



2021 annual results

Satisfactory launch of the 2025 strategic plan: solid results in line with our roadmap, driven by strong business momentum in a recovering and uncertain economic environment.

2021 annual results

- **Attributable net profit of €636 million**
- **Attributable net profit excluding PPA adjustments¹ up 36.2% at €1,005 million**
- **Business line net banking income² up 6.2% to €8,261 million**
- **2.5-point improvement in the business line cost-income ratio³ to 70.2%**
- **Low cost of risk** at 16 bps
- **Group RONE⁴ up 1.9 points to 8.2% in line with 2025 targets**

A robust capital structure

- **Dividend accrual** of €1,542 million (including €1,256 million catch-up distribution)
- Robust **CET1 ratio** of **19.1%**⁵ (post-dividend) at La Banque Postale level
- **SCR coverage ratio** of **217%** (CNP Assurances)
- Rating agencies recognised an **improved credit profile**: ratings upgraded by Fitch Ratings to **A with a stable outlook** and by S&P Global Ratings to **A+ with a stable outlook**.

Initial achievements under the 2025 strategic plan

- **Increased ownership of CNP Assurances**: acquisition of BPCE's 16.1% stake in CNP Assurances and announcement of a simplified public tender offer to be followed by a squeeze-out procedure (provided the necessary conditions are met) to give full control of CNP Assurances to La Banque Postale
- **Faster business model diversification**:
 - o Diversified bancassurance model ramped up
 - o Creation of a Corporate and Investment Bank
 - o Split payments solution launched by La Banque Postale Consumer Finance
- **New brand platform** launched, to support the dynamic transformation of our business impelled by our strategic plan
- Retail Banking **digital experience ramped up**
- New **product range** launched that makes our corporate and retail **customers actors of the energy transition**
- **Mission-led company** status adopted, reflecting our commitment towards the just transition, with a dedicated steering committee chaired by Natacha Valla

¹ Excluding €369 million negative impact of CNP Assurances PPA adjustments

² Based on a comparable scope of consolidation and at constant exchange rates

³ Calculated based on 2020 operating expenses as restated for amortisation of Caixa/Santander distribution agreements

⁴ Excluding purchase price allocation adjustments, risk-weighted assets capitalised at 14%

⁵ Estimated at 31 December 2021 and subject to approval by the supervisor

Philippe Heim, Chairman of La Banque Postale's Executive Board, said: "The solid results published by La Banque Postale Group one year into its 2025 strategic plan have consolidated our business model as a European bancassurer and a market leader in impact finance.

During the year, important structural milestones were reached. We completed a new stage in the integration of CNP Assurances by increasing our percentage ownership, we stepped up the digitisation of our Retail Banking offer and we created a new corporate and investment bank.

All of our business lines delivered sound business and financial performances, in line with our objectives, confirming the relevance of La Banque Postale's increasingly diversified business model. The Group continues to benefit from a particularly robust balance sheet structure, with very strong capital and liquidity ratios providing the headroom needed to support future growth.

We have won praise from leading international bodies for our ambitious low carbon strategy and our strategy of making sustainable finance offerings available to all of our customers, confirming our leadership in impact finance.

Last June, we stated that our corporate purpose was to contribute to the just transition, in confirmation of our belief that making a positive impact can be a key driver of performance. We have since gone a step further, by becoming a mission-led company that will make this mission a long-term commitment. After this promising first year, I would like to thank all the teams for their commitment to our customers and to the success of our strategic plan."

La Banque Postale has unveiled its new brand platform

The new strategy reflects the Group's far-reaching transformation, driven by its strategic plan and the engagement of all its co-workers.

La Banque Postale is today presenting its new logo. Simpler and more modern, it reflects all the features of the far-reaching transformation underway since the strategic plan was launched in early 2021. In a competitive and demanding banking landscape, La Banque Postale's ambition is to partner all customers by offering them high-performance products and services, and to embrace radical new ideas that give shape to its community commitment while remaining faithful to its cultural heritage as a post office bank. At 16 years old, La Banque Postale is the bank of its time.

**When you're
16 years old, protecting
climate is a given**

Today, La Banque Postale is 16.
And by 2030, we will be done divesting
from fossil fuels.



Results indicating the successful execution of the strategic plan

La Banque Postale Group business activity and results

La Banque Postale delivered solid 2021 results, as evidenced by the growth in its revenues and profitability, in line with the strategic roadmap.

Consolidated income statement and like-for-like⁶ business line income statement

(in € millions)	2020 reported	2021	2020 business lines	2021 business lines ⁷	Change (like-for-like)
Net banking income	7,724	8,020	7,776	8,261	+6.2%
Operating expenses	(5,711)	(6,215)	(5,473)	(5,762)	+2.6% ⁸
Gross operating profit	2,013	1,805	2,303	2,499	+8.5%
Cost-income ratio	74.4%	78.0%	70.9%	70.2%	
Cost of risk	(674)	(268)	(656)	(265)	/ 2.5
Operating profit	1,339	1,537	1,647	2,234	+35.7%
Change in goodwill (and gains and losses on other assets)	3,078	1	(11)	1	
Share of profits of equity-accounted companies	690	99	96	107	
Pre-tax profit	5,107	1,636	1,731	2,341	+35.3%
Income tax	(419)	(514)	(461)	(624)	
Net profit	4,688	1,123	1,270	1,717	+35.2%
Non-controlling interests	(533)	(486)	(639)	(687)	
Attributable net profit	4,155	636	632	1,030	+63.0%
Attributable net profit excluding CNP Assurances PPA adjustments⁹	738	1005	-	-	+36.2%¹⁰
Business line cost-income ratio	-	-	72.7%⁶	70.2%	-2.5 pts
Group RONE¹¹	6.3%	8.2%	-	-	+1.9 pts¹²

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 23 for more details). It has been restated for the effects of changes in the scope of consolidation (CNP Assurances and Aviva) and changes in exchange rates between 2020 and 2021.

La Banque Postale enjoyed dynamic business growth across all business lines and all franchises (individual customers, professionals, corporates).

Sustained by a still dynamic housing market, **home loan** originations amounted to €12.7 billion, an increase of €2.3 billion or 22.4% versus 2020. The **consumer finance** business reported originations up 6.2% at €2.4 billion. Corporate loan originations rose 5.4% to €24.8 billion at 31 December 2021 and factoring volumes (purchased receivables) were up 26.4% at €17.4 billion.

⁶ With CNP Assurances included based on La Banque Postale's 2020 interest, the companies acquired from Aviva consolidated from November 2021 and the effect of the increase in ownership of CNP Assurances taken into account from 17 December 2021

⁷ Unaudited data

⁸ Calculated based on 2020 operating expenses as restated for amortisation of Caixa/Santander distribution agreements

⁹ First-time consolidation entries in 2020 (positive impact of €3,593 million) and PPA adjustments (negative impacts of €176 million in 2020 and €369 million in 2021)

¹⁰ Excluding CNP Assurances PPA adjustments

¹¹ RONE = Attributable net profit/Average risk-weighted assets capitalised at 14%; excluding PPA adjustments.

At La Banque Postale Group level, **life insurance new money** stood at €25.7 billion, an increase of €4.3 billion versus 2020. **Unit-linked sales represented 51.5%** of the total (up 1.4 points) and new money generated by La Banque Postale's distribution network contributed €8.3 billion¹² (up 23.9%). The non-life insurance business performed well, led by the Property & Casualty business.

Business line net banking income amounted to **€8,261 million, up 6.2%** versus 2020, with the insurance business contributing 40% in 2021.

Part of the increase was attributable to the **4.6% growth in fee and commission income**, mainly led by day-to-day banking and cash management fees and by commission on additional products sold to existing customers. **The net interest margin** was resilient at €2,335 million (down 0.6%). The deposit margin was adversely affected by the still unfavourable interest rate environment, but this was notably offset by the **solid performances of the lending businesses**.

Operating expenses amounted to **€5,762 million**, including amortisation of the Caixa/Santander distribution agreements. Excluding this amortisation expense, **operating expenses** were up 2.6%.

Strong business momentum combined with a cost-controlled growth created a **positive jaws effect, driving a 2.5-point improvement in the business lines' cost-income ratio to 70.2%**, in line with the trajectory set by the Group.

Business line gross operating profit amounted to €2.5 billion, up 8.5%.

After rising sharply in 2020 due to the Covid-19 crisis, business line **cost of risk** returned to a normal level in 2021 at **€265 million**. This represented a decrease of nearly 60% on 2020 and a cost of risk/outstanding loans ratio of 16 bps, reflecting:

- **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 1.5% of the total exposure);
- its conservative policy concerning **sector-specific loss allowances**.

Non-performing loans outstanding remained **stable** compared to 2020 (at 0.55% of gross customer loans), while the **coverage rate** for these loans **increased to 41.2%** at 31 December 2021 (up 3 points versus 38.3% at end-2020).

Attributable net profit excluding PPA adjustments totalled **€1 billion** in 2021, **up 36.2% excluding first-time consolidation entries from the 2020 basis of comparison**.

RONE¹³ stood at 8.2% at 31 December 2021, already matching the objective set for 2025.

¹² Including BPE

¹³ RONE = Attributable net profit/Average risk-weighted assets capitalised at 14%; excluding PPA adjustments.

A robust balance-sheet structure

La Banque Postale Group balance sheet and financial structure

Total assets at 31 december 2021 amounted to €772 billion compared with €737 billion at 31 december 2020.

Key indicators:

	31 December 2020	31 December 2021	Change
BALANCE SHEET			
Total assets (€bn)	737	772	+4.7%
CAPITAL			
Total regulatory own funds (€bn)	21.0	21.6	+2.8%
Common Equity Tier 1 (CET1) ratio (post-dividend)	20.4%	19.1%	-1.3 pts
Leverage ratio	6.1%	7.2%	+103 bps
Business line RONE	5.4%	8.4%	+3 pts
LIQUIDITY			
Loan-to-deposit ratio	83.6%	82.1%	-1.5 pts
Liquidity coverage ratio (LCR)	183%	204%	+21 pts
Net stable funding ratio (NSFR)	140%	143%	+3 pts

The Group's financial structure is particularly robust, with total regulatory capital at €21.6 billion.

Its **Common Equity Tier 1 (CET1)** ratio stood at **19.1%** at 31 December 2021, down by 135 bps from 20.4% at the previous year-end. The decline was mainly due to:

- **self-financing of the Group's organic growth**, with attributable net profit net of recurring dividends (+0.4%) financing organic growth of RWA over the year (-0.3%)
- inclusion of other comprehensive income (+0.3%)
- the limited impact of regulatory changes introduced in CRR2 (-0.3%)
- the very modest impact of acquiring BPCE's interest in CNP Assurances, with the resulting increase in RWA offset by the recognition of goodwill on the transaction
- the impact of paying a catch-up dividend to compensate for dividends waived in prior years (-1.4%).

The **Common Equity Tier 1** ratio resulting from **natural business growth** was therefore **19.1%** at 31 December 2021, while the **Tier 1 ratio** stood at **20.7%**. The Group's **total capital ratio** was **23.7%**, down 80 basis points from 31 December 2020. The **leverage ratio** was **7.2%**¹⁴, up 103 basis points versus 31 December 2020.

Risk-weighted assets (RWA) amounted to €91.1 billion at 31 December 2021 (compared to €85.5 billion at end-2020), an increase of 6.5%. Excluding the effect of changes in scope of consolidation and regulatory changes, RWA grew by 1.7% over the year. Including the effect of applying CRR2, the year-on-year change was an increase of 3.0%.

The Group's liquidity structure is similarly robust. The **loan-to-deposit ratio** of 82.1% provides ample scope to fund business growth and the 204% liquidity coverage ratio (up 21 points) when the minimum requirement is 100%. The net stable funding ratio (NSFR) was 143%, up 3 points versus 31 December 2020.

¹⁴ Leverage ratio excluding 100% of savings centralised with "Caisse des Dépôts et Consignations"

During 2021, La Banque Postale's **credit ratings were upgraded by Fitch and Standard & Poor's**:

- In March 2021, **Fitch upgraded La Banque Postale's credit ratings** to A (long-term) and F1+ with a stable outlook (short-term), recognising the quality of the Group's bancassurance model and its robust financial position. These ratings were affirmed in January 2022.
- In November 2021, **Standard & Poor's upgraded** La Banque Postale's long-term **credit rating** to A+ with a stable outlook, following the announcement of the planned increase in the Group's interest in CNP Assurances.

Ratings and outlooks:

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

In 2021, 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 29 January 2021, the Group took advantage of the favourable financial market conditions to carry out a €500 million **Tier 2 subordinated notes issue**. On 22 September 2021, La Banque Postale successfully placed €750 million worth of **Additional Tier 1** notes. The notes' semi-annual coupon rate of 3% was the **lowest ever obtained by a European bank** for a euro-denominated ATI subordinated debt issue.
- On 18 June 2021, La Banque Postale took another step towards **the just transition** by carrying out an **inaugural social bond issue**, consisting of €750 million worth of **senior non-preferred notes**. The issue has reaffirmed La Banque Postale's **commitment** to being a regular **issuer on the sustainable bond market**.

La Banque Postale has been notified by the European Central Bank of its consolidated **regulatory capital requirement** applicable from 1 March 2022.

The Common Equity Tier 1 (CET1) capital requirement stands at 8.380%, breaking down as follows: Pillar 1 Requirement: 4.500%, Pillar 2 Requirement: 1.125%, capital conservation buffer (CCB): 2.500%, Other Systemically Important Institutions Buffer (O-SIB): 0.250% and counter-cyclical buffer (CCyB): 0.005%.

This requirement does not include the recommendation for additional own funds under Pillar 2 Guidance.

With a post-dividend CET1 ratio of 19.1%, La Banque Postale has headroom of 10.7 points above the CET1 regulatory requirement.

Based on this notification, the Total Capital Requirement is at 12.755% (8.380% plus 1.875% for AT1 and 2.500% for Tier 2 excluding Pillar 2 Guidance).

With a total capital ratio of 23.7% at 31 December 2021, La Banque Postale comfortably exceeds its regulatory capital requirements, with headroom of 11.0 points.

Results by business line¹⁵

Bancassurance France (71% of total business line net banking income)

(in € millions)	2020	2021	Reported change vs 2020	Like-for-like change vs 2020
Net banking income	5,561	6,222	+11.9%	+5.6%
Operating expenses	(4,401)	(4,649)	+5.6%	+3.1%
Gross operating profit	1,160	1,573	+35.6%	+14.8%
Cost-income ratio	79.6%	75.0%	-4.5 pts	-2.0 pts
Cost of risk	(221)	(158)	-28.6%	-29.1%
Operating profit	939	1,415	+50.6%	+25.7%
Pre-tax profit	1,026	1,468	+43.1%	+24.6%
Net profit	817	928	+42.4%	+25.8%
Attributable net profit	498	686	+37.7%	+22.2%

The Bancassurance France business line enjoyed strong business activity of La Banque Postale growth in 2021 with outstanding loans up 4.1% and customer deposits up 1.9%.

Retail Banking **outstanding loans** totalled €69.0 billion (up 4.1%), including €63.7 billion in **home loans** (up 4.3%) and €5.3 billion in **consumer finance** (up 2.4%).

The economic recovery in 2021 helped to drive a **consumer finance origination increase by 6.3%** at €2.4 billion. During the year, La Banque Postale became the first ever bank to launch an **impact consumer finance** product. This loan is available to finance the purchase of green vehicles or green home improvements by customers interested in supporting the environmental transition.

Record transaction volumes and low interest rates drove **strong growth in home loan originations, which rose 23.8%** to €11.7 billion in 2021.

In all, customer deposits in **regulated savings accounts** (*Livret A*, *Livret d'épargne populaire* and *Livret de développement durable et solidaire*) rose by just 0.4% to €75.8 billion. *Livret A* savings deposits were stable compared to 2020 (up 0.3%) at €60.8 billion.

Demand deposits were 4.5% higher, at €71.3 billion.

Total **customer deposits grew** by €6.1 billion or 1.9% over the year to €321.3 billion at 31 December 2021.

Ma French Bank, which distributes its products via a mobile app and in post offices, continued to **expand its offers**, for the youth market with the launch of the “WeStart” account for 12-17 year olds, and for premium customers with the “**Compte Idéal**” account unveiled in October 2021. The digital bank **continued to expand** in 2021, signing up **145,000 new customers** and distributing its products through **4,400 new post offices**.

By the end of December 2021, less than three years after its launch, **425,000 customers** had opened accounts with Ma French Bank and its products were distributed by **7,400 post offices**.

¹⁵ Segment information shown on pages 25 and 26

Life insurance¹⁶

The Life business rebounded strongly in 2021, with technical provisions rising by 2.5% to €126.1 billion.

The quality of new money generated by the La Banque Postale network (€7.7 billion, up 26.1%) improved, with the **proportion of unit-linked sales rising by nearly 10 points to 29.3% of the total**. This result reflects the strength of our network of advisors but also our focus on continuous improvement through customer feedback.

Other insurance subsidiaries (P&C, death/disability and health)

The non-life business **recovered its momentum**, notably led by a good performance in property and casualty insurance with premiums up 11.1% to €1,077 million.

The non-life insurance book was stable, at 4.6 million policies as of 31 December 2021.

La Banque Postale's insurance subsidiaries continued to deliver **robust underwriting results**, reporting a 0.9-point improvement in the combined ratio net of reinsurance to 88.3%.

Financial results

The gradual recovery in business volumes helped to drive a sharp 22% rise in attributable net profit, excluding the effect of changes in the scope of consolidation.

Net banking income grew by 5.6% excluding the effect of changes in the scope of consolidation, reflecting the net impact of:

- A resilient performance by the Retail Banking business, with a 1.5% decline in the contribution due to:
 - o 15% growth in the interest margin on lending activities,
 - o A decline in net margin on deposits due to the level of interest rates,
 - o 3% growth in fee and commission income, mainly generated by day-to-day banking transactions;
- The rebound in insurance business, which had a 19.5% positive impact.

Operating expenses increased by 3.1%, reflecting the low basis of comparison for distribution costs and the impact of the health crisis in 2020, as well as the cost of implementing transformation projects.

Total cost of risk was €158 million, down by nearly 29% compared to 2020.

¹⁶ Products developed by CNP Assurances and other partners distributed by La Banque Postale networks, including BPE

International Bancassurance (14% of total business line net banking income)

(in € millions)	2020	2021	Reported change vs 2020	Like-for-like change vs 2020
Net banking income	1,072	1,215	+13.3%	+1.0%
Operating expenses	(282)	(465)	+65.1%	+43.8%
Gross operating profit	790	750	-5.1%	-15.1%
Cost-income ratio	26.3%	38.3%	+12.0 pts	+11.4 pts
Cost of risk	-	(3)	n/a	n/a
Operating profit	791	747	-5.5%	-15.1%
Pre-tax profit	788	783	-0.7%	-14.9%
Net profit	508	482	-4.9%	-20.5%
Attributable net profit	183	163	-11.0%	-27.4%

In 2021, CNP Assurances continued to **consolidate its multi-partner model** in **international** markets, focusing mainly on Italy and Brazil.

In Italy, CNP Assurances strengthened its position through its subsidiary CNP UniCredit Vita, by acquiring Aviva's life insurance business at the end of 2021. This transaction has enabled CNP UniCredit Vita to **double its share of the life insurance market** to 6% and become **Italy's fifth largest life insurer**¹⁷.

In Brazil, **renewal of CNP Assurances' agreements** with its historical partner, Caixa Econômica Federal, led to the **launch of two new subsidiaries** in 2021: the first was Caixa Consórcios (exclusive distribution agreement until 2041) and the second was Caixa Vida e Previdência (exclusive distribution agreement until 2046), which alone accounts for **80% of CNP Assurances' business** in Brazil.

CNP Assurances is the **third largest insurer in Brazil**¹⁸.

Premium income in local currency recovered to above the 2019 pre-crisis level.

In Europe, premium income **rose 4.1%** to €5.3 billion. Savings/pensions premiums amounted to €4.3 billion, up 4.2%. The increase primarily reflected **growth in the premium savings business**.

Personal risk/protection premium income grew 3.9%, with premiums at CNP UniCredit Vita mainly boosted by the success of the **new personal risk range** and the post-Covid recovery in term creditor insurance business, combined with the launch of a revamped product range.

In Latin America, premium income rose 14.2% to €6.4 billion. In Brazil, Caixa Vida e Previdencia continued to **grow** its business, increasing its **market share by 0.8 points**¹⁸ in 2021 to 23%. As of end-December 2021, it was Brazil's second largest pension provider¹⁸. The subsidiary's total premium income **rose 19.2%** over the year to €5,194 million, with **growth led by the pensions business** on the back of the momentum enjoyed since the second half of 2020.

¹⁷ Top 10 term creditor insurance providers by premium income (including inward reinsurance), Argus de l'Assurance, September 2021

¹⁸ Insurance market data by class taken from the databases of Brazil's insurance supervisor, SUSEP, November 2021: <http://www2.susep.gov.br/menuestatistica/SES/principal.aspx>

Financial results

Profit in the **Europe excluding France** region grew 32% as reported and 41% like-for-like, driven by sharply higher savings/pensions volumes.

In **Latin America**, profit was boosted by strong growth in savings/pensions and personal risk premiums, but was also affected by a Covid-related deterioration in loss ratios and by the first-time amortisation of Caixa distribution agreements. Excluding this amortisation expense, profit contracted by 23% in 2021.

Operating expenses at constant exchange rates were down 5.2%, excluding amortisation of the Caixa/Santander distribution agreements.

The business line's attributable net profit was down 27% like-for-like. Excluding the impact of amortising the Caixa/Santander distribution agreements, the year-on-year change was a decrease of 11%.

Corporate and Investment Banking (12% of business line net banking income)

(in € millions)	2020	2021	Reported change vs 2020
Net banking income	911	1,066	+17.1%
Operating expenses	(615)	(642)	+4.4%
Gross operating profit	295	424	43.6%
Cost-income ratio	69.3%	61.9%	-7.4 pts
Cost of risk	(433)	(106)	-75.5%
Operating profit (loss)	(138)	318	n/a
Pre-tax profit (loss)	(138)	318	n/a
Net profit (loss)	(94)	228	n/a
Attributable net profit (loss)	(94)	227	n/a

During the year, the Corporate and Investment Banking business (CIB) helped to **support the economic recovery** by distributing government-backed and participatory loans (“Prêts Garantis par l’Etat”, “Prêts Participatifs Relance”) and La Banque Postale solutions for all customers (factoring facilities, cash facilities, medium and long-term loans, syndicated loans, etc.).

A growing business activity

Total outstanding loans continued to grow in 2021, rising 5.4% over the year to €45.7 billion at 31 December. Loans to the local public sector¹⁹ increased by 7.8% to €19.3 billion, reflecting CIB’s position as the **leading provider of bank financing to this customer segment**.

In line with its **ambition to conquer new markets**, new financing for large corporates and institutions rose by 16.0% to nearly €6 billion. **Factoring volumes** (purchased receivables) totalled €17.4 billion, a very strong increase of 26.4%. The factoring facilities outstanding amounted to €2.3 billion at 31 December 2021, up 29.7%.

Demand deposits stood at €12.3 billion at 31 December 2021.

As part of its pioneering commitment to the just transition, CIB has supported its customers in their **sustainable development** projects by extending its **green corporate loan** program, **green equipment leases** and green bond issues in the network. For example, green loan originations rose by 8.3% in 2021 to €2.2 billion. In addition, CIB provided support during the year to companies and professionals wishing to invest in **renewable energies**, for a combined amount of **€2 billion**.

CIB’s businesses performed well in 2021. The **Debt Capital Markets** business was robust (participating in 90 bond issues), the **Public Finance** business was the third largest arranger²⁰ of private placements for France’s local public sector, the **Asset and Project Finance** business expanded (with originations up 12.4% or €159 million) and the trading desks also delivered good results.

¹⁹ Local authorities, healthcare establishments, public-private partnerships and social landlords

²⁰ Ranking of arrangers for French local public sector private placements (under €150 million), source: Bloomberg as of 31 December 2021

Financial results

CIB returned to profit in 2021, turning the page on a difficult year in 2020 when business volumes and the cost of risk were adversely affected by the Covid-19 crisis. The business line delivered net profit of €227 million as opposed to a net loss of €94 million in 2020, with:

Net banking income rising 17.1%, primarily reflecting:

- the recovery in cash management and factoring services, and the boost to income from investment portfolios provided by last year's favourable market conditions
- growth in specialised financing (with originations up 16.3%) and a very high volume of bond arranger fees.

Growth in net banking income outstripped the increase in **general operating expenses**, creating a positive jaws effect. The 4.4% rise in expenses concerned expenditure to support business growth and the implementation of projects to in-source certain lending activities and improve their management.

Cost of risk was reduced by €327 million versus 2020, to a more normal level of €106 million, and was characterised by low loss ratios.

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

(in € millions)	2020	2021	Reported change vs 2020
Net banking income	290	296	+2.3%
Operating expenses	(183)	(189)	+3.6%
Gross operating profit	107	107	=
Cost-income ratio	63.3%	64.1%	+0.8 pts
Cost of risk	(3)	(1)	-53.7%
Operating profit	104	106	+1.7%
Pre-tax profit	105	117	+11.6%
Net profit	74	85	+14.8%
Attributable net profit	63	74	+17.5%

In 2021, the Wealth Management business enjoyed strong business momentum and good profitability, thanks to an increase in new money invested in products generating high levels of fee income.

La Banque Postale's private bank (BPE) is growing steadily, recording a 24.6% increase in assets under management to €14.1 billion at 31 December 2021. It continued to enjoy **strong business momentum** during the year, with loan originations **up 11.1% to more than €1 billion, strong growth in net new money invested in discretionary management portfolios** (2x higher at €1.2 billion), **30.4% growth in assets held in discretionary management portfolios** to €8.1 billion and total outstanding loans up 12.4% at €4.4 billion. Savings invested in life insurance products also increased rapidly, rising by 27.4% to €9.9 billion as a result of policyholders transferring their savings from old to new pension products (PACTE transfers).

During the year, seven new BPE service desks were opened in post offices. Including these desks, as of 31 December 2021, BPE products were distributed in 57 post offices and 28 branches. In addition, BPE continued to develop its real estate subsidiary (LBP IC) which has sold €2.3 billion worth of properties since its creation. The number of units sold through its extensive partner network spanning the whole of France (over 50 partnerships) has increased by 153% since 2014.

BPE won the **Silver Award for Positive Finance** at the Wealth Management and Performance Summit organised by asset management professionals on 17 November 2021. It is strengthening its commitment to Socially Responsible Investment (SRI) and steering the discretionary asset management business's research and selection process towards an **"All SRI" investment universe**.

Assets under management by La Banque Postale Asset Management grew by 17.1% to **€60.2 billion** at 31 December 2021. Growth was led by the almost €3 billion **net inflow of new money** and favourable financial market trends (€5.9 billion). In October 2021, the business line maintained its climate commitment by developing the **first impact infrastructure debt fund**. The fund corresponds to a sustainable investment as defined in article 9 of the SFDR²¹ and targets an investment universe compatible with the European Taxonomy. It will allow for objective and transparent monitoring of the contribution of funded projects to the objectives of the Paris Agreements.

All eligible funds managed by La Banque Postale Asset Management are invested exclusively in assets qualifying as socially responsible investments. **20 funds have been awarded 4- or 5-star ratings** (financial performance) and **4 or 5 globes** (non-financial performance) by Morningstar.

²¹ EU Sustainable Finance Disclosure Regulation

Assets under management by the Ostrum Asset Management joint venture, which is 45%-owned by La Banque Postale Asset Management, totalled €442 billion at 31 December 2021. Following the agreements with BPCE, La Banque Postale's equity in the net assets of Ostrum Asset Management has been classified under "Non-current assets held for sale".

Financial results

Strong business momentum, buoyant financial markets and deeper coverage of the market all helped to drive strong growth in profits.

Net profit came to €74 million, with the 18% increase mainly attributable to:

Growth in **net banking income** of 2.3% as reported and 16% like-for-like with:

- A near-doubling of new money invested in portfolios under discretionary management (up €6 billion to €12.3 billion)
- Strong momentum in the real estate business, with 12% growth in advisory services
- 10% growth in asset management fees, due to the 17% increase in assets under management to €60 billion, with two-thirds of the additional €9 billion attributable to last year's buoyant financial market conditions

A 3.6% increase in **expenses**, up 8% like-for-like, mainly due to property costs (BPE's move to new offices on rue du Louvre, La Banque Postale Asset Management's planned move to new offices) and the final stage in the migration of fixed income management activities.

The very low overall **cost of risk**, reflecting the quality of the portfolio.

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>	2020 reported	2021
Net banking loss	(109)	(779)
Operating expenses	(231)	(270)
Gross operating loss	(340)	(1,049)
Cost of risk	(17)	-
Operating loss	(357)	(1,049)
Changes in goodwill (and gains and losses on other assets)	3,090	-
Share of profits of equity-accounted companies	594	-
Pre-tax profit (loss)	3,326	(1,049)
Net profit (loss)	3382	(886)
Attributable net profit (loss)	3,505	(514)

Corporate Centre results reflect mainly the following items recognised in 2020 and 2021:

2020

- First-time consolidation entries: €3,593 million favourable impact on changes in goodwill/gains and losses on other assets;
- PPA adjustments with a negative impact on net profit of €176 million;
- SRF and FGDR contributions of €72 million;
- €316 million gain recognised on the securities portfolio following a change in ALM methodology;
- Capital gain realised on the sale of La Banque Postale Asset Management's repo business to Ostrum: favourable impact of €90 million on goodwill and €63 million on attributable net profit;
- Exceptional write-off of bank intangible assets: €111 million included in operating expenses;
- Management fees of €29 million.

2021

- PPA adjustments with a negative impact on net profit of €369 million;
- SRF and FGDR contributions of €96 million included in operating expenses;
- Management fees of €22 million.

Highlights

Roll-out of our 2025 strategic plan completely in line with the roadmap

Announced in March 2021, La Banque Postale's strategic plan reflects its overarching ambition **“to become France’s favourite bank”**.

The plan is organised around three targets:

- **Customers:** position La Banque Postale as a leader in customer experience quality by 2025
- **Community:** reaffirm community ambitions to support the just transition and turn positive impacts into a performance lever
- **Co-workers:** place the co-worker experience at the heart of the strategic project

And three levers:

- **Digitisation:** continue to ramp up our digital offering
- **Diversification:** accelerate deployment of our growth drivers
- **Differentiation:** prepare the future by developing an innovative, international partnership model

Position La Banque Postale among the leaders in customer experience quality

In line with the roll-out of the strategic plan, a **new Customer Experience and Quality department was created in 2021** with one goal: to position La Banque Postale among the top three banks in customer satisfaction surveys by 2025.

In line with objectives, the year saw an **improvement in customer satisfaction** and in the quality of support. Perception indicators are also improving: the Net Promoter Score (NPS) for the account application process is 34²² (up 16 points) and **service quality** indicators are also **improving**, with a drop in the overall number of complaints (down 8%) and an improvement in the NPS attributed to our customer services staff (up 9 points versus second-half 2020) to 64²⁴ at end-2021. Ma French Bank's NPS was a high 38.5²³ in July 2021.

La Banque Postale carried out **a major national consultation process in July 2021** to create **La Banque Postale of the future** via the *parlonscitoyens.fr* platform. **Innovative and on an unprecedented scale** in the banking landscape, this co-construction process brought together nearly 260,000 visitors and drew up the blueprint of the perfect bank for French people.

In line with these participatory approaches, a **Customer Participation Committee** was set up at the beginning of 2022. As a partner of La Banque Postale's Executive Committee, its objective will be to **gather the views of customers every quarter on the Bank's projects or strategic decisions** aimed at improving product offerings, the quality of service and the customer experience. It will be made up of 12 members who together represent the diversity of La Banque Postale's customers and the French people: The first meetings will be held in 2022.

²² La Banque Postale data – December 2021

²³ Numberly survey – July 2021

La Banque Postale's momentum in transforming its banking model involves **building a comprehensive range of socially responsible products** created to make all our customers actors of the just transition. The offers are being eco-designed with the help of specific indicators. In 2021, La Banque Postale developed **innovative** and **differentiating offers** for its **partner customers** (via the Plateform58 incubator: Carbo, Fin Tech Ebury and Sevenstones), **retail banking customers** (Prêt Avance Rénovation loans to finance home energy efficiency improvements, impact consumer finance) and **corporate and institutional customers** (La Banque Postale is the leading bank lender to France's local public sector and it is extending its green loan offer in keeping with its fundamental historical role as a provider of accessible finance, as well as offering green equipment leases).

La Banque Postale is also empowering its customers to invest their savings in accordance with responsible finance principles. La Banque Postale Asset Management, the only significant asset management company to invest exclusively in SRI assets, maintained its leadership in France by developing **the first climate-impact infrastructure debt fund**. The fund corresponds to a sustainable investment as defined in article 9 of the SFDR²⁴ and targets an investment universe compatible with the European Taxonomy. It is also launching **a range of solidarity funds**. The main feature of these funds is that part of the management fee charged to investors in the fund is paid over to a non-profit operating in an area aligned with the fund's investment strategy. In this way, the fund contributes directly to the environmental, social or cultural benefits delivered by the non-profit. 20 funds have been awarded 4- or 5-star ratings (financial performance) and 4 or 5 globes (non-financial performance) by Morningstar.

Community engagement initiatives for a just transition

La Banque Postale made considerable strides during 2021 in its commitment to supporting communities.

In order to be ever closer to its customers and the issues facing society, on 29 June 2021, La Banque Postale organised the **"Citizens' Economy Dialogues"**. Open to all, this virtual event was a resounding success, having been listened to almost **2.3 million times** across social media.

After having adopted a **corporate purpose statement** in June 2021, La Banque Postale became a **mission-led company** following its Annual General Meeting on 23 February 2022. Inclusion of the mission statement in the Articles of Association brings the bank's mission to the forefront of its governance, along with several objectives setting out its **environmental and social impact** goals. A corporate purpose committee chaired by Natacha Valla, composed mainly of external stakeholders, will monitor this mission and assess the actions carried out and, as from 2022, each employee will have in his or her objectives and remuneration a criterion linked to the implementation of this strategy.

To support the fight against **global warming**, and after announcing in September 2020 its **ambition to achieve net-zero emissions by 2040**²⁵, La Banque Postale became a founding member of the **Net-Zero Banking Alliance** in April 2021 and was elected to the Alliance's Steering Group as the representative of the European banks. In 2021, La Banque Postale gave concrete expression to this ambition by **introducing a self-imposed ban on financing the fossil fuel sectors** (coal, oil and gas) beyond 2030, with the exception of companies that adopt a plan before 2030 to withdraw completely from these sectors by 2040. In this way, La Banque Postale is demonstrating its ambition to support all credible actors engaged in the **transition to a low-carbon economy**. It also has a self-imposed ban on financing or investing in companies that are directly or indirectly involved in activities that lead to deforestation.

²⁴ EU Sustainable Finance Disclosure Regulation

²⁵ 10 years ahead of the deadline set by the European institutions and the Net-Zero Banking Alliance

La Banque Postale became the **first European bank** and one of the first financial institutions in the world to have **its Paris Agreement-based low carbon trajectory scientifically validated** by the Science Based Targets initiative (SBTi), an independent partnership between four international organisations.

La Banque Postale's strategy to fight climate change has been hailed by leading international organisations: it is the **only French bank** and **one of only three European banks** to be awarded an **A rating** in 2021 by the **CDP**, and for the first time it has joined this organisation's prestigious "A list", alongside the 200 companies recognised at the international level. La Banque Postale's **community leadership** has been recognised by the ESG rating agencies. It was ranked **Best Bank worldwide** in the **Retail and Specialised Banks** category and **Second Best Company worldwide**, all sectors combined, by **Vigeo Eiris** (June 2021). It was also ranked **Best French Bank** by Sustainalytics and **Fourth Best Bank worldwide** (February 2021).

True to its **accessible banking mission**²⁶, La Banque Postale is constantly mindful of vulnerable populations. Through its products promoting banking inclusion, such as the "Simplicité" account, the new relational program "Atout Simplicité" launched in 2021, micro-credit solutions, and the creation of "Appui", a platform to primarily **support customers in financial difficulty**, La Banque Postale helps customers become independent and participate in society, regardless of their economic situation.

In 2021, La Banque Postale joined the "**Financi'elles**" inter-company network in the banking and insurance sector to **promote gender equality** in business and in society at large. The Group²⁷ ranked **among the best French companies for gender equality** in 2021, with women representing 40% of the Executive Committee and the Supervisory Board, 57% of senior management and 61% of employees. La Banque Postale's **gender equality score** is **97/100** and 100/100 for CNP Assurances.

Strengthening the employees' commitment in the Group's transformation

La Banque Postale is giving its employees a part to play in the success of its new 2025 strategic plan.

In 2021, La Banque Postale mobilised its employees to **participate in the co-construction of its company purpose**, which was presented in June 2021. They were also involved in the community consultation process launched last May. More than **30,000 employees** were **consulted**, resulting in the collection of more than 800 concrete proposals to nurture and develop La Banque Postale's community engagement. It is through this participation that the "**Engaged Community Employees**" project was founded, a common approach that will allow them to develop their community engagements around the following initiatives:

- **Committed to a cause** with the new "**All Engaged!**": this includes donations to non-profits in the form of days accrued in time-savings accounts or by rounding off salaries, and skills-based volunteering schemes;
- **The commitment to reduce the** bank's carbon footprint by following its net-zero emissions trajectory: eco-actions, recycling, implementation of a "sustainable mobility" package that encourages the use of alternative and sustainable modes of transport;
- **Employee ambassadors**: launch of an extensive training program, aimed at all employees, dedicated to community engagement.

²⁶ La Banque Postale estimates that 1.4 million people qualify for basic banking services under the accessible banking mission.

²⁷ La Banque Postale scope

The École de la Banque et du Réseau (EBR)²⁸, La Banque Postale's training organisation, continues to play a key role in the transformation of the bank: **300,000 days of training** were organised in 2021 and 82% of employees from business lines undergoing transformation benefited from at least one training course (compared to 62% in 2020). This initiative was recognised by **U-Spring** (*le Printemps des Universités d'Entreprise*), which awarded La Banque Postale the **Special Jury Prize** in the "Support" category. In addition, the mobile learning solution "U-know" developed by La Banque Postale was awarded three prizes at the Victoires du Capital Humain.

It has also launched a workspace development project with the aim of creating the best conditions for working together and improving the quality of life of its employees. The project will be generalised in 2022.

Significant progress on the digitisation project

La Banque Postale is accelerating its digitisation process, with major milestones reached in 2021 including the 1.6 billion²⁹ digital interactions. The **acceleration of digitisation** is fully in line with the improvement of customer satisfaction and service quality. From now on, the processes for new customer relationships, consumer loan origination and home loan application process up to when a loan offer is made, and claims reporting under homeowner insurance policies, are all **fully digital** and **80% of La Banque Postale's standard banking products have also been digitised**. The overhaul of the La Banque Postale mobile banking app was completed this year. The **proportion of digital sales in the channel mix increased by 2 points** to 7.4% in fourth-quarter 2021.

Improved digital services are reflected in the constantly increasing use of online services, with the mobile application especially popular: 6.1 million mobile application users (up 16%).

During 2021, La Banque Postale continued to develop **its digital bank, Ma French Bank**, launching new offers for the youth market with the "WeStart" account for 12-17 year olds, and for premium customers with the "**Compte Idéal**" account unveiled in October 2021. At the end of December 2021, less than three years after its launch, Ma French Bank had **425,000 customers** (with an average of 18,000 new customers signed up each month) and its products were distributed in **7,400 post offices**.

By 2025, La Banque Postale will have created an ecosystem that will enable customers to use a **digital platform to explore service bundles** created with specialist partners that meet the needs arising at key points in their lives, such as home purchase and estate planning services. The first offer – a contactless payment bundle (Apple Pay, Samsung Pay, Ali Pay and Paylib) – has already been launched.

²⁸ Qualiopi-certified and committed to the Lucie 26000 CSR approach

²⁹ Website (connected and non-connected spaces) and mobile application La Banque Postale

Increase the pace of diversification

La Banque Postale pursued the **integration of CNP Assurances** in 2021, acquiring the 16.1% interest held by BPCE Group for €2.4 billion. The transaction raised La Banque Postale's ownership of CNP Assurances to **78.95%** as of 31 December 2021. A **simplified public tender offer** is being launched for the **remaining 21.1% of CNP Assurances' capital** held by minority shareholders, at a price of €21.90 per share cum dividend, to be followed by a squeeze out procedure in the first half of 2022 (provided the necessary conditions are met).

In addition, La Banque Postale and BPCE Group continued to **streamline their capital ties** by entering into exclusive negotiations in connection with the proposed acquisition by Natixis Investment Managers of 40% of the share capital of AEW and 45% of the share capital of Ostrum Asset Management, currently held by La Banque Postale. It is in this context that the existing industrial partnerships and trade agreements between the two groups would be strengthened and extended.

La Banque Postale, through its Consumer Finance subsidiary (LBPCF), is accelerating its development in the consumer credit market in France and abroad by launching a **new "Business Solution" open banking platform** dedicated to its partners. La Banque Postale is diversifying its range of services and offering its partners a modular approach to consumer credit, opening up to credit scoring services and embracing new practices. Through this platform offering white label products, more than 5 million people can potentially be pre-approved for credit in real time.

In 2022, La Banque Postale is launching through its subsidiary LBPCF, a consumer finance brand specialised in offering split payment solutions to all individuals, whether or not they are La Banque Postale customers.

La Banque Postale also announced the creation of its new Corporate and Investment Bank (CIB), which will act as a real **driver of growth and diversification** of its business model with corporates and institutional investors. Its customers include 11,000 SMEs and mid-caps, 50% of CAC 40 companies and 50% of SBF 120 companies, and it aims to more than double its deal flow by 2025. In 2022, CIB will continue to invest in specialised finance (asset and project finance, LBO finance, real estate finance, lease financing and factoring) to keep pace with the just transition of its model.

As the **leading provider of bank finance**³⁰ to social outreach organisations and healthcare institutions, CIB actively extends its support by granting **over €1 billion worth of loans** each year to healthcare institutions. It also paid out **€600 million in interest-free cash advances** to meet the emergency needs created by the Covid-19 crisis, and responded to appeals for donations by collecting almost €1 million for the AFM Telethon and €1.4 million for the Red Cross.

³⁰ Source: Bloomberg – 31 December 2021

Pursue the differentiation strategy

The KissKissBank & Co group, a subsidiary of La Banque Postale and a **pioneer in crowdfunding** in France and Europe, acquired **Youmatter in 2021**, an online information medium and training organisation specialising in the **community engagement of private citizens and professionals**. With this operation, KKBB & Co goes further and aims to inform, train and offer its community **a wide range of community engagement initiatives**.

With its four crowd-funding platforms KissKissBankBank, Lendopolis, Goodeed and microDON, the KissKissBankBank & Co (KKBB & Co) group has been contributing for 12 years to the financing of thousands of creative, community outreach and environmental projects by making it easy for citizens to do something meaningful with their money.

To go further in supporting customers who are experiencing financial difficulties, La Banque Postale is launching a new **budget coaching tool** called "**Budget à grande vitesse**" in partnership with the Cresus non-profit. Customers will access the tool through a web app that allows them to manage their budget in real time, be alerted in the event that their financial situation worsens, calculate their living expenses, and produce a simulation of the social welfare benefits that they can claim.

Created in 2018, **platform58** is a successful initial step in innovation, a platform boasting a unique ecosystem to encourage open innovation within La Banque Postale. At end-2021, 39 start-ups had been incubated, and the first ones were integrated into the Group (Carbo). The perception index of platform58 is high, with an **NPS of 93** at end December 2021.

In order to adapt ever more quickly to new practices through technological innovation, La Banque Postale has chosen to support the development of start-ups specialising in fintech/assurtech in Europe by launching **its investment fund** dedicated to **innovation** with three main objectives: i) accelerate the implementation of the strategic plan, ii) innovate in the digital transformation, and iii) share the value created by La Banque Postale via platform58 or strategic partnerships. With a budget of €150 million³¹ to be spent over time, its scope of action extends from the pre-seed phase to series B.

³¹€75m released and €75m subject to approval by La Banque Postale's governance structures

Appendices

2021 consolidated income statement

(in € millions)	2020	2021
Interest income	4,425	5,825
Interest expense	(1,839)	(1,879)
Fee and commission income	2,257	2,218
Fee and commission expense	(3,035)	(3,461)
Net gain or loss on financial instruments at fair value through profit or loss	4,962	13,969
Net gain or loss on financial instruments at fair value through other comprehensive income	(157)	(1,208)
Net gain or loss on derecognised financial assets at amortised cost	297	-
Income from other activities	23,744	33,497
Expenses from other activities	(22,251)	(39,867)
Impact of the overlay approach (gross impact)	(679)	(1,074)
NET BANKING INCOME	7,724	8,020
General operating expenses	(5,224)	(5,569)
Net depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(487)	(646)
GROSS OPERATING PROFIT	2,013	1,805
Cost of risk	(674)	(268)
OPERATING PROFIT	1,339	1,537
Share of profits of equity-accounted companies	690	99
Net gain or loss on other assets	(1,500)	1
Changes in the value of goodwill	4,578	-
PRE-TAX PROFIT	5,107	1,636
Income tax	(419)	(514)
NET PROFIT	4,688	1,123
Non-controlling interests	533	486
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	4,155	636

2021 consolidated balance sheet

(in € millions)	31 Dec. 2020	31 Dec. 2021
Cash, central banks	1,783	50,812
Financial assets at fair value through profit or loss	195,772	231,502
Hedging derivatives	1,443	1,022
Financial assets at fair value through other comprehensive income	230,779	228,513
Securities at amortised cost	24,018	23,480
Loans and advances to credit institutions at amortised cost	114,484	67,840
Loans and advances to customers at amortised cost	125,255	123,152
Revaluation differences on portfolios hedged against interest rate risks	220	101
Current tax assets	867	669
Deferred tax assets	449	549
Accruals and other assets	31,907	33,415
Non-current assets held for sale	-	178
Investments in equity-accounted companies	696	948
Investment properties	3,083	3,393
Property, plant and equipment	879	1,254
Intangible assets	5,385	5,326
Goodwill	156	156
TOTAL ASSETS	737,176	772,310
Financial liabilities at fair value through profit or loss	3,421	4,335
Hedging derivatives	763	333
Liabilities due to credit institutions	33,533	30,393
Customer deposits	230,393	235,038
Debt securities	21,639	21,693
Revaluation differences on portfolios hedged against interest rate risks	726	422
Current tax liabilities	99	166
Deferred tax liabilities	1,494	1,205
Accruals and other liabilities	21,622	21,364
Insurance company technical provisions and shadow accounting reserves	379,830	414,398
Provisions	1,025	1,075
Subordinated debt	10,187	10,110
EQUITY	32,444	31,779
Non-controlling interests	12,854	10,208
Equity attributable to owners of the parent	19,590	21,571
Share capital	6,585	6,585
Reserves and retained earnings	8,404	13,505
Gains and losses recognised directly in equity	445	844
Profit attributable to owners of the parent	4,155	636
TOTAL EQUITY AND LIABILITIES	737,176	772,310

2021 segment information

2021 net profit by business segment

(excluding the cost of equity for each segment)

	2021					
	Bancassurance France	International Bancassurance	Wealth and Asset Management	Corporate and Investment Banking	Corporate Centre	Total
(in € millions)						
NET BANKING INCOME (LOSS)	6,222	1,215	296	1,066	(779)	8,020
General operating expenses	(4,408)	(305)	(175)	(586)	(96)	(5,569)
Net depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(242)	(160)	(14)	(57)	(174)	(646)
GROSS OPERATING PROFIT (LOSS)	1,573	750	107	424	(1,049)	1,805
Cost of risk	(158)	(3)	(1)	(106)	-	(268)
OPERATING PROFIT (LOSS)	1,415	747	106	318	(1,049)	1,537
Share of profits of equity-accounted companies	51	37	10	-	-	99
Net gain or loss on other assets	2	(2)	1	-	-	1
Changes in the value of goodwill	-	-	-	-	-	-
PRE-TAX PROFIT (LOSS)	1,468	783	117	318	(1,049)	1,636
Income tax benefit (expense)	(304)	(300)	(31)	(90)	212	(514)
NET PROFIT (LOSS)	1,164	482	85	228	(836)	1,123
Non-controlling interests	477	320	11	0	(322)	486
NET PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT	686	163	74	227	(514)	636

2020 net profit by business segment

(excluding the cost of equity for each segment)

	2020					
	Bancassurance France	International Bancassurance	Wealth and Asset Management	Corporate and Investment Banking	Corporate Centre	Total
(in € millions)						
NET BANKING INCOME (LOSS)	5,561	1,072	290	911	(109)	7,724
General operating expenses	(4,147)	(265)	(170)	(569)	(72)	(5,224)
Net depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(254)	(17)	(13)	(46)	(158)	(487)
GROSS OPERATING PROFIT (LOSS)	1,160	790	107	295	(340)	2,013
Cost of risk	(221)	0	(3)	(433)	(17)	(674)
OPERATING PROFIT (LOSS)	939	791	104	(138)	(357)	1,339
Share of profits of equity-accounted companies	90	5	1	-	594	690
Net gain or loss on other assets	(4)	(7)	(1)	-	(1,488)	(1,500)
Changes in the value of goodwill	-	-	-	-	4,578	4,578
PRE-TAX PROFIT (LOSS)	1,026	788	105	(138)	3,326	5,107
Income tax benefit (expense)	(208)	(280)	(30)	44	56	(419)
NET PROFIT (LOSS)	817	508	74	(94)	3,382	4,688
Non-controlling interests	319	325	11	0	(123)	533
NET PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT	498	183	63	(94)	3,505	4,155

Reconciliation of business line results

The business line income statement does not include the Corporate Centre segment, which reports income and expenses that cannot be allocated to a specific business segment, such as purchase price allocations and contributions to the Single Resolution Fund (SRF) and *Fonds de Garantie des Dépôts et de Résolution* (FGDR). Tables 1b and 2b correspond to segment information adjusted for changes in scope and exchange rates.

(in € millions)	1. Bancassurance France					1b. Bancassurance France (comparable scope)				
	Cumulative Reported	Cumulative Pro forma	Actual	Actual 12/21 vs Actual Reported 12/20		Cumulative Reported	Cumulative (comparable scope)	Actual 12/21 vs Actual 12/20 (comparable scope)		
	Dec 2020	Dec 2020	Dec 2021	Δ	Δ%	Dec 2020	Dec 2021	Δ	Δ%	
Net banking income	5,561	5,903	6,222	661	11.9%	5,561	5,874	313	5.6%	
Operating expenses	(4,401)	(4,520)	(4,649)	(248)	5.6%	(4,401)	(4,536)	(135)	3.1%	
Gross operating profit (loss)	1,160	1,383	1,573	412	35.6%	1,160	1,338	177	15.3%	
Cost-income ratio	79.6%	76.9%	75.0%	-4.5 pts		79.6%	77.6%	-2.0 pts		
Cost of risk, net	(221)	(226)	(158)	63	-28.6%	(221)	(156)	64	-29.1%	
Operating profit (loss)	939	1,157	1,415	476	50.6%	939	1,181	242	25.7%	
Pre-tax profit (loss)	1,026	1,198	1,468	442	43.1%	1,026	1,278	252	24.6%	
Income tax benefit (expense)	(208)	(270)	(304)	(96)	46%	(208)	(250)	(41)	19.9%	
Net profit (loss)	817	928	1,164	346	42.4%	817	1,028	211	25.8%	
Non-controlling interests	(319)	(377)	(477)	(159)	49.7%	(319)	(419)	(100)	31.4%	
Attributable net profit (loss)	498	551	686	188	37.7%	498	609	111	22.2%	

(in € millions)	2. International Bancassurance					2b. International Bancassurance (comparable scope and constant exchange rates)				
	Cumulative Reported	Cumulative Pro forma	Actual	Actual 12/21 vs Actual Reported 12/20		Cumulative Reported (constant exchange)	Cumulative (comparable scope)	Actual 12/21 vs Actual 12/20 (comparable scope and constant exchange rates)		
	Dec 2020	Dec 2020	Dec 2021	Δ	Δ%	Dec 2020	Dec 2021	Δ	Δ%	
Net banking income	1,072	1,335	1,215	143	13.3%	1,014	1,025	10	1.0%	
Operating expenses	(282)	(353)	(465)	(183)	65.1%	(274)	(394)	(120)	43.8%	
Gross operating profit (loss)	790	982	750	(41)	-5.1%	740	630	(110)	-14.8%	
Cost-income ratio	26.3%	26.4%	38.3%	+12.0 pts		27.0%	38.5%	+11.4 pts		
Cost of risk, net	0	(3)	(3)	(3)	n/a	1	(1)	(2)	n/a	
Operating profit (loss)	791	979	747	(44)	-5.5%	741	629	(112)	-15.1%	
Pre-tax profit (loss)	788	977	783	(5)	-0.7%	739	629	(110)	-14.9%	
Income tax benefit (expense)	(280)	(354)	(300)	(20)	7.1%	(266)	(253)	13	-4.9%	
Net profit (loss)	508	624	482	(25)	-4.9%	472	376	(97)	-20.5%	
Non-controlling interests	(325)	(403)	(320)	5	-1.6%	(308)	(256)	52	-16.8%	
Attributable net profit (loss)	183	221	163	(20)	-11.0%	164	119	(45)	-27.4%	

(in € millions)	3. Wealth and Asset Management					4. Corporate and Investment Banking				
	Cumulative Reported	Cumulative (pro forma)	Actual	Actual 12/21 vs Actual Reported 12/20		Cumulative (reported)	Actual	Actual 12/21 vs Actual Reported 12/20		
	Dec 2020	Dec 2020	Dec 2021	Δ	Δ%	Dec 2020	Dec 2021	Δ	Δ%	
Net banking income	290	290	296	7	2.3%	911	1,066	156	17.1%	
Operating expenses	(183)	(183)	(189)	(7)	3.6%	(615)	(642)	(27)	4.4%	
Gross operating profit (loss)	107	107	107	0	0.0%	295	424	129	43.6%	
Cost-income ratio	63.3%	63.3%	64.1%	+0.8 pts		69.3%	61.9%	-7.4 pts		
Cost of risk, net	(3)	(3)	(1)	2	-53.7%	(433)	(106)	327	-75.5%	
Operating profit (loss)	104	104	106	2	1.7%	(138)	318	456	n/a	
Pre-tax profit (loss)	105	105	117	12	11.6%	(138)	318	456	n/a	
Income tax benefit (expense)	(30)	(30)	(31)	(1)	3.7%	44	(90)	(134)	n/a	
Net profit (loss)	74	74	85	11	14.8%	(94)	228	321	n/a	
Non-controlling interests	(11)	(11)	(11)	0	-0.1%	(0)	(0)	0	-58.5%	
Attributable net profit (loss)	63	63	74	11	17.5%	(94)	227	321	n/a	

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 2021 results during a webcast conference call in English followed by a Q&A session on Tuesday, 1 March 2022 at 3:00 p.m. (CET). 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 24 February 2021, examined the audited 2021 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 year ended 31 December 2021. 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 2021. More detailed information will be provided in the Universal Registration Document at 31 December 2021, 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 major bancassurance group. A subsidiary of Le Groupe La Poste, it operates in the retail banking, insurance, corporate banking and asset management markets. La Banque Postale supports its customers – private individuals, businesses, professionals, non-profits and the local public sector – with a comprehensive range of accessible services. As a local bank, La Banque Postale is the leading lender to local authorities and has an extensive branch network in France with more than 17,000 contact points, including 7,700 post offices. It is also developing a digital offering, especially through fully-mobile Ma French Bank. As a bank dedicated to serving the community, and a pioneer in responsible finance, La Banque Postale is charged with a public service mission of providing access to banking services through the Livret A passbook savings account.

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