



Our community spirit brings us together

2016 Business and Corporate
Social Responsibility Report



BANQUE ET CITOYENNE

Contents

Interview with managers	02
Key figures	06
Helping you achieve your long-term goals	10
Innovating for more safety and simplicity every day	18
Actions taken for regional development	24
Supporting entrepreneurial initiative	32
Building tomorrow's bank with our partners	38
Governance	42
La Banque Postale and its subsidiaries	46
<i>L'Envol</i>	48

CIVIC-MINDED BANK

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 10.7 million active private customers. We are partner to more than 400,000 customers: businesses, professionals, third sector enterprises 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 economies.

THE BANK BUILT ON TRUST

La Banque Postale puts its customers' interests above all else. 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 anywhere in the country; over the phone; web and mobile banking; and La Banque Postale Chez Soi, a 100% long-distance banking service.

A word

from Philippe Wahl

Chairman and CEO of Le Groupe La Poste
Chairman of the Supervisory Board
of La Banque Postale



**// Different,
La Banque Postale
is the bank built
on trust, useful
and sound, which
has a development
potential that no
other can aspire to. //**

As it celebrates its 10th birthday at the beginning of 2016, La Banque Postale is proud of the path it has taken in service of society.

Le Groupe La Poste has been able to count on La Banque Postale because of its high-performing and adaptable model. In its first decade, the world at times seemed to have been turned upside down, first by the financial crisis of 2007 and later by interest rates that tumbled so low they became negative.

La Banque Postale has stood strong in the face of these headwinds.

Today, it has a solid equity base and the support of La Poste shareholders, an extraordinary liquidity position – a great strategic advantage – and very robust risk mitigation mechanisms and growth potential.

Our bank was built from the ground up by the day-to-day commitment and pioneering spirit of our teams.

As such, La Banque Postale is here to serve both its financially marginalized and its high net-worth customers. With a presence in other regions thanks to Réseau La Poste, in just five years it has become the leader in financing for local communities. Keeping abreast at all times with rapid technological and societal change, it promotes the professional development of its employees.

A different bank, a bank you can trust, and a bank for all, invested in personal service: La Banque Postale, your civic-minded bank. /

Interview

with Rémy Weber

Chairman of the Executive Board
of La Banque Postale

**// We are building
a broad and diversified
banking group
to meet the needs
of all our customers. //**



What would be your assessment
of 2016?

With the strength that comes from the trust shown by our 10.7 million active customers and 400,000 legal entities, La Banque Postale has once again proved, in a difficult economic context, that our model is resilient. In 2016, its net banking income was €5.6 billion, with pre-tax income of more than a billion euros for the third consecutive year. /

Still, La Banque Postale has been
affected by ongoing low rates...

The excess liquidity of La Banque Postale, unique when compared to other banking establishments, is very damaging for our interest margins in an environment of very low rates: this is a short-term disadvantage. However, over the long term, as we saw in 2009, it is a major structural advantage. Our solvency ratios are also a strong point. They are among the highest in the industry and ensure that we will be able to continue to support the projects of all our customers and shape our development to serve the real economy. /

In fact, La Banque Postale
is experiencing dynamic
business growth.

There is no doubt about that. Loans to retail customers rose by 3.5% to €61.5 billion. In 2016, La Banque Postale provided more than €11 billion in loans to finance its customers' building projects. Social home ownership loans accounted for €2 billion. Consumer loans amounted to €2.4 billion, while 2,200 micro-loans were granted to customers in a precarious financial situation for a total of €5.4 million. More than 2.7 million customers have placed their trust in La Banque Postale for their contingency insurance products. 1 million have chosen us for their property and casualty insurance and more than 160,000 for their health insurance. /

And what about corporate customers?

La Banque Postale supports the development of companies and regions. It provides banking services for professionals through 220 Pro Customer Managers (RC Pros).

Medium-term loans for SMEs and factoring have grown threefold in one year. Overall, in 2016, the new loan market was very dynamic, experiencing growth of 25.9%, equivalent to €15.3 billion.

For the second consecutive year, just four years after launching this service, La Banque Postale has become one of the primary lenders for local authorities and hospitals. The Bank has established a long-term relationship with local public sector stakeholders, based on trust, transparency, and responsibility. It supports infrastructure projects for major population centres, such as improving equipment for their small communities. /

La Banque Postale has a complete range of banking and insurance products. What are the next stages of development?

Our growth is based on customer satisfaction. Our reason for building a strong and diversified, full-service banking group is to be able to offer our customers all the products and services that they will need today and into the future.

For individual customers, our new business interface is up and running: 6,000 managers, trained at The Bank and through our Network, have been entrusted with dealing with banking risk. They are able to make fast decisions to meet the needs of our customers.

The wealth management branch has been created; it joins the wealth management line of the La Poste Network. We will have 1000 wealth management Advisors by 2020, and by then we will also have completed the first phase of the Banking for Professionals project, with 1000 RC Pros trained at our Post Offices and ready to get to work.

// La Banque Postale: the bank that provides all the services you need with that special personal touch. //

In terms of asset management, the partnership signed by Aegon and Fédéris in 2016 has already led to investment solutions that have garnered €800 million in investments. This is more than double the initial goal.

Closer ties between Ciloger and AEW Europe, a subsidiary of Natixis, have made the group into one of the European leaders in asset management. Life insurance is also a key product: the Bank is very pleased with the renewal of its historic partnership with CNP.

In payment solutions, the partnership with Société Générale through Transactis is now being extended to developing solutions for handling international deposits and withdrawals. /

A digital future?

It's a fact: our customers and their patterns of use, expectations, and touchstones are all changing with the evolution of the digital universe. The question is no longer how much to support them, but rather how, and how to simplify their lives with new innovative services while avoiding losing customers because of rapid technological change or leaving behind our most precarious customers. The digital economy has caught up with the banking industry. New competitors are appearing on the market and upending the model of traditional banking. No one knows how far this will go, but it is clearly happening and represents an opportunity to reinvent our operational models. /

What is your strategy?

This is essential, and encompasses all of the organisational work of the Bank and its employees. La Banque Postale is committed to a broad-ranging plan for transformation: it rests on programs that are re-visioning the structure of tomorrow's La Banque Postale, a 100% multi-channel bank that is 100% committed to providing personal service, based on operational excellence and quality. It is about bringing together the best of the digital universe and the real world – Post Offices, Internet, over-the-phone service – all the while drawing strength from our physical presence and good listening skills, essential now as always to a solid banking relationship. Human relationships will still make all the difference in tomorrow's world. At the same time, La Banque Postale is launching its 100% virtual bank. Centred on customers' mobile banking, this bank will launch in early 2018 and will be open to all; simple, useful, transparent and responsible, in keeping with the values of La Banque Postale. /

How will we get our team excited about this transformation?

*Together with our employees, La Banque Postale is building tomorrow's bank in service of our customers.
In order for this transformation to happen, we must cultivate new competencies and create new positions to meet the needs of our customers. Access to tomorrow's jobs for all employees. This is why we are investing in jobs with potential. We are providing training to our women and men as never before through the Bank and Network School. 7,500 of Network and Financial Services agents completed relevant training in 2016. This represents 360,000 days of training. /*

Diversifying its customer base and businesses, transformation, digital services... is La Banque Postale turning into just another bank?

Definitely not, we are reaffirming our values and what makes us different! La Banque Postale have had 10 in 2016. That is 10 years of dynamic growth through a stable and responsible strategy. As a public service Bank, it is proud to honour its commitments and prove that it is able to innovate. La Banque Postale is everyone's bank. We have 600,000 high-net-worth customers, but also 2 million customers in a precarious financial situation, whom we welcome with services and rates that are adapted to their needs. Over and above, what La Banque Postale is able to do for them today - like the services provided through L'Appui, our platform for banking and budget advice that has already provided support to 70,000 customers – a broad range of new products and services is planned, to do even more. Finally, L'Envol, our sponsorship programme geared towards equality of opportunity, is welcoming 370 young people to La Banque Postale's campus. It is in full flight and is creating an additional program dedicated to professional positions. La Banque Postale is active and participating as a civic-minded bank. /

// La Banque Postale is a socially responsible bank with a long-term vision for civic-minded bank. //

Key financial figures

Net banking income

€5.6 billion

Solid financial structure

13.7% Common Equity Tier 1 Ratio
Ratio phased-in CRDIV-CRR.
The fully loaded ratio is 14.3%.

19.4% Total capital ratio

260% Liquidity ratio LCR

Long-term ratings

Standard & Poor's
(26 October 2016)

A

(stable outlook)

Fitch (4 May 2016)

A-

(stable outlook)

Revenues

Pre-tax income

€1,023 million

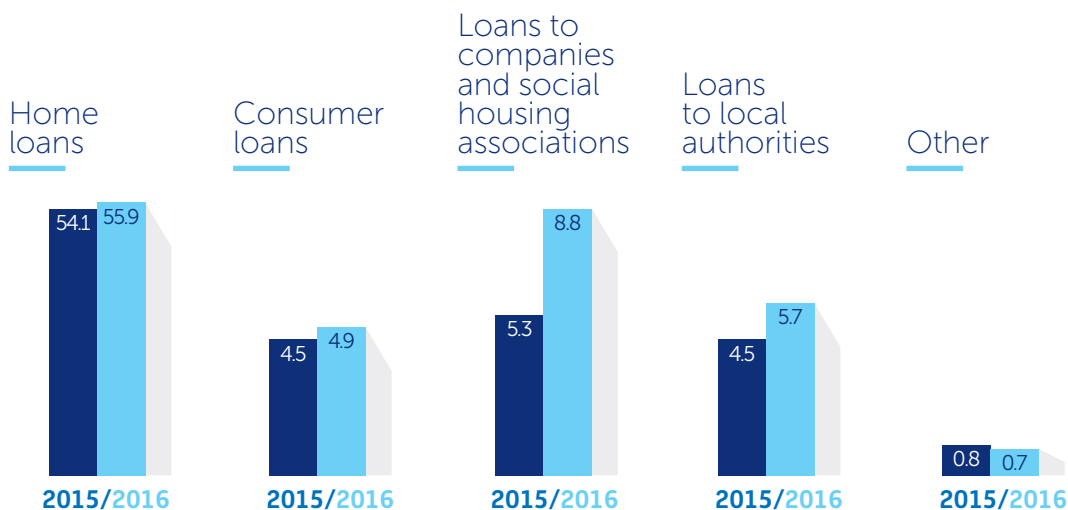
Net income, Group share

€694 million

Outstanding loans (in billions of euros)

75.9

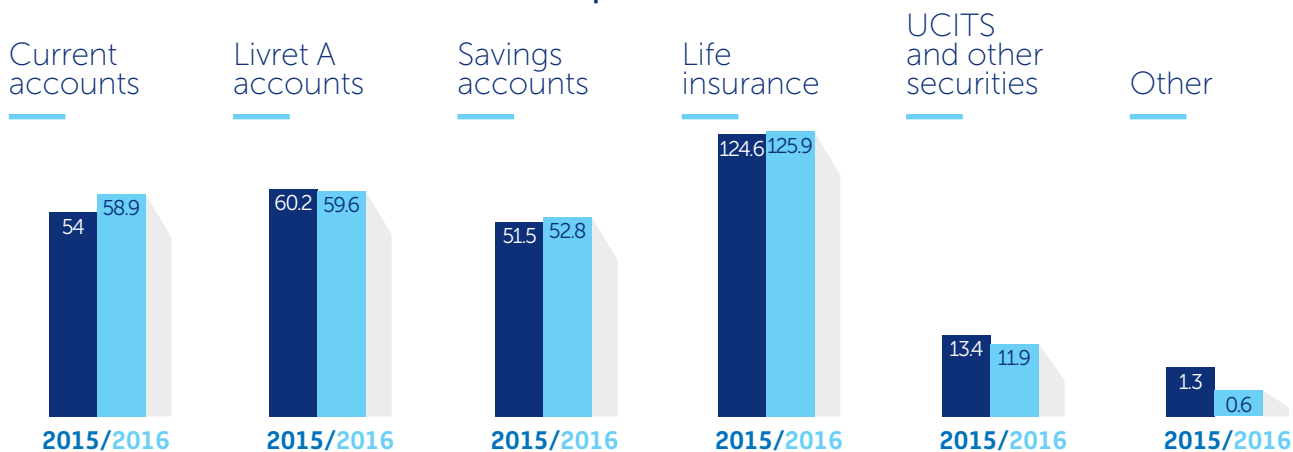
or + 9.8% compared with 2015



Savings deposits (in billions of euros)

309.7

or + 1.6% compared with 2015



Corporate social responsibility



Non-financial rating

1st

bank in France (for the 3rd consecutive year) and number 3* bank internationally based on its non-financial performance

Banking and budget advice and guidance

70,000

customers in a delicate financial situation have taken advantage of at least one opportunity to obtain advice from Support Services

Social housing ownership scheme

54,144

customers assisted with social housing ownership loans since end 2012 for a total amount of €6.6 billion

Gender mix

56.57%

female executives and 27% women on the Executive Committee

Environmental protection

Environmental protection

59,152

tonnes CO₂ equivalent, is the carbon footprint of La Banque Postale

Responsible asset management

€97.25

billion in assets under ESG integration

Banking inclusiveness

2,226

personal micro-loans granted in 2016 amounting to almost €5.4 million

Responsible purchasing

79%

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

For more information, see:
2016 Registration Document, Chapter 6 at labanquepostale.com

** Rankings performed by German ratings agency Oekom Research for a panel of 375 banks.*

A multi-channel bank

531 million

transactions (withdrawals, account consultations) conducted on automated banking machines

7 million

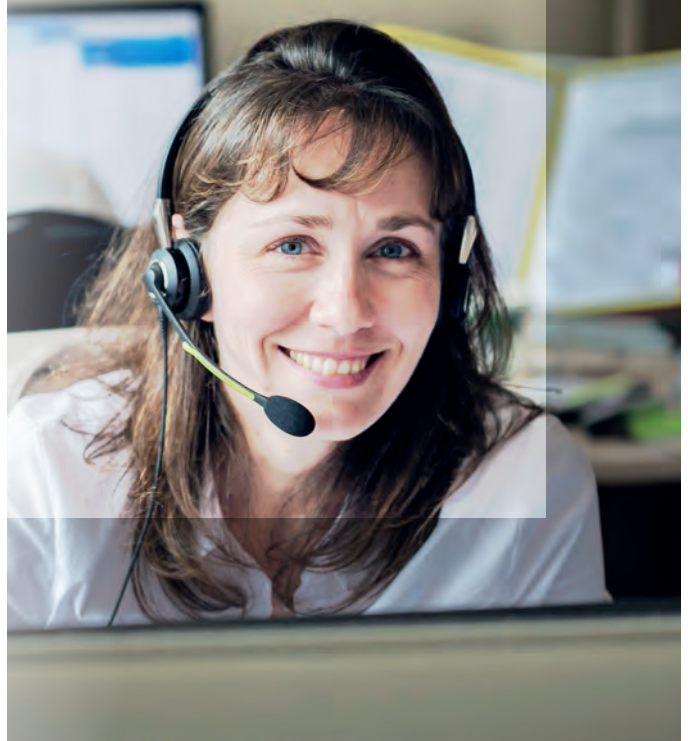
meetings with an advisor in 2016

135 million

banking transactions carried out by customer service agents

1.5 billion

services provided through distance banking services (telephone, web and mobile banking)



La Poste Network

Almost

9,000

offices

10,000

Banking advisors

26,000

customer service agents

Social media

Major public social media



More than 330,000 followers (3rd largest banking community by volume), 50 Facebook advisor pages



1 YouTube channel: 13,500 subscribers, more than 35 million views



1 Instagram account 3,000 subscribers

Professional social media:



JOBTEASER.COM



Helping you achieve
your long-term goals
**is our commitment
to citizen engagement**



*User-friendly, close at hand, smart and transparent, La Banque Postale develops long-term relationships with its customers. We have a comprehensive range of banking and insurance products and services, at some of the lowest prices you will see in large commercial banks. **La Banque Postale is the bank for all. We are always attuned to the needs of all our customers, rich and less rich, young and old alike. We offer solutions for everyone to achieve their long-term goals.***

Welcoming all customers

With 8 million customers who have bankcards, La Banque Postale confirmed its market share of 13% in 2016. Its range of offers is perfect for the lifestyles of its high net worth customers, with Visa Platinum and Infinite cards, and for regulated* customers, with the automatically authorised Réalys card. Offered through the Simplicity Account Form, it comes with two bank drafts and four SEPA transfers per month, monthly statements available online or by mail, online banking services and multimedia alerts. At a cost of €6.90 per quarter, this is below the ceiling provided for by decree.

La Banque Postale also offers the Protectys card, for adults under guardianship by court order. In 2016, agencies were created for adults under guardianship, with 150 agents dedicated to serving this specific clientele and responding to the needs of their legal representatives and Network Advisors.

Pursuant to the law on banking mobility (6 February 2017), La Banque Postale launched its *Service Accueil Plus* (Welcome Plus Service) to make it easier for customers who wish to transfer their business to the bank: by subscribing to this service La Banque Postale manages the transfer of all withdrawals and deposits to your new accounts. La Banque Postale stands out because of its rates among the lowest for the large retail banks for all customer profiles, as well as for the acknowledged quality of its products and services (find out more at labanquepostale.com). /

* Defined in the banking law on the separation and regulation of bank activities, July 2013.



With the launch of its new communications campaign in September 2016, La Banque Postale, civic minded bank, reaffirmed its commitment to customer service and to the real economy. Like the bank, its communications strategy is personal, committed, easy to understand and innovative; clear and direct communication addresses subjects of daily importance to the citizens of France with determination and optimism.



HOW SHOULD THE CHALLENGES FACING SENIORS BE ADDRESSED?

"La Banque Postale supports your transition into retirement by offering investments like Solésio life insurance, supplementary Senior health insurance and credit consolidation. It supports grandparents in financially supporting their grandchildren with the «Pacte Génération». And its 'Assurance Autonomie' (Autonomy Insurance) helps keep the elderly in their own homes for longer, while providing support to caregivers. In 2016, we began studying consumer loans for Seniors, customer helplines with "La Poste Mobile", and a redesign of the digital platform dedicated to Seniors." /

Franck Oniga,
Head of Marketing, Retail Banking

Making it easier to become a homeowner

Home loans were part of a surging market in 2016, stimulated by low rates and credit buybacks between banks. This accounted for 19% of the output of La Banque Postale, out of a total of €10.2 billion invested in more than 70,000 real estate projects financed in 2016.

With its strong potential for development in this market, La Banque Postale extended its distribution model: Banking advisors were trained and took over customer portfolios, while Advisors specialised in real estate lent their expertise to the more complex projects. The development of the external prescription channel continued and brought in income of €2 billion.

La Banque Postale is also positioning itself as a major player for social housing ownership loans (PAS), in partnership with social housing stakeholders. Since the end of 2012, it has financed more than 54,000 families with an overall amount of €7.4 billion. It is especially careful to comply with the criteria for granting loans, in order to protect its customers' interests and avoid excessive indebtedness. /

LBPAM FLEXIBLE INVESTMENT
AND LBPAM SHARE SAVINGS
PLAN HAD INFLOWS OF

€738 M

OVER 8 MONTHS.



Diversifying savings plans on offer

The continuing low interest rates once again pushed customers away from short-term savings in 2016. While La Banque Postale experienced outflows from its tax-free savings instruments (LA, LDD, LJ and LEP), which were nevertheless at a much slower pace than the previous year, it also opened a lot more Livret A savings accounts than it had in 2015 (+ 3%). This outflow was especially beneficial for the PEL (more than €1 billion net invested) and for overnight deposits (more than €3 billion). Faced with lower yields from Euro denominated life insurance contracts, customers are seeking to diversify their assets based on their profile and investment

strategy. To respond to this concern, which is often linked to preparing for retirement, La Banque Postale has added to the funds that are eligible for life insurance contracts and to its PEA (Share Savings Plans) by launching its range of LBPAM Flexible Investment and LBPAM Strategic PEA investments in May 2016. With flexible management strategies and pre-determined risk levels, these investment solutions seek to streamline risk management and optimise yields over time. These products are available through La Banque Postale Asset Management. /



Cachemire Patrimoine once again received the Trophée d'Or for Income in 2016, and Cachemire 2 was honoured by the Victoire de Bronze Award from Le Particulier magazine.

Facilitating transfer of wealth

In 2016, La Banque Postale added to its range of life insurance offers with *Perspective Vie Génération*. With a minimum investment of €100,000, it is geared towards high net worth customers who wish to transfer their wealth to the next generation. The good thing about this product is that it benefits from specific tax treatment (+20% of additional tax relief for death benefits) in exchange for an investment at a 100% in unit of account, of which at least 33% is invested in sectors of the economy (France and Europe) deemed to be a priority by the legislator (SMEs, Mid-caps, etc.). It is offering a consolidated fund, Tocqueville Vie Génération, managed by Tocqueville Finance. This investment allows La Banque Postale to participate along with the State in providing support for the real economy. For parents or grandparents who wish to help their children and grandchildren prepare for the future, La Banque Postale offers a new service to support them in transferring their wealth through inheritance: Pacte Génération. With this service, individual gifts can be made within the framework of the life insurance policy taken out in the name of the child. /

// Partnerships between the financial and social spheres can help struggling households find a way to return to financial health. //

A commitment from Jean-Louis Kiehl,

President of the CRESUS Network

When he created the first CRESUS association in 1992 in Alsace, Jean-Louis Kiehl was hoping to help families avoid the problems caused by loan defaults and the isolation and damage of an excessive debt burden. Today, with the help of 600 volunteers, his people-focused financial and budget support system has been rolled out through more than 200 local centres. The national platform for mutual assistance and mediation offered by CRESUS, staffed by experts, supports families in precarious financial situations to resolve their difficulties, thanks to the partnerships created with the economic and financial sphere. The association, acknowledged as being of «public interest», is also involved in prevention through economic and social organisations, and spearheads a number of teaching initiatives. /

La Banque Postale in action

Since beginning to offer consumer loans in 2011, La Banque Postale has opted for prevention by offering its customers who are experiencing difficulties the opportunity to receive support through CRESUS. The first level of support for customers in a precarious situation is provided by the support team of La Banque Postale Financement, which does an annual budget review, going beyond the recommended three-year period of the Lagarde Law. The partnership between La Banque and CRESUS was expanded in 2013, when "L'Appui de La Banque Postale" was launched: over indebted customers of La Banque Postale can therefore benefit from the expertise and support of CRESUS to get back on their feet. /

A major player in inclusive banking

In an effort to improve accessibility as acknowledged in the law for the modernisation of the economy (2008), La Banque Postale gives all customers the opportunity to open a Livret A savings account starting with balances as low as €1.50, with direct deposit and credit for certain payments. More than 2 million customers use this facility, which is the only initiative in France to enable people who do not normally have access to banking services. After significant consultation, the Consultation Committee for Financial Services (CCFS) declared that it was in favour of maintaining the banking accessibility function entrusted to La Banque Postale through the Livret A for 2015-2020: "In fact, this function represents a balanced response to specific and concrete requirements of use expressed by very specific groups of people, some of whom are in extremely precarious situations, and who are not covered by other initiatives to promote accessibility*".

In another example, in more than 500 Post Offices, when social benefits are paid at the beginning of the month, interpreters are

available to assist those who do not have a good command of French. In 2016, La Banque Postale also actively participated in putting in place the Budget Advice Service Points requested by public authorities. Since the Support Services were created in 2013, 70,000 customers of La Banque Postale have benefited from advice at least once, and 30,000 have taken advantage of full banking and budget support provided through the Customer Service Agents through the free-of-charge platform. By directing customers towards the appropriate partners and a network of civic services, these initiatives aim to prevent financial vulnerability, or at least avoid its escalation. This innovative social programme, which depends on the help of 38 dedicated partners, is entirely funded by La Banque Postale. /

* Excerpt from the Circular of the CCFS on public consultations regarding the banking accessibility initiative entrusted to La Banque Postale, July 2016.

2 M

CUSTOMERS OF LA BANQUE POSTALE WHO ARE IN A FINANCIALLY PRECARIOUS SITUATION.

From consumer loans to micro-credit

La Banque Postale is continuing its responsible commitments by setting up a system to provide support for borrowers (responsible options, teaching tools customers can subscribe to, responsible process for granting loans, etc.). Importantly, support is managed by a team of specialised partners, who work with customers to find solutions (making changes to the dates for direct debits, postponing or reducing monthly payments, etc.). In more complex situations, the subsidiary offers the support of CRESUS (*see opposite*). In 2016, it began offering a "2 in 1" Personal Loan. This overall financing solution with low rates, adapted to the borrowing capacity of the borrower, finances a new project without waiting for an existing loan to be paid off. Almost €100 million of financing has been granted.

The range of revolving loans available has also been augmented by the option of loans against Visa cards. The 78,000 cards with loan options taken out in 2016 represent 60% of revolving loans. As for the ability to grant personal loans, this has been broadened to all advisors in the network since October 2016. If the client has a poor credit rating, the advisor suggests personal micro-loans, which are provided in partnership with associations or specialised public bodies. Over 2,200 personal micro-loans were granted in 2016, to finance situations such as a return to work (purchasing a vehicle, etc.). This represents an increase of 10% compared with 2015. To finance those wishing to launch small businesses, La Banque Postale steers them towards the association Adie, which decides to grant a loan which it will manage until it is fully paid off. Since the partnership was put in place in 2012, more than 1,700 micro-entrepreneurs have received support, and 350 of them have been able to see their project through to completion thanks to these so-called professional micro-loans. /

Insuring assets at the appropriate risk level

With over 520,000 new policies taken out and the 1 million customer mark having been passed, La Banque Postale Assurances IARD consolidated its position in 2016.

In an extremely competitive context, especially because of the Hamon Law, it has shown the strongest growth of any bank offering insurance policies in the house insurance market. With just five years in business, it is progressing well and is among the top 15 insurance companies, while securing its position among the top 20 auto insurance providers.

The range of house insurance policies was broadened by a bundle of remote monitoring services sold at the Post Office. For students, €5 per month covers their studio or room, no matter which city they live in.

As a complement to the “low carbon” option rolled out in 2015, auto insurance policies began providing increased risk coverage in 2016, especially for vehicles used in the sharing economy and for drivers who pay higher premiums. As for the “Green” Auto Insurance Policy, it comes with a subscription for lessons on eco-driving, offered by MobiGreen, a subsidiary of the Le Groupe La Poste. /

EXCELLENCE AND QUALITY OF PRODUCTS

- In 2016, the entire range of health insurance products offered by **La Banque Postale Assurance Santé** – Solo, Family and Senior – received the French Label of Excellence from the investment magazine “Dossiers de l'Épargne”, rewarding its easy-to-understand guarantees, rewards programme, and the rates negotiated with 6,800 healthcare professionals for the many services provided.
- **La Banque Postale Prévoyance** also garnered four Labels of Excellence for its four insurance offers: “Assurance Autonomie”, “Avisys Protection Famille”, “Sérénia and Prévialys Accidents de la Vie”.
- In addition, a study done by OpinionWay situated La Banque Postale among the top three most trusted all-purpose financial institutions, based on the quality and price of its products and services, its commitment to green values, and the actions taken to promote youth employment. /



1 M

CUSTOMERS IN THE PORTFOLIO FOR LA BANQUE POSTALE ASSURANCES IARD.

Guaranteeing health coverage for all

In a market that is demanding more and more services related to reimbursements for healthcare, the **Coups Durs Santé (health problems) insurance policy**, which covers the most feared illnesses – cancer, stroke and heart attack – with coverage amounts chosen by the customer and very broad coverage for assistance, saw more than 45,000 people sign up by the end of 2016.

As a complement to the new obligation to provide company health insurance, La Banque Postale is meeting the needs of almost 30,000 families with its Family Plan. In addition, the *Oui Santé* (yes to health) Plan for those benefiting from

the health care top-up benefit covers adults and children from almost 15,000 homes. Approved by the Ministry of Health and sold in cooperation with other partners, it offers three levels of coverage for the main types of health care provided: regular healthcare services, hospitalisation, dental, vision and assistive devices.

Finally, the Senior Plan is among the best performing plans in the market in terms of coverage and rewards for loyalty. With more than 37,000 policies taken out by the end of 2016, it provides support to customers who wish to make the most of their budget as they move towards retirement. /

37,000

PRODUCTS DESIGNED FOR SENIORS WERE PURCHASED IN 2016.

Protecting individuals, their families and their assets

In terms of contingency insurance, La Banque Postale remains one of the leading full-service financial institutions on the market. At the end of 2016, there were more than 2.7 million policies in its portfolio. It has strengthened its presence with insurance policies for the risks of life accidents and death with its *Prévialys*, *Avisys* and *Sérénia* products.

In a context of economic crisis, the market to provide care for the dependent has contracted. Nevertheless, this risk remains a significant one in our society and is a real concern for French people. La Banque Postale is responding to this by offering accessible and comprehensive products. *Forfait Autonomie* (independence package) enables the most fragile customers to remain in their homes, in addition to any state support. *Assurance Autonomie* (independence insurance) helps finance and support those who are no longer independent, providing several guarantees for assistance, including training and respite for caregivers.

Under the impetus of new regulations, whose requirements the products of La Banque Postale have superseded, its *Garanties Obsèques* (funeral cover) product has been adapted to be used over time for policy holders and their beneficiaries. /





Innovating for more safety
and simplicity every day,
**that is our civic
commitment**



The expectations of customers and the way they use our products have been changing at an accelerated pace. Customers are seeking expert advice and simplicity, accessibility and security, close to home and through trusted partners.

To meet these needs, La Banque Postale is working hard to find synergies between innovative technologies and human contact through ambitious digital projects.

Making it easier to sign up online

Consumer loans were increasingly digitalised in 2016, and a new tool to sign up on a tablet or smartphone was rolled out, as well as direct access to revolving credit through the mobile App of La Banque Postale. La Banque Postale also has an online broker, EasyBourse, through which it is possible to sign up 100% online. This service is for customers who manage their own investment portfolios. It rolled out a full service offer: telephone assistance is available at every stage of subscription (creation of the portfolio, downloading supporting documents, electronic signatures, etc.). The user experience of the site was completely overhauled to offer new functionalities, including a real-time dashboard for market trends. EasyBourse, which processed 585,476 trading orders in 2016 for 23,200 customer accounts, was awarded a 2017 Label of Excellence from *Dossiers de l'Épargne* magazine for its *easyDécouverte* and *easyExpert* programmes. Plans are underway to offer a new savings plan in 2017 that will be 100% online. /



Developing innovative payment solutions

La Banque Postale is progressively adding new functionalities, using technology to achieve greater simplicity and security for remote payments.

It is at the leading edge of new payment services and in 2016, it received approval from CNIL for its Talk to Pay program, the first authentication solution on the French market to use vocal biometrics. This innovation, which is in line with the values of La Banque Postale, offers a method that is accessible to all - including the visually impaired - for all types of telephones (not just smartphones). It has the advantage of being more secure than other types of biometrics, with the technology providing both improved ergonomics and security. The solution is being tested in the labs of La Banque Postale with a view to going to market in summer 2017, and has already received very positive feedback from people of all ages. Talk to Pay, which provides secure internet payments through dynamic encrypting algorithms, will bring greater functionality to "Mes Paiements", a range of services launched in May 2015 by La Banque Postale. /



€4 M

IN FOREIGN CURRENCY
PURCHASED ONLINE IN 2016.

BETTER ACCESS TO ADVISORS

From now on, every customer will have a unique number to reach their advisor, no matter where they are. If the advisor is unavailable, an assistive device is activated to ensure the customer is taken care of as best as possible. /

Direct debits and deposits: fast service and autonomy

To meet the needs of evolving regulations and changing technology (virtual payment methods, etc.) and the increasing demands of its customers for self-service products, La Banque Postale is developing a new SEPA (Single European Payments Area) industrial transaction management tool for SEPA transfers and direct debits. In 2016, customers used this tool to perform a total of more than 70 million transactions within the secure online banking platform. In early 2017, the Bank will be adding an online bill payment service offered through the SEPA Mail inter-bank project. This service, which is easier and quicker than sending a cheque or using a French TIP (documentary collection), is offered on the same platform, which will also later incorporate the Instant Payment service. /

FINDING WAYS TO SUPPORT PROGRESSIVE CHANGE IN PAYMENT METHODS?

"Since 2015, Mes Paiements, a portfolio of electronic banking services, has offered a range of free-of-charge services for making payments. This game-changing application, secured by a unique PIN, is continuing to evolve as new solutions are deployed. It brings together 3D Secure payments using a bankcard and the services of Paylib. It will be enhanced by a no-contact mobile payment option in the first quarter of 2017 and will later incorporate the Talk to Pay solution." /

Régis Folbaum,
Head of Payments



AN ELECTRONIC MONEY INSTITUTION

La Banque Postale received approval from the French Prudential Supervision and Resolution Authority (ACPR) to create an electronic money institution to offer virtual payment services on behalf of third parties. It was given the name Ezyness, and will launch in the second half of 2017; oriented towards B2B customers, it will offer in-person and remote payment solutions tailored to customers' needs: for example, for B2B or B2C market places, or for professional payment collection solutions using smartphones. /

More online functionality every day

Labanquepostale.fr is the second most visited banking site, with 49 million visits per month. The customer

platform of labanquepostale.fr has also changed in 2016, offering easier navigation, quicker access to credit simulators, and a personalised user experience, "Mon Profil", for its 5.8 million customers who consult their accounts and perform operations online. The ability to declare accidents online for assistance insurance linked to bankcards, which was implemented in 2016, was well received by customers: 70% of declarations were made in this way.

For the first time, customer logons using the mobile App outnumbered use of the internet, with 44 million connections per month. New functionalities in 2016: viewing consumer loan agreements, managing direct debits, managing the personal information of the customer, and access to stock market transactions. /

**// We want to bring
the third sector economy
into the digital age. //**

***This is the
commitment of
Maroin Al-Dandachi
and Thomas Cassar,***

Co-founders of HumaniTech

On the one hand, because of lack of resources, time and skills, many social organisations do not take advantage of the potential of digital technologies. On the other hand, many digital experts are prepared to make their talents available to serve projects that make sense. Based on these facts, Maroin Al-Dandachi and Thomas Cassar, engineering students at ISEN in Lille, founded HumaniTech. Their idea is to create a solution that connects associations and social entrepreneurs with digital tools and people with computer skills. Their project was selected for the *Coup de Cœur* award by La Banque Postale, and also took the Social Cup 2015 award. Having just graduated, these two young engineers will create their start-up in 2017, with support from the MakeSense business incubator. /



***La Banque
Postale
in action***

La Banque Postale, having partnered with KissKissBankBank since 2011 (see opposite), decided in 2016 to begin a partnership with two associations to support entrepreneurs with their projects. With this in mind, La Banque Postale partnered with MakeSense, which gives everyone the ability to act in keeping with their capabilities to support social and environmental causes. It brings together citizens, social entrepreneurs, and organisations working together on common projects. It also supports Ticket for Change, which develops entrepreneurship-training programs and provides positive role models and leadership for individuals or organisations wishing to tackle the most difficult social challenges of our time. Through these two associations, after just a few years, more than 70,000 people have been mobilised around the world, enabling 2,500 entrepreneurs to develop their ideas. /

Close at hand and digital!

La Banque Postale is always nearby, even on social media.

It maintains personal relationships with its clientele through innovative formats, such as Twittorials or SAVIne. It handles over 1,500 customer inquiries per month, providing quick and efficient answers thanks to teams of customer service agents who respond directly to requests. As the first bank in France to use a professional Facebook page, La Banque Postale also has more than 50 Advisors - all volunteers - who are on the social network through their individual professional page, called "La Banque Postale Advisor". This community, which includes over 3,200 customers, is constantly growing. In June 2016, La Banque Postale also joined Instagram, with its #TalentBooster initiative. It is the first web social 360 campaign that helps young people to develop their talents and achieve their goals. It has gained more than 2,000 participants and 220,000 likes. This initiative was chosen as the "best social media strategy" at the Grand Prix de l'Argus for digital insurance December 2016. La Banque Postale also garnered the Top Com Or (Gold) prize for the best social networking strategy

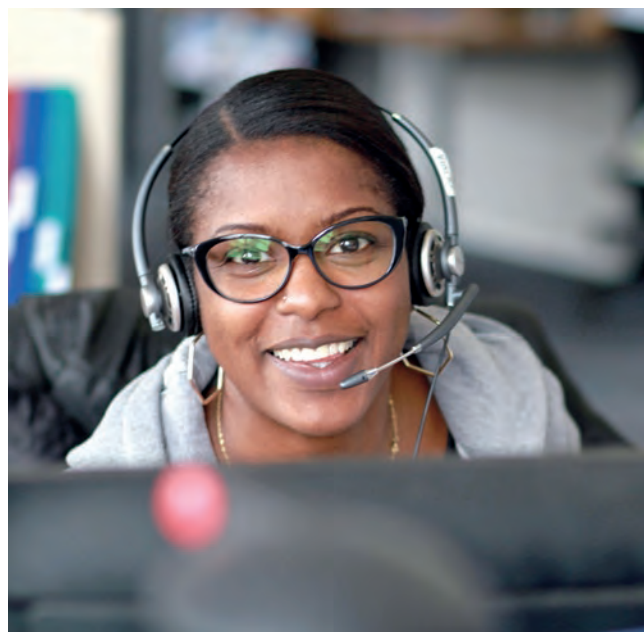
for real-time campaigns on social media (Twitter and Facebook), and the Brandwatch study (July 2016) ranked it as the "most responsive brand" on Twitter. /

LA BANQUE POSTALE ON SOCIAL MEDIA

- More than 330,000 followers (3rd largest banking community by numbers).
- Strongest "share-of-voice" (volume of advertising when on-air versus competitors' volume of advertising) in the industry on Facebook and Twitter (Brandwatch study, July 2016). /

Groundbreaking partnerships in the sharing economy

At the beginning of 2017, La Banque Postale renewed its partnership signed in 2011 with KissKissBankBank, the French leader in participatory financing, and with a partnership with Hellomerci signed in 2013. These participatory financing solutions offer alternatives for needs not covered by "classic" banking services. They have been offered on the website of La Banque Postale since 2015. La Banque Postale selects from among these projects for its *Coup de coeur* award programme. The winners are chosen by a vote on its Facebook page. In this way, it has provided financial support for almost 80 projects. For the third consecutive year, along with MakeSense and KissKissBankBank, La Banque Postale has won the Social Cup, France's award for student social entrepreneur initiatives. This competition provides help to students who have the greatest motivation to create their social enterprise to meet needs related to education, healthcare, the environment, nutrition, etc. More than 120 applications to create companies were filed in 2016. /





Taking action
for regional development,
**that is citizen
engagement**



After four years serving the local public sector, social housing associations and players in the social economy, La Banque Postale is financing the real economy in keeping with the needs of its customers.

Offering a full range of simple, accessible, practical and responsible products, designed for local stakeholders, it covers all of the needs of the local economy in a given region.

Financing the local economic fabric

By supporting local elected representatives in a comprehensive approach to bring employment to their area, La Banque Postale has become the go-to bank for the local public sector. In 2016, it granted more than €9 billion to 2,500 customers (local authorities, institutions, social housing providers, health care institutions, local public enterprises or companies, and public-private partnerships), consolidating its position as the lender of choice for local authorities and public hospitals. In a very difficult competitive context, it is now financing more than a quarter of the needs related to local public investment in France. Through its involvement, it supports infrastructure projects for large agglomerations, such as providing equipment for small communes, starting at amounts of €50,000. Almost half of the communities supported by the Bank have fewer than 5,000 inhabitants. /



Making a commitment to public health

A partner of the *Hôpital Avenir* (Future Hospital) plan with the European Investment Bank, in 2016 La Banque Postale continued its commitments for the benefit of hospitals. It makes its expertise available to all the players in the health-care field and is developing the financing of the health and social welfare sector throughout France. It has also made considerable efforts to respond

to the growing need for social housing and services in the medical-social sector. In 2016, more than €100 million of so-called medium- and long-term loans were granted to associations managing healthcare and medical-social institutions, in particular to finance construction, the purchase or adaptation of care centres for elderly or handicapped people, or purchases of medical equipment for health institutions. /

€900 M

IN LOANS TO PUBLIC HEALTH INSTITUTIONS.



Transport, energy, equipment: to support structuring projects

The partners of local authorities that take on assignments including construction, economic development, tourism and energy mission, local public enterprises (EPL) have naturally become customers of La Banque Postale.

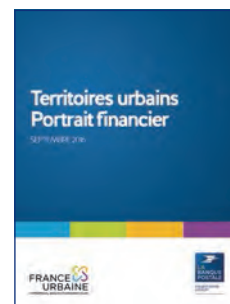
€300 million of financing was granted to them in 2016, raising the total volume of loans granted to €800 million since this business was launched in 2014. La Banque Postale is also committed to tailor-made solutions. In 2016, it granted financing of €225 million to the *Syndicat des transports d'Île-de-France (STIF)* to modernise its rolling stock. The transaction, which combines €175 million of bank loans and €50 million of private investments, will contribute to improving the mobility of Île-de-France residents. To support the development of public infrastructures or businesses, which give a boost to the regions, in 2016 the Bank substantially, developed structured loans, to public or private players. In this way, it participated in refinancing the A41 motorway, the acquisition of the Lyon airport by Vinci financed by a pool, supported a subsidiary of the SNCF in a complex financing of locomotives or again carried out its first dollar financing for the purchase of an Airbus by the Nantes group Dubreuil (French Blue). /



HOW CAN URBAN AREAS' BUDGET CONSTRAINTS BE UNDERSTOOD?

"In the context of regional reform, La Banque Postale issued 11 publications for local public players in 2016. One of them, published in partnership with the non-profit association France urbaine, describes the financial state of the municipalities and groupings with their own taxes in 50 urban areas. This analysis, a novel one by the consolidation work carried out, measures the extent and the development of the local public commitments, in regions with more than 17 million inhabitants and with a crucial share of the country's economic dynamism."/>

Thomas Rougier,
Head of Research, local public sector

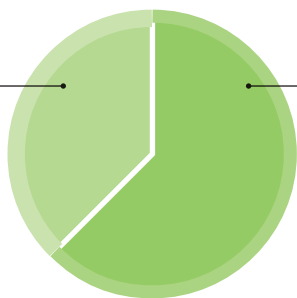


A COMMITMENT OF

€11.8 Bn

OF LOANS TO THE LOCAL PUBLIC SECTOR IN 2016:

€2.8 Bn
of short-term
loans



€7.7 Bn
of medium- and
long-term loans



// To provide a framework for young people who don't have one, means giving them a better chance of succeeding. //

The commitment by Agathe Fourment,

an employee in the Operations Department of La Banque Postale

Since 2014, six times a year, Agathe Fourment runs a budget management workshop in a local mission in the Paris region. For her, a society lacking in solidarity, supporting people and helping others is a vital part of maintaining social cohesion. Apart from budgetary education, she also passes on to the young workshop participants a civic message on the rights and duties of every citizen. This is her voluntary contribution to their integration into the life of the area. In 2017, another young employee of the Bank will start to accompany Agathe to run the workshops. /

La Banque Postale in action

The skills-based volunteering programme of La Banque Postale and the Post Office network attempts to resist banking exclusion and facilitate access to employment. Since it was launched, almost 600 employees have volunteered for various assignments with an educational purpose. In 2016, close to 80 new employees were trained to run budgetary education workshops, set up for young people in the local missions, but also with partner associations in the La Poste network such as FACE or the PIMMs (mediation services). In partnership with the « Entreprendre pour apprendre » (learning by enterprise) non-profit association, about 20 employees contribute to bringing schools and companies together, and to improve young people's entrepreneurial skills, by supporting projects to create mini-businesses in schools. For example, together with the "La finance pour tous" website, about 20 employees provide support to a final year class (Créteil Academy) in how to carry out a business plan. /

Increasing support for social housing

As the partner of two out of three social housing associations, La Banque Postale covers all their routine banking needs: managing flows of funds, investments, financing arrangements and social engineering.

The Customer Service Managers specialised in the regional social housing sector respond to all their customers' needs, regardless of their status, their core business and their particular local conditions. In 2016, the Bank strengthened this historically strong position with a 30% increase in the volume of short-, medium- and long-term loans to these customers.

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 debits, transfer, SEPA inter-bank payment orders, cash via the Eficash service in Post Office branches, or cheques with specific processing (Externeris). These services make collection by social housing associations flexible and secure.

Committed to access to social housing ownership, La Banque Postale proposes a financing offer for low-rent social housing organisations, in the form of rent-to-own loans (PSLA). It also renewed its partnership with the *Fédération nationale des sociétés coopératives de HLM* (FNSCHLM - national federation of low-rent housing cooperatives) to promote access to social housing ownership and support the development of low-rent housing cooperatives. Under this partnership, La Banque Postale is a member of the board of investors of the *Société pour le financement de l'habitat coopératif* (SFHC), on which FNSCHLM relies, particularly for supplementary financing for its projects. In this way, La Banque actively participates in providing support for cooperative housing projects and helps design innovative solutions for the production and management of rented housing. /



€2.5 Bn

IN LOANS TO THE SOCIAL HOUSING SECTOR.

2/3

OF SOCIAL HOUSING ASSOCIATIONS ARE CUSTOMERS OF LA BANQUE POSTALE.

€1.7 Bn

OF FUNDS IN LIVRET A SAVINGS ACCOUNTS.

Offer for long-term financing at competitive rates...

A partner of the European Investment Bank since 2014, La Banque Postale continues to offer loans within the framework of the government plans *Hôpital Avenir* (Future Hospital), *Très Haut Débit* (High-Speed Broadband) and *Collèges et Optimisation Énergétique* (Middle Schools and Energy Optimisation). In 2016, the Bank carried out its first High-Speed Broadband financing arrangements in

almost all regions. Furthermore, three new financing arrangements in support of three far-reaching programmes were undertaken this year by La Banque Postale and the EBI: €50 million for loans to SMEs and Mid-caps, €100 million for the energy transition and €100 million for *Hôpital Avenir*. Targeted at specific markets or purposes, they offer long-term financing (25 years) at competitive rates. /

... and promote innovation in the regions

Within the framework of new agreements with the European Investment Bank, in 2016 La Banque Postale signed the InnovFin “European Innovation Financing” (EIF) guarantee agreement. This is an overall amount of loans granted to La Banque Postale over two years to support its business of lending to SMEs and small, innovative Mid-caps in France. Half of these loans will be guaranteed by the EIF with financial support from the European Union by means of the Horizon 2020 financial instruments and, for half the amount, by the European Fund for Strategic Investments (EFSI) established by the Investment Plan for Europe. In May, as part of this agreement, the Bank launched an Innovation and Growth credit offer”. For amounts up to € 7.5 million that can be depreciated for up to ten years, it is intended, under the same conditions nationwide, to help SMEs and Mid-caps to finance their innovation plans and help them grow. /



For the second consecutive year, La Banque Postale is the leading lender for local authorities and hospitals.

Providing support for energy transition

Supporting the public policy on energy transition and increasing its contribution to ecological projects are a priority for La Banque Postale.

Committed to a better life for society, it has developed expertise in the financing of large-scale renewable energy projects and has consolidated its position as a major player in this sector. In 2016, it was a co-arranger of a €150 million transaction for a photovoltaic energy specialist in Brittany and lender for several other photovoltaic projects for a total amount of € 390 million. It is also committed to preparing the future of offshore wind power in France. Furthermore, it acts alone or in a pool to finance-to-finance innovative energy operations for public buildings. /

€390 M
OF LOANS TO FINANCE
PHOTOVOLTAIC PROJECTS.





Supporting
the entrepreneurial spirit,
**that is civic-minded
energy**



*La Banque Postale provides support for the real economy. In 2016, it significantly increased its production of loans to companies and professionals alike to finance their development projects. **This financing offer complements the historical management of flows and cash.***

Banking for Professionals

La Banque Postale is continuing to set up its bank for professionals, one of its major focuses in the Le Groupe La Poste's strategic plan.

In 2016, it doubled the size of its regional branch network, with 220 Pro Customer Managers (Pro CM) in post offices at the end of December. By 2020, there will be 1,000 of them. In September, the launch of the medium- and long-term financing arrangement extended the range intended for professionals. Moreover, the "Dual Relationship", offer for customers who combine their professional and personal accounts, makes their relationship with the Bank simpler and helps them manage their needs. Thanks to the synergy with the Post Office teams, La Banque Postale attracted 5,800 professional customers. Therefore, they now have the benefit of a range of local services. Lastly, La Banque Postale also created a unit to support shops and firms under franchise contracts. This unit simplifies relations with the retail companies. /





Boosting investments

From syndicated loans for corporate customers to professional micro-loans, La Banque Postale provides day-to-day support for investment and the business activities of all companies. Its loan portfolio of 250 major companies and institutions which have confidence in it, totalled more than €6 billion of commitments at the end of 2016. Equipment leasing, the spearhead of investment financing, continued to progress with almost €600 million committed to companies of all sizes. The so-called investment loans increased overall by 67%. The increase in medium-term loans to SMEs and Mid-caps, with which the La Banque intensified its relations, showed strong growth

with a leap of 287%. These loans finance investments in retail distribution, the food business and energy. /

€1 Bn
OF LOAN PRODUCTION
FOR SMES AND MID-CAPS
IN 2016.

Making cash more fluid

In 2016, the Corporate and Regional Development Department (DEDT) set up a team dedicated to developing the factoring business. Under its impetus, the business recorded growth of 300% with companies of all sizes in retailing, wholesale and capital equipment. At the same time, the development of cash credit lines generated 279% of growth in short-term outstanding credit. /

€1.16 Bn
IN FACTORING IN 2016.

// We found an innovative financing mode to extend our growth overseas. //

The commitment made by Michel Sasportas,

Chief Executive Officer of Danem

In 1996, Michel Sasportas founded Danem, the leading publisher of mobility software for travelling professionals (sales representatives, maintenance operators, delivery drivers, etc.). Its innovative solutions on mobile telephones, tablets and smartphones satisfy growing needs, buoyed by the rapid expansion of dematerialisation. After a decade of growth, the company is now aiming at developing internationally. To finance the project's indirect investments (search for foreign partners, R&D, translations, etc.), Danem took out a crowd-funding loan of € 200,000 through WeShareBonds. This financing, completed in less than two months, enabled it to recruit three people. /



La Banque Postale in action

To support French SMEs for all their financing and development projects, La Banque Postale set up a partnership with WeShareBonds, an innovative platform for providing credit for SMEs. This new player in crowd funding offers a solution for bond credit to supplement bank loans, without guarantees or personal surety from the manager. La Banque Postale supports this initiative by investing in the capital of WeShareBonds, and by participating indirectly in the financing of the selected SMEs, through the WeShareBonds loan funds open to institutional and professional customers. La Banque Postale and WeShareBonds have also set up a joint team to develop, for professionals and SMEs, innovative financing offers through bonds and bank credit. /

Financing responsibly



True to its commitments as a civic-minded bank, La Banque Postale proposes all its legal entity customers a comprehensive range of products and services that are simple, accessible, practical and responsible.

Particularly vigilant with regard to the direct and indirect impact of its financing on society and the environment, La Banque Postale has set up a charter and indicators measuring how its counterparties take into account social and environmental issues. Beyond compliance with legal frameworks, the basic prerequisites for obtaining credit from the DEDT exclude certain countries, sectors and practices considered to be incompatible with the values of La Banque Postale. These principles are clearly stated in the La Banque's Charter for responsible financing. /

Helping the social economy to fulfil its mission

Non-profit associations, mutual insurance companies and social protection bodies participate in making regions attractive through the dynamism of their activities. As creators of business and employment, they support social cohesion. Close to all these social economy actors, La Banque Postale offers them dedicated solutions to help them fully fulfil their missions. It bases its historical relationship on a strong set of common values shared with some 300,000 association. Among these, 35 specialised advisors in La Banque Postale's Business Centres provide support for 5,000 managing associations. In 2016, the medium- and long-term investment offer for non-profit bodies was enlarged: together with Ciloger, La Banque proposes to non-profit associations wishing to diversify their investments an investment in units of REITs (SCPIs) and OPCIs. /

300,000
NON-PROFIT ASSOCIATIONS
SUPPORTED.

Making the flow of social benefits secure

Since 2013, La Banque Postale has been running a unit dedicated to the mutual insurance companies and social protection agencies that carry on their business within a very specific regulatory framework (French Code on Mutual Insurance Companies, French Social Security Code, French Insurance Code, French National Interprofessional Agreement, Solvency 2, etc.). Throughout the country, 12 employees are local experts who offer these customers tailored cash flow solutions and investment and financing offers. La Banque is thus supporting two out of three mutual insurance companies in their core missions: the collection of contributions and payment of reimbursements to their members; securing their cash flow and reserve funds. /

A PLAYER IN THE ACCESSIBILITY OF BUILDINGS

La Banque Postale has continue to complete its medium- and long-term credit offers intended for management associations. In parallel to the construction or acquisition of real estate, this range also enables them to renovate and upgrade their property portfolio to new standards. It particularly meets the growing requirements of the medical-social sector or non-profit private education, which have to adapt their premises to the new standards for safety and public accessibility. In 2016, La Banque Postale became a leading actor in the financing of this type of work, its outstandings on this business having increased by 250%. /

25%

OF PENSION FLOWS
IN FRANCE ARE MANAGED
BY LA BANQUE POSTALE.



A future built with the employees

Committed to a process of transformation to build what it will be tomorrow – a 100% multi-channel bank centred on the operational excellence of the service to its customers, La Banque Postale is continuing to develop the level of its teams' skills and accountability. It is creating new business lines that will meet its customers' expectations, business lines of the future for every one of its employees, all players and beneficiaries of this transformation.

MEETING THE CHALLENGE OF THE TRANSFORMATION

In the context of building up the banking business as a priority for the Post Offices, La Banque Postale continues to structure its organisation under a single commercial management structure, launched in 2014 and combining line management and expertise of the network and La Banque Postale. The Human Resources Department of La Banque Postale, Financial Services and La Poste Network supports the implementation of this operating model creation of new business lines, building a managerial development model, organising training programmes: co-ordination and social dialogue, respect for quality of life in the workplace, etc. The banking sector has also seen unprecedented changes leading to new

challenges and new distribution models: competitive pressure in a low interest rate context; the arrival of new entrants – Fintech and GAFA – which propose free and innovative services; Basel 3 and 4 regulatory pressure, which particularly increases the need for equity; growing risks of fraud; the digitisation of processes and customer needs.

BROADENING EVERYONE'S TALENTS

In this context, the goal of the *École de la Banque et du Réseau* (EBR) is to provide support for developing the La Poste Network's banking skills and to take the lead with regard to changes in the banking ecosystem. With 400 employees, including 35 designers and 215 trainers, it is developing a modular training offer. In 2016, it continued to provide support for

7,500

employees in training with formal qualifications, 1,200 on courses leading to a diploma.

the organisation's transformation, the multi-channel and digital development of customer relations, commercial development and the mobility of employees. The professional excellence programme offered to the full management hierarchy



– in partnership with HEC (Higher School of Commerce), the Paris-Dauphine University, the CFPB (Higher Banking School) and Deloitte and Krauthammer – represents 150,000 days of training for 6,000 managers.

An 11-week training programme resulting in a formal qualification was rolled out in 2016 for the Sector Directors (DS), the Territory Directors (DT), along with a certification initiative focused on building a development project in their respective areas of responsibility. With greater responsibilities, the 1,600 Sector Directors of the La Poste Network now fully devote themselves to the development of the banking business line and take rapid commercial decisions for customers. In particular, they are given the authority to approve housing loans.

CONNECTED TEACHING

Of the training courses run by the EBR, 20% were by e-training, more interactive and amusing, alternating between classroom sessions and immersion periods. Massive Open on Line Courses (MOOCs) are included in the courses for Advisors specialised in advising companies, a virtual class for Sector Directors, and a sales simulator in the courses for banking advisors specialising in property loans. The "All digital!" programme, a knowledge and training platform adapted to the needs of all, was followed by 21,378 employees of the Le Groupe La Poste. A digital passport was obtained by 2,180 employees in the banking business from the Netexplo Academy training platform, shared with major French and international groups. /



To accelerate the time taken to process housing loan applications, La Banque has widened its distribution to the whole banking advisory line. 7,600 managers and Advisors in La Banque, Financial Services and the La Poste Network benefited for this purpose from a programme of more than 38,000 training days in 2016. Since 2014, committed to the development of the professionals' bank, La Banque Postale continued to train the professional Customer Managers (Pro CM) and their managers, i.e. 3,800 "trainee" days were carried out. Almost 220 pro employees had become operational over the whole country at the end of 2016. There will be 1,000 by 2020. In the development of the asset management business, 65 employees were trained in the new function of development manager in financial savings.

Lastly, strongly committed to diversity, La Banque Postale intends to make the combat against all types of discrimination a priority for everyone. In 2016, a training course was implemented to increase managers' awareness of disability. In fact, they have a key role to play in the support and anticipation of situations for continued employment (adapted workstation, sign language interpreter, teleworking, etc.).

ANTICIPATING THE SKILLS OF TOMORROW

To support the action of the EBR, the HR Department launched a forward-looking approach: "Skills 2020". This analyses the impact of economic, technological and social changes on banking functions, so as to plan for

292

employees in either banking or financial services work from home.

tomorrow's key skills and develop the ability of the teams to adapt to these changes. By creating a new skills framework, mastery of the expertise required to further improve the performance of La Banque Postale and La Poste Network will be guaranteed. For the purposes of Strategic Workforce

Planning, the challenge is also to develop the employability of all postal workers.

PROFESSIONAL DEVELOPMENT, WELL-BEING AND DIVERSITY AT THE CENTRE OF THE SOCIAL DIALOGUE

The transformation also concerns the different functions: they were the subject of three recent agreements concerning the financial and national Centres, banking advisors and Customer Service Agents in the Post Offices. They cover access to these functions, development, and support for careers.

La Banque Postale's transformation drive was ratified by the agreement on mobility within the La Banque Postale Group on 22 March 2016. It is structured around the development of the employability of the employees, support for the transformation of the organisation and businesses of La Banque Postale, and puts mobility at the centre of the management of employees' careers.

La Banque Postale signed a three-year renewal of the agreement in January 2016, thereby contributing to the development of a better work-life balance. The terms

of the preceding agreement became more flexible enabling employees to have access to teleworking for full and half days, up to a maximum of eight days per month. Employees' remuneration gave rise to new measures within La Poste and La Banque Postale (Group Savings Scheme and Group collective Retirement Savings Scheme, as well as an incentive agreement). Lastly, in November 2016, La Banque Postale reaffirmed its civic commitment to diversity, equal opportunity and the generation contract. This agreement reinforces the guarantees of gender

equality, at all levels of job grades, employment of young and older people, with skills passed on from one generation to another. At the same time, Le Groupe La Poste signed an agreement on the integration of young people and the employment of over-fifties people. From the day it was founded, La Banque Postale has paid special attention to conducting social dialogue based on trust, transparency and mutual respect, and has signed 128 collective agreements for banking and financial Services. /

In 2016, more than

800

banking Advisors
were promoted.

A HR POLICY REWARDED

- *The magazine Décideurs rewarded the HR Department of La Banque Postale the golden Victoire for the bank/finance/ insurance sector for its achievements in 2015-2016 at the Victoires des Leaders awards. The judges highlighted the support provided for the Company throughout the transformation, the creation of the EBR, the signing of the social agreements and, in terms of innovation, the setting up of digital "coaches".*
- *La Banque Postale integrated "Happy Trainees", a classification created online by the students, who listed the 150 best French companies for work experience or a work-study contract.*
- *In 2016, 92% of its trainees and those under work -study contracts recommended La Banque Postale, in particular for its induction system, empowerment on a day-to-day basis and the involvement of the management. /*

Governance of La Banque Postale

From its inception, La Banque Postale has adopted governance principles in line with best practices* 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.

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 Le Groupe La Poste, 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.



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

- the Risk Committee;
- the Accounts Committee;
- the Appointments Committee;
- the Compensation Committee;
- the Strategy Committee.

The Executive Board is comprised of Rémy Weber, Chairman, Marc Batave, Chief Executive Officer of Commercial Banking and Insurance, and Anne-Laure Bourn, Chief Executive Officer of the La Poste Network, Deputy Head of financial services.

** Viénot and Bouton reports, and Afep/Medef Code.*

Supervisory Board members

Members with executive positions within the Le Groupe La Poste:

- **Philippe Wahl**, Chairman of the Supervisory Board of La Banque Postale, Chairman and Chief Executive Officer of Le Groupe La Poste;
- La Poste S.A., represented by **Philippe Bajou**, General Secretary of the Le Groupe La Poste and Deputy Chief Executive Officer in charge of transformation;
- **Yves Brassart**, Vice-Chairman of the Supervisory Board of La Banque Postale, Deputy Chief Executive Officer of Le Groupe La Poste, responsible for finance and development;
- **Virgile Bertola**, Head of Strategy, Outlook and Innovation at Le Groupe La Poste;
- **Sylvie François**, Deputy Chief Executive Officer and Director of Human Resources of the Le Groupe La Poste;
- **Nicolas Routier**, Deputy Chief Executive Officer of Le Groupe La Poste, responsible for Institutional Strategy and Regulation.

Independent members:

- **Élisabeth Ayrault**, Chairman and Chief Executive Officer La Compagnie Nationale du Rhône;
- **Sophie Lombard**, Managing Partner;
- **Didier Ribadeau-Dumas**, Managing Partner.

Members representing employees:

- **Thierry Freslon**, Chairman of AVEA, a non-profit association of the Le Groupe La Poste, sponsored by the CFDT union;
- **Jean-Robert Larangé**, assigned to Adie Sud-Ouest, sponsored by the CFDT union;
- **Steeve Maigne**, Quality RBR Manager, Greater Paris region, sponsored by the SNB/CFE-CGC union;
- **Françoise Paget-Bitch**, Mediterranean Banking Operations Controller, sponsored by the FO union;
- **Hélène Wolff**, Quality Assurance Manager, sponsored by the CFDT union.

Member representing the Government:

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

Government Commissioner: Dominique Bocquet.

Executive Committee

The Executive Committee is the management body of La Banque Postale.



Rémy Weber
Chairman of the Executive Board
of La Banque Postale



Marc Batave
Member of the Executive Board,
Chief Executive Officer of commercial
banking and insurance



Serge Bayard
Head of Social Economy
and Land Development



Didier Brune
Head of Strategy
and Development



Catherine Charrier-Leflaive
Head of Retail Banking
and Insurance



Didier Moaté
Head of Human Resources



Patrick Renouvin
Head of Information Systems



Daniel Roy
Head of Asset Management Unit



Anne-Laure Bourn

Member of the Executive Board, Chief Executive Officer of the La Poste Network, Deputy Head of financial services



Florence Lustman

Chief Financial Officer



Robert Villani

Head of Operations

The Management Committee

The members of the Management Committee monitor large structuring projects and address the responsible development policy. Chaired by Rémy Weber, it is made up of members of the Executive Committee, plus:

- **Philippe Cuvelier,**
Deputy Head of Information Systems
- **Régis Folbaum,**
Head of Payments
- **François Géronde,**
Head of Group Risk
- **Alice Holzman,**
Head of Digital and Communication
- **Guillaume de Lussac,**
Head of the Insurance Unit,
Chief Executive Officer of La Banque Postale Assurances IARD
- **Stéphane Magnan,**
Head of Financial Operations
- **Franck Oniga,**
Head of Marketing
- **Jean-Marc Ribes,**
Chairman of BPE's Executive Board,
Head of the Wealth Management unit
- **Dominique Rouquayrol de Boisse,**
Head of Legal Affairs
- **Pierre-Manuel Sroczynski,**
Head of Permanent Control and Compliance
- **Julien Têtu,**
Chairman of the Executive Board of La Banque Postale
Financement
- **Christophe Van de Walle,**
Internal Auditor

A diversified banking group

PAYMENT SOLUTIONS

Transactis

Electronic money systems

Ezyness

Electronic money
institution

ASSET MANAGEMENT

La Banque Postale Asset Management

Asset management for individuals,
institutional and corporate customers

Tocqueville Finance

Asset management for individuals,
institutional and corporate customers

AEW

Real estate asset management
for individuals, institutional
and corporate customers
Joint venture with Natixis



RETAIL BANKING

LEGAL ENTITIES

La Banque Postale Crédit Corporate

Specialised loans

La Banque Postale Collectivités Locales

Provision of loans
to local authorities

CREDIT SOLUTIONS

La Banque Postale Financement

Consumer credit

Sofiap

Affinity credit

PRIVATE MANAGEMENT

BPE

Private bank

La Banque Postale Immobilier Conseil

Real estate investments for individuals

DIGITAL SOLUTIONS

EasyBourse

Online brokerage

La Banque Postale chez soi

Remote banking

LIFE INSURANCE AND NON-LIFE INSURANCE

La Banque Postale Prévoyance

Contingency insurance for individuals, companies and professionals

La Banque Postale Assurances IARD

Property and liability insurance for individuals

La Banque Postale Assurance Santé

Individual and group health insurance

La Banque Postale Conseil en assurance

Brokerage

CNP (Partnership)

Life insurance





Each year, 12 large gatherings: integration campus "general path" (classes of 2015 and 2016, 2nd and 1st levels) and "professional path" (classes of 2015 and 2016, photo below); Cap sur le sup work placement and discovery trip to Berlin (class of 2014, year 13); Campus vers le Sup (classes of 2012 and 2013, university students) and immersion trip to Malta (class of 2015, year 14); as well as six major gatherings in the provinces (Guadeloupe, Reunion, Rennes, Nancy, Clermont Ferrand and Montpellier).

L'Envol, La Banque Postale's campus

Because education is one of our country's great causes, La Banque Postale is committed to corporate sponsorship to encourage equal opportunity: "L'Envol, La Banque Postale's campus".

"L'Envol, La Banque Postale's campus" encourages education of talented children from low-income families from all over France (rural and urban environments), including the overseas departments. They are given individual support from their arrival in a secondary school up to their integration into higher general, technological or professional structures (crafts) of excellence and/or their insertion into the professional world.

To provide support for pupils and students in the diversity of their career paths and the excellence of the training courses, L'Envol set up two programmes aiming at common objectives by adapting to the specific training courses:

- the "general and technological path" programme, launched in 2012, each year supports a class of 60 pupils, starting with

their arrival in year (10) and on average up to a first degree, in partnership with the non-profit association Frateli; •the "professional path" program launched in 2015, each year supports a class of 45 pupils who selected the craft excellence sectors (food catering, metallurgy, art and art and fashion disciplines), in partnership with the non-profit association *Réussir moi aussi*.

All La Banque Postale and Le Groupe La Poste employees may make a voluntary contribution as a member of the community of sponsors. On an individual basis, they support the pupil during their years in secondary school and/or during higher studies (support, advice, developing self-confidence, awareness of the world). Sponsors may also take part in organising and running major national and regional gatherings. /

2016 IN A FEW WORDS

374 pupils.

5 classes in the "general and technological" path.


2 "professional path" classes.

In 2016, **70%** of the pupils passed the Baccalaureate cum laude.

525 sponsors gave more than 1,000 days to voluntary work.

Partnership with the National Education authorities signed in 2012 and renewed in 2016.

A signatory of the 2016 Pact for social openness and equal opportunities with the Conference of top-ranking establishments of higher education together with Mozaik RH, the FACE foundation, Frateli, Institut Têlémaque, Passeport Avenir, APEC, the Deloitte Foundation.

Photo credits: GettyImages®/Sally Anscombe, Franck Dunouau; Fotolia; Julien Millet; La Banque Postale and La Poste photo library; DR. **Design and execution:** La Banque Postale Communications Department -  **PUBLICORP** - 01 55 76 11 11 - 14469.

This document participates in protecting the environment. It is printed on FSC certified paper, coming from resources responsibly controlled and collected.



Limited Company with Executive and Supervisory Boards, with a capital of €4,046,407,595.00
Registered office and postal address at 115, Rue de Sèvres – 75275 Paris Cedex 06, France.
TCR Paris 421 100 645 – APE code 6419Z, insurance intermediary registered
at ORIAS under No. 07 0234 24
labanquepostale.com

