

10 YEARS

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# 10 YEARS IN THE LIFE OF THE FRENCH

Business and Social  
Responsibility report **2015**

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LA BANQUE



POSTALE

**BANQUE ET CITOYENNE**

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[www.labanquepostale.com](http://www.labanquepostale.com)

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# CIVIC-MINDED BANK

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A subsidiary of Le Groupe La Poste, La Banque Postale is a unique and singular bank driven by the Post Office values of local presence and the highest level of service.

## **THE BANK FOR ALL**

La Banque Postale has always welcomed one and all with respect and consideration, regardless of their situation. We have 10.8 million active private customers. We are partner to more than 400,000 customers: businesses, professionals, social economy actors and local public sector bodies, regardless of their size.

## **THE USEFUL BANK**

La Banque Postale offers all its customers a full range of banking and insurance products and services that are easy to use, transparent, responsible and tailored to our customers' basic needs, all competitively priced.

## **THE REGIONAL DEVELOPMENT BANK**

La Banque Postale supports projects undertaken by local stakeholders through its financing products and services, thus contributing to local economic life.

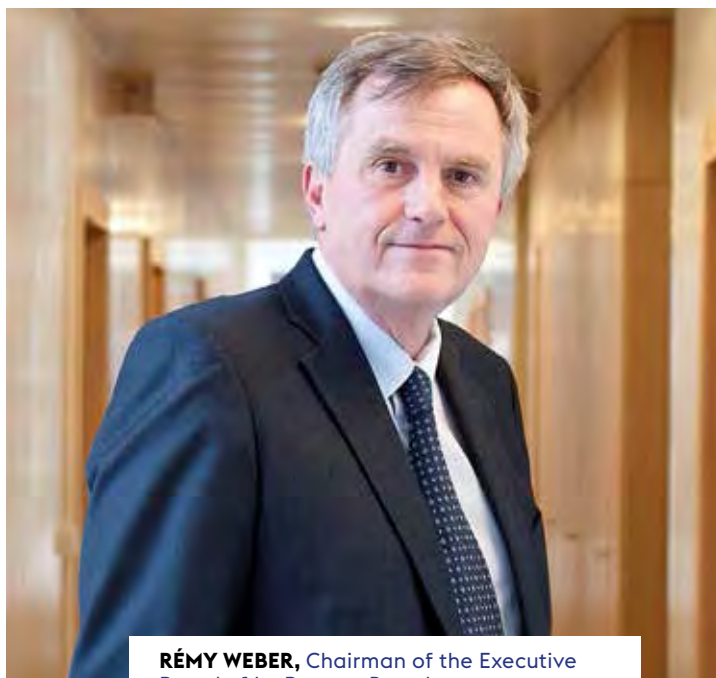
## **THE BANK BUILT ON TRUST**

La Banque Postale prioritises its customers' interests above all. We have built a relationship of trust with our customers, based on appropriate advice delivered on a daily basis by our employees who are fully committed to meeting customer needs.

## **THE LOCAL MULTI-CHANNEL BANK**

La Banque Postale enables its customers to choose the channel which suits them best, in any place and at any time: Post Offices throughout France; telephone; Internet and mobile Internet; and *La Banque Postale Chez Soi*, a fully remote banking branch.

# La Banque Postale Group, always unique



**RÉMY WEBER**, Chairman of the Executive Board of La Banque Postale.

**"La Banque Postale and all its teams are betting on the future, that of being a bank that is 100% digital and 100% human."**

**Rémy WEBER**

**A**n extraordinary human and professional venture, spanning ten years, has built La Banque Postale, a dynamic, solid, reliable and responsible bank, heir to the Financial Services business of La Poste. Since 2006, day after day, it has marshalled all its civic-minded banking energy for the benefit of its customers. Its customers include individuals who may be low-income or affluent, young or old, living in urban, rural or deprived areas. They also include businesses, professionals, social economy actors and local public sector bodies. It is for these customers that La Banque Postale has developed a comprehensive range of banking and insurance products and services that are useful, easy to use, responsible, transparent and competitively priced. It is developing in a sector that is undergoing constant change, featuring a

difficult economic environment against a backdrop of punitively low interest rates. It has demonstrated its resilience with continued growth in net banking income, which reached €5.7 billion, and strong gross operating income which, for the second consecutive year, surpassed the symbolic threshold of €1 billion. 2015 also marks a major milestone in the implementation of its development plan and the expansion of its business activities.

## **A USEFUL BANK, SERVING THE ECONOMY**

A useful bank, serving everyone, everywhere and every day, La Banque Postale has kept abreast of the changing demands of its customers, regional markets and local authorities. In 2015, it helped customers with 80,000 property projects, consolidating its role in promoting loans for social home ownership, with €2.2 billion dedicated to that end. Total consumer credit outstanding reached €4 billion. To better protect its customers, it has launched a new home insurance product, as well as an innovative health insurance product which covers the three most feared illnesses among French people. To accompany the development of online purchasing, since May it has offered purchasers an electronic portfolio hosting electronic payment means such as LBP Pay. This secure-payment solution will receive an additional component in the latter half of 2016 with voice biometric authentication, a major innovation which will facilitate customer use.

A regional development bank, La Banque Postale continues to support the work of its corporate customers. With €4.2 billion of medium- and long-term funding and around €2.5 billion of short-term funding granted,



in 2015 it became the leading lender for local authorities and hospitals. It is hoped that this commitment towards local economies will be synonymous with trust and economic performance.

#### **A BANK PREPARING FOR THE FUTURE**

These last ten years, the way customers make use of the bank has changed at a fast pace. However, their expectations have not changed: they still require expertise and simplicity, speed and performance, security and reliability, proximity and accessibility. To meet these demands, La Banque Postale remains faithful to its values and is building today the bank that it will be tomorrow. It is implementing large-scale programmes with the emphasis on successfully combining digital challenges with human relationships. The Post Office network, whose presence has been optimised throughout France, is gradually taking on board the banking delegation. Its evolution, implemented over two years, with an unprecedented training initiative for employees of the Network provided by the *École de la Banque et du Réseau*, and the appointment of 1,600 priority banking managers in the Network, gives it the means to get closer to its millions of customers and to offer them the best quality service. The 10,000 banking Advisors of the La Poste Network also have new work stations and an enhanced customer database. In order to better advise all its customers, it ensures that the entire commercial line grows its skill base, creates new jobs, further improves professionalism among the teams and provides them with new middle- and back-office tools. A multi-channel bank providing a seamless customer experience, La Banque Postale is working to create a digital bank, in its own

style, that is simple and useful. All these programmes are progressing within budget and on time.

#### **AN ONGOING AND AMBITIOUS STRATEGY**

2015 also saw La Banque Postale's diversification strategy taking shape, with the consolidation and development of its business units. Strategic partnerships in asset management were signed with Aegon Asset Management, Malakoff Médéric and its subsidiary Féderis, and also in health insurance with La Mutuelle Générale and Malakoff Médéric. In terms of life insurance, the Bank is delighted to have renewed its major partnership with CNP Assurances for the next ten years. Finally, it is consolidating its position with high-net-worth customers and with business customers, and is attracting new clientèle, including professional customers. A bank for everyone that is useful and responsible, La Banque Postale also undertakes societal commitments: its banking and budgetary advisory service *L'Appui*, rolled out nationally, has been used by 16,000 customers and its equal opportunities sponsorship scheme, *L'Envol*, is starting up in the vocational field. With regard to the environment, it is taking part in energy transition by creating a green range of personal loans and insurance products for private customers. La Banque Postale has begun 2016 with the impetus of its own civic-minded energy, that of its customers and that of the regions. ■



**PHILIPPE WAHL**, Chairman and CEO of Le Groupe La Poste and Chairman of La Banque Postale's Supervisory Board.

**"Usefulness, trust and proximity: La Banque Postale is entirely at the service of its customers and the real economy."**

**Philippe WAHL**

2015 Indicators

# Key financial figures



## NET BANKING INCOME

**€5.74 billion,**

+1.3% par relative to 2014  
Excluding home savings provision: +0.1%

## REVENUES

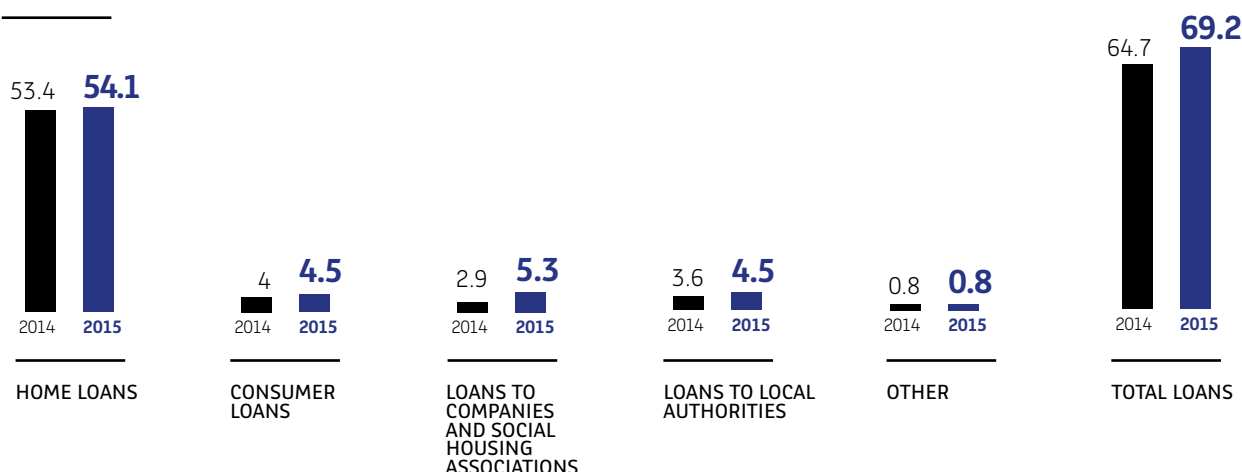
(in millions of euros)

	2014	2015
Consolidated net banking income	5,673	<b>5,745</b>
Pre-tax income	1,037	<b>1,094</b>
Net income, Group share	677	<b>707</b>
Ratio Common Equity Tier 1*	12.7%	<b>13.2%</b>

\* Ratio phased-in CRDIV-CRR. The fully loaded ratio is estimated at 14.2%.

## OUTSTANDING LOANS

(in billions of euros)



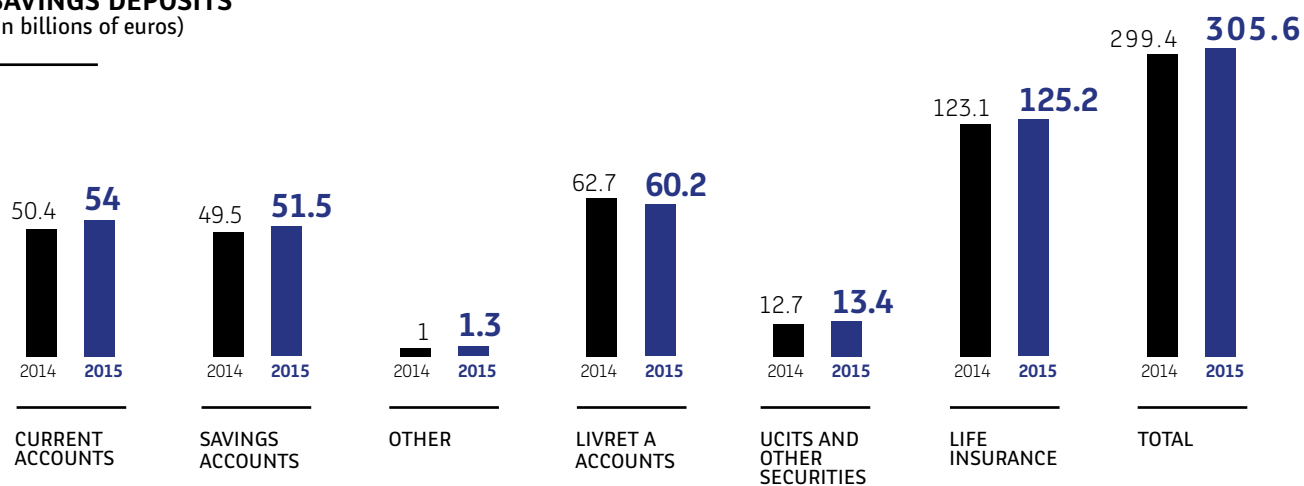


## LONG-TERM RATINGS

Standard & Poor's  
(3 December 2015) **A** (stable outlook)

Fitch  
(21 May 2015) **A-** (stable outlook)

## SAVINGS DEPOSITS (in billions of euros)



**For further information:** see the 2015 La Banque Postale Registration Document on [www.labanquepostale.com](http://www.labanquepostale.com)

# Corporate social responsibility



La Banque Postale is founded on an effective, responsible development model.

## EXTRA-FINANCIAL RATING

**1<sup>st</sup>** FRENCH BANK AND 2<sup>ND</sup> BANK AT INTERNATIONAL LEVEL based on its extra-financial performance

*Ranking established by German rating agency, Oekom Research, from a panel of 375 banks.*

## BANKING ADVISORY AND PROTECTION BUDGETARY GUIDANCE

**16,200** CUSTOMERS EXPERIENCING FINANCIAL DIFFICULTIES

were assisted by L'Appui de La Banque Postale

## BANKING INCLUSIVENESS

**2,024** PERSONAL MICRO-LOANS

granted in 2015 for an amount close to € 5 million

## HOME LOANS

**34,200** CUSTOMERS ASSISTED with social home ownership loans since end 2012 for a total amount of € 2.2 billion

## RESPONSIBLE ASSET MANAGEMENT

**€94.74** BILLION AUM (assets under management) integrating ESG criteria, representing 63% of total AUM

## RESPONSIBLE PURCHASING

**72%** OF THE 150 LARGEST SUPPLIERS are covered by a responsible purchasing charter

## A RESPONSIBLE EMPLOYER

**1,100** YOUNG PEOPLE under work-study and apprenticeship contracts

## GENDER MIX

**55.77%** FEMALE EXECUTIVES and 24% women on the Executive Committee

## ENVIRONMENTAL PROTECTION

**74,464** CO<sub>2</sub> EQUIVALENT TONNES, the carbon footprint of La Banque Postale (-8.3% relative to 2014)





# Multi-channel



**543** MILLION  
TRANSACTIONS  
(withdrawals, account consultations)  
conducted at automatic  
Post Office counters

**1.016** BILLION  
CONTACTS  
with the remote bank (telephone,  
Internet and mobile Internet)

**6.3** MILLION  
MEETINGS  
with an advisor

La Banque Postale enables its customers  
to choose the channel which suits them best,  
in any place and at any time.

## La Banque Postale in the social media



**242,400** LIKES  
ON THE BANK'S  
FACEBOOK PAGES



**11,600** FOLLOWERS  
ON TWITTER

**143** MILLION  
BANKING TRANSACTIONS  
carried out by Post Office counter clerks





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# **BUILDING LA BANQUE POSTALE OF TOMORROW**

Challenges and Strategy

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A young bank in a changing world, La Banque Postale has unique potential in the French banking market. With the support and involvement of its teams, it is making fast progress with the implementation of its development and transformation plan, which is entirely focused on customer satisfaction.

# Accelerating the transformation of La Banque Postale and its development

To create La Banque Postale of tomorrow by 2020, the company has set in motion an ambitious transformation plan, which aims to improve the quality of services provided to customers and accelerate its development. It is consolidating and developing the business units that underpin its diversification strategy. In 2015, La Banque Postale and its teams kept on track and continued to improve customer service.

La Banque Postale is unique in terms of its history and also in its values and capacity for development and transformation to keep serving its customers better. With its new 2014-2020 development plan, which is fully in line with the “La Poste 2020: Conquering the Future” Strategic Plan, La Banque Postale has taken steps to transform itself, accelerate its development and increase the efficiency of its operations.

## A PRIORITY BANKING NETWORK

The implementation of a single Commercial Management unit in April 2014, the creation of a single Human Resources Department and subsequently of the *École de la Banque et du Réseau*, were prerequisites for the priority banking business of the La Poste Network. The aim is to delegate banking risk control to Network employees and to give them decision-making powers, in order to give customers the responsiveness and service quality that they expect, and to do so as quickly as possible. A second decisive stage was reached with the introduction of 1,600 Sector Managers, with extended responsibilities, who are now fully dedicated to the development of banking business and who are able to take commercial decisions quickly on behalf of customers.

## THE BEST OF DIGITAL

New technologies are changing the lifestyles and behaviours of French people. Close to its customers and useful, La Banque Postale anticipates its customers' changing needs and is implementing some ambitious digital projects. On one hand, these projects concern databases and the latest generation IT infrastructure. On the other hand, they aim to improve customer relations and offer new, simple and secure payment tools.

Among the most significant programmes involved in La Banque Postale's transformation, Cap Client 3.0 is mobilising €120 million for the development of new intelligent work stations and an enhanced customer relations management tool. The initial functionalities, rolled out to 10,000 banking Advisors in the La Poste Network in 2015, provide support for interview preparation to further improve the quality of advice and product recommendations. Additional functionalities will be integrated every six months until 2018.

Two main components shape La Banque Postale's strategy with regard to new payment means: using technology as a lever to simplify and increase the security of remote payments, and facilitating customer use, whichever payment service is used. Building on the adoption of Paylib by 130,000 of its customers, in 2015 La Banque Postale launched the “My payments” electronic portfolio, which centralises all La Banque





Postale's digital payment services. It is pursuing its partnership with the Talk to Pay start-up to launch the first voice biometric authentication solution in 2016.

Close to its customers, innovative and dynamic, La Banque Postale is extending the incorporation of social media in its multi-channel business dynamic (see page 33). In that respect, it is the first French bank to create Facebook pages for its Advisors.

La Banque Postale is in the process of gaining approval from the French Prudential Supervision and Resolution Authority (ACPR) for an electronic cash facility which will offer digitised payment services on behalf of third parties.

#### **BUILDING THE PROFESSIONALS' BANK**

Becoming the chosen bank of professionals is one of four major projects set out in the "La Poste 2020: conquering the future" Strategic Plan. By the end of 2015, 100 Professional Customer Managers were already giving advice to professional customers and were marketing an extended range of property leasing, short-term credit ■■■

## TEAM TRAINING

### *The École de la Banque et du Réseau, a talent accelerator*

The *École de la Banque et du Réseau* (Banking and Network School), an innovative and large-scale training facility, is an indispensable component in the transformation plan of La Banque Postale. Its ambition is to provide the 70,000 employees of La Banque Postale, of Financial Services and of La Poste Network with the means to take ownership of

tomorrow's skills in order to better serve their customers. Open to all, this school is there to serve everyone. It supports the company's outlook on future occupations and is innovating by means of new practices and new content for training courses. In 2015, more than 52,000 participants benefited from training (for further information see page 15).

## A multi-activity priority banking network that is **100% customer focussed.**

La Banque Postale investment opportunities in a low interest rate environment. This development led to the consolidation of La Banque Postale's position in Ciloger, a key player in unlisted real estate businesses.

### **CONSOLIDATING INSURANCE**

By entering into a partnership with Malakoff Médéric and La Mutuelle Générale in March 2015, La Banque Postale took a position in the group health insurance market which will be strengthened in 2016. Eighty specialist group insurance Advisors have already been trained to market products to small and very small enterprises.

La Banque Postale, La Mutuelle Générale, Malakoff Médéric and Mutuelle UMC, which share a strong societal commitment to enable better access to healthcare, have joined forces to create *Oui santé*, a product selected by the Ministry of Health as part of its call for tenders to address the needs of ACS (*Aide à la complémentaire santé*) beneficiaries.

In the field of life insurance and personal risk insurance, La Banque Postale and CNP Assurances have signed a major preliminary agreement for the renewal of their partnership over a ten-year term starting from 2016.

### **RESPONSIBLE DEVELOPMENT**

Since its creation, La Banque Postale has promoted an efficient and responsible

and factoring products and an adapted e-money product. There will be 1,000 Professional Customer Managers in the Post Office network by 2020.

### **STRENGTHENING THE WEALTH MANAGEMENT UNIT**

La Banque Postale now assists more than 587,000 high-net-worth customers (+3.3%). To retain their loyalty and further develop this customer base, a new wealth management group was set up, on 30 November 2015, with the merger of La Banque Postale Gestion Privée, a specialist discretionary portfolio management company, and BPE, the Group's asset management bank. The creation of this strengthened entity assists the Network's wealth management segment, particularly with regard to wealth management and tax consultancy and the future development of tailored management. The wealth management offering is also benefiting from

expansion with the support of Group entities specialised in asset management, insurance and personal risk insurance.

### **DEVELOPING ASSET MANAGEMENT**

La Banque Postale has extended its expertise in the asset management field, thanks to its equity and industrial partnership concluded with Aegon Asset Management in June and the merger with Féderis, a subsidiary of Malakoff Médéric, which integrated La Banque Postale Asset Management in July. The new group formed in this way, the fifth largest player in the market with more than €175 billion of assets under management, will accelerate La Banque Postale's development, particularly through the creation of a comprehensive product range, including international funds and multi-asset funds.

The expansion of the real estate asset management offering (OPCI and SCPI) completes the range, by offering customers of



development model. In 2015, for the seventh consecutive year, it is seen, according to the IFOP (Institut français d'opinion publique) Sustainable Development Observatory, as the leading bank in terms of commitment to sustainable development - particularly with regard to environmental protection and social progress. Among its recent innovations, a carbon fund finances projects to reduce CO<sub>2</sub> emissions, such as the "Climate and Land" forestry project in 2015. Its actions are also entirely in line with the energy transition dynamic in France, offering private customers a "green" product range (see pages 26-27) since 1 October 2015. In addition, having received the go-ahead from CNIL at end 2015, La Banque Postale has been able to undertake nationwide deployment of the *L'Appui* scheme, a telephone platform offering banking and budgetary advice and guidance which has helped around 16,200 customers since its launch in 2013. ■



## COMMITMENTS

### Encouraging a variety of routes to professional excellence with *L'Envol*

In 2012, La Banque Postale created a sponsorship scheme, the only one of its kind, dedicated to young people, called "*L'Envol*, La Banque Postale's campus". The association works to promote education, excellence and equal opportunities, while supporting talented young people from low-income households with their academic journey. *L'Envol* helps students over several years, from college through to their third year of higher education: 240 deserving students from low-income households participate in this scheme, studying general and technological subjects. They also receive help from mentors, all

employees of the Group. 395 employees were involved in this scheme in 2015. In 2015, *L'Envol* organised a second scheme, essentially designed around the same model, for young people following a vocational route into work. From 2016 onward, this new scheme will provide assistance for students at vocational schools studying in the food catering, art and metallurgy disciplines. *L'Envol* seeks to develop manual excellence, creativity and French know-how, in addition to academic excellence. The first integration campus will be held from February 2016.

**395 employees**  
are involved in "*L'Envol*,  
La Banque Postale's campus".



# All working towards transformation

La Banque Postale's transformation drive has an impact on all of its processes and activities. It profoundly changes both jobs and management style, and it requires that employees raise their skills' levels and assume greater responsibility for banking business. The Group's men and women all have a role to play and will all benefit from its transformation into the bank of the future.

Created in 2014, the new cross-entity Human Resources Department that serves La Banque Postale, Financial Services and La Poste Network supports the Company's development and is helping employees to build La Banque Postale of tomorrow. Creating new jobs, building a managerial development model, coordinating social dialogue, respecting quality of life in the workplace: the HR Department works across the Group entities, in collaboration with all the professional departments, with the aim of increasing operational efficiency. By developing career bridges and support systems, it encourages mobility so that each employee can find his own place in tomorrow's job market and can play a part in the ongoing cycle of transformation.

## THE HR DEPARTMENT AT THE HEART OF TRANSFORMATION

Within the HR Department, a project management unit dedicated to change management ensures the smooth running of the deployment plans for more than 30 schemes and new organisations of La Banque Postale and of the Network. Each programme is analysed to identify its HR impacts in terms of skills and training needs,

career path management and changes to working conditions.

The HR Department is also active in the implementation of change: it develops support measures, manages the creation, modification or removal of job functions, organises training pathways and encourages dialogue with the bodies representing employees. The evolution of La Banque Postale's businesses is core to the thinking behind the launch of the "Skills 2020" initiative in 2015. With a view to achieving forward planning of jobs and skills, it involves developing the expertise that will be needed in 2020 to respond to changes taking place in our professional environment. Professional development is encouraged with information on skills' evolution for both managerial and non-managerial staff, modular and customised training from the *École de la Banque et du Réseau*, as well as the identification and retention of key skills.







## DEVELOPMENT OF BUSINESS LINES

### New business lines

La Banque Postale is developing new ranges of products and services for its customers. In order to offer them solutions that are tailored and adapted to their lifestyle, in urban or rural areas, La Banque Postale relies on the Network's new organisation, established on 1 January 2016. Following the introduction of the single Commercial Management unit in 2014, in 2015 the Network reached a new stage in its priority banking drive: the Branch Managers became Sector Managers, banking professionals with extended responsibilities to enable them to take commercial decisions quickly on behalf of customers. Sector Managers are surrounded by a managerial team led by three new managerial posts: a Private Customer Manager, a Commercial Area Manager and an Operations Manager. 450 Branch Managers fol-

lowed the pathway to qualify as Sector Managers in 2015. More than 1,600 Sector Managers and their immediate subordinates will be trained between now and the end of 2016.

Committed, since 2014, to developing the professionals' bank, La Banque Postale has provided training for its Professional Customer (PC) Managers. 100 PC Managers were working in Post Office branches at the end of 2015. There will be 1,000 by 2020. To support the development of the property and casualty, health and personal risk insurance businesses, in November 2015, La Banque Postale introduced Insurance Development Managers with enhanced skills, who will lend their expertise to the Network advisors, *La Banque Postale Chez Soi* advisors as well as advisors of the Development Services for Financial Centres.

## An unprecedented investment in training.



### THE SCHOOL SERVING ONE AND ALL, A KEY SUPPORT FOR STRATEGY AND AN INNOVATION VECTOR

An indispensable component in the Company's transformation, the *École de la Banque et du Réseau* (Banking and Network School) plays an essential role in the strategy of La Banque Postale and that of the multi-activity priority banking Network. Its mission is to support the development of the 70,000 employees of La Banque Postale, Financial Services and La Poste Network, and to prepare them to master tomorrow's skills, while taking into account the career paths and aspirations of each and every one.

With 400 employees, including 35 designers and 215 trainers, the *École de la Banque et du Réseau* is a novel initiative in terms of the investment that it represents and the breadth of projects that it supports. It relies on a network of training entities throughout France, providing access to partnerships with key bodies such as the Centre de formation de la profession bancaire (CFPB). ■■■

## Human Resources



In 2015, the *École de la Banque et du Réseau* tackled a variety of challenges: the creation of a qualifying pathway for the Network's new priority banking Network managers (Sector Managers), training for new posts (Professional Customer Manager, etc.) and for those marketing an expanded range of home loans, etc.

The *École de la Banque et du Réseau's* teaching methods incorporate a substantial digital innovation component. 20% of training is provided in the form of e-training. In 2015, more than two out of every three employees had received remote training, essentially as part of a pathway which alternates classroom training, immersion courses and remote training. In 2015, the *École de la Banque et du Réseau* implemented the first massive open on line courses (MOOC) for specialist business

Advisors and the first virtual class for the Branch Manager career path. It contributed to the first corporate on line course (COOC) of Le Groupe La Poste on digital technology. Because digital technology is pivotal to the Group's transformation, in line with the ambitions of the "La Poste 2020: conquering the future" Strategic Plan, the Company seeks to give all employees the keys to understanding how it can benefit them in their own job. So the *Tous numériques!* ("All digital!") programme, offered by Le Groupe La Poste, consists of a common base of knowledge-building and customised training. The *Tous numériques!* e-learning module explains how these changes are transforming society and how they will impact everyone's day-to-day life, while also presenting the digital services offered by La Poste. Another component of the programme, "Netexplo Academy" is a global



## Innovative training initiatives

*"One of the missions of the École de la Banque et du Réseau is to support change. Our Management is 100% dedicated to these programmes. Its Training PMOs\* are involved from the earliest stage with the HR PMOs to implement relevant solutions. For Exello, we have taken part in social dialogue, developed an initiative adapted to each centre, while supporting each and every career path (1,500 job moves enabled between now and 2017). The training pathway for the Network's priority banking managers was devised with key partners, such as CFPB\*\*. Its teaching approach is innovative: alternating classroom training, remote training and immersion courses and assembling a personalised development project. Besides reinforcing banking skills, the training is focused on management connected to the respective business area. We are working on Cap Client 3.0 which will concern more than 7,000 employees from the commercial line. For the Professional Customer Managers, in addition to developing that career path we are establishing an employee talent pool with a digital space known as Mon Campus Digital."*

**VIRGINIE LOPES,**  
Director of *École de la Banque et du Réseau* programmes

\* Project Manager Officer.

\*\* Centre de formation de la profession bancaire (Training Centre for the Banking Profession).



digital observatory shared with various large French and international groups. In addition, the School works to develop customisable mobile solutions: access to remote training on external platforms and the development of training on tablets and smartphones.

certified training: 480 Post Office counter clerks and Customer Managers for the professional diploma in Banking, 300 managers for the ITB diploma and 15 for the CESB Management diploma. ■■■

### SKILLS OF THE FUTURE

Training leading to qualifications and diplomas ensures the continued employability of employees. The social agreement "A future for every postal worker", signed in February 2015, specifies that at least 50,000 postal workers shall benefit from a training pathway leading to a qualification in the period 2015-2020. This innovative initiative is a new lever for the professional development of employees and the development of job functions within the Group. Providing a minimum of 70 hours of training over a maximum 12-month period, the certified training aims to develop new or essential skills. It is validated by certification defined and delivered by Le Groupe La Poste. In 2015, around 800 employees undertook CFPB\*\*

**2,500 employees**  
of La Banque Postale,  
Financial Services or  
the Network were engaged  
in training leading to a  
qualification or diploma in 2015.





## MANAGEMENT

### Encouraging involvement

In line with the values of Le Groupe La Poste, La Banque Postale instils among its teams, those of the Network and of Financial Services, management principles based on developing responsibility and independence among employees whilst providing support for them, in order to motivate their involvement. This vision, quite distinct from the conventional “prescription-execution-supervision” model, was widely disseminated among managers in 2015. With the launch in June of the first social barometer, the HR Department seeks to evaluate the degree of employee satisfaction with their quality of life in the workplace

and to monitor, over time, how management integrates that objective of nurturing employee involvement. The results of the social barometer will enable a plan of action to be devised, aiming to achieve a balance between the private and professional life of employees, taking into consideration their work load, work environment, recognition and management. In 2016, the managers’ roadmap includes objectives concerning quality of life in the workplace, taking into account the trends revealed by the social barometer as well as the short-duration absenteeism indicator.

**104,413 training days**  
carried out in 2015,  
equivalent to 23 training  
hours per employee.



### FACILITATING PROFESSIONAL DEVELOPMENT

The ongoing development of La Banque Postale and of the Network generates numerous opportunities for professional development, particularly in new business lines. In order to keep employees properly informed and assist them, individually, with the job mobility dynamic, new cross-entity measures were implemented in 2015. Thirteen job mobility teams were introduced throughout France by the Human Resources Department of La Banque Postale, Financial Services and the Network. These “internal recruitment agencies” provide information about vacancies and identify potential candidates, in collaboration with the local HR personnel. Adopting a new approach towards job mobility, these agencies provide information about developing roles to reinforce knowledge among employees. They make life easier for the Recruitment Manager (reducing the recruitment lead time, for example) and for the employee, in terms of mobility, by providing them with personalised assistance.

To fine tune their professional plans, employees can also seek advice from the



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**1,700 job applications** were handled by the mobility services teams in 2015.

career development Advisors in Financial Services and in the Network. Finally, information facilities, *Espaces mobilité Groupe La Poste*, will soon be established to provide information on the various jobs in branches and on opportunities for external mobility (public sector or business creation).

#### CONTINUING DIGITAL TRANSFORMATION

The digital revolution is changing the behaviour of customers and ways of working. Information sharing, instantaneous communication, collaborative working, etc. The HR Department of La Banque Postale, Financial Services and La Poste Network is developing multiple initiatives to encourage new uses of digital technology in the workplace. A community of digital coaches has been set up. Several times a week, they hold themed workshops involving micro-training sessions for employees who wish to learn about the tools and applications available in the digital universe. Co-working spaces have been introduced: these open-access connected spaces encourage creativity and collaborative project-based working. Finally, some serious games are in development. These games will enable the Group to identify employees who are expert



users of digital technology so that their skills may be put to use internally.

#### SHAPING SOCIAL DIALOGUE

Right from its launch, La Banque Postale has paid special attention to ensuring high-quality employee relations, based on trust and mutual respect. One hundred and twenty-four collective bargaining agreements have been signed since 2006 at La Banque Postale and in the Financial Services, including six signed in 2015. They support the Company's development and transformation, acknowledge the work of every employee and encourage professional well-being. The BPE-LBPGP merger was supported by social dialogue around the transfer of employees from La Banque Postale Gestion de Patrimoine to BPE. The Adaptation Agreement was signed on 1 December 2015. Negotiations for the PERCO Group agreement, the endorsement to the Group incentive agreement and the first profit-sharing agreement of La Banque Postale ■■■

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**26 digital coaches** helped HR employees to discover the digital tools and uses appropriate to their work.




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## Human Resources

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**6 social agreements** were signed in 2015, including the collective bargaining agreement on the future of banking occupations from 2016-2020 (*"Avenir des métiers bancaires 2016-2020"*).



Group were also carried out in 2015. An innovative agreement on the commercial management of banking Advisors was signed in July for the period 2015-2017. It proposes a series of commercial managerial practices that will encourage a better working environment within the commercial teams and will improve the quality of life in the workplace, to promote involvement, efficiency and development. In Financial Services, the social dialogue undertaken in 2015 involved, in particular, the signing of a collective bargaining agreement in December on the future of banking occupations from 2016-2020 (*Avenir des métiers bancaires 2016-2020*). This agreement accompanies a number of major transformation programmes for the Financial Centres, prerequisites for the development strategy of La Banque Postale, particularly the Excello programme (operational excellence of the Financial and National Centres), which involves changes to the middle-office and back-office and to the HR function for the centres. It involves strong commitments concerning the continuing role of the centres and their activities, support for employees, quality of management and the

essential role of local management. It also sets out the basic conditions for reorganisation of working hours, so that they may be better suited to the needs and expectations of customers.

### **TAKING ACTION ON DIVERSITY AND EQUAL OPPORTUNITIES**

As a caring and socially responsible bank", La Banque Postale is committed to promoting diversity and equal opportunity, to give everyone access to its various business lines. It also pursues an employment development policy for people with disabilities, promoting their integration and ensuring their career development. Promoting job equality between men and women in the Company and a better personal/professional life balance are core to the third Occupational Equality agreement of Le Groupe La Poste, signed in July 2015. The sixth Disability Agreement of Le Groupe La Poste, signed in May 2015, underpins the commitments towards disabled people, particularly through the creation of a Return-to-Work and Job Security Committee in each entity. Digital accessibility is also one of its priorities.



Particularly committed to the recruitment of disabled people, in 2015 La Banque Postale participated in the Handi2day and HandiLive online forums and the ADAPT forum.

In partnership with ESSEC and Sciences-Po, it also contributes to developing access to knowledge by raising awareness among students and future managers concerning the professional integration of disabled people. In particular, it has set up an annual disabled persons' bursary scheme with ESSEC. In 2015, La Banque Postale and the Financial Services of La Poste supported around 800 disabled employees. In Financial Services, around 600 job security actions, amounting to over €700,000, were carried out. The Disability Mission of La Banque Postale has carried out ten or so adaptations to workstations. A project aimed at improving the accessibility of e-learning modules was initiated in 2015. Several awareness raising activities have been carried out to remove obstacles and challenge stereotypes associated with disability. In 2015, La Banque Postale renewed the introduction to French Sign Language training. As part of Responsible Development Week, it mobilised employees to take an interest in the disabled and sheltered sector, by inviting ESATs\* and adapted businesses to give presentations. As in previous

years, La Banque Postale took part in the National Week for the Employment of People with Disabilities (*Semaine pour l'emploi des personnes handicapées - SEPH*), with theatre events and follow-up discussions, organised in the service units. In Financial Services, disability organisations were contacted to propose events including theatre discussions, photo competitions, quizzes, sensory workshops, etc. Financial Services also took part in the fifth Le Groupe La Poste *Trophées Handdifférences* (disability awards), which recognise employees involved in the integration of their disabled colleagues and encourage the sharing of best practice. Finally, Le Groupe La Poste took part in the Free Handi'se Trophy awards for the first time in 2015. ■

\* Établissement et service d'aide par le travail (*assistance through employment*).

**800 disabled employees**  
were assisted and **600**  
job security actions were  
carried out.





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# **MOVING FORWARD WITH OUR CUSTOMERS**

Overview of activity in 2015

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For ten years, La Banque Postale has been helping its millions of customers: individuals, businesses, social economy actors and local public sector bodies. Every day it builds on the bonds of trust and proximity by offering them simplicity and security. La Banque Postale continues to develop a range of products and services that are accessible, useful, transparent and competitively priced, for them.

# Anticipating new uses

With a comprehensive range of banking and insurance products and services, La Banque Postale is involved in a development process for the benefit of its customers. It is innovating to meet their expectations, today and tomorrow.

## MANAGING YOUR ACCOUNT

In the Post Office, by telephone or by Internet, 7.5 million customers took up combined services offered by La Banque Postale in 2015. Most of them chose the Account option, comprising essential day-to-day banking products, which can be customised according to the customer's needs and budget. Since January 2016, to improve transparency, customers who sustain an incident on their account (declined transaction, overdraft fee, etc.) are informed on their statement of the amount of fees involved, at least two weeks prior to debiting.

### A BANK CARD FOR EVERYONE

At the end of September 2015, La Banque Postale achieved market share of 13% with approximately 8 million cards in circulation, including 600,000 Visa Premier cards. Its range of cards feature among the most comprehensive on the market, satisfying the lifestyle and consumer behaviour of each and every customer. The range addresses both the needs of customers subject to standard regulations with the systematically authorised Réalys cards (Visa Electron), and those of high-net-worth customers, with the Visa Infinite and Visa Platinum cards. Related optional services can add to the variety of uses of these cards to make remote or local payments or to simplify cash management. Finally, the new card with a credit option offering revolving credit allows the cardholder

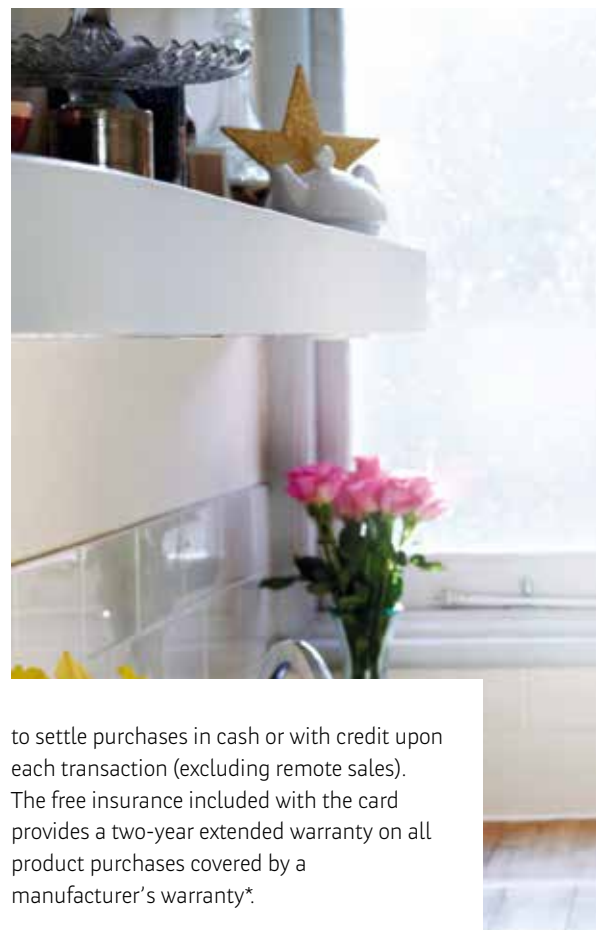
to settle purchases in cash or with credit upon each transaction (excluding remote sales). The free insurance included with the card provides a two-year extended warranty on all product purchases covered by a manufacturer's warranty\*.

### INNOVATIVE PAYMENT SOLUTIONS

La Banque Postale is at the cutting edge of payment services technology (see text frame opposite). Since May 2015, it has offered its customers the "My Payments" application free of charge. An all-in-one service, this electronic portfolio ensures bank card security, while simplifying access to the various services that it comprises. In particular, it includes Paylib so that users can settle e-purchases without having to enter bank card details. This solution, developed in partnership with BNP Paribas and Société Générale, and joined since by Crédit Agricole and Crédit Mutuel Arkéa, is set to become a standard in the market place. 130,000 customers of La Banque Postale have already joined Paylib. Since November 2015, the "My Payments" service also hosts LBP Pay. An innovation in the digital protection of payment data, tried and tested for two years, LBP Pay ■■■



\* Subject to the limitations and conditions contained in the information notice.





## Supporting progressive change in payment methods

*"In the payments sector, innovation does not necessarily mean a break through. You have to know how to assist your customers with changing uses, over time. While relying on technology as a lever to simplify and increase the security of remote payments, La Banque Postale seeks to facilitate customer use, whichever payment service is used. In view of the proliferation of new solutions offered, La Banque Postale makes life easier for them by unifying their online payment experience with the "My Payments" application. Whether the customer pays for purchases using Paylib, using a bank card with 3D Secure or using LBP Pay, the operating process is the same. Other services, such as funds transfer between individuals or the payment of bills, will soon be added to this electronic portfolio, with which customers will already be familiar."*

**AURÉLIEN LACHAUD,**  
Head of Payment Markets  
Development

## INTERNET AND SOCIAL NETWORKS

### Digital innovation to reinforce proximity

The [labanquepostale.fr](http://labanquepostale.fr) portal receives more than 48 million visits per month. Traffic via mobile devices has increased by 60%, with 30 million visits, of which 95% were via smartphones. To respond to this demand, the new "La Banque Postale" app, which is simple, ergonomic and has numerous on-demand functionalities, is available for tablets and mobile phones (iOS and Android). It is already used by more than 2.4 million customers. With more than 240,000 likes on Facebook and 11,600 followers on Twitter, La Banque Postale is the leading banking community in terms of social

network interactions, and manages more than 1,000 customer questions every month. Always the pioneer, it has created the first banking SA-Vine (dealing with some of the main questions asked on the @labanquepostale Twitter account using Vine video sharing), and in 2015 it launched Twittoriels, an original service offering fun and instructive banking tutorials (600,000 views in 2 months). La Banque Postale is pursuing its digital drive by being the first French bank to have corporate Facebook pages. About 50 Advisors have their own individual professional page on the social

network, each entitled "La Banque Postale Advisor", and these reinforce the Bank's proximity to a community of 1,400 customers. Finally, La Banque Postale offers digital content that gets people talking and brings them together, such as the *Comme le disent les gens* ("What people are saying") video series which, in two years, has accumulated 14 million views on YouTube.







## Encouraging our customers to take action for the environment

*"Energy transition is a priority for Le Groupe La Poste. With its interest-free eco-loans, "green" renovations loans, home micro-loans, loans for the purchase of electric or hybrid vehicles, dedicated auto insurance and specialist SRI funds, La Banque Postale has developed a comprehensive "green" product range for all of its customers, from those with moderate incomes to the most affluent. The aim is to democratise the energy initiative, so that it is accessible to all. This approach is consistent with our mission, past and present, of opening up banking accessibility and also with our values of serving the greatest possible number of customers while remaining in proximity to them. We seek to encourage our customers to invest in favour of sustainable development and to play a role in energy transition. To awaken their environmental conscience, we must provide them with the keys they need to understand the issues and the resources they require to take action."*

**MOUNA AOUN,**  
Retail Banking Department



■■■ ensures security for Internet payments through the dynamic generation of a cryptogram upon each use. Finally, La Banque Postale is the first French bank to obtain approval from the CNIL to launch a voice authentication device for remote payments, to be offered to all its customers from summer 2016.

### ONLINE CURRENCY EXCHANGE

An online currency exchange service, available at departure points (train stations, airports), was launched in July 2015, in partnership with Travelex. Fifty currencies are available through this new service, which responds to the digitisation of foreign travel arrangements (online purchase of plane tickets, hotel reservations, etc.). With some of the best rates on the market, it offers the exclusive advantage of a buyback guarantee; specifically, any unused currency above €150 is bought back free of charge. In four months, customers of La Banque Postale purchased more than €1 million in foreign currency.

### A COMPREHENSIVE SEPA PAYMENT MANAGEMENT SERVICE

In January 2015, La Banque Postale launched a SEPA direct debit management service enabling customers to easily manage their direct debit mandates by: contesting one or more due dates, withdrawing a direct debit mandate or disputing online transactions. At the end of September 2015, around 1.5 million direct debit transactions were performed on line.

## FINANCING THEIR PROJECTS

### RECOVERY IN HOME LOANS

Lacklustre throughout 2014, despite the accelerated decline in rates, the home loans market was reinvigorated in 2015. La Banque Postale funded more than 80,000 property projects for its customers in 2015, amounting to more than €12.8 billion, representing a 43% increase compared with the previous year. Demand was also sustained by loan buy-backs between institutions, which reached record-breaking levels in 2015, representing one third of income. The signature of over 660 agreements with property professionals, including social housing associations, confirmed the development of the external prescription channel, which brought in income of around €2 billion in 2015 (+43% compared with 2014). Its position as a major player in the social home ownership market was also confirmed. At the end of 2015, La Banque Postale posted income from Social Home Ownership Loans (SHOL) of close to €2.2 billion, representing an increase of more than 65% on the €1.3 billion achieved in 2014.

### SUPPORTING ENERGY TRANSITION

La Banque Postale has implemented centralised distribution of interest-free eco-loans to facilitate customer take-up of



this offer. These eco-loans provide credit of up to €30,000 to private customers to fund energy-efficient renovations. For lower-income households, in 2015 La Banque Postale trialled home micro-loans in around thirty French departments, in partnership with Caisse des Dépôts et Consignations (CDC) and approximately thirty housing associations. In 2015, La Banque Postale also launched a personal “green” loan product, at preferential rates. The personal “green” loan completes the interest-free eco-loan offering, by covering a wider range since it funds all works undertaken by RGE\* tradesmen (from €1,500 to 75,000 over 12 to 144 months). To encourage eco-mobility, “green” vehicle loans fund purchases of new and used electric or hybrid vehicles, as well as bicycles, electric bikes and scooters. The loan application process has been digitised (it is now paperless) using electronic signature.

#### **A RESPONSIBLE CONSUMER CREDIT SERVICE**

This “green” offering completes the consumer credit range, which covers personal loans (cars, renovations, projects), consumer loan buy-backs, products for young people

(students, apprentices, driving tuition at 1 euro per day) and products especially for temporary workers. Almost 200,000 revolving credit agreements were signed by the end of 2015. A hybrid product between an authorised overdraft and a personal loan, they are distinguished by an interest rate that is among the lowest on the market, in addition to flexible repayment terms. The product was enhanced in December 2015 by the “credit option” card offered on Visa Classic, Visa Premier, Visa Platinum and Visa Infinite cards (see page 24 for further details). ■■■

*\* Acknowledged environmentally responsible.*



**1 000 customers** took out at least one “green” product in the three-month marketing period.  
(October to December 2015)



Activities / Private customers

## SUPPORT AND PREVENTION

Faithful to its public service values, La Banque Postale pays particular attention to financially vulnerable customers and strives, on a daily basis, to enable everyone to access high quality banking services.

■■■ Consumer loan buy-backs, available in Post Offices and on the 36 39\* telephone number, represented slightly less than one quarter of income in 2015. They allow customers to realign their budget by grouping together their outstanding loans (revolving credit, consumer loans and home loans), up to a limit of 60% of the total amount financed, excluding loans held with La Banque Postale. At the end of 2015, total consumer loans outstanding at La Banque Postale amounted to more than €4.5 billion.

### DEVELOPING THE COLLABORATIVE ECONOMY

A useful bank that serves all, La Banque Postale is an active proponent of the collaborative economy based on the "exchange and share" model. Since 2011, it has been involved in a pioneering partnership with KissKissBankBank, the leading French crowd-funding platform and,

subsequently, in 2013, went into partnership with Hellomerci. These alternative and complementary funding solutions for both private customers and businesses address an ever-increasing range of needs (tourism, banking insurance, accommodation) that are not covered by "conventional" banking services. Since 2015, they have been offered on the La Banque Postale website. In addition, La Banque Postale selects its own Favourites from among the projects posted on the platforms and offers them financial support. 77 projects have already benefited in this way. Since November 2015, the selection of Favourite projects is put to the vote among followers of La Banque Postale youth Facebook page. In addition to supporting the development of these platforms, La Banque Postale is co-developing actions to promote the collaborative economy, one such initiative being the Social Cup, a French award for student social entrepreneurship.

### ENCOURAGING BANKING INCLUSIVENESS

For customers facing banking restrictions or those who are over-indebted or financially vulnerable, La Banque Postale offers the Simplicity Account option. It includes a Réalys card, three multimedia alerts, two bank cheques, four free transfers per month and a cap on incident fees, at lower rates than those set by the Banking Act of October 2014. As part of its partnership with local charitable organisations (Secours Catholique, UDAF, French Red Cross, Restos du Cœur, etc.), ongoing since 2007, which identifies and supports projects undertaken by persons facing banking exclusion, La Banque Postale signed 32 new personal micro-loan agreements in 2015, bring the total number above 200. The balance of these banking inclusion loans amounts to €17.7 million with more than 7,300 micro-loans in circulation at the end of 2015. In partnership with Adie, La Banque Postale offers professional micro-loans to financially vulnerable customers who are responsible for a professional project, particularly those living in deprived urban



\* Service €0.15/min + price of a call.





areas. Since this partnership was established in 2012, the scheme has supported more than 1,500 micro-entrepreneurs who had been excluded from the labour market and had no access to bank credit. More than 200 of them have been able to succeed with their projects.

#### A COMMITTED PLAYER

La Banque Postale sits, alongside representatives of the public authorities, consumer and family non-profit associations, non-profit associations combating exclusion, and other lending institution representatives, on the *Observatoire de l'Inclusion Bancaire* (OIB). In 2015, the work carried out by this body led to the establishment of new quantitative and qualitative indicators to furnish the public authorities, and all other players involved, with objective data that can be used to identify opportunities for improvement with regard to banking inclusion. The Think-tank for the Initiative against banking exclusion, facilitated by La Banque Postale since 2012, gained two new members in 2015: *Fédération Solidaires pour l'habitat* ("SOLIHA" - the inclusive housing federation) and *Association nationale des directeurs de mission locale* (ANDML - the National Association of local mission directors). ■■■

## RESPONSIBILITY

### 16,200 customers supported by *L'Appui*

By the end of 2015, *L'Appui*, the banking and budgetary advisory platform created by La Banque Postale in 2013, had supported more than 16,200 customers. Winner of the first *La France s'engage* scheme in 2014, celebrating the "15 civic commitment initiatives that get France moving", *L'Appui* received approval from the CNIL in November 2015 to roll out this service nationwide in France and across all of the communication channels of La Banque Postale. Accessed by the customer using a

standard-rate phone number, this free and customised service, offered only by La Banque Postale, is available to any customer who is experiencing temporary or long-term financial difficulties. On the strength of the advice given by 30 of La Banque Postale's employees who have been specially trained in existing solutions and who are able to direct callers to appropriate partners and a network of civic services, this telephone platform aims to prevent financial vulnerability or, at least, avoid its escalation.

**30 employees** trained to give guidance to customers having difficulties balancing their household budgets.



## SAVING AND INVESTING



With the Civic Interest Service, approximately **70,000 euros** were transferred to member associations of the Think-tank for the Initiative against banking exclusion.

Influenced by persistently low interest rates, customers have moved away from short-term investments, while La Banque Postale has seen a substantial increase in net inflows from mid- to long-term savings products, such as the home ownership savings scheme, with €2 billion invested. Declining interest on the Livret A savings account, offering below 1%, also contributed to growth in demand deposits.

### INVESTMENTS TO SUPPORT ALL PROJECTS

To address the wide variety of customer needs, La Banque Postale has a comprehensive range of investments. Despite the decline in yields, the tax-free savings accounts (Livret A, LDD, LEP, Livret Jeune) still retain their appeal as long as inflation remains close to zero. And to give their savings real meaning, La Banque Postale offers customers the “Civic Interest Service”, which allows them to transfer all or part of the interest earned on a regulated savings account to one of the 11 associations that are members of the “Initiative against banking exclusion”, of which La Banque Postale is the founder member. It supports this solidarity initiative by making a 10%

contribution to the amount of their donation. At the end of 2015, around €50,000 were transferred in this way to non-profit member associations. La Banque Postale contributed an additional €20,000 to that sum. Suited to longer-term projects and offering a higher yield, since February 2015 the home loan savings Plan offers more advantageous home loan conditions. The PEA (equity savings plan) and the PEA PME (small- and medium-sized enterprises equity savings plan) offer access to the financial markets under attractive tax conditions, and the life insurance policies of La Banque Postale offer a range of options suited to every budget: from €75 for Vivaccio to €150,000 for Cachemire Patrimoine. With both the life insurance policies and the equity savings plans, different management options spanning a wide range of funds enable customers to build an asset portfolio according to their yield expectations and risk tolerance, while leveraging all the expertise of the Group’s asset management subsidiaries.

### A COMPREHENSIVE WEALTH MANAGEMENT SERVICE

Launched in 2014, Cachemire 2, Cachemire Patrimoine and Satinium, life insurance products for affluent and high-net-worth savers, offer a broad spectrum of investment

solutions, including discretionary management, and of asset classes, including real estate with the Immo Diversification OPCV LBP (an open-ended property fund). Access to real estate assets is also possible via high-yield SCPI (REITs) invested in commercial real estate or via "Pinel" Ciloger Habitat 5 SCPI (REITs), to enable investment in residential real estate while benefiting from tax cuts. La Banque Postale also offers tax optimisation solutions such as the Siparex XAnge Innovation 2016 FCPI (innovation fund) or the La Banque Postale Image 10 SOFICA (cinema and audio-visual investment fund).

## PLANNING AHEAD AND PROVIDING PROTECTION

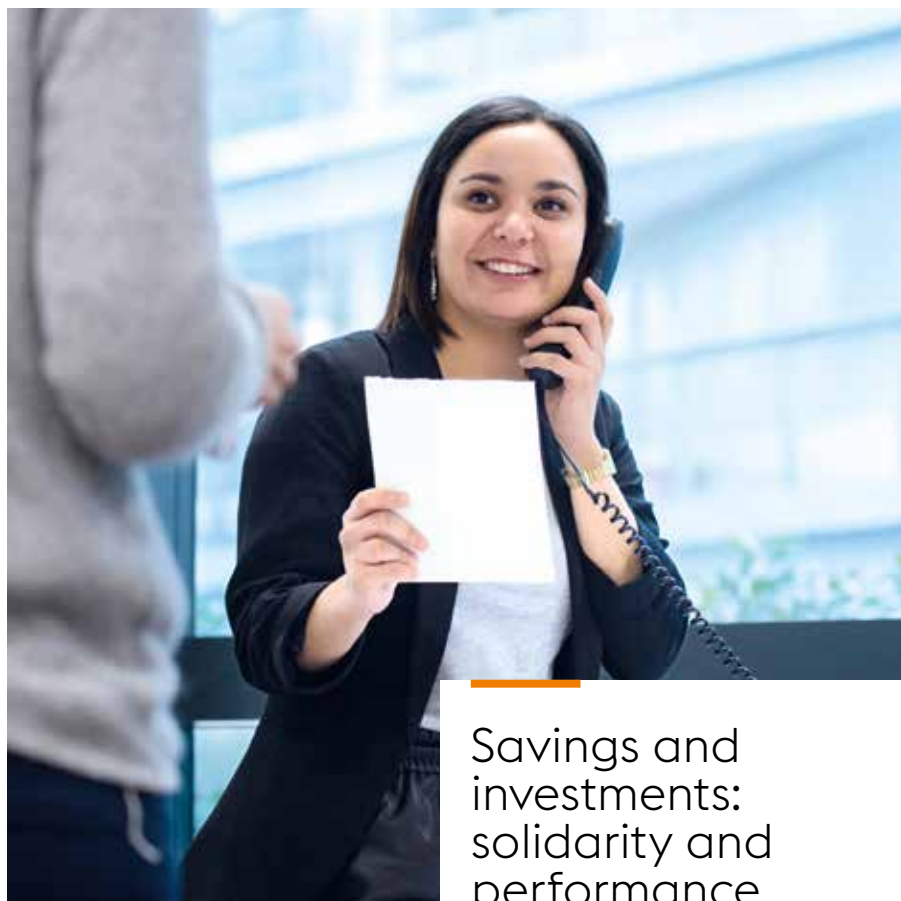
### 1,350,000 IARD CONTRACTS AND MORE THAN 920,000 CUSTOMERS IN THE PORTFOLIO

With around 550,000 new subscriptions registered in 2015, La Banque Postale Assurances IARD has grown even stronger. After just four years in operation, it is consolidating its position as a bank-insurer, now ranking in 15 place among home insurers and twentieth place among vehicle insurers. With its new home insurance product, adapted to the varied and multiple needs of policyholders, income generated has increased by 22% in comparison with 2014. In 2016, optional video-surveillance will be included. Since the end of 2015, a "zero-carbon" auto insurance product (third-party only, third-party plus and fully comprehensive options) covers breakdown of electrical components and electronic engine control, as well as battery

damage. Eco-driving training, provided by MobiGreen, a subsidiary of Le Groupe La Poste, is offered to the first 150 subscribers.

### HEALTH INSURANCE

2015 saw the launch of a totally innovative product for La Banque Postale Assurance Santé: "Hard Times" Health Insurance (*l'assurance Coups Durs Santé*). Following a successful pilot phase in Essonne at the end of 2014, marketing of this product was rolled out, from July 2015, throughout the La Poste Network. The "Hard Times" Health Insurance policy covers the three most feared illnesses among French people: cancer, stroke and heart attack. If the policyholder sustains one of these illnesses, the insurance provides a capital sum, chosen by the customer, of between €5,000 and €30,000, and ■■■



## Savings and investments: solidarity and performance

La Banque Postale was awarded the Finansol Label, which singles out solidarity savings investments, for its *Service Intérêts Solidaires*. *LBPAM Responsable Actions Solidaire* and *Libertés and Solidarité*, two funds in the "invest differently" range, were also awarded this Finansol Label, while La Banque Postale Asset Management (LBPAM) carried off the ISR Prize at the Investor Awards 2015, organised by Boursorama and Morningstar. The expertise of the asset management teams at La Banque Postale and its subsidiaries has been rewarded several times. *Agefi's Grands Prix de la Gestion d'Actifs 2015* gave pride of place to La Banque Postale Asset Management Actions Dividendes Europe (leading manager in the "High-dividend shares over three years" category) and Tocqueville Value Europe I (leader in the "European shares over three years" category). Tocqueville Value Europe I also won the *Trophée d'Argent* (Silver Trophy) for the best European equity funds over three years awarded by *Le Revenu*. The 2015 edition of the *Trophées du Revenu* also honoured La Banque Postale Asset Management : *Trophée d'Or* (Golden Trophy) for the best range of "sectoral funds" over three years, *Trophée d'Argent* for the best range of "international shares" over three years and *Trophée de Bronze* (Bronze Trophy) for the best range of "European shares" over three years.





■■■ a broad range of support services which the policyholder receives for two years following the illness, up to a total of €3,000. More than 12,000 policies have already been subscribed and it is expected that 50,000 will be subscribed in 2016.

#### **A CHANGING MARKET FOR INDIVIDUAL PERSONAL RISK INSURANCE**

In a declining market, La Banque Postale Prévoyance has maintained a contribution of about 10% to the market's new business.

At the end of 2015, there were 2.76 million policies in its portfolio, an increase of 0.3% compared with 2014. It responds to private individuals' concern for protection for themselves, their families, their projects and their assets, by covering the risks of life accidents, loss of autonomy and death. With longer life expectancy and an ageing population, dependency is now an issue for society. It is for this reason that La Banque Postale Prévoyance, at the beginning of 2015, launched a dependency range that is accessible, useful and very comprehensive, which responds to all customers needs. The simple offering, called *Forfait Autonomie*, enables the most fragile customers to ensure they will remain in their homes, in addition to any state support. The full offering, *Assurance Autonomie*, contributes to financing and supporting the loss of autonomy, by means of a lump sum payment and a monthly lifetime pension. It can be changed and personalised, and has a large number of assistance covers, including the home visit service provided by the postal delivery workers, training and respite for carers. This policy is intended for customers needing additional income to finance loss of autonomy or who have assets to protect, and also customers who would like to subscribe to insure a close relation. ■

The *Dossiers de l'Épargne* awarded **four Labels** d'Excellence to La Banque Postale Prévoyance for its *Assurance Autonomie*, *Avisys Protection Famille*, *Sérénia* and *Résolys Obsèques Prestations* policies.



# LA BANQUE POSTALE, WHERE YOU WANT IT, AS YOU WANT IT!



## POST OFFICE NETWORK

### An “increased” close relationship

La Poste Network continues to transform its customer service. The *Intégral* Customer Service Area- (*Espace service clients-Intégral*, ESC-I) concept is being implemented in very highly-frequented post offices (about 650 at the end of 2015). It releases Post Office counter clerks from withdrawal and deposit operations, and enables them to focus on receiving and looking after customers. At the end of 2015, more than 20,000 Post Office counter clerks were trained in providing advice on banking products, especially in the fields of ordinary savings, pocket insurance products and bank cards. The Network is also improving La Banque Postale's visibility with a re-organised and personalised advice area: a more friendly waiting area, furniture encouraging receptiveness and closeness for the specialised Advisors, where the banking expertise is grouped in the largest post offices and where the advisory offer is enhanced with the establishment of Professional Customer Managers.



## LANDLINE AND MOBILE INTERNET

### Useful and close digital media

Because the way customers make use of the bank is changing, La Banque Postale is enhancing the functions of its digital media. As a useful bank that is close to its customers, it allows them to choose the channel they prefer: Internet, an application for smartphones and tablets, social networks, etc. The [labanquepostale.fr](http://labanquepostale.fr) portal is henceforth adapted to all screen sizes, in line with the work carried out for the private customer area in 2014. Site visits reached a record 50 million in October 2015. The on-line banking services are used by 5.4 million customers, and already more than 2.3 million of them use these services on at least two media (smartphone/tablet/computer). On average, customers use the new accessible, comfortable and customisable “La Banque Postale” smartphone application 14 times a month. On social networks, La Banque Postale is rooted in its customers' everyday life with useful and practical services (refer to page 25).



## L'APPUI DE LA BANQUE POSTALE

The *L'Appui* customer service managers support and guide customers experiencing budgeting difficulties, to analyse their financial situation and to find appropriate solutions: loan buy-backs, dedicated banking offers, etc. (09 69 36 39 20\*\*).



## TELEPHONE

### Simplicity and accessibility

It is now much simpler to contact La Banque Postale by telephone. 36 39\* is still the reference number for requests for information and to carry out remote transactions, with more than 28 million calls in 2015. Since November 2015, customers have a simplified tree structure, which passes them on to employees in the Financial Centres, as well as to the specialised platforms, for all La Banque Postale products and services: account management, savings, consumer credit, personal risk products, property and casualty insurance, health insurance, home loans.

In addition, and to respond to dedicated uses, in 2015 La Banque Postale set up new numbers:

- customers can consult their accounts 24 hours a day, 7 days a week on the voice server 09 69 39 36 39\*\*.
- It received 2.5 million authenticated connections in 2015;
- making appointments with banking Advisors in Post Offices has also been simplified with a national dedicated number: 09 69 39 00 01\*\*;
- finally, in addition to these day-to-day contacts, customers can file a complaint with the La Banque Postale after-sales service (09 69 39 99 98\*\*).



## LA BANQUE POSTALE CHEZ SOI

### Chez soi 100% remote branch

At the end of 2015, almost 100,000 customers had opted for the 100% remote relations provided by *La Banque Postale Chez Soi*. Over 100 Advisers support them in carrying out and following up their projects, and in daily account management. The customers appreciate the availability of *La Banque Postale Group Chez Soi*. Through a dedicated number, call-back via Internet and conversations on safe and instant email, Advisers are available from 8am to 8pm, Monday to Friday, and from 9am to 5pm on Saturday, excluding public holidays. In 2015, the bank improved its expertise by setting up an asset management centre, made up of seven specialised asset management Advisers.

\* Service €0.15/min + price of a call.  
\*\* Not a premium rate number.

# Leveraging the local economy

As the bank for all, La Banque Postale offers services to companies, professionals, social economy actors and the local public sector. As well as covering their day-to-day bank transactions, it supports their entrepreneurial aspirations and their development projects.

A trustworthy local banking partner, La Banque Postale is true to its commitments: it supports its customers by providing a range comprising simple, accessible, useful and responsible products. It is everyone's bank, for the local public sector and for businesses, always with a responsible approach, to prevent situations of excessive debt. La Banque Postale finances local authorities of all sizes, from rural municipalities to large urban centres. For its business customers, it is just as applicable to micro-enterprises and professionals as to major corporations. A fair price and transparency guide its relations with public and private economic stakeholders. It is the local services bank, thanks to the La Poste network and its post offices throughout the territory. It sets out to be the benchmark regional development bank, by aiming its offering to social housing associations, local authorities and local public companies, hospitals, companies, professionals, non-profit associations and mutual insurance companies.



## SUPPORT FOR LOCAL DEVELOPMENT

In 2012, La Banque Postale undertook to become a benchmark partner for the local public sector by working with all the regional stakeholders. Three years later, it has fulfilled its commitments and is recognised as the reference bank with regard to financing and banking services for local authorities, for the stakeholders in social housing, local institutions, public health-care establishments and semi-public corporations. As a partner in local development, it aims at covering the needs of the economic fabric of a region. It supports elected representatives in a comprehensive approach which brings employment into their territory. In 2015, it granted more than €8.6 billion of funding to 3,500 customers in this sector. It is the partner of two out of three social housing associations.

### THE LEADING LENDER TO LOCAL AUTHORITIES AND HOSPITALS

Three years after the launch of its financing offering, La Banque Postale has become the leading lender to local authorities and public hospitals, where all banking establishments are now present in a very competitive context. It provides 25% of the financing granted by banking establishments. An advisory and expert partner, La Banque Postale is receptive to all local public





## Reinventing public action with Citizens' Days

*"In July 2015, The National Social Action Observatory (L'Observatoire national de l'action sociale (ODAS)) and La Banque Postale signed an agreement with the aim of promoting and developing Citizens' Days, an action which reinvents public action. Already adopted by 140 municipalities all over France in 2015, and with 15,000 inhabitants participating, these Citizens' Days aim at improving the population's quality of life, while encouraging social links to be created among the inhabitants. In this way, each year, for a whole day, the inhabitants meet and carry out construction work on a voluntary basis (repairs, improvements, embellishments, etc.) on different locations, equipment or districts in their municipality. The choice of work to be carried out results from the collaboration between the inhabitants and the municipal councillors. This initiative, run by the municipalities, their officials and local partners (non-profit associations, companies, etc.), encourages exchanges between the inhabitants of all generations, and creates a strong and unifying link."*

**THOMAS ROUGIER,**  
Head of Research, local public sector



stakeholders, both to optimise the cost of their debts and to support their investments. Its full range of financing is made up of credit lines, bridging loans, medium/long-term loans, with a mobilisation phase, at a variable rate transferable into a fixed rate. A civic-minded bank, more than ever in 2015 it acted on behalf of local authorities which were affected by the decline in State subsidies and by territorial reform. This concerns both major urban areas and small municipalities: almost half the customers that La Banque Postale supports are in fact towns of less than 5,000 inhabitants. In 2015, La Banque Postale doubled its commitments to hospitals, public health stakeholders. It also supported large projects in connection with the law on energy transition and renewable energies, as well as with the development of digital networks. In this way, in 2015, it granted €4.2 billion of long-term financing and almost €2.5 billion of short-term financing.

### A MAJOR PLAYER IN FINANCING LOCAL PUBLIC ENTERPRISES

Local public enterprises (EPL) or semi-public corporations (SEM), which are the local authorities' "driving forces" to undertake planning missions, economic, tourism or energy development missions, have naturally become customers of La Banque Postale. In this way, almost €500 million of financing has been granted since this activity was launched in 2014, to support structuring projects on a regional basis.

### CONTINUATION OF PARTNERSHIPS WITH THE EIB

La Banque Postale has been a partner of the European Investment Bank since 2014. In this way, in 2015 it continued to offer a large number of financing arrangements within the framework of government plans: *Hôpital Avenir* (Future Hospital), *Très Haut Débit* (High-Speed Broadband and *Collèges et emplois des jeunes* (Youth Academies ■■■

More than **€12.1 billion** of financing granted in 2015 to companies, professionals, stakeholders in the social economy and the local public sector.

## EXPERTISE

### Two major operations in property leasing

In 2012, La Banque Postale launched its property leasing activity for all its corporate customers. It has developed substantial expertise to serve its customers' projects and, in 2015, concluded a considerable number of projects for an amount of €600 million. Particularly thanks to two major property leasing operations for the French Government, La Banque Postale became one of the French leaders in this field in 2015. In fact, following an invitation to tender, it was selected to be the representative and the joint leader in the financing of the Tour Séquoia at La Défense (Hauts-de-Seine) by means of property leasing. The contract was signed with France Domaine on 30 June 2015 on behalf of the French Ministry of the Ecology, at La Défense, and for a total amount of €480 million. After Garance and the Millénaire III, this third property leasing operation with the Government is proof of the confidence in La Banque Postale's expertise in property financing.



and Employment). It wishes to pursue its commitment and work on new projects in connection with energy transition, energy, water and drainage, etc.

#### **SUPPORTING SOCIAL HOUSING LANDLORDS AND TENANTS**

Two out of three social housing associations are customers of La Banque Postale, which covers all their routine banking needs: managing flows, investments, financing arrangements, social engineering. This historically strong position is sustained by Customer Managers specialising in the regional social housing sector, and who respond to all their customers' needs, regardless of their status, their core businesses and their particular regional features. Nearly €1.5 billion in short-, medium- and long-term commitments were made in 2015 to these customers. In 2015, La Banque Postale obtained authorisation to

offer the Rental Housing Loan (*Prêt Locatif Social-PLS*). La Banque Postale also pays close attention to the needs of social housing tenants. It makes life easier for them, through simple, secure solutions for paying their rent: direct debit, funds transfer, the interbank payment order, cash via the Eficash service in Post Office branches, or cheques with specific processing (Externeris). These services make the collection activity for social housing associations flexible and safe. Committed to access to social home ownership, La Banque Postale proposes a financing offer for social housing organisations, in the form of rent-to-own social loans (PSLA). In 2014, it entered into a partnership with the *Fédération nationale des sociétés coopératives de HLM* (FNSCHLM, the national federation of cooperative low-income housing companies) to promote access to social home ownership and





## ACCOMPANYING BUSINESSES AND PROFESSIONALS

support the development of social housing cooperative companies. Under this partnership, La Banque Postale joined the board of investors of the *Société pour le financement de l'habitat coopératif* (SFHC), on which FNSCHLM relies, particularly for complementary financing for its projects. It thus participates actively in providing support for cooperative housing projects and helps design innovative solutions for the production and management of housing assets.



An historical player in the provision of cash flow services and cash management, La Banque Postale bases its customer relationship on its values of local availability, accessibility and trust. By now meeting the essential requirements of business customers with simple and appropriate offers, La Banque Postale enables these customers to manage their businesses with equanimity.

### A CONSOLIDATED POSITION WITH CORPORATE CUSTOMERS

La Banque Postale has a dedicated team capable of handling all the banking needs of its large business and institutional customers. To date, more than 300 large businesses and institutions already trust it as an innovative banking partner, expert on its business lines and providing high quality performance. During the 2015 financial year, La Banque Postale consolidated its positions on processing means of payment, particularly on behalf of those with large billing operations, energy companies, telecoms operators and

major distributors. In particular, it won several tenders with its major corporate customers thanks to the quality of service proposed and the reliability of its technical solutions. It also contributed to financing the activities and projects of large businesses and large institutions by developing its loan portfolio, which totalled more than €4.7 billion at 31 December 2015.

### LOANS FOR EVERY BUSINESS

The financing solutions provided by La Banque Postale to businesses respond both to their needs in relation to major transactions and to the management of cash. Equipment leasing, the spearhead of the investment financing offering, continued to advance with more than 600 cases for an amount of more than €200







## Responding to all the problems in a financing project

*"Since 2011, La Banque Postale has been active in financing corporate entities and its expertise also extends to renewable energies. We are responding accordingly, as it corresponds to our values, and also to society's standard of living. As an example, we recently optimised the financing of a portfolio of photovoltaic projects carried out by Finergreen. This consisted in disposing of the assets, i.e. 80 photovoltaic projects, to a new investor. La Banque Postale has taken up a position as a sole arranger, the account holding bank, senior co-lender and VAT lender. This has involved making a model of the financing, assessing the cost structure, preparing the contract documents and, of course, taking security with our lawyers, not forgetting opening about 30 accounts. Our teams' added value is the ability to respond to all the problems in a financing project."*

**EMMANUEL ESNEU,**  
Head of Assets and Project Financing in the Department of Businesses and Land Development



million achieved on all La Banque Postale's markets. Property leasing, launched in 2012, and mortgage credit, launched in 2013, made strong progress and financed hotels, offices, shops and business premises, for an amount exceeding €1 billion. La Banque Postale also provided more than €200 million of financing for renewable energy projects. For two years now, a large number of depreciable loans have been made, due to the standardisation of the credit chains and decentralised grant decision-making to ensure a more local service with greater responsiveness.

### SUPPORTING THE WORK OF SMES AND ISES

In 2015, La Banque Postale intensified its relations with its SME and ISE customers, from now on with a full range of accounting management and cash flow products as well as financing offers, to assist them in the diversity of their needs and their business. In three years, La Banque Postale equipped nearly 10% of the SME and ISE customers in its portfolio with at least one financing

product (equipment leasing, property leasing, overdraft facilities, factoring business and depreciable loans). These loans made it possible to carry out projects in a variety of sectors: industry, transport, wholesale or retail trading, construction, viticulture, services, etc. Moreover, in order to support these companies' cash flow and reinforce their competitiveness, La Banque Postale is partnering the Union des groupements d'achats publics (UGAP, French public purchasing union) to develop a co-operative factoring business solution. The 600 UGAP suppliers, 95% of which are micro-businesses, SMEs and ISEs, can now choose to give all or some of their invoices to La Banque Postale and to thus benefit from payment in a few days, in other words a 20 to 25-day increase in cash availability. Hence, La Banque Postale is starting to be included among the players which particularly support expanding regional SMEs and ISEs and actively participate in the regions' economic development.



More than  
**€200 million**  
of financing  
for renewable  
energy projects.



## SUPPORTING THE SOCIAL ECONOMY

### THE BANK FOR PROFESSIONALS CONTINUES TO DEVELOP

A historic player with professionals, La Poste maintains long-term customer relations with them, based on trust. La Banque Postale is continuing to set up its bank for professionals to provide them with a better service. At the end of 2015, 95 Professional Customer Managers were in place within the Post Offices. All of them attended a tailor-made certifying training course lasting three months, run by the *École de la Banque et du Réseau*. Working in synergy with the Post Office players, they propose a full range of solutions appropriate to professionals' needs, at prices which are among the lowest on the market. The professional customer portfolio increased by 2%, and more than 25,000 professional account formulas and Adispo contracts were subscribed this year.

Non-profit associations, mutual insurance companies and social protection agencies form a fabric that supports social ties. The dynamism of their actions is part of the attraction of the regions, while also creating businesses and jobs. Close to all these social economy actors, La Banque Postale offers them dedicated solutions to help them fully fulfil their missions. A historical partner of the world of non-profit associations in particular, it bases its natural and enduring relationship on a strong set of values, built with 300,000 non-profit associations.

### MEDIUM/LONG-TERM LOANS FOR MANAGEMENT ASSOCIATIONS

After equipment leasing and property leasing, La Banque Postale rolled out a new offering in 2015 of medium- and long-term loans, developed to finance the construction or acquisition of property assets by large non-profit associations. It responds in particular to the growing need for housing and services in the medical-social sector, which must adapt to new European ■■■




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**In 2015, 25% of pension payments in France were managed by La Banque Postale.**



regulations and to an ageing population. These loans are marketed by the 34 specialised association Advisors in the Business Centres who are prepared to discuss the needs of 6,000 management associations face to face.

#### **A LIVRET ACCOUNT FOR SOCIAL ECONOMY ACTORS**

La Banque Postale proposes the Livret account for management associations, mutual insurance companies and social housing actors. A product complementary to the Livret A accounts, which 120,000 corporate customers already hold, this Livret account (CSL) remains very attractive for remunerating the short-term cash flow, in a difficult lending rate context.

#### **CLOSE RELATIONSHIPS UNDER PARTNERSHIPS**

La Banque Postale has been a partner of the *Union nationale interfédérale des œuvres et organismes privés non lucratifs sanitaires et sociaux* (UNIOOSS) since 2012. It shares

a set of values with this federation, among others commitment, solidarity, social innovation, and the fight against exclusion. As it seeks to be as close as it can to the regions, La Banque Postale signed an agreement, in September 2014, with one of the federation's member regional unions: *URIOPSS Provence-Alpes-Côte d'Azur et Corse* (PACAC). In the education sector, La Banque Postale signed an agreement with the *Fédération nationale des organismes de gestion des établissements de l'enseignement catholique* (FNOGEC), a federation that contributes to the expansion of catholic education for more than 2,000,000 pupils. In this context, it supported the FNOGEC national days, which were held at the *Maison de la mutualité* on 22 and 23 March 2015. Lastly, the Bank renewed its partnership with the ASPTT Federation. Both parties would like to reinforce their historical relation to undertake new projects.

#### **DEVELOPMENT OF THE MUTUAL INSURANCE AND SOCIAL WELFARE BUSINESS LINE**

To support mutual insurance companies and the social welfare organisations that conduct their business within a very specific regulatory framework – French Mutual Insurance Code, French Social Security Code, French Insurance Code, inter-professional national agreement (Accord National Interprofessionnel – ANI) Solvency 2, etc. –, in January 2013 La Banque





Postale set up a mutual insurance and social welfare business line. It provides specialised expertise of the sector and supports its relative weight in the national economy. Throughout the country, 12 employees are local experts who offer these customers tailored cash flow solutions, investment ranges and financing offers. La Banque Postale is thus supporting two out of three mutual insurance companies in their essential missions: on the one hand, the collection of contributions and payment of reimbursements to their members; on the other hand, securing their cash flow and reserve funds.

#### **A SUSTAINED EFFORT TO FINANCE THE SOCIAL PROTECTION WORLD**

In 2015, La Banque Postale provided special support for the short-term financing requirements of pension funds and social organisations. It is now developing the financing of the health and social welfare sector throughout the country. In collaboration with mutual insurance companies, it will contribute to large structural projects such as the development of health centres, which bring together both mutual insurance companies and the hospital sector.

#### **PROMOTING THE SOCIAL AND SOLIDARITY ECONOMY (ESS)**

After establishing a two-year structuring partnership with the CNCRES, La Banque Postale contributes to the recognition of the ESS across the regions. With a concern to reward social innovation, the Banque awarded the “Local Initiative Prize” to the *Mutualité française de Normandie* and the *Mutuelle JUST*, at the sixth edition of the *Argus de l’Innovation Mutualiste et Paritaire*, within the scope of the the social and solidarity economy month in November 2015. ■

\* National council of regional social economy chambers.

**34 specialised  
Advisors**  
in the Business Centres  
provide support for  
6,000 management  
associations.



# FINANCIAL ELEMENTS AND GOVERNANCE

Financial report 2015





In a context where interest rates are remaining at a historically low level, the net banking income continues to grow and the cost-income ratio has improved to 82.1%. La Banque Postale has a sound financial structure, reinforced in 2015 by an issue of €750 million of Tier 2 subordinated securities.



# An increased presence in the corporate customer sector

In a context of long-term low rates, La Banque Postale has confirmed its advance on the commercial offering for business and local authorities. Faced with this development, La Banque Postale has maintained a programme of issuing medium/long-term debt through various channels.

## DEVELOPMENT OF COMMERCIAL ACTIVITIES

The growth in outstanding amounts in loans and receivables to customers in 2015 represents €5.8 billion (+8.5%). It is mainly due to home loans, loans to businesses and the local public sector. The outstanding amounts in loans and receivables to customers represent 73.6 €billion at the end of December 2015.

As regards liabilities, outstanding amounts in customer transactions were up slightly and rose to €171.8 billion at the end of December 2015 – up 2.3% over the year – expressing a contrasted development between the increases in amounts outstanding in the Home Loan Savings Plan (PEL) and in demand deposits and the decline in Livret A outstanding amounts.

The “loan-to-deposit” ratio stood at 75% at the end of 2015 (stable compared to 2014). It expresses the substantial difference between customer assets and non-centralised liabilities, which is characteristic of the atypical La Banque Postale balance sheet.

## FINANCIAL MANAGEMENT IMPLEMENTED

La Banque Postale is pursuing the following objectives in its financial management:

- to maintain a liquidity surplus in the medium term;
- to produce financial margins in line with the strategic objectives in terms of net banking income;
- to mitigate margin volatility, in particular by limiting the sensitivity to interest rate fluctuations to which La Banque Postale is exposed.

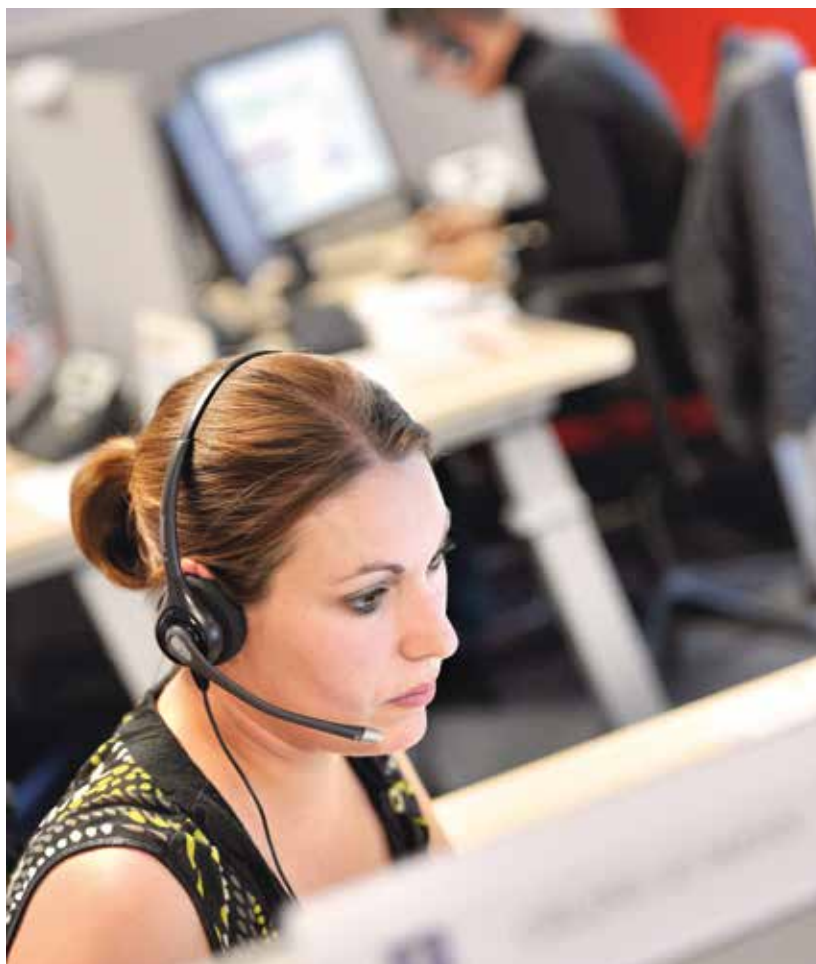
This financial management relies on determining the average maturities of the funds collected (savings, demand deposits), based on which the asset allocation is determined (average maturity authorised for commercial development, bond investments, level of centralisation). Although the majority of these funds are contractually “on demand” and theoretically payable at any time, these outstanding amounts remain on the balance sheet and prove relatively stable. At the end of the statistical analyses, deposits are broken down into two main parts:

- a volatile part invested for the short term in order to deal with customers’ daily requirements;
- a stable part that can be invested in the longer term, once unfavourable scenarios on the macro-economic and/or commercial level are taken into account.

La Banque Postale continued its cautious management policy, using its liquidity surpluses for the development of commercial assets and investing in good quality issuers through purchasing euro zone sovereign debts, eligible for pension agreements. It issued senior mortgage bonds (through La Banque Postale Home Loan SFH) as well as loans from the European Investment Bank (EIB).

## FINANCIAL ASSETS

Financial assets amounted to €148.2 billion, up by €4.2 billion. These assets constitute one of the main categories in terms of managed amounts, generated net banking income and risk management of the balance sheet, in rates and in liquidity.



customer deposits), and carried out its first issue of mortgage bonds. At the end of 2015, outstanding bonds issued by La Banque Postale Home Loan SFH came to €3.05 billion, an increase of 36.7% compared to the end of 2014. Furthermore, the first loans from the European Investment Bank were made.

#### HEDGING DERIVATIVES

A portfolio of interest rate derivatives representing a notional total gross value of €38.7 billion (up by €2.3 billion) enabled a reduction of La Banque Postale's margin sensitivity.

Concerning long-term swaps beyond one year, their accounting classification (securities hedging, demand deposit hedging, cash flow hedging for financial assets and liabilities or hedging for loan interest rate risk) reduces the impact on the income statement of the variations in value of these instruments.

In the case of customer liabilities with no maturity date and deemed to be at a fixed rate, the hedges are based on a cautious analysis of customer behaviour, allowing outflow principles to be defined for the stable part of the outstanding amounts managed.

Fixed-rate financial assets and hedging instruments thus allow margins to be regulated and limit the impact of interest rate volatility on profit or loss. They contribute to overall management of interest rate risk. ■

In 2015, the quality of the assets remained very high and the proportion of securities noted as at least AA in the portfolio held to maturity increased (from 92 to 97%). Outstanding amounts in the securities portfolio held to maturity fell by €4.1 billion in one year.

Thus, excluding centralised resources with the Caisse des Dépôts et Consignations (CDC) and deposits made to the Central Bank, the portfolio allocation breaks down as follows:

- one portfolio held to maturity, amounting to €24.2 billion, made up of very good quality bonds (mainly State securities or similar), and recognised at the amortised cost, thus enabling mitigation of financial margin volatility;
- one portfolio available for sale, amounting to €15.6 billion, recognised at fair value by equity, following a strategic allocation based on analysis of the yield/risk ratio. This portfolio is mainly comprised of bonds (sovereign, financial sector, companies), as well as, more marginally, other categories of diversified assets;

- one portfolio of cash and cash equivalents (less than two years), amounting to €10.5 billion, recognised at fair value through profit or loss, which is secured at the residual fraction of the volatile part of the market deposits or financing, and allows management of the bank's short-term liquidity. Part of the temporary liquidity surpluses is also managed through repurchase agreements.

#### FINANCIAL LIABILITIES

Financial liabilities amounted to €25.5 billion at the end of 2015, up €0.6 billion compared with the end of 2014.

Short-term repurchase agreement activity made it possible to profit from the market liquidity of securities held in portfolio, to diversify financing sources and to support the start-up of new financing activities.

Since September 2013, La Banque Postale has acquired an additional means of refinancing itself over the long term (as well as the resources generated by certain

# Growth in revenues in a context of persisting low rates

In 2015, the pertinence of La Banque Postale's commercial business strategy was confirmed by strong growth in its published operating profit.

Consolidated net banking income (NBI) amounted to €5,745 million, up 1.3% compared with 2014. Excluding the effect of the home savings provision, it is up by 0.1%<sup>(1)</sup>.

With unfavourable historically low rates, La Banque Postale is speeding up its development on new markets with, in 2015, an increase of 12.9% in outstanding consumer loan amounts and a growth of outstanding loan amounts to legal entities (local public sector, companies and professionals) of 50.4%.

The retail banking NBI is up by 0.5%. Excluding the home savings provision, it declined by 0.7%, affected by the negative variation in the net interest margin linked to the reduction in the rates<sup>(2)</sup>.

The insurance subsidiaries recorded a growth of 4.3% in NBI to €186 million. Removed from reclassification in 2014 of arrears on property & casualty and health insurance, it is up by 11%, evidence of the commercial dynamism of the property & casualty and health insurance business and the individual personal risk insurance business.

The NBI of the asset management subsidiaries increased by 32.4% to €144 million<sup>(3)</sup>. It is sustained by the success of the launch and build-up of new funds at La Banque Postale Asset Management and Tocqueville Finance and by the positive market effects and performance.

Net banking income (in millions of euros)	2015	2014	%
Retail Banking	5,415	5,386	0.5
Asset management	144	109	32.4
Insurance	186	178	4.3
Total	5,745	5,673	1.3

Group operating expenses totalled €4,693 million, up by 0.4%<sup>(4)</sup>. They are marked by a decline in La Banque Postale SA charges (-0.5%) while those of the subsidiaries (+15%) grew in line with the development of their businesses.

The cost-income ratio improved by more than 0.6 points to reach 82.1%.

Net income amounted to €1,052 million, up 5.1%. It includes the scope effects previously referred to.

Cost of risk comes to €181 million, up €18 million<sup>(5)</sup>. This rise is attributable both to the increase in credit and loans and also the increased risk hedging, in accordance with the prudent rules applied by the Group. The cost of risk of loans remained low at 23 basis points, stable compared to 2014.

The share of profits of the CNP equity associates grew by 3.9% to €207 million. In all, the pre-tax income rose by 5.5% to €1,094 million.

It includes an income of €16.8 million in connection with the takeover of Ciloger.

Net income, Group share stood at €707 million and grew by 4.4%.

## FINANCIAL STRUCTURE

La Banque Postale has a sound financial structure: reinforced in November 2015 by an issue of €750 million of Tier 2 subordinated securities.

Therefore:

- La Banque Postale Common Equity Tier 1 ratio<sup>(6)</sup> stood at 13.2%, a growth of 50 basis points compared with 2014;
- the total solvency ratio of La Banque Postale stood at 18.7%, up by 170 basis points compared with 2014;
- the estimated leverage ratio excluding the delegated act stands at 3.5%. It is 5.2%<sup>(7)</sup> with delegated act.

La Banque Postale showed a comfortable liquidity position, as shown by:

- a credit/deposit ratio of 75%<sup>(8)</sup>;
- an estimated LCR ratio of 218%, much higher than the regulatory requirements. ■

(1) Scope effect of €29.6 million (Ciloger, Fédérès, Sofiap).

(2) Scope effect of €9.3 million (Sofiap).

(3) Scope effect of €20.3 million (Ciloger and Fédérès).

(4) Scope effect of €18.9 million (Ciloger, Fédérès and Sofiap).

(5) Removed from reclassification in 2014 of arrears on property & casualty and health insurance, it is up by €29 million.

It includes a scope effect of €1.8 million (Sofiap).

(6) CRR/CRD 4 with transitional measures. The fully loaded ratio is 14.2%.

(7) Taking into account the delegated act published by the European Commission on 10 October 2014 on the processing of the savings funds centralised within the Caisse des Dépôts (CDC) subject to authorisation by the ECB.

(8) The loan to deposit ratio for the Group is defined as the ratio between loans and deposits, excluding savings deposits transferred to the CDC.



# Consolidated income statement at 31 December 2015

## Main lines of the consolidated income statement

(in thousands of euros)	31.12.2015	31.12.2014	%
<b>Net banking income</b>	<b>5,745,232</b>	5,673,311	1.3
Operating expenses	(4,693,177)	(4,672,403)	0.4
<b>Gross operating income</b>	<b>1,052,054</b>	1,000,908	5.1
Cost of risk	(180,938)	(163,010)	11.0
<b>Operating income</b>	<b>871,116</b>	837,898	4.0
Share of income from associates	206,793	198,980	3.9
<b>Pre-tax income</b>	<b>1,093,670</b>	1,036,521	5.5
Income tax	(349,988)	(334,574)	4.6
<b>Net income</b>	<b>743,681</b>	701,948	5.9
Non-controlling interests	36,870	24,761	48.9
<b>Net income, group share</b>	<b>706,811</b>	677,186	4.4

# Consolidated balance sheet as at 31 décembre 2015

## Main lines of the consolidated balance sheet

<b>Asset</b> (in thousands of euros)	31.12.2015	31.12.2014 restated
Cash and central banks	1,811,631	1,949,649
Financial assets at fair value through profit and loss	11,035,274	9,673,696
Hedging derivatives	1,228,567	1,532,205
Available-for-sale financial assets	15,610,500	13,101,974
Loans and receivables – credit institutions	83,101,861	83,314,646
Loans and receivables – customers	73,628,314	67,856,592
Revaluation differences on interest rate risk hedged portfolios	178,258	231,296
Financial assets held to maturity	24,157,604	28,296,514
Current tax assets	229,206	200,596
Deferred tax assets	296,287	188,581
Accruals and other assets	3,163,141	2,287,378
Non-current assets held for sale	2,349	2,349
Deferred profit-sharing	0	0
Investments in associates	2,917,881	2,836,602
Investment property	0	0
Property, plant and equipment	657,030	691,532
Intangible assets	499,565	523,422
Goodwill	190,510	146,608
<b>TOTAL</b>	<b>218,707,978</b>	<b>212,833,640</b>
<b>Passif</b> (in thousands of euros)	31.12.2015	31.12.2014 restated
Central banks	0	0
Financial liabilities at fair value through profit or loss	657,456	331,999
Hedging derivatives	326,058	432,195
Liabilities due to credit institutions	15,741,232	15,156,724
Liabilities to customers	171,771,151	167,910,717
Debt securities	9,054,583	9,390,578
Revaluation differences on interest rate risk hedged portfolios	704,319	918,956
Current tax liabilities	13,787	30,744
Deferred tax liabilities	127,620	129,863
Debts linked to non-current assets held for sale	0	0
Accruals and other liabilities	5,199,159	4,885,727
Underwriting provisions of insurance and shadow companies	2,008,711	1,787,426
Provisions	770,523	785,149
Subordinated debt	3,189,017	2,458,098
Non controlling interests	238,570	201,668
Equity capital, group share	8,905,790	8,413,796
Share capital and retained earnings	8,677,260	8,152,908
Capital	4,046,408	4,046,408
Consolidated reserves and others	3,299,020	2,845,408
Gains and losses recognised directly in equity	853,551	844,795
Profit/(loss) for the period	706,811	677,186
Equity capital	9,144,361	8,615,464
<b>TOTAL</b>	<b>218,707,978</b>	<b>212,833,640</b>

# Governance of La Banque Postale

From its inception, La Banque Postale has adopted governance principles in line with best practice\* and with its status as a public company.

## Administration and control of the company

**The Executive Board** defines the strategy and operational policy of the La Banque Postale Group. It ensures that activities are coherent and convergent and ensures compliance with the legal and regulatory provisions. It regularly reports to the Supervisory Board on the Banks' results, development projects and strategy.

**The Supervisory Board** exercises ongoing control over the management of the Bank through the Executive Board. It discusses the Bank's major strategic objectives and ensures that they are implemented.

The Supervisory Board has set up five special committees to help it in its work:

- the Risk Committee;
- the Financial Statements Committee;
- the Nomination Committee;
- the Compensation Committee;
- the Strategy Committee.

**The Executive Board** is comprised of Rémy Weber, Chairman of the Executive Board, and Marc Batave, General Secretary of La Banque Postale.

## Composition of administrative and oversight bodies

**The Supervisory Board** is chaired by Philippe Wahl, the Chairman and Chief Executive Officer of La Poste. It has 15 members. Six members have management positions within La Poste Group, three are independent and five others are elected by the employees, representing one third of the Board, in accordance with the provisions of the law on public sector democratisation.

Lastly, a member representing the State was appointed by the decree of 2 October 2014. The term of office of the members of the Supervisory Board is five years. The State has also appointed a Government commissioner to La Banque Postale under the general interest remit entrusted to it. The Secretary of the Works council also attends Board Meetings.

## Committees

**The internal governance** of La Banque Postale is regulated by meetings of the Executive Board, of the Operational Committee (COMOP), of the Executive Committee (COMEX) and the committees chaired by members of the Executive Board:

- the Marketing Strategy Committee;
- the Group Risk Steering Committee;
- the Strategy Committee for Information Systems and Major Projects;
- the Internal Control and Ethics Co-ordination Committee;
- the Group Capital Management Committee;
- the Group Investment Committees.

\* Viénot and Bouton reports, and Afeq/Medef Code.



## Supervisory Board members

### MEMBERS WITH EXECUTIVE POSITIONS WITHIN LA POSTE GROUP:

- **Philippe Wahl**, Chairman of the Supervisory Board of La Banque Postale, Chairman and Chief Executive Officer of La Poste Group;
- **Yves Brassart**, Vice-Chairman of the Supervisory Board of La Banque Postale, Deputy Chief Executive Officer of La Poste Group responsible for finance and development;
- **Jean-Paul Forceville**, Head of Regulation and Institutional and European Affairs;
- **La Poste Group**, represented by Georges Lefebvre, General Representative of La Poste Group responsible for Relations and the Development of the Social and Solidarity Economy;
- **Virgile Bertola**, Head of Strategy, Outlook and Innovation at La Poste Group;
- **Nicolas Routier**, Deputy Chief Executive Officer of La Poste Group responsible for Institutional Strategy and Regulation.

### MEMBER REPRESENTING THE STATE:

- **Nathalie Dieryckxvisschers**, Manager of Holdings in the Services and Finances Equity Department of the French Government Shareholding Agency.

### INDEPENDENT MEMBERS:

- **Christiane Marcellier**, Deputy Chief Executive Officer of a consultancy firm specialising in mergers and acquisitions;
- **Didier Ribadeau-Dumas**, Managing Partner.

### MEMBERS REPRESENTING EMPLOYEES:

- **Thierry Freslon**, Manager of Internal Control Procedures and General Resources of Transactis (CFDT);
- **Jean-Robert Larangé**, assigned to Adie Sud-Ouest, (CFDT);
- **Steeve Maigne**, Quality RBR Manager, Greater Paris region, (SNB/CFE-CGC);
- **Françoise Paget-Bitch**, Mediterranean Banking Operations Controller, (FO);
- **Hélène Wolff**, Quality Assurance Manager (CFDT).

*All data at 25 February 2016.*



# Operational Committee

The Operational Committee  
is the steering body for  
La Banque Postale.



**Rémy Weber**

Chairman of the Executive  
Board of La Banque Postale



**Catherine Charrier-Leflaive**

Head of Human Resources



**Florence Lustman**

Chief Financial Officer



**Didier Moaté**

Head of Retail Banking



**Patrick Renouvin**

Head of Information Systems



**Daniel Roy**

Head of Asset Management Unit



**Robert Villani**

Head of Operations



**Anne-Laure Bourn**

Chief Executive Officer  
of La Poste Network



**Marc Batave**

Member of the Executive Board,  
General Secretary

## Executive Committee

The Executive Committee monitors the progress of major structural projects and handles sustainable development policy. Chaired by Rémy Weber, it is made up of members of the Operational Committee, plus:

**Serge Bayard,**

Head of Social Economy  
and Land Development

**Didier Brune,**

Head of Strategy and Development

**François Géronde,**

Head of Group Risk

**Alice Holzman,**

Head of Digital and Communications

**Guillaume de Lussac,**

Head of the Insurance Unit

**Stéphane Magnan,**

Head of Financial Operations

**Marie-Frédérique Naud,**

Deputy Head of the Retail Banking Department

**Jean-Marc Ribes,**

Chairman of the BPE Executive Board  
and Head of the Wealth management unit

**Dominique Rouquayrol de Boisse,**

Head of Legal Affairs

**Pierre-Manuel Sroczynski,**

Head of Compliance and Permanent Control

**Julien Têtu,**

Chairman of the Executive Board  
of La Banque Postale Financement

**Christophe Van de Walle,**

General Inspector

**Dominique Orlando,**

Secretary, is the Secretary to the Committees and manages  
the social life of La Banque Postale and its subsidiaries

*All data at 25 February 2016.*

# La Banque Postale and its subsidiaries

Since it was created in 2006, La Banque Postale has aggregated a number of specialisations in retail banking activities, insurance and asset management: today, it is a complete retail bank. A civic-minded bank, it designs useful solutions, serving one and all, which respond to economic and social challenges.



## ASSET MANAGEMENT BUSINESS

**La Banque Postale  
Asset Management**

**La Banque Postale  
Structured Asset  
Management**

**Ciloger**

**Tocqueville  
Finance**

## RETAIL BANKING



## INSURANCE

**La Banque Postale  
Prévoyance**

**La Banque Postale  
Assurances IARD**

**La Banque Postale  
Assurance Santé**

**La Banque Postale  
Conseil en Assurances**



## BPE

**La Banque Postale  
Collectivités Locales**

**La Banque Postale  
Immobilier Conseil**

**Transactis**

## La Banque Postale Financement

**La Banque Postale  
Crédit Entreprises**

**EasyBourse**

**Titres cadeaux**



## Operational Committee

**Rémy Weber**

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Member of the Executive Board, General Secretary  
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Chief Operating Officer of La Poste Network  
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**Robert Villani**

Head of Operations  
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## Executive Committee

Chaired by Rémy Weber, the Bank's Executive Committee comprises the members of the Operational Committee, as well as:

**Serge Bayard**

Head of Social Economy  
and Land Development  
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**Didier Brune**

Head of Strategy and Development  
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**François Geronde**

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**Alice Holzman**

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**Guillaume de Lussac**

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**Stéphane Magnan**

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**Marie-Frédérique Naud**

Deputy Head of the Retail Banking Department  
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**Jean-Marc Ribes**

Chairman of the BPE Executive Board and  
Head of the Wealth management unit  
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**Pierre-Manuel Sroczyński**

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Chairman of the Executive Board of LBP  
Financement  
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**Christophe Van de Walle**

General Inspector  
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### Regional Representatives of the Bank

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**Dominique Orlando**

Secretary to the Committees  
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Limited Company with Executive and Supervisory Boards,  
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