



Press release
Paris, 1st October 2021

Four years after its launch, Orange continues to develop Orange Bank

To strengthen the development of Orange Bank, Orange is continuing to invest in its bank. A 230 million euro increase in capital will speed up the growth projects envisaged in the bank's strategic plan. The Group has also reached an agreement with its historic partner, Groupama, to buy its 21.7% stake while maintaining the excellent commercial relationship.

With 1.6 million customers in France and Spain¹, Orange Bank is now one of the top five neobanks in France after just four years of existence. This success continues to build with over 40,000 new customers every month and over 1 billion euros in loans to be extended by the end of the year. What's more, while the majority of neobanks have continued to deploy a free-to-use model, over 90% of new Orange Bank customers subscribe to a billed service.

These figures also reflect the success of the strategy for convergence between telecoms and financial services, which has been pursued from the initial launch of the bank. For example, in France, the average spending per customer who has also subscribed to an Orange Bank payment facility has doubled. In addition, thanks to the Group's distribution network, for every 100 sales linked to mobile telephony, 35 banking sales are made. In Spain, the attrition rate of Orange customers who have subscribed to the Orange Bank offer has halved.

Finally, in financial terms, Orange Bank should significantly reduce its losses in 2021 thanks to an increase in NBI (Net Banking Income), up 57% in H1 2021 compared with H1 2020, and decreased management costs owing to investments in the bank's processes over the past three years. As such, the management costs per customer have gone down by 35% since 2018. This trajectory - which includes substantial investments to create a new, modern, digital bank in line with Orange customers' expectations - was planned from the outset. The rate at which the bank is moving towards breakeven is comparable, or faster, than that of its peers in the neobanking industry.

Building on this success, Orange has decided to accelerate the development of Orange Bank. To do so, the bank will continue to invest in its platform to maintain its technological edge. New activities will be developed in partnership with the best fintechs: after acquiring Anytime to address the Professional/SME sector and signing a strategic partnership with Younited for credit, a tender process is in progress for new insurance offers.

The closing of this transaction is subject to the usual approvals. The value of the deal remains confidential. Groupama will however remain a major commercial partner having extended the exclusivity granted to Orange Bank for everyday banking and consumer credit until 2028.

¹ Made up of 800k banking customers and 800k insurance customers.

Paul de Leusse, Chief Executive Officer of Orange Bank said " *We would like to thank Groupama for its commitment to Orange Bank's success. We are now speeding up our industrial and geographic development strategy for a bank that is inherently designed to be accessible to everyone and used over the mobile phone. This new ambitious phase, which reflects the Orange Group's fundamental values, will give rise to a new advertising slogan that will be revealed on Sunday on TV and digital channels.*"

" *We wish Orange Bank every success with its new strategic development plan,*" said Thierry Martel, Chief Executive Officer of Groupama. "*We appreciate the partnership we have built over the years with Orange Bank and are determined to continue to work together in the years to come.*"

About Orange

Orange is one of the world's leading telecommunications carriers with a turnover of €42.3 billion in 2020 and 139,000 employees as at June 30, 2021, of whom 80,000 are in France. The Group has a total customer base of 263 million customers worldwide at Wednesday, June 30, 2021, including 218 million mobile customers and 22 million fixed broadband customers. The Group is present in 26 countries. Orange is also a leading provider of global IT and telecommunication services to multinational companies, under the brand Orange Business Services. In December 2019, the Group presented its new 'Engage 2025' strategic plan, which, guided by social and environmental accountability, aims to reinvent its operator model. While accelerating in growth areas and placing data and AI at the heart of its innovation model, the Group will be an attractive and responsible employer, adapted to emerging professions.

Orange is listed on Euronext Paris (symbol ORA) and on the New York Stock Exchange (symbol ORAN).

For more information on the internet and on your mobile: www.orange.com, www.orange-business.com or to follow us on Twitter: [@orangegrouppr](https://twitter.com/orangegrouppr).

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