



# GREEN BOND

# INVESTOR PRESENTATION

APRIL 2019

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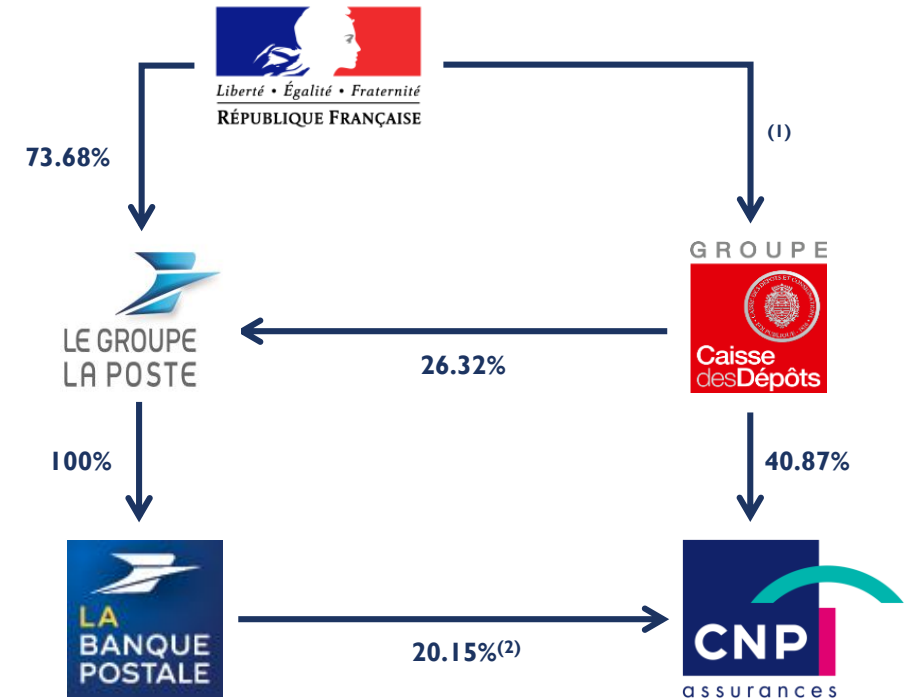
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# La Banque Postale: a strategic subsidiary of La Poste Group

## La Banque Postale, a subsidiary of La Poste

- La Banque Postale is fully-owned by La Poste, the French Postal Service
- La Poste is structured around 4 business units and fulfill 4 public missions:
  - **Universal postal service**
  - **Contribution to regional planning**
  - **Press distribution**
  - **Banking accessibility**
- La Banque Postale is a strategic subsidiary of La Poste:
  - La Poste is hold by law a majority stake in La Banque Postale (Law of postal activities regulation, 2005)
  - La Banque Postale is a key contributor to La Poste income
  - La Banque Postale uses the distribution network La Poste

## The backbone of La Banque Postale

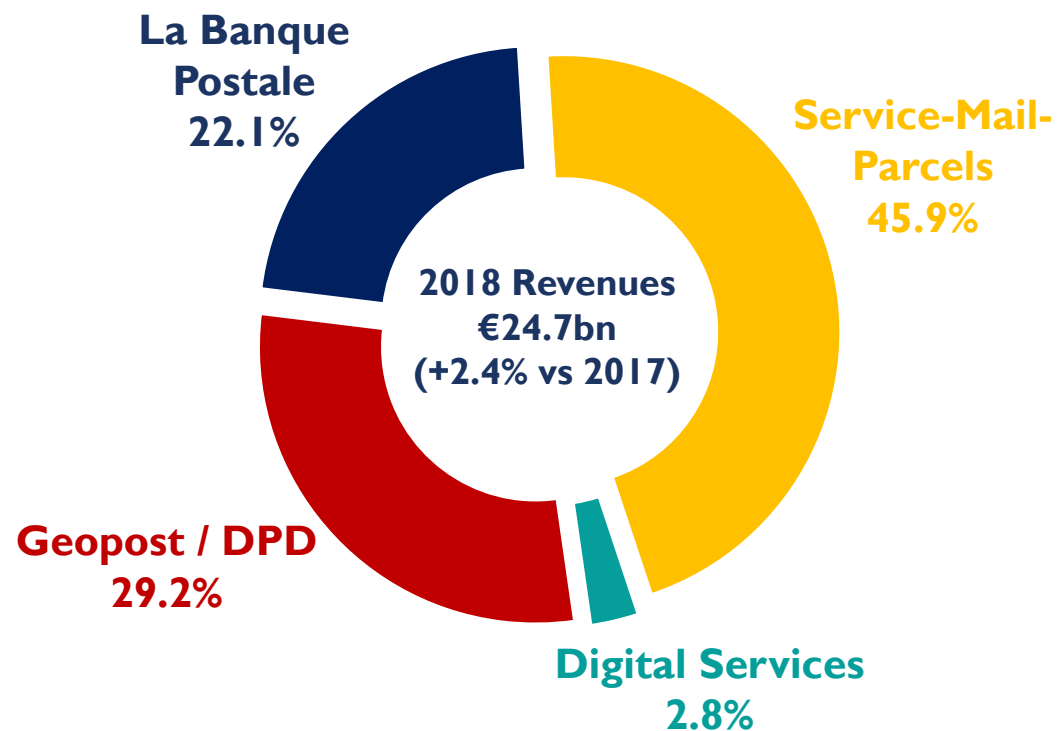


(1) Caisse des Dépôts and its subsidiaries constitute a State-owned group at the service of the public interest and of the country's economic development. The said group fulfils public interest functions in support of the policies pursued by the State and local authorities, and may engage in competitive activities. (Article L 518-2 of the French Monetary Financial Code)

(2) 18.14% with Sopassure and 2.01% in call option

# La Poste: a major French services Group

## Multi-business model<sup>(1)(2)</sup>



(1) Breakdown of 2018 La Poste revenues excluding Network, other sectors and intercompany

(2) La Banque Postale's revenue corresponds to its net banking income

## Growing 2018 revenues

### La Banque Postale

- 2018 Net Banking Income: +0.7%<sup>(3)</sup>
- Balance sheet: €245.2 billion
- 22% of La Poste revenues and 49% of operating income in 2018<sup>(4)</sup>

### Service-Mail-Parcels

- 2018 Revenues: +1.3%
- 2018 Parcels volume: 335 million

### Geopost / DPD

- 2018 Revenues: +8.2%
- 2018 Parcels volume: 1,310 million

### Digital Services

- 2018 Revenues: +6.6%
- Number of Digiposte+ customers: 3 million

(3) Restating 2017 from the General Interest Mission compensation paid in 2017 in respect of 2016 excluding home savings provision

(4) Breakdown of 2018 La Poste revenues and operating income excluding Network, other sectors and intercompany

# La Banque Postale: a sustainable business model

## Trends



Digitisation



The low rate environment



A stricter regulatory environment



The emergence of new players



The energy and environmental transition

## Our resources

### Customers

- 10.3 million active private customers
- 365,000 legal entities and local public players as customers

### Human capital

- 29,000 employees working in the bank's business activities
- 28,000 Le Groupe La Poste employees supporting banking activities in post offices
- 61% women, 39% men
- The École de la Banque et du Réseau (bank and network school)
- An innovative ecosystem, including Platform 58

### Social capital

- Banking accessibility function
- A strong local presence
- Almost 8,100 post offices including 1,700 offices with a social focus
- Partnerships with associations

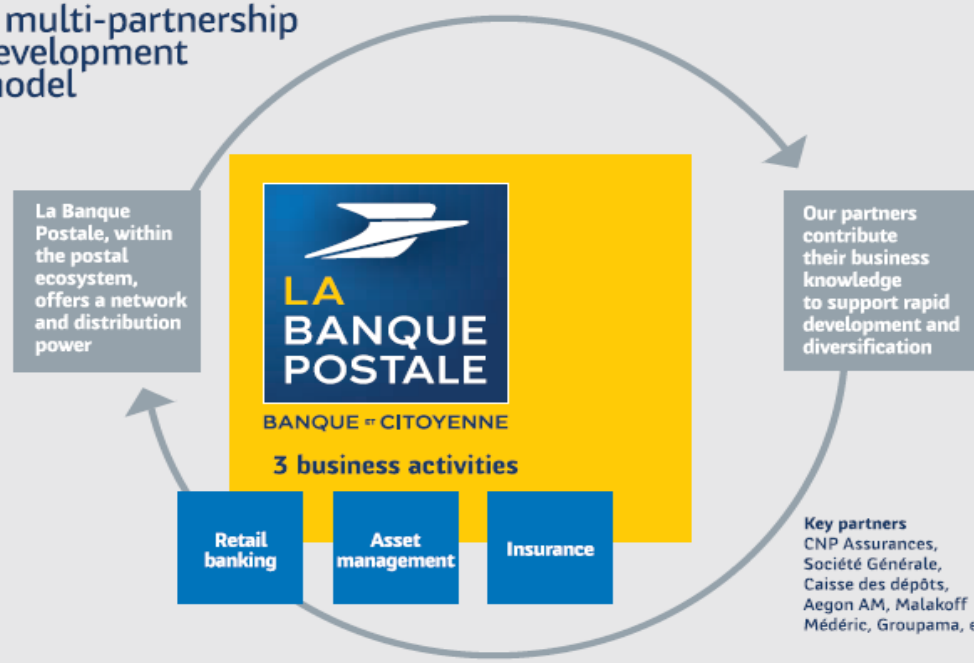
### Financial capital

- €9.7 billion equity
- CET1 ratio 11.7%
- Leverage ratio 4.6%
- €186 billion in customer deposits
- Financial ratings: Fitch (A-/F1), stable and S&P (A/A-1), positive
- Non-financial ratings: Vigeo-Eiris (67/100), ISS-Oekom (B- Prime), Sustainalytics (80/100), MSCI (AA)

### Natural capital

- 100% renewable electricity purchases
- Internal carbon fund and carbon offsetting programmes

## A multi-partnership development model



## Our objectives

Build the bank of tomorrow with the post office employees of today

Diversify our activities and grow our customer base

A successful digital transformation

Improve our competitiveness while upholding our labour-management agreement ("le pacte social")

Modernising our accessibility function

Cultivating our civic-minded value

## Our impacts

### Bringing bancassurance to all

- 51% of Livret A saving books have less than €150
- €5 million micro-loans under management
- 27.1% home loans granted to households earning less than two minimum wages
- 45 BPE areas in post offices
- 130,000 customers have received support from L'Appui (banking and budgeting advice platform)
- Plan to use digital technology to boost banking inclusion
- 100% SRI investments under management by 2020

### Training, combating inequality and improving quality of life at work

- 85% of employees are proud to work for La Banque Postale
- 285,000 training days
- 595 employees teleworking
- 57% women managers

### Contributing to economic and social development

- Leading lender for local authorities
- 2,843 projects funded by KKBB
- 11,741 direct jobs supported
- €18.5 billion of loans to companies, VSBs and professionals

### Contributing to the Le Groupe La Poste transformation

- €726 million net income, Group share
- €326 million in dividends

### A major player in financing the energy transition

- 62,055 t CO<sub>2</sub>e GHG emissions offset
- €1.4 billion invested in the energy transition

## Credit ratings aligned with market standards

### S&P Global Ratings

**LBP: LT / ST: A / A-I, outlook: Positive**

**LBP Home Loan SFH: AAA, outlook: Stable**

**Last rating action on 2018/10/30:**

- LT/ST ratings affirmed
- Outlook upgraded to Positive

**Rating by debt:**

- Senior Preferred: A
- Senior Non Preferred: BBB
- Tier 2: BBB-

**Rating comments:**

« The positive outlook on LBP mirrors that on La Poste. We expect the La Poste group will maintain a strong, lasting interest in LBP in the next two years. LBP is part of the group's overall strategy, and we see it as strongly integrated within the group. Because we equalize the ratings on LBP with those on La Poste, an upgrade of La Poste would trigger an upgrade of LBP. »

**S&P Global Ratings methodology:**

LBP's rating is equalized to the rating of its parent company, La Poste Group.

**LT credit ratings for French peers:**

|     |                 |             |                  |      |               |
|-----|-----------------|-------------|------------------|------|---------------|
| A   | A+              | A           | A                | A+   | A             |
| LBP | Crédit Agricole | BNP Paribas | Société Générale | BPCE | Crédit Mutuel |

### Fitch Ratings

**LT / ST: A- / FI, outlook: Stable**

**Last rating action on 2019/02/06:**

- LT/ST ratings affirmed
- Stable outlook unchanged

**Rating by debt:**

- Senior Preferred: A-
- Senior Non Preferred: A-

**Rating comments:**

« LBP's ratings reflect its established franchise in deposit collection and housing loans in France, fairly conservative risk appetite, good asset quality, modest profitability and sound capitalisation, taking into account potential ordinary support from its parent La Poste (A+/Stable), France's state-owned post office. »

**Fitch Ratings methodology:**

LBP has a Support Rating Floor (SRF) rated 'A-'.

**LT credit ratings for French peers:**

|     |                 |             |                  |      |               |
|-----|-----------------|-------------|------------------|------|---------------|
| A-  | A+              | A+          | A                | A+   | A+            |
| LBP | Crédit Agricole | BNP Paribas | Société Générale | BPCE | Crédit Mutuel |

## Resilient 2018 results

| CONSOLIDATED RESULTS<br>(in € millions)                     | 2017          | 2017<br>proforma <sup>(1)</sup> | 2018          | %<br>proforma <sup>(1)</sup> |
|---|---------------|---------------------------------|---------------|------------------------------|
| <b>Net Banking Income</b>                                   | 5,687         | 5,557                           | 5,570         | + 0.2 %                      |
| <b>Net Banking Income</b> <i>excluding PEL / CEL effect</i> | 5,619         | 5,489                           | 5,528         | + 0.7 %                      |
| <b>Operating expenses</b>                                   | (4,619)       | (4,619)                         | (4,615)       | - 0.1 %                      |
| <b>Gross Operating Income</b>                               | 1,068         | 938                             | 955           | +1.8 %                       |
| <b>Cost of risk<sup>(2)</sup></b>                           | (192)         | (192)                           | (133)         | - 30.6 %                     |
| <b>Cost of the ACPR penalty</b>                             | 0             | -                               | (50)          | -                            |
| <b>Operating Income</b>                                     | 876           | 746                             | 772           | + 3.4 %                      |
| <b>Share of profits of equity associates</b>                | 263           | 263                             | 268           | + 1.9 %                      |
| <b>Pre-tax Income</b>                                       | 1,138         | 1,008                           | 1,039         | + 3.1 %                      |
| Income tax  | (340)         | (283)                           | (274)         | - 3.3 %                      |
| Non-controlling interests                                   | (34)          | (34)                            | (40)          | + 16.0 %                     |
| <b>Net Income, Group Share</b>                              | <b>764</b>    | <b>691</b>                      | <b>726</b>    | <b>+ 5.1 %</b>               |
| <b>Cost-Income ratio</b>                                    | <b>81.8 %</b> | <b>83.7 %</b>                   | <b>83.4 %</b> | <b>- 0.3 point</b>           |

NBI up 0.7% despite challenging environment (low interest rates)

**+0.7%**

Operating expenses slightly down 0.1% yoy

**-0.1%**

Cost of risk down 30.6% in Retail Banking

**14 bps<sup>(2)</sup>**

Cost-income ratio slightly down

**-0.3 point**

(1) Restating 2017 from the General Interest Mission compensation paid in 2017 in respect of 2016

(2) Annualized cost of risk after application of IFRS 9 as from 1 January 2018



## 2018 loan growth driven by corporate and public sector financing

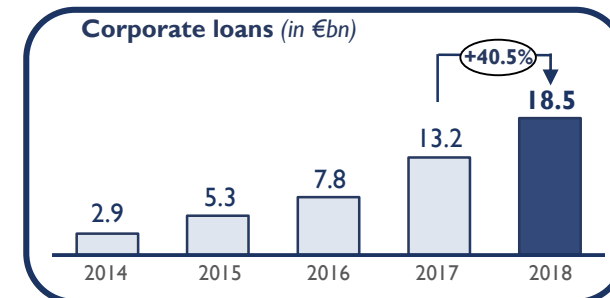
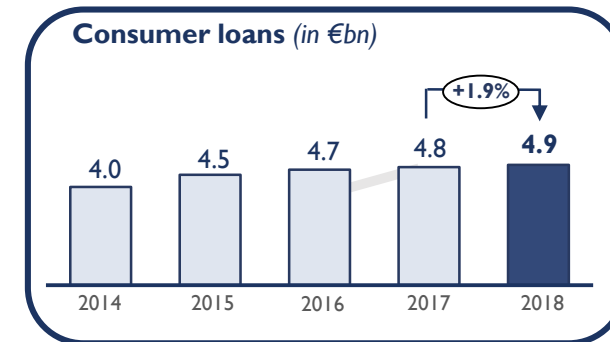
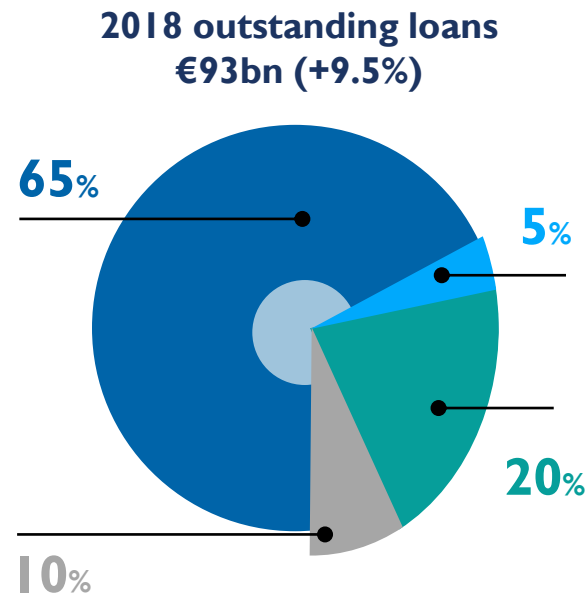
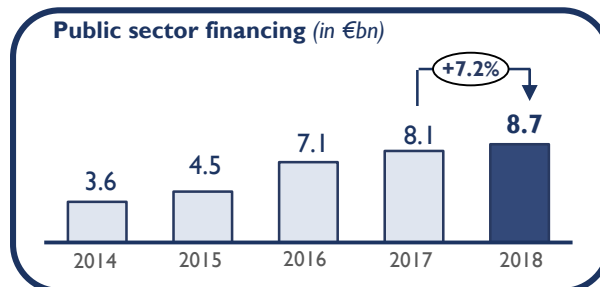
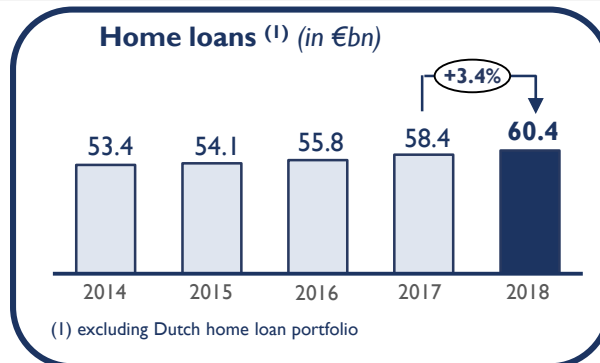
### 2018 loan

home loans: **€10.3bn**

New consumer loans: **€2.5bn (+6.4%)**

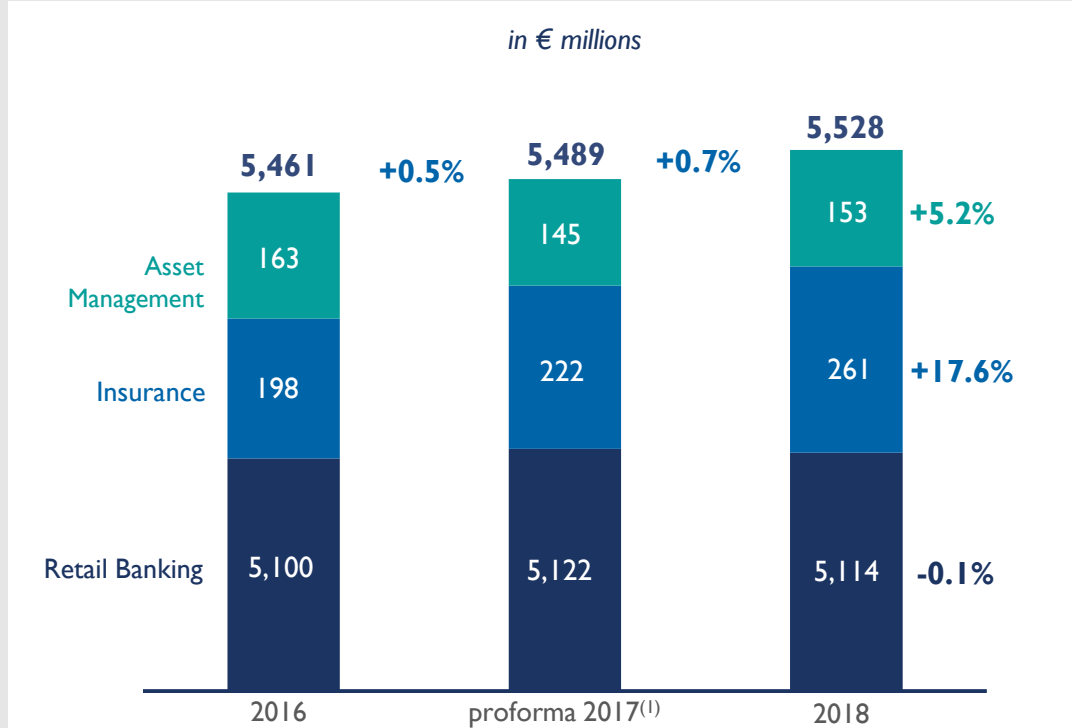
Corporate loans and public sector financing: **€26.3bn (+27%)**

### Credit portfolio



## Resilient revenues across all businesses

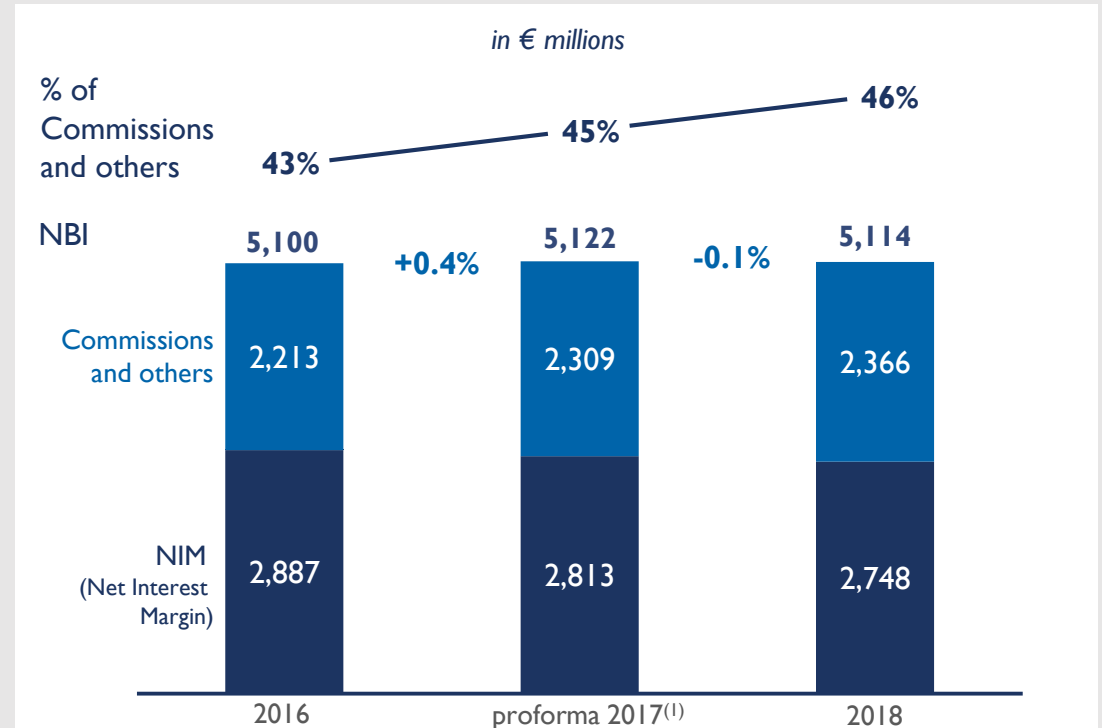
### Performance trends across businesses (NBI excl. PEL/CEL effect)



(1) Restating 2017 from the General Interest Mission compensation paid in 2017 in respect of 2016

- NBI excl. PEL/CEL effect is slightly up by 0,7% at €5,528 million compared to 2017
- Stable Retail Banking NBI at €5,114 million (excl. the offset of the financial compensation of the public mission in 2017 and PEL/CEL effect)
- Strong rise in Insurance activities (NBI up by +17.6% at €261 million, driven by a strong performance of LBP Prévoyance and P&C)
- Asset Management NBI rises by 5.2% at €153 million

### Retail Banking NBI (excl. PEL/CEL effect)



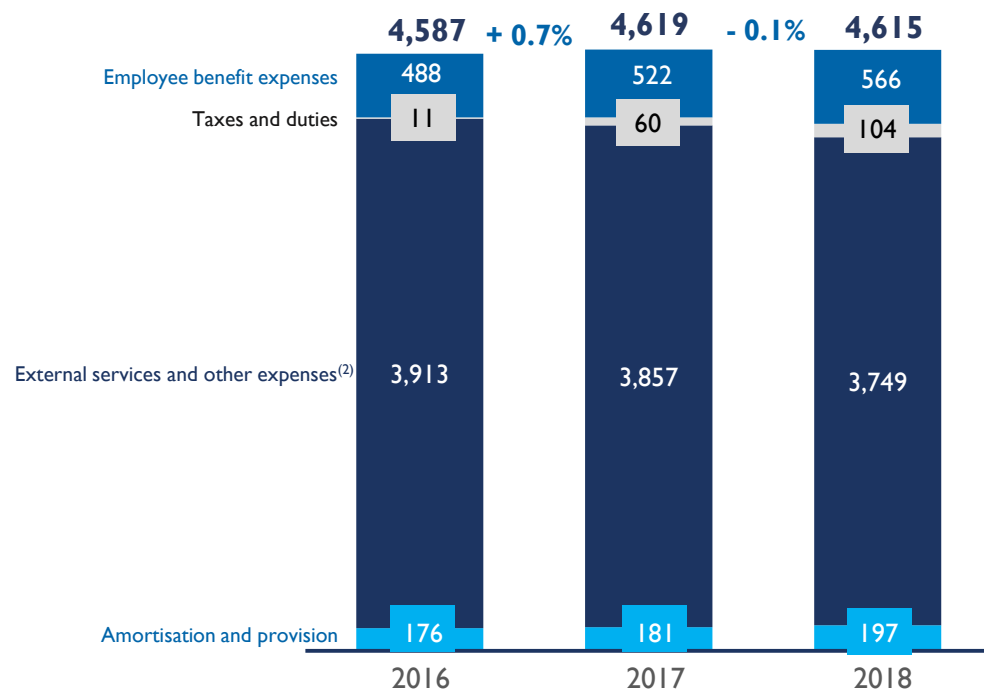
(1) Restating 2017 from the General Interest Mission compensation paid in 2017 in respect of 2016

- Commissions and fees account for a growing share of the total NBI (46%), slightly up by 0.6% driven by the sales growth
- Restated NIM falls by 2% at €2,748.1 million

## Efficient cost control and a lower cost-income ratio

### Breakdown of operating expenses<sup>(1)</sup>

in € millions

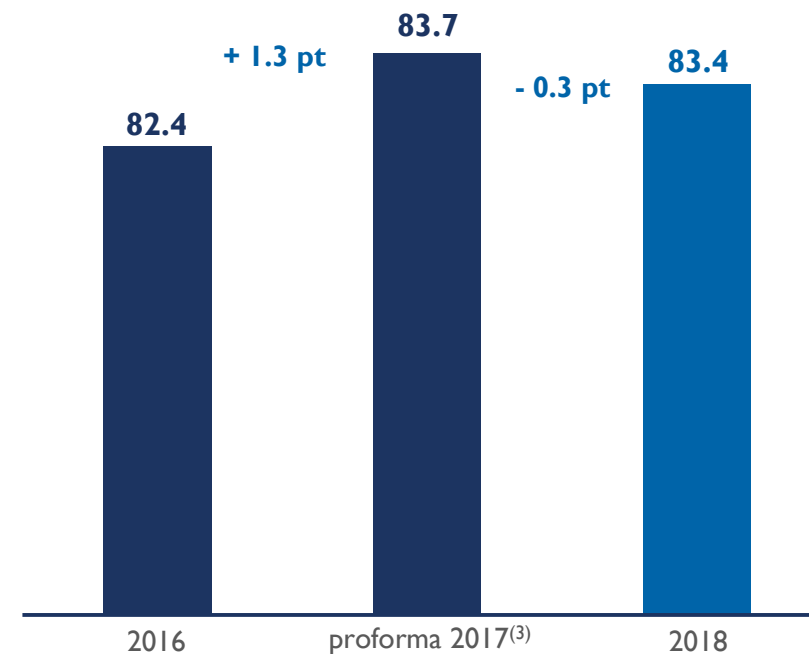


(1) General operating expenses + net depreciation, amortisation and impairments of tangible and intangible assets

(2) Customer advisors & salesforce, Back office & IT, Counter & ATM transaction and operating costs

### Cost-Income Ratio

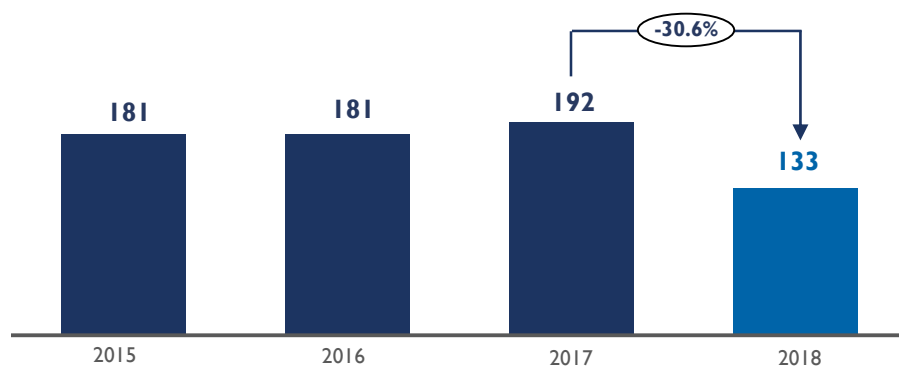
in percent (%)



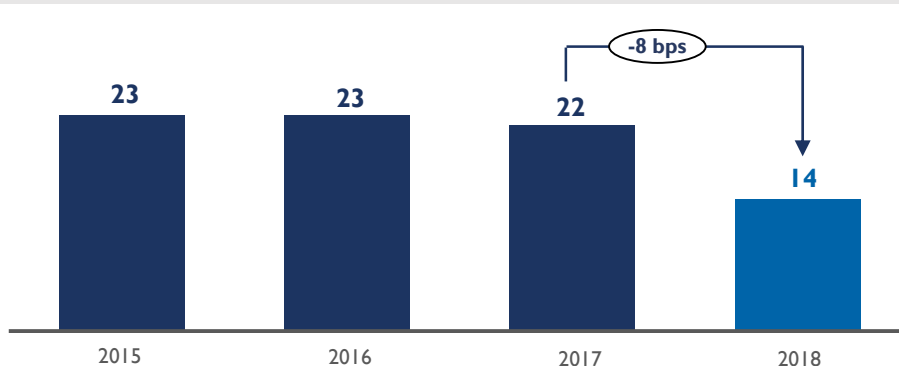
(3) Restating 2017 from the General Interest Mission compensation paid in 2017 in respect of 2016

## A lower cost of risk reflecting prudent risk policies

### Retail banking cost of risk (in € millions)

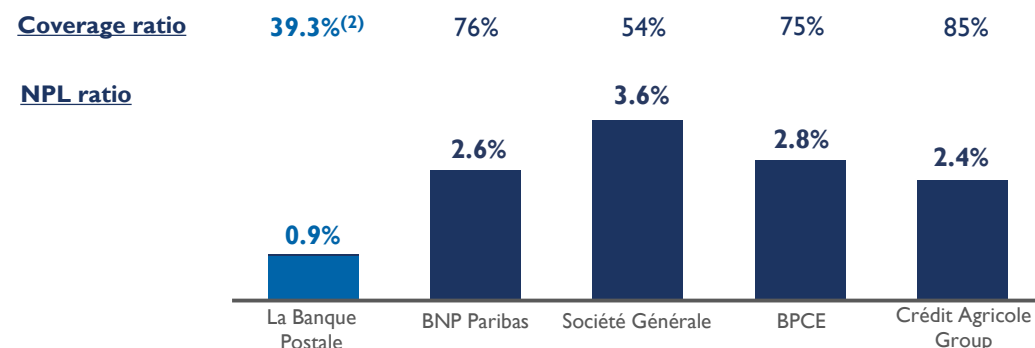


### Retail banking cost of risk (in bps<sup>(1)</sup>)



(1) Annualized cost of risk

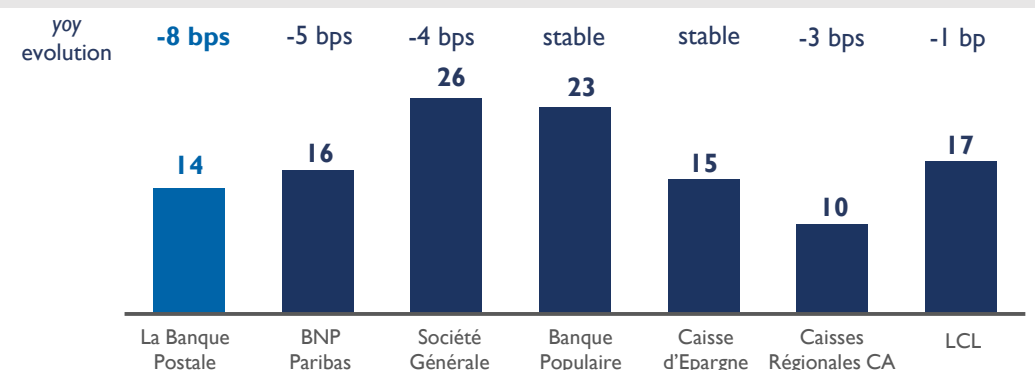
### NPL and coverage ratios



(2) Bucket 3 depreciations at 31/12/18, divided by impaired outstandings (Bucket 3)

Source: 2018 Investor Presentations

### Retail banking cost of risk – French market (in bps<sup>(1)</sup>)



(1) Annualized cost of risk

Source: 2018 Investor Presentations

# Regulatory capital and MREL eligible resources

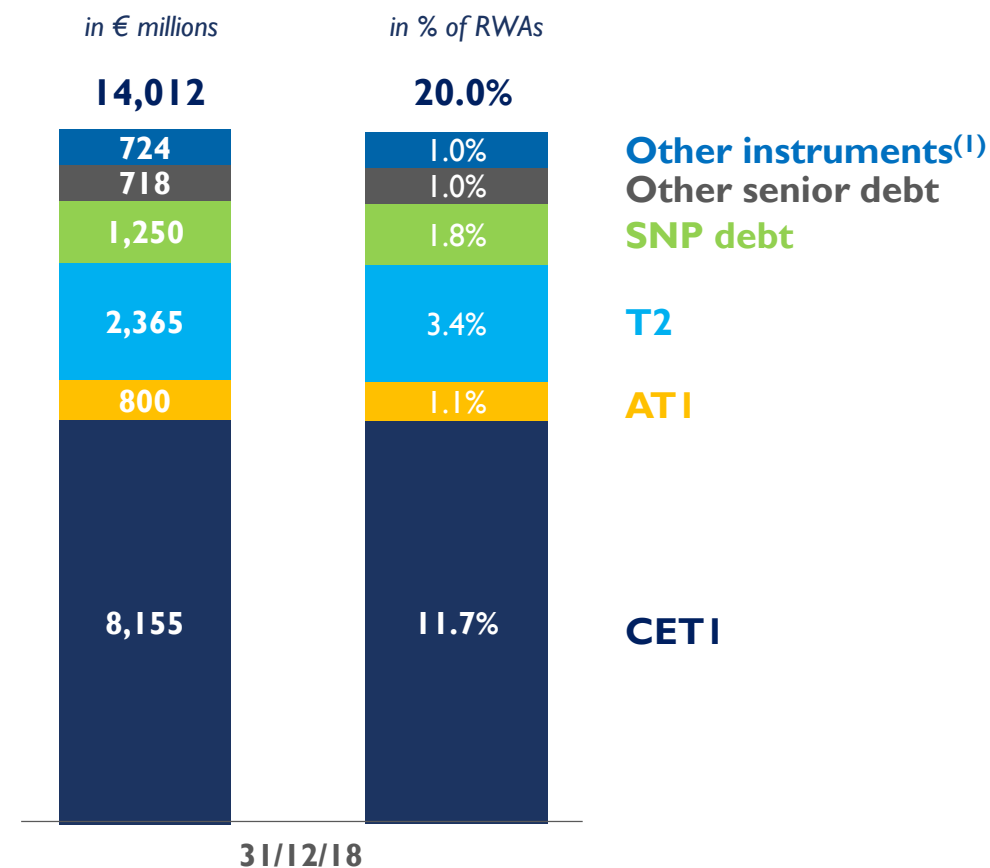
## MREL eligible resources at 31/12/2018

### ■ TLAC and MREL considerations

- As an “O-SIB” and as of today, La Banque Postale is not subject to TLAC such as defined by the FSB. On 15/02/19, the European Council and European Parliament agreed on a legislative package which introduces TLAC in European law and amends MREL
- This package should be adopted by European Parliament in April 2019

### ■ MREL eligible resources at 31/12/2018

- A total amount of €14,012m
- Including a Total Capital amount of €11,320m at 31/12/2018
- Representing 20.0% of RWAs



(1) Mainly representing the part of 2010 Tier 2 issuance not qualified as Tier 2 anymore.

## Balance sheet – Regulatory indicators

### Regulatory indicators well above requirements

|   | CAPITAL             |               | LEVERAGE            | LIQUIDITY |       |
|---|---------------------|---------------|---------------------|-----------|-------|
|   | CET I               | Total Capital | Leverage ratio      | LCR       | NSFR  |
| <b>2018 requirements <sup>(1)</sup></b> | 8.3%                | 11.8%         | N.A.                | >100%     | >100% |
| <b>End-2018 ratios</b>                  | 11.7%               | 16.2%         | 4.6% <sup>(2)</sup> | 145%      | >100% |
| <b>2019 requirements <sup>(1)</sup></b> | 9.0% <sup>(3)</sup> | 12.5%         | N.A.                | >100%     | >100% |

(1) Excl. P2G

(2) 3.4% at 31/12/2018 including centralized savings

(3) 9.25% from 01/07/2019, including a contra cyclical buffer at 0.25%



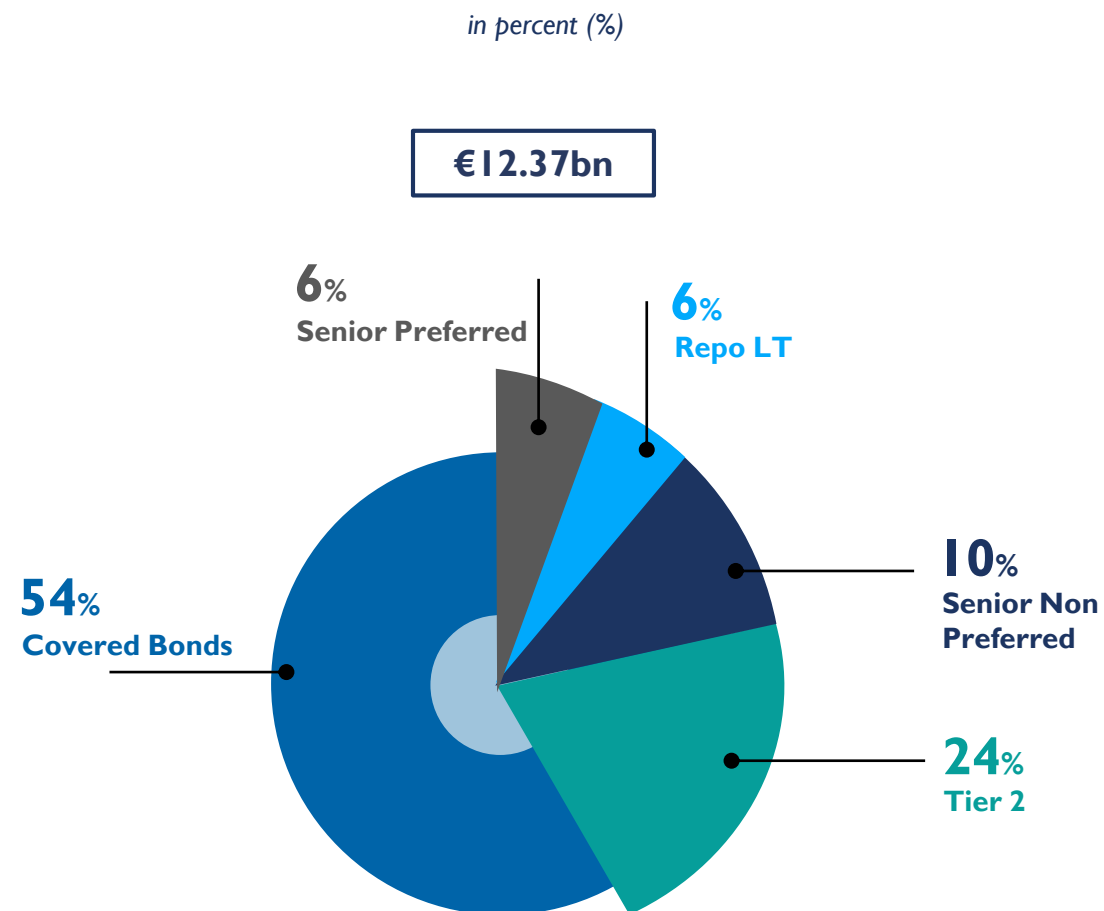
## Diversified funding instruments to support lending growth

### 2019 Funding plan

Refinance its growing loan portfolio and further diversify its investor base through :

- **Covered bonds:** besides €1bn already issues in Q1 in primary markets, further benchmark and private placements would be considered.
- **Senior Non-Preferred:** further issuance with at least one benchmark transaction and private placement.
- **Senior Preferred:** although issuance will be driven by private placements issuance in Euros and Dollars, La Banque Postale could consider to issue a benchmark transaction for the first time.

### Wholesale funding sources at 31 December 2018



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# La Banque Postale's CSR strategy aims at translating our civic minded values into concrete actions

## The CSR policy is structured on a set of commitments for each of our 4 main stakeholders

### Clients

- **Ensuring its mission on banking accessibility**
  - ✓ 117,000 social home loans granted by end 2018
  - ✓ 1,943 microcredit loans granted in 2018 (€5.4m)
- **Offering an entirely responsible product range**
  - ✓ A range of **Green loans** facilitating energy transition
  - ✓ € 1.5bn allocated to energy transition project finance
  - ✓ Committed to be **Full SRI Asset Manager by 2020**
  - ✓ Historical support to the Green Bond market: € 2.6bn invested by end of 2018
- **Measuring and managing ESG and climate risks in our portfolios**

### Employees

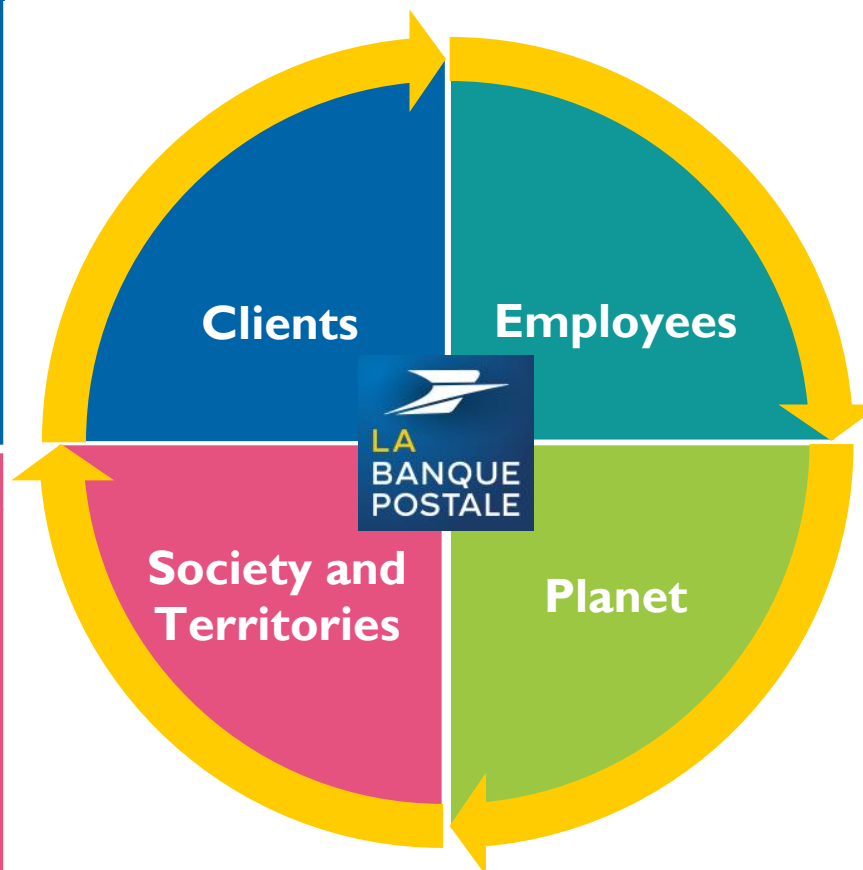
- **Supporting mobility and career development**
  - ✓ 964,464 training hours for La Banque Postale, Financial Services
- **Fostering the quality of life and employees well-being**
  - ✓ 664 teleworking employees
- **Ensuring equal opportunity in recruitment procedures, careers and promotions**
  - ✓ 56.5% of women with executive position

### Society and Territories

- **The Benchmark bank in the public sector**
  - ✓ 1<sup>st</sup> lender to Local Public Sector
  - ✓ 1<sup>st</sup> bank for social housing landlords
- **Leading a responsible purchasing policy with its suppliers**
  - ✓ **Mandatory** responsible purchasing charter
- **Supporting employees' civic engagement**
  - ✓ 815 employees involved in the "Envol" societal sponsorship program for talented students from low-income households

### Planet

- **Commitment to reduce the Bank's direct environmental footprint**
  - ✓ -20% of GHG emissions in 2020 vs. 2013
  - ✓ Internal **Carbon Fund** (carbon tax 1TeqCO<sub>2</sub> = €10)
  - ✓ 100% of renewable electricity purchases
- **Control of the Bank's indirect impact**
  - ✓ Committed to provide emissions reduction targets to **Science Based Targets Initiative**
- **Contributing to the growth of circular economy**
  - ✓ 615 tons of paper, 54 tons of electronic waste and 95 tons of cartridges collected for recycling



# La Banque Postale's main SDGs contribution: in line with our business model



## Highlights of La Banque Postale's business model contribution to the UN SDGs

As per its public service mission, La Banque Postale is committed to ensure **banking accessibility** to all:

- ✓ Particular care to financially vulnerable customers (130,000 clients received budget guidance via the APPUI plateforme)
- ✓ Social inclusion of the less fortunate
- ✓ Empowerment of the less fortunate
- ✓ Sponsor of "Créa-Sol" and "ADIE" microfinance institutes
- ✓ 5 agencies for financially vulnerable customers created in 2017
- ✓ 150 trained employees for financially vulnerable customers

In coherence with its **strong territorial anchoring**, La Banque Postale supports:

- ✓ The growth of small and medium-sized businesses
  - ❑ €3.2bn funding for SMEs in 2018
  - ❑ 450 trained counselors for SMEs advisory, covering the whole French territory
  - ❑ Digital platform for short-term credits
- ✓ The offering of micro-loans as well as the acquisition of one the largest European crowdfunding actor, KissKissBankBank

La Banque Postale is committed to being a **major actor in the fight against climate change**:

- ✓ One of the first banks to achieve carbon neutrality for its entire operational scope
- ✓ Launch of a specific product range to support retail customers in their efforts towards energy transition
- ✓ Support only to climate-friendly energy projects in its financing operations
- ✓ Issuing of an inaugural green bond in 2019

# La Banque Postale's CSR achievements translates into a strong extra-financial profile

## Best in class extra-financial ratings



- ✓ **1<sup>st</sup> French bank** and **2<sup>nd</sup> globally** in terms of CSR performance
- ✓ **2<sup>nd</sup> bank** worldwide to have obtained B- score (2017)



- ✓ Overall Rank in sector: **1/75**
- ✓ **67/100**: Advanced (2017)
- ✓ +4 vs. 2015



- ✓ **80/100** (+21pts in 2 years)
- ✓ **95<sup>th</sup>** percentile



- ✓ **AA** rating

## CSR initiatives

- ✓ **Tobacco free portfolio initiative** signatory
- ✓ **PSI-WWF World Heritage sites initiative** signatory
- ✓ **No financing** of fossil fuels (only renewables)
- ✓ **GREaT Methodology** : (Governance, Resources, Energy and economical transition and Territories) extra-financial analysis methodology for all AUM of LBP AM



## Selected awards and recognitions



- Top 5 in all four client profiles amongst 120 banks on **Most affordable tariffs** (National customers defense association)
- **Goodeed** recognized by the Bill and Melinda Gates Foundation in NYC, with French President E. Macron
- **LBP's "green loans"** awarded best socially responsible brand during ProDurable exhibition
- **Energy efficiency self diagnosis digital platform** awarded 3<sup>rd</sup> place in the CSR category by Efma-Accenture
- **SRI fund LBPAM ISR Action Europe** awarded 4<sup>th</sup> place (out of 435 funds) in terms of CO<sub>2</sub> emissions by Climetrics fund awards

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# La Banque Postale Green, Social and Sustainability Bond Framework overview

Aligned with the best market standards



## 1. Use of Proceeds

- **Eligible Green loan categories**
  - ✓ Renewable Energy
  - ✓ Low carbon buildings
  - ✓ Energy transition
  - ✓ Sustainable mobility
- **Eligible Social loan categories**
  - ✓ Affordable housing
  - ✓ Access to essential services
  - ✓ Sustainable and inclusive finance
- Eligible Loan Portfolio composed by loans granted by La Banque Postale with a 36 month-look-back period
  - ✓ Will be regularly fed with new loan's production

Inaugural transaction



## 2. Process for Project Evaluation and Selection

- **Aligned with La Banque Postale's Risk Management Policy and Sustainability Policy**
  - ✓ Integration of extra-financial risks into operational risk management
  - ✓ Extra-financial criteria taken into account
  - ✓ Exclusion criteria
- **Green, Social and Sustainability Bond Committee in charge of:**
  - ✓ Selecting and monitoring of Eligible Loans for "the Portfolio"
  - ✓ Updating the Framework
  - ✓ Validating the "Allocation and Impact report" publication
  - ✓ Approving new issuances

## 3. Management of Proceeds







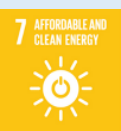






- **A dynamic portfolio approach**
  - ✓ Best effort to maintain an Eligible Loan Portfolio matching / exceeding the balance of net proceeds
  - ✓ Eligible Loans may be added or removed
  - ✓ Internal tracking process
  - ✓ Allocation at issuance except in the unlikely event of insufficient Eligible Loans in the Portfolio
- **2 issuing entities:**
  - ✓ La Banque Postale SA
  - ✓ La Banque Postale Home Loan SFH: in order to finance / refinance Eligible loans held in the cover pool

## 4. Reporting

- Yearly allocation and positive environmental and/or social impact of the Green, Social or Sustainability Bonds issued to be published
- **Allocation reporting to include:**
  - ✓ The total amount of the Green, Social and Sustainability Bonds issued
  - ✓ The total amount of selected loans, for each category and available unallocated loans
- **Impact reporting to include:**
  - ✓ Environmental and/or social impact of the Eligible Loans by category
  - ✓ Output and impact indicators where feasible
  - ✓ The methodologies, assumptions and baselines to be provided






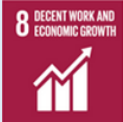

# La Banque Postale Green, Social and Sustainability Bond Framework overview

## Use of Proceeds (1/2) – Eligible Green Loan Categories

|                        | Renewable Energy   | Low Carbon Buildings  | Energy transition loans   | Sustainable Mobility  |
|------------------------|--|---|---|---|
| Eligibility Criteria   | <ul style="list-style-type: none"> <li>• <b>Wind projects</b> – onshore and offshore</li> <li>• <b>Solar projects</b> – self-generated projects</li> </ul>                                 | <ul style="list-style-type: none"> <li>• <b>Residential Green Buildings</b> – new dwellings in 2017</li> <li>• <b>Commercial Green Buildings</b> – new constructions that comply with the following criteria: labeled building with certifications (BBC Effinergie +, HQE Excellent or above, BREEAM Excellent or above, LEED Gold or above)</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Interest-free eco-loans (Eco-PTZ) for energy retrofitting projects</b> – thermal insulation, heating renovations, etc.</li> <li>• <b>La Banque Postale’s “Green range”</b> – residential energy efficiency improvement</li> <li>• <b>Acquisition of electric vehicles</b></li> </ul>                        | <ul style="list-style-type: none"> <li>• <b>Low-carbon transport vehicles and infrastructure</b> <ul style="list-style-type: none"> <li>✓ Public transport financing (trains, metro lines, tramway, biking path)</li> <li>✓ Related infrastructures (charging stations for electric vehicles, bicycle parking stations etc.)</li> </ul> </li> </ul> |
| Environmental Benefits | <ul style="list-style-type: none"> <li>✓ Climate change mitigation</li> <li>✓ Greenhouse Gas (GHG) emissions reduction</li> <li>✓ Pollution reduction</li> <li>• Energy savings</li> </ul> | <ul style="list-style-type: none"> <li>✓ Climate change mitigation</li> <li>✓ Greenhouse Gas (GHG) emissions reduction</li> <li>• Pollution reduction</li> <li>✓ Energy savings</li> </ul>  | <ul style="list-style-type: none"> <li>✓ Climate change mitigation</li> <li>✓ Greenhouse Gas (GHG) emissions reduction</li> <li>• Pollution reduction</li> <li>✓ Energy savings</li> </ul>  | <ul style="list-style-type: none"> <li>✓ Climate change mitigation</li> <li>✓ Greenhouse Gas (GHG) emissions reduction</li> <li>✓ Pollution reduction</li> <li>• Energy savings</li> </ul>  |
| SDG's contribution     |                      |        |     |      |

# La Banque Postale Green, Social and Sustainability Bond Framework overview

## Use of Proceeds (2/2) – Eligible Social Loan Categories

|                      | Affordable Housing   | Access to essential services  | Sustainable and inclusive finance  |
|----------------------|--|---|--|
| Eligibility Criteria | <ul style="list-style-type: none"> <li>• <b>Prêt à l'Accession Sociale (PAS) or social home ownership loan</b> – acquisition or construction of primary residence</li> <li>• <b>Loans to social housing landlords</b> - New constructions and/or renovation of existing social housing</li> <li>• <b>Target Population:</b> low income population</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Loans to healthcare public providers and facilities</b> <ul style="list-style-type: none"> <li>✓ Public hospitals</li> <li>✓ Elderly care facilities</li> <li>✓ Cancer research centers</li> </ul> </li> <li>• <b>Target Population:</b> French population including the most vulnerable</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Inclusive finance</b> <ul style="list-style-type: none"> <li>✓ Financing banking accessibility for vulnerable groups through initiatives such as interest free loans (PTZ) and micro-credit loans (Créa-Sol, micro-crédit habitat)</li> </ul> </li> <li>• <b>Target Population:</b> low income population</li> </ul> |
| Social Benefits      | <ul style="list-style-type: none"> <li>• Increase access to housing supply and home ownership for low income population</li> </ul>   | <ul style="list-style-type: none"> <li>• Reduce health inequalities by supporting access to healthcare</li> </ul>   | <ul style="list-style-type: none"> <li>• Reduce banking exclusion and inequalities by supporting financial integration of vulnerable population</li> </ul>   |
| SDG's contribution   |    |     |      |



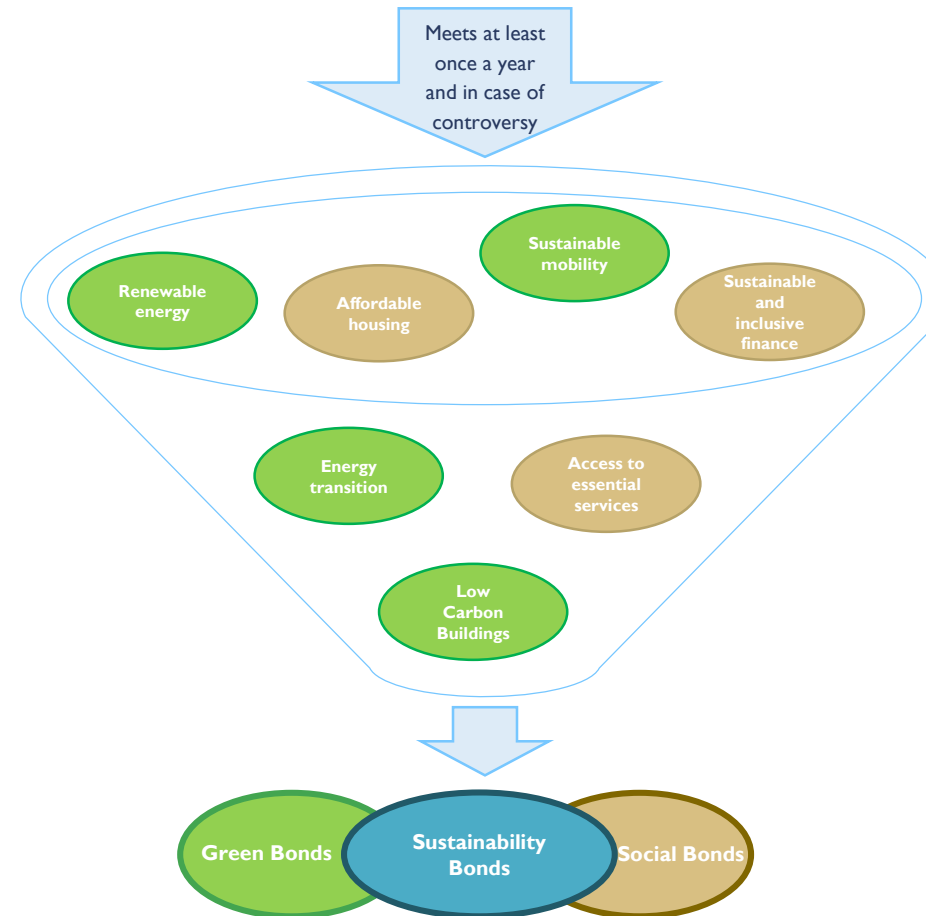
# La Banque Postale Green, Social and Sustainability Bond Framework overview

## Process for Project Evaluation and Selection

### La Banque Postale's Risk Management Policy and sustainability policy

- **Risk Management Policy defining:**
  - ✓ The **level of acceptable risk** for the Group
  - ✓ The **general rules for measuring and framing risk-taking**
  - ✓ The **general arrangements for supervising and monitoring risks**
- **Extra-financial risks management**
  - ✓ **Exclusion list** includes coal, non-conventional fossil energy, weapons, adult entertainment, gambling
  - ✓ **Regular mapping of extra-financial risks**
  - ✓ **ESG check list** for new products and services

### The Green, Social & Sustainability Bond Committee "The Committee"



### "The Committee" responsibilities and composition

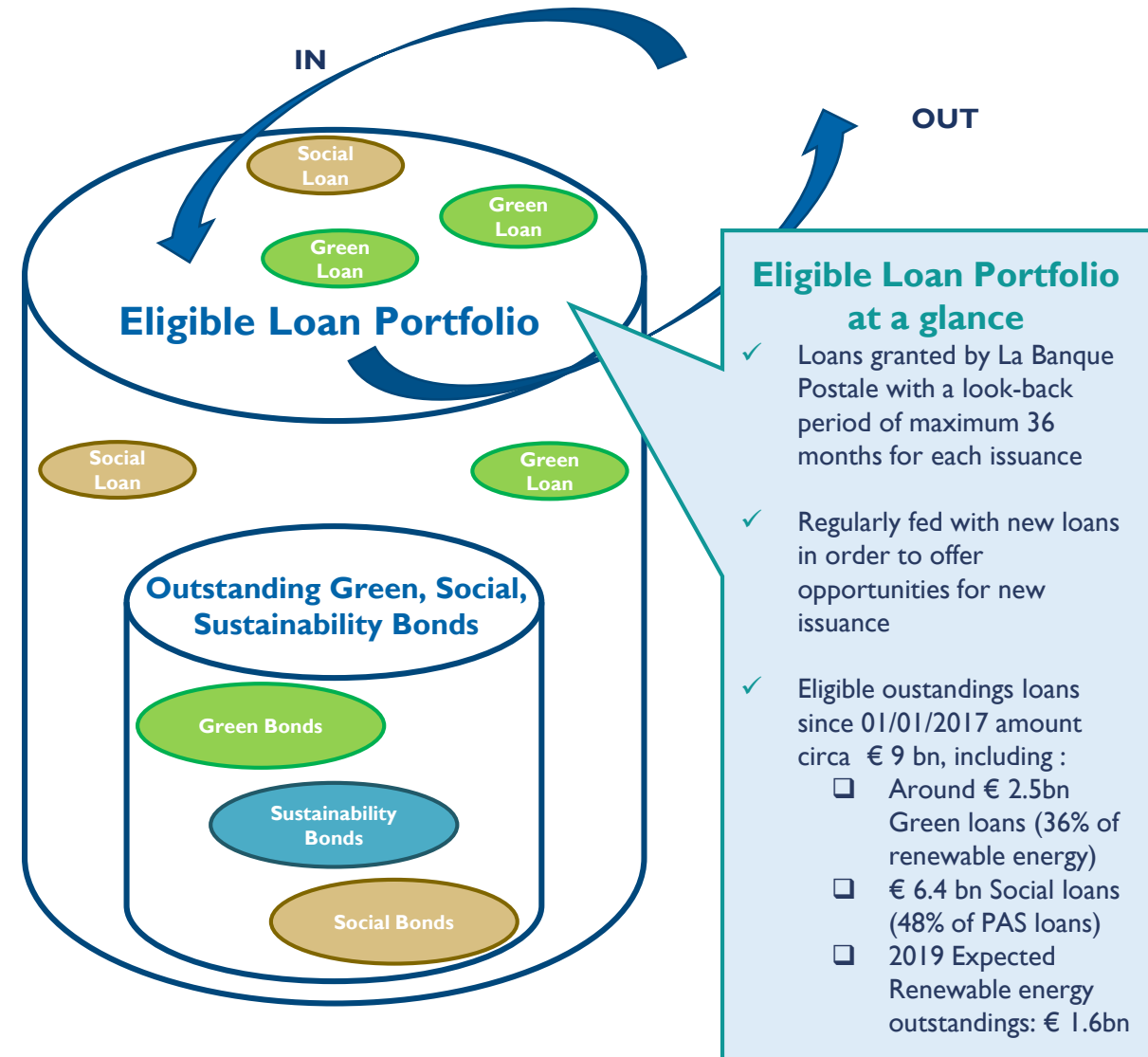
- **In charge of:**
  - ✓ **Selecting the Eligible Loans** to be included in "the Portfolio" based on a pre-selection made with the relevant business units
  - ✓ **Monitoring the portfolio:** replacement if a loan ceases to meet the Eligibility Criteria or has matured
  - ✓ **Updating the Framework:** market monitoring and inclusion of new Eligible categories
  - ✓ **Validating the reporting material**
  - ✓ **Deciding for new issuance** under the framework, in relation with the funding programme
- **Composed of:**
  - ✓ Head of Corporate and Investment Bank
  - ✓ Head of Dealing Room
  - ✓ Head of Group Financial Communication
  - ✓ Head of CSR Department
  - ✓ Head of Long Term Funding
  - ✓ Head of relevant businesses



# La Banque Postale Green, Social and Sustainability Bond Framework overview

## Management of Proceeds: a portfolio approach

- La Banque Postale intends to maintain an Eligible Loan Portfolio that matches or exceeds the balance of net Proceeds from its outstanding Green, Social and Sustainability Bonds, until the maturity of such bonds
- Eligible Loans may be added to or removed from La Banque Postale's Eligible Loan Portfolio to the extent required
- Green, Social or Sustainability Covered Bonds will be used to finance and/or refinance Eligible loans held in the cover pool of La Banque Postale Home Loan SFH
- Internal tracking process will be established within La Banque Postale to track the Eligible Loan Portfolio
- Intention to allocate the net proceeds to the existing Eligible Loan Portfolio at issuance
- In the unlikely event when such Eligible Loan Portfolio would be smaller than the outstanding Green, Social and Sustainability Bonds, La Banque Postale will strive to fill the gap. Meanwhile, the difference would be held within La Banque Postale's treasury in accordance with its usual treasury investment strategy



# La Banque Postale Green, Social and Sustainability Bond Framework overview

Reporting: in line with the guidelines of the Green Bond Principles

- Commitment to inform the investors on the allocation and positive environmental and/or social impact of the Green, Social and Sustainability Bonds issued
- Reporting to be available on a yearly basis on La Banque Postale's website (in the Investor Relations' section):  
<https://www.labanquepostale.com/en/investors.html>

## ALLOCATION

- La Banque Postale will publish a report on the Green, Social or Sustainability Bonds issued annually
- This report will provide the following information:
  - ✓ The total amount of the Green, Social and Sustainability Bonds issued
  - ✓ The total amount of selected loans, for each category
  - ✓ The amount of available unallocated loans

## IMPACT

- La Banque Postale will publish a report on the environmental and/or social impact of the Eligible Loans by category, subject to data availability
- Where feasible, this report will provide both output and impact indicators as presented below
- The methodologies as well as the assumptions and baselines used to determine the aforementioned indicators will be provided

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## Positive External review

### Second –Party Opinion

- Vigeo-Eiris was engaged to provide the Second-Party Opinion and has confirmed that this Framework is well aligned with the GBP, SBP and SBG
- This Second-Party Opinion document will be made publicly available on Vigeo-Eiris website:  
<http://www.vigeo-eiris.com/fr/>
- According to Vigeo Eiris, La Banque Postale Green, Social and Sustainability Bond Framework is:  
*“...coherent with La Banque Postale’s main sector sustainability issues, with its publicly disclosed strategic sustainable development priorities, and that it contributes to achieve its sustainable development commitments and targets.”*



### External Audit

- La Banque Postale will request, on an annual basis, a limited assurance report of the Eligible Loan Portfolio’s outstanding amount
- This assurance will be provided by La Banque Postale’s auditors and will be included in La Banque Postale’s annual registration document



# Overview of Vigeo Eiris Second-Party Opinion



| Core four components                         | Vigeo Eiris opinion   | Alignment with the GBP, SBP and SBG |
|--|---|-------------------------------------|
| Use of Proceeds                              | <ul style="list-style-type: none"> <li>Eligible Categories are considered overall clearly defined</li> <li>Eligible Projects are considered to provide clear environmental and/or social benefits</li> <li>Target populations that will benefit from the three categories of Eligible Social Projects have been clearly defined</li> </ul>  |                                     |
| Process for Project Selection and Evaluation | <ul style="list-style-type: none"> <li>Governance and process for the evaluation and selection is reasonably structured, transparent and relevant</li> <li>Process relies on explicit and relevant eligibility criteria (selection and exclusion)</li> <li>Identification and management of the environmental and social risks associated with the Eligible Loans to be financed are considered to be overall good</li> </ul> |                                     |
| Management of Proceeds                       | <ul style="list-style-type: none"> <li>Rules for the management of Proceeds are clearly defined</li> <li>Will enable a documented and transparent allocation process</li> </ul>   |                                     |
| Reporting                                    | <ul style="list-style-type: none"> <li>Reporting process and commitments appear to be good, covering both the funds allocation and the environmental and social benefits of the Eligible Projects</li> </ul>  |                                     |

## VIGEO EIRIS' OPINION

- Vigeo Eiris is of the opinion that the Green, Social & Sustainability Bond Framework of La Banque Postale is aligned with the four core components of the Green and Social Bond Principles 2018
- We express a reasonable assurance (our highest level of assurance) on the Issuer's commitments and on the contribution of the contemplated Bond to sustainability

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# La Banque Postale Green, Social and Sustainability Bond Framework overview

## Langa (Engie Group) Project Condor



### Project description

- **Asset:** portfolio of 52 greenfield and 15 brownfield photovoltaic power plants
- **Location:** South of France (mainland)
- **Description:** Founded in 2008 by successful French entrepreneurs, the Sponsor was a large French solar IPP that develops and owns PV and Wind facilities mainly in France. The overall capacity installed by the group reached 150 MW in 2017 where it has been acquired by ENGIE Group on a 100% basis
- **LBP roles:** MLA, Hedging Bank and Lender
- **Timing:** Commissioning expected for fall 2019

### Key features

- **Technology:** solar
- **Loan amount:** €101m
- **% Share of LBP financing:** 33.3%
- **Total capacity installed (MW):** 61.8
- **Operating stage:** in development

# La Banque Postale Green, Social and Sustainability Bond Framework overview

## Quadran (Total Group) Project Eole 2018

### Project description

- **Asset:** portfolio of 5 greenfield wind farms
- **Location:** France (mainland)
- **Description:** Historical player and major integrated IPP in the French renewable energy sector, Quadran has installed so far more than 700 MW, and is part of Total Group since 2018
- **LBP roles:** co-LMA, Hedging bank, lender, account bank and Agent
- **Timing:** Commissioning expected for spring 2019

### Key features

- **Technology:** wind
- **Loan amount:** €90m
- **% Share of LBP financing:** 50%
- **Total capacity installed (MW):** 70.2
- **Operating stage:** in development





# La Banque Postale Green, Social and Sustainability Bond Framework overview

## Focus on Social Projects

### PAS Loans (*Prêt à l'Accession Sociale*)

- **Description:** Social home ownership loans
- **Definition:** PAS loan is regulated and benefits from the French State guarantee. It finances the acquisition of main residence for households whose revenues do not exceed established ceilings.
- **LBP eligible outstandings:** €3,116m
- **LBP customers:** 117,000



### Healthcare public providers and facilities

- **Description:** public hospitals, elderly care facilities, cancer research centers
- **Target population:** French population including the most vulnerable
- **LBP eligible outstandings:** €607m



### Social Housing Financing

- **Description:** HLM (low-income housing), new construction and/or renovation of existing social housing
- **Target population:** low income population (per income criteria defined by the State)
- **LBP eligible outstandings:** €2,092m

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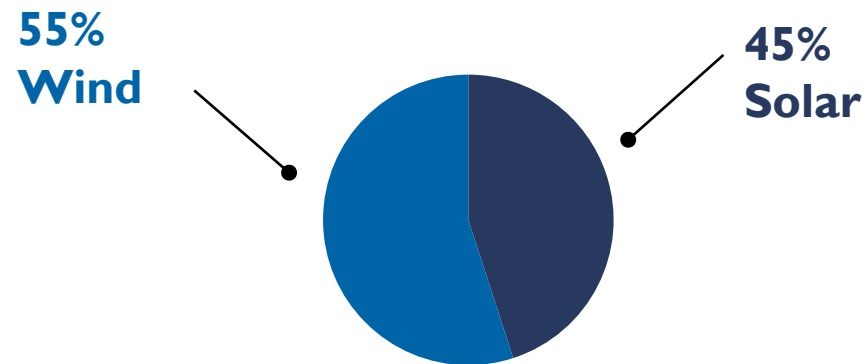
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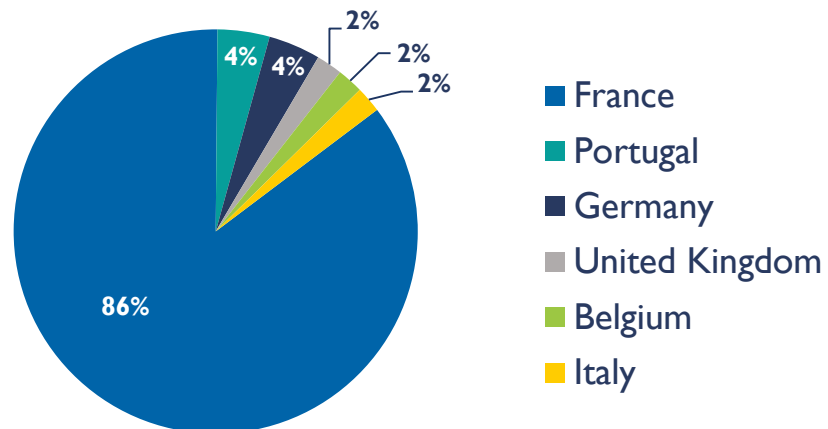
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# The inaugural Green Bond issuance dedicated to **renewable energy**

## Split by technology



## Split by location



## Key figures

- 47 loans granted
- LBP Eligible EnR portfolio: €1,239m



**Carbone 4:** firm specialized in impact measurement has been appointed as advisor in this transaction

- Estimated annual electric production: 1,480 GWh
- Estimated min. CO2 avoided: 35,800 tCO<sub>2</sub> / year
- Estimated min. Carbone intensity: 28.89 tCO<sub>2</sub> / € m / year

# Termsheet overview

| Issuer                              | La Banque Postale   |
|-------------------------------------|---|
| Expected issue ratings              | BBB (S&P) / A- (Fitch)  |
| Maturity                            | [●] [7 to 10-years]   |
| Size                                | EUR Benchmark   |
| Issue Type                          | Green Bond to be issued within La Banque Postale's Green, Social & Sustainability Bond Framework*   |
| Status of the Notes                 | Senior Non-Preferred Notes issued pursuant to the provisions of Article L.613-30-3–L.4° of the French Code monétaire et financier. Direct, unconditional, unsecured and senior obligations of the Issuer ranking at all times (i) pari passu among themselves and with other Senior Non Preferred Obligations, (ii) senior to Eligible Creditors (subordinated claims ranking senior to Subordinated Notes), Ordinarily Subordinated Obligations and any other present or future claims otherwise ranking junior to Senior Non Preferred Obligations, and (iii) junior to present and future claims benefiting from preferred exceptions including Senior Preferred Obligations |
| Interest Rate                       | [●] %, paid annually Act/Act  |
| Early redemption events             | The Issuer shall have the option to redeem the Notes in whole, but not in part, at their principal amount, together with all interest accrued to the date fixed for redemption upon the occurrence of a Withholding Tax Event, a Gross-Up Event or if a MREL/TLAC Disqualification Event has occurred and is continuing (all subject to prior written regulatory approval to the extent required).  |
| Events of default                   | There are no events of default under the Notes (The Notes can however become due and payable in the event that an order is made or an effective resolution is passed for the liquidation ( <i>liquidation judiciaire</i> or <i>liquidation amiable</i> ) of the Issuer)   |
| Waivers of Set-off                  | The Noteholders waive any right of set-off, compensation and retention in relation to the Notes, to the extent permitted by law   |
| Format / Denomination / Listing     | RegS Bearer / EUR100k + EUR100k / Euronext Paris  |
| Governing law                       | French Law  |
| Bail-in                             | The Notes are subject to bail-in in accordance with the EU Bank Recovery and Resolution Directive as transposed into French Law   |
| Documentation                       | Under the Issuer's EMTN programme Base Prospectus dated 25 March 2019 as further supplemented   |
| Use of Proceeds                     | An amount equivalent to the net proceeds of the Green Bonds issuances ("the net proceeds") will be exclusively used to finance and/or refinance, in whole or in part La Banque Postale's Eligible Loan Portfolio. * This Inaugural transaction will be a Green Bond focusing on Renewable Energy Projects   |
| Sole Green Bond Structuring Advisor | Crédit Agricole CIB   |
| Joint Bookrunners                   | Crédit Agricole CIB , ING, + TBA  |

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## Conclusion: La Banque Postale is ...



... a public bank committed to serving each and all



... issuing its inaugural Green bond, in line with its CSR Strategy



... with strong eligible assets



... and ready to become a regular green / social issuer

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- **Stéphane Magnan**

Head of Corporate and Investment Bank

[stephane.magnan@labanquepostale.fr](mailto:stephane.magnan@labanquepostale.fr)

- **Estelle Maturell Andino**

Head of Group Financial Communication

[estelle.maturell-andino@labanquepostale.fr](mailto:estelle.maturell-andino@labanquepostale.fr)

- **Dominique Heckel**

Head of Long Term Funding

[dominique.heckel@labanquepostale.fr](mailto:dominique.heckel@labanquepostale.fr)

- **Nicholas Vantreese**

Head of CSR

[nicholas.vantreese@labanquepostale.fr](mailto:nicholas.vantreese@labanquepostale.fr)



# La Banque Postale

La Banque Postale  
115 rue de Sèvres  
75275 Paris Cedex 06

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