



Social Impact of La Banque Postale





La Banque Postale

- **IMPACT ON CITIZENS**
- **IMPACT ON LA POSTE STAFF**

SOCIAL IMPACT ON CITIZENS

- LBP's challenge is to contribute up to 65% of La Poste revenues by 2016 and take over for the decreasing mail volumes
- Challenge: to achieve a net profit of 1 billion euros in 2020
- The bank is on an upswing.
- Very good public image, ranking third after Credit Mutuel and Credit Agricole



SOCIAL IMPACT ON CITIZENS

- Banking services in postal outlets are reaching 99% of the public (legal obligation).
- With La Poste's network of 17,000 outlets, each citizen now has access to a post office within five kilometres.



SOCIAL IMPACT ON CITIZENS

The Postal Bank has public service missions

A « citizen bank »

The only one to provide services to the most disadvantaged

- It is the only bank to distribute social benefits:
 - Family allowances
 - RSA (minimum income in France)
 - Unemployment allowances
 - Strong influx of customers when these benefits are paid out each month, both at post offices and on the phone

SOCIAL IMPACT ON CITIZENS

Possibility of opening simple accounts to the most disadvantaged customers

- Through the Livret A (savings account), used for managing this social facet of the service, at no cost to the user. But it is costly to the Postal Bank, which has a small deficit (-25 millions €/yr.), due to the decline in state aid for providing this service
- Simple credit cards, without overdraft privileges, not accepted everywhere
- Prepaid credit card can be used everywhere, without stigmatizing people

SOCIAL IMPACT ON CITIZENS

Creating a service for the poorest Support

- Because of the financial crisis, there are more vulnerable people (increased poverty)

Support goals:

- Provide information to the most underprivileged about their rights
- Manage indebtedness
- Knowledge of rights
- Housing
- Deal with incivility
- Administrative procedures

SOCIAL IMPACT ON CITIZENS

- Provides loans to individuals for the construction of social housing, to social housing organizations (HLM)
- Also provides social home ownership loans
- Since the bankruptcy of Credit Immobilier de France, the French government has been our main stakeholder.
- The French government, as main shareholder of La Poste, has imposed recruitment of 300 former employees of CIF.



SOCIAL IMPACTS ON CITIZENS

- La Banque Postale's services – not just for the most underprivileged:
- It has created a subsidiary dedicated to wealth management (with the takeover of BCE, a small estate bank)
- Has developed banking for professionals, loans for funding of communities (following DEXIA bankruptcy and state intervention)
- LBP intends to develop small and medium-size business loans from 2014, creation of 1000 advisor positions



Strength and Weaknesses

- La Banque Postale has real potential, but is experiencing difficulty gaining market shares
- Difficulty of providing products to its customers who remain under the average of French banks
- A good image with customers: potential, but difficulty stabilizing its model
- Lack of innovation and creativity
- The physical postal network drains off 82% of customers
- Challenge: transforming part of this network into bank outlets; prioritizing and specializing the postal outlets: Banking post offices.

Social impact on staff

- Staff is mainly from La Poste
- 80,000 job cuts in 10 years in the 4 main activities: post offices/mail/financial services/parcels
- 10,000 banking advisors, internally trained, and putting in 1,000 more advisors for business loans in 2017
- In 20 years, postal workers have constantly undergone and adapted to change: 2 statutory reforms, 3 European directives, multiple service reorganizations. Training is often insufficient
- Average age of staff: 46 years
- Trouble integrating IT, single commercial website
- Workforce services enterprise migrating toward high-tech

Social impact on staff



- **For the staff:**
- 17,000 people have moved to commercial activities, 29% in 2013, expected to reach 55% in 2014. Two statuses: postal workers and bankers (3,500).
- **New reform in 2014:**
The bank is taking charge of the organization of the postal outlet network; transferring postal staff to the postal bank is not possible.
- **A single management line for the bank and the postal network**
For better customer needs responsiveness, win new professional customers and offer more loans with a good risk, controlling risks and increasing of the bank equity.



Social impacts on staff

- La Banque Postale has been recognized as a success story, but there was a solid base
- Postal workers have worked hard to succeed in creating La Banque Postale
- Dynamic salespeople, internal and external recruitment (from other banks)
- Lots of training, delegating credit risk, bank licensing, etc.
- Professional development for salespeople throughout their career
- A fixed wage with variable banking incentive.



Social impact on staff

- Creation of a La Poste banking training school to provide better training and banking graduation diplomas similar to those granted by colleges, for staff.
- Staff is under a lot stress from business environment and management: this stress is constantly increasing.
- This is creating psycho-social risks and affecting personal well-being at work.
- There is a need to be very cognizant of these factors in creating your own postal bank.



Social impact on staff

Staff is again going to undergo new reforms aimed at strengthening the position of the bank in the network.

La Poste will have 5 branches:

- Mail, Parcels and Services
- La Poste network
- La Banque Postale
- IT Branch
- Parcels-Express/Géopost



Conclusion

- **Creating a postal bank is a good solution**
 - **You will need everyone's help: State, public support**
 - **I hope you will also find original solutions for mail, solutions we are ready to share**
 - **You are going to create something original, starting from scratch, I wish you success.**
 - **Good luck in this big adventure!**