

CONSOLIDATED FINANCIAL STATEMENTS
31 December 2015



LE GROUPE LA POSTE

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CONSOLIDATED INCOME STATEMENT

(€ million)	NOTE	2015	2014
Revenues from commercial activities	6	17,315	16,503
Net banking income	7	5,730	5,660
Operating revenue		23,045	22,163
Purchases and other expenses	8	(8,078)	(7,448)
Personnel expenses	9	(12,731)	(12,556)
Taxes and levies	10	(293)	(235)
Depreciation, amortisation, provisions and impairment	11	(1,282)	(1,363)
Other operating revenue and expenses	12	235	158
Proceeds from asset disposals		(25)	(18)
Net operating expenses		(22,174)	(21,462)
Operating profit/(loss) before share in results of joint ventures		871	701
Share in results of joint ventures	18	3	18
Operating profit/(loss) after share in results of joint ventures		875	719
Cost of net financial debt		(133)	(157)
Other financial items		(21)	(41)
Financial profit/(loss)	13	(154)	(198)
Profit before tax of consolidated companies		721	521
Income tax	14	(253)	(182)
Share in profits of associates		207	200
CONSOLIDATED NET PROFIT/(LOSS)		675	539
Net profit/(loss), group share		635	513
Attributable to non-controlling interests		39	27

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

Amounts after tax (€ million)	NOTE	2015	2014
Consolidated net profit/(loss)		675	539
Other comprehensive income recognised under equity			
Recyclable items			
Change in unrealised gains and losses on financial instruments	14.2	19	79
<i>Of which transferred to net profit/(loss) for the year</i>		(54)	(61)
Translation adjustments	14.2	30	29
<i>Of which transferred to net profit/(loss) for the year</i>			
Share in other comprehensive income of equity companies	18.1	(16)	216
<i>Of which - change in unrealised gains and losses on financial instruments - CNP</i>		42	217
<i>- other unrealised gains and losses on financial instruments</i>			
<i>- cumulative translation adjustments</i>		(58)	(1)
Non recyclable items			
Actuarial adjustments on employee benefits	29	19	(118)
Total other comprehensive income recognised in equity (after tax)		51	206
Total comprehensive income/(loss)		726	745
TOTAL COMPREHENSIVE INCOME/(LOSS), GROUP SHARE		690	698
Total comprehensive income/(loss) attributable to non-controlling interests		36	47

CONSOLIDATED BALANCE SHEET

ASSETS

(€ million)	NOTE	31/12/2015	31/12/2014 ^(a)
Goodwill	15	1,968	1,805
Intangible assets	16	860	850
Tangible assets	17	5,780	5,880
Investments in joint ventures and associates	18	3,141	3,075
Other non-current financial assets	19	707	831
Deferred tax assets	14	343	250
NON-CURRENT ASSETS		12,800	12,691
Current banking assets			
Customer loans and receivables	20.1	73,628	67,857
Credit institutions loans and receivables	20.2	83,102	83,315
Securities portfolio	20.3	51,542	52,541
Other current financial assets	20.4	1,486	1,521
Accruals	20.5	1,583	998
Cash and central bank deposits	23.2	1,812	1,950
Other current assets			
Inventories and work-in-progress	21	109	119
Trade and other receivables	22	3,737	3,303
Other current financial assets	19	485	383
Income tax credit		196	194
Other accruals – Assets		66	60
Cash and cash equivalents	23	2,457	1,389
Assets held for sale	24	17	29
CURRENT ASSETS		220,219	213,658
TOTAL ASSETS		233,019	226,349

(a) Amounts restated to account for the first-time application of IFRIC 21 (see note 3).

LIABILITIES

(€ million)	NOTE	31/12/2015	31/12/2014 ^(a)
Share capital		3,800	3,800
Issue premium		900	900
Reserves		3,735	3,301
Unrealised gains and losses on financial instruments		952	888
Actuarial adjustments on employee benefits		(179)	(198)
Cumulative translation adjustments		(121)	(92)
Net profit/(loss), group share		636	513
Equity, group share		9,723	9,112
Non-controlling interests		292	270
CONSOLIDATED EQUITY		10,015	9,382
Medium and long-term bonds and other financial debt	27	5,968	6,120
Employee benefits – non-current liabilities	29	2,093	1,912
Non-current provisions for contingencies and losses	26	290	172
Deferred tax liabilities	14	293	309
NON-CURRENT LIABILITIES		8,644	8,513
Current provisions for contingencies and losses			
Specific provisions for the Insurance and Banking activities	26	2,513	2,228
Current provisions for contingencies and losses	26	616	585
Short-term bonds and other financial debt	27	1,345	885
Current banking liabilities			
Liabilities to credit institutions	30.1	15,741	15,157
Liabilities to customers	30.2	171,384	167,251
Debt evidenced by a certificate and other financial liabilities	30.3	14,717	15,143
Accruals	20.5	2,441	1,995
Other current liabilities			
Trade and other payables	31	4,652	4,282
Government – Income tax		44	38
Employee benefits – current liabilities	29	734	683
Other accruals – Liabilities		173	208
CURRENT LIABILITIES		214,360	208,454
TOTAL LIABILITIES		233,019	226,349

(a) Amounts restated to account for the first-time application of IFRIC 21 (see note 3).

CHANGES IN CONSOLIDATED EQUITY 2015

Amounts after tax (€ million)	Share capital	Issue premium	Unallocated profit/(loss)	Cumulative translation adjustments	Unrealised gains and losses on financial instruments – CNP	Other unrealised gains and losses on financial instruments	Actuarial adjustments on employee benefits	Other reserves	Total, Group share	Non-controlling interests	Total
Consolidated equity as at 31/12/2014 (restated) ^(a)	3,800	900	513	(92)	635	253	(198)	3,301	9,112	270	9,382
Dividend payments			(171)						(171)	(15)	(186)
Call options on non-controlling interests								(31)	(31)	(18)	(49)
Transactions with non-controlling interests ^(b)								108	108	(12)	96
Appropriation of 2014 earnings			(342)					342			
Comprehensive income for the year			636	(29)	42	22	19		690	36	726
Of which: - Net profit			636						636	39	675
- Other comprehensive income				(29)	42	22	19		54	(3)	51
Other								16	16	31	47
Consolidated equity as at 31/12/2015	3,800	900	636	(121)	677	275	(179)	3,735	9,723	292	10,015

(a) Amounts restated to account for the first-time application of IFRIC 21 (see note 3).

(b) Of which a €93 million impact of the sale of a 25% stake in La Banque Postale Asset Management to Aegon Asset Management, as part of their capital and industrial partnership (see Note 1.4).

CHANGES IN CONSOLIDATED EQUITY 2014

Amounts after tax (€ million)	Share capital	Issue premium	Unallocated profit/(loss)	Cumulative translation adjustments	Unrealised gains and losses on financial instruments – CNP	Other unrealised gains and losses on financial instruments	Actuarial adjustments on employee benefits	Other reserves	Total, Group share	Non-controlling interests	Total
Consolidated equity as at 31/12/2013 (restated) ^(a)	3,800	900	624	(120)	418	195	(80)	2,903	8,640	235	8,875
Dividend payments			(171)						(171)	(15)	(186)
Call options on non-controlling interests								(56)	(56)	(32)	(89)
Purchase of non-controlling interests								2	2	(6)	(5)
Appropriation of 2013 earnings			(453)					453			
Comprehensive income for the year			513	28	217	58	(118)		698	47	746
Of which: - Net profit			513						513	27	539
- Other comprehensive income				28	217	58	(118)		186	21	206
Other								(1)	(1)	43	42
Consolidated equity as at 31/12/2014 (restated) ^(a)	3,800	900	513	(92)	635	253	(198)	3,301	9,112	270	9,382

(a) Amounts restated to account for the first-time application of IFRIC 21 (see note 3).

CONSOLIDATED CASH FLOW STATEMENT

(€ million)	NOTE	2015			2014		
		Group	Non-banking	La Banque Postale	Group	Non-banking	La Banque Postale
EBITDA		2,629	1,106	1,523	2,554	944	1,610
Change in provisions for current assets and unrecoverable receivables		(219)	(8)	(211)	(261)	(38)	(223)
Miscellaneous financial income and expenses		1	1				
Cash flows from operating activities before cost of net debt and taxes	39.1	2,411	1,099	1,312	2,292	906	1,387
Change in working capital requirement	39.3	57	(33)	90	(12)	(152)	140
Change in cash held at post offices	23.2				(21)	(21)	
CICE tax credit for the period (excluding provisions)		(344)	(341)	(3)	(349)	(346)	(2)
Change in balance of banking sources and uses	39.4	2,191		2,191	(2,397)		(2,397)
Taxes paid		51	431	(380)	(74)	305	(378)
Dividends paid by La Banque Postale to La Poste			369	(369)		325	(325)
Dividends received from equity associates		157	51	106	122	15	106
Cash flows from operating activities		4,522	1,574	2,948	(438)	1,030	(1,469)
Purchase of intangible and tangible assets	39.5	(993)	(778)	(215)	(1,052)	(844)	(208)
Purchase of financial assets		(43)	(35)	(8)	(17)	(16)	(1)
Proceeds from the disposal of tangible and intangible assets		83	83		120	120	
Proceeds from disposals of financial assets		22	16	5	16	16	
Impact of changes in consolidation scope		(150)	(130)	(20)	(194)	(156)	(38)
Change in financial assets held for investment purposes		66	66		86	86	
Cash flows from investing activities		(1,016)	(779)	(237)	(1,040)	(794)	(246)
Capital increase		24		24	8		8
Dividends paid		(188)	(173)	(15)	(186)	(174)	(12)
Interest paid		(145)	(145)		(150)	(150)	
Proceeds from new borrowings	39.6	1,795	1,045	750	1,541	791	750
Repayment of borrowings	39.7	(600)	(600)		(830)	(830)	
Transactions with non-controlling interests		101	(27)	128	(3)	(3)	
Other cash flows from financing activities	39.8	(72)	(72)		(9)	(9)	
Intra-group flows			244	(244)		(581)	581
Cash flows from financing activities		917	273	644	372	(955)	1,327
Decrease (increase) in cash and cash equivalents from banking activities before impact of changes in consolidation scope and transfer of cash held at post offices	39.9	(3,355)		(3,355)	388		388
Impact of changes in exchange rates		(1)	(1)		4	4	
Change in cash and cash equivalents ^(a)		1,067	1,067		(715)	(715)	
Opening cash and cash equivalents ^(a)		1,389	1,389		2,105	2,105	
Closing cash and cash equivalents ^(a)		2,457	2,457		1,389	1,389	

(a) Excluding cash held at post offices.

GENERAL ITEMS

NOTE 1 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- 1.1 Regrouping of the Group's headquarters
- 1.2 Bond issue
- 1.3 Fine by the French Competition Authority
- 1.4 Acquisition by Aegon Asset Management of a stake in La Banque Postale Asset Management
- 1.5 La Banque Postale bond issue

1.1 Regrouping of the Group's headquarters

At the Board meeting of 24 February 2015, La Poste announced the launch of a project to regroup the Group's and the branches' headquarters in Issy-les-Moulineaux. This project aims to enhance the coordination and performance of the registered office and support services departments.

Implementing this project is expected to generate costs linked to uncancellable leases on vacated properties and restoration costs of some properties, for an estimated amount of €31 million. A provision was recognised as at 31 December 2015 for these costs (see Note 26.2).

1.2 Bond issue

On 26 May 2015, La Poste issued a €500 million bond with a 10-year maturity. This bond was reopened in September 2015 for an additional €250 million, bringing the total issue size to €750 million (see Note 27.3).

1.3 Fine by the French Competition Authority

The French Competition Authority issued on 15 December 2015 a decision by which it fines various parcel delivery players in France, of which two companies of Le Groupe La Poste. The total penalty for these two companies, which amounts to €144 million, was paid.

The Group contests the level of the penalties, and recorded a receivable from the French Competition Authority corresponding to the amount paid. A provision for contingencies and loss was recorded simultaneously for an amount of €144 million, compared to €45 million as at 31 December 2014 (see Note 26.2).

1.4 Acquisition by Aegon Asset Management of a stake in La Banque Postale Asset Management

La Banque Postale and Aegon Asset Management (Aegon AM) finalised on 3 June 2015 their capital and industrial partnership agreement in asset management.

As part of this agreement, Aegon AM acquired a 25% minority stake in La Banque Postale Asset Management (LBPAM) for €117 million, generating a €93 million impact recognised in Group's equity.

1.5 La Banque Postale bond issue

On 19 November 2015, La Banque Postale carried out a €750 million bond issue with a 12-year maturity. This was the fourth issue of Tier 2 securities by La Banque Postale, the first having been carried out in November 2006 for €500 million and redeemed in 2011, the second having been carried out in November 2010 and the third in April 2014, for €750 million each.

NOTE 2 ACCOUNTING RULES AND POLICIES

- 2.1 Accounting guidelines
- 2.2 Valuation basis and use of estimates
- 2.3 Consolidation methods
- 2.4 Translation of financial statements of foreign companies
- 2.5 Foreign currency transactions
- 2.6 Consolidation of the Banking activities segment
- 2.7 Business combinations
- 2.8 Operating revenue
- 2.9 Taxes
- 2.10 Intangible assets
- 2.11 Tangible assets
- 2.12 Impairment of goodwill, intangible assets and tangible assets
- 2.13 Other financial assets
- 2.14 Banking activities assets and liabilities
- 2.15 Bond debt and financial derivatives relating to the management of the bond debt
- 2.16 Commitments to buy out non-controlling interests
- 2.17 Inventories and work-in-progress
- 2.18 Trade receivables
- 2.19 Provisions
- 2.20 Employee benefits
- 2.21 Assets held for sale
- 2.22 Cash flow statement

La Poste, the parent company of Le Groupe La Poste ("Le Groupe La Poste" or "the Group") has been a *Société Anonyme* (public limited company) since 1 March 2010, and has its registered office at 44, boulevard de Vaugirard in Paris. It had previously been an independent state-owned entity, which was already subject to the same financial management and accounting rules as commercial businesses.

The consolidated financial statements of Le Groupe La Poste for the year ended 31 December 2015 were signed off by the Board of Directors (meeting on 23 February 2016), and the General Shareholders' Meeting will be asked to approve them.

2.1 Accounting guidelines

Pursuant to European Regulation No. 1606/2002 of 19 July 2002, the consolidated financial statements of Le Groupe La Poste for the year ended 31 December 2015 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 (ec.europa.eu/internal_market/accounting/ias/index_fr.htm).

The accounting principles applied as at 31 December 2015 are unchanged from those applied as at 31 December 2014, except for the items described in Point 2.1.1 below.

2.1.1 Standards and application interpretations that are mandatory for the first time in 2015

IFRIC 21 – Levies

IFRIC 21 is an interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, which provides guidance on how to account for taxes and levies imposed by a public authority. The effects on the Group's consolidated accounts of the first time application of this interpretation are presented in note 3.

Annual improvements 2011-2013

This text did not have any impact on the Group's financial statements as at 31 December 2015.

2.1.2 Standards and application interpretations that will be mandatory after 31 December 2015 and that were not applied in advance

The potential impacts of IFRS 15 - *Revenue from Contracts with Customers* on the Group's consolidated accounts are under review. This standard will be mandatory on 1 January 2018.

Moreover, the potential impacts of IFRS 9 – *Financial Instruments*, which was issued by the IASB in July 2014, will be analysed after its adoption by the European Union.

2.1.3 Reminder of the exemptions to the retrospective application of IFRS retained on first application of IFRS

As a first-time adopter on 1 January 2006, Le Groupe La Poste had applied the following exemptions provided

for by IFRS 1 – *First-time Adoption of International Financial Reporting standards* as at that date:

- business combinations prior to 1 January 2006 were not restated.
- the cumulative amount of translation adjustments as at 1 January 2006 was reclassified under consolidated reserves, while the equity amount remained unchanged.
- the cumulative amount of actuarial gains and losses on employee commitments was recognised through equity as from 1 January 2006.
- the Group chose the option that allows tangible assets to be measured at fair value as at the transition date for all of its real estate assets.

2.2 Valuation basis and use of estimates

The consolidated financial statements are prepared using the historical cost method, with the exception of certain financial instruments measured at fair value.

When preparing the financial statements, the Group is required to make the best possible estimates and to select assumptions that affect the values of assets and liabilities in the balance sheet, and the contingent assets and liabilities disclosed in the notes to the consolidated financial statements, as well as the income and expenses in the income statement. The actual amounts may subsequently differ from the estimates and assumptions.

The items primarily concerned are:

- the calculation of employee benefits;
- the estimates for provisions for contingencies and losses, especially the Home Loan Savings provision;
- the assumptions selected for impairment tests on goodwill and on intangible and tangible assets;
- the measurement of financial instruments not listed on organised markets;
- the credit risk assessments performed by La Banque Postale;
- the assumptions and estimates used to measure the effectiveness of hedges.

2.3 Consolidation methods

2.3.1 Full consolidation

Subsidiaries that are controlled by the Group are fully consolidated.

Control is defined as the power over the relevant activities of the investee, exposure to variable returns from the investee and the ability to use its power to affect these returns

2.3.2 Equity method

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

Joint ventures are those joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Joint control is defined as the sharing of control over a company operated in common by a limited number of partners or shareholders, in such a way that they unanimously set the financial and operating policies.

Associates are entities over which the Group has significant influence.

Significant influence is defined as the power to participate in the financial and operating policies of a company, without having exclusive or joint control over that company.

Shares accounted for under the equity method are recorded in the balance sheet under "Investments in joint ventures and associates" at their historical cost adjusted for the share of net assets earned subsequent to the acquisition, less impairment.

Their profits or losses are presented in the consolidated income statement under "Share in profits of joint ventures and associates".

2.3.3 CNP Assurances

Le Groupe La Poste considers that it has significant influence over CNP Assurances due to its close business ties with the company and its representation on its governing bodies.

La Poste sold 2% of its holding in CNP Assurances to the Caisses d'Épargne Group in 2000, as part of the restructuring of CNP Assurances' share capital. This sale was accompanied by the Caisses d'Épargne Group's agreement to sell back the shares, enabling Le Groupe La Poste to recover its shareholding when the shareholders' agreement expires.

In Le Groupe La Poste's consolidated financial statements, it was considered that the Group would continue to bear the risks and enjoy the benefits relating to these shares. As a result, the 20.15% interest in CNP Assurances, which includes the 2% interest held by the Caisses d'Épargne Group, is accounted for under the equity method.

2.3.4 Non-material controlled entities

Non-material and/or dormant entities, the consolidation of which 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.

2.3.5 Intra-group transactions

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

2.3.6 Acquisition and disposal of non-controlling interests

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.

2.4 Translation of financial statements of foreign companies

The consolidated financial statements are presented in euros, which is the functional and reporting currency for La Poste, the Group's parent company.

The financial statements of all Group companies that use a functional currency other than the reporting currency are converted into the reporting currency in the following manner: the balance sheets of foreign companies are converted into euros based on the closing exchange rate, and their income statements are converted based on the average rate for the financial year. The resulting translation adjustments are recorded directly in the consolidated balance sheet in equity, under "Translation reserves".

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 closing exchange rate.

Exchange differences stemming from transactions consisting of net investments between Group companies are recognised in balance sheet equity under "Translation reserves". Foreign exchange differences resulting from 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 adjustments initially recognised in equity are recognised under gains and losses on disposal in the income statement.

2.5 Foreign currency transactions

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

At the closing date, assets and liabilities denominated in foreign currencies are translated at the applicable closing rate.

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

2.6 Consolidation of the La Banque Postale segment

In order to improve the clarity of financial statements, specific La Banque Postale segment items relating to banking and insurance activities have been combined on separate lines in the consolidated balance sheet and consolidated income statement. A detailed presentation of these items is provided in the Notes, in accordance with the requirements listed in the IFRS guidelines.

Comments on the principles applied are presented in the notes 2.8 - *Operating revenue* and 2.14 - *Banking activities assets and liabilities*.

2.7 Business combinations

Business combinations are recognised according to the acquisition method, in line with the provisions of IFRS 3 - *Business Combinations*.

When an exclusively controlled company is first consolidated, the acquisition cost represents the fair value of the assets transferred, the equity instruments issued, and of the liabilities incurred or assumed at the date of exchange, plus any contingent consideration.

Goodwill represents the excess of the cost of the business combination over the Group's share in the fair value of the assets, liabilities and contingent liabilities of the acquired company.

Negative goodwill is immediately recognised in income in the year in which the acquisition is made.

Goodwill is not amortised and is subject to impairment tests at least once a year, and whenever there are indications that it may have been impaired, using the method described in Note 2.12.

2.8 Operating revenue

2.8.1 Revenues from commercial activities

Revenues from the sale of goods or services are recognised upon transfer of the major risks and rewards of ownership to the customer. They are recognised as and when the related service is provided, except for postage stamps and pre-paid envelopes, where revenue is recognised at the time of sale.

As a result, the time taken to deliver mail and parcels is taken into consideration when assessing revenues at the balance-sheet date.

2.8.2 Net Banking Income

Net Banking Income in the consolidated income statement is the net difference between La Banque Postale and all its subsidiaries' banking operating revenue and expenses. It is prepared in accordance with the accounting rules applicable to banks. A breakdown of Net Banking Income is provided in Note 7.

2.9 Taxes

The La Poste parent company has opted for a tax consolidation regime where it is the umbrella company.

Deferred taxes are recognised whenever there is a timing difference between the book value of balance sheet items and their taxable value.

Deferred taxes recognised in prior financial years are altered to reflect any tax rate changes. The corresponding impact is recorded as an increase or decrease in the deferred tax expense in the income statement unless it relates to items recorded directly in equity, in which case the tax is recorded in equity.

All deferred tax liabilities relating to taxable timing differences are recognised. Deferred tax assets

resulting from timing differences, tax loss carry-forwards and tax credits are recognised if they are likely to be recovered (i.e. insofar as it is likely that future taxable profit will be available against which the timing differences can be charged). The assessment is based on the scheduled reversal dates for all the deferred tax bases, using the entity's best estimates of the future changes in its taxable profit (see Note 14).

Deferred tax assets and liabilities are offset within a single taxable entity.

2.10 Intangible assets

IAS 38 – *Intangible Assets* defines an intangible asset as an identifiable non-monetary asset without any physical substance, i.e. arising from legal or contractual rights or a separable asset.

Intangible assets primarily involve software and leasehold rights, and are recorded at their acquisition cost less amortisation and impairment.

Software is amortised on a straight-line basis over its useful life, usually a period of one to three years. Leasehold rights are not amortised.

Research and development costs

Research costs are expensed in the year in which they are incurred.

Development costs are recorded as intangible assets, provided:

- the project has a good chance of being technically viable;
- the Group has sufficient human and material resources to produce the intangible asset;
- the Group has shown its intention to complete the intangible asset and to use or sell it;
- the Group has shown that the asset will generate likely future economic benefits;
- the Group has shown that appropriate technical, financial and other resources are available to complete the development of the intangible asset, and to use or sell it;
- expenditure attributable to the intangible asset during its development can be reliably measured.

This expenditure, which is capitalised as intangible assets, is amortised on a straight-line basis over the useful life of the asset (usually three years and up to a maximum of five years) from the time they are commissioned.

Development expenditure that does not satisfy the above criteria is expensed in the year in which it is incurred.

2.11 Tangible assets

Tangible assets consist primarily of land, buildings, plants, tools, equipment and computer hardware. They are recorded at cost less depreciation and impairment.

2.11.1 Acquisition cost of a tangible asset

Only expenditure giving rise to a controlled resource as a result of past events and from which the Group expects to generate future economic benefits is capitalised.

The incidental costs directly attributable to the acquisition of non-current assets or to bringing them into working condition are included in the cost of the non-current asset.

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

Investment subsidies received in respect of the acquisition of a non-current asset are recorded as balance sheet liabilities and recognised in income over the useful lives of the underlying assets for which they were awarded.

2.11.2 Breakdown of the original value of non-current assets by component

A component is a part of a non-current asset that has a different useful life, or that generates economic benefits at a rate that differs from that of the overall non-current asset.

Le Groupe La Poste has identified the following components:

Non-current assets	Components
Real Estate portfolio	structural frame, roof, joinery and external works, large equipment items, small equipment items, fixtures and fittings, and land
Sorting machines	mechanical parts, intelligence, peripherals a 4 th component (feeders and measuring instruments) has been identified for parcel sorting machines
Sorting-area equipment	mechanical parts, intelligence
TGV railcars	frame, servicing, interior fittings
Automated teller machines	machine, installation

2.11.3 Depreciation periods

Tangible assets are depreciated on a straight-line basis over their useful life.

The average useful lives are as follows:

Non-current assets	Depreciation period
Buildings	
Structural frame	20 to 80 years
Roof	20 to 60 years
Joinery and external works	20 to 40 years
Large equipment items	15 to 20 years
Small equipment items, fixtures and fittings	5 to 10 years
Machinery and equipment	
Sorting machines	5 to 15 years
Sorting-area equipment	5 to 8 years
Office and computer equipment	3 to 5 years
Office furniture	10 years
ATMs	5 to 10 years
Transportation vehicles (other than TGV railcars)	3 to 5 years
TGV railcars	15 to 30 years

Land is not depreciated.

2.11.4 Finance leases

Leases where the Group assumes, in substance, all the risks and benefits, are deemed to be finance leases. An asset acquired under a finance lease is recognised at the lower of fair value or the present value of minimum future payments as at the date the lease is signed, less cumulative depreciation and impairment.

Leases that meet the definition of a finance lease, but where the restatement would not have a material impact on the presentation of a true and fair view of the net assets, financial position or profits or losses of the Group's business activities, are treated as operating leases.

2.12 Impairment of goodwill, intangible assets and tangible assets

Goodwill and intangible assets with indefinite useful lives are systematically tested for impairment at least once a year, and whenever an indication that the asset may be impaired is identified.

Other intangible and tangible assets are only tested for impairment where there is an indication that they may have been impaired.

An impairment test involves comparing the net book value of an asset, or of the Cash Generating Unit to which it belongs with its recoverable value, which is the higher of its fair value less sale costs and its value-in-use. Where the recoverable amount of a capitalised asset or group of assets falls below net book value, an impairment is recognised to bring the book value in line with the recoverable amount.

Fair value less sale costs represents 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 arise from using the asset or Cash Generating Unit.

The value-in-use of goodwill is determined based on the forecast net cash flows set out in business plans, and on the assumptions approved by the Group as part of the budgetary process. These forecasts generally cover a five-year period, beyond which cash flows are extrapolated to infinity using a low growth rate, which usually corresponds to inflation. The cash flows are discounted applying the weighted average cost of capital for each relevant asset or group of assets.

2.13 Other financial assets

2.13.1 Other non-current financial assets

This item primarily includes:

- loans granted for local authority housing, recorded at their amortised cost under the effective interest rate method. Provisions are recorded so as to take the maturities and repayment terms of these loans into account, as well as the estimated risk of non-recovery;
- unconsolidated investments classified under "Available-for-sale financial assets" and measured at fair value at the balance-sheet date. Changes in fair value are recorded in equity. When the shares are disposed of, the changes in fair value previously recognised in equity are transferred to income. Dividends received from unconsolidated investments are recognised as financial income in the year in which the decision to pay a dividend is made.
In the event that no active market exists, and where the fair value cannot be reliably determined using alternative measurement methods, they are retained on the balance sheet at cost. An impairment is recorded where there is an objective indication of a permanent reduction in their current value. The current value is determined based on the most appropriate financial criteria for each company's specific position. The criteria that are usually selected are the share of equity held and the profitability outlook;
- the non-current portion of the fair value of financial derivatives relating to La Poste's bonds (see Note 27).

2.13.2 Other current financial assets

These primarily involve the current portion of the fair value of financial derivatives relating to La Poste's bonds (see Notes 2.15 and 27).

2.14 Banking activities assets and liabilities

The Banking activities' financial assets and liabilities are classified under one of the following four categories: loans and receivables, financial assets and liabilities at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets.

2.14.1 Banking activities loans and receivables

Loans and receivables are fixed or determinable-income non-derivative financial assets that are not listed on an active market. They include loans and receivables due from credit institutions and customers. Following their initial recognition, they are recognised at amortised cost under the effective interest rate method and can be subject to impairment, where appropriate.

The effective interest rate is the exact interest rate that discounts the future cash flows to the loan's initial fair value. It includes the transaction costs relating directly to the loan issue, which are deemed to form an integral part of the loan yield.

Exceptionally, some securities may be recognised in this category. They then follow the accounting, measurement and impairment rules for loans and receivables.

Banking activities loans and receivables are recognised in the "Customer loans and receivables (Banking activities)" or "Credit institution receivables (Banking activities)" balance sheet items, depending on the type of counterparty.

Downgrading of banking activities loans and receivables

The downgrade process applies to outstanding overdrafts, property loans and consumer loans.

Active accounts and closed accounts are downgraded in respect of outstanding overdrafts. Downgrading outstanding overdrafts on active accounts has the effect of downgrading performing loans to doubtful performing loans. Downgrades are performed on a monthly basis and take the amount and length of the overdraft for each account into consideration. Closing the account results in downgrading the receivable to a doubtful non-performing loan. Receivables for very small amounts are directly recognised as losses.

Property loans six or more months in arrears are downgraded to doubtful performing loans; in the case of consumer loans these are accounts that present a proven risk and have at least three payments in arrears at month-end, or loans where an application for a debt management plan has been filed with the Banque de France even if there are no payment issues relating to these loans, or loans with no payment issues classified as being in default due to their being affected by another loan to the same customer that is in default.

Cancellation of the loan results in the receivable being downgraded to doubtful non-performing status. Moreover, loans are systematically classified as non-performing doubtful loans one year after they are classified as doubtful.

In accordance with the contagion principle, all outstanding loans to the same account holder are downgraded as soon as one receivable with this account holder is downgraded.

Impairment of loans on an individual basis

The Group begins by identifying whether there is objective evidence of an event occurring after the granting of a loan – or group of loans – that is likely to lead to a loss in value. This can involve loans at least three months in arrears, loans subject to legal

proceedings or loans where the counterparty's financial position has deteriorated, and is resulting in a risk of default.

An impairment is then recognised, based on the difference between the book value and the expected flows discounted at the original effective interest rate, which are determined by taking account of the debtor's financial position and the present value of any guarantees received. In the case of terminated non-performing loans backed by a guarantee where the amount outstanding is greater than a given minimum amount, an expert appraisal is performed in order to determine the amount of the provision. For amounts below that threshold and for unimpaired loans, a prudent estimate is made, which factors in the acquisition cost of the asset.

Loans guaranteed by a private individual, and unguaranteed loans are impaired in full.

The amount of the impairment is recognised in "Cost of risk" in the income statement, and the value of the financial asset is reduced through recording an impairment charge.

Collective impairment of loans

In addition, loans that are not impaired on an individual basis are impaired on a collective basis. This process involves a group of "sensitive loans" that form a sub-category in performing loans: they show preliminary signs of default (with one or more payments less than 180 days in arrears) but their status has not yet been downgraded to doubtful.

These loans are provisioned on the basis of a likely downgrade, which is calculated based on historical observations. The risk of loss that takes the nature of the guarantee into account is calculated in the same way as for doubtful cases, and is the subject of a provision, based on the discounted recoverable cash flows.

The amount of the impairment is recognised in "Cost of risk" in the income statement, and the value of the financial asset is reduced through recording an impairment charge.

Impairment of overdrafts

Provisions recorded for overdrafts on active post office bank accounts factor in the loan recovery performance for the previous year according to the level of risk.

The Group's income statement shows the cost of risk for the Banking activities, which includes losses on irrecoverable receivables and changes in provisions on doubtful loans, as well as recoveries of written-off receivables. The cost of risk is shown on the "Depreciation, amortisation and provisions" line of the consolidated income statement.

2.14.2 Financial assets at fair value through profit or loss

This category includes securities held for trading purposes, together with securities designated from the outset as belonging to this category by the Group. The Group thus measures some structured issues at fair value through profit or loss, together with some

components of composite financial instruments without splitting out embedded derivatives that should be recognised separately.

Securities classified in this category are initially recognised at their market value, while transaction costs are directly expensed. They are subsequently measured at fair value at each balance-sheet date, and the change in fair value is recognised in income, along with dividends from variable-income securities and gains and losses on disposal, under "Net gains and losses on financial instruments at fair value through profit or loss", which is included in Net Banking Income (see Note 7). Income received on fixed-income securities is recorded under "Interest and similar income".

2.14.3 Financial assets held to maturity

This category includes fixed-or determinable-income securities that the Group intends and has the ability to hold to maturity.

Held-to-maturity investments are recorded at amortised cost using the effective interest rate method, which includes all premiums and discounts, as well as their purchase costs.

Income received on these securities is recognised under "Interest and similar income", which is included in Net Banking Income.

In the event that there is an objective indication of impairment, a provision is recorded for the difference between the book value and the estimated recoverable value discounted at the original effective interest rate. In the event of a subsequent improvement, the excess provision, which is redundant, is written back.

2.14.4 Available-for-sale financial assets

The "Available-for-sale financial assets" category is the default category defined by IAS 39. It includes fixed-income securities and equities that do not fall into the two previous categories.

Securities classified in this category are initially recognised at their acquisition cost, plus transaction costs and accrued coupons. At the balance-sheet date, they are measured at fair value and any changes in that fair value are recorded in equity under "Unrealised gains and losses on financial instruments".

In the event of a disposal or permanent impairment, the unrealised gains and losses recorded in equity are reversed in income under "Net gains and losses on available-for-sale financial assets".

In the event of a prolonged or material reduction in the fair value of treasury shares, an impairment charge is recorded on available-for-sale financial assets. The same applies to debt securities in the event of a significant deterioration in credit risk. The fall in the fair value of a security is deemed to be material when an equity instrument has lost at least 40% of its value between the acquisition date and year-end. When such objective evidence of impairment is observed, the aggregate unrealised loss that had hitherto been directly recognised in equity is automatically recognised in the income statement. The fall in the fair value of a

security is assumed to be long-term when the ongoing fall extends over a period of more than 24 months. In this case, the Group examines whether there are grounds to recognise the impairment charge in profit or loss, depending on the level of significance of the unrealised losses. This approach does not rule out the line-by-line examination of objective evidence of impairment.

Moreover, the CNP Assurances Group uses specific criteria to determine evidence of impairment on securities available-for-sale as part of its insurance company management process. These criteria are not re-estimated when CNP Assurances is included in the Group's consolidated financial statements via the equity method, in order to take account of the management and risk framework that is inherent to CNP's business.

For debt instruments like bonds, an impairment charge is recorded when there is a proven counterparty risk.

Impairment losses on variable-income securities, recognised in profit or loss, cannot be reversed while the instrument remains on the balance sheet. They are recorded in "Net gains or losses on available-for-sale financial assets". Impairment losses on fixed-income securities can be reversed and recognised in the cost of risk when they relate to credit risk.

2.14.5 Reclassification of financial assets

A financial asset with a fixed or determinable yield, which was initially recognised in the "Available-for-sale financial assets" category, but which is no longer tradable on an active market after its acquisition, and which the Group intends and is able to hold for a foreseeable period or until maturity may be reclassified in the "Loans and Receivables" category.

Reclassifications are carried out at market value on the date of reclassification, and financial assets transferred in this way are then valued according to the rules applicable to their new category. The transfer price at the reclassification date represents the initial cost of the asset when determining potential impairment charges. A new effective interest rate is then calculated in order to bring this new balance into line with the instrument's redemption value. At the same time, profits and losses that were previously recorded in equity are amortised through profit or loss over the residual life of the instrument, using the effective interest rate method.

2.14.6 Financial derivatives (Banking activities)

Derivatives held for transaction purposes

Derivatives belong to the category of financial instruments held for transaction purposes, except for derivatives that are used for hedging purposes. Their fair value is recognised in the balance sheet in "Financial instruments at fair value through profit or loss". Changes in fair value and interest accrued or not due are recognised in net gains or losses on financial instruments at fair value through profit or loss.

Hedging derivatives

Derivatives that qualify as hedging instruments according to IAS 39 criteria are classified in the "Fair

value hedges" or "Cash flow hedges" category, depending on the circumstances. Other derivatives are classified in "Assets or liabilities at fair value through profit or loss" by default, even if they have been entered into in order to hedge one or several transactions from an economic perspective.

In order to classify a financial instrument as a hedging derivative, the Group must establish the hedging relationship from the outset (hedging strategy, description of the risk hedged, the item hedged, the hedging instrument and the method used to assess its effectiveness). Effectiveness is assessed when the hedge is put in place and at each balance-sheet date while it remains in place.

Depending on the nature of the hedged risk, the derivative is designated a fair value hedge, a cash flow hedge or a foreign exchange hedge linked to a net investment in a foreign operation.

Fair value hedges

Fair value hedges enable exposure to fluctuations in the fair value of financial assets or liabilities to be hedged; they are primarily used to hedge interest-rate risk on fixed-rate assets and liabilities and on sight deposits, according to the options approved by the European Union.

Any revaluation of the derivative is recognised in profit or loss in a way that mirrors the revaluation of the item hedged. 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. As soon as the hedging relationship becomes effective, movements in the fair value of the hedged item are mirrored by the movements in the fair value of the hedging instrument. Any potential ineffectiveness of the hedge is directly recognised in the income statement. The portion relating to the accrued income or expenses of the derivative is recognised in "Income and interest expense" in the income statement at the same time as the interest income and expense relating to the hedged item.

As soon as the derivative instrument no longer meets the effectiveness criteria specified by the standard, and especially if it is sold, hedge accounting is prospectively discontinued: the derivative is transferred to "Financial assets at fair value through profit or loss" or "Financial liabilities at fair value through profit or loss" while the revaluation of the hedged item is amortised over the period remaining based on the initial life of the hedge.

In the event that the hedged item is sold or redeemed, the hedging instrument, which no longer qualifies as a hedging instrument but still exists, remains on the balance sheet and is accounted for at fair value through profit or loss. A gain or loss on the sale of the hedged item may be recognised in profit or loss.

Macro-hedges

The Group applies the provisions of IAS 39 as adopted by the European Union to macro-hedging transactions which are performed as part of the asset and liability management of fixed-rate positions.

Macro-hedging instruments are primarily interest rate swaps designed as fair value hedges for the Group's fixed-rate resources.

Macro-hedging derivatives are accounted for according to the same principles as those described above. The revaluation of the hedging component is recognised in "Revaluation differences on portfolios hedged against interest-rate risk".

Cash flow hedges

Cash flow hedges are used to hedge exposure to movements in cash flows from financial assets or liabilities, firm commitments or future transactions. More specifically, they are used to cover interest-rate risk on reviewable-rate assets and liabilities.

The effective portion of movements in the fair value of a derivative instrument is entered on a specific line in equity, while the ineffective portion is recognised in profit or loss in "Net gains or losses on financial instruments at fair value through profit or loss."

The portion corresponding to the rediscounting of the financial derivative is entered on the income statement in "Interest income and expenses on hedging transactions" symmetrically to the interest income and expenses relating to the hedged item.

The hedged instruments continue to be recognised according to the rules applicable to their accounting category.

In the event of a breakdown in the hedging relationship, or as soon as the derivative instrument no longer meets the effectiveness criteria specified by the standard, or especially if it is sold, the hedge accounting ceases. The aggregate amounts entered in equity in respect of the revaluation of the hedging derivative are gradually transferred to profit or loss as interest income or expense, or immediately recognised in profit or loss. In the event that the hedged item is sold or redeemed, the derivative is reclassified in "Financial assets at fair value through net income", while the revaluation of the hedged item entered in equity is immediately recognised in profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid contract. It is separated out of the host contract and recognised separately when its economic characteristics and the related risks are not closely linked to those of the host contract, except where the hybrid instrument is valued at fair value through profit or loss.

Day one profit

The Group generates no profit on the trading of structured instruments.

2.14.7 Guarantee commitments

Financial guarantees

A contract meets the definition of a financial guarantee if it includes an indemnity principle according to which the issuer shall compensate the beneficiary for losses that the latter has suffered due to the failure of a specifically designated creditor to make a payment on a debt instrument.

The financial guarantees provided are valued at their initial fair value at the date into which they were entered. They are subsequently valued at the higher of the amount of the commitment and the amount initially recorded, less the commission guarantee, where applicable.

2.14.8 Debt (Banking activities)

Liabilities to credit institutions and customers

Liabilities to credit institutions and liabilities to customers are broken down according to their initial maturity or nature: sight debt (sight deposits and ordinary accounts) or long-term debt (special scheme savings accounts). These liabilities include securities sold under repurchase agreements and loaned securities.

Debt evidenced by a certificate

Issued financial instruments are classified as debt instruments where the issuer is required to pay out cash or some other financial asset, or furthermore, to exchange instruments on potentially disadvantageous terms. Debt securities consist of negotiable debt securities issued by La Banque Postale.

The debt is initially recognised at nominal value and is then valued at amortised cost using the effective interest rate method at subsequent balance-sheet dates.

Distinction between debt and equity: Undated deeply subordinated notes

A debt instrument or financial liability constitutes a contractual obligation to pay out cash or some other financial asset, or to exchange instruments under potentially disadvantageous terms. An equity instrument is a contract that evidences a residual interest in an entity's net assets. Subordinated notes are classified as debt instruments or equity according, in particular, to the analysis of their features, and more specifically, according to their compensation method, depending on whether it is discretionary or not.

In view of the conditions set forth by IAS 32, in order to analyse the contractual substance of these instruments, and taking their contractual features into consideration, the undated deeply subordinated notes issued by Groupe CNP Assurances are considered "debt instruments".

Subordinate debentures issued that can be converted into ordinary shares also meet the "debt instrument" classification criteria, even if the coupons are treated as dividends deducted from equity. Deferred tax assets associated with the distribution of coupons representing a tax saving are ancillary to the coupons paid, and therefore are recognised through equity in line with the recognition of coupons. In accordance with IAS 32, subordinate debentures issued that can be converted into ordinary shares have been analysed as hybrid instruments comprising a debt component and an equity component.

2.14.9 Deconsolidation of financial assets or liabilities

Financial assets are deconsolidated when the contractual rights to the cash flows attached to the financial asset expire, or when those rights and virtually all the risks and benefits of ownership have been transferred to a third party.

When certain risks and advantages have been transferred, and while control of the financial asset is retained, that asset remains on the balance sheet so as to reflect the ongoing involvement in the asset concerned.

A gain or loss on disposal is then recorded in the income statement, in an amount equal to the difference between the book value of the asset and the value of the consideration received.

Financial liabilities are deconsolidated when the contractual obligation is settled, cancelled, or when it expires.

Repurchase agreements

The assignor does not derecognise the securities. The Group records a liability that represents its commitment to refund the cash received. This debt represents a financial liability, which is recorded at amortised cost, and not at fair value.

The assignee does not recognise the assets received, but recognises a receivable on the cash loaned by the assignor. At subsequent balance-sheet dates, the assignor continues to value the securities according to the rules applicable to their original category. The nominal value of the receivable is shown in loans and receivables.

Securities lending transactions

The lending and borrowing of securities cannot be treated as a financial asset transfer according to IFRS. Therefore, these transactions cannot result in the deconsolidation of the loaned securities. They continue to be recognised in their original accounting category and valued in accordance with the rules of that category. Borrowed securities are not recognised.

2.14.10 Insurance activities

The financial assets and liabilities of the Group's insurance companies are mostly valued and recognised according to the provisions set out in IAS 39.

However, the following policies are recognised according to IFRS 4:

- insurance policies that include a contingency clause for the policy holder. This category includes policies for personal risk, retirement, property damage and unit-linked savings policies with a guaranteed minimum return;
- financial contracts issued by the insurer that include a discretionary profit-sharing (PS) clause.

In accordance with the provisions of IFRS 4, local guidelines for valuing underwriting reserves are retained for both types of contract.

Financial contracts governed by IAS 39 correspond to investment contracts with no discretionary with-profits clause, i.e. unit-linked savings policies with no euro-denominated or minimum guarantee.

Pursuant to the "shadow" accounting principles set out in IFRS 4, a provision for deferred profit-sharing is recorded for insurance policies that include a discretionary with-profits clause. This provision is determined in a way that reflects the potential rights of policyholders to share in unrealised gains on financial instruments valued at fair value, or in potential losses in the event of unrealised losses on those instruments.

At each year-end, the Group's insurance companies perform a liability adequacy test, which consists in checking that the insurance liabilities recognised, net of deferred acquisition costs and related tangible assets, are adequate on the basis of current estimates of future cash flows from insurance policies and from financial contracts with discretionary profit-sharing clauses.

Underwriting and actuarial provisions

Underwriting provisions represent commitments to policy-holders.

Actuarial provisions on euro-denominated policies correspond to the difference between the current value of the insurer's and the policyholder's commitments.

Life insurance provisions are recorded based on discount rates that are at most equal to prudently-estimated rates of return on the underlying assets.

The net present value of commitments is calculated by choosing a discount rate that is at most equal to the pricing rate of the policy involved, and by using statutory mortality tables or tables based on experience if they are more cautious. Lower interest rates are factored in to investment income discount rate calculations when the rate is deemed to be too high relative to the expected reinvestment prospects.

Actuarial provisions on unit-linked policies are valued on the basis of the underlying assets. Gains or losses resulting from the revaluation of these policies are recognised in the profit and loss statement, in order to cancel out the impact of movements in underwriting provisions.

Active deferred profit-sharing

Most financial contracts issued to policyholders by the Group's life insurance subsidiaries include a discretionary profit-sharing clause.

The discretionary profit-sharing clause grants life insurance policyholders the right to receive a share in any realised financial gains, as well as the income guaranteed. Pursuant to the "shadow" accounting principles set out in IFRS 4, the provision for deferred profit-sharing for these policies is adjusted to reflect the policyholders' entitlement to any unrealised gains, or their obligation to assume their share of unrealised losses on financial instruments valued at fair value under IAS 39. The share of gains to which policyholders are entitled is determined according to the specific features of the policies likely to benefit from such gains.

The net amount of the deferred profit-sharing established by "shadow" accounting is recognised either

in balance sheet liabilities (net deferred profit-sharing – liabilities) or assets (net deferred profit-sharing – assets) depending on the situation of the entity concerned.

When recorded as an asset, deferred profit-sharing is subject to a recoverability test. The aim of this test is to show that the profit-sharing amount is recoverable through sharing in future or unrealised gains, against the background of the Group's business continuity, and will not result in any inadequacy of the commitments recognised by the Group in respect of these economic commitments. The recoverability test is performed by using current estimates of future policy cash flows. The test is based on tools for modelling the asset and liability management of the subsidiaries involved, and enables a value to be assigned to commitments in a high number of economic scenarios using a stochastic approach.

In accordance with the recommendation on methods for identifying deferred profit-sharing issued by the French National Accounting Council, or CNC, on 19 December 2008, profit-sharing recoverability is based on a prudent assessment of the capacity for holding the assets, particularly in terms of their future collection, in forecast cash flows. Likewise, the capacity of future returns to absorb unrealised losses was tested, based on an unfavourable repurchase scenario that has never been experienced up until now.

2.15 Bond debt and financial derivatives relating to the management of the bond debt

Bonds are classified in the balance sheet under both "Medium and long-term bonds and other debt" and "Short-term bonds and other debt".

2.15.1 Bonds backed by "fixed-for-floating" swaps

As part of the Group's strategy to manage its bonds, 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 designated as subject to fair value hedging.

Bonds designated at fair value through profit or loss

In accordance with IAS 39 and its "Fair value option" amendment, adopted by the European Union on 15 November 2005, some bonds backed by "fixed-for-floating" swaps are recognised at fair value through profit or loss. 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 IAS 39.

Bonds designated as subject to fair value hedging

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 part of the hedge is concerned.

Moreover, depending on market developments, the Group may refreeze the interest rates of some borrowings by subscribing to floating-for-fixed swaps. These swaps are also measured at fair value through profit or loss.

2.15.2 Bonds measured at amortised cost

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

2.15.3 Forward start swaps

In some cases, La Poste subscribes to forward start 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 an equalisation balance (paid or received depending on the swap's value). These payments are recognised in reversible reserves as part of the application of the cash flow hedge, and then reversed to income over the life of the initially hedged loan, in accordance with the provisions of IAS 39 regarding the termination of hedges.

2.16 Commitments to buy out non-controlling interests

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

Le Groupe La Poste has chosen to offset the difference between the liability and value of non-controlling interests under reserves, group share. Subsequent changes in debt relating to the change in the estimated strike price of the buy-back commitment and of the book value of the non-controlling interests are recognised in reserves, group share.

2.17 Inventories and work-in-progress

Inventories are valued at the lower of their purchase cost or net realisable value. The net realisable value is the estimated sale price in the normal course of business, less the estimated costs necessary to complete the sale.

The value of inventories is assessed using the weighted average cost method, and includes both the purchase cost and the expenses incurred in bringing the inventories to their current location and condition.

2.18 Trade receivables

When initially recognised, trade receivables on commercial activities are recorded at their nominal value, which basically 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.

2.19 Provisions

Provisions are recorded when (i) the Group has a present obligation (legal or implicit) towards a third party as a result of a past event at the balance-sheet date, (ii) it is likely that an outflow of resources representing future economic benefits will be required to settle the liability, and (iii) a reliable estimate can be made of the liability.

The provisions are assessed on the basis of the Group's expectation of the expenditure required to settle the liability, based on management data from the information system and on assumptions selected by the Group, supplemented, where necessary, by experience of similar transactions and, in some cases, by reports from independent experts or estimates from service providers. These various assumptions are reviewed at each balance-sheet date.

Provisions for commitments on home loan savings agreements

Home loan savings accounts and plans offered to retail customers in accordance with the French Act of 10 July 1965 include two phases: a first phase during which deposits are collected in the form of interest-bearing savings accounts, and a second phase where home loans are extended.

In accordance with the provisions of IAS 37, La Banque Postale records provisions commitments with unfavourable consequences relating to home loan savings agreements. These provisions relate to the obligation to pay interest on deposits for an undetermined period of time at a rate that is fixed when the contract is signed in the future, on the one hand, and to the obligation to extend loans at a rate that is fixed at the time the contract is signed, on the other.

The additions to and reversals of this provision are included in banking operating revenue and expenses, within Net Banking Income.

Provisions are calculated for each generation of home loan savings schemes, without offsetting commitments for different generations of home loan savings schemes, and for all the home loan savings accounts representing one generation.

During the savings phase, the commitments to be provisioned are evaluated according to the difference between average forecast savings deposits and minimum forecast savings deposits, both of which are determined on a statistical basis by factoring in historical observations on actual customer behaviour.

During the lending phase, the commitments to be provisioned include loans that have already been granted but not yet released at the year-end date, as well as future loans that are viewed as statistically likely based on balance sheet deposits as at the calculation date and historical observations on actual customer behaviour.

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

That income is assessed on the basis of the rates offered to retail customers on equivalent savings and lending products that have the same term as the deposits and were agreed on the same day.

The Group's insurance companies record underwriting provisions, the principles of which are set out in Chapter 2.14.10 above.

2.20 Employee benefits

2.20.1 Post-employment benefits

Post-employment and long-term benefits resulting from defined benefit plans, together with their related costs, are measured using the projected unit credit method, in accordance with IAS 19. Annual actuarial appraisals are carried out.

The appraisal calculations involve taking third-party actuarial economic assumptions into account (discount rates, inflation rates, and the rate of increase in pensions, etc.), as well as assumptions that are specific to La Poste (employee turnover rates, mortality rate, and the rate of increase in salaries, etc.).

The balance sheet provision for defined benefit post-employment plans corresponds to the present value of the liability at the balance-sheet date less the market value of any plan assets where applicable (GeoPost UK). The present value of the commitment is calculated using the projected credit unit method on an annual basis. That value is determined by calculating the net present value of expected future outflows based on the market rate for top-tier corporate bonds, denominated in the currency in which the benefit will be paid. In addition, the term of the selected bonds is close to the average estimated length of the underlying commitment.

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 costs, which arise when a defined benefit plan is adopted or modified, are immediately expensed.

Pension and other employee benefit arrangements are described in Note 29 together with the main assumptions used.

2.20.2 End-of-career arrangements

La Poste records a provision for the costs of the end-of-career arrangements made for its employees. The amount of this provision takes into account both

persons who have enrolled in one of the existing plans, and those who are expected to enrol on the basis of past take-up rates in previous years and Management's best estimates.

2.21 Assets held for sale

A non-current asset, or group of assets and liabilities, is classified as being held for sale when its book value will primarily be recovered through its sale and not its ongoing use. This assumes that the asset is available for immediate sale in its current state and that such a sale is highly likely within one year.

These assets and groups of assets, along with all related liabilities, are disclosed separately from other assets and liabilities and are valued at the lower of book value or the estimated sale price, net of disposal costs. These assets cease to be depreciated or amortised from the date when they are classified in this category.

2.22 Cash flow statement

The Cash Flow Statement presents the inflows and outflows of cash and cash equivalents classified under operating, investing or financing activities.

The format of the cash flow statement has been rearranged in order to show the flows associated with La Banque Postale and the flows associated with non-banking business activities on a separate basis.

The cash flow statement presents the change in cash and cash equivalents of non-banking activities.

La Banque Postale sub-group's cash flows (except cash flows relating to La Banque Postale's subordinated debt) are disclosed on a separate line in the balance sheet. Changes in those cash flows are reflected in the "Decrease (increase) in cash and cash equivalents from banking activities before impact of changes in consolidation scope" line, positioned under cash flows from financing activities.

In addition, cash flows relating to variations of banking assets and liabilities are combined on a separate line in the cash flow statement ("Change in balance of banking sources and uses") in net cash flows from operating activities, which specifically includes:

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

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.

Investing activities relate to the acquisition or disposal of non-current assets and to any other investments not included in cash and cash equivalents.

Le Groupe La Poste's cash flows from investing activities consist mainly in acquisitions or disposals of the following:

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

The impact of changes in the consolidation scope on cash flows is presented on a separate line "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

(distribution of dividends to minority shareholders, La Poste savings bond redemptions and debt repayments).

Concerning La Banque Postale, only the changes in subordinated debt are classified as cash flows from financing activities.

The concept of cash and cash equivalents includes very short-term liquid investments that can be readily converted into known amounts of cash and are subject to a negligible risk of change in value.

Le Groupe La Poste'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 relating to temporary overdrafts.

Regardless of their characteristic features, securities in the "Banking activities investment portfolio" are never classified as cash. The flows pertaining to them are included in the "Change in the balance of banking sources and uses" line in the cash flow statement (see above).

NOTE 3 FIRST-TIME APPLICATION OF NEW ACCOUNTING STANDARDS

First-time application of IFRIC 21

IFRIC 21 – Levies was issued by the IASB in May 2013, and endorsed by the European Union in June 2014. It is effective for the annual period beginning on 1 January 2015 for Le Groupe La Poste.

IFRIC 21 provides guidance on how to apply IAS 37 regarding the accounting for liabilities related to levies, which are not income taxes, imposed by a public authority. Such levies must be recognised when the activity that triggers the payment, as identified by the relevant legislation, occurs.

In particular, levies that are triggered by being in business or by holding an asset at a specific date must be recognised in full at that date.

This change did not have any impact on the Group's annual income statement.

Furthermore, the C3S levy was previously recognised over the year during which the revenue on which the levy is based was generated. It is now recognised on 1 January of the year when the levy is due, based on revenue generated during the previous year. This change led to recognise an impact in equity as at 1 January 2014 and 2015, corresponding to the reversal of the accruals previously recognised. This impact is presented in the table below.

BALANCE SHEET AS AT 31 DECEMBER 2014

(€ million)	31/12/2014 as reported	Impact of IFRIC 21	31/12/2014 restated
Deferred tax assets	264	(15)	250
Other non-current assets	12,442		12,442
NON-CURRENT ASSETS	12,706	(15)	12,691
CURRENT ASSETS	213,658		213,658
TOTAL ASSETS	226,364	(15)	226,349
Equity, group share	9,088	24	9,112
Non-controlling interests	270		270
CONSOLIDATED EQUITY	9,358	24	9,382
NON-CURRENT LIABILITIES	8,513		8,513
Trade and other payables	4,321	(39)	4,282
Other accruals – Liabilities	204,173		204,173
CURRENT LIABILITIES	208,494	(39)	208,454
TOTAL LIABILITIES	226,364	(15)	226,349

The impact of the application of IFRIC 21 as at 1 January 2014 was substantially the same as at 31 December 2014.

NOTE 4 CHANGES IN THE CONSOLIDATION SCOPE

- 4.1 Main newly-consolidated companies
- 4.2 Main deconsolidated companies
- 4.3 Income statement at constant scope and exchange rates

The scope of consolidation is shown in Note 42.

4.1 Main newly-consolidated companies

Acquisition of DPD Systemlogistik

GeoPost acquired in the first semester of 2015 DPD Systemlogistik, a franchisee of the DPD Germany network who operates mainly in Bavaria. The provisional goodwill from this acquisition amounted to €50 million.

Acquisition of Fédérés Gestion d'Actifs

As part on an agreement with group Malakoff Médéric, La Banque Postale Asset Management (LBPAM) increased its capital via the contribution of the shares of Fédérés Gestion d'Actifs. The provisional goodwill from this acquisition amounted to €14 million.

Malakoff Médéric acquired simultaneously a 5% stake in the capital of LBPAM.

Take-over of Ciloger

La Banque Postale acquired in June 2015 an additional 45% stake in Ciloger's capital, which increased its total stake to 90%. The revaluation of the previously held interest gave rise to the recognition of a €17 million gain in consolidated income. The provisional goodwill from this acquisition amounted to €30 million.

Acquisition of Resto-in

GeoPost acquired in November 2015 an 80% stake in the Resto-in group, which specialises in meal home delivery. The provisional goodwill from this acquisition amounted to €35 million.

4.2 Main deconsolidated companies

None

4.3 Income statement at constant scope and exchange rates

(<i>€ million</i>)	Reported net profit/(loss)		Restated net profit/(loss) excluding scope and exchange rate effects	
	2015	2014	2015	2014
Revenues and NBI	23,045	22,163	22,838	22,275
Purchases and other expenses	(8,078)	(7,448)	(7,935)	(7,514)
Personnel expenses	(12,731)	(12,556)	(12,686)	(12,583)
Taxes and levies	(293)	(235)	(292)	(236)
Depreciation, amortisation and provisions	(1,282)	(1,363)	(1,276)	(1,358)
Other current operating revenue and expenses	235	158	235	157
Pre-tax gains and losses on asset disposals	(25)	(18)	(25)	
Net operating expenses	(22,174)	(21,462)	(21,978)	(21,542)
Operating profit/(loss) before share in results of joint ventures	871	701	860	733
Share in results of joint ventures	3	18	4	15
OPERATING PROFIT/(LOSS) AFTER SHARE IN RESULTS OF JOINT VENTURES	875	719	864	749

The restated net profit / (loss) eliminates the effect of all acquisitions made during the current year and the prior year's acquisitions concluded during the year. It also shows foreign currency transactions from the prior year at the average rate during the current year.

NOTE 5 SEGMENT REPORTING

- 5.1 Definition of operating segments
- 5.2 Operating segment reporting
- 5.3 Geographical information

5.1 Definition of operating segments

The definition of operating segments for the purpose of segment reporting is based on Le Groupe La Poste's current management organisation. A business segment is a distinguishable component for which separate financial information is available and regularly reviewed by Group Management for the purpose of allocating resources to the segment and assessing its performance.

The criteria selected to define business segments specifically include:

- the nature of the products distributed;
- the type or class of customer for whom they are intended;
- the production process and distribution network;
- the regulatory environment.

The Group is organised around five operating segments, in addition to the Real Estate and Shared Services segments:

SEGMENTS	ACTIVITIES
Services-Mail-Parcels	<ul style="list-style-type: none"> ▪ mail activity (i.e. pick-up, sorting and delivery of letter posts, advertising and press publications) and related services ▪ parcels activity carried out by La Poste under the ColiPoste brand ▪ postman's new services
Geopost	<ul style="list-style-type: none"> ▪ Express activity carried out by the GeoPost sub-group's brands, primarily DPD, Chronopost, Exapaq and Seur
La Banque Postale	<ul style="list-style-type: none"> ▪ Banking and Insurance activities of the La Banque Postale sub-group ▪ services provided by some La Poste staff to La Banque Postale under service agreements
La Poste Network	<ul style="list-style-type: none"> ▪ sale and distribution activities intended for the general public ▪ La Poste Mobile activities ▪ other non-Group products
Digital services	<ul style="list-style-type: none"> ▪ all the Group's digital activities
Real estate	<ul style="list-style-type: none"> ▪ management of all of the Group's real estate assets held by the Poste Immo sub-group ▪ activities of the La Poste Real Estate Department
Shared Services	<ul style="list-style-type: none"> ▪ "Corporate" activities of the Group's registered Office ▪ support services departments

5.2 Operating segment reporting

The accounting principles applied to segment reporting are the same as those used for the consolidated financial statements, as described in Note 2.

The profits (losses), assets and liabilities that have been allocated to the business segments are those profits (losses), assets and liabilities that can be allocated directly and indirectly to business segments.

The amounts unallocated to the business segments primarily correspond to:

- the net cost of regional development;
- the cost of the accessibility constraint imposed on La Poste
- financial profit/(loss) and tax.

Segmentation of revenues: the segmentation of La Poste's revenues between the Mail and Parcels businesses is based on accounting data and on a statistical analysis of the mail and parcel volumes transported and delivered by the two businesses.

Segmentation of operating expenses: given that the Mail, Parcels, Banking activities and La Poste Retail Brand segments coexist within La Poste, and that their production processes are highly inter-connected, La Poste has set out cost accounting principles in order to allocate shared costs between these various segments and thereby determine each segment's profit (loss).

La Poste's management accounting system operates on the basis of the following principles:

- The main services shared between the Mail and Parcels segments (collection, sorting, transportation and delivery) are re-invoiced on the basis of a price per item or a lump sum.
- The expenses for the La Poste Retail Brand post office counters are re-invoiced to the businesses that use the network on the basis of service agreements, where the pricing mechanisms are based on measurable operating metrics (revenues, and statistics measuring the time required to perform various transactions, etc.).

Segmentation of non-current assets: intangible and tangible assets are divided based on the allocation of the corresponding assets for each business in La Poste's accounting system. The real estate assets held by La Poste and the Poste Immo 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 revenues.

2015 (€ million)	Services-Mail-Parcels	GeoPost	La Banque Postale	Digital Services	La Poste Network	Real Estate	Shared Services	Unallocated ^(a)	Eliminations	Total
Non-Group revenues and NBI	11,192	5,606	5,730	471	36	10				23,045
Inter-segment revenues and NBI	269	69	15	89	4,168	822	676		(6,108)	
Operating revenue	11,461	5,675	5,745	560	4,204	832	676		(6,108)	23,045
Operating profit/(loss) before share in results of joint ventures	694	264	851	(14)	(9)	25	(221)	(719)		871
Share in results of joint ventures	3	4			(5)	2				3
Operating profit/(loss) after share in results of joint ventures	697	268	851	(14)	(14)	27	(221)	(719)		875
Financial profit/(loss)								(154)		(154)
Income tax								(253)		(253)
Share in profits of associates			207	(1)		1				207
CONSOLIDATED NET PROFIT/(LOSS)										675
Depreciation, amortisation, provisions and impairment	(251)	(235)	(350)	(43)	(47)	(237)	(120)			(1,282)
Segment assets	2,849	4,060	217,891	600	230	3,685	9,023	(5,319)		233,019

2014 (€ million)	Services-Mail-Parcels	GeoPost	La Banque Postale	Digital Services	La Poste Network	Real Estate	Shared Services	Unallocated ^(a)	Eliminations	Total
Non-Group revenues and NBI	11,131	4,847	5,660	487	27	10				22,163
Inter-segment revenues and NBI	257	74	13	46	4,238	833	668		(6,128)	
Operating revenue	11,388	4,921	5,673	533	4,265	843	668		(6,128)	22,163
Operating profit/(loss) before share in results of joint ventures	417	276	842	(62)	34	49	(160)	(694)		701
Share in results of joint ventures	2	8			(3)	10				18
Operating profit/(loss) after share in results of joint ventures	419	284	842	(62)	31	60	(160)	(694)		719
Financial profit/(loss)								(198)		(198)
Income tax								(182)		(182)
Share in profits of associates		1	199	(1)		2				200
CONSOLIDATED NET PROFIT/(LOSS)										539
Depreciation, amortisation, provisions and impairment	(292)	(188)	(399)	(63)	(77)	(252)	(92)			(1,363)
Segment assets	2,751	3,627	212,597	501	163	3,909	8,062		(5,261)	226,349

(a) Primarily includes the contribution to regional development (including the costs relating to the accessibility constraint), financial profit/(loss), and income tax.

5.2.3 Balance sheet by operating segment

31/12/2015 (€ million)	Services- Mail- Parcels	GeoPost	La Banque Postale	Digital Services	La Poste Network	Real Estate	Shared services	Elimina- tions	Total
ASSETS									
Intangible and tangible assets and goodwill	836	2,556	1,102	275	150	3,243	458	(11)	8,608
Equity associates	55	143	2,911	3		30			3,141
Other non-current assets	63	59	395	22	3	11	4,128	(3,632)	1,050
Current assets	1,895	1,303	213,483	299	77	401	4,437	(1,676)	220,219
TOTAL	2,849	4,060	217,891	600	230	3,685	9,023	(5,319)	233,019
Investments (a)	204	298	243	54	35	211	141		1,186
LIABILITIES									
Shareholders' equity							10,015		10,015
Bonds and other financial debt (current and non-current)	422	1,189	3	(23)		1,476	7,520	(3,275)	7,313
Other non-current liabilities	1,123	267	365	38	703	65	114		2,676
Other current liabilities	2,282	1,218	208,937	221	689	244	1,071	(1,648)	213,014
TOTAL	3,828	2,675	209,305	237	1,392	1,785	18,721	(4,923)	233,019

31/12/2014 (€ million)	Services- Mail- Parcels	GeoPost	La Banque Postale	Digital Services	La Poste Network	Real Estate	Shared services	Elimina- tions	Total
ASSETS									
Intangible and tangible assets and goodwill	880	2,381	1,102	244	110	3,319	511	(12)	8,535
Equity associates	52	143	2,830	5		45			3,075
Other non-current assets	70	37	197	13	3	22	4,218	(3,479)	1,081
Current assets	1,748	1,066	208,469	238	50	524	3,332	(1,770)	213,658
TOTAL	2,751	3,627	212,597	501	163	3,909	8,062	(5,261)	226,349
Investments (a)	205	391	247	37	18	212	154		1,263
LIABILITIES									
Shareholders' equity							9,382		9,382
Bonds and other financial debt (current and non-current)	320	1,008	3	53		1,654	7,241	(3,274)	7,005
Other non-current liabilities	998	251	328	40	619	54	103		2,393
Other current liabilities	2,113	1,027	204,194	209	664	246	1,026	(1,910)	207,569
TOTAL	3,431	2,286	204,526	302	1,283	1,954	17,752	(5,185)	226,349

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

5.3 Geographical information

Revenues are broken down on the basis of paying customers' location.

Le Groupe La Poste's net non-current assets have been broken down by geographical area based on the location of the legal entities that own the assets.

2015 (€ million)	France	European Union (excluding France)	Other	Total
Revenues from commercial activities	12,510	4,251	553	17,315
Net banking income	5,730			5,730
OPERATING REVENUE	18,241	4,251	553	23,045
Segment assets	231,817	1,099	103	233,019
Investments	976	197	14	1,186

2014 (€ million)	France	European Union (excluding France)	Other	Total
Revenues from commercial activities	12,449	3,535	520	16,503
Net banking income	5,660			5,660
OPERATING REVENUE	18,109	3,535	520	22,163
Segment assets	225,377	865	107	226,349
Investments	945	300	18	1,263

NOTES TO THE INCOME STATEMENT

NOTE 6 REVENUES

Le Groupe La Poste's revenues from commercial activities broke down as follows:

(€ million)	2015	2014
Services-Mail-Parcels revenues	11,192	11,131
Correspondence and other La Poste products and services	6,760	6,683
Advertising mail	1,202	1,286
Press ^(a)	563	581
Products and services of the subsidiaries (domestic mail)	458	428
International mail	618	595
Parcels	1,591	1,558
GeoPost revenue	5,606	4,847
Express France	1,241	1,183
Express Rest of World	4,365	3,664
Digital Services revenue	471	487
La Poste Network revenue ^(b)	36	27
Real Estate revenue ^(c)	10	11
TOTAL	17,315	16,503

(a) "Press" revenues include contractual compensation paid in consideration for the reduced tariffs granted to press organisations as well as the compensation of press operators.

(b) La Poste Network revenues include commissions received on third-party sales (excluding Mail, Parcels and Financial Services) carried out at post office counters (such as telephone card sales) and on sales of miscellaneous products, as well as the cost of using La Poste Network invoiced to La Poste Mobile.

(c) Real Estate revenues correspond to the rentals agreed with non-Group tenants.

NOTE 7 NET BANKING INCOME

The Group's Net Banking Income broke down as follows:

(€ million)	2015	2014
Interest and similar income	4,851	5,284
Interest and similar income on treasury and inter-bank transactions	1,386	1,668
Interest and similar income on customer transactions	2,178	2,203
Interest on available-for-sale financial assets held to maturity, and on hedging transactions	1,287	1,413
Interest and similar expenses	(1,723)	(2,052)
Interest and similar expenses on treasury and inter-bank transactions	15	(22)
Interest and similar expenses on customer transactions	(1,536)	(1,814)
Interest on debt evidenced by a certificate and hedging transactions	(201)	(217)
Commission income	2,553	2,384
Commission expenses	(275)	(280)
Net gains and losses on financial instruments at fair value through profit or loss	(74)	19
Net gains and losses on available-for-sale assets	135	130
Margin on insurance activities	235	212
Income and expenses from other activities	29	(38)
TOTAL	5,730	5,660

NOTE 8 PURCHASES AND OTHER EXTERNAL EXPENSES

Purchases and other expenses broke down as follows:

(€ million)	2015	2014
External services and general sub-contracting	1,703	1,552
Purchases	582	550
Outsourced transport	3,751	3,338
International mail delivery services	194	178
Rental expenses	770	754
Maintenance and repair costs	437	433
Telecommunications expenses	147	148
Travel and assignments	184	187
Other expenses	309	307
TOTAL	8,078	7,448

NOTE 9 PERSONNEL EXPENSES AND HEADCOUNT

A breakdown of personnel expenses by type of cost is provided below:

(€ million)	2015	2014
Wages and salaries, bonuses and allowances	8,751	8,673
Pension contributions	1,250	1,311
Other social security contributions	1,766	1,808
Employee welfare costs	215	218
CICE revenue	(344)	(349)
Change in post-employment provisions	16	13
Change in provisions for social security contingencies and staff litigation	85	18
Change in other employee provisions	207	74
Compensation-based taxes and duties	784	790
TOTAL	12,731	12,556
Average headcount (full-time employee equivalent per year)	253,158	257,890

The "Pension contributions" line item corresponds to contributions paid in to post-employment defined benefits plans. Following the implementation of the new funding arrangements for the pensions of government

employees, this line item primarily includes the full discharge contribution provided for by law.

The "CICE revenue" line item corresponds to the Tax Credit to promote Competitiveness and Employment (CICE).

NOTE 10 TAXES AND LEVIES

Taxes and levies consist of the following items:

(€ million)	2015	2014
Local taxes	153	150
Other taxes and levies	140	85
TOTAL	293	235

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

In this regard, La Poste enjoyed in 2015 an 82% reduction in its corporate tax base in the property tax base for its business premises, as well as an 82%

reduction on the added value used for the purposes of calculating the Corporate Value-Added Contribution (CVAE) (Article 1635 sexies of the French General Tax Code and Decree No. 2014-1847 of 29 December 2015).

Local business tax (CET) 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/(loss) broke down as follows:

(€ million)	2015	2014
Net depreciation and amortisation	979	983
Intangible assets	295	261
Tangible assets	684	722
Net provisions and impairment	122	217
Goodwill	13	8
Other non-current assets	24	28
Inventories	(3)	1
Accounts receivable	(6)	19
Losses on unrecoverable receivables	17	18
Provisions for contingencies and losses	77	144
Cost of risk (Banking activities)	181	163
Cost of risk and other impairments, charges and risks (Banking activities)	37	(15)
Banking activities cost of risk – unrecoverable receivables	144	178
TOTAL	1,282	1,363

The impairment of goodwill is broken down in Note 15.3.

A description of the changes in the depreciation, amortisation and impairment of non-current assets is provided in Notes 16 and 17.

A breakdown of changes in the impairment of inventories and accounts receivable is provided in Notes 21 and 22.

Changes in provisions for contingencies and losses are detailed in Note 26.

NOTE 12 OTHER OPERATING REVENUE AND EXPENSES

Other operating revenue and expenses broke down as follows:

Income/(expenses) (€ million)	2015	2014
Capitalised production	188	127
Royalties	(24)	(19)
Revenues recorded following an acquisition of control	17	9
Other current operating revenue and expenses	54	41
TOTAL	235	158

Capitalised production primarily consists of IT development costs recognised as intangible assets.

NOTE 13 FINANCIAL PROFIT/(LOSS)

- 13.1 Cost of net financial debt
- 13.2 Other financial items

13.1 Cost of net financial debt

(€ million)	2015	2014
Interest expense on financing transactions ^(a)	(172)	(181)
Change in the fair value of borrowings and debt-related swaps ^(b)	19	(4)
Income from cash and cash equivalents ^(c)	20	28
TOTAL	(133)	(157)

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

(b) Including fair value hedges on borrowings.

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

The measurement of the bonds recognised at fair value through profit or loss using the fair value option as at 31 December 2015 takes into account the increase in the cost of credit risk experienced in 2015. This change resulted in a decrease in the fair value of the bonds recognised in the financial statements according to the

fair value through profit or loss method and, had a positive €4 million impact on 2015 financial profit/(loss).

The decrease in the cost of credit risk in 2014 had a negative €25 million impact on financial profit/(loss) in that year.

13.2 Other financial items

Discounting expenses (€ million)	2015	2014
Provisions for employee benefits and return on plan assets	(24)	(44)
Other provisions		(1)
TOTAL	(24)	(44)

Other financial income and expenses (€ million)	2015	2014
Net foreign exchange gains	(1)	1
Additions to and reversals of provisions	2	3
Other financial income and expenses	2	(1)
TOTAL	3	3

NOTE 14 INCOME TAX

- 14.1 Income tax expense recognised in income
- 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 income

(€ million)	2015	2014
Current tax (expense)	(315)	(262)
Deferred tax income/(expense)	62	80
TOTAL TAX INCOME/(EXPENSE)	(253)	(182)

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 prevailing in the various countries and on specific tax conventions.

14.2 Tax on other comprehensive income

(€ million)	2015	2014
Change in unrealised gains and losses on financial instruments		
Amount before tax	(34)	122
Tax impact	53	(43)
AMOUNT NET OF TAX	19	79
Translation adjustments		
Amount before tax	30	29
Tax impact		
AMOUNT NET OF TAX	30	29

14.3 Tax proof

The explanation of the tax reconciliation is as follows:

(€ million)	2015	2014
Net profit/(loss), Group share	635	513
Share in profits of equity associates and joint ventures	(210)	(218)
Income tax	253	182
Non-controlling interests	39	27
Consolidated profit (loss) before tax and share in profits of equity associates and joint ventures	718	503
Theoretical tax expense at 38% ^(a)	(273)	(191)
Prior tax-loss carry forwards deducted during the financial year		3
Unused tax losses created during the financial year	(10)	(11)
Limitation and creation of deferred tax assets	(67)	(51)
Limitation and creation of deferred tax assets on the Home Loan Savings provision	(24)	(45)
Tax rate differential for foreign subsidiaries	43	37
Tax benefits, tax credits and foreign tax allowances	11	8
Tax on distributed revenues	(8)	(8)
Permanent differences	72	81
Other items	1	(4)
Tax restatements	20	9
ACTUAL TAX CHARGE	(253)	(182)

(a) Including the 3.3% social solidarity contribution and the one-off contribution of 10.7%.

14.4 Deferred tax recognised on the balance sheet

(€ million)	Deferred tax assets	Deferred tax liabilities	Total
31/12/2013	149	238	(89)
Impact on net profit/(loss)	81	1	80
Reclassifications	61	61	
Impact on equity	(54)		(54)
Change in consolidation scope	12	8	4
31/12/2014	250	309	(59)
Impact on net profit/(loss)	33	(29)	62
Reclassifications	23	23	
Impact on equity	46	(10)	56
Change in consolidation scope	(9)		(9)
31/12/2015	343	293	50

Net tax assets are limited to each tax entity's ability to recover its assets in the near future.

14.5 Breakdown of deferred tax by type

(€ million)	31/12/2015	31/12/2014
Deferred tax assets		
Employee benefits	442	409
Other non-deductible provisions	99	81
Other timing differences	103	88
Swaps and similar	9	15
Tax loss carry-forwards	11	7
Other tax timing differences	8	27
Asset/liability offsets ^(a)	(330)	(378)
TOTAL ASSETS	343	250
Deferred tax liabilities		
Regulated provisions	133	129
Revaluation of contributions to Poste Immo	120	146
IAS 32-39 Financial instruments	163	211
Deductible goodwill	152	139
Other tax timing differences	55	61
Asset/liability offsets ^(a)	(330)	(378)
TOTAL LIABILITIES	293	309

(a) Deferred tax assets and liabilities are offset for each tax entity or tax consolidation group.

14.6 Unrecognised deferred tax assets

Type and amount of unrecognised deferred tax asset bases (€ million)	31/12/2015			
	French companies in the tax consolidation group	Non- consolidated French companies	Foreign companies	Total
Home Loan Savings Provision	484			484
Employee benefits	1,129	4		1,133
Other timing differences	25		20	45
Ordinary tax losses		162	101	262
TOTAL	1,637	166	121	1,923

Unrecognised deferred tax asset bases amounted to €1,718 million as at 31 December 2014.

NOTES TO THE BALANCE SHEET

NOTE 15 GOODWILL

- 15.1 Breakdown of goodwill
- 15.2 Change in the net book value of goodwill
- 15.3 Impairment

15.1 Breakdown of goodwill

(€ million) CGU	Segment	31/12/2015	31/12/2014
DPD Continental Europe ^(a)	GeoPost	636	579
Exapaq	GeoPost	334	334
GeoPost Espagne	GeoPost	268	262
GeoPost UK	GeoPost	148	139
Digital Services	Digital Services	143	146
La Banque Postale Prévoyance	La Banque Postale	94	94
Tigers	GeoPost	55	34
Mediapost	Services-Mail-Parcels	55	53
Viapost	Services-Mail-Parcels	39	39
Resto In ^(b)	GeoPost	35	
Ciloger ^(b)	La Banque Postale	30	
Tocqueville group	La Banque Postale	28	28
DPD Laser Finance	GeoPost	23	40
WnDirect	GeoPost	23	22
Other GeoPost companies	GeoPost	35	27
Other banking companies	La Banque Postale	21	8
TOTAL		1,968	1,805
Services-Mail-Parcels		94	92
GeoPost		1,557	1,437
La Banque Postale		174	130
Digital Services		143	146

(a) Of which acquisition of DPD Systemlogistik for €50 million (see Note 4.1).

(b) See Note 4.1.

15.2 Change in the net book value of goodwill

(€ million)	2015	2014
Opening balance	1,805	1,626
of which : Gross amount	1,948	1,761
Impairment	(143)	(134)
Acquisitions ^(a)	168	174
Reclassifications and other		2
Translation adjustments	8	11
Impairment	(13)	(8)
CLOSING BALANCE	1,968	1,805
of which : Gross amount	2,113	1,948
Impairment	(145)	(143)

(a) Of which mainly DPD Systemlogistik for €50 million, Resto-in for €35 million, Ciloger for €30 million, Fédérés for €14 million and Seur franchises in Spain and Portugal for €13 million (see Note 4.1).

15.3 Impairment

15.3.1 Impairment of goodwill

Le Groupe La Poste tests goodwill for impairment annually or more frequently if events or changes indicate that it may be impaired. This annual impairment test is carried out in the last quarter of each year.

Goodwill is allocated to Cash Generating Units as follows:

- Services-Mail-Parcels segment: one CGU for each business unit;
- GeoPost segment: one CGU per geographical area, and one CGU for the Exapaq group;
- La Banque Postale segment: one CGU per business unit;
- Digital Services segment: one CGU.

The impairment test involves comparing the net book value of the CGUs, including any goodwill, to their recoverable value, calculated according to the method explained in note 2.12.

If the CGU's recoverable value falls below its net book value, impairment is recognised and initially charged to goodwill.

The main assumptions used for the Group's impairment tests are as follows:

Segment	Discount rate		Standard growth rate	Number of projected years
	Euro zone	Other		
2015				
Services-Mail-Parcels	6.1% to 6.9%	7.3%	2%	5
GeoPost	6.6% to 7.5%	6.8% to 15%	2%	5
La Banque Postale	11.3%	-	1%	5
Digital Service:	7.1%	-	2%	5
2014				
Services-Mail-Parcels	6.2% to 7.7%	5.6%	2%	5
GeoPost	7.3% to 8.2%	7.8% to 15%	2%	5
La Banque Postale	6.7%	-	1%	5
Digital Service:	7.7%	-	2%	5

The tests performed on the Group's goodwill in 2015 led to depreciate Laser's goodwill, for an amount of €12 million.

IBC's goodwill was fully depreciated in 2014, for an amount of €8 million.

Sensitivity analysis

A one point increase in the discount rate or a half point decrease in the growth rate in perpetuity would not have had a material impact on the results of the impairment tests as at 31 December 2015.

15.3.2 Impairment of CGUs without goodwill

La Poste's Mail CGU did not show any indication of impairment as at 31 December 2015.

NOTE 16 INTANGIBLE ASSETS

(€ million)	Software, patents and licences	Intangible assets in progress	Other intangible assets	TOTAL
GROSS AMOUNT				
Balance as at 31/12/2013	1,257	179	890	2,326
Acquisitions	96	190	42	327
Disposals	(42)	(16)	(12)	(71)
Change in consolidation scope	4		4	7
Transfers	107	(146)	38	(1)
Balance as at 31/12/2014	1,422	208	961	2,590
Acquisitions	81	216	37	334
Disposals	(38)	(4)	(8)	(50)
Change in consolidation scope	4	1	1	5
Transfers	137	(176)	12	(28)
Translation adjustments	1			1
BALANCE AS AT 31/12/2015	1,605	244	1,003	2,852
DEPRECIATION AND IMPAIRMENT				
Balance as at 31/12/2013	(964)		(555)	(1,519)
Depreciation for the year	(160)		(100)	(261)
Impairment	(3)		(5)	(7)
Reversals on disposals	44		12	56
Change in consolidation scope	(4)		(3)	(7)
Balance as at 31/12/2014	(1,088)		(652)	(1,740)
Depreciation for the year	(179)		(116)	(295)
Reversal on impairment			1	1
Reversals on disposals	38		8	47
Change in consolidation scope	(2)		(1)	(3)
Transfers	(1)			(1)
Translation adjustments	(1)			(1)
BALANCE AS AT 31/12/2015	(1,233)		(759)	(1,992)
NET AMOUNT				
As at 31/12/2014	334	208	309	850
AS AT 31/12/2015	373	244	244	860

The "transfer" lines relate to the commissioning of assets and to reclassifications to other assets line items.

NOTE 17 TANGIBLE ASSETS

(€ million)	Land and buildings	Machinery and equipment	Vehicles	Other	Assets under construction	TOTAL
GROSS AMOUNT						
Balance as at 31/12/2013	4,876	2,502	876	2,990	183	11,427
Acquisitions	14	95	126	145	326	706
Disposals	(62)	(38)	(151)	(148)	(6)	(405)
Change in consolidation scope	71	(61)	3	12		25
Transfers	193	8	1	82	(218)	65
Translation adjustments	9	3	2	4	6	23
Balance as at 31/12/2014	5,100	2,509	856	3,085	291	11,842
Acquisitions	14	109	137	176	243	679
Disposals	(74)	(100)	(127)	(224)		(525)
Change in consolidation scope	27	30	2			59
Transfers	216	28	1	67	(323)	(10)
Translation adjustments	9	5	(2)	3	8	23
BALANCE AS AT 31/12/2015	5,293	2,580	867	3,108	220	12,068
DEPRECIATION AND IMPAIRMENT						
Balance as at 31/12/2013	(1,265)	(1,722)	(386)	(2,121)		(5,495)
Depreciation for the year	(198)	(181)	(103)	(240)		(722)
Impairment	(24)		(6)			(30)
Reversals of impairment	9					9
Reversals on disposals	24	36	110	143		313
Change in consolidation scope	(2)	(7)	(1)	(9)		(19)
Transfers	(13)	(16)		18		(10)
Translation adjustments	(3)	(3)	(1)	(2)		(9)
Balance as at 31/12/2014	(1,471)	(1,892)	(386)	(2,212)		(5,962)
Depreciation for the year	(186)	(174)	(94)	(231)		(684)
Impairment	(32)		(9)	(4)		(45)
Reversals of impairment	20					21
Reversals on disposals	26	91	102	196		415
Change in consolidation scope	(5)	(20)	(1)			(26)
Transfers	1	6	(1)	(4)		1
Translation adjustments	(3)	(3)		(2)		(8)
BALANCE AS AT 31/12/2015	(1,649)	(1,993)	(390)	(2,256)		(6,288)
NET AMOUNT						
As at 31/12/2014	3,629	617	470	874	291	5,880
AS AT 31/12/2015	3,644	587	478	852	220	5,780
<i>Of which finance leases</i>						
As at 31/12/2014	45	22	8	4		79
AS AT 31/12/2015	63	20	8	4		95

The transfer lines correspond to the commissioning of assets and to the reclassification of certain tangible assets to "assets held for sale" (see Note 24).

NOTE 18 EQUITY ASSOCIATES

18.1 Change in investments in associates 18.2 Information on CNP Assurances

18.1 Change in investments in associates

The Group has an interest in joint ventures and associates which are not individually material, except for an interest in the CNP Assurances associate, for which additional information is provided in note 18.2.

(<i>€ million</i>)	CNP Assurances	OPCI Akatea	Yurtici Kargo	ASENDIA	Other	TOTAL	Companies with negative net assets ^(a)		TOTAL
							La Poste Mobile	Other	
<i>Nature of control</i>	<i>Associate</i>	<i>Associate</i>	<i>Associate</i>	<i>Joint control</i>			<i>Joint control</i>		
Balance as at 31/12/2013	2,522	32	33	48	106	2,741	(34)		(34)
Group share in the profits of equity associates	199	2	1	2	17	221	(3)		(3)
Dividend payments	(106)	(4)	(4)	(1)	(14)	(129)			
Net change in the fair value of financial instruments and AFS securities	217					217			
Change in consolidation scope					26	26			
Capital increase					7	7			
Transfers and reclassifications	(4)			1	(3)	(5)			
Translation adjustments	2		2		(5)	(1)			
Balance as at 31/12/2014	2,830	30	32	51	133	3,075	(37)		(37)
Group share in the profits of equity associates	207	2	2	3	5	218	(5)	(3)	(7)
Dividend payments	(106)	(4)	(2)	(1)	(43)	(157)			
Net change in the fair value of financial instruments and AFS securities	47				1	47			
Change in consolidation scope	(6)				10	3			
Capital increase					(1)	(1)			
Transfers and reclassifications				1	16	15			
Translation adjustments	(57)		(3)		2	(58)			
BALANCE AS AT 31/12/2015	2,911	28	28	53	121	3,141	(42)	(3)	(44)

(a) Recorded in "Other provisions for contingencies and loss" (see Note 26.2).

18.2 Information on CNP Assurances

(<i>€ million</i>)	31/12/2015	31/12/2014
Control and interest percentage ^(a)	20.15%	20.15%
Fair value of the Group's investment (based on market price)	1,721	2,037

(a) See note 2.3.3.

Detailed information on CNP Assurances is presented in its registration document, available at: <http://www.cnp.fr/en/The-Group/Publications/Registration-Documents>

Reconciliation of the financial information with the investment value on the balance sheet

(<i>€ million</i>)	31/12/2015	31/12/2014
Equity attributable to owners of the parent	17,113	16,680
Restatements (deeply-subordinated notes)	(2,688)	(2,658)
Equity at % of interest held by Le Groupe La Poste	2,907	2,826
Net goodwill	4	4
INVESTMENT VALUE ON LE GROUPE LA POSTE BALANCE SHEET	2,911	2,830

The value of the investment in the CNP Assurances associate corresponds to the share of Le Groupe La Poste in CNP Assurances' equity as published at 31 December 2015, restated for deeply-subordinated notes issued to third parties.

NOTE 19 OTHER FINANCIAL ASSETS

(€ million)	31/12/2015		31/12/2014	
	Current	Non-current	Current	Non-current
Unconsolidated investments		321		184
<i>Provisions for unconsolidated investments</i>		(32)		(33)
Deposits and guarantees paid	13	17	30	17
Financial derivatives	66	245	64	325
Loans for local authority housing	3	67	3	71
<i>Provisions for loans for local authority housing</i>		(29)		(31)
Financial assets held for investment purposes	392	100	273	290
Other financial assets	11	24	12	15
<i>Provisions for other financial assets</i>		(6)		(6)
TOTAL	485	707	383	831

Unconsolidated equity investments

(€ million)	31/12/2015			31/12/2014
	Percentage held	Gross amount	Net amount	Net amount
Crédit Logement	6%	98	98	94
XAnge Capital 2	40%	12	12	12
Seur Portugal ^(a)				7
Other - French companies		48	46	31
Other - foreign companies (see details in note n°43)		162	133	7
TOTAL		321	289	151

(a) Consolidated in 2015.

Wholly-owned unconsolidated investments comprise wholly-owned 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 financial instruments put in place to manage bond debt (€6 million as at 31 December 2015, compared with €25 million as at 31 December 2014).

Financial derivatives

The financial derivatives line represents instruments put in place to manage the interest rate and currency risks on debt. They must therefore be looked at together with "Bonds and other financial debt". A breakdown of these derivatives can be found in Note 27.4.

Financial assets held for investment purposes

These are assets acquired as part of the cash management process, where the original maturity is greater than three months:

(€ million)	31/12/2015	31/12/2014
Bonds	392	413
Term deposits accessible after more than 3 months	100	
Negotiable debt securities (maturity 3 to 12 months)		150
TOTAL	492	563

Loans for local authority housing

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

NOTE 20 BANKING ACTIVITIES FINANCIAL ASSETS

- 20.1 Customer loans and receivables
- 20.2 Credit institutions loans and receivables
- 20.3 Securities portfolio
- 20.4 Other banking financial assets
- 20.5 Banking accruals

20.1 Customer loans and receivables

(€ million)	31/12/2015	31/12/2014
Ordinary customer receivables	864	861
Other customer receivables	67	84
Factoring	146	38
Provisions	(157)	(146)
Customer sight loans and receivables	921	838
Short-term credit facilities	4,553	4,043
Home loans	54,214	53,631
Loans to legal entities	8,055	5,511
Securities received under repurchase agreements	3,126	1,748
Provisions	(283)	(234)
Term customer loans and receivables	69,665	64,699
Finance lease transactions	1,567	951
Securities equivalent to customer loans and receivables	1,476	1,369
TOTAL	73,628	67,857

This line primarily consists of home loans, which are continuing to expand.

Short-term credit facilities primarily include:

- €4,238 million in consumer loans;
- deferred amounts on customers' *carte bleue* cards.

An assessment of the risk exposure of customer loans

(primarily home loans) and of impairments is shown in Note 33.3.1.

The "Securities equivalent to customer receivables and loans" line primarily corresponds to certain financial assets classified in the "available for sale" category, which were reclassified to "loans and receivables" on 1 July 2008 pursuant to the IAS 39 amendment published in October 2008 (see Note 34.5).

20.2 Credit institutions loans and receivables

(€ million)	31/12/2015	31/12/2014
Ordinary accounts receivable	196	188
Overnight deposits and loans	3,626	12
Sight loans and receivables – credit institutions	3,823	200
Term accounts and loans	77,284	79,477
Securities received under repurchase agreements	559	1,507
Subordinated and participating loans	190	190
Term deposits and loans – credit institutions	78,033	81,174
Securities equivalent to loans and receivables due from credit institutions	1,246	1,941
TOTAL	83,102	83,315

Term accounts and loans primarily include accounts opened at Caisse des Dépôts in connection with the centralisation of regulated products, primarily Livret A passbook savings accounts, Sustainable Development, and Popular savings accounts.

An assessment of credit risks on receivables due from credit institutions (Banking activities) is set out in Note 33.3.2.

20.3 Securities portfolio

(€ million)	31/12/2015	31/12/2014
Government securities and similar	21,777	25,921
Bonds and other fixed-income securities	2,380	2,375
Financial assets held to maturity	24,158	28,297
Government securities and similar	3,165	2,213
Bonds and other fixed-income securities	10,838	9,427
Equities and other variable-income securities	1,377	1,345
Available-for-sale financial assets	15,379	12,984
Government securities and similar	226	783
Bonds and other fixed-income securities	10,180	8,549
Equities and other variable-income securities	74	45
Financial assets held for transaction purposes	10,480	9,377
Interest-rate derivatives	1,339	1,635
Foreign exchange derivatives	2	11
Equity and index derivatives	5	6
Derivatives/Positive Fair Value	1,347	1,652
Financial assets at fair value through profit or loss	11,827	11,029
Revaluation adjustment on hedged portfolios (fair value hedges)	178	231
TOTAL	51,542	52,541

The general principles governing the recognition of securities and derivatives for the Banking activities are set out in Notes 2.14.2 to 2.14.5.

The fair value calculation methods for banking activities financial instruments are set out in Note 34.2.

An assessment of credit risks for the main items in the Banking activities securities portfolio can be found in Note 33.3.

20.4 Other banking financial assets

(€ million)	31/12/2015	31/12/2014
Deposits and guarantees paid	631	579
Other miscellaneous receivables ^(a)	503	592
Accrued income	353	350
TOTAL	1,486	1,521

(a) Other receivables primarily consist of ongoing transactions with customers. The change in this line should be considered together with that of liability accruals.

20.5 Banking accruals

Banking activities accruals primarily consist of accounts pending settlement of transactions with retail customers.

Accruals - Assets

(€ million)	31/12/2015	31/12/2014
Prepaid expenses	39	33
Collection accounts	13	6
Settlement accounts for securities transactions	3	3
Other insurance assets	418	341
Other accruals - Assets	1,110	615
TOTAL	1,583	998

Accruals - Liabilities

(€ million)	31/12/2015	31/12/2014
Settlement accounts for securities transactions	9	9
Other accruals – Liabilities	2,432	1,986
TOTAL	2,441	1,995

NOTE 21 Inventories and work-in-progress

(€ million)	31/12/2015			31/12/2014
	Gross amount	Provisions	Net amount	Net amount
Raw materials, supplies inventories and goods inventories	87	(2)	85	90
Finished and semi-finished product inventories and work in progress	26	(2)	24	29
TOTAL	113	(4)	109	119

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

NOTE 22 Trade and other receivables

(€ million)	31/12/2015	31/12/2014
Advances and deposits paid	56	56
Trade receivables and related accounts	2,186	2,018
<i>Provisions on trade receivables and related accounts</i>	<i>(97)</i>	<i>(100)</i>
International mail receivables	624	518
CICE tax credit receivable	561	543
Other receivables	439	301
<i>Provisions on other receivables</i>	<i>(32)</i>	<i>(33)</i>
TOTAL	3,737	3,303

International Mail receivables (€624 million) are primarily owed by foreign post offices for the delivery of the mail that they have passed on in France.

Likewise, trade and other payables include an international mail service liability (see Note 31) of

€572 million owed to foreign postal operators for mail to be delivered outside of France passed on by La Poste to these post operators for delivery.

NOTE 23 Cash and cash equivalents**23.1 Cash and cash equivalents****23.2 Cash and central bank deposits (Banking activities)****23.1 Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, bank balances and short-term investments in monetary 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.

(€ million)	31/12/2015	31/12/2014
Cash equivalents	2,255	1,166
Cash at bank	198	217
Cash on hand	5	7
TOTAL	2,457	1,389

Cash equivalents

Cash equivalents consisted mainly of term deposits accessible at any time, or within three months, for an amount of €1,425 million (€1,125 million as at 31 December 2014), and units in money-market units for an amount of €806 million.

23.2 Cash and central bank deposits (Banking activities)

(€ million)	31/12/2015	31/12/2014
Cash on hand (including cash held at post offices)	961	1,006
Central banks	851	944
TOTAL	1,812	1,950

Cash held at post offices

Cash held at post offices is included in the "Cash on hand" line item presented above.

Transfer to La Banque Postale in 2014

As at 30 November 2014, this cash was transferred to La Banque Postale for its nominal value, i.e. €633 million.

In the cash flow statement, before the transfer, cash held at post offices was excluded from cash at the beginning and end of the period.

The change in cash held at post offices between 1 January and 30 November 2014 (i.e. + €21 million) is shown on a specific line item under non-banking "Cash flows from operating activities".

The changes after 30 November 2014 are included in the "Cash from banking activities" line item.

NOTE 24 Assets and liabilities held for sale

The assets held-for-sale as at 31 December 2015 and 2014 corresponded to properties under promise of sale.

NOTE 25 EQUITY

- 25.1 Share capital
- 25.2 Non-controlling interests

25.1 Share capital

As at 31 December 2015, the share capital amounted to €3.8 billion, divided into 950 million ordinary shares with a par value of €4 each. As at that date, 73.7% of the capital was owned by the French government and 26.3% was owned by Caisse des Dépôts.

Background

On 1 March 2010, La Poste became a Société Anonyme (French public limited company), with a share capital set at €1 billion, split 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 government or government-owned entities, except for any portion reserved for La Poste employees.

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

April 2011 capital increase

At its 10 February 2011 meeting, the Board of Directors approved the planned €2.7 billion capital increase, to which the French government was to subscribe €1.2 billion and Caisse des Dépôts €1.5 billion.

The Extraordinary General Meeting of 6 April 2011 approved the following resolutions:

- share capital increase of €1 billion through an increase of the par amount of the existing shares from €2 to €4, via the incorporation of reserves;
- issue of 350 million new shares with equity warrants (ABSA) with a unit price of €6, including a par value of €4 and an issue premium of €2, i.e. a total of €2.1 billion including €1.4 billion in capital and €700 million in issue premiums;
- an equity warrant (BSA) is attached to each new share. The BSAs will entitle their holders to subscribe to 100 million new shares between 1 March and 30 April 2013 for a total amount of €600 million, including €400 million in capital and €200 million in issue premiums. The government and Caisse des Dépôts have made an irrevocable commitment to exercise all of their BSAs no later than the last day of the exercise period (i.e. 30 April 2013);
- inclusion of Caisse des Dépôts in the Group's governing bodies, with three representatives on the Board of Directors.

A first payment of €1.05 billion for the capital issued was made in April 2011, and included €467 million from the government and €583 million from Caisse des Dépôts.

The second payment of €1.05 billion, which was identical to the first, was paid in April 2012.

In April 2013, the French government and Caisse des Dépôts exercised the 350 million in equity warrants they were holding, which resulted in the issuance of 100 million new shares at a unit price of €6, €2 of which was an issue premium.

25.2 Non-controlling interests

As at 31 December 2015, non-controlling interests were not significant, individually or collectively.

Non-controlling interests amounted to €292 million as at 31 December 2015, of which €206 million represented LBP Prévoyance's controlling interests.

NOTE 26 PROVISIONS FOR CONTINGENCIES AND LOSSES

- 26.1 Specific provisions for the Insurance and Banking activities
26.2 Other provisions for contingencies and losses

26.1 Specific provisions for the Insurance and Banking activities

As at 31 December 2015, underwriting provisions for the Insurance and Banking activities, classified as current provisions for contingencies and losses, broke down as follows:

<i>(€ million)</i>	Home Loan Savings risk	Insurance underwriting provisions	TOTAL
Balance as at 31/12/2013	309	1,494	1,802
Addition for the year	132	1,533	1,664
Reversal for use		(1,297)	(1,297)
Other movements		59	59
Balance as at 31/12/2014	440	1,787	2,228
Addition for the year	64	238	301
Reversal for use		(3)	(3)
Other movements		(13)	(13)
BALANCE AS AT 31/12/2015	504	2,009	2,513

The provision for Home Loan Savings risk is intended to cover the negative impact of Home Loan Savings deposits for lending institutions authorised to accept them, given the commitments that they imply (see Note 2.19).

This provision was subject to a net increase of €64 million over the financial year, which broke down as follows:

<i>(€ million)</i>	Amounts collected	PEL and CEL amounts granted	2015 provisions	2014 provisions	Net movements 2014/2015
Age					
Over 10 years	5,954		100	93	7
4 to 10 years	8,957		126	110	16
Under 4 years	10,833		246	203	43
Total Home Loan Savings Plans (PEL)	25,744	79	472	407	66
Total Home Loan Savings Accounts (CEL)	4,821	525	32	34	(2)
TOTAL	30,565	604	504	440	64

26.2 Other provisions for contingencies and losses

As at 31 December 2015, the other provisions for contingencies and losses broke down as follows:

<i>(€ million)</i>	Employee-related disputes	Other disputes	Other	TOTAL
Non-current provisions	44	6	64	114
Current provisions	53	73	413	538
Balance as at 31/12/2013	97	79	476	652
Addition for the year	54	71	172	297
Reversal for use	(23)	(10)	(97)	(130)
Reversal of provisions no longer required	(13)	(35)	(20)	(68)
Discounting			1	1
Other movements		1	3	4
Non-current provisions	63	19	90	172
Current provisions	53	86	446	585
Balance as at 31/12/2014	115	105	536	757
Addition for the year	119	68	231	418
Reversal for use	(23)	(15)	(219)	(257)
Reversal of provisions no longer required	(11)	(10)		(21)
Discounting				
Other movements			8	9
Non-current provisions	137	44	109	290
Current provisions	63	105	447	616
BALANCE AS AT 31/12/2015	201	149	556	906

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

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

As at 31 December 2015, **other provisions** included:

- the costs to regroup the Group's headquarters for €31 million (see Note 1.1)
- a €144 million covering the penalty issued by the French Competition Authority against two companies of the Group (see Note 1.3)
- a €44 million provision covering the negative net asset value of equity associates and joint ventures, compared to €37 million as at 31 December 2014 (see note 18.1)
- miscellaneous risks linked to the operational activity of the Group

NOTE 27 BONDS AND OTHER FINANCIAL DEBT

- 27.1 Breakdown of financial debt
- 27.2 Breakdown of debt by maturity
- 27.3 Bonds
- 27.4 Bond derivatives
- 27.5 Other financial debt

27.1 Breakdown of financial debt

(€ million)	31/12/2015		31/12/2014	
	Short-term	Medium-and long-term	Short-term	Medium-and long-term
Financial debt at amortised cost	401	4,218	730	3,482
Bonds		4,118		3,380
Finance leases	7	64	12	46
La Poste savings bonds	59		61	
Commercial paper	16		285	
Current bank facilities	12		13	
Deposits and guarantees received	293	26	353	26
Other borrowings at amortised cost	13	9	7	30
Borrowings designated at fair value	285	1,750		2,096
Borrowings subject to fair value hedging	502			518
Financial derivative liabilities relating to bonds	18		22	15
Other derivatives	6		4	8
Interest accrued not due on borrowings	132		128	
Medium and long-term bonds and other financial debt (non-current)		5,968		6,120
Short-term bonds and other financial debt (current)	1,345		885	
TOTAL CURRENT AND NON-CURRENT		7,313		7,005

27.2 Breakdown of debt by maturity

(€ million)	Maturity of < 1 year		Maturity of 1 to 5 years		Maturity of > 5 years		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Financial debt at amortised cost								
Bonds			960	961	3,158	2,419	4,118	3,380
Finance leases	7	12	25	32	39	14	71	57
La Poste savings bonds	59	61					59	61
Commercial paper	16	285					16	285
Current bank facilities	12	13					12	13
Deposits and guarantees received	293	353	25	24	2	2	320	379
Other borrowings at amortised cost	13	7	9	30			22	37
Borrowings at fair value								
Bonds	285		1,023	1,343	727	753	2,035	2,096
Borrowings subject to fair value hedging								
Bonds	502			518			502	518
Financial derivative liabilities relating to bonds	18	22		15			18	37
Other derivatives	6	4		8			6	13
Accrued interest not due	132	128					132	128
TOTAL	1,345	885	2,042	2,932	3,927	3,188	7,313	7,005

27.3 Bonds

Bond debt, excluding accrued interest, changed as follows:

<i>(€ million)</i>	Borrowings at amortised cost	Borrowings at fair value	Hedged borrowings	Total
Balance as at 31/12/2013	3,380	2,222	530	6,133
New borrowings				
Redemptions		(207)		(207)
Issue premium				
Change in credit risk		25		25
Other changes		57	(12)	45
Balance as at 31/12/2014	3,380	2,096	518	5,995
New borrowings	750			750
Redemptions				
Issue premium	(12)			(12)
Change in credit risk		(4)		(4)
Other changes		(58)	(16)	(74)
BALANCE AS AT 31/12/2015	4,118	2,035	502	6,656

Bond issue

La Poste issued €500 million in bonds on 26 May 2015 at a fixed rate of 1.125% and a 10- year maturity (June 2025). This bond was reopened in September 2015 for an additional €250 million issue.

Change in credit risk

The fair value measurement of the borrowings designated at fair value through profit or loss (see Note 2.15.1) reflects the increase in the cost of credit risk over the year. This change had a €4 million negative

impact on the fair value of the bonds as at 31 December 2015, compared with 31 December 2014 (€25 million positive impact in 2014).

The other changes primarily related to:

- the decrease in the fair value of borrowings designated at fair value through profit or loss at inception;
- the change in the fair value of hedged loans. See below.

A loan with a nominal value of €500 million has been hedged at fair value since February 2009. The effect of this hedge on the income statement is as follows:

<i>(€ million)</i>	31/12/2015	31/12/2014
Revaluation of hedged borrowings through profit or loss	(16)	(12)
Revaluation of hedges on borrowings through profit or loss	16	12
NET IMPACT ON PROFIT OR LOSS		

As at 31 December 2015, the Group bonds, which have a nominal value of over €500 million, broke down as follows:

Issue date	Maturity	Currency	Nominal rate	Nominal value (millions of currency units)	Accounting treatment
2003	2023	Euro	4.375%	580	Fair value
2008	2018	Euro	4.500%	500	Fair value
				<i>Other bonds at fair value</i>	712
TOTAL BONDS AT FAIR VALUE				1,792	
2004	2019	Euro	4.750%	580	Amortised cost
2006	2021	Euro	4.250%	1,000	Amortised cost
2012-2013	2024	Euro	2.750%	1,000	Amortised cost
2015	2025	Euro	1.125%	750	Amortised cost
				<i>Other bonds at amortised cost</i>	800
TOTAL BONDS AT AMORTISED COST				4,130	
2009	2016	Euro	4.750%	500	Fair value hedge
TOTAL BONDS SUBJECT TO FAIR VALUE HEDGING				500	

The breakdown of the bond-rate by type of rate as at 31 December 2015 was as follows:

(<i>€ million</i>)	Debt breakdown before fixed-for-floating swaps		Impact of fixed-for-floating transactions	Debt breakdown after fixed-for-floating swaps	
	Amount	%	Amount	Amount	%
Fixed-rate borrowings	6,656	100%	(2,537)	4,118	62%
Floating-rate borrowings			2,537	2,537	38%
<i>Of which borrowings covered by partial or total rate-refixing swaps (see note below)</i>			564		
TOTAL BORROWINGS	6,656	100%		6,656	100%

The fixed-for-floating-rate swaps mentioned above are used at any time after issuance, in order to turn the fixed rate into a floating rate up until the maturity of the borrowings in question.

Furthermore, swaps allow the refixing of a portion of these borrowings at fixed rates with short maturities ranging from one to five years.

As at 31 December 2015, the portion of floating-rate borrowings covered by these "rate refixing" swaps amounted to €564 million, i.e. 8.5% of total borrowings. These borrowings are still shown on the "Floating-rate borrowings" line.

"Rate-refixing" swaps represent a nominal amount of €490 million.

As at 31 December 2015, the breakdown of bond debt by currency was as follows:

(<i>€ million</i>)	Debt structure before currency swaps		Impact of currency swaps	Debt structure after currency swaps	
Euro	6,371	96%	285	6,656	100%
Pound Sterling	285	4%	(285)		
TOTAL	6,656	100%		6,656	100%

Bonds denominated in foreign currencies are backed by swaps that allow the currency risk to be fully hedged.

27.4 Non-banking activities derivatives

(€ million)	Fair value as at 31/12/2015		Fair value as at 31/12/2014	
	Assets	Liabilities	Assets	Liabilities
Trading derivatives at fair value through profit or loss				
Fixed-for-floating derivatives	289	10	350	15
Floating-for-fixed derivatives		9		22
TOTAL	289	18	350	37
Hedging derivatives				
Fair value hedges	22		38	
TOTAL DERIVATIVES RELATING TO BONDS	311	18	388	37
Other				
Cash management funds derivatives		6		13
TOTAL NON-BANKING ACTIVITIES DERIVATIVES	311	24	388	50
Amortisable balance on interrupted hedging derivatives				
Cash flow hedging derivatives		6		8

27.5 Other financial debt

Finance leases

Liabilities relating to assets held under finance leases primarily involve properties and sorting machines.

La Poste savings bonds

This line represents La Poste's savings bond liabilities. All of the bonds had matured by the end of 2014.

Commercial paper

Commercial paper issued by La Poste and not matured as at 31 December 2015 have maturities of six months and represent €16 million (€285 million as at 31 December 2014).

Deposits and guarantees paid

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

NOTE 28 GROUP NET DEBT

28.1 Group net debt position 28.2 Changes to Group net debt

28.1 Group net debt position

(€ million)	Note	31/12/2015	31/12/2014
Cash and cash equivalents (balance sheet line)	23	2,457	1,389
Debt-related derivative assets	19	311	388
Investment securities with initial maturities of over 3 months	19	492	563
Security deposits paid in connection with derivatives, recognised as assets	19	6	25
Net financial receivable against La Banque Postale		390	634
Cash and other asset items (1)		3,656	2,999
Medium and long-term bonds and other financial debt	27	5,968	6,120
Short-term bonds and other financial debt	27	1,345	885
Gross debt (2)		7,313	7,005
NET DEBT (2)-(1)		3,657	4,005
Increase (Decrease) in net debt as at 31 December 2015		(348)	

28.2 Changes to Group net debt

(€ million)	Cross-references	2015	2014
Cash flows from operating activities	CFS^(a)	1,574	1,030
Cash flows from investing activities	CFS	(779)	(794)
Cancellation of the change in cash management financial assets	CFS	(66)	(86)
Cash flow from investing activities excluding the acquisitions and disposals of cash management financial assets^(b)		(845)	(880)
Dividends paid to the government		(171)	(171)
Purchase of non-controlling interests	CFS	(27)	(3)
Net financial interest expense		(148)	(149)
Change in the fair value of financial instruments		15	(6)
Impact of changes in consolidation scope on gross debt		(28)	(14)
Increase in finance lease liabilities		(9)	(7)
Issue premiums and costs		(12)	
Other items ^(c)		(3)	
Cash flows and change in debt from financing activities		(382)	(350)
DECREASE (INCREASE) IN NET DEBT SINCE 1 JANUARY		348	(200)
Net debt at the beginning of the period		(4,005)	(3,805)
Net debt at the end of the period		(3,657)	(4,005)

(a) "CFS" refers to the non-banking column of the Cash Flow Statement in the consolidated financial statements.

(b) The cash flows from investing activities stand out from CFS due to the exclusion of the "change in cash management financial assets", assets deducted from the net debt calculation.

(c) The "Other items" line includes the impact of currency fluctuations on net debt and dividends paid to non-controlling interests.

NOTE 29 EMPLOYEE BENEFITS

- 29.1 Change in provisions for employee benefits
- 29.2 Description of employee benefits
- 29.3 Actuarial assumptions
- 29.4 Change in post-employment benefit commitments
- 29.5 Analysis of post-employment benefit expenses
- 29.6 Expected cash outflows

29.1 Change in provisions for employee benefits

Provisions for employee benefits have changed as follows during 2015:

€ million	31/12/2014		Increase	Decrease for use	Interest cost	Other changes	31/12/2015	
	Current	Non-current					Current	Non-current
Post-employment benefits for La Poste's government employees	17	493	7	(11)	9	14	17	511
Retirement benefits for the Group's contract staff	8	306	29	(5)	5	(36)	10	298
Pension plans for employees of foreign subsidiaries		64	3	(7)	2	5		68
Post-employment benefits	25	863	38	(22)	17	(17)	27	877
End-of-career arrangements	387	846	559	(358)	7		420	1,020
Severance payments	86	29	8				99	24
Long-term sick leave/long-term paid leave	61	46	2	(3)			60	45
Accrued leave	123	110	5	(4)			125	110
Other long-term benefits	2	18	1				2	17
Other benefits	272	203	16	(9)			286	196
TOTAL	683	1,912	614	(389)	24	(17)	734	2,093

29.2 Description of employee benefits

Post-employment and long-term benefits resulting from defined benefit plans, together with their related costs, are measured using the projected unit credit method, in accordance with IAS 19. Annual actuarial appraisals are carried out.

The appraisal calculations involve taking third-party actuarial economic assumptions into account (discount rates, inflation rates, and the rate of increase in pensions, etc.), as well as assumptions that are specific to Le Groupe La Poste (employee turnover rates, mortality rates, and the rate of increase in salaries, etc.).

29.2.1 Pension commitments for government employees at La Poste

Article 150 of the 2006 Amending Finance Act, published in the *Journal Officiel* of 31 December 2006, implemented an employer contribution made in full discharge of the obligation regarding the pensions of government employees working at La Poste.

As a result, no provision is recorded in La Poste's financial statements in respect of government employees' retirement benefits.

29.2.2 Post-employment benefits granted to retired government employees attached to La Poste

Other commitments for post-employment benefits include:

- employee welfare services provided to government employees, primarily including home help and holiday vouchers;
- a loyalty bonus granted to retired state employees who hold their pension in a current account at La Banque Postale;
- granting assistance to voluntary organisations that provide services to retired government employees.

29.2.3 Retirement benefits for the contract staff of La Poste and the Group's French subsidiaries

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

29.2.4 Pension plans for employees of the Group's foreign subsidiaries

Pension commitments for the Group's foreign subsidiaries primarily relate to the GeoPost sub-group

and the GeoPost UK subsidiary. GeoPost UK's commitments are partially covered by a pension fund.

29.2.5 End-of-career arrangements

La Poste employees may benefit, under certain conditions, from early end-of-career arrangement plans. These arrangements are offered to people who meet a minimum-age requirement from 53 to 59 years of age and according to certain conditions (position that is physically demanding or not, active or office roles, number of years of service...). During the term of the plan, the beneficiaries receive 70% of a full time remuneration while working in an operational activity for a smaller portion of the time.

The provisions relating to early end-of-career arrangement plans recognised as at 31 December 2015 factor in the expected enrolments to the plan available in 2016, as well as enrolments to the plans operating previously.

29.2.6 Other long-term benefits

These are paid leave schemes:

- **Accrued leave:** Accrued leave is a scheme that allows employees to accrue part of their unused earned leave beyond the period for using earned paid leave. The provision for Accrued Leave corresponds to the value of the leave rights included in this scheme.
- **Supplementary leave:** Government employees from the overseas departments or who work in the overseas departments benefit from paid supplementary leave, as well as from 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 relating to future leave incurred as at the balance-sheet date. This provision is measured at every balance-sheet date for every employee concerned, on the basis of future entitlements, as expressed by a number of payable index points.

29.3 Actuarial assumptions

The actuarial assumptions used to measure employee benefits are reviewed and updated once a year at the annual balance-sheet date.

The main assumptions selected as at 31 December 2015 were as follows:

- likelihood of retaining working staff within the Group, life expectancy and estimates of future salary increases;
- retirement age assumptions for employees of foreign companies and employees governed by foreign collective bargaining agreements, which take account of local economic and demographic factors;
- an assumed average benefit increase of 2% (no change compared with 2014);
- provisions for retirement commitments relating to end-of-career arrangements that form part of agreements are calculated on the basis of the definite enrolments in these plans as at the balance-sheet date, as well as of Management's best estimate of likely future enrolments up until the expiry date of these agreements. A one-point increase in the expected rate of enrolment would have increased the provision by €30 million as at 31 December 2015.
- the discount rates used for actuarial appraisals as at the balance-sheet date, determined with reference to a basket of AA-rated corporate bonds published by *Reuters*, were as follows:

Maturity	5 years	10 years	15 years	20 years
2015				
Euro zone	0.8%	1.5%	2.1%	2.3%
UK zone	2.2%	2.6%	3.2%	3.4%
2014				
Euro zone	0.6%	1.2%	1.5%	1.8%
UK zone	1.9%	2.4%	3.0%	3.2%

29.4 Change in post-employment benefit commitments

The tables below show the change in the commitment and in the plan assets for the Group's post-employment benefit plans as at 31 December 2015 and 31 December 2014.

29.4.1 Change in commitments

(€ million)	2015	2014
Commitment at the beginning of the period	1,066	886
Cost of services provided	37	37
Discount unwinding costs	22	29
Change in consolidation scope		1
Benefits paid	(28)	(23)
Employee contributions	1	1
Actuarial (gain) loss relating to changes in assumptions	(3)	144
Actuarial (gain) loss due to experience adjustments	(14)	(23)
Translation adjustments	16	14
COMMITMENT AT THE END OF THE PERIOD	1,096	1,066

There was no change in the post-employment plans in 2015 and 2014.

29.4.2 Change in plan assets

(€ million)	2015	2014
Plan assets at the beginning of the period	178	150
Expected return on assets	6	6
Employer contributions	8	7
Employee contributions	2	1
Benefits paid	(13)	(9)
Change in consolidation scope	1	
Actuarial differences	1	12
Translation adjustments	11	11
PLAN ASSETS AT THE END OF THE PERIOD	192	178

The plan assets primarily relate to GeoPost UK's pension commitments.

29.4.3 Net commitment

(€ million)	31/12/2015	31/12/2014
Commitments	1,096	1,066
Plan assets	(192)	(178)
NET COMMITMENT	904	888
<i>of which non-current provision</i>	877	863
<i>of which current provision</i>	27	25

29.4.4 Change in actuarial differences (recognized in "other comprehensive income")

(€ million)	2015	2014
Actuarial (gain) loss at the beginning of the period	189	80
Actuarial (gain) loss relating to changes in assumptions	(3)	144
Actuarial (gain) loss due to experience adjustments	(14)	(23)
Actuarial differences on plan assets	(1)	(12)
Other		
ACTUARIAL (GAIN) LOSS AT THE END OF THE PERIOD	172	189

29.4.5 Breakdown of plan assets

Types of assets	31/12/2015	31/12/2014
Equities	17%	17%
Diversified investment funds	48%	46%
LDI funds (Liability-Driven Investment)	13%	15%
Insurance contracts	22%	23%

29.4.6 Discount rate sensitivity

A 50 basis point reduction in the discount rate would increase the Group's net post-employment benefit commitment by around €87 million.

29.5 Analysis of post-employment benefit expenses

(€ million)	2015	2014
Cost of services provided	37	37
Discount unwinding costs	22	29
Expected return on assets	(6)	(6)
Curtailement and settlement of plans		
EXPENSE (INCOME) FOR THE PERIOD	53	60

29.6 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:

(€ million)	Cash outflows
2016	25
2017	21
2018	22
2019	22
2020	23

NOTE 30 BANKING ACTIVITIES FINANCIAL LIABILITIES

30.1 Liabilities to credit institutions

30.2 Liabilities to customers

30.3 Debt evidenced by a certificate and other banking financial liabilities

30.1 Liabilities to credit institutions

(€ million)	31/12/2015	31/12/2014
Ordinary accounts payable	346	262
Overnight deposits and borrowings	48	
Other amounts due	21	24
Sight liabilities to credit institutions	414	286
Securities given under repurchase agreements	13,422	13,343
Term deposits and loans	1,905	1,527
Term liabilities to credit institutions	15,327	14,870
TOTAL	15,741	15,157

Securities given under repurchase agreements correspond to inter-bank and similar transactions.

The subordinated debt corresponds to La Banque Postale's bond issues.

The maturity schedule for liabilities to credit institutions is as follows:

(€ million)	Maturity of < 1 year		Maturity of 1 to 5 years		Maturity of > 5 years		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Sight liabilities to credit institutions	414	286					414	286
Term liabilities to credit institutions	14,191	13,704	891	965	245	202	15,327	14,870
TOTAL	14,605	13,990	891	965	245	202	15,741	15,157

30.2 Liabilities to customers

This item primarily represents deposits by customers of the Banking activities plus accrued interest not due on these deposits.

(€ million)	31/12/2015	31/12/2014
Livret A passbook savings accounts	60,177	62,696
Home Loan Savings Plans (PEL)	25,744	23,055
Home Loan Savings Accounts (CEL)	4,821	5,157
PSP accounts	255	289
LEP savings accounts	7,936	8,095
Sustainable Development (LDD) accounts	7,253	7,326
Youth passbook savings accounts	667	703
Livret B (savings passbook) accounts	1,897	2,008
Stock Savings Plan Liquidity Accounts	514	464
Other special accounts	3,145	3,180
Special savings accounts	112,408	112,974
Ordinary trade payables	53,926	50,041
Customer borrowings	100	1
Other amounts due to customers	720	563
Sight liabilities to customers	54,746	50,604
Customer borrowings		216
Term deposits	782	422
Equities and securities given under repurchase agreements	3,449	3,035
Term liabilities to customers	4,231	3,672
TOTAL	171,384	167,251

Since 1 January 2009, the funds in La Banque Postale's Livret A passbook savings accounts, which were previously held by Caisse Nationale d'Épargne, have been taken over directly by La Banque Postale. This is

pursuant to the deregulation of the distribution of Livret A passbook savings accounts, which resulted in the winding up of Caisse Nationale d'Épargne.

30.3 Debt evidenced by a certificate and other banking financial liabilities

(€ million)	31/12/2015	31/12/2014
Subordinated debt	2,389	1,658
Bonds	4,220	3,620
Certificates of deposit	4,834	5,770
Debt evidenced by a certificate	11,443	11,048
Guarantee deposits received	1,020	1,591
Financial liabilities at fair value through profit or loss	326	332
Hedging derivatives	326	432
Other financial liabilities	1,602	1,739
TOTAL	14,717	15,143

The "financial liabilities at fair value through profit or loss" primarily correspond to interest rate derivatives.

The maturity schedule for debt evidenced by a certificate is as follows:

(€ million)	Maturity of < 1 year		Maturity of 1 to 5 years		Maturity of > 5 years		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Debt evidenced by a certificate	5,412	6,044	2,320	872	3,711	4,132	11,443	11,048

NOTE 31 TRADE AND OTHER PAYABLES

(€ million)	31/12/2015	31/12/2014 ^(a)
Trade payables and related accounts	1,700	1,391
Tax and social security liabilities	1,793	1,829
Payable to suppliers of non-current assets	252	230
International mail payables	572	468
Customer advances and deposits	182	184
Other operating payables	154	179
TOTAL	4,652	4,282

(a) Amounts restated to account for the first-time application of IFRIC 21 (see note 3).

ADDITIONAL INFORMATION

NOTE 32 INFORMATION ON RISKS EXCLUDING BANKING ACTIVITIES

- 32.1 Credit risk
- 32.2 Liquidity risk
- 32.3 Interest-rate risk
- 32.4 Currency risk

La Poste takes a prudent approach to risk management, which is based on a system of notional limits for each financial risk to which it is exposed as part of its financial activities. This system of limits is set out in a "Limits Handbook" that is updated regularly, according to the changes in the Treasury and Financing Department's activities, and is presented to the La Poste Audit Committee every year.

An execution report for the Limits Handbook is also presented to La Poste's Audit Committee every year.

32.1 Credit risk

In the course of its non-banking financial activities, La Poste is primarily exposed to two types of credit risk:

- the risk of its issuers defaulting on their investment securities;
- the risk of its market counterparties defaulting.

La Poste's cash is invested in money-market UCITS, term deposits and Negotiable Debt Securities (NDS) with a minimum short-term rating of A2/P2. The credit risks are controlled by a system of limits representing the maximum nominal amount not to exceed for each UCITS or issuer.

Moreover, in view of its operations in derivative markets, La Poste is exposed to the risk of its market counterparties defaulting. The exposure relating to these instruments is assessed through the net market value of the derivatives for each counterparty, after

taking into account guarantees received or given under collateralisation agreements.

The commitments to La Poste's counterparties are subject to systematic collateralisation agreements that enable the risk of default to be reduced at the franchise level.

Considering the high amount of its investments, in 2013 La Poste implemented an indicator designed to assess the maximum statistical risk of financial loss on its investment securities portfolio, with a 97.5% confidence interval. This indicator is based on one year CDS for each of the issuers in its portfolio, weighted with the investment's current amount and residual maturity.

32.2 Liquidity risk

Liquidity risk is assessed through forecast cash flows, calculated as a moving average every day during the first month and then monthly for the rest of the year.

Any liquidity gaps are refinanced through the issue of French commercial paper or Euro Commercial Paper (ECP).

In addition, La Poste has negotiated confirmed credit facilities with financial institutions and has access to a €650 million syndicated credit facility, as well as to an additional €75 million credit facility granted by BNPP (see Note 37.4.2).

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

As at 31/12/2015 (€ million)	Balance sheet amount	2016 flows		2017 flows		2018-2020 flows		2021 flows and beyond	
		Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
Bonds	6,656	282	772	215	600	465	1,300	326	3,750
Borrowings at amortised cost	4,118	171		143	160	366	800	250	3,170
Borrowings at fair value	2,035	87	272	72	440	99	500	76	580
Borrowings subject to fair value hedging	502	24	500						
Other financial debt	501		401		14		45		41
Finance leases	71		7		6		19		39
La Poste savings bonds	59		59						
Commercial paper	16		16						
Current bank facilities	12		12						
Deposits and guarantees received	320		293		6		19		2
Other borrowings at amortised cost	22		13		2		8		
Derivatives	(287)	(104)	17	(70)		(89)		(56)	
Derivative liabilities	24	(6)	18	2					
Derivative assets	(311)	(98)	(1)	(72)		(89)		(56)	
TOTAL	6,870	178	1,190	145	614	376	1,345	270	3,791

32.3 Interest-rate risk

La Poste has pursued an active management strategy for its bond debt since 1999, based on the use of derivatives to reduce the coupon rate of its bonds.

This hands-on management, together with the investment activity, generates an interest-rate risk linked to an unfavourable change in the yield curve.

The interest-rate risk is controlled by a limit representing the net amount of debts and variable interest investments projected over a sliding twelve-month period, on which a decreasing or increasing interest rates stress scenario is applied.

The result of this stress test is not allowed to generate a financial cost greater than €10 million. During the year, the result of the test was a theoretical financial cost substantially lower than this limit (less than €5 million throughout the year). The active management of the debt interest rate, as well as the decision, on each investment maturity date (less than 12 months) on the reinvestment rate, allow this risk to be precisely monitored and the impacts of a significant increase or decrease of interest rates to be limited.

Sensitivity analysis

A uniform sudden 50-basis point increase in the market yield curve would result in a €5.3 million increase in the Group's annual financial expense, after taking into account debt management derivatives (compared with €6.8 million as at 31 December 2014).

A uniform sudden 50-basis point increase in the market yield curve would result in a €5 million profit in income (compared with €4.4 million as at 31 December 2014), resulting from the change in the fair value of the debt recognised at fair value through profit or loss and of the debt management swaps.

32.4 Currency risk

La Poste cautiously assesses currency risk by systematically hedging borrowings and investment securities denominated in foreign currencies via the setting up of currency swaps or forward purchases and sales.

As at 31 December 2015, there were no significant foreign currency-denominated investment securities. Some bonds are denominated in pounds sterling. These borrowings are fully protected by a foreign exchange hedge, as detailed in Note 27.

NOTE 33 INFORMATION ON RISKS RELATING TO BANKING ACTIVITIES

- 33.1 Structural risk factors
- 33.2 La Banque Postale's risk exposure
- 33.3 Credit risk
- 33.4 Liquidity risk
- 33.5 Interest-rate risk
- 33.6 Market risk

33.1 Structural risk factors

La Banque Postale has reviewed the risks that could have a material adverse effect on its business, its financial position and its results (or its ability to achieve its targets), and considers that there are no significant risks other than those shown.

The structural risk factors that affect La Banque Postale are primarily related to its retail banking business, i.e. liquidity and interest-rate risk linked to converting short-term customer deposits to longer-term use, credit risk on the loans granted to its customers, and the operational risk relating to the banking activities.

Market risk also represents a structural risk factor, which La Banque Postale monitors closely.

33.2 La Banque Postale's risk exposure

(€ million)	31/12/2015	31/12/2014
Financial assets at fair value through profit or loss	10,480	9,376
Trading derivatives	555	297
Hedging derivatives	1,229	1,532
Available-for-sale financial assets	15,611	13,102
Loans and receivables – Credit institutions	83,102	83,315
Customer loans and receivables	73,628	67,857
Financial assets held to maturity	24,158	28,297
Balance sheet exposure net of impairment	208,762	203,776
Financing commitments given	17,270	17,948
Guarantee commitments given	3,067	3,436
Off-balance sheet exposure	20,336	21,384
TOTAL NET EXPOSURE	229,098	225,160

The following risks are described below:

- 33.3. Credit risk
- 33.4. Liquidity risk
- 33.5. Interest-rate risk
- 33.6. Market risk

33.3 Credit risk

The Risk Department reports to the Group Risks Steering Committee on the drafting and implementation of the system for monitoring and managing credit risk relating to the retail and corporate banking businesses, in compliance with the Order of 3 November 2014.

In terms of risk monitoring procedures, the Risk Department defines the monthly credit risk monitoring indicators approved by the Group Risks Steering Committee.

The Risk Department covers credit risk, as defined in Article 4 of Regulation 97-02 (amended), namely the risk incurred in the event that a counterparty or counterparties considered as a single beneficiary within the meaning of Regulation (EU) No. 575/2013 of the European Parliament and of the Council.

Review of internal rating models to adapt them to Basel III requirements

As part of the credit granting and credit risks steering rules, the retail and non-retail credit rating models have been significantly modified since the launch of the Basel II Internal Models project in 2013. This project allowed notably a better documentation of the use of these models and the implementation of a validation process of the models, including the separation as of 2013 of the model creation and validation duties.

In 2015, emphasis was placed on the outstanding amounts consolidated view process, which was updated with a suitable monitoring tool.

Improvement of the organisation and steering of credit risks

The risks control Policy and the charter of the risks management department were implemented into a strong and permanent risks organisation, taking into account the evolutions of La Banque Postale since its creation, in order to secure the future profits of the Group, and inspired by industry's best practises to quantify and steer risks, by using internal models, notably to determine internal capital.

The risks control organisation was deployed at region level, and it has regional dashboards to monitor and steer risks at operational level. These dashboards are also centralised and allow for a fluid communication process between the central and regional risk control organisations.

33.3.1. Credit risk on transactions with retail customers

In terms of retail customers lending, La Banque Postale Group activities that give rise to a credit risk include:

- home loans to individuals and SCI property investment companies (La Banque Postale and its subsidiaries BPE and SOFIAP)
- overdrafts and means of payment extended to individuals (La Banque Postale and its subsidiary BPE)
- consumer loans (La Banque Postale Financement, BPE, as well as La Banque Postale for previous loans granted to Le Groupe La Poste staff)
- personal micro-loans (La Banque Postale)

Risk management

Concerning retail customers loans activities, the Group Risk Department is in charge, at La Banque Postale Group level, of defining the risk-taking rules and the tools used for managing the generated risks, of overseeing the effective application of the rules and the proper functioning of the tools for the Group, i.e. La Banque Postale SA, La Banque Postale Financement, BPE and SOFIAP.

It amends the rules for granting and committing to loans.

The Group Retail Risk Department runs La Banque Postale's Group Retail Customers Lending Committee, which is the highest delegating body within the La Banque Postale Group for granting retail loans.

Where management of inherent risk is concerned, the Group Risk Department is responsible for the rules on recovery, working together with the Legal Department and the Operations Department, and with the Accounting Department for the rules governing provisions for accounts receivable.

Beyond the scope of its own remit, the Group Risk Department has the credit risk "game plan" approved by the Group Risk Steering Committee (chaired by a member of the Executive Board), or by the Executive

Board, if requested by the Chairman of the Group Risk Steering Committee.

After they are approved, the Group Retail Risk Department makes sure these rules are implemented and correctly applied during all the lending process.

As part of the credit risk organisation deployment, the Risk Managers of LBPF, BPE and Sofiap report to the Group Risk Manager.

In accordance with regulations, the Retail Credit Risk Department ensures that the risks surveillance and monitoring rules are implemented and it coordinates all the control mechanisms involved.

A follow-up is performed at Group Risk Steering Committee level, with specific follow-ups on each subsidiary.

La Banque Postale's loan guarantee system

General principle

The general principle is that any financing must be 100% hedged by an "eligible" guarantee, i.e. offering a sufficient hedging level:

- Asset-backed mortgage of the first rank or equivalent, privilege of the money-lender, mortgage, pledge of mortgage assets granted by a third party guaranteeing the borrower's debt
- pledge of financial products (life insurance contracts, securities accounts, REIT units), in accordance with the hedging ratio of the loan by the pledged savings, as specified in the issuance conditions, depending of the nature of the pledged assets (securities, bonds, currency...)
- guarantees provided by a guarantee body, authorised by the Guarantee Providers Referencing Committee of La Banque Postale

By exception to the above principles

Some low amount house works loans are granted without a guarantee.

Bridging loans can be granted without an "eligible" guarantee, when the sale agreement or the promise of sale for the asset that is the subject of the loan has been signed and the conditions precedent in favour of the buyer of the asset have been lifted. In that case, the bank can settle for a simple promise to pledge the sold asset.

If the quality of the application file justifies it, La Banque Postale can accept to grant a loan without guarantee, if the total of loans granted without guarantee to the same customer does not exceed the limits set in the issue conditions.

If the quality of the application file justifies it, La Banque Postale can accept the guarantee provided by a private individual as principal guarantee, within the limits set in the issue conditions.

Exposure to credit risk on transactions with retail customers

31/12/2015	Gross book value		Gross off-balance sheet amount		Total exposure	
	Amounts outstanding	As a % of total exposure	Amounts outstanding	As a % of total exposure	Amounts outstanding	% total
(€ million)						
Home loans	54,214	96%	2,275	4%	56,490	81%
Consumer loans	4,553	90%	519	10%	5,072	7%
Ordinary accounts receivable	681	8%	7,867	92%	8,548	12%
TOTAL	59,448	85%	10,662	15%	70,110	100%

31/12/2014	Gross book value		Gross off-balance sheet amount		Total exposure	
	Amounts outstanding	As a % of total exposure	Amounts outstanding	As a % of total exposure	Amounts outstanding	% total
(€ million)						
Home loans	53,631	96%	2,389	4%	56,020	81%
Consumer loans	4,043	88%	529	12%	4,572	6%
Ordinary accounts receivable	724	8%	8,108	92%	8,832	13%
TOTAL	58,397	84%	11,027	16%	69,424	100%

The exposure position was stable compared with the previous financial year.

Guarantees obtained

31/12/2015		Asset-backed guarantee		Guarantee from a legal entity		Guarantee from an individual		Unguaranteed		Gross book value	
		Amounts outstanding	%	Amounts outstanding	%	Amounts outstanding	%	Amounts outstanding	%	Amounts outstanding	%
(€ million)											
Home loans	Performing	17,227	32%	35,028	65%	18		1,428	3%	53,701	99%
	Impaired	299	58%	181	35%			33	6%	513	1%
TOTAL		17,526		35,209		18		1,461		54,214	
Consumer loans	Performing	3		8		1		4,227	100%	4,239	93%
	Impaired			2				312	100%	314	7%
TOTAL		3		9		1		4,539		4,553	

31/12/2014		Asset-backed guarantee		Guarantee from a legal entity		Guarantee from an individual		Unguaranteed		Gross book value	
		Amounts outstanding	%	Amounts outstanding	%	Amounts outstanding	%	Amounts outstanding	%	Amounts outstanding	%
(€ million)											
Home loans	Performing	15,667	29%	36,644	69%	27	0.1%	856	2%	53,195	99%
	Impaired	258	59%	153	35%			25	6%	436	1%
TOTAL		15,925		36,797		27		881		53,631	
Consumer loans	Performing	4	0.1%	4	0.1%	1	0%	3,847	100%	3,857	95%
	Impaired			1	0.3%			186	100%	186	5%
TOTAL		4		5		1		4,033		4,043	

The percentage of home loans guaranteed by a legal entity decreased notably (65% in December 2015, compared with 68.6% in December 2014). This difference was transferred in favour of asset-backed guarantees, due to the increase in social housing loans (PAS).

Virtually all consumer loans outstanding are unguaranteed.

Credit quality of assets that are neither in arrears nor impaired on an individual basis

€ million		31/12/2015		31/12/2014	
		Amounts outstanding	%	Amounts outstanding	%
Performing home loans	not in arrears	53,373	99%	52,951	100%
	in arrears	328	1%	243	
TOTAL PERFORMING LOANS		53,701	100%	53,195	100%
Performing consumer loans	not in arrears	4,163	98%	3,814	99%
	in arrears	76	2%	43	1%
TOTAL PERFORMING LOANS		4,239	100%	3,857	100%

The percentage of performing home loans with no arrears remained stable (99.4% versus 99.5% in 2014). The percentage of performing consumer loans in arrears increased slightly from 1.1% to 1.8% of performing loans outstanding.

Financial assets in arrears

31/12/2015	Unimpaired amounts outstanding in arrears						Impaired loans	Guarantees			
€ million	<30 d	30 d to 60 d	60 d to 90 d	90 d to 180 d	>180 d	Total		Asset-backed guarantees	Guaranteed by a legal entity	Guaranteed by individuals	Unguaranteed
Home loans	195	63	34	37		328	513	409	396	1	37
Consumer loans	20	12	11	18	15	76	314		2	71	316
TOTAL	215	75	45	55	15	405	826	409	398	72	353

31/12/2014	Unimpaired amounts outstanding in arrears						Impaired loans	Guarantees			
€ million	<30 d	30 d to 60 d	60 d to 90 d	90 d to 180 d	>180 d	Total		Asset-backed guarantees	Guaranteed by a legal entity	Individuals	Unguaranteed
Home loans	112	56	37	39		243	436	330	320	1	30
Consumer loans	21	22				43	186		1	42	186
TOTAL	133	78	37	39		287	623	330	320	43	216

Impaired home loans outstanding increased by €77 million. A part of this increase stems from a change in methods (downgrade to doubtful status of restructured loans previously classified as sensitive).

The outstanding amount of consumer loans in arrears and of impaired consumer loans increased by €161 million in 2015 compared with 2014.

Analysis of assets impaired on an individual basis

31/12/2015	Type of guarantee	Accounts receivable	Applied guaranteed amount	Discounted provisions	Discounted provisioning rate
€ million		(a)		(b)	(b/a)
Impaired home loans	Asset-backed guarantee	262	219	78	30%
	Guarantee from a legal entity	126	122	10	8%
	Guarantee from an individual	1			26%
	Unguaranteed	27		12	46%
	Doubtful by contagion not in arrears	97	90	13	14%
TOTAL		513	431	114	22%
Impaired consumer loans		314	1	149	47%
Impaired ordinary accounts receivable and equivalent		129		109	84%

31/12/2014 (€ million)	Type of guarantee	Accounts receivable (a)	Applied guaranteed amount	Discounted provisions (b)	Discounted provisioning rate (b/a)
Impaired home loans	Asset-backed guarantee	218	154	71	33%
	Guarantee from a legal entity	87	87	8	9%
	Guarantee from an individual				
	Unguaranteed	23		20	87%
	Doubtful by contagion not in arrears	108	95	12	11%
TOTAL		436	336	112	26%
Impaired consumer loans		186	1	107	58%
Impaired ordinary accounts receivable and equivalent		139		119	85%

The home loan provision rate decreased from 26% to 22%, partly due to the writing off of loans which were provided for by BPE.

The provision rate on ordinary accounts decreased from 85% to 84%.

33.3.2. Credit risk on transactions with non-retail customers

La Banque Postale's activities that give rise to a credit risk are on two levels:

- as part of its commercial activity aimed at financing the economy, La Banque Postale was granted a licence to offer financing to Legal Entities from the French Prudential Control Authority in September 2011. The main customer segments served by the range of products offered are currently: Companies, Local Authorities, Public Health Companies, social housing associations and Non-profit Associations;
- as part of its intervention on the financial markets, La Banque Postale is also required to manage the credit risk arising on inter-bank cash transactions, like deposits, loans, repos (which therefore relates to financial institutions) and the issuer risk arising on the debt securities traded in the trading room (Companies, financial institutions, sovereign entities, and Local Authorities).

These risks take the form of balance sheet, and off-balance sheet commitments (guarantees, collateral, investments made by La Banque Postale's insurance subsidiaries, and the undrawn portion of loans granted, etc.).

La Banque Postale has opted for a prudent approach and gradual expansion.

The range of financing offered by La Banque Postale currently includes: cash facilities, equipment leases, medium-term loans for setting up and buying out companies, bilateral or syndicated loans for Key Accounts, property leases and factoring.

In 2015, the financing products portfolio was supplemented with an overdraft offer aimed at SMEs of significant size (>€30 million of turnover) and micro-businesses with a high quality rating.

Since 2012, La Banque Postale offers financing aimed for customers in the Social and Local Economy (social housing associations, cooperative companies, local and regional authorities, public health companies, management voluntary organisations, and local organisations): cash facilities, and medium/long-term financing. Since 2014, the short term and medium/long-term financing product offering has been extended to social housing operators and semi-public companies.

In 2015, the offering to social housing associations and management voluntary organisations was extended to include Social Housing Loans.

Since May 2015, La Banque Postale offers simple derivatives product without margin calls aimed at large corporations, public institutions, financial institutions, large local authorities, public health companies and social housing associations.

Counterparty risk management

General provisions

La Banque Postale's rules for granting and committing to loans have been drawn up in compliance with Articles 111 and 112 of the Order of 3 November 2014 on internal controls in credit institutions, payment service providers and investment firms under supervision by the French Prudential Control Authority.

The review and decision-making process is based on: eligibility conditions, a review, and determining a financial rating specific to each segment, as well as obtaining guarantees in some cases.

The aim of the risk management system selected for the activity involving the financing of legal entities is to make it possible to detect risks at all levels for each of the activity's processes (granting, management, collection and provisioning). It is based on the following factors:

- setting up a comprehensive credit committee system at various levels within the Bank, and delegating processes tailored for each segment;
- individual risk monitoring procedures and a management platform for global risk.

For SMEs, micro-businesses and voluntary organisations, the general review and decision-making process is supplemented by a specific banking behaviour score.

For the Local Public Sector, La Banque Postale has the ability to refinance with the Caisse Française de Financement Local its production of medium and long term loans granted to Local Authorities and Public Health Companies.

Depending on market markets, transactions in an amount equal to or in excess of €10 million or €20

million must be approved by a member of the Executive Board.

In terms of investment

In terms of investment, third parties are systematically rated and assigned an individual limit designed to cap the total amount of the commitment. Where applicable, these individual limits are supplemented by so-called group limits, which govern exposure to a group of third parties that are considered as a single beneficiary within the meaning of Article 4-39 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council.

La Banque Postale's universe is usually restricted to investment grade counterparties and issuers, which therefore have an internal rating of at least BBB-.

The minimum rating limit is lowered to BB- (according to the ACP cross-reference tables, BB- corresponds to the 4: BB-to BB+ grade at Fitch and S&P; to the Ba1 to Ba3 grade at Moody's; to the 4 to 5 grade at COFACE; and to the 4 to 5+ grade at FIBEN) in certain specific cases, primarily as part of the expansion of the Major Corporate Customers financing business, as long as the

Bank maintains an ongoing commercial relationship, or with approval by the Executive Board.

La Banque Postale can only perform repo, or stock or fixed derivative lending transactions that expose it to a counterparty risk, if there is a prior ISDA or FBF Framework Agreement in place that includes collateralisation clauses. The quantitative factors included in such agreements (instruments concerned, threshold and frequency of margin calls, and exemptions, etc.) are subject to approval by the Group Risk Department.

In case of a significant deterioration of the risk, the concerned issuers and counterparties are closely monitored by the Watch List Committee, and information is provided to the Group Risk Committee.

The individual limits are supplemented by a set of limits designed to control the risks of concentration on groups of counterparties, which are classified in accordance with their geographic area, their activity segment, their business type or their internal rating. The Group Risk Steering Committee may review these diversification limits on a monthly basis. This Committee also issues a list of authorised countries and currencies.

Exposure to credit risk on market transactions with legal entities

Category (€ million)	31/12/2015					TOTAL
	Sovereign	Bank	Corporate	Public authority	Securitisation	
Financial assets at fair value through profit or loss	226	9,203	1,051			10,480
Available-for-sale financial assets	3,737	9,471	2,132	263	7	15,610
Loans and receivables – Credit institutions	79,715	3,374				83,089
Customer loans and receivables	1,281	2	9,003	4,153	381	14,819
Assets held to maturity	22,319	1,831		8		24,158
BALANCE SHEET EXPOSURE NET OF IMPAIRMENT	107,277	23,881	12,186	4,424	388	148,156

Rating (€ million)	31/12/2015				TOTAL
	AAA	AA	A	Other	
Financial assets at fair value through profit or loss		1,170	5,557	3,753	10,480
Available-for-sale financial assets	1,230	3,599	6,115	4,666	15,610
Loans and receivables – Credit institutions	190	81,634	831	433	83,089
Customer loans and receivables	234	858	4,321	9,406	14,819
Assets held to maturity	1,313	22,026		819	24,158
BALANCE SHEET EXPOSURE NET OF IMPAIRMENT	2,968	109,288	16,824	19,076	148,156

Geographical area (€ million)	31/12/2015			TOTAL
	France	Euro zone	Non-euro zone	
Financial assets at fair value through profit or loss	5,605	3,180	1,695	10,480
Available-for-sale financial assets	6,513	4,772	4,326	15,610
Loans and receivables – Credit institutions	82,789	61	239	83,089
Customer loans and receivables	14,225	264	330	14,819
Assets held to maturity	18,838	4,508	812	24,158
BALANCE SHEET EXPOSURE NET OF IMPAIRMENT	127,969	12,785	7,402	148,156

Category (€ million)	31/12/2014					TOTAL
	Sovereign	Bank	Corporate	Public authority	Securitisation	
Financial assets at fair value through profit or loss	783	7,556	1,038			9,377
Available-for-sale financial assets	2,873	7,999	2,132	88	8	13,101
Loans and receivables – Credit institutions	79,223	4,092				83,314
Customer loans and receivables	162	400	4,906	3,890	499	9,857
Assets held to maturity	26,463	1,823		11		28,297
BALANCE SHEET EXPOSURE NET OF IMPAIRMENT	109,504	21,870	8,076	3,990	507	143,946

Rating (€ million)	31/12/2014				TOTAL
	AAA	AA	A	Other	
Financial assets at fair value through profit or loss		978	5,875	2,524	9,377
Available-for-sale financial assets	1,562	2,822	4,538	4,180	13,101
Loans and receivables – Credit institutions		80,826	1,446	1,042	83,314
Customer loans and receivables	290	578	1,610	7,379	9,857
Assets held to maturity	1,210	24,684	849	1,552	28,297
BALANCE SHEET EXPOSURE NET OF IMPAIRMENT	3,063	109,888	14,318	16,676	143,946

Geographical area (€ million)	31/12/2014			TOTAL
	France	Euro zone	Non-euro zone	
Financial assets at fair value through profit or loss	5,561	2,712	1,104	9,377
Available-for-sale financial assets	5,998	4,728	2,375	13,101
Loans and receivables – Credit institutions	82,340	947	26	83,314
Customer loans and receivables	9,487	351	19	9,857
Assets held to maturity	21,510	5,921	866	28,297
BALANCE SHEET EXPOSURE NET OF IMPAIRMENT	124,896	14,659	4,390	143,946

Financial assets held to maturity

These are high-quality assets that consist mainly of loans issued or guaranteed by euro zone Member States, as shown in the tables above. Sovereign issuers amount to 92% of the portfolio. Furthermore, issuers with a Tier 1 rating (AAA to AA-) account for 97% of the positions in the portfolio.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include mainly securities. Bank issuers account for the bulk of financial assets at fair value through profit or loss (88% of the positions in the portfolio).

These are high quality assets, mainly located in France.

Loans and receivables – Credit institutions

La Banque Postale enters into inter-bank transactions (both deposits and securities borrowing/lending) in the normal course of its business.

The counterparty risk relating to inter-bank deposits is managed in the same way as issuer risk (these transactions are included in individual, group and diversification limits).

As at the end of December 2015, La Banque Postale's inter-bank deposits amounted to €3.4 billion. Deposits with the Caisse des Dépôts (reclassified in the "Sovereign" category since 1 January 2014, in accordance with CRDIV regulation) as backing for the

funds gathered on Sustainable Development, Livret A passbook savings accounts and LEP savings accounts, amounted to €75.3 billion as at 31 December 2015.

The counterparty risk relating to securities lending and repurchase is limited by the fact that La Banque Postale only works with these instruments after it has finalised a framework agreement requiring the arrangement of collateral. As a result, the credit risk on repo and reverse repo transactions as at 31 December 2015 was extremely low.

Risk relating to Local Public Sector

The risks concern primarily Local Public Authorities, as La Banque Postale made them a priority when it launched this financing activity in June 2012. The financing activity aimed at public health companies and social housing associations was progressively launched during the year 2013.

As at 31 December 2015, loans amounting to €8.5 billion had been authorised for the local public sector, of which €4.5 billion had been drawn down.

Nearly €3.4 billion in medium and long term loans have been sold to CAFFIL in 2015, and thus do not appear in these figures.

Risk relating to companies

As at 31 December 2015, La Banque Postale's exposure to the Corporate segment had greatly increased due to the growth of La Banque Postale in legal entities financing and to the voluntary diversification of issuers in which La Banque Postale is investing.

Real estate and assets financing operations increased greatly over the period.

94% of the exposure on rated companies invested in are rated at least BBB-. For companies rated lowest in the portfolio, a strong vigilance is exercised on conditions allowing to mitigate the risk: guarantees, counterparties credit risk-mitigation clauses, financial covenants, seniority ranks.

Most of the exposure to companies concerns large French corporates.

Credit risk on transactions with legal entities

31/12/2015	Gross book value		Gross off-balance sheet amount		Total exposure	
	Amounts outstanding	As a % of total exposure	Amounts outstanding	As a % of total exposure	Amounts outstanding	% total
(€ million)						
Finance lease operations	1,568	89%	201	11%	1,770	11%
Local public sector loans	4,495	53%	3,980	47%	8,476	52%
Loans to other legal entities	3,561	66%	1,816	34%	5,377	33%
Factoring and trade receivables	146	100%			146	1%
Ordinary accounts receivable	183	33%	379	67%	562	3%
TOTAL	9,954	61%	6,376	39%	16,330	100%

31/12/2014	Gross book value		Gross off-balance sheet amount		Total exposure	
	Amounts outstanding	As a % of total exposure	Amounts outstanding	As a % of total exposure	Amounts outstanding	% total
(€ million)						
Finance lease operations	953	87%	137	13%	1,090	8%
Local public sector loans	3,597	46%	4,185	54%	7,782	58%
Loans to other legal entities	1,915	51%	1,844	49%	3,758	28%
Factoring and trade receivables	38	100%			38	
Ordinary accounts receivable	137	21%	502	79%	640	
TOTAL	6,640		6,668		13,308	95%

Guarantees obtained on the loans granted to legal entities

31/12/2015	Asset-backed guarantee		Guarantee from a legal entity		Guarantee from an individual		Unguaranteed		Gross book value	
	Amounts outstanding	%	Amounts outstanding	%	Amounts outstanding	%	Amounts outstanding	%	Amounts outstanding	%
(€ million)										
Finance leases	Performing		207	13%	23	1%	1,338	85%	1,568	100%
	Impaired						4	92%	5	
TOTAL			207		23		1,343		1,573	
Local public sector loans	Performing		44	1%			4,451	99%	4,494	100%
	Impaired						1	100%	1	
TOTAL			44				4,452		4,495	
Other legal entities loans	Performing	727	20%	1,543	43%	1	1,288	36%	3,560	100%
	Impaired						1	82%	1	
TOTAL		727		1,543			1,289		3,561	
Factoring and trade receivables	Performing		12	8%			133	91%	145	99%
	Impaired						1	97%	1	1%
TOTAL			12				134		146	

31/12/2014		Asset-backed guarantee		Guarantee from a legal entity		Guarantee from an individual		Unguaranteed		Gross book value	
		Amounts outstanding	%	Amounts outstanding	%	Amounts outstanding	%	Amounts outstanding	%	Amounts outstanding	%
<i>(€ million)</i>											
Finance leases	Performing			177	19%	15	2%	756	80%	948	100%
	Impaired							4	94%	5	
TOTAL				177		15		761		953	
Local public sector loans	Performing			17				3,579	100%	3,597	100%
	Impaired										
TOTAL				17				3,579		3,597	
Other legal entities loans	Performing	288	15%	467	24%			1,160	61%	1,915	100%
	Impaired										
TOTAL		288		467				1,160		1,915	
Factoring and trade receivables	Performing			12	31%			26	69%	38	100%
	Impaired										
TOTAL				12				26		38	

Credit quality of financial assets that are neither in arrears nor impaired on an individual basis

		31/12/2015		31/12/2014	
		Amounts outstanding	%	Amounts outstanding	%
<i>(€ million)</i>					
Performing finance lease operations	not in arrears	1,562	100%	948	100%
	in arrears	6			
TOTAL		1,568		948	
Performing local public sector loans	not in arrears	4,492	100%	3,594	100%
	in arrears	3		3	
TOTAL		4,494		3,597	
Performing loans to other legal entities	not in arrears	3,560	100%	1,915	100%
	in arrears				
TOTAL		3,560		1,915	
Performing factoring and trade receivables	not in arrears	124	85%	29	76%
	in arrears	22	15%	9	24%
TOTAL		145		38	

Financial assets in arrears

31/12/2015	Unimpaired amounts outstanding in arrears					Total	Impaired loans	Guarantees			
<i>(€ million)</i>	<30 d	30 d to 60 d	60 d to 90 d	90 d to 180 d	>180 d			Asset-backed guarantees	Guaranteed by a legal entity	Individuals	Unguaranteed
Finance lease operations	4	2				6	5			8	
Local public sector loans	1	2				3	1				
Factoring and trade receivables	18	4				22	1				
Loans to other legal entities							1			1	
TOTAL	23	7				30	8			10	

31/12/2014	Unimpaired amounts outstanding in arrears					Total	Impaired loans	Guarantees			
<i>(€ million)</i>	<30 d	30 d to 60 d	60 d to 90 d	90 d to 180 d	>180 d			Asset-backed guarantees	Guaranteed by a legal entity	Individuals	Unguaranteed
Finance lease operations							5			5	
Local public sector loans	3					3					
Factoring and trade receivables	6	3				9					
Loans to other legal entities							1			1	
TOTAL	9	3				12	6			6	

Analysis of assets impaired on an individual basis

31/12/2015 (€ million)	Type of guarantee	Accounts receivable (a)	Applied guaranteed amount	Discounted provisions (b)	Discounted provisioning rate (b/a)
Impaired finance leases operations	Asset-backed guarantee				
	Guarantee from a legal entity	2		1	29%
	Guarantee from an individual				
	Unguaranteed	3		1	41%
	Doubtful by contagion not in arrears				
TOTAL		5		2	36%

31/12/2014 (€ million)	Type of guarantee	Accounts receivable (a)	Applied guaranteed amount	Discounted provisions (b)	Discounted provisioning rate (b/a)
Impaired finance leases operations	Asset-backed guarantee				
	Guarantee from a legal entity	1			
	Guarantee from an individual				
	Unguaranteed	3		2	53%
	Doubtful by contagion not in arrears				
TOTAL		5		2	37%

Securitisations

La Banque Postale's securitisation exposure amounted to €388 million, which broke down between customer loans and receivables (€381 million), and financial assets available for sale (€7 million).

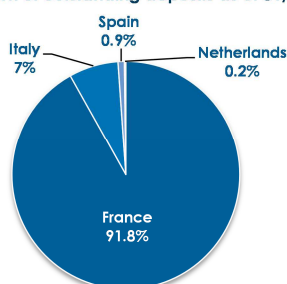
An investment was made with BPI France Financement in 2011, in order to back Livret A passbook savings accounts and Sustainable Development (LDD) accounts. Since that date, only three further investments were agreed by La Banque Postale's trading room, the first one where the underlying assets are receivables due from the Ile de France Transport Association, the second one where the underlying assets are receivables due from Italian drugstores, and the third one where the underlying assets are receivables from EDF.

Lastly, the other investments in this asset class were transferred to La Banque Postale when it was founded in 2006 and are gradually phased out since that date. These other investments represent a marginal exposure of approximately 1% of the total exposure on this class of issuers.

For these reasons, the securitisation portfolio is of a high quality: all the tranches in which La Banque Postale has invested are of a rank 1 rating, and nearly 92% of the positions are held in France.

The geographical breakdown of La Banque Postale's securitisations is as follows:

Breakdown of outstanding deposits as of 31/12/2015

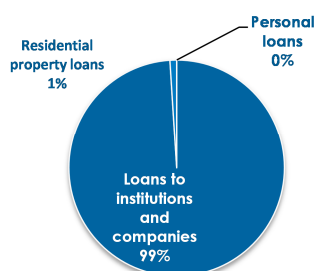


As at 31 December 2015, La Banque Postale is aware of one program in its securitisation portfolio with significant deterioration in its credit quality, which however represents a marginal (approximately 0.2%) amount of outstanding securitisations.

The bulk of the securitisation portfolio balances consists of receivables due from institutions and companies linked to the BPI France Financement securitisation process. La Banque Postale receives a line by line report on all these securitisation receivables.

The breakdown of La Banque Postale's securitisation portfolio by type of underlying asset was as follows:

Breakdown of outstanding deposits as of 31/12/2015



Exposure to counterparty risk

In the terminology used at La Banque Postale, counterparty risk stems primarily from transactions involving futures. Exposure is assessed via the present value method.

These transactions take place primarily with banking counterparties. In this context, they are systematically performed as part of agreements that provide for the netting of exposure and the putting up of collateral with regular margin calls.

The residual risk, which is subject to limits and is periodically monitored by the Corporate Credit, Public Sector and Institutional Risk Department, is not material.

La Banque Postale is exposed to counterparty risk primarily in connection with transactions using fixed derivatives.

This risk is limited by the fact that La Banque Postale only works with top-tier institutions, with which it has signed a netting and collateral agreement. In addition, the instruments used are mainly "plain-vanilla" interest rate swaps.

As 31 December 2015, net exposure to those counterparties, after taking any collateral in place into account, was €500 million.

Concentration risk for each beneficiary

The regulations on major risks are applied in accordance with prudential regulation applicable for financial institutions and investments companies, published in the Official Journal of the European Union on 26 June 2013 (Directive 2013/36/EU and Regulation (UE) No. 575/2013 of the European Parliament and of the Council), and implemented on 1 January 2014. They specify that institutions must comply with the following limit: the total amount of risks incurred in respect of a single beneficiary must not exceed 25% of the Group net shareholders' equity.

No beneficiary exceeded this limit as at 31 December 2015.

33.3.3 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 businesses guaranteed by the French government.

As the Insurance sector exposures were immaterial, they have not been detailed below.

The exposure shown below summarises the exposure for subsidiaries in which La Banque Postale owns an interest of 50% or more.

SOVEREIGN EXPOSURES

La Banque Postale does not have any exposure to Cyprus, Hungary and Egypt.

(€ million)	Bank portfolio	Assets at fair value through profit or loss	Derivatives	Total direct exposure (a)	Repo	Off-balance sheet (b)	Total direct and indirect exposure (c)	Exposure (as a %)
Greece								
Ireland								
Italy	563			563	247		809	2.4%
Portugal								
Spain	290			290	389		679	2.0%
TOTAL GIIPES	853			853	636		1,489	4.3%
Germany	2,134		6	2,140	73	2,337	4,551	13.2%
Austria	1			1	8		9	0.0%
Belgium	2,206			2,206	23		2,229	6.5%
France	18,032	645	28	18,706	3,146	1,007	22,858	66.4%
United Kingdom								
Luxembourg	18			18			18	0.1%
Netherlands	408		3	411	27	664	1,102	3.2%
Poland	23			23	25		49	0.1%
Supra-national	573			573			573	1.7%
TOTAL EUROPE	23,396	645	37	24,078	3,302	4,008	31,388	91.2%
Rest of the World	1,262			1,262	283		1,545	4.5%
TOTAL	25,511	645	37	26,193	4,221	4,008	34,422	100%

(a) Direct exposure: net book value (including impairment) of the Bank's proprietary exposure.

(b) Off-balance sheet operations include forward bonds (term price).

(c) Direct and indirect exposure: direct exposure, plus indirect exposure through the guarantees granted to some of the Group's UCITS

CHANGE IN EXPOSURE TO GIIPS ^(a)

(<i>€ million</i>)	December 2014		Impairment	Maturity	Disposals	Acquisitions	Transfer	December 2015	
	Nominal value	Book value						Nominal value	Book value ^(b)
Greece									
Ireland		2			(2)				
Italy	54	63		(1)				53	63
Portugal									
Spain	396	416			(391)			5	7
AVAILABLE-FOR-SALE FINANCIAL ASSETS	451	481		(1)	(393)			58	70
Greece									
Ireland									
Italy	1,082	1,107		(585)				497	500
Portugal									
Spain	431	434		(149)				283	284
FINANCIAL ASSETS HELD TO MATURITY	1,513	1,541		(734)				779	783
Greece									
Ireland									
Italy									
Portugal									
Spain									
LOANS AND RECEIVABLES									
Greece									
Ireland									
Italy									
Portugal									
Spain									
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS									

(a) Direct exposure: outstanding balances (including impairment) of proprietary exposure, not including the indirect exposure represented by the guarantees granted to Group UCITS.

(b) Unrealised gains and losses represent €11 million. Investments are classified as L1. No impairment is recorded on the book value as at 31 December 2015.

BREAKDOWN BY MATURITY

31/12/2015 (<i>€ million</i>)	Total	Remaining life in years						
		1	2	3	4	5	<10	>10
Greece								
Ireland								
Italy	563	184		274	67	4	20	15
Portugal								
Spain	290	284					3	3
TOTAL	853	467		274	67	4	23	18

NON-SOVEREIGN EXPOSURE TO CERTAIN COUNTRIES OF THE EUROPEAN UNION

(€ million)	Bank	Corporate	Public authority	Securiti- sation	TOTAL
Greece					
Ireland		92			92
Italy	254	173			427
Portugal	1	7			8
Spain	738	115			854
AVAILABLE-FOR-SALE FINANCIAL ASSETS	993	388			1,381
Greece					
Ireland					
Italy					
Portugal					
Spain					
FINANCIAL ASSETS HELD TO MATURITY					
Greece					
Ireland	30				30
Italy	5				5
Portugal					
Spain					
LOANS AND RECEIVABLES	36				36
Greece					
Ireland		13			13
Italy	842	115			957
Portugal					
Spain	567	110			677
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	1,409	238			1,647

33.4 Liquidity risk

The ALM Committee is primarily responsible for monitoring liquidity risk. Chaired by a member of the Executive Board, the Committee consists of the Head of Retail Banking, the Head of Risk, and the Head of Management Control, along with the Head of Financial Transactions, who runs it.

The ALM Committee reviews customer deposit models on a regular basis, and formally validates the outflow assumptions produced.

It monitors the liquidity risk performance indicators, and anticipates their future development, in light of the Bank's commercial policy, and of observations on customer behaviour.

Assessment of risk

As at 31 December 2015, La Banque Postale continued to show excess customer resources compared with its uses. However, the proportion of loans to customers has increased, and now represents 43% of customers' deposits, due to the development of loans to legal entities, notably the local public sector.

La Banque Postale is primarily exposed to liquidity risk arising from putting its sources of funding, which consist mainly of overnight deposits, to longer-term use, either in the form of home loans to private individuals or loans to legal entities, or in the form of debt securities.

The portion of resources not used for held-to-maturity investments or consumer loans can be used to build the portfolio of available-for-sale financial assets. These

securities are effectively marketable and can be sold quickly if needed.

Risk management and limits

La Banque Postale's risk management policy defines two kinds of liquidity risk with two different monitoring approaches:

Cash liquidity risk

- Relating to the institution's cash management.
- Operational limit that enables cash management funding requirements to be capped.
- The amount and observation period are set by the Group Risk Steering Committee.

The short-term liquidity limit is set in accordance with Basel III guidelines. It involves a 30-day limit that compares liquidity requirements over 30 days with a cushion of liquid assets. This liquidity requirement must not exceed the liquid asset cushion available.

Structural liquidity risk

- Relating to changes in the structure of the Bank's balance sheet.
- Takes the outflow agreements approved by the ALM Committee into account.
- Management of this risk is assigned to the ALM Committee in accordance with the principles and limits laid down by the Risk Committee.

This risk is currently measured through the medium-to-long-term liquidity gap, which corresponds to a static outflow of liabilities and assets. Its purpose is to assess the Bank's ability to meet its contractual maturities obligations, in case of a complete stop of its commercial activity. Other conservative assumptions on

amortisation (outflows) of balance sheet and off-balance sheet items are used. This indicator gives a very prudent estimation of the Bank's liquidity situation, with a high level of certainty.

The net liquidity gap (sources – uses) is zero for the 1, 3 and 5-year segments. The Bank sets itself an excess liability obligation.

The outflow assumptions used to measure structural liquidity risk involve modelling the outflow of undated liabilities, loans extended and recognised off-balance sheet, and taking the potential conversion of the sovereign debt portfolio into account.

The assumptions used for the medium and long-term liquidity gap are as follows:

Shareholders' equity net of non-current assets	<i>In fine</i>
Debt	Contractual date or call date
Sight deposits, savings accounts, CEL and CAT	Outflow agreement
Home loan savings plan	Certain outflow (see Home Loan Savings provision)
Term deposits	Contractual date
Home loans	Contractual schedule + early structural repayments
Home loan savings loan options	Likely generation over the average maturity observed
Bond securities and Deposits	Contractual payment schedule that is not eligible for ECB refinancing, net of the cash repo limit
Off-balance sheet commitments	Outflow agreement

Standard outflow agreements for liabilities with no fixed maturity are reviewed on a regular basis, in order to reset them at the minimum levels required by changes in the deposit volatility trend (behavioural changes, etc.).

Off-balance sheet loans are subject to a liquidation process based on a behavioural model that takes account of the rate of product changes, payment periods, and the effective life of the new loans generated (early redemption).

Risk exposure

La Banque Postale continued to manage its liquidity on a prudent basis in 2015. This was reflected in surpluses throughout the year, underpinned by the quality of the financial assets owned.

Short term liquidity risk

The regulatory short-term liquidity risk is measured since 2015 via the LCR indicator, which confirms its structural short-term liquidity surplus per Basel recommendations.

This indicator was always greater than 100%, higher than the regulatory limit of 60% in 2015.

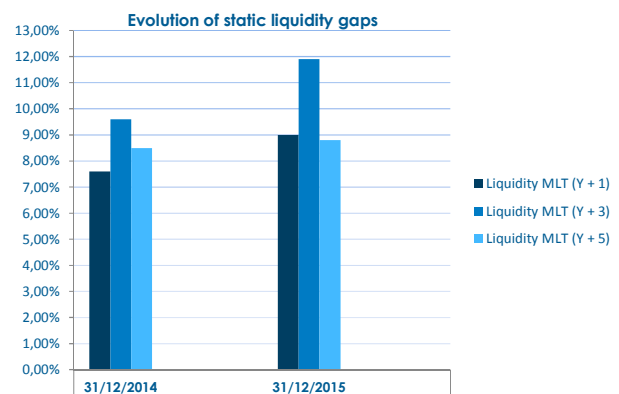
Internal liquidity stress tests were enhanced in 2015 (collateral and sovereign exposure stress test), and allow the Bank to document its robustness vis-à-vis liquidity risks.

Long term liquidity risk

Structural liquidity risk is measured via the liquidity gap resulting from the difference between stressed static liability outflows (outflow agreement) and assets. The structural liquidity limit was complied with at all times in 2015.

The maturities covered by the calculation are as follows: 1 year, 3 years and 5 years. The gap is measured monthly and presented at Risk Committees and ALM Committees meetings.

Liquidity gap between 31 December 2014 and 31 December 2015



A positive gap for a given maturity indicates that the Bank has more resources than uses with a greater maturity.

The positive liquidity gap for maturities of under five years reflects La Banque Postale's surplus liquidity. Furthermore, this surplus liquidity is strengthened by the quality of the financial assets held and their accounting classification, which is taken into account in order to manage the Bank's structural liquidity. The liquidity limit is complemented with stress scenarios, including a loss of liquidity due to interest rate or credit premiums stress assumptions.

The aging of resources and uses by residual maturity is presented in note 38.2.

Risk mitigation techniques

In addition to the prudent liquidity risk management guidelines implemented by the ALM Committee and the Risk Committee, La Banque Postale has established diversified sources of funding:

- A €20 billion certificates-of-deposit programme, of which the amount of securities issued varies between 15% and 30% of the program, with the goal of refinancing part of the Bank's short-term financing needs, and to satisfy institutional clients.
- A €10 billion EMTN programme, updated in the summer of 2015. Less than 10% of this program had been used as at the end of 2015 for Senior debt, and 15% for Tier 2 debt.
- A €10 billion EMTN programme set up to issue Home Lending Bonds (OFH). Up to 30% of this programme had been used as at the end of 2015.
- A portfolio of held-to-maturity securities, which mainly consists of high-quality government bonds,

which are rapidly convertible. As at the end of 2015, this liquidity reserve amounted to €24 billion, and provided a permanent source of eligible securities granting access to the ECB's refinancing transactions or to the repo market.

- Access to the inter-bank market.

33.5 Interest-rate risk

The ALM Committee is primarily responsible for monitoring interest-rate risk.

It monitors the interest-rate risk performance indicators, and anticipates their future development, in light of the Bank's commercial policy, and of observations on customer behaviour.

Assessment of risk

Interest rate risk represents the likelihood of seeing the Bank's future margins or economic value affected by fluctuations in interest rates.

La Banque Postale has two different types of indicators for monitoring interest rate risk:

- indicators that support the hedging decision-making process;
- indicators aimed at assessing the institution's ability to withstand external stress.

Sensitivity indicators form part of the first category

They involve both future income schedules (sensitivity to future margins) and the net present value of future cash flows (NPV sensitivity).

These sensitivities are established using deterministic interest rate scenarios. In fact, it is always necessary to model customer behaviour, and in the present case to model that behaviour in light of changes to the interest rate environment. Among the implicit options available to customers, the most important, both in terms of their impact on the balance sheet and on margins, are:

- the risk of early redemption of outstanding loans in the event that interest rates fall;
- the risks relating to home loan savings, where deposits are collected at a higher fixed rate than expected if market interest rates fall, and take-up of the entitlement to low fixed-rate home loans is higher than expected, if market interest rates rise. These risks are actually covered by a special provision, the amount of which is determined on the basis of the same behavioural model for home loan savings account customers as the model used in future margin simulations.

The second family of indicators includes the measurement of economic equity capital (EEC) linked to global interest-rate risk

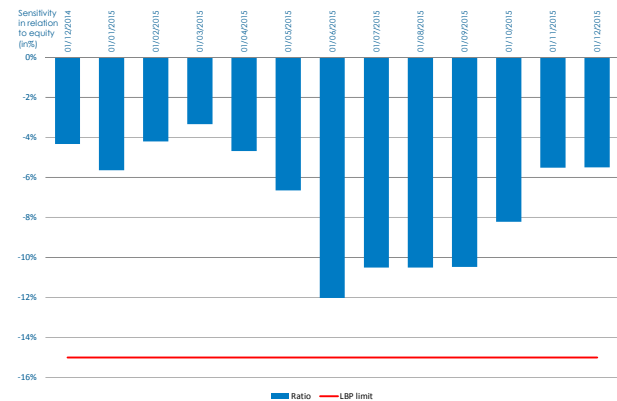
- Measuring EEC enables an institution to demonstrate its capacity to withstand adverse market developments within a given confidence interval provided on the basis of its equity capital.
- Stress scenarios, based on historical or hypothetical situations, provide a clearer understanding of the institution's risk profile, and are especially useful for

anticipating the measures that would need to be adopted if such a scenario were to materialise.

Risk management

Interest-rate risk is managed either through the investing in financial assets, by selecting maturity dates and coupon indexation terms for those assets, or via fixed or optional derivatives.

Risk exposure – Monthly change in the sensibility of the value (RTIG) over a year



In accordance with the recommendations of the Basel Committee, a sudden and parallel 200-basis point increase in interest rates was used to calculate the economic value sensitivity of the balance sheet. This indicator is calculated on a static balance sheet, without taking new generation into account. Assets and liabilities with no contractual maturity date are liquidated in accordance with the scenarios approved by the Bank's ALM Committee.

Sensitivity to global interest rate risk peaked in June 2015, when the interest rate liquidity gap sensibility reached 12% compared with an internal limit of 15% (this limit is set at 20% in the Basel Regulations). RTIG's volatility is explained by the volatility of the yield curve, especially high on the June 2016 maturity.

33.6 Market risk

La Banque Postale is exposed to market risk via its Cash Management and Asset and Liability Management activities (portfolio of available-for-sale assets and hedging transactions).

The market portfolio, which includes all transactions that are subject to market risk, not only covers the transaction portfolio, as defined in Articles 102 to 104 of Regulation (UE) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 regarding shareholders' equity requirements for credit institutions and investment firms, but also covers bank portfolio transactions, including securities held for sale and certain lending and borrowing transactions.

In terms of market risk management, La Banque Postale is first and foremost exposed to interest-rate, credit spread, and equity market risks. Its currency risk, primarily the risk linked to international mandates

and financial activities, volatility risk, and commodities risk, are moderate.

Assessment of risk

The Bank has decided to apply a Value at Risk indicator (1-day, 99%) to all its marked-to-market positions as a cautionary measure. The limit of the indicator is reviewed by the Group Risk Steering Committee on a monthly basis.

VaR is a risk indicator that is widely used in the banking and financial sector, in order to assess a portfolio of financial instruments' level of exposure to market risk.

La Banque Postale's VaR indicator not only covers the transaction portfolio (impact on fair value through profit or loss), but also covers positions recognised as assets available for sale (impact on shareholders' equity).

The VaR implemented at La Banque Postale is a parametric VaR, which is calculated based on a variance-covariance matrix covering interest-rate risk, spread risk, currency risk and the risk of fluctuations in the equity indices to which the bank is exposed. In terms of risk factors, the main approximation concerns the "specific interest-rate risk": the credit spread risk (to which bonds are sensitive) is taken into account via a sector-rating approach which only captures a portion of this type of risk.

This matrix is calculated with a scaling factor designed to overweight recent changes compared with earlier ones. Therefore, La Banque Postale's implementation does not cover second tier risks (convexity), which are actually a rare occurrence for the Bank.

The VaR calculated in this way partially covers option risk, although second-tier risks are not taken into account. The development of option positions, which are currently not material, could result in the Risk Department using a more appropriate method.

The Risk Department back-tests the results of the model used to calculate the VaR, in order to assess its quality.

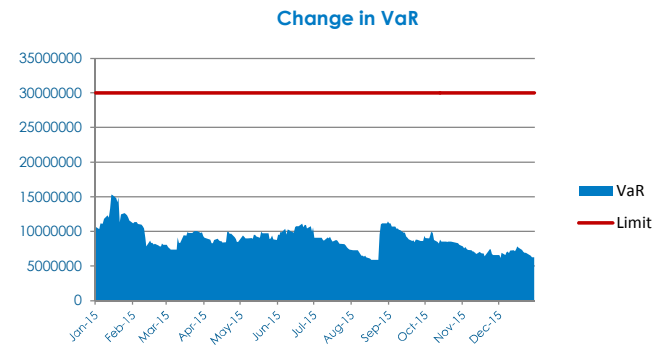
The VaR measurements are supplemented by monthly stress tests designed to measure the Bank's exposure to market situations outside the confidence interval used to calculate the VaR.

Risk exposure

La Banque Postale's VaR covers not only its transactions portfolio (impact of fair value on profit or

loss), but also investments accounted for as Available for sale (impact in equity).

The scope of VaR monitoring evolved in 2015 to better cover the bank's exposure to market risk. The VaR's main indicator is now calculated on the trading room. Risk factor contributions on this perimeter were calculated starting on 1 January 2015.



(€ million)	31/12/2015	31/12/2014
VaR	6.3	10.5
VaR of transactions recorded in the trading portfolio	1.7	8.8

Risk factor contribution to VaR	31/12/2015
(€ million)	
Interest rates	3.1
Credit spreads	3.4
Currency	1.7
Equity markets	4.2
Volatility	
TOTAL	6.3

Statistics for the 2015 financial year			
(€ million)	Average	Minimum	Maximum
VaR	9.0	5.9	15.3
VaR of trading portfolio transactions	2.4	0.7	14.2

La Banque Postale's VaR follows a downward trend, which is mainly due to a decrease in volatility.

NOTE 34 ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS

- 34.1 Fair value of financial instruments by category
- 34.2 Methods for calculating the fair value of financial instruments
- 34.3 Impact of financial instrument on net profit/(loss) and equity
- 34.4 Financial hedging instruments
- 34.5 Reclassification of financial assets

34.1 Fair value of financial instruments by category

The tables below show the fair value of the financial instruments on the balance sheet, and their breakdown according to the IAS 39 categories:

	31/12/2015		Book value according to the IAS 39 categories						
	Book value	Fair value	Fair value through profit or loss Trading	Designated as fair value through profit or loss	Available-for-sale assets	Loans and receivables	Assets held to maturity	Borrowings at amortised cost	Hedging
<i>(€ million)</i>									
ASSETS									
Bank assets									
Customer loans and receivables	73,628	76,159				73,628			
Credit institutions loans and receivables	83,102	82,436				83,102			
Securities portfolio	51,542	54,517	10,704		15,379		24,158		1,301
Other current financial assets	1,486	1,486				1,380			106
Non-bank assets									
Other non-current financial assets	707	707	245		389	73			
Trade and other receivables	3,737	3,737				3,737			
Other current financial assets	485	485	347		111	27			
Cash and cash equivalents	2,457	2,457	2,457						
LIABILITIES									
Bank liabilities									
Liabilities to credit institutions	15,741	15,148						15,741	
Liabilities to customers	171,384	171,807						171,384	
Debt evidenced by a certificate and other	14,717	14,846	322	5		1,020		10,489	2,881
Non-banking liabilities									
Bonds at amortised costs and subject to fair value hedging	7,313	7,973	24	2,035				4,751	502
Trade and other payables	4,652	4,652						4,652	

(€ million)	31/12/2014		Book value according to the IAS 39 categories						
	Book value	Fair value	Fair value through profit or loss Trading	Designated as fair value through profit or loss	Available-for-sale assets	Loans and receivables	Assets held to maturity	Borrowings at amortised cost	Hedging
ASSETS									
Bank assets									
Customer loans and receivables	67,857	71,508				67,857			
Credit institutions loans and receivables	83,315	83,564				83,315			
Securities portfolio	52,541	56,120	9,673		12,985		28,297		1,587
Other current financial assets	1,521	1,521				1,345			177
Non-bank assets									
Other non-current financial assets	831	831	472		262	66			31
Trade and other receivables	3,303	3,303				3,303			
Other current financial assets	383	383	163		154	46			20
Cash and cash equivalents	1,389	1,389	514			875			
LIABILITIES									
Bank liabilities									
Liabilities to credit institutions	15,157	15,735						15,157	
Customer transactions	167,251	170,492						167,251	
Debt evidenced by a certificate and other	15,143	14,864	327	5		1,591		10,903	2,316
Non-banking liabilities									
Bonds and other financial debt	7,005	7,800	50	2,096				4,858	
Trade and other payables	4,321	4,321						4,321	

34.2 Methods for calculating the fair value of financial instruments

34.2.1 Financial instruments excluding banking activities

The fair value of the bond debt and of the related swaps is measured using a calculation method based on observable data, which corresponds to Level 2 of the fair value ranking established in IFRS 7. 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 the bond debt, 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 each 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 book value, in view of their short-term maturity.

The fair value of bonds and UCITS units is determined according to listed prices.

34.2.2 Financial instruments used in banking activities

Fair value is the amount for which an asset could be exchanged, or a liability extinguished between knowledgeable and willing parties operating under normal competition conditions. When an instrument is first recognised, its fair value is usually the transaction price.

IAS 39 recommends initially using a listed price on an active market to determine the fair value of a financial asset or liability. A market is considered to be active if prices are easily and regularly available from a stock exchange, a broker, a trader or a regulatory agency, and if these prices represent actual transactions carried out at arm's length. In the absence of an active market, fair value must be determined using valuation techniques.

These techniques include the use of recent arm's length transactions. They are based on market data, the fair values of substantially identical instruments, discounted cash flow models or option pricing models, and use recognised valuation methods. The aim of a valuation technique is to establish what the instrument's price would have been in a normal market.

For example, the fair value of bonds, variable-income securities and futures is determined according to listed prices. Valuation techniques are used for over-the-counter derivatives, discount securities (e.g. commercial paper, and certificates of deposit, etc.) and repo deposits.

The market value of unlisted equity investments classified as available-for-sale financial assets is determined with reference to certain criteria such as net assets, the earnings outlook and discounted future cash flows.

Unconsolidated investments where the fair value cannot be measured reliably are valued at cost, and are deemed Level 3.

The listed price for an asset held or a debt to be issued is usually the bid price, and the ask price for a debt held or an asset to be acquired.

Fair value of loans

The scope applied is that of all loans drawn down and included on La Banque Postale's balance sheet. Loans that have been granted but not yet released are not taken into account, as it is assumed that, since their rate has just been fixed, their value will not be different from the amount advanced.

For the types of loans sold by the Bank, the main assumptions underlying the calculation are as follows:

- The fair value of overdrafts on sight accounts is assumed to correspond to the accounting value due to the very short length of the loans (less than one month).

- The fair value of loans is determined on the basis of internal models, which consist in discounting future recoverable capital and interest flows over the residual maturity, which are discounted based on opportunity interest rates.

Fair value of deposits

The main underlying assumptions for the calculation are as follows:

- For deposits where the remuneration rate is regulated, Livret B (savings passbook) accounts, Youth passbook savings accounts, National Savings Accounts and term deposits accounts, fair value is assumed to correspond to the net book value of the amount outstanding.
- The fair value of sight deposits is assumed to correspond to the net book value of the amount outstanding, net of the fair cost value of the swaps used to hedge overnight deposits (via the carve-out option).

Fair value of held or issued debt instruments

The fair value of listed financial instruments corresponds to the closing market 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.

All of these instruments are deemed level 2, and the most significant parameters with regard to the market value of these instruments are considered indirectly observable.

34.2.3 Ranking of fair value assessments recognised on the balance sheet

The fair value ranking levels defined in IFRS 7 are as follows:

- Level 1: valuation determined by prices listed on an active market
- Level 2: valuation determined by techniques using observable data;
- Level 3: valuation determined by techniques using unobservable data.

(€ million)	31/12/2015		
	Level 1	Level 2	Level 3
BANKING ACTIVITIES ASSETS			
Government securities and similar	226		
Bonds and other fixed-income securities	2,366	7,815	
Equities and other variable-income securities	74		
Financial assets at fair value through profit or loss	2,666	7,815	
Interest-rate derivatives		546	
Foreign exchange derivatives		2	
Equity and index derivatives		6	
Trading derivatives		555	
Interest-rate derivatives		1,126	
Fair value hedging derivatives		1,126	
Interest-rate derivatives		102	
Cash flow hedging derivatives		102	
Government securities and similar	3,130	35	
Bonds and other fixed-income securities	10,556	281	
Equities and other variable-income securities	902	277	197
Unconsolidated investments			231
Available-for-sale financial assets	14,588	593	429
NON-BANKING ACTIVITIES ASSETS			
Other non-current financial assets		418	58
Trade and other receivables		3,737	
Other current financial assets	192	293	
Cash and cash equivalents	806	1,651	
BANKING ACTIVITIES LIABILITIES			
Debt evidenced by a certificate		5	
Financial liabilities designated at fair value through profit or loss		5	
Interest-rate derivatives		559	
Foreign exchange derivatives		56	
Other derivative instruments		29	
Credit derivatives		2	
Equity and index derivatives		8	
Trading derivatives		653	
Interest-rate derivatives		326	
Fair value hedging derivatives		326	
NON-BANKING ACTIVITIES LIABILITIES			
Bonds and other financial debt		7,313	
Trade and other payables		4,652	

Reclassifications from Level 1 to Level 2: €5.9 million (one fixed-rate investments whose price are not reflected on an active market any more) and €49.5 million (following a refinement of the fair value level classification method for interest-rate derivatives).

Reclassifications from Level 2 to Level 1: €1.6 million (one fixed-rate investments whose transactions meet the criteria for volume and frequency).

Reclassifications from Level 3 to Level 1: €8.1 million (change to Mark to Market for one variable-income investment).

(€ million)	31/12/2014		
	Level 1	Level 2	Level 3
BANKING ACTIVITIES ASSETS			
Government securities and similar	783		
Bonds and other fixed-income securities	2,803	5,746	
Equities and other variable-income securities	45		
Financial assets at fair value through profit or loss	3,631	5,746	
Interest-rate derivatives		279	
Foreign exchange derivatives		11	
Equity and index derivatives		6	
Trading derivatives		297	
Interest-rate derivatives		1,359	
Fair value hedging derivatives		1,359	
Interest-rate derivatives	96	77	
Cash flow hedging derivatives	96	77	
Government securities and similar	2,177	36	
Bonds and other fixed-income securities	8,766	661	
Equities and other variable-income securities	963	265	116
Unconsolidated investments			118
Available-for-sale financial assets	11,905	962	234
NON-BANKING ACTIVITIES ASSETS			
Other non-current financial assets	190	491	33
Trade and other receivables		3,303	
Other current financial assets	273	110	
Cash and cash equivalents	3	1,386	
BANKING ACTIVITIES LIABILITIES			
Debt evidenced by a certificate		5	
Financial liabilities designated at fair value through profit or loss		5	
Interest-rate derivatives		282	
Foreign exchange derivatives		1	
Other derivative instruments		27	
Equity and index derivatives		18	
Trading derivatives		327	
Interest-rate derivatives		432	
Fair value hedging derivatives		432	
NON-BANKING ACTIVITIES LIABILITIES			
Bonds and other financial debt		7,005	
Trade and other payables		4,321	

Level 3 fair values: reconciliation of opening and closing balances (banking activities)

(€ million)	Assets at fair value through profit or loss	Assets designated at fair value through profit and loss	Trading derivatives	Hedging derivatives	Available-for-sale assets	TOTAL
Opening balance					234	234
Gains and losses recorded in income					(2)	(2)
Gains and losses recorded in equity					116	116
Purchases					66	66
Sales					(13)	(13)
Other movements					35	35
Reclassifications to or from Level 3					(7)	(7)
Closing balance					429	429

Level 3 fair values: profits and losses for the period recognised in income

None

34.3 Impact of financial instrument on net profit/(loss) and equity

Non-banking activities

The impact of the Group's financial instruments on income (excluding Banking activities) is described in Note 13 "financial profit / (loss)".

Banking activities

The table below details the impact of the Banking activities financial instruments on income and equity.

2015 <i>(€ million)</i>	Interest income (expense)	Changes in fair value		Impairment	Deconsolidation and dividends	Net gain (loss)
		Fair value through profit or loss	Fair value through equity			
Loans, receivables and payables	1,924			(181)		1,743
Assets held to maturity	734					734
Available-for-sale assets	277		22		135	434
Financial instruments at fair value through profit or loss		(78)				(78)
Hedging	190	4				194
TOTAL	3,125	(74)	22	(181)	135	2,833

2014 <i>(€ million)</i>	Interest income (expense)	Changes in fair value		Impairment	Deconsolidation and dividends	Net gain (loss)
		Fair value through profit or loss	Fair value through equity			
Loans, receivables and payables	1,927			(163)		1,764
Assets held to maturity	1,003					1,003
Available-for-sale assets	199		58		130	387
Financial instruments at fair value through profit or loss		19				19
Hedging	100					100
TOTAL	3,229	19	58	(163)	130	3,273

- (a) Corresponds to the net difference between "Interest and similar income" and "Interest and similar expenses" included in NBI (see Note 7).
 (b) Corresponds to the "Net gains and losses on financial instrument transactions at fair value through profit or loss" line in NBI.
 (c) Corresponds to the amount recognised in the change in equity for the year.
 (d) Corresponds to the "Net gains or losses on available-for-sale assets" line in NBI.

34.4 Financial hedging instruments

Non-banking activities

The effects of hedging the fair value of the bonds on the consolidated financial statements are shown in Note 30.

Banking activities

Hedging derivatives used in the Banking activities (see Note 2.14.6) broke down as follows:

<i>(€ million)</i>	Fair value hedges		Cash flow hedges		Hedging of net investments in foreign currencies		TOTAL	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Interest rate derivatives								
31/12/2014	1,359	432	174				1,533	432
31/12/2015	1,126	310	102	16			1,228	326

34.5 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 under "loans and receivables".

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 receivables category

enables the financial statements to provide a better view of La Banque Postale's allocation of resources.

The reclassifications were carried out at fair value on 1 July 2008. The fair values are not material as at 31 December 2015.

There were no further reclassifications in 2015 and 2014.

34.6 Offsetting of financial instruments

The following disclosures present the information required by IFRS 7 on financial instruments that are offset on the balance sheet, as well as on financial instruments that are not offset on the balance sheet, but are subject to an enforceable master netting arrangement or a similar agreement.

34.6.1 Non-banking derivative instruments

2015	Gross amount	Offset amount on balance sheet	Net amount on balance sheet	Amounts not offset on balance sheet		Net amounts
(€ million)	A	B	C=A-B	Derivative instruments D	Collateral cash E	F=C-D-E
Derivative assets	311		311	18	293	0
Derivative liabilities	18		18	18		0
Derivative assets on cash management funds						
Derivative liabilities on cash management funds	6		6		6	0

2014	Gross amount	Offset amount on balance sheet	Net amount on balance sheet	Amounts not offset on balance sheet		Net amounts
(€ million)	A	B	C=A-B	Derivative instruments D	Collateral cash E	F=C-D-E
Derivative assets	388		388	28	353	7
Derivative liabilities	37		37	28	12	
Derivative assets on cash management funds						
Derivative liabilities on cash management funds	13		13		12	

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 guarantee 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 offset of derivative assets and liabilities on the balance sheet. They do, however, fall within the scope of disclosures under the IFRS 7 standard on offsetting.

34.6.2 Banking financial instruments

2015	Gross amount	Offset amount on balance sheet	Net amount on balance sheet	Amounts not offset on balance sheet		Securities received / given as guarantees	Net amounts
				Financial instruments D	Collateral cash D		
(€ million)	A	B	C=A-B			E	F=C-D-E
ASSETS							
Financial instruments at fair value through profit or loss	11,035		11,035	541	1,223		9,271
Of which derivatives (including hedging derivatives)	1,784		1,784	541	1,223		20
Customer and credit institutions loans and receivables	160,654	3,924	156,730	118	37	3,526	153,048
Of which securities under repurchase agreements	7,606	3,924	3,682	118	37	3,526	1
Accruals and other assets	3,163		3,163	1			3,162
Of which deposits and guarantees paid	5		5	1			4
Other assets not offset	47,779		47,779				47,779
TOTAL ASSETS	222,632	3,924	218,708	661	1,260	3,526	213,261
LIABILITIES							
Financial instruments at fair value through profit or loss	984		984	541	405		38
Of which derivatives (including hedging derivatives)	979		979	541	405		33
Customer and credit institutions liabilities	191,436	3,924	187,512	118	236	16,522	170,637
Of which securities under repurchase agreements	20,802	3,924	16,878	118	236	16,522	2
Other liabilities not offset (excluding equity)	21,068		21,068				21,068
TOTAL LIABILITIES	213,488	3,924	209,564	659	641	16,522	191,742

2014	Gross amount	Offset amount on balance sheet	Net amount on balance sheet	Amounts not offset on balance sheet		Securities received/given as guarantees	Net amounts
				Financial instruments D	Collateral cash D		
(€ million)	A	B	C=A-B			E	F=C-D-E
ASSETS							
Financial instruments at fair value through profit or loss	9,674		9,674	587	1,201		7,886
Of which derivatives (including hedging derivatives)	1,829		1,829	587	1,201		42
Customer and credit institutions loans and receivables	155,359	4,188	151,171	532		2,716	147,923
Of which securities under repurchase agreements	7,436	4,188	3,248	532		2,716	0
Accruals and other assets	2,287		2,287	3			2,284
Of which deposits and guarantees paid	5		5	3			2
Other assets not offset	49,707		49,707				49,707
TOTAL ASSETS	217,027	4,188	212,839	1,123	1,201	2,716	207,800
LIABILITIES							
Financial instruments at fair value through profit or loss	764		764	587	130		47
Of which portfolio designated at fair value	5		5				5
Of which derivatives (including hedging derivatives)	736		736	587	130		19
Customer and credit institutions liabilities	187,256	4,188	183,067	532	91	15,645	166,798
Of which securities under repurchase agreements	20,562	4,188	16,374	532	91	15,645	105
Other liabilities not offset (excluding equity)	20,400		20,400				20,400
TOTAL LIABILITIES	208,420	4,188	204,232	1,119	221	15,645	187,246

NOTE 35 RELATED PARTY TRANSACTIONS

- 35.1 Relations with the French government and public sector companies
- 35.2 Relations with consolidated companies
- 35.3 Remuneration of administration and management bodies

35.1 Relations with the French government and public sector companies

35.1.1 Relations with the French government

Since the 10 February 2010 Act reaffirming the provisions of the July 1990 Act on the restructuring of the postal and telecommunications public service, La Poste has been a société anonyme (public limited company) overseen by the Minister for Industry under the Minister for the Economy, Industry and Employment, and subject to economic and financial control by the French government, and to the control procedures of the French Court of Auditors and the French Parliament.

A new business contract was signed on 1 July 2013 between La Poste and the French government for the 2013-2017 period. This contract updates the respective commitments of La Poste and the French government for the next five years, in particular:

- Maintaining the public service missions that have been entrusted to La Poste: Universal Postal Service, Press transportation and delivery, Banking Accessibility and Regional Planning, maintaining the cost compensation principle for these three latter missions.
- A reinforcement of quality of service commitment.
- Missions adapted to users' expectations and technological advancements.
- The introduction of citizen commitments to promote the development of corporations and territories, act in favour of disadvantaged people, develop a digital society and engage in corporate social responsibility.

The French Postal Regulation Act of 20 May 2005 provided Arcep with the power to regulate pricing for the Universal Postal Service on a multi-year basis, after reviewing La Poste's proposals. The Act also confirmed and clarified La Poste's regional development responsibilities.

In the case of the Group's banking activities, the French government sets the commission rates on regulated savings products, i.e. Livret A passbook savings accounts, Sustainable Development Savings Accounts and Popular Savings accounts. The change in these

rates has a direct impact on La Banque Postale's Net Banking Income.

35.1.2 Relations with public sector companies

Le Groupe La Poste enters into transactions, under market conditions, with public sector companies in the normal course of its business.

35.2 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 equity associates primarily relate to CNP Assurances, with which La Banque Postale has signed a commercial partnership agreement, resulting in the payment of commissions. The impact on the Group's financial statements of transactions with CNP Assurances of transactions are summarised in the table below:

(€ million)	31/12/2015	31/12/2014
Income	543	591
Expenses		
Accounts receivable	51	146
Liabilities	134	122

Transactions with other equity associates and joint ventures are not material.

35.3 Remuneration of administration and management bodies

The remuneration of Le Groupe La Poste senior executives amounted to €5.2 million in total for the year ended 31 December 2015 (€5.1 million in 2014). Senior executives do not benefit from any specific post-employment benefits.

The Group's main senior executives are the members of the Board of Directors and of the Executive Committee.

NOTE 36 STRUCTURED ENTITIES

- 36.1 Consolidated structured entities
- 36.2 Unconsolidated structured entities

36.1 Consolidated structured entities

Pursuant to IFRS 10 and 11, and taking into account materiality, the Group consolidates one structured entity, FCT Elise 2012.

The "FCT Elise 2012" entity was first consolidated in October 2012. It is a French fund whose debt is owned at 95% by La Banque Postale, and at 5% by Crédit Foncier de France. This fund carries in its balance sheet assets interest-free loans granted to retail customers of La Banque Postale pre-dating 2010 (date of the launch of interest-free loans in the bank's balance sheet).

This fund represents total assets of €597 million as at 31 December 2015. It is fully consolidated.

36.2 Unconsolidated structured entities

As at 31 December 2015, the Group identified the two following classes of non-consolidated structured entities: securitisation and asset management.

Structured entities with financial ties

The structured entities in which the Group has financial interests have the following characteristics:

By activity (€ million)	Securiti- sation	Asset mana- gement
Selected financial assets recorded in the balance sheet	28	3
Derivatives		
Equity instruments		
Debt securities		
Loans and receivables	28	3
Selected equity and financial liabilities recorded in the balance sheet	N/S	N/S
Off-balance sheet items		
Revenue and losses		24
Recurring revenue		24
Non-recurring revenue		
Incurring losses		

The maximum loss exposure is usually limited to shares held in the funds, except for those funds where La Banque Postale grants a performance and capital guarantee.

Concerning funds managed by the entity La Banque Postale SAM, and given the structuring of derivatives, the guarantee only applies in case of a default by the performance swaps suppliers. Counterparties are market counterparties and the default risk is considered low.

La Banque Postale granted a capital guarantee to two Group funds which had been impacted by the Greek debt restructuring. One of those funds expired in January 2014, without any impact on the year profit.

Structured entities without financial ties

Are defined as sponsors those funds that are structured by a management company controlled by the Group: La Banque Postale SAM, La Banque Postale AM, Tocqueville, Ciloger and Fédérés.

Revenues earned by the Group from these entities amounted to €93.7 million in 2015, and mainly comprised €84.5 million in management fees.

NOTE 37 OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

- 37.1 Lease commitments
- 37.2 Banking activities commitments
- 37.3 Other commitments given
- 37.4 Other commitments received
- 37.5 Other commitments
- 37.6 Contingent liabilities

37.1 Lease commitments

The minimum future payments for operating leases where the Group is the lessee broke down as follows:

(€ million)	31/12/2015	31/12/2014
Less than 1 year	561	533
1 to 5 years	1,155	993
Over 5 years	625	459
TOTAL	2,342	1,986

Operating lease payments amounted to €723 million in 2015 (€677 million in 2014).

37.2 Banking activities commitments

The contractual value of commitments given and received as part of La Banque Postale's business activities is as follows:

(€ million)	31/12/2015	31/12/2014
Financing and guarantee commitments and commitments on securities given		
Financing commitments		
to credit institutions	137	200
to customers	17,132	17,747
Guarantee commitments		
to credit institutions	292	370
to customers ^(a)	2,775	3,066
Commitments on securities to be delivered	1,405	1,040
Financing and guarantee commitments and commitments on securities received		
Financing commitments		
from credit institutions ^(b)	1,472	2,552
from customers	901	740
Guarantee commitments		
from credit institutions	27,924	29,352
from customers	10,279	8,687
Commitments on securities to be received	387	108
Other commitments given ^{(b)(c)}	7,346	6,659
Other commitments received ^(d)	633	5

(a) Includes capital and performance guarantees granted to holders of shares of UCITS managed by Group entities.

(b) Of which commitments given (€1,375 million) and received (€1,351 million) as part of the "3 G" guarantee management arrangement with the Banque de France, which allows banks to jointly manage all collateral relating to their refinancing transactions with Banque de France.

(c) In 2015, this includes commitments of €5,692 million (€3,995 million in 2014) relating to home loans given in guarantees of bonds issued by La Banque Postale Home Loan SFH, the housing financing company of the Group.

(d) Collateral received on investments.

Commitments related to Crédit Logement

- Le Groupe La Poste has undertaken to maintain Crédit Logement's basic equity, in proportion to its 6% interest, so that Crédit Logement can meet its solvency ratio.
- The Group has undertaken, where applicable, to replenish Crédit Logement's mutual guarantee fund, which covers borrower default on the loans held on Crédit Logement's books. This commitment, which corresponds to the proportion of loans distributed by La Poste's network, amounted to €292 million as at 31 December 2015.

Fair value of assets received as guarantee which the Group can dispose of

The fair value of securities received under repurchase agreements amounts to €3.7 billion as at 31 December 2015.

Margin calls on securities under repurchase agreements and derivatives represent an amount of €1.3 billion as at 31 December 2015.

37.3 Other commitments given

37.3.1 Guarantees and endorsements

Total guarantees and endorsements given amounted to €16 million as at 31 December 2015.

37.3.2 Commitments relating to the acquisition of Seur

Under the shareholders' agreement signed on 10 March 2008 with Seur franchisees who were shareholders in Seur SA, GeoPost granted each shareholder an individual put option with the following terms and conditions:

- sale of all the shares in Seur SA to GeoPost. The Group recorded the corresponding debt;
- sale of the shares in the franchises owned;
- the option exercisable over a period of 20 years as from 10 March 2008, subject to the acquisition of a franchise by GeoPost subsequent to this agreement;
- the purchase obligation guaranteed by GeoPost is subject to an annual ceiling of €100 million.

These options have been in place since the acquisition of the Teruel franchise by GeoPost in March 2009.

37.3.3 Commitment related to the acquisition of DPD Bulgaria and DPD Romania

In relation to the sale of DPD Bulgaria and DPD Romania in November 2014, GeoPost SA provided a set of guarantees to the acquirer, including:

- guarantees of ownership of the securities and tax and social guarantees, for a period of 60 months
- guarantees regarding the compliance of the financial statements published as at 31 December 2013 and as of 30 March 2014 or regarding any other administrative area for a period of 18 months

Potential compensation will be equal to 100% of damages and up to

- for the acquisition of DPD Bulgaria: €417,400, except for the ownership of securities for which the guarantee is up to the sale price of 100% of the shares, i.e. €4.2 million.
- for the acquisition of DPD Romania: €891,800, except for the ownership of securities for which the guarantee is up to the sale price of 100% of the shares, i.e. €8.8 million and the tax and social guarantees granted for a maximum amount of €2 million.

To be admissible, a claim must be for more than €10,000 or the sum of claims must be for more than €50,000.

37.3.4 Commitment to acquire electrical vehicles

In 2011, La Poste made a commitment to Renault to order 10,000 electrical vehicles by 2017. As at 31 December 2015, this commitment represented an amount of €106 million.

37.3.5 Social housing fund

On 7 April 2014, La Poste and the unions signed an agreement regarding La Poste's social housing policy, pertaining to social housing orders for postal workers under construction programmes of affordable housing (HLM) companies. The amount allocated to the fund for the 2014-2016 period is €20 million. As of 31 December 2015, this commitment totalled €7 million.

37.3.6 Sponsorship

La Poste committed to finance several sponsorship projects for a total amount of €6 million as at 31 December 2015.

37.4 Other commitments received

37.4.1 Guarantees and endorsements

Total guarantees and endorsements received amounted to €48 million as at 31 December 2015, including €38 million for La Poste.

37.4.2 Credit facilities

- La Poste has a five-year, €650 million revolving credit facility expiring in October 2018, under the terms of which it has received commitments from the nine banks in the banking pool. This facility had not been used as at 31 December 2015.
- In October 2013, BNPP granted a firm 5-year credit facility to La Poste for an amount of €75 million. This facility had not been used as at 31 December 2015.

37.4.3 Property sale commitments

La Poste has entered into property sale commitments that are expected to be completed in 2016. As at 31

December 2015, the commitments received in this respect amounted to €23 million in total.

37.4.4 Call options on securities

On 21 December 2000, Caisse d'Épargne Group granted Le Groupe La Poste an unreserved irrevocable call option on CNP Assurances shares and additional securities representing 2% of the share capital of CNP Assurances.

37.4.5 Liabilities guarantees

As part of its business acquisition transactions, the Group was granted by the sellers liabilities guarantees on a total amount of €333 million.

37.4.6 Non-compete clauses

As part of the acquisition of Seur franchises in Spain and Portugal, the sellers committed to non-compete clauses applicable for a period of 5 years from the acquisition dates. Violation of these clauses would require the sellers to pay compensation in the total amount of €6.9 million.

37.5 Other commitments

37.5.1 Shareholders' agreement regarding CNP Assurances

The French government, Caisse des Dépôts, Caisse Nationale des Caisses d'Épargne et de Prévoyance (CNCE), Le Groupe La Poste and Sopassure have entered into a shareholders' agreement regarding CNP Assurances. The agreement, which was set to expire on 31 December 2008, was extended to 31 December 2015 as part of the agreements entered into by the partners in June 2006. The commercial agreements between CNP Assurances and Caisses d'Épargne and La Banque Postale have also been extended until the end of 2015. Pursuant to the asset transfer agreement

between La Poste and La Banque Postale, La Poste's rights and obligations under this shareholders' agreement were taken over by La Banque Postale.

37.5.2 Commitments relating to the acquisition of a portion of the SAS Carte Bleue shares

As part of SF2's acquisition of an interest in SAS Carte Bleue, La Poste has undertaken to retain a majority interest in its SF2 subsidiary.

In addition, SF2 has granted La Poste a call option over all of the shares and related rights to the SAS Carte Bleue share capital that La Poste could exercise should it become a minority shareholder in SF2. In this event, the purchase price of the SAS Carte Bleue shares shall be jointly agreed upon between La Poste and SF2.

Pursuant to the asset transfer agreement between La Poste and La Banque Postale, La Poste's rights and obligations under this shareholders' agreement were taken over by La Banque Postale.

37.5.3 Individual Training Rights (DIF or Droit individuel à la formation)

Rights earned and not used by Group staff in respect of DIF amounted to:

- over 13.2 million hours for contract staff
- over 12.2 million hours for government employees

As of 1 January 2015, rights earned and not used by Group contract staff in respect of DIF can be transferred to the Individual Training Account (CPF or Compte personnel de formation), pursuant to Law No. 2014-288 of 5 March 2014.

37.6 Contingent liabilities

The Group is not aware of any material risks for which no provision has been recorded in the consolidated financial statements.

NOTE 38 BANKING ACTIVITIES BALANCE SHEET

- 38.1 La Banque Postale sub-group balance sheet (in banking format)
38.2 Banking assets and liabilities by residual maturity

38.1 La Banque Postale sub-group balance sheet (in banking format)

ASSETS

(€ million)	31/12/2015	31/12/2014
Cash on hand and at central banks	1,812	1,950
Financial assets at fair value through profit or loss	10,704	9,674
Hedging derivatives	1,229	1,532
Available-for-sale financial assets	16,337	13,840
Loans and receivables – Credit institutions	83,102	83,315
Loans and receivables - Customers	73,628	67,857
Revaluation adjustment on interest-rate hedged portfolios	178	231
Financial assets held to maturity	24,158	28,297
Tax assets	216	164
Accruals and other assets	2,968	2,349
Investments in equity associates	2,911	2,832
Tangible and intangible assets, and investment properties	929	972
Net goodwill – Assets	174	130
Elimination of investments	(4,052)	(4,052)
TOTAL	214,292	209,090

LIABILITIES

(€ million)	31/12/2015	31/12/2014
Financial liabilities at fair value through profit or loss	326	332
Hedging derivatives	326	432
Inter-bank and similar transactions: Liabilities to credit institutions	15,741	15,157
Customer transactions	171,384	167,251
Debt evidenced by a certificate	9,055	9,391
Revaluation adjustment on interest-rate hedged portfolios	704	919
Tax liabilities	140	144
Accruals and sundry liabilities	4,877	4,813
Underwriting reserves of insurance companies	2,009	1,787
Provisions	771	785
Subordinated debt	2,389	1,658
Non-controlling interests	243	201
Equity, Group share	5,295	4,843
Consolidated reserves and other	4,614	4,216
Net profit/(loss) Group share	681	627
Balance of transactions with the rest of the Group – Impact on income		
Balance of transactions with the rest of the Group – Impact on the balance sheet	1,032	1,376
TOTAL	214,292	209,090

38.2 Banking assets and liabilities by residual maturity

(€ million)	Maturities of under 1 year	Maturities of over 1 year	Total
Assets by residual maturity			
Cash and central bank deposits	1,812		1,812
Securities portfolio	14,373	38,054	52,427
Receivables from credit institutions	80,370	2,732	83,102
Customer loans and receivables	11,733	61,895	73,628
Revaluation adjustment on portfolio interest rate hedging - Assets	6	172	178
Liabilities by residual maturity			
Other financial liabilities	148	504	652
Liabilities to credit institutions	14,605	1,136	15,741
Liabilities to customers	161,344	10,040	171,384
Debt evidenced by a certificate	5,407	3,648	9,055
Subordinated debt	5	2,384	2,389
Revaluation adjustment on portfolio interest rate hedging - Liabilities		704	704

NOTE 39 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

- 39.1 Reconciliation between net profit/(loss) and cash flows from operating activities before the cost of net financial debt and tax
- 39.2 Depreciation, amortisation and impairment
- 39.3 Change in working capital requirement
- 39.4 Change in balance of banking sources and uses
- 39.5 Outflows for acquisitions of tangible and intangible assets
- 39.6 Proceeds from new borrowings
- 39.7 Redemption of borrowings
- 39.8 Other cash flows from financing activities
- 39.9 Change in net cash of banking activities

39.1 Reconciliation between net profit/(loss) and cash flows from operating activities before the cost of net financial debt and tax

(€ million)	2015	2014
Consolidated net profit/(loss)	675	539
Share in profits of equity associates	(210)	(218)
Unrealised gains and losses on fair value adjustments (excluding Banking activities)	(15)	6
Gains and losses on disposal (including dilution)	7	14
Net changes in provisions	540	600
Depreciation, amortisation and impairment	1,013	1,019
Other non-cash income and expenses		
Operating cash flow after the cost of net financial debt and tax	2,009	1,961
Cost of net financial debt ^(a)	148	149
Corporation tax (including deferred taxes)	253	182
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE COST OF NET DEBT AND TAXES	2,411	2,292

(a) Excluding change in unrealised gains and losses on fair value adjustments

39.2 Depreciation, amortisation and impairment

(€ million)	2015	2014
Additions to and reversals of amortisation of operating profit/(loss)	1,002	1,011
Additions to and reversals of amortisation of financial profit/(loss)	(2)	(1)
Impairment of goodwill	13	8
TOTAL	1,013	1,019

39.3 Change in working capital requirement

(€ million)	2015	2014
Change in inventories and work-in-progress	10	14
Change in operating receivables	(244)	(121)
Change in operating payables and other operating assets and liabilities	291	95
TOTAL	57	(12)

39.4 Change in balance of banking sources and uses

(€ million)	2015	2014
Change in Banking activities securities portfolio	718	(1,899)
Change in Banking activities loans and receivables	(5,771)	(7,150)
Change in credit institution receivables (Banking activities)	3,837	(1,175)
Change in other Banking activities current financial assets	(247)	(85)
Change in liabilities to credit institutions (Banking activities)	453	(1,001)
Change in customer transactions (Banking activities)	4,133	667
Change in other financial liabilities (Banking activities)	(704)	7,467
Change in accruals (Banking activities)	(229)	779
TOTAL	2,191	(2,397)

39.5 Outflows for acquisitions of tangible and intangible assets

(€ million)	2015	2014
Acquisitions of intangible assets	(334)	(327)
Acquisitions of tangible assets	(671)	(699)
Change in payables to suppliers of non-current assets	11	(25)
TOTAL	(993)	(1,052)

39.6 Proceeds from new borrowings

(€ million)	2015	2014
Bonds	750	
Borrowings from credit institutions	3	1
Commercial paper	286	790
Other borrowings and similar debt	756	751
TOTAL	1,795	1,541

39.7 Redemption of borrowings

(€ million)	2015	2014
Bonds		(151)
Borrowings from credit institutions	(4)	(7)
La Poste savings bonds	(2)	(2)
Commercial paper	(555)	(655)
Other borrowings and similar debt	(24)	1
Borrowings on finance leases	(15)	(16)
TOTAL	(600)	(830)

39.8 Other cash flows from financing activities

(€ million)	2015	2014
Collection of deposits and guarantees received	295	2
Repayment of deposits and guarantees received	(354)	(16)
Other	(12)	5
TOTAL	(72)	(9)

39.9 Change in net cash from Banking activities

(€ million)	NOTE	2015	2014
Opening cash and central bank deposits		1,950	1,570
Sight loans and receivables - credit institutions (assets)		200	148
Sight loans and receivables - credit institutions (liabilities)		(286)	(110)
Opening		1,863	1,607
Closing cash and central bank deposits	23.2	1,812	1,950
Sight loans and receivables - credit institutions (assets)	20.2	3,823	200
Sight loans and receivables - credit institutions (liabilities)	30.1	(414)	(286)
Closing		5,220	1,863
Net decrease (increase) in cash and cash equivalents from banking activities		3,357	256
of which impact of changes in consolidation scope		2	11
of which transfer of cash held at post offices to La Banque Postale segment			633
Net decrease (increase) in cash and cash equivalents from banking activities before impact of changes in consolidation scope		3,355	(388)

NOTE 40 FEES PAID TO THE STATUTORY AUDITORS

Pursuant to Decree No. 2008-1487 of 30 December 2008, the fees paid to the Statutory Auditors recognised by La Poste and its consolidated companies in the income statement are set out below.

2015

(€ million excl. tax)	KPMG	%	PWC	%
Statutory audit, certification, review of separate and consolidated financial statements				
- parent company	0.6	21%	0.6	27%
- fully consolidated subsidiaries	1.9	63%	1.1	45%
	2.5	84%	1.7	72%
Other due diligence and services relating directly to the Statutory Auditors' assignment				
- parent company	0.2	6%	0.0	0%
- fully consolidated subsidiaries	0.3	10%	0.7	28%
	0.5	16%	0.7	28%
Other services provided to fully consolidated companies by the partnership	0.0	0%	0.0	0%
TOTAL	3.0	100%	2.4	100%

2014

(€ million excl. tax)	KPMG	%	MAZARS	%
Statutory audit, certification, review of separate and consolidated financial statements				
- parent company	0.7	24%	0.7	18%
- fully consolidated subsidiaries	1.6	58%	2.4	64%
	2.3	82%	3.1	82%
Other due diligence and services relating directly to the Statutory Auditors' assignment				
- parent company	0.3	10%	0.0	1%
- fully consolidated subsidiaries	0.2	7%	0.4	12%
	0.5	17%	0.5	13%
Other services provided to fully consolidated companies by the partnership	0.0	1%	0.2	5%
TOTAL	2.8	100%	3.8	100%

NOTE 41 POST-BALANCE SHEET EVENTS

None.

NOTE 42 SCOPE OF CONSOLIDATION

COMPANY	COUNTRY	% of interest		% of control		Method of consolidation	
		2014	2015	2014	2015	2014	2015
CONSOLIDATING COMPANY							
LA POSTE							
44 boulevard de Vaugirard 75 757 PARIS cedex 15							
SERVICES-MAIL-PARCELS SEGMENT							
Sofipost	France	100.00	100.00	100.00	100.00	IG	IG
Somepost	France	100.00	100.00	100.00	100.00	IG	IG
STP	France	100.00	100.00	100.00	100.00	IG	IG
SCI STP Immo	France	100.00	100.00	100.00	100.00	IG	IG
Mediapost SA	France	100.00	100.00	100.00	100.00	IG	IG
Neolog	France	100.00	100.00	100.00	100.00	IG	IG
ViaPost	France	100.00	100.00	100.00	100.00	IG	IG
La Poste Global Mail	France	100.00	100.00	100.00	100.00	IG	IG
Asendia	Switzerland	50.00	50.00	50.00	50.00	MEE	MEE
Viapost Ascq	France		100.00		100.00		IG
Mobigreen	France	100.00	100.00	100.00	100.00	IG	IG
Greenovia	France	100.00	100.00	100.00	100.00	IG	IG
Nouvelle Attitude SAS	France	100.00	100.00	100.00	100.00	IG	IG
Orium	France	100.00	100.00	100.00	100.00	IG	IG
Orium GmbH	Germany	100.00	100.00	100.00	100.00	IG	IG
Morin Développement	France	100.00	100.00	100.00	100.00	IG	IG
Morin Logistic	France	100.00	100.00	100.00	100.00	IG	IG
Mediapost SGPS	Portugal	100.00	100.00	100.00	100.00	IG	IG
Mediapost Distribuição Postal	Portugal	100.00	100.00	100.00	100.00	IG	IG
Mediapost Galex Distribucion y Logistica	Portugal	100.00	100.00	100.00	100.00	IG	IG
Eurobussula LDA	Portugal	100.00	100.00	100.00	100.00	IG	IG
Celeris LDA	Portugal	100.00		100.00		IG	
Orbitroad LDA	Portugal	100.00		100.00		IG	
Viapost Dourges	France	100.00	100.00	100.00	100.00	IG	IG
Morin Logistic Sud	France	100.00	100.00	100.00	100.00	IG	IG
Neopress Direct	France	100.00	100.00	100.00	100.00	IG	IG
Neopress Routage	France	66.00	66.00	66.00	66.00	IG	IG
Proximity	France	25.00	25.00	25.00	25.00	MEE	MEE
Mediapost Espagne	Spain	51.00	51.00	51.00	51.00	IG	IG
Mediapost Hit Mail	Romania	60.02	100.00	60.02	100.00	IG	IG
Creat Direct	Romania	60.02	100.00	100.00	100.00	IG	IG
Inbox Marketing	Romania	59.06	98.40	98.40	98.40	IG	IG
Interactions Marketing	Romania	54.01	90.00	90.00	90.00	IG	IG
Hit Mobile Marketing	Romania	54.01	90.00	90.00	90.00	IG	IG
SMP	France	100.00	100.00	100.00	100.00	IG	IG
SOGEC Marketing	France	100.00	100.00	100.00	100.00	IG	IG
SOGEC Informatique	France	100.00	100.00	100.00	100.00	IG	IG
SOGEFINAD	France	100.00	100.00	100.00	100.00	IG	IG
SOGEC Gestion	France	100.00	100.00	100.00	100.00	IG	IG
Budget Box	France	40.01	40.01	40.01	40.01	MEE	MEE
GEOPOST SEGMENT							
GeoPost	France	100.00	100.00	100.00	100.00	IG	IG
GeoPost SI	France	100.00		100.00		IG	
Sodexi	France	35.00	35.00	35.00	35.00	MEE	MEE
Télintrans	France	100.00	100.00	100.00	100.00	IG	IG
Pickup Services	France	82.47	100.00	82.47	100.00	IG	IG
La Navette Pickup	France	100.00	100.00	100.00	100.00	IG	IG
Pickup Store	France	100.00	100.00	100.00	100.00	IG	IG
Packcity France	France	25.00	25.00	25.00	25.00	MEE	MEE
Packcity Geopost	France	50.50	50.50	50.50	50.50	MEE	MEE

COMPANY	COUNTRY	% of interest		% of control		Method of consolidation	
		2014	2015	2014	2015	2014	2015
GeoPost Intercontinental sub-group							
Chronopost International Algérie	Algeria	100.00	100.00	100.00	100.00	IG	IG
Chronopost International Burkina Faso	Burkina Faso	40.00	40.00	40.00	40.00	MEE	MEE
Chronopost International Côte d'Ivoire	Ivory Coast	50.00	50.00	50.00	50.00	IG	IG
Lenton Group Ltd	Hong Kong	34.65	34.65	34.65	34.65	MEE	MEE
DPD Continental India	India	100.00	100.00	100.00	100.00	IG	IG
DTDC	India	42.53	42.53	42.53	42.53	MEE	MEE
DPD Laser Mauritius Ltd	Mauritius		62.25		75.00		IG
Chronopost International Niger	Niger	50.00	50.00	50.00	50.00	IG	IG
DPD Laser	South Africa	75.00	75.00	75.00	75.00	IG	IG
IBC Trinidad	Trinidad & Tobago	61.60		88.00		IG	
Geopost Americas Inc.	United States	100.00	100.00	100.00	100.00	IG	IG
IBC Inc.	United States	70.00		70.00		IG	
Chronopost sub-group							
Chronopost International Cameroun	Cameroon	100.00	100.00	100.00	100.00	IG	IG
Chronopost	France	100.00	100.00	100.00	100.00	IG	IG
Sci Intel Immo	France	100.00	100.00	100.00	100.00	IG	IG
Chronopost Food	France	100.00	100.00	100.00	100.00	IG	IG
Calédonie Express	France		60.00		60.00		MEE
Maroc Chrono INTL	Morocco	34.00	34.00	34.00	34.00	MEE	MEE
Chronopost International Portugal	Portugal	100.00	100.00	100.00	100.00	IG	IG
Tigers sub-group							
WLG Pty Ltd	Australia	71.92	71.92	100.00	100.00	IG	IG
Tigers Global Logistics Pty Ltd	Australia	71.92	71.92	100.00	100.00	IG	IG
WDM Pty Ltd	Australia		71.92		100.00		IG
Tigers AG	Switzerland	71.92	71.92	100.00	100.00	IG	IG
Wako Express Co. Ltd	China	71.92	71.92	100.00	100.00	IG	IG
Tigers Co. Ltd	China	71.92	71.92	100.00	100.00	IG	IG
Tigers GmbH	Germany	71.92	71.92	100.00	100.00	IG	IG
Buy Online GmbH	Germany	71.92	71.92	100.00	100.00	IG	IG
Tigers Ltd	Hong Kong	71.92	71.92	65.87	65.87	IG	IG
Tigers HK Co. Ltd	Hong Kong	71.92	71.92	100.00	100.00	IG	IG
Wako Air Express Co. Ltd	Hong Kong	71.92	71.92	100.00	100.00	IG	IG
Tigers Worldwide Logistics Ltd	India	53.58	53.76	74.50	74.75	IG	IG
Tigers Malaysia	Malaysia	71.92	71.92	100.00	100.00	IG	IG
Tigers Intern. Logistics BV	Netherlands	71.92	71.92	100.00	100.00	IG	IG
Tigers Intern. Transport BV	Netherlands	71.92	71.92	100.00	100.00	IG	IG
LWW South Africa	South Africa	71.92	71.92	100.00	100.00	IG	IG
WLG (UK) Ltd	United Kingdom	71.92		100.00		IG	
WLG Holdings (UK) Ltd	United Kingdom	71.92		100.00		IG	
Tigers Logistics Group Ltd	United Kingdom	71.92	71.92	100.00	100.00	IG	IG
Tigers UK Holding Ltd	United Kingdom	71.92	71.92	100.00	100.00	IG	IG
Tigers Global Logistics Ltd	United Kingdom	71.92	71.92	100.00	100.00	IG	IG
Eurosell Ltd	United Kingdom	71.92		100.00		IG	
KDAG Holding Ltd	United Kingdom		71.92		100.00		IG
Signet International Holding Ltd	United Kingdom		71.92		100.00		IG
Signet International Ltd	United Kingdom		71.92		100.00		IG
Albatross Logistics Ltd	United Kingdom		71.92		100.00		IG
WLG Inc.	United States	71.92	71.92	100.00	100.00	IG	IG
World Commerce Services LLC	United States	71.92		100.00		IG	
Tigers (USA) Global Logistics Inc.	United States	71.92	71.92	100.00	100.00	IG	IG
BIOCAIR sub-group							
Biocair Belgium	Belgium		100.00		100.00		IG
Biocair Forwarding Intern. Co Ltd	China	70.00	100.00	100.00	100.00	IG	IG
Biocair Asia Ltd	Hong Kong	70.00	100.00	100.00	100.00	IG	IG
Biocair Singapore Pte Ltd	Singapore	70.00	100.00	100.00	100.00	IG	IG
Biocair Intern. Ltd	United Kingdom	70.00	100.00	100.00	100.00	IG	IG
Biocair Inc.	United States	70.00	100.00	100.00	100.00	IG	IG

COMPANY	COUNTRY	% of interest		% of control		Method of consolidation	
		2014	2015	2014	2015	2014	2015
GeoPost Central Europe sub-group							
DPD Austria	Austria	25.57	25.57	25.57	25.57	MEE	MEE
DPD Belgium NV	Belgium	100.00	100.00	100.00	100.00	IG	IG
Speedy AD	Bulgarie	25.00	25.00	25.00	25.00	MEE	MEE
DPD Belarus	Belarus	50.00	50.00	50.00	50.00	MEE	MEE
DPD Schweiz AG	Switzerland	100.00	100.00	100.00	100.00	IG	IG
DPD Croatia doo	Croatia	100.00	100.00	100.00	100.00	IG	IG
DPD Czech Republic	Czech Republic	100.00	100.00	100.00	100.00	IG	IG
GeoPost IMDH GmbH	Germany	100.00	100.00	100.00	100.00	IG	IG
DPD GeoPost GmbH	Germany	100.00	100.00	100.00	100.00	IG	IG
Chronopost International Deutschland	Germany	100.00	100.00	100.00	100.00	IG	IG
DPD Aschaffenburg	Germany	84.04	93.84	84.04	93.84	IG	IG
DPD Betriebsgesellschaft	Germany	84.04	93.84	100.00	100.00	IG	IG
DPD Vertriebsgesellschaft	Germany	84.04	93.84	100.00	100.00	IG	IG
DPD Delicom	Germany	84.04	93.84	100.00	100.00	IG	IG
Armadillo Holding GmbH	Germany	50.00	50.00	50.00	50.00	MEE	MEE
B2C Russia Holding GmbH	Germany	24.50		24.50		MEE	
Tiramizoo GmbH	Germany	20.29	23.64	20.29	23.64	MEE	MEE
Deutscher Paket Dienst Altentreptow GmbH	Germany		100.00		100.00		IG
DPD Estonia	Estonia	100.00	100.00	100.00	100.00	IG	IG
TD Express Services SARL	France	100.00	100.00	100.00	100.00	IG	IG
Stuart SAS	France		22.22		22.22		MEE
DPD Hungaria	Hungary	100.00	100.00	100.00	100.00	IG	IG
E-Radius Informatikal Szolqaltato LLC	Hungary	30.00	30.00	30.00	30.00	MEE	MEE
DPD Kazakhstan	Kazakhstan	50.00	50.00	50.00	50.00	MEE	MEE
DPD Latvija	Latvia	100.00	100.00	100.00	100.00	IG	IG
DPD Lithuania	Lithuania	100.00	100.00	100.00	100.00	IG	IG
Forwarder Line Logistik	Liechtenstein	100.00	100.00	100.00	100.00	IG	IG
DPD Luxembourg SA	Luxembourg	100.00	100.00	100.00	100.00	IG	IG
DPD Netherland BV	Netherlands	100.00	100.00	100.00	100.00	IG	IG
DPD Polska	Poland	100.00	100.00	100.00	100.00	IG	IG
Air Cargo Poland	Poland	100.00	100.00	100.00	100.00	IG	IG
DPD Strefa Paczki	Poland	100.00	100.00	100.00	100.00	IG	IG
Siodemka	Poland	100.00		100.00		IG	
Siodemka Systemi	Poland	100.00	100.00	100.00	100.00	IG	IG
Seur Portugal	Portugal		100.00		100.00		IG
Armadillo Bizpak	Russia	50.00	50.00	50.00	50.00	MEE	MEE
B2C	Russia	24.50		24.50		MEE	
DPD Slovakia Sro	Slovakia	100.00	100.00	100.00	100.00	IG	IG
DPD Slovenien	Slovenia	100.00	100.00	100.00	100.00	IG	IG
GeoPost YK Servisi AS	Turkey	51.00	51.00	51.00	51.00	IG	IG
Yurtiçi Kargo Servisi AS	Turkey	25.00	25.00	25.00	25.00	MEE	MEE
DPD Ukraine	Ukraine	50.00	50.00	50.00	50.00	MEE	MEE
GeoPost Spain sub-group							
Seur GeoPost	Spain	92.76	92.76	100.00	100.00	IG	IG
Menexpres	Spain	92.76	92.76	100.00	100.00	IG	IG
GeoPost Espagne	Spain	92.76	92.76	92.76	92.76	IG	IG
Seur SA	Spain	65.24	73.46	66.80	75.15	IG	IG
Seur Espana Operaciones	Spain	65.24	73.46	100.00	100.00	IG	IG
Seur Gerencia de Riesgos	Spain	65.24	73.46	100.00	100.00	IG	IG
Seur Integracion Logistica	Spain	65.24		100.00		IG	
Integracion Logistica Valencia	Spain	65.24	73.46	100.00	100.00	IG	IG
Barcino Pack	Spain	29.03	32.69	44.50	44.50	MEE	MEE
Transjaen	Spain	65.24	73.46	100.00	100.00	IG	IG
Seur Internacional	Spain	92.76	92.76	100.00	100.00	IG	IG
Logistica Menorca SA	Spain	92.76		100.00		IG	
Repsa Transportes y Servicios 2000 SA	Spain	92.76		100.00		IG	
Red Logistica Navarra SA	Spain		66.28		90.24		IG

COMPANY	COUNTRY	% of interest		% of control		Method of consolidation	
		2014	2015	2014	2015	2014	2015
GeoPost UK sub-group							
DPD Ireland Ltd	Ireland	100.00	100.00	100.00	100.00	IG	IG
GeoPost Ireland Limited	Ireland	100.00	100.00	100.00	100.00	IG	IG
GeoPost Intermediate Holding	United Kingdom	100.00	100.00	100.00	100.00	IG	IG
GeoPost UK Ltd	United Kingdom	100.00	100.00	100.00	100.00	IG	IG
UK Letter Limited	United Kingdom	100.00	100.00	100.00	100.00	IG	IG
DPD Uk Ltd	United Kingdom	100.00	100.00	100.00	100.00	IG	IG
Interlink Express Plc	United Kingdom	100.00	100.00	100.00	100.00	IG	IG
Interlink Express Parcels Ltd	United Kingdom	100.00	100.00	100.00	100.00	IG	IG
GeoPost Holding Ltd	United Kingdom	100.00	100.00	100.00	100.00	IG	IG
Parceline Ltd	United Kingdom	100.00	100.00	100.00	100.00	IG	IG
DPD Limited	United Kingdom	100.00	100.00	100.00	100.00	IG	IG
Mail Plus Limited	United Kingdom	100.00	100.00	100.00	100.00	IG	IG
Castlegate	United Kingdom	100.00	100.00	100.00	100.00	IG	IG
WnDirect Ltd	United Kingdom	63.51	83.93	63.51	83.93	IG	IG
WN TPC	United Kingdom	38.11	50.36	60.00	60.00	MEE	MEE
Exapaq sub-group							
Exapaq SAS	France	100.00	100.00	100.00	100.00	IG	IG
SCI EXA Immo	France	100.00	100.00	100.00	100.00	IG	IG
SCI Examurs Paris	France	100.00	100.00	100.00	100.00	IG	IG
SCI Exalab	France	100.00	100.00	100.00	100.00	IG	IG
Resto-in sub-group							
Resto In	France		80.00		80.00		IG
Eatingdesk	Belgium		80.00		100.00		IG
Bloomsburys GmbH	Germany		80.00		100.00		IG
Gourmet delivery	Spain		80.00		100.00		IG
Resto In UK	United Kingdom		80.00		100.00		IG
LA BANQUE POSTALE SEGMENT							
La Banque Postale	France	100.00	100.00	100.00	100.00	IG	IG
SF2	France	100.00	100.00	100.00	100.00	IG	IG
Sopassure	France	50.02	50.02	50.02	50.02	IP	IP
SCI CRSF Métropole	France	100.00	100.00	100.00	100.00	IG	IG
La Banque Postale Asset Management	France	100.00	70.00	100.00	70.00	IG	IG
La Banque Postale Prévoyance	France	50.00	50.00	50.00	50.00	IG	IG
La Banque Postale Structured Asset Management	France	100.00	70.00	100.00	100.00	IG	IG
SCI CRSF DOM	France	100.00	100.00	100.00	100.00	IG	IG
CNP Assurances	France	20.15	20.15	36.25	36.25	MEE	MEE
La Banque Postale Financement	France	65.00	65.00	65.00	65.00	IG	IG
La Banque Postale Crédit aux Entreprises	France	100.00	100.00	100.00	100.00	IG	IG
FCT Elise 2012	France	95.00	95.00	95.00	95.00	IG	IG
CILOGER	France		90.00		90.00		IG
La Banque Postale Conseil en Assurances	France	100.00	100.00	100.00	100.00	IG	IG
Tocqueville Finance Holding	France	92.52	92.56	92.52	92.56	IG	IG
Tocqueville Finance	France	92.42	92.47	99.89	99.89	IG	IG
Fédéris	France		70.00		100.00		IG
Easybourse	France	100.00	100.00	100.00	100.00	IG	IG
La Banque Postale Assurance Santé	France	65.00	51.00	65.00	51.00	IG	IG
La Banque Postale Gestion Privée	France	100.00		100.00		IG	
La Banque Postale Assurances IARD	France	65.00	65.00	65.00	65.00	IG	IG
BPE	France	99.99	99.99	99.99	99.99	IG	IG
La Banque Postale Collectivités Locales	France	65.00	65.00	65.00	65.00	IG	IG
LBP Home Loan SFH	France	100.00	100.00	100.00	100.00	IG	IG
SCI Tertiaire Saint Romain	France	100.00	100.00	100.00	100.00	IG	IG
SOFIAP	France	66.00	66.00	66.00	66.00	IG	IG

COMPANY	COUNTRY	% of interest		% of control		Method of consolidation	
		2014	2015	2014	2015	2014	2015
DIGITAL SERVICES SEGMENT							
LP Numérique SAS	France	100.00	100.00	100.00	100.00	IG	IG
DOCAPOST IOT	France		100.00		100.00		IG
CGLIB	France		51.00		51.00		IG
Mix Commerce	France	100.00	100.00	100.00	100.00	IG	IG
Docapost BPO IS	France	65.00	65.00	65.00	65.00	IG	IG
Gescomail	France	65.00	65.00	100.00	100.00	IG	IG
Sérès	France	66.00	66.00	66.00	66.00	IG	IG
Docapost BPO SAS	France	100.00	100.00	100.00	100.00	IG	IG
Docapost BPO On Line	France	100.00	100.00	100.00	100.00	IG	IG
CNPT Docapost BPO	France	66.00	66.00	66.00	66.00	IG	IG
Sefas	France	100.00	100.00	100.00	100.00	IG	IG
Sefas Inc.	United States	100.00	100.00	100.00	100.00	IG	IG
Sefas Ltd	United Kingdom	100.00	100.00	100.00	100.00	IG	IG
CER Docapost BPO SAS	France	50.98	50.98	50.98	50.98	IG	IG
Sofadev Docapost BPO	Morocco	50.98	50.98	100.00	100.00	IG	IG
T2IS Docapost BPO	Morocco	50.98	50.98	100.00	100.00	IG	IG
Sefas Espana	Spain	100.00	100.00	100.00	100.00	IG	IG
Maileva	France	100.00	100.00	100.00	100.00	IG	IG
Provéance	France	67.00	67.00	67.00	67.00	IG	IG
Certinomis	France	100.00	100.00	100.00	100.00	IG	IG
Sérès Allemagne	Germany	66.00	66.00	100.00	100.00	IG	IG
Sérès Espagne	Spain	66.00	66.00	100.00	100.00	IG	IG
Xange Capital	France	34.87	34.87	34.87	34.87	MEE	MEE
Docapost DPS	France	100.00	100.00	100.00	100.00	IG	IG
Docapost Conseil	France	100.00	100.00	100.00	100.00	IG	IG
Mediapost Publicité	France	100.00	100.00	100.00	100.00	IG	IG
Doc@post	France	100.00	100.00	100.00	100.00	IG	IG
Médiapost Holding	France	100.00	100.00	100.00	100.00	IG	IG
Docapost CSP	France	100.00	100.00	100.00	100.00	IG	IG
Bretagne Routage	France	100.00	100.00	100.00	100.00	IG	IG
La Vosgienne Industrielle de Mailing	France	100.00		100.00		IG	
SOGEC Datamark Services	France	100.00	100.00	100.00	100.00	IG	IG
SOGEC Deutschland	Germany	100.00	100.00	100.00	100.00	IG	IG
Media Prisme SAS	France	81.68	81.68	81.68	81.68	IG	IG
Matching SAS	France	81.67	81.67	81.67	81.67	IG	IG
Media Prisme SP	Spain	81.68	81.68	100.00	100.00	IG	IG
Media Prisme BE	Belgium	81.68	81.68	100.00	100.00	IG	IG
Cabestan	France	100.00	100.00	100.00	100.00	IG	IG
Financière Adverline	France	90.00	90.00	90.00	90.00	IG	IG
Adverline	France	89.71	89.39	99.56	99.20	IG	IG
Société	France	89.71	89.39	100.00	100.00	IG	IG
KP Média	France	89.71		100.00		IG	
Maison	France	89.71	89.39	100.00	100.00	IG	IG
Oxeva	France	62.82	62.60	70.03	70.03	IG	IG
Vertical Mail	France	89.71	89.39	100.00	100.00	IG	IG
LA POSTE NETWORK SEGMENT							
LP Télécom	France	51.00	51.00	51.00	51.00	MEE	MEE
LP 2 SAS	France	100.00	100.00	100.00	100.00	IG	IG

COMPANY	COUNTRY	% of interest		% of control		Method of consolidation	
		2014	2015	2014	2015	2014	2015
REAL ESTATE SEGMENT							
Poste Immo	France	100.00	100.00	100.00	100.00	IG	IG
SCI Activités Courrier Industriel	France	100.00	100.00	100.00	100.00	IG	IG
SCI Activités Courrier de Proximité	France	100.00	100.00	100.00	100.00	IG	IG
SCI Activités Colis	France	100.00	100.00	100.00	100.00	IG	IG
SCI Tertiaire Mixte	France	100.00	100.00	100.00	100.00	IG	IG
Loca Poste SAS	France	100.00	100.00	100.00	100.00	IG	IG
ImmoStoc SAS	France	100.00	100.00	100.00	100.00	IG	IG
SCI Tertiaire	France	100.00	100.00	100.00	100.00	IG	IG
SCI Logement	France	100.00	100.00	100.00	100.00	IG	IG
SCI Centres de Loisirs	France	100.00	100.00	100.00	100.00	IG	IG
SCI Activités Annexes	France	100.00	100.00	100.00	100.00	IG	IG
Ciposte SAS	France	100.00	100.00	100.00	100.00	IG	IG
SAS Arkasolia	France	50.00	50.00	50.00	50.00	MEE	MEE
SAS PI Energies Renouvelables	France	100.00	100.00	100.00	100.00	IG	IG
SAS PI Développement	France	100.00	100.00	100.00	100.00	IG	IG
SCI Arkadea Fort de France	France	49.00	49.00	49.00	49.00	MEE	MEE
SCI BP	France	100.00	100.00	100.00	100.00	IG	IG
SCI BP Mixte	France	100.00	100.00	100.00	100.00	IG	IG
TPF2 Sppicav	France	20.02	20.02	20.02	20.02	MEE	MEE
Akatea TPF2	France	20.02	20.02	20.02	20.02	MEE	MEE
Fréjorgues Energy SAS	France	49.00	49.00	49.00	49.00	MEE	MEE
Arkadéa SAS	France	50.00	50.00	50.00	50.00	MEE	MEE
SCI Bataille	France	35.00	35.00	35.00	35.00	MEE	MEE
Akatea 2 - TPF2 SAS	France	20.02	20.02	20.02	20.02	MEE	MEE
SCCV 56, rue Cler	France	49.00	49.00	49.00	49.00	MEE	MEE
PI Energy	France	20.00	20.00	20.00	20.00	MEE	MEE
SCI Arkadea Lyon Croix Rousse	France	30.00	30.00	30.00	30.00	MEE	MEE
PI Energy 2	France	20.00	20.00	20.00	20.00	MEE	MEE
SCI Arkadea Lyon Crepet	France		35.00		35.00		MEE
SCI Arkadea Rennes Trigone	France		49.00		49.00		MEE
SCI DOM	France	100.00	100.00	100.00	100.00	IG	IG
SCI 44 Vaugirard	France	100.00	100.00	100.00	100.00	IG	IG
SCI Activités Courrier Local	France	100.00	100.00	100.00	100.00	IG	IG
Société SCCV rue du Champ Macret-Roye	France	100.00	100.00	100.00	100.00	IG	IG
UNALLOCATED							
Sofrepost	France	99.99	99.99	99.99	99.99	IG	IG
Véhiposte SAS	France	100.00	100.00	100.00	100.00	IG	IG
GIE Véhiposte	France	100.00	100.00	100.00	100.00	IG	IG

FC : Full consolidation EM: Equity Method PC: Proportional consolidation

NOTE 43 OTHER UNCONSOLIDATED EQUITY INVESTMENTS – EXCLUDING FRANCE

(in thousand euros)	Country	31/12/2015			31/12/2014
		Percentage held	Gross amount	Net amount	Net amount
Visa Europe	England	ns	103,649	103,649	
Interattica ^(a)	Greece	100%	20,657		
Someva ^(b)	Spain	100%	8,944	8,944	
Guangzhou DPD Co ^(a)	China	100%	7,950		
Red 30 Trans ^(b)	Spain	100%	7,660	7,660	
Barcino Pack ^(b)	Spain	100%	4,500	4,500	
Vifedis ^(b)	Spain	100%	2,084	2,084	
Marrek & Könnecker ^(c)	Germany				2,970
Parcel lock ^(b)	Germany	33%	1,357	1,357	
Logalty	Spain	10%	1,083	683	678
MPIE Limited	United Kingdom	11%	1,022	1,022	
Livelihoods	Luxembourg	3%	1,000	1,000	1,000
Seur Huesca ^(c)	Spain				930
Seres Colombie	Colombia	100%	593	177	142
Seres Mexique	Mexico	100%	597	545	251
Mediapost Vietnam	Vietnam	100%	361	290	290
Seres Argentine	Argentina	90%	353	43	31
Guardrisk Insurance	South Africa	100%	182	182	
Metrica	Bulgaria	60%	101	101	
Seres Equateur	Equador	100%	71	71	71
DPD Deutscher Paket Dienst Management	Germany	100%	77	77	51
Cargo Pool GmbH	Germany	5%	39	39	39
ALAI	Spain	15%	39		39
LBP AM Dept Funds	Luxembourg	100%	31	31	
Geopost Iberica	Germany	100%	27	27	27
DPD Immobilien Verwaltungs	Germany	100%			26
CIDES	Spain	10%	25	25	25
Turgallum Gestion de Transp.	Spain	100%	24	24	
Kombiverkehr Deutsche Gesellschaft	Germany	ns	16	16	16
IDP	Spain	10%	6	6	6
Asurec	Spain				5
Other	Portugal	ns	11	11	
Other	Germany	ns	3	3	
TOTAL			162,462	132,567	6,597

(a) Companies in the process of being liquidated.

(b) Companies acquired in the end of 2015, to be consolidated in 2016.

(c) Companies consolidated in 2015.