



# **ADDITIONAL TIER 1 INVESTOR PRESENTATION**

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**SEPTEMBER 2021**

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# 01

## EXECUTIVE SUMMARY

# LA BANQUE POSTALE NEW AT1 OFFERING

## TRANSACTION SUMMARY

- Perpetual non-call 7.5 (First Reset Date : May 2029) Additional Tier 1 (AT1) notes issued by La Banque Postale
- EUR denominated, benchmark transaction
- Callable at anytime between November 2028 and May 2029, and at every interest payment date thereafter, subject to regulatory approval and other conditions
- 5.125% CET1 trigger at Group level
- Temporary write-down loss absorption mechanism
- Discretionary, semi-annual, non-cumulative coupons
- Expected instrument rating BB / BBB- (by S&P / Fitch)

## ISSUANCE RATIONALE

- Optimise La Banque Postale's existing capital structure by contributing to fulfil the Pillar 1 and Pillar 2 AT1 requirement
- Contribute to meeting future MREL requirements
- Further strengthen key financial metrics, including the leverage ratio and capital ratios
- Increase La Banque Postale's financial and regulatory flexibility
- Further diversify funding sources and investor base
- Seize the opportunity of attractive market conditions for AT1 issuance

# INVESTMENT THESIS

## CONSERVATIVE RISK PROFILE

- Low risk profile, supported by the **French State ownership** (via CDC and La Poste)
- **Credit outstandings**: 64% retail (o/w 92% home loans), 36% corporates
- Strong **resilience to the crisis**
  - Corporate loan book: exposure to sectors the worst hit by the crisis limited to €2.8bn (1% of EAD)
  - H1 2021 NPL ratio of 0.6%
  - Very limited migration to Bucket 3 in H1 2021: €33m
- An **integrated and diversified bancassurance Group** with large customer bases and sound market positions

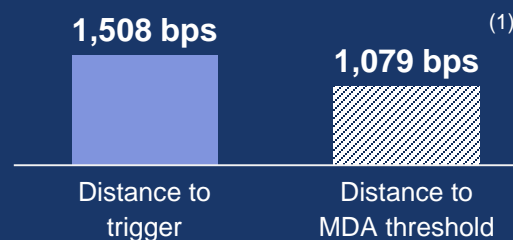
### Sound credit ratings with a recent upgrade by Fitch

Rating agency	"Stand alone" rating	Uplift	Long-term rating	Short-term rating	Outlook	Date
S&P	BBB+	+2	A	A-1	Stable	24-juin-21
Fitch	A	A-(SRF)	A	F1+	Stable	30-Mar-21

## ROBUST CAPITAL POSITION

- H1 2021 **CET1 ratio** of 20.2% (following standard approach) and **Total Capital ratio** of 24.2%
- **Significant buffer to trigger** at 30 June 2021: 1,508 bps (€13.27bn)
- Proven commitment to **maintain adequate solvency levels**
- Support of **Groupe La Poste**

### Significant capital buffers at 30/06/2021



## EXTREMELY LOW NON-PAYMENT RISK

- La Banque Postale does not anticipate any regulatory restrictions on AT1 coupons
- **Comfortable distance to MDA** of 1,079 bps with unfilled AT1 bucket at 30 June 2021 and 1,164 bps expected with AT1 bucket filled at 1.8 % (assuming a €750 million AT1 issuance)
- **Available Distributable Items (ADIs)** of €789m at 30 June 2021
- Intention to **prioritize coupons** on AT1 instruments over other discretionary distributions

### ADIs position at 30/06/2021



# 02

## **LA BANQUE POSTALE AT A GLANCE**

# LA BANQUE POSTALE RATIONALE

## A LARGE AND DIVERSIFIED BANCASSURER

**11<sup>th</sup> largest bank in the Eurozone**  
with total assets of €754bn  
and NBI of €4.0bn at 06/30/21

**100% owned by Groupe La Poste** (in turn 66%-owned  
by Caisse des Dépôts and 34%  
by the French state)

**10.2 million** active retail customers  
in France<sup>(1)</sup>  
An international footprint through CNP  
Assurances<sup>(2)</sup>

### A balanced mix of businesses:

- Bancassurance France: 60% <sup>(3)</sup>
- International Bancassurance: 12%
- Wealth and Asset Management: 6%
- Corporate and Investment Banking: 22%

## 2030 STRATEGIC PLAN: 2025 TARGETS

### NBI

**>3%** (2020-2025 CAGR)  
**20%** generated internationally

### RWA

Controlled growth at **3.5%** (2020-2025 CAGR)

### C/I RATIO

**-10 points**

### RONE

**of 8%** in 2023 <sup>(4)</sup>

## H1 2021: STRONG BUSINESS MOMENTUM IN A STILL UNCERTAIN ENVIRONMENT

### Higher profit:

- Attributable net profit: **+7%** at €499m <sup>(5)</sup>
- NBI: **+ 9%** to €3,956 million
- Improved C/I ratio at **69.1%** (-3.9 pts)
- RONE of **8.2%**
- Cost of risk at a low **13 bps** in an environment shaped by a gradual recovery from the crisis

### Very robust balance sheet structure:

- Solid CET1 ratio of **20.2%**
- Solvency II ratio of **219%** for CNP Assurances
- Very strong liquidity position: LCR of **220%**
- Robust NSFR at **146%**

## JUST TRANSITION: A HEIGHTENED CSR COMMITMENT

### Customers

- Successful **community consultation** promoted through a new advertising campaign
- **Innovative community offers**

### Community

- Broader access to **positive-impact finance**
- The European Commission approved in principle the payment to La Banque Postale of €1.77bn in consideration of its **public service mission** for 2021-2026

### Co-workers

- Launch of an **internal participative consultation** process to increase La Banque Postale's community engagement



# A LARGE PUBLIC BANCASSURER



Wholly owned by  
**LE GROUPE LA POSTE**

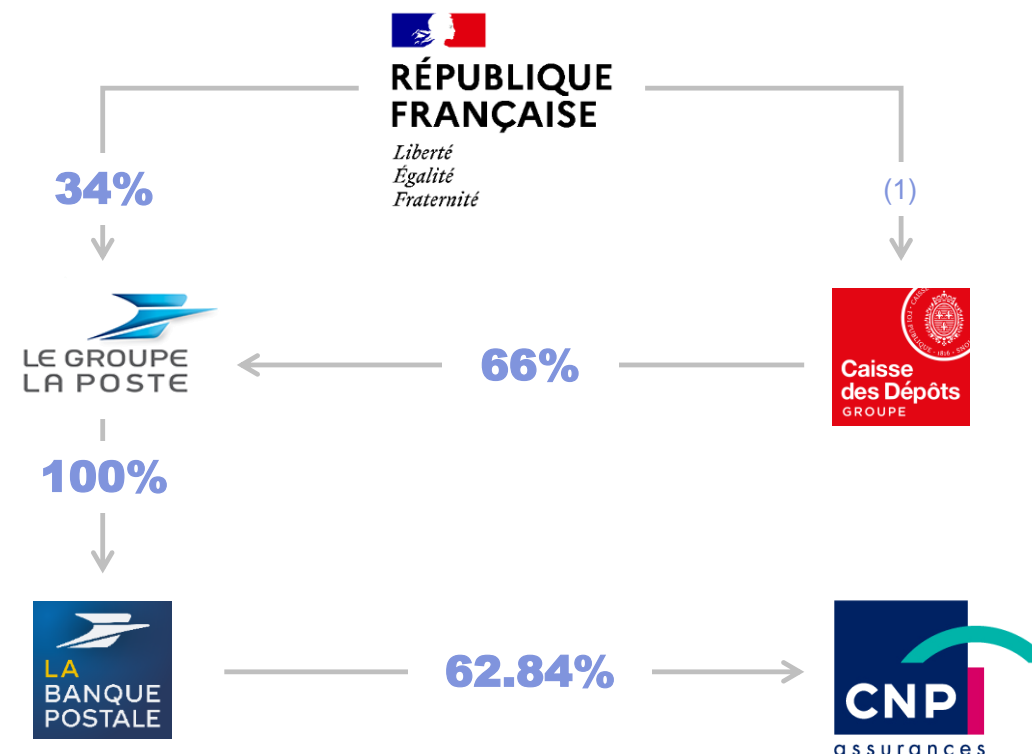


Banking and insurance services  
distributed by  
**THE POST OFFICE NETWORK**

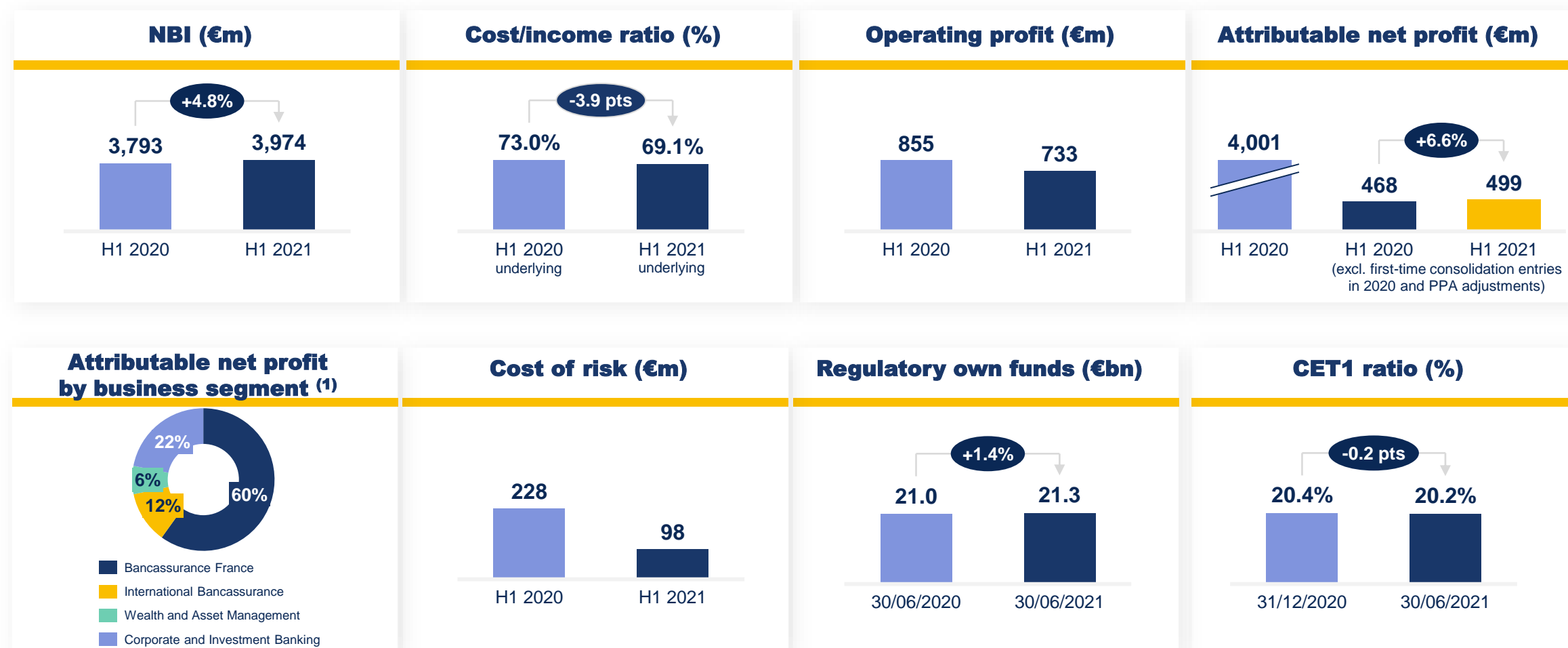


A strategic public service mission:  
**BANKING ACCESSIBILITY**

## OWNERSHIP STRUCTURE



# A DIVERSIFIED PROFILE AND A STRONG CAPITAL BASE



# A FULL SERVICE BANK

## Commercial banking and CIB

### 3 Retail Banking brands



Developing banking services for corporates and the local public sector since 2011

- France's leading lender to local authorities and public hospitals (in partnership with SFIL)



Corporate and Investment Bank (CIB) launched in 2018 to:

- Enable the commercial banking business to finish extending its range and secure customer loyalty
- Build business with outside customers, particularly among financial institutions

## Specialised financing



CONSUMER FINANCE (100%-owned by La Banque Postale)

**Consumer finance** (launched in 2009): consumer finance, revolving credit facilities, etc.



LEASING & FACTORING (100%-owned by La Banque Postale)

**Leasing & Factoring** (launched in 2012)

## Life insurance



**Life insurance & Pension products** with an extended presence:

- 19 countries in Europe and Latin America
- More than 36 million personal risk/protection insureds worldwide and more than 12 million savings/pensions policyholders

## Non-life insurance



ASSURANCES IARD (100%-owned by La Banque Postale)



PRÉVOYANCE (100%-owned by La Banque Postale)



CONSEIL EN ASSURANCES (100%-owned by La Banque Postale)



ASSURANCE SANTÉ



35%



51%



14%

## Asset management



A new asset management model capable of seizing growth opportunities in insurance asset management, in partnership with Ostrum, impelled by LBP AM's refocusing on multi-specialist SRI conviction management

# STRONG CREDIT RATINGS

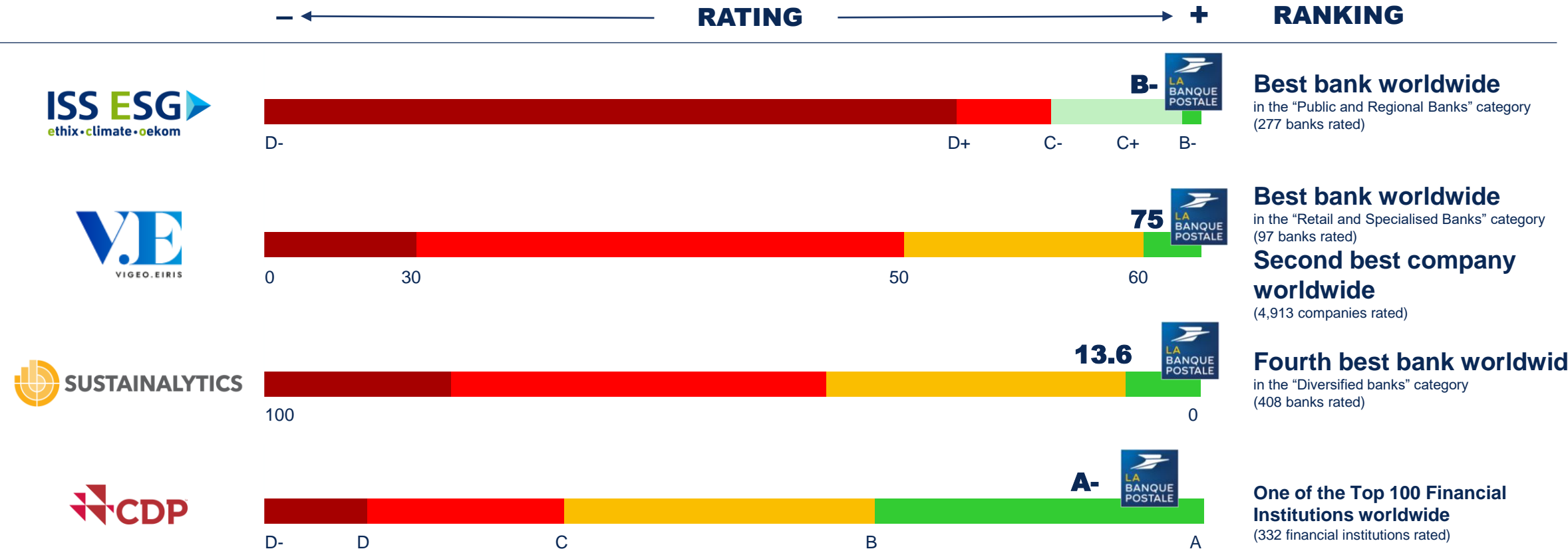
	LAST UPDATE	LONG-TERM RATING	OUTLOOK	SHORT-TERM RATING	RATING BY DEBT
	2021/03/30	A	Stable	F1+	<ul style="list-style-type: none"> <li>— Senior Preferred: A+</li> <li>— Senior Non-Preferred: A</li> <li>— Tier 2: BBB+</li> <li>— AT1: BBB-</li> </ul>
	2020/10/27	A	Stable	A-1	<ul style="list-style-type: none"> <li>— Senior Preferred: A</li> <li>— Senior Non-Preferred: BBB</li> <li>— Tier 2: BBB-</li> <li>— AT1: BB</li> </ul>

**Long-term rating upgraded to A (from A-) and short-term rating upgraded to F1+ (from F1) by Fitch in March 2021: all debt issues are now all rated as Investment Grade by Fitch, including AT1 issues**

# RECOGNISED INTERNATIONAL CSR LEADERSHIP

Highest score obtained based on the criteria used by the Reclaim Finance NGO's Coal Policy Tool to assess French financial institutions

Elected to the steering group of the UN Net-Zero Banking Alliance representing 34 European banks



# A STRATEGIC DEVELOPMENT PLAN ON TRACK

## AMBITION

Become France's favourite bank by 2023-2025,

close to its customers, with impeccable service quality, unrivalled community ambitions and a highly engaged workforce

### THREE TARGETS

#### CUSTOMERS

Position La Banque Postale among the leaders  
in **customer experience quality**



NPS <sup>(1)</sup> among the Top 3  
on-line banks by 2023-2025

#### COMMUNITY

Reaffirm our **community ambition**  
in support of the **just transition**



World leader  
in positive-impact finance

#### CO-WORKERS

Place the **employee experience**  
at the centre of our strategic plan



NPS of +20 for the question  
"Would you recommend La Banque Postale  
as an employer?"

### THREE LEVERS

#### DIGITISATION

of routine banking transactions,  
from **end to end**, benefiting both  
customers and co-workers



As of 2022, customers will be able to  
carry out all of their routine banking  
transactions through digitised means

#### DIVERSIFICATION

by leveraging **ancillary growth drivers** and  
tapping **international markets**



20% of net banking income  
to be generated in international markets  
by 2025

#### DIFFERENTIATION

of the solutions offer  
to meet customers' needs  
**at each stage in their lives**



2022: launch of the first companion  
banking service bundles

# A NEW GOVERNANCE STRUCTURE TO DRIVE IMPLEMENTATION OF THE STRATEGIC PLAN

## A RENEWED EXECUTIVE BOARD

**Philippe HEIM**  
Chairman of the Executive Board

**Tony BLANCO**  
General Secretary

**Marion ROUSO**  
Managing Director of Retail Banking

**Bertrand COUSIN**  
Managing Director of Corporate and Investment  
Banking

## STRENGTHENED GOVERNANCE

**Stéphane DEDEYAN**  
Chief Executive Officer of CNP Assurances

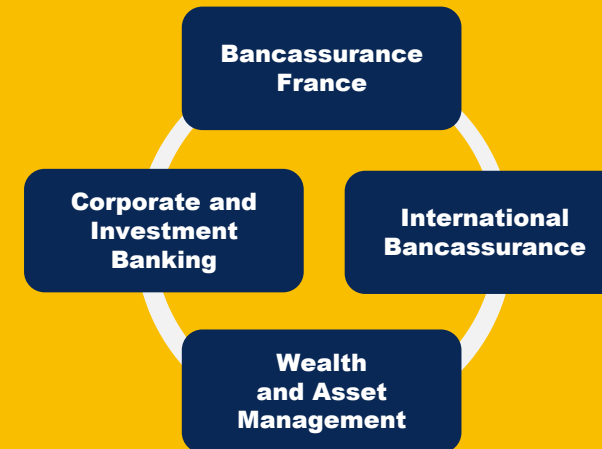
**Christophe VAN DE WALLE**  
Deputy General Manager Customer Experience  
& Banking Operations

**Serge BAYARD**  
Deputy General Manager Corporate and Investment  
Banking

**Olivier LÉVY-BAROUC**  
Deputy General Manager Finance and Strategy

**Nathalie COLLIN<sup>(1)</sup>**  
Chief Executive Officer of the Consumer & Digital  
Division, Le Groupe La Poste

## LEADING FOUR LARGE BUSINESS LINES



# A UNIQUE DEVELOPMENT POTENTIAL TO DELIVER PROFITABLE GROWTH

**PROFITABLE  
GROWTH**

**>3%**  
GROUP NBI  
2020-2025 CAGR

**20%**  
INTERNATIONAL NBI  
IN 2025

**- 10<sub>PTS</sub>**  
GROUP COST/  
INCOME RATIO  
BY 2025

RONE <sup>(2)</sup>  
8% by 2023

**SUSTAINABLE  
GROWTH**

ROBUST CAPITAL  
TO SUPPORT GROWTH  
**20.4% CET1 IN 2020**

CONTROLLED GROWTH  
IN RWA <sup>(1)</sup>  
**~3.5% CAGR 2020-2025**

STANDARD DIVIDEND  
PAYOUT RATE  
**45% IN PERIOD TO 2025**



# 03

## **H1 2021 CREDIT UPDATE**

# 2021 H1 RESULTS REFLECTING STRONG MARKETING MOMENTUM IN A STILL UNCERTAIN ENVIRONMENT

## HIGHER RESULTS

**HIGHER BUSINESS LINE CONTRIBUTION TO NBI**

**€3,956m: up 9%<sup>(1)</sup>**

**IMPROVED COST/INCOME RATIO**

**69.1%: down 3.9pts<sup>(1)(2)</sup>**

**LOW COST OF RISK**

**€98m, 13bps**

**HIGHER ATTRIBUTABLE NET PROFIT**

**€499m: up 7%<sup>(3)</sup>**

**PROFITABILITY**

**RONE: 8.2%<sup>(3)</sup>**

## VERY ROBUST CAPITAL STRUCTURE

**ROBUST CAPITAL RATIOS**

**CET1: 20.2%**

**Leverage ratio: 6.7%**

**COMFORTABLE LIQUIDITY POSITION**

**LCR: 220%**

(1) Excluding changes in consolidation scope, currency effects, reversals of purchase price allocations, PEL/CEL effect and AML methodological review in 2020

(2) Excluding Single Resolution Fund (SRF)/Fonds de Garantie des Dépôts et de Résolution (FGDR) contributions

(3) RONE = Attributable net profit/Average risk-weighted assets capitalised at 14% (computed excluding goodwill and PPA)

# STRONG COMMERCIAL ACTIVITY

## BANCASSURANCE FRANCE

- Sustained momentum in **home loans origination (up 23%)** close to 2019 levels, with restored margins
- Resilient **consumer finance term creditor insurance (up 27%)**
- Strong momentum in **unit-linked inflows** (30,3% in June 2021)
- Solid rebound in **non-life business** (property & casualty, health, death & disability insurance) **(up 21%)**
- **Ma French Bank**: fast pace of customer acquisition, with **20,000 new customers signed up each month**, to reach close to 400,000 customers
- Sustained growth in Retail Banking **fee and commission income (up 8.3%)**

## INTERNATIONAL BANCASSURANCE

- **Continued strong sales momentum** in Europe excluding France and Latin America
- **Europe excluding France**: premium income up 23%, led by Italy with 3-point growth in contribution of unit-linked sales to total new money to 80%
- **Latin America**: premium income up 65% at constant exchange rates, led by the Savings/Pensions business
  - New distribution agreement with Caixa Econômica Federal: **Caixa Vida e Previdência is now Brazil's second largest pensions provider**

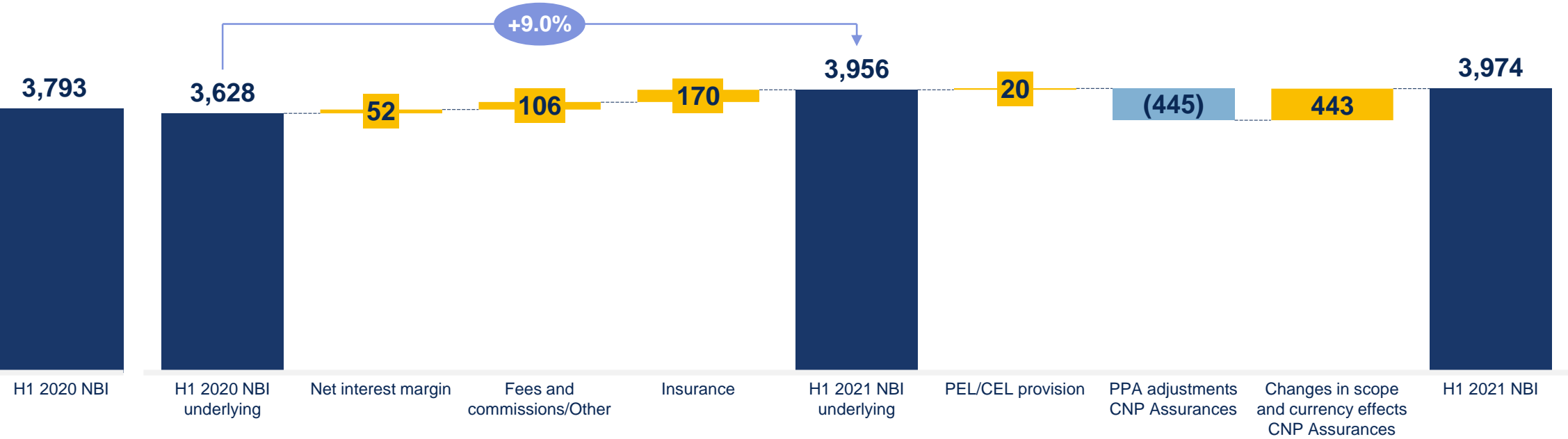
## WEALTH AND ASSET MANAGEMENT

- **Fast-growing businesses** supported by strong sales momentum and favourable financial markets
- **Wealth Management**:
  - Deep network (wealth management advisors in 80 post offices), strong sales of off-balance sheet products (x2.3) sustained growth in home loans business (originations up 29%)
  - Fund offer now 100% SRI
- **Asset Management**:
  - Operational merger with Natixis of insurance-related fixed-income management activities
  - All LBP AM funds labelled SRI

## CORPORATE AND INVESTMENT BANKING

- **Investment Banking**, a driver of growth and diversification
- Sustained growth in **corporate loan book** (up 6%)
- Continued positive momentum in **Local Public Sector** business
- Rapid growth in the **Debt Capital Markets business** launched in 2020 (participation in more than 70 debt issues)
- Rapid expansion of **Asset & Project Finance business** (loan book up 7%)
- Solid **investment portfolio** performance

# GOOD MOMENTUM IN NET BANKING INCOME

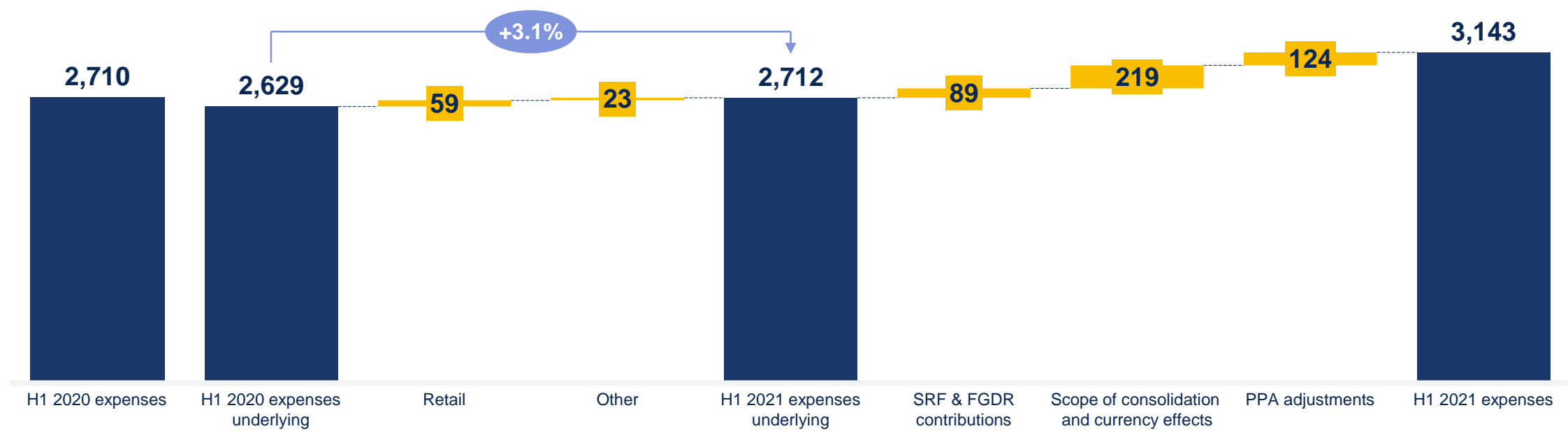


Net banking income up 9.0%<sup>(1)</sup>:

- Despite the €106m negative impact on the deposit margin attributable to the unfavourable interest rate environment, net interest margin rose 4.5% thanks to the retail and commercial lending businesses’ resilience (credit margin up €67m)
- Fee and commission income rose 9%, reflecting bank charges and fees for current account services, as well as wealth management and real estate advisory fees
- Net insurance revenue: improved revenue reflecting robust business volumes, increased technical reserves and an 11.0% growth in the own-funds portfolio

(1) Excluding changes in consolidation scope, currency effects, reversals of purchase price allocations, PEL/CEL effect and ALM methodological review in 2020

# COST DISCIPLINE



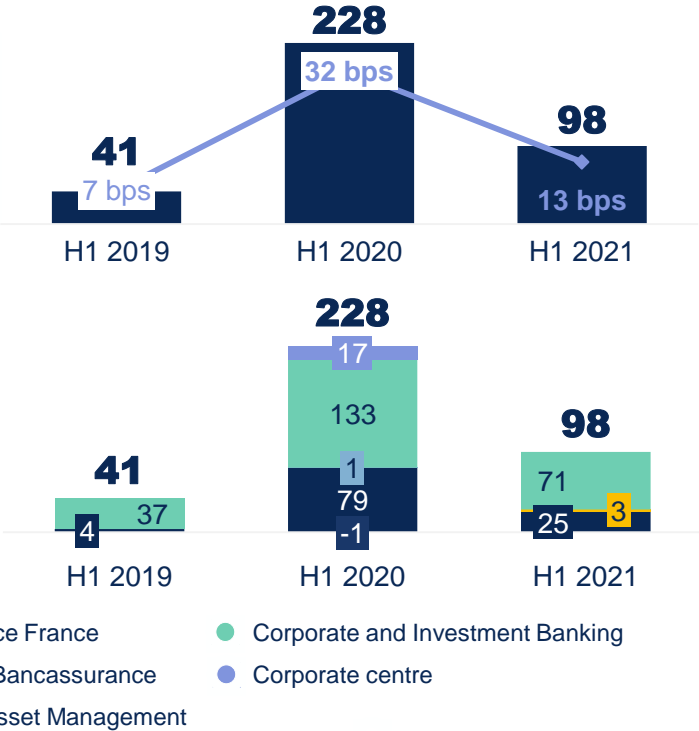
Operating expenses up 3.1%<sup>(1)</sup>, reflecting the investment trajectory set out in the strategic plan:

- Unfavourable 2020 base effect linked to distribution costs
- Controlled growth in expenditure to support business development, transformation programmes, process and offer digitisation programmes and strengthening of corporate functions

(1) Excluding changes in consolidation scope, currency effects, reversals of purchase price allocations and Single Resolution Fund (SRF)/Fonds de Garantie des Dépôts et de Résolution (FGDR) contributions

# LOW LEVEL OF RISK, HIGH QUALITY ASSET PORTFOLIO

## LOW COST OF RISK

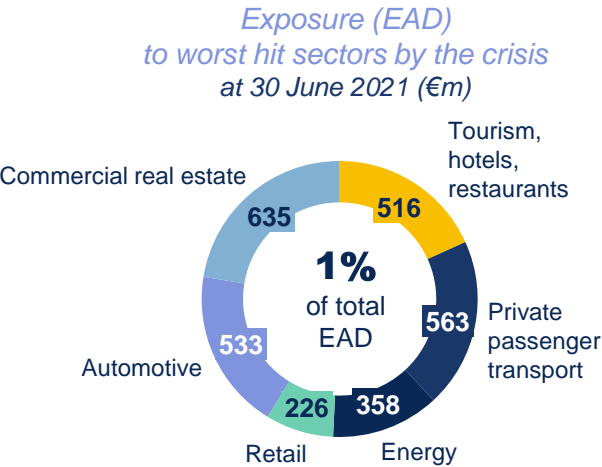


Amounts in €m

## HEALTHY LOAN BOOK

### CORPORATE LOAN BOOK: €36bn

- Stable NPL ratio (0.56%)
- Exposure to sectors the worst hit by the crisis limited to €2.8bn
- €244m in provisions on these sectors, with increased provisions on solar panel and commercial real estate sectors



# FIRST-HALF 2021 CONSOLIDATED INCOME STATEMENT

(€m)	H1 2020 reported	H1 2021 reported	
<b>Net banking income</b>	<b>3,793</b>	<b>3,974</b>	<b>+9%<sup>(1)</sup></b>
Operating expenses	(2,710)	(3,143)	<b>+3.1%<sup>(2)</sup></b>
<b>Gross operating profit</b>	<b>1,083</b>	<b>831</b>	
<i>Cost-income ratio</i>	71.9%	79.7%	
<b>Cost of risk</b>	<b>(228)</b>	<b>(98)</b>	<b>/ 2.2</b>
<b>Operating profit</b>	<b>855</b>	<b>733</b>	
Changes in goodwill (and gains/losses on other assets)	2,998	2	
Share of profits of equity-accounted companies	663	30	
<b>Pre-tax profit</b>	<b>4,516</b>	<b>765</b>	
<b>Net profit</b>	<b>4,201</b>	<b>465</b>	
<b>Book attributable net profit</b>	<b>4,001</b>	<b>282</b>	
<b>Attributable net profit</b> excluding first-time consolidation entries in 2020 and reversals of purchase price allocations	<b>468</b>	<b>499</b>	<b>+7%</b>
<i>Underlying cost-income ratio<sup>(1)(2)</sup></i>	73.0%	69.1%	-3.9 pts
<i>RONE<sup>(3)</sup></i>	8.0%	8.2%	+19 bps

(1) Underlying net banking income, after restatement for changes in consolidation scope, currency effects, reversals of purchase price allocations, PEL/CEL effect and ALM methodological review in 2020

(2) Underlying operating expenses, after restatement for changes in consolidation scope and currency effects (CNP Assurances), reversals of purchase price allocations, SRF/FGDR contributions

(3) RONE = Attributable net profit/Average risk-weighted assets capitalised at 14% (computed excluding badwill and PPA)

# 04

## **RISK & CAPITAL MANAGEMENT**

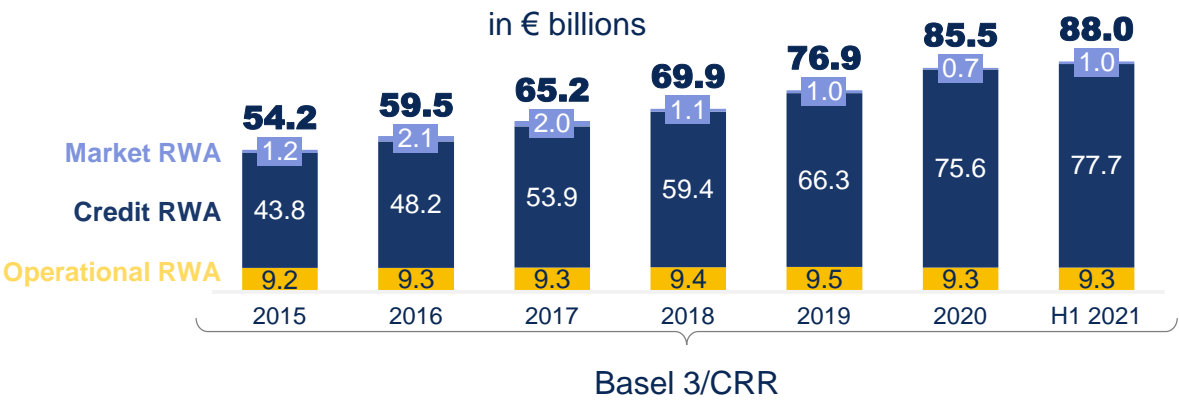


# HIGH QUALITY ASSETS

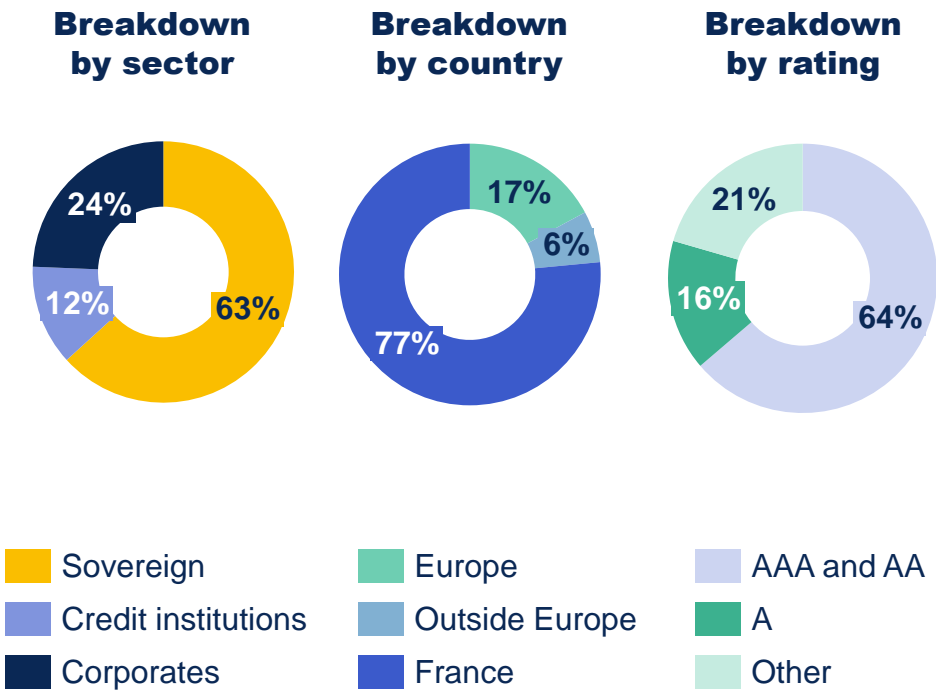
## HIGH QUALITY OF LOAN PORTFOLIO

- A conservative RWA calculation approach using standard method
- Gradual and controlled diversification of lending businesses
- A conservative financing approach, focusing on disciplined management

## CREDIT RISK STILL ACCOUNTING FOR MOST OF TOTAL RWAS

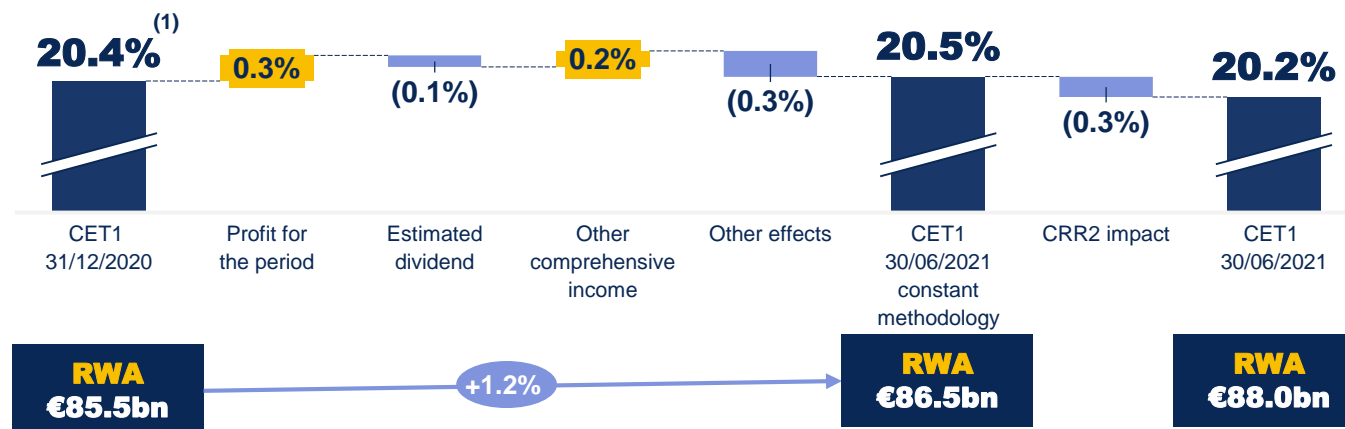


## HIGH QUALITY SECURITIES PORTFOLIOS (HTC AND HTCS 2020)



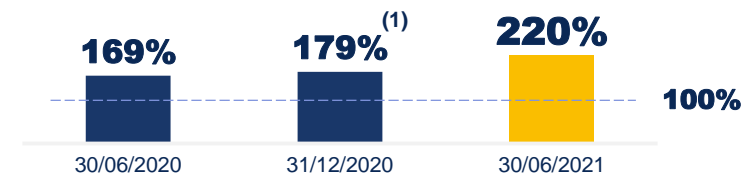
# A VERY ROBUST BALANCE SHEET STRUCTURE

## CHANGE IN CET1 RATIO

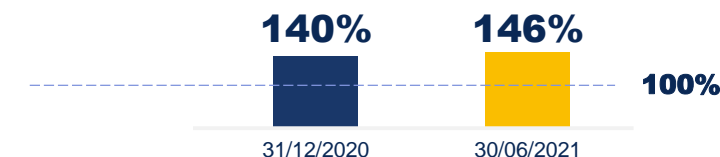


## KEY INDICATORS

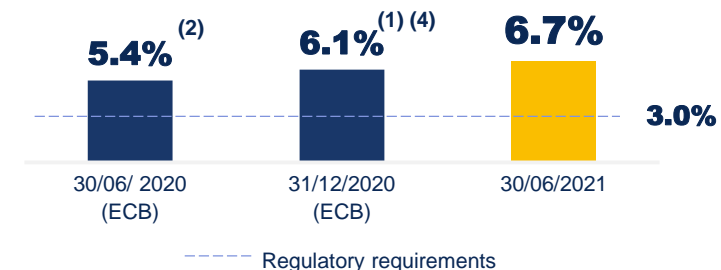
### LIQUIDITY COVERAGE RATIO



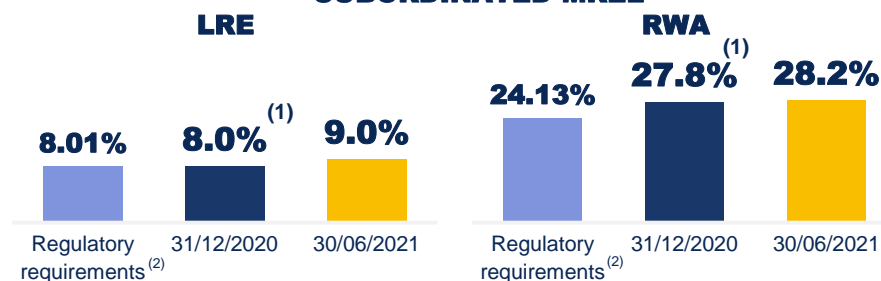
### NSFR



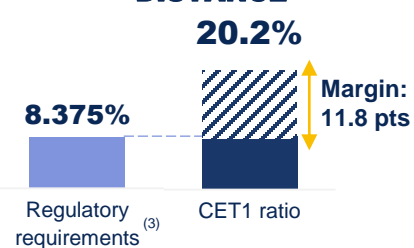
### LEVERAGE RATIO



### SUBORDINATED MREL



### CET 1 REQUIREMENTS DISTANCE



(1) Including estimated dividends of €180m

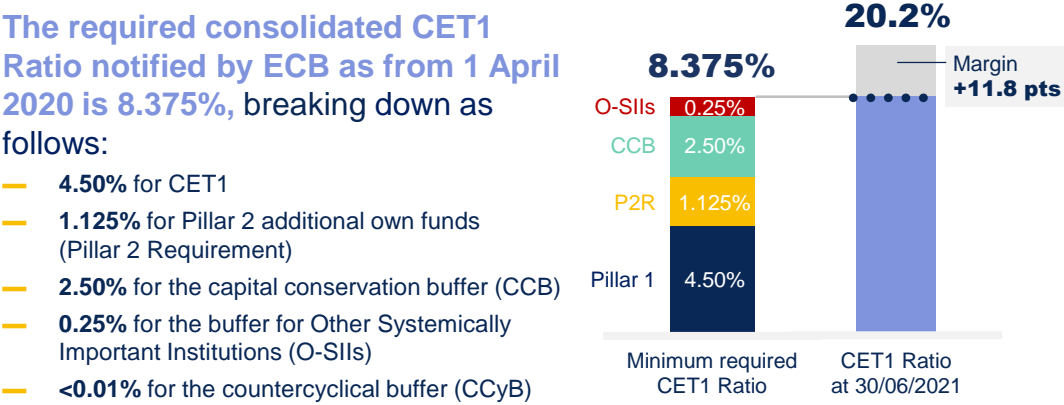
(2) Applicable in January 1, 2024

(3) Excluding P2G

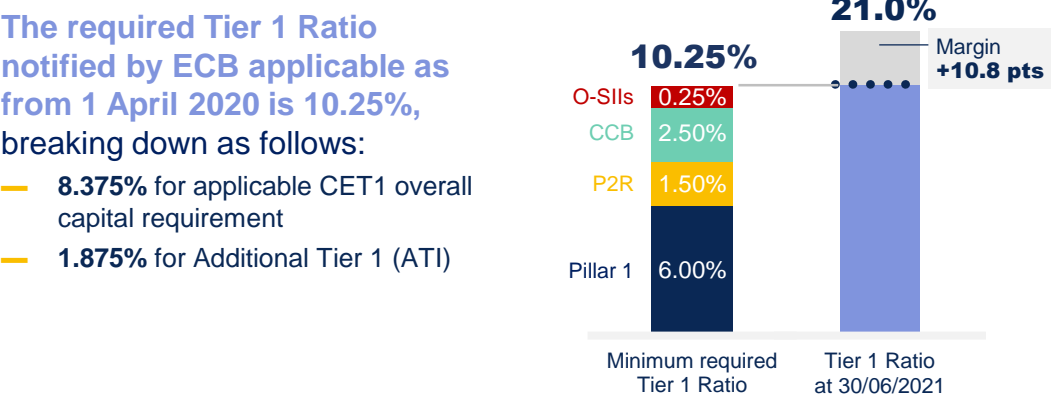
(4) 50% of centralised savings excluded by decision of the ECB

# CAPITAL REQUIREMENTS

## CET1 RATIO



## TIER I RATIO



## TOTAL CAPITAL RATIO



# MINIMUM REQUIREMENTS OF ELIGIBLE LIABILITIES (MREL)

## SUBORDINATED ELIGIBLE LIABILITIES AND OWN FUNDS AT 30 JUNE 2021

As an “O-SIB”, La Banque Postale is not subject to the TLAC rule defined by the Financial Stability Board (FSB)

— MREL

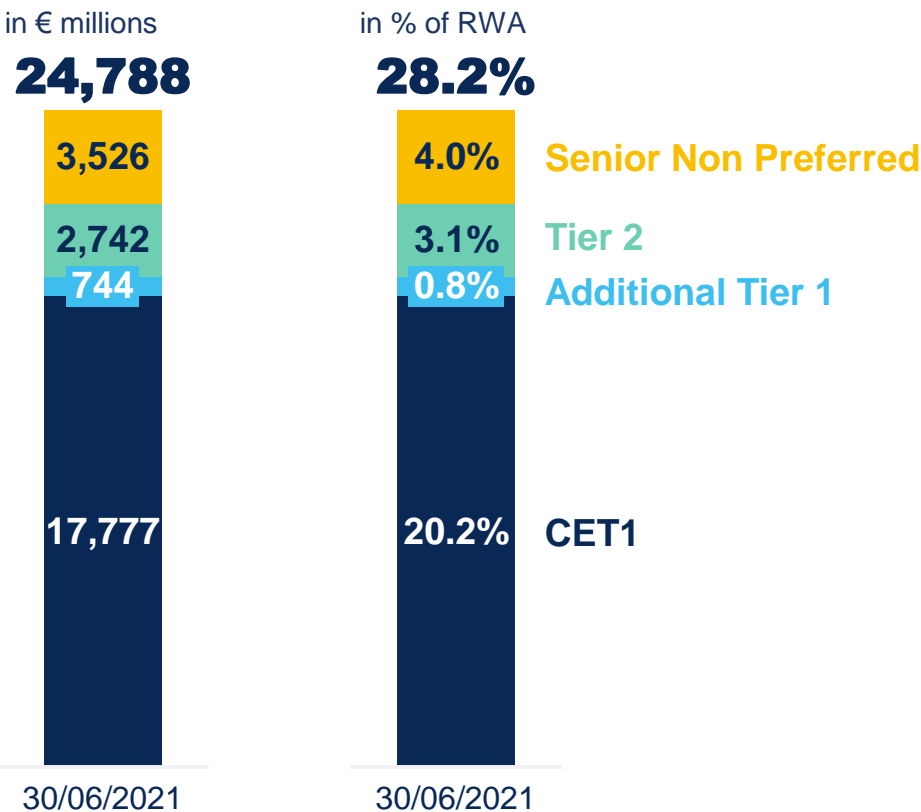
- On 22 February 2021, the French banking and insurance supervisor (ACPR) notified La Banque Postale that its **consolidated MREL had been set at 24.13% of RWA (including CBR) and 8.01% in terms of LRE**. La Banque Postale shall use subordinated instruments to meet these requirements by 1 January 2024

— Strong subordinated MREL ratios at 30/06/2021







- Subordinated eligible liabilities and own funds represent a total of **€24,788m**. This € 2755m above these fully-loaded MREL requirements
- Including Total Capital of **€21,262m**
- Representing **28.2% of RWAs** or **9.0%** in terms of **LRE**

— Strong buffer

- Distance to MDA: **1,079 bps**
- ADIs: **€789m**



# REGULATORY INDICATORS WELL ABOVE REQUIREMENTS

	CAPITAL			LEVERAGE	LIQUIDITY	
	CET1	TIER 1	TOTAL CAPITAL	LEVERAGE RATIO	LCR	NSFR
<b>2020</b> REQUIREMENTS	9.25% <sup>(1)</sup>	10.75% <sup>(1)</sup>	12.75% <sup>(1)</sup>	N.A.	>100%	>100%
<b>2020</b> RATIOS	20.4%	21.3%	24.5%	6.1% <sup>(2)</sup>	179%	140% <sup>(3)</sup>
<b>2021</b> REQUIREMENTS	8.375%	10.25%	12.75%	N.A.	>100%	>100%
<b>H1 2021</b> RATIOS	20.2%	21.0%	24.2%	6.7% <sup>(4)</sup>	220%	146% <sup>(4)</sup>
						

2020 requirements applicable before impact of CRDV on P2R calculation

(1) Excluding Countercyclical Capital Buffer

(2) 50% of centralised savings excluded by decision of the ECB

(3) Calculated under the BCBS requirements (QIS)

(4) Calculated under the CRR2 requirements

# STRONG SUPPORT FROM GROUPE LA POSTE

## CAPITAL MANAGEMENT PRINCIPLES

Committed to **maintaining adequate solvency levels and supporting La Banque Postale’s development**, as evidenced by several capital injections

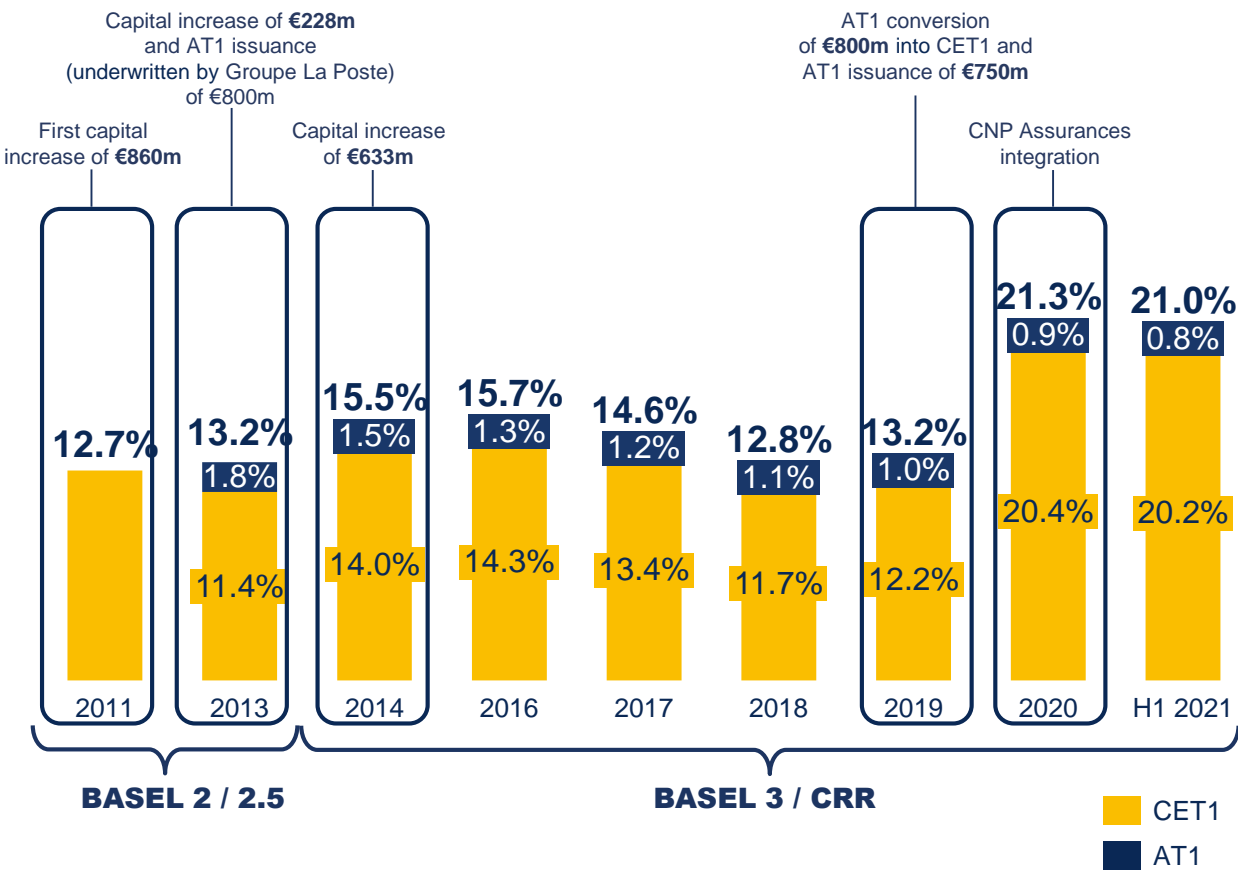
... **BASED ON CONSERVATIVE SOLVENCY CALCULATIONS**

**ASSESSING PILLAR 1 RISK** using the standard approach

... **AT1 ISSUANCE IN H2 2019 AND CAPITAL INCREASE IN H1 2020**

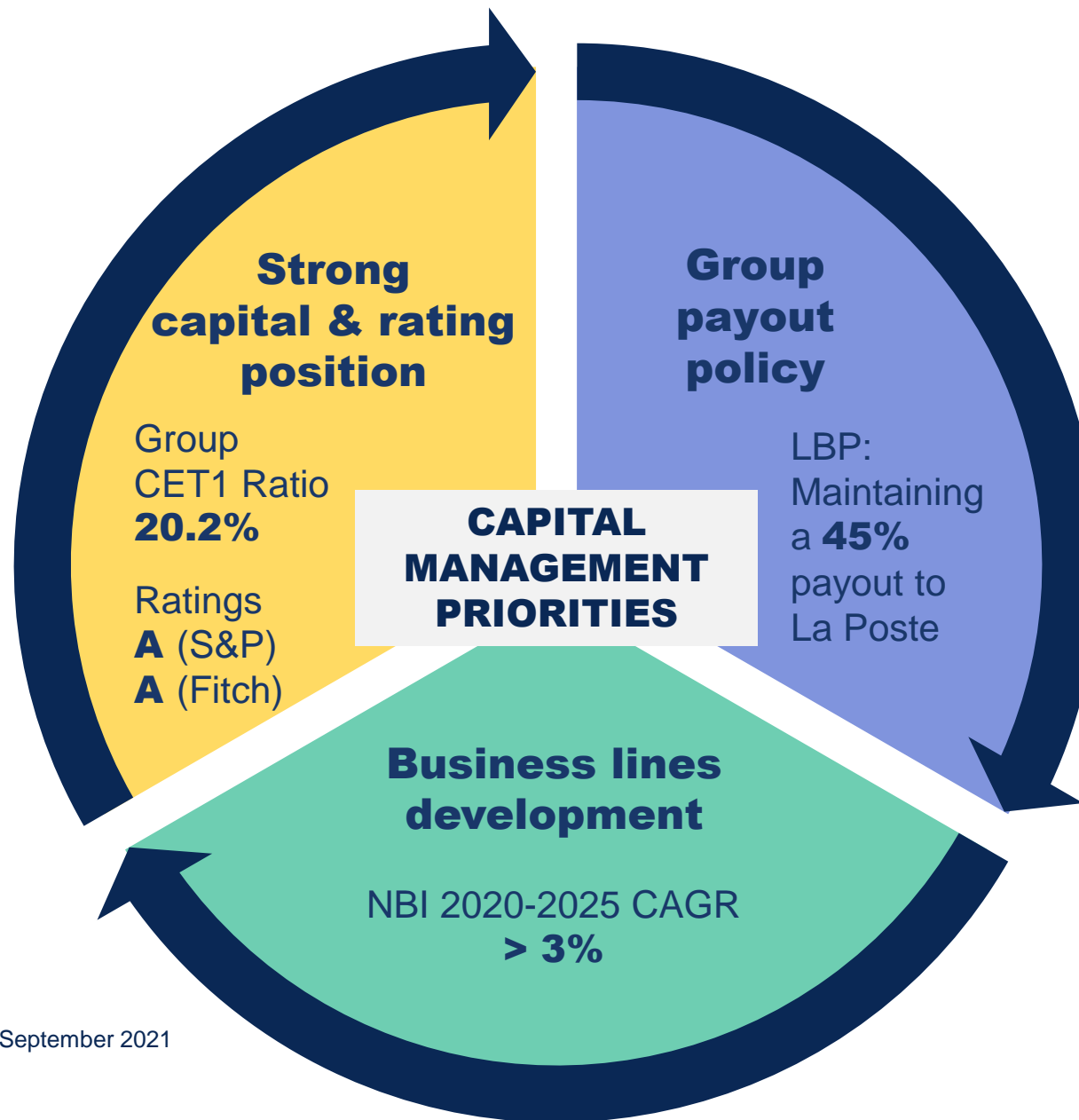
**PERPETUAL AT1 BOND ISSUANCE** of €750m, before a capital increase of €1,968m <sup>(1)</sup>

## LA BANQUE POSTALE’S TIER 1 RATIOS AND GROUPE LA POSTE SUPPORT



(1) In accordance with Article 26 of Regulation (EU) no. 575/2013, recognition of the securities that were issued during the transaction in regulatory own funds is subject to the approval of the European Central Bank

# SOUND CAPITAL MANAGEMENT



# DIVERSIFIED FUNDING SOURCES TO SUPPORT LENDING GROWTH

## FUNDING POLICY PRINCIPLES

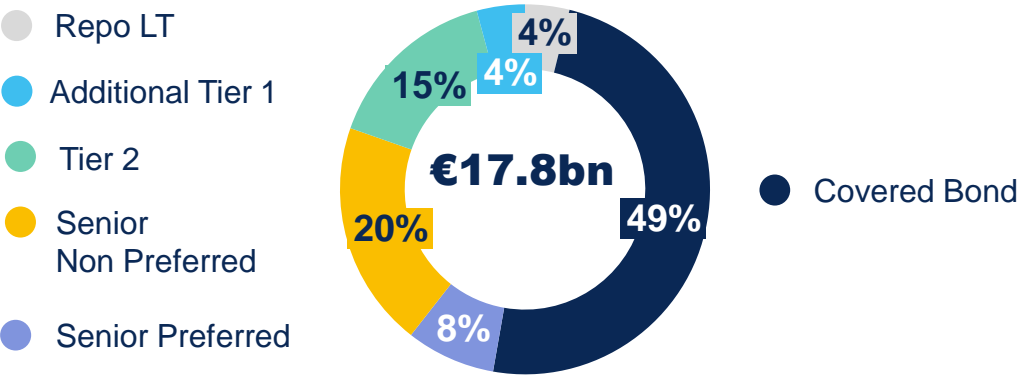
- Reaching full AT1 and T2 buckets
- Respecting MREL

An inaugural social bond issue **underscoring La Banque Postale’s commitment to becoming a regular issuer under its green and social bond framework** was completed in 2021

## 2021-2023 FUNDING PLAN

	2021 BUDGET	2022 EXPECTED	2023 EXPECTED
AT1	€750m	-	€750m
T2	€750m <sup>(2)</sup>	€750m	€500m
SNP	€750m <sup>(2)</sup>	€750m	€750m
CB	€750m <sup>(3)</sup>	€750m	€750m

## WHOLESALE FUNDING SOURCES <sup>(1)</sup>



## 2021 ISSUANCES

### La Banque Postale SA

- Senior Preferred (SP): €212m (of which €211m Structured Notes)
- Senior Non Preferred (SNP): €770m
- Tier 2 (T2): €750m

### La Banque Postale Home Loan SFH

- Covered Bond (CB): €1bn (retained)

**+ additional TLTRO3 take up to reach full allowance**, as part of the funding mix to support lending to our clients, especially SMEs and local public sector



# WHOLESALE FUNDING MIX

## WHOLESALE FUNDING SOURCES AND PROGRAMS

### Short Term:

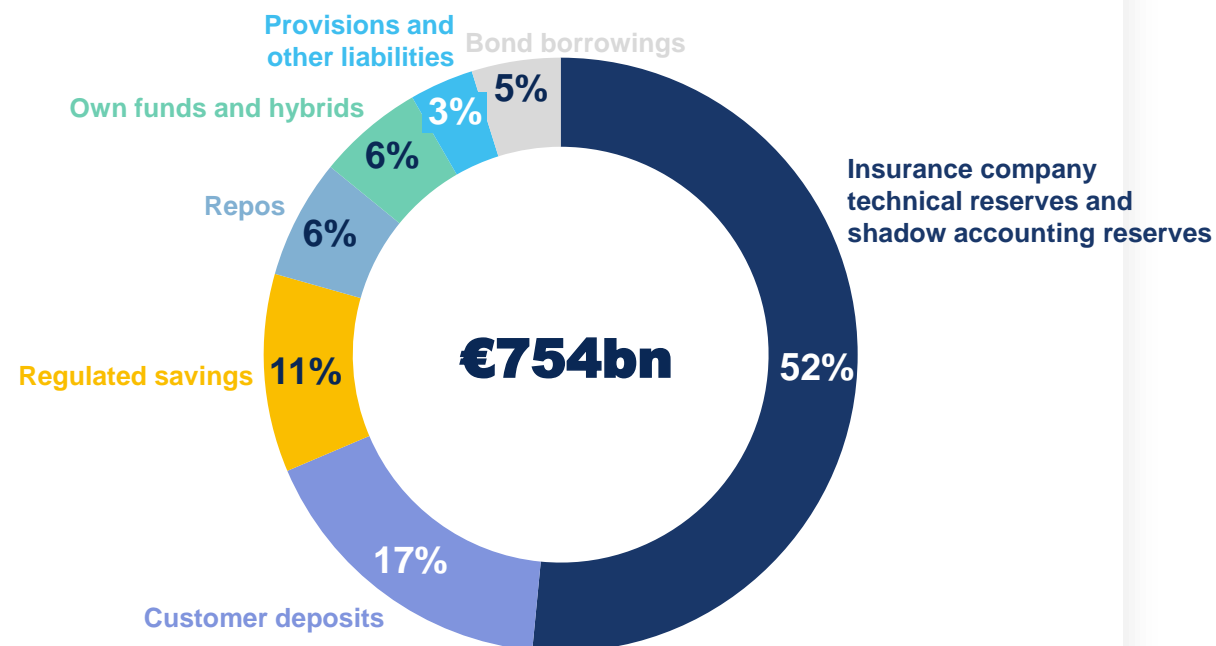
- Interbank funding: **Neu CP** and **ECP** programs
- Repos: Large portfolio of high quality securities with access to dealing platforms and bilateral trading

### Medium to Long Term:

- **EMTN Covered bond** program and German law registered CB through **LBP Home Loan SFH**
- **EMTN** and **Neu MTN** program
- French **Structured Notes** program
- Agreement with **SFIL/CAFFIL** to refinance French local authority loan originations
- Access to **EIB** (European Investment bank) long-term funding
- Long term Repos

La Banque Postale's EMTN program is also used for **retail structured notes** issuance, with €1.3bn outstanding as of 30 June 2021

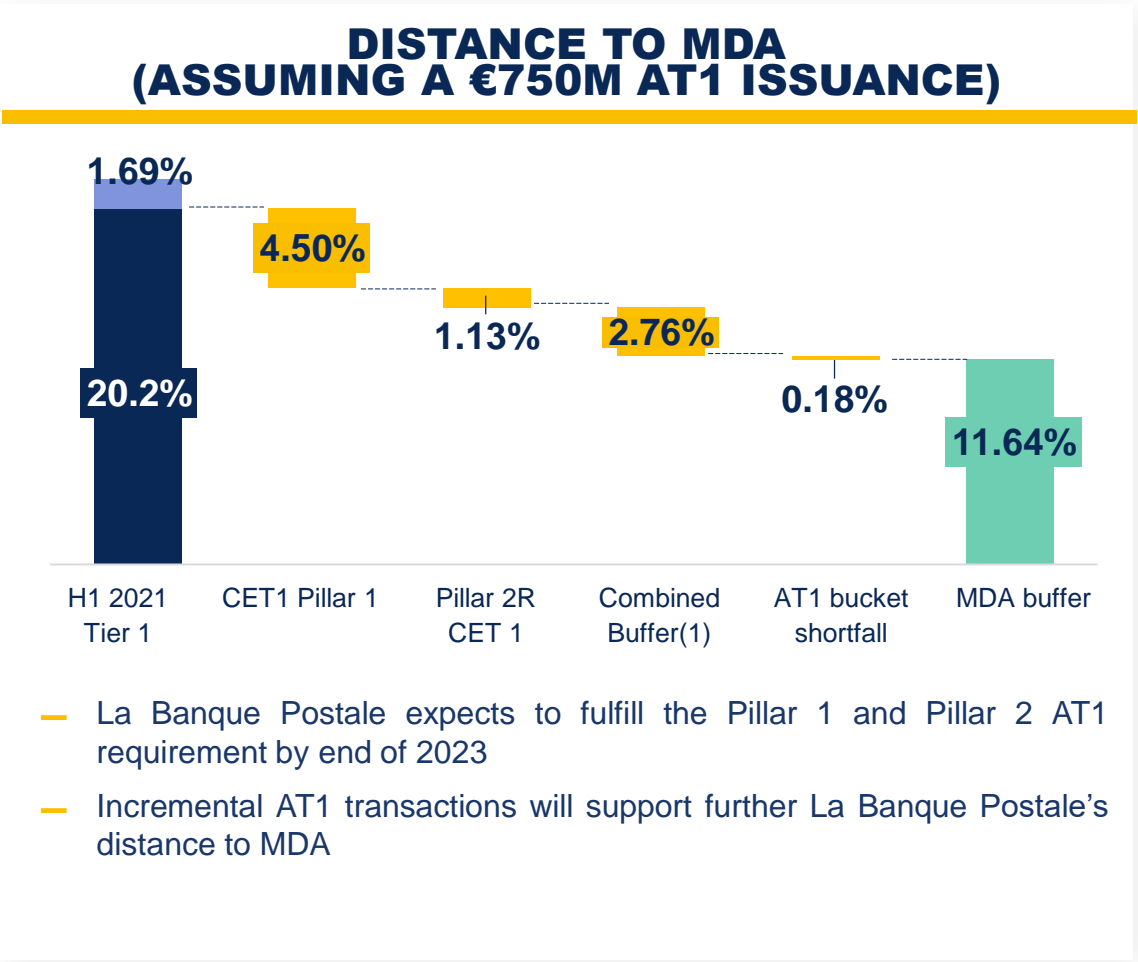
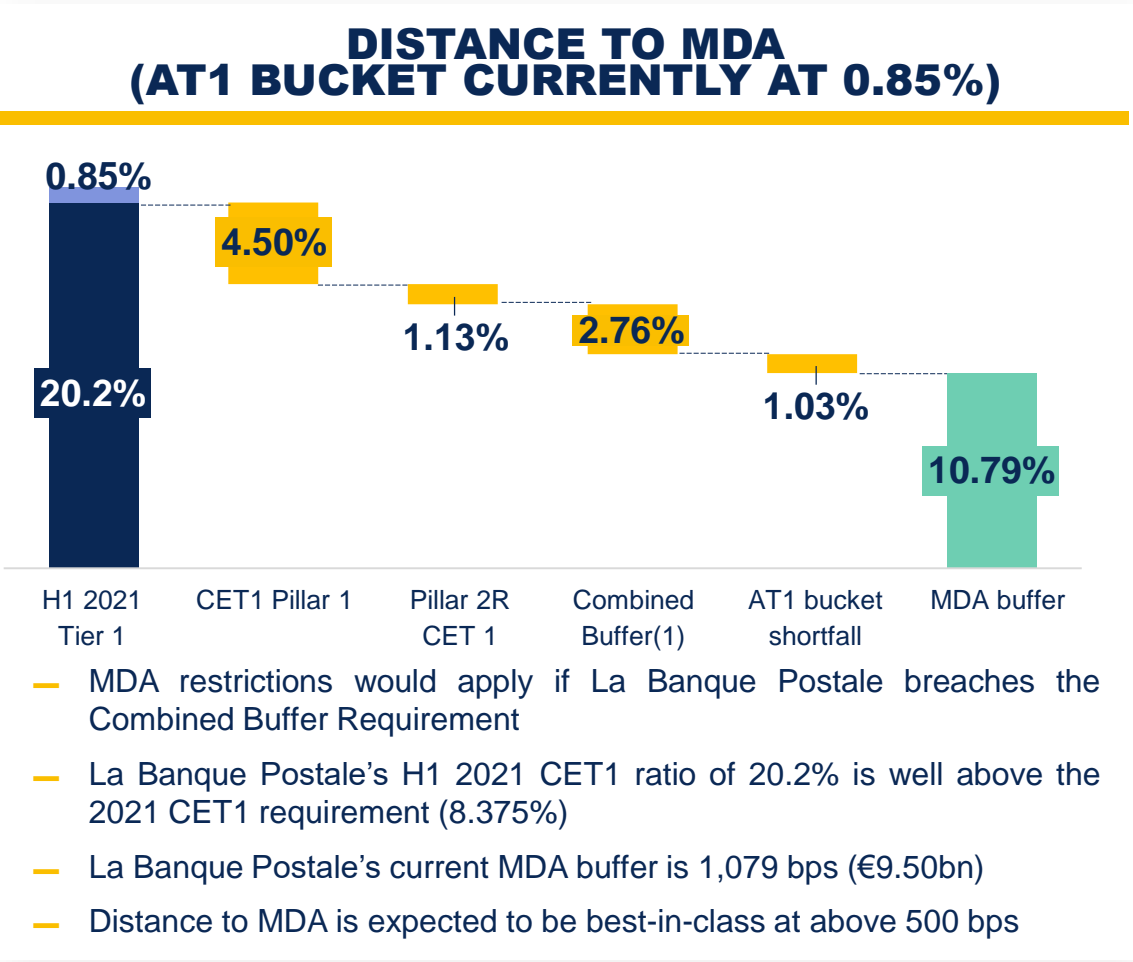
## BREAKDOWN OF LIABILITIES AT 30 JUNE 2021



# 05

## **AT1 TRANSACTION SUMMARY**

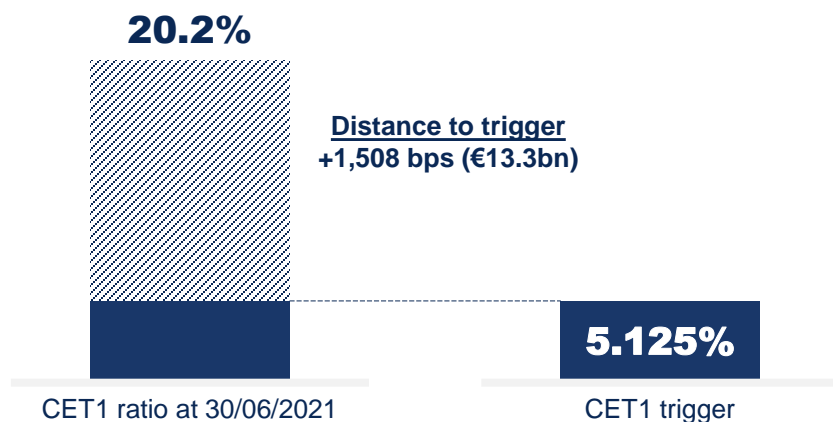
# OVERVIEW OF MDA CONSIDERATIONS FOR LA BANQUE POSTALE



(1) Combined Buffer includes the CCB (2.50%), O-SII (0.25%) and CCyB (0.01%) requirements

# DISTANCE TO CET1 TRIGGER AND ADI

## STRONG BUFFER TO CET1 TRIGGER



- A Trigger Event takes place if La Banque Postale's CET1 ratio falls below 5.125%.
- If a Trigger Event occurs at any time, the AT1 will be automatically written down
- The AT1 may be written up subject to conditions
- As of H1 2021, La Banque Postale has a comfortable buffer to trigger of 1,508 bps (€13.27bn)

## ADI & CAPITAL HIERARCHY









- As of 31/12/20, La Banque Postale has €789m of Available Distributable Items (ADIs), the latter being calculated on a yearly basis
- It is La Banque Postale's current intention, that, whenever exercising its discretion to announce Ordinary Share dividends, or its discretion to cancel interest on the Capital Securities, it will take into account the relative ranking of these instruments in its capital structure

# ADDITIONAL TIER 1 ISSUANCE: STRUCTURE SUMMARY

PROPOSED ADDITIONAL TIER 1 TRANSACTION	
<b>ISSUER</b>	La Banque Postale
<b>ISSUE DATE</b>	[●] 2021
<b>ISSUER RATING (S / F)</b>	A Stable / A Stable
<b>ISSUE RATING (S / F)</b>	[BB] / [BBB-] (expected)
<b>SIZE</b>	EUR[●]m (benchmark)
<b>MATURITY</b>	Perpetual
<b>ISSUER CALL</b>	<ul style="list-style-type: none"> <li>Any day falling in the period commencing on (and including) 20 November 2028 (6-month par call), ending on (and including) the First Reset Date (20 May 2029) and any Interest Payment Date thereafter</li> <li>Redemption in whole, but not in part, at the Prevailing Outstanding Amount</li> <li>Subject to Conditions to Redemption and Purchase</li> </ul>
<b>COUPON</b>	[●] per cent. per annum payable semi-annually from (and including) the Issue Date to (but excluding) the First Reset Date
<b>COUPON RESET</b>	For each Reset Interest Period beginning on or after First Reset Date, Reset Rate of Interest will equal the sum of the 5-Year Mid-Swap Rate and the Margin
<b>COUPON PAYMENT</b>	Fully discretionary, non-cumulative, payable semi-annually in arrear on 20 May and 20 November in each year from (and including) 20 May 2022. Mandatory cancellation if required by Regulator, insufficient ADIs or if MDA exceeded
<b>LOSS ABSORPTION MECHANISM</b>	<p>Prevailing Outstanding Amount of the Notes will be written down if the Group's CET1 Ratio falls below 5.125 per cent. Write-Down Amount will be lower of:</p> <ul style="list-style-type: none"> <li>(i) amount necessary to restore the Group's CET1 Ratio to the Trigger Level and</li> <li>(ii) the amount that would reduce the Prevailing Outstanding Amount to (EUR0.01)</li> </ul> <p>Following such reduction, some or all of the principal amount of the Notes may, at the Issuer's discretion, be reinstated, up to the Original Principal Amount, if a positive Group Net Income is recorded, subject to compliance with Relevant Rules including Maximum Distributable Amount</p>
<b>CET1 TRIGGER</b>	If the Group (means the Issuer together with its consolidated subsidiaries taken as a whole) CET1 Ratio is less than 5.125%
<b>NVLA</b>	Statutory framework, please see Risk Factors
<b>OPTIONAL REDEMPTION EVENT</b>	Subject to Conditions to Redemption and Purchase, Optional redemption by Issuer at anytime, in whole, but not in part, at the Prevailing Outstanding Amount upon Capital Event (full or partial disqualification from Tier 1 capital) or Tax Event (imposition of withholding tax, gross up or loss of deductibility)
<b>USE OF PROCEEDS</b>	The Notes are being issued for capital adequacy regulatory purposes with the intention and purpose of being eligible as Additional Tier 1 Capital of the Issuer. The net proceeds of the Notes will be applied for the general corporate purposes of the Issuer
<b>DENOMINATIONS</b>	EUR200k / EUR200k
<b>GOVERNING LAW / LISTING</b>	French Law / Euronext Paris

# SIDE BY SIDE STRUCTURE COMPARISON

ISSUER						
PRICING DATE	[•]	13-Nov-19	13-Apr-21	7-Oct-20	26-Feb-19	21-Nov-17
ISSUE RATING (M / S / F) <sup>(1)</sup>	[- / BB / BBB-] (expected)	- / BB / BB	Baa3 / - / BBB	- / BBB- / BBB	Ba1 / BB+ / -	- / BBB / BBB
SIZE	EUR [•]m	EUR 750m	EUR 750m	EUR 750m	EUR 500m	EUR 750m
COUPON	[•], payable semi-annually	3.875%, payable semi-annually	3.100% payable semi-annually	4.000%, payable on a quarterly basis	4.750%, payable semi-annually	3.500%, payable annually
MATURITY	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual
ISSUER CALL	Anytime from and including 20-Nov-28, ending on (and including) 20-May-29 and every IPD thereafter at the Prevailing Outstanding Amount	Anytime from and including 20-Nov-26, ending on (and including) 20-Nov-26 and every IPD thereafter at the Prevailing Outstanding Amount	Anytime from and including 29-Jun-28, ending on (and including) 29-Dec-28 and every IPD thereafter at the Prevailing Outstanding Amount	Anytime from and including 23-Dec-27, ending on (and including) 23-Jun-28 and every IPD thereafter at the Prevailing Outstanding Amount	5-Mar-24 and every IPD thereafter at Prevailing Principal Amount	12-Mar-25 and every IPD thereafter at original Principal Amount
COUPON RESET	On first Reset Date and every 5 years thereafter at 5yr MS+[•]bps	On first Reset Date and every 5 years thereafter at 5yr MS+401bps	On first Reset Date and every 5 years thereafter at 5yr MS+323.4bps	On first Reset Date and every 5 years thereafter at 5yr MS+437.0bps	On first Call date and every 5 years thereafter at 5yr MS+468.9bps	On first Call date and every 5 years thereafter at 5yr MS+300.3bps
COUPON PAYMENT	Discretionary, non-cumulative	Discretionary, non-cumulative	Discretionary, non-cumulative	Discretionary, non-cumulative	Discretionary, non-cumulative	Discretionary, non-cumulative
LOSS ABSORPTION MECHANISM	Temporary Write-down	Temporary Write-down	Temporary Write-Down	Temporary Write-Down	Temporary Write-down	Equity conversion
CET1 TRIGGER	Group CET1 <5.125%	Group CET1 <5.125%	Group CET1 <7.000% and/or issuer CET1 <5.125%	Group CET1 <7.000% and/or issuer CET1 <5.125%	Group CET1 <5.125%	Group CET1 <8% and/or issuer CET1 <5.125%
NVLA	Statutory	Statutory	Statutory	Statutory	Statutory	Statutory
EARLY REDEMPTION EVENT	At Prevailing Outstanding Amount upon regulatory and tax event	At Prevailing Outstanding Amount upon regulatory and tax event	At Prevailing Outstanding Amount upon regulatory and tax event	At Prevailing Outstanding Amount upon regulatory and tax event	At Prevailing Outstanding Amount upon regulatory and tax event	At Prevailing Outstanding Amount upon regulatory and tax event
SUBSTITUTION AND VARIATION	Not applicable	Not applicable	Upon regulatory event	Not applicable	Upon regulatory or tax event	Upon regulatory and tax event
DENOMINATIONS	EUR 200k x EUR 200k	EUR 200k x EUR 200k	EUR 200k x EUR 200k	EUR 200k x EUR 200k	EUR 200k x EUR200k	EUR200k x EUR 1k
GOVERNING LAW / LISTING	French Law / Euronext Paris	French Law / Euronext Paris	Dutch Laws / Euronext Dublin (GEM)	French Law / Euronext Paris	English Law / Euronext Brussels	English Law / Euronext Dublin (GEM)

# APPENDICES

H1 PERFORMANCES BY BUSINESS SEGMENT	40
DEBT MATURITY SCHEDULE	51
ALTERNATIVE PERFORMANCES MEASURES	52
CONTACTS	53

# NEW PRESENTATION BY BUSINESS SEGMENT

Presentation organised around four business lines

Consistent with the new group bancassurance structure and the focus of the 2030 strategic plan

Permits assessments of the business lines' underlying performance

BANCASSURANCE FRANCE	INTERNATIONAL BANCASSURANCE	WEALTH AND ASSET MANAGEMENT	CORPORATE AND INVESTMENT BANKING
<ul style="list-style-type: none"><li>— Retail banking</li><li>— Life insurance</li><li>— Non-life Insurance</li></ul> <div></div>	<div></div> <div></div>	<div></div> <div></div>	<ul style="list-style-type: none"><li>— Corporate banking</li><li>— Local Public Sector</li><li>— Institutional customers</li><li>— Financial institutions</li><li>— Specialised financing</li><li>— Capital markets</li></ul>

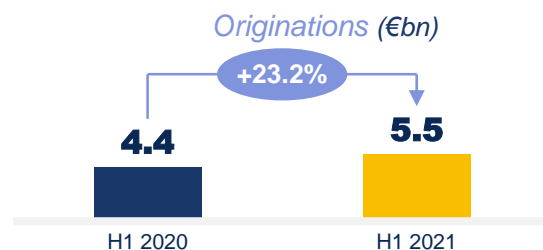
Contribution to business segments' attributable net profit

60%	12%	6%	22%
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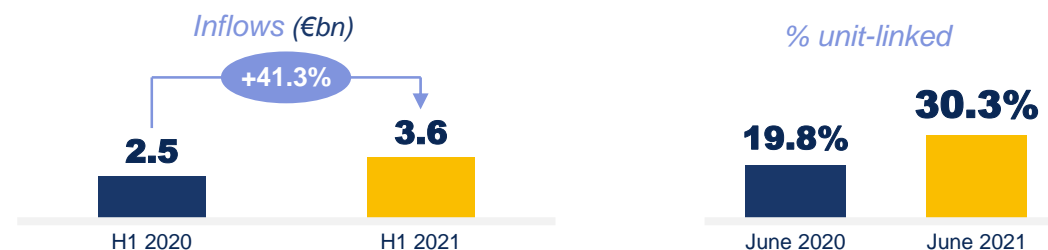
# BANCASSURANCE FRANCE: BUSINESS INDICATORS

## Momentum driven by home loan originations



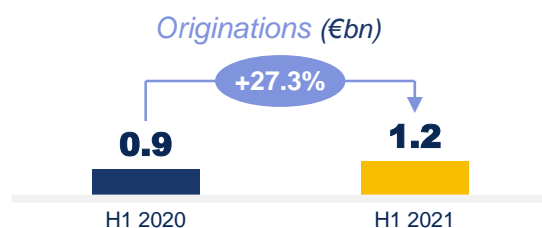
Outstanding loans: €62.3bn (up 3.3%)

## Strong growth in Life insurance new money<sup>(1)</sup>



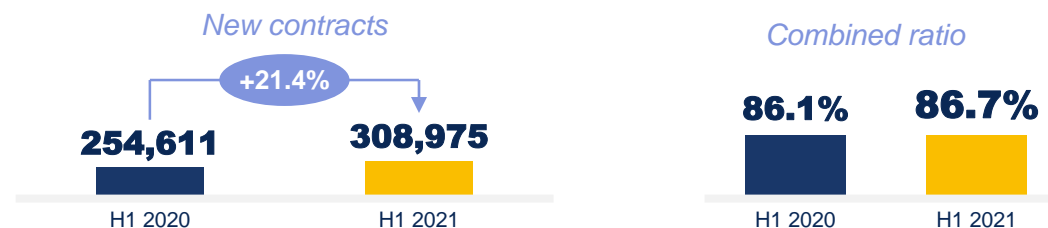
Deposits: €120bn (up 0.5%)

## Consumer finance: a resilient business



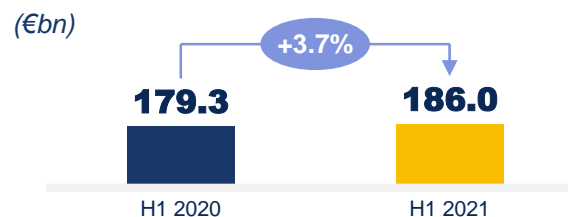
Outstanding loans: €5.3bn (up 4.1%)

## Sharp rebound in Non-Life business



In-force policies: €4.6m (down 0.7%)

## Balance sheet liabilities<sup>(2)</sup>



# BANCASSURANCE FRANCE

## FINANCIAL RESULTS

(€m)	H1 2020	H1 2021	% change	% change (constant scope basis <sup>(1)</sup> )
<b>Net banking income</b>	2,574	3,135	21.8%	8.3%
Operating expenses	(2,120)	(2,318)	9.3%	4.0%
<b>Gross operating profit</b>	454	817	79.9%	28.1%
<b>Cost of risk</b>	(79)	(25)	-68.0%	-70.3%
<b>Operating profit</b>	375	791	x 2.1	48.9%
<b>Pre-tax profit</b>	442	816	84.8%	42.2%
<b>Attributable net profit</b>	205	371	80.6%	48.4%

- Net interest margin on loan book up 34%
- Net interest margin on deposits affected by the level of interest rates
- 8% increase in fees and commissions (routine banking transactions and account keeping)
- Significant contribution by the insurance business (up 16%), led by sustained growth in Life premiums (up 41%), especially from unit-linked sales (x2)
- Higher general operating expenses due to low basis of comparison in 2020; increase in line with strategic plan trajectory
- Sharply lower cost of risk
- Contribution to attributable net profit up 48% like-for-like

# A LEADING BANCASSURER IN INTERNATIONAL MARKETS

**STRONG  
PRESENCE  
IN  
LATIN AMERICA  
AND IN  
EUROPE**

**18  
COUNTRIES**

**€5.6Bn  
PREMIUM INCOME  
H1 2021**



**Largest** international market

Presence since **2001**

**#2** in pensions (market share: 22.1%)

**#2** in consumer finance term  
creditor insurance

**#5** in death/disability insurance



- New operating structure deployed: **Caixa Vida e Previdencia** (exclusive distribution agreement with CEF until 2046)

- Finalisation of the exclusive *consórcio* distribution agreement with CEF (in force until 2041)



**2<sup>nd</sup> largest** international market

- **CNP UniCredit Vita's** positions strengthened with the agreement to acquire Aviva's life business: **life market share doubled to 6%**

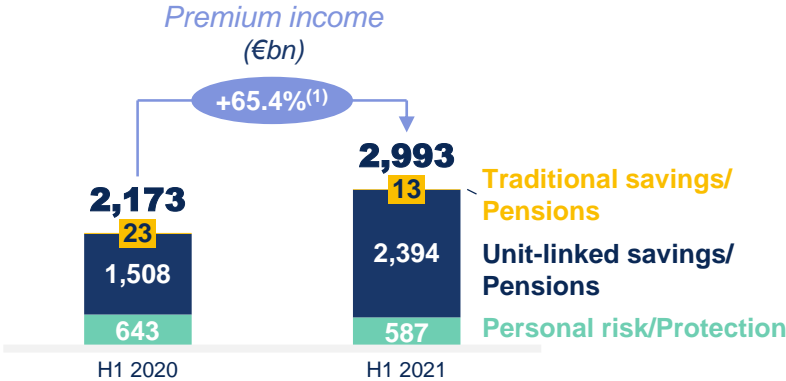


Presence in **12 European countries** through **CNP Santander** (consumer finance term creditor insurance)

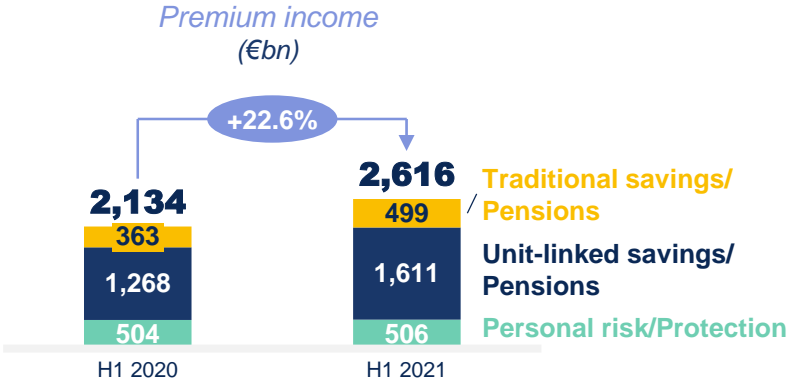


# INTERNATIONAL BANCASSURANCE: BUSINESS INDICATORS

## Latin America: strong growth led by pensions business



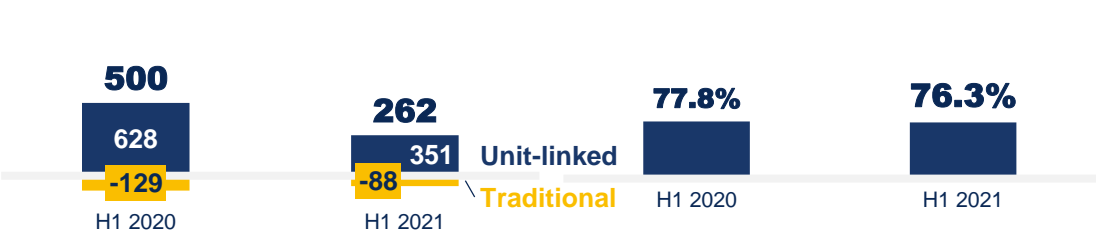
## Europe excluding France: growth in all segments



Savings/Pensions  
Net new money (€m)      Unit-linked as a % of premium income



Savings/Pensions  
Net new money (€m)      Unit-linked as a % of premium income



# INTERNATIONAL BANCASSURANCE

## FINANCIAL RESULTS

(€m)	H1 2020	H1 2021	% (reported)	% (constant scope and forex basis <sup>(1)</sup> )
<b>Net banking income</b>	490	577	17.7%	-1.7%
Operating expenses	(121)	(213)	76.3%	-11.3%
<b>Gross operating profit</b>	369	364	-1.5%	1.4%
<b>Cost of risk</b>	1	(3)	n/a	n/a
<b>Operating profit</b>	371	361	-2.6%	0.2%
<b>Pre-tax profit</b>	371	362	-2.5%	0.0%
<b>Attributable net profit</b>	89	73	-18.0%	-1.9%

- Profit up 44% in Europe, reflecting business growth, higher interest income, and the low basis of comparison created by Covid-related reserves booked in 2020
- Profit down 12% in Latin America, with higher loss ratios (due to Covid-19) and lower investment income offset by increased business volumes and higher margins on pensions products. Cost-saving plan rolled out during the period
- Contribution to attributable net profit down 2% like-for-like, with revenue down 1.7% due to the growing impact of the Covid-19 crisis on Latin America
- General operating expenses down 11.3%

# WEALTH AND ASSET MANAGEMENT: BUSINESS INDICATORS

## Recognised performance



Two funds in LBP AM's SRI range ranked among the top five funds in the European and American Equities category (20,000 funds analysed)



Over 33 funds managed by LBP AM awarded 4 or 5-star ratings



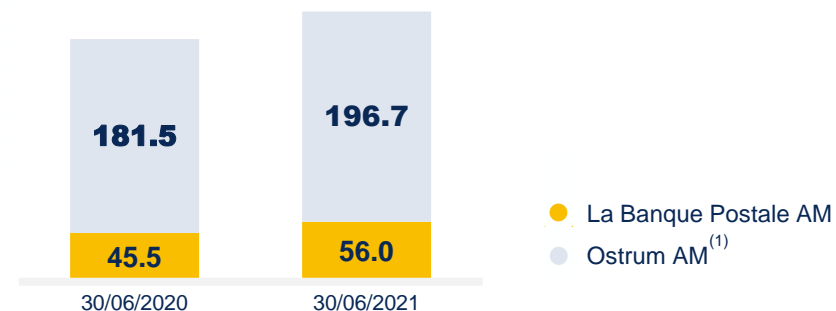
## A total commitment to SRI



## Increased assets under management

### ASSET MANAGEMENT

Assets under management (€bn)



### WEALTH MANAGEMENT



(1) Managed assets of 45%-owned Ostrum AM attributable to La Banque Postale Asset Management

(2) Management reporting data

# WEALTH AND ASSET MANAGEMENT

## FINANCIAL RESULTS

(€m)	H1 2020	H1 2021	% change
<b>Net banking income</b>	130	146	12.0%
Operating expenses	(89)	(88)	-1.0%
<b>Gross operating profit</b>	41	58	39.7%
<b>Cost of risk</b>	(1)	0	n/a
<b>Operating profit</b>	41	58	42.8%
<b>Pre-tax profit</b>	41	64	54.5%
<b>Attributable net profit</b>	23	39	71.5%

— Revenue up 12%, with:

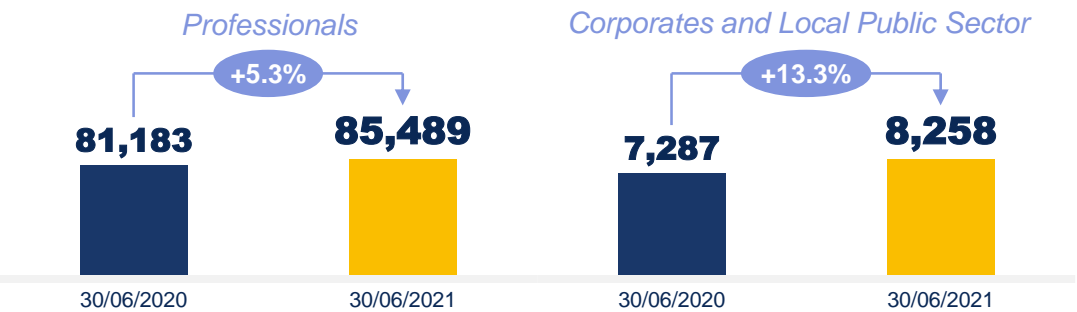
- Wealth Management: very strong sales of off-balance sheet products, discretionary asset management services and home loans
- Asset Management: net new money of more than €1bn, mainly from institutional investors for investment in diversified asset classes and bonds, reflecting buoyant market conditions

— Decline in administrative costs

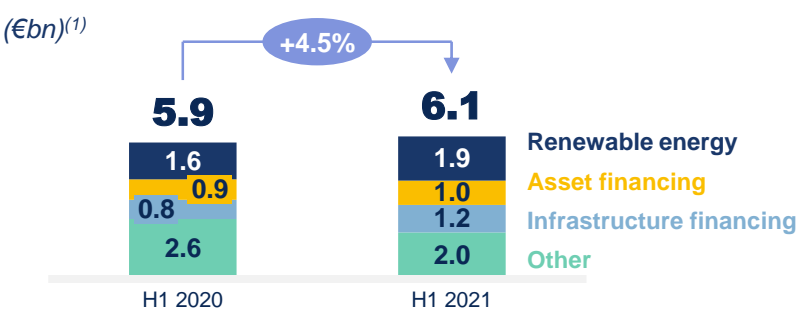
— Higher contribution to attributable net profit from both Wealth Management (up 88%) and Asset Management (up 55%)

# CORPORATE AND INVESTMENT BANKING : BUSINESS INDICATORS

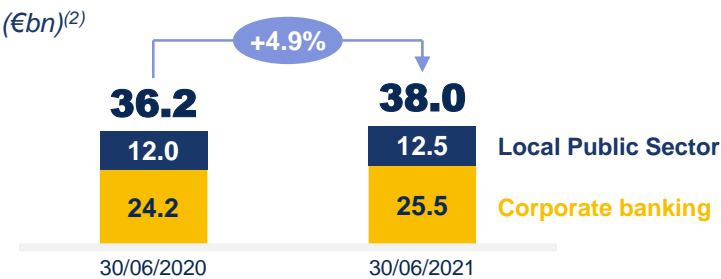
## Sharp rise in number of customers



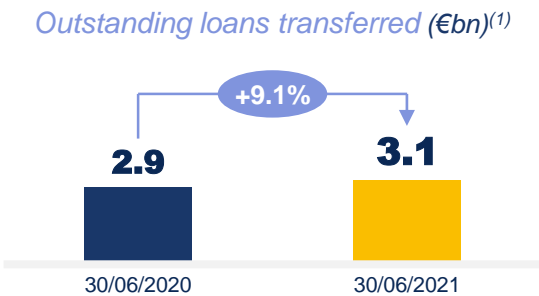
## Higher project finance volumes



## Expanded loan book



## Local Public Sector: an efficient OTD model<sup>(3)</sup>



+ Participation in 70 private and public placements in the corporate, financial and public sectors





# CORPORATE AND INVESTMENT BANKING

## FINANCIAL RESULTS

(€m)	H1 2020	H1 2021	% change
<b>Net banking income</b>	424	571	34.8%
Operating expenses	(299)	(312)	4.1%
<b>Gross operating profit</b>	124	259	x 2
<b>Cost of risk</b>	(133)	(71)	-46.8%
<b>Operating profit</b>	(8)	189	n/a
<b>Pre-tax profit</b>	(8)	189	n/a
<b>Attributable net profit</b>	(6)	135	n/a

- Strong growth in revenue from corporate banking (up 16%) and cash management services (up 16%), coupled with strong trading desk performance in a favourable financial market environment
- All customer segments contributed to revenue growth
- Positive contribution to attributable net profit of €135m (vs. negative contribution of €6m in 2020), supported by sustained growth in net banking income (up 35%) and significantly lower cost of risk vs H1 2020

# CORPORATE CENTRE

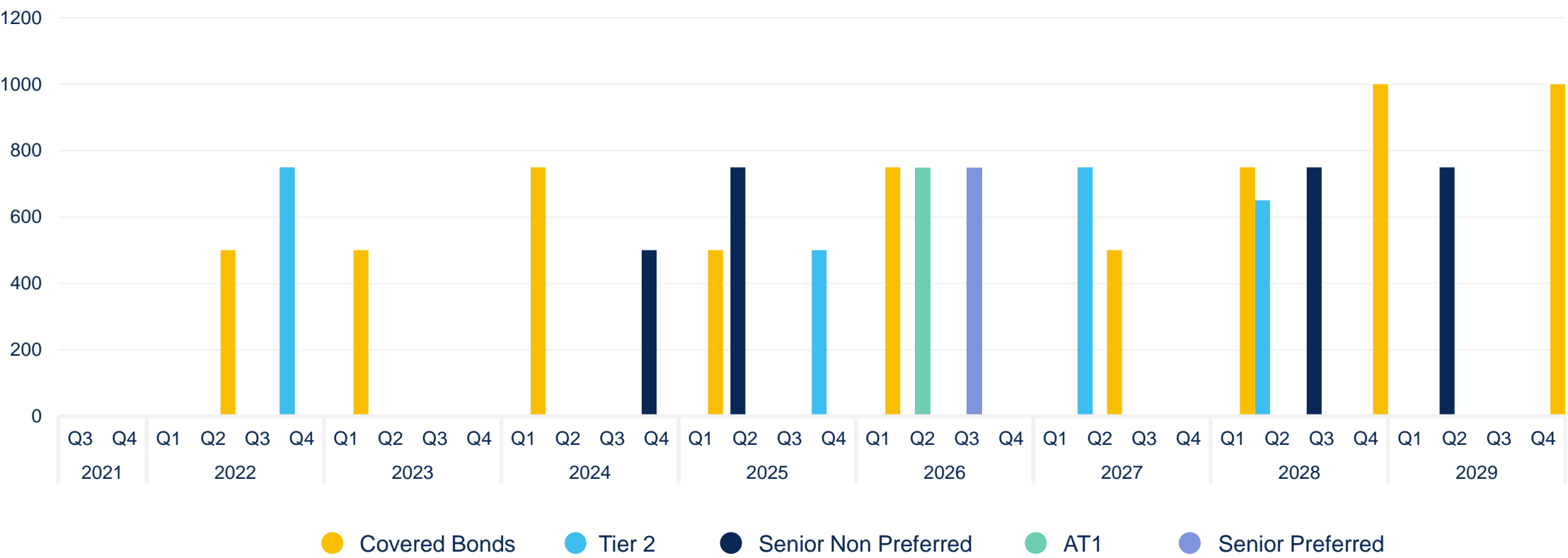
## FINANCIAL RESULTS

(€m)	H1 2020	H1 2021
<b>Net banking income</b>	175	(454)
Operating expenses	(81)	(212)
<b>Gross operating profit</b>	94	(666)
<b>Cost of risk</b>	(17)	0
<b>Operating profit</b>	77	(666)
<b>Changes in goodwill</b> (and gains/losses on other assets)	2,999	0
<b>Share of profits of equity-accounted companies</b>	594	0
<b>Pre-tax profit</b>	3,670	(666)
<b>Attributable net profit</b>	3,690	(336)

- First-time consolidation entries in 2020: €3,593m favourable impact on goodwill/gains and losses on other assets
- Reversals of purchase price allocations<sup>(1)</sup>: €157m unfavourable impact on attributable net profit, including unfavourable impacts of €305m on net banking income and €104m on general operating expenses, partly offset by favourable impacts on tax and non-controlling interests
- Single Resolution Fund (SRF)/Fonds de Garantie des Dépôts et de Résolution (FGDR) contributions of €61m in 2020 and €89m in 2021, included in general operating expenses
- ALM: methodological review in 2020
- Other

# DEBT MATURITY SCHEDULE

DEBT MATURITY SCHEDULE AT 30 JUNE 2021 - BENCHMARKS *(in € millions)*



# ALTERNATIVE PERFORMANCE MEASURES

## ARTICLE 223-1 OF THE AMF GENERAL REGULATION

Alternative Performance Measures	Definition and method of calculation
NBI excluding the effect of home savings account provisions	NBI restated for provisions or reversal of provisions for liabilities related to home savings accounts (PEL and CEL)
Operating expenses	Sum of operating expenses and net depreciation, amortisation and impairment of property, plant and equipment and intangible assets
Cost-income ratio	Operating expenses divided by NBI adjusted for accrued interest on non-performing loans
Cost of risk (in basis points)	Average retail banking credit risk costs for the quarter divided by outstanding loans at the beginning of each quarter

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