to monitor the effectiveness of the internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to the preparation and processing of accounting and financial information.

The annual financial statements were approved by the Board of Directors.

# Responsibilities of the Statutory Auditors relating to the audit of the annual financial statements

## Objective and audit approach

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit conducted in accordance with professional standards will systematically detect any material misstatement. Misstatements may arise from fraud or error and are considered material when they can reasonably be expected, taken individually or in combination, to influence the economic decisions taken by users on the basis of these financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise their professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from an error, because fraud can involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- examine the internal control relevant to the audit in order to define audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- assess the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the disclosures concerning them provided in the annual financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Report to the Financial Statements Committee

We submit a report to the Financial Statements Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified relating to the preparation and processing of accounting and financial information.

Our report to the Financial Statements Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Financial Statements Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as set out in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Financial Statements Committee.

The Statutory Auditors

Paris La Défense, 30 March 2023

KPMG SA

Xavier de Coninck  
Partner

Paris La Défense, 30 March 2023

Mazars

Charles De Boisriou  
Partner

# 4.

## Board's report on corporate governance

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Dear Shareholders,

In accordance with the provisions of Article L. 225-37 of the French Commercial Code, this report on corporate governance appended to the management report (the "**Report**"), includes information relating to executive remuneration, La Banque Postale Home Loan SFH's governance and factors likely to have an impact in the event of a public offer.

## 4.1 Governance

### 4.1.1 Body chosen to exercise the general management of La Banque Postale Home Loan SFH

In accordance with the applicable regulations, the functions of Chairman of the Board of Directors and Chief Executive Officer are separated. The general management of La Banque Postale Home Loan SFH is ensured by a Chief Executive Officer assisted by a Deputy CEO, both of whom are non-directors.

### 4.1.2 Composition of the Board

In accordance with its Articles of Association, the Board of Directors comprises 3 to 18 members.

At 31 December 2022, the Board of Directors consisted of six directors, three women and three men:

- five employees of La Banque Postale Group, the majority shareholder, chosen mainly for their positions within the Group: Tiphaine du Bois de Gaudusson (Director since 17 September 2018 and Chairwoman since 13 May 2022), Serge Bayard (since 15 October 2014), Stéphane Magnan and Stéphane Derouvroy (since 18 December 2021), and Frédérique Maufay Coutarel (since 31 May 2022);
- and a legal entity, La Banque Postale Group (since 27 September 2017), represented by Sylvie Braun, also an employee and appointed by letter from the Chairman of the Executive Board on 1 December 2020.

The term of office of directors is six years, with directors' terms of office being renewable.

The directors are not required to hold a minimum number of shares.

The number of directors who have reached the age of 70 may not exceed one third of the directors in office. If this limit is reached, the oldest director is automatically deemed to have resigned at the end of the next General Meeting of Shareholders. This provision applies to the permanent representatives of legal entities.

### 4.1.3 Offices held within La Banque Postale Home Loan SFH

#### 4.1.3.1 Directorships

On 31 May 2022, the General Meeting appointed Frédérique Maufay Coutarel as Director for a term of six years.

#### 4.1.3.2 Term of office of the Chairman of the Board of Directors

Tiphaine du Bois de Gaudusson, Director since 17 September 2018, was appointed as Chairwoman of the Board of Directors by the Board at its meeting of 13 May 2022 for the remainder of her term of office as Director to replace Stéphane Magnan, who had resigned.

The Chairwoman approves the documents prepared by the Company's internal departments, organises and directs the work of the Board of Directors, reports on it to the General Meeting, ensures that the directors are able to fulfil their duties and that they have the information and documents necessary to perform their duties.

#### 4.1.3.3 Terms of office of committee members

The Financial Statements Committee and the Risk Committee are currently composed of three members respectively: Stéphane Derouvroy (Chairman), Stéphane Magnan and Tiphaine du Bois de Gaudusson, appointed on 17 September 2018, i.e. one-third of women. These committees take into account the issue of gender balance.



#### 4.1.3.4 List of offices

In accordance with the provisions of Article L. 225-37-4 of the French Commercial Code, we present in Appendix 1 to this report a list of all the offices and positions held in any company by each corporate officer during the financial year.

### 4.1.4 Conditions for the preparation and organisation of the Board's work

The Board of Directors meets at least four times a year, or as often as La Banque Postale Home Loan SFH's interests require, when convened by its Chairman.

However, (i) when it has not met for more than two months, at least one third of the members of the Board of Directors may demand that the Chairman convene a Board meeting on an agenda set by these directors, (ii) and when the Chief Executive Officer does not act as Chairman of the Board of Directors, as indicated in Article 18 of the Articles of Association, the Chief Executive Officer may demand that the Chairman convene a Board meeting on an agenda set in said demand.

In the event of failure by the Chairman and by way of derogation from Article 12 of Order No. 2014-948 of 20 August 2014, the group of directors or the Chief Executive Officer who has requested the convening of the Board of Directors will be competent to convene the Board and to set the agenda.

The Board of Directors may also be convened by more than one third of its members on an agenda and at a place determined in the notice of meeting.

The directors are convened by any means. The notice of meeting shall contain the date, place and agenda identifying the issues to be discussed during the meeting. Copies of the relevant documents to be discussed at the meeting are also sent to the members of the Board.

The Specific Controller is convened to each meeting of the Board of Directors in the same way as the directors, and the statutory auditors are invited to all Board meetings examining or approving the annual or interim financial statements.

The Chairman chairs Board meetings. The Board may, if it deems it useful, appoint a Vice-Chairman to chair the meetings in the absence of the Chairman. In the event of the absence or incapacity of the Chairman and in the absence of a Vice-Chairman, the meeting will be chaired by the director specially elected for this purpose by the members of the Board present at the meeting; in the event of a tie, the oldest candidate chairs the meeting.

A director may appoint another director to represent him or her. Each director may hold only one proxy during the same meeting.

The Board's deliberations are recorded in minutes drawn up in accordance with the legal provisions in force and signed by the Chairman of the meeting and by one director or, if the Chairman of the meeting is unable to sign, by two directors.

The directors, like any person called to attend Board meetings, are required to maintain discretion with regard to confidential information.

The Board of Directors has drawn up internal rules that specify the Board's missions, the terms of its meetings and provide for the possibility for the directors to participate in the Board by videoconference or any other direct and simultaneous means of telecommunication allowing their identification and guaranteeing their effective participation under the legal conditions. This option is not applicable for the closing of the annual financial statements and the preparation of the management report.

Internal rules have also been drawn up by the committees of the Board of Directors in order to specify their duties and operation.

### 4.1.5 Periodic assessment of the Board of Directors and its members by the Appointments Committee

In accordance with the applicable regulations, the Appointments Committee has assessed the Board of Directors and its members. The committee conducted the annual review of the balance, structure, size and composition of the Board of Directors and of the diversity of knowledge, skills and experience of its members.

As the Chairwoman of the Board of Directors and a director were appointed respectively by the Board of Directors' meeting of 13 May 2022 and the General Meeting of 31 May 2022, the committee based itself on the information provided to the supervisor in the fit & proper forms to conduct its periodic assessment. The committee also appreciated the participation of the members in the various bodies.

The committee considered that the structure, size and composition of the Board enable it to perform its duties effectively.

The committee also considered that the knowledge, experience and skills of the members of the Board, both individually and collectively, enable it to carry out the missions entrusted to it under good conditions. In particular, the committee considered that the Board must have members with good expertise in financial markets, legal and regulatory requirements applicable to La Banque Postale Home Loan SFH, risk management and accounting and financial information. The committee noted that the Board includes the Director of Structuring and Syndication of CIB, the Deputy Chief Executive Officer of CIB, the Director of the Financial Management Optimisation Project, the Chief Legal Officer in charge of the General Secretariat, and the Head of Accounting at La Banque Postale Group. After reviewing and deliberating on the matter, the committee considered that the Board has the necessary skills for its proper functioning.

The committee noted that the Board had met five times in 2022. The Board is assisted in its work by three committees:

- a Risk Committee comprising three members and which met four times in 2022;
- a Financial Statements Committee comprising three members and which met twice in 2022;
- an Appointments Committee comprising two members and which met once in 2022.

The committee examined the individual participation rate of each member in the bodies and expressed its satisfaction with the improvement of the overall participation rate of the members in the bodies despite the impact of the health crisis.

The committee, in accordance with what has been indicated in the fit & proper forms, estimated the time to be devoted to the duties of director and/or member of the Board committee at two days per body.

## 4.1.6 Balanced representation of women and men on the Board

La Banque Postale Home Loan SFH is not subject to Article L. 225-18-1 of the French Commercial Code, which sets a percentage of members of each gender to be complied with by large companies. However, in accordance with Article L. 225-17 of the French Commercial Code, the Board of Directors must strive to achieve a balanced representation of women and men. In accordance with Article L. 511-99 of the French Monetary and Financial Code, the Appointments Committee sets an objective to be achieved with regard to the balanced representation of women and men on the Board of Directors. It develops a policy to achieve this objective. This policy and its implementation procedures are made public.

The committee noted that the composition of the Board of Directors had changed, increasing the number of members from five to six and the number of women from two to three. The committee noted with satisfaction that the percentage of women on the Board of Directors had increased from 40% to 50%, allowing for balanced representation of men and women on the Board. Tiphaine du Bois de Gaudusson was appointed as Chairwoman of the Board of Directors on 13 May 2022.

Gender balance on the Board of Directors having been achieved, the committee has set itself the objective of maintaining, as far as possible, this balanced representation on the Board, with three members of each gender.

The committee also noted that the representation of women and men was balanced on the Financial Statements Committee and the Risk Committee given the odd number of members. These committees comprise three members, two men and one woman.

## 4.1.7 Corporate Governance Code

La Banque Postale Home Loan SFH does not refer to any corporate governance code insofar as it has no employees and does not pay remuneration to its corporate officers, who are mainly chosen depending on their functions within La Banque Postale Group, which is the director of La Banque Postale Home Loan SFH, a 99.99% shareholder, and complies with the AFEP-MEDEF Code.

## 4.1.8 Shareholders' participation in the General Meeting

In accordance with La Banque Postale Home Loan SFH's Articles of Association, any shareholder, regardless of the number of shares he or she owns, has the right to attend General Meetings and to take part in deliberations in person or by proxy or to take part in voting by mail under the applicable legal and regulatory conditions.

Any shareholder may be represented by their spouse, by the partner with whom they have entered into a civil solidarity pact or by another shareholder.

Any shareholder may vote by mail under the legal and regulatory conditions.

## 4.2 Agreements covered by Article L. 225-38 of the French Commercial Code

All relevant information has been sent to La Banque Postale Home Loan SFH's statutory auditors to enable them to present their special report on the agreements referred to in Article L. 225-38 of the French Commercial Code. We inform you that no new regulated agreement was authorised during the 2022 financial year.

Nor were there any agreements governed by Article L. 225-37-4 of the French Commercial Code.

## 4.3 Delegations for capital increases

In accordance with the provisions of Article L. 225-37-4 (3) of the French Commercial Code, we hereby inform you that there are no delegations of power and/or authorisations granted by the General Meeting to the Board of Directors in terms of capital increases pursuant to the provisions of Articles L. 225-129-1 and L. 225-129-2 of the said Code.

## 4.4 Factors likely to have an impact in the event of a public tender or exchange offer (Article L. 22-10-11 of the French Commercial Code)

At 31 December 2022, La Banque Postale held 24,399,999 shares out of the 24,400,000 shares that make up La Banque Postale Home Loan SFH's share capital, i.e. 99.99% of the share capital.

In accordance with the provisions of Article L. 225-1 of the French Commercial Code, a second shareholder holds one share in La Banque Postale Home Loan SFH.

La Banque Postale Home Loan SFH's Articles of Association do not contain any provisions that would have the effect of delaying, deferring or hindering a change of control. There are no other factors likely to have an impact in the event of a public tender or exchange offer.

Board of Directors

# Appendix 1 - List of all offices and positions held in any company by the corporate officers as of 31 December 2022

## General Management

### Patrick PEAUCELLE, Chief Executive Officer:

- ▶ Head of the Commercial Collateral Division of the Markets and Financing Department of La Banque Postale Group's Corporate and Investment Banking (a French public limited company with an Executive Board and a Supervisory Board);
- ▶ Chief Executive Officer of La Banque Postale Home Loan SFH (a French public limited company with a Board of Directors).

### Dominique HECKEL, Deputy Chief Executive Officer:

- ▶ Head of Long-Term Financing in the Trading Room in the Markets and Financing Department of La Banque Postale Group's Corporate and Investment Banking (a French public limited company with an Executive Board and a Supervisory Board);
- ▶ Deputy Chief Executive Officer of La Banque Postale Home Loan SFH (a French public limited company with a Board of Directors).

## Board of Directors

### Tiphaine DU BOIS DE GAUDUSSON, Director, member of the Financial Statements Committee, member of the Risk Committee since 17 September 2018 and Chairwoman of the Board of Directors since 13 May 2022:

- ▶ Chief Legal Officer in charge of the General Secretariat of La Banque Postale Group (a French public limited company with an Executive Board and a Supervisory Board);
- ▶ Director, member of the Risk Committee, member of the Financial Statements Committee of La Banque Postale Home Loan SFH (a French public limited company with a Board of Directors);
- ▶ Member of the Board of Directors of KissKissBankBank (a French simplified joint stock company).

### Stéphane MAGNAN, Director, member of the Financial Statements Committee, member of the Risk Committee, member of the Appointments Committee:

- ▶ Director of the project to optimise the financial management of La Banque Postale Group (a French public limited company with an Executive Board and a Supervisory Board);
- ▶ Director, member of the Financial Statements Committee, member of the Risk Committee, member of the Appointments Committee of La Banque Postale Home Loan SFH (a French public limited company with a Board of Directors);
- ▶ Chairman of the Financial Statements Committee, member of the Risk Committee, of La Banque Postale Leasing & Factoring (a French public limited company with a Board of Directors);
- ▶ Member of the Supervisory Board and the Audit and Risk Committee of La Banque Postale Asset Management (a French public limited company with an Executive Board and a Supervisory Board);
- ▶ Director of La Banque Postale Asset Management Holding (a French public limited company with a Board of Directors).

## **Stéphane DEROUVROY, Director, Chairman of the Financial Statements Committee, Chairman of the Risk Committee:**

- ▶ Head of Structuring and Syndication in the Markets and Financing Department of La Banque Postale Group's Corporate and Investment Banking (a French public limited company with an Executive Board and a Supervisory Board);
- ▶ Director, Chairman of the Financial Statements Committee, Chairman of the Risk Committee of La Banque Postale Home Loan SFH (a French public limited company with a Board of Directors).

## **Serge BAYARD, Director, Chairman of the Appointments Committee:**

- ▶ Deputy Chief Executive Officer of La Banque Postale Group's Corporate and Investment Banking (a French public limited company with an Executive Board and a Supervisory Board);
- ▶ Vice-Chairman of the Board of Directors, Chairman of the Strategy Committee, Member of the Appointments Committee, Member of the Remuneration Committee of La Banque Postale Leasing & Factoring (a French public limited company with an Executive Board and a Supervisory Board);
- ▶ Chairman of the Board of Directors of La Banque Postale Collectivités Locales (a French public limited company with a Board of Directors);
- ▶ Director, Chairman of the Appointments Committee of La Banque Postale Home Loan SFH (a French public limited company with a Board of Directors);
- ▶ Director of Société de Financement Local (a French public limited company with a Board of Directors);
- ▶ Chairman of the Board of Directors of Ezyne (a French simplified joint stock company).

## **Sylvie BRAUN, Permanent Representative of La Banque Postale, Director:**

- ▶ Head of Accounting at La Banque Postale Group (a French public limited company with an Executive Board and a Supervisory Board);
- ▶ Permanent representative of La Banque Postale Group, Director of La Banque Postale Home Loan SFH (a French public limited company with Board of Directors);
- ▶ Director of Goodeed (a French simplified joint stock company).

# 5.

## Statutory auditors' special report on regulated agreements

### STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

Financial year ended 31 December 2022

To the General Meeting of La Banque Postale Home Loan SFH,

In our capacity as Statutory Auditors of your company, we present our report on related-party agreements.

It is our responsibility to inform you, on the basis of the information provided to us, of the characteristics and essential terms and conditions of the agreements of which we have been informed or that we may have discovered in the course of our engagement. We are not obliged to comment on their usefulness and appropriateness nor to investigate whether any other agreements exist. It is your responsibility, in accordance with the terms of R.225-31 of the French Commercial Code, to assess the benefits of these agreements with a view to their approval.

It is also our responsibility, where applicable, to provide you with the information required by Article R. 225-31 of the French Commercial Code relating to the performance, during the past fiscal year, of the agreements previously approved at the General Meeting.

We performed the procedures that we deemed necessary in accordance with the professional standards of the French National Association of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

#### Agreements submitted for approval to the General Meeting

We hereby inform you that we have not been informed of any agreement authorized during the past financial year to be submitted for the approval of shareholders at the General Meeting pursuant to Article L. 225-38 of the French Commercial Code.

#### Agreements previously approved by the General Meeting

We hereby inform you that we have not been informed of any agreement previously approved by the General Meeting, which remained in force during the past financial year.

The Statutory Auditors

Paris La Défense, 30 March 2023

KPMG SA

Xavier de Coninck  
Partner

Paris La Défense, 30 March 2023

Mazars

Charles De Boisriou  
Partner

# 6.

## Responsibility for the annual financial report

### PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

**Patrick PEAUCELLE**

Chief Executive Officer

La Banque Postale Home Loan SFH

### STATEMENT BY THE PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

I hereby certify, to the best of my knowledge, that the financial statements are prepared in accordance with the applicable accounting standards and give a true and fair view of the Company's assets, financial position and results, and that the attached management report presents a true and fair view of the development of the Company's business, results and financial position and describes the main risks and uncertainties to which it is exposed.

Paris, 30 March 2023

**Patrick PEAUCELLE**

Chief Executive Officer

La Banque Postale Home Loan SFH