



**PRESS RELEASE**  
Paris, 25 February 2016

## LA BANQUE POSTALE'S 2015 RESULTS AND BUSINESS ACTIVITY

### Income grows in a context of persistently low interest rates

- Net banking income: **€5,745 million (+1.3%)**
- Operating expenses: **€4,693 million (+0.4%)**  
i.e. a 0.6 point improvement in the cost-to-income ratio
- Cost of risk: **€181 million, i.e. a cost of credit risk related to loans outstanding stable at 23 bps**
- Profit before tax: **€1,094 million (+5.5%)**
- Net profit - Group share: **€707 million (+4.4%)**

### A sound balance sheet: reinforced solvency and comfortable liquidity position

- **Common Equity Tier 1** ratio of 13.2%<sup>1</sup>
- **Global solvency** ratio of 18.7% via the Tier 2 issue of €750 million completed in November 2015
- **Estimated leverage** ratio of 5.2%<sup>2</sup>
- **Estimated LCR** of 218%, much higher than regulatory requirements

### Continued commercial momentum

- Production of **home loans up +43%**
- Production of **loans to companies and local authorities up +34%**
- Production of **consumer credits up +7%**
- Production of policies other than life-insurance: **more than 900,000 new contracts**
- Outstanding sight deposits **up +7.2%**
- Outstanding home savings **up +8.3%**
- Outstanding Livret A passbook savings **down -4%**

<sup>1</sup>Phased-in CRDIV-CRR. The fully loaded ratio is estimated at 14.2%.

<sup>2</sup>Taking into account the Delegated Act published by the European Commission on 10 October 2014 concerning the treatment of savings centralised at the Caisse des Dépôts et Consignations (French deposit and consignment Office) subject to authorisation by the European Central Bank. Excluding the Delegated Act, 3.5%.

Rémy Weber, Chairman of La Banque Postale Executive Board, today presented the results and business activity for 2015.

## 2015 Highlights

In a persistent context of historically low interest rates, the net banking income stood at €5,745 million, up 1.3%. The continuing efforts on operating expenses resulted in a 0.6 point improvement in the cost-to-income ratio to 82.1%. Profit before tax reached €1,094 million, up 5.5%.

Commercial activity in the individual customer market grew substantially, with the production of home loans up 43% to €12.8 billion (Sofiap and BPE loans included) and consumer credits up 7% to €2.3 billion. La Banque Postale relied on a base of 10.8 million active customers, with an increasing customer equipment rate, including more than 587,000 high net-worth customers (+20,000 customers compared to 2014). Ordinary savings outstanding dropped 3.5% as a result of the decrease in the Livret A passbook savings account return, while outstanding sight deposits and home Loans increased by +7.2% and +8.3% respectively.

La Banque Postale's intent to develop its high net-worth clientele was put into effect through the creation of a dedicated unit and then through the merger of the BPE and La Banque Postale Gestion Privée subsidiaries in November, thereby making it possible to implement a dedicated organisation and a comprehensive package of products and services dedicated to this clientele.

The objective of La Banque Postale is to become a leading bank for the corporate clientele, as it already is for the local public sector. This strategy bore fruit in 2015 with a +34% increase in new loans in these segments amounting to €12.1 billion, including €6.7 billion of medium/long-term loans. In the corporate sector alone, lending almost doubled to €5.3 billion.

The Insurance business line was marked by the commercial momentum of the P&C insurance and health insurance subsidiaries, whose policy portfolios increased +19% and +29% respectively. The portfolio of health insurance policies benefited in particular from the positive impact of the long-term disability insurance product "Assurance Coups Durs Santé". 2015 was also marked by the launch of a new collective health insurance product range designed to cover the needs of very small businesses and SMEs, and the creation of a product that meets the needs of the beneficiaries of ACS (*Aide à la Complémentaire Santé*, French complementary health insurance acquisition assistance system) adopted by the Ministry of Health following its invitation to tender. The work related to the Solvency 2 regulations continued throughout the year in the insurance subsidiaries, in preparation for its taking effect on 1 January 2016.

Finally, at the end of the year, La Banque Postale announced the signature of a preliminary memorandum of understanding with CNP Assurances, renewing their distribution partnership through 2026 and expanding it to BPE, and implementing, for new contracts, a direct partnership for collective borrowers insurance for home loans. Furthermore, this agreement provides for La Banque Postale to purchase CNP's stake in La Banque Postale Prévoyance, which keeps the personal risk insurance activities. La Banque Postale thus completes the creation of its non-life insurance business line.

The Asset Management business line experienced a year of profound transformation: La Banque Postale developed its management expertise aimed at its entire client base: private individuals and legal entities, institutions and major corporate accounts, CGPI (independent financial planners), distributor networks and mutual insurance companies. To do this, it entered into new partnerships. New diversified and international fund products were implemented as part of the partnership with Aegon, which resulted in Aegon acquiring a minority 25% stake in La Banque Postale Asset Management. The Group's SRI range<sup>3</sup> was also strengthened by the partnership with Fédéris Gestion d'Actifs, which saw Malakoff-Médéric acquire a 5% stake in La Banque Postale Asset Management's capital. The newly formed group should consolidate its position as the 5<sup>th</sup> leading player in the French market with a volume of more than €177 billion of assets under management.

In the area of commercial organisation, for the past 18 months La Banque Postale has been actively reorganising its network managerial structure for a simpler, more efficient way of serving its customers. The first step in this process involved merging La Banque Postale and La Poste Network commercial management lines in 2014.

This vast reorganisation was completed on 2 January 2016 with the appointment of 1,600 Sector Directors. This new step in empowering field banking sales forces, which is decisive for accelerating commercial development, is supported by an ambitious banking and managerial skills development initiative. Consequently, the Ecole de la Banque et du Réseau or EBR (banking and network school) has developed training courses tailored to the requirements of the new professions, available to Group employees. In 2015, more than 2 500 employees of La Banque Postale, financial services and subsidiaries were trained, reflecting an unprecedented support drive.

## La Banque Postale Group's business activities and results

In 2015, La Banque Postale recorded a year of well-focused business, reflected by an increase in operating profit.

<b>Consolidated income statement (€ millions)</b>			
<b>Main lines of the income statement</b>	<b>2015</b>	<b>2014</b>	<b>%</b>
Net banking income	5,745	5,673	1.3%
Operating expenses	-4,693	-4,672	0.4%
Gross operating profit	1,052	1,001	5.1%
Cost of risk	-181	-163	11.0%
Operating profit	871	838	4.0%
Equity associate CNP	207	199	3.9%
Profit before tax	1,094	1,037	5.5%
Tax	350	335	4.6%
<b>Net profit - Group share</b>	<b>707</b>	<b>677</b>	<b>4.4%</b>
Cost-to-income ratio	82.1%	82.7%	- 0.6 point

The consolidated net banking income (NBI) amounted to €5,745 million, up 1.3% compared to 2014. Excluding the home-savings provision effect<sup>4</sup>, it increased 0.1%<sup>5</sup>.

<sup>3</sup>Socially Responsible Investment

<sup>4</sup> €131.9 million in 2014 and €63.5 million in 2015

<sup>5</sup> Scope effect of €29.6 million (Ciloger, Fédéris and Sofiap)

In a context of historically low interest rates, which is unfavourable to the bank, La Banque Postale accelerated its development in new markets in 2015, with consumer credits up +12.9% and loans outstanding to legal entities (local public sector, businesses and professionals) up +50.4%.

Retail Banking NBI increased by +0.5%. It was impacted by the negative variation in the net interest income linked to the drop in interest rates.<sup>6</sup>

Insurance subsidiaries' NBI grew 4.3% to €186 million. Restated for the reclassification of past due accounts on P&C and health insurance activities in 2014, it was up 11%, evidence of the commercial momentum of P&C and health insurance and of the growth in the personal risk business.

Asset management subsidiaries' NBI grew 32.4% to €144 million.<sup>7</sup> It was supported by the successful launch and scale-up of new funds at La Banque Postale Asset Management and Tocqueville Finance and by the positive market effects and performance.

<b>Net banking income (€ millions)</b>	<b>2015</b>	<b>2014<sup>8</sup></b>	<b>%</b>
<b>Retail Banking and Private Banking</b>	5,415	5,386	0.5%
<b>Asset Management</b>	144	109	32.4%
<b>Insurance</b>	186	178	4.3%
<b>Total</b>	<b>5,745</b>	<b>5,673</b>	<b>1.3%</b>

The Group's operating expenses reached €4,693 million, up 0.4%<sup>9</sup>. They were marked by a decrease in La Banque Postale's expenses (-0.5%) while subsidiaries' expenses increased (+15%) due to the development of their activities.

The cost-to-income ratio improved 0.6 point to reach 82.1%.

The gross operating profit amounted to €1,052 million, an increase of 5.1%. This includes the aforementioned scope effects.

The cost of risk amounted to €181 million, up €18 million<sup>10</sup>. This rise is explained both by the increase in outstandings and by the strengthening of the risk coverage, consistent with the prudent rules applied by the Group. The cost of credit risk related to outstandings remains low at 23 basis points, stable vis-à-vis 2014.

The share of profit of the equity associate CNP grew 3.9% to €207 million.

Overall, profit before tax was up 5.5% to €1,094 million. It includes revenue of €16.8 million related to the Ciloger acquisition.

The Group's net profit amounted to €707 million, an increase of 4.4%.

<sup>6</sup>Scope effect of €9.3 million (Sofiap)

<sup>7</sup>Scope effect of €20.3 million (Ciloger and Fédérés)

<sup>8</sup> La Banque Postale Gestion Privée's activities were transferred from the Asset Management business line to Retail Banking and Private Banking

<sup>9</sup>Scope effect of €18.9 million (Ciloger, Fédérés and Sofiap)

<sup>10</sup>Restated for the reclassification of past due accounts on P&C and health insurance activities in 2014, it increased by €29 million. It includes a scope effect of €1.8 million (Sofiap)

## Retail Banking and Private Banking

In 2015, the activity of the Retail Banking and Private Banking business line was marked by ongoing historically low interest rates.

<b>Retail banking (€ millions)</b>	<b>2015</b>	<b>2014<sup>11</sup></b>	<b>%</b>
Net banking income	5,415	5,386	0.5%
Operating expenses	-4,519	-4,518	0%
Gross operating profit	895	868	3.1%
Cost of risk	181	152	18.7%
Operating profit	715	716	-0.2%

### Individual customers business results

#### Growth in customer equipment

La Banque Postale relies now on a base of 10.8 million active customers, including more than 8.6 million primary banking customers and 587,000 high net-worth customers.

The overall customer equipment rate increased over the year: the rate of packaged equipment increased 1.5 points to 58.8% and the card rate increased 1.2 points to 68.8%. There were 8 million payment cards at 31 December 2015 in the private individuals segment alone (+1.6%). 863,000 new account packages, combining cards and services when a current account is opened, were recorded during the year.

#### Increase in outstanding sight deposits and home savings

Liquid investments, penalised by the level of interest rates, continued to sustain withdrawals in favour of medium/long-term investments with a more advantageous tax framework or with a still attractive return. The virtually zero inflation context and very low interest rates favour growth in sight deposits. Outstanding home savings rose 8.3% to €30.6 billion, thanks to the PEL (Home Savings Plan), whose return remains very attractive in spite of the drop in the customer rate to 2% at 1 February 2015.

The Livret A passbook savings account, whose return was decreased to 0.75% at 1 August 2015, decreased by 4.6%, reducing its outstanding position to €58.5 billion.

Overall and in spite of an unfavourable context, outstanding savings (balance sheet and off balance sheet) increased 2.1% to €305.6 billion.

The outstanding sight deposits of La Banque Postale's individual customers rose nearly 6% to €48.9 billion.

<sup>11</sup>La Banque Postale Gestion Privée's activities were transferred from the Asset Management business line to Retail Banking and Private Banking

## Growth in mutual funds and life insurance assets

Mutual funds assets<sup>12</sup> benefited from market growth, increasing +5.8% to €13.4 billion. Money market mutual funds sustained net withdrawals of €0.9 billion over the year.

Life insurance assets reached €125.2 billion at the end of 2015, up +1.7%. The cumulative share of units of account in new life insurance gross inflows continued to progress from 16.4% at the end of 2014 to 18.1%.

## Credit activities continued to grow

La Banque Postale continued to help its customers finance their projects. Consumer loans outstanding rose 2% to €59.4 billion.

New housing loans rebounded in 2015, driven by a high volume of external loan redemptions encouraged by very low interest rates. New home loans increased 43% to €12.8 billion (including BPE and Sofiap home loans), marked by a high rate of redemptions and renegotiations. New social home ownership (PAS) loans reached nearly €2.2 billion, representing a 67% increase from the end of 2014. Home loans outstanding rose 1.2% to €54.1 billion.

Consumer credit, managed by La Banque Postale Financement, was very successful. €2.3 billion of new consumer loans were issued (+7% compared to 2014). They break down into more than €2.1 billion of personal loans and €132 million of renewable credits. Loans outstanding increased 12.9%, reaching €4.5 billion.

## Private banking business results

Private banking, the result of the merger of La Banque Postale Gestion Privée and BPE, posted a year of commercial growth, marked by the arrival of 20 wealth management advisers and engineers in the 33 BPE branches.

The discretionary management activity posted new cash inflows of €990 million, after record cash inflows of €1.015 billion in 2014, driven by the growth in life insurance mandates and the increase in the main stock market indexes (CAC 40 +8.5% and EuroStoxx 50 +3.8%). These effects combined to grow managed assets nearly 25% to more than €3.3 billion.

The banking activity was marked by the conquest of new high net-worth customers, taking the subsidiary's portfolio to more than 64,000 customers. New home loans reached €548 million, a 26% increase over the year. Total loans outstanding reached €2.6 billion, up +1%. Net new savings inflows, sustained in large part by life insurance, helped increase outstanding deposits, which increased 5% to nearly €2.4 billion.

The equipment of La Banque Postale's high net-worth clientele is growing; the stock of high value-added cards increased 26% over the year.

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<sup>12</sup> Including corporate customers

## Local public sector, corporate and professional customers business results

Loans to corporate, local public sector and professional customers continued to grow with €12.1 billion of new loans, bringing loans outstanding to €9.7 billion, up more than 50% over the year.

New property leases (€614 million) were sustained over the year by two large transactions carried out with the French State, namely the Ministries of Justice and Ecology. Loans outstanding to businesses and social housing associations rose 81% to €5.3 billion.

La Banque Postale strengthened its positioning in local public authority financing as loans outstanding to local authorities (excluding social housing associations) increased more than 25% to €4.5 billion. As part of this activity, €3.4 billion was transferred to CAFFIL during the year to refinance loans to local authorities and public health institutions. Since the activity launched, nearly €6 billion have been provided to CAFFIL.

2015 was also marked by the strengthening of the partnership between La Banque Postale and Bpifrance concerning financing business investment projects. The cooperation between the two institutions makes it easier for La Banque Postale to grant Bpifrance guaranteed bank loans to very small businesses and SMEs. Finally, a new collaborative factoring offer was introduced in the spring with Union des Groupements d'Achats Publics (UGAP - French union of public purchasing pools). It lets suppliers assign their invoices (all of them or on a case-by-case basis, based on their cash flow needs) to La Banque Postale Crédit Entreprises. Lastly, the BEI (European Investing Bank) confirmed during the COP 21 the financing of the project "Optimisation énergétique des bâtiments publics - energy optimisation of public building) for which it financially commits in partnership with several organisations, including La Banque Postale.

## Financial performance

### Net banking income

Retail Banking's net banking income increased 0.5% to €5,415 million<sup>13</sup>.

#### Commissions and other income and expenses

Commissions and other income and expenses, which represent approximately 40% of Retail Banking's NBI, amounted to €2,148 million, up 5.3% compared to 2014. This increase is explained by the rise in bank commissions (+11%) related to the combined effects of the increase in equipment and home loan assets early redemption indemnities, while financial commissions (including commissions for distributing insurance products) contracted 3.3%.

#### Interest

Interest income, which represents approximately 60% of Retail Banking's NBI, amounted to €3,267 million, down 2.4% from 2014. Excluding the home savings provision<sup>14</sup>, it declined 4.2%. This decrease is explained by the drop in centralised savings (-3%) related to the noted withdrawals from Livret A passbook savings accounts and by the contraction in financial portfolio income (-5.6%) and in loan interest income (-1.6%), whose overall return suffered the effects of the rate drops on new loans and renegotiated loans.

<sup>13</sup>Scope effect of €9.3 million (Sofiap)

<sup>14</sup>Allocation of €131.9 million in 2014 and €63.5 million in 2015

## Operating expenses

Retail Banking's operating expenses were stable at €4,519 million.<sup>15</sup>

La Banque Postale SA's operating expenses represent the largest portion of the business line's operating expenses and dropped 0.5% over the year. This reflects the Group's efforts to control costs in spite of the investments made in the bank's major transformation programmes oriented towards commercial efficiency and development. The operating expenses of retail banking subsidiaries increased (+18%) with the development of their activities, especially those in private banking and consumer credit.

## Gross operating profit

The business line's gross operating profit increased 3.1%, reaching €895 million. This includes the aforementioned scope effects.

## Cost of risk

The activity's cost of risk amounted to €181 million, up 18.7%. This increase is explained by the strengthening of risk coverage consistent with the Group's prudent provisioning rules on home loans (+€9 million) and consumer credit (+€10 million). The cost of credit risk related to outstandings was stable at 23 basis points.

## Operating profit

The operating profit for Retail Banking and Private Banking amounted to €715 million, down 0.2%.

## Asset Management

Asset management (€ millions)	2015	2014 <sup>16</sup>	%
Net banking income	144	109	32.4%
Operating expenses	79	60	30.2%
Gross operating profit	66	49	35%

The NBI of the Asset Management business line increased 32.4%<sup>17</sup>. The business line's activities benefited from the investments made as part of discretionary management and the launch of new mutual funds during the year.

## Assets managed by the business line's subsidiaries reached €182.7 billion (including Fédérés Gestion d'Actifs and Ciloger assets).

The outstanding assets of **La Banque Postale Asset Management** (including those of LBPSAM and Fédérés Gestion d'Actifs) reached €177.1 billion (compared to €175.8 billion at the end of 2014, including Fédérés Gestion d'Actifs). Excluding the Fédérés impact, they reached €150 billion (+0.4%). This change reflects a positive market effect of nearly €3.9 billion offset partially by net withdrawals of €2.6 billion, centred on money market mutual funds.

<sup>15</sup>Scope effect of €7.3 million (Sofiap)

<sup>16</sup>La Banque Postale Gestion Privée's activities were transferred from the Asset Management business line to Retail Banking and Private Banking

<sup>17</sup>Scope effect of €20.3 million (Ciloger and Fédérés)

**Fédéris'** outstanding assets amounted to €27 billion (+2.5%). Growth was driven by a positive market effect offsetting net withdrawals of €0.4 billion over the year, following some customers' reallocation of assets to unlisted instruments.

**Ciloger's** outstanding assets reached €4.1 billion (+19%).

**Tocqueville Finance's** outstanding assets amounted to €1.5 billion (+6.8%). 2015 results reflect positive market effects and performances, offset partially by net withdrawals of €67 billion, concentrated in collective management.

Asset Management subsidiaries' operating expenses were up 30.2% to €79 million<sup>18</sup>. They reflect the growth in the business line's activity, especially in IT fees plus exceptional fees related to capitalistic transactions during the year.

Accordingly, gross operating profit increased 35% to €66 million. This includes the aforementioned scope effects. Operating profit increased 34.8%.

## Insurance<sup>19</sup>

Insurance (€ millions)	2015	2014	%
Net banking income	186	178	4.3%
Operating expenses	-95	-94	0.9%
Gross operating profit	91	84	8.2%
Cost of risk	0	11	NS
Operating profit	91	73	24%

The business line's NBI increased 4.3% to €186 million. Restated for non-recurring items<sup>20</sup>, it was up 11%.

The NBI benefited from the excellent commercial results of the P&C and health insurance products. The policy portfolio of La Banque Postale IARD recorded an appreciable increase of more than 19% while that of La Banque Postale Assurance Santé grew more than 29% in 2015, especially due to the ACDS (Long-Term Disability Insurance) product.

Over the year **La Banque Postale Assurances IARD** recorded 547,000 new policies, two thirds of which were concentrated in Automobile and Comprehensive Home Insurance (CHI) policies. The subscription mix shifted in favour of CHI under the effect of the 1 February 2015 launch of a new, more modular, home insurance product range, to which optional coverage was added. At year-end, the policy portfolio exceeded 1.35 million policies, an increase of more than 19%.

**La Banque Postale Assurance Santé** recorded more than 60,000 new policies over the year. 2015 was marked by the implementation of "Oui Santé" as part of the invitation to tender won by LBPAS and its partners to provide financial assistance for complementary health insurance, the creation in April of a collective health product range as part of the ANI reform making collective health coverage mandatory from 1 January 2016 for all companies, and the scale-up of the new long-term disability insurance (ACDS) launched in

<sup>18</sup> Scope effect of €11.7 million (Ciloger and Fédéris)

<sup>19</sup> Excluding the equity-accounted contribution from CNP Assurances

<sup>20</sup> €11 million of past due P&C and health reclassified as NBI; formerly classified as cost of risk

November 2014 guaranteeing the payment of capital in case of a serious disease known as a "dreaded" illness. At 31 December 2015 the ACDS product included 10,323 policies pending effect, bringing the policy portfolio to more than 102,000 contracts, an increase of +29%.

Over the year **La Banque Postale Prévoyance** recorded more than 310,000 new personal risk insurance policies. The home loan insurance and consumer credit insurance activities continued to grow in line with La Banque Postale's credit activities. The year was also marked by the end of marketing the unique premium funeral policy.

Insurance subsidiaries' operating expenses grew moderately (+0.9% to €95 million), reflecting the cost control efforts undertaken by the business line's entities.

The business line's gross operating profit amounted to €91 million, up 8.2% compared to 2014. Restated for the reclassification of the cost of risk, it increased 24%.

## Financial Structure

La Banque Postale presents a sound financial structure, strengthened in November 2015 by the issuance of €750 million of Tier 2 subordinated 12-year notes.

Consequently:

- the Common Equity Tier 1 ratio<sup>21</sup> of La Banque Postale stands at 13.2%, up 50 basis points from 2014.
- the global solvency ratio of La Banque Postale stands at 18.7%, up 170 basis points from 2014.
- the estimated leverage ratio excluding the Delegated Act stands at 3.5%. It amounts to 5.2%<sup>22</sup> with the Delegated Act.

La Banque Postale posted a comfortable liquidity position, reflected by:

- A loans-to-deposits ratio of 75%<sup>23</sup>.
- An estimated LCR at 218%, much higher than regulatory requirements.

## Publication of specific capital requirements set by the European Central Bank

At the end of December 2015, La Banque Postale published at the results of the Supervisory Review and Evaluation Process (SREP) carried out by the European Central Bank (ECB) on the subject of Pillar II requirements. The level of phased-in Common Equity Tier 1 (CET1) capital required on a consolidated basis is set at 9.25% at 1 January 2016. Moreover, since the French prudential supervisory authority ACPR (Autorité de Contrôle Prudentiel et de Résolution) has classified La Banque Postale as an "other systemic institution," an additional capital buffer is applied. This amounts to 0.0625% at 1 January 2016. Therefore, the total CET1 requirement applicable to La Banque Postale is 9.3125% at 1 January 2016.

## Ratings

At 31 December 2015, La Banque Postale had good credit ratings, reflecting its financial

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<sup>21</sup> CRR/CRD 4 with phase-in measures. The fully loaded ratio is 14.2%.

<sup>22</sup> Taking into account the Delegated Act published by the European Commission on 10 October 2014 concerning the treatment of savings centralised at the Caisse des Dépôts et Consignations (French deposit and consignment Office) subject to authorisation by the European Central Bank.

<sup>23</sup> The Group's loans-to-deposits ratio is determined as the ratio between loans and deposits, excluding savings outstanding centralised at the Caisse des Dépôts et Consignations.

strength and its rigorous risk management:

	<b>Standard &amp; Poor's</b>	<b>Fitch</b>
Long-term ratings	A	A-
Outlook	Stable	Stable
Updated on	3 December 2015	21 May 2015
Short-term ratings	A-1	F1

In 2015, Fitch downgraded the long-term rating of La Banque Postale from A to A-. This action reflects the agency's review of its assessment of the State's support, following the publication of the BRRD directive and the Single Resolution Mechanism. La Banque Postale's intrinsic rating was raised from "bbb+" to "a-".

The annual review of the Standard & Poor's rating did not lead to any change. The rating was confirmed at A, with a stable outlook. The intrinsic rating (SACP) was maintained at "bbb+".

## **Outlook**

In 2016, in a context of persistently low interest rates, La Banque Postale's goal is to accelerate its business development by offering its entire range of products and services to all of its customers and in all markets:

- by relying on the industrial and financial partnerships developed in 2015 in the areas of insurance with Malakoff Médéric and La Mutuelle Générale for the creation of a collective health insurance product range, and asset management with Aegon Asset Management and Fédéris Gestion d'Actifs, which opens new growth opportunities in private management and equipment of high net-worth customers;
- by pursuing with its consumer credit subsidiary, La Banque Postale Financement, the scale-up in consumer credit for private individuals and maintaining its efforts to prevent situations of over-indebtedness, always putting the emphasis on responsible loans;
- by intensifying its activity aimed at companies, for whom La Banque Postale will continue its evolution towards a complete bank with credits, flows and investments, while strengthening its status as a regional bank serving the local public ecosystem;
- by accelerating the development of professional banking activities, with 260 new managers in place by the end of 2016 in Post Offices across the country (1,000 by 2020), who will benefit from diploma-granting courses offered by the Ecole de la Banque et du Réseau.

With the implementation of the new network managerial structure, the bank can rely on its new commercial organisation, which will enable it to take a comprehensive approach to its customers' needs with renewed product offers in order to always provide them the best service.

La Banque Postale will continue to implement its major transformation programmes including, in particular, the IT programmes, with €1 billion of investments devoted to revising its information systems. With this objective in mind, the Cap Client 3.0 programme, at the heart of the banking distribution model overhaul, will continue to grow and be enriched to improve commercial efficiency, service quality and employees' quality of

life at work, after an initial step achieved in 2015 with the standardisation of assistance in preparing for customer meetings.

Finally, digital innovation will remain a major priority for the development of new uses and an enhanced customer experience, especially in terms of payment facilities. For example, in 2016, the "my payments" electronic portfolio, proposed since May 2015, will benefit from the improvement of the "LBP Pay" service, with vocal biometric authentication for increased security of uses. La Banque Postale is also in the process of being accredited with the ACPR (French Prudential Supervisory Authority) to create an electronic money institution. This institution, which will meet the requests of all Group branches, will offer paperless payment services on behalf of third parties, thereby enabling La Banque Postale's customers to access customised payment products in e-commerce.

La Banque Postale is also entering exclusive negotiations with Natixis regarding proposals to merge their AEW Europe and Ciloger real estate asset management activities. AEW Europe is currently held by Natixis Global Asset Management (60%) and CDC group (40%). La Banque Postale and CNP Assurances currently hold 90% and 10% of Ciloger, respectively.

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## **About La Banque Postale**

La Banque Postale, a subsidiary of La Poste Group, is present in the retail banking, insurance and asset management markets. As a civic-minded bank, 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 all: private individuals, businesses, professionals and the local public sector. It strives to serve its customers through the network of post offices, online and over the telephone as part of a fully multi-channel relationship.

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