PRESS RELEASE
Paris, 31 July 2024

2024 interim results

Lower attributable net profit, due to a decline in insurance revenue, after an exceptional year for this business line in 2023; very robust financial structure

- **Attributable net profit** down 11.3% vs. first-half 2023 at €515 million
- **Net banking income** of €3.6 billion, down 5.6% in first-half 2024 due to the decline in the insurance service result vs. the high basis of comparison created by favourable exceptional factors in first-half 2023 for CNP Assurances
- **Limited growth in expenses, up 1.5%** (up 0.1% like-for-like) at €2.5 billion
- Efficiently managed risk profile with a **stable cost of risk** (€100 million) representing 11 basis points of outstanding loans
- **Decreased RONE**, at 7.7% vs. 8.6% at 30 June 2023[1]

Non-financial performance

- **Sustainable financing[2]** as a percentage of total originations: 34%, up 9 pts vs. first-half 2023
- Marginal exposure to fossil fuels of **0.01%[3]** at 30 June 2024
- **Regulatory Green Asset Ratio (GAR)[4]** of 5.5% at 31 December 2023

Financial structure

- A high level of solvency, with a **CET1 ratio** of 19%
- Robust liquidity ratios, with the **LCR** at 169% and the **NSFR** at 133%
- **CNP Assurances Group SCR coverage ratio** of 263% at 30 June 2024 (up 10 pts vs. 31 December 2023)

Implementation of the transformation plan

- **By strengthening the fundamentals:**
  - Customer acquisition and equipment: 249,000 new retail customers and 19.2% growth in sales of affinity products[5] vs. first-half 2023
  - Disciplined cost management in line with the cost rationalisation plan launched in 2023
  - Closure of Ma French Bank underway
  - Disposal of insurance operations in Cyprus in progress

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[1] *RONE = Attributable net profit/Average risk-weighted assets capitalised at 14%*
[2] *Total outstanding loans to individuals, businesses and institutional investors in support of the energy transition and social and regional projects*
[3] *Unaudited data*
[4] *Average ratio for six French banks: 3.6% at 31 December 2023*
[5] *Cards/property & casualty insurance/personal risk insurance/health insurance/new regular premium life insurance contracts, equity savings plans (PEA)/personal loans*

- **By developing growth and diversification levers:**
   - Corporate and Local Development Banking (CLDB, formerly CIB): development focused on business customers and financing local investment
   - La Financière de l'Echiquier (LFDE) successfully integrated into the Asset Management division
   - Project to create a major player in social protection in France: CNP Assurances/La Mutuelle Générale
   - 20-year exclusive distribution agreement between CNP Assurances and Banco de Brasília

- **By embedding our purpose in the model:**
   - Deployment of the Impact Weighting Factor (IWF) to cover all home loan, asset finance, project finance and commercial real estate loan originations
   - Another milestone crossed in our drive to create a more inclusive working environment, with the signing of the 6th Diversity and Gender Equality agreement
   - CNP Assurances placed first out of the world's top 23 life insurers in terms of responsible investment policies in the 2024 ranking published by ShareAction, a UK-based NGO, in recognition of its climate and biodiversity commitments
   - Elimination by CNP Assurances of term creditor insurance premium surcharges and exclusions for breast cancer survivors

Stéphane Dedeyan, Chairman of La Banque Postale's Executive Board, said:

"In a still uncertain macro-economic and financial environment, La Banque Postale reported lower earnings, due to a decline in insurance revenue after a first-half 2023 boosted by exceptional factors. The Group's balance sheet structure and liquidity position are robust, and it has a high level of solvency.

Implementation of our transformation plan to create a more balanced business model is beginning to bear fruit. The Retail Banking business's drive to win new customers and increase affinity sales has delivered good results, we have acted to streamline our unprofitable businesses and costs have been kept under control in line with our cost rationalisation plan.

New transformative initiatives are also strengthening our leadership in sustainable finance. They include the roll-out of our Impact Weighting Factor (IWF) to new commercial real estate loans and asset and project finance originations, deployment of green and social term deposit offers, and the elimination by CNP Assurances of term creditor insurance premium surcharges and exclusions for breast cancer survivors.

Lastly, during the first half of the year, four major developments supported the diversification of our business model. We finished integrating La Financière de l'Echiquier into our Asset Management division and focused our Corporate and Investment Banking division on commercial banking operations serving businesses and local development. We also launched a project between CNP Assurances and La Mutuelle Générale to create a major player in social protection in France and signed an exclusive distribution agreement between CNP Assurances and Banco de Brasília.

With the new team in place, we are continuing to implement our roadmap and remain focused on our objective of building a European leader in bancassurance committed to efficiently delivering sustainable products and services to all our customers, whether they be individuals, businesses or local authorities."

Lower financial results

La Banque Postale Group's business performance and results

La Banque Postale reported lower earnings in first-half 2024, due to a decline in insurance revenue after exceptional factors in first-half 2023 created a high basis of comparison.

First-half 2024 consolidated income statement

(in € millions)	H1 2023	**H1 2024**	Change (vs. H1 2023)	Change (vs. H1 2023 like-for-like)
Net banking income	**3,864**	**3,648**	***-5.6%***	***-6.9%***
Operating expenses	(2,443)	(2,479)	*+1.5%*	*+0.1%*
Gross operating profit	**1,421**	**1,169**	***-17.7%***	***-19.1%***
Cost-income ratio	*63.8%*	*69.9%*	*+6.0 pts*	*+6.1 pts*
Cost of risk	(101)	(100)	*-1.1%*	*-1.1%*
Operating profit	**1,320**	**1,070**	***-19.0%***	***-20.5%***
Changes in goodwill/Gains and losses on other assets	(37)	(12)	*n/a*	*n/a*
Share of profits of equity-accounted companies	2	14	*n/a*	*n/a*
Pre-tax profit	**1,286**	**1,072**	***-16.7%***	***-18.1%***
Income tax	(573)	(428)	*-25.4%*	*-26.2%*
Net profit	**713**	**644**	***-9.6%***	***-11.6%***
Non-controlling interests	(132)	(129)	*-2.3%*	*-5.2%*
Attributable net profit	**580**	**515**	***-11.3%***	***-13.1%***
RONE	**8.6%**	**7.7%**	***-0.9 pts***	

(*) RONE = Attributable net profit/Average risk-weighted assets capitalised at 14%

The Group's commercial loan book remained stable over the first half of 2024.

With the French property market continuing to narrow in the high interest rate environment, **commercial real estate originations**[6] fell by 32.8% vs. the comparative period, to €3.6 billion in first-half 2024. **Consumer loan**[7] originations dipped by 2.2% in first-half 2024 to €1.3 billion in a sluggish market. At €7.3 billion, **CLDB originations** were up 2% in first-half 2024 vs. the prior-year period.

Total **Savings/Pensions new money** in France and in international markets contracted by 2.0% to €15.3 billion, with the flow of money into unit-linked funds accounting for a high 48.5% of the total[8].

[6] Including Louvre Banque Privée
[7] Personal loans and revolving lines of credit
[8] Excluding transfers

Personal Risk/Protection earned premiums in France and in international markets amounted to €3.3 billion, a decline of 2.0%. Property & Casualty earned premiums totalled €497 million, up 2.8%.

Net banking income was 5.6% lower at €3,648 million, reflecting:

- a 6.4% increase in **fee and commission income and other income**[9], up €68 million to €1.4 billion, led by the Network's dynamic sales performance and fee increases;

- the 8.4% decline in the **net interest margin**[9] **(NIM)**, which was down €74 million in first-half 2024 to €813 million due to the absence of interest on minimum ECB reserves and the higher cost of resources, despite an improvement in margins;

- the decline in **insurance revenue (CNP Assurances Group)**[9], which contracted by €259 million, primarily due to the fall in the insurance service result vs. the high basis of comparison in France and Brazil in first-half 2023 when it was boosted by exceptional favourable factors.

Operating expenses for first-half 2024 came to €2,479 million, an increase of just 1.5% thanks to effective cost discipline in the Banking business in line with the cost rationalisation plan launched in 2023 and the end of the contribution to the EU Single Resolution Fund (SRF). The total included the contribution of newly-consolidated La Financière de l'Echiquier. Excluding this company (i.e., on a like-for-like basis), expenses were stable (up 0.1%). The Insurance division's expenses were almost stable.

The **consolidated cost/income ratio** stood at 69.9%, up 6 points vs. first-half 2023.

Gross operating profit amounted to €1,169 million, down 17.7%.

At 30 June 2024, cost of risk stood at €100 million, breaking down as €41 million on retail exposures (including loans to professional customers) and €59 million on corporate exposures.
This amount corresponded to 11 basis points of outstanding loans, unchanged from 31 December 2023 and reflecting:
• the high quality of the Retail Banking and Corporate & Local Development Banking books;
• the Group's limited exposure to sectors showing signs of vulnerability in the current environment;
• La Banque Postale's conservative policy concerning loss allowances across all customer categories.
Non-performing exposures (NPE) stood at 1% (0.9% at 31 December 2023).
The coverage rate for non-performing exposures was slightly higher at 36.5% at end-June 2024 compared with 35.8% at 31 December 2023.

Attributable net profit was down 11.3% vs. first-half 2023 at €515 million, with the Insurance division delivering a resilient earnings performance after an exceptional year in 2023.

RONE fell to 7.7%, from 8.6% in first-half 2023[10].

[9] *Based on a comparable scope of consolidation and at constant exchange rates*
[10] *RONE = Attributable net profit/Average risk-weighted assets capitalised at 14%*

A robust balance sheet structure

Total assets at 30 June 2024 amounted to €727 billion compared with €738 billion at 31 December 2023.

Key indicators

	31 Dec. 2023 published	30 June 2024	*Change*
BALANCE SHEET			
Total assets (€bn)	738	**727**	*-1.5%*
CAPITAL			
Total regulatory own funds (€bn)	21.4	**21.7**	*+1.4%*
Common Equity Tier 1 (CET1) ratio	18.1%	**19%**	*+0.8 pt*
Leverage ratio	7.3%	**7.3%**	*stable*
CNP Assurances Group SCR coverage ratio	253%	**263%**	*+10 pts*
LIQUIDITY			
Loan-to-deposit ratio	88.4%	**89.8%**	*+1,4 pt*
Liquidity coverage ratio (LCR)	146%	**169%**	*+23 pts*
Net stable funding ratio (NSFR)	132%	**133%**	*+1 pt*
Liquidity reserve (€bn)	54.8	**49.1**	*-10%*

The Group's financial structure is robust, with total regulatory own funds of €21.7 billion

At 30 June 2024, the CET1 ratio stood at 19% (up 0.8 points vs. 31 December 2023), representing headroom of 10.4 points above the regulatory requirement of 9.367%[11].

The ratio at 30 June 2024, notably reflected:
- the inclusion of 2023 attributable net profit after dividend (0.6-point positive impact)
- the decline in RWA for the period (excluding market effects) (0.4-point positive impact)
- market effects (0.2-point negative impact)

The **Tier 1 ratio** stood at 20.6% and the **total capital ratio** was 23.1%.

Risk-weighted assets (RWA) contracted by €2.2 billion over the first six months to total €94.1 billion at 30 June 2024.

The **leverage ratio**[12] was stable vs. 31 December 2023 at 7.3%.

CNP Assurances Group's SCR coverage ratio was 263%, an increase of 10 points vs. 31 December 2023.

The Group's liquidity position was also very robust, with a **loan-to-deposit ratio** of 89.8% at 30 June 2024 providing ample scope to fund business growth. Liquidity ratios were high once again and significantly above prudential requirements, with the **LCR** at 169% and the **NSFR** at 133% at 30 June 2024.

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[11] *Requirements applicable as of 30 June 2024 excluding Pillar 2 Guidance (P2G), plus applicable overall buffer requirements (including the counter-cyclical buffer)*
[12] *Leverage ratio excluding 100% of savings centralised with Caisse des Dépôts*

Liquidity reserves contracted by 10% in the first half to €49.1 billion, including €38.5 billion in high quality liquid assets (HQLA).

Customer deposits were resilient, dipping by just 4% vs. 30 June 2023 to €201.4 billion. The proportion of Retail Banking deposits was high, at 95.5% of total customer deposits. The 6.2% year-on-year decline in Retail and Corporate demand deposits was less than the fall in market deposits, which contracted by 8.6% vs. 30 June 2023[13]. Retail deposits are very granular.
Of total eligible deposits, 90% are insured[14] under the *Fonds de Garantie des Dépôts et de Résolution* (FGDR) bank guarantee scheme.

At 30 June 2024, the credit ratings awarded to La Banque Postale by Fitch and Moody's were unchanged.

Ratings and outlooks

	Fitch	Moody's	Standard & Poor's
Long-term ratings	A	A2	A
Outlook	Stable	Stable	Stable
Last updated	15 May 2024	9 July 2024	4 June 2024
Short-term ratings	F1+	P1	A-1

On 4 June 2024, S&P Global Ratings downgraded La Poste Groupe's long-term rating from A+ to A, leading to corresponding downgrades for La Banque Postale and CNP Assurances, and revised the outlook from Negative to Stable. These rating actions were the automatic result of S&P Global Ratings' decision to downgrade the rating of the postal group's shareholder, the French government, from AA to AA- and to revise the outlook. The short-term rating remains unchanged at A-1.

In early 2024, two new issues were carried out, covering 66% of the financing plan for the current year.

The first of these, carried out on 19 January 2024, was a €750 million covered bond issue by La Banque Postale Home Loan SFH, with a maturity of ten years, a final spread of MS +45 bps and a coupon of 3.125%. It is the inaugural issue under the Green and Social Bond Framework updated in 2023. The issue was nearly five times oversubscribed, with the final order book amounting to €3.6 billion. The issue proceeds will be used to finance acquisition, renovation and construction projects designed to reduce energy use in residential buildings. 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 benefits from the ACPR Premium label (European High-Quality Covered Bond).

The second issue, on 5 February 2024, was a €750 million Senior Preferred Notes issue maturing in June 2030, with a final spread of MS +90 bps and a coupon of 3.50%. This issue will strengthen the Group's MREL ratio.

[13] *Source: Banque de France, data at 31 May 2024*
[14] *Percentage of deposits eligible for a bank guarantee under France's deposit guarantee and resolution fund (FGDR) that are effectively insured*

Results by business line

Bancassurance France (68% of total net banking income[15])

(in € millions)	H1 2023	H1 2024	Change (vs. H1 2023)
Net banking income	**2,956**	**2,742**	***-7.2%***
Operating expenses	(2,195)	(2,239)	*+2.0%*
Gross operating profit	**761**	**503**	***-33.9%***
Cost-income ratio	74.6%	82.0%	*+7.4 pts*
Cost of risk	(43)	(40)	-6.4%
Operating profit	**718**	**463**	***-35.5%***
Profit before tax	**682**	**467**	***-31,5%***
Attributable net profit	**354**	**215**	***-39.3%***

Business performance

Total outstanding loans amounted to €77.9 billion at 30 June 2024 (up 0.3% vs. 30 June 2023), including €70.2 billion in **home loans** (down 0.1%). Outstanding **consumer finance loans**[16] were 5.0% higher, at €6.2 billion.

With the housing market continuing to decline in the first half of 2024, due to higher interest rates, prices holding relatively firm and banks still applying stringent lending criteria, **home loan originations** contracted by 28.9% to €3.5 billion. Sustainable home loan originations totalled €853 million[17]. In a retreating market, **consumer finance originations** were down by just 1.9% at €1.3 billion. Sustainable consumer finance originations amounted to €480.5 million in the first half of 2024.

Overall, **on-balance sheet deposits** were down 2.1% vs. 30 June 2023, at €191 billion. **Regulated savings deposits were 5.6% higher**[18] at €87.2 billion. *Livret A* deposits grew by 2.7% over the year to €66.6 billion. 13% of customers have been identified as qualifying for La Banque Postale Group's accessible banking services, based on the high volume of transactions carried out using their *Livret A* passbook.

The pace of customer acquisition was strong, with 249,000 new individual customers signed up since 30 June 2023. Over the same period, the customer equipment rate increased by 19.2%, reflecting robust sales of affinity products[19].

Savings/Pensions business

Life insurance technical reserves rose by 0.9% to €286.2 billion, with linked liabilities representing 19.7% of the total, an increase of 1.8 points vs. 30 June 2023.

Savings/pensions **new money** was down 10.1%, at €8.3 billion. The proportion of new money invested in unit-linked funds remained high at 39.1%, an increase of 3.2 points vs. first-half 2023.

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[15] *Total net banking income restated to exclude Corporate Centre*
[16] *Personal loans and revolving lines of credit*
[17] *Loans at IWF levels 4 and 5 + home energy efficiency improvement loans*
[18] Livret A, Livret d'Epargne Populaire *(LEP) and* Livret de Développement Durable et Solidaire *(LDDS) passbook savings accounts*
[19] *Cards/property & casualty insurance/personal risk insurance/health insurance/new regular premium life insurance contracts, equity savings plans (PEA)/personal loans*

Personal Risk/Protection and Property & Casualty businesses

Personal Risk/Protection earned premiums in France amounted to €2.2 billion, a decline of 2.5%. Property & Casualty earned premiums totalled €345 million, up 5.4%.

The **non-life insurance penetration rate** among La Banque Postale's customers rose by 0.7 points over the year to 3.1%.

Significant events

- **Process launched in June 2024 to wind up Ma French Bank (MFB), La Banque Postale's online bank.** The process will take 12 to 14 months and should be completed in the summer of 2025. MFB's customers are being offered an incentive to transfer their accounts to La Banque Postale, with transfers carried out free of charge as part of a welcome package. They will retain full access to their accounts and deposits throughout the winding up process. MFB's employees will be offered mobility opportunities within the Group.

- **Binding agreement between CNP Assurances and La Mutuelle Générale to create a major player in the field of social protection.** The partnership will take the form of a company controlled exclusively by CNP Assurances Group. It will draw on the teams and tools provided by La Mutuelle Générale, and the synergies generated by the combined expertise and know-how of the two partners. This will enable it to leverage the numerous growth drivers resulting from the strong strategic fit between the two groups to offer a very high value-added product range and meet the growing needs and development opportunities in the social protection market (individual and group health and personal protection insurance) in France.

Financial results *(vs. first-half 2023)*

Net banking income contracted by 7.2% to €2,742 million in first-half 2024.

Net banking income from banking activities dipped 2%, mainly due to the decline in the NIM against a backdrop of rising interest rates, partly offset by an increase in fees and commissions and other income led by the Network's dynamic sales performance and fee increases.

The Insurance division's profits reflected the decline in the insurance service result, notably due to the high basis of comparison created by favourable exceptional factors in Personal Risk/Protection in 2023 (liquidation surpluses and lower claims) and an experience adjustment in 2023 on flexible premiums in Savings/Pensions.

Operating expenses increased by just 2.0% to €2,239 million, thanks to strict cost discipline.

The **cost-income ratio** stood at 82.0%.

With no major loss events and a prudent provisioning policy, **cost of risk** was 6.4% lower vs. first-half 2023, at €40 million.

Attributable net profit was 39.3% lower at €215 million.

International Bancassurance **(14% of total net banking income)**

(in € millions)	H1 2023	**H1 2024**	**Change (vs. H1 2023)**	**Change (vs. H1 2023 like-for-like)**
Net banking income	**654**	**565**	***-13.6%***	***-11.5%***
Operating expenses	(175)	(165)	*-5.7%*	*-4.8%*
Gross operating profit	**479**	**400**	***-16.5%***	***-13.9%***
Cost-income ratio	26.8%	29.2%	*+2.5 pts*	*+2.0 pts*
Cost of risk	-	-	*n/a*	*n/a*
Operating profit	**479**	**400**	***-16.5%***	***-13.9%***
Profit before tax	**481**	**398**	***-17.2%***	***-14.7%***
Attributable net profit	**171**	**128**	***-25.0%***	***-21.9%***

Business performance

Europe excluding France

Savings/Pensions new money was up 24.5% to €3.5 billion, Unit-linked sales represented a high proportion of Savings/Pensions new money, at 37.2%.

Personal Risk/Protection earned premiums rose by 1.5% to €549 million, while Property & Casualty earned premiums were 3.9% higher at €35 million.

Latin America

Savings/Pensions new money was down 7.1% at €2.4 billion, with the flow of new money in Brazil affected by the country's still high interest rates and competition from bank products.

Personal Risk/Protection earned premiums contracted by 3.4% to €579 million, while Property & Casualty earned premiums were 4.6% lower at €118 million.

Significant events

- **20-year exclusive distribution agreement between CNP Seguradora and Banco de Brasília, the main financial institution in the federal district of Brasília.** The agreement will enable CNP Consórcio's *consórcio* products and CNP Capitalização's savings products to be offered to Banco de Brasília's 7.8 million customers.

- **Process launched for the sale of the life and non-life insurance subsidiary CNP Cyprus Insurance Holdings (CNP CIH) to Hellenic Bank.** CNP CIH contributed less than 1% of the Group's revenue in 2023 and its sale should have only a very limited impact on CNP Assurances' SCR (around +0.7 pts). The sale is in line with CNP Assurances' strategy of refocusing its international presence while holding firm to its ambition to expand in Europe.

<u>**Financial results**</u> *(vs. first-half 2023)*

Net banking income contracted by 13.6% in first-half 2024.

In Latin America, net banking income was down 13%, due to a decrease in the insurance service result, mainly reflecting the high basis of comparison created by favourable exceptional factors in Brazil in 2023 (lower claims), and with a regularisation of claims in 2024.

The Europe excluding France region's net banking income was down 14%. The decline mainly reflected the impact of surrenders in Italy (although they eased in H1 2024), because of the competition from Italian government bonds (BTP Italia), and the cost of sales campaigns.

Expenses fell by 5.7%, led by the Europe excluding France region (down 26%). Expenses in Latin America were stable.

Attributable net profit came to €128 million, down 25.0% vs. first-half 2023.

Corporate and Local Development Banking[20] (12% of total net banking income)

(in € millions)	H1 2023	**H1 2024**	**Change (vs. H1 2023)**
Net banking income	**455**	**476**	***+4.7%***
Operating expenses	(263)	(277)	*+5.3%*
Gross operating profit	**192**	**199**	***+3.8%***
Cost-income ratio	61.3%	71.7%	*+10.4 pts*
Cost of risk	(58)	(59)	*+1.5%*
Operating profit	**134**	**140**	***+4.8%***
Profit before tax	**134**	**140**	***+4.8%***
Attributable net profit	**99**	**104**	***+4.8%***

Business performance

Total **outstanding loans** were stable vs. 30 June 2023 at €42.4 billion[21] (down 0.2%). Outstanding loans to small and intermediate-sized enterprises (SMEs/ISEs) grew by a strong 7.8% over the period to €12.1 billion, while loans to large corporates were down 1.6% at €10.2 billion. The fastest growth concerned loans to financial institutions and large institutions, with total outstanding loans to these customers up 14.9% at €2.6 billion. Outstanding loans to the Local Public Sector were down 6.1% at €17.5 billion.

Total loan originations were up 2% vs. 31 December 2023, at €7.3 billion. Lending to Local Public Sector customers remained substantial, with originations resilient at €3.6 billion (down 1%).

Asset and project finance originations rose by 51% to €355 million in first-half 2024, led by renewable energy projects. Impact asset and project finance originations, as identified by applying the Impact Weighting Factor (IWF)[22], rose over the half-year to €478 million. **Factoring originations** (purchased receivables) were 11.7% higher, at €12.5 billion.

The contribution to net banking income of **Capital Markets transactions on behalf of customers** contracted by €16.4 million (down 23%). The **Debt Capital Markets (DCM)** business performed well, participating in 46[23] deals in the first half.

*[20] The Corporate and Investment Banking line has been renamed **Corporate and Local Development Banking** (CLDB) to reflect the business's strong local roots. It will continue to provide its customers with corporate and investment banking services.*
[21] Including factoring.
[22] This proprietary index developed by LBP in partnership with WWF measures the social, environmental and regional impact of an entity's transactions. It also guarantees the greater transparency of non-financial performance indicators published by banking institutions. Impact finance consists of green loans, impact loans, social loans and project finance for renewable energy infrastructure projects.
[23] 54 deals if each tranche is counted as a separate deal

Significant events

- April 2024 launch of a **green and social term deposit** offer for non-profit organisations, social housing providers, local public companies and businesses. With deposit periods ranging from one month to ten years, this solution enables customers to optimise their cash management, particularly in line with their low-carbon pathway. The deposits are used to refinance loans originated by La Banque Postale for environmental or social projects (concerning, for example, renewables, the energy transition, sustainable mobility, access to healthcare, education or housing, and inclusive finance). This approach complies with the international principles governing green or social bonds. La Banque Postale publishes an annual report on the allocation and impact of the financing, which is audited and validated by KPMG.

- **New three-year partnership with the European Investment Bank (EIB) and a €600 million refinancing package earmarked for major projects** such as the installation of very high-speed broadband, the roll-out of rail and urban public transport systems and other infrastructure, and renewable energy projects in France and other European countries. It focuses primarily on asset and project finance, through the creation of special-purpose vehicles (SPVs). The package provides La Banque Postale with a source of long-term financing (20 years) at competitive conditions. La Banque Postale has three years to allocate the funds.

Financial results *(vs. first-half 2023)*

Net banking income was up 4.7%.

Net banking income generated by the SME/ISE segment rose by 18.8% to €121 million, led by the factoring and specialised financing lines. Net banking income generated by the Large Corporates segment was stable at €107 million (down 0.1%), with the lower transaction volumes offset by improved factoring and structured finance margins. Net banking income generated by the Financial Institutions segment contracted by 9.0% to €93 million, with reduced repo activity partly offset by strong growth in specialised financing (up 15%) and asset/project finance. The Transaction Banking business grew by 15% during the period. Net banking income from the Local Public Sector segment rose 1.8% to €111 million, reflecting resilient business volumes and improved margins, and contributed 24% of CLDB's net banking income.

Operating expenses were 5.3% higher, at €277 million.

Cost of risk was stable, at €59 million (up 1.5%).

Attributable net profit was up 4.8% at €104 million.

Wealth and Asset Management **(6% of total net banking income)**

(in € millions)	H1 2023	**H1 2024**	**Change (vs. H1 2023)**	**Change (vs. H1 2023 like-for-like)**
Net banking income	**165**	**232**	***+40.1%***	***+1.8%***
Operating expenses	(112)	(148)	*+32.3%*	*+5.7%*
Gross operating profit	**53**	**84**	***+56.4%***	***-6.3%***
Cost-income ratio	67.9%	64.1%	*-3.8 pts*	*+2.6 pts*
Cost of risk	0	(1)	*n/a*	*n/a*
Operating profit	**53**	**83**	***+54.9%***	***-7.9%***
Profit before tax	**53**	**83**	***+55.0%***	***-7.9%***
Attributable net profit	**34**	**50**	***+44.8%***	***-10.3%***

Wealth Management

La Banque Postale Group's private banking division, built around the Louvre Banque Privée, centre of expertise, has been ramping up its operations since its commercial launch in January 2023, with assets under management up 9% (vs. end-May 2023) to €83.6 billion at end-May 2024.

Business performance

Louvre Banque Privée's **total managed savings** amounted to €20.0 billion, up 16.8% vs. 31 December 2023. Louvre Banque Privée recorded **net new money of €1.2 billion**, representing a 13.1% year-on-year decrease.

The **life insurance** business grew during the period, with insurance liabilities rising 22% vs. 30 June 2023 to €15.6 billion. The contribution of unit-linked products to new money remained high, at around 46%[24].

Assets under discretionary management rose by 15.6% to €11 billion. New money totalled €383 million (down 47.3% year-on-year). All of these portfolios are managed in accordance with the Paris Agreement's 1.5°C trajectory.

Outstanding loans stood at €4.8 billion (down 3.2%), including €4.5 billion in **home loans** (down 2.6%).

Twenty-three new wealth management service desks were opened in post offices during the 12 months to 30 June 2024; at that date Louvre Banque Privée products were distributed through 103 service desks and 27 private banking centres.

[24] *Louvre Banque Privée only*

Asset Management

Business performance

At 30 June 2024, LBP AM had **assets under management** of €71.1 billion, an increase of 5% vs. 31 December 2023 that was primarily due to the integration of La Financière de L'Echiquier (LFDE), the dynamic flow of new money and a favourable market effect.

The **net inflow of new money** into the Asset Management line's portfolios totalled **€0.4 billion in first-half 2024**. The market effect was a positive €3 billion.

In keeping with LBP AM's long-standing commitment to **socially responsible investing (SRI)**, €65.1 billion worth of assets under management are SFDR-compliant, including 89% held in SFDR Article 8 or 9 funds. In addition, assets totalling €41.7 billion have been awarded a Sustainable Finance label[25].

Significant events

La Financière de l'Echiquier (LFDE) successfully integrated into the Asset Management division. On 1 April 2024, Tocqueville Finance, LBP AM's equities management subsidiary, was officially merged into LFDE. The merger, which followed on from LBP AM's acquisition of LFDE in July 2023, heralded the emergence of a leading European player in conviction management and multi-specialist solutions.

Financial results *(vs. first-half 2023)*

Net banking income surged by 40.1%, reflecting the integration of LFDE in the Asset Management business and a favourable market effect. The Wealth Management line's contribution to net banking income was down slightly due to the higher cost of funds and the lower volume of home loan originations.

Expenses rose by 32.3%, due to the costs incurred to set up the private banking division and integrate LFDE.

Operating profit was up 56.4% thanks to an overall positive jaw effect.

Attributable net profit amounted to €50 million, up 44.8% vs. first-half 2023.

[25] The Sustainable Finance label includes the SRI, Greenfin and Finansol labels.

Corporate Centre

The Corporate Centre is used to record income and expenses that cannot be allocated directly to La Banque Postale Group business lines, such as the internal margin effect under IFRS 17 and certain expenses such as the Single Resolution Fund (SRF)/*Fonds de Garantie des Dépôts et de Résolution* (FGDR) contributions and management fees[26]. Income and expenses resulting from the application of the accounting standard on business combinations, which do not arise in the normal course of business, are also allocated to the Corporate Centre.

The results of the Corporate Centre are as follows:

(in € millions)	H1 2023	H1 2024	*Change*
Net banking loss	**(366)**	**(367)**	***-1***
Insurance contract distribution costs	(356)	(371)	*-15*
Management fees	(10)	-	*+10*
115K & Holdings	0	4	*+4*
Operating expenses and cost of risk	**302**	**351**	***-48***
Insurance contract distribution costs	356	371	*-15*
SRF and FGDR contribution	(53)	(20)	*-33*
115K & Holdings	(1)	1	*-1*
Other items	-	(1)	*+1*
Operating loss	**(64)**	**(16)**	***+48***
Loss before tax	**(64)**	**(16)**	***+48***
Attributable net profit (loss)	**(78)**	**18**	***n/a***

The Corporate Centre includes the following items:

- **the reclassification of insurance contract distribution costs**, recognised as a deduction from net banking income in accordance with IFRS 17;
- the **final contribution to the Single Resolution Fund (FRU) and the *Fonds de Garantie des Dépôts et de Résolution* (FGDR)** for €20 million in first-half 2024;
- the **utilisation of deferred tax assets in first-half 2024 for €34 million** vs. deferred tax expense of €14 million in the year-earlier period, corresponding to temporary differences in the tax basis.

[26] *Allocated to the business lines as from 2024.*

Consolidated statement of income

(in € millions)	*Notes*	First-half 2024	First-half 2023
Interest income	*5.1*	6,426	5,822
Interest expense	*5.1*	(3,860)	(3,422)
Fee and commission income	*5.2*	1,297	1,113
Fee and commission expense	*5.2*	(167)	(160)
Net gain or loss on financial instruments at fair value through profit or loss	*5.3*	6,417	4,956
Net gain or loss on financial instruments at fair value through other comprehensive income	*5.4*	(320)	(580)
Net gain or loss on derecognised financial assets at amortised cost	*5.5*	0	(3)
Insurance revenue	*5.6*	6,054	6,020
Insurance service expenses	*5.7*	(4,751)	(4,329)
Reinsurance revenue and service expenses		(20)	(109)
Finance income or expenses from insurance contracts issued	*5.8*	(7,486)	(6,013)
Finance income or expenses from reinsurance contracts held	*5.8*	64	529
Cost of credit risk on financial investments of the insurance activities	*5.11*	(7)	9
Income from other activities	*5.9*	500	589
Expenses from other activities	*5.9*	(497)	(558)
NET BANKING INCOME		**3,648**	**3,864**
General operating expenses	*5.10*	(2,223)	(2,194)
Net depreciation, amortisation and impairment of property, plant and equipment and intangible assets	*5.10*	(255)	(249)
GROSS OPERATING PROFIT		**1,169**	**1,421**
Cost of risk	*5.11*	(100)	(101)
OPERATING PROFIT		**1,070**	**1,320**
Share of profits of equity-accounted companies	*4.8*	14	2
Net gain or loss on other assets	*5.12*	(12)	(37)
PRE-TAX PROFIT		**1,072**	**1,286**
Income tax	*5.13*	(428)	(573)
NET PROFIT		**644**	**713**
Non-controlling interests		129	132
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT		**515**	**580**

Consolidated balance sheet

(in € millions)	Notes	30 June 2024	31 Dec. 2023
Cash, central banks		31,285	40,577
Financial assets at fair value through profit or loss	4.1	214,855	218,095
Hedging derivatives		736	677
Financial assets at fair value through other comprehensive income	3.2-4.2	211,173	212,950
Securities at amortised cost	3.2-4.3	34,062	33,104
Loans and advances to credit institutions at amortised cost	3.2-4.4	69,839	70,914
Loans and advances to customers at amortised cost	3.2-4.5	128,666	125,999
Revaluation differences on portfolios hedged against interest rate risks		(110)	181
Insurance contract assets	4.12	1,199	1,343
Reinsurance contract assets	4.12	6,450	8,891
Current tax assets		528	519
Deferred tax assets		1,169	1,158
Accruals and other assets	4.6	12,099	8,903
Non-current assets held for sale	4.7	808	-
Investments in equity-accounted companies	4.8	1,134	1,104
Investment properties		7,043	7,262
Property, plant and equipment		1,273	1,270
Intangible assets		4,144	4,522
Goodwill	4.9	685	685
TOTAL ASSETS		**727,039**	**738,151**
Financial liabilities at fair value through profit or loss	4.1	16,625	13,591
Hedging derivatives		1,848	2,183
Liabilities due to credit institutions	4.10	27,732	33,576
Customer deposits	4.11	226,710	225,138
Debt securities		28,494	34,314
Revaluation differences on portfolios hedged against interest rate risks		(328)	(331)
Insurance contract liabilities	4.12	376,513	378,430
Reinsurance contract liabilities	4.12	27	55
Current tax liabilities		174	197
Deferred tax liabilities		1,392	1,570
Accruals and other liabilities	4.13	8,709	10,214
Liabilities related to non-current assets held for sale	4.7	624	-
Provisions	3.2-4.14	961	1,018
Subordinated debt	4.15	9,401	9,450
EQUITY	**4.16**	**28,160**	**28,745**
Non-controlling interests		**6,372**	**6,859**
Equity attributable to owners of the parent		**21,788**	**21,886**
Share capital		6,585	6,585
Reserves and retained earnings		16,525	15,298
Gains and losses recognised directly in equity		(1,837)	(993)
Profit attributable to owners of the parent		515	995
TOTAL LIABILITIES AND EQUITY		**727,039**	**738,151**

First-half 2024 net profit by business segment
(excluding the cost of equity for each segment)

(in € millions)	Bancassurance France	International Bancassurance	Wealth and Asset Management	Corporate and Local Development Banking	Corporate Centre	Total
	First-half 2024					
NET BANKING INCOME (LOSS)	**2,742**	**565**	**232**	**476**	**(367)**	**3,648**
General operating expenses	(2,105)	(74)	(135)	(246)	337	(2,223)
Net depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(134)	(92)	(13)	(30)	14	(255)
GROSS OPERATING PROFIT (LOSS)	**503**	**400**	**84**	**199**	**(16)**	**1,169**
Cost of risk	(40)	-	(1)	(59)	-	(100)
OPERATING PROFIT (LOSS)	**463**	**400**	**83**	**140**	**(16)**	**1,070**
Share of profits of equity-accounted companies	4	10	-	-	-	14
Net gain or loss on other assets	0	(12)	0	-	-	(12)
PRE-TAX PROFIT (LOSS)	**467**	**398**	**83**	**140**	**(16)**	**1,072**
Income tax	(251)	(153)	(22)	(36)	34	(428)
NET PROFIT	**216**	**246**	**61**	**104**	**17**	**644**
Non-controlling interests	1	118	11	-	0	129
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	**215**	**128**	**50**	**104**	**18**	**515**

First-half 2023 net profit by business segment
(excluding the cost of equity for each segment)

(in € millions)	Bancassurance France	International Bancassurance	Wealth and Asset Management	Corporate and Local Development Banking	Corporate Centre	Total
	First-half 2023					
NET BANKING INCOME (LOSS)	**2,956**	**654**	**165**	**455**	**(366)**	**3,864**
General operating expenses	(2,057)	(84)	(102)	(233)	282	(2,194)
Net depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(139)	(92)	(10)	(29)	20	(249)
GROSS OPERATING PROFIT (LOSS)	**761**	**479**	**53**	**192**	**(64)**	**1,421**
Cost of risk	(43)	-	0	(58)	0	(101)
OPERATING PROFIT (LOSS)	**718**	**479**	**53**	**134**	**(64)**	**1,320**
Share of profits of equity-accounted companies	0	2	-	-	-	2
Net gain or loss on other assets	(37)	-	0	-	-	(37)
PRE-TAX PROFIT (LOSS)	**682**	**481**	**53**	**134**	**(64)**	**1,286**
Income tax	(330)	(180)	(15)	(35)	(14)	(573)
NET PROFIT (LOSS)	**352**	**301**	**39**	**99**	**(78)**	**713**
Non-controlling interests	(2)	130	4	-	-	132
NET PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT	**354**	**171**	**34**	**99**	**(78)**	**580**

Alternative performance measures (APMs)

Article 223-1 of the AMF General Regulation

APM	DEFINITION/CALCULATION METHOD
Operating expenses	Sum of general operating expenses, net depreciation and amortisation, and impairment of property, plant and equipment and intangible assets.
Cost of risk (in basis points)	Average cost of commercial banking credit risk for the quarter divided by outstanding loans at the beginning of each quarter.
Cost-income ratio	Operating expenses divided by net banking income adjusted for doubtful interest.

Glossary

TERMS	DEFINITION
Bancassurance France	Business line comprising La Banque Postale's Retail Banking business, including professional customers, Ma French Bank, La Banque Postale Consumer Finance and CNP Assurances Group's activities in France.
International Bancassurance	Business line comprising CNP Assurances Group's international bancassurance businesses notably in Brazil, Italy and Ireland.
Corporate and Local Development Banking	Business line comprising the corporate, Local Public Sector, financial institutions and institutional customer segments, as well as the specialised financing and capital markets businesses.
Wealth and Asset Management	Business line comprising Louvre Banque Privée and the asset management subsidiaries (LBP AM, Tocqueville Finance and La Financière de l'Echiquier).
Business line NBI	Business line net banking income excluding the Corporate Centre segment.
Net banking income excluding PEL/CEL effect	Net banking income restated for increases or decreases in provisions for commitments related to home loan savings accounts and plans (PEL and CEL).
Operating expenses	Sum of general operating expenses, net depreciation and amortisation, and impairment of property, plant and equipment and intangible assets.
Cost of risk (in basis points)	The cost of risk is the sum of changes in the stock of provisions (allocation and recovery) of losses and recoveries, on the risks of all segments of the bank, in particular credit risk (receivables, securities, and off-balance sheet commitment).
Cost-income ratio	Ratio of the share of GNP (Net Banking Income) used to cover operating expenses (operating costs of the company). It is determined by dividing the management fees by the GNP.
Corporate Centre	The Corporate Centre is used to record income and expenses that cannot be allocated directly to the Group's business lines, such as ALM measures, the internal margin effect under IFRS 17 and certain expenses such as the Single Resolution Fund (SRF)/*Fonds de Garantie des Dépôts et de Résolution* (FGDR) contributions and management fees (excluding since 2023). Income and expenses resulting from the application of the accounting standard on business combinations, which do not arise in the normal course of business, are also allocated to the Corporate Centre.
Common Equity Tier 1 (CET1)	Common Equity Tier 1 (Common Equity Tier 1 "CET 1"), as defined in Article 50 of the CRR, corresponds to the share capital and associated issue premiums, reserves, retained earnings and general bank risk funds minus regulatory deductions.
Not-performing exposures	All types of debt instruments (credits and bonds) with a risk of not being repaid in full. They are characterized by the presence of an unpaid amount of more than 90 days or a debtor risk making the recovery of this exposure unlikely outside the activation of guarantees and collateral.
Leverage ratio	The ratio between Tier 1 capital and the leverage ratio total exposure measure, which includes assets and off-balance sheet items regardless of their level of risk.
Liquidity coverage ratio (LCR)	The Basel Committee's final document on the LCR ratio (The Liquidity Coverage Ratio and liquidity risk monitoring tools) dates from January 2013. It was transposed in Europe in the CRR regulation, then in the EU Delegated Regulation 2015/61 of 10 October 2014. The principle of this ratio is to ensure that a bank survives a 30-day liquidity crisis through the availability of high-quality liquid assets.
Return on Normative Equity (RONE)	The Return On Equity is a financial ratio that measures the ability of a company or project to create profit compared to the capital made available. RWA capitalised at 14% calculated using the standardised approach.
RWA	Risk-weighted assets, corresponding to the minimum required capital of a bank or other financial institution based on their level of risk. RWA are calculated based on a percentage of assets weighted by the corresponding risk exposure.
PPA	Purchase Price Allocation.
Effect of a change in scope of consolidation	Measures the change in revenue that is due to a change in the scope of consolidation from one year to the next due to the disposal or acquisition of a business.
Centralised savings	Amount collected by the banks on *Livret A* and LDDS regulated savings accounts, that is transferred to Caisse des Dépôts' savings fund used to finance social housing and urban policy initiatives.
SRF and FGDR contribution	Contributions by La Banque Postale to the EU Single Resolution Fund (SRF) and to the *Fonds de Garantie des Dépôts et de Résolution* (FGDR).
Sources of funds	Demand deposits and amounts held in on-balance sheet savings accounts.
LPS	Local Public Sector.
SCR	Solvency Capital Requirement. The SCR (Solvency Capital Requirement) represents the target capital needed to absorb the shock caused by a major risk (for example: an exceptional disaster, a shock on assets...). It can be calculated using a standard formula provided for in the Solvency II Directive and the European Commission Delegated Regulation of 10 October 2014 or a complete or partial internal model.
OTD	Originate to Distribute.

Methodology: Application of IFRS 17

General principles

IFRS 17 – Insurance Contracts is applicable retrospectively in accordance with IAS 8; it replaces IFRS 4 for annual reporting periods beginning on or after 1 January 2023. The transition impacts are recognised in equity using the three methods provided for in the standard:

- The Full Retrospective Approach (FRA), used for La Banque Postale Assurances IARD property & casualty policies and for certain cohorts of CNP Assurances contracts;
- The Fair Value Approach (FVA), whereby insurance contracts are measured at fair value at the transition date and in line with the approach adopted on creating the major state-owned financial group announced on 4 March 2020. This approach is used for the majority of insurance contracts written by CNP Assurances, particularly savings and pensions contracts;
- The Modified Retrospective Approach (MRA), a simplified version of the FRA used for La Banque Postale Prévoyance personal risk policies.

Effective from the IFRS 17 transition date on 1 January 2022, a new balance sheet indicator was created – "Insurance contract liabilities" – comprising the following three components: the Best Estimate (BE), based on the discounted present value of future cash flows arising from insurance contracts; the Contractual Service Margin (CSM), which represents profits not yet recognised in the income statement; and the Risk Adjustment (RA).

Presentation of the consolidated financial statements under IFRS 17

The presentation of the financial statements has been adjusted in line with the new presentation of insurance activities required under IFRS 17.

The main restatements applicable to the presentation of La Banque Postale Group's consolidated balance sheet are as follows:

- Cancellation of intangible insurance assets such as portfolios of insurance contracts and financial contracts with a discretionary participation feature previously recognised separately in the financial statements. These items are now included in the projected future cash flows from insurance contracts;
- Discontinuation of shadow accounting for deferred participation assets on the assets side and net deferred participation liabilities on the liabilities side;
- Discontinuation of the overlay approach permitted by IFRS 4 and chosen upon first-time application of IFRS 9. The effects of IFRS 9 now apply in full to the financial asset and liability portfolios of insurance entities;
- Measurement of equity instruments available for sale at fair value through other comprehensive income not reclassifiable to profit or loss;
- Investment property measured at fair value through profit or loss, in accordance with the option offered by IAS 40, as amended following the publication of IFRS 17, for hedges of savings and pensions contracts only.

The main restatements and reclassifications applicable to the presentation of La Banque Postale Group's income statement are as follows:

- Income and expenses relating to ceded insurance and reinsurance contracts are presented separately under net banking income (NBI);
- Expenses relating to the insurance contracts of insurance entities and those incurred by the Bank for insurance product distribution are presented by category as a deduction from NBI;
- The internal margin related to fees and commissions received by the Bank and expenses incurred by the Bank is reclassified to the "Corporate Centre" to give a clearer picture of the business lines within segment information;
- The cost of credit risk on financial investments of insurance activities is presented on a separate line as an insurance item in NBI.

Results conference call

Sophie Renaudie, Managing Director of Finance and Strategy, will present La Banque Postale Group's first-half 2024 results during a webcast conference call in English followed by a Q&A session on 1 August 2024 at 3:00 p.m. (CEST). The webcast will be available one hour after the end of the call on La Banque Postale's website (www.labanquepostale.com), in the "Investors" section.

La Banque Postale's Supervisory Board, meeting under the chairmanship of Philippe Wahl on 31 July 2024, examined the 2024 interim consolidated financial statements reviewed by the Statutory Auditors, approved by the Executive Board of La Banque Postale and presented by its Chairman Stéphane Dedeyan.

The Statutory Auditors have substantially completed their review of the consolidated financial statements for the period ended 30 June 2024. They will issue their review report further to completion of the specific verifications required by French law and regulations.

This press release constitutes La Banque Postale's financial information for first-half 2024. More detailed information will be provided in the Amendment to the Universal Registration Document at 30 June 2024, which will be published on the bank's website www.labanquepostale.com.

ABOUT LA BANQUE POSTALE

La Banque Postale, along with its subsidiaries, including CNP Assurances, forms a large international bancassurance group, 11th in the euro zone by the size of the balance sheet. Its diversified business model enables it to support 20 million individual and corporate customers and local public sector actors in France. A subsidiary of La Poste Group, La Banque Postale is a local bank, present throughout the country with 17,700 contact points, including almost 7,000 post offices.

With its strategic plan "La Banque Postale 2030", it has set itself the ambition to become the favorite bank for French people and the leader in impact finance, with an integrated and omnichannel offer of bank-insurance services, structured around its two brands: La Banque Postale, its day-to-day bank and Louvre Banque Privée, its private bank.

La Banque Postale is accelerating its diversification strategy and developing its expertise businesses, particularly in asset management, insurance, consumer credit and business and local development banking.

Drawing on its citizen identity, La Banque Postale is working towards a just transition by integrating environmental and social impact objectives into the heart of its governance. A company with a mission since March 2022, La Banque Postale aims to achieve net zero emissions by 2040. It is in the top rankings of the non-financial rating agencies.

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