

LE GROUPE LA POSTE RESULTS FOR 2021

Recovery in results and major strategic steps

Financial performance

- **Operating revenue¹: €34.6 billion** or +11.0%, and +9.6% at constant scope and exchange rates
- **Operating profit/(loss)²:**
 - ✓ **€3.4 billion**, vs. €3.1 billion in 2020
 - ✓ **€2.5 billion** excluding the effects of the initial recognition of CNP Assurances shares (CNPA) and excluding the impairment of Mail assets, i.e. an increase of **+€1.5 billion³** compared to 2020.
- **Net profit/(loss), Group share:**
 - ✓ **€2.1 billion** stable (-€15 million),
 - ✓ **€1.2 billion** excluding the effects of initial recognition of CNPA shares, excluding the impairment of Mail assets and excluding impairment of deferred tax assets, i.e. an increase of **+€1.5 billion⁴** compared to 2020.
- **Free cash flow⁵: +€248 million** (vs. -€510 million as at 31/12/2020)
- **Net debt⁵: €10.2 billion** (vs. €8.8 billion as at 31/12/2020)
- **Net debt/Adjusted EBITDA: 3.6** (vs. 7.1 as at 31/12/2020)
- **Equity: €20.9 billion** (vs. €18.4⁶ billion as at 31/12/2020)

¹ Throughout the press release, the term “operating revenue” refers to all of the Group’s operating revenues, including the operating revenue from industrial and commercial activities and La Banque Postale’s net banking income (including net income from CNP Assurances activities).

² After share of net profit/(loss) of jointly controlled entities.

³ At the end of 2020, the impact of the initial recognition of CNPA shares represented +€3.0 billion on operating profit/(loss) and the impairment of Mail assets amounted to -€900 million; at the end of 2021, the provision for impairment of Mail assets amounted to +€900 million.

⁴ At the end of 2020, the impact of the initial recognition of CNPA shares represented +€3.6 billion on net profit Group share, the impairment of Mail assets amounted to €900 million and deferred tax assets amounted to -€298 million; at the end of 2021, the reversal of the provision for impairment of Mail assets amounted to +€900 million.

⁵ Definition presented in the paragraph “Alternative performance indicators” in the appendix to the press release.

⁶ 2020 restated following the entry into force of IFRS IC in May 2021, impacting the calculation of post-employment benefits.

Key highlights in 2021

- **Continuation of trends impacting the Group's business model:**
 - The decrease in the volumes of **mail** accelerated since the beginning of the health crisis (-10.5% on average per year over the period 2019-2021 and -2.4% in 2021, their structural decline having been mitigated in 2021 by a favourable base effect),
 - Supported by robust logistics, the volumes of **parcel** and **express** continued to grow in 2021 (2.8 billion parcels delivered⁷ or +10.7%), after a record year in 2020, in a context of very dynamic growth in global e-commerce,
 - **La Banque Postale**, whose strategic equity alliance with CNP Assurances made further progress, saw a dynamic of recovery in its business in a context of still penalising low interest rates;
- **Major strategic progress:**
 - **Acceleration of diversification and growth drivers**
 - In express, increase in the share capital of **Speedy AD** (69.8%), a leading player in Bulgaria, acquisition of 100% of **City Sprint** (same-day delivery) in the United Kingdom; in food, takeover of **Epicery** (87.5%); acceleration of development outside Europe with a stake (24.9%) in the transport logistics company **Aramex** (Middle East) and the increase in the share capital of **Ninja Van** (43.3%) based in South East Asia; more than €560 million in investments have bolstered GeoPost's processing capacities (opening of hubs and local storages in particular)
 - In e-commerce, **Asendia**⁸ increases its stake in eShopWorld, an e-commerce facilitator, to 100%
 - In bancassurance, acquisition by **La Banque Postale** of BPCE's 16.1% stake in the share capital of **CNP Assurances**⁹, completion of the acquisition of the life insurance business of **Aviva** in Italy, enabling CNP Assurances to become the fifth life insurer in this country and **creation of the new corporate and investment bank**
 - In digital, strengthening of digital expertise, through the acquisition of **TimeOne** (100%), a specialist in the generation of qualified profiles, **Openvalue** (80%), consulting in Big Data and AI, **Boxtal** (100%), comparator of online parcel delivery solutions, as well as the **electronic signature activities** of Idemia,
 - **Creation of the Retail Customers and Digital Services business unit**¹⁰, integrating the power of digital technology with La Poste's physical distribution network,
 - Since 1 July, **GeoPost** ensures the **operational management of Asendia**⁹, facilitating synergies within international logistics activities,

⁷ Cumulative growth in parcels, express and e-pacq.

⁸ Asendia, the majority shareholder of eShopWorld (eSW) since 2017, is owned 60% by La Poste Groupe and 40% by Swiss Post.

⁹ La Banque Postale's (LBP) stake in the capital of CNP Assurances (CNPA) now stands at 78.9%. LBP plans to file with the *Autorité des Marchés Financiers* in the first half of 2022 a simplified public takeover bid for the 21.1% of the share capital of CNPA that it does not hold, followed by a squeeze-out if the conditions are met.

¹⁰ These organisational changes came into effect on 1 July 2021.

- Allocation of a **first allowance of €520 million** by the State as compensation for the Universal Postal Service for 2021¹¹,
- Adoption in June 2021 of the **status of “entreprise à mission”**¹², with commitments to have a positive impact on society: contributing to the development and cohesion of the regions, promoting social inclusion, promoting ethical, inclusive and frugal digital technologies, working to accelerate the environmental transition for all,
- **Signature of a new national employee agreement** “La Poste committed with postal workers”, marking a proactive social policy;
- **Recognition of the Group’s societal commitment by extrafinancial rating agencies:**
 - Maintained at **World leader level all sectors combined by Vigeo Eiris**, award of the **Platinum medal by EcoVadis**, and registration on the **CDP “List A”**;
 - **La Banque Postale** is the first European bank and one of the first financial institutions in the world to have a **decarbonisation trajectory validated by the “Science Based Targets initiative”** (SBTi)¹³;
- **Positive change in the Group’s credit rating:** upgraded to A+ in November 2021, “stable” outlook by Standards & Poors, and maintained at A+ in December, with outlook raised to “stable” by Fitch Ratings.

After meeting today under the chairmanship of Philippe Wahl, the Board of Directors of La Poste approved the Group’s consolidated financial statements for 2021.

“In 2021, La Poste Groupe generated operating revenue of €34.6 billion and reported a recovery in results thanks to the commitment and efficiency of its postal workers. Thanks also to our shareholders, La Caisse des Dépôts and the French State, who supported our investments, thus consolidating our development.

With the unprecedented growth of e-commerce and the digitisation of society, the Express and Parcels business reached record levels (2.8 billion parcels delivered in 2021 compared to 1.1 billion in 2013); while Mail volumes continued to erode (7.3 billion letters in 2021 compared to 13.7 billion in 2013) after an accelerated fall in 2020. Operating revenue from human proximity services¹⁴ recorded growth of +26% and amounted to €642 million.

2021 was the year of the launch of our new strategic plan “La Poste 2030, committed for you”. It aims to build a sustainable model for our Group to enable profitable and responsible growth.

We have already achieved major strategic milestones in 2021. GeoPost accelerated its development in Europe and at intercontinental level. A new business unit, Retail Customers and Digital Services, was created on 1 July, combining the power of our physical network with the expertise of our digital services to improve customer satisfaction, our top strategic priority.

La Banque Postale strengthened its position as a leading player in bancassurance with the increase in the share capital of CNP Assurances and the creation of a “citizen” CIB. The

¹¹ On 22 July 2021, the French State committed to paying La Poste an annual allocation for the Universal Postal Service of €500 million to €520 million, over the period from 2021 to 2025, depending on the quality of service.

¹² ie whose social and environmental objectives are aligned with its purpose and set out in its Articles of association.

¹³ Leading independent body led by four international organisations.

¹⁴ New services and Silver & Healthcare.

Group is fully invested in its four public service missions which were consolidated by the French State's decision to compensate for the deficit of the Universal Postal Service.

In 2021, La Poste adopted the status of an "entreprise à mission" which confirms its commitment to serving society as a whole. This commitment is expressed on a daily basis through the postal workers who have been resilient and courageous in the face of the global health crisis. The recovery of our results allows us to pay this year to the men and women who are the driving force behind our action and our transformation, a profit sharing."

Summary financial information as at 31 December 2021

31/12/2021	31/12/2020	Impact of the contribution of CNP Assurances shares in 2020	Change vs. N-1 (excluding the impact of the contribution of CNP Assurances shares)		vs. N-1 at constant scope and exchange rates	
			In € m	as %	In € m	as %

Operating performance

Operating Revenue	34,609	31,185	+3,424	+11.0	+2,959	+9.6	
Operating profit/(loss) (*)	3,431	3,149	-3,007	+3,289	ns	+3,060	n.s.
Operating profit/(loss) <i>excluding the effects of the first recognition of CNPA shares and impairment of Mail assets</i>	2,531	1,042	+1,489	+142.9			
Financial profit/(loss)	(202)	(243)	+41	-16.9	+41	-16.8	
Income tax	(620)	(880)	+260	-29.5	+321	-37.0	
Net profit/(loss), Group share	2,069	2,084	-3,600	+3,585	ns	+3,534	n.s.
Net profit Group share <i>excluding the effects of the first recognition of CNPA shares, impairment of Mail assets and excluding impairment of deferred tax assets</i>	1,169	-318	+1,487	n.s.			
Free Cash Flow	248	(510)	+758	n.s.			

Financial structure

Net debt (ND)	10,233	8,802			+1,431	+16.3
Equity, Group share (CP)	20,932	18,390			+2,543	+13.8
ND/equity	48.9%	47.9%			-	+1.0
Net debt/adjusted EBITDA	3.6	7.1			-	

Key ratios La Banque Postale

CET1 ratio (**)	19.1%	20.4%		-1.4 pts
NSFR ratio (**)	143%	140%		3 pts
Liquidity Coverage Ratio (**)	186%	179%		7 pts

CNP Assurances key ratio

SCR coverage rate (**)	217%	208%		9 pts
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(*) After share of net profit/(loss) of jointly controlled entities.

(**) Definitions presented in the paragraph "Alternative performance indicators" in the appendix to the press release.

Operating revenue

Consolidated operating revenue stands at €34,609 million, up by 11.0% compared to 2020, thanks in particular to the strong momentum of e-commerce benefiting the Parcels and Express businesses, the consolidation of new entities and the consolidation of CNP Assurances over a full year.

The share of revenue generated internationally reached 41%.

After restatement for scope effects, amounting to +€494 million, mainly driven by La Banque Postale (+€405 million, mainly related to the inclusion of CNP Assurances in the scope of consolidation in March 2020), the Retail Customers and Digital Services business unit (+€63 million) and the Services-Mail-Parcels business unit (+€33 million), and an exchange rate loss of -€29 million resulting from partially offset differences (including +€79 million on the pound sterling, -€67 million on the Brazilian real and -€16 million on the Polish zloty), the Group showed sustained organic growth¹⁵ of 9.6% at the end of 2021.

La Poste Groupe reorganised its business segments on 1 July 2021.

- the **Services-Mail-Parcels** business unit now includes Corporate Mail, BtoC Parcels, e-PAQ¹⁶ and local services and diversification subsidiaries (Mediapost¹⁷, Viapost¹⁸, Silver & Healthcare¹⁹ and energy transition services),
- **GeoPost** business unit includes express parcel activities in France and abroad, and ensures the operational management of Asendia (since 1 July) and New Urban Services (urban logistics),
- newly created **Retail Customers and Digital Services**²⁰ business unit includes La Poste Network, the former Digital Services business unit, the Retail activities and the Docaposte, LP11 and La Poste Service à la Personne (Services to Individuals) subsidiaries.

These changes have led to a restatement of the segment data for 2020.

	31/12/2021 <i>In € million</i>	31/12/2020 (data restated) <i>In € million</i>	Change			
			vs. N-1		vs. N-1 at constant scope and exchange rates	
			<i>In € million</i>	<i>as %</i>	<i>In € million</i>	<i>as %</i>
Services-Mail-Parcels	10,620	9,726	+894	+9.2	+862	+8.9
GeoPost	14,701	12,800	+1,901	+14.8	+1,869	+14.8
La Banque Postale	8,017	7,724	+293	+3.8	-59	-0.8
Retail Customers and Digital Services	6,723	6,251	+472	+7.6	+409	+6.5
Other segments and intercompany	(5,452)	(5,316)	-135	+2.5	-121	+2.3
Revenue	34,609	31,185	+3,424	+11.0	+2,959	+9.6

In 2021, all business units contributed to the Group's consolidated revenue growth.

¹⁵ Definition presented in the "Alternative performance indicators" paragraph in the appendix to the press release.

¹⁶ Previously called "small import packages" or "ppi" ("*petits paquets import*").

¹⁷ Direct marketing and data marketing.

¹⁸ Logistics and e-logistics solutions.

¹⁹ Silver economy and home healthcare services.

²⁰ As at 1 July 2021 with retroactive effect from 1 January 2021.

Services-Mail-Parcels

The business unit's operating revenue was €10,620 million, up +9.2%. Excluding scope and exchange rate effects (+€32 million), mainly due to the consolidation of TimeOne and Budget Box, its organic growth reached 8.9%.

- The operating revenue of corporate **Mail** amounts to €7,349 million, with organic growth of 6.2%. This change is largely due to the annual compensation allocated by the State for the Universal Postal Service, of which €303 million was allocated to Mail, and a favourable price effect of +€150 million resulting from the price increase on 1 January 2021, by an average of 3.4%²¹. In terms of volumes, down by 1.2%²², a partial recovery effect in the first half of the year partially offset the structural erosion of Mail traffic. This change resulted in a volume effect excluding product mix of -€54 million;
- The Business corporate **Parcel** (Colissimo BtoC and import products²³) generated operating revenue of €2,253 million (organic growth of 11.3%), building on the strong development of e-commerce, notably in the first half of the year; the significant growth in the volumes of parcels processed represents a volume effect at equivalent working days of +7.8%. In 2021, the number of items marketed by the business unit was (455 million²⁴).
- Operating revenue from **Subsidiaries** stands at €1,018 million, representing strong organic growth of +25.7%. This momentum is mainly based on the growth of +21.2%²⁵ of the **Mediapost** division, due to a partial recovery of the print advertising and direct digital marketing activity (stopped during the first lockdown in 2020), and to the growth of the **New Services** division (+61.0%). Lastly, an increase of 5.0%²⁶ in **La Poste Silver**.

Globally, the activities of **Human Proximity Services** managed by the Services-Mail-Parcels business unit totalled operating revenue of €608 million, up +€128 million²⁶.

GeoPost

The business unit's operating revenue reached €14,701 million, up sharply by 14.8%. Scope effects (+€7 million) and foreign exchange (+€25 million) have no impact on organic growth (+14.8%), which was boosted by the following effects:

- Operating revenue of **GeoPost** stands at €12,500 million²⁷, with organic growth of 13.6%, reflecting the strong increase in volumes in 2021: 2.1 billion parcels were delivered over the period (*i.e.* +14.1%), a record level boosted by the development of e-commerce worldwide. The share of the BtoC segment continued to grow and represented 57.8% of volumes in 2021 (vs. 55.2% in 2020). All countries achieved good organic operating revenue growth, particularly France²⁸ (+13.9%), the United Kingdom (+11.5% despite the impacts of Brexit), Italy (+13.9%), Germany (+9.6%) and Poland (+18.7%). **New Urban Services** posted very good organic growth of €105 million;
- Also benefiting from the strong dynamism of e-commerce, **Asendia** generated operating revenue of €2,178 million, a strong organic increase of +22.0%, supported by the excellent performance of its subsidiary, eShopWorld.

²¹ Based on operating revenue giving rise to traffic on the "Corporate" customer scope.

²² On equivalent working days, on the basis of revenue giving rise to traffic on the "Corporate" customer scope.

²³ The Colissimo CtoC business is now part of the new Retail Customers and Digital Services business unit.

²⁴ After transfer of the Retail Customer activities to the Retail Customers and Digital Services business unit. Globally (Services-Mail-Parcels + Retail Customers and Digital services scopes), the number of items distributed by Colissimo amounted to 505 million in 2021, up by 7.2%.

²⁵ Organic growth.

²⁶ At the Group perimeter, the Retail Customer businesses (Services-Mail-Parcels + Retail Customers and Digital Services), operating revenue amounted to €637 million in 2021 and €509 million in 2020.

²⁷ Including New Urban Services.

²⁸ Organic change in the cumulated operating revenues of Chronopost France and DPD France.

La Banque Postale

Net banking income (NBI) reached €8,017 million, up 3.8%. At constant scope and exchange rates, the NBI of the business lines recorded growth of +€485 million (+6.8%), which breaks down as follows:

- The NBI of **Bancassurance France** (mainly comprising the retail banking activities, Ma French Bank and the domestic life and non-life insurance subsidiaries) amounted to €6,222 million, up +11.9% (+5.6% at constant scope and exchange rates). In a context of gradual exit from the crisis, sight deposits remained strong (+4.4%), as well as, to a lesser extent, ordinary savings (+1.8%), despite the low yields offered. Life insurance outstandings increased slightly by 0.5% to €122.8 billion. The share of the gross inflows of unit-linked outstandings increased by 9.6 points and reached 29.1% of total outstandings. Driven by the upturn in household consumption, home loan outstandings rose by +4.3% (to €63.7 billion), despite the tightening of credit criteria;
- The NBI of **International Bancassurance** (CNP Assurances International) amounted to €1,215 million, an increase of 13.3% (but of 1.0% at constant scope and exchange rates), supported by good sales momentum, particularly in Latin America, with strong growth in Caixa Vida e Previdência (+28.5% at constant scope and exchange rates);
- The NBI of **Wealth and Asset Management** (comprising the activities of Banque Patrimoniale BPE, La Banque Postale Asset Management, Tocqueville Finance and Ostrum²⁹) amounted to €296 million, an increase of 2.3%. BPE's commercial activity is well oriented over the period, driven by strong momentum in financial savings, discretionary management portfolios and home loans. Outstanding savings increased by 24.2% to €5.9 billion and loans outstanding rose by 12.4% to €4.4 billion. Asset Management assets were up by 17% (to €60.2 billion), benefiting from a positive market effect and an increase in inflows;
- The NBI of **Corporate and Investment Banking** (retail banking legal entities activities, including SFH and SCI and BFI) amounted to €1,066 million, an increase of 17.1%. Outstanding loans to legal entities continued to grow (+2.9%), reaching €38.7 billion;
- The **Corporate Centre** includes accounting items not directly related to the business lines (PPA reversal, contributions to the SRF and FGDR, La Poste management fees, ALM capital gains, etc.).

Retail Customers and Digital Services

The business unit's operating revenue was €6,723 million, an increase of 7.6%. After restatement of scope effects (+€63 million mainly related to the acquisition of Index Education and Bxxtal), organic growth was +6.5%.

The organic growth of the division comprising the commercial activities was +10.7%, notably building on:

- the organic increase in **Retail Customers activities** +€274 million, including +€174 million in annual compensation related to the Universal Postal Service allocated to the business unit; additional growth was the result of a catch-up linked to a favourable base effect on mail (which was severely impacted by the health crisis in 2020) and the momentum of parcels driven by the development of contracts with small retailers;
- the organic growth in **Digital Services activities** (+€60 million), resulting mainly from **Docaposte** (+€42 million) and driven by digital trust and digital back office activities.

²⁹ La Banque Postale Asset Management holds a 45% stake in Ostrum.

Other segments

The **other segments and interco.** include Real Estate (with operating revenue of €824 million, down slightly by 1.0%) and supports and structures (with operating revenue of €1.26 billion, up by 5.2%), mainly internal to the Group.

Operating profit/(loss)³⁰

Consolidated operating profit for 2021 was €3,431 million, i.e. +€282 million. The scope and exchange rate effects represented +€229 million mainly related to the entry in March 2020 of CNP Assurances in the scope of consolidation. Excluding the impact of the contribution of CNP Assurances shares (-€3,007 million) and the impairment of Mail assets recorded in 2021, it amounted to €2,531 million.

	31/12/2021	31/12/2020 (data restated)	Change				
			Impact of the contribution of CNP Assurances shares	vs. N-1 (excluding the impact of the contribution of CNP Assurances shares)		vs. N-1 at constant scope and exchange rates	
				In € m	In € m	as %	In € m
Services-Mail-Parcels	1,246	(1,034)	+0	+2,279	n.s.	+2,284	n.s.
GeoPost	1,057	848	+0	+209	+24.6	+187	+22.0
La Banque Postale	1,642	4,457	-3,007	+192	+13.2	-11	-0.8
Retail Customers and Digital Services	155	(244)	+0	+400	n.s.	+390	n.s.
Other segments and intercompany	(669)	(878)	+0	+210	-23.9	+210	-23.9
Operating profit/(loss)	3,431	3,149	-3,007	+3,289	n.s.	+3,060	n.s.
Operating profit/(loss) <small>excluding the effects of the first recognition of CNPA shares and impairment of Mail assets</small>	2,531	1,042		+1,489	+142.9		

- **Services-Mail-Parcels:** Operating profit was €1,246 million, up organically +€2,284 million. This change is due to (i) the reversal of the entire write-down of the impairment for the Mail assets recorded in 2020, for an amount of €900 million, following the more favourable profitability outlook linked to the revaluation of the financial compensation for the Universal Postal Service granted by the State, (ii) the inclusion of this compensation for 2021, and (iii) a partial recovery of traditional activities hard hit in 2020 by the very strict conditions of the first lockdown.

The **Parcel** business also achieved a good performance with operating profit up organically by 30.1% linked to the exceptional increase in volumes processed, particularly during the first half of the year, enabling costs to be optimised.

Lastly, the operating profit of **Subsidiaries** increased organically by €31 million, thanks in particular to a catch-up effect of **Mediapost**;

- **GeoPost** business unit generated operating profit of €1,057 million, up sharply by 24.6%, driven by strong growth in global e-commerce. After restatement of limited scope and

³⁰ Operating profits/(losses) (Group and business units) are presented after the share of net profit/(loss) of jointly controlled entities throughout this press release.

³⁰ Restated for ALM capital gains

exchange rate effects (+€22 million), organic growth in operating profit was +22.0%, mainly generated by the increase in volumes and cost optimisation of [GeoPost](#)³¹;

- The contribution of **La Banque Postale** to the Group's operating profit is €1,642 million, a slight decrease of €11 million excluding the impact of the first recognition of the contribution of CNP Assurances shares recorded in 2020 (for an amount of +€3,007 million) and at constant scope and exchange rates, but an increase of +€116 million, restated for the impact of the distribution agreements. The net interest margin³² contracted (-0.9%³³) due to the continued erosion of margins in a context of low interest rates. Management expenses of the business lines increased by 5.0% due, notably, to the increase in distribution expenses in Brazil and the continuation of the transformation, digitisation and development programme. The cost of risk is -€268 million, -€406 million lower than the level at the end of 2020. As a proportion of outstanding loans, it was at a low level of 16 basis points³⁴;
- **The Retail Customers and Digital Services activities** generated operating profit of €155 million, up €400 million (of which +€10 million of scope effects). This increase is mainly based on the resumption of commercial activities (Mail, Parcels, Digital Services) and the compensation granted by the State for the Universal Postal Service;
- **Other segments**
The operating results of the business units are added to those of the [other segments](#) (supports and structures, "unallocated segment", including the cost of Universal Postal Service and regional planning missions and expenses related to end-of-career arrangements across the Group) to obtain the Group's consolidated result. Overall, the operating profit of the other segments recorded a positive change of +€194 million (of which +€14 million for Real Estate, +€43 million euros in aid granted by the French State in connection with the Universal Postal Service mission and a reversal of a provision on the Competitive Equity Rate (CET) of +€81 million).

Net profit/(loss)

Net profit Group share reached €2,069 million, stable compared to 2020. Excluding the impact of the contribution of CNP Assurances shares (-€3,600 million), impairment of Mail assets recognised in 2020 and impairment of deferred tax assets, this amounted to €1,169 million, up €1,487 million. This change is mainly due to the increase in operating profit detailed above. In addition, the overall expense of €202 million for the financial profit/(loss) reduced by €41 million compared to 2020 (despite a slight increase in net interest expense of €4 million). Lastly, the tax expense decreased by €321 million at constant scope and exchange rates following the impairment of deferred tax assets of the consolidated tax scope recorded in 2020 in the amount of €298 million.

Free cash flow

Free cash flow generated at the end of 2021 was +€248 million (vs. -€510 million at the end of 2020). This improvement of €758 million is mainly due to the combined effects of the improvement in EBITDA (excluding banking activities), mainly driven by the Services-Mail-Parcels, Retail Customers and Digital Services and GeoPost business units, to favourable

³¹ Excluding Asendia

³² Restated for ALM capital gains realised in H1 2020.

³³ Restated for ALM capital gains.

³⁴ The commercial bank's cost of credit risk in relation to outstanding amounts at the beginning of the period.

differences (+€66 million) on HR provisions and on the amount of dividends received from equity associates (+€190 million).

Investments

The Group (excluding La Banque Postale) carried out €2.7 billion in investments. These include:

- Internal investments of €1.3 billion in 2021 compared to €1.1 billion in 2020, mainly including:
 - €249 million for the **Services-Mail-Parcels** business unit (-€38 million vs. 2020) mainly dedicated to the continued development of the industrial and IT master plan for Parcels;
 - €562 million for **GeoPost** (+€196 million vs. 2020). The projects focus on the development of express and constantly increasing BtoC delivery processing capacities; the most significant projects are the construction of Hubs (Benelux, DPD France and Chronopost) and local storages (Germany, UK, DPD France and Chronopost);
 - €102 million for the **Digital Services** business unit (+€22 million vs. 2020) focused on the digitisation of the Group in France; and
 - €212 million for the **Real Estate** division (-€3 million vs. 2020) in its role of supporting business units in their real estate projects.
- External growth transactions³⁵ amounting to €1.4 billion vs. €0.8 billion in 2020.

Net debt³⁶ and financial structure

Net debt amounts to €10,233 million at the end of 2021 (of which €3,760 million in lease liabilities), up by €1,431 million compared to the end of 2020. Its change is strongly correlated with the net flow of external growth financing⁵ (-€1,449 million), the change in finance lease liabilities (-€251 million, most of which came from external growth) and the free cash flow generated (+€248 million),

Consolidated equity Group share amounted to €20,932 million. It was up by €2,543 million compared to the end of 2020.

As a result, the net debt/equity ratio is 48.9%, vs. 47.9% at the end of 2020.

The **credit rating** of La Poste Groupe changed favourably during the last review by Standard & Poor's and Fitch Ratings:

	Long and short-term rating	Outlook	Date of revision
Standard & Poor's	A+ / A-1	Stable	04/11/2021
Fitch Ratings	A+ / F1+	Stable	7/12/2021

Outlook

In 2022, the Group will continue to implement its strategic plan, “La Poste 2030, committed for you” in order to progress towards its objective of being a profitable growth company, which succeeds in its transformation towards a sustainable business model.

In an economic context that is still fluctuating at the beginning of 2022, with a rise in interest rates, inflationary pressures and the rise in the price of certain raw materials such as oil, La

³⁵ Net balance of flows related to external growth and financial assets.

³⁶ Excluding La Banque Postale for which this concept is not relevant.

Poste Groupe will continue to consolidate the foundation of its historical activities, while developing its growth drivers – parcels and express, bancassurance – through targeted acquisitions aimed in particular at the geographical expansion of these activities. The Group will also prepare the new postal coverage agreement.

In the first half of 2022, new major stages in the Group's transformation process should materialise through:

- the completion by La Banque Postale of the simplified takeover bid for the shares constituting the remaining free float of the share capital of CNP Assurances, which could be followed, if the conditions are met, by a delisting of all securities;
- the launch of a new industrial investment of €450 million over four years, which is the second part of the Colissimo logistics plan in France, to cope with the sharp increase in the number of parcels.³⁷

Now “entreprise à mission”, the Group will continue to prove its citizen, social and societal responsibility. In terms of energy transition, it will continue the electrification of its vehicle fleet, as well as support for cities to deploy sustainable urban logistics solutions.

³⁷ This investment is the second part of the logistics plan launched in 2018: with a total investment of €900 million, La Poste aims to sort and deliver one billion Colissimo items per year by 2030.

APPENDICES

Appendix 1: Impact of the initial recognition of CNP Assurances shares on comparable data as at 31 December 2020

The completion of the strategic equity alliance between La Poste and Caisse des Dépôts and La Banque Postale and CNP Assurances was finalised at La Poste's General Shareholders' Meeting held on 4 March 2020, by way of a contribution by the State and Caisse des Dépôts to La Poste, then by the latter to La Banque Postale, of their respective stakes of 1.1% and 40.9% in CNP Assurances.

The treatment of the transaction in the consolidated financial statements is governed by IFRS 3 on business combinations, which provides for:

- the valuation of the contributions at the stock market price on the day of the transaction (€13.97);
- the revaluation/devaluation of the shareholding previously held based on the same share price;
- the recognition of a goodwill/badwill equal to the difference between the total stake held, *i.e.* 62.1%, valued at the stock market price and the Group share of the net assets of CNP Assurances, valued at its fair value on the day of the transaction.

In addition, the unrealised gains and losses of CNP Assurances must be reclassified to profit or loss at the time of completion of the transaction up to the Group's previous interest (20.15%).

On the day of its completion, this transaction had the following impacts on the financial statements for the first half of 2020:

- ① Increase in equity of €4,027 million,
 - ② Impairment of the value of investments previously accounted for under the equity method, *i.e.* -€1,571 million,
 - ③ Recognition of a badwill of €4,578 million,
- ▶ A total amount (② + ③) of €3,007 million recognised in operating profit;
- ④ Reclassification to the income statement of the Group share in the unrealised gains and losses of CNP Assurances, generating a gain of €594 million,
- ▶ A total amount (② + ③ + ④) of €3,600 million recognised in net profit Group share.

Appendix 2: Definition of alternative performance indicators

Adjusted EBITDA comprises operating profit within the scope of consolidation, excluding La Banque Postale, less running costs and personnel expenses, excluding allocations to end-of-career benefits, for the same scope excluding La Banque Postale, plus dividends received from equity associates and dividends received from La Banque Postale during the period, in respect of the previous year's results.

Change at constant scope and exchange rates refers to the difference between the profit/loss obtained during the period and the profit/loss of a comparative period, following adjustment for any acquisitions or disposals which have been completed during each of these periods. The comparative periods are thus adjusted for identical scopes of consolidation. Currency transactions for the comparative period are valued at the average rate for the reference period.

Free cash flow consists of the following components: (i) Adjusted EBITDA, comprising all operating profit from the scope excluding La Banque Postale, less running costs and personnel expenses, excluding allocations to end-of-career benefits (for the same scope excluding La Banque Postale), plus dividends received from equity associates and dividends received from La Banque Postale during the period in respect of the previous year's results, (ii) change in working capital requirement, (iii) cash flows on purchases of property, plant and equipment and intangible assets net of related asset disposals, (iv) cash flows related to taxes, (v) net financial interest paid, (vi) repayment of lease liabilities and interest expense on lease liabilities. Each of the free cash flow aggregates is added together for its value in terms of cash flows; positive for cash inflows and negative for cash outflows.

Net financial debt includes all current and non-current financial debt, less all cash and cash equivalents and derivative instruments linked to Group financing. It also includes the financial debt arising from the application of IFRS 16 – Leases, short-term financial investments with no significant risk of a change in value but whose original maturity on the subscription date was greater than three months, and the net financial receivable against La Banque Postale.

Group net debt does not take into account La Banque Postale, for which this concept is not relevant.

The **net debt/equity ratio** indicates the proportion of the Group's net debt in relation to the Group share of equity.

Ratios calculated solely for La Banque Postale

The **cost to income ratio** is calculated by dividing management expenses by the net banking income adjusted for doubtful interest. Management expenses are the sum of the general operating expenses and the net depreciation, amortisation and impairment of property, plant and equipment and intangible assets.

This ratio is the calculation of the proportion of **Common Equity Tier 1 (CET 1)** in relation to the total risk exposure amount (*i.e.* total risk-weighted assets – RWA – for the credit and counterparty risk, the market risk and the operational risk). It is the reference used by the supervisor to assess the solvency of a bank.

The **Liquidity Coverage Ratio (LCR)** is a monthly short-term liquidity ratio which measures the Bank's ability to resist during 30 days to a severely degraded situation in a context of a systemic shock. The target is over 100%. This ratio is calculated by dividing the sum of high-quality, liquid assets free of commitments by the liquidity requirement under stress over 30 days.

NSFR³⁸: Amount of stable available financing divided by the mandatory stable financing. This ratio should be at all times greater than 100%.

Ratio calculated solely for CNP Assurances

The **SCR coverage rate** is calculated by dividing the equity eligible for SCR hedging by the SCR. It is used to measure risk-weighted solvency: the higher the SCR coverage ratio, the more the insurer is able to absorb potential losses.

La Poste Groupe's consolidated financial statements are published today on the website <https://www.lapostegroupe.com>

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³⁸ Net Stable Funding Ratio: this long-term structural liquidity ratio ensures that banks have sufficient "stable" resources (*i.e.* with an initial maturity of > one year) to finance their activities.