

CREATION OF A LEADING EUROPEAN BANCASSURANCE GROUP

- La Banque Postale and CNP Assurances link-up finalised
- Pro forma¹ combined net banking income of €9.2bn, pro forma total assets of €708bn, pro forma Tier 1 capital of €18.9bn

HIGHER EARNINGS, REFLECTING STRONG SALES MOMENTUM

- Net banking income: €5,647m² (up 1.4%)
- Operating expenses under control: €4,692m (up 1.7%)
- Low cost of risk: 15 bps³
- Pre-tax profit of €1,059m (up 1.9%); sharp increase in attributable net profit to €780m (up 7.5%)
- ROE⁴: 8.4%

A STRONGER CAPITAL BASE

- CET1 ratio: 12.2%
- €750m inaugural perpetual AT1 issue
- Estimated leverage ratio of 4.5%⁵ and LCR of 153%
- Ratings re-affirmed: A-/F1 Stable outlook (Fitch) and A/A-1 Positive outlook (S&P)

FASTER GROWTH ACROSS ALL BUSINESSES

- Retail banking: acquisition of the 35% of La Banque Postale Financement shares remaining
- Private banking: assets under management by BPE doubled in five years
- Insurance: memorandum of understanding covering the acquisition of the 35% of LBP Assurances IARD shares remaining
- Asset management: increased focus on conviction-based funds at LBPAM and partnership with the BPCE Group to create a shared insurance management platform

A DIGITAL AND HUMAN TRANSFORMATION

- Ma French Bank successfully launched in July 2019, with 122,000 customers at end-2019
- Digital offerings and services: 115 million visits per month to www.labanquepostale.fr and the app
- Process re-engineering programme and investments in innovation: €122 million in cost savings in operating activities in 2019 and €400 million worth of investments, including in finalising the new omnichannel banking base for unrivalled commercial reach

A UNIQUE COMMITMENT TO SUPPORTING INCLUSIVE BANKING, LOCAL COMMUNITIES, AND THE ENVIRONMENT

- 1.5 million people given access to banking services through the Livret A passbook savings account
- Capped fees: 1.6 million vulnerable customers concerned (out of France's estimated total of 3.3 million)
- The leading provider of banking services to local authorities: €5bn in new loans (up 61% vs 2018)
- Leadership position in sustainable finance applauded by the rating agencies LBPAM: 100%-SRI offer to be launched by end-2020; ranked no.1 in terms of number of government-labelled SRI funds; three SRI funds included in the European top five⁶

1 Post-CNP Assurances link-up, unaudited data

2 Net banking income before PEL/CEL effects: €5,579m (up 0.9%)

3 Calculated for Retail Banking loan book

4 ROE = Attributable net profit/Average attributable permanent own funds

5 Excluding savings transferred to CDC

6 Carbon Disclosure Project (CDP) Climetrics Fund awards, 25 February 2020

Rémy Weber, Chairman of the Executive Board of La Banque Postale, said: *“La Banque Postale is joining the top tier of European bancassurers by linking up with its partner, CNP Assurances. This is a major project, that will be completed in 2020. In an unfavourable environment, we met our financial commitments in 2019, reporting attributable net profit up 7.5%. While pursuing our transformation, we re-affirmed our commitments as a bank serving the best interests of the community by promoting inclusive banking, local presence and the environmental transition. With a stronger capital base, we enter 2020 with new growth ambitions.”*

CREATION OF A LEADING EUROPEAN BANCASSURANCE GROUP

The project to link together CNP Assurances and La Banque Postale is currently in progress. It will lead to the creation of a large European bancassurance group with total assets of €708 billion.

Under the project's terms, CNP Assurances will become a 62.1%-owned subsidiary of La Banque Postale and will be fully consolidated in the La Banque Postale's accounts.

By forging closer ties with its historical partner, La Banque Postale will be able to move up a gear in its development in the French and international insurance markets. The change of pace will be achieved by leveraging the organisation's enhanced marketing potential, greater innovation capabilities – especially in the pension savings segment – and advances in operating efficiency.

CNP Assurances, which will continue to be listed on the stock exchange, will benefit from a stronger shareholder base thanks to the new shareholders' agreement between La Banque Postale and Groupe BPCE covering the period until December 2030.

CNP Assurances will also enjoy the security of extended distribution partnerships in France with Groupe BPCE and La Banque Postale:

- exclusive partnership with Groupe BPCE, originally due to expire at the end of 2025 and extended until December 2030;
- exclusive partnership with La Banque Postale, due to expire at the end of 2022 with extension planned until December 2036.

FASTER GROWTH ACROSS ALL BUSINESSES

For the Retail Banking businesses, 2019 was shaped by major organic and external growth transactions, in both personal banking and business banking.

One such transaction was the acquisition of Société Générale's 35% interest in La Banque Postale's consumer finance subsidiary, La Banque Postale Financement. By becoming La Banque Postale's sole shareholder, the Group has strengthened its position in this strategic business.

In Private Banking, BPE – which was acquired in 2014 – enjoyed very strong business growth. Assets under management totalled €9.6 billion (representing an increase of 96% between 2014 and 2019⁷), net banking income grew 40%⁸ over the same period and operating profit rose 145%⁷. This performance illustrates the benefits of sharing La Poste's powerful network spanning the whole of France, with BPE corners in some post offices offering the same customer experience as a separate branch. It also demonstrates La Banque Postale's ability to meet the needs of a demanding clientele looking for expertise and responsiveness combined with a close local presence, and to offer these customers a comprehensive product line-up comprising a growing number of SRI options.

In Insurance, particularly in the non-life segment, La Banque Postale moved forward with its plan to develop an integrated model by signing a new partnership agreement with Groupama. La Banque Postale Assurances pursued its digital strategy with the introduction of full-online insurance underwriting processes and enhanced functionalities for all customers. In life insurance, La Banque Postale's share of CNP Assurances' profit (accounted for by the equity method) came to €276 million in 2019, an increase of 5%.

In Asset Management, La Banque Postale Asset Management launched several major strategic projects. These included a project to support its new ambitions in the area of conviction-based management (backed by growth funds such as high conviction equity funds, SRI funds and the Tocqueville brand). Another strategic goal concerned the creation of a European benchmark in constrained funds. And a project was also undertaken to develop a

⁷ Data concerning BPE only

technological service offer for institutional investors and asset managers, by combining the expertise of LBPAM and the BPCE Group on a single shared platform.

A DIGITAL AND HUMAN TRANSFORMATION

For all of the La Banque Postale's businesses, 2019 was another year of transformation.

Ma French Bank, La Banque Postale's digital bank launched on 22 July, had signed up 122,000 customers by the end of the year. Distributed mainly through the post office network, Ma French Bank meets the needs of young customers looking for a simple and attractive offer. It is aiming to attract over a million customers by 2025.

The Excellence 2020 process re-engineering programme was actively pursued during the year, generating €100 million in cost savings over three years, including €40 million in 2019 alone. These savings were achieved by automating many of the La Banque Postale's business processes and digitising customer transactions. The operational efficiency programme is continuing, with a new set of initiatives planned for the period to 2023.

The business transformation plan is firmly rooted in La Banque Postale's values. In line with its commitment towards employees, La Banque Postale has adopted a change management approach based on training (its dedicated banking school *Ecole de Banque et du Réseau* provided a total of 314,262 days' training in 2019), the use of digital technology to improve employees' working tools (for example, AI-based data analysis helps financial advisors to anticipate customers' needs depending on the stage in their lives) and extensive rollout of learning systems.

A UNIQUE COMMITMENT TO SUPPORTING INCLUSIVE BANKING, LOCAL COMMUNITIES, AND THE ENVIRONMENT

As a bank dedicated to serving the community, La Banque Postale honours its commitments by offering banking services to 1.6 million financially vulnerable customers, representing nearly half of the 3.3 million people identified as being in this situation in France by the Banque de France's *Observatoire de l'Inclusion Bancaire* (OIB) in its most recent report.

In line with the commitment given by the La Banque Postale, the "Simplicité" account formula specially developed for these customers features a cap on bank incident fees of €20 per month and €200 per year. As of 31 December 2019, 112,400 customers had "Simplicité" accounts, up 41% compared with end-2017. For financially vulnerable customers who choose not to open a "Simplicité" account, bank incident fees have been capped at €25 per month since 1 January 2019.

La Banque Postale also fully assumes its public service mission of providing access to banking services through the Livret A passbook savings account, by offering basic banking services free of charge to over 1.5 million people who have been denied access to service by other banks. Its action in this area was recognised by the CCSF⁸ in a report dated 10 December 2019 recommending (by a unanimous vote of its members) that the programme should be rolled over to the period 2021-2026. In this report, the CCSF noted that the programme was *"a balanced response to the specific, practical needs expressed by a very specific category of the population, corresponding in some cases to people living in extreme poverty, who are not currently covered by other programmes providing access to banking services."*

La Banque Postale is contributing to the development of local communities, thanks to a deep network of 17,000 contact points, and fully plays its role as the banker of choice for all local public agencies. In 2019, local authority financing⁹ provided by the La Banque Postale increased by 61% to €5 billion, and financing for public hospitals was 19% higher at €566 million. These figures illustrate La Banque Postale's central role in financing local authorities and public hospitals, acting alongside Société de Financement Local (SFIL) under a partnership agreement that has been rolled over in advance until 2026.

8 Comité Consultatif du Secteur Financier

9 corresponding to loan offers signed by La Banque Postale

A pioneer in green and responsible finance, La Banque Postale has affirmed its leadership:

- In asset management, La Banque Postale Asset Management (LBPAM) is ***the only non-specialised manager committed to building a 100%-SRI offer by the end of 2020***. As of 31 December 2019, LBPAM was managing €137 billion worth of SRI funds, representing 60% of total assets under management. These funds have performed exceptionally well, in terms of both financial yields and ESG criteria. An international rating organisation ranked the LBPAM ISR Actions Euro, LBPAM ISR Actions Europe and LBPAM ISR Actions Environnement funds among the five best European funds in 2019 for the quality of the environmental policies of the companies in the portfolios. LBPAM was also the leading manager of government-labelled SRI funds as of 31 December 2019.
- La Banque Postale is the leading provider of bank financing to local authorities and since 2019 it has been offering green loans to these customers. These loans in turn represent eligible assets securing green bonds issued by SFIL, thereby squaring the virtuous financing circle.
- **La Banque Postale intends to become a regular issuer on the ESG bond market**, following the success of its inaugural €750 million green bond issue.
- The Corporate and Investment Banking division financed around €1 billion worth of renewable energy projects in 2019 and reaffirmed its internal ban on financing fossil fuel projects.
- La Banque Postale's business units have all been carbon neutral since 2018.

All of these efforts have been applauded by the ESG rating agencies.

La Banque Postale Group business activity and results

Consolidated income statement (in € millions):

Main items on the income statement	2019	2018	%
Net Banking Income	5,647	5,570	+1.4
Net Banking Income excl. PEL/CEL effect	5,579	5,528	+0.9
Operating expenses	4,692	4,615	+1.7
Gross operating profit	955	955	0.0
Cost of risk	178	183 ¹⁰	-2.6
Operating profit	777	772	+0.6
Share of profits of associates and joint ventures*	282	268	+5.2
Pre-tax profit	1,059	1,039	+1.9
Income tax	273	274	-0.3
Attributable net profit	780	726	+7.5
Cost/income ratio (%)	83.8	83.4	+0.3 points

*mainly CNP Assurances, and AEW for €6.2 million

Consolidated net banking income rose by 1.4% to €5,647 million, despite the persistently low interest rate environment. Excluding the PEL/CEL effect, the increase worked out at 0.9%. Adjusted for the €69 million impact of the cap on bank incident fees for vulnerable customers, net banking income was 2.6% higher at €5,716 million.

Adjusted for the costs incurred to support the integration of CNP Assurances, operating expenses amounted to €4,665 million, an increase of 1.1% that was due to the cost of measures to strengthen La Banque Postale's corporate units and IT spending to support business growth. The higher costs led to a 0.3-point increase in the cost/income ratio to 83.8%.

The cost of risk¹¹ decreased by 2.6% and remained at a very low level of €178 million. The ratio of cost of risk to Retail Banking outstanding loans stood at 15 bps, an increase of 1 point compared with 2018, reflecting La Banque Postale's prudent management.

Pre-tax profit was up 1.9% at €1,059 million. Attributable net profit came in at €780 million, an increase of 7.5% over 2018.

¹⁰ Including a €50 million provision for the penalty imposed by the banking supervisor (ACPR)

¹¹ Annualised cost of risk

La Banque Postale Group balance sheet and financial structure

The consolidated balance sheet total increased to €271.7 billion at 31 December 2019, from €245.2 billion at 31 December 2018, reflecting last year's 10.6% growth in outstanding loans to €102.4 billion.

La Banque Postale has a robust financial structure, with total regulatory own funds of €12.4 billion at 31 December 2019:

- the Common Equity Tier 1 ratio improved by 0.5 points over the year to 12.2%, following the conversion into shares in first-half 2019 of the €800 million in AT1 bonds held by La Poste;
- the Tier 1 ratio stood at 13.2% at end-2019, following the €750 million inaugural AT1 issue in November 2019;
- the total capital ratio was unchanged from 31 December 2018 at 16.2%;
- the leverage ratio, excluding savings funds centralised at the level of CDC, stood at 4.5%¹².

Based on the above, La Banque Postale's ROE¹³ was 8.4% at 31 December 2019.

La Banque Postale's liquidity position remains comfortable:

- the LCR at 31 December 2019 was 153% compared to 145% at 31 December 2018, up 8 points;
- the loan-to-deposit ratio increased by 3.6 points over the year to 90%, due to growth in La Banque Postale's lending activities.

During the year, the rating agencies re-affirmed the short- and long-term credit ratings of La Banque Postale which are, respectively, A-/F1 for Fitch with a Stable outlook and A/A-1 for S&P with a Positive outlook.

	Standard & Poor's	Fitch
Long-term rating	A	A-
Short-term rating	A-1	F1
Outlook	Positive	Stable
Ratings updated on	18 December 2019	10 October 2019

In 2019, La Banque Postale diversified its sources of financing by carrying out several benchmark inaugural issues. These included a senior non-preferred green bond issue due 2029, a senior preferred bond issue due 2026 and a perpetual AT1 issue. Each of these issues was least two times oversubscribed, illustrating La Banque Postale's attractiveness to a wide investor base.

¹² The leverage ratio calculated by applying the May 2019 decision of the European Central Bank (excluding 50% of the centralised savings funds) was 3.9%

¹³ ROE = Attributable net profit/Average attributable permanent own funds

Retail banking

(€ millions)	2019	2018	%
Net Banking Income	5,241	5,156	+1.6
Operating expenses	4,466	4,395	+1.6
Gross operating profit	775	762	+1.7
Cost of risk	178	183 ¹⁴	-2.3
Operating profit	596	579	+3.0

Solid financial results

The Retail Banking division reported net banking income of €5,241 million, up 1.6%. Restated for the home savings plan provision, net banking income came to €5,172 million, up 1.1%. Excluding the effect of the cap on bank incident fees for vulnerable customers (for €69 million), net banking income was 3% higher at €5,310 million. The net interest margin (including the home savings plan provision) increased by 6% in 2019.

Operating expenses for the Retail Banking business were up 1.6% at €4,466 million.

The cost of risk¹⁵ decreased by 2.3% to a very low level of €178 million. The ratio of cost of risk to Retail Banking outstanding loans stood at 15 bps, an increase of 1 point compared with 2018.

The operating profit of the Retail Banking business rose 3% to €596 million.

Strong growth in personal finance (+5.5%) and higher savings deposits (+3%)

Outstanding personal loans rose by 5.5% overall to €68.9 billion, including home loans for €63.8 billion (up 5.5% over the period) and €5.2 billion in consumer loans (up 5.2%).

Home loan originations totalled €12.4 billion over the year, an increase of 20.6%.

Consumer loan originations also continued to grow, rising 6% to €2.7 billion. Personal loans obtained on-line or via the remote platform remain at a high level and now represent 38% of total production.

The network's banking advisors successfully placed with Retail Banking customers €464 million worth of La Banque Postale EMTNs structured by the Corporate and Investment Banking division.

Outstanding deposits rose by 8.3% over the year to €71.1 billion. This increase concerned sight deposits by both personal banking customers (for €61.9 billion, up 6.1%) and businesses, which now total €9.2 billion (up 26.2%).

Life insurance outstandings increased by 2% to €126.7 billion. The sales momentum was good with the gross inflow of funds up 4.8% at €8.7 billion.

The Livret A regulated passbook savings account continued to be attractive in last year's persistently low interest rate environment. Savings invested in these accounts rose by 1.5% over the year to €61.5 billion. In all, customer deposits in regulated savings accounts (Livret A, Livret d'Epargne Populaire and Livret Développement Durable et Solidaire accounts) rose by a modest 0.8% to €82.7 billion at end-2019.

Total customer deposits in savings accounts grew by €9.6 billion or 3% over the year to €324.1 billion at 31 December 2019.

14 Including a €50 million provision for the fine imposed by the banking supervisor (ACPR)

15 Annualised cost of risk

Strong demand for wealth management services offered by BPE, La Banque Postale's private banking arm

In 2019, BPE strengthened its position as a provider of local private banking services, by leveraging the personalised wealth planning, wealth management, financial advisor-directed asset management, and financing expertise available in the 30 BPE branches and the 45 dedicated wealth management spaces in post offices. The engagement of its 400 employees (including 200 private bankers and 30 portfolio managers) helped to drive 14.9% growth in managed savings to over €9.6 billion. Loan originations also rose sharply (up 18%), lifting outstanding loans to €3.5 billion (up 12.3%) at 31 December 2019.

Rapid growth in lending to businesses

Commercial loan originations rose by 38% in 2019 to €37.3 billion, led by solid growth in factoring services (with €13 billion worth of invoices purchased versus €7 billion in 2018).

Outstanding loans also increased, to €33.4 billion at 31 December 2019 (up 23%). The total breaks down as follows: €23.2 billion in loans to businesses, very small enterprises and professionals (up 25.4%) and €10.2 billion in loans to the local public sector and social landlords (up 17.8%).

For its part, the Corporate and Investment Banking division provided some €1 billion in financing for renewable energy projects in 2019.

In all, loan outstandings increased by 10.6% to €102.4 billion.

Asset management

(€ millions)	2019	2018	%
Net Banking Income	155	153	+1.7
Operating expenses	93	93	+0.3
Gross operating profit	63	60	+3.7
Cost of risk	0	0	<i>n.m.</i>
Operating profit	63	60	+3.7

The asset management business ended the year with operating profit up 3.7%. The increase reflected growth in the carrying amount of assets under management (up 6.2% to €231.6 billion), led by the market effect corresponding for the most part to last year's strong stock market performances.

Operating expenses were stable (up 0.3%), despite the development costs incurred during the year and the cost of projects in progress in the asset management subsidiaries.

LBPAM, the only non-specialised manager committed to building a 100%-SRI offer by the end of 2020

LBPAM is following a three-pronged approach to its SRI strategy:

- the first step is to apply ESG screens to the manager's investment universe;
- the ESG criteria are then analysed using the proprietary GReAT model based on the LBPAM analysts' convictions rather than on stocks selected by the rating agencies;
- all funds included in the offer must be certified as SRI funds by France's Ministry of the Economy. Compliance with these rules and the quality of the management process are audited on site by an independent third party.

As of 31 December 2019, LBPAM was already managing €137 billion worth of SRI funds, representing 60% of its total assets under management. La Banque Postale has confirmed the objective of meeting the 100% SRI target by the end of 2020.

LBPAM's 100% SRI funds have performed exceptionally well, in terms of both financial yields and ESG criteria. An international rating organisation ranked the LBPAM ISR Actions Euro, LBPAM ISR Actions Europe and LBPAM ISR Actions Environnement funds among the five best European funds in 2019 for the quality of the environmental policies of the companies in the portfolios.

Insurance

(€ millions)	2019	2018	%	2019 pro forma	%
Net Banking Income	251	261	-4.0	299	+14.7
Operating expenses	133	128	+3.7	133	+3.7
Gross operating profit	118	133	-11.4	167	+25.2
Cost of risk	0	(1)	<i>n.m.</i>	0	<i>n.m.</i>
Operating profit	118	132	-11.0	167	+25.8

The Insurance division's contribution to net banking income contracted by 4% in 2019 to €251 million. Excluding non-recurring costs incurred for the acquisition of Groupama's minority interest in La Banque Postale Assurances IARD, the year-on-year change was a 14.7% increase to €299 million.

The insurance subsidiaries' operating expenses rose by 3.7% to €133 million, reflecting the full-year impact of opening two new customer relations centres.

Their contribution to operating profit, adjusted for non-recurring items, was 25.8% higher at €167 million.

Death/disability, Health and Property & Casualty subsidiaries:

The non-life business enjoyed strong momentum in 2019, thanks to the realignment of the product offer based on customers' changing needs, the digital transformation and action to streamline policy underwriting and administration processes:

- the portfolio of P&C insurance contracts (39% of the total portfolio) increased by 4% over the period to nearly 1,800,000 contracts at end-2019;
- the Health insurance portfolio (4% of the total portfolio) also increased by 4%, to over 200,000 contracts;
- the portfolio of death/disability insurance contracts (57% of the total portfolio) matched its prior-year performance for the product line-up, with some 2,700,000 contracts.

Life Insurance and Term Creditor Insurance:

La Banque Postale's life outstandings, covering policies sold through all of its distribution channels (LBP Personnes Physiques et Personnes Morales, BPE, EasyBourse), represented €126.7 billion at 31 December 2019. Linked liabilities accounted for 12.3% of the total versus 10.8% in 2018, reflecting the very favourable market effect and the net inflow of new money into unit-linked funds.

Outlook

In a difficult and uncertain environment shaped by very low interest rates, La Banque Postale intends to leverage its integrated and diversified business model to drive revenue growth.

In 2020, La Banque Postale will continue to grow all of its businesses:

- Retail Banking, through a strategy designed to win new personal banking, wealth management and business customers;
- Insurance, with the operational implementation of the integration of CNP Assurances;
- Asset Management, through an increased focus on conviction-based management and the creation of a joint venture combining the expertise of LBPAM and the BPCE Group to manage insurance assets.

La Banque Postale's sales momentum, combined with its operational efficiency and cost containment programmes, will help to drive growth in attributable net profit and ROE, while keeping risk management at the top of the agenda.

APPENDICES

2019 consolidated income statement

(€ thousands)	2019	2018 restated*	2018 reported
Interest income	4,257,821	4,110,211	4,068,096
Interest expense	(1,919,914)	(1,840,295)	(1,840,295)
Fee and commission income	2,655,085	2,732,244	2,689,251
Fee and commission expense	(316,478)	(287,386)	(225,378)
Net gains and losses on financial instruments at fair value through profit or loss	110,278	26,591	25,419
Net gains and losses on financial instruments at fair value through other comprehensive income	125,705	340,716	341,760
Net gains or losses resulting from the derecognition of financial assets at amortised cost	321,934	-	-
Net gains or losses resulting from the reclassification of financial assets from amortised cost to fair value through profit or loss	-	-	-
Gains or losses resulting from the reclassification of financial assets from fair value through other comprehensive income to fair value through profit or loss	-	-	-
Net income from insurance activities			415,299
Income from other activities	1,343,562	1,229,474	259,856
Expenses from other activities	(910,303)	(756,643)	(179,096)
Impacts of the overlay approach (gross impact)	(20,581)	15,023	15,023
NET BANKING INCOME	5,647,109	5,569,936	5,569,936
General operating expenses	(4,440,566)	(4,418,494)	(4,418,494)
Net depreciation and amortisation and impairment of property, plant and equipment and intangible assets	(251,440)	(196,516)	(196,516)
GROSS OPERATING PROFIT	955,103	954,926	954,926
Cost of risk	(178,456)	(133,183)	(133,183)
Cost of the ACPR penalty	-	(50,000)	(50,000)
OPERATING PROFIT	776,647	771,743	771,743
Share of profits of associates and joint ventures	282,171	268,227	268,227
Net gains and losses on other assets	(159)	(637)	(637)
Changes in the value of goodwill	-	-	-
PRE-TAX PROFIT	1,058,659	1,039,333	1,039,333
Income tax	(272,908)	(273,690)	(273,690)
NET PROFIT	785,751	765,643	765,643
Non-controlling interests	5,301	39,735	39,735
ATTRIBUTABLE NET PROFIT	780,451	725,908	725,908

*In application of ANC recommendation No. 2017.02 of 2 June 2017, La Banque Postale has opted to no longer present its insurance activities as separate items on the balance sheet and income statement

2019 consolidated balance sheet

(€ thousands)

	31.12.2019	31.12.2018 Restated*	31.12.2018 Reported
ASSETS			
Cash, central banks	22,412,492	2,006,794	2,006,794
Financial assets at fair value through profit or loss	10,904,637	10,618,753	10,238,167
Hedging derivatives	1,487,805	1,159,300	1,159,300
Financial assets at fair value through other comprehensive income	15,058,569	15,996,897	13,864,449
Securities at amortised cost	28,068,011	23,581,891	23,581,891
Loans and receivables due from credit institutions at amortised cost	70,634,790	87,351,923	87,351,923
Loans and receivables due from customers at amortised cost	113,628,165	95,735,985	95,735,985
Revaluation differences on portfolios hedged against interest rate risks	206,913	81,915	81,915
Investments of insurance companies and reinsurers' share of technical reserves			2,810,350
Current tax assets	363,529	343,672	343,672
Deferred tax assets	223,126	234,580	234,580
Accruals and other assets	3,314,224	3,278,561	2,981,245
Investments accounted for using the equity method	3,592,212	3,266,820	3,266,820
Property, plant and equipment	791,898	638,447	638,447
Intangible assets	836,210	745,188	745,188
Goodwill	160,227	160,227	160,227
TOTAL ASSETS	271,682,809	245,200,953	245,200,953
	-	-	-
EQUITY AND LIABILITIES			
	-	-	-
Central bank deposits	-	-	-
Financial liabilities at fair value through profit or loss	1,587,291	809,214	809,214
Hedging derivatives	590,675	347,654	347,654
Deposits by banks	30,714,912	18,877,248	18,877,248
Deposits by customers	191,015,741	185,810,952	185,810,952
Debt securities	23,739,111	16,933,918	16,933,918
Revaluation differences on portfolios hedged against interest rate risks	838,638	742,855	742,855
Current tax liabilities	12,514	17,758	17,758
Deferred tax liabilities	142,305	105,564	105,564
Accruals and other liabilities	5,272,413	5,059,790	5,059,790
Insurance company technical reserves and shadow accounting reserves	2,552,048	2,479,619	2,479,619
Provisions	337,265	468,767	468,767
Subordinated debt	3,096,919	3,879,757	3,879,757
EQUITY	11,782,976	9,667,857	9,667,857
Non-controlling interests	76,297	119,112	119,112
Attributable equity	11,706,679	9,548,745	9,548,745
Share capital	4,631,654	4,046,408	4,046,408
Reserves and retained earnings	5,482,618	4,305,756	4,305,756
Gains and losses recognised directly in equity	811,955	470,672	470,672
Attributable net profit	780,451	725,908	725,908
Total Equity and Liabilities	271,682,809	245,200,953	245,200,953

*In application of ANC recommendation No. 2017.02 of 2 June 2017, La Banque Postale has opted to no longer present its insurance activities as separate items on the balance sheet and income statement

2019 net profit by business segment (excluding the remuneration cost of own funds for each segment)

(€ thousands)	Retail banking	Insurance	Asset management	Total
NET BANKING INCOME	5,241,028	250,607	155,474	5,647,109
General operating expenses	(4,227,008)	(125,261)	(88,297)	(4,440,566)
Net depreciation and amortisation and impairment of property, plant and equipment and intangible assets	(239,448)	(7,454)	(4,538)	(251,440)
GROSS OPERATING PROFIT	774,572	117,892	62,639	955,103
Cost of risk	(178,454)	(2)	0	(178,456)
OPERATING PROFIT	596,118	117,890	62,639	776,647
Share of profits of associates and joint ventures	0	276,016	6,155	282,171
Net gains and losses on other assets	(149)	(10)	0	(159)
Changes in the value of goodwill	0	0	0	0
PRE-TAX PROFIT	595,969	393,896	68,794	1,058,659
Income tax	(212,097)	(39,678)	(21,133)	(272,908)
NET PROFIT	383,872	354,219	47,661	785,751
Non-controlling interests	1,061	(8,216)	12,455	5,301
ATTRIBUTABLE NET PROFIT	382,811	362,434	35,206	780,451

2018 net profit by business segment (excluding the remuneration cost of own funds for each segment)

(€ thousands)	Retail banking	Insurance	Asset management	Total
NET BANKING INCOME	5,156,034	260,985	152,917	5,569,936
General operating expenses	(4,206,059)	(123,588)	(88,847)	(4,418,494)
Net depreciation and amortisation and impairment of property, plant and equipment and intangible assets	(188,471)	(4,379)	(3,666)	(196,516)
GROSS OPERATING PROFIT	761,504	133,018	60,404	954,926
Cost of risk	(132,637)	(546)	0	(133,183)
Cost of the ACPR penalty	(50,000)	0	0	(50,000)
OPERATING PROFIT	578,867	132,472	60,404	771,743
Share of profits of associates and joint ventures	0	262,859	5,368	268,227
Net gains and losses on other assets	(637)	0	0	(637)
Changes in the value of goodwill	0	0	0	0
PRE-TAX PROFIT	578,230	395,331	65,772	1,039,333
Income tax	(210,636)	(41,821)	(21,233)	(273,690)
NET PROFIT	367,594	353,510	44,539	765,643
Non-controlling interests	27,758	576	11,401	39,735
ATTRIBUTABLE NET PROFIT	339,836	352,934	33,138	725,908

Alternative performance indicators – Article 223-1 of the AMF General Regulation

API	DEFINITION/CALCULATION METHOD
NBI excluding the home savings plan 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

La Banque Postale's Supervisory Board, meeting under the chairmanship of Philippe Wahl on 26 February 2020, examined the audited 2019 consolidated financial statements, approved by the Executive Board of La Banque Postale and presented by its Chairman Rémy Weber.

La Banque Postale's financial information for 2019 is presented in this press release. More detailed information will be provided in the Universal Registration Document, which will be published on the Bank's website

www.labanquepostale.com

About La Banque Postale

La Banque Postale, a subsidiary of the La Poste group, operates in the retail banking, insurance and asset management markets. As a bank whose mission is to work in the best interest of the community, it supports its customers by offering a sustainable banking relationship with a comprehensive range of reasonably priced and accessible products and services. As a local bank providing a public service, La Banque Postale meets the needs of each and all: private individuals, businesses, professionals and the local public sector. It serves its customers through the Post Office network, on-line and over the telephone as part of a fully multi-channel relationship.

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