



PRESS RELEASE

Paris, August 30<sup>th</sup> 2012

## **LA BANQUE POSTALE'S 2012 HALF-YEAR RESULTS**

**NBI and GOP held up well  
Customers' equipment expanded  
The balance sheet structure was reinforced**

**Net profit, Group share increased by 29% to €334 million**

### **RESULTS & PERFORMANCE FOR THE 1<sup>ST</sup> HALF OF 2012:**

#### **OPERATING RESULTS HELD UP WELL IN AN ADVERSE ECONOMIC ENVIRONMENT**

. NBI <sup>1</sup> increased by	<b>+1%</b>	<b>to</b>	<b>€2,668 million</b>
. Operating expenses under control	<b>+0.2%</b>	<b>to</b>	<b>€2,234 million</b>
. Cost of risk <sup>2</sup> fell by	<b>-57.6%</b>	<b>to</b>	<b>€82 million</b>
. Operating profit increased by	<b>41.6%</b>	<b>to</b>	<b>€352 million</b>

#### **CUSTOMERS' EQUIPMENT EXPANDED**

. Bank cards:	<b>620,000 subscriptions (+5%)</b>
. Account agreements:	<b>343,000 agreements entered into (+4.6%)</b>
. Casualty insurance:	<b>220,000 policies subscribed</b>
. Health insurance:	<b>12,300 policies subscribed</b>

#### **THE LOAN RANGE WAS BROADENED, BOOSTING THE BANK'S CONTRIBUTION TO FINANCING THE ECONOMY**

. Loans outstanding increased by	<b>+6.5%</b>	<b>to</b>	<b>€48 billion</b>
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#### **THE BALANCE SHEET STRUCTURE WAS REINFORCED**

. Customer deposits increased by	<b>+2.2%</b>	<b>to</b>	<b>€162.7 billion</b>
. Favourable loan-to-deposit <sup>3</sup> ratio:	<b>50.8%</b>		
. Sound solvency ratio:	<b>12.6% (Core Tier 1 ratio)</b>		

<sup>1</sup> Excluding the Home Loans Savings provision and the refund of the Cheque Image Exchange fine.

<sup>2</sup> The cost of risk had been affected by the provisions on Greek sovereign securities in 2011.

<sup>3</sup> Deposits excluding Livret A & LDD account deposits, and LEP deposits centralised at the CDC.

## Sound results in an adverse environment

La Banque Postale Group	June 30 <sup>th</sup> 2012 (€ million)	June 30 <sup>th</sup> 2011 (€ million)	Change (in %)
<b>Net Banking Income</b>	<b>2,668</b>	<b>2,671</b>	<b>-0.1%</b>
<b>Net Banking Income excluding CIE and HL provision</b>	<b>2,668</b>	<b>2,642</b>	<b>+1%</b>
General operating expenses	-2,234	-2,230	+0.2%
Gross operating profit	433	441	-1.8%
Cost of risk	-82	-193	-57.6%
Operating profit	352	248	+41.6%
Income from equity associates	100	101	-0.8%
Tax	-119	-92	+28.4%
<b>Net profit, Group share</b>	<b>334</b>	<b>259</b>	<b>+29%</b>

Despite the disrupted economic and financial environment in the first half, the La Banque Postale group's **Net Banking Income held up well**, and came in at €2,668 million, a 1% increase compared with the first half of 2011, excluding the impact of the home loans provision<sup>4</sup> in 2011 and 2012, and the refund of the CIE fine<sup>5</sup> in 2012.

**Operating expenses** remained under control at €2,234 million (+0.2% compared with June 2011), despite the investment in new businesses (lending to companies and local authorities, and casualty and health insurance, etc.).

The **operating ratio** increased by 0.3 point to 83.9%.

**Gross operating profit** was down €8 million to €433 million. Restated for the impact of the refund of the CIE fine and of the home loan savings provision, GOP was up 5.1%.

The **cost of risk**, which had suffered from the impact of the Greek crisis in the first half of 2011, when an impairment charge of €158 million had been recorded on the securities in question, improved markedly in 2012. **It amounted to €82 million (-57.6%) in the first half of 2012**, including €30 million in additional provisions for Greece, compared with €193 million in the first half of 2011.

**Operating profit** was up 41.6% as at June 30<sup>th</sup> 2012. Excluding the impact of the provisions relating to Greece and of non-recurring items, the increase was 1.3%.

Including the equity consolidation of CNP Assurances' net profit (€100 million, unchanged compared with the first half of 2011), **net profit, Group share** amounted to €334 million, an increase of €75 million compared with the first half of 2011.

La Banque Postale reported a sound solvency position as at June 30<sup>th</sup> 2012, with a **Core Tier 1 ratio** of 12.6%.

<sup>4</sup> A €29 million reversal was recorded on the home loan savings provision in the first half of 2011, while an additional €33 million provision was charged in the first half of 2012.

<sup>5</sup> The portion refunded by the French Competition Authority following the cancellation of the fine on cheque image exchanges via a ruling of the Paris Appeal Court in February 2012 amounted to €33 million. The French Competition Authority has lodged an appeal with the Supreme Court of Appeal.

## Business volumes were driven by customers' equipment and by the expansion of the lending business

La Banque Postale continued to expand its customers' equipment in the first half of 2012. In fact, over 420,000 post office accounts were opened with La Banque Postale in the first half, while 5.7 million customers now have an account agreement with the Bank. The bank card pool continued to expand, reaching 7.1 million cards as at the end of June 2012 (+4.4%).

Savings accounts (overnight deposits, regulated savings, etc.) increased, due to the impact of customers refocusing their investments on banking investment vehicles. Overnight deposits outstanding increased by 2.9% year-on-year to €48 billion. Ordinary savings deposits outstanding were up 5.7% year-on-year, driven by the strong inflow of funds recorded on Livret A (+5.1%) and LDD (+11.4%) accounts.

	La Banque Postale deposits (in € bn)	Year-on-year growth rate
<b>Overnight deposits</b>	<b>48.0</b>	<b>+2.9%</b>
<b>Ordinary savings</b>	80.1	+5.7%
<i>of which Livret A accounts</i>	58.2	+5.1%
<b>Home loan savings</b>	26.5	+3.2%
<b>UCITS (La Banque Postale)</b>	10.6	-12.4%
<b>Life insurance</b>	111.5	+2.2%
<b>Home loans</b>	43.0	+8.1%
<b>Consumer loans</b>	2.2	+55.5%

In the insurance sector, around 110,000 life insurance policies and around 230,000 personal insurance policies were subscribed in the first half. Despite the difficult environment for life insurance, which was penalised by uncertainty regarding tax, and by competition from short-term insurance products, the outstanding increased by over 2.2%, due primarily to the successful marketing of the high-end *Cachemire* range.

The selling of casualty insurance products, which was launched in December 2010 and is now offered over all La Banque Postale's distribution channels, continued to gain momentum, with over 220,000 policies subscribed in the first half of 2012. La Banque Postale Assurances IARD now has over 372,000 policies in its portfolio.

The launch of the health insurance business in early 2012 still had little impact on NBI as at June 30<sup>th</sup> 2012. La Banque Postale already has 12,300 health insurance policies in its portfolio. The roll-out of the offering will continue in the second half, so as to be available in all post offices by the end of the year.

Excluding the home loan savings provision, the net interest margin<sup>6</sup> increased by €48 million, driven by the increase in volumes and by the improved margins on the generation of home loans.

La Banque Postale boosted its contribution to financing the economy by developing its corporate lending business in addition to its lending business to individuals, together with its local authority lending business as from June 21<sup>st</sup> 2012.

Despite a downturn in the property market in the first half of 2012, which resulted in a decrease in loan generation, home loans outstanding rose by 8.1% compared with the first half of 2011, reaching €43 billion. La Banque Postale's share of loans outstanding in this business sector increased to 5.2%.

The consumer lending business continued its expansion. Loans outstanding increased by €0.8 billion to €2.2 billion (+55.5%).

<sup>6</sup> Including centralised savings.

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### La Banque Postale's ratings

	Standard & Poor's	Fitch
Long-term rating	A+	AA-
Outlook	Stable	Negative
Date updated	April 30 <sup>th</sup> 2012	December 21 <sup>st</sup> 2011
Short-term rating	A-1	F1+

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### La Banque Postale ([www.labanquepostale.fr](http://www.labanquepostale.fr))

La Banque Postale, the banking subsidiary of La Poste Group, is a unique and special bank operating in the French retail banking market. As an institution that is faithful to its core values: acting in the general interest, confidentiality and closeness to its customers, La Banque Postale puts welcoming all its customers at the heart of its business. It supports its retail and corporate customers by providing a sustainable banking relationship, with an accessible and reasonably-priced range of products and services. It is continually adding to its product range, specifically through relying on the expertise of its subsidiaries and partners, thus entering new areas. La Banque Postale is accessible 24/7, anywhere, any time.

- NBI of €5.231 billion
- 11.5 million Post Office current accounts
- 10.38 million active customers
- 450,000 customers who are Companies, Local Authorities, and Associations
- 6,300 cash and electronic payment machines in France
- €290 billion in outstanding customer deposits
- Over 6.95 million bank cards i.e. 11.5 % of the market
- 17,000 contact points

*Data as at the end of 2011)*

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### Press contacts:

#### Print media:

**David Lhôte**

Tel.: +33 (0)1 55 44 22 42 – Fax: +33 (0)1 55 44 22 62  
[david.lhote@laposte.fr](mailto:david.lhote@laposte.fr)

#### Audio-visual media:

**Jacques Gourier**

Tel.: +33 (0)1 55 44 22 43 – Fax: +33 (0)1 55 44 22 62  
[jacques.gourier@laposte.fr](mailto:jacques.gourier@laposte.fr)

#### Marie Paumier

Tel.: +33 (0)1 55 44 22 38 – Fax: +33 (0)1 55 44 22 62  
[marie.paumier@laposte.fr](mailto:marie.paumier@laposte.fr)