



PRESS RELEASE

Paris, 19 April, 2007

**In a strongly competitive environment,
La Banque Postale had a successful 2006 launch
and at the start of 2007 is currently taking new initiatives
to accelerate its development**

**Net Banking Income for 2006: 4,613 million euros
Assets under management 2006: 239.8 thousand million euros
Consolidated Gross Operating Profit : 378.5 million euros
Consolidated net profit: 372.4 million euros**

Patrick Werner, Chairman of the Executive Board of La Banque Postale, today submitted the report and accounts of La Banque Postale for 2006 and traced the prospects 2007.

In 2006, **Net Banking Income** of La Banque Postale increased by 6.5%, ending at **4,613 million euros**; **assets under management**, which rose to **239,8 thousand million euros**, increased by 3.8% in comparison with late 2005. The **Gross Operating Profit** amounted to **378.5 million euros** and the **net profit group share** was **372.4 million euros**.

La Banque Postale's activity represents 23% of the La Poste group's consolidated turnover which amounted to 20.1 thousand million euros.

▪ **Banque Postale activities and results for 2006**

> In a highly competitive environment, marked by strong pressure on margins with respect to property loans and long-term interest rates that are still very low, **La Banque Postale's net banking income rose to 4,613 million euros in 2006, a 6.5% increase in comparison with the pro forma net banking income figures for 2005**. Excluding the write-back of the provision for Home Ownership Savings Plans and Accounts and the impact of specific elements in the financial year, the development of the PNB is slightly better than expected.

These good results are due to:

- PNB's satisfactory progress comprised of interest margins of 2,735 million euros and net commission of 1,612 million euros;
- Improved cost control which, apart from unexpected expenditure linked to the allocation of charges across the network, are much lower than those forecast;
- Very low cost of risk (8.9 million euros).

This has produced a Gross Operating Profit of 378.5 million euros. The current pre-tax profit, which takes account of the CNP Assurances contribution, amounting to 143 million euros, amounts to 513.7 million euros. The Net Profit Group's share amounts to 372.4 million euros.

La Banque Postale's profits are better than those of the business plan given to the CECEI for the approval with a cost income ratio of 91.8% as against the more than 93% expected.



> Sales for 2006 were marked by successful life insurance and provident plan selling, par an increase in the number of active customers of La Banque Postale and the growth in actual customers' number especially those opening new accounts.

With **11.2 million post office current accounts**, La Banque Postale has proved its dynamism in retail banking. The year 2006 is thus marked by strong commercial performances in terms of account opening– **more than 750,000 new accounts, plus 175,000 net** – as well as in terms of number of products per customer- more than 900,000 packages subscribed this year.

The total in property loans implemented in 2006 by La Banque Postale, despite the pressure of competition, **amounted to more than 5 thousand million euros, a 25% increase, with 85,700 borrowers.**

Life assurance gross insurance premiums showed **a sharp increase of 36.5% at nearly 12 thousand million euros**, marked by the development of subscriptions in units of account which increased by 60% in 2006 and made it possible to reduce the differential in relation to the market.

With nearly 380,000 individual provident contracts in 2006, **a 35% increase in comparison with 2005**, La Banque Postale can claim its **third place in the banking provident insurance market, with more than 1,400,000 contracts in its portfolio.**

▪ **Steep increase in the contribution of subsidiaries and holdings to La Banque Postale's results**

The **subsidiaries** and holdings, mainly held by the SF2 holding company, made a very significant contribution to the performance of La Banque Postale in 2006.

La Banque Postale Asset Management (formerly Sogéposte), an asset management company for La Banque Postale, which has been 100% owned by SF2 since 4 September, 2006, produced a net result of 16.2 million euros in 2006, **an increase of 57%.**

Assurposte, a 50%-owned subsidiary, has expanded the range of providential products marketed by La Banque Postale. Assurposte produced a net profit of nearly 15 million euros, **a more than 23% increase in comparison with 2005.**

Sogerco, a 100%-owned subsidiary of SF2, is La Banque Postale's insurance broker. In 2006, it posted a turnover of 26.9 million euros, a **26.7% increase** and a net **profit increase of 28.8% to 15.8 million euros.**

Finally, **CNP Assurances**, 17.75% of whose capital is owned by La Banque Postale through the Sopassure holding company, had a very good financial year in 2006. It **contributed 143 million euros to La Banque Postale's consolidated results in 2006.**

The subsidiaries and holdings are well integrated into La Banque Postale's operations and provide it with specialist know-how, thus confirming in 2006 their essential role on the strategic, financial and technical level.

▪ **2007: La Banque Postale takes new initiatives to accelerate its development**

Having made such a good start, La Banque Postale is now taking new initiatives to better serve its customers in 2007, by increasing its expansion and improving the efficiency of the tasks that it performs on a daily basis.

For instance, La Banque Postale has just signed a **partnership agreement with the insurance company Matmut, the first point of application being the distribution through Matmut of the property loans offered by La Banque Postale.** The Matmut network will be in charge of identifying demand among its members and introducing and promoting a telephone banking platform dedicated to La Banque Postale. The latter will handle the sales and administrative processing of the cases and will be responsible for granting the loans.

La Banque Postale has also **expanded its range of property loan products with two new types of loan:**

- . **Pactys Avenir**, a first loan offer dedicated and adapted to a particular category of customer: active young people aged 18 to 35 years;
- . **Pactys Environnement**, a loan offer enabling to provide them with favourable conditions to finance their home transformations for energy savings.

New services associated with property loans will also be proposed, **in May, 2007**, to facilitate and assist in customers' projects:

- . **Pactys'Immo Garantie Revente**, an insurance product designed to cover any losses incurred due to hasty selling of a building asset due to an event or change of circumstance (multiple birth, job changes, redundancy, divorce, death or invalidity through accident, etc.);
- . **Pactys'Immo Protection Juridique**, specialised legal protection in housing consisting of an information and legal aid service as well as coverage of the legal fees and court costs.

> In 2007, La Banque Postale will be making a series of important changes designed to develop and facilitate access to its remote banking offer.

> At its meeting on 30 March, the Comité des établissements de crédit et des entreprises d'investissement (CECEI) i.e. the French Banking regulator authorised La Banque Postale to offer social microcredit lending programme through the extension of its initial approval. La Banque Postale is now entitled to finance individual projects submitted by individuals who do not have access to the banking system and who would normally not be eligible for loans due to their poor credit record.

> La Banque Postale plays a major role in services to immigrants and especially in transferring funds throughout Europe, the Mediterranean and Africa. That is why La Banque Postale signed a partnership agreement on 1 March, 2007 with Poste Maroc which between now and the summer of 2007 will be developing a joint offer of products and services for Moroccan residents in France.

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After a stainless technical process of creation, La Banque Postale has successfully launched itself. Its 2006 results have exceeding the expected business plan. And over and above the figures, it has launched a large number of actions, initiatives and new products, all of them dedicated to serve its customers and ensure its development.

All those involved in running the bank, whether in the bank itself or in its Financial back office Centres or in the postal network have undertaken to do everything they can to improve its performances to an even greater extent in 2007.

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La Banque Postale consists of:

- 29.3 million customers
- 11,2 million post office current accounts
- 9 million customers having La Banque Postale as first banking provider
- 4,955 ATMs (third-largest network in France)
- 5,270 financial advisers and 1,350 specialised property
and asset portfolio advisers 17,043 outlets

2006 figures

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