

La Banque Postale

October 6, 2026

This report does not constitute a rating action.

Credit Highlights

Overview

Key strengths	Key risks
Support from parent La Poste, either directly or through its owner, Groupe Caisse des Depots et Consignations (CDC), and ultimately the French government.	High-cost base of banking activities resulting in lower efficiency than peers.
Profitable insurance activities through fully owned CNP Assurances, which is the main factor in LBP's profit and strong retail footprint in France.	Elevated competition in French retail banking and rising cost of risk, albeit lower than peers', continue to challenge profitability recovery.
Good liquidity and minimal reliance on wholesale funding.	Lower geographical and business diversification than peers.

We expect La Banque Postale (LBP) to maintain an integral role within the La Poste (LP) group.

LBP is fully integrated in the [LP](#) group (A/Stable/A-1), and we see their reputations as closely linked. Among other factors, they share the same distribution network and some personnel and have related brand names and similar customer recognition. We also think LBP benefits from LP's strong long-term commitment of financial support, as seen previously. We therefore see LBP as a core subsidiary of the group and align our rating with that of the parent, resulting in a three-notch uplift above our assessment of La Poste's 'bbb' group stand-alone credit profile (SACP).

We analyse the intrinsic creditworthiness of LP's financial activities through CNP Assurances' SACP, in which we incorporate LBP's strengths and weaknesses.

This approach, which we follow since October 2023, reflects the increased integration, capital fungibility, and strong alignment between the LP group's two financial entities. Given that CNP represents almost all of LBP's consolidated profit and core equity, we view the subsidiary as willing to support its direct parent if needed. We expect CNP to upstream capital to support LBP hybrids' creditors if necessary, and consequently we rate LBP's hybrid debts based on our issuer credit rating on [CNP](#) (A/Stable/--). The notching on LBP's hybrids also takes into account their structural subordination to CNP's hybrids.

LBP benefits from a strong domestic franchise in the French retail segment. The bank is a large domestic retail player with a solid market share in deposits, but more modest business diversification than larger French peers and, notably, domestic cooperatives banks. LBP's loan portfolio is mostly made up of French residential mortgage loans, which accounted for 56% of

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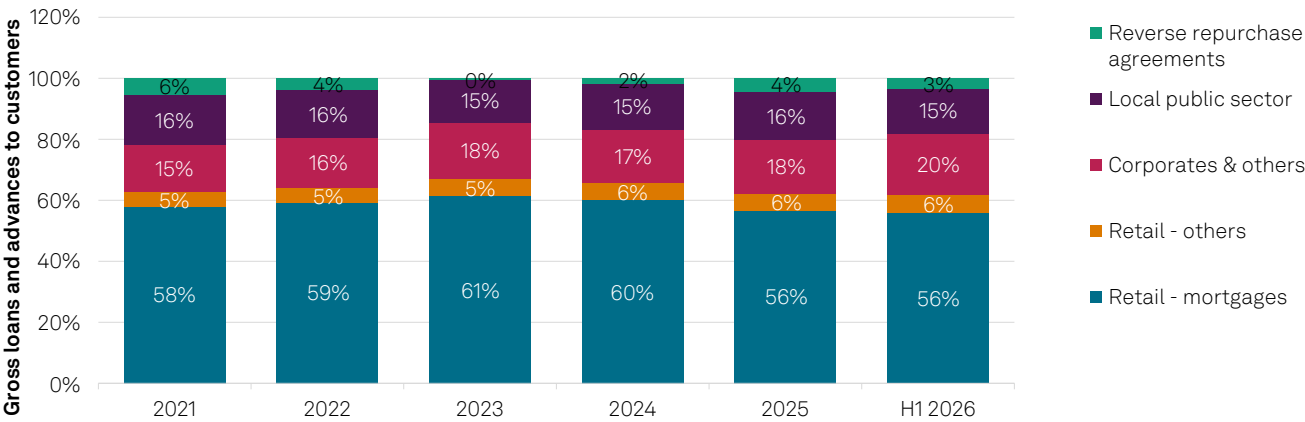
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the total loan book as of June 2026. However, LBP keeps diversifying into higher-margins consumer or corporate loans, notably into SMEs. In 2025, LBP progressed on its transformation plan, including the redefinition of its relational model, digitalization, and cost efficiency measures. In our view, the discontinuation in 2025 of Ma French Bank, LBP's online bank, highlights the bank's willingness to cut costs and rationalize its investments. This, together with a commercial turnaround to focus on margins following some years of aggressive market share expansion, enabled banking activities to break even in the second half of 2025 and become profitable this year.

Chart 1

LBP's gross loan book remains mostly focused on French retail mortgages

The bank also diversified toward corporates and consumer loans



Source: S&P Global Ratings.

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In our view, insurance activities will remain the main driver of LBP's financial performance over 2026 and 2027. International insurance partnerships--including, for a minority part, the asset management activity--accounted for 60% of LBP's net profit as of June 2026, and we estimate that CNP generates almost all net profit from the domestic retail banking and insurance segment. LBP can benefit from business cooperation between its banking and insurance activity to leverage on synergies, and we expect the bank to keep focusing on improving its insurance equipment rate. We understand that the company will also focus on improving the profitability and attractiveness of its retail banking business while growing in other areas, such as private banking and asset management.

LBP's banking activity has benefited from improvements in cost of funding amid a moderate loan growth in a competitive French mortgage market. LBP's net interest margin (NIM) rose in 2025 and in the first semester of 2026, thanks to the gradual yield improvement of the loan book and the decrease in interest rates on the French regulated savings (notably Livret A), which keep accounting for a larger proportion of the bank's savings activity than peers. Interest rates on Livret A, which totaled 15.8% of LBP's savings activity as of December 2025, gradually decreased from their peak of 3% in 2023 to 1.5% in February 2026. Going forward, while higher inflation in 2026 has reversed the downward trend on the Livret A rate--raising to 1.7% in August--and competition may

put pressure on tariffs, we expect LBP's focus on margins and lower funding costs to sustain NIM at higher levels than the last five years. We expect the economic environment in France to limit credit growth in 2026. Last year, corporate and, to a lower extent, consumer loan growth led to a 2% increase of total loans, offsetting the 3.7% decrease in LBP's mortgages book. As of June 2026 however, total gross loans had reduced by 0.7% compared with December 2025.

While LBP's regulatory capitalization is strong, the subgroup's capital strength is at the CNP level. We no longer calculate a risk-adjusted capital ratio for LBP. As for other insurance groups with banking activities, we analyse LBP and CNP through a holistic perspective on increased integration and capital fungibility between both. LBP's common equity Tier 1 (CET1) ratio is on the high side and reached 19% as of June 2026, sustained by stronger earnings, compared with 18.6% in December 2025 and 17.8% at year-end 2024. CNP's equity represents virtually all of LBP's CET1 capital of €18.6 billion after regulatory adjustments. LBP's regulatory metrics strongly benefit from the 100% risk weighting of its insurance activities. Conversely, credit risk is assessed under the standard method, unlike for larger domestic peers. The group's regulatory capital is held at the CNP level, meaning CNP bears the tail-risk of recapitalizing LBP if needed. While the group has raised its dividend payout ratio to 55% of net result in June 2026 from 45% previously, we expect capitalization to remain strong with high buffers above requirements, which stood at 9.4% for CET1 as of June 2026. We also view favourably LBP's current strategy of focusing on its well-known activities and capital-light asset management business.

We expect risk to remain contained, with resilient asset quality and a slight deterioration in the cost of risk in 2026. LBP's risk profile remains fundamentally low, with French mortgages accounting for more than half of its customer exposures. Following some years of aggressive market share expansion, LBP refocused on margins in 2025, at the expense of mortgage loan growth. Hence, LBP's loan origination in 2025 and in the first semester of 2026 mainly came from corporate loans (+13% and +14%, respectively, while home loans originations fell by 34% in 2025 before increasing modestly by 1% in June). While LBP's S&P-calculated nonperforming loans ratio increased to 2.1% in 2025, compared with 1.9% in 2024, it remains below peers', as does LBP's cost of risk at 19 basis points (bps) in 2025 (compared with 18 bps in 2024). Asset quality will likely deteriorate in 2026 given the worsening economic conditions in France but we expect credit risk to remain under control.

LBP's lending activity is fully funded by its deposit base, and the share of wholesale in funding remains small. LBP's retail deposits franchise has historically benefited from its parent's status as a government-related entity. LBP's historical background and the ultimate support from the French state led to lower-than-peers' sensitivity to market confidence. The deposit base -- excluding those centralized at the CDC -- has been decreasing since its peak in 2020 and reached €184.7 billion in 2025, down 4% year on year but still above pre-Covid levels. LBP's S&P-calculated loans-to-deposits ratio increased to 94.8% in 2025, compared with a four-year low at 84.6% in 2023. The increasing attractiveness of off-balance sheet products, such as life insurance, partly explains this trend.

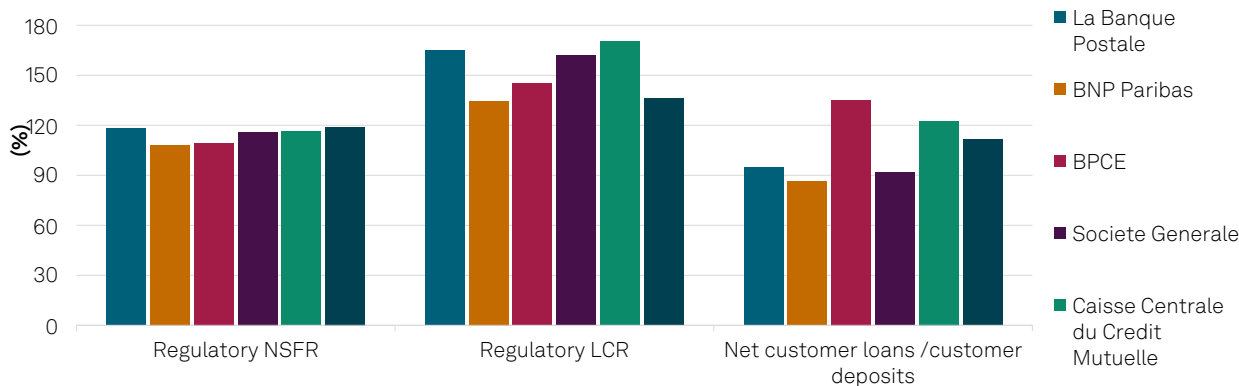
We expect LBP's retail deposit base to remain resilient to the sustained competition, including from neobanks, and to benefit from further transfers of part of Livret A regulatory savings from CDC until 2027. Wholesale funding reliance is low, with an estimated total outstanding at half-year 2026 of €14.0 billion of covered bonds (issued by LBP's Home Loan SFH, created in 2010), €3.2 billion of senior preferred debt, €6.4 billion of senior nonpreferred debt, €2.0 billion of Tier 2 debt, and €0.75 billion of additional Tier 1 debt. All in all, LBP's long-term wholesale funding accounts for only 19% of its funding as of December 2025.

LBP’s resilient liquidity compares favourably with peers. Liquidity remains strong overall, as demonstrated by a liquidity coverage ratio of 172% as of June 2026, up from 165% in December 2025. Deposits not in held-to-maturity securities or used to fund loans are invested in highly liquid and negotiable assets that the bank accounts for as available-for-sale securities. LBP maintains a large liquidity reserve consisting of available cash at central banks (€10.1 billion as of June 2026), a high-quality unencumbered liquid securities portfolio of €26.9 billion eligible to pledge at the European Central Bank (ECB), and up to €9.6 billion of additional covered bond which LBP could mobilize to secure additional funding from the ECB if needed.

Chart 2

LBP has slightly stronger funding and liquidity than domestic peers

Regulatory NSFR, LCR, and loan-to-deposit ratio at year-end 2025



NSFR--Net stable funding ratio. LCR--Liquidity coverage ratio. Source: S&P Global Ratings.

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Outlook

The stable outlook on LBP mirrors that on LP and CNP. We continue to regard LBP as a core subsidiary of LP and consider LBP to be of core strategic importance to CNP due to the integrated bancassurance strategy of the LP group’s financial division. As we regard LBP as being of core importance to LP and CNP, if the ratings on the two were to differ, we would equalize the ratings on LBP with the higher of the two ratings.

Downside scenario

We would likely lower our ratings on LBP and its debt if we lowered our ratings on LP as a result of a weakening of LP’s group SACP. This could arise from a material deterioration in the corporate business and a significant reduction in CNP’s excess capital over the 99.95% level under S&P Global Ratings’ risk-based model.

A downgrade of France would not necessarily lead to a downgrade of LBP, thanks to the strong standalone creditworthiness of the LP group’s financial division, largely as a result of CNP.

Upside scenario

We would upgrade LBP if we took a similar action on LP, which we consider remote.

Key Statistics

La Banque Postale Key Figures

Mil. EUR	2025	2024	2023	2022	2021
Adjusted assets	653,332	664,215	657,999	675,184	701,781
Customer loans (gross)	133,955	130,708	127,574	131,105	124,498
Adjusted common equity	(2,346)	(1,560)	(2,151)	863	4,480
Operating revenues	9,554	9,286	8,936	8,347	8,119
Noninterest expenses	6,665	6,582	6,606	6,406	6,216
Core earnings	1,774	1,473	1,316	1,311	1,121
EUR--euro.					

La Banque Postale Business Position

(%)	2025	2024	2023	2022	2021
Total revenues from business line (currency in millions)	9,655	9,356	8,936	8,399	8,120
Commercial & retail banking/total revenues from business line	58.8	45.6	46.4	53.5	57.4
Insurance activities/total revenues from business line	47.7	56.2	56.9	56.2	47.4
Asset management/total revenues from business line	-	5.0	4.3	3.6	3.7
Other revenues/total revenues from business line	(6.5)	(6.7)	(7.6)	(13.3)	(8.4)
Return on average common equity	7.6	5.9	5.5	6.0	3.3

La Banque Postale Capital And Earnings

(%)	2025	2024	2023	2022	2021
Tier 1 capital ratio	20.1	19.4	19.7	16.3	20.7
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	75.2	75.2
Double leverage	N.M.	N.M.	N.M.	N.M.	N.M.
Net interest income/operating revenues	65.8	55.3	61.9	65.5	48.6
Fee income/operating revenues	24.5	25.5	22.7	(17.2)	(15.3)
Market-sensitive income/operating revenues	122.1	108.3	64.0	(163.2)	139.8
Cost to income ratio	69.8	70.9	73.9	76.8	76.6
Preprovision operating income/average assets	0.4	0.4	0.3	0.3	0.3
Core earnings/average managed assets	0.2	0.2	0.2	0.2	0.2
N.M.--Not meaningful.					

La Banque Postale Risk Position

(%)	2025	2024	2023	2022	2021
Growth in customer loans	2.5	2.5	(2.7)	5.3	(1.6)
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	N/A	N/A	N/A	5.2
Total managed assets/adjusted common equity (x)	(309.3)	(474.8)	(343.1)	864.1	172.4
New loan loss provisions/average customer loans	0.2	0.2	0.2	0.2	0.2
Net charge-offs/average customer loans	N.M.	N.M.	0.0	0.0	(0.0)
Gross nonperforming assets/customer loans + other real estate owned	2.1	1.9	2.0	1.6	1.3

La Banque Postale Risk Position

Loan loss reserves/gross nonperforming assets	63.9	68.1	62.9	70.0	82.7
N.M.--Not meaningful.					

La Banque Postale Funding And Liquidity

(%)	2025	2024	2023	2022	2021
Core deposits/funding base	60.7	58.95	61.7	62.7	62.6
Customer loans (net)/customer deposits	94.8	90.7	84.6	87.8	84.1
Long-term funding ratio	81.1	80.7	82.9	75.2	77.6
Stable funding ratio	63.8	63.7	62.4	51.0	56.7
Short-term wholesale funding/funding base	20.9	21.1	18.8	26.6	24.9
Regulatory net stable funding ratio	118.0	132.0	132.0	129.0	142.7
Broad liquid assets/short-term wholesale funding (x)	6.8	6.4	6.6	4.7	5.9
Broad liquid assets/total assets	45.0	43.9	40.7	39.5	44.4
Broad liquid assets/customer deposits	233.9	228.7	201.8	199.6	234.2
Net broad liquid assets/short-term customer deposits	178.8	169.1	159.3	153.9	184.8
Regulatory liquidity coverage ratio (LCR) (x)	165.0	165.0	146.0	147.0	186.0
Short-term wholesale funding/total wholesale funding	52.2	50.7	48.2	70.2	65.3
Narrow liquid assets/3-month wholesale funding (x)	14.3	12.9	10.4	7.9	11.4

Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Oct. 13, 2025
- [Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions](#), Nov. 15, 2023
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [Criteria | Insurance | General: Insurers Rating Methodology](#), July 1, 2019
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Global Banking Outlook 2026--Midyear Update: Europe](#), June 30, 2026
- [La Poste Group Ratings Affirmed On Resilient Standalone Profile Driven By Insurance Segment, Despite Weaker Sovereign](#), November 19, 2025
- [French Banks' 2025 Results Support Stable Outlook In 2026](#), February 13, 2026
- [Full Analysis: La Poste](#), February 4, 2026
- [Ratings On Most French Insurers Unaffected By Sovereign Downgrade](#), October 24, 2025
- [Banking Industry Country Risk Assessment: France](#), September 25, 2025

Ratings Detail (as of October 06, 2026)*

La Banque Postale

Issuer Credit Rating	A/Stable/A-1
Commercial Paper	
Local Currency	A-1
Junior Subordinated	BB
Senior Subordinated	BBB
Senior Unsecured	A
Short-Term Debt	A-1
Subordinated	BBB-

Related Entities

CNP Assurances

Financial Strength Rating	
Local Currency	A/Stable/--
Issuer Credit Rating	A/Stable/--
Junior Subordinated	BBB
Junior Subordinated	BBB+
Subordinated	BBB+

CNP Caution

Financial Strength Rating	
Local Currency	A/Stable/--
Issuer Credit Rating	A/Stable/--

La Banque Postale Home Loan SFH

Senior Secured	AAA/Stable
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La Poste

Issuer Credit Rating	A/Stable/A-1
Commercial Paper	
Local Currency	A-1
Junior Subordinated	BB+
Senior Unsecured	A
Short-Term Debt	A-1

Domicile	France
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*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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