

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023



LA POSTE
GROUPE

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CONSOLIDATED INCOME STATEMENT

<i>(in € millions)</i>	NOTE	31 Dec. 2023	31 Dec. 2022 (a)
Revenue from commercial activities	6	26,888	27,102
Net banking income	7	7,185	6,185
Operating revenue		34,073	33,287
Purchases and other expenses	8	(16,053)	(15,623)
Personnel expenses	9	(13,605)	(13,487)
Taxes other than on income	10	(505)	(393)
Depreciation, amortisation, provisions and impairment	11	(2,904)	(3,777)
Other operating expenses and income	12	689	549
Proceeds from asset disposals		(50)	35
Net operating expenses		(32,428)	(32,696)
Share in net profit of jointly-controlled companies	19	35	33
Operating profit/(loss)		1,680	624
Cost of net debt	13.1	(211)	(214)
Other financial items	13.2	(28)	7
Net financial income/(expense)	13	(239)	(207)
Share in net profit/(loss) of other equity-accounted companies	19	(169)	(87)
Profit/(loss) before income tax		1,272	330
Income tax (benefit/(expense))	14	(496)	952
CONSOLIDATED NET PROFIT/(LOSS)		776	1,282
Attributable to non-controlling interests		262	271
NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT		514	1,011

(a) Restated for the first-time application of IFRS 17.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts net of tax (in € millions)	2023	2022 (a)
CONSOLIDATED NET PROFIT / (LOSS)	776	1,282
OTHER COMPREHENSIVE INCOME RECOGNISED IN EQUITY		
Items that may be reclassified to profit or loss	(577)	597
Change in unrealised gains and losses on financial instruments	8,334	(24,567)
<i>Reclassification to profit or loss</i>	2,300	1,887
Translation adjustments	322	615
<i>Reclassification to profit or loss</i>		
Share in other comprehensive income of equity-accounted companies that may be reclassified to profit or loss	(44)	27
Remeasurement of insurance and reinsurance contracts	(9,189)	24,522
Items that will not be reclassified to profit or loss	1,659	(1,980)
Actuarial gains and losses on employee benefits	(27)	99
Change in credit risk of financial liabilities designated as at fair value through profit or loss	(1)	4
Remeasurement of equity instruments at fair value through other comprehensive income (excluding instruments sold during the year)	1,684	(2,141)
Share in other comprehensive income of equity-accounted companies that will not be reclassified to profit or loss	3	57
Fair value adjustments to direct participating insurance contracts through OCI	0	1
Total other comprehensive income/(loss) recognised in equity (net of tax)	1,082	(1,383)
TOTAL COMPREHENSIVE INCOME/(LOSS)	1,858	(101)
Total comprehensive income/(loss) attributable to non-controlling interests	507	402
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT	1,351	(503)

(a) Restated for the first-time application of IFRS 17.

CONSOLIDATED BALANCE SHEET

ASSETS

<i>(in € millions)</i>	NOTE	31 Dec. 2023	31 Dec. 2022 (a)	1 Jan. 2022 (a)
Goodwill	15	5,942	5,092	4,464
Intangible assets	16	5,513	5,329	5,220
Property, plant and equipment	17	6,865	6,582	6,792
Right-of-use assets	18	3,628	3,426	3,700
Investments in equity-accounted companies	19	1,811	2,041	1,908
Other non-current financial assets	21	582	591	500
Deferred tax assets	14.5	1,920	2,310	165
Non-current assets		26,261	25,371	22,749
Inventories and work-in-progress	23.1	215	207	190
Trade and other receivables	23.2	5,670	5,504	5,555
Other current financial assets	21	283	702	436
Income tax credit		921	983	650
Other accruals – Assets		160	121	118
Cash and cash equivalents	24.1	3,650	4,537	2,895
Assets held for sale	25	53	62	200
Current assets		10,952	12,116	10,044
Cash, central banks	24.2	40,577	39,355	50,812
Financial assets at fair value through profit or loss	22.1	218,089	206,845	209,880
Hedging derivatives	22.2	677	1,139	1,022
Financial assets at fair value through OCI	22.3	212,678	210,408	249,846
Securities at amortised cost	22.4	33,104	27,193	23,480
Loans and advances to credit institutions at amortised cost	22.5	70,914	70,614	69,823
Loans and advances to customers at amortised cost	22.6	125,999	126,109	121,117
Revaluation differences on portfolios hedged against interest rate risks	0	181	(286)	101
Insurance contracts issued – Assets	22.7	1,343	1,506	1,390
Reinsurance contracts held - Assets	22.7	8,891	8,221	11,521
Other financial assets and accruals	22.7	8,596	9,318	6,875
Investment property	22.8	7,262	6,809	3,832
Assets specific to banking and insurance activities		728,311	707,231	749,699
TOTAL ASSETS		765,524	744,718	782,492

(a) Restated for the first-time application of IFRS 17.

EQUITY AND LIABILITIES

<i>(in € millions)</i>	NOTE	31 Dec. 2023	31 Dec. 2022 (a)	1 Jan. 2022 (a)
Share capital and share premium		7,104	6,788	6,668
Reserves		18,264	16,127	15,843
Cumulative gains and losses on financial instruments and insurance/reinsurance contracts reclassifiable to profit or loss		(3,910)	(2,905)	(2,275)
Translation reserve		(292)	(384)	(571)
Perpetual hybrid subordinated notes		744	744	744
Net profit/(loss) attributable to owners of the parent		514	1,011	1,482
Equity attributable to owners of the parent		22,424	21,381	21,891
Non-controlling interests		8,345	8,087	12,225
CONSOLIDATED EQUITY		30,769	29,468	34,116
Bonds and other debt ^(b)	28.1	11,945	11,564	10,149
Lease liabilities ^(b)	28.1	4,078	3,869	3,760
Provisions for contingencies and losses ^(b)	27	953	885	816
Employee benefits ^(b)	30	2,143	2,687	3,157
Deferred tax liabilities (non-current)	14.5	1,563	1,663	1,839
Trade and other payables ^(b)	32	10,140	9,950	9,130
Income tax liabilities (current)		199	317	199
Other accruals – Liabilities (current)		262	180	233
Liabilities directly associated with assets held for sale (current)	25	64	47	0
Non-current liabilities		16,869	17,045	17,032
Current liabilities		14,478	14,117	12,251
Financial liabilities at fair value through profit or loss	31.1	13,585	13,359	4,253
Hedging derivatives	31.2	2,183	2,371	333
Liabilities due to central banks and credit institutions	31.3	33,576	44,009	46,309
Customer deposits	31.4	224,995	215,712	218,668
Debt securities	31.5	34,314	29,052	21,693
Revaluation differences on portfolios hedged against interest rate risks		(331)	(713)	422
Insurance contracts issued and reinsurance contracts held	31.6	378,485	364,613	411,650
Other financial liabilities	31.7	7,151	6,586	5,655
Subordinated debt	31.8	9,450	9,099	10,110
Liabilities specific to banking and insurance activities		703,408	684,088	719,093
TOTAL EQUITY AND LIABILITIES		765,524	744,718	782,492
<i>(a) Restated for the first-time application of IFRS 17.</i>				
<i>(b) Of which current portion:</i>				
<i>Bonds and other debt</i>		1,513	1,430	541
<i>Lease liabilities</i>		812	766	741
<i>Provisions for contingencies and losses</i>		828	700	677
<i>Employee benefits</i>		663	729	754
<i>Trade and other payables</i>		10,137	9,948	9,106

CHANGES IN CONSOLIDATED EQUITY – 2023

Amounts net of tax (in € millions)	Share capital and share premium	Retained earnings	Translation reserves	Financial instrument reserves reclassifiable to profit or loss	Cumulative gains & losses on ins. & reins. contracts reclassifiable to profit or loss	Perpetual hybrid subordinated notes	Other reserves	ATTRIBUTABLE TOTAL	Non-controlling interests	TOTAL
Consolidated equity at 31 December 2022 - reported	6,788	1,203	(422)	(3,301)	0	744	12,534	17,546	7,767	25,313
First-time application of IFRS 17 ^(c)	0	(192)	38	(24,312)	24,708	0	3,593	3,835	320	4,155
Consolidated equity at 31 December 2022	6,788	1,011	(384)	(27,613)	24,708	744	16,127	21,381	8,087	29,468
Issue of perpetual notes	0	0	0	0	0	0	0	0	1	1
Dividend payments ^(a)	316	0	0	0	0	0	(421)	(105)	(358)	(463)
Remuneration of perpetual hybrid subordinated notes ^(b)	0	0	0	0	0	0	(151)	(151)	0	(151)
Put options written over non-controlling interests	0	0	0	0	0	0	31	31	(3)	28
Transactions with non-controlling interests	0	0	(16)	3	0	0	(25)	(38)	(61)	(99)
Appropriation of 2022 net profit/(loss)	0	(1,011)	0	0	0	0	1,011			
Comprehensive income for the period	0	514	108	8,146	(9,076)	0	1,659	1,351	507	1,858
Of which:										
- Net profit/(loss)		514	0	0	0	0	0	514	262	776
- Reserves reclassifiable to profit or loss		0	108	8,146	(9,076)	0	0	(822)	245	(577)
- Cumulative gains and losses on financial instruments not reclassifiable to profit or loss		0	0	0	0	0	1,683	1,683		1,683
- Cumulative gains and losses on insurance and reinsurance contracts not reclassifiable to profit or loss		0	0	0	0	0	0	0		0
- Actuarial gains and losses		0	0	0	0	0	(24)	(24)	0	(24)
Other	0	0	0	1	(79)	0	33	(45)	172	127
CONSOLIDATED EQUITY AT 31 DECEMBER 2023	7,104	514	(292)	(19,463)	15,553	744	18,264	22,424	8,345	30,769

(a) La Poste dividends paid out in cash and shares (see Note 26.1).

(b) Remuneration of hybrid subordinated notes from La Poste (€23 million), La Banque Postale (€52 million) and CNP Assurances (€76 million).

(c) The effects of first-time application of IFRS 17 are described in Notes 1.1 and 2.3.

CHANGES IN CONSOLIDATED EQUITY - 2022

Amounts net of tax (in € millions)	Share capital and share premium	Retained earnings	Translation reserves	Financial instrument reserves reclassifiable to profit or loss	Cumulative gains & losses on ins. & reins. contracts reclassifiable to profit or loss	Perpetual hybrid subordinated notes	Other reserves	ATTRIBUTABLE TOTAL	Non-controlling interests	TOTAL
Consolidated equity at 31 December 2021 - reported	6,668	2,069	(570)	1,373	0	744	10,648	20,932	11,718	32,650
First-time application of IFRS 17 ^(d)	0	(587)	(1)	(1,769)	(1,879)	0	5,195	959	507	1,466
Consolidated equity at 1 January 2022	6,668	1,482	(571)	(396)	(1,879)	744	15,843	21,891	12,225	34,116
Issue of perpetual notes					0				29	29
Dividend payments ^(a)	120				0		(529)	(409)	(374)	(783)
Remuneration of perpetual hybrid subordinated notes ^(b)					0		(144)	(144)	0	(144)
Put options written over non-controlling interests					0		(55)	(55)	(31)	(86)
Transactions with non-controlling interests ^(c)			(69)	(3,525)	2,683		1,600	689	(4,345)	(3,656)
Appropriation of 2021 net profit/(loss)		(1,482)			0		1,482	0		
Comprehensive income for the period		1,011	255	(23,691)	23,902		(1,980)	(503)	402	(101)
Of which:					0					
- Net profit/(loss)		1,011	0	0	0	0	0	1,011	271	1,282
- Reserves reclassifiable to profit or loss			255	(23,691)	23,902	0	0	466	131	597
- Cumulative gains and losses on financial instruments not reclassifiable to profit or loss					0		(2,080)	(2,080)	0	(2,080)
- Cumulative gains and losses on insurance and reinsurance contracts not reclassifiable to profit or loss	0	0	0	0	0	0	1	1	0	1
- Actuarial gains and losses					0		99	99	0	99
Other			1	(1)	2		(90)	(88)	181	93
CONSOLIDATED EQUITY AT 31 DECEMBER 2022	6,788	1,011	(384)	(27,613)	24,708	744	16,127	21,381	8,087	29,468

(a) La Poste dividends paid out in cash and shares (see Note 26.1).

(b) Remuneration of hybrid subordinated notes from La Poste (€23 million), La Banque Postale (€55 million) and CNP Assurances (€66 million).

(c) Including the acquisition of non-controlling interests in CNP Assurance (see Note 26.3).

(d) The effects of first-time application of IFRS 17 are presented in Notes 1.1 and 2.3.

CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTE	2023			2022 (a)		
		Group	Industrial and commercial activities	Banking and insurance activities	Group	Industrial and commercial activities	Banking and insurance activities
<i>(in € millions)</i>							
EBITDA	40.10	4,069	977	3,092	3,916	2,031	1,885
Change in provisions for current assets and irrecoverable receivables		(49)	(49)	0	(40)	(40)	0
Miscellaneous financial income and expenses		17	17	0	(7)	(7)	0
Cash flows from operating activities before cost of net debt and taxes	40.1	4,037	945	3,092	3,869	1,984	1,885
Change in working capital requirement	40.3	132	67	65	319	121	198
Change in balance of banking and insurance assets and liabilities	40.4	397	0	397	(5,445)	0	(5,445)
Taxes paid		(643)	(77)	(566)	(966)	(100)	(866)
Dividends paid by La Banque Postale to La Poste		0	576	(576)	0	1,542	(1,542)
Dividends received from equity accounted companies		105	25	80	116	31	85
Net cash from/(used in) operating activities		4,028	1,536	2,492	(2,107)	3,578	(5,685)
Purchases of property, plant and equipment and intangible assets	40.5	(1,946)	(1,471)	(475)	(1,699)	(1,217)	(482)
Purchases of financial assets		(135)	(84)	(51)	(157)	(109)	(48)
Proceeds from disposals of property, plant and equipment and intangible assets		119	119	0	125	121	4
Proceeds from disposals of financial assets		32	25	7	283	43	240
Impact of changes in consolidation scope		(959)	(472)	(487)	(1,612)	(656)	(956)
Change in financial assets held for cash management purposes		380	380	0	(230)	(230)	0
Net cash from/(used in) investing activities		(2,509)	(1,503)	(1,006)	(3,290)	(2,048)	(1,242)
Capital increases		178	1	177	14	14	0
Perpetual loans		0	0	0	29	29	0
Dividends paid and remuneration of hybrid subordinated notes		(615)	(135)	(480)	(929)	(442)	(487)
Purchases of non-controlling interests		(127)	(63)	(64)	(3,753)	(139)	(3,614)
Interest paid		(157)	(157)	0	(199)	(199)	0
Proceeds from new borrowings	40.6	3,159	2,659	500	3,477	2,474	1,003
Repayment of borrowings	40.7	(2,444)	(2,244)	(200)	(2,795)	(1,045)	(1,750)
Repayment of lease liabilities		(892)	(850)	(42)	(873)	(815)	(58)
Other cash flows used in financing activities	40.8	(49)	(49)	0	(47)	(47)	0
Intra-group flows		0	(86)	86	0	303	(303)
Net cash from/(used in) financing activities		(947)	(924)	(23)	(5,076)	133	(5,209)
Decrease/(increase) in cash and cash equivalents from banking activities before impact of changes in consolidation scope	40.9	(1,463)	0	(1,463)	12,136	0	12,136
Impact of subsidiaries held for sale		1	1		(15)	(15)	
Impact of changes in exchange rates		3	3		(6)	(6)	
Net (decrease)/increase in cash and cash equivalents		(887)	(887)	0	1,642	1,642	0
Opening cash and cash equivalents		4,537	4,537	0	2,895	2,895	0
Closing cash and cash equivalents		3,650	3,650	0	4,537	4,537	0

(a) Restated for the first-time application of IFRS 17.

GENERAL ITEMS

NOTE 1 SIGNIFICANT EVENTS OF THE YEAR

- 1.1 First-time application of IFRS 17 – Insurance Contracts
- 1.2 Bond issues
- 1.3 Changes in employee benefits
- 1.4 BRT dispute (Geopost business line)
- 1.5 Disposal of Stuart (Geopost business line)
- 1.6 Impairment of the investment in Aramex PJSC (Geopost business line)
- 1.7 Planned closure of Ma French Bank (La Banque Postale business line)

1.1 First-application of IFRS 17 – Insurance Contracts

IFRS 17 has been applied retrospectively, in accordance with IAS 8, with recognition of the transition effects in equity.

First-time application of the standard had the effect of increasing equity in the transition-date balance sheet at 1 January 2022 by €1,466 million, of which €959 million was attributable to owners of the parent and €507 million to controlling interests. In addition, the new analysis of insurance liabilities with respect to insurance contracts issued led to the recognition of a contractual service margin (CSM) of €17 billion and a risk adjustment (RA) of €1.6 billion (for more information, see Note 35 in particular). As required by the standard, comparative information has also been prepared for 2022 on an IFRS 17 basis. The main changes compared with the published financial statements at 31 December 2022 are presented in Note 2, and details of the accounting policies and main estimates used are provided in Note 3.

1.2 Bond issues

In 2023, La Poste Groupe carried out several bond issuances, as detailed below. These issuances qualify as debt instruments under IFRS 9 and IAS 32.

La Poste bond issues

In June 2023, La Poste carried out a €1.5 billion bond issue in two tranches:

- a €650 million 3.75% 7-year tranche due June 2030 and a coupon of 3.75% per year;
- a €850 million 4% 12-year tranche due June 2035 and a coupon of 4% per year.

In addition:

- in April 2023, a €150 million 0.625% tap was issued with a €49 million premium, on the bond issue due January 2036;
- in September 2023, a €100 million 4% tap was issued on the bond issue due June 2035;
- in November 2023, a €100 million 3.75% tap was issued on the bond issue due June 2030.

In addition, in December 2023, La Poste called the US\$500 million worth of 5.3% hybrid bonds issued in 2016.

La Banque Postale bond issue

In January 2023, La Banque Postale Home Loan SFH, a subsidiary of La Banque Postale, carried out a social covered bond issue, the proceeds of which will be used

to finance low-income home loans (*prêts d'accession sociale*). A total of €1.25 billion worth of 8-year covered bonds were issued with a final spread of MS +27 bps and a fixed interest rate of 3%.

CNP Assurances bond issues

In January 2023, CNP Assurances carried out a €500 million Tier 2 subordinated bond issue due in July 2053. The bonds pay interest at 5.25% until July 2033 and then at a floating rate until maturity. This was its first sustainable subordinated bond issue.

1.3 Changes in employee benefits

Impact of the French pension reform

Act no. 2023-270 of 14 April 2023 raised the statutory retirement age in France from 62 to 64. This change is being phased in over an 8-year period, starting for employees born on or after 1 September 1961.

The Act had the following impact on La Poste Groupe's financial statements at 31 December 2023:

- for employees covered by end-of-career benefits, the increase in the statutory retirement age will extend their period of eligibility for these arrangements. The resulting additional cost of the arrangements, estimated at €262 million, has been taken into account in full in the measurement of the liability for end-of-career benefits at 31 December 2023 (see Notes 9 and 30.1);
- the two-year increase in the statutory retirement age will also have the effect of reducing certain post-employment benefit obligations, mainly retirement indemnities for La Poste employees, due to the extension of the vesting period, with an estimated impact of €37 million. As the change in the statutory retirement age represents a plan curtailment under IAS 19, the resulting reduction in the benefit obligation has been recognised in the income statement (see notes 9 and 30.1).

Cancellation of interest payments on La Poste retirees' demand deposits

At the end of June 2023, La Poste decided to stop granting certain benefits from 1 January 2024 to La Poste retirees who pay their retirement or other pensions into a deposit account with La Banque Postale. The decision primarily concerned the annual "loyalty bonus" paid on annual savings of up to €10,000 at the gross Livret A rate. As a result of this decision, the amount included in provisions for post-employment benefits for the estimated cost of the bonuses was released to the

income statement at 31 December 2023. The positive impact of this decision on 2023 pre-tax profit was €303 million (see Notes 9 and 30.1).

1.4 BRT dispute (Geopost business line)

The Italian company BRT is the subject of legal proceedings concerning income and payroll taxes on subcontracting services. The group is cooperating fully with the Italian authorities and has put in place a remediation plan.

The dispute led to the recognition of income and payroll tax liabilities and provisions for contingencies and losses for a total of €169 million at 31 December 2023 (versus provisions for contingencies and losses of €14 million at 31 December 2022). The group has made a claim under the seller's warranty given by BRT's former majority shareholder. However, no receivable has been recorded in the accounts in this respect.

1.5 Disposal of Stuart (Geopost business line)

Stuart (Geopost business line) was disposed of at the end of November 2023. The transaction led to the recognition in the consolidated financial statements of a net loss of €130 million (before the transaction-related tax effect and net of non-controlling interests). This amount includes the consolidated disposal loss for €57 million, impairment losses on property, plant and equipment, right-of-use assets and goodwill for €46 million and a provision for contingencies and charges for €27 million. In 2023, the Stuart entities incurred losses of €37 million (excluding impairment) over the period up to the disposal date.

1.6 Impairment of the investment in Aramex PJSC (Geopost business line)

At 31 December 2023, the group's equity-accounted investment in Aramex PJSC was written down by €114 million, to take into account the deterioration of its financial outlook (see Note 20.3).

1.7 Planned closure of Ma French Bank (La Banque Postale business line).

On 18 December 2023, La Banque Postale and Ma French Bank (La Banque Postale Group's mobile banking services) launched an information-consultation procedure with employee representatives concerning the planned closure of Ma French Bank and the conditions for its implementation.

The impact of the planned closure on 2023 profit before tax was €108 million, including €85 million in information system write-downs and €23 million in dismantling costs.

NOTE 2 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

- 2.1 Accounting basis
- 2.2 Valuation basis and use of estimates

La Poste, the parent company of **La Poste Groupe** ("La Poste Groupe" or "the group") has been a **société anonyme** (French public-owned limited company) since 1 March 2010, with its registered office at **9 rue du Colonel-Pierre-Avia, 75015 Paris, France**.

Prior to this, it was an independent state-owned entity, that was already subject to the same financial management and accounting policies as commercial businesses. La Poste Groupe is a large **multi-business services group**.

The group's consolidated financial statements for the year ended 31 December 2023 were approved for issue by the Board of Directors (meeting on 29 February 2024) and are subject to the approval of the General Meeting. No change in the company's name occurred in 2023.

Group address: 9, rue du Colonel Avia, 75015 Paris, France

Principal place of business: 9, rue du Colonel Avia, 75015 Paris, France

2.1 Accounting basis

Pursuant to European Regulation No. 1606/2002 of 19 July 2002, the consolidated financial statements of La Poste Groupe for the year ended 31 December 2023 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. These standards are available on the website of the European Commission:

https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_fr

Except for the standards and interpretations effective for annual reporting periods beginning on 1 January 2023, the accounting principles applied at 31 December 2023 are unchanged from those applied at 31 December 2022.

The consolidated financial statements are presented in millions of euros.

2.1.1 Standards and interpretations effective for annual reporting periods beginning on 1 January 2023

The group has applied the standards and interpretations effective for annual reporting periods beginning on 1 January 2023. The new standard with the most significant impact on the 2023 financial statements was IFRS 17 – Insurance Contracts. Each of the amendments to IAS 12 – Income Taxes also had an impact, although the amounts involved were less material. The other standards and interpretations effective for annual reporting periods beginning on 1 January 2023 had no material impact on La Poste Groupe's financial statements for the year ended 31 December 2023.

IFRS 17 – Insurance Contracts

IFRS 17 was adopted by the European Union on 19 November 2021. It is applicable for accounting periods beginning on or after 1 January 2023, with a transition date of 1 January 2022. The purpose of IFRS 17 is to define the principles applicable for the recognition, measurement and presentation of insurance contracts, which replace the principles set out in IFRS 4.

The main changes in comparative information prepared on an IFRS 17 basis are presented in detail in Note 2.3.

The effects of applying IFRS 17 accounting principles and methods are presented in Note 3.11.15.

IAS 12 – Income Taxes

IAS 12 has been amended to introduce an exception from applying the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. The amendment applies to taxable and deductible temporary differences associated with leases and decommissioning obligations, which are recognised and presented separately.

The amendment has no impact on the group.

Amendment to IAS 12 – Pillar Two Model Rules

Pillar 2 of the OECD's international tax reform solution to address the problem of base erosion and profit shifting (BEPS), provides for the introduction of a 15% global minimum tax payable by multinational groups. This additional tax is calculated by the jurisdiction in which the group conducts its business and is payable when the jurisdiction's effective tax rate is less than 15%.

France's 2024 Finance Bill transposes European Council directive (EU) 2022/2523 dated 14 December 2022 into French law and provides for the application of Pillar Two rules from 1 January 2024.

As a governmental entity, Caisse des Dépôts is excluded from the scope of application of Pillar Two rules, and La Poste SA will therefore be the group's ultimate parent entity within the meaning of Pillar Two. La Poste Groupe started work in 2023 to estimate the future impact of applying the new tax rules on its income tax expense. Application of the safe harbour measures to 2022 country-by-country reporting (CBCR) data showed that only a few of the group's host countries would be affected and that the impact on the consolidated financial statements would not be material.

At 31 December 2023, La Poste Groupe applied the mandatory temporary exception to the accounting for deferred taxes arising from jurisdictional implementation of Pillar Two model rules introduced in the amendment to IAS 12 adopted by the European Union in November 2023.

2.1.2 Standards and interpretations effective after 31 December 2023

The group has not early adopted any standard or interpretation effective after 31 December 2023

2.2 Valuation basis and use of estimates

a) General comment

When preparing the financial statements, the group uses the best possible assumptions and makes the best possible estimates based on information available at the reporting date and management judgements. These assumptions and estimates may be subject to varying degrees of uncertainty concerning actual future outcomes, due to many factors such as changes in interest rates and/or exchange rates.

As a result, actual amounts may differ from the estimates and assumptions used.

The main items concerned are as follows:

- calculation of employee benefits;
- estimates of provisions for contingencies and losses;
- calculation of right-of-use assets and lease liabilities;
- measurement of goodwill and other assets and liabilities recognised on business combinations;
- assumptions used in particular for impairment tests on goodwill, other intangible assets and property, plant and equipment;
- Measurement of insurance contracts under IFRS 17;
- measurement of financial instruments not listed on organised markets;
- credit risk estimates by La Banque Postale;
- assumptions and estimates used to measure hedge effectiveness.

More specifically, in recent years the group has developed a general framework for identifying and managing climate risk. This framework will enable uncertainties associated with climate risk to be taken into account in an appropriate manner in the assumptions used to prepare estimates. Lastly, details of the group's strategy to reduce its carbon footprint are provided in the non-financial performance statement included in the Universal Registration Document.

b) Main IFRS 17-related estimates

The illiquidity premium (defined in Note 2.3) is estimated based on the financial assets held by the insurance subsidiaries (property/infrastructure and equities asset classes in the diversified scope as well as bond assets). The illiquidity premium for these portfolios is adjusted to take account of the insurance contracts' characteristics and the matching of assets and liabilities.

The approach used to determine an illiquidity premium for a bond portfolio is comparable to the method suggested by the European Insurance and Occupational Pensions Authority (EIOPA) as part of its review of Solvency II, in terms of both calibration (macro-economic nature of the default probabilities underlying the credit spreads) and portfolio comparisons.

Costs that are directly attributable to insurance contracts, with the exception of non-recurring costs, are included in future cash flow projections for the insurance contracts. Non-attributable costs are recognised in profit or loss and are therefore not included in future cash flow projections.

For modelling purposes, directly attributable costs (fees and commissions, direct investment expenses, etc.) are calculated directly by applying the relevant model metrics (premiums, technical provisions, etc.), and non-attributable costs are allocated to each group of contracts based on the costs of existing contracts.

Experience adjustments are recorded for the difference between initial estimates of future cash flows and observed actual cash flows. IFRS 17 requires estimates to be reviewed periodically and insurance liabilities to be adjusted accordingly. Their accounting treatment is described in Note 2.3 below.

The group **updates accounting estimates** as required to establish the actuarial models used to measure insurance liabilities, and ensures the consistency of:

1. the measurement techniques used to determine the Best Estimate, discount future cash flows, determine the Risk Adjustment (e.g., cost of capital or quantiles method), and select the coverage units used to release the CSM to profit or loss;
2. the updated inputs used in the application of these measurement techniques:
 - technical or non-economic assumptions (cancellations, mortality rates, flexible premiums, expenses, etc.),
 - financial or economic assumptions based on financial market data (yield curves, stock market trends, reinvestment rates, etc.),
 - other economic or regulatory data (taxes, tax rates, etc.);
3. changes in actuarial models for projecting future cash flows:

IFRS 17 stipulates that "estimates should reflect conditions existing at the measurement date, including assumptions at that date about the future". The use of current data is therefore mandatory and updates are naturally considered as a change in accounting estimate.

In order to estimate future cash flows, the group may consider that **fixed and flexible premiums** may be renewed at each reporting date, depending on the information and data available. Its measurement methods are reviewed at regular intervals, particularly with regard to the insurance contract boundaries (defined in Note 2.3 below).

The most significant premium renewal assumptions taken into account in the models concern traditional and unit-linked savings contracts.

2.3 Main changes in comparative information prepared on an IFRS 17 basis

The main changes in comparative information prepared on an IFRS 17 basis are presented below. The changes reflect the effects of applying IFRS 17 accounting principles and methods as presented in Note 3.11.15.

Transitional arrangements

IFRS 17 – Insurance Contracts proposes three transition approaches that may be applied to each group of insurance contracts:

- **The Full Retrospective Approach (FRA)**, whereby all accounting components of insurance contracts are recalculated from the contracts' inception. This approach is compulsory if the data is available. Where this is not the case, the approaches described below may be applied.

The Full Retrospective Approach has been applied for La Banque Postale Assurances non-life contracts and for certain CNP Assurances term creditor insurance cohorts.

- **The Fair Value Approach (FVA)**, whereby insurance contracts are measured at fair value at the transition date.

This approach is applied to the majority of insurance contracts written by the group, particularly savings and pensions contracts.

- **The Modified Retrospective Approach (MRA)**, which provides for simplification measures to avoid the additional cost of producing historical contract data.

This approach has been used primarily for contracts written by LBP Prévoyance.

Other comprehensive income (OCI) accumulated in equity at the transition date

For groups of contracts measured using the MRA or FVA model on transition to IFRS 17 for which finance income or expense is disaggregated between profit or loss and OCI in accordance with IFRS 17.88(b) or 89(b), the subsequent reclassification to profit or loss of OCI amounts accumulated in equity, as initially determined at transition, must be supported by a reconciliation from the opening to closing balance (IFRS 17.116).

Discontinuation of the overlay approach

The overlay approach was applied pending adoption of IFRS 17. As permitted under IFRS 4 for the underlying assets of insurance contracts, it was applied to assets that were measured at fair value through profit or loss under IFRS 9 – Financial Instruments (which was applicable from 1 January 2018, with some exceptions) and according to a different model under IAS 39 – Financial Instruments (applicable prior to IFRS 9). The overlay approach consists of reclassifying fair value adjustments to designated financial assets from the income statement to other comprehensive income, so that the amount reported in the income statement is the same as if IAS 39 had been applied to the designated financial assets.

At the transition date, the restatement enabling the use of the overlay approach to be cancelled retrospectively

reduced the gains and losses recognised directly in equity by means of an offsetting entry in consolidated

reserves for an amount of €1,245 million net of deferred tax.

Discontinuation of shadow accounting

The measurement models for insurance (and reinsurance) contracts in IFRS 17 have removed the need for shadow accounting adjustments, with the result that the balance sheet no longer includes any deferred participation assets or deferred participation liabilities.

Cancellation of intangible insurance assets (footnote 6 in the IFRS 17 application effects table)

IFRS 17 does not permit the separate recognition of intangible assets previously recognised under IFRS 4, such as portfolios of insurance contracts acquired in a business combination (Value of Business Acquired – VoBA), and insurance acquisition cash flows (deferred acquisition costs). These items are now included in the projected future cash flows from insurance contracts and, as such, represent a component of the Best Estimate.

Reclassification of part of the equities portfolio at fair value through OCI not reclassifiable to profit or loss

(footnote 1 in the IFRS 17 application effects table)

The group has applied the option of classifying equity instruments available for sale as assets at fair value through OCI not reclassifiable to profit or loss, as permitted by IFRS 17 for entities that already applied IFRS 9 in periods prior to the transition date. Future fair value adjustments to these assets will also be recognised through OCI without subsequently being reclassifiable to profit or loss, even in the event of their sale.

IAS 40 – Investment Property (fair value model)

(footnote 5 to the table below)

In accordance with the option offered by IAS 40, as amended following the publication of IFRS 17, the group elected to measure at fair value investment properties that are underlying components of insurance contracts measured using the VFA model. Property held that is only partially allocated to these contracts may not be measured partly at cost and partly at fair value.

Presentation of the group accounts

In accordance with ANC recommendation 2022-01, insurance investments continue to be presented within the accounting categories for banking activities in the balance sheet.

In the detailed analysis of net banking income (Note 7) and the note on the insurance income statement (Note 36.3.a), prepared in accordance with IFRS 17, insurance revenue no longer corresponds to premiums received during the period. Insurance revenue is now defined as the amount which reflects the consideration to which the insurer expects to be entitled in exchange for the services provided on an earned basis. It comprises the contractual service margin (CSM) released to profit for the reporting period, the risk adjustment (RA) released to profit for the period, revenue earned during the reporting period from providing insurance services (fulfilment cash flows) and amortisation of deferred acquisition costs.

2.3.1 Transition effects on the balance sheet

ASSETS								
(in € millions)	Footnote	31 Dec. 2021 Reported	Transition effects	1 Jan. 2022 Restated (a)	31 Dec. 2022 Reported	Transition effects	31 Dec. 2022 Restated (a)	
Goodwill		4,464	0	4,464	5,092	0	5,092	
Intangible assets	6	6,133	(913)	5,220	6,126	(797)	5,329	
Property, plant and equipment		6,792	(0)	6,792	6,582	(0)	6,582	
Other non-current assets		6,100	8	6,108	6,049	9	6,058	
Deferred tax assets		205	(40)	165	2,976	(666)	2,310	
Non-current assets		23,694	(945)	22,749	26,824	(1,453)	25,371	
Current assets		10,044	(0)	10,044	12,093	23	12,116	
Financial assets at fair value through profit or loss	1	231,420	(21,540)	209,880	222,722	(15,877)	206,845	
Financial assets at fair value through OCI	1	228,310	21,536	249,846	194,534	15,874	210,408	
Loans and advances to credit institutions at amortised cost	2	67,823	2,000	69,823	67,095	3,519	70,614	
Loans and advances to customers at amortised cost	2	123,117	(2,000)	121,117	129,628	(3,519)	126,109	
Revaluation differences on portfolios hedged against interest rate risks	3	101	0	101	721	(1,007)	(286)	
Insurance contracts issued - Assets	4	0	1,390	1,390	0	1,506	1,506	
Reinsurance contracts held - Assets	4	0	11,521	11,521	0	8,221	8,221	
Other financial assets and accruals	4	33,149	(26,274)	6,875	35,847	(26,529)	9,318	
Deferred participation	4	0	0	0	9,692	(9,692)	0	
Investment property	5	3,393	438	3,832	6,280	529	6,809	
Other assets specific to banking and insurance activities		75,314	0	75,314	67,687	0	67,687	
Assets specific to banking and insurance activities		762,627	(12,929)	749,699	734,206	(26,975)	707,231	
TOTAL ASSETS		796,365	(13,873)	782,492	773,123	(28,405)	744,718	

(a) Restated for the first-time application of IFRS 17.

EQUITY AND LIABILITIES

(in € millions)

	Footnote	31 Dec. 2021 Reported	Transition effects	1 Jan. 2022 Restated (a)	31 Dec. 2022 Reported	Transition effects	31 Dec. 2022 Restated (a)
Equity attributable to owners of the parent	7	20,932	959	21,891	17,546	3,835	21,381
Non-controlling interests		11,718	507	12,225	7,767	320	8,087
CONSOLIDATED EQUITY		32,650	1,466	34,116	25,313	4,155	29,468
Deferred tax liabilities (non-current)		1,217	622	1,839	885	777	1,663
Trade and other payables		9,140	(9)	9,130	9,903	47	9,950
Other current and non-current liabilities		18,314	(1)	18,313	19,551	(2)	19,549
Non-current liabilities		16,411	621	17,032	16,269	777	17,045
Current liabilities		12,260	(9)	12,251	14,072	45	14,117
Liabilities due to central banks and credit institutions	2	30,393	15,915	46,309	26,445	17,565	44,009
Customer deposits	2	234,582	(15,914)	218,668	233,276	(17,564)	215,712
Revaluation differences on portfolios hedged against interest rate risks	3	422	0	422	294	(1,007)	(713)
Insurance contracts issued and reinsurance contracts held	4	0	411,650	411,650	0	364,613	364,613
Other financial liabilities and accruals	4	18,674	(13,204)	5,469	19,810	(13,331)	6,480
Current banking and insurance activity technical provisions (including the home savings provision)	4	414,584	(414,398)	186	383,763	(383,657)	106
Other liabilities specific to banking and insurance activities		36,389	0	36,389	53,881	0	53,881
Liabilities specific to banking and insurance activities		735,044	(15,951)	719,093	717,469	(33,381)	684,088
TOTAL EQUITY AND LIABILITIES		796,365	(13,873)	782,492	773,123	(28,405)	744,718

(a) Restated for the first-time application of IFRS 17.

Footnote 1:

As permitted by IFRS 17, the group has applied the option of classifying equity instruments available for sale in the amount of €21,540 million as assets at fair value through OCI not reclassifiable to profit or loss.

Footnote 2:

Securities received and delivered under repurchase agreements are now included in amounts due to credit institutions on both the assets and liabilities sides of balance sheet.

Footnote 3:

Revaluation differences on portfolios hedged against interest rate risks reclassified between assets and liabilities at 31 December 2022. The reclassification had no impact on the net revaluation difference at 31 December 2022, representing a positive €427 million.

Footnote 4:

Effect of applying IFRS 17 on the presentation and measurement of insurance and reinsurance assets and liabilities.

Footnote 5: Remeasurement of investment property at fair value (amendment to IAS 40).

Footnote 6: Cancellation of intangible assets corresponding to (i) the Value of Business Acquired

(VOBA), in the amount of €913 million, and (ii) contractual customer relationships in the unit-linked business in Italy and the pensions business in Brazil.

Footnote 7:

Application of IFRS 17 led to a €1,466 million increase in equity at 1 January 2022, of which €959 million was attributable to owners of the parent. The increase reflected: (i) the €1,542 million positive impact of fair value adjustments to insurance and reinsurance assets and liabilities (see footnote 4), of which €385 million attributable to owners of the parent, (ii) the €381 million positive impact of fair value adjustments to investment property, of which €300 million attributable to owners of the parent (see footnote 5), (iii) the €311 million negative impact of cancelling intangible assets represented by the Value of Business Acquired and contractual customer relationships (footnote 6), of which a €313 million increase in equity attributable to owners of the parent, and (iv) the €151 million negative impact of cancelling contractual customer relationships (footnote 6), of which €57 million attributable to owners of the parent.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1** Basis of consolidation
- 3.2** Foreign currency transactions
- 3.3** Consolidation of the La Banque Postale segment
- 3.4** Operating revenue
- 3.5** Income tax and tax consolidation
- 3.6** Intangible assets
- 3.7** Property, plant and equipment and investment properties
- 3.8** Leases
- 3.9** Impairment of goodwill, other intangible assets, property, plant and equipment, investment property measured using the cost model and right-of-use assets (IFRS 16)
- 3.10** Other financial assets
- 3.11** Financial assets and liabilities of banking and insurance activities
- 3.12** Distinction between debt instruments and equity instruments
- 3.13** Bond debt and derivative financial instruments relating to the management of bond debt
- 3.14** Provisions
- 3.15** Employee benefits
- 3.16** Assets held for sale
- 3.17** Statement of cash flows

3.1 Basis of consolidation

3.1.1 Consolidation methods

Full consolidation

Companies controlled by the group are consolidated using the full-consolidation method.

Control is defined as having power over the relevant activities of the investee, exposure to variable returns from involvement in the investee and the ability to use the power over the investee to affect the amount of the investor's returns.

Equity method

Associates and joint ventures are accounted for using the equity method.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Joint control is the sharing of control of an arrangement by a limited number of partners or shareholders, so that the financial and operating policy decisions of the investee require the unanimous consent of the parties sharing control.

An associate is an entity over which the group has significant influence.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of the investee.

Investments accounted for using the equity method are initially recognised at cost in the balance sheet under "Investments in equity-accounted companies" and their carrying amount is adjusted thereafter for the post-acquisition change in the group's share of their net assets, less impairment losses.

Their profits or losses are presented in the consolidated income statement under "Share in profits of jointly-controlled companies", or under "Share in profits of other equity-accounted companies" when the group has only a significant influence.

Non-material controlled entities

Non-material and/or dormant entities, whose consolidation would not have a material impact on the presentation of a true and fair view of the net assets, financial position or profits and losses of the group's business activities, are not consolidated.

3.1.2 Consolidation rules

Intra-group transactions

All material transactions between consolidated companies, and proceeds on internal disposals, are eliminated.

Translation of financial statements of foreign companies

The consolidated financial statements are presented in euros, which is the functional and presentation currency of La Poste, the group's parent company.

The financial statements of group companies that use a functional currency other than the presentation currency are translated into the presentation currency as follows: the balance sheets are translated into euros at the period-end exchange rate and the income statements are translated into euros at the average exchange rate for the period. Any resulting translation differences are recognised directly in the consolidated balance sheet in equity, under "Translation reserve".

Goodwill and fair value adjustments resulting from the acquisition of a foreign operation are treated as the assets and liabilities of the foreign operation and converted at the period-end exchange rate.

Translation differences stemming from transactions consisting of net investments between group companies are recognised in the balance sheet in equity under "Translation reserve". Translation differences arising on the translation of loans and other foreign exchange instruments designated as hedging instruments for these net investments are charged to equity on consolidation.

When a foreign operation is disposed of, the translation differences initially recorded in equity are recognised in the income statement under disposal gains and losses.

3.1.3 Business combinations

Business combinations are recognised using the acquisition method, in line with IFRS 3 – Business Combinations.

When an exclusively controlled company is first consolidated, the acquisition cost corresponds to the fair value of the assets transferred, equity instruments issued or liabilities incurred or assumed at the date of exchange for control, and any adjustments to the cost contingent on future events.

Goodwill is the excess of the cost of a business combination over the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Negative goodwill (or a gain from a bargain purchase) is recognised in profit or loss on the acquisition date.

Goodwill is not amortised but is subject to impairment tests annually or more frequently when there are indications that it may have been impaired, using the method described in Note 3.9.

3.1.4 Transactions involving non-controlling interests

Acquisitions and disposals

Acquisitions and disposals of non-controlling interests that do not result in a change in control over the company in question are recognised in equity.

Put options written over non-controlling interests (NCI puts)

Pursuant to IAS 32 – Financial Instruments: Presentation, La Poste Groupe recognises a financial liability for put options granted to non-controlling shareholders of consolidated subsidiaries. When the value of the liability exceeds the value of the non-controlling interests, IFRS does not specify how it should be recognised.

La Poste Groupe has elected to recognise the difference between the liability and value of the non-controlling interests under reserves attributable to owners of the parent. Subsequent changes in the liability relating to variations in the estimated strike price of the NCI put and of the carrying amount of the non-controlling interests are recognised in attributable reserves.

3.2 Foreign currency transactions

Transactions denominated in foreign currencies are recognised based on the applicable exchange rates at the recognition date.

At the reporting date, assets and liabilities denominated in foreign currencies are translated at the applicable period-end exchange rate.

Translation differences arising on transactions denominated in foreign currencies are recognised in the income statement under "Other financial items", in the "Net foreign exchange gains/(losses)" line (see Note 13).

3.3 Consolidation of the La Banque Postale segment

To improve the clarity of the financial statements, items specific to La Banque Postale, corresponding to banking and insurance activities are presented on separate lines in the consolidated balance sheet and income

statement. A detailed presentation of these items is provided in the notes, in accordance with IFRS requirements.

The accounting policies applied to banking and insurance operations in the La Banque Postale segment are described in Note 3.11.

3.4 Operating revenue

Revenue from commercial activities

Revenue from the sale of goods and services is recognised upon transfer of the significant risks and rewards of ownership of an asset to the customer. It is thus recorded as and when the related service is provided, with the exception of revenue from sales of postage stamps and pre-paid envelopes, which is recognised at the time of sale (except in exceptional circumstances).

As a result, the time taken to ship mail and parcels is taken into consideration when assessing revenue at the reporting date.

Net banking income

Net banking income in the consolidated income statement is the net balance of banking income and expenses for La Banque Postale and all its subsidiaries, including CNP Assurances' insurance businesses. It is measured in accordance with the accounting policies applicable to banks. A breakdown of net banking income is provided in Note 7.

3.5 Income tax and tax consolidation

The La Poste parent company has opted for a tax consolidation regime and is the head of the tax group.

Deferred taxes are recognised whenever there is a temporary difference between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred taxes recognised in prior periods are adjusted to reflect any changes in tax rates. The corresponding impact is recorded as an increase or decrease in the deferred tax expense in the income statement unless it relates to items recognised directly in equity, in which case the tax is recognised in equity.

All deferred tax liabilities related to taxable temporary differences are recognised. Deferred tax assets resulting from temporary differences, the carryforward of tax losses or tax credits are recognised if it is probable that they will be recovered (i.e. to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised). This is determined based on a schedule for all deferred tax bases, using the entity's best estimate of future changes in its taxable profit (see Note 14).

Deferred tax assets and liabilities are offset within the same taxable entity.

The income tax consequences of dividend payments on financial instruments classified as equity instruments are recognised in profit or loss.

3.6 Intangible assets

IAS 38 – Intangible Assets defines an intangible asset as an identifiable non-monetary asset without physical substance. An asset is identifiable if it either is separable or arises from contractual or other legal rights.

Intangible assets primarily consist of software and leasehold rights and are recognised at acquisition cost

less amortisation and any impairment losses. Software is amortised on a straight-line basis over its useful life (usually one to three years). Leasehold rights are not amortised.

Research and development expenditure

Expenditure on research is recognised as an expense when it is incurred.

Development expenditure is recognised as an intangible asset if all of the recognition criteria set out in IAS 38 are met. The asset is amortised on a straight-line basis over its useful life (three years on average, five years maximum) from the day it is commissioned.

Development expenditure that does not meet the above criteria is recognised as an expense when it is incurred.

Contractual customer relationships

When an insurance business is acquired, the fair value of the future economic benefits expected to flow to the group from the current contractual customer relationships is recognised as an intangible asset, provided that a sufficiently reliable estimate can be made of premium renewals. Contractual customer relationships are amortised on a straight-line basis over their estimated useful life, reflecting the period during which the economic benefits are expected to be consumed.

This concerns individual death/disability insurance in Brazil (10-year amortisation period) and individual death/disability insurance in France (15-year amortisation period).

When an asset management business is acquired, the fair value of the future economic benefits expected to flow to the group from the current contractual customer relationships is measured. Based on this measurement, an intangible asset is recognised in respect of the acquired management contracts and dedicated funds managed on behalf of institutional customers. The intangible asset is amortised on a straight-line basis over the estimated life of the contractual customer relationships, as determined on a run-off basis taking into account the probability of the contracts being renewed.

Distribution agreements

The value of a distribution agreement represents the future cash flows expected to be generated by new business written through the partner network under the agreement. The intangible asset recognised for a distribution agreement is determined based on the agreement's specific terms and conditions and is amortised over the term of the agreement taking into account a residual value where appropriate.

Amortisation and impairment of contractual customer relationships and distribution agreements are recognised in "Amortisation of value of in-force business and distribution agreements" in the income statement.

3.7 Property, plant and equipment and investment properties

Property, plant and equipment consists primarily of land, buildings, technical facilities, equipment, tools, and computer hardware. These assets are recognised at cost less depreciation and any impairment losses.

3.7.1 Acquisition cost of property, plant and equipment

The cost of an item of property, plant and equipment is only capitalised if it gives rise to a resource controlled by the group as a result of past events and it is probable that future economic benefits associated with the item will flow to the group.

The cost of the asset includes any additional costs directly attributable to acquiring the asset and to bringing it to the condition necessary for it to be capable of operating.

Borrowing costs are included in the acquisition cost of qualifying assets, in accordance with IAS 23 – Borrowing Costs.

Investment grants received for the acquisition of property, plant and equipment are presented as a liability in the balance sheet and recognised in profit or loss on a straight-line basis over the useful life of the asset.

3.7.2 Breakdown of the original value of property, plant and equipment by component

A component is a part of property, plant and equipment that has a different useful life, or that generates economic benefits at a rate that differs from that of the asset as a whole.

La Poste Groupe has identified the following components:

ASSET	COMPONENTS
Property portfolio	Shell, roofing, joinery and external work, major equipment items, small equipment items, fixtures and fittings, land
Sorting machines	Mechanical parts, intelligence, peripherals A fourth component (feeders and measuring instruments) has been identified for TPGD parcel sorting machines
Sorting-area equipment	Mechanical parts, intelligence
Automated teller machines (ATMs)	Machine, installation

3.7.3 Depreciation periods

Property, plant and equipment is depreciated on a straight-line basis over its useful life. The average useful lives are as follows:

ASSET	DEPRECIATION PERIOD
Buildings	
Shell	20 to 80 years
Roofing	20 to 60 years
Joinery and external work	20 to 40 years
Major equipment items	15 to 20 years
Small equipment items, fixtures and fittings	5 to 10 years
Equipment	
Sorting machines	5 to 15 years
Sorting-area equipment	5 to 8 years
Office equipment and computer hardware	3 to 5 years
Office furniture	10 years
ATMs	5 to 10 years
Transport vehicles	3 to 5 years

Land is not depreciated.

3.7.4 Special case of investment property Classification on the group's balance sheet

At 31 December 2023, virtually all investment property was within the scope of La Banque Postale's insurance businesses. They are thus presented in assets specific to banking and insurance activities.

Investment property for other activities represents a non-material amount and is presented under property, plant and equipment.

Principles

Investment property is property (land or building) held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business.

The group has elected to measure investment property using the cost model, as allowed by IAS 40, except for properties held in portfolios underlying direct participating insurance contracts and investment contracts with discretionary participation features measured using the VFA model, which are measured at fair value.

The fair values of properties measured using the cost model are also disclosed in these notes to the financial statements. Fair value is the price that would be received to sell a property or shares in a non-trading property company in an orderly transaction. It is determined on the basis of five-year valuations performed by a qualified expert recognised by the French insurance regulator (ACPR). In the period between two five-year valuations, fair value is estimated at each year-end and the amounts obtained are certified by a qualified expert.

3.8 Leases

The following principles concern leases in which the group is the lessee.

The principles applied to external leases where the group is the lessor are described in Note 3.11 – Assets and liabilities of banking and insurance activities.

Under IFRS 16, a contract – regardless of its legal form – is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When the asset is not identified, the contract is qualified as a contract for the provision of services.

For all external leases for which the group is the lessee, it has the following consequences:

- recognition of a lease liability equal to the present value of the lease payments not paid for the remainder of the lease term (non-cancellable period as well as both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option);
- recognition of a right-of-use asset, depreciated over the term of the lease.

At 1 January 2019, La Poste Groupe elected to use the modified retrospective approach.

The group thus applied the following practical expedients provided for in the standard:

- exclusion of leases for which the underlying asset is of low value;
- exclusion of leases with a remaining term of 12 months or less;
- option not to capitalise initial direct costs incurred to obtain leases;
- adjustment of the right-of-use asset by the amount of any provisions for onerous leases as an alternative to impairment testing.

Application of IFRS 16 has not resulted in any change in the reported amounts of finance leases within the

meaning of IAS 17. The group has elected not to apply IFRS 16 to leases on intangible assets.

Lease terms are determined based on an analysis of any termination and extension options. This position is consistent with that published by the IFRS IC on 16 December 2019 insofar as the group's open-ended leases may be terminated by either party at any time subject to a negligible penalty at most, and insofar as the carrying amount of the arrangements in question may not, in the cases at hand, constitute anything more than an insignificant penalty.

Discount rates were determined at the transition date and are measured in subsequent periods, in accordance with the standard, in reference to the lessee's incremental borrowing rate for each term, taking into account the timetable of debt repayments. They are based on the risk-free rate for the currency of the lease, the group's credit risk and the estimated additional credit risk for subsidiaries.

At the transition date, the group used the term of each lease as at the commencement date so as to ensure consistency with the method used to determine the carrying amount of the aforementioned right-of-use asset.

With regard to the right-of-use asset, the group opted for the transition on 1 January 2019 to apply to most of its leases the provision whereby the carrying amount of the right-of-use asset is determined as if the standard had been applied on the commencement date of the lease, taking into account any subsequent changes to the contract.

Lease liabilities presented in the balance sheet result from the application of IFRS 16 as of 1 January 2019 (see Note 18).

3.9 Impairment of goodwill, other intangible assets, property, plant and equipment, investment property measured using the cost model and right-of-use assets (IFRS 16)

Goodwill and other intangible assets with indefinite useful lives are systematically tested for impairment at least annually, and whenever an indication of impairment is identified.

Other intangible assets and property, plant and equipment are only tested for impairment when there is an indication that they may be impaired.

An impairment test involves comparing the carrying amount of an asset, or of the cash-generating unit to which it belongs, with its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Where the recoverable amount of a capitalised asset or group of assets falls below the carrying amount, an impairment loss is recognised to reduce the carrying amount to the recoverable amount, starting with any goodwill.

Fair value less costs of disposal is the amount that could be obtained by selling an asset at the measurement date in an arms' length transaction, net of any disposal costs.

The value in use of an asset or group of assets is the present value of the future cash flows expected to be

derived from an asset or cash-generating unit. The value in use of goodwill and certain other assets is generally determined using cash flow projections based on financial budgets/forecasts approved by the group.

These forecasts generally cover a five-year period within the group, beyond which cash flows are extrapolated using a low growth rate, usually corresponding to inflation. These cash flows are discounted by applying the weighted average cost of capital for each relevant asset or group of assets.

Impairment of investment property

One indicator of impairment used by the group is a fall in value to more than 20% below cost.

If there is an indication of impairment, the recoverable amount of the property concerned is estimated. The recoverable amount of a property is the higher of its value in use and its market price less costs to sell, as determined by annual independent valuations of the group's entire property portfolio.

3.10 Other assets

Inventories and work-in-progress

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

The value of inventories is measured using the weighted average cost method, and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Trade receivables

When initially recognised, trade receivables on commercial activities are recognised at their nominal value, which in practice corresponds to the fair value of the receivables.

Provisions are calculated on an individual basis, based on an assessment of the risk of non-recovery.

Other current financial assets

These primarily include the current portion of the fair value of derivative financial instruments relating to La Poste's bond debt (see Notes 3.15 and 28).

Other non-current financial assets

This item includes notably (see Note 21):

- **loans granted for social housing**, recognised at amortised cost using the effective interest rate method. Loss allowances are set aside to take into account the maturities and repayment terms of these loans, as well as the estimated risk of non-recovery;
- **unconsolidated equity investments**.

Under IFRS 9 an irrevocable election may be made upon initial recognition of each instrument, to present subsequent changes in fair value in other comprehensive income note classifiable to profit or loss.

This option is most frequently used for unconsolidated equity investments.

When this option is used, the cumulative unrealised gain or loss in other comprehensive income is not transferred to profit or loss on disposal of the instrument. Only the dividends

received on the instrument affect profit or loss.

3.11 Financial assets and liabilities of banking and insurance activities

On the balance sheet, the specific assets and liabilities of banking and insurance activities are grouped together in dedicated items, whose content is similar to that presented in the La Banque Postale group's financial statements.

3.11.1 General principles for the recognition of financial assets and liabilities

Initial recognition

At initial recognition, financial assets and liabilities are measured at fair value plus or minus transaction costs directly attributable to their acquisition (with the exception of financial assets and liabilities recognised at fair value through profit or loss, for which transaction costs are recognised as an expense on initial recognition).

In practice, fair value generally corresponds to the instrument's sale price or transaction price.

Date of initial recognition

Securities are initially recognised at their fair value on the settlement/delivery date and derivatives are initially recognised at their fair value on the trade date. Changes in fair value between the trade date and the settlement/delivery date are recorded in profit or loss.

Loans and receivables are initially recognised at their fair value on the disbursement date.

3.11.2 Recognition of financial assets

Under IFRS 9, financial assets are classified based on the business model for managing the asset and the characteristics of the asset's contractual cash flows (basic lending arrangement criterion).

Business models

A business model corresponds to the way a group of financial assets is managed together to generate income. It describes the way in which the assets are managed. The group identifies business models based on objective and observable facts such as the business' organisation, IT system, internal reports, risk-monitoring process, or past management decisions (past disposals, for example).

There are three types of business model:

- a business model whose objective is achieved by holding financial assets in order to collect contractual cash flows ("hold to collect" model);
- a business model whose objective is achieved by collecting contractual cash flows and selling the financial assets ("hold to collect and sell" model);
- a business model for other financial assets that is neither a "hold to collect" nor a "hold to collect and sell" model.

This model primarily concerns financial assets held for trading.

Identification of the business model is documented within each of the group's business lines.

Changes in business model are very rare by nature. When they do occur, they must be decided by the management of the business line with the agreement of Senior Management in response to internal or external developments that are significant in relation to

the business and observable by external parties. In practice, a change of business model may be decided only in response to the discontinuation or launch of a material line of business. One example would be the disposal of a business line previously managed according to the “hold to collect” model: in this case, the entity no longer sells this type of financial instrument and reclassifies all the assets concerned to a “Trading” business model.

The reclassification of debt instruments that pass the SPPI test is mandatory in the event of a change of business model and is not allowed in all other cases.

The reclassification is performed prospectively, without restating prior period balance sheets or income statements.

Moreover, the reclassification must be performed at the opening date of the first reporting period starting after the effective date of change in the business model (i.e., either 1 July or 1 January).

Basic lending arrangement criteria, or the “SPPI” test

The objective of the SPPI test is to ensure that the instrument’s contractual cash flows consist “solely of payments of principal and interest” on the principal amount outstanding. In other words, the instrument must have the features of a “basic lending arrangement”.

Principal is defined as the fair value of the financial instrument at initial recognition in the balance sheet.

Interest can include several components, of which:

- compensation for the passage of time, i.e. the time value of money;
- compensation for the credit risk on the loaned amount;
- compensation for liquidity or administrative costs; and;
- a profit margin.

Financial assets that meet the basic lending arrangement criterion are debt instruments such as traditional loans, fixed and variable-rate bonds and trade receivables. They also include responsible finance (green and social loans, impact finance, sustainability-linked loans) for which the contractual cash flows pass the SPPI test.

Financial assets that do not meet the basic lending arrangement criterion include debt instruments such as units in UCITS or structured securities.

By definition, derivatives and equity instruments such as equities and non-consolidated equity investments do not meet the basic lending arrangement criterion.

Under IFRS 9, financial assets are classified in one of the four categories described in sections 3.11.3 to 3.11.6.

3.11.3 Financial assets at amortised cost

Debt instruments that are managed to collect contractual cash flows until maturity (“hold to collect” model) and whose contractual flows consist solely of payments of principal and interest on the principal amount outstanding (i.e., meeting the basic lending arrangement or SPPI test criterion) are classified as financial assets at amortised cost.

The objective of the “Hold to collect” business model is to hold the assets over a long period or until maturity to collect the contractual cash flows. In principle, financial assets allocated to this business model are not sold.

However, their sale may be allowed in some circumstances (for example, sales due to an increase in the credit risk or of assets that are close to maturity, frequent sales representing non-material amounts, and isolated sales representing material or non-material amounts).

After initial recognition, financial assets at amortised cost are measured using the effective interest method, with application of the impairment requirements of IFRS 9.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset to its initial fair value. Effective interest includes transaction costs and all fees and points paid (arrangement fees, commitment fees – when drawdown is deemed more likely than not – or participation fees) and all other premiums or discounts. This effective interest rate corresponds to the yield to maturity.

Within the group, this category of financial assets includes most loans and advances to customers and credit institutions, as well as most of the debt securities that make up the investments of the banking activity.

3.11.4 Financial assets at fair value through OCI reclassifiable to profit or loss

Debt instruments that are managed to collect the contractual cash flows and sell the assets (“hold to collect and sell” model), with contractual flows that consist solely of payments of principal and interest on the principal amount outstanding (meeting the basic lending arrangement or SPPI test criterion), are classified as financial assets at fair value through other comprehensive income reclassifiable to profit or loss.

They are initially recognised at fair value and fall within the scope of IFRS 9 impairment requirements.

Accrued or earned income is qualified as interest income and recognised in the income statement under net banking income at the effective interest rate.

At the reporting date, financial instruments in this category are measured in the balance sheet at fair value and changes in fair value excluding revenue are recognised in other comprehensive income reclassifiable to profit or loss, except for foreign exchange differences on foreign currency monetary assets, which are recognised directly in profit or loss.

In accordance with the credit risk impairment model, changes in expected credit losses on these instruments are reclassified from OCI to profit or loss under cost of risk. (under the line Depreciation, amortisation, provisions and impairment for bank activities and under Net banking income for insurance activities).

When the securities are sold, the cumulative unrealised gain or loss previously recorded in other comprehensive income is transferred to profit or loss under “Net gains or losses on financial assets at fair value through other comprehensive income reclassifiable to profit or loss”.

3.11.5 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss is the default category under IFRS 9.

It includes debt securities that do not meet the basic lending arrangement criterion (units in UCITS, for example) and equity instruments that are not classified as financial assets at fair value through other

comprehensive income not reclassifiable to profit or loss.

It also includes derivatives and other financial assets that are held for trading, i.e., acquired or issued with the intention to sell them in the short term. In the case of the group, it notably includes loans to local authorities eligible for sale to Caffil.

More broadly, this category includes all financial assets held under a management model that is neither a hold to collect nor a hold to collect and sell model.

Changes in fair value of assets classified in this category are recorded in the income statement.

3.11.6 Impairment of financial assets

The impairment method set out by IFRS 9 requires loss allowances to be recognised for expected credit losses (and not incurred losses as was previously the case), and for changes in credit risk since initial recognition of an asset to be taken into account.

IFRS 9 defines an impairment model applicable to all financial assets giving rise to a counterparty risk (excluding equity instruments) that are not measured at fair value through profit or loss, including all financial assets at amortised cost and at fair value through other comprehensive income reclassifiable to profit or loss. The model also applies to lease receivables, loan commitments and financial guarantee contracts.

A loss allowance corresponding to 12-month expected credit losses is recorded on initial recognition of financial assets measured at amortised cost and at fair value through other comprehensive income reclassifiable to profit or loss. The allowance is maintained at that amount provided that the credit risk does not increase significantly. 12-month expected credit losses correspond to the total loss given default, weighted by the 12-month probability of default. These assets are classified in bucket 1.

If the credit risk on a financial asset has increased significantly since initial recognition, the loss allowance is measured at an amount equal to the lifetime expected credit losses. Lifetime expected credit losses correspond to the total loss given default weighted by the lifetime probability of default. These assets are classified in bucket 2.

Financial assets that are credit impaired are classified in bucket 3 and the loss allowance corresponds to an amount equal to the lifetime expected credit losses.

For assets at amortised cost, the expected credit losses are recognised in "Cost of risk" in the income statement, and the loss allowance is deducted from the carrying amount of the financial asset.

Significant increase in credit risk

Increase in credit risk is defined in relative, not absolute, terms. This relative approach implies being able to track the change in credit quality over time.

The group uses a certain number of indicators to detect a possible deterioration in credit quality of a counterparty (the principles are described in Note 34).

Bucket 1 and bucket 2 impairment methodology

Expected credit losses correspond to the difference between the contractual cash flows that the entity has the right to receive and the cash flows that the entity expects to recover, discounted at the financial asset's effective interest rate.

The cash flows that the entity has the right to receive take account of all the contractual terms of the financial

instrument over its expected lifetime (for example, early repayment options, extension options, etc.), and include cash flows from exercising contractual guarantees that are analysed as being integral to the asset.

Expected credit losses are estimated based on the probability of default by the counterparty. Probability of default corresponds to the probability of the debtor defaulting within a given time period.

For bucket 1, the time period is 12 months. For bucket 2, the time period is the lifetime of the instrument. The methodology for calculating expected credit losses is described in Note 34.

Within the group, impairment of credit is statistical (by homogeneous categories presenting similar risk characteristics), with the possibility of adjustment based on an expert's opinion in certain particular cases, notably for loans granted to corporates.

Measurement of expected credit losses under IFRS 9 takes into account reasonable and supportable information about past events, current conditions and forecasts of future economic conditions ("forward looking" information).

The forward-looking component is obtained via an approach consisting of three modelled scenarios. The final loss allowance corresponds to the average of the scenarios weighted by each scenario's probability of occurrence. The methodology for calculating this component is described in Note 34.

Defaulted loans in bucket 3

IFRS 9 does not provide any definition of default. On the contrary, it encourages the use of a definition that is consistent with the one used by the entity for the purpose of its risk management policy.

European Banking Authority (EBA) guidelines concerning application of the definition of default in Article 178 of Regulation (EU) No 575/2013, applicable from 1 January 2021, and the provisions of Regulation (EU) No 2018/1845 of the European Central Bank in relation to the threshold for assessing the materiality of credit obligations past due, applicable from 31 December 2020 at the latest, must strengthen overall consistency in the practices of European credit institutions as regards the identification of defaulted loans.

The definition of defaulted loans has been clarified by the introduction of a relative threshold and an absolute threshold to be applied to payments past due for the purpose of identifying situations of default, by clarifying the criteria for reclassifying loans as performing after a probationary period and introducing explicit criteria for classifying restructured loans as defaulted loans.

The group has applied these new guidelines for the purpose of identifying defaulted loans since 2020. The clarifications are consistent with the criteria used to assess the impaired status of bucket 3 loans by applying the impairment requirements of IFRS 9 relating to the recognition of expected credit losses.

In addition to identifying defaulted loans on the basis of regulatory criteria applicable to payments past due, a financial asset is considered to be credit impaired when a credit event has occurred that is indicative of financial difficulties.

The group considers that there is an objective indication of default when:

- one or more missed payments are overdue by more than three months;
- an application for relief from excessive levels of consumer debt has been made to the Banque de France, even if no payment incident has occurred;
- legal proceedings are in progress;
- the loan is considered “high-risk” under the group’s risk management policy.

For home loans, allowances for defaulted home loans are calculated by weighting the regulatory “best estimate of the expected credit loss on the exposure at

default” are weighting by the regulatory “best estimate of the expected credit loss on the exposure at default” subject to certain accounting adjustments (such as the elimination of overweighting in risk monitoring analyses for the impact of an economic slowdown). The best estimate takes into account the period during which the loan is in default and the type of guarantee.

For lease finance and corporate loans, loss allowances are tracked monthly and adjusted as necessary based on expert judgement. An impairment loss is recognised for the difference between the carrying amount and the net present value of the expected cash flows, discounted at the original effective interest rate and determined after taking account of the financial position of the borrower and the present value of guarantees received.

Loans no longer classified in bucket 3

For home loans, in the event of reassessment of impaired home loans, all or part of the loss allowance may be reversed, and the loan removed from bucket 3 when all arrears have been settled and at least three consecutive monthly instalments have been paid on time (except for restructured loans, which are subject to a 12-month probationary period prior to their removal from bucket 3).

For lease finance and corporate loans, the loans may be removed from bucket 3 following a probationary period during which no credit event occurs (90 days, except for restructured loans for which the probationary period to exit from bucket 3 is 12 months).

Write-offs

Writing off a financial asset means reducing its gross carrying amount when there is no longer a reasonable expectation of recovering the asset in its entirety or a portion thereof, or when repayment of all or part of the amount due has been waived.

The decision about when to write off a financial asset is guided by expert judgement based on knowledge of the matter (period during which the loan has been in default, loss allowance, amount involved, absence of any recent recoveries or other specific details). Amounts are only written off when all attempts at recovery have failed.

Restructuring operations

Restructured loans are loans for which the original financial terms have been modified due to the borrower’s financial difficulties.

Restructuring operations are defined according to two main criteria:

- concessions by the bank;

- financial difficulties experienced by the borrower. The accounting treatment differs depending on whether or not the restructuring is qualified as substantial based on quantitative or qualitative analyses.

When the loan is maintained on the balance sheet (non-substantial restructuring), the discount on interest payments decided at the time of the restructuring is recorded under cost of risk and on the balance sheet as a deduction from the outstanding loan. It corresponds to the difference between the nominal value of the debt before the restructuring and the discounted value at the original effective rate of the new expected future cash flows. The discount is recognised through profit or loss in the interest margin, according to an actuarial method over the term of the loan.

Any waiver of principal is directly recorded in the income statement.

Where the restructuring is considered as substantial, the restructured financial asset is derecognised and a new financial asset is recognised.

3.11.7 Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when these rights and substantially all the risks and rewards of ownership are transferred to a third party.

Within the group, most loan renegotiations lead to derecognition, as the contractual rights are substantially modified.

Collateralised repurchase agreements

Securities sold under collateralised repurchase agreements are not derecognised and a liability is recognised for the obligation to return the cash received. This financial liability is recognised at amortised cost, with the exception of transactions entered into as part of trading activities, which are recognised as liabilities at fair value through profit or loss.

The acquirer does not recognise the securities received but records a receivable for the cash loaned to the seller. This receivable is carried in loans and receivables for its nominal amount, except for transactions entered into as part of trading activities, which are recognised in financial assets at fair value through profit or loss.

In subsequent reporting periods, the securities continue to be measured using the model applicable to their original category.

Securities lending

Securities lending/borrowing transactions do not qualify as transfers of financial assets as defined in IFRS. Consequently, the loaned securities are not derecognised, but continue to be classified in their original category and measured according to the requirements of that category.

3.11.8 Financial liabilities

General principle for the classification of financial liabilities

All financial liabilities are classified by default as subsequently measured at amortised cost.

At each reporting date, financial liabilities are recorded in the balance sheet under “Liabilities due to credit institutions”, “Customer deposits”, “Debt securities” or “Subordinated debt”.

They are measured using the effective interest rate except where they are the subject of a fair value hedge.

Liabilities due to credit institutions and customers

Liabilities due to credit institutions and customer deposits are broken down by original maturity and by type: demand (demand deposits, ordinary accounts) or term (regulated savings accounts). Liabilities due to credit institutions include loans represented by collateralised repurchase agreements.

Debt securities

Debt securities consist of issued money market securities.

Subordinated debt

Subordinated debt is debt that is subordinate in ranking to all other debts of the issuer for repayment purposes in the case of a liquidation. It is measured at amortised cost, except where it is the subject of a fair value hedge.

Financial liabilities at fair value through profit or loss

Financial liabilities classified in this category correspond to derivatives and other financial liabilities held for trading and liabilities designated at initial recognition as measured at fair value through profit or loss in accordance with the option provided by IFRS 9, when doing so results in more relevant information because:

- it eliminates or significantly reduces an accounting mismatch – this is the case for some of the group's structured issues;
- a group of financial liabilities is managed and its performance is evaluated on a fair value basis;
- the financial liabilities are hybrid financial instruments containing one or more embedded derivatives that are not closely linked to the host contract.

Financial liabilities designated as measured at fair value through profit or loss are accounted for as follows:

- changes in the fair value of these liabilities are recognised in profit or loss except for the portion relating to the group's own credit risk;
- changes in fair value relating to the group's own credit risk are recorded in other comprehensive income not reclassifiable to profit or loss. The cumulative gain or loss related to the group's own credit risk is not reclassified to profit or loss in the event of early repayment of the debt.

Financial liabilities with embedded derivatives

An embedded derivative is a component of a hybrid contract. It is separated from the host contract and recorded separately when, from the inception of the contract, its economic characteristics and the related risks are not closely linked to those of the host contract, except where the entire hybrid contract is measured at fair value through profit or loss. Within the group, this category of liability notably includes structured issues (Euro Stoxx-indexed).

Reclassification of financial liabilities

The classification of a financial liability at initial recognition is definitive and no subsequent reclassification is permitted.

Derecognition of financial liabilities

Financial liabilities are derecognised when the contractual obligation is extinguished, cancelled, or expires.

3.11.9 Derivatives and hedge accounting

A derivative is a financial instrument or other contract that has the following three characteristics:

- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (sometimes called the "underlying");
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

Derivatives are classified in two categories:

Derivatives held for trading

Derivatives are classified as held for trading, except for derivatives designated as hedging instruments. They are recognised in the balance sheet at fair value in "Financial instruments at fair value through profit or loss". Changes in fair value and accrued interest are recognised in "Net gains and losses on financial instruments at fair value through profit or loss".

Hedging derivatives

Entities may elect not to apply the new hedge accounting requirements in IFRS 9 pending adoption of the new standard on macro-hedge accounting (also referred to as portfolio fair value hedge accounting). The group elected to apply the micro-hedge accounting requirements of IFRS 9 with effect from 1 January 2020. Concerning macro-hedges of interest rate risks, the accounting standard adopted for use in the European Union continues to apply.

Derivatives that qualify as hedging instruments based on the criteria in IFRS 9 (IAS 39 for portfolio fair value hedges) are classified as "fair value hedges" or "cash flow hedges" or "net investment hedges" as applicable. They are included in "Hedging derivatives" in the balance sheet. Other derivative instruments are classified as "Assets or liabilities at fair value through profit or loss" by default, even if they represent an economic hedge of one or several transactions.

A hedging relationship qualifies for hedge accounting only if there is formal designation and documentation of the hedging relationship (strategy for undertaking the hedge, designation of the hedged risk, the hedged item and the hedging instrument, description of the hedge effectiveness). Hedge effectiveness is assessed when the hedge is set up and at each reporting date while it remains in place.

There are three types of hedging relationships: fair value hedge, cash flow hedge and hedge of a net investment in a foreign operation.

Fair value hedges

A fair value hedge is a hedge of the exposure to changes in the fair value of financial assets or liabilities. Fair value hedges are primarily used to hedge the interest rate risk on fixed-rate assets and liabilities, as well as on demand deposits on the basis allowed by the European Union.

Gains or losses attributable to the hedged risk are recognised in “Net gains or losses on financial instruments at fair value through profit or loss” in the income statement. The effective portion of the gain or loss on the hedging instrument offsets the loss or gain on the hedged item. The ineffective portion of the gain or loss, if any, is recognised directly in profit or loss. The portion corresponding to accrued income or expenses and interest rate payments on the derivative is recognised in “Interest income and expense” in the income statement at the same time as the interest income and expense on the hedged item.

When the hedging instrument is derecognised, hedge accounting is discontinued prospectively (i.e. changes in the fair value of the underlying item that relate to the hedged risk are no longer measured and recognised) and the cumulative gain or loss on the hedged item is reclassified to profit or loss over the item’s remaining life, for as long as it is recognised on the balance sheet.

If the hedged item ceases to exist, the hedging instrument, also no longer qualified as such but still existing, continues to be carried in the balance sheet and measured at fair value through profit or loss. Any gain or loss on the sale of the hedged item is recognised in profit or loss, including the reclassification to profit or loss of the cumulative gain or loss in the balance sheet related to the previously hedged item.

Portfolio fair value hedges (macro-hedges)

Portfolio fair value hedging transactions carried out in connection with the management of fixed rate assets and liabilities are accounted for in accordance with IAS 39, as adopted by the European Union.

Portfolio fair value hedging instruments are mainly interest rate swaps designated as fair value hedges of the group’s fixed-rate liabilities.

They are accounted for according to the same principles as those described above. Fair value adjustments to the hedged positions are recorded in “Revaluation differences on portfolios hedged against interest rate risk”.

Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows from financial assets or liabilities, firm commitments or highly probable future transactions. Cash flow hedges are used to hedge the variability of future cash flows on adjustable-rate assets and liabilities.

The effective portion of the change in the fair value of the hedging instrument is accumulated in the cash flow hedge reserve in equity and the ineffective portion is recognised in the income statement in “Net gains or losses on financial instruments at fair value through profit or loss”.

The portion corresponding to accrued income or expenses and interest rate payments on the hedging instrument is recognised in “Interest income and expense on hedging transactions” in the income statement at the same time as the interest income and expense relating to the hedged item.

The hedged item continues to be measured according to the principles that apply to its accounting category. When the hedging instrument is sold, hedge accounting is discontinued. The cumulative gain or loss on the hedging instrument recorded in the cash flow hedge reserve is adjusted to the cumulative change in

fair value of the hedged item through interest income or expense, or recognised immediately in profit or loss.

If the hedged item is sold or otherwise disposed of or the hedged future transaction is no longer expected to occur, the hedging instrument is reclassified in “Financial assets or liabilities at fair value through profit or loss”, and the gains and losses accumulated in the cash flow hedge reserve are reclassified immediately to profit or loss.

Hedges of a net investment in a foreign operation

Hedges of a net investment in a foreign operation are intended to protect against exchange rate fluctuations when a net investment is denominated in a currency other than the euro.

A hedge of a net investment in a foreign operation is recognised like a cash flow hedge.

The amounts recognised in equity for the effective portion of the hedge are reclassified to profit or loss when the net investment is deconsolidated.

3.11.10 Offsetting of financial assets and liabilities

A financial asset and liability are offset and the net amount presented in the balance sheet when, and only when, (i) the group has a legally enforceable right to set off the recognised amounts, and (ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The legally enforceable right must be irrevocable and must be enforceable under all circumstances.

The legally enforceable right covers all transactions carried out by clearing houses and applies to the nominal amount of cash and interest included in the return cash flow.

Collateralised repurchase transactions that fulfil the above two criteria are set off in the balance sheet when:

- both sides of the transaction have the same maturity;
- both sides of the transaction are denominated in the same currency;
- the transaction is settled using a settlement/delivery system that guarantees delivery of the securities against receipt of the associated cash, i.e., the same central securities depository.

Offsetting primarily concerns repurchase transactions carried out with the LCH Clearnet and Eurex clearing houses.

3.11.11 Guarantee commitments

Financial guarantee contracts

The group has opted to account for financial guarantee commitments in accordance with IFRS 9. Under IFRS 9, a contract meets the definition of a financial guarantee contract if it includes an indemnity clause whereby the issuer is required to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued by the entity are initially recognised at their fair value on the date of issue. They are subsequently measured at the higher of the amount of the obligation and the amount initially recognised, less the related fee income, where applicable.

Financial guarantees (which are not subsequently measured at fair value through profit or loss) are subject to the impairment requirements of IFRS 9, with any loss allowance recorded in liabilities. Financial guarantees are allocated to buckets and an allowance is recorded for expected losses in the same way as for financial assets at amortised cost or at fair value through other comprehensive income reclassifiable to profit. Changes in the loss allowance are recorded in cost of risk.

3.11.12 Financing commitments

Financing commitments that are not classified as derivatives are not recognised in the balance sheet.

However, in the same way as for financial guarantees, financing commitments (not classified as derivatives) are subject to the impairment requirements of IFRS 9, with any loss allowance recorded in liabilities.

3.11.13 Lease accounting – group as lessor

Leases where the group is lessor are classified as either operating leases or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. Finance leases are analysed as financing granted to the lessee for the purchase of an asset.

At the commencement date of the finance lease, the net investment in the lease – corresponding to the present value of future lease payments plus any residual value – is recognised as an asset, under “Loans and advances to customers”.

The interest component of lease payments is recorded under “Interest income” in the income statement.

Periodic lease payments are applied against the gross investment in the lease to reduce both the principal and the unearned finance income, based on a pattern reflecting a constant periodic rate of return on the lessor’s net investment in the lease. The interest rate used to measure the net investment in the lease is the interest rate implicit in the lease.

Lease receivables are subject to the impairment requirements of IFRS 9.

Lease receivables are allocated to buckets and an allowance is recorded for expected losses in the same way as for financial assets at amortised cost or at fair value through other comprehensive income reclassifiable to profit. Changes in the loss allowance are recorded in cost of risk.

3.11.14 Accounting principles and methods under IFRS 17 – Insurance contracts

Scope and application in conjunction with the other IFRSs

IFRS 17 – Insurance Contracts, which was adopted by the European Union (EU) on 19 November 2021, is mandatorily applicable from 1 January 2023 with comparative information required for 2022. It replaces IFRS 4.

The new standard describes the principles for the recognition, measurement and presentation of insurance contracts falling within its scope, i.e., insurance and reinsurance contracts issued, reinsurance contracts involving significant insurance

risk and financial investment contracts issued that include a discretionary participation feature (DPF).

Financial investment contracts without DPF (unit-linked savings contracts without a traditional savings component (€) and without a guaranteed yield) are accounted for in accordance with IFRS 9.

Finally, IFRS 17 requires certain components of insurance contracts to be accounted for separately in accordance with the standards applicable to them. These include certain embedded derivatives, separate investment components and certain performance obligations such as the obligation to provide a non-insurance service or product.

For the group, contracts falling within the scope of IFRS 17 include:

- insurance contracts that transfer a significant risk to the insurer. This category includes death & disability policies, pension contracts, property damage policies and unit-linked savings policies with a capital guarantee;
- investment contracts with DPF. This category covers traditional savings contracts with DPF and unit-linked contracts that include a traditional savings component (€) with DPF.

Aggregation in groups of insurance contracts

IFRS 17 requires insurance liabilities to be measured at portfolio level.

The group defines a portfolio of contracts constituting an annual cohort and a profitability group (a group of contracts managed together, covering the same risks and with the same or similar margins). IFRS 17 stipulates that a cohort may not include contracts written more than one year apart.

To avoid the economic reality of insurance contracts involving intergenerational pooling of risks not being properly reflected in the financial statements, the European Union has introduced an optional exemption from the application of this annual cohort requirement. The group has chosen to apply this exemption.

A contract is assigned to a level of profitability and accounting model upon initial recognition. The group of contracts or the accounting model may not be modified subsequently, except to reflect a change in the contract terms (IFRS 17.72).

Portfolios of insurance contracts are divided into three profitability groups (IFRS 17.16):

- groups of contracts that are onerous at initial recognition.

A group of contracts is onerous if the sum of the fulfilment cash flows allocated to the contract, any previously recognised insurance acquisition cash flows and the cash flows arising from the contract at the date of initial recognition in total are a net cash outflow (IFRS 17.47);

- groups of contracts that at initial recognition have no significant possibility of becoming onerous subsequently;

- groups of contracts that at initial recognition have a significant possibility of becoming onerous subsequently.

Groups of onerous contracts

Where a group of contracts is onerous, a loss is recognised immediately in the income statement. The loss component is monitored in the management accounts until the contract is derecognised or becomes profitable.

Three measurement models for groups of non-onerous contracts

There are three measurement models, described below: the general model or Building Block Approach (BBA), the Variable Fee Approach (VFA), which is adapted from the general model, and the Premium Allocation Approach (PAA). The BBA model applies to contracts that are not accounted for using one of the other two models (VFA or PAA).

The VFA model is mandatory for certain direct participation contracts. The direct participation contracts concerned have all of the following characteristics: the policyholder is entitled to a share of clearly identified underlying assets, the group expects to pay the policyholder a substantial proportion of the “fair value returns” on the underlying assets and a significant proportion of the amounts paid to the policyholder will vary according to changes in the fair value of the underlying assets. The group also uses this approach for insurance contracts with investment components.

This model may not be applied to reinsurance contracts.

The PAA model is a simplified version of the BBA model. Its application is optional and subject to conditions. IFRS 17 specifies that the PAA model may be used as long as it provides an acceptable approximation of the liabilities’ value when the contracts in the group are taken out (i.e. the value is not materially different to that obtained using the BBA model, subject to the variability limits in IFRS 17.54), and for contracts where the period of cover (including cover in respect of premiums included in the contract boundary) is less than or equal to one year. It may also be applied to reinsurance contracts issued or held subject to compliance with the same criteria (IFRS 17.69).

For the purpose of applying the PAA, the initially recognised liability corresponds to the premiums received at initial recognition. This initial liability is subsequently adjusted for liabilities recorded in respect of incurred claims, in the same way as for the BBA or VFA models, and the remaining coverage.

The group makes limited use of this model, which is applied primarily to certain Brazilian contracts.

Insurance liability building blocks (VFA and BBA)

Insurance liabilities are broken down into three blocks in the VFA and BBA models:

- the first block, called Best Estimate, is the present value of future cash flows.

It represents the insurance company’s obligation towards its policyholders. The estimates of future cash flows encompass all future cash flows included in the boundary of each contract in the group (cash flows considered to be outside the insurance contract boundary are those relating to future insurance contracts). They incorporate unbiased estimates of all reasonable and supportable information available on the amount, timing and certainty of future cash flows. They are the expected value (i.e., the probability-weighted average) of all possible outcomes. Future cash

flows include premiums received, benefits paid and expenses allocated to each reporting period on the basis of the coverage unit defined for each group of contracts (including costs attributable to the contracts).

- **the second block, called the Risk Adjustment (RA)**, corresponds to the risk margin added to take account of the uncertainty concerning future Best Estimate cash flows. It corresponds to the group’s best estimate of its exposure to non-financial risk in an accounting environment and is based on a confidence level of between 80% and 100%. It is also in line with the five-year projection period used for the business plan. This adjustment is released to net banking income on the line “Insurance service expenses”.

- **the third and final block, known as the Contractual Service Margin (CSM)**, which represents expected profits not yet earned. At the date of initial recognition, when it is positive – a sign that a contract is expected to be profitable – it is recorded in liabilities. It is then released to profit over the life of the contracts as the services are provided, based on the coverage units reflecting the proportion of services provided over the period under the contracts in the group. The coverage units are determined prospectively at the end of each reporting period, taking into account the probability of occurrence of insured events affecting the expected coverage period of the group of contracts.

The intra-group margin paid by CNP to La Banque Postale for the distribution and management of its insurance products is subject to specific accounting treatment, as described in Note 35.4 b).

Coverage units

When a group of contracts affects several reporting periods, an indicator of the insurance services provided during each period – referred to as the coverage unit – is defined to enable income and expenses to be allocated to each reporting period.

By way of example, the following coverage units are used for the main types of contract:

- savings: mathematical provisions;
- pensions: mathematical provisions;
- term creditor insurance: outstanding principal;
- individual death & disability insurance – funeral insurance:
 - insured amount, principal at risk;
- individual death & disability insurance – long-term care insurance: insured amount for home improvements, number of contracts;
- term life insurance: premiums;
- group death & disability insurance: these are annual contracts and the total CSM is therefore recognised in profit in the reporting year.

Acquisition costs (VFA and BBA models)

Insurance acquisition cash flows are allocated to groups of insurance contracts using a systematic and rational method.

The costs are amortised for each group of contracts. Acquisition costs recognised in the reporting period are calculated using metrics that are representative of the services rendered during the period (premiums, mathematical provisions, etc.).

Discount rate (VFA and BBA models)

IFRS 17 requires the time value of money and the financial risks associated with future cash flows to be taken into account when estimating future cash flows, in cases where these risks are not taken into account in the estimates of these flows.

Depending on their nature, cash flows are discounted using the current yield curve (constructed using market information at the measurement date) or the yield curve at inception (constructed using historical data to obtain a measurement of liabilities on recognition).

The *illiquidity premium* is an adjustment resulting from differences between the liquidity characteristics of the group of insurance contracts and the liquidity of the assets used to establish the yield curve. It is applied to the risk-free yield curve, which is deemed to be liquid.

The time value of money is a component of finance expenses that corresponds to the increase in the carrying amount of the group of insurance contracts issued. It measures the increase in interest on all future cash flows, on the risk adjustment for non-financial risk and on the contractual service margin.

Experience adjustments

Experience adjustments are recorded for the difference between initial estimates of future cash flows and observed actual cash flows.

Experience adjustments leading to a change in fulfilment cash flows that relate to future insurance services adjust the CSM. Experience adjustments that relate to current or prior periods, and result from changes in estimates, are recognised in profit or loss for the period.

Derecognition

An insurance contract is derecognised when:

- it is extinguished, i.e., when the contractual obligation expires or is discharged or cancelled; or
- contract modifications result in the derecognition of the original contract and the recognition of a new contract.

Specific features of the VFA model (coverage units)

For Savings and Pensions contracts measured using the VFA model, in order to ensure that coverage units are correctly allocated to each financial year, the CSM released to profit in each period is adjusted based on actual results for the period. The main purpose of this adjustment is to provide a better understanding of the economic effects not considered in the initial CSM measurement by taking into account all the services rendered (asset management and performance). It is made for each Savings/Pensions portfolio measured according to the VFA model that is profitable at the balance sheet date, using a long-term approach that takes into account a risk premium and the cost of options and guarantees.

Discounting and unwinding of the discount of the CSM are not reported separately, but are captured indirectly by movements in the underlying items and fulfilment cash flows.

Specific features of the BBA model

Interest is accreted on the carrying amount of the CSM using fixed discount rates determined on initial

recognition of the group of insurance contracts. At each balance sheet date, the CSM is measured as the opening CSM less the cost of unwinding the discount, determined using the rate based on the discount curve at inception.

Recognition in other comprehensive income of changes in the fair value of the underlying assets of the insurance contracts

Under IFRS 17, subject to certain conditions, changes in the fair value of insurance liabilities may be recognised directly in equity (through OCI), instead of through profit or loss. This option mainly concerns the effect of changes in the discount rate applied to insurance liabilities. The group applies this option by mirroring the recognition in other comprehensive income of gains and losses on the underlying assets representing insurance obligations.

This option is applicable for insurance contracts that meet certain conditions, in particular with regard to the way in which the assets are managed and the obligations are measured. Election to apply the OCI option must be made consistently for all contracts in the same IFRS 17 portfolio. For participating contracts, the option applies to contracts meeting certain conditions, in particular concerning the intended holding period of the underlying assets.

By choosing this OCI option, the group reduces the volatility of financial results linked to fluctuations in the market value of assets, which is particularly useful for long-term insurance contracts exposed to market risks. In particular, the recognition in OCI of the effect of changes in interest rates on insurance liabilities reduces the sensitivity of the insurance service result to the volatility resulting from the measurement of liabilities at the current rate for each period.

Risk mitigation measures

The standard permits the use of financial instruments at fair value through profit or loss (notably derivatives) or reinsurance contracts held to mitigate the effect of the time value of money and financial risk on contracts with direct participation features. Risk mitigation measures are mainly applied to reinsurance contracts held.

In this case, the group elects to offset the impact on profit or loss of changes in fair value of the "hedging" instruments used by recognising in profit or loss:

- the amount corresponding to the CNP Assurances group's share of the fair value of the underlying items;
- changes in the effect of the time value of money and financial risks that do not result from the underlying items.

These provisions of IFRS 17 are applied by adjusting the CSM on direct insurance contracts for the difference compared to the CSM adjustment on reinsurance contracts held, as calculated using the VFA model and the BBA model. The finance expense corresponding to the risk mitigation effect is recognised in full in profit or loss as the OCI option is not applied to reinsurance contracts held by head office entities.

For reinsurance contracts measured using the VFA model, this approach eliminates differences resulting from the use of different measurement models for reinsurance contracts held and underlying items. In addition, it highlights the risk mitigation effect.

Specific accounting treatment of reinsurance contracts

This section describes the specific features of the measurement models applied by the group to reinsurance contracts.

Inward reinsurance (reinsurance contracts issued) consists of insurance contracts issued by the group, as reinsurer, to indemnify another entity (the ceding insurer) for claims covered by an insurance contract or group of insurance contracts issued by the ceding insurer (underlying contracts).

Outward reinsurance (reinsurance contracts held) consists of an insurance contract or group of insurance contracts taken out by the group, as ceding insurer, from a reinsurer, to cover claims under insurance contracts issued by the group. The term "ceded business" is also used to describe these contracts.

- *Definition of inward reinsurance portfolios*

The group does not create IFRS 17 portfolios specifically for reinsurance issued.

- *Definition of outward reinsurance portfolios*

The group aligns the definition of reinsurance contracts with the definition of the direct insurance portfolios.

This is because the contracts in question are quota-share treaties and the risks within a portfolio are considered to be automatically similar in terms of ceded commitments if they are deemed to be similar to direct insurance portfolios. The grouping of several reinsurance contracts in the same portfolio enables the group to consider that they are managed together in the sense that the common objective is to mitigate the risks on a portfolio of underlying contracts that in turn are managed together.

- *Measurement models*

As the VFA model is not permitted (IFRS 17.B109), the group applies the general model (BBA) to all reinsurance contracts issued and held in France.

- *Contract boundaries*

The reinsurer has a substantive obligation to provide insurance coverage or other services to the ceding insurer. The substantive obligation ends when:

- (i) the reinsurer has the practical ability to reprice the risks transferred by the ceding insurer or change the level of coverage so that the price fully reflects those risks;
- (ii) the reinsurer has the right to terminate the cover. The ceding insurer has a substantive obligation to pay the premiums due to the reinsurer.

The group's BE, RA and CSM calculations take into account the effect of reinsurance on underlying contracts not yet recognised by the ceding insurer, including any contracts issued prior to the reinsurance contract covering them.

Cash flows within the contract boundaries for reinsurance contracts held result from the group's substantive rights to receive services from the reinsurer and/or substantive obligations as the ceding insurer.

3.11.15 Presentation of banking and insurance activities in the Group's financial statements

Banking activities

Interest income and expenses presented in Note 7 include interest on financial instruments at amortised cost and financial instruments at fair value through other comprehensive income, and accrued interest on fair value hedges.

Fee income and expenses presented in Note 7 are recognised in profit or loss for the period in which the related obligations are fulfilled, as follows:

- fees for services provided over time are recognised in profit or loss as the services are delivered.

This concerns fees for managing payment media.

- one-off fees and commissions and fees for an important action are recognised in profit or loss when the service is performed or the action is carried out.

This concerns asset management contract commissions and payment incident fees.

- variable fees and commissions are recognised in profit or loss only when it is highly probable that the recognised amounts will not subsequently be reduced significantly.
- fees that are considered as equivalent to interest are an integral part of the effective interest rate calculation. They fall within the scope of IFRS 9 and are therefore included in interest income and expenses.

This concerns loan origination fees.

The banking activities' cost of risk includes impairment losses and reversals on financial assets at amortised cost and at fair value through other comprehensive income reclassifiable to profit or loss, lease receivables, financial guarantees and financing commitments, structured credit discounts, recoveries on impaired assets covered by allowances and losses on irrecoverable receivables. Cost of risk is included in operating profit, below net banking income.

The insurance activities' cost of risk includes impairment losses and reversals on irrecoverable receivables relating to financial investments underlying insurance contracts. It is included in net banking income.

Insurance activities

The group has elected not to present its insurance activities as separate items in assets and in the income statement, but rather to include them in existing balance sheet and income statement captions.

In addition, specific disclosures concerning the insurance activities' assets are provided in Note 35.

3.12 Distinction between debt instruments and equity instruments

Distinction between debt instruments and equity instruments

The distinction between debt instruments and equity instruments is based on an analysis of the substance of the contractual characteristics of each instrument.

A non-derivative debt instrument is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities, at conditions that are potentially unfavourable to the issuer.

A non-derivative equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities, with no contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities, at conditions that are potentially unfavourable to the issuer.

Perpetual deeply subordinated securities

Perpetual deeply-subordinated securities are classified as debt or equity instruments according to whether or not their remuneration is discretionary.

When subordinated securities meet the criteria for classification as equity instruments, the remuneration is treated as a dividend and deducted from equity.

All other dated and undated debt instruments, especially those with a repayment schedule, are classified as subordinated debt in accordance with IAS 32.

3.13 Bond debt and derivative financial instruments relating to the management of bond debt

Bond debt excluding banking and insurance activities are presented in the balance sheet under "Bonds and debt".

3.13.1 Bonds backed by fixed-for-floating swaps

As part of the group's bond management strategy, some fixed-rate bonds are converted to floating-rate bonds via fixed-for-floating swaps.

Depending on the circumstances, these bonds can be designated at fair value through profit or loss or documented in a fair value hedge relationship.

Bonds designated at fair value through profit or loss

In accordance with IFRS 9, some bonds backed by fixed-for-floating swaps are recognised at fair value through profit or loss. The credit risk component of the change in fair value is therefore recognised in "Other comprehensive income".

The corresponding swaps are also measured at fair value through profit or loss, in accordance with the general rule for measuring derivatives set out in IFRS 9.

Bonds documented in a fair value hedge relationship

Some bonds are designated as subject to fair value hedging through fixed-for-floating swaps. The application of fair value hedge accounting leads to the recognition in profit or loss of (i) the change in the fair value of hedging swaps, and (ii) the change in the value

of the efficient portion of the hedging swap, as an adjustment to the value of the bond. These effects offset one another where the effective portion of the hedge is concerned.

Moreover, depending on market developments, the group may also use floating-for-fixed swaps to re-stabilise the interest rates of some borrowings over short periods of time. These swaps are also measured at fair value through profit or loss.

3.13.2 Bonds measured at amortised cost

Bonds not backed by fixed-for-floating swaps are measured at amortised cost based on the effective interest rate.

3.13.3 Forward swaps for loans

In some cases, La Poste uses forward swaps to protect itself against a rise in interest rates. These cash flow hedging instruments are terminated when the bond is issued, which gives rise to the payment of a balancing payment (paid or received depending on the value of the swap). These payments are recognised in reserves reclassifiable to profit or loss as part of the application of the cash flow hedge, and then reclassified to profit or loss over the life of the initially hedged loan, in accordance with the provisions of IFRS 9 regarding the termination of hedges.

3.14 Provisions

Provisions are recognised when (i) the group has a present obligation (legal or constructive) towards a third party as a result of a past event at the reporting date, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) a reliable estimate can be made of the obligation.

Provisions are measured based on the group's best estimate of the expenditure required to settle the present obligation, determined using management data from the IT system and assumptions made by the group, supplemented by experience of similar transactions and, in some cases, reports from independent experts or supplier quotes. The assumptions are reviewed at each reporting date.

Provisions for commitments on home savings agreements

The home savings accounts (CEL) and home savings plans (PEL) introduced for future home buyers by the law of 10 July 1965 include two phases: a saving phase, during which the saver earns interest, and a borrowing phase, in the form of a home loan.

They generate two types of obligation for the distributing institution:

- an obligation to remunerate future savings at a rate that is set for an indefinite period when the account is opened (PEL accounts opened before 28 February 2011) or that is revised annually (new generation plans);
- an obligation to grant a home loan to customers who request it, at a rate set when the account is opened.

These obligations have potentially unfavourable consequences for the group, which are covered by provisions recorded in liabilities (under "Provisions"). Changes in these provisions are taken into account for the determination of the net interest margin included in net banking income.

The provisions are estimated on the basis of customer behaviour statistics and market data for each generation of plans, in order to cover the future cost arising from the products' potentially unfavourable interest rate terms relative to the rates offered to individual customers for similar products for which the remuneration is not regulated. The provisions only concern obligations in respect of home savings accounts and plans in progress at the date the provision is calculated.

Provisions are calculated for each generation of home savings plan, without offsetting obligations between generations, and for all the home savings accounts, which are considered as representing a single generation.

During the saving phase, the provision is measured as the difference between expected average savings deposits and expected minimum savings deposits, determined in both cases on a statistical basis taking into account observed historical customer behaviours.

During the borrowing phase, the provision concerns outstanding loans not yet due at the reporting date and future loans that are considered as statistically probable based on balance sheet deposits at the calculation date and observed historical customer behaviours.

A provision is recorded when the net present value of future income is negative for a given generation of loans.

The net present value of future income is assessed relative to the interest rates offered to individual customers on equivalent savings and lending products for similar periods and with similar commencement dates.

3.15 Employee benefits

3.15.1 Post-employment benefits

Post-employment and long-term obligations under defined benefit plans and the related costs are measured by the projected unit credit method, in accordance with IAS 19. Actuarial assessments are performed every year.

The assessment takes into account external economic assumptions (discount rates, inflation rates, pension increases, etc.), together with assumptions that are specific to La Poste (employee turnover rates, mortality rates, future salary levels, etc.).

The provision recorded in the balance sheet for post-employment defined benefit plans corresponds to the projected benefit obligation at the reporting date, less the market value of any plan assets where applicable (Geopost UK). The projected benefit obligation is calculated on an annual basis using the projected credit unit method. It is determined by discounting expected future cash outflows at the market interest rate for investment grade corporate bonds denominated in the currency in which the benefit will be paid and with a maturity that is close to the average estimated maturity of the underlying obligation.

Actuarial gains and losses resulting from experience-based adjustments and the impact of changes to actuarial assumptions are recognised as "Other comprehensive income".

Past service cost, which arises when a defined benefit plan is adopted or modified, are immediately expensed.

Pension and other employee benefit arrangements, as well as the main assumptions used, are described in Note 30.

3.15.2 End-of-career arrangements

La Poste recognises a provision for the costs of the end-of-career arrangements made for its employees. The amount of the provision takes into account both persons who have joined one of the existing plans, and those who are expected to join on the basis of arrangement terms and conditions as well as past take-up rates and Management's best estimates.

3.16 Assets held for sale

A non-current asset, or group of assets and liabilities (disposal group), is classified as being held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This assumes that the asset is available for immediate sale in its present condition and that its sale is highly probable within one year.

These assets and groups of assets, along with all associated liabilities, are presented separately from other assets and liabilities and are measured at the lower of carrying amount and fair value less costs to sell. These assets cease to be depreciated or amortised from the date when they are classified in this category.

3.17 Statement of cash flows

The statement of cash flows presents the inflows and outflows of cash and cash equivalents classified under operating, investing and financing activities.

The statement of cash flows presents separately cash flows associated with the La Banque Postale group and cash flows associated with industrial and commercial activities (including the La Poste division providing staff to La Banque Postale).

The change in cash and cash equivalents presented in the statement of cash flows corresponds to that of industrial and commercial activities. Cash and cash equivalents from La Banque Postale and its subsidiaries (including cash held at post offices) are disclosed on a separate line in the balance sheet. Changes in those amounts are recognised in "Decrease/(increase) in cash and cash equivalents from banking activities before impact of changes in consolidation scope", positioned under net cash from/(used in) financing activities.

In addition, cash flows relating to changes in banking and insurance assets and liabilities (excluding flows related to subordinated debt) are combined on a separate line in the statement of cash flows ("Changes in balance of banking and insurance assets and liabilities") in cash flows from operating activities. They include:

- cash flows from customer deposits;
- cash flows from liabilities due to credit institutions;
- acquisitions and disposals of securities in the investment portfolio;
- cash flows relating to loans and advances;
- changes in the fair value of financial instruments.

Operating activities are the main revenue-generating activities and any other activities other than those defined as investing or financing activities. Cash flows from operating activities are determined using the indirect method.

The calculation of EBITDA is described in Note 40.10.

Investing activities relate to the acquisition and disposal of non-current assets and to any other investments not included in cash and cash equivalents. La Poste Groupe's cash flows from investing activities consist mainly in acquisitions and disposals of the following:

- intangible assets and property, plant and equipment, adjusted for non-cash transactions (accounts receivable or payable on non-current assets);
- equity investments in other companies;
- other financial assets (guarantees and deposits, receivables on investments, etc.).

The impact of changes in the consolidation scope of industrial and commercial activities on cash flows is presented separately under "Impact of changes in consolidation scope".

Financing activities relate to transactions that affect the amount and composition of equity and debt. Cash flows from financing activities include sources of financing (new borrowings) and related outflows (dividends paid to non-controlling shareholders, La Poste savings bond redemptions and debt repayments). Concerning changes in debt instruments for La Banque Postale, only movements in subordinated debt and lease liabilities are classified as cash flows from financing activities.

Cash and cash equivalents are very short-term liquid investments that are readily converted into known amounts of cash and are subject to an insignificant risk of changes in value.

La Poste Groupe's cash and cash equivalents include cash in hand, bank debit balances, term deposits and marketable securities that do not carry any material risk of changes in value and can be readily converted into cash (particularly money-market UCITS), and the portion of bank credit balances and related interest accrued corresponding to temporary overdrafts.

Regardless of their characteristics, securities in the banking activities' investment portfolio are not classified as cash. The related cash flows are included in "Changes in balance of banking and insurance assets and liabilities" in the statement of cash flows (see above).

NOTE 4 CHANGES IN THE CONSOLIDATION SCOPE

- 4.1 Main acquisitions of control and investments
- 4.2 Main acquisitions of non-controlling interests
- 4.3 Main disposals
- 4.4 Income statement at constant scope and exchange rates

The scope of consolidation is detailed in note 44.

4.1 Main acquisitions of control and investments

Acquisition of Maincare (Retail Customers & Digital Services business line)

On 28 February 2023, La Poste Groupe (Retail Customers & Digital Services business line/Digital Services CGU) took control of Maincare, one of France's leading providers of digital solutions. Acquisition of 98.08% generated goodwill of €280 million. Maincare's contribution to consolidated revenue for 2023 amounted to €58 million.

Acquisition of La Financière de l'Échiquier (LFDE)

On 4 July 2023, La Banque Postale completed the acquisition, through its subsidiary LBP AM, of the entire capital of La Financière de l'Échiquier (LFDE), one of France's leading entrepreneurial asset management companies.

The acquisition enabled the creation of a major player in multi-specialist conviction-based management and sustainable finance in France and Europe. Comprising three renown brands – LBP AM, Tocqueville Finance and LFDE – the newly formed group's total assets under management amounted to €68 billion at 31 December 2023. The transaction led to the recognition, at 31 December 2023, of provisional goodwill of €564 million and intangible assets (brand, distribution network, asset management contracts and closed-end funds) of €25 million.

Establishment of CNP Assurances Holding in April 2023

This new company is an umbrella entity for the group's various insurance businesses and their legal entities. The transaction had no impact on the group's consolidated financial statements.

4.2 Main acquisitions of non-controlling interests

Acquisition of non-controlling interests of CNP Assurances' Brazilian companies

As part of its international growth strategy announced in September 2022, CNP Assurances has bought out the non-controlling interests in CNP Participações em Seguros Ltda. "Holding Seguros" (formerly CNP Seguros Participações em Saúde Ltda, "Holding Saúde"), Companhia Seguros Previdência do Sul "Previsul" (marketing of life, property and credit insurance products) and CNP Capitalização SA "CNP Cap" (marketing of savings products) for a total of approximately €65 million (R\$ 361 million). The transaction was completed in January 2023.

4.3 Main disposals

Disposal of Stuart (Geopost business line)

See Note 1 Significant events of the year.

Planned disposal of DPD Russia

In the first half of 2022, the group responded to events affecting Russia by announcing its intention to withdraw completely from the Russian market.

As a result of this announcement, all of DPD Russia's assets and liabilities have been classified as held for sale since 30 June 2022. The sale has not yet been completed due to the complexity of the process, but the transaction remains highly probable, justifying the continued classification of the assets and liabilities as held for sale.

In light of the uncertainty over the sale price, the DPD Russia goodwill and all of the company's intangible assets and property, plant and equipment were written down in full at 30 June 2022 (for a euro-equivalent amount of €149 million). The impairment loss has been maintained at 31 December 2023 given the continuing uncertainty over the final sale price.

The currency translation reserve amounted to €47 million at 31 December 2023. It represents the impact generated by the overall favourable change in the Russian rouble exchange rate since DPD Russia's entry into the scope of consolidation. When the disposal of this entity is effective, this cumulative amount of translation reserve will be reclassified from equity to profit and loss.

4.4 Income statement at constant scope and exchange rates

The restated income statement eliminates the effect of all acquisitions made during the current year and the prior-year acquisitions concluded during the year. It also presents foreign currency transactions from the prior year at the average exchange rate for the current year.

	Reported amount		Restated amount excluding scope and exchange rate effects	
	31 Dec. 2023	31 Dec. 2022 (a)	31 Dec. 2023	31 Dec. 2022 (a)
<i>(in € millions)</i>				
Revenue and NBI	34,073	33,287	33,724	33,162
Purchases and other expenses	(16,053)	(15,623)	(15,849)	(15,573)
Personnel expenses	(13,605)	(13,487)	(13,518)	(13,447)
Taxes other than on income	(505)	(393)	(503)	(393)
Depreciation, amortisation, provisions and impairment	(2,904)	(3,777)	(2,880)	(3,757)
Other operating expenses and income	689	549	701	546
Proceeds from asset disposals	(50)	35	(50)	36
Net operating expenses	(32,428)	(32,696)	(32,099)	(32,587)
Share in net profit/(loss) of jointly-controlled companies	35	33	39	34
Recurring operating profit/(loss) (after share in net profit/(loss) of jointly-controlled companies)	1,680	624	1,663	609

(a) Restated for the first-time application of IFRS 17.

NOTE 5 SEGMENT INFORMATION

- 5.1 Definition of operating segments
- 5.2 Information by operating segment
- 5.3 Information by geographical area

5.1 Definition of operating segments

For the purpose of segment reporting, operating segments are defined based on La Poste Groupe's existing management structure. An operating segment is component of the group for which discrete financial information is available and whose operating results are regularly reviewed by group Management to make decisions about resources to be allocated to the segment and assess its performance.

The criteria used for determining operating segments include:

- the nature of the products services;
- the type or class of customer for the products and services;
- the nature of the production processes and distribution methods;
- the nature of the regulatory environment.

The group is organised into the four operating segments below, as well as the Real Estate and Support & Corporate segments:

SEGMENT	ACTIVITIES
Services-Mail-Parcels	<ul style="list-style-type: none"> ▪ mail activity (collection, sorting and delivery of correspondence, advertising, press and international mail) and related services ▪ parcels activity in France carried out under the Colissimo brand ▪ health and autonomy activity for human and healthcare services ▪ new services by postal carriers
Geopost	<ul style="list-style-type: none"> ▪ express activity carried out by the Geopost sub-group's brands, primarily DPD, Chronopost and Seur ▪ international mail ▪ e-commerce activities by Asendia
La Banque Postale	<ul style="list-style-type: none"> ▪ banking and insurance activities of the La Banque Postale sub-group ▪ La Poste SA division comprising services provided by some La Poste staff to La Banque Postale under service agreements
Retail Customers & Digital Services	<ul style="list-style-type: none"> ▪ sale and distribution activities for La Poste products and services intended for the general public ▪ all group digital activities (La Poste Mobile) ▪ other external products
Real Estate	<ul style="list-style-type: none"> ▪ management of property assets held by La Poste Immobilier sub-group ▪ activities of the La Poste Real Estate department
Support & Corporate	<ul style="list-style-type: none"> ▪ "corporate" activities of the group's headquarters ▪ Group support services

5.2 Information by operating segment

The accounting principles applied to segment reporting are the same as those used for the consolidated financial statements, as described in Note 2 and Note 3. The profits or losses, assets and liabilities allocated to the segments correspond to profits or losses, assets and liabilities that may be allocated directly and indirectly to the segments. Amounts not allocated to segments mainly concern:

- the net cost of regional development;
- the cost of La Poste's accessibility requirement;
- financial profit or loss, and tax.

Segmentation of operating expenses

Given that Services-Mail-Parcels, La Banque Postale and La Poste Network players coexist within La Poste, and that their production process are highly inter-connected, La Poste has set out cost accounting principles in order to allocate shared costs between the various segments and thereby determine each segment's profit or loss.

The expenses for the La Poste Network post office counters are re-billed to the businesses that use the network on the basis of service agreements, where the pricing mechanisms are based on measurable operating metrics (revenue, statistics measuring the time required to perform various transactions, etc.).

Segmentation of non-current assets

Intangible assets and property, plant and equipment are broken down based on the allocation of the corresponding assets for each business in La Poste's accounting system. The property assets held by La Poste and La Poste Immobilier sub-group are allocated to the Real Estate segment in their entirety.

5.2.1 Income statement by operating segment

No group customer accounts for more than 10% of consolidated revenue.

2023 (in € millions)	Services-Mail-Parcels	Geopost	La Banque Postale	Retail Customers & Digital Services	Real Estate	Support & Corporate	Unallocated ^(a)	Eliminations	GROUP TOTAL
External revenue and NBI	7,828	15,554	7,185	3,264	107	0	135	0	34,073
Inter-segment revenue and NBI	2,108	126	70	3,285	791	1,314	0	(7,694)	0
Operating revenue	9,936	15,679	7,256	6,549	898	1,314	135	(7,694)	34,073
Share in net profit/(loss) of jointly-controlled companies	0	0	24	12	(1)	0	0	0	35
Recurring operating profit/(loss) (after share in net profit/(loss) of jointly-controlled companies)	0	279	2,121	39	100	(256)	(583)	(20)	1,680
Net financial income/(expense)							(239)		(239)
Income tax expense/(benefit)							(496)		(496)
Share in net profit/(loss) of other equity-accounted companies	0	(167)	0	(2)	2	(2)	0	0	(169)
CONSOLIDATED NET PROFIT/(LOSS)									776
Net depreciation, amortisation, provisions and impairment	(296)	(992)	(872)	(114)	(474)	(157)	0	0	(2,904)
Segment assets	3,337	13,020	738,020	2,449	4,068	13,251	(8,621)	0	765,524

(a) Primarily includes the contribution to regional development (including the costs relating to the accessibility requirement), net financial expense and income tax.

2022 ^(b) (in € millions)	Services-Mail-Parcels	Geopost	La Banque Postale	Retail Customers & Digital Services	Real Estate	Support & Corporate	Unallocated ^(a)	Eliminations	GROUP TOTAL
External revenue and NBI	8,094	15,455	6,185	3,343	91	4	116	0	33,287
Inter-segment revenue and NBI	2,107	118	33	3,233	770	1,232	0	(7,494)	0
Operating revenue	10,201	15,573	6,218	6,576	861	1,236	116	(7,494)	33,287
Share in net profit/(loss) of jointly-controlled companies	0	2	30	2	(1)	0	0	0	33
Recurring operating profit/(loss) (after share in net profit/(loss) of jointly-controlled companies)	(767)	654	1,269	199	68	(262)	(541)	5	624
Net financial income/(expense)							(207)		(207)
Income tax expense/(benefit)							952		952
Share in net profit/(loss) of other equity-accounted companies	0	(88)	(0)	0	1	(1)	0	0	(87)
CONSOLIDATED NET PROFIT/(LOSS)									1,282
Net depreciation, amortisation, provisions and impairment	(1,278)	(1,019)	(726)	(131)	(469)	(153)	0	0	(3,777)
Segment assets	3,513	12,707	716,962	1,600	3,994	13,713	(7,771)	0	744,718

(a) Primarily includes the contribution to regional development (including the costs relating to the accessibility requirement), net financial expense and income tax.

(b) Restated for the first-time application of IFRS 17.

5.2.2 Balance sheet by operating segment

31 Dec. 2023 (in € millions)	Services-Mail-Parcels	Geopost	La Banque Postale	Retail Customers & Digital Services	Real Estate	Support & Corporate	Eliminations	TOTAL
ASSETS								
Goodwill, other intangible assets and property, plant and equipment	901	6,084	6,183	1,356	3,157	651	(12)	18,320
Right-of-use assets	91	2,740	161	58	556	23	0	3,628
Equity-accounted investments	0	672	1,104	5	29	1	0	1,811
Other non-current assets	30	177	1,490	0	26	7,452	(6,671)	2,502
Other current assets	2,316	3,347	626	1,030	301	5,124	(1,793)	10,952
Assets specific to banking and insurance activities	0	0	728,457	0	0	0	(145)	728,311
TOTAL	3,337	13,020	738,020	2,449	4,068	13,251	(8,621)	765,524
Investments (a)	256	634	1,013	528	332	276	0	3,040
EQUITY AND LIABILITIES								
Equity						30,769		30,769
Bonds and other debt	787	4,808	0	927	1,116	11,836	(7,528)	11,945
Lease liabilities	113	2,880	0	63	999	23	0	4,078
Other non-current liabilities	615	291	2,002	375	59	(173)	0	3,170
Other current liabilities	2,783	3,156	4,002	1,554	353	961	(654)	12,154
Liabilities specific to banking and insurance activities	0	0	703,561	(9)	0	0	(142)	703,408
TOTAL	4,298	11,134	709,565	2,910	2,527	43,416	(8,326)	765,524

(a) Purchase of intangible assets and property, plant and equipment, and impact of changes in the consolidation scope.

31 Dec. 2022 (b) (in € millions)	Services-Mail-Parcels	Geopost	La Banque Postale	Retail Customers & Digital Services	Real Estate	Support & Corporate	Eliminations	TOTAL
ASSETS								
Goodwill, other intangible assets and property, plant and equipment	917	5,942	5,645	872	3,092	546	(12)	17,003
Right-of-use assets	100	2,487	206	59	549	25	0	3,426
Equity-accounted investments	0	893	1,118	0	29	1	0	2,041
Other non-current assets	26	210	1,731	(8)	25	7,533	(6,616)	2,901
Other current assets	2,470	3,175	900	677	298	5,608	(1,011)	12,116
Assets specific to banking and insurance activities	0	0	707,362	0	0	0	(131)	707,231
TOTAL	3,513	12,707	716,962	1,600	3,994	13,713	(7,771)	744,718
Investments (a)	238	1,122	1,486	143	264	215	0	3,469
EQUITY AND LIABILITIES								
Equity						29,468		29,468
Bonds and other debt	688	4,439	1	577	1,083	11,450	(6,674)	11,564
Lease liabilities	141	2,606	0	65	1,031	25	0	3,869
Other non-current liabilities	883	293	2,086	534	67	(56)	0	3,808
Other current liabilities	2,919	3,120	3,800	1,086	326	1,321	(650)	11,922
Liabilities specific to banking and insurance activities	0	0	684,171	2	0	0	(86)	684,088
TOTAL	4,631	10,459	690,059	2,265	2,507	42,208	(7,410)	744,718

(a) Purchase of intangible assets and property, plant and equipment, and impact of changes in the consolidation scope.

(b) Restated for the first-time application of IFRS 17.

5.3 Information by geographical area

Revenue is broken down on the basis of paying customers' location.

La Poste Groupe's net non-current assets are broken down by geographical area based on the location of the legal entities that which they belong.

2023 <i>(in € millions)</i>	European Union (excluding France)			TOTAL
	France		Other	
Revenue from commercial activities	13,035	8,526	5,327	26,888
Net banking income	5,910	307	968	7,185
OPERATING REVENUE	18,945	8,833	6,295	34,073
Segment assets	674,076	52,192	39,256	765,524
Investments ^(a)	2,478	290	273	3,040

(a) Purchase of intangible assets and property, plant and equipment, and impact of changes in the consolidation scope.

2022 ^(b) <i>(in € millions)</i>	European Union (excluding France)			TOTAL
	France		Other	
Revenue from commercial activities	13,155	8,246	5,702	27,102
Net banking income	5,127	313	745	6,185
OPERATING REVENUE	18,281	8,559	6,446	33,287
Segment assets	661,079	50,227	33,412	744,718
Investments ^(a)	2,605	238	626	3,469

(a) Purchase of intangible assets and property, plant and equipment, and impact of changes in the consolidation scope.

(b) Restated for the first-time application of IFRS 17.

NOTES TO THE INCOME STATEMENT

NOTE 6 REVENUE

La Poste Groupe's revenue from industrial and commercial activities broke down by business line as follows:

(in € millions)	2023	2022
Services-Mail-Parcels	7,827	8,094
Geopost	15,554	15,455
Retail Customers & Digital Services	3,264	3,343
Real Estate & Support	243	210
TOTAL	26,888	27,102

Total revenue in 2023 and 2022 included:

- compensation from the French State for universal postal service for €500 million, (€520 million in 2022), allocated for 2023 among the business lines based on their contribution to the cost of this service (€288 million for the Services-Mail-Parcels, €181 million for the Retail Customers & Digital Services and €31 million for Support);
- compensation from the French State for regional development recognised under Real Estate & Support, for €105 million in 2023 and €73 million in 2022.
- presse contribution of €40 million in 2023 and €84 million in 2022.

Geopost revenue includes the e-commerce activity carried out by the Asendia subsidiary.

NOTE 7 NET BANKING INCOME

The group's net banking Income breaks down as follows:

(in € millions)	2023	2022 (a)
Interest income	12,984	8,395
Interest expense	(7,454)	(2,946)
Fee and commission income	2,310	2,182
Fee and commission expense	(297)	(271)
Net gain or loss	7,449	(8,754)
- Financial instruments at fair value through profit or loss	9,992	(6,726)
- Financial instruments at fair value through OCI	(2,543)	(2,046)
- Derecognised financial assets at amortised cost	0	18
Insurance revenue	11,685	11,930
Insurance service expenses	(8,438)	(9,226)
of which general operating expenses relating to insurance activities ^(b)	(1,657)	(1,504)
Income and expenses from reinsurance contracts held	(106)	24
Finance income or expenses from insurance contracts issued	(11,352)	7,541
Finance income or expenses from reinsurance contracts held	888	(2,954)
Cost of credit risk on financial investments of insurance activities ^(c)	4	136
Income from other activities	937	937
Expenses from other activities	(1,423)	(808)
TOTAL	7,185	6,185

(a) Restated for the first-time application of IFRS 17.

(b) Including purchases and other expenses, personnel expenses, taxes and levies, and net depreciation, amortisation and impairment of property, plant and equipment and intangible assets that are directly attributable to insurance activities.

(c) The insurance activities' cost of risk corresponds primarily to assets at fair value through other comprehensive income classified in bucket 1 for €3 million (vs €314 million in 2022).

The banking activities' cost of risk is presented in Note 11 - Depreciation, amortisation, provisions and impairment.

NOTE 8 PURCHASES AND OTHER EXPENSES

Purchases and other expenses break down as follows:

(in € millions)	2023	2022 (a)
External services and general sub-contracting	4,900	4,684
Purchases	1,278	1,153
Outsourced transport	7,978	8,041
International mail services	505	494
Rental expenses ^(b)	513	440
Maintenance and repair costs	736	672
Telecommunications expenses	190	202
Travel and assignments	179	162
Other expenses ^(c)	759	704
TOTAL BEFORE ALLOCATION TO INSURANCE CONTRACTS	17,039	16,554
Purchases and other expenses relating to insurance contracts reclassified in net banking income	(986)	(931)
TOTAL	16,053	15,623

(a) Restated for the first-time application of IFRS 17.

(b) This line item only includes rents for leases that have not been restated under IFRS 16 (mainly short-term leases or leases for low-value assets), as well as rental costs (see Note 18.3). Of which in 2023, a €303 million gain on the cancellation of interest payments on La Poste retirees' demand deposits and a €37 million gain on the impact of the French pension reform on employees' retirement benefits (see Note 1.3).

(c) Including the payment of the FRU contribution of €44 million in 2023 (€84 million in 2022), (see note 36.4).

NOTE 9 PERSONNEL EXPENSES AND HEADCOUNT

Personnel expenses break down by type of cost as follows:

(in € millions)	2023	2022 (a)
Wages and salaries, bonuses and allowances	11,080	10,820
Pension contributions	560	570
Other social security contributions	2,086	2,005
Employee welfare costs	256	234
Change in post-employment provisions ^(b)	(352)	10
Change in provisions for social security contingencies and labour disputes	14	18
Change in other employee provisions ^(c)	(284)	(435)
Compensation-based taxes and levies	710	704
TOTAL BEFORE ALLOCATION TO INSURANCE CONTRACTS	14,070	13,925
Expenses relating to insurance contracts reclassified in net banking income	(465)	(438)
TOTAL	13,605	13,487
Average headcount (full-time equivalent employees/year)	232,726	238,033

(a) Restated for the first-time application of IFRS 17.

(b) With the exception of actuarial gains and losses recognised directly in other comprehensive income (see changes in consolidated equity). Of which in 2023, a €303 million gain on the cancellation of interest payments on La Poste retirees' demand deposits and a €37 million gain on the impact of the French pension reform on employees' retirement benefits (see Note 1.3).

(c) Of which in 2023, a €262 million charge to cover the impact of the French pension reform on end-of-career benefits.

The "Pension contributions" line item corresponds to contributions paid into post-employment defined benefit plans. Since the current system for funding pension benefits

for civil servants assigned to La Poste was implemented in 2006, this line item includes the contribution in full discharge of the liability for pension payments provided for by law.

NOTE 10 TAXES OTHER THAN ON INCOME

Taxes other than on income consist of the following item:

(in € millions)	2023	2022 (a)
Local taxes	121	128
Other taxes and levies ^(b)	522	336
TAXES BEFORE ALLOCATION TO INSURANCE CONTRACTS	644	465
Taxes on insurance contracts reclassified in net banking income	(138)	(71)
TOTAL	505	393

(a) Restated for the first-time application of IFRS 17.

(b) Of which, €76 million for non-deductible VAT on leases in 2023 and €86 million in 2022.

La Poste benefits from favourable local tax treatment in consideration for its obligation to serve the entire French territory and its contribution to regional development (French Law of 2 July 1990, as amended by the Law of 9 February 2010).

In this regard, in 2023 and in 2022 La Poste enjoyed a 99% reduction in its tax base for all local taxes (property tax and territorial economic contribution (CET)).

The CET tax is recognised under "Local taxes".

NOTE 11 DEPRECIATION, AMORTISATION, PROVISIONS AND IMPAIRMENT

Changes in depreciation, amortisation, provisions and impairment that had an impact on operating profit break down as follows:

(in € millions)	2023	2022 (a)
Net depreciation and amortisation	2,469	2,338
Intangible assets ^(b)	732	672
Property, plant and equipment ^(b)	826	804
Right-of-use assets ^(b)	911	861
Net provisions and impairment	301	1,284
Goodwill ^(c)	49	184
Right-of-use assets ^(b)	(43)	469
Intangible assets and property, plant and equipment ^(b)	184	567
Inventories ^(d)	0	3
Receivables ^(d)	19	8
Losses on irrecoverable receivables	30	29
Provisions for contingencies and losses ^(e)	63	24
Cost of risk (banking activities)	201	219
Cost of risk (banking activities) - other impairments and contingencies ^(f)	200	196
Cost of risk (banking activities) - irrecoverable receivables	1	23
DEPRECIATION, AMORTISATION, PROVISIONS AND IMPAIRMENT LOSSES BEFORE ALLOCATION TO INSURANCE CONTRACTS	2,971	3,841
Depreciation, amortisation, provisions and impairment losses on insurance contracts reclassified in net banking income	(68)	(65)
TOTAL	2,904	3,777

(a) Restated for the first-time application of IFRS 17.

(b) A breakdown of the changes in the depreciation, amortisation and impairment of non-current assets is provided in Notes 16, 17 and 18. Additions to and reversals of provisions for right-of-use assets mainly concerned the Mail CGU (see Note 20).

(c) Goodwill impairment is described in Note 15.2.

(d) A breakdown of changes in the impairment of inventories and receivables is provided in Note 23.

(e) Movements in provisions for contingencies and losses are described in Note 27.

(f) Including €217 million related to financial assets classified in bucket 3 in 2023 (€190 million in 2022).

NOTE 12 OTHER OPERATING EXPENSES AND INCOME

Other operating expenses and income break down as follows:

Income/(expenses) (in € millions)	2023	2022 (a)
Capitalised production ^(b)	506	490
Royalties	(90)	(80)
Other recurring operating income and expenses	273	138
TOTAL	689	549

(a) Restated for the first-time application of IFRS 17.

(b) Capitalised production primarily consisted of IT development costs recognised under intangible assets.

NOTE 13 NET FINANCIAL EXPENSE

13.1 Cost of net debt

13.2 Other financial items

Group impacts excluding banking activities are analysed below:

13.1 Cost of net debt

(in € millions)	2023	2022
Interest expense on financing transactions ^(a)	(198)	(143)
Interest expense on lease liabilities	(119)	(82)
Change in the fair value of borrowings ^(b) and debt-related swaps	2	(1)
Income from cash and cash equivalents ^(c)	105	12
TOTAL	(211)	(214)

(a) Including interest and proceeds from the termination of debt-related derivatives.

(b) Excluding the effect of changes in own credit risk on borrowings, recognised in OCI.

(c) Including changes in the fair value of cash assets and financial assets.

13.2 Other financial items

(in € millions)	2023	2022
Discounting expense on provisions for employee benefits and return on plan assets	(53)	(3)
Net foreign exchange gains/(losses)	(2)	(5)
Other financial income and expenses	28	15
TOTAL	(28)	7

NOTE 14 INCOME TAX

- 14.1 Income tax expense recognised in profit or loss
- 14.2 Tax on other comprehensive income
- 14.3 Tax proof
- 14.4 Deferred tax recognised on the balance sheet
- 14.5 Breakdown of deferred tax by type
- 14.6 Unrecognised deferred tax assets

14.1 Income tax expense recognised in profit or loss

<i>(in € millions)</i>	2023	2022 (a)
Current tax (expense)/income	(629)	(813)
Deferred tax (expense)/income	133	1,766
TOTAL TAX (EXPENSE)/INCOME	(496)	952

(a) Restated for the first-time application of IFRS 17.

The current tax expense represents the amount paid or payable in the short term to the tax authorities in respect of the financial year, based on the rules applicable in the various countries and on specific tax conventions.

14.2 Tax on other comprehensive income

<i>(in € millions)</i>	2023	2022 (a)
Change in unrealised gains and losses on financial instruments and remeasurement of insurance and reinsurance contracts (items reclassifiable and non-reclassifiable to profit or loss)		
Amount before tax	945	(2,831)
Tax impact	(112)	690
AMOUNT AFTER TAX	833	(2,141)
Translation adjustments		
Amount before tax	273	659
Tax impact	0	0
AMOUNT AFTER TAX	273	659

(a) Restated for the first-time application of IFRS 17.

14.3 Tax proof

Income tax expense is analysed as follows:

<i>(in € millions)</i>	2023	2022 (a)
Net profit/(loss) attributable to owners of the parent	514	1,012
Share in net profit/(loss) of equity-accounted companies	135	54
Income tax benefit/(expense)	496	(952)
Non-controlling interests	262	271
Consolidated profit/(loss) before tax and share in net profit/(loss) of equity-accounted companies	1,406	385
Corporate income tax rate	25.83%	25.83%
Theoretical income tax expense ^(b)	(363)	(99)
Recognition of deferred tax on inclusion of CNP Assurances in La Poste tax group from 2023	0	1,005
Deferred tax liabilities released to the income statement following the winding up of the CNP Assurances tax group	48	0
Unused tax loss carryforwards recognised in the year or used tax loss carryforwards recognised in prior years (excluding tax consolidation)	(108)	(57)
Deferred tax asset recognition (limitation)	66	42
Reduced rate on capital gains	10	160
Tax rate differential for foreign subsidiaries	(94)	(60)
Impairment losses	(12)	(59)
Tax credits	19	30
BRT dispute	(49)	(4)
Other	(13)	(6)
Tax restatements	(133)	1,051
EFFECTIVE INCOME TAX EXPENSE	(496)	952

(a) Restated for the first-time application of IFRS 17.

(b) Including France's 3.3% social solidarity contribution.

14.4 Deferred tax recognised on the balance sheet

<i>(in € millions)</i>	Deferred tax assets	Deferred tax liabilities	Total
1 Jan. 2022 (a)	165	1,840	(1,675)
Impact on profit or loss	2,041	275	1,766
Assets/liabilities held for sale	(1)		(1)
Reclassifications	(981)	(981)	
Impact on equity	1,087	397	690
Change in scope of consolidation	(3)	3	(6)
Translation adjustments and other	1	128	(127)
31 Dec. 2022 (a)	2,310	1,663	647
Impact on profit or loss	(197)	(330)	133
Assets/liabilities held for sale		(1)	1
Reclassifications	286	286	
Impact on equity	(253)	(141)	(112)
Change in scope of consolidation	(29)	27	(56)
Translation adjustments and other	(196)	59	(255)
31 Dec. 2023	1,920	1,563	357

(a) Restated for the first-time application of IFRS 17.

Net deferred tax assets are recognised at tax entity or tax group level based on the probability that they may be used in the future.

14.5 Breakdown of deferred tax by type

<i>(in € millions)</i>	31 Dec.2023	31 Dec.2022 (a)
Deferred tax assets		
Employee benefits	309	403
Other non-deductible provisions	326	416
Lease liabilities	1,039	1,034
Other temporary differences	605	482
Financial instruments	104	454
Tax loss carryforwards	716	601
Asset/liability offsets ^(b)	(1,179)	(1,080)
TOTAL ASSETS	1,920	2,310
Deferred tax liabilities		
Regulatory provisions	82	123
Revaluation of contributions to Poste Immo	10	14
Financial instruments	1,457	1,459
Deductible goodwill	163	162
Right-of-use assets	909	879
Other temporary tax differences	120	107
Asset/liability offsets ^(b)	(1,178)	(1,080)
TOTAL LIABILITIES	1,563	1,663

(a) Restated for the first-time application of IFRS 17.

(b) Deferred tax assets and liabilities are offset at the level of each taxable entity or tax group.

14.6 Unrecognised deferred tax assets

Type and amount of unrecognised deferred tax asset bases	31 Dec.2023			
	French tax group companies	Non-consolidated French companies	Foreign companies	Total
<i>(in € millions)</i>				
Home savings provisions	22	0	0	22
Employee benefits	239	5	3	247
Other temporary differences	232	1	174	407
Ordinary tax losses	0	267	473	740
TOTAL	493	273	650	1,416

Unrecognised deferred tax asset bases amounted to €1,214 million at 31 December 2022.

NOTES TO THE BALANCE SHEET

NOTE 15 GOODWILL

15.1 Breakdown of goodwill

15.2 Changes in the carrying amount of goodwill

15.1 Breakdown of goodwill

CGU (in € millions)	Segment	31 Dec. 2023	31 Dec. 2022
DPD Europe	Geopost	3,387	3,345
Digital Services ^(a)	Retail Customers & Digital Services	858	554
Financière de l'échiquier	La Banque Postale	564	0
Asendia	Geopost	473	479
Healthcare	Services-Mail-Parcels	269	275
Mediaposte	Services-Mail-Parcels	87	86
EDE	Services-Mail-Parcels	67	67
La Banque Postale Prévoyance	La Banque Postale	59	59
Lenton Group	Geopost	49	51
SCI Lamartine (CNP Assurances)	La Banque Postale	0	36
Tocqueville Group	La Banque Postale	27	27
JadLog	Geopost	26	25
MWPI	Real Estate & Support	25	25
La Banque Postale Asset Management	La Banque Postale	20	20
Stuart ^(b)	Geopost	0	13
Other Geopost CGUs	Geopost	16	18
Other Services-Mail-Parcels CGUs	Services-Mail-Parcels	13	13
TOTAL		5,942	5,092
Services-Mail-Parcels		436	441
Geopost		3,952	3,930
La Banque Postale		671	143
Retail Customers & Digital Services		858	554
Real Estate & Support		25	25

(a) Of which in 2023, acquisition of Maincare, generating goodwill of €280 million (see Note 4.1).

(b) Stuart was disposed of in November (see Note 1.5).

15.2 Change in the carrying amount of goodwill

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022
Opening balance	5,092	4,464
of which: <i>Gross amount</i>	5,396	4,767
<i>Impairment losses</i>	(303)	(302)
Acquisitions ^(a)	902	845
Translation adjustments	5	3
Impairment losses ^(b)	(49)	(184)
Other	(8)	(35)
Disposals	0	(1)
CLOSING BALANCE	5,942	5,092
of which: <i>Gross amount</i>	6,277	5,396
<i>Impairment losses</i>	(335)	(303)

(a) *Of which in 2023:*

- *In the Retail Customers & Digital Services segment, the acquisition of Maincaire for €280 million (see Note 4.1).*
- *In the La Banque Postale segment, the acquisition of La Financière de l'Echiquier for €564 million (see Note 4.1).*

Of which in 2022:

- *in the Geopost segment, the acquisition of CitySprint (DPD Europe CGU) for €296 million, Scalefast (Asendia CGU) for €278 million et C Chez Vous for €63 million.*
- *in the Services-Mail-Parcels segment, the acquisition of Happytal (Healthcare CGU) for €68 million.*
- *in the La Banque Postale segment, the acquisition of SCI Lamartine, which generated goodwill of €36 million.*

(b) *Of which in 2023:*

- *In the Geopost segment, impairment prior to disposal of Stuart goodwill for €13 million (see Note 1.5).*
- *In the La Banque Postale segment, impairment of SCI Lamartine goodwill for €36 million.*

Of which in 2022:

- *in the Geopost segment, impairment of DPD Russia goodwill for €104 million, translated at the exchange rate on the day of the decision.*
- *in the Services-Mail-Parcels segment, impairment of Médiapost CGU goodwill for €80 million.*

Impairment tests performed on goodwill are described in the Note 20.

NOTE 16 INTANGIBLE ASSETS

<i>(in € millions)</i>	Software, patents and licences	Intangible assets in progress	Other intangible assets	TOTAL
GROSS AMOUNTS				
Balance at 1 Jan. 2022 (a)	8,344	477	724	9,545
Acquisitions	207	432	50	689
Disposals	(157)	(6)	(3)	(166)
Changes in scope of consolidation	44	4	7	55
Transfers	296	(404)	92	(17)
Translation adjustments	392	0	0	393
Balance at 31 Dec. 2022 (a)	9,125	504	871	10,500
Acquisitions	233	512	38	783
Disposals	(179)	(1)	(35)	(215)
Changes in scope of consolidation	25	8	17	50
Transfers	422	(492)	69	(1)
Translation adjustments	191	0	1	192
BALANCE AT 31 DEC. 2023	9,817	531	961	11,309
AMORTISATION AND IMPAIRMENT LOSSES				
Balance at 1 Jan. 2022 (a)	(3,833)	0	(491)	(4,325)
Amortisation for the period	(591)	0	(78)	(669)
Impairment losses ^(b)	(33)	0	(302)	(336)
Reversals of impairment losses	0	0	36	36
Reversals on disposals	156	0	3	159
Changes in scope of consolidation	(37)	0	(1)	(37)
Transfers	15	0	9	23
Translation adjustments	(22)	0	1	(22)
Balance at 31 Dec. 2022 (a)	(4,346)	0	(824)	(5,170)
Amortisation for the period	(642)	0	(91)	(732)
Impairment losses	(207)	0	(56)	(263)
Reversals of impairment losses	85	0	11	96
Reversals on disposals	178	0	33	212
Changes in scope of consolidation	(7)	0	73	67
Transfers	(226)	0	245	19
Translation adjustments	(22)	0	(0)	(23)
BALANCE AT 31 DEC. 2023	(5,187)	0	(609)	(5,796)
NET AMOUNTS				
At 31 Dec. 2022 (a)	4,778	504	47	5,329
AT 31 DEC. 2023	4,630	531	352	5,513

(a) Restated for the first-time application of IFRS 17.

(b) Of which in 2022, impairment of the intangible assets of La Poste SA's Mail CGU for €228 million.

The "Transfers" lines correspond to assets brought into use and to reclassifications to other assets line items.

NOTE 17 PROPERTY, PLANT AND EQUIPMENT

(in € millions)	Land and buildings	Equipment and technical facilities	Vehicles	Other	Property, plant and equipment in progress	TOTAL
GROSS AMOUNTS						
Balance at 31 Dec. 2021	5,885	3,716	1,035	4,312	793	15,741
Acquisitions	78	181	147	231	478	1,116
Disposals	(100)	(272)	(110)	(581)	(3)	(1,065)
Changes in scope of consolidation	(17)	(10)	0	68	0	41
Transfers	385	151	17	92	(847)	(201)
Translation adjustments	(8)	(2)	1	(7)	(2)	(19)
Balance at 31 Dec. 2022	6,223	3,764	1,090	4,115	420	15,612
Acquisitions	7	155	289	274	492	1,216
Disposals	(51)	(190)	(96)	(392)	(3)	(733)
Changes in scope of consolidation	(0)	3	1	7	(3)	7
Transfers	221	82	(16)	93	(416)	(36)
Translation adjustments	8	8	1	8	2	26
BALANCE AT 31 DEC. 2023	6,407	3,821	1,269	4,105	491	16,094
DEPRECIATION AND IMPAIRMENT LOSSES						
Balance at 31 Dec. 2021	(2,226)	(2,786)	(574)	(3,364)	0	(8,950)
Depreciation for the period	(191)	(212)	(116)	(285)	0	(804)
Impairment losses ^(a)	(22)	(0)	(0)	(295)	0	(317)
Reversals of impairment losses	19	3	0	28	0	50
Reversals on disposals	54	263	96	575	0	989
Changes in scope of consolidation	4	9	(0)	(61)	0	(48)
Transfers	22	10	(2)	10	0	41
Translation adjustments	1	1	(0)	7	0	10
Balance at 31 Dec. 2022	(2,339)	(2,711)	(596)	(3,385)	0	(9,031)
Depreciation for the period	(192)	(215)	(120)	(299)	0	(826)
Impairment losses	(14)	(30)	(3)	(39)	0	(86)
Reversals of impairment losses	5	32	2	32	0	70
Reversals on disposals	28	184	82	367	0	661
Changes in scope of consolidation	0	(2)	1	(4)	0	(5)
Transfers	7	(127)	(10)	126	0	(5)
Translation adjustments	(2)	(2)	0	(3)	0	(8)
BALANCE AT 31 DEC. 2023	(2,507)	(2,871)	(645)	(3,206)	0	(9,229)
NET AMOUNTS						
At 31 Dec. 2022	3,884	1,054	494	730	420	6,582
At 31 Dec. 2023	3,901	950	623	899	491	6,865

(a) Of which in 2022, impairment of the property, plant and equipment of La Poste SA's Mail CGU for €250 million.

Right-of-use assets, stemming from the application of IFRS 16, are described in Note 18.
The "Transfers" lines correspond to assets brought into use and to reclassifications to other assets line items.

NOTE 18 LEASES (lessee)

- 18.1 Right-of-use assets
- 18.2 Lease liabilities
- 18.3 Impact of leases on profit or loss
- 18.4 Impact of leases on the statement of cash flows

18.1 Right-of-use assets

Right-of-use assets by type of leased assets break down as follows:

<i>(in € millions)</i>	Land and buildings	Equipment and technical facilities	Vehicles	Other	Net amount
Balance at 31 Dec. 2021	3,141	215	334	11	3,700
Increase	889	89	179	6	1,163
Decrease	(76)	(1)	(3)	(0)	(80)
Depreciation	(653)	(72)	(130)	(6)	(861)
Impairment losses ^(a)	(447)	(0)	(22)	0	(469)
Changes in scope of consolidation and translation adjustments	(10)	(3)	(14)	(0)	(27)
Other	1	0	0	0	1
Balance at 31 Dec. 2022	2,845	227	344	10	3,426
Increase	942	123	207	1	1,273
Decrease	(205)	(25)	(4)	(0)	(234)
Depreciation	(685)	(72)	(149)	(4)	(911)
Impairment losses	43	0	(0)	0	43
Changes in scope of consolidation and translation adjustments	21	2	7	0	30
BALANCE AT 31 DEC. 2023	2,961	255	405	7	3,628

(a) Of which in 2022, impairment of right-of-use assets in the Mail CGU for €462 million.

18.2 Lease liabilities

Lease liabilities are presented in Note 28 for industrial and commercial activities. Lease liabilities for banking and insurance activities amounted €175 million (€214 million in 2022) and are included in "Other financial liabilities" of "Banking and insurance activity financial liabilities" (see Note 31.7 "Leases liabilities" item).

18.3 Impact of leases on profit or loss

<i>(in € millions)</i>	2023	2022 (a)
Net operating expenses	1,453	1,855
Short-term lease expenses	142	122
Low-value lease expenses	75	55
Rental expenses	253	220
Non-deductible VAT on rental expenses	76	86
Depreciation of right-of-use assets	911	861
Impairment losses/(reversals) on right-of-use assets ^(b)	(43)	469
Other ^(c)	41	40
Cost of net debt	119	82
Interest expense on lease liabilities	119	82
TOTAL	1,572	1,937

(a) Restated of the first-time of application of IFRS 17.

(b) Of which in 2022, depreciation of La Poste Mail CGU's right-of-use assets for €462 million.

(c) Mainly concerning CNP Assurances.

18.4 Impact of leases on the statement of cash flows

<i>(in € millions)</i>	2023	2022 (a)
Net cash used in operating activities	586	527
Short-term lease expenses	142	122
Low-value lease expenses	75	55
Rental expenses	253	220
Non-deductible VAT on rental expenses	76	86
Other	41	43
Net cash used in financing activities	1,011	954
Interest paid on lease liabilities	119	82
Repayments of lease liabilities (including from La Banque Postale)	892	873
TOTAL CASH OUTFLOW	1,597	1,480

(a) Restated of the first-time of application of IFRS 17.

NOTE 19 EQUITY-ACCOUNTED COMPANIES

(in € millions)	Holding d'infra-structures Gazières ^(b)	Arial CNP Assurances	XSS Administradora de consórcio	Other insurance subsidiaries	Aramex PJSC ^(c)	Ninja Logistics	Yurtici Kargo Servişi A.S.	Real Estate division	Other	TOTAL Equity-accounted companies (assets)	La Poste Telecom ^(d)
Operating segment	La Banque Postale	La Banque Postale	La Banque Postale	La Banque Postale	Geopost	Geopost	Geopost	Real Estate			Retail Customers & Digital Services
Type of control	Joint control	Joint control	Joint control	Joint control	Associate	Associate	Associate	Associates or Joint control			Joint control
Balance at 1 Jan. 2022 (a)	803	47	43	62	432	410	17	44	48	1,908	(51)
Profit or loss for the period	84	1	(1)	30	12	(111)	14	1	(2)	28	2
Dividend payments	(77)	0	0	(8)	(11)	0	(16)	(3)	(1)	(116)	0
Change in FV of fin. instruments	(7)	(7)	0	(3)	0	0	0	0	0	(17)	0
Change in conso. scope and % control	(0)	0	0	(29)	48	(1)	0	(14)	3	5	0
Capital increases	0	120	3	0	0	1	0	0	2	126	0
Other changes	57	0	0	(1)	0	0	(0)	1	0	57	0
Translation adjustments	0	0	5	(5)	22	23	3	0	(1)	48	0
Balance at 31 Dec. 2022 (a)	860	161	50	47	503	322	19	29	49	2,041	(50)
Profit or loss for the period	48	3	3	17	(108)	(74)	15	0	(5)	(99)	12
Dividend payments	(76)	0	0	(3)	(10)	0	(12)	(3)	(1)	(105)	0
Change in FV of fin. instruments	3	2	0	0	(1)	0	0	0	0	5	0
Change in conso. scope and % control	0	0	0	(0)	0	(0)	0	1	3	4	0
Capital increases	0	0	0	0	0	0	0	2	9	11	0
Other changes	5	(0)	0	0	0	1	(1)	(1)	(1)	3	0
Translation adjustments	0	0	3	(19)	(21)	(12)	2	0	(1)	(49)	0
BALANCE AT 31 DEC. 2023	839	167	57	42	364	237	23	29	53	1,811	(37)

(a) Restated for the first-time application of IFRS 17.

(b) This investment is in the scope of insurance activities. Since 2022, profit or loss from this investment has been presented within net banking income.

(c) €114 million impairment loss recorded on the investment in Aramex PJSC in 2023 (see Note 20.3).

(d) Recognised under "Liabilities directly associated with assets held for sale" (see Note 25).

NOTE 20 IMPAIRMENT TEST ON GOODWILL AND NON-CURRENT ASSETS

20.1 Impairment tests on goodwill

20.2 Impairment tests on other non-current and non-financial assets

20.3 Impairment tests on investments in equity-accounted companies

20.1 Impairment tests on goodwill

La Poste Groupe tests goodwill for impairment annually or more frequently if events or changes indicate that it may be impaired.

Goodwill is allocated to cash-generating units as presented in Note 15.1.

The impairment test involves comparing the carrying amount of the CGUs, including any goodwill, to their recoverable amount, determined using the method in Note 3.9.

The main assumptions used were as follows:

2023	Discount rate		Standard growth rate	Number of projected years
	euro zone	Other		
Services-Mail-Parcels	6.9% - 9%		2%	5
Geopost	7.9%	8.2% - 14.5%	2% - 4.8%	5
La Banque Postale	9.4%		2%	5
Retail Customers & Digital Services	7%		2%	5
2022				
Services-Mail-Parcels	5.0% - 10.2%	-	2%	5
Geopost	6.3% - 7.6%	7.3% - 14.9%	2% - 5%	5
La Banque Postale	6.8% - 9%	-	2%	5
Retail Customers & Digital Services	7.0%	-	2%	5

In 2023, the €13 million in Stuart goodwill was written down in full during the first half of the year, prior to the company's disposal at the end of November 2023.

In addition, the €36 million in SCI Lamartine goodwill was written down in full to reflect developments in the property market.

In 2022, goodwill impairment of €80 million was recognised for the Mediaposte CGU to take into account lower business volumes projected for the 2023-2027 period.

Sensitivity analysis at 31 December 2023

- A 1-point increase in the discount rates or a 0.5-point decrease in the perpetuity growth rates would result in additional impairment losses of between nil and €14 million.
- A 1-point increase in the discount rates and a simultaneous 0.5-point decrease in the perpetuity growth rates would result in additional impairment losses of €24 million.

- A 2-point increase in the discount rates and a simultaneous 1-point decrease in the perpetuity growth rates would result in additional impairment losses of around €106 million.

20.2 Impairment tests on other non-current and non-financial assets

CGUs without goodwill were analysed for indications of impairment during the year.

This led to a test being performed on the La Poste Mail CGU's assets, and to maintain the impairment of all of these assets in a total amount of €876 million. The test was carried out on the basis of a business plan updated to best reflect five-year forecasts, with a perpetuity growth rate of 5% and a WACC of 7.8%.

The impairment losses break down as follows:

- intangible assets: €228 million (see Note 16);
- property, plant and equipment: €255 million (see Note 17);
- right-of-use assets: €393 million (see Note 18).

20.3 Impairment tests on investments in equity-accounted companies

La Poste Groupe performs impairment tests on its main equity-accounted companies at least annually or more frequently if events or changed circumstances indicate that the investments may be impaired.

In 2023, as a result of the impairment test, the group's investment in Aramex PJSC was written down by €114 million. The test was carried out on the basis of the 2024-2030 business plan, with a perpetuity growth rate of 2.25% and a WACC of 9.4%.

A 1-point increase in the discount rates or a 0.5-point decrease in the perpetuity growth rates would result in additional impairment losses of between €19 million and €51 million.

NOTE 21 OTHER FINANCIAL ASSETS

(in € millions)	31 Dec. 2023		31 Dec. 2022	
	Current	Non-current	Current	Non-current
Unconsolidated equity investments	0	403	0	401
Deposits and guarantees paid	21	71	27	64
Derivative financial instruments	1	7	37	8
Loans for social housing	5	41	5	46
Provisions for loans for social housing	0	(13)	0	(15)
Financial assets held for cash management purposes	208	0	581	0
Other financial assets	48	101	53	115
Provisions for other financial assets	0	(27)	0	(27)
TOTAL	283	582	702	591

Unconsolidated equity investments

(in € millions)	Segment	31 Dec. 2023		31 Dec. 2022
		Percentage held	Carrying amount	Carrying amount
Crédit Logement	La Banque Postale	6%	95	96
Domiserve	La Banque Postale	100%	71	42
Xange Digital 3	Support & Corporate	22%	27	30
Transactis	La Banque Postale	50%	23	23
Xange Capital 2	Support & Corporate	36%	21	23
EPI Company SE	La Banque Postale	11%	20	6
Xange 4	Support & Corporate	12%	14	15
Toit et joie	Support & Corporate	100%	12	12
Django	La Banque Postale	100%	9	24
STET	La Banque Postale	5%	7	7
LP17	Support & Corporate	100%	5	0
LP12	Support & Corporate	100%	5	5
FFD2	Support & Corporate	3%	5	0
Bigblue	Support & Corporate	8%	3	6
KissKissBankBank	La Banque Postale	100%	0	17
Ezynes (a)	La Banque Postale			19
Mandarine Gestion (b)	La Banque Postale			12
Other - French companies			53	37
Other - foreign companies (see details in Note 45)			31	26
TOTAL			403	401

(a) Company consolidated in 2023.

(b) Company sold in 2023.

Wholly owned unconsolidated equity investments comprise dormant companies, companies in the process of being liquidated or companies with non-material balance sheets and income statements.

Deposits and guarantees

This line primarily corresponds to the security deposits paid in respect of property leases.

Derivative financial instruments

The derivative financial instruments line mainly represents instruments put in place to manage the interest rate and exchange rate risks on debt. They must therefore be read together with "Bonds and debt". A breakdown of these derivatives can be found in Note 28.5.

Loans for social housing

These loans primarily consist of loans to construction entities with very long-term maturities.

Financial assets held for cash management purposes

These are assets acquired as part of the cash management process and break down as follows:

(in € millions)	31 Dec. 2023	31 Dec. 2022
Term deposits accessible after more than 3 months	0	250
UCITS	208	231
Negotiable debt securities (maturities of 3 to 12 months)	0	100
TOTAL	208	581

NOTE 22 ASSETS SPECIFIC TO BANKING AND INSURANCE ACTIVITIES

- 22.1 Financial assets at fair value through profit or loss
- 22.2 Hedging derivatives
- 22.3 Financial assets at fair value through OCI
- 22.4 Securities at amortised cost
- 22.5 Loans and advances to credit institutions at amortised cost
- 22.6 Loans and advances to customers at amortised cost
- 22.7 Insurance and reinsurance contracts, other financial assets and accruals
- 22.8 Investment property

22.1 Financial assets at fair value through profit or loss

Breakdown by nature of financial instruments

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022 (a)
Government paper and equivalent	27,001	23,933
Bonds and other fixed-income securities	42,142	34,919
UCITS	111,397	107,874
Debt instruments	180,540	166,726
Equity and other variable-income securities	18,823	20,869
Equity instruments	18,823	20,869
Customers	7,383	6,889
Loans and advances	7,383	6,889
Interest rate	4,911	5,995
Exchange rate	98	131
Credit	1	1
Equity and index instruments	227	646
Derivative instruments	5,238	6,773
Credit institutions	792	2
Customers	5,314	5,586
Securities and other assets purchased under collateralised reverse repurchase agreements	6,106	5,589
TOTAL	218,089	206,845

(a) Restated for the first-time application of IFRS 17.

Breakdown by IFRS 9 category

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022 (a)
Financial assets held for trading	13,915	13,953
Non-SPPI financial assets and equity instruments	106,321	106,994
Financial assets backing unit-linked contracts	94,505	80,656
Financial assets designated at fair value	3,348	5,242
TOTAL	218,089	206,845

(a) Restated for the first-time application of IFRS 17.

22.2 Hedging derivatives

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022
Interest-rate instruments	570	1,012
Forex instruments	107	127
TOTAL	677	1,139

22.3 Financial assets at fair value through OCI

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022 (a)
Equity and other variable-income securities	15,705	16,103
Other long-term securities	4	2
Government paper and equivalent - nominal value	95,787	97,941
Government paper and equivalent - impairment losses	(116)	(121)
Government paper and equivalent	95,671	97,820
Bonds and other debt securities	101,481	96,676
Bonds - impairment losses	(184)	(193)
Bonds and other debt securities	101,297	96,482
TOTAL	212,678	210,408

(a) Restated for the first-time application of IFRS 17.

22.4 Securities at amortised cost

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022
Government paper and equivalent	29,296	25,179
Bonds and other fixed-income securities	3,752	2,009
Subordinated securities	56	5
TOTAL	33,104	27,193

22.5 Loans and advances to credit institutions at amortised cost

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022 (a)
Current accounts in debit	2,143	1,891
Suspense accounts	7	7
Demand deposits with credit institutions	2,150	1,898
Accounts and loans	94	16
Deposits centralised with CDC	64,711	64,850
Securities and other assets purchased under collateralised reverse repurchase agreements	3,880	3,772
Term loans and advances to credit institutions	68,685	68,637
Subordinated loans	79	78
TOTAL	70,914	70,614

(a) Restated for the first-time application of IFRS 17.

22.6 Loans and advances to customers at amortised cost

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022 (a)
Retail current accounts in debit	1,088	1,036
Factoring accounts	4,028	3,796
Loans to customers repayable on demand, suspense accounts and other accounts	561	112
Impairment losses	(182)	(128)
Loans and advances to customers repayable on demand	5,495	4,816
Short-term credit facilities	13,890	14,315
Real estate loans	93,343	91,835
Equipment loans	7,173	7,699
Loans to financial sector customers	1,586	1,122
Other loans	1,967	2,278
Securities purchased under collateralised reverse repurchase agreements	52	1,636
Impairment losses	(1,305)	(1,267)
Term loans and advances to customers	116,705	117,617
Subordinated loans to customers	23	10
Finance lease transactions	3,776	3,666
TOTAL	125,999	126,109

(a) Restated for the first-time application of IFRS 17.

22.7 Insurance and reinsurance contracts, other financial assets and accruals

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022 (a)
Insurance contracts issued – Assets – BBA/VFA	1,176	1,343
Insurance contracts issued – Assets – PAA	166	98
Acquisition costs not yet allocated to contracts – Assets	0	66
Insurance contracts issued – Assets	1,343	1,506
Reinsurance contracts held – Assets – BBA/VFA	8,556	7,903
Reinsurance contracts held – Assets – PAA	319	304
Assets related to ceded investment contracts without DPF – Reinsurance	15	15
Reinsurance contracts held – Assets	8,891	8,221
Sundry debtors ^(b)	6,734	6,936
Securities settlement accounts	1	1
Impairment losses	(108)	(74)
Other financial assets	6,628	6,862
Prepaid expenses and accrued income	1,252	1,558
Collection accounts	139	71
Other accruals	577	827
Accruals	1,968	2,456
Other financial assets and accruals	8,596	9,318

(a) Restated for the first-time application of IFRS 17.

(b) Including guarantee deposits in respect of Single Resolution Fund EPLs for €89 million at 31 December 2023 (€76 million at 31 December 2022) (see Note 36.4).

22.8 Investment property

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022 (a)
Gross amount	1,067	1,102
Amortisation	(60)	(58)
Impairment losses	(77)	(1)
Investment property at amortised cost	930	1,043
Investment property at fair value	6,332	5,766
TOTAL	7,262	6,809

(a) Restated for the first-time application of IFRS 17.

Substantially all of the investment properties presented in the 2023 financial statements are from the CNP Assurances group.

NOTE 23 OTHER CURRENT ASSETS

23.1 Inventories and work-in-progress

23.2 Trade and other receivables

23.1 Inventories and work-in-progress

(in € millions)	31 Dec. 2023			31 Dec. 2022
	Gross amounts	Allowances	Net amount	Net amount
Raw materials, supplies, goods and other inventories	192	(7)	185	173
Finished and semi-finished product inventories and work-in-progress	32	(1)	30	34
TOTAL	223	(8)	215	207

Inventories primarily consist of spare parts for technical facilities and finished products sold in the post office network (mainly stamp-collecting products).

23.2 Trade and other receivables

(in € millions)	31 Dec. 2023	31 Dec. 2022
Advances and deposits paid	295	242
Trade receivables and related accounts	3,776	3,564
<i>Impairment losses on trade receivables and related accounts</i>	<i>(167)</i>	<i>(133)</i>
International mail receivables	637	684
Receivables from the French State for compensation for public service missions	500	520
Other receivables	646	656
<i>Impairment losses on other receivables</i>	<i>(17)</i>	<i>(28)</i>
TOTAL	5,670	5,504

International mail receivables (€637 million) are primarily owed by foreign postal operators for the delivery of their mail in France.

Likewise, trade and other payables include international mail payables (see Note 32) of €728 million owed to foreign postal operators for the delivery of La Poste mail outside of France.

Receivables from the State for income about public service missions correspond to compensation not yet received. At 31 December 2023, this caption corresponded to the compensation for universal postal service provided in 2023.

NOTE 24 CASH AND CASH EQUIVALENTS

- 24.1 Cash and cash equivalents
24.2 Cash, central banks (Banking activities)

24.1 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and short-term investments in money-market instruments. These investments, which were initially due to mature in less than three months, are readily convertible into a known amount of cash and are exposed to a negligible risk of a change in value.

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022
Cash equivalents	2,287	3,125
Cash at bank	1,358	1,407
Cash on hand	5	5
TOTAL	3,650	4,537

Cash equivalents

Cash equivalents consisted mainly of term deposits accessible at any time, or within three months, for €1,093 million (€2,113 million as at 31 December 2022), and units in money-market UCITS for €1,094 million (€910 million as at 31 December 2022).

24.2 Cash, central banks (Banking activities)

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022
Cash on hand (including cash held at post offices)	1,127	1,004
Central banks	39,450	38,351
TOTAL	40,577	39,355

NOTE 25 ASSETS HELD FOR SALE AND DIRECTLY ASSOCIATED LIABILITIES

At 31 December 2023, these assets and liabilities stemmed from subsidiaries whose sale is planned in the coming months, and, as at 31 December 2022, properties under promise of sale.

At 31 December 2023, assets held for sale and directly associated liabilities included the assets and liabilities of DPD Russia for €35 million and €27 million, respectively (see Note 4.3). Liabilities associated with assets held for sale also include the group's €37 million share of the negative net worth of La Poste Télécom. The process for the disposal of this equity-accounted company was launched in the second half of 2023.

NOTE 26 EQUITY

- 26.1 Share capital
- 26.2 Hybrid debt
- 26.3 Non-controlling interests

26.1 Share capital

At 31 December 2023, the share capital amounted to €5,858 million, divided into 2,928,892,946 ordinary shares with a par value of €2 each. At that date, 66% of the capital was owned by Caisse des Dépôts and 34% was owned by the French State.

History of the share capital

On 1 March 2010, La Poste became a *société anonyme* (French public limited company), with a share capital of €1 billion, divided into 500 million fully paid-up shares with a par value of €2 each. This share capital is, by law, wholly-owned by the French State or State-owned entities, except for any portion reserved for La Poste employees.

Prior to that date, La Poste was an independent State-owned company, with no share capital within the legal meaning of the term.

Movements in 2023

In 2023, La Poste distributed €421 million (i.e., €0.15 per share) in dividends in the form of shares for €316 million (i.e., an increase in share capital of €238 million and share premium for €78 million) and in cash for €105 million. This distribution was allocated to other reserves for €421 million and to share premium for €195 million.

Movements in 2022

In 2022, La Poste distributed €724 million (i.e., €0.27 per share) in dividends in the form of shares for €315 million (i.e., an increase in share capital of €255 million and share premium for €60 million) and in cash for €409 million. This distribution was allocated to other reserves for €529 million and to share premium for €195 million.

26.2 Hybrid debt

In April 2018, La Poste Groupe carried out a public offering of euro-denominated perpetual hybrid securities for €750 million. The securities have no maturity date and have a first call date of 29 January 2026. In accordance with IAS 32, they were recognised in attributable equity.

26.3 Non-controlling interests

Non-controlling interests amounted to €8,345 million at 31 December 2023, compared with €8,087 million at 31 December 2022 in the financial statements restated on an IFRS 17 basis. At the end of 2023, they essentially corresponded to:

- non-controlling interests in the CNP Assurances group for €6,627 million (€6,487 million in 2022);
- perpetual notes issued by La Banque Postale:
 - in November 2019, for €744 million (perpetual fixed-rate notes with a semi-annual coupon of 3.875%, callable after 7 years),
 - in September 2021, for €744 million (perpetual fixed-rate notes with a semi-annual coupon of 3%, callable after 7.5 years);
- perpetual notes issued by Asendia for €198 million in March 2021, supplemented by €29 million in 2022.

In 2022, the buyout of non-controlling interests in CNP Assurance had a €857 million positive impact on equity attributable to owners of the parent and a €3,933 million negative impact on non-controlling interests.

NOTE 27 PROVISIONS FOR CONTINGENCIES AND LOSSES

At 31 December 2023, **provisions for contingencies and losses** break down as follows:

<i>(in € millions)</i>	Labour disputes	Other disputes	Other	TOTAL
Non-current provisions	8	14	116	138
Current provisions	50	291	337	678
Balance at 31 Dec. 2021	58	305	453	816
Additions for the period	51	24	303	378
Utilisations	(25)	(14)	(214)	(252)
Reversals of unused provisions	(8)	(59)	(12)	(79)
Other movements	3	16	3	22
Non-current provisions	16	6	163	185
Current provisions	63	266	370	700
Balance at 31 Dec. 2022	80	273	533	885
Additions for the period	52	87	354	493
Utilisations	(28)	(37)	(261)	(326)
Reversals of unused provisions	(13)	(42)	(34)	(89)
Other movements	(10)	10	(10)	(10)
Non-current provisions	17	6	102	126
Current provisions	63	285	480	827
BALANCE AT 31 DEC. 2023	80	291	582	953

Provisions for labour disputes cover all employee-related disputes (industrial tribunal, etc.) and ongoing claims and disputes with social security bodies.

Provisions for other disputes relate to disputes brought before administrative, civil or commercial courts.

Other provisions at 31 December 2023 mainly cover:

- the residual risk in connection with the Stuart group for €27 million (see Note 1.5 of the significant events);
- contingencies associated with the BRT dispute for €10 million (see Note 1.4 of the significant events);
- miscellaneous contingencies linked to the group's operating activity.

NOTE 28 BONDS AND DEBT

- 28.1 Breakdown of debt
- 28.2 Breakdown of debt by maturity
- 28.3 Changes in debt
- 28.4 Bonds and subordinated debt
- 28.5 Derivative instruments for industrial and commercial activities
- 28.6 Other debt

28.1 Breakdown of debt

(in € millions)	31 Dec. 2023		31 Dec. 2022	
	Short-term	Medium-and long-term	Short-term	Medium-and long-term
Debt at amortised cost	1,390	10,431	731	9,664
Bonds	1,000	10,261	420	9,464
La Poste savings bonds	51	0	51	0
Commercial paper	200	0	150	0
Current bank facilities	68	0	38	0
Deposits and guarantees received	6	52	36	48
Other borrowings at amortised cost	65	118	36	151
Bonds designated at fair value	(0)	0	584	0
Hedged borrowings	0	(0)	0	468
Subordinated debt	0	(0)	0	468
Derivative liabilities relating to bonds	11	1	25	3
Accrued interest on borrowings	112	0	89	0
Total	1,513	10,432	1,429	10,134
BONDS AND OTHER DEBT	11,945		11,564	
Lease liabilities (a)	812	3,266	766	3,102
LEASE LIABILITIES	4,078		3,869	

(a) Lease liabilities at 31 December 2023 break down by currency as follows: €2,829 million in euros, €913 million in pounds sterling and €336 million in other currencies.
 Lease liabilities at 31 December 2022 broke down by currency as follows: €2,833 million in euros, €736 million in pounds sterling and €300 million in other currencies.

28.2 Breakdown of debt by maturity

(in € millions)	Due within 1 year		Due in 1 to 5 years		Due beyond 5 years		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Debt at amortised cost	1,390	731	3,780	3,757	6,651	5,907	11,821	10,395
Bonds	1,000	420	3,712	3,613	6,549	5,851	11,261	9,884
La Poste savings bonds	51	51	0	0	0	0	51	51
Commercial paper	200	150	0	0	0	0	200	150
Current bank facilities	68	38	0	0	0	0	68	38
Deposits and guarantees received	6	36	44	42	8	7	58	85
Other borrowings at amortised cost	65	36	24	102	94	49	183	187
Bonds designated at fair value	(0)	584	0	0	0	0	(0)	584
Hedged borrowings	0	0	0	0	(0)	468	(0)	468
Subordinated debt	0	0	0	0	(0)	468	(0)	468
Derivative liabilities relating to bonds	11	25	0	0	1	3	12	28
Accrued interest on borrowings	112	89	0	0	0	0	112	89
BONDS AND OTHER DEBT	1,513	1,429	3,780	3,757	6,652	6,378	11,945	11,564
LEASE LIABILITIES	812	766	1,970	1,970	1,296	1,132	4,078	3,869

28.3 Changes in debt

The following table presents changes in debt in 2023 and 2022, distinguishing between changes with an impact on cash and those without.

(in € millions)	Bonds and other debt (a)	Debt-related derivative assets (including security deposits) (a)	Lease liabilities (a)	Cash impact (excl. Banking activities)	La Banque Postale subordinated debt	La Banque Postale lease liabilities (e)	CASH IMPACT GROUP
Balance at 31/12/2021	10,149	(61)	3,760	0	10,110	153	0
Changes with cash impact							
Proceeds from new borrowings (b)	2,475	0	0	2,475	1,003	0	3,477
Repayment of borrowings (c)	(1,045)	0	0	(1,045)	(1,750)	0	(2,795)
Repayment of lease liabilities	0	0	(814)	(814)	0	(58)	(872)
Other cash flows from financing activities	(32)	(13)	0	(45)	0	0	(45)
Changes without cash impact							
Change in accrued interest on financial instruments	14	0	0		0	0	0
Increase in lease liabilities	0	0	1,044		0	118	
Changes in consolidation scope and exchange rates	19	9	(30)		0	0	
Changes in fair value (excluding banking activities) (d)	(42)	23	0		0	0	
Other non-cash flows and reclassifications	28	(15)	(78)		(264)	1	
Debt of subsidiaries held for sale	(0)	0	(14)		0	0	
Commitment to pay dividends to non-controlling interests	(3)	0	0		0	0	
Balance at 31/12/2022	11,564	(57)	3,869	0	9,099	214	
Changes with cash impact							
Proceeds from new borrowings (b)	2,659	0	0	2,659	500	0	3,159
Repayment of borrowings (c)	(2,244)	0	0	(2,244)	(200)	0	(2,444)
Repayment of lease liabilities	0	0	(850)	(850)	0	(42)	(892)
Other cash flows from financing activities	(52)	2	0	(49)	0	0	(49)
Changes without cash impact							
Change in accrued interest on financial instruments	28	14	0		0	0	
Increase in lease liabilities	0	0	1,214		0	78	
Changes in consolidation scope and exchange rates	23	(18)	11		0	(0)	
Changes in fair value (excluding banking activities) (d)	(3)	2	0		0	0	
Other non-cash flows and reclassifications	(27)	40	(174)		51	(77)	
Debt of subsidiaries held for sale	0	0	9		0	0	
Commitment to pay dividends to non-controlling interests	(3)	0	0				
BALANCE at 31/12/2023	11,945	(17)	4,078		9,450	174	

(a) See Note 29.1. Including guarantee deposits;

(b) Proceeds from new borrowings

2023:

In June 2023, La Poste carried out a €1,500 million bond issue measured at amortised cost, comprising:

- a first tranche of €650 million at a fixed rate of 3.75% with a 7-year term (maturity: June 2030);
- a second tranche of €850 million at a fixed rate of 4% with a 12-year term (maturity: June 2035).

La Poste carried out three tap issues, recognised at amortised cost:

- a €150 million tap issue in April 2023 at a fixed rate of 0.625% maturing in January 2036;
- a €100 million tap issue in September 2023 at a fixed rate of 4% maturing in June 2035.
- a €100 million tap issue in November 2023 at a fixed rate of 3.75% maturing in June 2030.

In addition, €775 million in commercial paper was issued in 2023.

2022:

In September 2022, La Poste carried out a €1,200 million sustainable bond issue, recognised at amortised cost, comprising:

- a first tranche of €600 million at a fixed rate of 2.625% with a 6-year term (maturity: September 2028);
- A second tranche of €600 million at a fixed rate of 3.125% with a 10.5-year term (maturity: March 2033).

La Poste carried out three tap issues, recognised at amortised cost:

- A €100 million tap issue in January 2022 at a fixed rate of 1% maturing in September 2034;
- A €150 million tap issue in May 2022 at a fixed rate of 0.625% maturing in October 2026;
- A €100 million tap issue in September 2022 at a fixed rate of 0% maturing in July 2029.

In addition, €871 million in commercial paper was issued in 2022.

(c) Repayment of borrowings

In 2023, La Poste redeemed a bond with a nominal value of €580 million that was issued in 2003 and recognised at fair value.

In addition, in December La Poste redeemed the USD 500 million worth of subordinated notes issued in 2016.

In addition, €725 million in commercial paper was redeemed in 2023 (€1,021 million in 2022).

(d) Changes in fair value (excluding banking activities):

In accordance with IFRS 9, some bonds backed by fixed-for-floating swaps are recognised at fair value through profit or loss. The credit risk component of the change in fair value is recognised in "Other comprehensive income" (nil in 2023, and a positive €1 million in 2022).

The corresponding swaps are also measured at fair value through profit or loss, in accordance with the general rule for measuring derivatives set out in IFRS 9.

(e) See Note 31.7.

28.4 Bonds and subordinated debt

As 31 December 2023, group bonds with nominal values over €500 million break down as follows:

Date of issue	Maturity	Currency	Nominal interest rate	Nominal value (in millions of currency units)	Accounting treatment
2012-2013	2024	Euro	2.750%	1,000	Amortised cost
2015	2025	Euro	1.125%	750	Amortised cost
2018	2028	Euro	1.450%	500	Amortised cost
2019	2027	Euro	0.375%	1,000	Amortised cost
2019-2021-2022	2034	Euro	1.000%	1,000	Amortised cost
2020-2021-2022	2026	Euro	0.625%	875	Amortised cost
2020	2032	Euro	1.375%	1,150	Amortised cost
2021-2022	2029	Euro	0.000%	1,050	Amortised cost
2021-2023	2036	Euro	0.625%	1,150	Amortised cost
2022	2028	Euro	2.625%	600	Amortised cost
2022	2033	Euro	3.125%	600	Amortised cost
2023	2030	Euro	3.750%	750	Amortised cost
2023	2035	Euro	4.000%	950	Amortised cost
TOTAL BONDS AT AMORTISED COST				11,375	

At 31 December 2023, bonds break down by rate type as follows:

(in € millions)	Debt breakdown before fixed-for-floating swaps		Impact of fixed-for-floating transactions	Debt breakdown after fixed-for-floating swaps	
Fixed-rate borrowings	11,261	100%	0	11,261	100%
Floating-rate borrowings	0	0	0	0	0%
TOTAL BORROWINGS	11,261	100%	0	11,261	100%

The fixed-for-floating swaps mentioned above were used to turn a fixed interest rate into a floating rate at any time between the debt issue and maturity.

Furthermore, floating-for-fixed swaps were also used to turn the interest rates for a portion of these borrowings back into fixed rates for short periods ranging from one to five years.

The floating rate loans hedged by these swaps were repaid in 2023.

La Poste no longer holds any swaps turning interest rates back to fixed rates.

Breakdown of debt by currency

All bonds were denominated in euros at 31 December 2023.

US-dollar-denominated subordinated notes hedged by a cross-currency swap designated as a cash flow hedge, whereby both interest rate risk and exchange rate risk are hedged, were redeemed during the year.

28.5 Derivative instruments for industrial and commercial activities

(in € millions)	Fair value at 31 Dec. 2023		Fair value at 31 Dec. 2022	
	Assets	Liabilities	Assets	Liabilities
Trading derivatives at fair value through profit or loss				
Fixed-for-floating derivatives	0	0	17	0
Floating-for-fixed derivatives	0	0	2	0
Total	0	0	19	0
Hedging derivatives				
Cash flow hedges	1	0	8	0
TOTAL DEBT-RELATED DERIVATIVES	1	0	27	0
Other				
Currency / exchange derivatives	7	12	17	27
TOTAL DERIVATIVES (EXCLUDING BANKING ACTIVITIES)	8	12	44	27
Amortisable balance on interrupted hedging derivatives				
Cash flow hedging derivatives	3	0	4	0

28.6 Other debt

La Poste savings bonds

This line represents La Poste's savings bond liabilities. All of the bonds had matured at the end of 2023.

Commercial paper

Commercial paper issued by La Poste and outstanding at 31 December 2023 had maturities of three months or less and represented €200 million (€150 million at 31 December 2022).

Deposits and guarantees received

This line primarily corresponds to security deposits received in respect of financial instruments put in place to manage bonds.

NOTE 29 GROUP NET DEBT

- 29.1 Group net debt position
29.2 Changes to Group net debt

29.1 Group net debt position

<i>(in € millions)</i>	Note	31 Dec. 2023	31 Dec. 2022
Cash and cash equivalents (balance sheet line)	24	3,650	4,537
Debt-related derivative assets		8	44
Security deposits paid in connection with derivatives, recognised as assets		8	13
Investment securities with initial maturities of over 3 months and UCITS	21	208	581
Net financial receivable from (payable to) La Banque Postale		152	66
Cash and other asset items (1)		4,026	5,242
Medium and long-term bonds and debt	28.1	10,432	10,134
Short-term bonds and debt	28.1	1,513	1,430
Lease liabilities	28.1	4,078	3,869
Gross debt (2)		16,023	15,432
NET DEBT (2)-(1)		11,997	10,191
Increase / (Decrease) in net debt at 31 December 2023		1,806	

29.2 Changes to group net debt

<i>(in € millions)</i>	Cross-references	31 Dec. 2023	31 Dec. 2022
Net cash from/(used in) operating activities	SCF ^(a)	1,536	3,578
Net cash from/(used in) investing activities	SCF	(1,503)	(2,048)
Elimination of change in financial assets held for cash management purposes	SCF	(380)	230
Net cash from/(used in) investing activities excluding acquisitions and disposals of financial assets held for cash management purposes ^(b)		(1,882)	(1,818)
Perpetual loans classified as equity ^(c)	SCF	0	29
Dividends paid to shareholders and remuneration of hybrid subordinated notes	SCF	(135)	(442)
Purchases of non-controlling interests	SCF	(63)	(139)
Net interest expense		(198)	(214)
Change in fair value of debt and derivatives		2	18
Impact of changes in consolidation scope on gross debt (incl. lease liabilities)		(12)	(10)
Non-cash changes in lease liabilities (IFRS 16)		(1,051)	(966)
Net debt of subsidiaries held for sale		(8)	(1)
Commitment to pay dividends to non-controlling interests		3	3
Other items ^(d)		3	6
Net cash from/(used in) and change in debt from financing activities		(1,460)	(1,717)
Decrease/(increase) in net debt since 1 January		(1,806)	42
Opening net debt		(10,191)	(10,233)
Closing net debt		(11,997)	(10,191)

(a) "SCF" refers to the "Industrial and commercial activities" column of the consolidated statement of cash flows.

(b) "Net cash from/(used in) investing activities" differs from the item in the statement of cash flows due to the exclusion of "Change in financial assets held for cash management purposes". These assets are deducted when calculating net debt.

(c) Perpetual notes issued by Asendia in 2022.

(d) The "Other items" line includes the impact of changes in exchange rates on net debt.

NOTE 30 EMPLOYEE BENEFITS

- 30.1 Change in provisions for employee benefits
- 30.2 Description of employee benefits
- 30.3 Actuarial assumptions
- 30.4 Change in post-employment benefit obligations
- 30.5 Analysis of post-employment benefit expense
- 30.6 Expected cash outflows

30.1 Change in provisions for employee benefits

Provisions for employee benefits changed as follows in 2023:

(in € millions)	31 Dec. 2022		Changes in scope of consolidation	Increases	Decreases for (utilisations)	Reversals (surplus)	Net interest cost	Other changes	31 Dec. 2023	
	Current	Non-current							Current	Non-current
Retirement benefits (a)	29	580	1	83	(72)	(37)	13	8	23	581
Other post-employment benefits (b)	8	331	0	3	(28)	(303)	7	31	2	47
Post-employment benefits	37	910	1	86	(100)	(340)	20	38	25	628
End-of-career benefits (c)	432	767	0	173	(447)	0	34	(0)	385	575
Severance payments	75	34	0	0	(10)	0	0	0	69	31
Long-term sick leave/long-term paid leave	36	22	0	4	(12)	0	0	0	31	19
Accrued leave	147	147	0	21	(8)	0	0	0	153	153
Other long-term benefits	1	77	0	0	(4)	0	0	(0)	1	73
Other employee benefits	259	280	0	25	(34)	0	0	(0)	254	277
TOTAL	729	1,958	1	284	(581)	(340)	55	38	663	1,480
		2,687							2,143	

- (a) Including the reversal of €37 million provision that was no longer relevant relating to the impact of the French pension reform on employee retirement benefits (see Note 1.3).
- (b) Including the reversal of €303 million provision that was no longer relevant relating to the cancellation of interest payments on La Poste retirees' demand deposits (see Note 1.3).
- (c) Of which a €262 million allocation to cover the impact of the French pension reform on end-of-career benefits, partly offset by the effect of changes in enrolment assumptions (see Note 1.3).

30.2 Description of employee benefits

Post-employment and long-term obligations under defined benefit plans and the related costs are measured by the projected unit credit method, in accordance with IAS 19. Actuarial assessments are performed every year. The assessment takes into account external economic assumptions (discount rates, inflation rates, pension increases, etc.), together with assumptions that are specific to La Poste (employee turnover rates, mortality rates, future salary levels, etc.).

30.2.1 Pension obligations for La Poste civil servants

Article 150 of France's Amended 2006 Budget Law, published in the Official Legal Gazette of 31 December 2006, limits La Poste's obligation with respect to the pensions of its civil servant staff to the payment of employer contributions in full discharge of its liability for pension payments.

As a result, no provision for pension obligations towards civil servants is recorded in La Poste's financial statements.

The employer contribution paid by La Poste is calculated using a "competitive equity" rate, which aligns La Poste's mandatory payroll-based social security and tax contributions with those of other companies in the postal and banking sectors.

French Decree 2021-1210 of 20 September 2021, which entered into force the day after its publication, ratified a change in the methods used to determine the competitive equity rate so as to make its calculation more accurate with regard to the various social security and tax contributions paid by La Poste.

In application of this decree, the French State plans to recalculate the contributions paid for the years 2018 to 2020. The adjustment was taken into account when calculating the rate for the years 2021 to 2023. As a result, an €80 million reduction in pension expenses was recognised for each of these three financial years.

30.2.2 Post-employment benefits for La Poste civil servants

Other post-employment benefit obligations comprise:

- employee welfare services provided to civil servants, including holiday discounts;
- grants to organisations that provide services to retired civil servants.

In addition, a loyalty bonus was granted to retired civil servants who hold their pension in a La Banque Postale account. The bonuses have been withdrawn with effect from 31 December 2023 (see Note 1.3).

30.2.3 Retirement benefits for contract staff of La Poste and group subsidiaries in France

Employees retiring from the company and eligible for a pension receive retirement benefits, based on length of service and final salary.

30.2.4 Pension plans for employees of group subsidiaries outside France

Pension obligations for the group's subsidiaries outside France primarily relate to the Geopost sub-group and the Geopost UK subsidiary. Geopost UK's obligations are covered by a pension fund.

30.2.5 End-of-career arrangements

Subject to certain conditions, La Poste employees benefit from end-of-career arrangements. These plans are or have been offered to people who meet a minimum-age requirement of between 53 and 60 years, depending on certain criteria (physically demanding position, field or office work, length of service, etc.).

During the term of the plan, in most cases beneficiaries receive 70% of full-time remuneration in exchange for a reduced operational workload.

Provisions for the cost of end-of-career arrangements cover both firm and expected commitments to make these arrangements available to employees after the year end.

At 31 December 2023, unlike at the previous year-end, the provisions only covered the liability towards employees who had enrolled in these arrangements at that date, as no commitment was given during the year to make the arrangements available to employees after the year end.

30.2.6 Other long-term benefits

Other long-term benefits comprise paid leave schemes, including:

- **accrued leave:** accrued leave is a scheme that allows employees to carry forward part of their unused earned leave to future periods. The provision for accrued leave corresponds to the value of the leave rights included in this scheme;
- **supplementary leave:** civil servants from originate from or work in France's overseas departments benefit from paid supplementary leave and paid travel expenses. The provision covers these supplementary leave and travel rights;
- **long-term sick leave/long-term paid leave:** the provision for long-term sick leave and long-term paid leave is designed to cover the costs of future leave initiated at year-end. This provision is measured at every year-end for all employees concerned, on the basis of future entitlements expressed in payable index points.

30.3 Actuarial assumptions

The actuarial assumptions used to measure employee benefit obligations are reviewed and updated once a year at year-end.

The main assumptions used at 31 December 2023 are as follows:

- the probability of active employees staying with the group, mortality rates and estimated future salary levels;
- retirement assumptions for employees of companies outside France and employees governed by foreign collective bargaining agreements, which take into account local economic and demographic factors;
- an assumed average benefit increase of 2%;
- provisions for obligations relating to end-of-career arrangements that form part of agreements, calculated on the basis of (i) definite enrolments in these plans at the reporting date, and (ii) Management's best estimate of probable future enrolments up until the expiry date of the

agreements. As explained above, the end-of-career arrangements in place in 2023 ceased to be available as from 31 December and no new arrangements were offered before the year end.

- discount rates used for actuarial assessments as at period-end, determined with reference to a basket of AA-rated corporate bonds published by Reuters, as follows:

Maturity	5 years	10 years	15 years	20 years
2023				
Eurozone	3.1%	3.0%	3.2%	3.3%
UK	4.2%	4.1%	4.4%	4.5%
2022				
Eurozone	3.7%	3.7%	3.8%	3.7%
UK	5.1%	4.7%	4.8%	4.9%

Inflation assumptions used for the UK were 3.05% (*Retail Price Index - RPI*) and 2.3% (*Consumer Price Index - CPI*), and respectively 3.15% and 2.4% in 2022.

30.4 Change in post-employment benefit obligations

<i>(in € millions)</i>	2023	2022
Obligations at beginning of period	1,140	1,248
Current service cost	48	63
Interest cost	33	17
Benefits paid	(72)	(62)
Employee contributions	2	1
Actuarial (gains)/losses relating to changes in assumptions ^(a)	35	(162)
Actuarial (gains)/losses relating to experience adjustments	6	26
Translation adjustments	5	(9)
Change in scope of consolidation	(2)	0
Plan amendment	(345)	0
Other	2	18
OBLIGATION AT END OF PERIOD	853	1,140
Plan assets at beginning of period	193	273
Expected return on assets	9	5
Employer contributions	9	26
Employee contributions	3	3
Benefits paid	(18)	(21)
Actuarial gains and losses	(0)	(82)
Translation adjustments	5	(9)
PLAN ASSETS AT END OF PERIOD	200	193
Obligation	853	1,140
Plan assets ^(b)	(200)	(193)
PROVISION	653	947
<i>of which non-current provision</i>	628	910
<i>of which current provision</i>	25	37

(a) Actuarial gains and losses recognised in 2023 and 2022 mainly arise from changes in financial assumptions.

(b) Plan assets primarily correspond to UK plans. Their amounts are slightly in excess of the related obligations.

Change in actuarial gains and losses ^(a)

<i>(in € millions)</i>	2023	2022
Actuarial (gains)/ losses at beginning of period	39	93
Actuarial (gains)/losses relating to changes in assumptions	35	(162)
Actuarial (gains)/losses relating to experience adjustments	6	26
Actuarial (gains)/losses on plan assets	0	82
ACTUARIAL (GAINS)/LOSSES AT END OF PERIOD	80	39

(a) Recognised in "Other comprehensive income".

Breakdown of plan assets

Type of assets	2023	2022
Equities	4%	11%
Debt securities	45%	43%
Liability-driven Investment (LDI) funds	30%	20%
Insurance contracts	9%	9%
Other	12%	16%

Discount rate sensitivity

A 50-basis point decrease in the discount rate would result in an increase of approximately €45 million in the group's net post-employment benefit obligations.

30.5 Analysis of post-employment benefit expense

(in € millions)	2023	2022
Current service cost	48	63
Interest cost	33	17
Expected return on assets	(9)	(5)
EXPENSE /(INCOME) FOR THE PERIOD	73	76

30.6 Expected cash outflows

The table below presents an estimate of the benefits payable over the next five years in respect of defined-benefit post-employment benefits:

(in € millions)	Cash outflows
2024	50
2025	46
2026	39
2027	37
2028	35

At 31 December 2023, the average duration of post-employment benefits was around 20 years.

NOTE 31 BANKING ACTIVITY FINANCIAL LIABILITIES

- 31.1** Financial liabilities at fair value through profit or loss
- 31.2** Hedging derivatives
- 31.3** Liabilities due to central banks and credit institutions
- 31.4** Customers deposits
- 31.5** Debt securities
- 31.6** Insurance contracts issued and reinsurance contracts held
- 31.7** Other financial liabilities
- 31.8** Subordinated debt

31.1 Financial liabilities at fair value through profit or loss

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022
Debt securities	3,869	2,443
Interest rate	3,188	3,241
Exchange rate	571	941
Credit	3	1
Equity and index instruments	276	256
Other	2	4
Derivative instruments	4,041	4,443
Credit institutions	1,313	5,699
Customers	4,362	774
Securities and other assets sold under collateralised repurchase agreements	5,675	6,473
TOTAL	13,585	13,359

31.2 Hedging derivatives

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022
Interest-rate derivatives	2,163	2,350
Forex instruments	21	22
Other instruments	(1)	0
TOTAL	2,183	2,371

31.3 Liabilities due to central banks and credit institutions

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022 (a)
Current accounts in credit	624	1,324
Overnight accounts and borrowings	682	(0)
Other amounts due	2	3
Demand deposits from credit institutions	1,308	1,326
Term deposits	3,170	7,960
Securities and other assets sold under collateralised repurchase agreements	29,097	34,723
Term liabilities due to credit institutions	32,268	42,683
TOTAL	33,576	44,009

(a) Restated for the first-time application of IFRS 17.

31.4 Customer deposits

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022 (a)
Livret A	68,696	67,459
PEL/CEL home savings plans and accounts	25,447	29,068
Other regulated savings accounts	30,076	27,515
Regulated savings accounts	124,219	124,042
Current accounts in credit	78,410	82,921
Overnight accounts and borrowings	4,914	2,280
Other amounts payable to customers	1,553	1,332
Customer demand deposits	84,877	86,533
Term deposits	700	1,305
Term deposit accounts in credit	3,789	533
Securities and other assets sold under collateralised term repurchase agreements	11,410	3,299
Customer term deposits	15,899	5,137
TOTAL	224,995	215,712

(a) Restated for the first-time application of IFRS 17.

31.5 Debt securities

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022
Certificates of deposit and commercial paper	14,116	13,397
Bonds	20,198	15,655
TOTAL	34,314	29,052

31.6 Insurance contracts issued and reinsurance contracts held (see Note 35.3)

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022 (a)
Insurance contracts issued – Liabilities – BBA/VFA	374,415	360,542
Insurance contracts issued – Liabilities – PAA	1,620	1,584
Acquisition costs not yet allocated to contracts – Liabilities	0	0
Liabilities related to ceded investment contracts without DPF – Insurance	2,395	2,453
Insurance contracts issued – Liabilities	378,430	364,580
Reinsurance contracts held – Liabilities – BBA	35	20
Reinsurance contracts held – Liabilities – PAA	20	13
Liabilities related to ceded investment contracts without DPF – Reinsurance	0	0
Reinsurance contracts held – Liabilities	55	33
TOTAL	378,485	364,613

(a) Restated for the first-time application of IFRS 17.

31.7 Other financial liabilities

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022 (a)
Deferred income	470	451
Other accruals	882	683
Accruals	1,352	1,134
Securities-related liabilities	42	77
Security deposits received	1,246	2,313
Lease liabilities	175	214
Other miscellaneous payables	4,228	2,733
Other payables	4,403	2,948
Securities settlement accounts	6	8
Home savings provisions	102	106
Other financial liabilities	7,151	6,586

(a) Restated for the first-time application of IFRS 17.

31.8 Subordinated debt

(in € millions)	31 Dec. 2023	31 Dec. 2022
Subordinated debt	9,450	9,099

Subordinated debt can be analysed as follows:

(in € millions)	Date of issue	Maturity date	Interest rate	Amount in issue currency	Currency	31 Dec. 2023 (a)	31 Dec. 2022 (a)
Redeemable subordinated notes						8,627	8,254
La Banque Postale	09/06/2016	09/06/2028	3.00%	500	EUR	470	445
La Banque Postale	05/10/2016	05/10/2028	2.25%	100	EUR	91	85
La Banque Postale	19/01/2017	09/06/2028	3.00%	150	EUR	142	134
La Banque Postale	26/10/2020	26/01/2031	0.875%	500	EUR	474	453
La Banque Postale	02/02/2021	02/08/2032	0.75%	500	EUR	453	426
La Banque Postale	27/04/2021	02/08/2032	0.75%	250	EUR	227	213
La Banque Postale	05/12/2022	05/03/2034	5.50%	500	EUR	526	486
CNP Assurances	24/06/2003	23/06/2023	4.7825% until 2013, then 3-month Euribor + 200 bps from 24/06/2013	200	EUR	0	202
CNP Assurances	05/06/2014	05/06/2045	4.25% until June 2025, then reset at the 5-year fixed swap + 360 bps	500	EUR	532	547
CNP Assurances	10/12/2015	10/06/2047	4.5% until June 2027, then 3-month Euribor + 460 bps	750	EUR	845	867
CNP Assurances	22/01/2016	22/01/2049	6% throughout the life of the notes	500	USD	502	528
CNP Assurances	05/02/2019	05/02/2029	2.75% throughout the life of the notes	500	EUR	558	567
CNP Assurances	27/11/2019	27/07/2050	2.00% until June 2030, then 3-month Euribor + 300 bps	750	EUR	774	776
CNP Assurances	10/12/2019	15/01/2027	0.80% throughout the life of the notes	250	EUR	253	254
CNP Assurances	30/06/2020	30/09/2051	2.5% until June 2031, then 3-month Euribor + 365 bps	750	EUR	759	759
CNP Assurances	08/12/2020	08/03/2028	0.375% until March 2028	500	EUR	502	502
CNP Assurances	12/10/2021	12/10/2053	1.875% until Oct. 2033, then 3-month Euribor + 270 bps	500	EUR	502	502
CNP Assurances	27/01/2022	27/01/2029	1.25% throughout the life of the notes	500	EUR	506	509
CNP Assurances	18/01/2023	7/18/2053	5.25% until Jul. 2033, then 3-month Euribor + 345 bps	500	EUR	512	0
Perpetual subordinated notes						823	845
CNP Assurances	15/11/2004		4.93% until 2016, then 3-month Euribor + 160 bps from 15/11/2016	90	EUR	90	89
CNP Assurances	15/11/2004		3-month Euribor + 70 bps until 2016, then 3-month Euribor + 160 bps	93	EUR	93	92
CNP Assurances	07/04/2021		4.875% until April 2031, then 5-year CMT + 318.3 bps	700	USD	641	664
TOTAL DEEPLY SUBORDINATED DEBT						9,450	9,099

(a) Balance sheet value including hedging effect and accrued interest.

NOTE 32 TRADE AND OTHER PAYABLES

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022 (a)
Trade payables and related accounts	5,769	5,493
Tax and social security payables	2,421	2,423
Payables to suppliers of non-current assets	597	728
International mail payables	728	780
Customer advances and deposits	183	208
Other operating payables	442	320
TOTAL	10,140	9,950

(a) Restated for the first-time application of IFRS 17.

ADDITIONAL INFORMATION

NOTE 33 INFORMATION ON RISKS EXCLUDING BANKING ACTIVITIES

33.1 Credit and counterparty risk

33.2 Liquidity risk

33.3 Interest-rate risk

33.4 Currency risk

The main purpose of the group's financial liabilities is to finance its operating activities, ensure sufficient liquidity and allow for acquisitions. The group uses derivative instruments, mainly interest rate swaps and currency swaps, for the purpose of managing interest rate risk and currency risk on its euro and foreign currency borrowings.

The group also holds financial assets such as cash and cash equivalents and short-term investments, which are generated directly by its business activities and whose associated risks (counterparty and liquidity risks) are managed daily.

La Poste Groupe takes a cautious approach to risk management based on a system of alerts and notional limits for each of the financial risks to which it is exposed through its financial activities. These limits and alerts are set down in a document called the "Limits Handbook", which is updated regularly based on changes in the business activities of the Financial Transactions and Treasury Department.

A summary of financial risks is presented to La Poste's Audit Committee every year. In 2023, this summary described in particular the changes made to the Limits Handbook during the year and approved by the governance set up by the group.

33.1 Credit and counterparty risk

Credit risk is the risk of the group suffering a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk mainly arises from investment securities and derivative instruments.

Investment securities

La Poste's cash and cash equivalents are invested in interest-bearing accounts, bank term deposits, UCITS and negotiable debt securities with a minimum short-term rating of A2/P2 at purchase. Credit risks are controlled by a system of limits representing the maximum nominal amount not to be exceeded per UCITS or issuer. The group also excludes the riskier types of investment securities and issuers presenting too much risk.

In the event where a portfolio investment's short-term ratings fall below A2/P2, the security must be sold "at best", unless the group Financial Committee makes an overriding decision.

In addition, to limit the risk of loss on the asset investment portfolio (excluding cash UCITS), a maximum loss limit has been introduced. This limit represents the statistical loss on the asset investment portfolio within a 97.5% interval. It is calculated based on the credit default swaps (CDSs) of each security in the portfolio, weighted by their residual maturity.

Derivative instruments

La Poste is exposed to a risk of its market counterparties defaulting, given its presence in derivative markets.

Exposure related to its instruments is assessed through the net market value of derivatives per counterparty after taking into account guarantees received or provided for collateralisation agreements.

Commitments with La Poste's counterparties are subject to systematic collateralisation agreements that reduce the risk of default at the franchise level.

Trade and other receivables

Impairment is calculated on an individual basis, based on an assessment of the risk of non-recovery. No group customer accounts for more than 10% of consolidated revenue.

33.2 Liquidity risk

The group strives to have sufficient financial resources at all times to finance recurring business activities and the capital expenditure needed for future growth. The aim of liquidity management is to enable the group to access financial resources in line with its needs in terms of value and time to obtain.

Financial needs are measured through cash flow forecasts (annual, monthly or weekly depending on what is at stake), and the resulting liquidity risk is addressed by:

- negotiating confirmed credit facilities with financial institutions. The group has access to a five-year €1 billion syndicated credit facility maturing in March 2025, for which it received commitments from the eleven banks in the banking syndicate (see Note 38.3.2);

- thus keeping at all times a minimum amount of "security cash" in cash and cash equivalents and in investments maturing within one year taken individually and whose average maturity does not exceed 90 days. This minimum amount is set at €1.2 billion and is defined and monitored by the group's Financial Committee;
- issuing short-term negotiable debt securities (Negotiable European Commercial Paper and Euro Commercial Paper) in order to compensate for changes in cash and bond debt (senior, hybrid and green) and thereby meet the group's long-term needs;
- carrying out prospective monitoring of indicators linked to short- and long-term equity markets in order to anticipate liquidity crisis situations.

The table below presents contractual cash flows relating to non-derivative financial liabilities, as well as contractual cash flows relating to debt management derivatives, regardless of whether they are shown as liabilities or assets. These flows are not discounted and their amounts may therefore differ from those recognised in the balance sheet.

The liabilities do not have any specific clause likely to significantly change the terms.

(in € millions)	Balance sheet amount	2024 flows		2025 flows		2026-2028 flows		2029 flows and beyond	
		Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
Bonds	11,261	186	1,000	159	750	436	2,975	597	6,650
Borrowings at amortised cost	11,261	186	1,000	159	750	436	2,975	597	6,650
Borrowings at fair value	(0)	0	0	0	0	0	0	0	0
Subordinated debt	(0)	0	0	0	0	0	0	0	0
Other debt	4,638	122	1,178	99	693	201	1,389	235	1,374
Lease liabilities	4,078	120	790	99	676	201	1,338	235	1,272
La Poste savings bonds	51	0	51	0	0	0	0	0	0
Commercial paper	200	2	198	0	0	0	0	0	0
Current bank facilities	68	0	68	0	0	0	0	0	0
Deposits and guarantees received	58	0	6	0	11	0	33	0	8
Other borrowings at amortised cost	183	0	65	0	6	0	18	0	94
Derivative instruments	4	3	0	3	0	8	0	9	(7)
Derivative liabilities	12	1	0	1	0	2	0	0	1
Derivative assets	(8)	2	0	2	0	7	0	9	(8)
TOTAL	15,902	311	2,178	260	1,443	645	4,364	841	8,017

33.3 Interest rate risk

The group's interest rate risk stems from changes in market rates (principally the €ster and 3-month Euribor), which would result in higher interest expense on borrowings, lower returns on investments or the loss of opportunity when rates change unfavourably.

To manage interest rate risk, the group has established:

- an active strategy to manage its bond debt based on the use of derivative instruments to take advantage of market opportunities and reduce the cost of its bonds;
- an active strategy to manage its investments based on the use of derivatives to guarantee returns and adjust the group's exposure to interest rate fluctuations;
- prospective monitoring over 12 rolling months of its net debt and investment position indexed to

market rates, and of the fluctuation of financial income and expense resulting from adverse changes in market rates (with a limit when the estimated impact exceeds 2% of average net profit or loss attributable to owners of the parent over last three financial years). This monitoring notably serves to allow active debt and investment management strategies to be adjusted as needed and to limit the impact of significant increase or decrease in interest rates.

Sensitivity analysis

A sudden, uniform 50-basis point increase in the market yield curve would not result in an increase in the group's annual financial expense, after taking into account debt management derivative instruments (unchanged from 2022).

The debt measured at fair value through profit of loss (representing a nominal amount of €580 million) and the related hedges (swaps) expired in June 2023. Consequently, no sensitivity analysis was necessary at 31 December 2023. At 31 December 2022, a sudden, uniform 50-basis point increase in the market yield curve would have resulted in a €1.4 million gain in earnings.

33.4 Currency risk

The group conducts international business activities, from France or its foreign subsidiaries, through its Services-Mail-Parcels and Geopost business lines.

To support its international expansion and the resulting currency risk, the group has established a currency risk management policy. This policy targets as a priority:

- acquisitions of foreign currency securities;
- foreign currency debt and loans;
- foreign currency net assets held and consolidated by the group.

This policy defines the governance, hedging conditions and materiality thresholds for these different types of exposure.

To date, and in accordance with the established thresholds and conditions, the group uses forex derivatives qualified as hedging instruments under IFRS and backed by:

- its dollar-denominated equity investments, hedged in part by euro-dollar currency swaps and dollar-denominated debt (USD 45 million)
- its equity investments denominated in Singapore dollars (SGD), hedged in part by forward SGD sales against the euro (SGD 170 million).
- its equity investments in United Arab Emirates dirhams (AED), hedged in part by forward AED sales against the euro (AED 1,060 million).

Other forex derivatives, not qualified as hedges under IFRS, are used for economic hedging purposes.

The bulk of these operating activities generates income and expenses denominated in the subsidiaries' functional and accounting currency. Residual currency risk related to operations currently only involves marginal amounts in relation to the size of the group.

At 31 December 2023, the accounting currency effect on revenue amounted to a negative €84 million, stemming mainly from the pound sterling (negative €56 million), the rouble (negative €43 million), the zloty (positive €25 million), the Mexican peseta (positive €25 million), the US dollar (negative €14 million), the South African rand (negative €9 million) and the Brazilian real (negative €8 million). The accounting impact of currency fluctuations on operating profit/(loss) amounted to almost a negative €16 million in 2023.

NOTE 34 INFORMATION ON RISKS RELATING TO BANKING ACTIVITIES

- 34.1 Structural risk factors
- 34.2 Credit risk
- 34.3 Market risk and hedge accounting
- 34.4 Liquidity risk
- 34.5 Interest rate risk

34.1 Structural risk factors

La Banque Postale has a Risk Taxonomy representing the framework of risk factors to which it is exposed. Its purpose is to create a shared risk language across all of the La Banque Postale group's entities (banking, insurance and asset management sectors).

La Banque Postale has a risk map that scores all of these risks and enables it to comply with the applicable regulatory requirements of the banking and insurance sectors (government order of 3 November 2014 on internal control, FICOD, SSM publications, etc.). It is also used as a support for the various cross-functional risk management exercises (such as ICAAP, Risk Appetite Statement and Dashboard, New Product Analysis, Stress Tests, etc.).

This risk map sets out and classifies all of the risks to which the conglomerate is exposed.

The risk factors are broken down into seven categories.

The 2024 risk map was validated by the Executive Board of La Banque Postale on 02 October 2023. The main changes include:

- the review and improvement of certain risk definitions;
- the reallocation of risks within the seven risk categories (compared with eight risk categories in the 2022 exercise: elimination of the intra-group risk category, the components of which are transferred to strategic and business risks);
- the risk of a mismatch between La Banque Postale's strategic business ambitions and its ESG commitments (including its Mission-led Company status) has been added to underline its importance in the Group's strategic ambitions;
- the taxonomy of environmental risks has been expanded to include two components in order to take biodiversity risk into account: the physical risk associated with nature and the transition risk associated with nature;
- the taxonomy has been extended to include new conglomerate-level operational risks.

34.2 Credit risk

The measures taken to hedge credit risk are intended to reflect the environment in which the group operated in 2023.

The information presented in this note also factors in these developments.

34.2.1 Developments in the geopolitical and macro-economic environment

During 2023, the Group operated in a context marked by a deteriorated macro-economic environment, with sluggish growth prospects in France, increased volatility on the financial markets, very gradual disinflation and a fall in the valuation of certain assets against a backdrop of heightened geopolitical tensions (ongoing armed conflict between Ukraine and Russia and war between Hamas and Israel since last October).

The main areas of concern are managing the upturn in business volumes without any deterioration in profitability, monitoring corporate loan portfolios which are showing the first signs of deterioration, balance sheet management and the liquidity situation, with a particular focus on the savings businesses (including life insurance, in France and Italy).

The impacts for the group of the situation in France are as follows:

- the impact of inflation, which is weighing on consumer confidence and spending, even though it began to fall in the final quarter of 2023;
- the impact of a possible rise in unemployment;
- the impact of the worsening business climate and an increase in the number of company failures (up 34% year-on-year, although the annual number of failures is still well below the average level recorded for the 2010-2019 period, before COVID - 19);
- the impact of monetary policy on the real estate sector and then on other sectors in the coming weeks as a result of the deterioration in financing conditions.
- the impact of the geopolitical/energy context. The group's loan book has no exposure to Ukraine and Russia. Its subsidiary CNP Assurances has minor exposure.

The quality of the loan book remains good, with no major increase in claims, particularly in retail banking, where there has been no significant change in consumer in consumer credit or home loan exposures. However, the first signs emerged of a deterioration in exposures to business customers. Loans included on the watchlist (mainly loans to professionals, SMEs and intermediate-sized businesses) rose by 24% over the year, and new specific loss allowances were booked at the year end.

The actions to take better account of potential impact of changes in the macroeconomic environment can be summed up as follows:

- **Corporate customers:** the group adjusted its industry-specific measures according to changes in the economic environment observed during the financial year (withdrawal from air transport and tourism in the first half, withdrawal from photovoltaics in the second half, and increase in loss allowances in the real estate sector) and updating measures for heavily indebted corporate customers (loss allowances on leveraged transactions with downgraded ratings). Adjustments were also made to the level of individual loss allowances on known cases.
- **Corporate real estate:** exposure to the real estate sector, the largest sector in La Banque Postale's corporate portfolio, remained stable at €5,645 million at the end of December 2023 (17% in 2023 versus 18% in 2022). The amount is calculated as follows: 69% in medium to long-term loans, 13% in RCF and 8.7% in property leasing). Of this portfolio, €3.8 billion was secured by real estate assets. Office properties account for 51% of these assets, 82% of which are located in the Paris region (of which 40% in Paris) and 18% in the regions. The vacancy rate for the Paris office portfolio was in line with market data, which pointed to a 2% vacancy rate in the third quarter of 2023. In the La Défense business district, the market vacancy rate topped 15%. Given the nature of the assets financed and their location in Paris, the average LTV (*loan to value*) of the portfolio was only slightly impacted by last year's lower appraisal values (50.1% vs. 49.2% at 31/12/22). In light of the observed trends in the commercial real estate market, industry specific provisions for non-performing loans were increased in 2023 for this customer segment.
- **Individual customers:** although the inflation rate eased, the ending of government support measures exacerbated the difficulties experienced by La Banque Postale customers on low incomes, who are particularly vulnerable to sharp price rises. For this reason, the group maintained provisions covering part of the inflation risk for vulnerable customers with consumer loans or home loans.

Impact on the measurement of credit risk

At 31 December 2023, cost of risk amounted to €201 million.

Non-performing exposure (NPE) was 1.4% (for customers and securities), an increase on the end-December 2022 level of 1.2% that was mainly due to a case being reclassified to Bucket 3; excluding this loan, the NPE rate remained stable at 1.23%.

The coverage rate for non-performing exposures remained stable at 35.8% at end-December 2023 compared with 35.5% at 31 December 2022.

With regard to the rest of the loan book, there has been no significant increase in claims on either the retail or corporate portfolios during the year, although early warning signs have been observed in certain customer categories (small businesses, with no particular sector driving trends).

In addition, the Bucket 2 exposure rate fell to 8.7%. The greatest improvement in 2023 concerned the retail

portfolio, due to the inclusion of a minimum probability of default level in the calculation of provisions for inflation risks recorded for the first time at 31 December 2022, in order to target only the most vulnerable customers.

The classification and provisioning of exposures at 31 December 2023 continue to be based on:

- automatic processes for identifying potential significant increases in credit risk and for classifying or proposing classification in "buckets" in accordance with IFRS 9;
- control and approval processes performed by the Group Risk Department and individual or collective adjustment decisions taken as part of the exposure monitoring process (watchlists, sector-based measures, etc.).

La Banque Postale updated its macro-economic scenarios at 31 December 2023, along with the related risk parameters used to determine statistical provisions. The impact on credit risk assessments of the uncertainty caused by the crisis (and its macro-economic consequences) is reflected in La Banque Postale's financial statements through management measures adapted to each major customer segment. These measures were taken by the Group Risk Department after reviewing the entire loan book.

Corporate customers

2023 cost of risk for Corporate and Investment Banking customers results from:

- La Banque Postale's exposure monitoring process specific provisioning decisions made by dedicated committees for outstanding loans under surveillance (included on the watchlist and/or credit impaired loans classified in bucket 2 and defaulted loans classified in bucket 3 under IFRS 9);
- application of sector-specific or other general loss provisioning principles;
- statistical provisions recognised on the rest of the performing loan book not subject to individual or general provisions.

In summary, general provisioning measures in force at 31 December 2023 concerned:

- sectors subject to industry-specific measures:
 - o certain segments of the Retail sector;
 - o the most vulnerable groups in the Automotive sector;
 - o the Commercial Real Estate sector, except for city-centre locations, with loss allowances increased in the second half of 2023 to take into account the impact of the worsening economic environment on medium and small owners of office properties outside Paris and property developers;
 - o the Agriculture sector;
- the measures previously applied in the Tourism, Hospitality & Leisure and Air Transport sectors were discontinued in the first half of 2023, in response to significantly improved conditions in these two sectors;
- the measures previously applied in the Photovoltaic Energy sector were discontinued in the second half of 2023, following the French Council of State's decision to cancel the electricity price cap introduced in the government order of 26 October

2021, leading to an overall improvement in the financial position of the companies in this sector;

- leveraged transactions (as defined in European Banking Authority guidelines), including LBOs, that have been subject to a ratings downgrade and are highly leveraged, in order to anticipate possible inflation-related cash flow difficulties.

The related exposures were reclassified to IFRS 9 Bucket 2 as La Banque Postale considered that there had been a significant increase in their credit risk since they were added to the loan book.

During the year 2023, no major losses were recorded on the corporate loan portfolio, although the number of corporate loans subject to special measures is increasing, mainly in the SME segment, without any impact on loss allowances at this stage.

At 31 December 2023, the Corporate and Investment Banking cost of risk amounted to €108 million, reflecting:

- the updated macroeconomic variables included in the scenarios used in provisioning models across all customer segments to which the Bank is exposed;
- the monitoring measures introduced in expectation of a possible deterioration of the macroeconomic environment, covering industry-specific provisions and loss allowances on leveraged corporate transactions.
- additional allocations to loss allowances relating primarily to the natural deterioration of the loan book and the downgrades applied to certain specific exposures (including provisioning decisions made by the Watchlist/Special Cases committees), including a known exposure that deteriorated during the period.

Retail customers

At 31 December 2023, the Corporate and Investment Banking cost of risk amounted to €93 million (of which €20 million corresponding to professional customers). The following adjustments were made to the retail loan book, with an impact on loss allowances:

- the macroeconomic variables included in the scenarios used in provisioning models were updated across all customer segments to which La Banque Postale is exposed;
- loans to customers that the Bank considers to be especially vulnerable in the current inflationary environment continued to be classified in bucket 2, using identification criteria that were fine-tuned during the year. These include customers who do not have any savings with the Bank and have a poor credit score (customers representing a risk above the default probability threshold introduced in the first half);
- the overlay used to calculate loss given default (LGD) for home loans secured by the underlying assets was maintained and represented 1.4% of Retail loss allowances.

There were no major changes in the credit risk associated with the retail loan book in 2023. In particular, the consumer finance loan book remained largely unaffected by the difficult economic environment.

34.2.2 General framework

The Group Risk Department (GRD) manages credit risk, i.e., the risk incurred by the group in the event of default by a customer or a group of connected customers considered as constituting a single risk within the meaning of Regulation (EU) No. 575/2013 of the European Parliament and the Council on prudential requirements for credit institutions and investment firms (CRR).

The Executive Board sets the fundamental risk management principles (strategic guidelines, values, risk appetite, governance). These principles are then approved by the Supervisory Board and are used as a basis by each business line for setting its priority actions and the associated risk management under the supervision of the Group Risk Department. These fundamental principles are set out in the Risk Management Operational Policy (RMOP).

La Banque Postale does not currently take climate risk into account for the calculation of its Expected Credit Losses (ECLs).

The reasons for this choice are set out below:

- The risk exposure of the current portfolio is considered as non-material.

As regards transition risk, the group's policy of favouring the financing of renewable energies and limiting its exposure to other sectors such as air transport means that its exposure to carbon-intensive sectors is low. It has virtually no exposure to fossil fuels and very low exposure to stranded assets (i.e. assets exposed to the risk of impairment or a fall in yields before the end of their useful life, as a result of regulatory, technological or market developments triggered by the occurrence of a climate, physical or transition risk);

As regards physical risk, given the low level of international exposure, it mainly concerns highly collateralised commercial property loans and home loans for properties whose geographical location does not point to any particular vulnerability over a one-year horizon;

Finally, the Group has adopted **general provisioning measures**, some of which apply to sectors or financing that may be considered vulnerable to climate risk (commercial and residential property, agriculture, automotive, etc.). These measures guarantee an appropriate level of cover even without industry-specific provisioning measures.

- The group focuses primarily on quantifying this risk and taking it into account in its financial and strategic risk management processes, using stress tests and economic capital measurements which
- better correspond to the time horizon for the occurrence of this type of risk.

Furthermore, the group currently prefers to quantify this risk and take it into account in its financial and strategic risk management using other methods such as stress testing and economic capital measurements, which were carried out at 31 December 2022 and better correspond to the time horizon for the occurrence of this type of risk. While at this stage no climate component is included in the calculation of expected credit losses, work has begun on this issue in response to the high expectations of regulators and supervisors in this area.

This complex work requires the creation of databases for the reporting of climate hazards (comprising relevant data in sufficient quantity) in order to integrate this component directly into the risk parameters, while trying to limit use of the overlay approach. Complementary general approaches could also be envisaged if there are no planned changes to the related standards and the regulatory framework (European Taxonomy of Green Assets), once the relevant information becomes available (CSRD) or by drawing on other work (analysis of transition plans, etc.). Some of this work should deliver results by 2024.

34.2.3 Significant increase in credit risk

Principles

La Banque Postale defines six principles for assessing a significant increase in credit risk in accordance with IFRS and the guidelines of the European Banking Authority (EBA) for moving loans from bucket 1 to bucket 2.

Principle 1 – Monitoring of credit risk

The credit quality of an asset is measured at the outset, i.e., it is a relative assessment applied at the level of the commitment. The ECL is measured on initial recognition of the asset and again at each reporting date to determine the asset's bucket classification.

A financial instrument is classified as sensitive (bucket 2) when there has been a significant decrease in credit quality since initial recognition (comparison of the asset's credit quality versus when it was first recorded in the balance sheet or recognised as an off-balance sheet commitment).

Effective from 2022, based on the recommendations of the European supervisor, the increase in credit risk is considered significant when the Probability of Default TTC (Through The Cycle, i.e., the value of a parameter averaged over a macro-economic cycle) associated with the customer's credit score used in the provisioning process has been multiplied by three since the loan was recorded in the portfolio.

Principle 2 – Monitoring of credit quality with the addition of a backstop

To supplement the first principle, La Banque Postale has added an absolute threshold criterion. The approach defined by the group combines a relative threshold and an absolute threshold.

The absolute threshold is based on two indicators:

- credit score or rating: the absolute quality level beyond which there is considered to be a significant increase in the assets' credit risk is set by customer segment and/or type of asset;
- past-due payments: contractual payments more than 30 days past due (see IFRS 9, paragraph 5.5.11).

Principle 3 – Use of a 12-month indicator for individual (retail) customers

Assessment of a significant increase in credit risk implies assessing at each reporting date the probability of a default occurring over the remaining life of the asset. Rather than basing the assessment on the probability of a default over the remaining life of the asset, IFRS 9 allows for the use of a 12-month risk of default if it is an appropriately documented reasonable approximation of the lifetime risk.

Principle 4 – The low credit risk concept

In determining whether a financial instrument represents a low credit risk, La Banque Postale may use its internal credit score or another rating that meets a universally accepted definition of "low credit risk" and takes into account the risks and the type of financial instrument being assessed. For example, a financial instrument rated investment grade (BBB or better) by a recognised credit rating agency could be considered to represent a low credit risk.

La Banque Postale uses this exemption only at CNP Assurances.

Principle 5 – Consideration of qualitative information

- Non-retail loan book: in addition to quantitative and automated analyses based on changes in the probability of default, a specific qualitative analysis may be carried out by the Watchlist Committee or based on independent analyses. This additional analysis will serve to confirm or reject the existence of a significant increase in credit risk determined by the credit score indicator and the reclassification to bucket 2;
- Retail loan book: the presumption of bucket 2 status may be supported by additional analyses based on expert judgement, particularly in the case of vulnerable customers;
- Restructured loans: a restructured exposure is considered as a credit impaired/bucket 2 asset after a 12-month probationary period in default status. La Banque Postale considers that a restructured asset is credit impaired for a minimum period of 24 months. At the end of this period, Regulation 680/2014 allows the restructured status to be forgotten as long as all the regulatory criteria are met.

Although the unit of account under IFRS 9 is the contract, and each contract is recognised separately, the standard allows additional analyses to be performed on groups of contracts when a significant increase in credit risk has been identified.

This approach makes it possible, for example, to integrate information on the increase in credit risk of a group of loans with a common characteristic (same industry, same geographical area, etc.).

It also ensures that all relevant information is taken into account in the process even if it is not yet available for individual contracts (i.e., it is not yet known which contract in the loan book will be affected). For the implementation of an approach based on a group of contracts, instruments are grouped on the basis of common credit risk characteristics (same type of

collateral, same generation, same industry, same geographical area, etc.).

Principle 6 – Transfer to bucket 2 before default

Assets exposed to a significant increase in credit risk must be identified before they default. A loan should not be transferred directly from performing (bucket 1) to in default (bucket 3).

Exceptionally, some commitments can be exempt from being classified as credit impaired/bucket 2 before they are recorded in default.

Application of some of these principles requires the use of credit scoring models. La Banque Postale currently monitors credit risk at the individual contract level using

credit scoring models generally applied to the counterparty. In other words, the credit score of a contract at a given time is determined on the basis of the counterparty's score at that time, such that, at a given time, all contracts with the same counterparty have the same credit score.

In order to measure an increase in the credit risk, La Banque Postale uses a credit scoring system derived from:

- internal credit scoring models; or
- a database that collects, keeps and uses the external credit ratings awarded to the borrower concerned.

Consequently, the Bank's risk monitoring systems collect data on the ratings at the commencement of the contracts and keep them in order to determine a significant increase in credit risk, as well as the last known rating in order to fulfil the first principle.

When La Banque Postale does not have rating models or systems for gathering ratings (and thus does not use ratings as data on entry into the portfolio), it can use other types of measurement. For loan books that have an internal credit score and/or external rating, the existence of a significant increase in credit risk is assessed primarily on the basis of the credit score or rating, and secondly by reference to any appropriate quantitative and/or qualitative analyses prepared by the business line concerned, especially where the increase in credit risk is due to an unjustified change in the credit score/rating.

Process for assessing a significant increase in credit risk

The operational procedures in place enable events indicating a possible deterioration in the credit quality of a counterparty to be monitored/detected.

The criteria for classification of a commitment in bucket 2 are described by category of exposure:

- individual customers – individuals;
- individual customers – professionals;
- central administrations & central banks;
- credit institutions;
- corporate;
- public sector entities.

The criteria do not represent an exhaustive list and the relevance of information depends on the customer segment concerned (except for individual customers). Other events leading to a deterioration in credit quality or generating risk can be taken into consideration following an analysis carried out by the risk unit concerned.

These events are evaluated by the Group Risk Department's teams with deep knowledge of the customers or groups of connected customers they are tasked with monitoring.

The operating entities are responsible for the exposures they have generated and must detect immediately any events that indicate a deterioration in the credit quality of their customers.

All assets that are not in bucket 3 or bucket 2 are classified in bucket 1. These are assets that show no significant increase in credit risk since initial recognition. Lastly, an asset moved to bucket 2 following a significant increase in credit risk may be moved out of bucket 2 and reclassified in bucket 1 if all the criteria that led this classification are no longer met and any arrears have

been settled. Depending on the circumstances, an observation period may be required for vulnerable debtors to prevent recurrence.

Moving restructured assets out of "default" status is subject to a regulatory probationary period.

34.2.4 Provisioning – the expected credit losses (ECL) approach

Expected credit losses

Expected credit losses (ECL) are measured in a way that reflects an unbiased and probability-weighted loss amount determined by evaluating a range of possible outcomes, the time value of exposure and all available information. This methodology is described in Note 3.13.7 (Provisioning methods for bucket 1 and bucket 2).

12 month expected credit loss (12-month ECL)

When there is no significant increase in the credit risk associated with a commitment since initial recognition, the loss allowance is measured at an amount equal to the 12-month expected credit losses.

12-month ECL represents the portion of the lifetime cash shortfalls that will result if a default occurs in the 12 months.

This formula applies to all assets and commitments classified in bucket 1.

Lifetime expected credit losses (lifetime ECL)

When there is a significant increase in credit risk associated with a commitment since initial recognition, the loss allowance is measured at an amount equal to the lifetime expected credit losses.

This formula applies to all commitments classified in buckets 2 and 3.

Definition of ECL calculation parameters

Expected credit losses are calculated using three main components: Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

Maturity refers to the final payment date of a loan commitment or financial instrument on which the principal and interest must be settled in full or the date when the authorised amount or date expires.

It corresponds to the maximum contractual period including extension options, except in the case of revolving lines of credit, renewable credit card facilities and overdrafts for which a behaviour-based maturity is used.

For commitments without a contractual maturity, a 12-month maximum maturity is used as, in the case of insolvency of the debtor, the overdraft facility is cancelled within 12 months, in accordance with French banking law.

Revolving lines of credit are financial instruments that do not have a fixed maturity, repayment schedule or cancellation period. The maturity taken into account for these instruments depends on their lifetime estimated by La Banque Postale, which can be greater than the duration of the contractual commitment. The maturity used at group level is based on observed behaviours.

Probability of Default (PD): IFRS 9 introduces the notion of expected credit losses and, indirectly, that of the probability of default adjusted to the situation at the reporting date (PIT PD – Point-in-Time Probability of Default). This parameter does not correspond to the average over the cycle (TTC PD – Through-The-Cycle Probability of Default) applicable under the Basel framework for the internal ratings-based approach. This

variable is used to estimate the probability that a commitment will go into default over a given period of time. A “point-in-time” (PIT) probability of default estimate is based on future and current assessments and depends on both the customer and the product. PIT PD is used for all portfolios regardless of whether or not they have an internal rating.

Loss Given Default (LGD): loss given default corresponds to the ratio between contractual cash flows and expected cash flows taking into account the effects of discounting and other expenses incurred at the time that an instrument goes into default. LGD is expressed as a percentage of the exposure at default.

This input under IFRS 9 differs from the Basel definition. For Basel II purposes, loss given default is adjusted to include a prudential buffer and to reflect losses occurring during a downturn in the business cycle and other costs. IFRS 9 makes no specific mention of the observation period or the period covered by the historical data used for the calculation of LGD parameters. This parameter takes into account the passage of time.

The group has opted to use modelled LGDs adjusted in accordance with IFRS 9 for portfolios that have an internal loss given default model by type of product and guarantee, and to determine an LGD based on expert analyses for the other portfolios by segment.

Exposure At Default (EAD): The EAD corresponds to the basis for calculating the expected credit loss. It is based on the value exposed to credit risk taking into account the type of repayment schedule, the passage of time and expected early repayments (projected cash flows). EAD is calculated based on the amount at the start of the reporting period.

The loss allowance is based on the outstanding amount recorded on balance sheet and off-balance sheet (undrawn portion) converted to its credit exposure equivalent using the credit conversion factor.

To take into account early repayments and the passage of time, an early repayment rate is applied to the basis used to calculate loss allowances by portfolio. This rate is reviewed periodically by the ALM team to take into account any economy-led change in rates.

Forward Looking

In accordance with IFRS 9, expected credit losses take into account the effects of future economic conditions. The forward-looking expected credit loss takes into account the impact of changes in macro-economic conditions.

The group uses three scenarios to integrate forward-looking estimates: a central scenario, a favourable alternative scenario and an unfavourable alternative scenario.

These scenarios are defined by the group's Economic Research department, based on scenarios designed by Caisse des Dépôts.

The economic forecast horizon used is three years:

- the scenarios selected are consistent and global economic scenarios applied across La Banque Postale to reflect the diversification of the portfolio, with potentially opposing impacts on certain product or customer segments. By way of illustration, it is not possible, in a given scenario, to use a different interest rate projection to measure the lifetime probabilities of default of individual customers and those of sovereign customers;
- the proposed scenarios are not necessarily adverse credit risk scenarios; the aim is not to use IFRS 9 scenarios to quantify the risk of losses in a highly adverse environment that is very unlikely to occur, but rather to use generally plausible scenarios whose probability of occurrence is within one standard deviation of the occurrence of the central scenario;
- the scenarios are not necessarily designed to have a strong impact on the specific credit component: unfavourable scenarios with a high probability of occurrence may be used even though their main impact is on the interest rate component;
- the scenarios used are the same as those used in other corporate processes (i.e., strategic planning, budgeting, ICAAP stress testing, regulatory reporting);

These scenarios are documented, and contain projections for all the macro-economic variables required to run the models developed to obtain PDs and LGDs at maturity. The probability of occurrence of each scenario is documented by La Banque Postale's Economic Research Department.

The system uses a significant number of models. All of the models used for IFRS 9 purposes are subject to an independent review by the Model Validation team and are validated by the Model Validation Committee before use.

In order to obtain accurate projections by taking account of the concentration of its portfolio in France, the group draws on the macro-economic modelling expertise of Caisse des Dépôts and La Banque Postale. For 2023, La Banque Postale used the following scenarios to calculate loss allowances under IFRS 9:

Central scenario

The scenario incorporates a 2023 growth forecast for France that is slightly up on previous expectations. However, in 2023 economic activity would still be severely constrained by persistent inflation and monetary tightening compared to the levels forecast, which would have a negative impact on the outlook for 2024. Furthermore, economic growth would attain a cyclical peak in 2025, with a downward trend forecast to follow in 2026. In detail, the change in the composition of inflation, with the initial energy shock spreading to all families of goods and services, points to a longer period of high inflation than expected, with a slow deceleration, and an upward revision of headline inflation forecasts for 2023 and 2024. However, recent developments point to an easing of upstream inflationary pressures on processed food and manufactured product inputs. After peaking in 2023, prime interest rates are expected to decline in 2024 and to stay on a gradual downward trajectory throughout the projection period. On the stock markets, earnings per share have grown steadily (except in 2023) and price/earnings ratios have also increased, although they are still below the historical average. Taking these factors into account, as well as the less accommodative monetary environment over the projection period, based on standard assumptions the average annual price/earnings ratio for CAC 40 companies over the next five years would be slightly above estimates in the first half of the year.

This scenario has been developed by Caisse des Dépôts and its projections in relation to certain variables are provided below:

Variables	Scenario at 31 Dec. 2023					
	T0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	0.8	0.7	1.1	1.1	1.0	1.0
Eurozone unemployment rate (average annual rate)	6.5	6.8	6.8	6.7	6.7	6.7
10-year OAT (average annual rate)	2.95	2.94	2.84	2.74	2.64	2.54
Inflation France (change)	5.0	2.7	2.3	2.1	2.0	2.0

Variables	Scenario at 31 Dec. 2022					
	T0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	2.5	0.3	1.0	1.2	1.2	1.2
Eurozone unemployment rate (average annual rate)	6.7	7.1	7.3	7.2	7.1	7.0
10-year OAT (average annual rate)	1.6	2.5	2.4	2.3	2.1	1.9
Inflation France (change)	5.3	4.5	2.5	2.0	1.8	1.8

Unfavourable scenario

This scenario corresponds to a stressed inflationary scenario which illustrates a "eurozone sovereign debt crisis" type configuration, with renewed pressure on commodity prices the year of the shock due to the geopolitical situation leading to a fall in global GDP. A persistent spiral of price and wage increases would take hold in the eurozone, leading to a rise in core inflation, with headline inflation remaining above central bank targets. The central banks would respond by setting their key rates above neutral, without managing to stabilise price momentum, leading to very high bond yields. Under this scenario, the ecological and energy transition would be more disorganised than under the central scenario, contributing to pressure on prices and interest rates, and a loss of potential growth in the medium term (loss of productivity).

This scenario has been developed by Caisse des Dépôts. The projections of some variables are provided below:

Variables	Scenario at 31 Dec. 2023					
	T0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	0.8	-1.5	0.0	0.5	0.6	0.6
Eurozone unemployment rate (average annual rate)	6.5	8.4	9.2	9.5	9.6	9.6
10-year OAT (average annual rate)	2.95	4.56	5.50	5.50	5.50	5.50
Inflation France (change)	5.0	5.8	4.2	3.7	3.0	3.0

Variables	Scenario at 31 Dec. 2022					
	T0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	2.5	-1.5	-1.0	-0.5	0.6	0.6
Eurozone unemployment rate (average annual rate)	6.7	7.5	8.5	9.5	9.0	8.5
10-year OAT (average annual rate)	1.6	4.0	5.0	4.4	4.0	4.0
Inflation France (change)	5.3	7.0	5.0	3.0	2.0	3.0

Favourable scenario

This scenario assumes that pressure on energy prices will ease more than expected under the central scenario. This would translate into lower inflation. With wages still reflecting delayed indexation to past inflation, household purchasing power would be more dynamic than under the central scenario. Overall, growth would be more sustained. Internationally, it is assumed that the health situation in China would be under control and that the country's economic policy would have a stimulus effect. Chinese growth would therefore be slightly more dynamic than under the central scenario, with a favourable knock-on effect on global growth. It is also assumed that the supply of raw materials would be adjusted in line with demand, helping to avoid price pressures (particularly for energy). Against this backdrop of receding inflationary pressures, central banks would return their key rates a little more quickly to medium-term neutral levels. As a result, long-term rates would be reduced slightly faster than under the central scenario. More generally, by 2028 economic variables would be at the same level as under the central scenario. France's potential growth would be slightly higher.

This scenario is proposed by La Banque Postale's Economic Research unit. The projections of some variables are presented below:

Variables	Scenario at 31 Dec. 2023					
	T0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	0.8	1.5	1.5	1.3	1.2	1.1
Eurozone unemployment rate (average annual rate)	6.5	6.9	6.7	6.6	6.5	6.5
10-year OAT (average annual rate)	2.95	2.7	2.5	2.5	2.5	2.5
Inflation France (change)	5.0	2.3	2.0	2.0	2.0	2.0

Variables	Scenario at 31 Dec. 2022					
	T0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	2.5	1.0	1.8	1.4	1.3	1.3
Eurozone unemployment rate (average annual rate)	6.7	7.0	6.8	6.6	6.6	6.5
10-year OAT (average annual rate)	1.6	2.5	2.4	2.3	2.1	1.9
Inflation France (change)	5.3	3.8	2.8	2.1	1.8	3.8

The probability of each of these scenarios occurring is shown in the following table:

Scenarios	Scenarios in 2023	Scenarios in 2022
Central	60%	60%
Unfavourable	30%	30%
Favourable	10%	10%

For La Banque Postale, the weightings used for each scenario are those recommended by the group's Economic Research Department. At 31 December 2023, this Department considered that the macroeconomic outlook and global growth uncertainty affecting various measures had not changed significantly since 31 December 2022, thus confirming the applicable weightings.

Sensitivity analysis of expected losses to macroeconomic scenarios

Analyses were conducted to gauge the sensitivity of statistical ECL (i.e., excluding loss allowances for corporate customers based on expert judgement) to credit risk on corporate and individual customer scopes. The sensitivity of retail ECL is relatively moderate in this segment, ranging from -1% to 2% of ECL based on the central scenario, depending on the scenario, and before weighting.

The sensitivity of ECL to corporate customers is more pronounced in this segment, ranging from -5% to 12% of ECL, based on the central scenario, depending on the scenario, and before weighting. Volatility is higher for exposures in the large corporates segment.

34.2.5 Operational deployment

Loss allowances are calculated centrally for the entire group by the Group Risk Department teams.

34.2.6 Exposure to credit risk

a) Changes in carrying amounts and allowances for credit losses over the year

Loss allowances and provisions for off-balance sheet commitments recognised in profit or loss (cost of credit risk for banking entities and cost of credit risk on financial investments of insurance activities for insurance entities).

The following tables present a reconciliation of opening and closing loss allowances recorded in "Cost of risk" and the associated carrying amounts, by accounting category and type of instrument.

The line "Modification of cash flows not resulting in derecognition" shows the effect of a loan restructuring on the gross carrying amount and the loss allowance during the period.

Financial assets at amortised cost

(in € millions)	31 Dec. 2023			31 Dec. 2022		
	Gross carrying amount	Allowance for credit losses	Net carrying amount	Gross carrying amount	Allowance for credit losses	Net carrying amount
Securities (see Note 22.4)	33,135	(31)	33,104	27,248	(54)	27,193
Loans and advances to credit institutions (see Note 22.5)	70,914	(1)	70,914	70,615	-	70,614
Loans and advances to customers (see Note 22.6)	127,574	(1,575)	125,999	127,569	(1,460)	126,109
TOTAL	231,623	(1,607)	230,016	225,432	(1,514)	223,917

(in € millions)	Assets subject to 12-month ECL (bucket 1)		Assets subject to lifetime ECL (bucket 2)		Credit-impaired assets (bucket 3)		TOTAL		
	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount (a)	Allowance for credit losses (b)	Net carrying amount (a) + (b)
At 31 December 2022	197,889	(123)	25,427	(605)	2,116	(786)	225,432	(1,514)	223,917
Transfers of assets during their lifetime from one bucket to another	10,150	(6)	(10,531)	104	381	(114)	-	(17)	(17)
Transfers to lifetime ECL (bucket 2)	(3,588)	11	3,711	(120)	(123)	33	-	(77)	(77)
Transfers to 12-month ECL (bucket 1)	13,990	(19)	(13,835)	202	(155)	24	-	206	206
Transfers to credit-impaired ECL (bucket 3)	(251)	2	(407)	23	658	(171)	-	(146)	(146)
Total after transfers	208,039	(129)	14,896	(501)	2,496	(901)	225,432	(1,531)	223,901
Changes in gross carrying amounts and allowances for credit losses	6,800	(44)	(654)	(25)	8	(7)	6,154	(76)	6,078
New production: purchase, issuance, origination, etc.	41,931	(86)	2,588	(183)	975	(174)	45,493	(442)	45,051
Derecognition: disposal, repayment, maturity, etc.	(35,174)	42	(3,242)	157	(864)	72	(39,280)	271	(39,009)
Write-offs	-	-	-	-	(100)	95	(100)	95	(5)
Modification of cash flows not resulting in derecognition	-	-	-	-	(4)	-	(4)	-	(4)
Changes in scope of consolidation	53	-	-	-	-	-	53	-	53
Other	(9)	-	-	-	-	-	(9)	-	(9)
Total	214,840	(173)	14,242	(527)	2,504	(908)	231,586	(1,607)	229,978
Impacts of changes in fair value of hedged instruments	38	-	-	-	-	-	38	-	38
At 31 December 2023	214,877	(173)	14,242	(527)	2,504	(908)	231,623	(1,607)	230,016

Financial assets at fair value through OCI reclassifiable to profit or loss

	31 Dec. 2023		31 Dec. 2022	
	Fair value	Of which allowance for credit losses	Fair value	Of which allowance for credit losses
(in € millions)				
Debt instruments	196,968	(300)	194,302	(315)
TOTAL	196,968	(300)	194,302	(315)

	Assets subject to 12-month ECL (bucket 1)		Assets subject to lifetime ECL (bucket 2)		Credit-impaired assets (bucket 3)		TOTAL	
	Fair value	Of which allowance for credit losses	Fair value	Of which allowance for credit losses	Fair value	Of which allowance for credit losses	Fair value	Of which allowance for credit losses
(in € millions)								
At 31 December 2022	194,022	(301)	280	(12)	-	(2)	194,302	(315)
Transfers of assets during their lifetime from one bucket to another	89	-	(84)	5	-	-	5	5
Transfers to lifetime ECL (bucket 2)	(18)	-	18	-	-	-	-	-
Transfers to 12-month ECL (bucket 1)	107	-	(102)	5	-	-	5	5
Transfers to credit-impaired ECL (bucket 3)	-	-	-	-	-	-	-	-
Total after transfers	194,111	(301)	195	(7)	-	(2)	194,306	(310)
Changes in gross carrying amounts and allowances for credit losses	2,789	3	(128)	7	-	-	2,661	10
New production: purchase, issuance, origination, etc.	34,937	-	1	-	-	-	34,938	-
Derecognition: disposal, repayment, maturity, etc.	(43,674)	-	(117)	-	-	-	(43,791)	-
Changes in scope of consolidation	-	-	-	-	-	-	-	-
Other	11,526	3	(11)	7	-	-	11,514	9
At 31 December 2023	196,900	(298)	68	-	-	(2)	196,968	(300)

Off-balance sheet (financing commitments and guarantee contracts)

	31 Dec. 2023			31 Dec. 2022		
	Gross carrying amount	Allowance for credit losses	Net carrying amount	Gross carrying amount	Allowance for credit losses	Net carrying amount
<i>(in € millions)</i>						
Financing commitments and guarantee contracts	26,130	-	-	30,363		
Loss allowance for financing commitments and guarantee contracts	-	(146)	-		(122)	
TOTAL	26,130	(146)	25,985	30,363	(122)	30,242

<i>(in € millions)</i>	Commitments subject to 12-month ECL <i>(bucket 1)</i>		Commitments subject to lifetime ECL <i>(bucket 2)</i>		Credit-impaired commitments <i>(bucket 3)</i>		TOTAL		
	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Net carrying amount
	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a) - (b)
At 31 December 2022	26,709	(34)	3,605	(76)	49	(11)	30,363	(122)	30,242
Transfers of commitments from one bucket to another									
Transfers to lifetime ECL (bucket 2)	1,107	(1)	(1,119)	20	12	(6)	-	13	13
Transfers to 12-month ECL (bucket 1)	(477)	2	481	(4)	(4)	-	-	(2)	(2)
Transfers to credit-impaired commitments (bucket 3)	1,593	(3)	(1,588)	20	(5)	1	-	18	18
Transfers to credit-impaired commitments (bucket 3)	(9)	-	(11)	4	20	(6)	-	(2)	(2)
Total after transfers	27,816	(35)	2,486	(56)	61	(17)	30,363	(109)	30,255
Changes in gross carrying amounts and allowances for credit losses	(3,792)	-	(500)	(22)	58	(14)	(4,233)	(38)	(4,270)
New production: purchase, issuance, origination, etc.	9,473	(20)	583	(66)	95	(21)	10,151	(108)	10,044
Derecognition: disposal, repayment, maturity, etc.	(13,265)	20	(1,083)	44	(37)	7	(14,384)	70	(14,314)
At 31 December 2023	24,024	(36)	1,986	(79)	120	(31)	26,130	(146)	25,985

Modified financial assets

Modified financial assets correspond to assets that have been restructured due to the customer's financial difficulties. They are loans for which the initial financial conditions have been modified (interest rate, term) for financial or legal reasons related to the borrower's financial difficulties, and which would not have been modified in other circumstances. They concern assets

classified as non-performing and, since 1 January 2014, assets that were classified as performing at the time of the restructuring. A more detailed definition of modified financial assets is provided in Note 3 "Significant accounting policies". An asset continues to be classified as modified from the restructuring event and until derecognition.

The post-restructuring carrying amounts of assets restructured during the reporting period are as follows:

	At 31 December 2023			At 31 December 2022		
	Carrying amount before transfer to modified financial assets	Amount of the discount recognised in the income statement	Gross carrying amount	Carrying amount before transfer to modified financial assets	Amount of the discount recognised in the income statement	Gross carrying amount
<i>(in € millions)</i>						
Loans and advances to customers at amortised cost	84	(4)	80	83	(9)	75
Total	84	(4)	80	83	(9)	75

Restructured assets at an impairment stage that corresponds to bucket 2 (deteriorated credit quality) or bucket 3 (credit-impaired) can be transferred back into bucket 1 (performing assets) following a subsequent improvement in credit quality resulting in the assessment that there is no longer a significant deterioration in credit quality. In this case, the loss allowance is reduced to an amount equal to the 12-month expected credit loss.

The gross carrying amount of modified assets reclassified during the period was €7 million at 31 December 2023 and 31 December 2022.

Maximum exposure to credit risk

	31 Dec. 2023		
	Net maximum exposure to credit risk	Collateral and other credit enhancements	Unsecured
<i>(in € millions)</i>			
At 31 December 2023			
Financial assets at fair value through profit or loss	107,669	13,680	93,989
Financial assets held for trading	13,921	13,680	241
Financial assets designated at fair value	3,348	-	3,348
Non SPPI financial assets at fair value	90,400	-	90,400
Hedging derivatives	677	676	1
Financial assets at fair value through OCI reclassifiable to profit or loss	196,970	-	196,970
Debt securities	196,970	-	196,970
Financial assets at amortised cost	230,016	83,789	146,227
Loans and advances to credit institutions	70,914	3,880	67,033
Loans and advances to customers	125,999	79,908	46,091
Debt securities	33,104	-	33,104
Off-balance sheet (financing commitments and guarantee contracts)	25,985	558	25,427
Financing commitments given	24,138	557	23,581
Guarantee commitments given	1,847	1	1,846
TOTAL	561,317	98,703	462,614

	31 Dec. 2022		
	Net maximum exposure to credit risk	Collateral and other credit enhancements	Unsecured
<i>(in € millions)</i>			
At 31 December 2022			
Financial assets at fair value through profit or loss	108,284	13,706	94,579
Financial assets held for trading	13,987	13,706	281
Financial assets designated at fair value	5,242	-	5,242
Non SPPI financial assets at fair value	89,056	-	89,056
Hedging derivatives	1,139	1,139	-
Financial assets at fair value through OCI reclassifiable to profit or loss	194,302	20	194,281
Debt securities	194,302	20	194,281
Financial assets at amortised cost	223,933	83,319	140,614
Loans and advances to credit institutions	70,614	3,672	66,943
Loans and advances to customers	126,125	79,648	46,478
Debt securities	27,193	-	27,193
Off-balance sheet (financing commitments and guarantee contracts)	30,242	1,241	29,001
Financing commitments given	28,031	1,240	26,791
Guarantee commitments given	2,211	1	2,210
TOTAL	557,900	99,425	458,475

b) Concentration of credit risk

Concentration of credit risk by economic agent

Financial assets at amortised cost	31 Dec. 2023				31 Dec. 2022			
	Carrying amount				Carrying amount			
	Performing assets (with or without credit deterioration)			TOTAL	Performing assets (with or without credit deterioration)			TOTAL
	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	Credit-impaired assets (bucket 3)		Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	Credit-impaired assets (bucket 3)	
(in € millions)								
Retail ^(a)	72,260	8,974	1,138	82,372	59,871	20,278	1,088	81,237
Government	101,847	49	7	101,904	98,862	121	107	99,089
Central banks	328	-	-	328	-	-	-	-
Credit institutions	4,677	-	-	4,677	2,867	-	-	2,867
Finance companies	6,210	456	9	6,675	7,301	450	15	7,765
Non-financial sector companies	29,555	4,763	1,350	35,668	29,005	4,578	907	34,489
Loss allowances	(173)	(527)	(908)	(1,607)	(123)	(605)	(786)	(1,514)
TOTAL	214,704	13,715	1,596	230,016	197,783	24,821	1,330	223,933

(a) Excluding loans granted to non-trading property companies (SCLs), which are presented in Retail loans in the balance sheet and in Non-financial sector companies in the breakdown by economic agent.

Financial assets at fair value through OCI reclassifiable to profit or loss	31 Dec. 2023				31 Dec. 2022			
	Fair value				Fair value			
	Performing assets (with or without credit deterioration)			TOTAL	Performing assets (with or without credit deterioration)			TOTAL
	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	Credit-impaired assets (bucket 3)		Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	Credit-impaired assets (bucket 3)	
(in € millions)								
Retail	-	-	-	-	-	-	-	-
Government	98,313	39	-	98,352	101,821	20	-	101,842
Central banks	8,769	-	-	8,769	3,439	-	-	3,439
Credit institutions	44,380	-	-	44,380	44,153	3	-	44,157
Finance companies	6,587	6	-	6,593	6,277	70	-	6,347
Non-financial sector companies	38,852	23	-	38,875	38,331	186	-	38,517
TOTAL	196,902	68	-	196,970	194,022	280	-	194,302
Of which loss allowances	(299)	-	(2)	(301)	(301)	(12)	(2)	(315)

Off-balance sheet (financing commitments and guarantee contracts)	31 Dec. 2023				31 Dec. 2022			
	Commitment amount				Commitment amount			
	Performing commitments (with or without credit)			TOTAL	Performing commitments (with or without credit)			TOTAL
	Commitments subject to 12-month ECL (bucket 1)	Commitments subject to lifetime ECL (bucket 2)	Credit-impaired commitments (bucket 3)		Commitments subject to 12-month ECL (bucket 1)	Commitments subject to lifetime ECL (bucket 2)	Credit-impaired commitments (bucket 3)	
(in € millions)								
Retail ^(a)	8,327	706	24	9,056	9,295	2,040	27	11,363
Government ^(b)	4,781	26	-	4,807	5,176	16	-	5,192
Central banks	1	-	-	1	1	-	-	1
Credit institutions ^(c)	1,790	60	-	1,851	2,199	115	-	2,314
Finance companies ^(d)	1,553	207	-	1,760	1,835	134	1	1,970
Non-financial sector companies ^(d)	7,572	987	96	8,655	8,203	1,299	21	9,524
Loss allowances ^(e)	(36)	(79)	(31)	(146)	(34)	(76)	(11)	(122)
TOTAL	23,989	1,907	89	25,985	26,675	3,528	39	30,242

(a) Of which €7,739 million with a probability of default of less than 1% in 2023 (€9,614 million in 2022).

(b) Of which €3,389 million with a rating below A in 2023 (€4,037 million in 2022).

(c) Of which €425 million with a rating below A in 2023 (€578 million in 2022).

(d) Of which €7,456 million with a rating below A in 2023 (€8,126 million in 2022).

(e) Expected or realised losses relating to off-balance sheet commitments are recognised as provisions under liabilities on the balance sheet.

Concentration of credit risk by rating

Financial assets at amortised cost	31 Dec. 2023				31 Dec. 2022			
	Gross carrying amount				Gross carrying amount			
	Performing assets (with or without credit deterioration)		Credit- impaired assets	TOTAL	Performing assets (with or without credit deterioration)		Credit- impaired assets	TOTAL
	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)			Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)		
(in € millions)								
PD < 1%	64,054	1,801	-	65,855	53,341	11,915	-	65,256
1% < PD < 3%	6,851	3,469	-	10,321	5,538	4,477	-	10,015
3% < PD < 10%	1,331	2,679	-	4,010	967	2,825	-	3,792
PD > 10%	24	1,025	-	1,049	25	1,061	-	1,087
Defaulted loans (subject to legal collection procedures)	-	-	1,138	1,138	-	-	1,088	1,088
TOTAL - Retail	72,260	8,974	1,138	82,372	59,871	20,278	1,088	81,237
AAA	2,188	82	-	2,270	2,493	76	-	2,569
AA	927	68	-	995	1,145	-	-	1,145
A	4,239	327	-	4,567	5,179	364	-	5,542
Other	28,412	4,741	1,359	34,511	27,489	4,589	921	32,999
TOTAL - Corporate	35,765	5,219	1,359	42,343	36,306	5,028	921	42,255
AAA	2,827	-	-	2,827	2,887	-	-	2,887
AA	87,688	-	-	87,688	83,265	-	-	83,265
A	2,470	-	-	2,470	3,677	4	-	3,681
Other	9,190	49	7	9,247	9,033	117	107	9,256
TOTAL - Government and central banks	102,175	49	7	102,232	98,862	121	107	99,089
AAA	866	-	-	866	352	-	-	352
AA	334	-	-	334	95	-	-	95
A	2,101	-	-	2,101	1,344	-	-	1,344
Other	1,376	-	-	1,376	1,077	-	-	1,077
TOTAL - Credit institutions	4,677	-	-	4,677	2,867	-	-	2,867

Financial assets at fair value through OCI reclassifiable to profit or loss	31 Dec. 2023				31 Dec. 2022			
	Fair value				Fair value			
	Performing assets (with or without credit deterioration)		Credit- impaired assets	TOTAL	Performing assets (with or without credit deterioration)		Credit- impaired assets	TOTAL
	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)			Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)		
(in € millions)								
AAA	1,651	-	-	1,651	2,228	18	-	2,246
AA	7,104	6	-	7,110	6,665	16	-	6,681
A	17,889	-	-	17,889	17,575	41	-	17,616
Other	18,795	23	-	18,818	18,140	180	-	18,321
TOTAL - Corporate	45,439	29	-	45,468	44,608	256	-	44,864
AAA	12,380	-	-	12,380	6,721	-	-	6,721
AA	67,094	-	-	67,094	71,255	-	-	71,255
A	5,361	-	-	5,361	4,297	-	-	4,297
Other	22,247	39	-	22,286	22,987	20	-	23,007
TOTAL - Government and central banks	107,083	39	-	107,121	105,261	20	-	105,281
AAA	1,899	-	-	1,899	5,075	-	-	5,075
AA	4,780	-	-	4,780	6,130	-	-	6,130
A	31,085	-	-	31,085	26,231	-	-	26,231
Other	6,617	-	-	6,617	6,717	3	-	6,720
TOTAL - Credit institutions	44,380	-	-	44,380	44,153	3	-	44,157

Concentration of credit risk by geographical region :

Financial assets at amortised cost	31 Dec. 2023				31 Dec. 2022				
	Carrying amount				Carrying amount				
	Performing assets (with or without credit deterioration)			Credit-impaired assets	TOTAL	Performing assets (with or without credit deterioration)		Credit-impaired assets	TOTAL
	Assets subject to 12-month ECL	Assets subject to lifetime ECL	(bucket 3)			Assets subject to 12-month ECL	Assets subject to lifetime ECL		
(in € millions)	(bucket 1)	(bucket 2)	(bucket 3)	TOTAL	(bucket 1)	(bucket 2)	(bucket 3)	TOTAL	
France (incl. overseas departments and territories)	197,023	14,055	2,409	213,487	182,691	24,788	2,039	209,518	
Other EU countries	15,953	148	40	16,141	14,239	208	50	14,498	
Other European countries	429	19	32	480	299	84	3	387	
Other	1,472	20	23	1,515	675	346	24	1,046	
Impairment losses	(173)	(527)	(908)	(1,607)	(123)	(605)	(786)	(1,514)	
TOTAL	214,704	13,715	1,596	230,016	197,783	24,821	1,330	223,933	

Financial assets at fair value through OCI reclassifiable to profit or loss	31 Dec. 2023				31 Dec. 2022				
	Fair value				Fair value				
	Performing assets (with or without credit deterioration)			Credit-impaired assets	TOTAL	Performing assets (with or without credit deterioration)		Credit-impaired assets	TOTAL
	Assets subject to 12-month ECL	Assets subject to lifetime ECL	(bucket 3)			Assets subject to 12-month ECL	Assets subject to lifetime ECL		
(in € millions)	(bucket 1)	(bucket 2)	(bucket 3)	TOTAL	(bucket 1)	(bucket 2)	(bucket 3)	TOTAL	
France (incl. overseas departments and territories)	85,287	47	-	85,334	88,927	36	-	88,963	
Other EU countries	74,617	11	-	74,627	61,998	147	-	62,146	
Other European countries	6,907	10	-	6,917	8,054	20	-	8,075	
Other	30,091	-	-	30,091	35,043	76	-	35,118	
TOTAL	196,902	68	-	196,970	194,022	280	-	194,302	
Impairment losses	(299)	-	(2)	(301)	(301)	(12)	(2)	(315)	

Off-balance sheet (financing commitments and guarantee contracts)	31 Dec. 2023				31 Dec. 2022				
	Commitment amount				Commitment amount				
	Commitment amount			Credit-impaired commitments	TOTAL	Commitment amount		Credit-impaired	TOTAL
	Commitments subject to 12-month ECL	Commitments subject to lifetime ECL	(bucket 3)			Commitments subject to 12-month ECL	Commitments subject to lifetime ECL		
(in € millions)	(bucket 1)	(bucket 2)	(bucket 3)	TOTAL	(bucket 1)	(bucket 2)	(bucket 3)	TOTAL	
France (incl. overseas departments and territories)	22,845	1,837	120	24,802	25,803	3,444	49	29,296	
Other EU countries	1,061	147	-	1,207	773	157	-	930	
Other European countries	109	1	-	110	121	2	-	123	
Other	10	1	-	11	12	2	-	14	
Impairment losses ^(a)	(36)	(79)	(31)	(146)	(34)	(76)	(11)	(122)	
TOTAL	23,989	1,907	89	25,985	26,675	3,528	39	30,242	

(a) Expected or incurred losses on off-balance sheet commitments are covered by loss allowances recorded in liabilities.

34.2.7 Additional information on sovereign exposure

The list of sovereign exposures was prepared in accordance with the scope defined by the European Banking Authority (EBA), in other words by including the exposure data relative to regional authorities,

central authorities and organisations guaranteed by the French State. These exposures include deposits centralised with Caisse des Dépôts.

31 Dec. 2023 (in € millions)	Total Banking Portfolio	Assets at fair value through profit or loss	Total direct exposure (a)	Collateral repurchase agreements	Off-balance sheet	Total direct and indirect exposure (b)	Exposure (as a%)
Germany	6,427	280	6,707	554	-	7,261	3.0%
Austria	793	19	812	-	-	812	0.3%
Belgium	7,372	277	7,649	1,252	-	8,901	3.6%
Spain	13,255	98	13,353	-	-	13,353	5.4%
France	146,686	2,367	149,053	7,535	1,419	158,008	64.3%
United Kingdom	-	1	1	208	-	209	0.1%
Italy	12,411	365	12,776	-	-	12,776	5.2%
Luxembourg	191	1	193	-	-	193	0.1%
Norway	198	-	198	-	-	198	0.1%
Netherlands	298	5	303	-	-	303	0.1%
Poland	228	25	253	-	-	253	0.1%
Portugal	2,126	66	2,191	100	-	2,291	0.9%
Romania	142	-	142	-	-	142	0.1%
Slovenia	108	-	108	-	-	108	0.0%
Other European countries	218	68	286	-	-	286	0.1%
Supranational	9,209	817	10,026	373	-	10,399	4.2%
TOTAL EUROPE	199,661	4,390	204,052	10,022	1,419	215,493	87.7%
Brazil	2,890	26,379	29,269	-	-	29,269	11.9%
Canada	655	1	655	-	-	655	0.3%
Mexico	108	1	108	-	-	108	0.0%
Other	297	27	324	-	-	324	0.1%
TOTAL REST OF WORLD	3,950	26,408	30,357	-	-	30,357	12.3%
TOTAL	203,611	30,798	234,409	10,022	1,419	245,850	100.0%

(a) Direct exposure: fair value or gross carrying amount of proprietary exposures.

(b) Direct and indirect exposures: direct exposures plus indirect exposures arising from the guarantees granted to some of the group's UCITS.

31 Dec. 2022 (in € millions)	Total Banking Portfolio	Assets at fair value through profit or loss	Total direct exposure (a)	Collateral repurchase agreements	Off-balance sheet	Total direct and indirect exposure (b)	Exposure as a%
Germany	5,763	434	6,197	-	-	6,197	2.6%
Austria	780	50	829	-	-	829	0.3%
Belgium	6,572	246	6,818	1,628	-	8,446	3.5%
Spain	12,683	93	12,776	-	-	12,776	5.3%
France	148,039	3,866	151,905	9,660	1,609	163,174	68.0%
United Kingdom	-	1	1	582	-	584	0.2%
Italy	13,074	402	13,475	-	-	13,475	5.6%
Luxembourg	68	-	68	-	-	68	0.0%
Norway	3	-	3	-	-	3	0.0%
Netherlands	300	79	380	-	-	380	0.2%
Poland	215	23	238	-	-	238	0.1%
Portugal	2,158	77	2,235	594	-	2,829	1.2%
Romania	124	1	125	-	-	125	0.1%
Slovenia	11	-	11	-	-	11	0.0%
Other European countries	232	69	302	183	-	484	0.2%
Supranational	5,780	928	6,708	91	-	6,798	2.8%
TOTAL EUROPE	195,802	6,268	202,071	12,738	1,609	216,417	90.3%
Brazil	2,809	19,315	22,124	-	-	22,124	9.2%
Canada	665	1	665	-	-	665	0.3%
Mexico	101	1	102	-	-	102	0.0%
Other	446	34	480	-	-	480	0.2%
TOTAL REST OF WORLD	4,021	19,351	23,372	-	-	23,372	9.7%
TOTAL	199,823	25,620	225,443	12,738	1,609	239,789	100.0%

(a) Direct exposure: fair value or gross carrying amount of proprietary exposures.

(b) Direct and indirect exposures: direct exposures plus indirect exposures arising from the guarantees granted to some of the group's UCITS.

34.3 Market risk and hedge accounting

34.3.1 Derivatives transactions: analysis by remaining life (notional amounts)

The breakdown of the market value of derivatives by remaining life is presented below.

Hedging derivatives

(in € millions)	31 Dec. 2023				31 Dec. 2022			
	ASSETS				ASSETS			
	Less than 1 year	1 to 5 years	Beyond 5 years	TOTAL	Less than 1 year	1 to 5 years	Beyond 5 years	TOTAL
Interest rate instruments	83	325	163	570	110	746	155	1,011
Interest rate swaps	83	325	163	570	110	746	155	1,011
Forex instruments	0	33	74	107	0	0	127	127
Currency futures	0	33	74	107	0	0	127	127
Total fair value assets	83	358	237	677	110	746	283	1,139
(in € millions)	LIABILITIES				LIABILITIES			
	Less than 1 year	1 to 5 years	Beyond 5 years	TOTAL	Less than 1 year	1 to 5 years	Beyond 5 years	TOTAL
	Interest rate instruments	163	825	1,175	2,162	37	686	1,626
Interest rate swaps	163	825	1,175	2,162	37	686	1,626	2,350
Forex instruments	0	3	18	21	0	0	22	22
Currency futures	0	3	18	21	0	0	22	22
Total fair value liabilities	163	828	1,192	2,183	37	686	1,648	2,371

Trading derivatives

(in € millions)	31 Dec. 2023				31 Dec. 2022			
	ASSETS				ASSETS			
	Less than 1 year	1 to 5 years	Beyond 5 years	TOTAL	Less than 1 year	1 to 5 years	Beyond 5 years	TOTAL
Interest rate instruments	136	2,024	2,751	4,911	133	3,462	2,425	6,020
Interest rate swaps	87	934	2,241	3,262	99	659	1,808	2,566
Interest rate options, caps, floors, collars	49	1,090	511	1,650	34	2,803	617	3,454
Other interest rate instruments	-	-	-	-	-	-	-	-
Forex instruments	21	25	59	104	18	18	105	140
Currency futures	21	25	59	104	18	18	105	140
Credit instruments	1	-	-	1	-	-	1	1
Equity and index instruments	37	178	13	227	154	477	15	646
Other instruments	-	-	-	-	-	-	-	-
Total fair value assets	194	2,227	2,823	5,244	304	3,957	2,545	6,807
(in € millions)	EQUITY AND LIABILITIES				EQUITY AND LIABILITIES			
	Less than 1 year	1 to 5 years	Beyond 5 years	TOTAL	Less than 1 year	1 to 5 years	Beyond 5 years	TOTAL
	Interest rate instruments	106	918	2,165	3,189	609	916	1,740
Interest rate swaps	64	692	2,077	2,832	101	560	1,574	2,234
Interest rate options, caps, floors, collars	42	226	89	357	41	336	166	544
Other interest rate instruments	-	-	-	-	467	20	-	487
Forex instruments	111	191	276	577	343	295	314	951
Currency futures	111	191	276	577	343	295	314	951
Credit instruments	1	2	-	3	-	-	1	1
Equity and index instruments	92	182	2	276	10	246	-	256
Other instruments	1	-	-	1	1	3	-	4
Total fair value equity and liabilities	311	1,293	2,443	4,047	963	1,459	2,055	4,477

34.3.2 General framework of the risk management strategy

General framework

Market risks correspond to the potential impact of changes in the financial markets on La Banque Postale's results or balance sheet. They include price risk, currency risk and commodities risk.

The majority of balance sheet items generate interest income and expenses that are exposed to changes in interest rates either through new transactions at rates that are not known in advance, or through comparative increases in the rate of existing transactions. In the first case, there is a risk of a change in cash flows, while in the second case, there is a fair value risk.

Since 1 January 2020, La Banque Postale has applied the transitional provisions of IFRS 9 concerning hedge accounting, by applying IFRS 9 to all hedging relationships except for portfolio fair value hedges which continue to be accounted for in accordance with IAS 39.

Type of hedge – management of associated risks

La Banque Postale uses derivatives to hedge market risks as part of its asset/liability and risk management policies.

These economic hedges are subject to different accounting treatments.

Derivatives held for trading, it is on a symmetrical basis with the hedged underlying and that do not by definition qualify for hedge accounting.

Derivatives that form part of a hedging relationship which qualifies for hedge accounting under IFRS 9 and IAS 39 for portfolio hedging, are classified as either fair value hedges or cash flow hedges.

Fair value hedges

A fair value hedge is a hedge of the exposure to changes in the fair value of financial assets or liabilities. Fair value hedges are primarily used to hedge the interest rate risk on fixed-rate assets and liabilities, as well as on demand deposits on the basis allowed by the European Union. In a fair value hedge, the effective portion of the gain or loss on the hedging instrument offsets the loss or gain on the hedged item. The difference between the two amounts corresponds to the ineffective portion of the gain or loss on the hedging instrument, which will have a net impact on profit or loss.

Cash flow hedges and all-in-one Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows from financial assets or liabilities, firm commitments or future transactions. Cash flow hedges are used to hedge the interest rate risk on adjustable-rate assets and liabilities. Derivatives used for cash flow hedging fix the amount of future cash flows. In the particular case of forwards, they act as an all-in-one cash flow hedge which is automatically effective because the contract covers both the derivative and the underlying to be delivered (hence the term all-in-one).

Portfolio fair value hedges

Portfolio fair value hedges are hedges of several loans by several swaps set up in connection with the management of fixed rate asset and liability positions. In accordance with IAS 39 on carve outs, as adopted by the

European Union, the group applies a generation-based approach by analysing each generation of hedged assets and hedging instruments by annual maturity band.

Portfolio fair value hedging instruments are mainly interest rate swaps designated as fair value hedges of the group's fixed-rate assets and liabilities.

To ensure that positions are not over-hedged, the group checks, for each maturity band and each generation, that the notional amount of the hedged assets exceeds the notional amount of the related swaps.

If any positions are over-hedged, the hedging contract is terminated or the instrument is classified as held-for-trading for an amount corresponding to the ineffective portion, with the resulting gain or loss recognised in profit or loss when the hedged assets are removed from the balance sheet

Hedging instruments

La Banque Postale uses several types of hedging derivatives to manage the interest rate and currency risks on its balance sheet items.

An interest rate swap is an over-the-counter contract whereby a stream of fixed-rate interest payments on a notional amount is exchanged for a stream of variable-rate interest payments on the same amount. The swaps used by La Banque Postale are mainly Overnight Index Swaps.

An interest rate option is an over-the-counter contract between two counterparties protecting the option buyer from an increase in the underlying interest rate above a certain level. The options used by La Banque Postale were caps entitling it to a cash payment if the underlying interest rate rose above a pre-determined level (the strike rate) in exchange for a premium generally payable when the option was purchased.

The currency swaps used by La Banque Postale are cross currency swaps whereby the group pays principal and fixed-rate interest in foreign currency and receives principal and variable rate interest in euros. In this way, the cross currency swap provides both financing in foreign currency and an economic hedge of the currency risk. The foreign currency and euro cash flows are perfectly matched in terms of amounts, dates and payments.

34.3.3 Scopes and economic links to the hedged risk (the underlying)

Underlyings

La Banque Postale hedges balance sheet transactions in the banking scope (both customer and financial transactions) using derivatives set up with market counterparties. These transactions depend on the business model of the portfolios.

They stem from different hedging strategies that aim primarily to hedge the interest rate risk.

Hedged item	Derivative	Hedge
Fixed-rate loans	Fixed-rate payer swap	CO-FVH: carve-out fair value hedge
	Fixed-rate payer swap	FVH: fair value hedge
Fixed-rate securities purchased	Fixed-rate payer swap	CO-FVH: carve-out fair value hedge
	Fixed-rate payer swap	FVH: fair value hedge
Fixed-rate forward securities purchased	Forward	All-in-one CFH: all-in-one cash flow hedge
Assets with capped revisable rates	Purchased cap	CO-FVH: carve-out fair value hedge
Fixed-rate customer deposits	Fixed-rate receiver swap	CO-FVH: carve-out fair value hedge
Fixed-rate bond issue	Fixed-rate receiver swap	FVH: fair value hedge

Underlying assets

The hedged risk corresponds to the amount represented by the interest rate risk on fixed-rate bonds and customer loans (home loans, consumer credit), and by the interest rate risk on future cash flows (purchases of long-term bonds).

Underlying liabilities

The hedged risk corresponds to the amount represented by the interest rate risk on fixed-rate customer deposits (demand deposits, PEL home-saving plan) and fixed-rate bond issues.

Sources of hedge ineffectiveness

Hedging a security by a swap

There are two types of fair value hedges:

Euribor hedges:

Euribor hedges are valued using a Euribor discount curve for the securities and an €STR curve for derivatives. The use of two different discount curves creates a slight hedge ineffectiveness that will become greater when the €STR – Euribor spread varies over time (ineffectiveness stemming from the changes in fair value of the variable leg of the swap, when this rate is not an overnight rate (like the €STR) but a pre-set rate (like the Euribor)).

€STR hedges: €STR hedges are valued using an €STR discount curve for both the securities and the derivatives. The mathematical hedge is thus perfect between the security and the swap (security discounted using €STR with adjustment of the credit component and swap discounted using €STR), which is why this type of hedge is considered to be 100% effective and no effectiveness test is required.

Hedging several securities with several swaps

By applying the defined principles, it is possible to obtain a simplified documented hedging relationship that is **100% effective**, while accurately managing the accounting treatment of the interest rate hedge component and notably the reclassification to profit or loss of hedging gains or losses according to the securities transactions.

The securities and their hedge (a swap or, exceptionally, several swaps) are grouped together by portfolio fair value hedging strategy. Each portfolio fair value hedging strategy respects the following restrictions:

1. maturities of the securities and swaps in the strategy must be in the same time bucket of a maximum of one year;
2. the notional amount of the swap in the strategy must be less than the total principal amount of the securities;
3. the maturity of the swap in the strategy must be less than or equal to the shortest maturity of the securities in the strategy;
4. the sensitivity of the swap in the strategy must be less than or equal to the overall sensitivity of the securities;
5. if there are several swaps in the strategy they must all be executed on the same day;
6. once the securities and the swap(s) are matched, no other securities may be purchased in the strategy, only sales of securities and unwinding of the swaps are authorised.

Within this management framework, once a hedging strategy is set up, new securities or new swaps cannot be added to it. This guarantees that all securities and all swaps undergo the same changes in value (with respect to interest rate risk) over the hedging period.

La Banque Postale has set rules for unwinding hedges by tracking the principal amount of sold securities, strategy by strategy in order to comply with the above restrictions at all times, and partially terminating, on the day the securities are sold, the outstanding amount of the swap that exceeds the aggregate principal amount of the remaining securities. In the case of over-hedging, the effectiveness test performed by La Banque Postale fails and the hedging derivative is systematically terminated for the ineffective portion.

Portfolio hedges: ineffectiveness mainly results from the disappearance of the underlying.

Hedging ratio

The hedging ratio (quantity of hedged items/quantity of hedging instruments) is used by La Banque Postale in its operational risk management.

To calculate the ratio: at each reporting date the backward-looking documentation is reviewed to verify that the change in the value of the hedged item since the beginning of the hedging relationship mirrors the change in value of the hedging instrument. Any valuation difference represents the ineffective portion of the gain or loss on the hedge and is recognised in the income statement.

Effectiveness test

La Banque Postale performs an effectiveness test at least twice during each half-year period.

Cash flow hedges

For cash flow hedges, La Banque Postale uses the hypothetical derivative method. This method consists of comparing changes in the fair value of the derivative with changes in the fair value of a hypothetical derivative that would perfectly represent the hedged risk.

Fair value hedges

Hedging a security by a swap

For micro-hedging using Euribor swaps, La Banque Postale uses the hypothetical derivative method. Based on the assumption that €STR swaps are 100% effective in micro-hedging, the method consists of creating an €STR swap replicating the underlying security exactly that could have been set up at the time of hedging, and assessing the change in the value of this swap compared with the change in that of the actual swap.

The residual ineffectiveness thus corresponds to the sum of the changes in value of the hedged item and the hedging instrument. The security and the swap are valued using the same constant yield curve, so that only the market exchange rate is taken into account. The change in the value of the security valued this way is independent of the changes in value of the interest rates

a) Fair value and cash flow hedging derivatives

(in € millions)	31 Dec. 2023			31 Dec. 2022		
	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount
Interest rate instruments	570	2,159	54,242	1,011	2,350	55,471
Interest rate swaps	570	2,159	54,242	1,011	2,350	55,471
Forex instruments	49	3	926	9	22	589
Currency futures	49	3	926	9	22	589
Total fair value hedging derivatives	619	2,163	55,168	1,020	2,371	56,060
Interest rate instruments	-	4	-	-	-	-
Interest rate swaps	-	4	-	-	-	-
Forex instruments	58	18	1,086	118	-	1,125
Currency futures	58	18	1,086	118	-	1,125
Other instruments	-	(1)	-	-	-	-
Total cash flow hedging derivatives	58	21	1,086	118	-	1,125
TOTAL	677	2,183	56,254	1,139	2,371	57,185

Hedging derivatives: analysis by residual life (notional amounts)

The breakdown of the notional amounts of derivative instruments by residual contractual life is presented below.

(in € millions)	31 Dec. 2023				31 Dec. 2022			
	Less than 1 year	1 to 5 years	Beyond 5 years	TOTAL	Less than 1 year	1 to 5 years	Beyond 5 years	TOTAL
Interest rate instruments	12,796	22,440	19,006	54,242	16,029	24,948	14,495	55,471
Interest rate swaps	12,796	22,440	19,006	54,242	16,029	24,948	14,495	55,471
Forex instruments	-	773	153	926	-	-	589	589
Currency futures	-	773	153	926	-	-	589	589
Total notional amount of fair value hedging derivatives	12,796	23,213	19,159	55,168	16,029	24,948	15,084	56,060
Interest rate instruments	-	-	-	-	-	-	-	-
Forex instruments	-	-	1,086	1,086	-	-	1,125	1,125
Currency futures	-	-	1,086	1,086	-	-	1,125	1,125
Total notional amount of cash flow hedging derivatives	-	-	1,086	1,086	-	-	1,125	1,125
TOTAL	12,796	23,213	20,245	56,254	16,029	24,948	16,209	57,185

b) Fair value hedges

Hedged items

Fair value (in € millions)	31 Dec. 2023				31 Dec. 2022			
	Existing hedges		Discontinued hedges		Existing hedges		Discontinued hedges	
	Carrying amount	Including hedging-related cumulative change in fair value	Deferred cumulative hedging-related change in fair value	Hedging-related changes in fair value over the period (a)	Carrying amount	Including hedging-related cumulative change in fair value	Deferred cumulative hedging-related change in fair value	Hedging-related changes in fair value over the period (a)
ASSETS								
Interest rate	8,354	(80)	-	502	9,237	(581)	-	(574)
Forex	775	-	-	1	395	(1)	-	(1)
Financial instruments at fair value through OCI	9,129	(80)	-	503	9,632	(583)	-	(575)
Interest rate	1,492	(47)	-	51	1,229	(98)	-	(101)
Forex	-	-	-	-	-	-	-	-
Financial instruments at amortised cost	1,492	(47)	-	51	1,229	(98)	-	(101)
LIABILITIES								
Interest rate	13,406	(926)	-	705	15,738	(1,631)	-	(1,888)
Forex	-	-	-	-	-	-	-	-
Financial instruments at amortised cost	13,406	(926)	-	705	15,738	(1,631)	-	(1,888)

(a) including hedging positions unwound during the period.

Portfolio fair value hedges (in € millions)	31 Dec. 2023		31 Dec. 2022	
	Carrying amount	Cumulative change in fair value (a)	Carrying amount	Cumulative change in fair value (a)
Debt instruments at amortised cost	14	0	9,849	(286)
Total- ASSETS	14	0	9,849	(286)
Debt instruments at amortised cost	12	(0)	16,689	(713)
Total liabilities and equity	12	(0)	16,689	(713)

(a) Change in fair value attributable to the hedged risk only and used to determine the effective portion of the fair value of the hedging instrument. The change excludes accrued interests.

Fair value hedging gains and losses

(in € millions)	31 Dec. 2023				31 Dec. 2022		
	Net hedging gain/loss				Net hedging gain/loss		
	Change in fair value		Ineffective portion of the gains/losses		Change in fair value		Ineffective portion of the gains/losses
	On hedging instruments (a)	On hedged items (a)			On hedging instruments (a)	On hedged items (a)	
Interest rate	42	(42)	-	(1,976)	1,950	(26)	
Forex	65	(65)	-	(12)	13	1	
TOTAL	107	(107)	-	(1,988)	1,963	(25)	

a) Including unwound hedging positions.

c) Cash-flow hedges

Hedged items

	31 Dec. 2023			31 Dec. 2022		
	Existing hedges	Discontinued hedges	Hedging-related changes in fair value ^(a)	Existing hedges	Discontinued hedges	Hedging-related changes in fair value ^(a)
	Cumulative change in fair value :			Cumulative change in fair value :		
	Hedging-related	Deferred hedging-related	Hedging-related	Deferred hedging-related		
(in € millions)						
ASSETS						
Interest rate	10	84	(4)	-	75	75
Forex	27	-	(39)	67	-	47
Other	-	-	-	-	-	-
TOTAL	37	84	(44)	67	75	122

(a) Including hedging positions unwound during the period.

Cash-flow hedging gains and losses

	31 Dec. 2023			31 Dec. 2022		
	Other comprehensive income		Net hedging gain/loss	Other comprehensive income		Net hedging gain/loss
	Effective portion of hedging gain/loss recognised during the year	Amount recognised in OCI and reclassified to profit or loss during the year	Ineffective portion of the gains/losses	Effective portion of hedging gain/loss recognised during the year	Amount recognised in OCI and reclassified to profit or loss during the year	Ineffective portion of the gains/losses
	(in € millions)					
Interest rate	10	(14)	-	-	-	-
Forex	(79)	39	-	188	(66)	-
TOTAL	(69)	25	-	188	(66)	-

34.3.4 Assessment of risk

Value at risk (VaR)

Value at risk (VaR) is an indicator of La Banque Postale's loss exposure. It gives an estimate of maximum potential losses over a specified period with a given probability. However, VaR does not indicate the various levels of potential losses that may arise from infrequent events.

The VaR indicator is calculated on trading portfolios and also on certain banking portfolios. An overall VaR encompassing all positions is also calculated.

VaR is broken down for each of the activities included in the market portfolio.

In line with a prudent approach, La Banque Postale decided to apply a VaR indicator (one-day, 99%) to all of its mark-to-market positions. The VaR indicator used by La Banque Postale is a parametric VaR, calculated using a variance-covariance matrix that covers La Banque Postale's exposure to interest rate, spread, exchange rate, volatility and equity risks.

The resulting VaR partly covers option-related risks, with second-degree risks not being taken into account. Although they are not currently material in relation to total positions, an increase in option positions could lead the Group Risk Department to adopt a more appropriate methodology. Moreover, option risk monitoring indicators are deployed.

The Group Risk Department back-tests the results of the model used to calculate the VaR indicator, in order to assess its quality.

Stress scenarios

VaR, which is calculated on the assumption that it follows a normal distribution, is estimated under normal market conditions and does not provide any information on the amount of the potential loss when the VaR is exceeded. As the group needs to be able to estimate potential losses in exceptional market conditions (terrorist attacks, the collapse of a major group, etc.), it defines stress scenarios.

A stress scenario involves simulating an extreme situation in order to assess the financial impact on La Banque Postale's earnings or capital. The use of these scenarios is an analytical and management tool providing a better understanding of market risk.

La Banque Postale trades on all markets (UCITS, currencies, fixed-income, credit and derivatives). However, at present, it mostly deploys directional strategies on the fixed-income, credit and UCITS markets. The crisis scenarios used in the models mainly affect yield curves and credit spreads; other parameters are also taken into account but their impact is limited.

A distinction is made between two major stress families: historical stresses and hypothetical stresses:

- historical stresses are based on historical facts (events which have actually occurred). To build the scenarios, changes which took place in the past during major financial crises are applied to current market conditions. These are historical scenarios;

- hypothetical stresses are scenarios that adopt plausible variations which, although they have never occurred, could threaten the organisation if they did. These shocks are calibrated with assumptions based on historical statistics drawn from market data.

A historical stress scenario is triggered by a sudden event affecting a combination of factors. To plan for a worst-case scenario, the time frames selected correspond to the initial stage during which the crisis spreads up to the first indication that prices are stabilising, given that several trading days are needed to close out high-risk positions.

A stress test is applied to a given category of market risk. La Banque Postale performs stress tests on its main risk exposures.

At group level, quarterly stress tests are performed on all portfolios measured at fair value (including the insurance subsidiaries). This indicator is calculated on the basis of the historical scenario with a 3-month horizon, determined to be the most unfavourable for La Banque Postale group over a 10-year period with a confidence level of 99.5%.

34.4 Liquidity risk

Liquidity risk is defined by the government order of 3 November 2014 as the risk that a company cannot meet its commitments or cannot unwind or cover a position either because of the market situation (systemic risk) or idiosyncratic factors (own risks), within a specific period or at a reasonable cost.

The liquidity risk reporting systems cover the entire La Banque Postale for regulatory purposes. Some of the limits and indicators used in management refer to corporate units of the group, notably La Banque Postale, the largest entity.

La Banque Postale has a strong liquidity position based on:

- customer deposits exceeding customer loans. La Banque Postale has a significant and diversified deposit base (in excess of €200 billion) consisting primarily of deposits from French retail customers;
- a significant HQLA portfolio (High-Quality Liquid Assets). La Banque Postale has traditionally invested a significant portion of its balance sheet in sovereign securities due to its historical activity as a deposit-taker. The customer credit business only began to develop in 2006. This portfolio contains only high-quality liquid assets in accordance with Delegated Regulation (EU) No 2015/61;
- proven access to capital market financing.

Since funds from customers mostly have no fixed maturity and may be payable at any time (deposits, passbook accounts), their runoff is modelled to determine their profile over time. La Banque Postale has taken a conservative approach to its liquidity assessments.

Liquidity risk management

The Balance Sheet Management Committee is responsible for managing liquidity risk in compliance with the principles and limits approved by the GRMC. Part of this responsibility is delegated to the ALM and Treasury Committee.

In operational terms, La Banque Postale has implemented an internal liquidity adequacy assessment process (ILAAP) which combines all of its liquidity limits, assessment, monitoring, reporting and management procedures. The process includes:

- a system of risk indicators associated with regulatory or internal limits, published at monthly intervals;
- daily monitoring of changes in the buffer consisting of unencumbered high-quality liquid securities and a proxy LCR;
- a financing plan which ensures the equilibrium of La Banque Postale's refinancing position on an *ex-ante* basis in its budget planning universe;
- twice-yearly market access tests to verify market access in different currencies and actual liquidity tests on securities;
- the Emergency Funding Plan (EFP), which is primarily intended to (see below):
 - o define alert thresholds to enable early detection of liquidity stress, whether specific to La Banque Postale or systemic,
 - o identify all available liquidity-generating capacities (liquidity reserves and financing capacity),
 - o mobilise governance to manage potential crises in a timely manner, and measure La Banque Postale's room for manoeuvre via a stress test system in the context of historically high stress on its liquidity.

The liquidity risk prudential reporting systems cover the entire prudential consolidation scope. Some group entities are also subject to reporting requirements at the individual level.

Liquidity risk measurement

The main indicators of liquidity risk are presented below.

Liquidity Coverage Ratio (LCR)

Short-term liquidity monitoring is based primarily on the survival period and the Liquidity Coverage Ratio (LCR).

The LCR is a monthly short-term liquidity ratio which measures La Banque Postale's capacity to withstand a severe deterioration in its financial situation for up to 30 days in a systemic shock environment.

Under banking regulations, LCR must be greater than 100%. La Banque Postale's internal LCR target is higher than this, and it met this minimum level.

This ratio is calculated by dividing the sum of unencumbered, high-quality liquid assets by the liquidity requirement in a stress environment over a 30-day period. An LCR proxy is calculated daily.

Survival horizon

This indicator measures the number of days during which La Banque Postale would be able to meet its payment obligations in a crisis situation, solely by using its liquidity buffers and assuming that it continues to

operate normally (i.e., without extraordinary management action such as a lending freeze).

It is determined based on stressed dynamic gaps calculated for each crisis scenario (systemic, specific to La Banque Postale or both) and corresponds to the horizon observed under the least favourable scenario for La Banque Postale.

The survival horizon is expressed as a number of months (up to a maximum of six months, which corresponds to the crisis scenario horizon), plus the observed liquidity surplus or shortfall corresponding to the horizons set for risk management purposes.

Liquidity gap

La Banque Postale assesses its long-term liquidity level by reference to a liquidity gap. The liquidity gap includes static gap forecasts by maturity and limits defined at 1-, 3- and 5-year horizons. The assumptions used correspond to a stressed approach, resulting in a conservative view of the La Banque Postale's liquidity position.

The liquidity gap assessment approaches are determined according to the type of asset (or liability) on the balance sheet:

- outstanding loans with fixed maturities (contractual runoff that may or may not be adjusted by a model);
- outstanding loans with no fixed maturities (conventional runoff);
- liquidity profile of the transferable assets;
- off-balance sheet items (liquidity commitments and guarantees).

Transactions with no contractual maturity (including customer deposits and passbook savings accounts) are included based on runoff conventions approved by the Balance Sheet Management Committee and the Group Risk Department.

Off-balance sheet transactions are included, taking into account drawdown assumptions.

The transferability of certain transactions may be taken into account where appropriate.

Net Stable Funding Ratio (NSFR)

The NSFR corresponds to the amount of available stable funding in relation to required stable funding. This ratio should be at least 100% at any time. "Available stable funding" (ASF) refers to the portion of resources that are not payable within the time frame considered, i.e., 1 year within the context of the NSFR. The amount of "required stable funding" (RSF) of a business depends on the characteristics of its liquidity and the residual maturity of its assets (and off-balance sheet positions).

Liquidity reserve

The purpose of the liquidity reserve is to quantify the amount of cash and liquidity readily available through the sale or repurchase of securities in order to withstand a liquidity crisis.

The liquidity reserve is composed of:

- cash deposited with the Central Bank (excluding the average mandatory reserves calculated over the incorporation period);
- ECB-eligible securities with a satisfactory rating;
- retained covered bonds and covered bonds issued by La Banque Postale through its subsidiary La Banque Postale Home Loan SFH.

Top high quality secured home loans qualifying for refinancing by La Banque Postale Home Loan SFH through covered bond issues also represent an important source of liquidity.

Emergency Funding Plan (EFP)

The EFP is monitored by the group's funding governance bodies (the ALM and Treasury Committee and the Refinancing Sub-Committee of the Group Risk Committee) and implemented by the CIB Division.

The EFP is part of the internal liquidity assessment process on which La Banque Postale reports each year. The EFP sets out the leading indicators selected to gauge the robustness of the (financial or banking) markets impacting the liquidity of La Banque Postale. These indicators can be broken down into two major groups:

- systemic indicators;
- entity-specific ("idiosyncratic") indicators.

A specific threshold (comfort, vigilance or warning) is defined for each indicator.

The EFP also makes provision for a mechanism to be implemented in the event of a proven systemic or entity-specific crisis. This mechanism mainly takes the form of an inventory of the various sources of funds (or liquidity) available to La Banque Postale, based on the amounts involved and the speed with which they can be accessed. The EFP also makes provisions for specific governance through committees, which will monitor the leading indicators. The purpose of this governance organisation is to increase oversight of liquidity risk. In normal times, the indicators are presented at meetings of the ALM and Treasury Committee and periodically to the GRMC. They are also tracked during weekly meetings of the Refinancing Committee. The indicators selected, and the actions proposed, are tested on the markets in order to gauge their suitability along with market liquidity.

The funding test involves testing the market by issuing short-term debt. The aim of this type of test is to regularly verify La Banque Postale's ability to quickly raise funds on the markets to ensure that its estimated borrowing capacity remains valid. This type of test is carried out at least twice a year.

Ability to access external financing

In line with the ALM Committee and the GRMC's prudent liquidity management, La Banque Postale has secured diversified sources of financing, including:

- a €20 billion NEU CP (Negotiable European Commercial Paper) programme and a €10 billion ECP (European Commercial Paper) programme to refinance a portion of La Banque Postale's short-term financing requirements and satisfy demand from institutional customers;
- a €2 billion NEU EMTN programme to refinance a portion of La Banque Postale's short-term financing requirements and satisfy demand from institutional customers;
- a €20 billion retail EMTN programme enabling the issue of senior (vanilla and structured), non-preferred senior and Tier 2 debt;
- a €10 billion retail structured senior debt programme;
- €30 billion EMTN programme for the issue of home loan bonds (*obligations de financement de l'habitat* – OFH) via its secure financing vehicle, La

Banque Postale Home Loan SFH, a La Banque Postale SA subsidiary created in 2013;

- access to European Investment Bank (EIB) refinancing under La Banque Postale's eligible funds commitment;
- a portfolio of HQLA (High-Quality Liquid Asset) securities, consisting mainly of rapidly accessible, high-quality government bonds which represent a stable source of eligible assets enabling access to ECB refinancing operations or to the securities repo market;
- access to the Brokertec, Eurex Repo and Eurex GC Pooling and NGT Bondlend repo platforms;
- access to the interbank market.

La Banque Postale also has access to a secured financing vehicle via the Caisse de Financement Local (CAFFIL), to which it regularly sells originated local public sector loans.

34.5 Interest rate risk

The unit responsible for supervising and managing overall interest rate risk is La Banque Postale's Group Risk Department.

The department has several goals:

- to map risks, assess the risk management system and propose limits in line with La Banque Postale's risk appetite;
- to provide periodic monitoring of the indicators used to manage La Banque Postale's overall consolidated interest rate risk and that of its banking subsidiaries;
- to carry out audits of the calculation processes for the various indicators (static and dynamic) and control the integrity of calculated exposures;
- to audit the methodologies used.

This risk is monitored using indicators showing the sensitivity of future margins and economic value to interest rates, and by modelling scenarios which assess the entity's capacity to withstand exogenous shocks.

The interest rate movements tested affect both uncertain cash flows from financial products and earnings from Retail Banking operations via behavioural models – particularly implicit options available to customers.

The supervision of interest rate risk is the responsibility of the ALM Committee, which monitors indicators and forecasts trends based on commercial policy guidelines and observed customer behaviour. The interest rate risk indicators are also reviewed by the GRMC. Interest rate risks are generally reviewed on a monthly basis.

Objectives

Interest rate risk is managed so as to hedge the sensitivity of La Banque Postale's future net interest margin while ensuring compliance with value sensitivity indicators. A dynamic approach based on the business plan is used, applying interest rate derivatives (hedged) or adjusting commercial policies.

The balance sheet includes implicit and explicit options, leading to non-linear economic values based on interest rates. In this context, ALM proposes the regular rebalancing of structural positions using market instruments.

Scope

As required by the Basel Committee, significant interest rate risks in the banking book are identified and measured. Some of these risks may give rise to a specific follow-up procedure.

Interest rate risk is measured by maturity and by type of index for products dependent on variable or adjustable rates (Euribor, inflation, €STR, etc.), taking into account likely runoff agreements, which are themselves dependent on market conditions. Interest rate risk includes several components:

- fixing risk related to differences between new interest rates applied to assets and to liabilities (depending on baseline rates and maturities);
- yield curve risk related to fixing risk: this is generated by changes in the yield curve (translation, rotation, etc.);
- baseline risks: these are related to the use of multiple baseline interest rates and arise from the imperfect correlation of different reference rates;
- option-related risks (contractual or behavioural);
- risks caused by positions exposed to inflation.

The change in the net interest margin is therefore measured by reference to several interest rate scenarios. The interest rate risk on the balance sheet is simulated with dynamic modelling, taking into account future changes in outstanding amounts (early repayments, loan originations, etc.), in accordance with behavioural models and the business plan.

Trading desk transactions are not included in the overall interest rate risk management process as the risk associated with these transactions is monitored and managed according to the individual limits for each portfolio. These specific trading desk portfolios are subject to market risk-type limits.

Assessing overall interest rate risk

Agreements and models

The interest rate gap and interest rate sensitivity valuation methodologies used are determined according to the type of assets (or liabilities) comprising the balance sheet:

- outstanding loans with fixed maturities (contractual runoff that may or may not be adjusted by a model);
- outstanding loans with no fixed maturities (conventional runoff);
- off-balance sheet items (liquidity commitments and guarantees).

Transactions with no contractual maturity (including customer deposits and passbook savings accounts) are included based on runoff conventions approved by the Balance Sheet Management Committee and the Group Risk Department.

Off-balance sheet transactions are included, taking into account drawdown assumptions.

Interest rate gap

For a given currency, the nominal interest rate gap is calculated for fixed-rate transactions and for variable-rate and adjustable-rate transactions up to the next rate review or reset date. The nominal interest rate gap does not take into account interest rate payments.

The interest rate gap is the difference between the amount of fixed-rate assets and the average amount of fixed-rate liabilities including the effects of off-balance sheet items by maturity.

EVE (Economic Value of Equity) sensitivity

This corresponds to a negative change in value resulting from various shock scenarios. EVE is calculated using static modelling, based on the contractual maturities of balance sheet items.

The following shock scenarios were modelled:

- parallel +200 bps increases in short- and long-term rates;
- parallel -200 bps decreases in short- and long-term rates;
- steeper yield curve (decrease in short-term rates, increase in long-term rates);
- flatter yield curve (increase in short-term rates, decrease in long-term rates);
- increase in short-term rates;
- decrease in short-term rates.

EBA guidelines also require banks to model a regulatory floor for the risk-free rate. The floor starts at -1% and is increased in steps of 0.05% to 0% at 20 years.

Net interest margin sensitivity

Net interest margin (NIM) sensitivity is defined as the difference between NIM in a modified interest rate scenario and NIM in a baseline interest rate scenario.

NIM sensitivity is calculated for each interest rate scenario taking into account interest rate-dependent behavioural models, and by maintaining levels of loan origination and deposits from the commercial business, along with assumptions related to equivalent financial transactions in the baseline scenario.

Only the behavioural models show a reaction to the shock scenario. Their impacts on amounts outstanding modify the level of short-term financing.

Different interest rate scenarios featuring an instantaneous shock relative to the baseline curve:

- parallel +100 bps increases in short- and long-term rates;
- parallel -100 bps decreases in short- and long-term rates;
- steeper yield curve (decrease in short-term rates, increase in long-term rates);
- flatter yield curve (increase in short-term rates, decrease in long-term rates);
- increase in short-term rates;
- decrease in short-term rates.

EBA guidelines also require banks to model a regulatory floor for the risk-free rate. The floor starts at -1% and is increased in steps of 0.05% to 0% at 20 years.

34.6 Insurance risk

Sensitivity analysis

The sensitivity analysis presented below are calculated on CNP Assurances activities.

- Surrender risk

A 10% increase in surrender rates would reduce net profit by 2%.

- Interest rate risk

A 100-bps increase would lead to a decrease in equity of 3% (vs 4% in 2022).

A 100-bps decrease would lead to an increase in equity of 3% (vs 4% in 2022).

- Property risk

A 25% fall in property prices would lead to a decrease in equity of 2% (vs 3% in 2022).

- Equity risk

A 25% fall in share prices would lead to a decrease in equity of 4% (versus 5% in 2022).

Interest rate risk - carrying amounts of the bond portfolio by maturity band

At 31 December 2023, the carrying amounts of the bond portfolio by maturity band were as follows: 16% due within 1 year (versus 17% in 2022), 33% due in 1 to 5 years (versus 31% in 2022), 50% due beyond 5 years (versus 50% in 2022).

Fixed-rate bonds represented 63% of the total bond portfolio (versus 67% in 2022), with more than half due beyond 5 years (unchanged versus 2022).

Credit risk on reinsured business

In 2023, 34% of reinsurance assets net of liabilities were ceded to reinsurers with an A+ credit rating and 61% to reinsurers with an AA- rating (versus 95% to reinsurers with an A+ rating in 2022).

Liquidity risk

- Analysis by maturity

72% of insurance liabilities net of insurance assets were due in more than 5 years (versus 66% in 2022).

At the same date, 84% of reinsurance assets net of reinsurance liabilities were due in more than 5 years (versus 84% in 2022).

- Passifs des contrats d'assurance nets d'actifs d'assurance – montant exigibles - rachat

(in € millions)	31 Dec. 2023		31 Dec. 2022	
	Surrender value	Carrying amount	Surrender value	Carrying amount
Contracts with an immediate surrender option	63,178	78,499	69,586	62,814
Contracts without an immediate surrender option	280,648	296,147	272,258	297,786
TOTAL	343,826	374,646	341,844	360,600

- Flux futurs d'actifs

(in € millions)	31 Dec. 2023					TOTAL
	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	Beyond 15 years	
Assets at fair value through profit or loss	14,553	3,916	4,770	702	4,113	28,054
Financial assets at fair value through OCI reclassifiable to profit or loss	18,621	68,460	73,985	25,637	39,756	226,459
Financial assets at amortised cost	62	713	1,364	437	8	2,584
TOTAL	33,236	73,089	80,119	26,777	43,878	257,098

(in € millions)	31 Dec. 2022					TOTAL
	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	Beyond 15 years	
Assets at fair value through profit or loss	12,270	4,492	4,380	895	4,047	26,084
Financial assets at fair value through OCI reclassifiable to profit or loss	27,983	61,677	74,264	25,342	38,047	227,313
Financial assets at amortised cost	1	3	83	9	3	99
TOTAL	40,255	66,172	78,728	26,246	42,096	253,496

NOTE 35 INSURANCE AND REINSURANCE CONTRACTS

35.1 Income and related expenses

- a) Insurance contracts issued
- b) Reinsurance contracts held

35.2 Insurance investments

- a) Analysis by accounting category
- b) Composition of the underlying items of contracts with direct participation features

35.3 Insurance liabilities

- a) Insurance and reinsurance contracts by valuation model
- b) Insurance and reinsurance contracts by accounting component
- c) Contractual service margin (CSM)
- d) Insurance and reinsurance contracts by coverage period
- e) Analysis of new contracts recognised during the period

35.1 Income and related expenses

(a) Insurance contracts issued

Insurance revenue

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022 (a)
Contracts valued using the BBA and VFA models	10,078	10,388
Amounts relating to changes in outstanding coverage liabilities arising from:	8,418	8,407
Contractual service margin released to profit on insurance services provided during the period	2,212	2,279
Adjustment for non-financial risk released to profit	283	233
Expected expenses for the period relating to insurance contracts issued, net of amortisation of the loss component	5,724	5,783
Experience adjustments to premiums received and acquisition costs	200	113
Acquisition costs allocated to the period	1,660	1,981
Contracts valued using the PAA model	1,607	1,542
TOTAL	11,685	11,930

(a) Taking into account the application of IFRS 17.

Insurance service expenses

<i>(in € millions)</i>	Contracts valued using the BBA and VFA models	Contracts valued using the PAA model	31 Dec. 2023
Incurred claims and other insurance service expenses	(6,551)	(1,106)	(7,656)
Amortisation of cash flows relating to acquisition costs	(1,660)	(164)	(1,823)
Adjustments to liabilities for incurred claims	1,087	13	1,099
Losses and reversals on groups of onerous contracts	(59)	1	(58)
TOTAL	(7,183)	(1,255)	(8,438)

<i>(in € millions)</i>	Contracts valued using the BBA and VFA models	Contracts valued using the PAA model	31 Dec. 2022 (a)
Incurred claims and other insurance service expenses	(7,102)	(1,104)	(8,206)
Amortisation of cash flows relating to acquisition costs	(1,981)	(158)	(2,139)
Adjustments to liabilities for incurred claims	1,116	50	1,166
Losses and reversals on groups of onerous contracts	(49)	2	(48)
TOTAL	(8,016)	(1,210)	(9,226)

(a) Taking into account the application of IFRS 17.

Insurance service expenses include the margin received by the group on the insurance contract distribution and management fees charged to subsidiaries. The margin is calculated as the difference between the fees received and underlying costs, determined using an analytical operating expense ratio specific to the insurance business.

(b) Reinsurance contracts held

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022 (a)
Reinsurance expenses – Contracts valued using the BBA model	(675)	(578)
Contractual service margin released to profit on insurance services received during the period	(72)	(54)
Changes in non-financial risk adjustment due to expired risk	(10)	(2)
Expected expenses for the period	(584)	(505)
Experience adjustments	(9)	(17)
Reinsurance expenses - Contracts valued using the PAA model	(167)	(177)
Reinsurance revenue - Contracts valued using the BBA model	609	650
Reinsurance recoveries	636	637
Adjustments related to provisions recovered from reinsurers	(30)	7
Loss component	2	3
Changes in risk adjustment related to ceded incurred claims	1	3
Reinsurance revenue - Contracts valued using the PAA model	127	129
REVENUE AND EXPENSES ON REINSURANCE CONTRACTS HELD	(106)	24

(a) Taking into account the application of IFRS 17.

35.2 Insurance investments

a) Analysis by accounting category

(in € millions)	31 Dec. 2023	31 Dec. 2022 (a)
Financial assets at fair value through profit or loss	205,383	196,219
Hedging derivatives	58	118
Financial assets at fair value through OCI not reclassifiable to profit or loss	15,461	15,887
Financial assets at fair value through OCI reclassifiable to profit or loss	185,470	182,423
Securities at amortised cost	2,083	96
Investment property	7,262	6,809
Investments in equity-accounted companies	1,104	1,118
INSURANCE INVESTMENTS	416,821	402,671

(a) Taking into account the application of IFRS 17.

Financial assets at fair value through profit or loss and financial assets at fair value through OCI reclassifiable to profit or loss are analysed below.

Financial assets at fair value through profit or loss

(in € millions)	31 Dec. 2023	31 Dec. 2022 (a)
Debt instruments	185,051	171,722
Government paper and equivalent	2,751	3,990
Bonds and other fixed-income securities	26,269	23,874
UCITS	59,581	60,775
Assets backing unit-linked contracts	91,603	77,726
Loans and advances	4,845	5,356
Equity instruments	18,729	20,796
Equity and other variable-income securities	15,580	17,865
Assets backing unit-linked contracts	3,149	2,931
Derivatives instruments	1,603	3,702
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	205,383	196,219

(a) Taking into account the application of IFRS 17.

Financial assets at fair value through OCI

(in € millions)	31 Dec. 2023		31 Dec. 2022 (a)	
	Fair value	Unrealised gains/losses	Fair value	Unrealised gains/losses
Government paper and equivalent	95,134	(18,570)	97,200	(24,771)
Bonds and other fixed-income securities	90,336	(8,135)	85,223	(13,236)
FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI RECLASSIFIABLE TO PROFIT OR LOSS	185,470	(26,705)	182,423	(38,007)
Tax		7,309		10,270
Gains and losses recognised directly in OCI - reclassifiable to profit or loss (net of tax)		(19,395)		(27,737)
Equities, other variable-income securities and other securities held as long-term investments	15,445	3,868	15,887	2,166
Unconsolidated equity investments	16			
FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI NOT RECLASSIFIABLE TO PROFIT OR LOSS	15,461	3,868	15,887	2,166
Taxes		(773)		(333)
Gains and losses recognised directly in OCI - not reclassifiable to profit or loss (net of tax)	0	3,096	0	(1,833)

(a) Taking into account the application of IFRS 17.

b) Composition of the underlying items of contracts with direct participation features

This table shows the financial assets underlying contracts with direct participation features. A contract with participation features is a contract where the benefit paid to the beneficiary is directly linked to the fair value or returns of specific assets.

	Fair value	
	31 Dec. 2023	31 Dec. 2022 (a)
<i>(in € millions)</i>		
Bonds	205,965	190,390
Negotiable debt securities	298	509
Equities	15,902	16,410
Mutual funds	99,228	99,317
Shares in property-management companies	6,728	8,459
Derivative instruments	1,538	3,578
Other	2,703	3,242
TOTAL	332,362	321,904

(a) Taking into account application of IFRS 17.

35.3 Insurance liabilities

a) Insurance and reinsurance contracts by valuation model

	31 Dec. 2023		
	Contracts valued using the BBA and VFA models	Contracts valued using the PAA model	TOTAL
<i>(in € millions)</i>			
Liability for remaining coverage	1,389	165	1,554
Contracts valued using the PAA model	-	165	165
Contracts valued using the BBA and VFA models	1,389	-	1,389
Present value of future cash flows	1,746	-	1,746
Adjustment for non-financial risk (RA)	(75)	-	(75)
Contractual service margin (CSM)	(282)	-	(282)
Liability for incurred claims	(213)	1	(212)
Present value of future cash flows	(208)	1	(207)
Adjustment for non-financial risk (RA)	(5)	-	(5)
Insurance acquisition cash flows not yet allocated to insurance contracts		-	-
Insurance contracts issued - Assets (1)	1,177	166	1,343
Liability for remaining coverage	368,836	825	368,836
Contracts valued using the PAA model	-	825	825
Contracts valued using the BBA and VFA models	368,836	-	368,836
Present value of future cash flows	348,273	-	348,273
Adjustment for non-financial risk (RA)	1,895	-	1,895
Contractual service margin (CSM)	18,668	-	18,668
Liability for incurred claims	5,578	795	6,374
Present value of future cash flows	5,521	749	6,269
Adjustment for non-financial risk (RA)	58	47	104
Insurance contracts issued - Liabilities (2) (excluding investment contracts without a discretionary participation feature)	374,415	1,620	376,035
Insurance contracts (direct business and inward reinsurance) (2) - (1)	373,238	1,454	374,692
Insurance transactions relating to investment contracts (without a discretionary participation feature) (3)	-	-	2,395
INSURANCE CONTRACTS ISSUED - LIABILITIES (2) + (3) - see Note 31.6	-	-	378,430
Liability for remaining coverage	8,060	82	8,142
Contracts valued using the PAA model	-	82	82
Contracts valued using the BBA and VFA models	8,060	-	8,060
Present value of future cash flows	7,457	-	7,457
Adjustment for non-financial risk (RA)	91	-	91
Contractual service margin (CSM)	512	-	512
Liability for incurred claims	496	237	734
Present value of future cash flows	490	227	717
Adjustment for non-financial risk (RA)	6	10	16
Reinsurance contracts held - Assets (1) (excluding investment contracts without a discretionary participation feature)	8,556	319	8,875
Reinsurance transactions relating to investment contracts (without a discretionary participation feature)	-	-	15
Reinsurance contracts held - Assets			8,891
Liability for remaining coverage	43	20	63
Contracts valued using the PAA model	-	20	20
Contracts valued using the BBA and VFA models	43	-	43
Present value of future cash flows	39	-	39
Adjustment for non-financial risk (RA)	(17)	-	(17)
Contractual service margin (CSM)	20	-	20
Liability for incurred claims	(8)	-	(8)
Present value of future cash flows	(8)	-	(8)
Adjustment for non-financial risk (RA)	-	-	-
Reinsurance contracts held - Liabilities (2) - see Note 31.6	35	20	55
REINSURANCE CONTRACTS HELD, NET (1) - (2)	8,521	299	8,820

	31 Dec. 2022 (a)		
	Contracts valued using the BBA and VFA models	Contracts valued using the PAA model	TOTAL
<i>(in € millions)</i>			
Liability for remaining coverage	1,800	97	1,897
Contracts valued using the PAA model	-	97	97
Contracts valued using the BBA and VFA models	1,800	-	1,800
Present value of future cash flows	2,866	-	2,866
Adjustment for non-financial risk (RA)	(341)	-	(341)
Contractual service margin (CSM)	(725)	-	(725)
Liability for incurred claims	(457)	1	(456)
Present value of future cash flows	(444)	1	(443)
Adjustment for non-financial risk (RA)	(13)	-	(13)
Insurance acquisition cash flows not yet allocated to insurance contracts	-	65	66
Insurance contracts issued - Assets (1)	1,343	163	1,506
Liability for remaining coverage	355,240	874	356,114
Contracts valued using the PAA model	-	874	874
Contracts valued using the BBA and VFA models	355,240	-	355,240
Present value of future cash flows	337,674	-	337,674
Adjustment for non-financial risk (RA)	1,449	-	1,449
Contractual service margin (CSM)	16,117	-	16,117
Liability for incurred claims	5,302	710	6,012
Present value of future cash flows	5,240	666	5,906
Adjustment for non-financial risk (RA)	63	44	107
Insurance contracts issued - Liabilities (2) (excluding investment contracts without a discretionary participation feature)	360,542	1,584	362,127
Insurance contracts (direct business and inward reinsurance) (2) - (1)	359,199	1,422	360,620
Insurance transactions relating to investment contracts (without a discretionary participation feature) (3)	-	-	2,453
INSURANCE CONTRACTS ISSUED - LIABILITIES (2) + (3) - see Note 31.6	-	-	364,580
Liability for remaining coverage	7,439	89	7,528
Contracts valued using the PAA model	-	89	89
Contracts valued using the BBA and VFA models	7,439	-	7,439
Present value of future cash flows	6,714	-	6,714
Adjustment for non-financial risk (RA)	102	-	102
Contractual service margin (CSM)	624	-	624
Liability for incurred claims	463	215	679
Present value of future cash flows	457	205	662
Adjustment for non-financial risk (RA)	7	10	17
Reinsurance contracts held - Assets (1) (excluding investment contracts without a discretionary participation feature)	7,903	304	8,207
Reinsurance transactions relating to investment contracts (without a discretionary participation feature)	-	-	15
Reinsurance contracts held - Assets	-	-	8,221
Liability for remaining coverage	35	13	48
Contracts valued using the PAA model	-	13	13
Contracts valued using the BBA and VFA models	35	-	35
Present value of future cash flows	58	-	58
Adjustment for non-financial risk (RA)	(22)	-	(22)
Contractual service margin (CSM)	(1)	-	(1)
Liability for incurred claims	(15)	-	(15)
Present value of future cash flows	(14)	-	(14)
Adjustment for non-financial risk (RA)	(1)	-	(1)
Reinsurance contracts held - Liabilities (2) - see Note 31.6	20	13	33
REINSURANCE CONTRACTS HELD, NET (1) - (2)	7,883	291	8,174

(a) Restated for the first-time application of IFRS 17.

b) Insurance and reinsurance contracts by accounting component

Intra-group margin

La Banque Postale distributes and manages insurance contracts on behalf of its subsidiaries. This activity generates distribution and management costs which are included in the group's income statement.

The commission paid by the insurance subsidiaries to La Banque Postale for the distribution and management of insurance policies includes a margin billed by La Banque Postale.

Under IFRS 17, the component representing the insurance company's estimated obligation to policyholders – the present value of future cash flows or Best Estimate – incorporates all the costs associated with insurance activities, including the costs of distributing and managing insurance contracts.

Insurance subsidiaries' Best Estimate includes the insurance contract distribution and management fees, with the margin.

At group level, the margin is not included in the Best Estimate, as it represents a profit and not a cost. It is therefore included in the CSM (representing future profits).

As a result, the group vision of CSM is different from the sum of the insurance subsidiaries' CSMs, i.e., from the insurance vision of CSM. Group CSM includes a component representing the intra-group margin, which is determined by applying an estimated cost/income ratio to distribution and management fees. This margin is included in the CSM at group level.

<i>(in € thousands)</i>	Present value of future cash flows	Adjustment for non-financial risk (RA)	Contractual service margin (CSM)	TOTAL
OPENING NET BALANCE – INSURANCE VISION ^(a)				
At 31 December 2022 ^(b)	341,814	1,863	15,522	359,199
Insurance contract distribution and management fees – Intra-group eliminations	(1,320)	-	1,320	-
OPENING NET BALANCE – GROUP VISION				
At 31 December 2022 ^(b)	340,494	1,863	16,842	359,199
CLOSING NET BALANCE – INSURANCE VISION ^(a)				
At 31 December 2023	353,844	2,032	17,362	373,238
Insurance contract distribution and management fees – Intra-group eliminations	(1,588)	-	1,588	-
CLOSING NET BALANCE – GROUP VISION				
At 31 December 2023	352,256	2,032	18,950	373,238

(a) Analysed by accounting component and coverage period.

(b) Restated for the first-time application of IFRS 17.

<i>(in € thousands)</i>	Present value of future cash flows	Adjustment for non-financial risk (RA)	Contractual service margin (CSM)	TOTAL ^(b)
OPENING NET BALANCE – INSURANCE VISION ^(a)				
At 1 January 2022	388,345	1,683	15,815	405,843
Insurance contract distribution and management fees – Intra-group eliminations	(1,720)	-	1,720	-
OPENING NET BALANCE – GROUP VISION				
At 1 January 2022	386,625	1,683	17,535	405,843
CLOSING NET BALANCE – INSURANCE VISION ^(a)				
At 31 December 2022	341,814	1,863	15,522	359,199
Insurance contract distribution and management fees – Intra-group eliminations	(1,320)	-	1,320	-
CLOSING NET BALANCE – GROUP VISION				
At 31 December 2022	340,494	1,863	16,842	359,199

(a) Analysed by accounting component and coverage period.

(b) Restated for the first-time application of IFRS 17.

Analysis by accounting component – Contracts valued using the BBA and VFA models – Insurance contracts
(Insurance subsidiaries)

<i>(in € millions)</i>	Present value of future cash flows	Adjustment for non-financial risk (RA)	Contractual service margin (CSM)	31 Dec. 2023
Opening balance - Assets	(2,423)	354	725	(1,343)
Opening balance - Liabilities	344,237	1,508	14,797	360,542
OPENING NET BALANCE	341,814	1,863	15,522	359,199
Changes related to future service	(4,243)	404	3,919	80
Changes in estimates resulting in an adjustment to the contractual service margin	(2,159)	162	2,013	15
Changes in estimates resulting in losses and reversals on groups of onerous contracts	(15)	52	-	38
Effect of contracts recognised during the period	(2,069)	190	1,906	28
Changes related to services rendered during the period	737	(262)	(2,212)	(1,737)
Contractual service margin released to profit	-	-	(2,212)	(2,212)
Changes in non-financial risk adjustment	-	(262)	-	(262)
Experience adjustments	737	-	-	737
Changes related to past service	(1,049)	(37)	-	(1,087)
Adjustments to incurred claims	(1,049)	(37)	-	(1,087)
Insurance service result	(4,555)	105	1,708	(2,743)
Finance income or expense from insurance contracts issued	24,754	61	127	24,942
Finance income or expense from insurance contracts issued	23,657	56	55	23,768
Effect of exchange differences	1,097	5	72	1,174
Total changes in comprehensive income	20,199	166	1,835	22,199
Cash flows received or paid on insurance contracts	(8,140)	-	-	(8,140)
Total cash flows	(8,140)	-	-	(8,140)
Other consolidation adjustments	(44)	4	5	(35)
CLOSING NET BALANCE	353,829	2,032	17,362	373,224
Closing balance - Assets	(1,538)	79	282	(1,176)
Closing balance - Liabilities	355,367	1,953	17,080	374,400

(a) Excluding foreign exchange differences.

<i>(in € millions)</i>	Present value of future cash flows	Adjustment for non-financial risk (RA)	Contractual service margin (CSM)	31 Dec. 2022 (a)
Opening balance - Assets	(1,537)	81	199	(1,256)
Opening balance - Liabilities	389,881	1,601	15,616	407,098
OPENING NET BALANCE	388,345	1,683	15,815	405,843
Changes related to future service	(4,980)	509	4,572	100
Changes in estimates resulting in an adjustment to the contractual service margin	(3,402)	283	3,108	(11)
Changes in estimates resulting in losses and reversals on groups of onerous contracts	41	49	-	89
Effect of contracts recognised during the period	(1,619)	177	1,464	22
Changes related to services rendered during the period	1,265	(194)	(2,279)	(1,208)
Contractual service margin released to profit	-	-	(2,279)	(2,279)
Changes in non-financial risk adjustment	-	(194)	-	(194)
Experience adjustments	1,265	-	-	1,265
Changes related to past service	(1,080)	(36)	-	(1,116)
Adjustments to incurred claims	(1,080)	(36)	-	(1,116)
Insurance service result	(4,796)	278	2,293	(2,225)
Finance income or expense from insurance contracts issued	(40,136)	(80)	(2,570)	(42,786)
Finance income or expense from insurance contracts issued	(41,761)	(99)	(2,661)	(44,521)
Effect of exchange differences	1,625	19	90	1,734
Total changes in comprehensive income	(44,931)	198	(277)	(45,011)
Cash flows received or paid on insurance contracts	585	-	-	585
Total cash flows	585	-	-	585
Other consolidation adjustments	(2,183)	(18)	(15)	(2,217)
CLOSING NET BALANCE	341,814	1,863	15,522	359,199
Closing balance - Assets	(2,423)	354	725	(1,343)
Closing balance - Liabilities	344,237	1,508	14,797	360,542

(a) Restated for the first-time application of IFRS 17.

(b) Excluding foreign exchange differences.

Analysis by accounting component – Contracts valued using the BBA model – Reinsurance contracts held

<i>(in € millions)</i>	Present value of future cash flows	Adjustment for non-financial risk (RA)	Contractual service margin (CSM)	31 Dec. 2023
Opening balance – Assets	7,171	108	624	7,903
Opening balance – Liabilities	(43)	22	1	(20)
OPENING NET BALANCE	7,127	131	625	7,883
Changes related to future service	68	(17)	(49)	2
Changes in estimates resulting in an adjustment to the contractual service margin	71	(22)	(48)	-
Changes in estimates resulting in losses and reversals on underlying onerous contracts	-	-	-	-
Effect of contracts recognised during the period	(3)	5	(1)	2
Changes related to services rendered during the period	43	(8)	(72)	(38)
Contractual service margin released to profit	-	-	(72)	(72)
Changes in non-financial risk adjustment	-	(8)	-	(8)
Experience adjustments	43	-	-	43
Changes related to past service	(28)	(3)	-	(30)
Adjustment of incurred claims	(28)	(3)	-	(30)
Income and expenses from reinsurance contracts held	83	(28)	(121)	(66)
Finance income (or expense) from reinsurance contracts held	881	12	3	896
Total changes in comprehensive income	965	(16)	(118)	830
Cash flows	(157)	-	-	(157)
Total cash flows	(157)	-	-	(157)
Other consolidation adjustments	24	-	(14)	9
CLOSING NET BALANCE	7,958	114	492	8,564
Opening balance – Assets	7,990	97	512	8,599
Opening balance – Liabilities	(32)	17	(20)	(35)

<i>(in € millions)</i>	Present value of future cash flows	Adjustment for non-financial risk (RA)	Contractual service margin (CSM)	31 Dec. 2022 (a)
Opening balance – Assets	10,197	119	863	11,179
Opening balance – Liabilities	(17)	3	1	(14)
OPENING NET BALANCE	10,180	122	864	11,166
Changes related to future service	(54)	47	10	3
Changes in estimates resulting in an adjustment to the contractual service margin	(45)	45	-	-
Changes in estimates resulting in losses and reversals on underlying onerous contracts	3	-	-	3
Effect of contracts recognised during the period	(12)	2	10	-
Changes related to services rendered during the period	113	3	(54)	62
Contractual service margin released to profit	-	-	(54)	(54)
Changes in non-financial risk adjustment	-	3	-	3
Experience adjustments	113	-	-	113
Changes related to past service	11	(4)	-	7
Adjustment of incurred claims	11	(4)	-	7
Income and expenses from reinsurance contracts held	70	46	(44)	71
Finance income (or expense) from reinsurance contracts held	(2,867)	(35)	(196)	(3,098)
Total changes in comprehensive income	(2,798)	11	(240)	(3,027)
Cash flows	1,491	-	-	1,491
Total cash flows	1,491	-	-	1,491
Other consolidation adjustments	(1,746)	(2)	1	(1,748)
CLOSING NET BALANCE	7,127	131	625	7,883
Opening balance – Assets	7,171	108	624	7,903
Opening balance – Liabilities	(43)	22	1	(20)

(a) Restated for the first-time application of IFRS 17.

c) Contractual service margin (CSM)

Analysis by maturity

(in € millions)	31 Dec. 2023			
	Less than 5 years	5 to 10 years	Beyond 10 years	TOTAL
Insurance contracts (1)	7,352	4,155	5,855	17,362
Reinsurance contracts (2)	136	99	257	492
TOTAL (1) - (2)	7,216	4,056	5,598	16,870

(in € millions)	31 Dec. 2022 (a)			
	Less than 5 years	5 to 10 years	Beyond 10 years	TOTAL
Insurance contracts (1)	7,088	3,869	4,566	15,522
Reinsurance contracts (2)	204	132	289	625
TOTAL (1) - (2)	6,884	3,736	4,277	14,898

(a) Restated for the first-time application of IFRS 17.

Analysis of the contractual service margin by transition method

Insurance contracts issued

Contractual service margin and insurance revenue by transition method (in € millions)	31 Dec. 2023			
	Contracts measured using the modified retrospective approach on transition	Contracts measured using the fair value approach on transition	Other contracts ^(b)	TOTAL
Opening contractual service margin	158	13,246	2,118	15,522
Changes related to future service	(20)	2,082	1,857	3,919
Changes in estimates resulting in an adjustment to the contractual service margin	(20)	2,082	(49)	2,013
Effect of contracts recognised during the period	-	-	1,906	1,906
Changes related to current service	(48)	(1,741)	(422)	(2,212)
Contractual service margin released to profit for services provided	(48)	(1,741)	(422)	(2,212)
Finance income (or expense) from insurance contracts issued	4	29	93	127
Finance income (or expense) from insurance contracts issued	6	(7)	56	55
Effect of foreign exchange differences	(2)	37	37	72
Other consolidation adjustments	46	3	(44)	5
Other movements relating to changes in the carrying amount of insurance contracts	46	3	(44)	5
Closing contractual service margin	140	13,619	3,604	17,362

(b) Other contracts correspond to contracts that did not exist at the transition date.

Contractual service margin and insurance revenue by transition method (in € millions)	31 Dec. 2022 (a)			
	Contracts measured using the modified retrospective approach on transition	Contracts measured using the fair value approach on transition	Other contracts (b)	TOTAL
Opening contractual service margin	305	15,200	311	15,815
Changes related to future service	3	3,167	1,402	4,572
Changes in estimates resulting in an adjustment to the contractual service margin	3	3,167	(62)	3,108
Effect of contracts recognised during the period	-	-	1,464	1,464
Changes related to current service	(183)	(1,989)	(107)	(2,279)
Contractual service margin released to profit for services provided	(183)	(1,989)	(107)	(2,279)
Finance income (or expense) from insurance contracts issued	28	(3,112)	514	(2,570)
Finance income (or expense) from insurance contracts issued	21	(3,223)	541	(2,661)
Effect of foreign exchange differences	8	110	(28)	90
Other consolidation adjustments	5	(19)	(1)	(15)
Changes in scope of consolidation	-	(27)	-	(27)
Other movements relating to changes in the carrying amount of insurance contracts	5	8	(1)	12
Closing contractual service margin	158	13,246	2,118	15,522

(a) Restated for the first-time application of IFRS 17.

(b) Other contracts correspond to contracts that did not exist at the transition date.

Reinsurance contracts

Reinsurance contractual service margin by transition method <i>(in € millions)</i>	31 Dec. 2023			
	Contracts measured using the modified retrospective approach on transition	Contracts measured using the fair value approach on transition	Other contracts ^(b)	TOTAL
Ceded portion – Opening contractual service margin	76	541	8	625
Ceded portion – Changes related to future service	9	(66)	8	(49)
Changes in estimates resulting in an adjustment to the contractual service margin	9	(66)	9	(48)
Effect of contracts recognised during the period	-	-	(1)	(1)
Ceded portion – Changes related to current service	(7)	(60)	(5)	(72)
Contractual service margin released to profit for services provided	(7)	(60)	(5)	(72)
Ceded portion – Finance income (or expense) from reinsurance contracts held	1	2	-	3
Finance income (or expense) from reinsurance contracts held	1	2	-	3
Effect of foreign exchange differences	-	-	-	-
Ceded portion – Other consolidation adjustments	(14)	-	-	(14)
Changes in scope of consolidation	-	-	-	-
Other movements relating to changes in the carrying amount of reinsurance contracts	(14)	-	-	(14)
Ceded portion – Closing contractual service margin	64	417	11	492

Reinsurance contractual service margin by transition method <i>(in € millions)</i>	31 Dec. 2022 (a)			
	Contracts measured using the modified retrospective approach on transition	Contracts measured using the fair value approach on transition	Other contracts ^(b)	TOTAL
Ceded portion – Opening contractual service margin	78	786	-	864
Ceded portion – Changes related to future service	4	(3)	9	10
Changes in estimates resulting in an adjustment to the contractual service margin	4	(3)	1	2
Effect of contracts recognised during the period	-	-	8	8
Ceded portion – Changes related to current service	(8)	(45)	(2)	(54)
Contractual service margin released to profit for services provided	(8)	(45)	(2)	(54)
Ceded portion – Finance income (or expense) from reinsurance contracts held	2	(198)	-	(196)
Finance income (or expense) from reinsurance contracts held	2	(198)	-	(196)
Effect of foreign exchange differences	-	-	-	-
Ceded portion – Other consolidation adjustments	-	1	-	1
Other movements relating to changes in the carrying amount of reinsurance contracts	-	1	-	1
Ceded portion – Closing contractual service margin	76	541	8	625

(a) Restated for the first-time application of IFRS 17.

(b) Other contracts correspond to contracts that did not exist at the transition date.

d) Insurance and reinsurance contracts by coverage period

Analysis by remaining coverage period and incurred claims – Contracts valued using the BBA and VFA models – Insurance

	31 Dec. 2023						
	Net liability for remaining coverage		Net liability for remaining coverage	Net liability for incurred claims	SUB-TOTAL	Acquisition costs not allocated to contracts	TOTAL
	Excluding loss component	Loss component					
<i>(in € millions)</i>							
Opening balance – Assets	(1,800)	-	(1,800)	457	(1,343)	-	(1,343)
Opening balance – Liabilities	355,145	95	355,240	5,302	360,542	-	360,542
Opening net balance	353,345	95	353,440	5,759	359,199	-	359,199
Insurance revenue	(10,078)	-	(10,078)	-	(10,078)	-	(10,078)
Insurance service expenses	1,660	59	1,719	5,616	7,335	-	7,335
Incurred claims and other insurance service expenses	-	(21)	(21)	6,703	6,681	-	6,681
Amortisation of insurance acquisition cash flows	1,660	-	1,660	-	1,660	-	1,660
Adjustments to liabilities for incurred claims	-	-	-	(1,087)	(1,087)	-	(1,087)
Losses and reversals on groups of onerous contracts	-	80	80	-	80	-	80
Investment components	(36,663)	-	(36,663)	36,663	-	-	-
Insurance service result	(45,081)	59	(45,022)	42,279	(2,743)	-	(2,743)
Finance income (or expense) from insurance contracts issued	24,493	(4)	24,489	453	24,942	-	24,942
Finance income (or expense) from insurance contracts issued (excluding foreign exchange differences)	23,330	(4)	23,326	442	23,768	-	23,768
Effect of foreign exchange differences	1,163	-	1,163	11	1,174	-	1,174
Total change in comprehensive income	(20,588)	55	(20,533)	42,732	22,199	-	22,199
Premiums received on insurance contracts issued	36,473	-	36,473	-	36,473	-	36,473
Claims and other insurance service expenses paid	-	-	-	(42,702)	(42,702)	-	(42,702)
Insurance acquisition cash flows	(1,911)	-	(1,911)	-	(1,911)	-	(1,911)
Total cash flows	34,562	-	34,562	(42,702)	(8,140)	-	(8,140)
Acquisition costs not allocated to contracts – Allocation to insurance contracts	-	-	-	-	-	-	-
Reversals of impairment of acquisition costs not allocated to insurance contracts released to profit for the period	-	-	-	-	-	-	-
Acquisition costs not allocated to contracts	-	-	-	-	-	-	-
Changes in scope of consolidation	-	-	-	-	-	-	-
Other movements relating to changes in the carrying amount of insurance contracts	(53)	17	(36)	2	(35)	-	(35)
Other consolidation adjustments	(53)	17	(36)	2	(35)	-	(35)
Closing net balance	367,265	167	367,432	5,791	373,224	-	373,223
Closing balance - Assets	(1,389)	-	(1,389)	213	(1,176)	-	(1,177)
Closing balance - Liabilities	368,655	167	368,822	5,578	374,400	-	374,400

	31 Dec. 2022 (a)						
	Net liability for remaining coverage		Net liability for remaining coverage	Net liability for incurred claims	SUB-TOTAL	Acquisition costs not allocated to contracts	TOTAL
	Excluding loss component	Loss component					
(in € millions)							
Opening balance – Assets	(1,428)	-	(1,428)	173	(1,256)	(1)	(1,256)
Opening balance – Liabilities	400,917	48	400,965	6,133	407,098	-	407,098
Opening net balance	399,489	48	399,537	6,306	405,843	(1)	405,842
Insurance revenue	(10,388)	-	(10,388)	-	(10,388)	-	(10,388)
Insurance service expenses	1,981	49	2,030	6,133	8,163	-	8,163
Incurring claims and other insurance service expenses	-	(51)	(51)	7,249	7,199	-	7,199
Amortisation of insurance acquisition cash flows	1,981	-	1,981	-	1,981	-	1,981
Adjustments to liabilities for incurred claims	-	-	-	(1,116)	(1,116)	-	(1,116)
Losses and reversals on groups of onerous contracts	-	100	100	-	100	-	100
Investment components	(30,636)	-	(30,636)	30,636	-	-	-
Insurance service result	(39,043)	49	(38,994)	36,769	(2,225)	-	(2,225)
Finance income (or expense) from insurance contracts issued	(42,313)	5	(42,308)	(478)	(42,786)	-	(42,786)
Finance income (or expense) from insurance contracts issued (excluding foreign exchange differences)	(44,019)	5	(44,014)	(507)	(44,521)	-	(44,521)
Effect of foreign exchange differences	1,706	-	1,706	28	1,734	-	1,734
Total change in comprehensive income	(81,356)	54	(81,302)	36,291	(45,011)	-	(45,011)
Premiums received on insurance contracts issued	39,604	-	39,604	-	39,604	-	39,604
Claims and other insurance service expenses paid	-	-	-	(36,910)	(36,910)	-	(36,910)
Insurance acquisition cash flows	(2,170)	-	(2,170)	-	(2,170)	-	(2,170)
Total cash flows	37,433	-	37,433	(36,910)	524	-	524
Acquisition costs not allocated to contracts – Allocation to insurance contracts	-	-	-	-	-	-	-
Reversals of impairment of acquisition costs not allocated to insurance contracts released to profit for the period	-	-	-	-	-	-	-
Acquisition costs not allocated to contracts	-	-	-	-	-	-	-
Changes in scope of consolidation	(2,090)	-	(2,090)	-	(2,090)	-	(2,090)
Other movements relating to changes in the carrying amount of insurance contracts	(131)	(7)	(138)	72	(66)	-	(66)
Other consolidation adjustments	(2,221)	(7)	(2,229)	72	(2,156)	-	(2,156)
Closing net balance	353,345	95	353,440	5,759	359,199	-	359,199
Closing balance - Assets	(1,800)	-	(1,800)	457	(1,343)	-	(1,343)
Closing balance - Liabilities	355,145	95	355,240	5,302	360,542	-	360,542

(a) Restated for the first-time application of IFRS 17.

Analysis by remaining coverage period and incurred claims – Contracts valued using the BBA model – Reinsurance held

	31 Dec. 2023				
	Net assets for remaining coverage		Remaining coverage component	Incurred claims component	TOTAL
	Excluding loss recovery component	Loss recovery component			
<i>(in € millions)</i>					
Opening balance – Assets	7,436	3	7,439	463	7,903
Opening balance – Liabilities	(35)	-	(35)	15	(20)
Opening net balance	7,401	3	7,404	478	7,883
Reinsurance revenue	73	2	75	535	609
Reinsurance recoveries	73	2	75	565	639
- of which amounts recovered on past service and other reinsurance expenses	73	-	73	565	638
- of which losses and reversals on underlying onerous contracts	-	2	2	-	2
Adjustments to assets for incurred claims	-	-	-	(30)	(30)
Effect of changes in reinsurer non-performance risk	-	-	-	-	-
Reinsurance expenses	(675)	-	(675)	-	(675)
Income and expenses from reinsurance contracts held	(602)	2	(601)	535	(66)
Finance income (or expense) from reinsurance contracts held	887	-	887	9	896
Finance income (or expense) from reinsurance contracts held (excluding foreign exchange differences)	887	-	887	9	896
Effect of foreign exchange differences	-	-	-	-	-
Investment components	(875)	-	(875)	875	-
Total changes in comprehensive income	(591)	2	(589)	1,419	830
Premiums paid	1,295	-	1,295	-	1,295
Reinsurance recoveries	-	-	-	(1,393)	(1,393)
Other cash flow timing differences (reinsurance deposits, acquisition costs, etc.)	(59)	-	(59)	-	(59)
Total cash flows	1,236	-	1,236	(1,393)	(157)
Changes in scope of consolidation	-	-	-	-	-
Other movements relating to changes in the carrying amount of reinsurance contracts	-	-	-	-	-
Other consolidation adjustments	9	-	9	-	9
Closing net balance	8,056	5	8,061	504	8,564
Closing balance – Assets	8,098	5	8,103	496	8,599
Closing balance – Liabilities	(43)	-	(43)	8	(35)

	31 Dec. 2022 (a)				
	Net assets for remaining coverage		Remaining coverage component	Incurred claims component	TOTAL
	Excluding loss recovery component	Loss recovery component			
<i>(in € millions)</i>					
Opening balance – Assets	10,922	-	10,922	257	11,179
Opening balance – Liabilities	(22)	-	(22)	9	(14)
Opening net balance	10,900	-	10,900	266	11,166
Reinsurance revenue	-	9	9	641	650
Reinsurance recoveries	-	9	9	633	642
- of which amounts recovered on past service and other reinsurance expenses	-	6	6	633	639
- of which losses and reversals on underlying onerous contracts	-	3	3	-	3
Adjustments to assets for incurred claims	-	-	-	8	8
Effect of changes in reinsurer non-performance risk	-	-	-	-	-
Reinsurance expenses	(490)	-	(490)	(88)	(578)
Income and expenses from reinsurance contracts held	(490)	9	(482)	553	71
Finance income (or expense) from reinsurance contracts held	(3,089)	-	(3,089)	(9)	(3,098)
Finance income (or expense) from reinsurance contracts held (excluding foreign exchange differences)	(3,089)	-	(3,089)	(9)	(3,098)
Effect of foreign exchange differences	-	-	-	-	-
Investment components	(970)	-	(970)	970	-
Total changes in comprehensive income	(4,550)	9	(4,541)	1,514	(3,027)
Premiums paid	2,962	-	2,962	-	2,962
Reinsurance recoveries	4	(6)	(2)	(1,412)	(1,414)
Other cash flow timing differences (reinsurance deposits, acquisition costs, etc.)	(53)	-	(53)	(4)	(57)
Total cash flows	2,913	(6)	2,907	(1,416)	1,491
Changes in scope of consolidation	-	-	-	-	-
Other movements relating to changes in the carrying amount of reinsurance contracts	(1,862)	-	(1,862)	114	(1,748)
Other consolidation adjustments	(1,862)	-	(1,862)	114	(1,748)
Closing net balance	7,401	3	7,404	478	7,883
Closing balance – Assets	7,436	3	7,439	463	7,903
Closing balance – Liabilities	(35)	-	(35)	15	(20)

(a) Restated for the first-time application of IFRS 17.

Analysis by remaining coverage period and incurred claims – Contracts valued using the PAA model – Insurance

	31 Dec. 2023							
	Net liability for remaining coverage		Net liability for remaining coverage	Net liability for incurred claims		Net liability for incurred claims	Acquisition costs not allocated to contracts	TOTAL
	Excluding loss component	Excluding loss component		Present value of future cash flows	Risk adjustment for non-financial risk			
<i>(in € millions)</i>								
Opening balance – Assets	(97)	-	(97)	(1)	-	(1)	(65)	(163)
Opening balance – Liabilities	871	4	874	666	44	710	-	1,584
Opening net balance	774	4	778	665	44	709	(65)	1,422
Insurance revenue	(1,607)	-	(1,607)	-	-	-	-	(1,607)
Insurance service expenses	164	(1)	162	1,120	-	1,120	-	1,282
Incurred claims and other insurance service expenses	-	-	-	1,122	10	1,132	-	1,132
Amortisation of insurance acquisition cash flows	164	-	164	-	-	-	-	164
Adjustments to liabilities for incurred claims	-	-	-	(3)	(10)	(13)	-	(13)
Losses and reversals on groups of onerous contracts	-	(1)	(1)	-	-	-	-	(1)
Investment components	-	-	-	-	-	-	-	-
Insurance service result	(1,443)	(1)	(1,445)	1,120	-	1,120	-	(325)
Finance income (or expense) from insurance contracts issued	(5)	-	(5)	14	2	15	-	10
Finance income (or expense) from insurance contracts issued	-	-	-	14	2	15	-	15
Effect of foreign exchange differences	(5)	-	(5)	-	-	-	-	(5)
Total changes in comprehensive income	(1,448)	(1)	(1,450)	1,133	2	1,135	-	(315)
Premiums received on insurance contracts issued	1,566	-	1,566	-	-	-	-	1,566
Claims and other insurance service expenses paid	-	-	-	(1,051)	-	(1,051)	-	(1,051)
Insurance acquisition cash flows	(169)	-	(169)	-	-	-	-	(169)
Total cash flows	1,397	-	1,397	(1,051)	-	(1,051)	-	346
Reversals of impairment of acquisition costs not allocated to insurance contracts released to profit for the period	-	-	-	-	-	-	-	-
Acquisition costs not allocated to contracts	-	-	-	-	-	-	-	-
Changes in scope of consolidation	-	-	-	-	-	-	-	-
Other movements relating to changes in the carrying amount of insurance contracts	(65)	-	(65)	-	1	1	65	1
Other consolidation adjustments	(65)	-	(65)	-	1	1	65	1
Closing net balance	658	2	660	747	47	794	-	1,454
Closing balance - Assets	(165)	-	(165)	(1)	-	(1)	-	(166)
Closing balance - Liabilities	823	2	825	749	47	795	-	1,620

	31 Dec. 2022 (a)							
	Net liability for remaining coverage		Net liability for remaining coverage	Net liability for incurred claims		Net liability for incurred claims	Acquisition costs not allocated to contracts	TOTAL
	Excluding loss component	Loss component		Present value of future cash flows	Risk adjustment for non-financial risk			
(in € millions)								
Opening balance – Assets	(69)	-	(69)	-	-	-	(65)	(134)
Opening balance – Liabilities	914	5	919	640	48	687	-	1,607
Opening net balance	845	5	850	640	48	687	(65)	1,472
Insurance revenue	(1,542)	-	(1,542)	-	-	-	-	(1,542)
Insurance service expenses	158	(2)	156	1,081	-	1,081	-	1,238
Incurring claims and other insurance service expenses	-	-	-	1,121	10	1,131	-	1,131
Amortisation of insurance acquisition cash flows	158	-	158	-	-	-	-	158
Adjustments to liabilities for incurred claims	-	-	-	(40)	(10)	(50)	-	(50)
Losses and reversals on groups of onerous contracts	-	(2)	(2)	-	-	-	-	(2)
Investment components	-	-	-	-	-	-	-	-
Insurance service result	(1,384)	(2)	(1,386)	1,081	-	1,081	-	(305)
Finance income (or expense) from insurance contracts issued	-	-	-	(61)	(4)	(65)	-	(65)
Finance income (or expense) from insurance contracts issued	-	-	-	(61)	(4)	(65)	-	(65)
Effect of foreign exchange differences	-	-	-	-	-	-	-	-
Total changes in comprehensive income	(1,384)	(2)	(1,386)	1,020	(3)	1,017	-	(369)
Premiums received on insurance contracts issued	1,493	-	1,493	-	-	-	-	1,493
Claims and other insurance service expenses paid	-	-	-	(1,025)	-	(1,025)	-	(1,025)
Insurance acquisition cash flows	(159)	-	(159)	-	-	-	-	(159)
Total cash flows	1,334	-	1,334	(1,025)	-	(1,025)	-	309
Reversals of impairment of acquisition costs not allocated to insurance contracts released to profit for the period	-	-	-	-	-	-	-	-
Acquisition costs not allocated to contracts	-	-	-	-	-	-	-	-
Changes in scope of consolidation	(21)	-	(21)	30	-	30	-	9
Other movements relating to changes in the carrying amount of insurance contracts	-	-	-	-	-	-	-	-
Other consolidation adjustments	(21)	-	(21)	30	-	30	-	9
Closing net balance	774	4	778	665	44	709	(65)	1,422
Closing balance - Assets	(97)	-	(97)	(1)	-	(1)	(65)	(163)
Closing balance - Liabilities	871	4	874	666	44	710	-	1,584

(a) Restated for the first-time application of IFRS 17.

Analysis by remaining coverage period and incurred claims – Contracts valued using the PAA model – Reinsurance held

	31 Dec. 2023							TOTAL
	Remaining coverage component		Remaining coverage component	Incurred claims component		Incurred claims component		
	Excluding loss recovery component	Loss recovery component		Present value of future cash flows	Risk adjustment for non-financial risk			
<i>(in € millions)</i>								
Opening balance – Assets	89	-	89	205	10	215	304	
Opening balance – Liabilities	(13)	-	(13)	-	-	-	(13)	
Opening net balance	76	-	76	205	10	215	291	
Reinsurance revenue	-	(2)	(2)	130	(1)	129	127	
Reinsurance recoveries	-	(2)	(2)	126	-	126	124	
- of which amounts recovered on past service and other reinsurance expenses	-	(2)	(2)	126	-	126	124	
Adjustments to reinsurance recoveries	-	-	-	4	(1)	3	3	
Reinsurance expenses	(167)	-	(167)	-	-	-	(167)	
Investment components	-	-	-	-	-	-	-	
Income and expenses from reinsurance contracts held	(167)	(2)	(169)	130	(1)	129	(40)	
Finance income (or expense) from reinsurance contracts held	-	-	-	3	-	4	4	
Finance income (or expense) from reinsurance contracts held (excluding foreign exchange differences)	-	-	-	3	-	3	3	
Effect of foreign exchange differences	-	-	-	-	-	-	1	
Total changes in comprehensive income	(167)	(2)	(169)	133	-	133	(36)	
Premiums paid	156	-	156	-	-	-	156	
Reinsurance recoveries	-	2	2	(113)	-	(113)	(111)	
Total cash flows	156	2	158	(113)	-	(113)	45	
Changes in scope of consolidation	-	-	-	-	-	-	-	
Other movements relating to changes in the carrying amount of reinsurance contracts	(3)	-	(3)	2	-	2	(1)	
Other consolidation adjustments	(3)	-	(3)	2	-	2	(1)	
Closing net balance	62	-	62	227	10	237	299	
Closing balance - Assets	82	-	82	227	10	237	319	
Closing balance - Liabilities	(20)	-	(20)	-	-	-	(20)	

31 Dec. 2022 (a)							
	Remaining coverage component		Remaining coverage component	Incurred claims component		Incurred claims component	TOTAL
	Excluding loss recovery component	Loss recovery component		Present value of future cash flows	Risk adjustment for non-financial risk		
<i>(in € millions)</i>							
Opening balance – Assets	96	-	97	216	11	227	324
Opening balance – Liabilities	(13)	-	(13)	-	-	-	(13)
Opening net balance	83	-	83	216	11	227	310
Reinsurance revenue	-	-	-	129	-	129	129
Reinsurance recoveries	-	-	-	134	-	134	134
- of which amounts recovered on past service and other reinsurance expenses	-	-	-	134	-	134	134
Adjustments to reinsurance recoveries	-	-	-	(5)	-	(5)	(5)
Reinsurance expenses	(177)	-	(177)	-	-	-	(177)
Investment components	-	-	-	-	-	-	-
Income and expenses from reinsurance contracts held	(177)	-	(177)	129	-	129	(48)
Finance income (or expense) from reinsurance contracts held	-	-	-	(23)	(1)	(24)	(24)
Finance income (or expense) from reinsurance contracts held (excluding foreign exchange differences)	-	-	-	(24)	(1)	(25)	(25)
Effect of foreign exchange differences	-	-	-	1	-	1	1
Total changes in comprehensive income	(177)	-	(177)	107	(1)	106	(71)
Premiums paid	168	-	168	-	-	-	168
Reinsurance recoveries	-	-	-	(116)	-	(116)	(116)
Total cash flows	168	-	168	(116)	-	(116)	52
Changes in scope of consolidation	-	-	-	-	-	-	-
Other movements relating to changes in the carrying amount of reinsurance contracts	2	-	2	(2)	-	(2)	-
Other consolidation adjustments	1	-	1	(2)	-	(2)	-
Closing net balance	76	-	76	205	10	215	291
Closing balance - Assets	89	-	89	205	10	215	304
Closing balance - Liabilities	(13)	-	(13)	-	-	-	(13)

(a) Restated for the first-time application of IFRS 17.

e) Analysis of new contracts recognised during the period

Insurance

	31 Dec. 2023		
	Contracts initially recognised during the period	of which: onerous contracts	of which: profitable contracts
<i>(in € millions)</i>			
Estimated present value of future cash outflows	29,699	759	28,941
Insurance acquisition cash flows	506	27	479
Incurred claims and other insurance service expenses	29,193	731	28,462
Estimated present value of future cash inflows	(31,769)	(749)	(31,019)
Risk adjustment for non-financial risk	190	18	172
Contractual service margin	1,906	-	1,906
Loss component	27	27	-

	31 Dec. 2022 (a)		
	Contracts initially recognised during the period	of which: onerous contracts	of which: profitable contracts
<i>(in € millions)</i>			
Estimated present value of future cash outflows	21,912	175	21,737
Insurance acquisition cash flows	486	13	473
Incurred claims and other insurance service expenses	21,426	162	21,264
Estimated present value of future cash inflows	(23,531)	(158)	(23,373)
Risk adjustment for non-financial risk	177	4	173
Contractual service margin	1,464	-	1,464
Loss component	22	22	-

(a) Restated for the first-time application of IFRS 17.

Reinsurance held

	31 Dec. 2023	
	Contracts initially recognised during the period	of which: profitable contracts
<i>(in € millions)</i>		
Estimated present value of future cash outflows	(103)	(103)
Estimated present value of future cash inflows	100	100
Risk-adjustment for non-financial (RA)	5	5
Contractual service margin (CSM)	(1)	(1)
Recovery loss	2	2

	31 Dec. 2022 (a)	
	Contracts initially recognised during the period	of which: profitable contracts
<i>(in € millions)</i>		
Estimated present value of future cash outflows	(22)	(22)
Estimated present value of future cash inflows	10	10
Risk-adjustment for non-financial (RA)	2	2
Contractual service margin (CSM)	10	10
Recovery loss	-	-

(a) Restated for the first-time of application of IFRS 17.

NOTE 36 ADDITIONAL DETAILS ON BANKING AND INSURANCE ACTIVITIES

36.1 La Banque Postale sub-group balance sheet (in banking format)

36.2 Banking and insurance assets and liabilities by remaining periods to maturity

36.3 Information on the insurance income statement

a) Income statement

b) Finance income or expenses from insurances contracts issued and reinsurance contracts held

c) Change in gains and losses on financial assets at fair value through other comprehensive income held at the transition date and banking insurance contracts issued and reinsurance contracts held

36.4 Banking resolution mechanisms

36.1 La Banque Postale sub-group balance sheet (in banking format)

ASSETS

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022 (a)
Cash, central banks	40,577	39,355
Financial assets at fair value through profit or loss	218,089	206,845
Hedging derivatives	677	1,139
Financial assets at fair value through OCI	212,946	210,670
Securities at amortised cost	33,104	27,193
Loans and advances to credit institutions at amortised cost	70,914	70,614
Loans and advances to customers at amortised cost	125,999	126,109
Revaluation differences on portfolios hedged against interest rate risks	181	(286)
Insurance contracts issued - Assets	1,343	1,506
Reinsurance contracts held - Assets	8,891	8,221
Current and deferred tax assets	1,613	2,054
Accruals and other assets	8,700	9,418
Assets held for sale	0	0
Investments in equity-accounted companies	1,104	1,118
Property, plant and equipment, intangible assets and investment properties	12,934	12,518
Net goodwill	671	143
Elimination of La Banque Postale shares held by La Poste	(8,879)	(8,879)
TOTAL	728,863	707,739

(a) Restated for the first-time of application of IFRS 17.

LIABILITIES

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022 (a)
Financial liabilities at fair value through profit or loss	13,585	13,359
Hedging derivatives	2,183	2,371
Liabilities due to credit institutions	33,576	44,009
Customer deposits	224,995	215,713
Debt securities	34,314	29,052
Revaluation differences on portfolios hedged against interest rate risks	(331)	(713)
Insurance contracts issued - Liabilities	378,430	364,580
Reinsurance contracts held - Liabilities	55	33
Current and deferred tax liabilities	1,737	1,831
Accruals and other liabilities	10,050	9,298
Provisions	1,018	970
Subordinated debt	9,450	9,099
Non-controlling interests	8,342	8,050
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	11,451	10,216
Reserves and retained earnings	10,455	9,300
Profit/(loss) attributable to owners of the parent	995	916
Intra-group eliminations – Impact on profit and loss	0	0
Intra-group eliminations – Impact on the balance sheet	7	(129)
TOTAL	728,863	707,739

(a) Restated for the first-time of application of IFRS 17.

36.2

Banking and insurance assets and liabilities by remaining periods to maturity

<i>(in € millions)</i>	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years and perpetual	Total
Assets by remaining periods to maturity				
Cash, central banks	40,577	0	0	40,577
Financial assets at fair value through profit or loss	28,547	31,484	158,058	218,089
Hedging derivatives	83	358	236	677
Financial assets at fair value through OCI	16,631	65,640	130,675	212,946
Securities at amortised cost	351	5,003	27,750	33,104
Loans and advances to credit institutions	67,384	306	3,224	70,914
Loans and advances to customers	16,362	38,919	70,718	125,999
Revaluation differences on portfolios hedged against interest rate risks - positive fair value	0	0	181	181
Liabilities by remaining periods to maturity				
Financial liabilities at fair value through profit or loss	6,061	2,177	5,347	13,585
Hedging derivatives	162	828	1,193	2,183
Liabilities due to credit institutions	14,112	1,121	18,343	33,576
Customer deposits	224,879	101	15	224,995
Debt securities	15,429	8,550	10,335	34,314
Subordinated debt	577	1,443	7,430	9,450
Revaluation differences on portfolios hedged against interest rate risks - negative fair value	0	0	(331)	(331)

36.3 Information on the insurance income statement

a) Income statement

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022 (a)
Insurance revenue	11,685	11,930
Insurance service expenses	(8,617)	(9,401)
Income and expenses from reinsurance contracts held	(106)	24
Insurance service result	2,962	2,553
Investment income net of expenses	5,806	5,828
Gains and losses on disposals of investments	(3,038)	(3,044)
Changes in fair value of financial assets recognised at fair value through profit or loss	7,609	(7,901)
Changes in impairment losses on financial instruments	(72)	134
Interest calculated using the EIR method	750	41
Finance income or expenses from insurance contracts issued	(11,352)	7,541
Finance income or expenses from reinsurance contracts held	888	(2,954)
Finance income or expenses	589	(356)
Income and expenses from other activities	96	162
Other recurring operating income and expenses	(938)	(794)
Other recurring income and expenses, net	(843)	(632)
Recurring operating profit/(loss)	2,709	1,566
Non-recurring operating income and expenses, net	9	(94)
Operating profit	2,718	1,472
Finance costs	(136)	(121)
Changes in value of intangible assets	(70)	(12)
Share of profits of equity-accounted companies	24	30
Income tax	(730)	(222)
CONSOLIDATED NET PROFIT/(LOSS)	1,806	1,147
Non-controlling interests	256	246
NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT	1,550	901

(a) Restated for the first-time application of IFRS 17.

b) Finance income or expenses from insurance contracts issued and reinsurance contracts held

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022 (a)
Financial assets at fair value through profit or loss		
Net gain or loss on financial assets at fair value through profit or loss	9,923	(6,794)
Total	9,923	(6,794)
Financial assets at fair value through OCI reclassifiable to profit or loss		
Net gain or loss on financial assets at fair value through OCI reclassifiable to profit or loss	(2,979)	(2,626)
Interest calculated using the EIR method	4,408	3,505
Gains and losses recognised directly in equity	11,306	(36,913)
Impairment losses	6	136
Total	12,740	(35,898)
Financial assets at amortised cost		
Net gain or loss on derecognised financial assets at amortised cost	-	(81)
Interest calculated using the EIR method	238	244
Impairment losses	(2)	-
Total	236	162
Financial assets at fair value through OCI not reclassifiable to profit or loss		
Income/(expenses) recognised in profit or loss	526	558
Gains and losses recognised directly in equity	2,309	(2,824)
Total	2,835	(2,265)
Investment property		
Net gain or loss on investment property (net of impairment)	(563)	161
Total	(563)	161
Other net investment income/(expense)	(60)	29
Investment income/(expense) (impact on profit and equity)	25,111	(44,604)
Cost of unwinding the discount and accrued interest on insurance contracts	(313)	(260)
Changes in fair value of underlying items	(11,172)	7,049
Changes in interest rates and the economic environment	(12,418)	36,959
Effect of risk mitigation	47	837
Foreign exchange differences on finance expenses from insurance contracts issued	-	-
Finance income or expenses from insurance contracts issued	(23,856)	44,585
<i>of which: recognised directly in equity</i>	<i>(12,504)</i>	<i>37,045</i>
<i>of which: recognised in profit or loss</i>	<i>(11,352)</i>	<i>7,541</i>
Cost of unwinding the discount and accrued interest on reinsurance contracts	666	(196)
Changes in interest rates and the economic environment	760	(4,267)
Other financial effects on reinsurance contracts	(554)	1,342
Finance income or expenses from reinsurance contracts held	872	(3,121)
<i>of which: recognised directly in equity</i>	<i>(15)</i>	<i>(166)</i>
<i>of which: recognised in profit or loss</i>	<i>888</i>	<i>(2,954)</i>
TOTAL INVESTMENT INCOME NET OF EXPENSES	2,127	(3,139)
<i>of which: recognised directly in equity</i>	<i>1,096</i>	<i>(2,859)</i>
<i>of which: recognised in profit or loss</i>	<i>1,031</i>	<i>(281)</i>

(a) Restated for the first-time application of IFRS 17.

(c) Changes in gains and losses on financial assets at fair value through other comprehensive income held at the transition date and backing insurance contracts issued and reinsurance contracts held

(in € millions)	31 Dec. 2023	31 Dec. 2022 (a)
Opening balance of OCI fair value reserve	(21,468)	2,566
Gains and losses on assets at fair value through OCI for the period	8,381	(34,913)
Transfers of reclassifiable OCI to profit for the period	2,782	2,321
Transfers of non-reclassifiable OCI to reserves	(605)	(11)
Deferred taxes	(2,698)	8,566
Translation adjustments	(1)	-
Other movements	(213)	4
Closing balance of OCI fair value reserve	(13,821)	(21,468)

(a) Restated for the first-time application of IFRS 17.

36.4 Banking resolution mechanisms

In the event of failure of a banking institution triggering the single resolution mechanism, the institution's shareholders and creditors would be called upon to help cover the related cost.

The Single Resolution Fund (SRF) is an emergency fund that contributes to the stability of the financial system within the Banking Union and aims to ensure an orderly resolution. It can be used in addition to the measures deployed during the resolution to finance certain other measures such as the transfer of assets or sellers' warranties, or to compensate shareholders (or creditors) who have incurred losses during the resolution that exceed the amounts that would have been incurred as a result of a compulsory liquidation.

Credit institutions with their head office in France are required to contribute to the Single Resolution Fund. Entities subject to the resolution mechanism but not covered by the Single Resolution Fund contribute to the National Resolution Fund (NRF).

The Group has contributed to the financing of these banking resolution mechanisms through:

- the payment of a €44 million contribution in 2023 (€84 million in 2022), recognised in the income statement under Other expenses (see Note 8);
- an irrevocable commitment to pay contributions totalling €89 million (€76 million in 2022) recognised under customer guarantee commitments (see Note 38);
No provision is recorded for this irrevocable payment commitment, in particular because it is unlikely that a banking institution in the European Union will be subject to a resolution and that the Single Resolution Fund will be called upon to cover all or part of the related cost. The resilience of the European banking system was confirmed by the 2023 stress tests;
- the payment of a guarantee deposit to secure this irrevocable commitment to pay an amount of €89 million at 31 December 2023 (€76 million at 31 December 2022) (see Note 22.7).

NOTE 37 ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS

- 37.1** Fair value and hierarchy of financial instruments
- 37.2** Methods for calculating the fair value of financial instruments and investment property
- 37.3** Impact of financial instruments on net profit/(loss) and equity
- 37.4** Hedging derivatives
- 37.5** Reclassification of financial assets
- 37.6** Offsetting of financial instruments

37.1 Fair value and hierarchy of financial instruments

The fair value hierarchy levels defined in IFRS 7 are as follows :

- Level 1: instruments valued according to the (unadjusted) prices quoted for identical assets or liabilities on an active market;
- Level 2: instruments valued using inputs that are observable for the asset or liability;
- Level 3: instruments valued using inputs that are not based on observable market data.

31 Dec. 2023	Fair value hierarchy ^(b)				
(in € millions)	Carrying amount	Fair value ^(a)	Level 1	Level 2	Level 3
ASSETS					
Banking assets					
Financial assets at fair value through profit or loss	218,089	218,089	150,882	45,810	21,397
Hedging derivatives	677	677	0	677	0
Financial assets at fair value through OCI	212,679	212,679	204,513	6,066	2,100
Securities at amortised cost	33,104	30,114	28,839	978	297
Loans and advances to credit institutions	70,914	70,915	0	70,581	334
Loans and advances to customers	125,999	116,734	0	102,133	14,601
Investment property at amortised cost	930	1,079	0	1,079	0
Investment property at fair value	6,332	6,332	0	6,332	0
Non-banking assets					
Other non-current financial assets	582	582	0	195	387
Trade and other receivables	5,670	5,670	0	0	0
Other current financial assets	283	283	208	75	0
Cash and cash equivalents	3,650	3,650	1,094	2,556	0
LIABILITIES					
Banking liabilities					
Financial liabilities at fair value through profit or loss	13,585	13,585	79	13,505	1
Hedging derivatives	2,183	2,183	0	2,183	0
Liabilities due to banks and credit institutions	33,576	33,290	0	33,249	41
Customer deposits	224,995	224,525	0	223,092	1,434
Debt securities	34,314	35,694	14,463	17,237	3,993
Subordinated debt	9,450	8,893	2,521	6,371	0
Non-banking liabilities					
Bonds and other debt	11,945	11,127	0	11,127	0
Trade and other payables	10,140	10,140	0	0	0

(a) Including fair value of items recognised at amortised cost.

(b) For items recognised at fair value.

31 Dec. 2022 (a)			Fair value hierarchy (c)		
(in € millions)	Carrying amount	Fair value (b)	Level 1	Level 2	Level 3
ASSETS					
Banking assets					
Financial assets at fair value through profit or loss	206,845	206,845	139,268	47,162	20,415
Hedging derivatives	1,139	1,139	0	1,139	0
Financial assets at fair value through OCI	210,408	210,408	201,994	3,934	4,480
Securities at amortised cost	27,193	23,491	22,197	948	346
Loans and advances to credit institutions	70,614	70,650	0	70,335	315
Loans and advances to customers	126,109	117,481	0	103,649	13,832
Investment property at amortised cost	1,043	1,247	0	1,247	0
Investment property at fair value	5,766	5,766	0	5,766	0
Non-banking assets					
Other non-current financial assets	591	591	0	190	401
Trade and other receivables	5,504	5,504	0	0	0
Other current financial assets	702	702	231	471	0
Cash and cash equivalents	4,537	4,537	910	3,627	0
LIABILITIES					
Banking liabilities					
Financial liabilities at fair value through profit or loss	13,359	13,359	345	13,014	0
Hedging derivatives	2,371	2,371	0	2,371	0
Liabilities due to banks and credit institutions	44,009	44,024	0	43,986	38
Customer deposits	215,712	215,610	0	213,882	1,728
Debt securities	29,052	30,407	11,996	18,411	0
Subordinated debt	9,099	8,009	2,155	5,854	0
Non-banking liabilities					
Bonds and other debt	11,564	10,083	0	10,083	0
Trade and other payables	9,950	9,950	0	0	0

(a) Restated for the first-time application of IFRS 17.

(b) Including fair value of items recognised at amortised cost.

(c) For items recognised at fair value.

Level 3 fair values: reconciliation of opening and closing balances (banking activities)

(in € millions)	Assets at fair value through profit or loss	Financial assets at fair value through OCI	TOTAL
Opening balance	20,415	4,747	25,162
Gains and losses recognised in profit or loss	4	0	4
Gains and losses recognised in OCI	0	(94)	(94)
Purchases	2,992	99	3,091
Sales	(1,008)	(29)	(1,038)
Issues	0	0	0
Redemptions	(594)	(75)	(669)
Transfers to or out of level 3	(410)	(2,250)	(2,660)
Changes in scope of consolidation	0	(25)	(25)
Other movements	(1)	(2)	(4)
CLOSING BALANCE	21,397	2,370	23,768

Level 3 fair values: gains and losses for the period recognised in profit or loss.

None

37.2 Methods for calculating the fair value of financial instruments and investment property

37.2.1 Financial instruments excluding banking activities

The fair value of bonds and related swaps is measured using a calculation method based on observable inputs, which corresponds to level 2 of the IFRS 7 fair value hierarchy. Details of this calculation method are provided below.

Every financial product is assessed as a series of future cash flows regardless of whether they are determined at the calculation date. The fair value calculation is based on discounting these future cash flows. The discounting factors are deduced from a zero-coupon curve. To calculate the fair value of bonds, La Poste's credit spread is added to the zero-coupon curve. La Poste's implied credit spread is determined based on price brackets supplied by various market participants (brokers).

In the case of cash flows dependent on a floating rate not yet determined at the calculation date, future rates are estimated based on the future structure of interest rates. In the case of financial products with cash flows in different currencies, the cash flows are discounted for each currency based on discounting factors specific to the currency. The currency market values obtained are then translated into euros at the ECB exchange rate on the day of the calculation.

Option products are determined by factoring in implied market volatility, in view of the option exercise dates.

The fair value of current financial assets and liabilities is deemed equivalent to their carrying amount, in view of their short-term maturity.

The fair value of bonds and UCITS units is determined using quoted prices.

37.2.2 Financial instruments and investment property held by the banking businesses

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an instrument at initial recognition is generally the transaction price.

IFRS 13 recommends using a quoted price in an active market whenever possible to determine the fair value of a financial asset or liability. An active market is defined as a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Examples include prices observed on exchange markets, dealer markets and brokered markets, or quoted by a regulatory agency, that reflect actual transactions (volumes, range of prices) conducted in an orderly market. In the absence of an active market, fair value is determined using valuation techniques. These techniques include the prices of recent transactions carried out on arm's length terms. They use recognised valuation methods based on market data, fair values of substantially identical instruments, discounted cash flow models or option pricing models. The aim of these techniques is to establish what the price of an instrument would be under normal market conditions. For example,

the fair value of bonds or variable-income securities and futures is determined using quoted prices. Valuation techniques based on market data are used mainly to value over-the-counter derivatives, securities on which interest is paid up front (commercial paper, certificates of deposit, etc.) and repo deposits.

Financial instruments are analysed in Note 37.1 based on the three levels of inputs in the fair value hierarchy:

- **level 1:** instruments valued according to the (unadjusted) prices quoted for identical assets or liabilities on an active market.
This level primarily includes shares and derivatives quoted on organised markets (futures, options, etc.). The price quoted for an asset held or a liability to be issued is usually the bid price, and that of a liability held or an asset to be acquired is usually the ask price;
- **level 2:** instruments valued using inputs other than the quoted market prices included within level 1 that are observable for the asset or liability, either directly (prices) or indirectly (prices derived from or corroborated by observable market data).
These instruments are valued using observable parameters and standardised models or on the basis of similar instruments quoted on an active market. This category includes interest rate swaps, caps, floors, etc.;
- **level 3:** instruments valued using unobservable inputs. Unobservable inputs are defined as inputs based neither on observable market transactions involving the same instrument at the measurement date, nor on observable market data available at the same date.
This category mainly includes unlisted equity investments and units in venture capital and innovation funds.
The market value of unlisted equity investments is determined by reference to criteria such as net assets, earnings outlook and discounted future cash flows.

For financial instruments that are not measured at fair value on the balance sheet, fair value calculations are disclosed for information purposes.

Fair value of loans

This information covers all disbursed loans and drawdowns on credit facilities shown in La Banque Postale's balance sheet. Loans granted but not yet disbursed or drawn down are not taken into account: the assumption is that since their rates were recently set, their fair value should not be materially different from their authorised nominal amount.

The main underlying assumptions for the calculation are as follows for the loans marketed by La Banque Postale:

- the fair value of current account overdrafts is presumed to correspond to their book value due to their short duration (the customer is required to return the account to credit within one month);
- the fair value of loans is determined using internal models based on the discounted present value of cash flows from principal and interest payments over the residual term. The discount rate is

determined in such a way that the interest rate component is remeasured on the basis of the internal transfer rate plus a market spread, while

- the lending margin is not remeasured as it is fixed at inception of the loan. Early repayment options are taken into account by adjusting the loans' repayment profile (in line with the bottom layer approach applied to the underlying items of portfolio hedges).

Fair value of deposits

The main underlying assumptions for the calculation are as follows:

- for deposits at regulated interest rates, *Livret B* and *Livret Jeune* accounts, *Plans d'épargne populaire* and term deposit accounts, fair value is assumed to be the carrying amount of the amount outstanding;
- the fair value of demand deposits is assumed to correspond to the carrying amount of the amount outstanding, net of the fair value excluding accrued interest of the swaps used to hedge demand deposits (carve-out).

Fair value of held or issued debt instruments

The fair value of listed financial instruments corresponds to the period-end closing price. The fair value of unlisted financial instruments is determined by discounting future cash flows at the market rate in effect at the closing date.

Fair value of investment property

Fair value is the price that would be received to sell a property or shares in a non-trading property company in an orderly transaction. It is determined on the basis of five-year valuations performed by a qualified expert recognised by the French insurance supervisor (ACPR). In the period between two five-year valuations, fair value is estimated at each year-end and the amounts obtained are certified by a qualified expert.

37.3 Impact of financial instruments on net profit/(loss) and equity

Non-banking activities

The impact of the group's financial instruments on profit or loss (excluding banking activities) is described in Note 13 "Net financial income/(expense)".

Banking activities

The table below details the impact of the banking activity financial instruments on profit or loss and other comprehensive income.

2023	Interest income/(expense)	Changes in fair value		Deconsolidation and dividends	Net gain/(loss)
		Fair value through profit or loss	Fair value through OCI		
(in € millions)					
Assets and liabilities at amortised cost	867	0	0	0	867
Assets at fair value through OCI	4,705	0	13,012	(2,543)	15,174
Financial instruments at fair value through profit or loss	0	8,797	(1)	1,196	9,992
Hedging transactions	(43)	(1)	(44)	0	(88)
TOTAL	5,529	8,796	12,967	(1,347)	25,945
2022 (a)					
Assets and liabilities at amortised cost	1,621	0	0	18	1,639
Assets at fair value through OCI	3,609	0	(39,945)	(2,046)	(38,382)
Financial instruments at fair value through profit or loss	0	(7,841)	4	1,140	(6,697)
Hedging transactions	219	(25)	118	0	312
TOTAL	5,449	(7,866)	(39,823)	(888)	(43,128)

37.4 Hedging derivatives

Non-banking activities

See Note 28.

Banking activities

See Note 31.

37.5 Reclassification of financial assets

In 2008, La Banque Postale chose the option provided by the 13 October 2008 amendment to IAS 39 and IFRS 7 to reclassify certain available-for-sale financial assets to “Loans and advances”. The transfer of part of the securities in the available-for-sale financial assets portfolio that no longer had the expected liquidity to the

loans and advances category enables the financial statements to provide a better view of La Banque Postale’s allocation of resources. The carrying amount and fair value of securities reclassified on 1 July 2008 remained immaterial at 31 December 2023.

37.6 Offsetting of financial instruments

The following tables present the information required by IFRS 7 on financial instruments that are offset in the balance sheet, as well as on financial instruments that are not offset in the balance sheet, but are subject to an enforceable master netting arrangement or similar agreement.

37.6.1 Industrial and commercial activity derivative instruments

2023	Gross amounts	Amounts offset in balance sheet	Net amounts in balance sheet	Amounts not offset in balance sheet		Net amounts
				Derivative instruments D	Collateral cash E	
(in € millions)	A	B	C=A-B	D	E	F=C-D-E
Derivative assets	8		8	4	3	1
Derivative liabilities	12		12	4	8	
2022	A	B	C=A-B	Derivative instruments D	Collateral cash E	F=C-D-E
Derivative assets	44		44	15	29	1
Derivative liabilities	27		27	15	13	

La Poste has put framework agreements in place with all of its market counterparties in order to reduce its exposure if its market counterparties default. These agreements result in the losing counterparty paying a security deposit to the winning counterparty in cash, equivalent to the net position of the derivatives. Margin

calls occur weekly or daily, according to the counterparties. These agreements do not comply with the criteria in IAS 32 governing the offsetting of derivative assets and liabilities in the balance sheet. They do, however, fall within the scope of disclosures under IFRS 7 on offsetting.

37.6.2 Banking activity financial instruments

31 Dec. 2023	Gross carrying amount	Amount offset in balance sheet	Net amount in balance sheet	Amount not offset in balance sheet		Instruments received/given as collateral	Net amounts
(in € millions)	A	B	C=A-B	Financial instruments D	Collateral cash D	E	F=C-D-E
ASSETS							
Financial instruments at fair value through profit or loss	218,766	0	218,766	4,483	1,320	0	212,964
Of which derivatives (including hedging derivatives)	5,915	0	5,915	4,483	1,320	0	113
Loans and advances to credit institutions and customers	198,748	1,836	196,912	262	3	645	196,003
Of which repo transactions	5,767	1,836	3,931	262	3	645	3,022
Accruals and other assets	8,903	0	8,903	11	0	0	8,891
Of which security deposits	22	0	22	11	0	0	11
Other financial assets not offset	313,564	0	313,564	0	0	0	313,564
TOTAL ASSETS	739,981	1,836	738,145	4,756	1,323	645	731,422
EQUITY AND LIABILITIES							
Financial instruments at fair value through profit or loss	15,769	0	15,769	4,466	836	0	10,467
Of which derivatives (including hedging derivatives)	6,224	0	6,224	4,466	836	0	923
Liabilities due to credit institutions and customers	260,406	1,836	258,571	262	375	20,449	237,485
Of which reverse repo transactions	42,343	1,836	40,507	262	375	20,449	19,422
Other liabilities not offset (excluding equity)	434,918	0	434,918	0	0	0	434,918
TOTAL LIABILITIES	711,093	1,836	709,257	4,728	1,211	20,449	682,870

31 Dec. 2022	Gross carrying amount	Amount offset in balance sheet	Net amount in balance sheet	Amount not offset in balance sheet		Instruments received/given as collateral	Net amounts
(in € millions)	A	B	C=A-B	Financial instruments D	Collateral cash D	E	F=C-D-E
ASSETS							
Financial instruments at fair value through profit or loss	207,984	0	207,984	4,851	2,958	0	200,175
Of which derivatives (including hedging derivatives)	7,912	0	7,912	4,828	2,958	0	125
Loans and advances to credit institutions and customers	198,096	1,373	196,723	101	246	1,426	194,949
Of which repo transactions	6,780	1,373	5,407	101	246	1,426	3,634
Accruals and other assets	696	0	696	8	0	0	688
Of which security deposits	8	0	8	8	0	0	0
Other financial assets not offset	312,685	0	312,685	0	0	0	312,685
TOTAL ASSETS	719,461	1,373	718,088	4,960	3,205	1,426	708,497
LIABILITIES							
Financial instruments at fair value through profit or loss	15,730	0	15,730	4,828	806	0	10,096
Of which derivatives (including hedging derivatives)	6,813	0	6,813	4,828	806	0	1,179
Liabilities due to credit institutions and customers	261,095	1,373	259,721	101	950	18,941	239,730
Of which reverse repo transactions	39,396	1,373	38,022	101	950	18,941	18,031
Other liabilities not offset (excluding equity)	415,242	0	415,242	0	0	0	415,242
TOTAL LIABILITIES	692,066	1,373	690,693	4,929	1,755	18,941	665,068

NOTE 38 OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

- 38.1 Banking activity commitments
- 38.2 Other commitments given
- 38.3 Other commitments received
- 38.4 Contingent liabilities

38.1 Banking activity commitments

The contractual value of commitments given and received as part of La Banque Postale's business activities can be analysed as follows:

<i>(in € millions)</i>	31 Dec. 2023	31 Dec. 2022
Financing, guarantee and securities commitments given		
Financing commitments		
given to credit institutions	1,047	1,296
given to customers	22,156	25,799
Guarantee commitments		
given to credit institutions	804	1,019
given to customers ^(a)	1,073	1,199
Commitments on securities to be delivered	13,056	15,432
Financing, guarantee and securities commitments received		
Financing commitments		
received from credit institutions ^(b)	10,219	14,783
received from customers	6,120	1,728
Guarantee commitments		
received from credit institutions	40,671	40,713
received from customers	7,191	7,746
Commitments on securities to be received	70	179
Other commitments given ^{(b)(c)}	51,457	54,333
Other commitments received ^(d)	22,644	23,666

(a) Including capital and performance guarantees given to the holders of UCITS units managed by group entities.

(b) Of which commitments given (€8,825 million) and received (€1,795 million) as part of the "3 G" guarantee management arrangement with the Banque de France, which the Banque de France, which allows banks to jointly manage all collateral relating to their refinancing transactions with Banque de France.

(c) In 2022, this included €25,277 million (€23,798 million in 2021) in home loans pledged as collateral for bonds issued by La Banque Postale Home Loan SFH, the home financing company of the group.

(d) Corresponding mainly to securities pledged to CNP Assurances by ceding insurers under the terms of inward reinsurance contracts.

Crédit Logement commitments

La Banque Postale is committed to maintaining Crédit Logement's Tier 1 capital at a level equivalent to its interest in the company, i.e., 6%, so that the company can maintain its solvency ratio.

La Banque Postale is also committed to replenishing Crédit Logement's mutual guarantee fund if required. This fund underwrites borrower defaults on guaranteed loans. The amount of this commitment, which corresponds to the share of loans distributed by La Banque Postale, was €139 million at 31 December 2023 (versus €168 million at 31 December 2022).

38.2 Other commitments given

38.2.1 Guarantees and endorsements

Total guarantees and endorsements given amounted to €36million as at 31 December 2023.

38.2.2 Corporate philanthropy

La Poste had committed to financing several philanthropical projects for a total of €11 million at 31 December 2023.

38.3 Other commitments received

38.3.1 Guarantees and endorsements

Total guarantees and endorsements received amounted to €92 million at 31 December 2023, including €85 million for La Poste.

38.3.2 Credit facilities

On 16 March 2018, La Poste arranged a five-year renewable credit facility for €1 billion, for which it received commitments from 11 banks in a banking pool. The new facility has been extended by 2 years, with the final maturity date of the syndicated loan set at 16 March 2025. This facility had not been used at 31 December 2023.

38.3.3 Property sale commitments

La Poste Groupe has entered into property sale commitments that are expected to be completed in 2024 or later. As at 31 December 2023, the commitments received in this respect amounted to €35 million in total.

38.3.4 Commitments received in business acquisition transactions

In connection with its acquisitions of equity interests, the group receives various legal or negotiated commitments from the vendors, under which the group may be entitled to compensation for any losses under certain conditions.

These commitments include vendor non-compete commitments received in connection with the acquisition of the Seur franchises in Spain and Portugal and various vendor warranties.

The group has also received various other guarantees that cannot be measured accurately because they are triggered or capped when a certain threshold is exceeded.

38.4 Contingent liabilities

The group is not aware of any material risks for which no provision has been recognised in the consolidated financial statements.

NOTE 39 STRUCTURED ENTITIES

39.1 Consolidated structured entities

39.2 Unconsolidated structured entities

Structured entities are entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. This is the case, for example, when the relevant activities are directed by means of contractual arrangements. Structured entities generally have a narrow and well-defined objective and restricted activities.

39.1 Consolidated structured entities

Consolidated structured entities include:

- collective investments undertakings (OPC/FCP funds) managed by group subsidiaries as part of its banking business, or that are held in policyholder and own-fund portfolios;
- securitisation funds whose units are issued by structured entities. They are designed to diversify the underlying credit risk and may be organised by tranche.

39.2 Non-consolidated structured entities

The following disclosures concern entities structured but not controlled by the group. They are organised by group of entities with the same or similar businesses: securitisation, mutual funds and other activities.

Securitisation

Securitisation covers securitisation funds and similar structures that issue financial instruments with inherent credit risk that may be acquired by investors and may be organised in tranches. Securitisation is a financial technique that converts receivables that are illiquid and held to maturity, into negotiable liquid securities. The purpose of securitisation is to:

- convert illiquid portfolios into liquid securities;
- make it easier to raise funds on more attractive terms (refinancing vehicle);
- enhance risk management by transferring risk to the investor;
- transfer credit risk and its components (interest rate risk, liquidity risk, etc.) and reduce capital requirements;
- restructure the balance sheet (ALM instrument).

This activity seeks to meet investor demand by:

- managing funds via structured entities such as collective investment undertakings, real estate investment funds or equivalent vehicles;
- investment insurance premiums received by insurers from policyholders in accordance with the regulatory provisions of the French insurance code. The insurance companies' asset portfolios guarantee their ability to fulfil their obligations towards policyholders throughout the life of the insurance policy and both the value of the investments and the investment yield are correlated to the related obligations.

Other activities

This category covers all other activities.

Interests in non-consolidated structured entities

The group's interest in a non-consolidated structured entity concerns contractual or non-contractual ties that expose it to a risk of variable returns linked to the entity's performance. Its interest may be in the form of equity instruments or debt securities but may also take the form of a loan, a cash facility, credit enhancement or the provision of collateral or structured derivatives.

The following table provides cumulative information by activity about all entities in which the group has unrestricted interests:

<i>(in € millions)</i>	Securitisation	Mutual funds	Other
Financial assets at fair value through profit or loss	7,983	103,370	808
Financial assets at fair value through OCI	1,777	-	659
Financial assets at amortised cost	-	148	3,377
Total recognised assets in non-consolidated structured entities	9,760	103,518	4,845
Financial liabilities at fair value through profit or loss	-	-	233
Total recognised liabilities in non-consolidated structured entities	-	-	233
Funding commitments given	-	39	1,232
Maximum loss exposure	9,760	103,557	6,077
Guarantees received and other credit enhancements	-	-	-
Net loss exposure	9,760	103,557	6,077

The maximum loss exposure corresponds to the interests recognised in assets and commitments given, less provisions for liabilities and charges recognised in liabilities, less guarantees received.

The maximum loss exposure is, in most cases, limited to the units held in funds, with the exception of funds in which La Banque Postale guarantees capital and performance.

Disclosures concerning non-consolidated structured entities sponsored by the group

Non-consolidated structured entities sponsored by the group are funds structured by a management company controlled by the group, notably funds managed by La Banque Postale Asset Management.

A structured entity is considered to be sponsored by the group when its name includes either the name of the group or one of its subsidiaries.

Income received by the group from these entities amounted to €155 million for the year ended 31 December 2023 and consisted mainly of non-recurring commission.

NOTE 40 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

- 40.1** Reconciliation between net profit/(loss) and cash flows from operating activities before cost of net debt and taxes
- 40.2** Depreciation, amortisation and impairment losses
- 40.3** Change in working capital requirement
- 40.4** Change in balance of banking and insurance assets and liabilities
- 40.5** Outflows for acquisitions of property, plant and equipment and intangible assets
- 40.6** Proceeds from new borrowings
- 40.7** Repayment of borrowings
- 40.8** Other cash flows used from banking activities
- 40.9** Change in cash from banking activities
- 40.10** Transition from recurring operating profit to EBITDA

40.1 Reconciliation between net profit/(loss) and cash flows from operating activities before cost of net debt and taxes

<i>(in € millions)</i>	NOTE	2023	2022 (a)
Consolidated net profit/(loss) for industrial and commercial activities		(490)	109
Share in net profit/(loss) of equity-accounted companies		158	84
Unrealised gains and losses on fair value adjustments (excluding banking activities)		(8)	(3)
Gains and losses on disposals (incl. dilution)		3	(18)
Net changes in provisions		(518)	(385)
Depreciation, amortisation and impairment losses	40.2	1,926	2,966
Other non-cash income and expenses		(57)	(3)
Cash flow from operating activities after cost of net debt and taxes for industrial and commercial activities		1,015	2,751
Cost of net debt ^(b)		215	214
Income tax (incl. deferred taxes)		(285)	(981)
Cash flows from operating activities before cost of net debt and taxes for industrial and commercial activities		945	1,985
Contribution of banking and insurance activities (see EBITDA, Note 40.10)		3,092	1,885
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE COST OF NET DEBT AND TAXES		4,037	3,869

(a) Restated for the first-time application of IFRS 17.

(b) Excluding change in unrealised gains and losses on fair value adjustments.

40.2 Depreciation, amortisation and impairment losses

<i>(in € millions)</i>	2023	2022
Additions to and reversals of amortisation of operating profit/(loss)	1,914	2,790
Additions to and reversals of amortisation of net financial income/(expense)	(1)	(7)
Goodwill impairment	13	184
TOTAL	1,926	2,966

40.3 Change in working capital requirement

(in € millions)	2023	2022 (a)
Changes in inventories and work-in-progress	(8)	(15)
Changes in operating receivables	(137)	35
Changes in operating payables and other operating assets and liabilities	277	299
TOTAL	132	319

(a) Restated for the first-time application of IFRS 17.

40.4 Change in balance of banking and insurance assets and liabilities

(in € millions)	2023	2022 (a)
Changes in financial assets at fair value through profit or loss	(11,884)	8,558
Changes in hedging derivatives	479	(167)
Changes in financial assets at fair value through OCI	7,716	8,591
Changes in securities at amortised cost	(5,906)	(3,705)
Changes in loans and advances to credit institutions at amortised cost	(0)	299
Changes in loans and advances to customers at amortised cost	110	(6,527)
Changes in revaluation differences on portfolios hedged against interest rate risks	540	(621)
Changes in insurance contracts issued-Assets	(61)	389
Change in reinsurance contracts held-Assets	(698)	1,549
Change in other financial assets and accruals	1,127	(2,617)
Change in investment property	61	(1,024)
Change in financial liabilities at fair value through profit or loss	1,322	9,124
Change in hedging derivatives	(206)	2,089
Change in liabilities due to credit institutions	(10,732)	(5,016)
Change in customers deposits	9,227	(1,307)
Change in debt securities	5,262	7,359
Change in revaluation differences on portfolios hedged against interest rate risks	(625)	(128)
Change in insurance contracts issued and reinsurance contracts held-Liabilities	3,917	(27,145)
Change in other financial liabilities and accruals	746	4,855
TOTAL	397	(5,445)

(a) Restated for the first-time application of IFRS 17.

40.5 Outflows for acquisitions of property, plant and equipment and intangible assets

(in € millions)	2023	2022 (a)
Acquisitions of intangible assets	(783)	(686)
Acquisitions of property, plant and equipment	(1,216)	(1,115)
Acquisitions of investment property	0	0
Change in amounts due to suppliers of non-current assets	54	103
TOTAL	(1,946)	(1,699)

(a) Restated for the first-time application of IFRS 17.

40.6 Proceeds from new borrowings

<i>(in € millions)</i>	2023	2022
Bonds	1,850	1,550
Commercial paper	775	871
Other borrowings	534	1,056
TOTAL	3,159	3,477

40.7 Repayment of borrowings

<i>(in € millions)</i>	2023	2022
Bonds	(420)	0
Borrowings from credit institutions	(10)	(11)
La Poste savings bonds	(1)	(1)
Commercial paper	(725)	(1,021)
Borrowings under finance leases	0	0
Other borrowings	(1,288)	(1,762)
TOTAL	(2,444)	(2,795)

40.8 Other cash flows used in financing activities

<i>(in € millions)</i>	2023	2022 (a)
Collection of deposits and guarantees received	11	6
Repayment of deposits and guarantees received	(36)	(6)
Other	(24)	(47)
TOTAL	(49)	(47)

(a) Restated for the first-time application of IFRS 17.

40.9 Change in cash from banking activities

<i>(in € millions)</i>	NOTE	2023	2022 (a)
Opening cash, central banks (assets)		39,355	50,812
Loans and advances to credit institutions repayable on demand (assets)		1,898	2,261
Loans and advances to credit institutions repayable on demand (liabilities)		(1,326)	(1,065)
Opening balance		39,927	52,008
Closing cash, central banks (assets)	24.2	40,577	39,355
Loans and advances to credit institutions repayable on demand (assets)	22.5	2,150	1,898
Loans and advances to credit institutions repayable on demand (liabilities)	31.3	(1,308)	(1,326)
Closing balance		41,420	39,927
Net increase (decrease) in cash and cash equivalents from banking activities		1,493	(12,080)
of which the impact of changes in consolidation scope		30	55
Net increase (decrease) in cash and cash equivalents from banking activities before impact of changes in consolidation scope		1,463	(12,136)

(a) Restated for the first-time application of IFRS 17.

40.10 Transition from recurring operating profit to EBITDA

		2023			2022		
		Group	Industrial and commercial activities	Banking and insurance activities	Group	Industrial and commercial activities	Banking and insurance activities
Operating profit/(loss)	(a)	1,680	(364)	2,044	625	(580)	1,204
of which non-cash movements to be eliminated :							
Share in net profit/(loss) of jointly-controlled companies	(a)	35	11	24	33	3	30
Depreciation and Impairment of non-current assets and movements in provisions included in net banking Income		(81)	0	(81)	68	0	68
Additions to and reversals of provisions for employee benefits	Note 9	622	628	(6)	407	413	(6)
Depreciation, amortisation and provisions	(a)	(2,971)	(2,033)	(939)	(3,777)	(3,050)	(726)
Proceeds from asset disposals before tax	(a)	(50)	(4)	(46)	36	15	20
Miscellaneous		57	57	0	(59)	8	(67)
EBITDA	SCF	4,069	977	3,092	3,916	2,031	1,885
Reintegration of changes in provisions for current assets and irrecoverable receivables (non-banking activities)	(b)	(49)	(49)	0	(40)	(40)	0
Miscellaneous financial income and expenses		17	17	0	(7)	(7)	(0)
Cash flows from operating activities before cost of net debt and taxes	SCF	4,037	945	3,092	3,869	1,984	1,885

(a) See the consolidated income statement. The share net profit/(loss) of jointly-controlled companies does not include the profit of Holding Infrastructures Gazières, which is included in net banking income (see Note 19).

(b) Movements in impairment on current assets and irrecoverable receivables are non-cash movements excluded from the calculation of EBITDA. In accordance with the ANC recommendation on the financial statements of industrial and commercial companies, these movements are eliminated on the line "Change in working capital requirement", hence their reintegration after EBITDA for the calculation of cash flows from operating before cost of net debt and taxes. This restatement is not performed for banking activities.

NOTE 41 STATUTORY AUDITORS' FEES

Pursuant to French Decree No. 2008-1487 of 30 December 2008, the fees paid to the Statutory Auditors recognised in profit or loss by La Poste and its consolidated companies are presented below.

2023

<i>(in € millions, excl. VAT)</i>	KPMG	%	MAZARS	%
Statutory audit of the Company and consolidated financial statements				
- parent company	0.6	5%	0.6	6%
- fully-consolidated subsidiaries	9.1	71%	6.9	67%
	9.7	76%	7.5	73%
Non-audit services				
- parent company	0.2	2%	0.3	3%
- fully-consolidated subsidiaries	2.9	23%	2.6	25%
	3.1	24%	2.9	27%
TOTAL	12.8	100%	10.4	100%

2022

<i>(in € millions, excl. VAT)</i>	KPMG	%	MAZARS	%
Statutory audit of the Company and consolidated financial statements				
- parent company	0.6	6%	0.6	6%
- fully-consolidated subsidiaries	7.2	71%	5.4	53%
	7.8	77%	6.0	59%
Non-audit services				
- parent company	0.3	3%	0.1	1%
- fully-consolidated subsidiaries	2.0	20%	4.1	40%
	2.3	23%	4.2	41%
TOTAL	10.1	100%	10.2	100%

The services provided by Mazars are as follows: statements and agreed procedures, letters of comfort relating to EMTN programme updates or bond issues, reviews of internal control procedures, accounting consultations, reviews of employment, environmental and social data or indicators.

The services provided by KPMG are as follows: statements and agreed procedures, letters of comfort relating to EMTN programme updates or bond issues, training, reviews of internal control procedures and information systems, accounting and tax consultations, and reviews of employment, environmental and social data and indicators.

NOTE 42 RELATED-PARTY TRANSACTIONS

- 42.1 Relations with the French State and public-sector companies
- 42.2 Relations with consolidated companies
- 42.3 Remuneration of administration and management bodies

42.1 Relations with the French State and public-sector companies

42.1.1 Relations with the French State

Since the French law of 10 February 2010 reaffirming the provisions of the July 1990 law on the organisation of the postal and telecommunications public service, La Poste has been a *société anonyme* (French public-owned limited company) overseen by the Minister for the Economy and Finance, and subject to economic and financial control by the French State, and to the control procedures of the French Court of Auditors and the French Parliament.

The commitments of La Poste and the French State were redefined in "Public Service Agreement 2013-2017" approved by the group's Board of Directors on 22 April 2013 and signed by all stakeholders on 1 July 2013.

The agreement is based on the following principles:

- maintaining the broad scope of the public service missions assigned to La Poste: universal postal service, press transport and delivery, accessible banking and regional development, as well as maintaining the principle of offsetting costs for the latter three missions;
- making progress in strengthening service quality;
- developing missions adapted to users' expectations and technological advancements;
- introducing community commitments to promote the development of businesses and regions, supporting disadvantaged people, developing a digital society and engaging in corporate social responsibility.

A new public service agreement between La Poste and the French State for the 2018-2022 period was approved by the group's Board of Directors on 19 December 2017 and signed on 16 January 2018. This agreement is an extension of the previous agreement and aims at ensuring and modernising the exercise of the four public service missions of La Poste. These missions benefit from the support of the State, in exchange for which La Poste commits to respecting ambitious quality indicators.

Moreover, the agreement expands on the use of community commitments to promote the development of a digital society, local services, and sustainable and responsible development.

An amendment to the public service agreement between La Poste and the French State was signed on 18 May 2022. It incorporates changes announced by the government concerning its support for the universal postal service and regional development missions as well as the reform of the public service mission of press transport.

The latest public service agreement between La Poste and the French State, which is an extension of the previous agreement and covers the period 2023-2027, was signed in June 2023.

The French Postal Regulation Law of 20 May 2005 provided France's electronic communications and postal regulation authority ARCEP with the power to regulate pricing for the universal postal service on a multi-year basis, after reviewing La Poste's proposals. In addition, the law confirmed and clarified La Poste's regional development mission.

Regarding the group's banking activities, the French State sets the commission rates on regulated savings products, i.e., *Livret A* saving accounts, sustainable development savings accounts and *Livret d'épargne populaire* saving accounts. Changes in these rates have a direct impact on La Banque Postale's net banking income.

42.1.2 Relations with public-sector companies

La Poste Groupe enters into transactions, at arm's-length conditions, with public-sector companies in the normal course of its business.

42.2 Relations with consolidated companies

Transactions performed between fully consolidated group companies are eliminated on consolidation and are therefore not discussed in this note.

Transactions with companies consolidated by the Caisse des Dépôts (CDC) group mainly concern transactions carried out by La Banque Postale with the savings funds managed by CDC and are presented in the following table:

Transactions with other associates and joint ventures are not material.

(in € millions)	31 Dec. 2023	31 Dec. 2022
Income	2,312	1,611
Expenses	(7)	(14)
Receivables	69,365	69,280
Payables	511	506

Transactions with other associates and joint ventures are not material.

42.3 Remuneration of administration and management bodies

The remuneration of La Poste Groupe's main senior executives amounted to €6.1 million in total for the year ended 31 December 2023 (€5.7 million in 2022). Senior executives do not receive any specific post-employment benefits.

The group's main senior executives are the members of the Executive Committee and the members of the Board of Directors (whose remuneration comprises attendance fees, for the most part paid to the State or to Caisse des Dépôts, and the salaries of employee representatives). Attendance fees paid in 2023 amounted to €0.2 million (€0.3 million in 2022).

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NOTE 43 EVENTS AFTER THE REPORTING PERIOD

On 22 February 2024, the group announced that it had entered into exclusive negotiations with Bouygues Telecom concerning the disposal of La Poste Telecom, the leading virtual mobile operator on the French market under the La Poste Mobile brand, as part of a new phase in the company's development.

In doing so, La Poste and Bouygues plan to forge a strong, long-term strategic partnership that will draw on the complementary strengths of the two groups and focus in particular on:

- Bouygues Telecom's acquisition of 100% of the capital of La Poste Telecom, 51% of which was held by La Poste Groupe and 49% by SFR;
- An exclusive distribution partnership in the postal network;
- A licensing agreement to consolidate the La Poste Mobile brand, which would remain the property of La Poste.

The value of 100% of La Poste Telecom's shares in this transaction is €950 million.

This project will be submitted to La Poste Telecom's employee representative bodies, then to La Poste Groupe's governance bodies, to SFR's right of pre-emption and to the competent authorities.

NOTE 44 SCOPE OF CONSOLIDATION

COMPANY	COUNTRY	% interest		% control		Consolidation method	
		2022	2023	2022	2023	2022	2023
CONSOLIDATING COMPANY							
LA POSTE							
9 rue du Colonel Pierre Avia 75757 Paris Cedex 15, France							
SERVICES-MAIL-PARCELS SEGMENT							
Adimmo	France	52.54	52.54	99.90	99.90	FC	FC
Advanced Ideas	Romania		60.00		60.00	FC	FC
Age d'or Expansion	France	100.00	100.00	100.00	100.00	FC	FC
Asten Santé	France	52.60	52.60	52.60	52.60	FC	FC
Asten Santé à domicile	France	52.60	52.60	100.00	100.00	FC	FC
Axeo Developpement	France	100.00	100.00	100.00	100.00	FC	FC
AXEO Partenariats Pro Services (P.P.S)	France	100.00	100.00	100.00	100.00	FC	FC
Axeo Pro Services	France	100.00	100.00	100.00	100.00	FC	FC
Axeo Services	France	100.00	100.00	100.00	100.00	FC	FC
Budget Box	France	100.00	100.00	100.00	100.00	FC	FC
Cassiop	France	100.00	100.00	100.00	100.00	FC	FC
Coordination Axeo	France	100.00	100.00	100.00	100.00	FC	FC
Creat Direct	Romania	100.00	100.00	100.00	100.00	FC	FC
CyberCité	France	75.00	100.00	75.00	100.00	FC	FC
DIADOM SAS	France	100.00	100.00	100.00	100.00	FC	FC
Economie d'énergie	France	98.82	98.82	100.00	100.00	FC	FC
EDENEXT	France	98.82	98.82	98.82	98.82	FC	FC
E-SY COM	France	91.10	91.10	91.10	91.10	FC	FC
Fluow	France	51.00	51.00	51.00	51.00	FC	FC
Geobuzon	Spain		100.00		100.00		FC
Geoptis	France	100.00	100.00	100.00	100.00	FC	FC
Go Logistic	Portugal	90.00	90.00	90.00	90.00	FC	FC
H2AD	France	50.82	0.00	96.64	0.00	FC	FC
Happytal	France	86.00	93.00	86.00	93.00	FC	FC
Help Confort	France	100.00	100.00	100.00	100.00	FC	FC
Help Confort ST Nazaire	France	100.00	100.00	100.00	100.00	FC	FC
IM Santé	France	100.00	100.00	100.00	100.00	FC	FC
Inbox Marketing	Romania	99.97	99.97	99.97	99.97	FC	FC
Innovagency	Portugal	100.00	100.00	100.00	100.00	FC	FC
Interactions Marketing	Romania	100.00	100.00	100.00	100.00	FC	FC
Isoskèle	France	100.00	100.00	100.00	100.00	FC	FC
Isoskèle Factory	France	100.00	100.00	100.00	100.00	FC	FC
La Poste E-éducation	France	100.00	100.00	100.00	100.00	FC	FC

COMPANY	COUNTRY	% interest		% control		Consolidation method	
		2022	2023	2022	2023	2022	2023
SERVICES-MAIL-PARCELS SEGMENT							
La Poste Nouveaux Services	France	100.00	100.00	100.00	100.00	FC	FC
La Poste Santé	France	100.00	100.00	100.00	100.00	FC	FC
La Poste Santé et Autonomie	France	100.00	100.00	100.00	100.00	FC	FC
LPI0	France	0.00	100.00	0.00	100.00		FC
LPC (ex Conciergerie)	France	51.00	51.00	51.00	51.00	FC	FC
LPS Réseaux (ex Financière AXEO)	France	100.00	100.00	100.00	100.00	FC	FC
Matching	France	83.76	83.76	83.76	83.76	FC	FC
Mediaposte Distribuição Postal	Portugal	100.00	100.00	100.00	100.00	FC	FC
Mediaposte Espagne SL	Spain	100.00	100.00	100.00	100.00	FC	FC
Mediaposte Hit Mail	Romania	100.00	100.00	100.00	100.00	FC	FC
Mediaposte Hit Mail Bulgaria	Bulgaria	100.00	100.00	100.00	100.00	FC	FC
Mediapost Holding	France	100.00	100.00	100.00	100.00	FC	FC
Mediaposte Martech	Romania		51.00		51.00		FC
Mediaposte SAS	France	100.00	100.00	100.00	100.00	FC	FC
Mediaposte SGPS	Portugal	100.00	100.00	100.00	100.00	FC	FC
Metrica	Bulgaria	60.00	100.00	60.00	100.00	FC	FC
MSCM2	France	50.82	0.00	100.00	0.00	FC	
Neolog	France	100.00	100.00	100.00	100.00	FC	FC
MN Santé (ex Newco Santé Holding)	France	48.14	53.33	48.14	53.33	FC	FC
Nouveal	France	48.14	0.00	100.00	0.00	FC	
Nouvelle Attitude	France	100.00	100.00	100.00	100.00	FC	FC
Ofertia Colombia	Colombia	100.00	100.00	100.00	100.00	FC	FC
Ofertia Mexico	Mexico	100.00	100.00	100.00	100.00	FC	FC
OnlySo	France	75.00	100.00	100.00	100.00	FC	FC
Organisme Formation Services	France	100.00	100.00	100.00	100.00	FC	FC
Recygo	France	51.00	51.00	51.00	51.00	FC	FC
S2A Oxygène	France	52.59	0.00	100.00	0.00	FC	
SCI STP Immo	France	100.00	100.00	100.00	100.00	FC	FC
SMP	France	100.00	100.00	100.00	100.00	FC	FC
Sogec Gestion	France	100.00	100.00	100.00	100.00	FC	FC
Sogec Informatique	France	100.00	100.00	100.00	100.00	FC	FC
Sogec Marketing	France	100.00	100.00	100.00	100.00	FC	FC
Sogefinad	France	100.00	100.00	100.00	100.00	FC	FC
Somepost	France	100.00	100.00	100.00	100.00	FC	FC
STP SA	France	100.00	100.00	100.00	100.00	FC	FC
Tikeasy	France	100.00	100.00	100.00	100.00	FC	FC
TimeOne – Group	France	100.00	100.00	100.00	100.00	FC	FC
TimeOne – LMT	France	100.00	100.00	100.00	100.00	FC	FC
TimeOne - Performance	France	100.00	100.00	100.00	100.00	FC	FC
Viapost Maintenance	France	100.00	100.00	100.00	100.00	FC	FC
Viapost SAS	France	100.00	100.00	100.00	100.00	FC	FC
Viapost transport Management	France	100.00	100.00	100.00	100.00	FC	FC
Vouchers Depot	Romania		75.00	0.00	75.00		FC

COMPANY	COUNTRY	% interest		% control		Consolidation method	
		2022	2023	2022	2023	2022	2023
GEOPOST SEGMENT							
Geopost SA	France	100.00	100.00	100.00	100.00	FC	FC
360° Services SAS	France	100.00	100.00	100.00	100.00	FC	FC
A52 Warehouse Inc.	Canada	32.31	32.31	50.00	50.00	FC	FC
ACP Global Forwarding	Poland	100.00	100.00	100.00	100.00	FC	FC
Air 360	France	60.00	60.00	100.00	100.00	FC	FC
Alas Courier, S.L.	Spain	100.00	100.00	100.00	100.00	FC	FC
Alolomer, S.L.U.	Spain	24.04	25.00	25.00	25.00	EM	EM
Alturing	France	100.00	100.00	100.00	100.00	FC	FC
Andalupaq Express, S.L.	Spain	100.00	100.00	100.00	100.00	FC	FC
Aramex PJSC	United Arab Emirates	28.00	28.00	28.00	28.00	EM	EM
Armadillo Holding GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
Asendia Austria GmbH	Austria	60.00	60.00	100.00	100.00	FC	FC
Asendia Benelux B.V.	Netherlands	60.00	60.00	100.00	100.00	FC	FC
Asendia Germany GmbH	Germany	60.00	60.00	100.00	100.00	FC	FC
Asendia Holding AG	Switzerland	60.00	60.00	60.00	60.00	FC	FC
Asendia Hong Kong Ltd	Hong Kong	60.00	60.00	100.00	100.00	FC	FC
Asendia Italy S.p.A.	Italy	60.00	60.00	100.00	100.00	FC	FC
Asendia Mgmt SAS	France	60.00	60.00	100.00	100.00	FC	FC
Asendia Mgmt SAS, branch Bern	Switzerland	60.00	60.00	100.00	100.00	FC	FC
Asendia Nordic AB	Sweden	60.00	60.00	100.00	100.00	FC	FC
Asendia Norway A/S	Norway	60.00	0.00	100.00	0.00	FC	
Asendia Oceania AU	Australia	60.00	60.00	100.00	100.00	FC	FC
Asendia Oceania NZ	Zealand	60.00	60.00	100.00	100.00	FC	FC
Asendia Operations (SCL)	Germany	60.00	0.00	100.00	0.00	FC	
Asendia Operations Verwaltung GmbH	Germany	60.00	0.00	100.00	0.00	FC	
Asendia Press Edigroup SA	Switzerland	60.00	60.00	100.00	100.00	FC	FC
Asendia Singapore	Singapore	60.00	60.00	100.00	100.00	FC	FC
Asendia Spain S.L.	Spain	60.00	60.00	100.00	100.00	FC	FC
Asendia UK Ltd	United Kingdom	60.00	60.00	100.00	100.00	FC	FC
Asendia USA	United States	60.00	60.00	100.00	100.00	FC	FC
Beijing Linehaul Express Co Ltd.	China	64.63	64.63	100.00	100.00	FC	FC
Bio Cair Forwarding International Co LTD	China	100.00	100.00	100.00	100.00	FC	FC
Biocair Asia Limited	Hong Kong	100.00	100.00	100.00	100.00	FC	FC
Biocair Australia PTY Ltd	Australia	100.00	100.00	100.00	100.00	FC	FC
Biocair Belgium	Belgium	100.00	100.00	100.00	100.00	FC	FC
Biocair Customs Brokerage LLC	United States	100.00	100.00	100.00	100.00	FC	FC
Biocair France SAS	France	100.00	100.00	100.00	100.00	FC	FC
Biocair Germany GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
BIOCAIR, Inc.	United States	100.00	100.00	100.00	100.00	FC	FC
Biocair India Private Limited	India		100.00		100.00		FC
BIOCAIR International Limited	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Biocair Singapore Pte Ltd	Singapore	100.00	100.00	100.00	100.00	FC	FC
Biocair South Africa (Pty) Ltd	South Africa	100.00	100.00	100.00	100.00	FC	FC
Boks SAS	France		24.48		24.68		EM
BK Logistics Group B.V.	Netherlands	100.00	100.00	100.00	100.00	FC	FC
BK Pharma Logistics B.V.	Netherlands	100.00	100.00	100.00	100.00	FC	FC
BK Sneltransport B.V.	Netherlands	100.00	100.00	100.00	100.00	FC	FC
Bloomsburys GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
BTB Mailflight	United Kingdom	60.00	60.00	100.00	100.00	FC	FC
BTB Mailflight Holding	United Kingdom	60.00	60.00	100.00	100.00	FC	FC
Broad Reach Canada	Canada		60.00		100.00		FC
Broad Reach Commerce Inc.	United States	54.00	52.20	90.00	87.00	FC	FC
C Chez Vous SAS	France	95.00	95.00	95.00	95.00	FC	FC
Caledonie express	France	60.00	60.00	60.00	60.00	EM	EM
Cargonet Software SAS	France	100.00	100.00	100.00	100.00	FC	FC
Central de Mensajeros Logística 2008, S.L.	Spain	100.00	100.00	100.00	100.00	FC	FC
Chrono Diali	Morocco	49.00	49.00	49.00	49.00	EM	EM
Chronofresh SAS	France	100.00	100.00	100.00	100.00	FC	FC
Chronopost (Mauritius) Ltd	Mauritius	75.00	75.00	75.00	75.00	FC	FC
Chronopost SAS	France	100.00	100.00	100.00	100.00	FC	FC
CI Algérie	Algeria	100.00	100.00	100.00	100.00	FC	FC
CI Burkina	Burkina Faso	40.00	40.00	40.00	40.00	EM	EM
CI Côte d'Ivoire	Ivory Coast	50.00	50.00	50.00	50.00	FC	FC
CI Maroc	Morocco	34.00	34.00	34.00	34.00	EM	EM

COMPANY	COUNTRY	% interest		% control		Consolidation method	
		2022	2023	2022	2023	2022	2023
GEOPOST SEGMENT							
CitySprint (UK) Bidco Limited	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
CitySprint (UK) Group Limited	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
CitySprint (UK) Limited	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
CitySprint Courier Services Limited	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Cool Runnings Transport B.V.	Netherlands		100.00		100.00		FC
Customs Clearance Ltd.	United Kingdom	64.63	64.63	100.00	100.00	FC	FC
CXB Partner S.A.U.	Spain	100.00	100.00	100.00	100.00	FC	FC
DalcoSud, S.L.U.	Spain		100.00		100.00		FC
Delifresh IDF	France	100.00	100.00	100.00	100.00	FC	FC
Direct Parcel Distribution CZ s.r.o.	Czech Republic	100.00	100.00	100.00	100.00	FC	FC
Direct Parcel Distribution SK s.r.o.	Slovakia	100.00	100.00	100.00	100.00	FC	FC
DPD (UK) Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
DPD Austria	Austria	25.57	25.57	25.57	25.57	EM	EM
DPD Bel FLLC	Belarus	100.00	100.00	100.00	100.00	FC	FC
DPD Belgium	Belgium	100.00	100.00	100.00	100.00	FC	FC
DPD Croatia d.o.o.	Croatia	100.00	100.00	100.00	100.00	FC	FC
DPD Deutschland GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
DPD Eesti AS	Estonia	100.00	100.00	100.00	100.00	FC	FC
DPD Eurasia LLC	Uzbekistan	100.00	100.00	100.00	100.00	FC	FC
DPD France SAS	France	100.00	100.00	100.00	100.00	FC	FC
DPD fresh BeLux BV	Belgium	100.00	100.00	100.00	100.00	FC	FC
DPD Group International Services GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
DPD HK Ltd.	Hong Kong	64.63	64.63	100.00	100.00	FC	FC
DPD Hungary Kft	Hungary	100.00	100.00	100.00	100.00	FC	FC
DPD Immobilien GmbH & Co. KG	Germany	100.00	100.00	100.00	100.00	FC	FC
DPD Immobilienverwaltung GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
DPD Ireland	Ireland	100.00	100.00	100.00	100.00	FC	FC
DPD Kazakhstan LLP	Kazakhstan	100.00	100.00	100.00	100.00	FC	FC
DPD Laser	South Africa	75.00	75.00	75.00	75.00	FC	FC
DPD Latvija SIA	Latvia	100.00	100.00	100.00	100.00	FC	FC
DPD Lietuva UAB	Lithuania	100.00	100.00	100.00	100.00	FC	FC
DPD Local UK Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
DPD Luxembourg	Luxembourg	100.00	100.00	100.00	100.00	FC	FC
DPD Netherlands	Netherlands	100.00	100.00	100.00	100.00	FC	FC
DPD Polska	Poland	100.00	100.00	100.00	100.00	FC	FC
DPD Portugal	Portugal	100.00	100.00	100.00	100.00	FC	FC
DPD Romania S.A.	Romania	69.81	69.81	100.00	100.00	FC	FC
DPD RUS	Russia	100.00	100.00	100.00	100.00	FC	FC
DPD Schweiz	Switzerland	100.00	100.00	100.00	100.00	FC	FC
DPD Service GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
DPD Sichuan Ltd	China	64.63	64.63	100.00	100.00	FC	FC
DPD Slovenia	Slovenia	100.00	100.00	100.00	100.00	FC	FC
DPDCN Linehaul Express Ltd	China	64.63	64.63	100.00	100.00	FC	FC
DPDgroup IT Solutions	Poland	100.00	100.00	100.00	100.00	FC	FC
DPDgroup IT Solutions Hungary Kft	Hungary	100.00	100.00	100.00	100.00	FC	FC
DPDgroup Uk Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
DS Russia GmbH & Co. Asset KG	Germany	100.00	100.00	100.00	100.00	FC	FC
DS Russia GP GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
DS Russia Management GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
DTDC	India	42.52	42.52	42.52	42.52	EM	EM
Epicery SAS	France	87.47	87.47	87.47	87.47	FC	FC
ESW Parent, Inc. (ESPI)	United States	60.00	60.00	60.00	60.00	FC	FC
ESW U.S. Direct E-Commerce Canada Corp	Canada	60.00	60.00	100.00	100.00	FC	FC
EVOL ANNECY	France	60.00	0.00	100.00	0.00	FC	
EVOL BORDEAUX	France	60.00	60.00	100.00	100.00	FC	FC
EVOL CENTRE	France	60.00	0.00	100.00	0.00	FC	
EVOL CLERMONT FERRAND	France	60.00	60.00	100.00	100.00	FC	FC
EVOL GRENOBLE	France	49.80	53.36	100.00	100.00	FC	FC
EVOL LILLE	France	60.00	60.00	100.00	100.00	FC	FC
EVOL LORRAINE	France	60.00	0.00	100.00	0.00	FC	
EVOL LYON	France	60.00	60.00	100.00	100.00	FC	FC
EVOL MARSEILLE AIX TOULON	France	60.00	60.00	100.00	100.00	FC	FC
EVOL MONTPELLIER	France	60.00	60.00	100.00	100.00	FC	FC
EVOL NANTES	France	60.00	60.00	100.00	100.00	FC	FC
EVOL NICE	France	60.00	0.00	100.00	0.00	FC	
EVOL PARIS	France	60.00	60.00	100.00	100.00	FC	FC
EVOL RENNES	France	60.00	60.00	100.00	100.00	FC	FC
EVOL ROUEN	France	60.00	0.00	100.00	0.00	FC	
EVOL STRASBOURG	France	60.00	60.00	100.00	100.00	FC	FC
EVOL TOULOUSE	France	60.00	60.00	100.00	100.00	FC	FC
Express Delivery Services	France	52.58	100.00	52.58	100.00	FC	FC
FB On Board Courier Services Inc.	Canada	7.11	18.20	11.00	28.17	EM	EM
FermoPoint S.r.l.	Italy	50.98	50.98	60.00	60.00	FC	FC

COMPANY	COUNTRY	% interest		% control		Consolidation method	
		2022	2023	2022	2023	2022	2023
GEOPOST SEGMENT							
Flap Locadora e Trans. Ltda.	Brazil	98.00	100.00	98.00	100.00	FC	FC
Forwarder Line Logistik	Liechtenstein	100.00	100.00	100.00	100.00	FC	FC
Geopost Americas	United States	100.00	100.00	100.00	100.00	FC	FC
Geopost Bulgaria EOOD	Bulgaria	69.81	0.00	100.00	0.00	FC	
Geopost España, S.L.	Spain	100.00	100.00	100.00	100.00	FC	FC
Geopost Holdings Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Geopost IMDH GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
Geopost Intermediate Holdings	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Geopost Ireland Limited	Ireland	100.00	100.00	100.00	100.00	FC	FC
Geopost South East Asia (SEA) Pte. Ltd.	Singapore	100.00	100.00	100.00	100.00	FC	FC
Geopost Trans EOOD	Bulgaria	69.81	69.81	100.00	100.00	FC	FC
GLPU	France	100.00	100.00	100.00	100.00	FC	FC
Gruppo BRT	Italy	84.96	84.96	84.96	84.96	FC	FC
Hubez HK Ltd	Hong Kong	64.63	64.63	100.00	100.00	FC	FC
iloxx GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
Infraestructuras, Tecnologia Y Soporte Al Reparto, SL	Spain	100.00	100.00	100.00	100.00	FC	FC
Interlink Express Parcels Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Interlink Express Plc	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Jadlog Logística Ltda.	Brazil	98.00	100.00	98.00	100.00	FC	FC
JLGP Brasil Participações Ltda	Brazil	100.00	100.00	100.00	100.00	FC	FC
Keyopstech	France	95.00	95.00	95.00	95.00	FC	FC
La Poste Global Mail	France	100.00	100.00	100.00	100.00	FC	FC
La Poste IMS	France	60.00	60.00	100.00	100.00	FC	FC
Last Mile Link Technologies Limited	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Latin America E-Commerce Direct, S.A. de C.V	Mexico	60.00	60.00	100.00	100.00	FC	FC
Lenton Group Ltd	Hong Kong	64.63	64.63	64.63	64.63	FC	FC
Linehaul Express (Cambodia) Co. Ltd.	Cambodia	16.16	16.16	25.00	25.00	EM	EM
Linehaul Express (Hainan) Ltd	China	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express (HK) Ltd.	Hong Kong	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express (India) Private Ltd.	India	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express (Sichuan) Ltd	China	48.79	0.00	100.00	0.00	FC	
Linehaul Express (Taiwan) Ltd.	Taiwan	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express (Thailand) Co. Ltd.	Thailand	32.31	32.31	50.00	50.00	FC	FC
Linehaul Express (Yiwu) Ltd	China	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express (Zhengzhou) Ltd.	China	48.79	48.79	75.50	75.50	FC	FC
Linehaul Express Co. Ltd.	Canada	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express France SARL	France	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express LLC	United Arab Emirates	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express LLC (Ex Universal Express LLC)	United Arab Emirates	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express Ltd.	United Kingdom	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express Singapore Pte Ltd.	Singapore	64.63	64.63	100.00	100.00	FC	FC
Linehaul MAC Express (Private) Ltd.	Sri Lanka	32.31	32.31	50.00	50.00	FC	FC
Linex Air Services (Private) Ltd.	South Africa	64.63	64.63	100.00	100.00	FC	FC
Linex Corporation	Philippines	38.78	38.78	60.00	60.00	FC	FC
Linex Inc.	United States	64.63	0.00	100.00	0.00	FC	
Linex Nankai JP Co, Ltd.	Japan	38.78	38.78	60.00	60.00	FC	FC
LUDEV	France	60.00	60.00	60.00	60.00	FC	FC
Madriparq Servicios, S.L.	Spain	100.00	100.00	100.00	100.00	FC	FC
Mach 1 Couriers Limited	United Kingdom		100.00		100.00		FC
Menexpres, S.A.	Spain	100.00	100.00	100.00	100.00	FC	FC
Nanny Bag	France	49.95	49.95	49.95	49.95	EM	EM
Ninja Logistics Pte. Ltd.	Singapore	42.41	42.32	42.41	42.32	EM	EM
North America Direct, Inc.	United States	60.00	60.00	100.00	100.00	FC	FC
On The Dot Technologies Limited	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Packcity Geopost	France	34.00	34.00	34.00	34.00	EM	EM
Parceline Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
ParcelLock GmbH	Germany	50.00	0.00	50.00	0.00	EM	
PickPoint (Russia) LLC	Russia	48.95	48.95	48.95	48.95	EM	EM
Pickpoint Delivery System Ltd. (Cyprus)	Cyprus	48.95	48.95	48.95	48.95	EM	EM
Pickup At Home	France	100.00	100.00	100.00	100.00	FC	FC
Pickup Logistics	France	100.00	100.00	100.00	100.00	FC	FC
Pickup Personal Services	France	100.00	100.00	100.00	100.00	FC	FC
Pickup Services	France	100.00	100.00	100.00	100.00	FC	FC
Pie Mapping Software Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Pour de bon SAS	France	100.00	100.00	100.00	100.00	FC	FC
Project Bolt Newco 1 Limited	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Project Bolt Newco 2 Limited	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
PT Linehaul Express Indonesia	Indonesia	25.85	25.85	40.00	40.00	EM	EM
Pudo Portugal S.A.	Portugal	25.00	25.00	25.00	25.00	EM	EM
Rapido Express and Logistics EOOD	Bulgaria	69.81	0.00	100.00	0.00	FC	
Resto In	France	100.00	100.00	100.00	100.00	FC	FC
RPX MAC Express (Private) Limited	Sri Lanka	32.31	32.31	100.00	100.00	FC	FC
Scalefast Australia PTY LTD	Australia	60.00	60.00	100.00	100.00	FC	FC
Scalefast Canada Enterprises	Canada	60.00	60.00	100.00	100.00	FC	FC

COMPANY	COUNTRY	% interest		% control		Consolidation method	
		2022	2023	2022	2023	2022	2023
GEOPOST SEGMENT							
Scalefast Inc.	United States	60.00	60.00	100.00	100.00	FC	FC
Scalefast Japan Kabushiki Kaisha	Japan	60.00	60.00	100.00	100.00	FC	FC
Scalefast S. de R.L. de C.V.	Mexico	60.00	60.00	100.00	100.00	FC	FC
Scalefast SAS	France	60.00	60.00	100.00	100.00	FC	FC
Scalefast Singapore PTE Ltd	Singapore	60.00	60.00	100.00	100.00	FC	FC
Scalefast, S.L.	Spain	60.00	60.00	100.00	100.00	FC	FC
SCI Exa Immo	France	100.00	100.00	100.00	100.00	FC	FC
SCI Examurs Paris	France	100.00	100.00	100.00	100.00	FC	FC
Sci Intel immo	France	100.00	100.00	100.00	100.00	FC	FC
SDS RUS LLC	Russia		100.00		100.00		FC
Seur España Operaciones, S.A.	Spain	96.14	100.00	100.00	100.00	FC	FC
Seur Geopost, S.L.	Spain	100.00	100.00	100.00	100.00	FC	FC
Seur Gerencia de Riesgos, S.L.	Spain	96.14	100.00	100.00	100.00	FC	FC
Seur Logística S.A.	Spain	96.14	100.00	100.00	100.00	FC	FC
Seur, S.A.	Spain	96.14	100.00	96.14	100.00	FC	FC
Shanghai E & T Wako Express Co. Ltd.	China	64.63	64.63	100.00	100.00	FC	FC
SHIFT7	France	60.00	60.00	100.00	100.00	FC	FC
Siodemka Systemy Sp z o.o.	Poland	100.00	100.00	100.00	100.00	FC	FC
Sodexi	France	35.00	35.00	35.00	35.00	EM	EM
Someva, S.L.U.	Spain	96.14	100.00	100.00	100.00	FC	FC
Speedy AD	Bulgaria	69.81	69.81	69.81	69.81	FC	FC
Speedy EOOD	Bulgaria	69.81	69.81	100.00	100.00	FC	FC
Speedy Tech Lab.	Bulgaria	69.81	69.81	100.00	100.00	FC	FC
SPI UK	United Kingdom	60.00	60.00	100.00	100.00	FC	FC
SRT France Logistics	France	100.00	100.00	100.00	100.00	FC	FC
SRT France SAS (Stuart)	France	100.00	0.00	100.00	0.00	FC	
SRT Group SAS	France	100.00	0.00	100.00	0.00	FC	
SRT Italy S.r.l.	Italy	100.00	0.00	100.00	0.00	FC	
STOCKNORD	France	60.00	0.00	100.00	0.00	FC	
STRT Delivery Portugal, Unipessoal LDA	Portugal	100.00	0.00	100.00	0.00	FC	
Stuart Delivery LTD	United Kingdom	100.00	0.00	100.00	0.00	FC	
Stuart Delivery, S.L.	Spain	100.00	0.00	100.00	0.00	FC	
Stuart Polska sp.zo.o.	Poland	100.00	0.00	100.00	0.00	FC	
Stuart Urban, S.L.	Spain	100.00	0.00	100.00	0.00	FC	
TD Express services	France	100.00	100.00	100.00	100.00	FC	FC
The Courier and Passenger Transport Group Limited	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
The Courier and Passenger Transport Holdings Limited	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
The Reach Advisory Limited.	Ireland	60.00	60.00	100.00	100.00	FC	FC
Transporte Integral de Paquetería, S.A.	Spain	100.00	100.00	100.00	100.00	FC	FC
Transworld Global Courier Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Urgent Deliveries Limited (EcoSpeed)	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
U.S. Direct (singapore) PTE Ltd	Singapore	60.00	60.00	100.00	100.00	FC	FC
U.S. Direct e-commerce AUS PTY Limited	Australia	60.00	60.00	100.00	100.00	FC	FC
U.S. Direct E-Commerce Malaysia SDN BHD	Malaysia		60.00		100.00		FC
U.S. Direct E-Commerce Netherlands B.V.	Netherlands	60.00	60.00	100.00	100.00	FC	FC
U.S. Direct e-commerce UK	United Kingdom	60.00	60.00	100.00	100.00	FC	FC
US Direct E-Commerce (USA) Inc.	United States	60.00	60.00	60.00	60.00	FC	FC
US Direct eCommerce Holding Ltd	Ireland	60.00	60.00	100.00	100.00	FC	FC
US Direct eCommerce Ltd	Ireland	60.00	60.00	100.00	100.00	FC	FC
US Direct eCommerce Nominee DAC	Ireland	60.00	60.00	100.00	100.00	FC	FC
US Direct E-Commerce Rus LLC	Russia	60.00	60.00	100.00	100.00	FC	FC
U.S. Direct E-Commerce Switzerland AG	Switzerland		60.00		100.00		FC
Wako Express Co. Ltd.	Taiwan	64.63	64.63	100.00	100.00	FC	FC
WN TPC	United Kingdom	60.00	60.00	100.00	100.00	FC	FC
WnDirect USA, Inc	United States	60.00	60.00	100.00	100.00	FC	FC
Your Cargo Contact B.V.	Netherlands	48.47	48.47	75.00	75.00	FC	FC
Your Cargo Contact Limited	United Kingdom		36.35		75.00		FC
Yurtici Kargo Servisi A.S.	Turkey	25.00	25.00	25.00	25.00	EM	EM

COMPANY	COUNTRY	% interest		% control		Consolidation method	
		2022	2023	2022	2023	2022	2023
LA BANQUE POSTALE - CNP - SEGMENT							
La Banque Postale	France	100.00	100.00	100.00	100.00	FC	FC
115 K	France	100.00	100.00	100.00	100.00	FC	FC
AEP3 SCI	France	100.00	100.00	100.00	100.00	FC	FC
AEP4 SCI	France	100.00	100.00	100.00	100.00	FC	FC
Arial CNP Assurances	France	40.00	40.00	40.00	40.00	EM	EM
Assurbail Patrimoine	France	100.00	100.00	100.00	100.00	FC	FC
Assurimmeuble	France	100.00	100.00	100.00	100.00	FC	FC
Assurance	France	100.00	100.00	100.00	100.00	FC	FC
Caixa Seguradora Especializada Em Saúde SA	Brazil	51.75	51.75	100.00	100.00	FC	FC
Caixa Seguradora SA	Brazil	51.75	51.75	100.00	100.00	FC	FC
Caixa Vida e Previdência	Brazil	40.00	40.00	100.00	100.00	FC	FC
CIMO	France	100.00	100.00	100.00	100.00	FC	FC
CNP Asfaltistiki	Cyprus	100.00	100.00	100.00	100.00	FC	FC
CNP Assur Trésorerie Plus	France	99.09	97.68	99.09	97.68	FC	FC
CNP Assurances	France	100.00	100.00	100.00	100.00	FC	FC
CNP Assurances Compañia de Seguros	Argentina	76.47	76.47	76.47	76.47	FC	FC
CNP Assurances Conseil & Courtage (ex "La Banque Postale Conseil en Assurance")	France	100.00	0.00	100.00	0.00	FC	
CNP Assurances Holding	France		100.00		100.00		FC
CNP Assurances IARD (ex "La Banque Postale Assurance IARD")	France	100.00	100.00	100.00	100.00	FC	FC
CNP Assurances Latam Holding Ltda	Brazil	100.00	100.00	100.00	100.00	FC	FC
CNP Assurances Participações Ltda	Brazil	100.00	100.00	100.00	100.00	FC	FC
CNP Assurances Prévoyance (ex "La Banque Postale Prévoyance")	France	100.00	100.00	100.00	100.00	FC	FC
CNP Assurances Santé Individuelle (ex "La Banque Postale Assurance Santé")	France	51.00	51.00	51.00	51.00	FC	FC
CNP Capitalização SA	Brazil	26.39	100.00	51.00	100.00	FC	FC
CNP Caution	France	100.00	100.00	100.00	100.00	FC	FC
CNP Consórcio SA Administradora de Consórcios	Brazil	100.00	100.00	100.00	100.00	FC	FC
CNP Cyprialife	Cyprus	100.00	100.00	100.00	100.00	FC	FC
CNP Cyprus Insurance Holdings	Cyprus	100.00	100.00	100.00	100.00	FC	FC
CNP Cyprus Properties	Cyprus	100.00	0.00	100.00	0.00	FC	
CNP Cyprus Tower Ltd	Cyprus	100.00	0.00	100.00	0.00	FC	
CNP Europe Life	Ireland	100.00	100.00	100.00	100.00	FC	FC
CNP Immobilier	France	100.00	100.00	100.00	100.00	FC	FC
CNP Luxembourg	Luxembourg	100.00	100.00	100.00	100.00	FC	FC
CNP OSTRUM ISR OBLI 12 MOIS	France	98.98	100.00	98.98	100.00	FC	FC
CNP Participações em Seguros Ltda (ex CNP Seguros Participações em Saúde Ltda)	Brazil	51.75	100.00	51.75	100.00	FC	FC
CNP Participações Securitárias Brasil Ltda	Brazil	51.75	51.75	100.00	100.00	FC	FC
CNP Praktoriaki	Greece	100.00	0.00	100.00	0.00	FC	FC
CNP Retraite	France	100.00	100.00	100.00	100.00	FC	FC
CNP SA de Capitalización y Ahorro p/ fines determinados	Argentina	50.00	50.00	65.38	65.38	FC	FC
CNP Santander Insurance Europe Ltd	Ireland	51.00	51.00	51.00	51.00	FC	FC
CNP Santander Insurance Life Ltd	Ireland	51.00	51.00	51.00	51.00	FC	FC
CNP Santander Insurance Services Ireland Ltd	Ireland	51.00	0.00	51.00	0.00	FC	
CNP Seguros Holding Brasil SA	Brazil	51.75	51.75	51.75	51.75	FC	FC
CNP UniCredit Vita	Italy	51.00	51.00	51.00	51.00	FC	FC
CNP Vita Assicura	Italy	100.00	100.00	100.00	100.00	FC	FC
CNP Vita Assicurazione	Italy	100.00	100.00	100.00	100.00	FC	FC
CNP Zois	Greece	100.00	100.00	100.00	100.00	FC	FC
Companhia de Seguros Previdencia Do Sul-Previsul	Brazil	51.75	100.00	100.00	100.00	FC	FC
Credicoop Compañia de Seguros de Retiro SA	Argentina	29.82	29.82	29.82	29.82	EM	EM

COMPANY	COUNTRY	% interest		% control		Consolidation method	
		2022	2023	2022	2023	2022	2023
LA BANQUE POSTALE - CNP - SEGMENT							
EasyBourse	France	100.00	100.00	100.00	100.00	FC	FC
Ecureuil Profil 90	France	56.22	55.64	56.22	55.64	FC	FC
Ecureuil Vie Développement	France	49.00	0.00	49.00	0.00	EM	
Ezynes	France		100.00		100.00		FC
FCT Elise 2012	France	95.00	95.00	95.00	95.00	FC	FC
Filassistance International	France	100.00	100.00	100.00	100.00	FC	FC
Financière de l'Echiquier	France		75.00		100.00		FC
Foncière ELBP	France		100.00		100.00		FC
Fundo De Investimento Imobiliario Renda Corporativa Angico - FII	Brazil	48.81	48.81	100.00	100.00	FC	FC
GALAXIE 33	France		100.00		100.00		FC
Holding d'Infrastructures Gazières	France	52.97	52.97	52.97	52.97	EM	EM
Holding XS 1 SA	Brazil	40.00	40.00	51.00	51.00	FC	FC
Infra-Invest	Luxembourg	100.00	100.00	100.00	100.00	FC	FC
Infra-Invest France	France	100.00	100.00	100.00	100.00	FC	FC
Infra-Invest Holding	France	100.00	100.00	100.00	100.00	FC	FC
Issy Cœur de Ville (ICV) (ex "SCI ICV")	France	100.00	100.00	100.00	100.00	FC	FC
La Banque Postale Asset Management Holding	France	75.00	0.00	75.00	0.00	FC	
La Banque Postale Collectivités Locales	France	65.00	0.00	65.00	0.00	FC	
La Banque Postale Consumer Finance	France	100.00	100.00	100.00	100.00	FC	FC
La Banque Postale Home Loan SFH	France	100.00	100.00	100.00	100.00	FC	FC
La Banque Postale Leasing & Factoring	France	100.00	100.00	100.00	100.00	FC	FC
LBP Actifs Immo	France	100.00	100.00	100.00	100.00	FC	FC
LBP AM (ex La Banque Postale Asset Management)	France	75.00	75.00	100.00	75.00	FC	FC
LBP Dutch Mortgage Portfolio 1 BV	Netherlands	100.00	100.00	100.00	100.00	FC	FC
LBP Dutch Mortgage Portfolio 2 BV	Netherlands	100.00	100.00	100.00	100.00	FC	FC
Louvre Banque Privée	France	100.00	100.00	100.00	100.00	FC	FC
Louvre Banque Privée Immobilier Conseil (ex La Banque Postale Immobilier Conseil)	France	100.00	100.00	100.00	100.00	FC	FC
Ma French Bank	France	100.00	100.00	100.00	100.00	FC	FC
MFPrévoyance SA	France	100.00		100.00		FC	
Montparvie V	France	100.00	100.00	100.00	100.00	FC	FC
Odonto Empresas Convênios Dentários Ltda	Brazil	100.00	100.00	100.00	100.00	FC	FC
OPCI AEP247	France	100.00	100.00	100.00	100.00	FC	FC
OPCI AEW Imcom 1	France	100.00	100.00	100.00	100.00	FC	FC
OPCI MTP Invest	France	100.00	100.00	100.00	100.00	FC	FC
OPCI Raspail	France	99.94	99.94	99.94	99.94	FC	FC
OPCVM Caixa Seguradora SA	Brazil	51.75	51.75	100.00	100.00	FC	FC
OPCVM Caixa Vida e Previdência	Brazil	40.00	40.00	100.00	100.00	FC	FC
OPCVM CNP Capitalizacão SA	Brazil	26.39	100.00	100.00	100.00	FC	FC
OPCVM CNP Consórcio SA	Brazil	100.00	100.00	100.00	100.00	FC	FC
OPCVM Holding Caixa Seguros Holding SA	Brazil	51.75	51.75	100.00	100.00	FC	FC
Outlet Invest	France	100.00		100.00		FC	
Provincia Seguros de Vida SA	Argentina	40.00	40.00	40.00	40.00	EM	EM
SAS Alleray	France	100.00		100.00		FC	
SCI CRSF Métropole	France	100.00	100.00	100.00	100.00	FC	FC
SCI Lamartine	France	85.00	85.00	85.00	85.00	FC	FC
SCI Tertiaire Saint Romain	France	100.00	100.00	100.00	100.00	FC	FC
SCP Lamartine Euros	France	100.00	100.00	100.00	100.00	FC	FC
SCP Lamartine monitoring Holding	France	100.00	100.00	100.00	100.00	FC	FC
SICAC	France	100.00	100.00	100.00	100.00	FC	FC
SOFIAP	France	66.00	66.00	66.00	66.00	FC	FC
Sogestop K	France	100.00	100.00	100.00	100.00	FC	FC
TERRE NEUVE 4 IMMO	France		100.00		100.00		FC
Tocqueville Finance SA	France	74.99	75.00	99.99	100.00	FC	FC
Univers CNP 1 FCP	France	100.00	100.00	100.00	100.00	FC	FC
Vivaccio ISR actions	France	100.00	99.82	100.00	99.82	FC	FC
Wiz Soluções e Corretagem de Seguros SA	Brazil	12.94	12.94	25.00	25.00	EM	EM
XS2 Vida e Previdência SA	Brazil	40.00	40.00	100.00	100.00	FC	FC
XS5 Administradora de consorcios SA	Brazil	25.00	25.00	50.01	50.01	EM	EM
Youse Tecnologia e Assistencia em Seguros Ltda	Brazil	51.75	51.75	100.00	100.00	FC	FC

COMPANY	COUNTRY	% interest		% control		Consolidation method	
		2022	2023	2022	2023	2022	2023
RETAIL CUSTOMERS & DIGITAL SERVICES SEGMENT							
2B-Softeam Data	France	100.00	0.00	100.00	0.00	FC	
Acuitude	France		100.00		100.00		FC
Adverline	France	100.00	100.00	100.00	100.00	FC	FC
AR 24	France	80.24	80.24	80.24	80.24	FC	FC
ARKHINEO	France	100.00	100.00	100.00	100.00	FC	FC
Axonal	France		100.00		100.00		FC
Boxtal	France	100.00	100.00	100.00	100.00	FC	FC
Certinomis	France	100.00	100.00	100.00	100.00	FC	FC
CNTP - Docaposte BPO	France	100.00	100.00	100.00	100.00	FC	FC
Docaposte	France	100.00	100.00	100.00	100.00	FC	FC
Docaposte Agility	France	100.00	100.00	100.00	100.00	FC	FC
Docaposte Applicam	France	100.00	100.00	100.00	100.00	FC	FC
Docaposte BPO	Morocco	100.00	0.00	100.00	0.00	FC	
Docaposte BPO IS	France	65.00	65.00	65.00	65.00	FC	FC
Docaposte BPO SAS	France	100.00	100.00	100.00	100.00	FC	FC
Docaposte CSP	France	100.00	100.00	100.00	100.00	FC	FC
Docaposte DPS	France	100.00	100.00	100.00	100.00	FC	FC
Docaposte Externalisation	France	100.00	100.00	100.00	100.00	FC	FC
Docaposte Fast	France	100.00	100.00	100.00	100.00	FC	FC
Docaposte IOT	France	100.00	100.00	100.00	100.00	FC	FC
Docaposte E -Santé	France	100.00	0.00	100.00	0.00	FC	
Docaposte Institute (ex Docaposte Localéo)	France	100.00	100.00	100.00	100.00	FC	FC
Docaposte Trust & Sign	France	100.00	100.00	100.00	100.00	FC	FC
Docaposte Trust & Sign POLOGNE	Poland	100.00	100.00	100.00	100.00	FC	FC
Docaposte Trust & Sign ROUMANIE	Romania	100.00	100.00	100.00	100.00	FC	FC
Docaposte Tunisie	Tunisia		100.00		100.00		FC
Docaposte-PST (ex Prosofteam)	France	100.00	100.00	100.00	100.00	FC	FC
ESCENT Belgique	Belgium	100.00	100.00	100.00	100.00	FC	FC
ESCENT Luxembourg	Luxembourg	100.00	100.00	100.00	100.00	FC	FC
Esculape	France		98.08		98.08		FC
Eukles	France	100.00	100.00	100.00	100.00	FC	FC
GENITECH Tunisie	Tunisia	100.00	0.00	100.00	0.00	FC	
Heva	France	100.00	100.00	100.00	100.00	FC	FC
Icanopée	France	100.00	100.00	100.00	100.00	FC	FC
Inadvans	France	100.00	0.00	100.00	0.00	FC	
Index Education Développement	France	80.00	90.00	100.00	90.00	FC	FC
Index Education France	France	80.00	90.00	100.00	100.00	FC	FC
Index Italie	Italy	80.00	90.00	100.00	100.00	FC	FC
Kidscare	France	100.00	0.00	100.00	0.00	FC	
La Manufacture Docaposte	France		70.00		70.00		FC
La Poste Services à la Personne	France	100.00	100.00	100.00	100.00	FC	FC
La Poste Telecom	France	51.00	51.00	51.00	51.00	EM	EM
LPT1	France	100.00	100.00	100.00	100.00	FC	FC
Maileva	France	100.00	100.00	100.00	100.00	FC	FC
Maincare	France		98.08		100.00		FC
MARKETSHOT	France	100.00	100.00	100.00	100.00	FC	FC
Media Prisme SAS	France	82.05	82.05	82.05	82.05	FC	FC
Mon Contact Logement	France		51.00		51.00		FC
Monha	France		49.00		49.00		EM
Numspot	France		26.00		26.00		EM
Openvalue	France	80.00	80.00	100.00	80.00	FC	FC
Optelo	France	100.00	0.00	100.00	0.00	FC	
Probayes	France	100.00	100.00	100.00	100.00	FC	FC
THIQA	France		80.00		80.00		FC
Sefas Espana	Spain	100.00	100.00	100.00	100.00	FC	FC
Sefas Inc	United States	100.00	100.00	100.00	100.00	FC	FC
Sefas Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Sefas SA	France	100.00	100.00	99.99	100.00	FC	FC
Seres Allemagne	Germany	66.00	0.00	100.00	0.00	FC	
Séres Espagne	Spain	66.00	66.00	100.00	100.00	FC	FC
Sérès SA	France	66.00	66.00	66.00	66.00	FC	FC
Sofadev - Docaposte BPO	Morocco	100.00	100.00	100.00	100.00	FC	FC
Softeam	France	100.00	100.00	100.00	100.00	FC	FC
Softeam Agency	France	100.00	100.00	100.00	100.00	FC	FC
Softeam Armonys	France	100.00	100.00	100.00	100.00	FC	FC
Softeam Consulting	France	100.00	100.00	100.00	100.00	FC	FC
Softeam Group	France	100.00	100.00	100.00	100.00	FC	FC
Tekoway Moldavie	Moldova		100.00		100.00		FC
Tekoway France	France		100.00		100.00		FC
Voxaly	France	100.00	100.00	100.00	100.00	FC	FC
Weliom	France		70.00		70.00		FC

COMPANY	COUNTRY	% interest		% control		Consolidation method	
		2022	2023	2022	2023	2022	2023
REAL ESTATE SEGMENT							
Poste Immo	France	100.00	100.00	100.00	100.00	FC	FC
Akatea 2 TPF2 SAS	France	20.02	20.02	20.02	20.02	EM	EM
Akatea TPF2	France	20.02	20.02	20.02	20.02	EM	EM
Ciposte SAS	France	100.00	100.00	100.00	100.00	FC	FC
Fréjorgues Energy SAS	France	46.00	46.00	46.00	46.00	EM	EM
HLU Port de Lyon	France	0.00	20.00	0.00	20.00		EM
Holding PI	France	46.00	46.00	46.00	46.00	EM	EM
Holding PI2	France	46.00	46.00	46.00	46.00	EM	EM
ImmoStoc SAS	France	100.00	100.00	100.00	100.00	FC	FC
LocaPoste SAS	France	100.00	100.00	100.00	100.00	FC	FC
Lumin' Toulouse SAS	France	44.00	44.00	44.00	44.00	EM	EM
Lumin'Logistique urbaine	France	44.00	44.00	44.00	44.00	EM	EM
Multiburo	France	100.00	0.00	100.00	0.00	FC	
Multigestion	France	100.00	0.00	100.00	0.00	FC	
Multiburo Gares	France	100.00	100.00	100.00	100.00	FC	FC
Multiburo Suisse SA	Swiss	100.00	100.00	100.00	100.00	FC	FC
MWPI (ex SAS Starway Partners)	France	96.00	100.00	100.00	100.00	FC	FC
N.C.I	Belgium	100.00	100.00	100.00	100.00	FC	FC
PI Energy	France	46.00	46.00	46.00	46.00	EM	EM
PI Energy 2	France	46.00	46.00	46.00	46.00	EM	EM
PI Logistique Urbaine	France	100.00	100.00	100.00	100.00	FC	FC
Poste Immo tertiaire	France	100.00	100.00	100.00	100.00	FC	FC
SAS PI développement	France	100.00	100.00	100.00	100.00	FC	FC
SAS PI Energies renouvelables	France	100.00	100.00	100.00	100.00	FC	FC
SAS PI Invest	France	100.00	100.00	100.00	100.00	FC	FC
SAS Startway IG	France	45.10	0.00	45.10	0.00	FC	
SAS STARTWAY SYSTEM	France	100.00	0.00	100.00	0.00	FC	
SC Pyxis	France	100.00	100.00	100.00	100.00	FC	FC
SCCV 56, Rue Cler	France	49.00	49.00	49.00	49.00	EM	EM
SCCV Paris Campagne Première	France	49.00	49.00	49.00	49.00	EM	EM
SCI Activités annexes	France	100.00	100.00	100.00	100.00	FC	FC
SCI Activités Colis	France	100.00	100.00	100.00	100.00	FC	FC
SCI Activités Courrier de Proximité	France	100.00	100.00	100.00	100.00	FC	FC
SCI Activités Courrier Industriel	France	100.00	100.00	100.00	100.00	FC	FC
SCI Aix-Pichaury	France	100.00	100.00	100.00	100.00	FC	FC
SCI Arkadea Fort de France	France	49.00	0.00	49.00	0.00	EM	
SCI Arkadea Lyon Crepet	France	35.00	0.00	35.00	0.00	EM	
SCI Arkadea Lyon Croix Rousse	France	30.00	0.00	30.00	0.00	EM	
SCI Arkadea Marseille Saint Victor	France	49.00	49.00	49.00	49.00	EM	EM
SCI Arkadea Rennes Trigone	France	49.00	49.00	49.00	49.00	EM	EM
SCI Bataille	France	35.00	35.00	35.00	35.00	EM	EM
SCI BP	France	100.00	100.00	100.00	100.00	FC	FC
SCI BP Mixte	France	100.00	100.00	100.00	100.00	FC	FC
SCI Centres de loisirs	France	100.00	100.00	100.00	100.00	FC	FC
SCI DOM	France	100.00	100.00	100.00	100.00	FC	FC
SCI Green Opale	France	100.00	100.00	100.00	100.00	FC	FC
SCI Logement	France	100.00	100.00	100.00	100.00	FC	FC
SCI Nantes Aubiniere	France	100.00	100.00	100.00	100.00	FC	FC
SCI PI 17	France	100.00	100.00	100.00	100.00	FC	FC
SCI PI Bordeaux Tourville	France	100.00	100.00	100.00	100.00	FC	FC
SCI Route du Moulin Bateau Bonneuil	France	100.00	100.00	100.00	100.00	FC	FC
SCI RSS Strasbourg MEE	France	59.00	59.00	59.00	59.00	EM	EM
SCI Tertiaire	France	100.00	100.00	100.00	100.00	FC	FC
SCI Tertiaire Mixte	France	100.00	100.00	100.00	100.00	FC	FC
Sobre	France	48.56	48.56	48.56	48.56	EM	EM
SOBRE GLP	France	74.28	74.28	51.00	51.00	FC	FC
Société SCCV Rue du Champ Macret-Roye	France	100.00	100.00	100.00	100.00	FC	FC
SOGARIS Paris : les espaces logistiques urbains	France	22.50	22.50	22.50	22.50	EM	EM
Toulouse Occitanie	France	44.00	44.00	44.00	44.00	EM	EM
TPF2 - SPPICAV	France	20.02	20.02	20.02	20.02	EM	EM
Urba 144	France	46.00	46.00	46.00	46.00	EM	EM
UNALLOCATED							
La Poste Ventures (LP7)	France	100.00	100.00	100.00	100.00	FC	FC
Vehiposte SAS	France	100.00	100.00	100.00	100.00	FC	FC
Movivolt	France	30.00	30.00	30.00	30.00	EM	EM

FC : full consolidation EM : equity method PC : proportional consolidation

NOTE 45 OTHER UNCONSOLIDATED EQUITY INVESTMENTS – EXCLUDING FRANCE

	Country	31 Dec. 2023		31 Dec. 2022
		Percentage held	Carrying Amount	Carrying Amount
<i>(in € thousands)</i>				
CNP Cyprus Properties	Cyprus	100%	15,883	0
Anchanto	Singapore	17%	6,613	6,191
Bosta Inc.	United States	11%	1,285	1,285
White Image Loyalty	Romania	75%	1,137	0
Livelihoods	Luxembourg	3%	1,000	1,000
Localz Pty Ltd.	Australia	5%	926	926
Sérès Argentine	Argentina	90%	904	850
Sérès Colombie	Colombia	100%	770	807
Sérès Mexique	Mexico	100%	586	586
DPD Argentina S.A.	Argentina	35%	498	0
Koiki	Spain	9%	370	370
Mediaposte Vietnam	Vietnam	36%	311	311
Sqale	Switzerland	16%	213	0
CNP Praktoriaki	Greece	100%	154	0
Sérès Equateur	Ecuador	100%	187	216
Séres Pérou	Peru	100%	177	95
LFDE Suisse SA	Switzerland	100%	94	0
Vietnam Postal SRL	Vietnam	6%	43	43
CargoNetwork Gm	Germany	11%	40	40
Miscellaneous	Portugal	n.m.	32	32
Scalefast Japan Co	Japan	2%	31	0
CID Externalizacion de Serviçi	Spain	10%	25	25
White Image Group	Romania	75%	21	0
Miscellaneous	Philippines	n.m.	18	20
Miscellaneous	Spain	n.m.	17	17
Kombiverkehr Deu	Germany	n.m.	16	16
IG Zollwerk	Switzerland	7%	11	10
Insercion Personal Discapacita	Spain	10%	6	6
Miscellaneous	Germany	n.m.	1	1
Citibox Smart Services, S.L.	Spain	2%	0	153
DalcoSud, S.L.U. ^(a)	Spain			9,723
Cool Runnings Transport B.V. ^(a)	Netherlands			2,544
Advanced Ideas SRL ^(a)	Romania			821
Vouchers Depot SRL ^(a)	Romania			152
Mediaposte Martech ^(a)	Romania			52
Biocair India Private Limited ^(a)	India			11
Docaposte Tunisie (ex Applicam Tunisie) ^(a)	Tunisia			10
TOTAL			31,368	26,313

^(a) Company consolidated in 2023.