



Welcome to community- minded banking and insurance

2019 ACTIVITY AND
SOCIAL RESPONSIBILITY REPORT



BANQUE ET CITOYENNE



Take a tour of La Banque Postale with its employees

They are account managers in post offices, customer managers, data scientists and managers... All are motivated, dynamic and committed experts. Could there be a better guide to give you a tour of La Banque Postale? **Let them take you behind the scenes of a major banking and insurance group.**



La Banque Postale is changing

In 2019, La Banque Postale quickened the pace of its transformation to provide the best possible service to all of its customers – private individuals, local authorities, non-profits, companies and the self-employed –, while remaining attentive to the most vulnerable groups. It launched Ma French Bank, its 100% digital bank, accelerated the digitalisation of its offering and deployed its digital inclusion plan. The leading bank for local authorities, it has continued its growth among companies thanks, notably, to its Corporate and Investment Bank. Faced with the urgency of the environmental transition, La Banque Postale has emphasised green finance while LBPAM prepared its move to 100% Responsible Investment. The merger with CNP Assurances, completed in early 2020, provided La Banque Postale with a new dimension: it became a major European banking and insurance group serving the regions and people.



Welcome to the bank of the young and the not-so-young, of families and high-net-worth customers, of entrepreneurs and companies, of attractive cities and isolated regions, of socially conscious non-profits and start-ups... Welcome to the community-minded banking and insurance group that meets everyone's needs and contributes to our shared future.

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Overview

3 minutes to introduce ourselves



This is our working environment

TRENDS

Continuing low interest rates and macroeconomic uncertainty



BACKGROUND

- An economic environment experiencing low interest rates and international trade tensions
- Increased prudential requirements
- Increased regulatory constraints (prevention of money laundering and terrorism, extra-financial reporting, etc.)

0.12% at the end of 2019
10-year French government bond rates

OUR RISKS

- Decline in retail bank revenue and profitability
- Increase in the critical mass required for certain activities
- Cost of regulatory compliance

OUR ASSETS

- Financial strength of a group with public shareholders
- Solid customer base in France
- Merger with CNP Assurances in progress
- Diversification strategy
- Multi-partner development model

Digital revolution in uses and business lines



BACKGROUND

- New customer expectations: personalised offerings, accessibility, proactivity, services and data security
- Demand for a complete banking and insurance services offering
- Transformation of business lines with the development of artificial intelligence and automation
- Need to provide support for the appropriation of new uses

72% of French people view their account via their personal space and 40% via their mobile application (source: Deloitte study "Relations banques et clients", 9th edition, 2019)

OUR RISKS

- Partial match between the services offered and customer expectations
- Employee skills gap

OUR ASSETS

- Digitalisation of the customer experience and of the services offerings
- Investments of €1 billion in information systems over five years
- Trusted third parties recognised for data security
- Training of employees at the École de la Banque et du Réseau

Increased competition and weakening of the traditional banking model



BACKGROUND

- Appearance of new competitors facilitated by changes in the regulatory framework
- Reconfiguration of the financial services value chain
- Pressure on the pricing model

Approximately **350** French fintechs in 2019
(source: France Fintech/Mazars study on fintech trends in 2019)

OUR RISKS

- Lower margins
- Risk of disintermediation, especially in the business relationship

OUR ASSETS

- 10.5 million active retail customers⁽¹⁾
- Multi-channel distribution and a 100% mobile bank with Ma French Bank
- Partnership strategy with fintechs and assuretechs, and a dedicated incubator (platform58)
- Backing from Le Groupe La Poste, which enables a diversified and expanded range of local services

(1) Called "core clientèle", these private customers include suitable equipped committed and non-committed customers. The concept of commitment is tied to income domiciliation and the concept of equipment to the holding of several product families.

Major environmental and social challenges



BACKGROUND

- Climate change and dwindling resources
- Increased perception of a social and regional divide
- Generalisation of new extra-financial standards (TCFD, SDGs, etc.)

> €38.5 billion in funding for renewable energy by French banks in 2018
(Source: "Banque et climat", Fédération bancaire française, 2019)

OUR RISKS

- Non-compliance with new regulatory requirements (transparency, reporting, etc.)
- Pressure to adapt the offer to social and environmental requirements
- Governance arrangements and processes inadequate for new risks

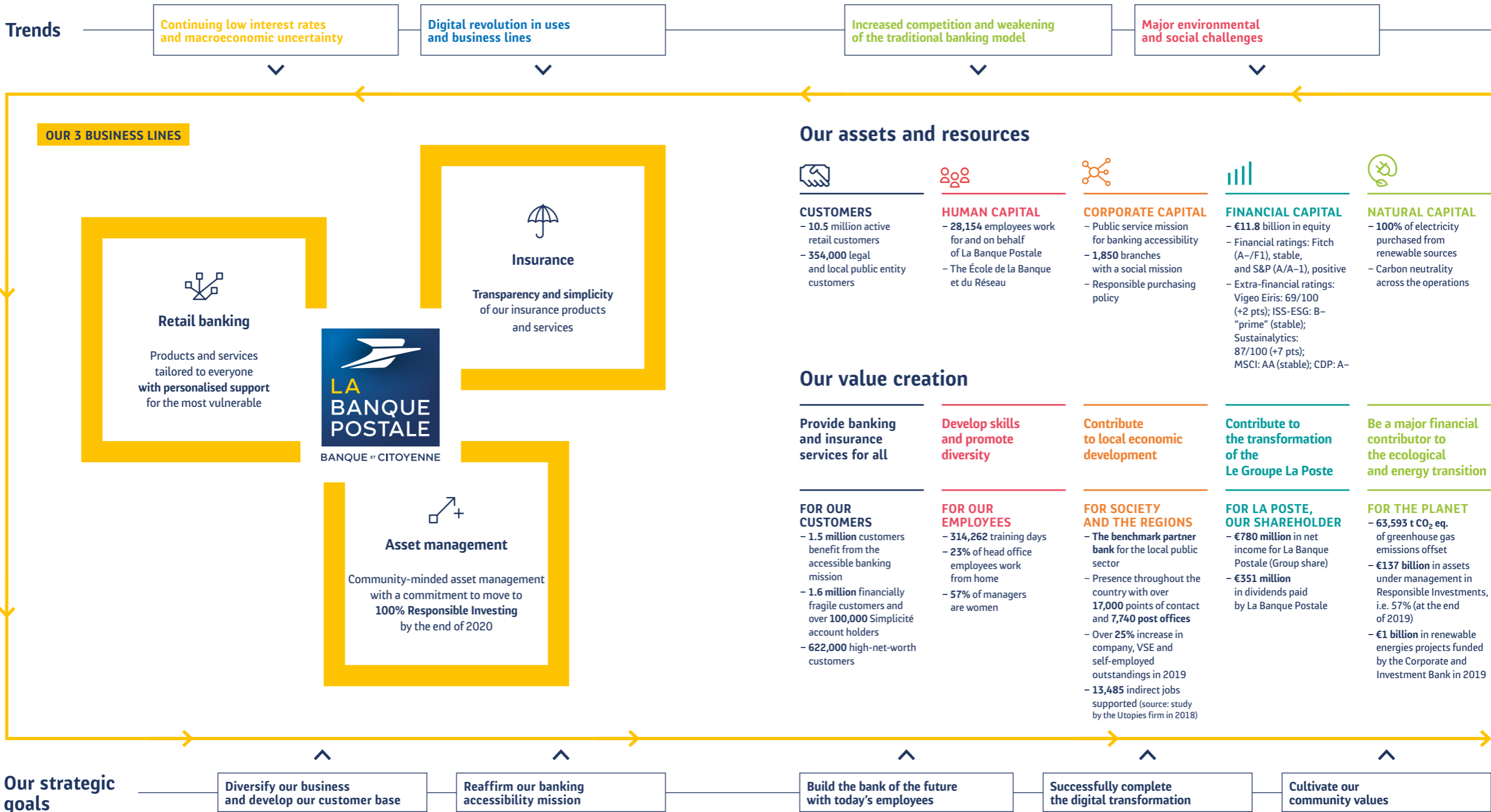
OUR ASSETS

- Strong commitment to inclusion with a public service mission to ensure banking accessibility for financially vulnerable customers
- Extensive regional presence with the La Poste Network
- Benchmark bank for the local public sector
- Active strategy to transform asset management into responsible investing by 2020
- Exemplary selection of projects financed



Here is our model

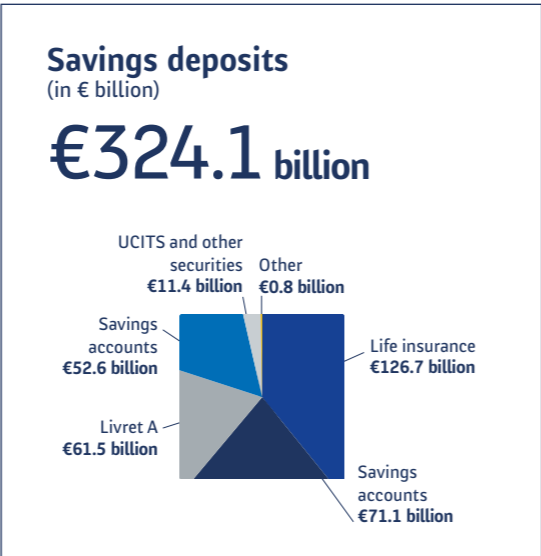
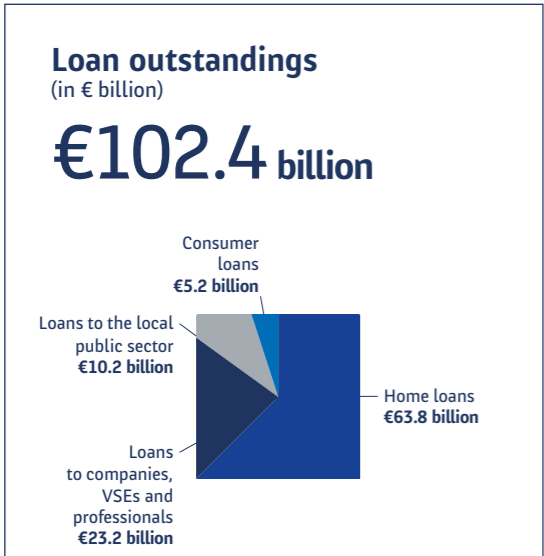
SERVING COMMUNITY FINANCE



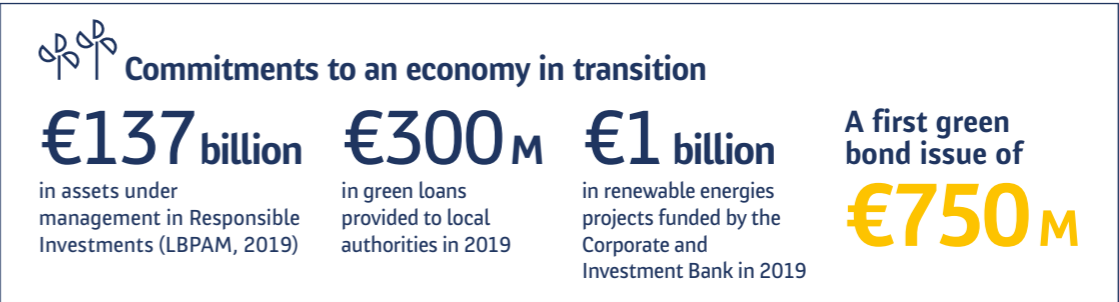
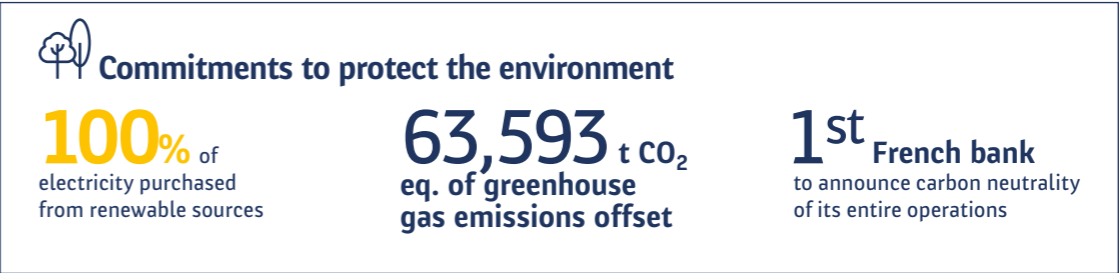
Our key figures

FINANCIAL AND EXTRA-FINANCIAL

Financial



Extra-financial





Welcome to the bank for all



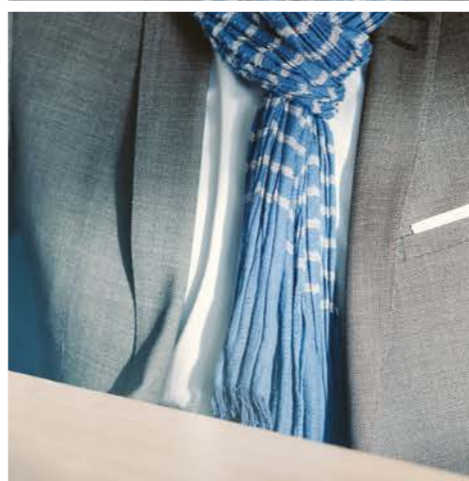
La Banque Postale cares for all equally: young people, families, senior citizens, low-income and high-net-worth customers. It offers young people attractive rates, assistance to become independent, notably in terms of access to housing, with a guarantee system in partnership with Action logement and a 100% digital bank called Ma French Bank! La Banque Postale provides families with the right banking services and insurance products and facilitates their access to property, including for low-income families with social home ownership loans. It also assists the employed plan for their retirement. High-net-worth clients benefit from advisory services in post offices with 960 advisors specialised in wealth management, in the agencies of its private banking subsidiary BPE, and from the Group's experts in asset management and real estate. To meet the social concerns of all of its customers, La Banque Postale provides access to crowdfunding and responsible savings. In all, 10.5 million active customers find the answers they need to meet their needs and their values at La Banque Postale at every stage of their life.

Accessible. La Banque Postale truly is accessible. First, because it is local thanks to its 17,000 contact points, including 7,740 post offices, where everyone is welcome. For example, people with hearing disabilities are received by a person who knows sign language. Because it is equally attentive to all: La Banque Postale proudly assumes its public service mission for banking accessibility via its Livret A, which provides essential services free of charge to 1.5 million people excluded from banking services. It also assists 1.6 million financially vulnerable customers with a specific services offering and the help of many partner non-profits. It is part of the Initiative against banking exclusion club which brings together 22 charitable organisations. Lastly, La Banque Postale has deployed a national digital banking inclusion plan. It is convinced that finance must contribute to social inclusion.

10.5 million
active retail customers



La Banque Postale Mobilisation to promote inclusion



The public service mission via the Livret A

People who are excluded from banking services have very modest incomes, they have trouble expressing themselves, they are sometimes from other countries, homeless and often have no Internet access: La Banque Postale's Livret A gives them unconditional access to essential banking services to live and work: withdrawal card, Bank Account Identity, domiciliation of social services, deposits and cash withdrawals. They also receive valuable human support in 1,850 post offices with a priority social function where mediators help them carry out formalities with the support of partner non-profits. La Banque Postale's Livret A puts 1.5 million people, i.e. 5 million people with their families, on the path to inclusion.

The reception of financially vulnerable customers

They have been barred from banking services, are in debt or are unable to manage their budget... The Observatoire de l'inclusion bancaire (observatory of banking inclusion) counted 3.4 million⁽¹⁾ financially vulnerable customers at the end of 2019. La Banque Postale provided services to 1.6 million, i.e. about half. The Bank is convinced that financial vulnerability is not inevitable and provides a complete support system. It ranges from the Simplicité account option with adjusted rates to a special health insurance offering and includes micro-loans and budget advice on the L'Appui platform. These customers are protected by caps on incident fees of €25 a month and €20 for holders of a Simplicité account option.

Since banking exclusion is often compounded by digital exclusion, La Banque Postale deploys a banking and digital inclusion plan in 400 post offices. They teach people who have few digital skills to operate La Banque Postale ATMs and online services with free demonstrations and workshops led by partner non-profit networks like the national union of multi-service information and education points (Union nationale des PIMMS), Face the action against exclusion foundation (Fondation agir contre l'exclusion), WeTechCare and Emmaüs Connect.

(1) Source: Observatoire de l'inclusion bancaire annual report, June 2019.

1.6 million
vulnerable customers

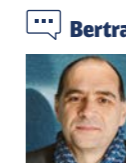
400
post offices deploy
the digital social and
banking inclusion plan



... Sylvain B., post office customer service manager

"La Banque Postale's Livret A is the only banking service accessible to the most vulnerable. It changes their life! For some of them, it's their way to receive allowances and obtain cash. For others, it's their way in to the working world. It's the first step to integration for many."

1.5 million
customers benefit from Livret A
banking accessibility



... Bertrand D., head of L'Appui

"Customers in financial difficulty like the L'Appui budget and banking assistance system created by La Banque Postale because it provides them with personalised advice and really listens to them."



Retirement for all, advice for everyone

Two thirds of French people are worried that they will be short of money when they retire; however, in fact, only one out every two working people have started to prepare, with people in their fifties and affluent socioprofessional groups in the lead. La Banque Postale decided to become a leader in providing retirement assistance to all: young people, families, future retirees and high-net-worth customers. To help everyone think about the future, it offers a simulator with automatic access to each person's individual situation on the Internet site. La Banque Postale then provides a complete offering which combines

savings, loans to purchase a home, special investment products and dependency insurance and provides advice in its 7,740 posts offices or remotely. For high-net-worth customers, La Banque Postale has developed the Pass Patrimoine, an offering to prepare for retirement autonomously and to receive valuable advice from the expert advisors at fintech partner Sapiendo.

Local insurance

Because bank advisors know their customers and meet them at important times in their lives, they can offer them the best-suited insurance products for home, auto, health and personal risk. The density of the network of post offices, their presence

throughout the country and the very personable approach of the advisors make a major contribution to this. Proximity is particularly important at times of natural catastrophes, when the people impacted can rely on the responsiveness and empathy of La Banque Postale's teams.



Agathe S., head of the customer services and compensation unit of La Banque Postale Assurances IARD

"We were very responsive following the violent hailstorm in Romans-sur-Isère (Drôme) in June 2019. 6 people were mobilised, 229 customers were contacted in two days, a compensation service was opened in the local post office and 40 victims were visited. We reassured customers at a very difficult time."

+14.7%

growth in the insurance unit's NBI (excluding exceptional items) in 2019



Maria F., Wealth Management Department marketing project leader

"The Pass Patrimoine is an exclusive rates and services offering for our high-net-worth customers in partnership with the fintech Sapiendo, a retirement coach that provides answers by combining the expertise of its advisors with new technologies. It's a comprehensive service!"



Join Ma French Bank!



When La Banque Postale decided to create a new bank at the end of 2016, the goal was to give birth to a new banking entity able to win over an autonomous and digitalised clientele which was already being courted and coveted by a dozen neobanks which had appeared over three years. "However, the market is far from being saturated," notes Alice Holzman, Chief Executive Officer of Ma French Bank. Only 6.5% of French people have an account in a virtual bank. And La Banque Postale has a lot going for it." Ma French Bank already had 122,000 customers at the end of 2019.

Ma French Bank, a wholly-owned subsidiary of La Banque Postale, is a local bank accessible to all, with no resource requirements. Customers can open accounts online and in 2,000 post offices across France. Another major distinguishing feature: Ma French Bank has a customer services centre located in Lille with advisors reachable by telephone Monday through Saturday. Lastly, the neobank is a credit institution certified by the European

Central Bank and can, therefore, provide all savings and loan services, which institutions that only provide a payment account can't do.

Ma French Bank meets the expectations of young people 18 to 35. Today, 60% of the bank's customers are under 38. Ma French Bank also plans to win over customers who want to manage their budget and customers who use multiple banks and are looking for the simple services of a digital bank. La Banque Postale is targeting over 1 million customers within five years. "Gaining the trust and loyalty of our customers is a priority. Beyond that, the offering will gradually be enriched with products and services that will ensure its uniqueness and profitability", concluded Alice Holzman.





A neobank at the post office



“The sale of a 100% digital bank in person in a post office is a real benefit for many Ma French Bank customers!”

Jeff B., post office customer service manager

Unparalleled services

For €2 a month, all inclusive, Ma French Bank provides unparalleled services: an account with no overdraft facility, with balance and transaction tracking in real time; international Visa bank card for free payments and withdrawals in France and other countries; mobile contactless payments with Apple Pay and the option to make payments via SMS to repay family and friends, free pooling

without commissions and a service for sharing expenses. For an additional €2 a month, the “Mes Garanties” option includes methods of payment insurance, buyer and delivery insurance and protection against identity theft or e-reputation problems.

Over **122,000**
customers in the portfolio

70%
of accounts opened
at a post office

60%
of customers are
between 18 and 38



Attractive pricing without surprises

Ma French Bank accounts can be opened online, from a mobile telephone, a tablet or a computer, as well as at a post office, by a customer service manager. This is a differentiator for Ma French Bank:

70% of accounts were opened at a post office. At the end of 2019, 2,000 post offices were providing Ma French Bank. It will eventually be available in the entire network.



“60% of Ma French Bank customers are under 38. However, Ma French Bank is also targeting customers who use several different banks and are looking for the simple services of a digital bank for everyday use.”

Karim D., head of Innovation, Development, Solutions and Data at Ma French Bank



A customer service centre in Lille



Trust a bank committed to the regions



La Banque Postale is growing in the heart of the regions, in rural and peri-urban areas, small towns and major cities. It has an unmatched advantage thanks to its network of 7,740 post offices, 6,350 banking advisors, 960 wealth advisors and, for entrepreneurs, more than 400 professional customer managers. In addition to this exceptional network, there are also 43 business centres involved in the local economic fabric. La Banque Postale is in an excellent position to serve its legal entity customers: local authorities, social landlords, healthcare establishments, non-profits, etc. It provides a complete offering which ranges from loans to cash products (electronic money, direct debit, etc.) and includes Universal Personal Service Cheques which enable departments to assist vulnerable groups. La Banque Postale is more than just a banker. It is also a trusted partner which enables the regions to meet certain social, economic and environmental challenges, as reflected in the launch of a line of "green" loans in 2019.

The partner of choice of local authorities and public hospitals since 2015, La Banque Postale takes into account the individuality of each of France's municipalities, including the smallest ones: in 2019, 50% of loans to local authorities were granted to municipalities with fewer than 5,000 residents.

Quality of advice takes priority everywhere: La Banque Postale shares its expertise with administrative staffs and elected officials thanks to its comparative financial analysis tool, its studies, its training and its conferences.

Determined to help ensure access to housing for all, La Banque Postale is the bank of rent-controlled housing operators who manage 90% of the social housing in France, i.e. 4.6 million homes. In 2019, it reaffirmed its support for social housing by signing several agreements with landlords, notably to promote access to social home ownership thanks to a range of services for operators, future owners, etc.

A leader in the healthcare sector with a quarter of public hospitals as customers, La Banque Postale finances more and more homes for the elderly, because population ageing is a major challenge for the regions.





"We work with all of the players of the public and non-profit healthcare and medico-social sector and we are the leading banking partner for public hospitals. Together with Le Groupe La Poste, we are there to meet the needs and challenges of this sector, which is constantly changing, notably due to population ageing."

Émilie L., Deputy Director for the local public sector at a business centre

1st

lender to local authorities in France

+17.8%

increase in outstanding loans to local authorities and social landlords in 2019.

70%

of rent-controlled housing operators work with La Banque Postale

€300 million

in "green" loans provided to local authorities



"We provide social housing landlords with complete support, from building energy diagnostics to operations financing and including a range of solutions to collect tenant rent. We also assist home buyers via the Maisons de l'habitat. As a result, we play a major role in access to social home ownership in France."

Sofyann W., local public sector project manager at a business centre



Questions for

Ronan G., local public sector project manager at a business centre

What role does La Banque Postale play with the local authorities?

We are their main bank lender and, especially, a trusted partner who prioritises advice and expertise.

How is the advice provided?

We have a network of business centres and teams of experts. We also provide our tools to local players, for example, our online loan simulator and our comparison tool, which enables municipalities to evaluate their financial situation compared to that of similar municipalities. Lastly, the work done by our Research Department provides local players with information about high-stakes subjects: it produced a dozen studies in 2019, which were presented at over a hundred conferences to elected officials and regional managers.

What sets you apart?

I would say that it's our knowledge of local public players who interact with the local authorities: the local health agencies, the social housing landlords... This is essential and accelerates the successful completion of projects in every region.





Meet the partner of companies and entrepreneurs

La Banque Postale is the partner of major corporations, of small and medium size enterprises (SMEs) and of intermediate size enterprises (ISEs). It operates 43 business centres which facilitate meetings with advisors. Under the name "Business Énergies", it provides all types of solutions to support the business cycle and growth of companies.

A local bank, La Banque Postale's legitimacy is based on the quality of its customer service and the expertise of its employees. Over 400 professional customer managers welcome artisans, retailers and the self-employed on a daily basis in the post offices while specialised company advisors assist SMEs and ISEs via the business centres located throughout the country. They are backed by the experts of La Banque Postale's subsidiaries installed in the heart of the regions.

La Banque Postale is accelerating the digitalisation of its offering to meet the need of entrepreneurs

for responsiveness and autonomy. The new E-crédit Pro service enables very small enterprises (VSEs) and the self-employed to submit a loan request online in just a few clicks. The digital platform, designed with the +Simple start-up, inaugurated the "phygital" subscription of supplementary group healthcare insurance for SMEs. The 100% digital account opening request for the self-employed facilitates the process for them. All of this combined makes La Banque Postale a modern and effective player in the local economy.





“The heads of SMEs and ISEs are using the bank’s online tools, which facilitate procedures, but they aren’t ready to replace their advisor with a chatbot: they still want to deal with a partner!”

Sarah B., company project manager at a business centre



“Entrepreneurs are, of course, seeking funding, but they also want support in what is often the greatest adventure of their professional lives. Expertise, listening, network and support, this is what entrepreneurs are looking for at La Banque Postale. It’s why the partnerships with CMA France, Siagi and Adie, which help young creators get started, or France Active, which opens the doors to the social and solidarity economy, are important. The commitment to retailers is also reflected in the launch of our city centres barometer.”

Ghizlane B., Deputy Director for professionals at a business centre



Questions for

Antoine G., manager at the Corporate and Investment Bank (CIB)

What is the role of the Corporate and Investment Bank?

The CIB was created in 2017 and has enabled the completion of La Banque Postale’s universal bank offering. It provides all of the products and services of an investment bank: investments, rate and currency risk management, structuring of bond issues, and of a financing bank: private debt, corporate syndicated loans, funding of acquisitions, assets and projects.

Who is your audience?

Our customers are major corporations, ISEs, local authorities and financial institutions. With respect to investments, we also structure EMTN issues for private banking (BPE) and retail banking. In all cases, in addition to the financial solution, we want to provide real expertise based on the sector knowledge of La Banque Postale’s entire sales force.

What makes CIB different?

The CIB shares the civic values of La Banque Postale: we support the development of the local economy and the funding of the energy transition. Therefore, we immediately decided to exclude fossil energy extraction projects and finance renewable energies exclusively.

€24.3 billion

in loans to companies, very small companies and the self-employed in 2019

Leading

bank for mutual provident institutions for the payment of supplementary pensions

50%

of the companies of the CAC 40 are customers of La Banque Postale

43

business centres throughout the country

445

professional customer managers in post offices





Behind the scenes of a human and digital transformation

A modern bank that works in the best interest of the community at large, La Banque Postale combines the best of digital and personal service. It accelerates the digitalisation of the customer experience, offers and processes. It is increasing the number of 100% digital solutions to meet customers' need for autonomy and immediacy, from e-payments to professional e-credit and including Ma French Bank, popular with the super-digitalised and young people. At the same time, La Banque Postale maintains the human aspect at the heart of its offering: it has expanded its business centre network, provides Ma French Bank in 2,000 post offices and has deployed its social, digital,

banking and social inclusion plan in nearly 400 post offices. Personal service is at the heart of La Banque Postale's modernisation.

To ensure the successful completion of this transformation, La Banque Postale is betting on the training, mobility and commitment of its employees. It is also recruiting new talent in specific fields, including data scientists, developers and UX designers. It relies on the skills of partner start-ups which contribute new expertise and new practices.



Support for a human transformation

The changes to the business lines are made in keeping with La Banque Postale's values.



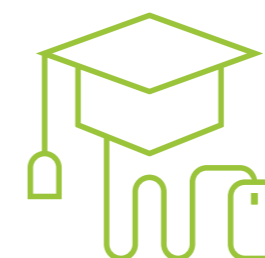
More expertise

Employees also gain expertise thanks to the digital improvement of their work environment, particularly **through better use of data**. For example, the use of data with artificial intelligence provides financial advisors with a 360° view of their customers and enables them to anticipate their needs at different times of their lives (parenthood, moving, travel, works, retirement, etc.). It's very valuable knowledge for the managers of large portfolios.



"I was a customer service manager in a post office when I discussed my career plans with my managers. Thanks to a specific one-month training programme, I was able to become an advisor at La Banque Postale. I'm proud that I was able to successfully complete all of the required steps and that I can serve the customers of the bank that helped me move ahead."

Rémi D., customer advisor at a post office



More training

314,262 training days were provided by the École de la Banque et du Réseau in 2019; nearly 80% of employees received training at least once during the year: the acquisition of new skills, and notably digital skills, is a priority in the transformation of expertise at La Banque Postale. As a result, in 2019, the École de la Banque et du Réseau launched an extensive training programme called "Vers un réseau digital et humain" (towards a digital and human network), which combines traditional classes with workshops. All of the employees of the Network learn to use the Group's applications and, more recently, those of Ma French Bank. The École also enables employees to develop their understanding of regulatory requirements and to train in high-stakes markets. The training programmes are updated every year to take regulatory changes and new business activities into account.

The systems offer different types of learning methods: classroom training, the acquisition of skills on the workstation with the involvement of managers and experts; interactive and collaborative e-learning, training by telephone, virtual classes... All of which enable the optimisation of training time and the personalisation of careers.



More responsibility

Employees are better trained and better equipped and also have **more responsibility**. Advisors now have the authority to grant loans thanks to the delegation of signature. This is a major change and a real sign of trust in the transformation of the network. Others choose to take on new duties: in 2019, nearly 2,000 employees received a promotion, often after completing in-depth training programmes. La Banque Postale wants all of its employees to gain in autonomy and in expertise.





Based on the values of a bank that works in the best interest of the community

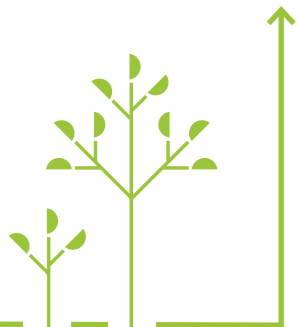
Social dialogue, equality and inclusion, La Banque Postale is changing while remaining faithful to its community values. More than a hundred collective agreements have been signed since the creation of La Banque Postale, in 2006, including the major 2019 agreement on the Social and Economic Committee. Designed to ensure the quality of the social dialogue, it was signed by all of La Banque Postale's unions.

57%

of managers are women

1,100

work-study contracts at La Banque Postale



Job equality for men and women is a constant concern. In 2019, La Banque Postale published its first gender equality index, which received good scores for gaps in compensation, pay rises and promotions. Women, who account for 57% of managers, were given preference for promotions. At the same time, general management launched an ambitious programme intended to increase the presence of women in executive bodies and the hierarchy.



The inclusion of all, and notably persons with disabilities, is a La Banque Postale commitment. After taking part in the Duoday national awareness-raising day, the Bank reaffirmed its commitment by signing the Manifesto for the inclusion of persons with disabilities in economic life, together with a hundred other companies.

Young people first! La Banque Postale works hard to support young people in their studies, training and entry into the work force. The number of work-study contracts reflects this: 1,100 in 2019. In addition, the Bank has opened the doors of its financial centres to high school students for observation internships as part of the "Pacte avec les quartiers pour toutes les entreprises" (for all companies). Lastly, La Banque Postale continues to support young people via L'Envol, La Banque Postale's campus. L'Envol is a non-profit promoting equal opportunity, which provides support for students from high school through to graduate level. Since 2012, nearly 700 young people have benefited from assistance from L'Envol and its sponsors, all of which are volunteers and employees of La Banque Postale and Le Groupe La Poste.



"I did all of my post-secondary studies on a work-study contract and I had the opportunity to do my Masters in digital marketing while on a contract at La Banque Postale. I became a member of a team of experts and held a number of different positions in the Digital Department before being hired on a permanent contract when I was 26."

Quentin M., head of digital communication

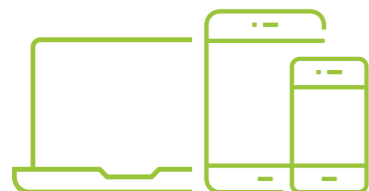


"The young people at L'Envol come from very modest backgrounds, but they have talent and are motivated. Supporting them as a mentor is a real commitment. Since 2012, there have been over 900 employee mentors from La Banque Postale and Le Groupe La Poste who are proud of their equal opportunity sponsorship."

Tristan H., mentor at L'Envol

A shared digital transformation

Artificial intelligence (AI), task automation, cloud, data, blockchain, real time: La Banque Postale uses the latest technologies to support growing digitalisation and transform its processes for everyone's benefit.



The digitalisation of our services

The digitalisation of our services is continuing to meet the expectations of our customers. Paying with your mobile telephone or watch thanks to Apple Pay, changing the functionality of your bank card in real time, having instant access to consumer credit or E-crédit Pro: these are all responses to customer expectations for autonomy, immediacy and personalisation. The numbers reflect our success: the labanquepostale.fr website and the La Banque Postale app totalled 115 million visits a month in 2019!



The increasing importance of big data and AI

The emergence of big data and of AI technologies improves operational effectiveness, commercial development and risk management. Statistical models provide better knowledge of customers and a better understanding of their risk profile, for example, before providing them with a loan. In order to successfully roll out this big data transformation, La Banque Postale has installed a platform with a data lake shared by all of the business lines. It created a Data Department, which handles the major topics of governance, quality, compliance and data use and employs a hundred data experts in the Group.

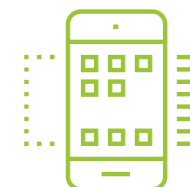
Partner start-ups

The digital transformation of La Banque Postale also relies on partner start-ups ranging from the fintech Sapiendo to the assuretechs +Simple for group healthcare and Zelros for customer profiling. In order to support innovation and envision tomorrow's bank and insurance industry, La Banque Postale created its own incubator, called "platform58", in 2019.



"La Banque Postale has a platform with a data lake shared by all of the business lines."

About **100**
data experts in the Group



"AI enables us to better serve our customers, better understand their needs, their life projects and their pricing expectations. Assisted by algorithms that use a huge amount of data in a short period of time, financial advisors can provide more personalised service. AI also provides better control of financial risks, for example, by refining the analysis for approving loans. Lastly, AI helps banks improve financial security, notably by preventing fraud. All of this is creating new areas of expertise focused on data, including data scientists to analyse them, chief data officers to ensure their governance and data protection officers to guarantee compliance with the General Data Protection Regulation (GDPR)."

Clémence P., data scientist, head of data use



“La Banque Postale’s application is used by 3.7 million customers every month. Which means that developing new functionalities is very important! We pursue three objectives consistently: provide new services to users in a very competitive market; meet data security and privacy requirements; and, facilitate navigation for all types of customers. This entails complying with very strict processes, for example, submitting all of our digital projects to the teams responsible for compliance and risks and, of course, taking the comments of users into account.”

Anastacia B., head of the digital customer space for private individuals



115 million

visits a month to the [labanquepostale.fr](https://www.labanquepostale.fr) website and the La Banque Postale app in 2019

3.7 million

customers use the La Banque Postale app every month

15

start-ups worked with the platform58 incubator in 2019



Questions for
Virginie A., Operations Manager
at platform58

Why did La Banque Postale create its own incubator?

By creating platform58, an ecosystem of fintechs and assurtechs, we wanted to take part in the ongoing reflection on changes in banking and insurance. platform58 is both a programme to support start-ups with mentors and experts, and a place for innovation and technology watch that promotes interaction and exchange between start-ups, partners and La Banque Postale employees.

What do the start-ups provide in exchange?

The entrepreneurs in the incubator commit to providing us with one day a month to assist us with our digital transformation. The Innovation Masterclasses created for La Banque Postale employees are led by founders of platform58 incubator start-ups. We believe that they have a legitimate right to talk about disruption and risk taking.

What are your project selection criteria?

The start-ups were chosen by the selection committee for their innovative approach and their ability to provide new services to customers.



Share our climate commitments

In addition to its commitments to social cohesion and regional proximity, La Banque Postale has mobilised for the ecological transition.

The Bank supports private individuals by financing the ecological transition. It provides them with loans for the purchase of hybrid and electric vehicles and loans for energy renovations to their homes, including the “Habiter mieux” zero-interest loan for low-income households. Private individuals can also invest some of their savings in themed funds offered by La Banque Postale Asset Management (LBPAM) or in renewable energy projects proposed by Lendopolis through crowdfunding.

La Banque Postale launched “green” loans for public authorities in 2019. They are intended to finance 100% sustainable projects from waste recycling to public building energy efficiency and including the production of renewable energy and environmentally-friendly mobility. Refinanced by green bonds issued by SFIL, these loans contribute to the development of green finance. Around 50 green loans worth nearly €300 million were signed in 2019.

The Bank supports company investments in renewable energy. La Banque Postale finances renewable energy assets and projects exclusively. It has committed to

doubling its funding by 2023, to increase it to €3 billion.

As a major player in responsible savings in France, LBPAM has committed to moving 100% of its assets to Responsible Investments by 2020. The move of funds to the State SRI Label also accelerated in 2019.

La Banque Postale wants to apply its commitments to its own business and, since 2015, has only purchased electricity from renewable sources. It implemented an internal carbon price and was one of the first banks to announce carbon neutrality for all of its operations. In addition, La Banque Postale successfully issued its first green bond in the amount of €750 million in 2019.

The rating agencies were right when they ranked La Banque Postale among the best global banks in terms of extra-financial performance.





"Green loans to local authorities exclusively finance ecological transition projects: clean mobility, water and sanitation, waste recycling, energy renovation for buildings, renewable energy production and soft mobility. Their allocation is based on an environmental impact analysis of the project, which contributes to greater transparency for citizens!"

Anne-Laure F., local public sector project manager at a business centre



"With Lendopolis, a subsidiary of KissKissBankBank, private individuals can also invest part of their savings in renewable energy projects close to home. They contribute to the energy transition in a concrete way locally. Which makes a difference to their choice. Since 2016, €28 million have been collected from 30,000 people to finance about 60 renewable energy projects."

Maxime A., investor relations manager at Lendopolis

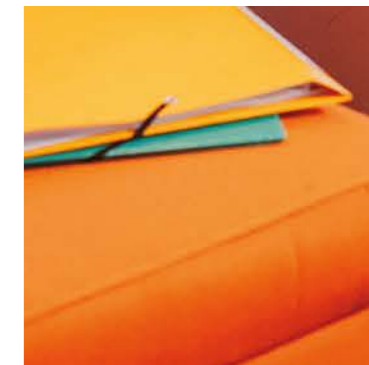


€28 million

collected since 2016
by Lendopolis
to finance EnR projects

1st

French bank in terms
of extra-financial
performance according
to ISS-ESG



69/100

La Banque Postale rating
by Vigeo Eiris, putting
it at the top of the list
of world banks in the
"retail and specialist
banking" sector



"La Banque Postale contributes its expertise in project financing to the energy transition. We invest in two of the most mature technologies: solar panels and wind farms. We only finance profitable projects with a demonstrated environmental impact: a 3.8 MW solar power plant operated by Voltalia in French Guiana and a 36 MW wind farm supported by Trig France in the Aisne department."

Mélanie L.-G., asset and project financing project manager at the Corporate and Investment Bank



Recognised extra-financial performance

Rated
AA by MSCI

A commitment to responsible finance

La Banque Postale signed the Principles for Responsible Investment in 2009, the Principles for Sustainable Insurance in 2012, the Principles for Responsible Banking, and the Collective Commitment to Climate Action and the Equator Principles in 2019.



100%

of LBPAM's management in Responsible Investment by the end of 2020



Questions for

Luisa F., LBPAM's sustainable management and research team Director

What commitments has LBPAM made to sustainable finance?

In 2018, LBPAM decided to move all of its management to Responsible Investment by 2020. Before investing in a company, we assess its extra-financial performance based on a detailed methodology called "GREaT", which includes governance, resource management, energy transition and regional development. This methodology changes the work of our managers and financial analysts in depth.

How important is SRI?

LBPAM was the first asset management subsidiary of a generalist bank in France to commit to offering a range of 100% SRI open funds in all asset classes by the end of 2020. We selected the public SRI label as the standard for our SRI management. Over 50 funds had already received the label by the end of 2019.

Do you have any influence over companies?

Our voting policy and commitment is intended to establish a dialogue with the companies we invest in or want to invest in. We vote consistently when the company is present in one of our SRI funds.



Philippe Wahl

Chairman and Chief Executive Officer
of Le Groupe La Poste, Chairman
of the Supervisory Board of La Banque Postale

A major step in postal history

La Poste writes another chapter in its multi-century history by creating a major public financial unit with the Caisse des Dépôts. This operation ends a 30-year cycle initiated by the law of 1990 which reformed the status of La Poste and granted it the right to offer insurance products for the first time. For three decades, the construction and development of La Banque Postale were strategic priorities for La Poste: creation by the law of 2005, share capital to finance its growth, and a transformational transaction via the control of CNP Assurances today.

La Banque Postale has fully implemented its universal banking and insurance model and has become stronger thanks to its merger with CNP Assurances. This has reaffirmed its social inclusion mission within Le Groupe La Poste, which is invested in several general interest missions. La Banque Postale is the main player in community finance, supporting private individuals, local authorities and companies in their ecological transition and preferring Socially Responsible Investment in asset management.

Open to all, innovative, committed to the regions, loyal to its values, La Banque Postale works in the best interest of society.



Rémy Weber

Chairman of the Executive Board
of La Banque Postale

Birth of a major banking and insurance group

La Banque Postale is adding a new dimension thanks to its merger with CNP Assurances, a major event prepared in 2019 and finalised in 2020. La Banque Postale will continue its development in banking, insurance and financial services in France and other countries thanks to greater expertise and financial resources.

In 2019, in a difficult environment, La Banque Postale continued its growth in private individual, professional and company markets. It accelerated the transformation and digitalisation of its model with a sustained effort to manage its costs. We reached our financial objectives with over €1 billion in pre-tax income for the sixth consecutive year in an environment of consistently falling interest rates, thanks to the motivation of the sales teams and the commitment of all employees.

We continued to pursue our diversification strategy in all of our business lines: in retail business, for example, by strengthening our consumer loans at the start of the year, in non-life insurance, with the current buy-back of La Banque Postale Assurances IARD shares held by Groupama; by expanding the corporate and local authorities markets with, in particular, a rapid acceleration in equipment leasing and leasing; and, lastly, in asset management via the creation of a leading player in insurance products in Europe with the BPCE Group.





As a digital bank that works in the best interest of the community, we have continued our digital transformation, remaining loyal to our values of personal service and openness. All of the salespeople of the Network and of the financial centres have an overall view of the situation of customers thanks to a new, multi-channel tool. 7 million of them connect to their space online or via the application every month. Last summer we also launched Ma French Bank, our 100% digital bank which had over 120,000 customers in 2019. To a large extent, we owe this very promising commercial launch to the commitment of the Network's customer managers. We continued to pursue the transformation of our business lines with over 300,000 training days provided by the École de la Banque et du Réseau in 2019.

We've met our commitments to inclusion. La Banque Postale welcomed 1.6 million financially vulnerable customers last year, i.e. nearly half of the 3.4 million people in France in this situation and provided them with special products and capped their incident fees. In addition, La Banque Postale is invested in its public service mission for banking accessibility based on the Livret A and enabled 1.5 million people excluded from banking to benefit from essential banking services free of charge in all of our post offices in mainland France and the overseas departments. We are proud to be able to meet the solidarity needs expressed by our fellow citizens.



Key 2019 strategic event dates

March

Purchase of the 35% holding of Société Générale in LBP Financement, which became a 100% subsidiary of La Banque Postale.

May

Promulgation of the Pacte Law authorising the Caisse des Dépôts (CDC) to become the majority shareholder of Le Groupe La Poste.

June

Exemption from the takeover bid on CNP Assurances granted by the Financial Markets Authority (AMF).

July

Binding memorandum of understanding between the State, the CDC, Le Groupe La Poste and La Banque Postale for the creation of a major public financial unit.

December

Memorandum of understanding for the acquisition by La Banque Postale of the 35% stake held by Groupama in La Banque Postale Assurances IARD.

Broadening of the industrial partnership between BPCE Group and La Banque Postale with a project for the merger of part of their asset management activities to create a leading insurance product manager in Europe.

Announcement of a new agreement between BPCE and La Banque Postale as shareholders of CNP Assurances, in effect until the end of 2030.

New commercial agreements between BPCE and CNP Assurances.

Green light from the Competition Authority for La Banque Postale to take control of CNP Assurances, and the CDC that of Le Groupe La Poste.





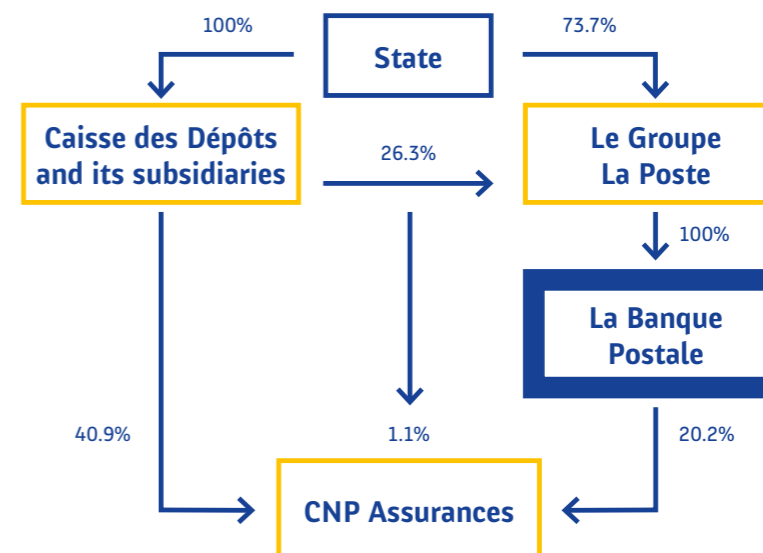
We are pioneers of sustainable finance and have mobilised to tackle the climate emergency: launch of green loans specifically for local authorities, financing of renewable energy assets, no funding of any projects in the coal and non-conventional fossil energy sectors and issue of the first green bond. Our asset management subsidiary is committed to reaching its goal of 100% Responsible Investment by 2020.

Tomorrow, La Banque Postale will continue its strong commitment to major social challenges: the fight against all forms of exclusion, with a proactive approach to fight against banking and digital exclusion, which often go hand-in-hand, and the climate and environmental emergency which requires the commitment of individuals and groups. La Banque Postale has decided to boost its civic commitments.

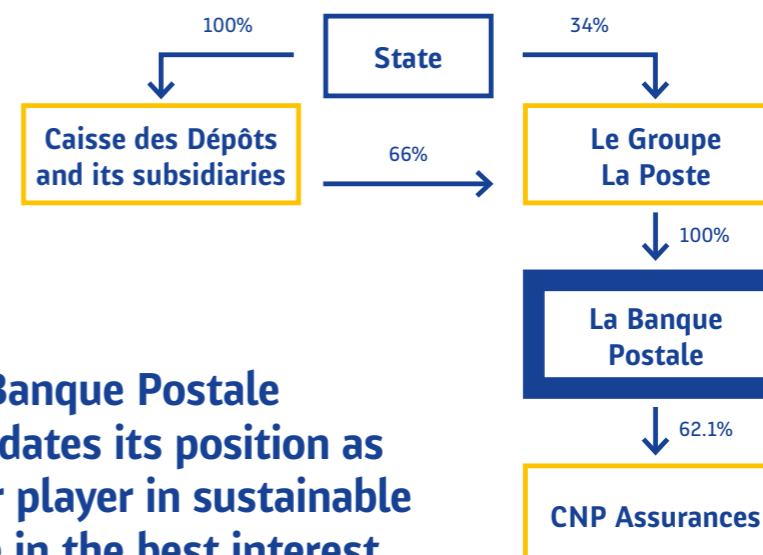
2020

Creation of a major publicly funded financial unit with the CDC becoming the majority shareholder of Le Groupe La Poste alongside the State, with La Banque Postale becoming the majority shareholder of CNP Assurances with 62.13% of the capital. Le Groupe La Poste is the sole shareholder of La Banque Postale.

2019, historical capital bonds



2020, a major financial unit with 100% public funding



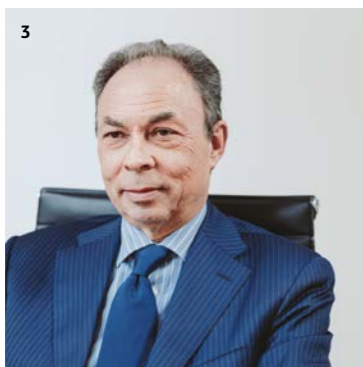
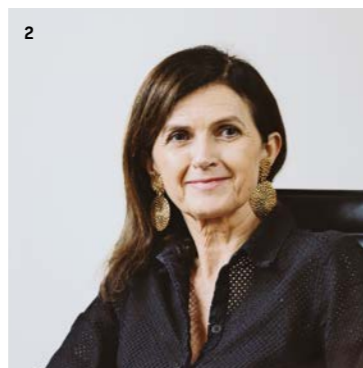
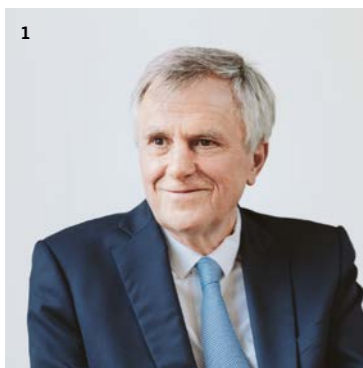
“La Banque Postale consolidates its position as a major player in sustainable finance in the best interest of the community.”

— Rémy Weber

La Banque Postale governance

“La Banque Postale continues to pursue its development while remaining loyal to its community values.”

— Rémy Weber



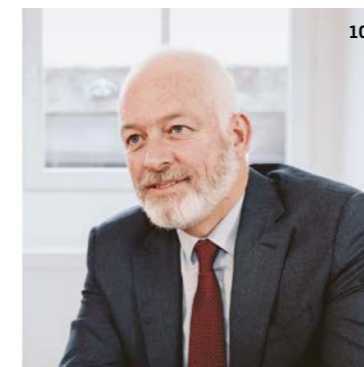
The Executive Committee

Consisting of the four members of the Executive Board and seven members heading up the business lines, central and control functions.

1. **Rémy Weber**, Chairman of the Executive Board of La Banque Postale
2. **Anne-Laure Bourn**, member of the Executive Board, Chief Executive Officer of La Poste Network, and Managing Director of Financial Services
3. **Marc Batave**, member of the Executive Board and Chief Executive Officer of the commercial bank
4. **Tony Blanco**, member of the Executive Board and General Secretary



5. **Catherine Charrier-Leflaive**, Deputy Chief Executive Officer for insurance
6. **Serge Bayard**, Head of Businesses and Territorial Development
7. **François Gérond**, Chief Financial Officer
8. **Olivier Lévy-Barouch**, Head of Strategy and Innovation



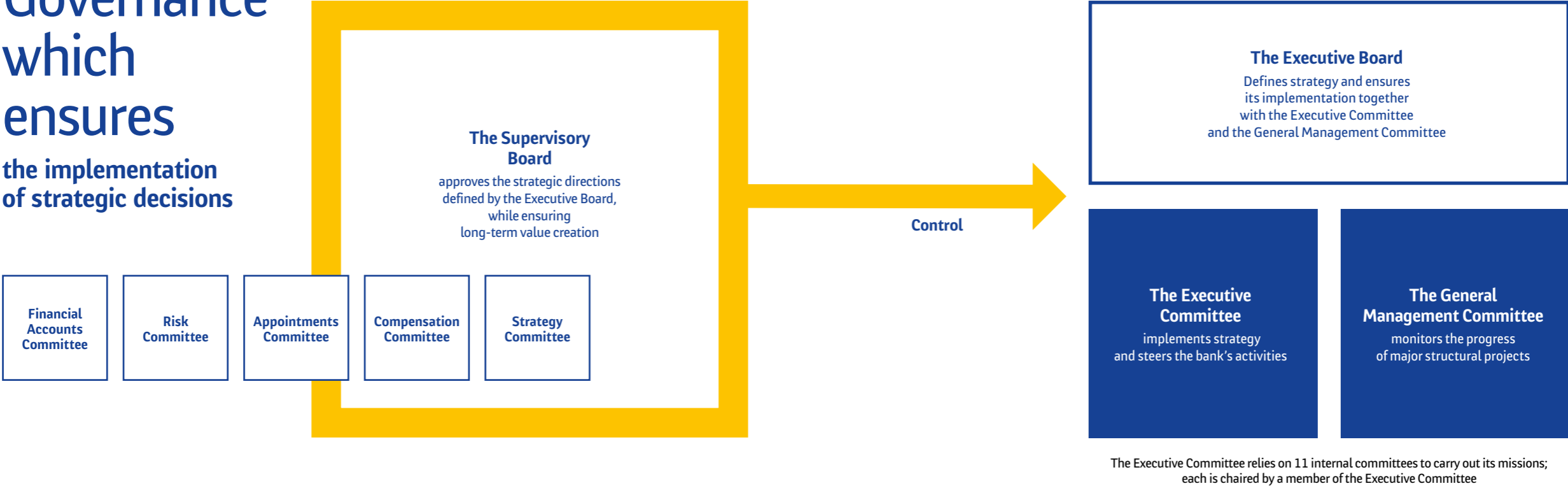
9. **Maud Vimeux**, Deputy Chief Executive Officer of the La Poste Network, Head of Human Resources of La Banque Postale, Financial Services and the La Poste Network
10. **Christophe Van de Walle**, Director of Operations
11. **Perrine Kaltwasser**, Director of Group Risks

The General Management Committee

Chaired by Rémy Weber, as of 1 March 2020, it consists of the members of the Executive Committee, as well as:

- **Pierre de Bühren**, Marketing Director of the commercial bank
- **Delphine de Chaisemartin**, Director of Public Affairs and of Financial and Institutional Communication
- **Philippe Cuvelier**, Director of IT systems of La Banque Postale and the La Poste Network
- **Jérôme Fischer**, General Inspector
- **Régis Folbaum**, Head of Payments
- **Jean-Claude Gauthier**, Deputy Chief Executive Officer of the La Poste Network in charge of development
- **Alexandre Giros**, Director of Digital
- **Thomas Guittet**, Deputy Director of Group Risks
- **Alice Holzman**, Chief Executive Officer of Ma French Bank
- **Christophe Juguet**, Director of Management Control
- **Stéphane Magnan**, Head of the Corporate and Investment Bank
- **Betty Marcerou**, Deputy Director of the Department of Businesses and Regional Development
- **Emmanuelle Mourey**, Chair of the Executive Committee of La Banque Postale Asset Management
- **Franck Oniga**, Chairman of the Executive Board of La Banque Postale Financement
- **Jean-Marc Ribes**, Chairman of the Executive Board of BPE and Director of the wealth division
- **Cécile Riffard-Brédillot**, Director of Communication and of the Brand
- **Dominique Rouquayrol de Boisse**, Head of Legal Affairs and Compliance

Governance which ensures the implementation of strategic decisions



The Supervisory Board: involved and experienced

The Supervisory Board reviews and approves the strategic decisions and directions of La Banque Postale. In addition to its recurring missions, the Board was kept busy in 2019 with the implementation of the project for the creation of a public banking and insurance group in 2020. It also carried out work on major strategic topics including La Banque Postale’s public service mission for banking accessibility, the launch of Ma French Bank and furthering the information systems strategy. The Board ensures that its members have knowledge and skills in the areas of banking, insurance, finance, regulatory risk management and accounting and financial information. In 2019, the members of the Board

received specialist training on insurance and a strategic seminar covered quality of service, the digital strategy and the launch of Ma French Bank.

The Supervisory Board is chaired by Philippe Wahl, Chairman and Chief Executive Officer of Le Groupe La Poste. It consists of 15 members.

AT THE END OF DECEMBER 2019 Members holding positions within Le Groupe La Poste:

- **Philippe Wahl**, Chairman of the La Banque Postale Supervisory Board;
- La Poste SA, represented by **Philippe Bajou**, General Secretary of Le Groupe La Poste and Executive Vice-President responsible for transformation;
- **Yves Brassart**, Vice-Chairman of the Supervisory Board of La Banque Postale; Executive Vice-President of Le Groupe La Poste, Director of finance and development;

- **Nathalie Collin**, Executive Vice-President of Le Groupe La Poste, responsible for digital and communication;
- **Sophie Renaudie**, Le Groupe La Poste Financial Control Director;
- **Nicolas Routier**, Executive Vice-President of the Le Groupe La Poste in charge of institutional strategy and regulation.

Independent members:

- **Sophie Lombard**, Managing Director of companies;
- **Michel Madelain**, former Vice-President of a ratings agency;
- **Emmanuel Rondeau**, consultant.

Members representing the employees:

- **Sandrine Fagot-Revurat**, bank controller for the Auvergne region, sponsored by the CFDT union;
- **Thierry Freslon**, Chairman of Avea, a Le Groupe La Poste non-profit, sponsored by the CFDT union;

- **Jean-Pierre Hakizimana**, in charge of projects in the Research and Competition Watch Department of the Commercial Banking Department, sponsored by the CGT union;
- **Steeve Maigne**, Quality Manager in the Compliance Department, sponsored by the SNB/CFE-CGC union;
- **Thierry Viarouge**, Head of Interbank Relations in the Payments Department, sponsored by the FO union.

Member representing the French Government:

- **Marie-Anne Lavergne**, Manager of Holdings in the Services and Finances Equity Department of the French Investment Agency (APE).

Government commissioner:

- **Yves Ulmann**, Head of the Economic and Financial Control Mission.

5
directors
representing the employees

40%
of directors
holding management
positions within Le Groupe
La Poste

33%
independent
members⁽¹⁾⁽²⁾

40%
women
directors⁽¹⁾

54 years
old on average
on 31/12/2019

3.5 years
of seniority
on the Board on average

5 years
Length of the term of office
of the members
of the Supervisory Board

7 meetings
in 2019

91.4%
Director
attendance rate

(1) The members representing the employees are not counted.
(2) The State, whose presence on the Board is related to order no. 2014-948 of 20 August 2014, is not taken into account.

Board committees

The Supervisory Board created five specialised committees to assist in its missions.

Financial Statements Committee

Primary duties

- Ensures the clarity of financial information supplied by the Executive Board and assesses the relevance of the accounting methods adopted.
- Participates in the selection of the Statutory Auditors and ensures that they are independent and objective.

Chairman: **Michel Madelain**
8 members
60% independent members
5 meetings in 2019
Attendance rate: 97.5%

Risk Committee

Primary duties

- Provides an opinion on risk appetite and the associated limits.
- Assesses the quality of the internal control and risk management system.

Chairman: **Emmanuel Rondeau**
8 members
60% independent members
6 meetings in 2019
Attendance rate: 95.8%

Appointments Committee

Primary duties

- Assesses the match between the profiles of the potential members of the Board with respect to their independence and their expertise.
- Assesses the composition of the Board, the knowledge and skills of the members of the Board and the qualifications of the independent member.
- Reviews the succession plan of the executives.

Chairman: **Sophie Lombard**
6 members
75% independent members
2 meetings in 2019
Attendance rate: 100%

Compensation Committee

Primary duties

- Reviews, on an annual basis: the principles of the compensation policy, compensation, allowances and benefits of all types granted to the corporate officers of the Company, and the compensation policy for employees whose activities may have a significant impact on the Company's exposure to risk.

- Proposes changes to the policy on the compensation allocated to the members of the Board.
- Reviews the retirement and benefits plans.

Chairman: **Sophie Lombard**
6 members
75% independent members
2 meetings in 2019
Attendance rate: 100%

Strategy Committee

Primary duties

- Reviews the strategic projects and operations of La Banque Postale and its subsidiaries and the transactions submitted for the prior authorisation of the Supervisory Board.
- Monitors the implementation of the multi-year strategic plan.

Chairman: **Yves Brassart**
8 members
60% independent members
3 meetings in 2019
Attendance rate: 92%

The Board ensures that the members appointed to its special committees have the appropriate skills and experience to carry out their duties on these committees.

Thank you
to all Group employees who shared
their daily life and their plans
at La Banque Postale with us.

La Banque Postale Communication Department
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LE GROUPE LA POSTE