



PRESS RELEASE

Paris, 18 March 2010

LA BANQUE POSTALE 2009 RESULTS and OUTLOOK FOR 2010

2009 was the best year yet for La Banque Postale

2010 sees the launch of new business lines and the development of multichannel distribution as La Banque Postale focuses more than ever on putting customers first

**Consolidated Net Banking Income for 2009: €5.019 billion
(up 4% on a like-for-like basis*)**

Consolidated operating expenses: €4.343 billion (down 1.6%)

Consolidated gross operating profit: €676.2 million (up 69%)

Net profit: €587.7 million (up 94.2%)

Cost/income ratio: 86.6% (down 5.2 points)

Tier One Ratio: 11.3%

Home loan advances: €32 billion (up 16%)

Earlier today, La Banque Postale Chairman Patrick Werner presented details of the results and business performance of the Bank in 2009, and set out its prospects for growth in 2010.

In its fourth financial year, La Banque Postale faced a difficult and uncertain trading environment marked by deregulation of Livret A account distribution, falling interest rates and the global economic crisis. But as a result of the action taken by the Bank, supported by the proactive sales strategy, cost controls and prudent financial management provided by the postal services network, it was able to report an exceptional year in 2009. In the words of its Chairman, 2009 was "The best year yet". These exceptional results once again underline the financial stability of the Bank and the relevance of its growth model.

La Banque Postale financial results and business performance for 2009

> In 2009, La Banque Postale net banking income was €204 million higher at **€5.019 billion, reflecting a rise of 4.2% over 2008. On a like-for-like basis, NBI was up by 4%.**

This growth in NBI was seen across all three of the Bank's business sectors: retail banking, insurance and asset management.

It also continued the unbroken upward trend in NBI reported by La Banque Postale ever since its formation: NBI has been increasing at an average annual rate of 4.3% since 2006.

* After correction for changes in the provision for home savings, neutralisation of the effects of changes to the Livret A account and long-term or significant provisions for impairment.



Combined with effective cost controls, this strong growth enabled La Banque Postale to report **gross operating profit of €676.2 million for 2009, up an impressive 69% on 2008.**

At €587.7 million, Group net profit was up by 94.2%, accompanied by 5.2-point improvement in its cost/income ratio, which was 86.6% for the year.

The Bank's Tier One capital adequacy ratio was 11.3%.

> The background to these results is the continued dynamic sales growth achieved by La Banque Postale in 2009.

. The number of active customers served by La Banque Postale grew strongly by 3.9% to end the year at 9.9 million. The rate of growth was even stronger amongst asset management customers, where the end-of-year total was in excess of 880,000, reflecting a 21.7% rise year-on-year.

. With 11.3 million current accounts at the end of 2009, La Banque Postale has successfully consolidated its position as a leading player in the French retail banking landscape, in terms both of new account openings and customer take-up of everyday financial services (account packages, payment cards, etc.), savings products and personal risk insurance.

More than 772,000 new postal bank accounts were opened in 2009 (up 4.3% on 2008), as well as nearly **1 million new service packages and banking relationship packages.**

In terms of savings and insurance, **324,000 new life insurance policies were issued in 2009.** The new Cachemire multi-fund, multi-manager life insurance contract launched in November 2008 made a significant contribution to this trend, with 75,000 contracts already in the management portfolio. Launched in April 2009, Excelis, the premium life insurance policy with delegated fund switching, also got off to a promising start.

In terms of personal risk insurance, **469,000 new policies were issued in 2009, bringing the total number of personal risk insurance policies in the La Banque Postale portfolio to more than 2 million.** On the basis of these results, La Banque Postale has further consolidated its position as the number three in the French market for personal risk bancassurers.

. Savings under management and instant-access deposits grew by 2.5% during the year to end 2009 at €277.3 billion. The majority of this growth in net new money was driven by institutions and companies.

Following the exceptional level achieved in 2008 against the extraordinary background of falling interest rates and the global financial crisis, the level of net new money paid into La Banque Postale fell in 2009, as expected. Nevertheless, the deregulation of Livret A account distribution has not led to any significant erosion of the Bank's customer base.

As the preferred product of French savers, over 21 million La Banque Postale customers have Livret A accounts. At the end of 2009, the Bank's Livret A accounts held deposits totalling €55.6 billion. Despite the deregulation of Livret A distribution, the number of new accounts opened at La Banque Postale remained at a sustained level in 2009, at 562,000. La Banque Postale received nearly 122,000 transfer requests in 2009.

Life insurance assets under management at La Banque Postale grew by more than 8.5% to end the year at over €100 billion. After an exceptional end to the 2008 financial year as a result of the enormously successful Livret A Puissance 10 campaign, the sales campaigns run in 2009 generated **revenue of €11 billion for the year**, reflecting a slight fall on 2008.

. **2009 was a record year for La Banque Postale home loans.**

Outstanding home loan advances progressed by 16% in 2009, to end the year at nearly €32 billion. **More than €8.3 billion** was advanced for home loans during the year (including the new interest-free loan), representing an 8.3% increase over 2008 in a market that shrank by 15%.

In 2009, La Banque Postale helped 123,000 households to buy or renovate their homes. More than a third of these borrowers were aged under 30.

The La Banque Postale portfolio now includes 1 million home loans. In terms of home loans granted during the year, **La Banque Postale** extended its share of the market by **1.7 point in 2009** to end the year at 8%.

Subsidiary companies and holdings make a strong contribution to La Banque Postale results

Closely integrated with the business activities of the bank, the subsidiary companies and holdings that contribute specialist skills further confirmed their strategic, financial and technical importance during 2009.

Through their continued growth, they contributed very significantly to the performance of La Banque Postale.

> **At €186 million, the CNP Assurances contribution to La Banque Postale consolidated profit for 2009** was €55 million higher than in 2008.

> **La Banque Postale Asset Management** had an excellent year in 2009, reporting **net profit up by more than 23% to end the year at €24.9 million**. Net new money totalled €2.6 billion in 2009, and the longest-established of La Banque Postale subsidiary companies ended the year with **more than €121 billion of assets under management**. According to Europerformance, these results establish the company as France's fifth-largest asset manager in terms of assets under management, and the country's sixth-largest financial player in terms of market share.

> **Sogerco**, the La Banque Postale insurance brokerage, achieved 3.6% revenue growth in 2009, taking its annual reported revenue from €35.4 million to €36.7 million. Net profit was up by 6.2% on 2008, at €20.6 million.

> Owned 50/50 by La Banque Postale and CNP Assurances, **La Banque Postale Prévoyance** handles the range of personal risk insurance products marketed by the Bank. **In 2009, it reported net profit of €26.2 million (up 58% on the previous year) earned on the basis of a 10% rise in revenue, which ended the year at €352.4 million.**

> **La Banque Postale Gestion Privée** is owned 51% by La Banque Postale and 49% by Oddo & Cie, and is the Bank's dedicated securities portfolio management services company. Having delivered a remarkable performance in terms of financial management, **the company ended the year with €506 million of assets under management, reflecting a 172% increase over 2008** in a year that was hardly favourable to stock market investment.

> **XAnge Private Equity** is the Group company that specialises in private equity management and consultancy. The total amount of equity capital covered by its consultancy and management agreements totalled €350 million at the end of 2009. **XAnge Private Equity reported annual revenue of nearly €8.1 million for the year, reflecting an increase of 6% on 2008.**

2010: the launch of new business lines and the development of multichannel distribution... La Banque Postale continues to develop and expand the range of services offered to its customers

With the launch of new business lines and the development of multichannel distribution, 2010 looks like being a pivotal year for La Banque Postale.

> In 2010, La Banque Postale could find itself on an equal footing with its competitors in the personal finance market, thanks to the **launch of consumer loans and general insurance services**.

. **The beginning of April 2010 will see the national rollout of its consumer loans products in France through all distribution channels.** La Banque Postale is aiming to bring confidence back to the consumer loans market by putting the best interests of customers at the heart of its new venture. Totally consistent with its core values and business practices, transparency, responsible lending and accessibility will be the key features of the La Banque Postale range. Particular emphasis will be placed on the prevention and management of overindebtedness. This strong and unambiguous commitment will set the company apart from its competitors when it enters this important market.

. In entering the **personal general insurance market** between now and the end of 2010, La Banque Postale has set itself the goal of "inventing" a new business model for the next 10 years; a business model that will quickly establish the Bank as a major force in this market.

This new model will be based on **100% multichannel distribution**, management and customer relations and **some of the lowest rates in the market, backed up by the highest-possible quality of service** in terms of fast claims settlement and customer service provision to deliver the trouble-free insurance experience that gives customers real peace of mind at what can often be a difficult time.

> **This will also be the year in which La Banque Postale introduces its "channel mix"** by bringing together its previously-juxtaposed online, phone and post office channels to enable its customers to use each channel as and when they wish: advisers for face-to-face advice, and remote channels for maximum access and speed.

. La Banque Postale has established itself at the cutting edge of banking innovation by supporting and accompanying today's fast-changing technologies and lifestyles.

Since 8 March 2010, **La Banque Postale has been offering its customers a new mobile website** (www.labanquepostale.mobi) accessible from all types of mobile phone and offering the same services as the www.labanquepostale.fr website (post office locations, account viewing, inter-account transfers, online simulators and calculators and information about the Bank's products and services).

It is through initiatives like these that La Banque Postale is enabling its customers to "have the banking relationship they prefer" by developing a close and meaningful relationship.

. Committed to supporting new developments in payment cards and making their facilities accessible to as many people as possible, La Banque Postale will be issuing its **first contactless Visa cards** as part of its "Contactless Nice" campaign. Scheduled for June 2010, this will be the first full-scale pre-commercial rollout of mobile contactless services in Europe.

The new card delivers innovation, simplicity and speed through the use of NFC (Near Field Communication) technology, which is being offered in conjunction with the traditional functions of La Banque Postale payment cards.

La Banque Postale is more committed than ever to being the multichannel bank that is closest to its customers.

> **In the Business and associations market** that contributed 6% of La Banque Postale NBI in 2009, the Bank has continued successfully to bring forward new and innovative services:

- in Payment Flows: a web-based transaction system (LBP@ccess 24 and LBP Net Entreprises)
- in Social engineering: the launch of Key Man Cover
- in Investments: a range of SRI mutual funds, including the LBP Responsable Garantie Novembre 2011 structured fund

Unable to use Livret A and Livre de Développement Durable (LDD) deposits as a source of lending for SMEs, as was originally intended by the legislation, these deposits (in excess of €6 billion at the end of 2009) have been centralised at La Caisse des Dépôts.

As part of making its contribution to the national economy, La Banque Postale is examining opportunities for continuing to increase its commitment to business start-ups and companies (especially the very smallest companies) in line with the consultation recently initiated by the French President.

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In conclusion, Patrick Werner made it clear that: **“The success of La Banque Postale is primarily the result of the commitment made by all the men and women that make the Bank work. In today’s La Poste Group, we are seeing the depth of that commitment at an unprecedented level. And that is great news for La Banque Postale and its customers for the years ahead.”**

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Key figures for La Banque Postale:

<ul style="list-style-type: none">- €5.019 billion in NBI- 11.3 million postal banking accounts- 9.9 million active customers- 480,000 businesses, institutions and associations- 5.343 ATM/Banking terminals in France- €277.3 billion of customer assets under management- More than 6.3 million payment cards issued, representing 11% of the market- 17,000 points of contact	Figures correct at end 2009
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