



2022 INTERIM RESULTS

First-half 2022: Solid results reflecting strong business momentum

First-half 2022 results (vs. first-half 2021)

- Attributable net profit of €462 million (up 63.8%);
- **Attributable net profit excluding PPA adjustments¹ of €765 million** (up 53.4%);
- **Business line net banking income of €4,686 million** (up 5.8%);
- Increased **contribution of international operations** to first-half net banking income, at **17%** (vs. 14% in 2021);
- Improved **business line cost/income ratio² (66.7%)**;
- **Low cost of risk**, at 12 bps (€90 million);
- **Consolidated RONE³ up 3.8 points at 12%, exceeding the 2023 target.**

A robust financial structure

- **CETI ratio of 16.2%⁴**;
- CNP Assurances' **SCR coverage ratio of 249%**;
- **Robust credit profile** recognised notably by Moody's, La Banque Postale's new rating agency, which has assigned a long-term credit rating of A2 and a short-term rating of P1 (stable outlook).

Structural milestones in the implementation of the strategic plan

- **Successful simplified tender offer and squeeze-out procedure**, with CNP Assurances delisted on 20 June: La Banque Postale has become **CNP Assurances' controlling shareholder** with **100%** of the capital;
- **Rationalisation of CNP Assurances' Italian operations**, with the signature of an agreement for CNP Assurances to become the **sole shareholder of CNP Vita Assicura S.p.A.**;
- **Operational launch of the Corporate and Investment Banking business line** in January 2022
- Creation of a **private banking unit** (€70 billion), with **Louvre Banque Privée's centre of expertise** at its core;
- **Accelerated development of the consumer finance business** with the operational launch of a *Buy Now Pay Later offer (Django)*;
- Creation of the **115K innovation fund**, with a budget set to increase over time to **€150 million**.

Confirmation of our deep-rooted position as a Citizen Bank

- **A committed actor:**
 - **One of the world's first banks** to publish a **low-carbon trajectory** validated by the SBTi;
 - Development of a range of products and services that allow customers to play a role in the just transition;
 - **France's leading provider of banking services for our vulnerable citizens** (serving **3 million households**).
- **Initiatives to support French customers' purchasing power:**
 - Youth Pass, fees waived on instant transfers and term creditor insurance rates frozen.

Philippe Heim, Chairman of La Banque Postale's Executive Board, said: "La Banque Postale has crossed some important milestones in the implementation of its strategic plan, with the deployment of a diversified business model in line with its objectives. It consolidated its position as a major European bancassurance group by becoming the sole shareholder of CNP Assurances. The Group delivered robust business performances, both in France and internationally across all its business lines, despite an uncertain economic and geopolitical environment. The strong first-half results reflect the momentum generated by its transformation plan.

With its citizen DNA and its new status as a mission-led company, La Banque Postale is maintaining its commitment towards the just transition, particularly in environmental and social terms, and remains more than ever committed to protecting households' purchasing power."

¹ Excluding €303 million negative impact of CNP Assurances purchase price allocation adjustments

² Excluding registration duty on the portfolio of over 7,600 housing units acquired by CNP Assurances from CDC Habitat, at a comparable scope of consolidation and at constant exchange rates

³ Excluding purchase price allocation adjustments, risk-weighted assets capitalised at 14%

⁴ Estimated at 30 June 2022 and subject to approval by the Supervisor

Solid results

La Banque Postale Group business activity and results

La Banque Postale delivered solid results in first-half 2022, in a more uncertain economic environment shaped by inflationary pressures and geopolitical tensions.

First-half 2022 consolidated income statement and business line income statement

(in € millions)	H1 2021 (reported)	H1 2022	Change	H1 2021 business lines	H1 2022 business lines	Change (reported)	Change (like-for-like)
Net banking income	3,974	4,182	+5.2%	4,428	4,686	+5.8%	+3.4%⁵
Operating expenses	(3,143)	(3,255)	+3.6%	(2,931)	(3,108)	+6.1%	+3.3% ⁵
Gross operating profit	831	927	+11.5%	1,498	1,578	+5.4%	+0.9%
Cost/income ratio	79.7%	78.3%	-1.4 pts	66.6%	66.7%	+0.1 pts	-0.2 pts ⁵
Cost of risk	(98)	(90)	-8.8%	(98)	(90)	-8.8%	-9.0%
Operating profit	733	837	+14.2%	1,399	1,489	+6.4%	+1.5%
Change in goodwill (and gains and losses on other assets)	2	29	n/a	2	1	n/a	n/a
Share of profits of equity- accounted companies	30	14	n/a	30	14	n/a	n/a
Pre-tax profit	765	880	+15.2%	1,431	1,503	+5.0%	-0.4%
Income tax	(300)	(263)	-12.2%	(435)	(397)	-8.7%	-14.0%
Net profit	465	617	+32.8%	996	1,106	+11.0%	+5.6%
Non-controlling interests	(183)	(155)	-15.0%	(379)	(243)	-35.9%	+5.8%
Attributable net profit	282	462	+63.8%	618	864	+39.8%	+5.5%
Attributable net profit excluding PPA adjustments	499	765	+53.4%	-	-	-	-
Group RONE	8.2%	12.0%	+3.8 pts	-	-	-	-

Note: This business line income statement does not include items not arising in the normal course of business, such as amortisation of fair value adjustments recognised on acquisition of control of CNP Assurances, and items that cannot be allocated directly to the business lines, such as the Single Resolution Fund (SRF)/Fonds de Garantie des Dépôts et de Résolution (FGDR) contributions and management fees (see page 15 for more details).

La Banque Postale enjoyed dynamic business activity in first-half 2022

Home loan originations totalled **€7.1 billion** in first-half 2022, up by a very strong 17.8% on the year-earlier period. **Consumer finance⁶** originations also increased, rising 7.4% to **€1.3 billion**. **CIB originations** came in at **€9.7 billion**, up 14.0%.

Life insurance premiums written by the Group amounted to **€16.6 billion**, an increase of €3.4 billion (up 25.5%) vs. first-half 2021, with unit-linked sales accounting for **49.4%** of the total. Net new money invested in on- and off-balance sheet Savings products **rose by** a remarkable **52.8%** to €5.9 billion.

For the **Property & Casualty** business, first-half 2022 was another period of growth with earned premiums up 22%, while the Health and Personal Risk insurance businesses experienced a slowdown. The penetration rate among La Banque Postale's customers came in at 29%, close to the 2025 target of 30%.

⁵ Excluding registration duty on the portfolio of over 7,600 housing units acquired by CNP Assurances from CDC Habitat

⁶ Personal loans and revolving lines of credit

Business line net banking income amounted to **€4,686 million**, up **5.8%** as reported and up 3.4%⁸ like-for-like vs. first-half 2021. The increase was attributable to strong performances in international markets and the robust commercial momentum enjoyed by both the banking and insurance underwriting businesses in France.

Based on a comparable scope of consolidation and at constant exchange rates, fees and **commissions** remained stable in first-half 2022 and the **net interest margin**⁷ contracted by €43 million vs. first-half 2021 following the increase in regulated savings rates from 1 February 2022 (*Livret A, Livret de Développement Durable and Livret d'Epargne Populaire*).

Business line operating expenses for first-half 2022 amounted to **€3,108 million**, with the like-for-like increase of 3.3%⁸ vs. first-half 2021 attributable to expansion of the Group's businesses.

The business lines' cost/income ratio stood at 66.7%, an **improvement of 0.2 points**⁸ like-for-like vs. first-half 2021.

Business line gross operating profit amounted to €1.6 billion, up 5.4%.

The €90 million **cost of risk** was stable vs. first-half 2021 at 12 bps in what continued to be an uncertain environment, reflecting:

- **low loss ratios**;
- the **high quality of assets** in Retail and CIB banking books;
- the Group's **low exposure** to the sectors hardest hit by the crisis (representing just 1% of its total exposure to credit risks).

Outstanding non-performing loans remained stable at 30 June 2022 compared to 31 December 2021, at 0.6% of gross customer loans, and the coverage rate for these loans at 42% (up 0.6 points).

Attributable net profit excluding PPA adjustments totalled **€765 million, up 53.4%** vs. €499 million in first-half 2021.

RONE⁹ stood at **12.0%** in first-half 2022, **up 3.8 points** vs. the same period of 2021 and **ahead of** the 8% objective set for 2023.

⁷(excluding PEL/CEL home savings account provisions and General Interest Mission fee accrual)

⁸ Excluding registration duty on the portfolio of over 7,600 housing units acquired by CNP Assurances from CDC Habitat

⁹ RONE = Attributable net profit/Average risk-weighted assets capitalised at 14%; excluding PPA adjustments.

A robust balance sheet structure

Total assets at 30 June 2022 amounted to €752 billion compared with €772 billion at 31 December 2021.

Key indicators

	31 December 2021	30 June 2022	Change
BALANCE SHEET			
Total assets (€bn)	772	752	-2.6%
CAPITAL			
Total regulatory own funds (€bn)	21.6	18.8	-12.9%
Common Equity Tier 1 (CET1) ratio	19.1%	16.2%	-2.9 pts
Leverage ratio	7.2%	5.9%	-1.3 pts
Group RONE	8.2%	12.0%	+3.8 pts
LIQUIDITY			
Loan-to-deposit ratio	82%	81%	-1 pt
Liquidity coverage ratio (LCR)	186%	166%	-20 pts
Net stable funding ratio (NSFR)	143%	132%	-11 pts

The Group's financial structure is highly robust, with total regulatory capital of €18.8 billion.

At 30 June 2022, its **Common Equity Tier 1 (CET1)** ratio stood at **16.2%** vs. 19.1% at 31 December 2021, 7.8 points above the regulatory requirement of 8.380%.

Attributable net profit (up 30 bps), net of the dividend accrual (45% payout), was sufficient to finance organic growth of risk-weighted assets (up 10 bps), contributing to the **self-financing of the Bank's organic growth**.

The CET1 ratio declined by 330 bps, of which 290 bps points stemmed from fair value adjustments to financial instruments at fair value through Other Comprehensive Income due to stock market and interest rate volatility.

The **Tier 1 ratio** stood at 17.8%. The **total capital ratio** of **20.9%** (down 280 bps from 31 December 2021).

Provided headroom of 8.1 points vs. the Group's **Total Capital Requirement** of 12.755%.

Risk-weighted assets (RWA) amounted to €90.2 billion (compared to €91.1 billion at 31 December 2021), a decrease of 1.0%.

The **leverage ratio** was 5.9%¹⁰, down 1.3 basis points versus last year.

The Group's **liquidity structure was similarly robust**, with a **loan-to-deposit ratio of 81%** providing ample scope to fund business growth. Liquidity ratios remained high, with the LCR at 166% and the NSFR at 132% at 30 June 2022.

¹⁰ Leverage ratio excluding 100% of savings centralised with Caisse des Dépôts et Consignations

During first-half 2022, La Banque Postale's **credit ratings were reaffirmed by Fitch and Standard & Poor's**:

- In January 2022, **Fitch reaffirmed** La Banque Postale's long- and short-term credit ratings of A and F1+, respectively, both with a stable outlook;
- In February 2022, **Standard & Poor's reaffirmed** La Banque Postale's short- and long-term ratings of A+ and A-1, respectively, with a stable outlook.

Since 26 July 2022, La Banque Postale's **credit profile** has also been rated by a third agency, Moody's, which awarded the Group initial ratings of A2 (long-term) and P1 (short-term), with a stable outlook.

Ratings and outlooks:

	Moody's	Standard & Poor's	Fitch Ratings
Long-term ratings	A2	A+	A
Outlook	Stable	Stable	Stable
Last updated	26 July 2022	2 February 2022	11 January 2022
Short-term ratings	P1	A-1	F1+

During first-half 2022, La Banque Postale continued its bond issuance policy in order to optimise its capital structure and increase the **resources eligible for inclusion in its MREL**:

- On 9 February 2022, the Group took advantage of favourable financial market conditions to carry out a **€500 million Senior Non-Preferred Notes** issue. The 6-year notes were placed at a final spread of 78 bps over the mid-swap rate.
- On 4 May, La Banque Postale, through its subsidiary La Banque Postale Home Loan SFH, successfully carried out an **inaugural green covered bond issue** to help **finance energy transition projects**. The **€750 million** worth of 8-year 1.625% covered bonds were placed at a final spread of 4 bps over the mid-swap rate. A total of 85 investors participated in the transaction, the majority of whom (66%) apply ESG screens. The €3.7 billion order book (a record for La Banque Postale) represented **4.7 times the amount of the planned issue**.

In addition, on 21 January 2022, CNP Assurances successfully carried out a **€500 million 7-year Tier 3 subordinated debt** issue at a fixed interest rate of 1.25%.

Results by business line

Bancassurance France (69% of total business line net banking income)

(in € millions)	H1 2021 (reported)	H1 2021 pro forma)	H1 2022	Change (reported)	Change (pro forma)*
Net banking income	3,135	3,174	3,232	+3.1%	+1.8%
Operating expenses	(2,318)	(2,399)	(2,449)	+5.6%	+2.1%
Gross operating profit	817	775	783	-4.1%	+1.1%
Cost/income ratio	74.3%	75.9%	76.0%	+1.8 pts	+0.1 pts
Cost of risk	(25)	(37)	(87)	n/a	n/a
Operating profit	791	738	696	-12.0%	-5.7%
Pre-tax profit	816	763	699	-14.4%	-8.5%
Attributable net profit	371	333	488	+31.6%	+46.7%

*Pro forma: professional customers included in Bancassurance France since 1 January 2022 (previously included in CIB).

During the first half of the year, La Banque Postale crossed a new milestone in the **deployment of the integrated bancassurance model** by becoming **the sole shareholder of CNP Assurances**. At the close of the simplified tender offer launched on 2 May for minority interests in CNP Assurances, La Banque Postale held 97.79% of CNP Assurances' capital, allowing implementation of a squeeze-out procedure. CNP Assurances' shares were delisted on 20 June 2022.

Business performance

Business activity in the first-half was buoyant, with outstanding loans up 5.5% and stable savings deposits.

Retail Banking **outstanding loans** totalled €71.6 billion (up 5.5%), including €65.7 billion in **home loans** (up 5.5%) and €5.5 billion in **consumer finance** (up 4.0%).

Regulated savings deposits (*Livret A*, *Livret d'épargne populaire* and *Livret de développement durable et solidaire*) amounted to €76.8 billion (up 0.2%) with *Livret A* deposits stable compared with 30 June 2021 at €61.5 billion.

Demand deposits were 2.6% higher, at €76.1 billion.

Overall, on-balance sheet **savings deposits** increased to €191.7 billion at 30 June 2022 (up 1.0% vs. 30 June 2021).

The housing market remained buoyant in the first half, helping to drive **21.2% growth in home loan originations** to €6.6 billion. **Consumer finance originations** rose by 7.4% to €1.3 billion, with revolving credit originations up by a very strong 23.9%.

In March 2022, CNP Assurances acquired 85% of Lamartine from CDC Habitat, which holds the other 15%. Lamartine is a residential property fund that owns a portfolio of 7,600 affordable housing units of high environmental quality worth €2.4 billion.

Life insurance

Business activity slowed slightly in the first half of the year, with technical reserves down 1.5% at €279.8 billion and premium income down 2.3%. The trend was mainly due to the decline in value of unit-linked funds and the lower volume of new money invested in traditional savings/pensions products.

The **La Banque Postale distribution network's contribution**¹¹ to Life insurance premium income was stable compared to last year at €3.6 billion. **The quality of new money was good, with unit-linked sales representing 32.9% of the total, an increase of 3.8 points.**¹²

Other insurance subsidiaries (P&C, Death/Disability and Health)

Property & Casualty written premiums increased by 5%, led by comprehensive home-owner insurance (up 7%) and motor insurance (up 4%), while Personal Risk and Health insurance premiums declined in the first half.

The non-life insurance book was stable, at 4.6 million policies as of 30 June 2022.

La Banque Postale's insurance subsidiaries continued to deliver **robust underwriting results**, reporting a 4.6-point improvement in the combined ratio net of reinsurance to 82.1%.

La Banque Postale has supported all of its customers in withstanding the current inflationary pressures, with a range of practical measures to shore up their purchasing power. As **France's leading provider of banking services for vulnerable customers**, the Group launched several practical initiatives during the first half of the year:

- **Fees for instant money transfers in France and Europe have been waived** for its 20 million retail customers in France.
- La Banque Postale and CNP Assurances have gone above and beyond the requirements of the Lemoine law by **freezing premium rates for standard term creditor insurance cover and abolishing premium surcharges** for borrowers representing a level 2 aggravated health risk as defined in the AERAS¹³ convention. These measures have been applicable since 1 June 2022 for new contracts sold by the La Banque Postale network.

La Banque Postale's **Customer Board** set up to respond as closely as possible to customers' expectations held its first meeting in May. This unique consultation initiative represents a first in the French banking industry. The 10-member Board will meet three times a year to discuss customers' views on the Bank's structural projects aimed at improving product offerings, service quality or the customer experience.

Lastly, recognising that young people need support to make their social and professional lives a success, particularly in times of crisis, La Banque Postale has launched a new, innovative and socially responsible offer: the **Youth Pass** digital platform comprising **10 free non-banking services for 18- to 29-year olds**. The offer has been an immediate success, with more than 137,000 young people won over in just two months.

In line with its strategic plan, La Banque Postale **stepped up its diversification in the consumer finance market** with the launch of Django deferred and split payment solutions for purchases of up to €6,000. A wholly-owned subsidiary of LBP Consumer Finance, Django signed up **over 70 partner merchants and e-tailers** in less than four months.

¹¹ Products developed by CNP Assurances and other partners distributed by La Banque Postale networks

¹² Bancassurance France including Louvre Banque Privée

¹³ Signed by the government authorities, the banking, financial services, insurance and mutual insurance industry federations and by non-profits representing patients' and consumers' interests, the AERAS Convention (S'Assurer et Emprunter avec un Risque Aggravé de Santé) aims to facilitate access to insurance and credit for people who have or have had a serious health problem. Level 2 corresponds to a framework for pooling aggravated risks not covered under standard term creditor insurance contracts.

Financial results *(vs. pro forma first-half 2021)*

The business line's contribution to **net banking income** rose by 1.8% despite the impact of higher regulated savings rates, with growth led by home loan originations (up 21.2%) and consumer finance originations (up 7.4%), as well as by the 6% increase in non-life insurance earned premiums.

Growth in **administrative expenses** was limited to 2.1%. The increase was primarily due to the acquisition of the Allianz France savings business by CNP Assurances and to the registration duty payable on CNP Assurances' acquisition of a portfolio of 7,600 housing units from CDC Habitat.

In the absence of any identified deterioration of loss ratios, **cost of risk** amounted to €87 million.

The business line's contribution to attributable net profit was up by a strong 46.7%.

International Bancassurance (17% of total business line net banking income)

(in € millions)	H1 2021	H1 2022	Change (reported)	Change (like-for-like)
Net banking income	577	774	+34.3%	+10.1%
Operating expenses	(213)	(308)	+44.9%	+12.7%
Gross operating profit	364	466	+28.1%	+8.5%
Cost/income ratio	36.9%	39.8%	+2.9 pts	+0.9 pts
Cost of risk	(3)	(9)	n/a	n/a
Operating profit	361	457	+26.5%	+7.0%
Pre-tax profit	362	407	+12.5%	-8.1%
Attributable net profit	73	75	+3.1%	-51.3%

Outside France, CNP Assurances delivered a very good business performance and reported increased earnings, led by Brazil and Italy.

CNP Assurances streamlined its European operations with the sale of CNP Partners to Mediterráneo Vida, an insurance company operating in the traditional savings market in Spain and Italy.

On 27 July 2022, **CNP Assurances signed a memorandum of understanding with UniCredit** concerning:

- the acquisition of UniCredit's **49% interest in CNP Vita Assicura S.p.A.**, lifting CNP Assurances' interest in this company to **100%**;
- the sale of **6.5% of CNP UniCredit Vita S.p.A. (CUV)** to UniCredit, with CNP Assurances continuing to be CUV's majority shareholder with 51%.

The aim of these transactions for CNP Assurances is to rationalise the organisation of its Italian operations as it continues to grow its business in this country.

Business performance

In Europe, premium income **rose by €3 billion** to €5.6 billion (up 111.4%). Savings/Pensions premium income came to €5 billion (vs. €2.2 billion in first-half 2021), an increase of €2.9 billion (up 132.1%) that corresponded mainly to the contribution of the new Italian subsidiary, CNP Vita Assicurazione, which was consolidated for the first time during the period. Unit-linked sales by CNP UniCredit Vita represented a high 74.3% of total Savings/Pensions premiums.

Personal Risk/Protection premium income grew 21.6%, with premiums at CNP UniCredit Vita boosted by the success of the **new personal risk range** launched in the second half of 2021.

In Latin America, premium income totalled €3.9 billion, up 27.7%. Savings/Pensions premium income came to €3.2 billion (up 30.2%), with growth driven by the high volume of Pensions new money in Brazil.

Personal Risk/Protection premium income was up 16,3% in first-half 2022 at €0.7 billion.

Financial results (vs. first-half 2021 as reported)

The business line's contribution to **net banking income** increased by €198 million to €774 million, reflecting:

- the first-time consolidation of the Italian subsidiary CNP Vita Assicurazione;
- the favourable currency effect in Brazil;
- strong sales momentum in Italy and Brazil.

Operating expenses increased by 45%, mainly due to the first-time consolidation of the new Italian subsidiary and the currency effect in Brazil. The like-for-like increase was 12.7%.

Cost of risk was low at €9 million and the business line's contribution to **attributable net profit** was up 3% vs. first-half 2021 at €75 million.

Corporate and Investment Banking (11% of business line net banking income)

(in € millions)	H1 2021 (reported)	H1 2021 (pro forma)	H1 2022 (reported)	Change (reported)	Change (pro forma)*
Net banking income	571	532	526	-8%	-1%
Operating expenses	(312)	(231)	(251)	-19%	+9%
Gross operating profit	259	301	275	+6%	-9%
Cost/income ratio	56.3%	44.9%	49.1%	-7.2 pts	+4.2 pts
Cost of risk	(71)	(59)	5	n/a	n/a
Operating profit	189	242	280	+48%	+16%
Pre-tax profit	189	242	280	+48%	+16%
Attributable net loss	135	173	208	+54%	+20%

Pro forma: professional customers included in Bancassurance France since 1 January 2022

Highlights of first-half 2022 in terms of business activity included a **strong increase in financing for green and social projects** and **dynamic performances in asset and project finance** including:

- Bilateral **green loan originations**, 67% of which concerned local authorities, rose by a strong 43.3% to €403 million;
- **80% of asset and project finance originations¹⁴** earmarked for **green and social projects**.
- Participation in the financing of **France's first floating wind turbine**

Business performance

Total outstanding loans amounted to €41.8 billion, up 3.3% from 30 June 2021. Outstanding financing for **French local public services¹⁵** stood at €20.2 billion, up 5.9%, while outstanding loans to SMEs and mid-caps came to €10.0 billion, up 5.5%.

Demand deposits, including *Livret* passbooks¹⁶, totalled €15.8 billion at 30 June 2022, up 10.1%.

Asset and Project Finance originations were sharply higher, rising by €229 million (up 43.0%), while **factoring originations** (purchased receivables) were up by a strong 31.7% at €10 billion.

The **Debt Capital Markets** business performed well, participating in 53 bond issues during the period. The business won 32% of the market¹⁷ for the arrangement and placement of private issues for **French local public sector borrowers**, (ranking first in the League table for French local authorities' private placements in euros¹⁸). In addition, CIB arranged and placed **€270 million worth of green or social bond issues** with investors along with **LBP Home Loan SFH's €750 million inaugural green covered bond issue**.

¹⁴ Estimated data

¹⁵ Local authorities, healthcare establishments, public-private partnerships and social landlords

¹⁶ Including *Livret A*, *Compte sur Livret* and *Livret B* deposits

¹⁷ Source: Bloomberg – 30 June 2022

¹⁸ Ranking of arrangers for French local public sector private placements (under €150 million)

Financial results (vs. pro forma first-half 2021)

The business line's contribution to **net banking income** dipped 1% compared with first-half 2021. This was mainly due to a base effect primarily related to the disposal of a portfolio, partly offset by growth in corporate banking activities (up 7%), a sharp rise in fund flow and account management activities (up 28%) and the development of corporate capital markets activities.

Expenses increased by 9%, in line with business growth.

Cost of risk was a positive €5 million, reflecting net provision reversals, notably following certain changes of method.

The business line's contribution to **attributable net profit** amounted to €208 million, an **increase of 20%** vs. first-half 2021.

Wealth and Asset Management (3% of business line net banking income)

(in € millions)	H1 2021 (reported)	H1 2022 (reported)	Change
Net banking income	146	154	+5.4%
Operating expenses	(88)	(100)	+13.4%
Gross operating profit	58	54	-6.8%
Cost/income ratio	60.6%	65.1%	+4.5 pts
Cost of risk	-	2	n/a
Operating profit	58	56	-4.5%
Pre-tax profit	64	117	+83.9%
Attributable net profit	39	93	+136.7%

Louvre Banque Privée

Highlights

La Banque Postale pursued its diversification in the first half of 2022, with the **organisation of its wealth management business** around **BPE, renamed Louvre Banque Privée**. The aim of this operation was to leverage the Group's recognised private banking expertise and uniquely deep regional network. Since 1 July 2022, this new model has been supporting the deployment of a range of products and services tailored to the needs of all of La Banque Postale Group's wealth management customers, both at Louvre Banque Privée and in the La Banque Postale network. With €70 billion in assets under management at the end of December 2021, Louvre Banque Privée plans to open 100 new service desks and increase its assets under management to €85 billion by 2025, of which 50% invested in unit-linked funds, while maintaining the discretionary asset management business's exclusive focus on SRI funds.

After the Silver Trophy received in 2021, Louvre Banque Privée won the **Gold Positive Finance Trophy** at the fourth edition of the *Sommet du Patrimoine et de la Performance* awards organised on 14 June 2022 by the Leaders League Group, Décideurs Magazine.

Dynamic and profitable commercial activity

Louvre Banque Privée's total **assets under management** amounted to €14.0 billion at 30 June 2022, up 6.3% vs. 30 June 2021.

The business continued to enjoy **robust growth**, illustrated by the dynamic flow of new money and the increased sales of unit-linked life insurance contracts, with linked liabilities lifted to €6.5 billion at 30 June 2022 (up nearly 7% vs. 30 June 2021). Life insurance technical reserves were up 9.9% at €9.9 billion, reflecting PACTE transfers, the increase in the CAC 40 index and healthy inflows of new money.

Assets under discretionary management rose by 4.8% to €7.6 billion at 30 June 2022.

High margin business continued to grow, with new money of €547 million invested in funds under discretionary management.

Outstanding home loans increased by 8.6% to €4.3 billion.

During the period, **seven new wealth management service desks were opened** in post offices. Including these desks, as of 30 June 2022, Louvre Banque Privée products were distributed in 64 post offices and 28 private banking centres. **Louvre Banque Privée's real estate subsidiary** (LBP IC) continued to grow, with the number of units sold through a countrywide network of more than 50 partners rising by 17.6%.

Asset Management

On 13 May 2022, La Banque Postale sold its 40% stake in AEW Europe and LBP Asset Management sold its 45% **stake** in Ostrum AM to Natixis Investment Managers (Natixis IM), a subsidiary of the BPCE group. At the same time, the industrial asset management partnerships between LBP Asset Management and Natixis IM were extended until the end of 2030.

During the period, La Banque Postale increased its stake in LBP Asset Management by **acquiring the 5% interest** held by Malakoff Humanis, which remains one of the Group's preferred partners.

True to its DNA as an SRI conviction manager and as part of its Net Zero Asset Management Initiative (NZAMI) commitments, LBP Asset Management has announced its ambitions in terms of carbon neutral portfolios. It is aiming for **80% alignment of its total assets** with a low-carbon target compatible with the objectives of the Paris Agreement by 2030, and **100% alignment by 2040**.

LBP Asset Management expanded its range of socially responsible products by adding:

- **a solidarity-based fund and four sharing funds**, three of which were newly created. LBP Asset Management now offers La Banque Postale's retail customers the opportunity to support the development of a more socially responsible and sharing society through their investment choices.
- its first physical infrastructure fund "**LBPAM infrastructure September 2030**", developed for La Banque Postale and CNP Assurances.

Tocqueville Finance was rewarded for its ability to generate alpha through its management of equity portfolios, rising to second place on the podium of the 2022 Alpha League Table after ranking 17th in 2021.

Business activity affected by financial market conditions

La Banque Postale Asset Management's assets under management amounted to **€54.8 billion**, including **positive net new money** for the period of €1.6 billion. However, the total was down 9.1% vs. 31 December 2021 due to unfavourable financial market trends (affecting equities, diversified assets and absolute performance funds), which had an impact of €7.1 billion.

Financial results

The business line's contribution to **net banking income** grew by 5.4%, reflecting:

- the increase in fees and commissions, particularly for off-balance sheet savings products and life insurance;
- healthy discretionary asset management volumes and dynamic growth in savings diversification revenues (life insurance sales, real estate consulting fees);
- growth in the real estate business;
- €1.6 billion growth in the net inflow of new money into managed funds.

Expenses were up 13.4% due to the €1.8 million one-off cost of launching Louvre Banque Privée.

The business line's contribution to **attributable net profit** was €93 million, an increase of 136% that was partly attributable to the positive €54 million impact of the Ostrum AM and AEW Europe disposals.

CORPORATE CENTRE

The Corporate Centre is used to record income and expenses that cannot be allocated directly to the business lines, such as the Single Resolution Fund (SRF)/Fonds de Garantie des Dépôts et de Résolution (FGDR) contributions and management fees.

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. They include amortisation of the fair value adjustments to CNP Assurances' net assets on the date control was acquired, which is allocated to the Corporate Centre to avoid distorting the presentation of the Bancassurance France and International Bancassurance business lines' results.

<i>(in € millions)</i>	H1 2021 (reported)	H1 2022 (reported)
Net banking loss	(454)	(505)
Operating expenses	(212)	(147)
Gross operating loss	(666)	(652)
Operating loss	(666)	(652)
Pre-tax loss	(666)	(623)
Attributable net loss	(336)	(402)

Financial results

Corporate Centre results reflect:

- PPA adjustments with a negative impact on attributable net profit of €217 million in first-half 2021 and €303 million in first-half 2022 (including the €19 million positive impact of CNP Assurances' sale of CNP Partners at the level of LBP);
- Single Resolution Fund (SRF)/Fonds de Garantie des Dépôts et de Résolution (FGDR) contributions of €89 million (stable vs. first-half 2021) included in operating expenses;
- Net banking income: Management fees of €9 million in first-half 2021 and €12 million in first-half 2022, deducted from net banking income;
- €18 million gain on the HTC portfolio in first-half 2022.

APPENDICES

Consolidated income statement for first-half 2022

(in € millions)	30 June 2022	30 June 2021
Interest income	3,718	2,630
Interest expense	(1,163)	(977)
Fee and commission income	1,120	1,127
Fee and commission expense	(1,850)	(1,651)
Net gain or loss on financial instruments at fair value through profit or loss	(12,195)	8,843
Net gain or loss on financial instruments at fair value through other comprehensive income	(1,174)	(349)
Net gain or loss on derecognised financial assets at amortised cost	18	-
Income from other activities	20,998	17,210
Expenses from other activities	(6,851)	(22,151)
Impact of the overlay approach (gross impact)	1,559	(707)
NET BANKING INCOME	4,182	3,974
General operating expenses	(2,940)	(2,801)
Net depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(315)	(341)
GROSS OPERATING PROFIT	926	831
Cost of risk	(90)	(98)
OPERATING PROFIT	837	733
Share of profits of equity-accounted companies	14	30
Net gain or loss on other assets	29	2
PRE-TAX PROFIT	880	765
Income tax	(263)	(300)
NET PROFIT	617	465
Non-controlling interests	155	183
ATTRIBUTABLE NET PROFIT	462	282

Consolidated balance sheet at 30 June 2022

(in € millions)	30 June 2022	31 December 2021
Cash, central banks	46,596	50,812
Financial assets at fair value through profit or loss	215,488	231,502
Hedging derivatives	807	1,022
Financial assets at fair value through other comprehensive income	206,272	228,513
Securities at amortised cost	25,071	23,480
Loans and advances to credit institutions at amortised cost	67,073	67,840
Loans and advances to customers at amortised cost	129,661	123,152
Revaluation differences on portfolios hedged against interest rate risks	210	101
Current tax assets	577	669
Deferred tax assets	1,868	549
Accruals and other assets	40,019	33,415
Non-current assets held for sale	2,054	178
Deferred participation assets	2,734	-
Investments in equity-accounted companies	987	948
Investment properties	5,638	3,393
Property, plant and equipment	1,366	1,254
Intangible assets	5,821	5,326
Goodwill	157	156
TOTAL ASSETS	752,398	772,310
Financial liabilities at fair value through profit or loss	5,886	4,335
Hedging derivatives	1,201	333
Liabilities due to credit institutions	32,685	30,393
Customer deposits	241,228	235,038
Debt securities	20,482	21,693
Revaluation differences on portfolios hedged against interest rate risks	150	422
Current tax liabilities	99	166
Deferred tax liabilities	845	1,205
Accruals and other liabilities	25,484	21,364
Liabilities related to non-current assets held for sale	1,983	-
Insurance company technical provisions and shadow accounting reserves	386,341	414,398
Provisions	1,091	1,075
Subordinated debt	10,479	10,110
EQUITY	24,444	31,779
Non-controlling interests	6,788	10,208
Equity attributable to owners of the parent	17,657	21,571
Share capital	6,585	6,585
Reserves and retained earnings	13,131	13,505
Gains and losses recognised directly in equity	(2,521)	844
Profit attributable to owners of the parent	462	636
TOTAL EQUITY AND LIABILITIES	752,398	772,310

First-half 2022 net profit by business segment (excluding the cost of equity for each segment)

	First-half 2022					Total
	Bancassurance France	International Bancassurance	Wealth and Asset Management	Corporate and Investment Banking	Corporate centre	
(in € millions)						
NET BANKING INCOME (LOSS)	3,232	774	154	526	(505)	4,182
General operating expenses	(2,316)	(220)	(91)	(225)	(88)	(2,940)
Net depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(133)	(88)	(9)	(27)	(59)	(315)
GROSS OPERATING PROFIT (LOSS)	783	466	54	275	(652)	927
Cost of risk	(87)	(9)	2	5	-	(90)
OPERATING PROFIT (LOSS)	696	457	56	280	(652)	837
Share of profits of equity-accounted companies	2	12	0	-	-	14
Net gain or loss on other assets	0	(61)	62	-	29	29
Changes in the value of goodwill	-	-	-	-	-	-
PRE-TAX PROFIT (LOSS)	699	407	117	280	(623)	880
Income tax benefit (expense)	(125)	(182)	(17)	(72)	134	(263)
NET PROFIT (LOSS)	574	225	100	208	(489)	617
Non-controlling interests	86	150	6	-	(87)	155
NET PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT	488	75	93	208	(402)	462

First-half 2021 net profit by business segment (excluding the cost of equity for each segment)

	First-half 2021					Total
	Bancassurance France ⁽¹⁾	International Bancassurance	Wealth and Asset Management	Corporate and Investment Banking ⁽¹⁾	Corporate centre	
(in € millions)						
NET BANKING INCOME (LOSS)	3,174	577	146	532	(454)	3,974
General operating expenses	(2,287)	(136)	(82)	(208)	(89)	(2,801)
Net depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(112)	(77)	(6)	(23)	(124)	(341)
GROSS OPERATING PROFIT (LOSS)	775	364	58	301	(666)	831
Cost of risk	(37)	(3)	0	(59)	-	(98)
OPERATING PROFIT (LOSS)	738	361	58	242	(666)	733
Share of profits of equity-accounted companies	24	1	5	-	-	30
Net gain or loss on other assets	1	0	1	-	-	2
Changes in the value of goodwill	-	-	-	-	-	-
PRE-TAX PROFIT (LOSS)	763	362	64	242	(666)	765
Income tax benefit (expense)	(211)	(137)	(18)	(69)	135	(300)
NET PROFIT (LOSS)	552	225	46	173	(532)	465
Non-controlling interests	219	153	7	-	(196)	183
NET PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT	333	73	39	173	(336)	282

(1) Segment information for first-half 2021 has been adjusted to reclassify Corporate and Investment Banking commercial banking clients to Bancassurance France.

Alternative performance measures – 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, Ma French Bank and the domestic Life and Non-Life insurance businesses.
International Bancassurance	Business line comprising CNP Assurances' international bancassurance businesses notably in Brazil, Italy and Ireland.
Corporate and Investment 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 BPE's wealth management business, and the asset management businesses of La Banque Postale Asset Management, Tocqueville Finance and the Ostrum AM joint venture with Natixis.
Business line NBI	Business line net banking income excluding the Corporate Centre segment
NBI 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)	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
Corporate Centre	The Corporate Centre is used to record income and expenses that cannot be allocated directly to the business lines, such as the Single Resolution Fund (SRF)/Fonds de Garantie des Dépôts et de Résolution (FGDR) contributions and management fees. 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. They include amortisation of the fair value adjustments to CNP Assurances' net assets on the date control was acquired, which is allocated to the Corporate Centre to avoid distorting the presentation of the Bancassurance France and International Bancassurance business lines' results.
Common Equity Tier 1 (CET1)	La Banque Postale's Common Equity Tier 1 capital, which includes: IFRS attributable equity (capital, additional paid-in capital, reserves and retained earnings, profit for the year) less the recommended dividend (based on a payout rate of 45% of attributable net profit), after applicable regulatory adjustments.
Leverage ratio	Ratio of Tier 1 capital (the numerator) to a risk exposure measure or the sum of assets exposed to risk (the denominator) composed of balance sheet and off-balance sheet items, without applying a risk weighting. The leverage ratio is designed to prevent banks taking on excessive levels of debt.
Liquidity coverage ratio (LCR)	The LCR is a monthly short-term ratio which measures La Banque Postale's ability to withstand a severe deterioration in its financial position for up to 30 days in a systemic shock environment. The ratio is calculated by dividing the sum of unencumbered, high-quality liquid assets by the liquidity requirement in a stress environment over a 30-day period. An LCR proxy is calculated daily.
Return on Normative Equity (RONE)	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 <i>Livret A</i> and LDD 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 the bank to the EU Single Resolution Fund and its French equivalent, Fonds de Garantie des Dépôts et de Résolution.
Sources of funds	Demand deposits and amounts held in on-balance sheet savings accounts.
LPS	Local Public Sector
SCR	Solvency Capital Requirement
OTD	Originate to Distribute

Results conference call

Olivier Levy-Barouch, Deputy General Manager Finance and Strategy, will present La Banque Postale's first-half 2022 results during a webcast conference call in English followed by a Q&A session on Friday, 29 July 2022 at 3:00 p.m. (CEST). The webcast will be available two hours 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 28 July 2022, examined the audited 2022 interim consolidated financial statements, approved by the Executive Board of La Banque Postale and presented by its Chairman Philippe Heim.

The Statutory Auditors have substantially completed their audit of the consolidated financial statements for the period ended 30 June 2022. They will issue their audit 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 2022. More detailed information will be provided in the Amendment to the Universal Registration Document at 30 June 2022, which will be published on the Bank's website www.labanquepostale.com.

ABOUT LA BANQUE POSTALE

La Banque Postale, together with its subsidiaries including CNP Assurances, is a leading European bancassurer, ranked 11th in the euro zone based on total assets. With its diversified business model and wide range of affordable products, the Group partners with 20 million individual and business customers. A subsidiary of Le Groupe La Poste, La Banque Postale offers local banking services through 17,000 contact points, including 7,300 post offices, throughout France. A foremost player in sustainable finance, it is also among the leaders for its non-financial ratings. The new strategic plan, “La Banque Postale 2030”, is designed to support La Banque Postale’s ambition to become France’s favourite bank, thanks to an integrated, multi-channel bancassurance offer organised around three distinctive brands: La Banque Postale, for routine banking, Ma French Bank, for fully-mobile banking, and Louvre Banque Privée, for private banking. As a community bank, La Banque Postale is fully focused on shaping a just transition to an economy and a society capable of responding to environmental, social, regional and digital challenges.

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