

TRADING UPDATE



Paris, 5 October 2023

On track to finalize the acquisition of HSBC retail banking activities on 1st of January 2023. The commercial activities of the specialised bank remained purposely limited pending gradual recovery of profitability in an increasing rates environment.

Key highlights

- Choice to keep a limited commercial activity in the first half of 2023 (originations down 65% vs H1 2022) to protect profitability and ensure proper capital allocation, with a recovery expected in the second half of 2023 as usury rates increase
- Originations will remain strictly restricted in Professional Mortgages to protect the franchise in an environment which will remain fragile in the quarters to come
- €(73)m Profit before Tax, in line with expectations, impacted by CCF Project (€26m), Banque des Caraïbes simplification costs (€13m) and a prudent provisioning on Professional Mortgages / legacy book (€26m)
- Increase of NPLs (4.4% NPL ratio at end June 2023, vs 3.7% at YE 2022), driven by Professional Mortgages & non-core legacy portfolio, with a high provisioning of NPLs (45%)
- Maintained strong solvency (280 bps buffer above capital requirements) & liquidity (€1.5bn liquidity capacity, equivalent to 18% of balance sheet)
- Revised terms and adjusted scope agreed with HSBC in June 2023 for the acquisition of its French retail banking activities (CCF Project). €7bn home loans retained by HSBC and replaced with cash in transferring perimeter. Acquisition closing expected on 1 January 2024
- Decision to simplify Group's retail banking activities in the Caribbean (Banque des Caraïbes)
- Strong Shareholder support, fully committed to long-term development, with €58m additional capital injection completed in September 2023 to fund CCF Project investments

Statement of the CEO, Niccolò Ubertalli:

« The first half of 2023 was marked by two strategic developments for My Money Group. In June, the Group found an agreement with HSBC to revise the terms of the acquisition of HSBC's French retail banking activities ("CCF Project"). This was a necessary step to obtain the regulatory approvals, maintain a high solvency of our Group on the long run, and allows both parties to target a closing of this acquisition on 1 January 2024. In parallel, the Group decided to simplify Banque des Caraïbes' activities, with the aim to optimize efficiency and focus on delivering its strategic plan in mainland France with the CCF Project. We launched a voluntary departure plan offered to all our employees locally, which was broadly accepted in July (89% take-up rate). In addition, we developed a partnership with LCL to best support our clients during this transition.

In our core activities, we have elected to remain prudent in a rising rates environment, by slowing the pace of originations (origination down 65% YoY in H1 2023). We are restarting originations gradually in the second half of 2023 as we recover our margins following the rise in usury rates. One notable exception to this is our Professional Mortgages business, where we will continue to strictly restrict new business as the market outlook remains uncertain for the professional real estate sector.

Our priority remains to maintain a very strong balance sheet, particularly as we prepare for CCF integration while navigating economic headwinds. We maintain a high liquidity (>15% of balance sheet) and capital buffers well above our regulatory requirements and have conservatively added €25m of credit risk provisions in H1 2023 to reflect persisting uncertainties driven by the inflationary environment.

We are now in the final stretch of the CCF acquisition process and are targeting a close on 1st of January 2024. With this goal in mind, we are working very closely with the regulators on obtaining the final necessary approvals. We have also made significant progress with our partner Arkéa Banking Services to prepare the day one migration of customers and operations, with successive tests already successfully completed. In parallel, we continue preparing the future successes of CCF, by deploying specific programmes to on-board our future colleagues, and by developing an attractive suite of products & services offering to our client base. Carrying out this exceptional project, we can count on the full support of our Shareholder and the outstanding commitment of our employees and partners. »

Key performance indicators :

	H1 2023	H1 2022
Net Banking Income	€121m	€126m
Receivables – My Money Bank	€5,222m	€5,484m
Receivables – French overseas territories	€1,517m	€1,542m
Cost of risk	103 bps	31 bps
Profit before Tax - Specialty Finance	€(26)m	€26m
CET1 Ratio	13.0%	14.4%
Total Capital Ratio	17.0%	18.4%

About My Money Group

My Money Group is an independent French banking group, focused on consumer finance (including credit consolidation, auto financing, and deposits) as well as specialised lending to commercial clients (commercial real estate, auto & equipment financing). My Money Group operates in mainland France and in French Overseas Territories. It has its head-office in Paris, an operational centre of excellence in Nantes and franchises in French Guyana, Martinique, Guadeloupe (Somafi-Soguafi and Banque des Caraïbes) and La Reunion (Sorefi).

My Money Group's Investor Relations website contains additional financial information for investors.