



Press release
Paris, 28 July 2023

The European Banking Authority publishes the results of its 2023 EU-wide stress test

On 28 July 2023, the European Banking Authority (EBA) published the results of the 2023 stress test exercise conducted in cooperation with the European Central Bank (ECB). A total of 57 banks supervised by the ECB were covered by the exercise and scenarios were tested to the end of 2025. Under IFRS 17, applicable to insurance contracts from 1 January 2023, La Banque Postale demonstrates its strength in a particularly severe adverse scenario.

Under IFRS 4 (no longer applicable as of 2023), the EBA published the following results for La Banque Postale:

Projected CETI ratio Under IFRS 4	2022	2023	2024	2025
Baseline scenario	14.7%	14.4%	14.6%	14.6%
Adverse scenario	14.7%	3.1%	1.6%	0.1%

IFRS 17 has been applicable to insurance activities since 1 January 2023. Under this **new accounting and prudential standard**, La Banque Postale's results are as follows:

Projected CETI ratio Under IFRS 17	2022	2023	2024	2025
Baseline scenario	18.0%	17.3%	17.4%	17.2%
Adverse scenario	18.0%	10.2%	8.3%	6.8%

Since acquiring 100% of CNP Assurances' capital in 2022, **insurance activities represent around 60% of La Banque Postale Group's total assets** and increase the sensitivity of its solvency position to certain types of market shocks, an effect accentuated under IFRS 4, which was still applicable in 2022.

IFRS 17, applicable from 1 January 2023, better reflects the economic reality of insurance liabilities, which are now measured at market value, and their ability to absorb market shocks on the assets side. As a result, **the sensitivity of La Banque Postale's own funds is significantly more moderate** under IFRS 17.

The scenarios proposed by the EBA as part of this exercise are based on:

- severe assumptions (major shocks to equity markets and credit spreads, etc.);
- restrictive methodologies for the main components of the income statement and balance sheet (constant balance sheet, marked increase in non-performing exposures with no possible return to performing status, significant repricing constraints on the return on assets, application of interest rate shocks to a large proportion of customer demand deposits, etc.);
- the absence of management measures.

Given La Banque Postale's business model, with activities based **mainly on retail banking with a broad base of fixed-rate loans and deposits**, some of the assumptions have particularly significant impacts, such as the remuneration of individuals' demand deposits, which is not applied in France.



La Banque Postale has a robust financial structure with a **CET1 ratio of 18.0%**¹ at 1 January 2023, significantly higher than its regulatory requirements.

Furthermore, La Banque Postale has always applied a **conservative risk policy** and has **a robust risk profile** with a non-performing loan rate of 0.8%² and a prudent coverage rate of 35.5%².

The Group's liquidity structure is similarly robust, with a **loan-to-deposit ratio of 87%**² providing ample scope to fund business growth. Its liquidity ratios² remain high, with **the LCR at 147%** and **the NSFR at 129%**, well above prudential requirements. Its **customer deposits**³ are stable at €209.6 billion (up 0.3% year-on-year), with a high proportion of Retail customers (95% of customer deposits). Retail deposits are very granular and 87% of them are insured.

¹ Unaudited IFRS 17 figure, which may be adjusted in future publications

² Figures at 31 December 2022

³ Figures at 31 March 2023



ABOUT LA BANQUE POSTALE

La Banque Postale, together with its subsidiaries including CNP Assurances, is a major international bancassurance group, 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 individuals, businesses and local authorities in France. A subsidiary of La Poste Groupe, La Banque Postale offers local banking services through 17,000 contact points, including 7,000 post offices, throughout France.

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 its three brands: La Banque Postale, for routine banking, Ma French Bank, for fully-mobile banking, and Louvre Banque Privée, for private banking.

La Banque Postale is stepping up its diversification strategy and developing its areas of expertise, especially in asset management, insurance, consumer finance and corporate and investment banking.

As a community bank, La Banque Postale is committed to shaping a "just transition" by embedding environmental and social impact objectives in its governance system. A mission-led company since March 2022 and a leader in impact finance, La Banque Postale aims to achieve zero net emissions by 2040. It is also among the leaders for its non-financial ratings.

FINANCIAL COMMUNICATION AND INVESTOR RELATIONS CONTACTS

Géraldine Lamarque – geraldine.lamarque@labanquepostale.fr – +33 6 22 36 03 55

Gabriel Beya Tumba – gabriel.beya@labanquepostale.fr – +33 7 88 76 35 51

Victoire Bortoli – victoire.bortoli@labanquepostale.fr – +33 6 70 56 39 04

Linda Chibah – linda.chibah@labanquepostale.fr – +33 6 72 05 30 52

Julien Rouch – julien.rouch@labanquepostale.fr – +33 7 85 98 68 68

PRESS CONTACTS

France Plasse – france.plasse@laposte.fr – +33 6 08 47 75 41