



PRESS RELEASE
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RESULTS 2007 – PERSPECTIVES 2008 FOR LA BANQUE POSTALE

**In 2007, La Banque Postale continued its great start
and its unique place in the French retail banking market**

2008, a “second birth” for La Banque Postale

**Net Banking Income 2007: €4,745 million
(+5% excl. provisions for PEL/CEL home savings accounts
and Euronext profit)
Deposits at the end of 2007: €250.7 billion (+4.5%)
Consolidated Gross Operating Income: €514.5 million (+17%)
Net Profit Group's Share: €539.6 million (+9.4%)
Cost income ratio: 89.15%**

Patrick Werner, Chairman of La Banque Postale's Management Board presented today the accounts, the report for 2007 and set out its development perspectives for 2008.

In 2007, La Banque Postale accounted for 22.6% of the La Poste Group's consolidated turnover of €20.8 billion.

The Bank's second year of operation confirmed its fast development, making it among France's leading retail banks, and its ability to improve its profitability, exceeding €500 million net profit Group's share for the first time.

La Banque Postale was not affected by the financial crisis in 2007 neither in terms of liquidity nor in terms of results. Thanks to the highest quality financial management, of its own balance sheet and of its subsidiary La Banque Postale Asset Management or its insurer CNP Assurances, entirely in line with its customers' needs, it has confirmed its unique place in the market.

2007 shows the effectiveness of the Bank's model and its attractiveness, as shown by a wide variety of partnerships during the year that prepare for the future.

■ **La Banque Postale's activities and results in 2007**

> 2007 was the first year when the Bank applied IFRS standards for its financial statements. They must therefore be compared to pro forma IFRS accounts for 2006.

> In a context of greater competition in the market, **the Net Banking Income (NBI) in 2007 amounted to 4,745 million euros, an increase of 5% compared to 2006 pro forma**, excluding provisions for PEL/CEL home savings plans and accounts and profits on Euronext securities sales. In accounting terms, the growth in NBI was 2.2%.



This strong development that makes the Bank among the leaders in the French market has not been achieved to the detriment of profitability.

La Banque Postale's **gross operating income in 2007 reached €514.5 million**, an increase of more than 17% on 2006. **Profit before tax including** the contribution of €227 million in equity method companies **were €719.9 million. The net profit Group's Share amounted to €539.6 million**, up by 9.4%.

La Banque Postale's results exceeded those of the business plan submitted to the French banking regulator that accompanied the approval with an cost income ratio of 89.15%.

These good results are due to:

- the growth in consolidated NBI made up of €2,458 million in margins and net commission of €1,653 euros;
- the confirmed control of overheads that only grew by 0.6%;
- the cost of risk is still remarkably low at €17.8 million.

> Commercial activity in 2007 remained particularly strong. It is characterised by a growth in customer development, an increase in the number of customers having La Banque Postale as first banking provider and private banking customers and a growth in La Banque Postale's market share in life insurance, provident insurance and home loans.

With more than **11 million postal banking accounts (CCP)**, La Banque Postale is a major player in French retail banking. This position was confirmed in 2007 with remarkable commercial performances in terms of account openings (more than 850,000 new accounts, an increase of 13%) and account development with more than 835,000 new contracts in 2007. The take-up of new contracts grew by 5% to 37%, giving La Banque Postale a promising outlook for the future.

At the end of 2007, La Banque Postale had 9.3 million active customers having La Banque Postale as first banking provider **and more than 700,000 private banking customers.**

In a still competitive and dynamic market, **home loans grew in 2007 by 33%** with production of **more than 6.7 billion euros. Outstanding loans grew by 16% to more than €24.5 billion.**

Life insurance gross premiums was close to €12 billion, "Fourgous" transfers included. The future is in preparation with the high level of new business (486,000 new life insurance contracts opened in 2007). The share of life insurance **gross premiums invested in unit trust** progressed whereas the market as a whole is in decline.

Finally, La Banque Postale confirmed its third place amongst bank-insurers that provide provident products **with almost 458,000 individual contracts signed in 2007 and a total of more than 1,500,000 contracts in all.**

■ **Strong growth in the contribution of subsidiaries and interests in La Banque Postale's results**

Highly integrated into the Bank's activities to which they provide specialised skills, subsidiaries and interests confirmed their key role in strategic, financial and technical terms in 2007. Mainly owned by the SF2 holding, they significantly contributed to the Bank's performance.

CNP Assurances showed a highly robust performance in its 2007 results. **It made a contribution of €227 million to the Bank's consolidated results in 2007.**

La Banque Postale Asset Management, the Bank's asset management company wholly-owned by SF2, had net profit of €17.7 million in 2007, **an increase of 10%.**

La Banque Postale Prévoyance (formerly Assurposte), a 50%-owned subsidiary, carries a range of provident insurance products sold by La Banque Postale. Net profit of La Banque Postale Prévoyance reached almost €17 million, **an increase of more than 12% on 2006.**

Sogerco, a wholly-owned subsidiary of SF2, is La Banque Postale's insurance broker. In 2007, it made €33.5 million in **turnover**, an increase of **24.6%** and a **22.2% growth in net profit** to €19.3 million.

■ 2008, a "second birth" for La Banque Postale

2007 was a year when two major decisions were taken for La Banque Postale: Livret A passbook savings accounts distribution will be opened to all banks and it was authorised to provide consumer loans. These two decisions open up a new era for La Banque Postale that is undergoing a "second birth". 2008 will be devoted to preparing for the implementation of these two decisions that should start at the beginning of 2009 for one and at the end of 2009 or beginning of 2010 for the other.

This year will also see the progressive strengthening of partnerships agreed in 2007: distribution of home loans in the entire Matmut network, the setting up of the Bank's Asset Management Advisers (CGP), supported by La Banque Postale Gestion Privée, upscaling of the partnership with CMP Banque, the start of the development of an e-money platform with Société Générale Bank, etc. It will also be a year to choose its partner for consumer loans.

Beyond this, La Banque Postale aims to continue developing with a range of high-quality products and services aimed at consumers, businesses, the voluntary sector and local authorities.

> **La Banque Postale is updating its postal bank account offer**, ensuring it remains cheaper than the major banking networks particularly for middle and low-income customers. The new offer rests on:

- General access to online banking services to all customers in addition to the monthly account statement that summarises all accounts of each customer and was renewed in 2007;
- The online account statement will be launched during the year;
- A new pricing policy based on a reduction in the cost per minute of the 3639 telephone service by 58% to €0.15, a 35% drop in account management costs to €3 per year and a new pricing structure for account statements. Monthly statements will be provided free and charges for more frequent ones at the lowest level of the market.

This new offer will be introduced on 1st July 2008.

> **In 2008, La Banque Postale will make a series of important changes aimed at developing and facilitating its online banking offer:**

- The new Web portal www.labanquepostale.fr will be launched. More attractive, it will be easier to see new products and services adapting the information displayed on the site to the activity of each user;

- Spaces will also be dedicated to the Bank's different customer bases to better respond to their specific needs. So from 11th April 2008, young workers will have a space that shows information, products and services aimed at them;
- New functions will be added to online account viewing and management services;
- An increased level of transaction security will mean that the opening of new products and services online will also be available with an electronic signature.

> **La Banque Postale extends its range of home loans:** since 1st January 2008, it has been providing home loans for real estate individual investor, bridge loans redeemable completely (interest and principal) in fine and fixed-rate in fine home loan . During the year, it will offer finance to property investment companies.

> Advisers have been proposing **La Banque Postale's passbook account** since 10th March 2008. In less than a month, almost €100 million have been collected through this new offer. The Bank also regularly launches new guaranteed funds mounted by its subsidiary LBPSAM adapted to new market conditions and the demands of its customers.

> Authorised in 2007 to distribute social microcredit, **La Banque Postale started the year by agreeing four partnerships with structures responsible for social and budget-fixing supported in Indre, Seine-Maritime and le Nord. Other partnerships are in discussion on a local and national level.**

Adopting an active partnership policy, La Banque Postale is affirming itself as a stakeholder in local development and confirming its major place in the fight against banking exclusion and to provide the widest access to high-quality banking services.

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Faithful to its public service role, particularly banking accessibility, effective development, efficient in controlling its cost, open to all action and all partnerships that will enable it to better respond to the needs of its customers and gradually giving itself a complete range of products, La Banque Postale supported by the La Poste network is looking to continue and accelerate the work done in these first two years.

The commitment of the employee working directly or on behalf of the Bank, the trust of its customers and the quality of its management and balance sheet are its best assets that will make it a success.

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La Banque Postale:

29.3 million customers
 11.1 million postal bank accounts
 9.3 million customers having La Banque Postale as first banking provider
 5,080 ATMs in France
 4,915 financial advisers and 1,463 specialised property and asset management advisers
 17,068 points of contact

Figures at the end of 2007

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