

CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021



LA POSTE
GROUPE

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CONSOLIDATED INCOME STATEMENT

(€ million)	NOTE	2021	2020
Revenues from commercial activities	6	26,617	23,478
Net banking income	7	7,992	7,707
Operating revenue	5.2	34,609	31,185
Purchases and other expenses	8	(15,490)	(13,686)
Personnel expenses	9	(14,154)	(13,841)
Taxes and levies	10	(449)	(439)
Depreciation, amortisation, provisions and impairment	11	(1,772)	(3,736)
Other operating expenses and income	12	577	535
Proceeds from asset disposals		23	84
Net operating expenses		(31,265)	(31,084)
Share in profit of joint ventures	19	87	41
Current operating profit/(loss) after share in results of joint ventures		3,431	142
Impact of the takeover of CNP Assurances	12	0	3,007
Operating profit/(loss)		3,431	3,149
Cost of net financial debt		(233)	(229)
Other financial items		31	(14)
Financial profit/(loss)	13	(202)	(243)
Share in profits of associates	19	(12)	635
Profit before tax		3,217	3,540
Income tax	14	(620)	(880)
CONSOLIDATED NET PROFIT/(LOSS)		2,597	2,660
Attributable to non-controlling interests		528	576
NET PROFIT/(LOSS), GROUP SHARE		2,069	2,084

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

Amounts after tax (€ million)	2021	2020
CONSOLIDATED NET PROFIT / (LOSS)	2,597	2,660
OTHER COMPREHENSIVE INCOME RECOGNISED IN EQUITY		
Recyclable items	513	(515)
Change in unrealised gains and losses on financial instruments	(643)	646
<i>Reclassification under net income</i>	1,250	225
Translation adjustments	108	(939)
<i>Reclassification under net income</i>	(3)	153
Impact of the overlay approach	1,024	460
Share in other comprehensive income of associates and joint ventures	24	(682)
Of which :		
<i>- reclassification under net income of CNP Assurances during takeover (financial instruments and translation reserve)</i>	0	(594)
<i>- change in unrealised gains and losses on financial instruments of CNP Assurances, before takeover</i>	0	(39)
<i>- change in translation reserves of CNP Assurances before takeover</i>	0	(32)
<i>- other</i>	24	(17)
Non-recyclable items	70	(91)
Actuarial adjustments on employee benefits	84	(52)
Change in credit risk of liabilities designated as at fair value through profit or loss	(8)	(9)
Revaluation of equity instruments recognized at fair value through equity (excluding securities sold during the year)	(6)	(30)
Total other comprehensive income recognised in equity (after tax)	583	(606)
Total comprehensive income/(loss)	3,180	2,054
Total comprehensive income/(loss) attributable to non-controlling interests	668	478
TOTAL COMPREHENSIVE INCOME/(LOSS), GROUP SHARE	2,512	1,576

CONSOLIDATED BALANCE SHEET

ASSETS

<i>(€ million)</i>	NOTE	31/12/2021	31/12/2020
Goodwill	15	4,464	4,175
Intangible assets	16	6,133	5,866
Property, plant and equipment	17	6,792	5,983
Right of use assets	18	3,700	3,017
Investments in joint ventures and associates	19	1,900	935
Other non-current financial assets	21	500	502
Deferred tax assets	14	205	141
Non-current assets		23,694	20,619
Inventories and work-in-progress	23.1	190	220
Trade and other accounts receivable	23.2	5,554	5,100
Other current financial assets	21	436	382
Income tax credit		651	852
Other accrual accounts – Assets		118	99
Cash and cash equivalents	24.1	2,895	2,763
Assets held for sale	25	200	168
Current assets		10,044	9,584
Cash and central bank deposits	24.2	50,812	1,783
Financial assets at fair value through profit or loss	22.1	231,420	195,629
Financial hedging derivatives	22.2	1,022	1,443
Financial assets at fair value through OCI	22.3	228,310	230,559
Securities classified at amortised cost	22.4	23,480	24,018
Credit institutions loans and receivables at amortised cost	22.5	67,823	114,434
Customer loans and receivables at amortised cost	22.6	123,117	125,222
Revaluation adjustment on hedged portfolios -fair value hedges	22.7	101	220
Other financial assets and accrual accounts	22.8	33,149	31,538
Investment property	22.9	3,393	3,083
Specific assets of banking and insurance activities		762,627	727,929
TOTAL ASSETS		796,365	758,132

LIABILITIES

(€ million)	NOTE	31/12/2021	31/12/2020 restated (a)
Share capital and issue premium		6,668	6,668
Reserves		10,648	8,632
Recyclable reserves on financial instruments		1,373	836
Translation reserve		(570)	(574)
Undated hybrid subordinated notes		744	744
Net profit/(loss), group share		2,069	2,084
Equity, group share ⁽²⁾		20,932	18,390
Non-controlling interests		11,718	13,712
CONSOLIDATED EQUITY		32,650	32,102
Bonds and financial debt ⁽¹⁾	28.1	10,149	8,891
Lease liabilities ⁽¹⁾	28.1	3,760	3,509
Provisions for contingencies and losses ⁽¹⁾	27	816	876
Employee benefits ^{(1) (2)}	30	3,157	3,222
Deferred tax liabilities (no current)	14.5	1,217	1,497
Trade and other payables ⁽¹⁾	32	9,140	8,749
Government – Income tax		199	127
Other accrual accounts – Liabilities (current)		233	245
Liabilities held for sale (current)	25	0	127
No-current liabilities		16,411	14,375
Current liabilities		12,260	12,868
Financial liabilities at fair value through profit or loss	31.1	4,253	3,279
Financial hedging derivatives	31.2	333	763
Liabilities to credit institutions and similar transactions	31.3	30,393	33,533
Liabilities to customers	31.4	234,582	229,793
Debt evidenced by a certificate	31.5	21,693	21,639
Revaluation adjustment on hedged portfolios -fair value hedges	31.6	422	726
Other financial liabilities and accrual accounts	31.7	18,674	18,834
Specific provisions for the insurance and Banking activities and shadow accounting	31.8	414,584	380,035
Subordinated debt	31.9	10,110	10,187
Specific liabilities of banking and insurance activities		735,044	698,788
TOTAL LIABILITIES		796,365	758,132
(1) Of which current share :			
<i>Bonds and financial debt</i>		541	1,534
<i>Lease liabilities</i>		741	633
<i>Provisions for contingencies and losses</i>		678	759
<i>Employee benefits</i>		754	718
<i>Trade and other payables</i>		9,114	8,724

(2) The lines « Equity, Group share » and « Employee benefits » has been restated as at 31 December 2020 due to the IFRS IC decision of May 2021 (see notes 1.5 et 2.1.1 c).

CHANGES IN CONSOLIDATED EQUITY 2021

<i>Amounts after tax (€ million)</i>	Share capital and issue premium	Unallocated profit/(loss)	Translation reserve	Recyclable reserves on financial instruments	Undated hybrid subordinated notes	Other reserves	Total, Group share	Non-controlling interests	Total
Consolidated equity as at 31/12/2020 published	6,668	2,084	(574)	836	744	8,489	18,247	13,712	31,959
Change in the calculation of certain post-employment benefits following the IFRS IC position of May 2021 (see note 2.1.1.c)						143	143	0	143
Consolidated equity as at 31/12/2020 restated	6,668	2,084	(574)	836	744	8,632	18,390	13,712	32,102
Issue of perpetual loan (see note 1.2)	0	0	0	0	0	0	0	942	942
Dividend payments	0	0	0	0	0	0	0	(655)	(655)
Remuneration of undated hybrid subordinated notes ^(a)	0	0	0	0	0	(91)	(91)	(23)	(114)
Call options on non-controlling interests	0	0	0	0	0	(26)	(26)	(14)	(40)
Transactions with non-controlling interests	0	0	(98)	270	0	(30)	142	(3,368)	(3,226)
Appropriation of 2020 net profit/(loss)	0	(2,084)	0	0	0	2,084			
Comprehensive income for the year		2,069	102	267		74	2,512	668	3,180
Of which:									
- Net profit		2,069					2,069	528	2,597
- Recyclable reserves			102	267			369	144	513
- Non-recyclable reserves on financial instruments						(14)	(14)		(14)
- Actuarial adjustments items						88	88	(4)	84
Other (b)			0	0		5	5	456	461
CONSOLIDATED EQUITY AS AT 30/06/2021	6,668	2,069	(570)	1,373	744	10,648	20,932	11,718	32,650

(a) Remuneration of undated hybrid subordinated notes from La Poste (€23 million), La Banque Postale (€29 million) and CNP Assurances (€62 million).

(b) Of which the increase of the non-controlling interests following the takeover of life insurance activities of Aviva in Italy (see note 4.1).

CHANGES IN CONSOLIDATED EQUITY 2020

<i>Amounts after tax (€ million)</i>	Share capital and issue premium	Unallocated profit/(loss)	Translation reserve	Recyclable reserves on financial instruments	Undated hybrid subordinated notes (a)	Other reserves	Total, Group share	Non-controlling interests	Total
Consolidated equity as at 31/12/2019 published	4,700	822	(215)	919	744	5,655	12,624	907	13,531
Change in the calculation of certain post-employment benefits following the IFRS IC position of May 2021 (see note 2.1)						120	120		120
Consolidated equity as at 31/12/2019 restated	4,700	822	(215)	919	744	5,775	12,744	907	13,651
Transfer of equity investments in CNP Assurances (a)	1,968		0	0		2,059	4,027	10,997	15,024
Dividend payments						0	0	(571)	(571)
Remuneration of undated hybrid subordinated notes (b)						(91)	(91)	(23)	(114)
Call options on non-controlling interests		0				174	174	26	199
Transactions with non-controlling interests						(53)	(53)	1,894	1,840
Appropriation of 2019 net profit/(loss)		(822)				822	0	0	0
Comprehensive income for the year		2,084	(359)	(63)		(86)	1,576	478	2,054
Of which:		0	0	0			0	0	0
- Net profit		2,084		0			2,084	576	2,660
- Recyclable reserves		0	(508)	680			172	(93)	79
- Reclassification under net income of recyclable reserves following the takeover of CNP Assurances		0	149	(743)			(594)	0	(594)
- Non-recyclable reserves on financial instruments		0		0		(35)	(35)	(4)	(40)
- Actuarial adjustments		0		0		(51)	(51)	(1)	(52)
Other				(20)		33	13	4	17
CONSOLIDATED EQUITY AS AT 31/12/2020	6,668	2,084	(574)	836	744	8,632	18,390	13,712	32,102

(a) See description of the transaction in note 26.1.

(b) Remuneration of undated hybrid subordinated notes from La Poste (€23 million), La Banque Postale (€29 million) and CNP Assurances (€62 million).

CONSOLIDATED CASH FLOW STATEMENT

	NOTE	2021			2020		
		Group	Non-banking activities	Banking and assurance activities	Group	Non-banking activities	Banking and assurance activities
<i>(€ million)</i>							
EBITDA	40.10	5,422	2,602	2,820	4,226	1,274	2,953
Change in provisions for current assets and irrecoverable receivables		(28)	(28)	0	(52)	(52)	0
Miscellaneous financial income and expenses		0	0	0	(11)	(5)	(6)
Cash flows from operating activities before cost of net debt and taxes	40.1	5,394	2,574	2,820	4,163	1,217	2,947
Change in working capital requirement	40.3	(445)	(361)	(84)	450	205	244
Change in balance of banking and insurance resources and uses	40.4	8,911	32	8,879	23,033	0	23,033
Taxes paid		(446)	(62)	(384)	(817)	(74)	(743)
Dividends paid by La Banque Postale to La Poste		0	171	(171)	0	0	0
Dividends received from equity associates		67	19	48	49	6	43
Cash flows from operating activities		13,481	2,373	11,108	26,878	1,354	25,524
Purchase of property, plant and equipment and intangible assets	40.5	(1,747)	(1,301)	(446)	(4,649)	(1,083)	(3,566)
Purchase of financial assets		(1,267)	(829)	(438)	(178)	(102)	(76)
Proceeds from the disposals of property, plant and equipment and intangible assets		120	119	1	107	106	1
Proceeds from disposals of financial assets		123	122	1	45	24	21
Impact of changes in consolidation scope		(495)	(187)	(308)	(739)	(739)	0
Change in financial assets held for cash investment purposes		(51)	(51)	0	25	25	0
Cash flows from investing activities		(3,317)	(2,127)	(1,190)	(5,388)	(1,769)	(3,620)
Capital increase		0	0	0	23	20	3
Perpetual loans		942	198	744	0	0	0
Dividends paid and remuneration of hybrid subordinated notes		(769)	(33)	(736)	(686)	(43)	(643)
Purchase of non-controlling interests		(3,018)	(556)	(2,462)	(228)	(19)	(209)
Interest paid		(240)	(240)	0	(218)	(218)	(0)
Proceeds from new borrowings	40.6	4,826	2,957	1,869	4,594	2,844	1,750
Repayment of borrowings	40.7	(3,540)	(1,789)	(1,751)	(2,641)	(1,075)	(1,566)
Repayment of lease liabilities		(802)	(751)	(51)	(713)	(679)	(34)
Other cash flows from financing activities	40.8	6	6	0	(72)	(72)	0
Intra-group flows		0	76	(76)	0	(3)	3
Cash flows from financing activities		(2,595)	(132)	(2,463)	57	754	(696)
Decrease (increase) in cash and cash equivalents from banking activities before impact of changes in consolidation scope	40.9	(7,455)	0	(7,455)	(21,208)	0	(21,208)
Impact of subsidiaries held for sale		0	0		(7)	(7)	
Impact of changes in exchange rates		18	18		(23)	(23)	
Change in cash and cash equivalents		132	132	0	308	308	0
Opening cash and cash equivalents		2,763	2,763	0	2,456	2,456	0
Closing cash and cash equivalents		2,895	2,895	0	2,763	2,763	0

GENERAL ITEMS

NOTE 1 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- 1.1 Bond issuances
- 1.2 Perpetual bond issuances
- 1.3 Financing of La Poste's public service missions
- 1.4 Reversal of the impairment of the fixed assets of La Poste SA's Mail CGU
- 1.5 IFRS IC decision on employee benefits
- 1.6 Impact of the Covid-19 health crisis
- 1.7 Creation of the Retail customers and Digital Services Business Unit

Main changes in the consolidation scope are detailed in Note 4.

1.1 Bond issuances

During the year of 2021, Le Groupe La Poste carried out several bond issuances, as detailed below. These issuances meet the criteria for classification as debt instruments under IFRS 9.

La Poste bond issuances

On 11 January 2021, La Poste carried out two bond issuances for a total amount of €1,750 million:

- a €1,000 million issue maturing in January 2036 and carrying a rate of 0.625%;
- a €750 million issue maturing in July 2029 and carrying a rate of 0%.

On 9 November 2021, La Poste increased two existing bond issues for a total of €400 million:

- an increase of €200 million to the bond issue maturing in July 2029 at a rate of 0%;
- an increase of €200 million to the bond issue maturing in September 2034 at the rate of 1%.

On 22 November 2021, La Poste increased the bond issue maturing in October 2026 at the rate of 0.625% by €75 million.

La Banque Postale bond issuances

La Banque Postale issued Tier 2 subordinated bond debt for an amount of €750 million (€500 million on 2 February 2021 and €250 million on 27 April 2021) maturing in August 2032 and carrying a fixed rate of 0.75%.

On June 23, 2021, La Banque Postale issued its first "social" bond, in the form of a non-preferred senior debt in the amount of €750 million, with a 10-year maturity and a coupon of 0.75% (mid-swap +70 bps). This issuance allows La Banque Postale to reaffirm its commitment to be a recurring issuer in the sustainable bond segment.

In addition, on 23 April 2021, La Banque Postale activated its early redemption option on a €750 million bond issued in 2014 and carrying a rate of 2.75%.

CNP bond issuances

On 7 April 2021, CNP Assurances issued a Restricted Tier 1 subordinated debt for \$700 million. These are without maturity bonds bearing interest at a fixed rate of 4.875% until 7 April 2031. The bonds were swapped into euros for a period of ten years, which enabled CNP Assurances to obtain an effective rate of 2.852%.

On 12 October 2021, CNP Assurances issued a Restricted Tier 2 subordinated debt for €500 million. These are bonds maturing on 12 October 2053 bearing interest at a fixed rate of 1.875%.

In addition, in September 2021 CNP Assurances activated two early redemption options on bond debts: a bond debt of €700 million issued in 2011 with a rate of 6.875% and a bond debt of £300 million issued in 2011 with a rate of 7.375%.

1.2 Perpetual bond issuances

La Banque Postale perpetual bond issuances

On September 29, 2021, La Banque Postale issued a new bond, « Additional Tier 1 » for an amount of €750 million. The issued instrument is a 7.5 year callable undated bond with a fixed semi-annual coupon of 3%.

This issuance has been recognised under non-controlling interests in consolidated equity (€744 million issuance costs deducted).

Asendia perpetual bond issuance

Following the acquisition of the non-controlling interests in eShopWorld (see note 4.2), Asendia (Geopost business unit) issued a perpetual borrowing entirely subscribed by Swiss Post up to €198 million.

This issuance has been recognised under non-controlling interests in consolidated equity.

1.3 Financing of La Poste's public service missions

a) Universal postal service

The structural reduction in mail volumes, combined with the consequences of the health crisis, accentuates the overall deficit of the public service missions, which have been delegated by the French State to La Poste.

In this context, La Poste has called on the State to provide more support to the Company in terms of financing these missions. The discussions initiated by La Poste in December 2020 with the French State, in order to obtain fair compensation for its public service missions, as well as a potential reduction in these, led to the French State on 22 July undertaking to pay La Poste an annual compensation for the Universal Postal Service, which will vary according to the quality of service results, of between €500 million and €520 million.

The first allocation, for 2021, is included in the Draft Budget Act for 2022. This State aid has been subjected to the approval of the European Commission.

b) Regional planning

The reduction in production taxes, endorsed by the 2021 Budget Act, applies to the corporate property tax (CFE in French) and the corporate value-added tax (CVAE in French) applicable to La Poste. These taxes represent almost the entire tax base on which the local tax allowance for the regional planning mission is based.

In order to compensate for this decrease and to continue to meet the commitments set by the local postal coverage agreement for the 2020-2022 period, including an annual compensation of €177 million, the French State decided that an additional amount of €74 million would be allocated to La Poste for 2021.

This compensation of €74 million was the subject of a budget allocation in the 2021 Budget Act and in the second Supplementary 2021 Budget Act.

These changes to the financing of the regional planning mission are currently being notified to the European Commission.

c) Treatment in the consolidated financial statements

The approval of the European Commission of these two compensations will only take place in 2022. Nevertheless, the nature of the requests, the justification provided by La Poste as well as the Commission's practice in this area suggest an agreement in principle and in its amount with reasonable assurance. As a result, income of €520 million in respect of the Universal Postal Service and of €74 million in respect of regional planning relating to 2021 were recognised in the 2021 financial statements. These income flows are classified as revenue in the consolidated financial statements because they are analysed as compensation received in return for the performance of the public service missions. These compensations are distributed between the business units in proportion to their contribution to the costs of these two public service missions (see note 6 as well as note 23.2 for the receivable against the French State).

1.4 Reversal of the impairment of the fixed assets of La Poste SA's Mail CGU

The business plan of La Poste's Mail business (Services-Mail-Parcels business unit) includes a share of the annual compensation for the Universal Postal Service (see note 1.3) up to almost €300 million per year. Therefore, the completion of the impairment test at the end of 2021 of the value on Mail assets leads to reverse all of the impairment of assets recorded in 2020, i.e. €900 million (see detail in note 20.1).

1.5 IFRS IC decision on employee benefits

In accordance with the IFRS IC decision approved by the IASB in May 2021 on the period of spreading of employee benefit commitments in defined benefit pension plans capped in duration, Le Groupe La Poste now uses the number of years corresponding to that which will be used at the time of the employee's departure for the calculation of his or her retirement benefits (see note 2.1.1c).

The resulting adjustment to the employee benefits item constitutes a retrospective change of an accounting policy and generated an increase of nearly €120 million at 1 January 2020 and of €143 million at 31 December 2020, both with a symmetrical increase in the Group equity. These adjustments are presented in the notes Changes in consolidated equity 2021 and 2020 correcting the opening balances and are included in the restated balance sheet.

The change of these adjustments observed on 2020 is mainly composed of actuarial adjustments. Therefore these adjustments didn't have a significant impact on the 2020 Consolidated income statement that wasn't reprocessed.

1.6 Impact of the Covid-19 health crisis

a) Impact on the Group's activities

The health crisis continued in 2021 with a third lockdown in April and May followed by two new waves of health crisis in the second half of the year. These episodes, better absorbed over time, have nevertheless led to structural transformations in certain sectors of activity such as Digital Services Companies (change in employment, less visibility on projects), international transport or small import packages whose flows are dwindling. The lack of catching up by traditional activities was confirmed, with a structural impact still estimated by the mail at 2 traffic points, and a more marked drop in attendance at post offices.

The strong acceleration of BtoC continues with a constant increase in the parcel/express business (mainly GeoPost sector) since the beginning of the crisis, driven by the increasingly regular use of online shopping, materialising a real change in usage. The BtoB shows growth again.

La Banque Postale is still suffering from the level of activity in 2020, particularly on real estate loans but is also benefiting from the growth of the financial markets.

b) Review of indications of impairment

The search for an indication of impairment loss on intangible assets led in 2021 didn't lead to significant impairments.

The tests carried out exhaustively on all CGUs with goodwill did not reveal any impairment of goodwill.

c) Review of the recoverability of deferred tax assets

Despite the compensation obtained from the French State in respect of the Universal Postal Service, the forecasts of the taxable income of La Poste SA and the tax group of which the Company is the head do not allow the recognition of a new net deferred tax asset. As a result, the net deferred tax assets of this tax group remained fully impaired at the end of 2021.

d) Impacts on credit risk measurement

Since the beginning of the Covid-19 crisis, the Group Risk Department performed extensive analyses with a view to determining a cost of risk that reflects the actual short- or medium-term risk on its retail and corporate loanbooks, aside from expected credit losses already taken on these loans. The Group's overall risk monitoring process and the related provisioning methods that have been settled, provide a detailed picture of loanbook risk exposure while also meeting the requirements of the European supervisor.

Consequently, in December 2021, the impacts of the Covid-19 pandemic (and its macro-economic fallout) on the measurement of the Group's credit risk fall into two broad categories:

- general impacts on both the retail and corporate loanbooks related to the recalibration of all models and scenarios underlying the calculation of statistical provisions;
- specific impacts on certain customer segments related to measures taken by the Group Risk Department following an analytical review of the entire loanbook carried out in 2020 and up-dated throughout 2021.

General measures taken to adjust statistical provisions:

In the second half of 2021, all Probability of Default models used to calculate loss allowances in accordance with IFRS 9 were annually reviewed.

The main adjustments that followed this review are:

- The integration of the most recent data on behaviour and/or changes in risk profiles (changed ratings) especially on the Low Default Portfolio;
- Macro-economic scenarios used for provisioning were also recast.

Corporate customers

Dealing with the Financing and Investment activity of corporate customers, the main significant event that occurred in 2021 concerned the sector-specific provisioning principles.

After observing the effects of the Covid-19 crisis, the collective provisioning measures were maintained the same or sometimes increased. The sector-specific provisioning approach has been extended from June 2021 to the commercial real estate sector, with the exception of city centre commercial assets.

As such, at 31 December 2021, the cost of credit risk in respect of the Corporate customers Financing and Investment activity amounted to €107 million, especially related to the natural deterioration of the portfolio (provisioning decisions taken in view of the WatchList/Special Affairs bodies for €53 million), methodological and statistical effects (€42 million) and more marginally to monitoring measures implemented in anticipation of certain potential macroeconomic deteriorations (sectoral provisioning for €19 million).

Retail customers

Despite a limited impact on the La Banque Postale's retail credit exposures, the retail loan portfolio has improved significantly since the start of the crisis. This is explained on the one hand by the public authorities' support for the economy and its effects on households and on the other hand by the combined effects of the precautionary savings and reduced consumption observed during the lockdown phases.

The change in the economic and health situation during the year 2021 led to introduce a provision to cover the risk of rating migration within the healthy credit portfolio as part of a forward-looking approach aimed at anticipating a possible return to a distribution that is more representative of the structural composition of the credit portfolio.

In this context, the cost of risk for the year 2021 amounted to €128 million (excluding electronic payments), of which €51 million related to the consumer loans activity, and €45 million related to the home loans activity. Within this

scope, the monitoring measures and the methodological and statistical adjustments represent €44 million.

1.7 Creation of the Retail customers and Digital Services Business Unit

As part of the new strategic plan developed by the Group, the La Poste Network and Digital units were merged as of 1 July 2021 into a single business unit called "Retail Customers and Digital Services". On the same occasion, the activities of the Services-Mail-Parcels business unit that were previously carried out through the Network were transferred to this new business unit.

With regard to the Group's segment reporting, it should be noted that each business unit constitutes a segment. The change presented above will therefore have a direct impact on the segment reporting presented in note 5.

NOTE 2 BASIS OF PREPARATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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 9, rue du Colonel Pierre Avia 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 2021 were signed off by the Board of Directors (meeting on 24 February 2022), 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 2021 were prepared in accordance with international financial reporting standards (IFRS) as adopted by the European Union. These standards are available on the website of the European Commission :

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

The accounting principles applied as at 31 December 2021 are unchanged from those applied as at 31 December 2020, except for the items described in Point 2.1.1.

2.1.1 Standards and application interpretations applied by the Group from January 1, 2021

a) Reform of benchmark interest rates – Phase 2

In the context of the new regulation on benchmark rates aimed at replacing the IBOR interbank rates with new rates – the IBOR reform – which is currently being implemented, the applicable standards have been amended by the IASB.

The first amendments, called phase 1 amendments, applied by the Group since 31 December 2019, were intended to allow the hedging accounting treatments to be maintained for as long as the old rates are not eliminated and the contracts are not modified. These amendments introduced exemptions concerning, in particular, the highly probable nature of cash flows and remain applicable until the end of the uncertainties concerned.

The so-called phase 2 amendments published by the IASB provide for specific exemptions for the accounting treatment of changes made to financial instrument contracts as part of this reform. They were endorsed by the European Union on 14 January 2021 and concern the following standards: IFRS 9 – Financial instruments; IAS

39 – Financial instruments: recognition and measurement; IFRS 7 – Financial instruments: disclosures; IFRS 4 – Insurance contracts; and IFRS 16 – Leases.

Provided that the changes in the way contractual cash flows are determined are a direct consequence of the IBOR reform and that they have been made on an economically equivalent basis, the so-called phase 2 amendments make it possible to:

- recognise these changes as a revision of a variable interest rate for the valuation of financial instruments measured at amortised cost, financial assets measured at fair value through equity and lease liabilities;
- maintain the hedging relationship when changes are made to the hedging instrument and/or the hedged item, resulting in a change in the documentation of the hedge.

In the course of 2021, the implementation of the reform led to the transition from the EONIA index to the €STER index for derivative contracts cleared with the LCH and Eurex clearing houses, mainly within La Banque Postale Group. The difference of 0.085% between EONIA and €STER, impacting the valuation of the new swaps, was offset via balances paid or received by the chambers in order to safeguard the economic equivalence. A net balance of €28.2 million was paid, including €24.6 million on micro-hedge swaps.

At 31 December 2021, the information required under the so-called phase 2 amendments is presented in note 34.3.2 "General risk management strategy framework".

b) Amendments to IFRS 16 - Leases

On 31 May 2021, the IASB published an amendment to IFRS 16 – Leases in order to extend the period of application of the amendment "Covid-19 Related Rent Concessions" published in May 2020. It offers lessees (and not lessors) the option to exempt themselves from assessing whether Covid-19 related lease relief is a contract modification.

In practice, the amendment leads tenants to recognise the reductions in rents linked to Covid-19 as if they were not contract amendments. This leads to recognising the impact of the rent concession in the lessee's income for the period (negative variable rent), rather than spreading it over the remaining term of the contract. The right of use is not impacted and continues to be amortised without change. This amendment did not have a significant impact on the Group.

c) IFRS IC final decision on IAS 19 – Employee benefits

At its meeting in May 2021, the IASB validated the IFRS IC decision confirming the period to be used for the recognition of employee benefit commitments for defined benefit pension plans with a capped duration (publication of an addendum to the IFRS IC meeting held in April).

This applies to plans that meet the following three conditions:

- Link with seniority;
- Maximum amount capped;
- Employee presence condition on the day of retirement.

The Group's historical practice was to recognise commitments as soon as the employee joined the workforce. The IFRS IC's final decision specifies that provision should be made for the last years preceding retirement and over a number of years corresponding to that which will be used at the time of the employee's departure for the calculation of his or her retirement benefits.

Le Groupe La Poste has identified the plans concerned and then recorded the appropriate adjustment to the provision recognised for this type of employee benefit commitment. As this is a decision of the IFRIC IC, its application constitutes a change in accounting policies with retrospective effect.

The adjustment of the employee benefits item thus generated an increase in shareholders' equity of €120 million at 1 January 2020 and of €143 million at 31 December 2020 and a symmetrical increase in the Equity Group share. These adjustments are presented in the tables of changes in shareholders' equity for 2020 and 2021 as an opening correction and are included in the restated balance sheet for 2020.

The change in these adjustments recorded for the year 2020 mainly comprises actuarial differences. These adjustments therefore have no significant impact on the 2020 profit or loss, which has not been restated.

d) IFRS IC final decision on the costs of configuring and customising software accessible by the cloud (Software as a Service, SaaS)

Contracts recognised as service contracts (meaning that no intangible assets are recognised for the software provided) are affected by this decision of the IFRS IC of April 2021.

The decision of IFRS IC specifies that in general no intangible asset will be recognised by the customer for configuration or customisation costs (due to the lack of creation of a controlled resource separate from the initial software).

In the event that the costs involved do not constitute an intangible asset, IFRS IC specifies that the client will recognise these costs as an expense when the services are received (and not over the period of use of the software). In the event that these services are provided by the access provider (or a subcontractor), it will be necessary to determine whether or not these costs constitute separate services from the provision of the software.

This decision did not have a significant impact on the Group's financial statements and will be taken into account in the analysis of future projects.

e) The other standards and interpretations that were mandatory in 2021 had no significant impact on Le Groupe La Poste's financial statements at 31 December 2021.

2.1.2 Standards and application interpretations that are mandatory for the first time after 31 December 2021 and that were not early applied

The Group has not early applied any standard or interpretation with an application date after December 31, 2021.

IFRS 17 "Insurance contracts" was published by the IASB on 18 May 2017 and endorsed by the the European Union on 23 November 2021. IFRS 17 will be mandatorily applied from 1 January 2023.

IFRS 17 defines the new rules for the recognition, measurement and presentation of insurance policies that fall within its scope.

The general model for valuing contracts presented as liabilities will be based on a Building Blocks Approach (BBA), a model consisting of an aggregation of three components:

- The insurance liabilities will be valued at present value (discounted future cash flows);
- A risk estimate to account for the uncertainty of these future flows;
- A contractual service margin which represents the unearned profit of the insurer, released over time based on the service rendered by the insurer to the insured.

IFRS 17 also proposes two other approaches: a simplified Premium Allocation Approach (PAA) and an approach adapted from the general model known as the Variable Fee Approach (VFA), which is mandatory for direct participating contracts.

During 2021, the IFRS 17 implementation project mainly focused on:

- The consideration of the presentation of insurance in the consolidated financial statements of the Group;
- The definition of the main methodological options;
- The design of target processes for producing accounts.

2.1.3 European electronic format

A European electronic format will apply, on the date of application of Delegated Regulation (EU) No. 2019/815 in France, to all issuers whose securities (shares and bonds) are admitted to trading on a European regulated market and subject to the obligation to establish an Annual Financial Report.

Regulation (EU) No. 2017/1129 dated 14 June 2017 (Prospectus Regulation) and its delegated regulations apply as an option to fiscal years beginning on or after 1 January 2021 (Delegated Regulation (EU) No. 2019/815 of the Commission of 17 December 2018 as amended by Delegated Regulation (EU) No. 2020/1989).

As the Group wishes to benefit from this option, it is therefore subject for the first time to this obligation to publish its Universal Registration Document in the European Single Electronic Format (xHTML electronic format).

To this end, the Group has successfully rolled out a specific publication tool to convert documents into xHTML format and to incorporate the XBRL tags associated with the consolidated primary financial statements.

2.2 Valuation basis and use of estimates

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 calculation of the right of use and the lease liabilities;
- the estimates for specific provisions for the insurance and banking activities;
- the valuation of goodwill and various assets or liabilities during business combinations;
- 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 the Group;
- the assumptions and estimates used to measure the effectiveness of hedges.

NOTE 3 ACCOUNTING RULES AND POLICIES

- 3.1 Consolidation methods
- 3.2 Translation of financial statements of foreign companies
- 3.3 Foreign currency transactions
- 3.4 Consolidation of the La Banque Postale segment
- 3.5 Business combinations
- 3.6 Operating revenue
- 3.7 Taxes
- 3.8 Intangible assets
- 3.9 Property, plant and equipment
- 3.10 Leases
- 3.11 Impairment of goodwill, intangible assets and property, plant and equipment
- 3.12 Other financial assets
- 3.13 Banking activities assets and liabilities
- 3.14 Distinction between debt and equity instruments
- 3.15 Bond debt and financial derivatives relating to the management of the bond debt
- 3.16 Lease liabilities
- 3.17 Commitments to buy out non-controlling interests
- 3.18 Inventories and work-in-progress
- 3.19 Trade receivables
- 3.20 Provisions
- 3.21 Employee benefits
- 3.22 Assets held for sale
- 3.23 Cash flow statement

3.1 Consolidation methods**3.1.1 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

3.1.2 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" or "Share in profits of associates" when the Group has only a significant influence.

3.1.3 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.

3.1.4 Intra-group transactions

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

3.1.5 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.

3.2 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.

3.3 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).

3.4 Consolidation of the La Banque Postale segment

In order to improve the clarity of financial statements, specific items relating to banking and insurance activities in La Banque Postale segment have been combined on distinct 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.

The accounting principles and methods applied to operations in the La Banque Postale segment are detailed in Sections 3.13.1 *et seq.*

3.5 Business combinations

Business combinations are recognised according to the acquisition method, in line with the requirements 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, and any future contingent consideration.

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

Negative goodwill (or bargain purchase) 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 3.11.

3.6 Operating revenue

3.6.1 Revenue from commercial activities

Revenue from the sale of goods or services is recognised upon transfer of the major risks and rewards of

ownership to the customer. It is recognised as and when the related service is provided, except for postage stamps and pre-paid envelopes, where income is recognised at the time of sale (excluding exceptional situation).

As a result, the time taken for shipping of mail and parcels is taken into consideration when assessing revenue at the balance-sheet date.

3.6.2 Net Banking Income

Net Banking Income in the consolidated income statement is the net balance of banking revenue and expenses for La Banque Postale and all its subsidiaries, including the insurance businesses of CNP Assurances. It is prepared in accordance with the accounting rules applicable to banks. A breakdown of Net Banking Income is provided in note 7.

3.7 Taxes

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

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

Deferred taxes recognised in prior financial years are adjusted 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 temporary timing differences are recognised. Deferred tax assets resulting from timing differences, tax loss carry-forwards or 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 and will allow the allocation of the temporary differences. 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).

As described in the significant events during the financial year, the net deferred tax assets of the La Poste tax consolidation group are fully impaired at 31 December 2021 (see note 1).

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

The income tax consequences of dividends relating to financial instruments recorded in equity are recognised in profit or loss.

3.8 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 they meet the criteria set out in IAS 38. They are amortised on a straight-line basis over their useful life (on average 3 years, and up to 5 years maximum) from the day they are commissioned.

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

Customer relationships

When acquiring insurance businesses, the acquirer must measure the benefit of the customer relationship under existing contracts at fair value. Thus, for contracts for which the renewed premiums can be estimated with sufficient reliability, an intangible asset is recognised in respect of customer relationships. This intangible asset is amortised on a straight-line basis by segment according to the estimated useful life of the asset below, reflecting the consumption of future benefits as projected in the retained estimate.

Distribution agreements

The value of a distribution agreement represents the value of the future flows expected from new business within the network of a partner covered by a distribution agreement. These intangible assets are estimated according to the specific terms and conditions of each distribution contract; they are amortised over the life of the distribution contract, taking into account any residual value.

The depreciation, amortisation and impairment charges relating to the portfolio of contracts of insurance companies and distribution agreements are recorded under "Amortisation of portfolio securities and similar and value of distribution agreements" in the income statement.

Portfolio of insurance company contracts

As part of the acquisition of insurance businesses, the acquirer must measure at fair value the insurance liabilities assumed and the assets under insurance contracts acquired. In accordance with IFRS 4, this fair value can be presented in two components:

- a liability measured in accordance with the insurer's accounting policies for the insurance contracts it issues;
- an intangible asset, the value of business acquired (VOBA) from insurance companies, representing the difference between:
 - ✓ the fair value of the contractual insurance rights acquired and the insurance obligations assumed;
 - ✓ the liability described above.

As part of the takeover of the CNP Group, a portfolio value was determined and recognised under intangible assets. It is excluded from the scope of IAS 36 and IAS 38 (paragraph 33 IFRS 4).

The portfolio value is tracked by entity and sub-segment and is amortised over the remaining life of the contracts on a basis reflecting the rate of emergence of the future profits generated by the asset. This duration is determined in the table below:

In number of years	France	Italy	Brazil	Spain	Ireland
Euro Savings and Retirement	11.9 – 19	4.5 – 19	3.8 – 12	6.3 – 12	11.9 – 19
Unit-linked savings	10.5	4.8	10.5	7.7	10.5
Borrower	5.9	6.4	6.8	3.3	1.7
Contingency	1.3 – 7.5	1.3 – 7.5	4.8 – 7.1	1.3 – 7.1	1.3 – 7.5

3.9 Property, plant and equipment

Property, plant and equipment consists primarily of land, buildings, plants, tools, equipment and computer hardware. They are recorded at cost less depreciation and possible impairment.

3.9.1 Acquisition cost of property, plant and equipment

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.

3.9.2 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
Automated teller machines	machine, installation

3.9.3 Depreciation periods

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

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

Land is not depreciated.

3.9.4 Special case of investment properties

Classification on the Group's balance sheet

As at 31 December 2021, almost all investment properties were located in La Banque Postale's insurance businesses and as such were classified in the specific assets of the banking and insurance businesses.

The investment properties from other businesses, representing an insignificant value, were classified under property, plant and equipment.

Principles

Investment property is real estate (land or construction) held by the Group for the purpose of deriving rentals or capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

In accordance with the option offered by IAS 40, the Group has chosen the cost valuation model for its properties, with the exception of properties supporting unit-linked contracts, which are measured at fair value. The fair value of properties (excluding unit-linked contracts) is also disclosed in the notes to the financial statements. This fair value corresponds to the realisable value of properties and shares in unlisted real estate companies. It is determined on the basis of a five-yearly appraisal carried out by an expert accepted by the regulatory authority. Between two appraisals, the value is subject to an annual estimate certified by an expert.

Impairment of investment properties

At each balance sheet date, the existence of any indication of impairment is assessed. One of the indices is an impairment of the property by more than 20% in relation to its cost. The existence of indications of impairment leads the Group to estimate the recoverable value of the property concerned.

The recoverable value is the higher of the value-in-use and the fair value less selling costs, as determined by the Group's annual appraisal of its real estate portfolio.

3.10 Leases

All contracts, regardless of legal name, relating to an identified asset whose use is controlled by the lessee are qualified as leases. When the asset is not identified, the contract is qualified as a service contract.

IFRS 16 – Leases was applied as at 1 January 2019 and replaces IAS 17 – Leases. As a consequence, for all external leases for which the Group is the lessee, the following items were recognised in the balance sheet:

- a lease liability equal to the discounted value of lease payments during the lease term (non-cancellable periods and optional periods if the lessee is reasonably certain to exercise the option);
- a right-of-use asset, depreciated over the term of the lease.

As at 1 January 2019, the Group elected to use the modified retrospective approach.

In this context, the Group decided to apply the following simplified measurements provided by the standard, namely:

- the exclusion of leases for low-value assets;
- the exclusion of leases with a remaining term of less than 12 months;
- the option not to capitalise costs directly linked to the signing of leases;
- as an alternative to performing an impairment test, the right-of-use asset will be adjusted by the amount of any provisions for onerous leases.

In addition, as stipulated by the standard, the finance leases were recognised as provided for by IAS 17.

Terms of leases is determined on the basis of an analysis of termination options before the lease term and renewal options that can exist. This position is consistent with that published by the IFRS IC on 16 December 2019 insofar as the Group's open-ended leases may be terminated by either party at any time subject to a negligible penalty at most, and the net book value of the arrangements in question may not, in the cases at hand, constitute anything more than an insignificant penalty. Discount rates were determined on the transition date, and are then determined in subsequent periods, in accordance with the standard and in reference to the incremental borrowing rate of the lessee for each term, and taking into account the timetable of debt repayments.

The discount rates are determined on the basis of the risk-free rate for the currency of the lease, on the Group's credit risk and on the estimated additional credit risk for subsidiaries;

The Group used the term of each lease as at the date of its entry into force so as to ensure consistency with the method used to determine the book value of the aforementioned right-of-use asset.

With regard to the right-of-use assets covered by the majority of its leases, the Group has chosen to apply, for the transition on 1 January 2019, the provision which allows for the calculation of the book value of the right-of-use asset as if this standard had been applied on the date of entry into force of the lease, taking account of known changes to the lease since its signing.

The principles applied to external leases where the Group is the lessor are detailed in Section 3.13.

3.11 Impairment of goodwill, intangible assets and property, plant and equipment

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 assets and property, plant and equipment 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 the net book value, an impairment is recognised to bring the net 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 and certain other assets is generally determined based on the forecast net cash flows set out in business plans, and based 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 by applying the weighted average cost of capital for each relevant asset or group of assets.

3.12 Other financial assets

3.12.1 Other non-current financial assets

This item primarily includes (see note 21) :

- 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. IFRS 9 offers an irrevocable option to classify them at fair value through non-recyclable equity, at each instrument's first recognition date. In this case, the unrealised gains or losses through equity are not recycled to profit or loss if they are sold. The income statement will only be impacted if there are any dividends related to these securities. The Group has chosen to classify its unconsolidated equity investments in this category, with the exception of the Visa securities.

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.

- the non-current portion of the fair value of financial derivatives relating to La Poste's bond debt (see note 28).

3.12.2 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 3.15 and 28).

3.13 Assets and liabilities of banking and insurance businesses

On the balance sheet, the assets and liabilities specific to the banking and insurance activities are grouped together in items dedicated to these activities, the content of which is similar to that presented by La Banque Postale Group in its own financial statements.

3.13.1 General accounting principles for financial assets and liabilities

Initial recognition

For their initial recognition, financial assets and liabilities are measured at their fair value plus or minus the transaction costs directly attributable to the acquisition (with the exception of financial assets and liabilities recognised at fair value through profit or loss for which the transaction costs are recognised in income or expenses at the time of their initial recognition).

In practice, the fair value is most often the selling or transaction price of the financial instrument.

Date of initial recognition

Securities are recorded in the balance sheet at the settlement-delivery date whilst derivatives are recorded at the trading date. Changes in fair value between the trading date and the settlement-delivery date are recorded in profit or loss.

Loans and receivables are recorded in the balance sheet at the disbursement date.

3.13.2 Recognition of financial assets

According to IFRS 9, financial assets are classified according to the entity's defined accounting business model and contractual cash flow characteristics ("basic loan" criterion).

Business models

An accounting business model corresponds to the way in which a group of financial assets is collectively managed to generate revenue. Its aim is to best reflect the management practices for the assets concerned. It is identified within the Group from the objective facts that may be observed such as the analysis of the business line organisation, its information systems, its internal reports, its risk-monitoring method, or its past management decisions (for example, disposal history). There are three types of business model:

- a model which consists of holding financial assets to collect their contractual cash flows ("hold to collect" model);
- a model which consists of collecting the contractual cash flows and selling the financial assets ("Collect and Sell" model);
- a specific model for other financial assets, notably those managed for trading purposes.

The identification of a business model is supported by documentation within each Group business line.

By definition, it is very rare to change business models. Changes in business models must be decided by the business management team in agreement with the General Management in view of the internal and external changes that are significant for the business and observable by external parties. Thus, a change in business model may only correspond to the termination or launch of a significant activity. For example, it might concern the sale of a business line previously managed according to the "Hold and Collect" model: in this case, the entity no longer markets this type of financial instrument and reclassifies all the concerned assets in a "Transaction" type business model.

The reclassification of debt instruments that meet the "SPPI" test is mandatory if the business model changes and is prohibited in all other cases.

This reclassification must be carried out on a prospective basis, without restating the balance sheet or income statement for previous periods.

Moreover, the reclassification must take place at the opening date of the first financial year starting after the effective date of the change in business model.

"Basic loan" criterion or "SPPI" test

The SPPI criterion aims to ensure that the contractual cash flows generated by the instrument are solely made up of principal repayment flows and interest payments on the remaining principal owed. In other words, the instrument must be a "basic loan".

The principal is defined as the fair value of the financial instrument at the time of its initial recognition in the balance sheet.

Interest may include several components, including:

- consideration received in respect of passing time or "the time value of the money";
- consideration for the credit risk incurred on the loaned amount;
- consideration to offset the liquidity or administrative costs, and;
- the profit margin.

Financial assets that meet the "basic loan" criterion are debt instruments that notably include classical loans, fixed rate and floating rate bonds and trade receivables.

Financial assets that do not meet the "basic loan" criterion notably include debt instruments such as UCITS fund share and structured securities.

Derivative instruments and share-based or unconsolidated equity investments by definition do not comply with the "basic loan" criterion.

According to IFRS 9, financial assets are classified into one of the four categories detailed in sections 3.13.3 and 3.13.6.

3.13.3 Financial assets measured at amortised cost

Debt instruments managed with a view to collecting contractual cash flows to maturity (collection management model) and whose contractual flows consist solely of payments of principal and interest on the principal remaining due (compliance with the "Basic lending" or "SPPI test" criterion) are classified as financial assets at amortised cost.

The aim of the "Hold to Collect contractual cash flows" model is to hold assets over a long period or up to maturity to collect the contractual flows. In this business

model, few or no disposals take place. Some disposals are authorised (disposals carried out as part of an increase in credit risk, disposals close to the instrument's maturity date, frequent but insignificant disposals as well as isolated disposals even if these are significant).

Following their initial recognition, financial assets at amortised cost are recognised under the effective interest rate method and can be subject to impairment in accordance with IFRS 9.

The effective interest rate is the exact interest rate that discounts the future cash flows forecast over the expected lifetime of a financial asset to the financial asset's initial fair value. It includes the transaction costs and incidental revenue (administrative fees, commitment commissions if the drawdown is more probable than improbable or investment commissions) as well as all other premiums or discounts. It is an actuarial rate.

Within the Group, this financial asset category includes especially credit institutions and customer loans and receivables, as well as most debt securities that come under banking activity investments.

3.13.4 Financial assets measured at fair value through recyclable equity

Debt instruments held for both collecting contractual cash flows and selling (Hold to collect and sale model) and whose contractual flows are solely made up of payments of principal and interest on the remaining principal owed (compliance with the "basic loan" or "SPPI test" criterion) are classified in financial assets at fair value through recyclable equity.

These assets are recognised at their fair value at their initial recognition in the balance sheet and are subject to impairment in accordance with IFRS 9.

This category of financial instruments has the specific feature of being measured at fair value in the balance sheet, but presenting the impacts of a valuation at amortised cost in the income statement. Therefore, the changes in fair value of the asset are recorded in recyclable reserves which ensure the balance between the two accounting methods in the balance sheet and income statement. Concerning the recognition of impairment, the book value of the asset remains the fair value and is not impacted by the amount of impairment calculated. The income statement is impacted by any change upwards (expense) or downwards (income) in the amount of impairment. The counterparty to these movements is recorded in recyclable reserves.

When these securities are sold, unrealised gains or losses previously recorded in equity are recycled to the income statement under "Net gains and losses on financial assets at fair value through recyclable OCI".

3.13.5 Financial assets at fair value through non-recyclable OCI

For investments in equity instruments that are not held for trading, IFRS 9 offers an irrevocable option to classify them at fair value through non-recyclable OCI, at each instrument's first recognition date.

In this case, the unrealised gains or losses through OCI are not recycled to profit or loss if they are sold. The income statement will only be impacted if there are any dividends related to these securities.

The Group has chosen to classify its unconsolidated equity investments in this category, with the exception of the Visa securities.

Moreover, in the event of disposal, the Group has chosen to reclassify in reserves as at 1st January of the following financial year, the portion of non-recyclable reserves corresponding to any recorded gains or losses on disposal.

3.13.6 Financial assets at fair value through profit or loss

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

It includes debt securities that do not correspond to "basic loan" criteria (for example, UCITS fund shares), as well as investments in equity instruments that are not classified in the Financial assets at fair value through non-recyclable equity category.

This category also includes financial assets, including asset derivatives held for trading, i.e. acquired or issued with the aim of selling them within a short timescale. Within the Group, they notably include loans to local authorities eligible for assignment to Caffil.

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

3.13.7 Impairment of financial assets

The new impairment model defined by IFRS 9 is now based on the provisioning of expected credit losses instead of incurred credit losses and on the change of credit risk since the initial recognition of the asset.

IFRS 9 defines a single impairment model that applies to all financial assets with a counterparty risk (excluding equity instruments) not recognised at fair value through profit or loss, and notably to all financial assets measured at amortised cost and fair value through recyclable reserves. This model also applies to lease receivables, loan commitments and financial guarantees.

Accordingly, impairments representing "one-year expected credit losses", are recognised on assets at amortised cost and fair value through recyclable OCI as soon as they are recorded in the balance sheet, as long as their credit risk do not significantly increase. "One-year expected credit losses" correspond to the total losses incurred in the event of default, weighted by the probability of default within one year. These outstanding amounts come under "Bucket 1".

Outstanding amounts for which a significant deterioration in credit quality has been identified since the date they were first recognised are subject to impairment for the amount of the "expected credit loss over the remaining life of the instrument". "Expected credit loss over the remaining life of the instrument" corresponds to the total losses incurred in the event of default until maturity, weighted by the probability of default over the expected life of the instrument. These outstanding amounts come under "Bucket 2".

Financial assets which are in a default situation are downgraded to "Bucket 3" and are subject to impairment for the amount of the estimated credit loss on completion.

The impairment model for credit impaired financial assets has been adjusted to take into account the Covid-19 crisis. The adjustments are described in note 1.6.

For assets at amortised cost, the amount of expected credit losses is recognised in "Cost of risk" in the income statement and the carrying amount of the financial asset is reduced by this impairment.

Significant increase in credit risk

An increase in credit risk is a relative, and not an absolute concept. This relative approach involves, therefore, being able to monitor the change in credit quality over time.

The Group relies on a certain number of indicators (the main ones are described in note 34) to detect any deteriorations in the credit quality of a counterparty.

Bucket 1 and bucket 2 impairment methodology

The expected credit losses of a financial asset correspond to the difference between the contractual cash flows that the entity is entitled to receive and the cash flows that the entity expects to recover, discounted using the effective interest rate of the financial asset.

The cash flows that the entity is entitled to receive take into account all the contractual terms and conditions for the financial instrument over its expected lifetime (for example, early redemption options or extension), and include the cash flows from the exercise of contractual guarantees that are integral to the asset.

Expected credit losses are estimated according to the probability of the counterparty to default. The probability of default corresponds to the probability that the debtor defaults within a given time period.

For "Bucket 1", the time period is annual. For "Bucket 2", the time period is the instrument's lifetime. The methodology for calculating expected credit losses is detailed in note 34.

Within the Group, impairment on loans is statistical (by homogeneous categories sharing similar risk characteristics), with the option of adjustment by an expert in certain cases, particularly for loans granted to legal entities.

In accordance with the provisions of IFRS 9, expected credit losses are calculated according to a methodology which includes reasonable and justifiable information on past events, current circumstances and forecasts of the economic environment (the "Forward looking" component).

The "forward-looking" component is obtained using a modelled three-scenario approach. The final impairment corresponds to the average weighted by the probability of each scenario occurring.

The methodology for calculating the forward-looking component is detailed in note 34.

Defaulting loans under "bucket 3"

IFRS 9 does not impose a definition of default. On the contrary, it encourages the selection of a definition consistent with that selected by the entity as part of its risk management policy.

European Banking Authority (EBA) guidelines concerning application of the definition of default in Article 178 of Regulation (EU) 575/2013, applicable from 1 January 2021, and the provisions of Regulation (EU) 2018/1845 of the European Central Bank in relation to the threshold for assessing the materiality of credit obligations past due, applicable from 31 December 2020 at the latest, will strengthen overall consistency in the practices of European credit institutions as regards the identification of defaulted loans.

The definition of defaulted loans will be clarified by the introduction of a relative threshold and an absolute threshold to be applied to payments past due for the purpose of identifying situations of default, clarifying the criteria for reclassifying loans as performing after a probationary period, and introducing explicit criteria for classifying restructured loans as defaulted loans. La Banque Postale Group applied these new guidelines for the purpose of identifying defaulted loans since 2020. The clarifications are consistent with the criteria used to assess the impaired status of "Bucket 3" loans by applying the impairment requirements of IFRS 9 relating to the recognition of expected credit losses. The changes resulting from the application of these new guidelines for identifying defaulted loans were not material. In addition to identifying defaulted loans on the basis of regulatory criteria applicable to payments past due, a financial asset is considered to be credit impaired when a credit event has occurred that is indicative of financial difficulties.

The Group considers the following as objective evidence of default:

- the existence of one or several payments in arrears of over three months;
- an application for a debt management plan has been filed with the Banque de France, even if there are no payment issues;
- the existence of legal proceedings;
- receivables considered to be "high risk" in view of its risk management policy.

In the scope of home loans, the outstandings in default are weighted by the parameter of "best estimate of the expected loss on the exposure in default" adjusted to account for certain elements (notably the removal of the overweights taken into account in the risk monitoring analysis such as the impact of an economic slowdown, for example). This parameter is calculated according to the duration of the default and the type of guarantee.

In the scope of leasing and loans to legal entities, the specific provisioning of outstandings is monitored on a monthly basis and adjusted by expert appraisal if applicable. An impairment is then recognised up to the difference between the book value and the expected cash flows that are discounted at the original effective interest rate. The expected cash flows take account of the debtor's financial position and the present value of any guarantees received.

Loans no longer classified into Bucket 3

In the scope of home loans

In the event of reassessment of impaired home loans, all or part of the expected credit loss allowance may be reversed and the loan removed from Bucket 3 when all arrears have been settled and at least three consecutive monthly instalments have been paid on time.

In the scope of leasing and loans to legal entities,

Removal from "Bucket 3" may be effective after a probationary period corresponding to a period without credit incidents (90 days, except for restructured credits operations for which the probationary period to exit bucket 3 is 12 months).

Write-offs

Writing off a financial asset means reducing its gross carrying amount when there is no longer a reasonable expectation of recovering the asset in its entirety or a portion thereof, or when repayment of all or part of the amount due has been waived. The decision about when to write off a financial asset is guided by informed judgement and relies on expert opinion based on its knowledge of the matter (period over which the loan has been in default, loss allowance, amount involved, lack of any recent recoveries or other specific details). Amounts are only written off when all attempts at recovery and all possible solutions have failed.

Restructuring operations

Restructured receivables are receivables for which the entity has modified the original financial conditions due to the borrower's financial difficulties.

Restructuring is defined according to two main criteria:

- concessions granted by the institution;
- financial difficulties for the borrower.

The rate discount recognised when a receivable is restructured is recorded in cost of risk and as a corresponding reduction in outstandings in the balance sheet. It corresponds to the difference between the nominal value of the receivable before restructuring and the value of the new expected future cash flows discounted at the original effective interest rate. The discount is recorded in the income statement in the interest margin according to an actuarial rhythm over the duration of the loan.

Any cancellation of capital is directly recognised in profit or loss.

3.13.8 Derecognition of financial assets

Financial assets are derecognised 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.

Within the Group, most loan renegotiations result in derecognition, as the contractual rights are substantially modified.

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 derecognition of the loaned securities. They continue to be recognised in their original accounting category and valued accordingly.

3.13.9 Financial debts

General principle for classifying financial debts

By default, all financial liabilities are classified in the amortised cost category.

At the closing date, these debts are recorded in the balance sheet either as "Liabilities to credit institutions", either as "Liabilities to customers", either as "Debts evidenced by a certificate" either as "Subordinated debt".

These debts are measured at amortised cost unless they are subject to fair value hedging.

Liabilities to credit institutions and customers

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

Debt securities

Debt securities consist of negotiable debt securities issued.

Subordinated debt

Subordinated debt includes debt for which the repayment, in the event of liquidation of the debtor, is only possible if the claims of other preferred or unsecured creditors have been met. This debt is measured at amortised cost unless it is subject to fair value hedging.

Financial liabilities at fair value through profit or loss

Financial liabilities recognised in this category correspond to the financial liabilities held for trading, including derivative liabilities, as well as liabilities that the Group designated from initial recognition to be measured at fair value through profit or loss by application of the option offered by IFRS 9, subject to compliance with the following conditions:

- elimination or significant reduction in accounting mismatches. The Group thus measures some structured issuances at fair value through profit or loss;
- a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis;
- hybrid financial liabilities comprising one or more embedded derivatives that are not closely related;

The accounting treatment for financial liabilities for which this option has been exercised is as follows:

- changes in the fair value of these liabilities are recognised in profit or loss except for the portion relating to the Group's own credit risk.
- changes in the fair value relating to the Group's own credit risk component are recognised in non-recyclable reserves. This portion won't be recycled in profit or loss in case of an early redemption of the debt.

Financial liabilities with embedded derivatives

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

Reclassification of financial liabilities

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the contractual obligation is settled, cancelled, or expired.

3.13.10 Financial derivatives and hedge accounting

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

- its value fluctuates according to interest rates, the price of the financial instrument, raw materials' prices, an exchange rate, a price index, a credit rating or credit index, or another underlying variable;
- it requires a low or zero initial investment or one that is lower than a non-derivative financial instrument with the same sensitivity to the underlying changes;
- it is settled at a future date.

Derivatives are classified into two categories:

Derivatives held for trading

Derivatives belong to the category of financial instruments held for trading, 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 outstanding are recognised in "Net gains or losses on financial instruments at fair value through profit or loss".

Hedging derivatives

While waiting for the macro-hedging standard to take effect, IFRS 9 permits to defer the application of hedge accounting new requirements. However, the Group has decided to apply the IFRS 9 micro-hedging requirements as of January 1, 2020.

With regard to macro-hedging, the European Union's provisions relating to the fair value hedging of a portfolio of interest rate items continue to apply.

Hedging derivatives that qualify as hedging instruments according to IFRS 9 (IAS 39 for macro-hedging) criteria are classified in the "Fair value hedges" or "Cash flow hedges" or "net investment hedge" category, as applicable. They are recognised in the balance sheet as "Hedging derivatives". Other derivative instruments are classified in "Financial assets or liabilities at fair value through profit or loss" by default, even if they have been set up for an economic hedge of one or several transactions.

Classifying a financial instrument as a hedging derivative requires the Group to formal designation and documentation of the hedging relationship (strategy for undertaking the hedge designation of the hedged risk, the hedged item and the hedging instrument, description of the hedge effectiveness).

Hedge effectiveness is assessed when the hedge is set up and at each reporting date while it remains in place.

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

Fair value hedges

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

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

When the hedging instrument is sold, hedge accounting is discontinued prospectively; the instrument is recorded at fair value in "Financial assets at fair value through profit or loss" or "Financial liabilities at fair value through profit or loss" and the cumulative gain or loss on the hedged item is amortised over the remainder of the initial hedging period.

When 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 designated as fair value hedges for the Group's fixed rate resources.

Macro-hedging derivatives are accounted for using the same principles as those described above. The revaluation of the hedging component is recognised in "Revaluation adjustment on rate hedged portfolios".

Cash flow hedges

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

The effective portion of changes in the fair value of the hedging instrument is accumulated on a specific line in

equity, while the ineffective portion is recognised in profit or loss under "Net gains and losses on financial instruments at fair value through profit or loss."

The portion corresponding to the rediscounting of the financial derivative is recognised 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 their accounting category.

When the hedging instrument is sold, hedge accounting is discontinued. The aggregate amounts registered 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.

If the hedged item is sold or redeemed or the hedged future transaction is no longer expected to occur, 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.

Hedging of a net investment denominated in foreign currencies

The hedging of a net investment denominated in foreign currencies is intended to protect against exchange rate fluctuations when a net investment is denominated in a currency other than the euro.

A hedge of a net investment is recognised as a hedge of future cash flows.

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

3.13.11 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and a net balance is presented in the balance sheet if and only if the Group has a legally enforceable right to offset the recognised amounts and provided it intends to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must be irrevocable and must be enforceable under all circumstances.

This right applies to all transactions carried out with the clearing house and applies to the nominal amount of cash and interest included in the refund flow.

Transactions on repurchase agreements whose principles of operation meet the two criteria required by the standard, are offset in the balance sheet when:

- they have the same maturity dates;
- they are carried out in the same currency;
- they are settled through a settlement / delivery system guaranteeing delivery of securities against receipt of the associated meaning the same centra custodian.

Offsetting mainly concerns repurchase agreement transactions carried out with LCH Clearnet clearing house.

3.13.12 Guarantee commitments

Financial guarantees contracts

According to IFRS 9, 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 incurs as a result of failure by a specified debtor to make a payment on a debt instrument.

The financial guarantees provided are valued at their initial fair value at the date on which they were issued. They are subsequently valued at the higher of the amount of the commitment and the amount initially recorded, less the related fee income, where applicable. Moreover, the financial guarantees given (which are not recognised later at fair value through profit or loss) are subject to the impairment requirements of IFRS 9 with any loss allowance recognised in liabilities in the balance sheet. The same "bucket" categorisation and provisioning principles as those described for financial assets at amortised cost or fair value through recyclable reserves are applied for these outstanding instruments. Changes in loss allowance are recognised in cost of risk.

3.13.13 Financing commitments

Financing commitments that are not considered to be derivative instruments do not appear in the balance sheet.

However, like financial guarantees granted, financing commitments (that are not considered as derivatives) are subject to the impairment requirements of IFRS 9 with any loss allowance recognised in liabilities in the balance sheet.

3.13.14 Leases where the Group is lessor

On the lessor's side, leases are accounted for as finance leases or operating leases.

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

The present value of the payments due under the contract, plus any residual value, is recorded as a receivable and included in the balance sheet under loans and receivables from customers.

The interest included in the rental income is recorded in the income statement under "Interest and similar income".

The rents received are apportioned over the term of the finance lease by dividing them into capital amortisation and interest, so as to achieve a constant periodic rate of return on the net investment. The interest rate used is the interest rate implicit in the contract.

Rental receivables from leases are also subject to the credit risk impairment methodology defined by IFRS 9. The same "bucket" categorisation and provisioning principles as those described for financial assets at amortised cost or fair value through recyclable reserves are applied for these outstanding instruments. Changes in loss allowance are recognised in cost of risk.

3.13.15 Insurance activities

The overlay approach

The financial assets and liabilities of the fully-consolidated insurance subsidiaries are assessed and recognised according to the requirements of IFRS 9 and presented according to the overlay approach.

The overlay approach aims to remedy the temporary accounting consequences of the time lag between the date of entry into force of IFRS 9 and that of the new standard on insurance policies replacing IFRS 4 (IFRS 17). It eliminates from the income statement some of the additional accounting mismatches and temporary volatility that could be generated by the application of IFRS 9 before the entry into force of IFRS 17.

This approach consists of reclassifying, for the designated financial assets, their impact on the income statement as gains and losses recognised directly in equity so that the amount reported in the income statement is the same as if IAS 39 had been applied to the designated financial assets.

Application of IFRS 4

While awaiting the forthcoming IFRS 17 Insurance Standard, the subsidiaries continue to apply IFRS 4 to the following contracts:

- insurance policies that include a contingency clause for the policy holder. This category includes death and disability policies, pension contracts, property damage policies, unit-linked savings policies with a capital guarantee;
- 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 accounted for in accordance with IFRS 9 are contracts unit-linked savings contracts without a traditional savings component and without a capital guarantee.

Pursuant to the "shadow" accounting principles set out in IFRS 4, a deferred profit-sharing provision is recorded for insurance policies that include a discretionary profit-sharing 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 fully consolidated 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.

Technical and mathematical provisions

Technical provisions represent commitments to policyholders.

- Mathematical provisions on euro-denominated policies correspond to the difference between the present value of the insurer's obligation and that of the policyholder.
- 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.

- Mathematical 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.
- The provisions for contractual equalisation are constituted to meet the exceptional expenses related to operations guaranteeing risks due to natural elements, atomic risks, civil liability risks due to pollution, spatial risks, risks associated with air transport, and risks associated with terrorist attacks and terrorism.
- The other provisions notably include provisions for claims and damages to be paid. The assessment of these provisions is based on the estimated value of foreseeable expenses net of any recoveries.

Active deferred participation

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, in addition to the guaranteed income. 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 measured at fair value. 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 gains or unrealised gains, based on the Group going concern assumption, 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 using current estimates of future contractual 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 wide range of economic scenarios using a stochastic approach.

In accordance with the recommendation on methods for recognising deferred participation assets issued by the French National Accounting Council, or CNC, on 19 December 2008, recoverability of this asset is based on a prudent assessment of the capacity for holding the underlying assets, particularly in terms of projections of future cash inflows. Likewise, the capacity of future

returns to absorb unrealised losses was tested, based on unfavourable and unprecedented surrender rates.

Acquired policies portfolio of insurance entity

On acquisition of an insurance business, the insurance liabilities assumed and related insurance assets acquired are measured at fair value. Under IFRS 4, the net fair value may be allocated between:

- a liability measured in accordance with the insurer's accounting policies for insurance contracts written by the insurer;
- an intangible asset for the Value of Business Acquired (VOBA), representing the difference between:
 - the fair value of the contractual rights acquired and contractual obligations assumed, and
 - the above liability.

Contribution of the insurance activities to the Group's financial statements

The Group has chosen not to present the insurance activities in separate line items on the assets side of the balance sheet and in the income statement but to provide this information in the existing balance sheet and income statement items.

Specific information on the insurance activities is provided in note 39 "Additional details on banking and insurance activities".

Insurance investment

The investments are mainly included in the following items:

- Financial assets at fair value through profit or loss;
- Assets designated at fair value through equity;
- Securities classified at amortised cost;
- Customer loans and receivables at amortised cost;
- Investment property.

Other insurance-related assets

- The reinsurers' share of the technical provisions is included in "Accrual accounts - assets";
- The receivables arising from insurance and reinsurance transactions are included in "Accrual accounts - assets".

Technical provisions for the insurance activities and shadow accounting

They include, in particular:

- Technical provisions relating to insurance contracts (life, non-life);
- Deferred profit-sharing liabilities.

Other insurance liabilities

The liabilities arising from insurance and reinsurance transactions are included in "Accrual accounts - liabilities". They consist mainly of liabilities for cash deposits received from assignees.

Income and expenses insurance-related

- The income and expenses related to the investments of the insurance activities are included in the income statement items relating to the classification of the underlying assets;
- The income relating to the insurance activity (premiums earned from insurance contracts and financial contracts with or without discretionary profit sharing) is classified under "Income from other activities";
- The expenses relating to the insurance activity (insurance service charges, changes in provisions) are classified under "Expenses from other activities".

3.14 Distinction between debt and equity instruments

Distinction between debt and equity instruments

Distinction between debt instruments and equity instruments relies on the analysis of the substance of the contractual arrangement of each instrument.

Non-derivative debt instruments are contractual obligations of the issuer to deliver cash or another financial asset to another entity or to exchange instruments under conditions that are potentially unfavourable to the issuer.

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

Perpetual deeply-subordinated securities

Subordinated securities are classified as debt or equity instruments based on the analysis of their features, and more specifically according to whether or not their remuneration is discretionary.

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

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

3.15 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".

3.15.1 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 documented in a fair value hedge relationship.

Bonds designated at fair value through profit or loss

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

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

Bonds documented in a fair value hedge relationship

Some bonds are designated as subject to fair value hedging through "fixed-for-floating" swaps. The application of fair value hedge accounting leads to the recognition in profit or loss of (i) the change in the fair value of hedging swaps, and (ii) the change in the value of the efficient portion of the hedging swap, as an adjustment to the value of the bond. These effects offset

one another where the effective 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.

3.15.2 Bonds measured at amortised cost

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

3.15.3 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 IFRS 9 regarding the termination of hedges.

3.16 Lease Liabilities

Lease liabilities recognised in the balance sheet are the result of the adoption of IFRS 16 from 1 January 2019 (see note 28).

3.17 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 it 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.

3.18 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.

3.19 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.

3.20 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 (CEL) and plans (PEL) 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.

They generate two types of commitments for the distributor institution:

- obligation to pay interest on deposits for an undetermined period of time at a fixed rate for Home Loan Savings Plans (PEL) opened before 28 February 2011, and at a rate that is reviewed annually for new generations;
- obligation to grant loans to customers at a rate fixed upon signature of the contract.

These commitments, with potentially unfavourable consequences for the Group, are subject to provisions presented in liabilities in the balance sheet (under "Provisions"), with changes recorded under net banking income in interest margin.

The provisions are estimated based on customers' behavioural statistics and market data for each generation of plan in order to hedge the future expenses associated with the potentially unfavourable conditions of these products compared to the interest rates offered to retail customers for similar products that are unregulated in terms of compensation. They only concern commitments related to home loan savings accounts and plans that exist at the provision calculation date.

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, commitments that may be provisioned include outstandings on 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 of 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.

3.21 Employee benefits

3.21.1 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.

3.21.2 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.

3.22 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.

3.23 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 on the one hand and the flows associated with non-banking business activities on a separate basis on the other (including the business unit of La Poste providing staff to La Banque Postale).

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

La Banque Postale sub-group's cash flows (including cash held at post offices) 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 (excluding flows related to subordinated debts) 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 customers;
- cash flows relating to liabilities to credit institutions;
- acquisitions and disposals of securities in the investment portfolio;
- cash flows relating to loans and advances;
- changes in the fair value of financial instruments.

Operating activities are the main revenue-generating activities and any other activities other than those defined as investing or financing activities.

Cash flows from operating activities are determined using the indirect method.

The calcul of EBITDA is detailed in note 40.10.

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 4 CHANGES IN THE CONSOLIDATION SCOPE

- 4.1** Main acquisitions of control and shareholdings
- 4.2** Main purchases of non-controlling interests
- 4.3** Income statement at constant scope and exchange rates

The scope of consolidation is shown in note 43.

4.1 Main acquisitions of control and shareholdings**Takeover of Speedy AD**

In March 2021, Le Groupe La Poste (GeoPost business unit) took control of the Bulgarian company Speedy Ad following a takeover bid launched in February 2021. The company was previously held at 24.8% and accounted for as an equity associate in the Group's accounts. The company is now exclusively controlled by the Group with a percentage holding of 69.8% and is fully consolidated as of 1 April 2021. The takeover generated additional goodwill of €93 million (see note 15) including the revaluation of the previous shareholding for €18 million (see note 12). The company's business represented revenue of approximately €120 million since his entry in the Group. With this acquisition, the Group strengthens its position in the parcel/express market in Bulgaria and Romania.

Acquisition of the life insurance of Aviva in Italy

On 1 December CNP Assurances finalised the acquisition, initiated on 4 March 2021, of certain Italian life insurance activities of Aviva. The acquisition price amounts to €543 million.

The scope of the transaction includes:

- 51% of the life insurance company Aviva SpA (now called CNP Vita Assicura), 49% co-owned by UniCredit;
- 100% of the life insurance company Aviva Life SpA (now called CNP Vita Assicurazione).

These agreements reflect a takeover by CNP Assurances on 31 December 2021. Consequently, the entities are consolidated using the equity method between 1 and 30 December 2021, and then fully consolidated from 31 December 2021. The first consolidation using the equity method generated a badwill of €45 million recognised in the income statement in the share of profit of jointly controlled entities. This takeover resulted in an increase in the share of non-controlling interests in the shareholders' equity by €436 million.

Equity investment in ARAMEX

In October 2021, as part of its international development, Le Groupe La Poste (GeoPost business unit) acquired a 25% stake in Aramex, an Emirati multinational logistics, courier and parcel delivery company based in Dubai. The goodwill included in the value of the investments in equity associates is estimated at around €267 million. The company's revenue amounted to approximately €1,4 billion in 2021. The company is accounted for using the equity method in the Group's financial statements from October 2021.

Increase in ownership in Ninja Van

In September 2021, Le Groupe La Poste (GeoPost business unit) strengthened its presence in South-East Asia by being the first investor in Ninja Van's latest fundraising (totalling \$578 million). As Ninja Van was already accounted for under the equity method in the Group's financial statements, this transaction resulted in an increase in the percentage of interest from 36.6% to 43.3%. The goodwill included in the value of the investments in equity associates increased by €97 million to reach €159 million.

4.2 Main purchases of non-controlling interests**Acquisition of BPCE's stake in CNP Assurances.**

On 16 December, La Banque Postale acquired BPCE's stake in CNP Assurances, i.e. 16.1%, for €2.4 billion (€21.90 per share). Following this transaction, La Banque Postale's stake in CNP Assurances is now 78.9%.

In the consolidated financial statements, since CNP Assurances is already under the exclusive control of the Group, the transaction generates a reduction in non-controlling interests up to their book value, i.e. €2,974 million. As this value is higher than the amount paid out, the surplus results in an increase in shareholders' equity Group share of €543 million.

Purchase of non-controlling interests in eShopworld (« US Direct eCommerce Holding Ltd »)

In March 2021, Asendia, 60%-controlled by Le Groupe La Poste, purchased the non-controlling interests in eShopworld (legal name: US Direct eCommerce Holding Ltd), a company incorporated under Irish law in which Asendia held a 50.1% stake and which it already controlled. Following the transaction, Le Groupe La Poste and its subsidiary Asendia now hold 60% and 100%, respectively, in eShopworld.

As eShopworld was already under the control of Le Groupe La Poste before the transaction, no additional goodwill was recognised in the financial statements. The acquisition price as well as the acquisition costs were recorded as a €694 million reduction of the consolidated shareholders' equity, of which €416 million from the Group share and €278 million from non-controlling interests.

In addition, as part of the financing of the transaction, a perpetual loan was granted to Asendia by its minority shareholder Swiss Post in the amount of €198 million. This perpetual loan was classified as non-controlling interests in the consolidated equity as its characteristics fully meet the criteria for qualifying as an equity instrument in accordance with IFRS 9 (see table of changes in consolidated equity).

4.3 Income statement at constant scope and exchange rates

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.

	Reported net profit/(loss)		Restated net profit/(loss) excluding scope and exchange rate effects	
(€ million)	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Revenues and NBI	34,609	31,185	33,927	30,968
Purchases and other expenses	(15,490)	(13,686)	(15,271)	(13,549)
Personnel expenses	(14,154)	(13,841)	(13,995)	(13,819)
Taxes and levies	(449)	(439)	(438)	(439)
Amortisation, provisions and impairment	(1,772)	(3,736)	(1,710)	(3,721)
Other operating expenses and income	577	535	575	536
Proceeds from asset disposals	23	84	23	84
Net operating expenses	(31,265)	(31,084)	(30,816)	(30,908)
Share in results of joint ventures	87	41	50	42
CURRENT OPERATING PROFIT/(LOSS) AFTER SHARE IN RESULTS OF JOINT VENTURES	3,431	142	3,161	102

Transition from actual data to data at constant scope and exchanges rates :

(€ million)	31/12/21		31/12/20	
	Operating revenue	Operating profit/(loss)	Opérateur revenue	Operating profit/(loss)
Published consolidated financial statements	34,609	3,431	31,185	142
Impact of changes in scope and changes :				
CNP Assurances ^(a)	402	211	-	-
Speedy AD	121	16	-	-
Exchange rate effect ^(b)	-	-	29	37
Other	159	43	188	3
Consolidated financial statements excluding scope and exchange rate effects	33,927	3,161	30,968	102

(a) This restatement corresponds to the neutralization of CNP Assurances' contribution to operating income and recurring operating income for the months of January and February 2021 in order to make the data of 2021 comparable with that of 2020, as CNP Assurances was consolidated from March 1, 2020.

(b) The amounts of €29 and €37 million restated in 2020 correspond to the impact of recalculating revenues and operating income using the average exchange rates of 2021.

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 in France (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 Colissimo brand ▪ International mail (including e-commerce activity carried out by Asendia) ▪ Silver activity for personal and health assistance ▪ 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 and Seur ▪ International mail (including e-commerce activities held by Asendia)
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 (division of La Poste)
Retail customer and Digital Services	<ul style="list-style-type: none"> ▪ Sale and distribution activities intended for the general public ▪ La Poste Mobile activities ▪ Other non-Group products
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

As stated in the significant events, the Retail Customers and Digital Services business unit was created in 2021, in particular by merging the La Poste Network and Digital Services business units, as well as by transferring to the new business unit the retail customers activities of the Services-Mail-Parcels business unit (see Section 1.7).

In addition, Asendia, as well as its various subsidiaries (international mail and e-commerce activities) were transferred in 2021 from the Services-Mail-Parcels operating segment to the GeoPost operating segment.

The data for 2020 have been restated according to the new segmentation.

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 and note 3.

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 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 interconnected, 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).

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.

2021	Retail Customer and Digital Services								Total
(€ million)	Services-Mail-Parcels	GeoPost	La Banque Postale	Real Estate	Shared Services	Unallocated ^(a)	Eliminations		
Non-Group revenues and NBI	8,353	14,598	7,992	36	4	117	0	34,609	
Inter-segment revenues and NBI	2,267	103	25	787	1,255	0	(7,651)	0	
Operating revenue	10,620	14,701	8,017	824	1,258	117	(7,651)	34,609	
Share in results of joint ventures	0	3	89	0	0	0	0	87	
Current operating profit/(loss) after share in results of joint ventures	1,246	1,057	1,642	95	(266)	(505)	7	3,431	
Financial profit/(loss)	0	0	0	0	0	(202)	0	(202)	
Income tax	0	0	0	0	0	(620)	0	(620)	
Share in profits of associates	(1)	(21)	10	2	(1)	0	0	(12)	
CONSOLIDATED NET PROFIT/(LOSS)								2,597	
Depreciation, amortisation, provisions and impairment	605	(736)	(912)	(465)	(160)	0	0	(1,772)	
Segment assets	3,968	12,005	771,794	4,397	10,103	(7,510)	0	796,365	

2020 restated ^(b)	Retail Customer and Digital Services								Total
(€ million)	Services-Mail-Parcels	GeoPost	La Banque Postale	Real Estate	Shared Services	Unallocated ^(a)	Eliminations		
Non-Group revenues and NBI	7,624	12,707	7,707	24	4	0	0	31,185	
Inter-segment revenues and NBI	2,101	93	17	808	1,192	0	(7,345)	0	
Operating revenue	9,726	12,800	7,724	833	1,196	0	(7,345)	31,185	
Share in results of joint ventures	0	(0)	48	0	0	0	0	41	
Current operating profit/(loss) after share in results of joint ventures	(1,034)	848	1,451	81	(243)	(708)	(9)	142	
Impact of takeover of CNP Assurances	0	0	3,007	0	0	0	0	3,007	
Operating profit/(loss)	(1,034)	848	4,457	81	(243)	(708)	(9)	3,149	
Financial profit/(loss)	0	0	0	0	0	(243)	0	(243)	
Income tax	0	0	0	0	0	(880)	0	(880)	
Share in profits of associates	0	(9)	641	2	0	0	0	635	
CONSOLIDATED NET PROFIT/(LOSS)								2,660	
Depreciation, amortisation, provisions and impairment	(1,152)	(693)	(1,165)	(453)	(157)	0	0	(3,736)	
Segment assets	3,441	10,556	735,989	4,015	8,529	(5,831)	0	758,132	

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

(b) The segment reporting information 2020 has been restated based on the new segmentation set up in 2021 (see note 5.1).

5.2.2 Balance sheet by operating segment

31/12/2021 (€ million)	Services-Mail-Parcels	GeoPost	La Banque Postale	Retail Customer and Digital Services	Real Estate	Shared services	Eliminations	Total
ASSETS								
Intangible and tangible assets and goodwill	1,347	5,258	6,401	824	3,044	526	(12)	17,388
Right of use assets	122	2,376	143	64	971	23	0	3,700
Equity associates	0	907	948	(0)	44	1	0	1,900
Other non-current assets	42	134	527	22	13	5,995	(6,027)	706
Current assets	2,457	3,330	969	698	324	3,558	(1,293)	10,044
Specific assets of banking and insurance activities	0	0	762,806	0	0	0	(178)	762,628
TOTAL	3,968	12,005	771,794	1,608	4,397	10,103	(7,510)	796,365
Investments (a)	295	1,419	1,192	170	237	196	0	3,509
LIABILITIES								
Equity	0	0	0	0	0	32,650	0	32,650
Bonds and other financial debt (current and non-current)	617	4,004	0	556	1,142	10,304	(6,473)	10,149
Lease liabilities	141	2,500	0	72	1,023	24	0	3,760
Other non-current liabilities	3,732	3,140	5,023	1,730	341	925	(563)	14,328
Other current liabilities	(0)	43	151	4	0	235	0	433
Specific liabilities of banking and insurance activities	0	0	735,466	34	0	0	(455)	735,045
TOTAL	4,490	9,687	740,640	2,396	2,506	44,137	(7,490)	796,365

31/12/2020 restated (b) (€ million)	Services-Mail-Parcels	GeoPost	La Banque Postale	Retail Customer and Digital Services	Real Estate	Shared services	Eliminations	Total
ASSETS								
Intangible and tangible assets and goodwill	793	4,763	6,104	780	3,126	471	(12)	16,024
Right of use assets	132	2,087	105	63	608	22	0	3,017
Equity associates	(0)	209	696	0	30	0	0	935
Other non-current assets	50	146	(64)	21	10	4,627	(4,148)	643
Current assets	2,466	3,350	1,028	570	241	3,408	(1,480)	9,584
Specific assets of banking and insurance activities	0	0	728,120	0	0	0	(191)	727,929
TOTAL	3,441	10,556	735,989	1,434	4,015	8,529	(5,831)	758,132
Investments (a)	346	1,063	3,642	179	215	121	0	5,565
LIABILITIES								
Equity	0	0	0	0	0	32,102	0	32,102
Bonds and other financial debt (current and non-current)	491	2,996	0	469	1,142	9,111	(5,317)	8,891
Lease liabilities	144	2,186	0	73	1,082	23	0	3,509
Other non-current liabilities	3,950	2,922	5,291	1,698	328	766	(618)	14,337
Other current liabilities	4	152	97	3	(0)	251	0	506
Specific liabilities of banking and insurance activities	0	0	699,329	70	0	0	(612)	698,788
TOTAL	4,588	8,256	704,717	2,313	2,552	42,252	(6,547)	758,132

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

(b) The segment reporting information 2020 has been restated based on the new segmentation set up in 2021 (see note 5.1).

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.

31/12/2021	European Union (excluding France)			Total
(€ million)	France	European Union (excluding France)	Other	Total
Revenues from commercial activities	13,630	7,684	5,303	26,617
Net banking income	6,803	503	687	7,992
OPERATING REVENUE	20,433	8,187	5,989	34,609
Segment assets	711,017	58,191	27,157	796,365
Investments ^(a)	2,995	367	148	3,509

2020	European Union (excluding France)			Total
(€ million)	France	European Union (excluding France)	Other	Total
Revenues from commercial activities	12,219	6,676	4,583	23,478
Net banking income	6,595	382	730	7,707
OPERATING REVENUE	18,814	7,058	5,313	31,185
Segment assets	704,012	30,508	23,612	758,132
Investments ^(a)	396	287	4,882	5,565

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

NOTES TO THE INCOME STATEMENT

NOTE 6 REVENUES

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

(€ million)	31/12/2021	31/12/2020
Services-Mail-Parcels	8,353	7,624
GeoPost	14,598	12,707
Retail Customer and Digital Services	3,510	3,118
Real Estate and Shared services	157	28
TOTAL	26,617	23,478

Total revenue includes in particular in 2021:

- the compensation obtained from the State for the Universal Postal Service for 520 million euros (see note 1.3), ventilated between the branches according to their contribution to the cost of the Universal Postal Service (303 million euros for the Parcel Mail Service, 174 million euros for the Retail Customer and Digital Services branch and 43 million euros for the Shared services),
- the compensation obtained from the State for territory development for 74 million euros (see note 1.3), is entered on the "Real estate and Shared services" line.

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

NOTE 7 NET BANKING INCOME

The Group's net banking Income broke down as follows:

(€ million)	2021	2020
Interest and similar income	5,825	4,425
Interest and similar expenses	(1,879)	(1,839)
Commission income	2,203	2,239
Commission expenses	(3,460)	(3,033)
Net gains and losses	12,758	5,102
- Financial instruments at fair value through profit or loss	13,966	4,962
- Financial instruments at fair value through equity	(1,208)	(157)
- Derecognition of financial assets at amortised cost ^(a)	0	297
Income from other activities	33,467	23,717
Expenses from other activities	(39,847)	(22,226)
Impact of the overlay approach (gross impact)	(1,074)	(679)
TOTAL	7,992	7,707

(a) In 2020, given the context of persistently low interest rates and the extremely low level of early repayments and renegotiations the Bank had to review the rules about the sale of real estate loans. As a result, the duration of these loans has been extended. In order to maintain its risk profile, fixed-rate debt securities of the ALM portfolio were sold during the year of 2020 without calling into question the portfolio management model.

NOTE 8 PURCHASES AND OTHER EXPENSES

Purchases and other expenses broke down as follows:

(€ million)	2021	2020
External services and general sub-contracting	4,126	3,542
Purchases	1,146	890
Outsourced transport	7,772	7,038
International mail delivery services	535	496
Rental expenses ^(a)	364	326
Maintenance and repair costs	636	576
Telecommunications expenses	215	205
Travel and assignments	110	100
Other expenses	587	514
TOTAL	15,490	13,686

(a) This line item only includes rents for lease contracts which have not been restated under IFRS 16 (mainly short-term leases or leases for low-value assets), as well as rental costs (see note 18.3).

NOTE 9 PERSONNEL EXPENSES AND HEADCOUNT

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

(€ million)	2021	2020
Wages and salaries, bonuses and allowances	10,647	10,105
Pension contributions	634	812
Other social security contributions	1,953	1,864
Employee welfare costs	217	235
Change in post-employment provisions ^(a)	27	17
Change in provisions for social security contingencies and staff litigation	1	(2)
Change in other employee provisions	(43)	91
Compensation-based taxes and duties	718	720
TOTAL	14,154	13,841
Average headcount (full-time employee equivalent per year)	244,980	248,906

(a) with the exception of actuarial gains and losses recognized directly in other comprehensive income (see changes in consolidated equity).

The “**Pension contributions**” line item corresponds to contributions paid in to post-employment defined benefits plans. Since the implementation in 2006 of the new system for funding pension benefit obligations for civil servants assigned to La Poste, this line item includes the full discharge contribution provided for by law in relation to the funding arrangements for the pensions of government employees.

NOTE 10 TAXES AND LEVIES

Taxes and levies consist of the following item

(€ million)	2021	2020
Local taxes	119	151
Other taxes and levies ^(a)	329	288
TOTAL	449	439

(a) Of which in 2021, €92 million for non-deductible VAT on lease contracts and in 2020 €83 million..

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 2021 a 99% reduction in its corporate tax base for all local taxation (property tax and Territorial Economic Contribution) accordance with the provisions of Article

1635 sexies of the French General Tax Code and Decree No. 2021-1786 of 23 December 2021.

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)	2021	2020
Net depreciation and amortisation	2,302	1,972
Intangible assets ^(a)	712	536
Tangible assets ^(a)	794	716
Right of use assets ^(a)	796	720
Net provisions and impairment ^(e)	(799)	1,091
Goodwill ^(b)	0	33
Right of use assets ^(a)	(406)	416
Intangible assets, property, plant and equipment ^(a)	(460)	594
Inventories ^(c)	4	1
Accounts receivable ^(c)	(1)	24
Losses on unrecoverable receivables	26	28
Provisions for contingencies and losses ^(d)	39	(5)
Cost of risk (Banking activities) ^(e)	268	674
Cost of risk and other impairments, charges and risks (Banking activities)	170	548
Banking activities cost of risk – unrecoverable receivables	98	126
TOTAL	1,772	3,736

(a) A description of the changes in the depreciation, amortisation and impairment of non-current assets is provided in notes 16, 17 and 18. Increases of provisions and reversal of provisions on right of use mainly concern the Mail CGU (see note 18 and note 1.4).

(b) The impairment of goodwill is broken down in note 15.2.

(c) A breakdown of changes in the impairment of inventories and accounts receivable is provided in note 23.

(d) Changes in provisions for contingencies and losses are detailed in note 27.

(e) See the comments in the significant event of the year (note 1.6) on the impact of the covid 19 crisis.

NOTE 12 OTHER OPERATING INCOME AND EXPENSES

Other operating revenue and expenses broke down as follows:

Income/(expenses) (€ million)	2021	2020
Capitalised production ^(a)	427	353
Royalties	(71)	(55)
Revenues recorded following an acquisition of control ^(b)	18	76
Other current operating revenue and expenses	202	161
TOTAL	577	535

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

(b) In 2021, €18 million linked to the takeover of Speedy. And in 2020, €45 million impact of the revaluation of the previously held investment in BRT and €24 million impact of the revaluation of the previously held investment in Lenton.

The impact on the operating profit/(loss) for 2020 of the takeover of CNP Assurances on 4 March 2020, i.e. an income of €3,007 million, has been classified on a specific line of the income statement in view of its significant amount. The transactions leading to this takeover are described in note 26.

The income recorded breaks down as follows:

- impairment of the value of the securities previously accounted for by the equity method in relation to the share price of CNP Assurances on the day of the transaction, i.e. €1,571 million, amount representing the difference between the value of the investments in equity associates (€3,504 million) and the market value (€1,933 million),
- the recognition of goodwill for an amount of €4,578 million corresponding to the difference between, firstly, the Group's share of the net assets of CNP Assurance valued at fair value (determined as part of the acquisition price allocation), i.e. €10,538 million, and, secondly, all the securities held valued at the market price of the day of the transaction, i.e. €5,960 million.

The reclassification under net profit/(loss) of the Group's share in the translation reserves and unrealised gains and losses of CNP Assurances before the transaction generated revenue of €594 million in 2020 included in the "Share of profit of other equity associates" line of the consolidated income statement.

NOTE 13 FINANCIAL PROFIT/(LOSS)

13.1 Cost of net financial debt

13.2 Other financial items

The impact of the Group's financial instruments on income excluding Banking activities are detailed below :

13.1 Cost of net financial debt

(€ million)	2021	2020
Interest expense on financing transactions ^(a)	(162)	(155)
Interest expense on lease liabilities	(74)	(77)
Change in the fair value of borrowings ^(b) and debt-related swaps	3	5
Income from cash and cash equivalents ^(c)	(0)	(2)
TOTAL	(233)	(229)

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

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

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

13.2 Other financial items

(€ million)	2021	2020
Discounting expense on provisions for employee benefits and return on plan assets	2	(5)
Net foreign exchange gains	(2)	(8)
Other financial income and expenses	32	(2)
TOTAL	31	(14)

The other financial income and expenses include a capital gain on disposal of €27 million relating to non-consolidated shares held by the GeoPost business unit.

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)	2021	2020
Current tax (expense)	(918)	(697)
Deferred tax income/(expense)	298	(183)
TOTAL TAX INCOME/(EXPENSE)	(620)	(880)

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)	2021	2020
Change in unrealised gains and losses on financial instruments (recyclable and non-recyclable items)		
Amount before tax	140	1,530
Tax impact	227	(464)
AMOUNT NET OF TAX	367	1,066
Translation adjustments		
Amount before tax	107	(840)
Tax impact	0	0
AMOUNT NET OF TAX	107	(840)

14.3 Tax proof

The explanation of the tax reconciliation is as follows:

(€ million)	2021	2020
Net profit/(loss), Group share	2,069	2,084
Share in profits of equity associates and joint ventures	(75)	(676)
Income tax	620	880
Non-controlling interests	528	576
Consolidated profit (loss) before tax and share in profits of equity associates and joint ventures	3,142	2,864
Income tax rate	28.41%	32.02%
Theoretical tax expense (a)	(893)	(917)
Impact of takeover of CNP Assurances	0	963
Deferred tax assets creation (limitation) (b)	258	(1,005)
<i>Impairment of deferred tax assets recorded as at 31 december 2019</i>		(298)
<i>Increases of provisions and reversal of provisions of Mail CGU assets (see note 1.4)</i>	256	(288)
<i>Other deferred tax assets creation (limitation).</i>	2	(419)
Tax rate differential for foreign subsidiaries	(7)	37
Effect of the French income tax rate decrease (c)	(1)	(41)
Reduced rate on capital gains	33	55
Dividends and share of income from tax transparent companies	(12)	20
Unused tax losses created during the year or used tax losses created in previous years (excluding tax consolidation)	(4)	27
Tax benefits, tax credits and foreign tax allowances	15	1
Revaluation of investments previously held and impairment of goodwill	5	22
Impairment		(11)
Non-deductible bank contributions	(27)	(23)
Other	11	(7)
Tax restatements	272	37
ACTUAL TAX CHARGE	(620)	(880)

(a) Including the 3.3% social solidarity contribution.

(b) See note 1.6 for the impact of the covid 19 crisis on net deferred tax assets.

(c) The latest Finance law provides that the income tax rate in France will decrease progressively to reach 25.83% in 2022.

14.4 Deferred tax recognised on the balance sheet

(€ million)	Deferred tax assets	Deferred tax liabilities	Total
31/12/2019	365	198	167
Impact of IFRS 16 first time application	(349)	(167)	(183)
Impact on net profit/(loss)	(2)	(2)	
Reclassifications	143	143	
Impact on equity	(9)	161	(171)
Change in consolidation scope	85	1,257	(1,171)
Translation adjustments	(92)	(92)	
31/12/2020	141	1,497	(1,357)
Impact on net profit/(loss)	39	(259)	298
Assets / Liabilities held for sale	(1)	(1)	
Reclassifications	(484)	(484)	
Impact on equity	64	(163)	227
Change in consolidation scope	445	620	(175)
Translation adjustments	3	7	(4)
31/12/2021	205	1,217	(1,012)

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)	31/12/2021	31/12/2020
Deferred tax assets		
Employee benefits	363	373
Other non-deductible provisions	3	18
Other timing differences	181	75
Financial instruments	16	15
Tax loss carry-forwards	23	43
Asset/liability offsets ^(a)	(382)	(383)
TOTAL ASSETS	205	141
Deferred tax liabilities		
Regulated provisions	106	107
Revaluation of contributions to Poste Immo	19	26
Financial instruments	1,223	1,501
Deductible goodwill	165	168
Other tax timing differences	85	78
Asset/liability offsets ^(a)	(382)	(383)
TOTAL LIABILITIES	1,217	1,497

(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)	31/12/2021			
	French companies in the tax consolidation group	Non-consolidated French companies	Foreign companies	Total
Home Loan Savings Provision	186	0	0	186
Employee benefits	2,386	10	15	2,411
Other timing differences	67	4	67	137
Ordinary tax losses	1,534	121	195	1,850
TOTAL	4,173	135	277	4,584

Unrecognised deferred tax asset bases amounted to €5,843 million as at 31 December 2020.

NOTES TO THE BALANCE SHEET

NOTE 15 GOODWILL

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

15.1 Breakdown of goodwill

(€ million) CGU	Segment	31/12/2021	31/12/2020
DPD Europe	GeoPost	2,885	2,810
Digital Services	Customers and Digital services	539	459
Asendia	GeoPost	204	198
Health	Services-Mail-Parcels	185	157
Mediapost	Services-Mail-Parcels	148	121
La Banque Postale Prévoyance	La Banque Postale	94	94
Speedy ^(a)	GeoPost	93	0
DPD Russia	GeoPost	87	82
EDE	Services-Mail-Parcels	67	67
Tigers ^(b)	GeoPost	0	48
Lenton Group	GeoPost	48	44
Tocqueville Group	La Banque Postale	27	27
JadLog	GeoPost	22	22
La Banque Postale Asset Management	La Banque Postale	20	20
Stuart	GeoPost	13	13
Other GeoPost companies	GeoPost	23	5
Other Services-Mail-Parcels companies	Services-Mail-Parcels	9	8
TOTAL		4,464	4,175
Services-Mail-Parcels		408	353
GeoPost		3,375	3,221
La Banque Postale		142	142
Customers and Digital Services		539	459

(a) Of which in 2021 goodwill of €11 million previously classified under "Investments in associates", €18 million from the revaluation of the previous investment (see note 11) and €64 million directly from the share acquired.

(b) Of which in 2021 the sale of Tigers..

15.2 Change in the net book value of goodwill

(€ million)	2021	2020
Opening balance	4,175	2,625
of which : Gross amount	4,470	2,916
Impairment	(295)	(291)
Acquisitions ^(a)	311	1,648
Translation adjustments ^(b)	27	(64)
Impairment ^(c)	0	(33)
Other	0	(1)
Change ^(d)	(49)	0
CLOSING BALANCE	4,464	4,175
of which : Gross amount	4,767	4,470
Impairment	(302)	(295)

(a) Of which in 2021, acquisitions in the GeoPost segment : the Takeover of Speedy for €93 million (see note 4.1) the acquisitions of Transporte Intégral de Paqueteria S.A. for €48 million and the acquisition of Epicery SAS for €13 million. Acquisitions in the Customers and Digital Services segment : Boxtal for €22 million, Open Value for €17 million and Docapost Trust & Sign for €35 million. And acquisitions in the Services-Mails-Parcels segment : Asten Santé for €27 million and TimeOne Group for €27 million.

And in 2020, acquisitions in the GeoPost segment : BRT for €1,265 million, Geis for €50 million and the takeover of Lenton Group Ltd at the end of 2019 for €72 million and the acquisition of Softeam Group in the Customers and Digital Services segment for €150 million at the end of 2019, and Index Education for €60 million.

(b) Of which in 2021, DPD Russia for +€5 million, GP Intermediate Holdings for +€8 million and ASENDIA USA for +€4 million.

And in 2020, DPD Russia for -€23 million, Jadlog for -€9 million, DPD Pologne for -€8 million and DPD UK for -€7 million.

(c) Of which in 2020, goodwill of acquisitions of Lenton Group Ltd and DPD Laser for €23 million and €9 million.

(d) Of which in 2021 the sale of Tigers for -€48 million.

Impairment tests performed on goodwills are detailed in the note 20.

NOTE 16 INTANGIBLE ASSETS

(€ million)	Software, patents and licences	Intangible assets in progress	Other intangible assets	TOTAL
GROSS AMOUNT				
Balance as at 31/12/2019	2,276	467	1,780	4,523
Acquisitions ^(a)	3,180	322	76	3,578
Disposals	(96)	(9)	(31)	(136)
Change in consolidation scope ^(b)	3,057	(3)	95	3,149
Transfers	133	(219)	108	23
Translation adjustments	(727)	(1)	(3)	(731)
Balance as at 31/12/2020	7,822	558	2,026	10,406
Acquisitions	125	424	41	591
Disposals	(293)	(14)	(6)	(312)
Change in consolidation scope ^(d)	539	1	3	543
Transfers	1,815	(493)	(1,337)	(14)
Translation adjustments	60	0	1	62
BALANCE AS AT 31/12/2021	10,069	477	729	11,276
DEPRECIATION AND IMPAIRMENT				
Balance as at 31/12/2019	(1,898)		(1,128)	(3,026)
Depreciation for the year	(754)	0	(166)	(920)
Impairment ^(c)	(40)	0	(262)	(302)
Reversal on impairment	0	0	37	37
Reversals on disposals	83	0	31	114
Change in consolidation scope	(400)	0	(74)	(475)
Transfers	(852)	0	857	5
Translation adjustments	25	0	2	27
Balance as at 31/12/2020	(3,837)	0	(704)	(4,540)
Depreciation for the year	(997)	0	(65)	(1,061)
Impairment	(125)	0	0	(125)
Reversal on impairment ^(c)	72	0	242	315
Reversals on disposals	290	0	4	294
Change in consolidation scope	(8)	0	(5)	(13)
Transfers	(33)	0	31	(1)
Translation adjustments	(10)	0	(1)	(11)
BALANCE AS AT 31/12/2021	(4,647)	0	(496)	(5,143)
NET AMOUNT				
As at 31/12/2020	3,986	558	1,322	5,866
AS AT 31/12/2021	5,422	477	233	6,133

(a) Of which in 2020, €3,043 million corresponding to the distribution agreement signed as part of the partnership between CNP Assurances and Caixa Seguridade.

(b) Of which in 2020, CNP Assurances for €2,681 million.

(c) Of which in 2020, impairment of La Poste SA's Mail CGU for €201 million, which was fully reversed in 2021 (see notes 20 and 1.4).

(d) Of which in 2021, €523 million of the acquisition of the life insurance of Aviva (see note 4.1).

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

NOTE 17 PROPERTY, PLANT AND EQUIPMENT

(€ million)	Land and buildings	Machinery and equipment	Vehicles	Other	Assets under construction	TOTAL
GROSS AMOUNT						
Balance as at 31/12/2019	5,290	3,206	921	3,620	584	13,621
Acquisitions	9	130	112	222	436	910
Disposals	(96)	(68)	(84)	(122)	(11)	(382)
Change in consolidation scope	145	114	62	381	12	714
Transfers	193	131	2	54	(420)	(41)
Translation adjustments	(24)	(12)	(7)	(19)	(5)	(67)
Balance as at 31/12/2020	5,516	3,501	1,006	4,135	596	14,755
Acquisitions	75	136	134	206	594	1,144
Disposals	(98)	(88)	(117)	(143)	(6)	(453)
Change in consolidation scope	3	23	7	16	241	290
Transfers	374	138	3	87	(635)	(33)
Translation adjustments	15	7	1	12	5	39
BALANCE AS AT 31/12/2021	5,885	3,716	1,035	4,312	793	15,741
DEPRECIATION AND IMPAIRMENT						
Balance as at 31/12/2019	(1,945)	(2,453)	(453)	(2,731)	0	(7,582)
Depreciation for the year	(183)	(164)	(109)	(261)	0	(716)
Impairment ^(a)	(9)	(19)	(7)	(338)	0	(373)
Reversals on impairment	11	0	0	33	0	44
Reversals on disposals	52	66	64	111	0	294
Change in consolidation scope	(38)	(82)	(53)	(299)	0	(473)
Transfers	14	(1)	(0)	(5)	0	7
Translation adjustments	7	6	4	11	0	28
Balance as at 31/12/2020	(2,091)	(2,648)	(554)	(3,478)	0	(8,771)
Depreciation for the year	(192)	(203)	(116)	(286)	0	(798)
Impairment	(12)	(2)	0	(55)	0	(69)
Reversals on impairment ^(a)	5	1	0	334	0	340
Reversals on disposals	56	86	96	138	0	377
Change in consolidation scope	(0)	(14)	(2)	(8)	0	(24)
Transfers	12	(2)	3	(2)	0	11
Translation adjustments	(4)	(4)	(1)	(7)	0	(16)
BALANCE AS AT 31/12/2021	(2,226)	(2,785)	(574)	(3,364)	0	(8,950)
NET AMOUNT						
As at 31/12/2020	3,425	854	452	657	596	5,983
AS AT 31/12/2021	3,659	931	460	948	793	6,792

(a) Of which in 2020, impairment of La Poste SA's Mail CGU for €288 million, which was fully reversed in 2021. (see notes 20 and 1.4).

The right of use assets, stemming from the application of IFRS 16, are detailed in note 18.

The transfer lines correspond to the commissioning of assets and to the reclassification of certain tangible assets to "Assets held for sale" (see note 25).

NOTE 18 LEASES (lessee)

- 18.1 Rights of use assets
- 18.2 Lease liabilities
- 18.3 Lease amounts recognised in profit or loss
- 18.4 Lease amounts recognised in consolidated cash flow statement

18.1 Right of use assets

Right of use assets are detailed below by nature of leased assets:

(€ million)	Land and buildings	Machinery and equipment	Vehicles	Other	TOTAL
Balance as at 31/12/2019	2,220	167	182	12	2,582
Increase	880	27	162	2	1,071
Decrease	(51)	(2)	(3)	(0)	(56)
Amortisation	(574)	(49)	(92)	(6)	(720)
Provision ^(a)	(395)	0	(21)	0	(416)
Change in consolidation scope and translation adjustments	570	5	(6)	2	571
Other	1	0	0	0	1
Assets held for sale	(18)	3	1	0	(14)
Balance as at 31/12/2020	2,633	151	222	11	3,017
Increase	771	135	179	6	1,091
Decrease	(113)	(5)	(3)	(0)	(121)
Amortisation	(607)	(70)	(113)	(6)	(796)
Provision ^(a)	385	(0)	21	(0)	406
Change in consolidation scope and translation adjustments	69	4	27	1	101
Other	64	0	0	0	64
Assets held for sale	(61)	(1)	(0)	(0)	(62)
BALANCE AS AT 31/12/2021	3,141	215	334	11	3,700

(a) Of which in 2020, impairment of La Poste SA's Mail CGU for €411 million which was fully reversed in 2021 (see note 20 and 1.4).

18.2 Lease liabilities

Lease liabilities are presented in note 28 for industrial and commercial activities.

Lease liabilities for banking activities amount €153 million and are included in the item "Other financial liabilities and accruals account" of "Specific liabilities of banking and insurance activities" (see note 31.7).

18.3 Lease amounts recognised in profit or loss

(€ million)	2021	2020
Net operating expenses	839	1,545
Short-term lease expenses	107	103
Low value lease expenses	53	36
Rental expenses	153	149
Non-deductible VAT on rent expenses	92	83
Right of use assets amortisation	796	720
Right of use assets (reversal) provision ^(b)	(406)	416
Other ^(a)	44	39
Cost of net financial debt	74	77
Interest expense on lease liabilities	74	77
TOTAL	913	1,623

(a) Of which in 2021, €36 million from CNP Assurances and €7 million from La Banque Postale SA.

(b) Of which in 2020, impairment of La Poste SA's Mail CGU for €411 million which was fully reversed in 2021 (see note 1.4).

18.4

Lease amounts recognised in consolidated cash flow statement

<i>(€ million)</i>	2021	2020
Cash flows from operating activities	456	408
Short-term lease expenses	107	103
Low value lease expenses	53	36
Rental expenses	153	149
Non-deductible VAT on rent expenses	92	83
Other	51	39
Cash flows from financing activities	876	790
Interest paid on lease liabilities	74	77
Repayment of lease liabilities	802	713
TOTAL	1,332	1,199

NOTE 19 EQUITY ASSOCIATES AND JOINT VENTURES

19.1 Change in investments in associates and joint ventures

19.2 Information on CNP Assurances

19.1 Change in investments in associates and joint ventures

The Group has an interest in joint ventures and associates which are not individually material.

(€ million)	CNP Assurances (a)	Holding d'infra structures Gazières (b)	Arial CNP Assurances	XSS Administra-dora de consórcio (c)	CNP Aviva Italy (d)	Other insurance subsidiaries	Ostrum AM (e)	BRT(f)	Yurtici Kargo	AEW Europe (e)	Ninja Logistics	Lenton Group Ltd (g)	Aramex PJSC (h)	Real Estate sub-group	Other	TOTAL Equity associates (assets)	La Poste Mobile (h)
Nature of control	Associate	Joint control	Joint control	Joint control	Joint control	Joint control	Joint control	Associate	Associate	Associate	Associate	Associate	Associate	Associate/ Joint control			Joint control
Balance as at 31/12/2019	3,531	0	0	0	0	0	0	547	14	54	67	63	0	30	76	4,384	(39)
Group share in the profit or loss	637	42	0	0	0	9	(3)	0	10	4	(16)	0	0	3	(3)	683	(7)
Dividend payments	0	(37)	0	0	0	(3)	0	0	(1)	(3)	0	0	0	(4)	(3)	(51)	0
Net change in the FV of fin. instruments	(781)	(0)	0	0	0	0	0	0	0	0	0	0	0	0	0	(780)	0
Change in consolidation scope and % of control	(3,504)	390	47	0	0	50	116	(547)	0	0	0	(63)	0	0	22	(3,490)	0
Capital increase	0	54	0	0	0	0	0	0	0	0	56	0	0	1	1	113	0
Transfers and reclassifications	(1)	(21)	0	0	0	(0)	0	0	(0)	(0)	0	0	0	0	(1)	(23)	0
Translation adjustments	117	0	0	0	0	(4)	0	0	(5)	1	(6)	0	0	0	(5)	98	0
Balance as at 31/12/2020	0	427	47	0	0	52	114	0	19	56	101	0	0	30	88	935	(46)
Group share in the profit or loss	0	46	1	(1)	36	6	0	0	17	10	(27)	0	0	3	(10)	81	(5)
Dividend payments	0	(43)	0	0	0	(3)	0	0	(12)	(2)	0	0	0	(3)	(2)	(65)	0
Net change in the FV of fin. instruments	0	(0)	(1)	(0)	0	(1)	0	0	0	0	0	0	0	0	0	(2)	0
Change in consolidation scope and % of control	0	(12)	0	0	(36)	0	0	0	0	0	102	0	422	15	(32)	458	0
Capital increase	0	383	0	44	0	0	0	0	0	0	213	0	0	0	3	644	0
Other changes	0	2	(0)	0	0	(1)	(114)	0	(0)	(64)	0	0	0	(1)	0	(178)	0
Translation adjustments	0	0	0	0	0	0	0	0	(7)	(0)	20	0	10	0	2	26	0
BALANCE AS AT 31/12/2021	0	803	47	43	0	54	(0)	0	17	(0)	410	0	432	44	48	1,900	(51)

(a) CNP Assurances is fully consolidated from March 1, 2020. See note 12 the effects of the takeover on the income statement.

(b) This participation constitutes an investment of the insurance activities.

(c) Joint venture created in 2021 by CNP Assurances with the Brazilian company Caixa Seguridade under a new exclusive distribution agreement.

(d) See note 4.1.

(e) See note 25.

(f) BRT is fully consolidated from January 1, 2020.

(g) Lenton Group Ltd is fully consolidated from January 1, 2020.

(h) See note 4.1.

(i) Recorded in "Provisions for contingencies and loss" (see note 27).

NOTE 20 IMPAIRMENT TEST ON GOODWILL AND FIXED ASSETS

20.1 Impairment of goodwill

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

20.1 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 shown in note 15.1.

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 3.11.

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

2021	Discount rate		Standard growth rate	Number of projected years
	Euro zone	Other		
Services-Mail-Parcels	5,8% à 8,3%	-	2.0%	5
GeoPost	6,7% à 8%	6,7% à 13,1%	1% à 5%	5
La Banque Postale	7,8% à 9%	-	2%	5
Customers and Digital Services	6.6%	-	2%	5
2020				
Services-Mail-Parcels	5,5% à 7,8%	7.8%	2.0%	5
GeoPost	6,7% à 7,6%	7,3% à 18,3%	1% à 5%	5
La Banque Postale	7,6% à 8,1%	-	2%	5
Customers and Digital Services	7.0%	-	2%	5

No significant impairment of goodwills has been registered in 2021.

In 2020, goodwill of Lenton Group Ltd was depreciated for €23 million and DPD Laser for €9 million.

Sensitivity analysis as at 31 December 2021

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 2021.

A one point increase in the discount rates and a simultaneous half point decrease in perpetuity would have an impact on the result of impairment losses for an amount between €30 and €40 million.

A two point increase in the discount rates and a simultaneous one point decrease in perpetuity would have an impact on the result of impairment losses for an amount of around €100 million.

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

The tests implemented as part of the detection of signs of impairment did not reveal any significant impairment.

Situation of the Mail CGU of La Poste

The Mail CGU had its assets impaired in 2020 by €900 million due to a sudden acceleration in the drop in mail volumes from the start of the health crisis in March 2020. A new test was carried out at the end of 2021 based on the following assumptions:

- a business plan including State compensation for the Universal Postal Service in the amount of €300 million per year, as well as in the terminal value;
- a discount rate of 8.6%;
- a rate of decrease to infinity of -5%.

This test made it possible to reverse all of this impairment. The reversal of the provision relates to the following items:

- intangible assets: €201 million (see note 16);
- property, plant and equipment: €288 million (see note 17);
- rights of use: €411 million (see note 18).

An increase of two points in the discount rate as well as the taking into account of a simultaneous deterioration in the rate of decrease in perpetuity by 1 point would have no impact on the result of the test.

NOTE 21 OTHER FINANCIAL ASSETS

(€ million)	31/12/2021		31/12/2020	
	Current	Non-current	Current	Non-current
Unconsolidated investments	0	333	0	323
Deposits and guarantees paid	12	58	13	51
Financial derivatives	13	43	14	75
Loans for local authority housing	4	50	3	53
Provisions for loans for local authority housing	0	(18)	0	(20)
Financial assets held for investment purposes	351	0	300	0
Other financial assets	56	61	52	46
Provisions for other financial assets	0	(27)	0	(26)
TOTAL	436	500	382	502

Unconsolidated equity investments

(€ million)	31/12/2021		31/12/2020
	Percentage held	Balance sheet value	Balance sheet value
Crédit Logement	6%	99	100
Domiserve	100%	33	37
XAnge Capital 2	36%	30	11
XAnge Digital 3	22%	21	18
CyberCité	70%	17	0
KissKissBankBank	100%	16	20
Xange 4	12%	15	0
Mandarine Gestion	12%	14	12
Toit et joie	100%	12	12
Transactis	50%	12	12
Credero	100%	8	0
STET	5%	7	7
AD Breihz	15%	5	0
XPANSION 2	15%	5	7
Ezyness	100%	0	19
Other - French companies		19	47
Other - foreign companies (see details in note 44)		21	23
TOTAL		333	323

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 real estate leases.

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 28.5.

Loans for local authority housing

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

Financial assets held for investment purposes

These are assets acquired as part of the cash management process :

(€ million)	31/12/2021	31/12/2020
Term deposits accessible after more than 3 months	70	300
UCITS	230	0
Negotiable debt securities (maturity 3 to 12 months)	50	0
TOTAL	351	300

NOTE 22 SPECIFIC ASSETS OF BANKING ACTIVITIES AND INSURANCE ACTIVITIES

- 22.1 Financial assets at fair value through profit or loss
- 22.2 Financial hedging derivatives
- 22.3 Financial assets at fair value through OCI
- 22.4 Securities classified at amortised cost
- 22.5 Credit institutions loans and receivables at amortised cost
- 22.6 Customer loans and receivables at amortised cost
- 22.7 Revaluation adjustment on hedged portfolios- fair value hedges
- 22.8 Other financial assets and accrual accounts
- 22.9 Investment property

22.1 Financial assets at fair value through profit or loss

<i>(€ million)</i>	31/12/2021	31/12/2020
Government paper and similar securities	20,041	18,630
Bonds and other fixed income securities	31,003	29,032
UCITS	126,247	99,203
Debt instruments	177,291	146,865
Shares and other variable income securities	44,101	38,175
Equity instruments	44,101	38,175
Customer	7,807	9,291
Loans and advances	7,807	9,291
Rate	1,237	790
Foreign exchange	164	103
Credit	2	5
Equity and index instruments	818	399
Derivatives	2,221	1,298
TOTAL	231,420	195,629

22.2 Financial hedging derivatives

<i>(€ million)</i>	31/12/2021	31/12/2020
Interest-rate derivatives	967	1,443
Currency exchange derivatives	55	0
TOTAL	1,022	1,443

22.3 Financial assets at fair value through OCI

(€ million)	31/12/2021	31/12/2020
Equity and other variable income securities	189	170
Other long term securities	0	2
Government paper and similar securities - Nominal value	122,946	125,443
Government paper and similar securities - Depreciation	(71)	(56)
Credit institutions loans and receivables at amortised cost	122,875	125,387
Bonds	105,640	105,317
Bonds - depreciation	(394)	(316)
Bonds and other fixed income securities	105,246	105,001
TOTAL	228,310	230,559

22.4 Securities classified at amortised cost

(€ million)	31/12/2021	31/12/2020
Sight loans and receivables from credit institutions	22,153	21,891
Term deposits and loans from income securities	1,321	2,127
Subordinated securities	6	0
TOTAL	23,480	24,018

22.5 Credit institutions loans and receivables at amortised cost

(€ million)	31/12/2021	31/12/2020
Current accounts in debit	2,257	2,142
Doubtful receivables	0	41,500
Non-allocated securities	4	10
Sight loans and receivables from credit institutions	2,261	43,652
Accounts and loans	105	361
Centralised at CDC	65,047	67,521
Securities received under repo agreements	332	2,799
Term deposits and loans from credit institutions	65,484	70,681
Subordinated loans	78	101
TOTAL	67,823	114,434

22.6 Customer loans and receivables at amortised cost

(€ million)	31/12/2021	31/12/2020
Ordinary customer receivables	1,023	782
Factoring	4,312	5,060
Other accounts and customer loans at sight	148	120
Provisions	(119)	(91)
Customer sight loans and receivables	5,364	5,870
Short-term credit facilities	13,030	12,965
Home loans	85,159	80,985
Equipment loans	7,534	7,156
Credit to financial customers	534	466
Other loans	2,279	2,450
Securities received under repurchase agreements	6,932	13,185
Provisions	(1,177)	(1,081)
Term customer loans and receivables	114,291	116,127
Subordinated loans to customers	5	0
Finance lease transactions	3,458	3,224
TOTAL	123,117	125,222

22.7 Revaluation adjustment on hedged portfolios- fair value hedges

(€ million)	31/12/2021	31/12/2020
Revaluation adjustment on hedged portfolios (fair value hedges)	101	220

22.8 Other financial assets and accrual accounts

<i>(€ million)</i>	31/12/2021	31/12/2020
Other receivables	4,797	3,841
Securities transactions settlement accounts in debt	3	2
Depreciation	(61)	(63)
Other miscellaneous receivables	4,739	3,780
Reinsurance companies' share of underwriting provisions-life	21,392	21,365
Other receivables insurance and reinsurance	2,804	2,767
Loans and advances	232	257
miscellaneous insurance assets	2,069	1,781
Other insurance assets	26,496	26,169
Accrued income	965	951
Prepaid expenses	85	84
Collection accounts	15	45
Other accruals	850	508
Accrual accounts	1,914	1,588
TOTAL	33,149	31,538

22.9 Investment property

<i>(€ million)</i>	31/12/2021	31/12/2020
Gross amount	3,647	3,339
Depreciation	(247)	(252)
Provisions	(6)	(4)
TOTAL	3,393	3,083

Practically all of the investment properties in the accounts at the end of December 2021 come from CNP Assurances group.

NOTE 23 OTHER CURRENT ASSETS**23.1** Inventories and work-in-progress**23.2** Trade and other accounts receivable**23.1 Inventories and work-in-progress**

(€ million)	31/12/2021			31/12/2020
	Gross amount	Provisions	Net amount	Net amount
Raw materials, supplies inventories and goods inventories	148	(5)	142	174
Finished and semi-finished product inventories and work in progress	49	(1)	48	46
TOTAL	196	(6)	190	220

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

23.2 Trade and other accounts receivable

(€ million)	31/12/2021	31/12/2020
Advances and deposits paid	234	263
Trade receivables and related accounts	3,427	3,363
<i>Provisions on trade receivables and related accounts</i>	<i>(140)</i>	<i>(137)</i>
International mail receivables	789	889
Receivables from the State for revenues relating to the Universal Postal Service and regional development	594	
Other receivables	639	740
<i>Provisions on other receivables</i>	<i>11</i>	<i>(18)</i>
TOTAL	5,554	5,100

International Mail receivables (€789 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 32) of €818 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.

Receivables from the State for revenues relating to the Universal Postal Service and regional development correspond to compensation obtained from the State in 2022 (see note 1.3).

NOTE 24 Cash and cash equivalents

24.1 Cash and cash equivalents

24.2 Cash and central bank deposits (Banking activities)

24.1 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)	31/12/2021	31/12/2020
Cash equivalents	1,487	1,409
Cash at bank	1,401	1,349
Cash on hand	8	5
TOTAL	2,895	2,763

Cash equivalents

Cash equivalents consisted mainly of term deposits accessible at any time, or within three months, for an amount of €763million (€902 million as at 31 December 2020), and units in money-market units for an amount of €634 million (€450 million as at 31 December 2020).

24.2 Cash and central bank deposits (Banking activities)

(€ million)	31/12/2021	31/12/2020
Cash on hand (including cash held at post offices)	1,116	1,283
Central banks	49,696	500
TOTAL	50,812	1,783

NOTE 25 Assets and liabilities held for sale

As at December 31, 2021, these assets and liabilities stem particular from subsidiaries whose sale is planned in the coming months, and as at 2020, corresponded to properties under promise of sale.

These include the proposed sale of the non-controlling interests held by La Banque Postale in Ostrum Asset Management (45%) and AEW Europe (40%). The terms and conditions of the proposed acquisition by Natixis have been stabilised but remain subject to obtaining the necessary authorisations from the regulatory authorities. The final agreements are expected to be signed in the first Semester of 2022. It should be noted that no unrealised loss was recognised in the income statement on this occasion.

In 2020, the assets and liabilities held for sale mainly corresponded to the disposal of the Tigers division (GeoPost) in April 2021.

NOTE 26 EQUITY

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

26.1 Share capital

As at 31 December 2021, the share capital amounted to €5,365 million, divided into 2 682 425 682 ordinary shares with a par value of €2 each. As at that date, 66% of the capital was owned by Caisse des Dépôts and 34% was owned by the French State.

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 State or State-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

The Extraordinary General Meeting of 6 April 2011 approved the capital increase of €2.7 billion to be subscribed by the French State (€1.2 billion) and Caisse des Dépôts (€1.5 billion):

- 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 issued entitled 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 French State and Caisse des Dépôts had 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).

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.

Contribution of CNP Assurances shares on 4 March 2020

The Combined General Meeting of 4 March 2020 carried out the following transactions:

- “technical” reduction of La Poste's share capital by reducing the nominal value of the shares from €4 to

€2, with allocation of this capital reduction to issue premium;

- contribution by CDC of 280,616,340 CNP Assurances shares with a total value of €1,863 million, remunerated by a share capital increase for a total amount of €1,523 million, corresponding to the creation of 761,672,922 new shares, together with a contribution premium of €340 million;
- contribution by the French State of 7,645,754 CNP Assurances shares with a total value of €105 million, remunerated by a share capital increase for a total amount of €42 million, corresponding to the creation of 20,752,760 new shares, together with a contribution premium of €64 million;
- €1,900 million increase in share capital by capitalisation of the share premium resulting from the “technical” reduction, with the issue of 950,000,000 new shares with a par value of €2.

26.2 Hybrid debt

Hybrid securities issue

In April 2018, Le Groupe La Poste carried out a public €750 million hybrid securities issue denominated in euros. The securities issued are undated and have an initial call date of 29 January 2026. According to IAS 32 standard, they were recorded in consolidated equity.

26.3 Non-controlling interests

The non-controlling interests amounted to €11,717 million as at 31 December 2021, compared to €13,712 million as at 31 December 2020.

By the end of 2021, they essentially corresponded to the following:

- €10,103 million to minority interests in the CNP Assurances group;
- In perpetual bonds issued by La Banque Postale :
 - On november 2019 , €744 million (perpetual bonds callable after 7 years, with a fixed semi-annual coupon of 3.875%);
 - On september 2021, €744 million ((perpetual bonds callable after 7,5 years, with a fixed semi-annual coupon of 3%). See note 1.2.
- In perpetual bonds issued by Asendia for €198 million in march 2021. See note 4.2.

NOTE 27 PROVISIONS FOR CONTINGENCIES AND LOSSES

As at 31 December 2021, **the provisions for contingencies and losses** are detailed below :

<i>(€ million)</i>	Employee-related disputes	Other disputes	Other	TOTAL
Non-current provisions	14	9	93	116
Current provisions	45	75	267	386
Balance as at 31/12/2019	59	83	360	503
Addition for the year	27	53	154	234
Reversal for use	(17)	(15)	(106)	(138)
Reversal of provisions no longer required	(12)	(10)	(12)	(34)
Other movements	0	(18)	14	(4)
CNP Assurances (effect of the first full consolidation as of March 1, 2020)	0	151	163	315
Non-current provisions	12	15	89	116
Current provisions	45	231	483	759
Balance as at 31/12/2020	57	246	572	876
Addition for the year	32	76	210	318
Reversal for use	(22)	(13)	(183)	(218)
Reversal of provisions no longer required	(7)	(12)	(15)	(34)
Other movements	(1)	8	(131)	(124)
Non-current provisions	8	14	116	138
Current provisions	50	291	337	678
Balance as at 31/12/2021	58	305	453	816

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, and include at the end of 2018 a €50 million provision covering the financial penalty issued by the ACPR to La Banque Postale (paid in 2019).

As at 31 December 2021, **other provisions** included:

- a €51 million provision covering the negative net asset value of equity associates and joint ventures, compared to €46 million as at 31 December 2020 (see note 19.1).
- miscellaneous risks linked to the operational activity of the Group.

Following the dismissal of the appeal lodged by the Group with the Court of Cassation, the provision of €136 million for the fine imposed by the Competition Authority against two Group companies was reversed in full in 2021 ("Other movements") by offsetting against the receivable of the same amount recorded in the assets.

NOTE 28 BONDS AND OTHER FINANCIAL DEBT

- 28.1 Breakdown of financial debt
- 28.2 Breakdown of debt by maturity
- 28.3 Changes in financial debt
- 28.4 Bonds and deeply subordinated debt
- 28.5 Non-banking activities derivatives
- 28.6 Other financial debt

28.1 Breakdown of financial debt

(€ million)	31/12/2021		31/12/2020	
	Short-term	Medium-and long-term	Short-term	Medium-and long-term
Financial debt at amortised cost	451	8,522	1,451	6,253
Bonds	0	8,369	999	6,151
La Poste savings bonds	52	0	53	0
Commercial paper	300	0	300	0
Current bank facilities	26	0	31	0
Deposits and guarantees received	34	44	36	28
Other borrowings at amortised cost	39	108	32	74
Borrowings designated at fair value	0	622	0	646
Hedged borrowings	0	440	0	406
Subordinated debt	0	440	0	406
Financial derivative liabilities relating to bonds	12	24	7	52
Interest accrued not due on borrowings	77	0	75	0
Total	541	9,608	1,534	7,357
BONDS AND FINANCIAL DEBT	10,149		8,891	
Lease liabilities (a)	741	3,019	633	2,876
LEASE LIABILITIES	3,760		3,509	

- (a) The breakdown of liabilities by currency as at 31 December 2021 was as follows: Euros €2,899 million, Sterling Pound €696 million, other currencies €165 million.
- (b) The breakdown of liabilities by currency as at 31 December 2020 was as follows: Euros €2,796 million, Sterling Pound €574 million, other currencies €139 million.

28.2 Breakdown of debt by maturity

(€ million)	Maturity of < 1 year		Maturity of 1 to 5 years		Maturity of > 5 years		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Financial debt at amortised cost								
Bonds	0	999	2,889	2,166	5,480	3,985	8,369	7,151
Lease liabilities	741	633	1,916	1,726	1,104	1,150	3,760	3,509
La Poste savings bonds	52	53	0	0	0	0	52	53
Commercial paper	300	300	0	0	0	0	300	300
Current bank facilities	26	31	0	0	0	0	26	31
Deposits and guarantees received	34	36	38	24	6	4	78	63
Other borrowings at amortised cost	39	32	97	74	12	0	147	106
Borrowings at fair value	0	0	0	0	0	0	0	0
Bonds	0	0	622	646	0	0	622	646
Hedged borrowings	0	0	0	0	0	0	0	0
Subordinated debt	0	0	0	0	440	406	440	406
Financial derivative liabilities	12	7	22	52	2	0	36	59
Accrued interest not due	77	75	0	0	0	0	77	75
TOTAL	1,281	2,166	5,584	4,688	7,043	5,545	13,909	12,400

28.3 Changes in financial debt

The following table shows the changes in financial debt in 2021 and 2020, and identifies the changes with an impact on cash and those without such an impact.

(€ million)	Bonds and other financial debt (a)	Debt-related derivative assets (including security deposits) (a)	Lease liabilities (a)	Non-banking CFS	La Banque Postale subordinated debt	La Banque Postale lease liabilities	GROUP CFS
Balance as at 31/12/2019	7,173	(116)	2,625	0	3,097	142	0
Flows with cash impact							
Proceeds from new borrowings ^(b)	2,844	0	0	2,844	1,750	0	4,594
Repayment of borrowings ^(c)	(1,077)	0	0	(1,077)	(1,564)	0	(2,641)
Repayment of lease liabilities	0	0	(679)	(679)	0	(34)	(713)
Other cash flows from financing activities	(72)	0	0	(72)	0	0	(72)
Flows without cash impact							0
Change in interest accrued not yet due	15	0	0		0	0	
Increase of lease liabilities	0	0	1,062		0	7	
Changes in consolidation scope and exchange rates	61	(10)	572		6,988	0	
Changes in fair value (excluding La Banque Postale) ^(d)	(32)	15	0		0	0	
Other non-cash flows and reclassifications	(25)	22	(55)		(84)	0	
Debt of subsidiaries held for sale	4	0	(17)		0	0	
Balance as at 31/12/2020	8,891	(89)	3,509	0	10,187	115	
Flows with cash impact							
Proceeds from new borrowings ^(b)	2,957	0	0	2,957	1,869	0	4,826
Repayment of borrowings ^(c)	(1,789)	0	0	(1,789)	(1,751)	0	(3,540)
Repayment of lease liabilities	0	0	(750)	(750)	0	(51)	(801)
Other cash flows from financing activities	12	(5)	0	6	0	0	6
Flows without cash impact	0	0	0	0	0	0	0
Change in interest accrued not yet due	(0)	0	0		0	0	
Increase of lease liabilities	0	0	1,012		0	90	
Changes in consolidation scope and exchange rates	57	4	115		0	0	
Changes in fair value (excluding La Banque Postale) ^(d)	(26)	38	0		0	0	
Other non-cash flows and reclassifications	14	(8)	(127)		(196)	(1)	
Debt of subsidiaries held for sale	0	0	2		0	0	
Commitment to pay dividends to minority shareholders	34	0	0				
BALANCE as at 31/12/2021	10,149	(61)	3,760		10,110	153	

(a) See note 29.1

(b) **Proceeds from new borrowings:**

In 2021, On 11 January 2021, La Poste issued two bonds recognised at the amortised cost:

- Bond of €1,000 million at a fixed rate of 0.625% with an 15-year term (maturity date: January 2036);
- Bond of €750 million at a fixed rate of 0% with a 8,5-year term (maturity date: July 2029).

In November 2021, La Poste increased existing bond issues recognised at amortised costs:

- An increase of €200 million to the bond issue maturing in July 2029 at a rate of 0%;
- An increase of €200 million to the bond issue maturing in September 2034 at the rate of 1%;
- An increase of €75 million to the bond issue maturing in October 2026 at the rate of 0,625%;

Commercial paper was issued in 2021 for €725 million.

In 2020,

On 21 April 2020, La Poste issued two bonds recognised at the amortised cost:

- Bond of €1,150 million at a fixed rate of 1.375% with an 12-year term (maturity date: April 2032);
- Bond of €650 million at a fixed rate of 0.625% with a 6,5-year term (maturity date: October 2026).

Commercial paper was issued in 2020 for €1,039 million.

(c) **Repayment of borrowings:**

In 2021, La Poste redeemed a bond with a nominal value of €1,000 million which was issued in 2006 recognised at amortised cost.

Commercial papers were repaid for €725 million in 2021 (1,039 million in 2020).

(d) **Changes in fair value (excluding La Banque Postale):**

In accordance with IFRS 9, some bonds backed by "fixed-for-floating" swaps are recognised at fair value through profit or loss.

The credit risk component of the change in fair value is recognised in "Other comprehensive income" (-€6 million in 2021, and -€1 million in 2020).

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

28.4 Bonds and deeply subordinated debt

As at 31 December 2021, the Group bonds which a nominal value 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
				<i>Other bonds at fair value</i>	
TOTAL BONDS AT FAIR VALUE				580	
2012-2013	2024	Euro	2.750%	1,000	Amortised cost
2015	2025	Euro	1.125%	750	Amortised cost
2018	2028	Euro	1.450%	500	Amortised cost
2019	2027	Euro	0.375%	1,000	Amortised cost
2019-2021	2034	Euro	1.000%	900	Amortised cost
2020-2021	2026	Euro	0.625%	725	Amortised cost
2020	2032	Euro	1.375%	1,150	Amortised cost
2021	2029	Euro	0.000%	950	Amortised cost
2021	2036	Euro	0.625%	1,000	Amortised cost
				<i>Other bonds at amortised cost</i>	420
TOTAL BONDS AT AMORTISED COST				8,395	

The breakdown of the bond-rate by type of rate as at 31 December 2021 was as follows:

(€ million)	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	8,991	100%	(622)	8,369	93%
Floating-rate borrowings	0	0	622	622	7%
<i>Of which borrowings covered by partial or total rate-refixing swaps (see note below)</i>	0	0	622		
TOTAL BORROWINGS	8,991	100%	0	8,991	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 2021, the floating-rate borrowings covered by these “rate refixing” swaps amounted to €622 million, i.e. 6.9% of total borrowings. These borrowings are still disclosed on the “Floating-rate borrowings” line.

“Rate-refixing” swaps represent a nominal amount of €580 million which €380 million qualified as cash flow hedges.

Breakdown of debt by currency

All bonds are fully denominated in euros as at 31 December 2021.

The USD subordinated notes are documented in a cash-flow hedge relationship. It is hedged by a cross-currency swap that hedges both interest rate risk and currency risk.

28.5 Non-banking activities derivatives

(€ million)	Fair value as at 31/12/2021		Fair value as at 31/12/2020	
	Assets	Liabilities	Assets	Liabilities
Trading derivatives at fair value through profit or loss				
Fixed-for-floating derivatives	54	0	83	0
Floating-for-fixed derivatives	0	3	0	6
	54	3	83	6
Hedging derivatives				
Cash flow hedges	2	22	1	52
TOTAL DERIVATIVES RELATING TO DEBT	56	25	84	58
Other				
Currency / exchange derivatives	2	10	5	2
TOTAL NON-BANKING ACTIVITIES DERIVATIVES	58	36	89	59
Amortisable balance on interrupted hedging derivatives				
Cash flow hedging derivatives	5	0	6	0

28.6 Other financial debt

La Poste savings bonds

This line represents La Poste's savings bond liabilities. All of the bonds had matured by the end of 2021.

Commercial paper

Commercial paper issued by La Poste and not matured as at 31 December 2021 had maturities of three months at most and represented €300 million (€300 million as at 31 December 2020).

Deposits and guarantees paid

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

NOTE 29 GROUP NET DEBT

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

29.1 Group net debt position

(€ million)	Note	31/12/2021	31/12/2020
Cash and cash equivalents (balance sheet line)	24	2,895	2,763
Debt-related derivative assets	21	58	89
Security deposits paid in connection with derivatives, recognised as assets		3	0
Investment securities with initial maturities of over 3 months and UCITS	21	351	300
Net financial receivable against La Banque Postale		369	445
Cash and other asset items (1)		3,676	3,598
Medium and long-term bonds and other financial debt	28.1	9,608	7,357
Short-term bonds and other financial debt		541	1,534
Lease liabilities		3,760	3,509
Gross debt (2)		13,909	12,400
NET DEBT (2)-(1)		10,233	8,802
Increase (Decrease) in net debt as at 31 december 2021		1,431	

29.2 Changes to Group net debt

(€ million)	Cross-references	31/12/2021	31/12/2020
Cash flows from operating activities	CFS (a)	2,375	1,354
Cash flows from investing activities	CFS	(2,126)	(1,769)
Cancellation of the change in cash management financial assets	CFS	51	(25)
Cash flow from investing activities excluding the acquisitions and disposals of cash management financial assets (b)		(2,075)	(1,794)
Perpetual loans classified as equity (d)	CFS	198	0
Dividends paid to the shareholders and remuneration of hybrid subordinated notes	CFS	(33)	(43)
Purchase of non-controlling interests	CFS	(556)	(19)
Net financial interest expense		(242)	(234)
Change in the fair value of financial instruments		(13)	14
Impact of changes in consolidation scope on gross debt (including lease liabilities)		(174)	(624)
Non-cash changes in lease liabilities (IFRS 16)		(886)	(1,006)
Net debt of held-for-sale subsidiaries		(9)	5
Commitment to pay dividends to minority shareholders		(34)	0
Other items (c)		18	7
Cash flows and change in debt from financing activities		(1,730)	(1,900)
DECREASE (INCREASE) IN NET DEBT SINCE 1 JANUARY		(1,431)	(2,340)
Net debt at the beginning of the period		(8,802)	(6,462)
Net debt at the end of the period		(10,233)	(8,802)

(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 change calculation.

(c) The "Other items" line includes the impact of currency changes on net debt.

(d) Perpetual bonds issued by Asendia in 2021 (see note 4.2).

NOTE 30 EMPLOYEE BENEFITS

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

30.1 Change in provisions for employee benefits

Provisions for employee benefits have changed as follows during 2021:

€ million	31/12/2020		Changes in consolidation scope	Increase	Decrease for use	Provision no longer required	Interest cost	Other changes	31/12/2021	
	Current	Non-current							Current	Non-current
Post-employment benefits for La Poste's government employees	8	254	0	5	(8)	0	1	(19)	7	234
Retirement benefits for the Group's contract staff	21	892	1	86	(83)	(0)	1	(185)	23	711
Post-employment benefits (published)	29	1,146								
Change in the calculation of certain post-employment benefits (see notes 1.5 and 2.1.1.c)		(143)						143		
Post-employment benefits restated	29	1,003	1	91	(91)	(0)	3	(61)	31	945
End-of-career arrangements	406	1,204	0	418	(421)	0	(4)	(0)	450	1,152
Severance payments	96	63	0	4	(31)	0	0	13	84	61
Long-term sick leave/long-term paid leave	44	30	0	1	(10)	0	0	0	39	26
Accrued leave	142	134	0	3	(4)	0	0	0	142	134
Other long-term benefits	1	70	0	26	(3)	0	0	0	9	85
Other benefits	283	297	0	34	(47)	0	0	13	274	306
TOTAL	718	2,647								
		3,365								
	0	(143)						143		
	718	2,504	1	543	(560)	(0)	(2)	(47)	754	2,403
		3,222							3,157	

30.2 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.).

30.2.1 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.

The employer contribution paid by La Poste is calculated using a so-called "competitive equity" rate, which makes it possible to equalise the mandatory social and tax charges based on salaries between La Poste and other companies belonging to the postal sector and the banking sector.

Decree No. 2021-1210 of 20 September 2021, which entered into force the day after its publication, ratified a change in the methods used to determine this competitive equity rate so as to make its calculation more accurate with regard to the various social and tax contributions paid by La Poste.

In application of this decree, the French State has planned to recalculate the contributions paid for the years 2018 to 2020. Part of the adjustment is taken into account in the calculation of the rate notified in 2021. As a result, a reduction in pension expenses of €80 million was recorded in the 2021 financial statements.

The expected additional regularisation is estimated at around €160 million. This amount hasn't been accounted for as the calculation method of the competitive equity rate remains unknown for the periods to come.

30.2.2 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 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.

30.2.3 Retirement benefits for the contractual staff of La Poste and the French subsidiaries of the Group

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.

30.2.4 Pension plans for employees of the foreign subsidiaries of the Group

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 covered by a pension fund.

30.2.5 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 60 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 2021 factor in the expected enrolments to the plan available until 30 June 2023, as well as enrolments to the plans operating previously.

30.2.6 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.

30.3 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 2021 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 2020); 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 around €24 million as at 31 December 2021.

- 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
2021				
Euro zone	0.3%	0.6%	1.0%	1.0%
UK zone	1.5%	1.7%	1.7%	1.9%
2020				
Euro zone	(0.1%)	0.1%	0.3%	0.6%
UK zone	0.4%	0.8%	1.1%	1.2%

UK Inflation assumptions have been respectively 3.35% and 2.55% for *Retail Price Index (RPI)* and *Consumer Price Index (CPI)*.

30.4 Change in post-employment benefit commitments

(€ million)	2021	2020
Commitments at the beginning of the period	1,410	1,040
Change in the calculation of certain post-employment benefits following the IFRS IC position of May 2021 (see note 2.1)	(143)	(120)
Commitments restated at the beginning of the period	1,267	920
Cost of services provided	63	77
Discount unwinding costs	15	12
Benefits paid	(57)	(61)
Employee contributions	3	1
Actuarial (gain) loss relating to changes in assumptions ^(a)	(73)	70
Actuarial (gain) loss due to experience adjustments	0	(5)
Translation adjustments	17	(14)
Change in consolidation scope	0	296
Other	11	(30)
COMMITMENT AT THE END OF THE PERIOD	1,248	1,267
Plan assets at the beginning of the period	235	220
Expected return on assets	4	4
Employer contributions	28	19
Employee contributions	4	2
Benefits paid	(25)	(13)
Actuarial differences	9	13
Translation adjustments	18	(11)
PLAN ASSETS AT THE END OF THE PERIOD	273	235
Commitments	1,248	1,267
Plan assets ^(b)	(273)	(235)
NET COMMITMENT	975	1,033
<i>of which non-current provision</i>	<i>945</i>	<i>1,003</i>
<i>of which current provision</i>	<i>31</i>	<i>29</i>

(a) Actuarial gains and losses recognised in 2021 and 2020 mainly arised from changes in financial assumptions.
(b) Plan assets are primarily those of UK plans. Their amounts are slightly over the related commitments.

Changes in actuarial differences (recognised in "other comprehensive income")

(€ million)	2021	2020
Actuarial (gain) loss at the beginning of the period	175	122
Actuarial (gain) loss relating to changes in assumptions	(73)	70
Actuarial (gain) loss due to experience adjustments	0	(5)
Actuarial differences on plan assets	(9)	(13)
ACTUARIAL (GAIN) LOSS AT THE END OF THE PERIOD	93	175

Breakdown of plan assets

Types of assets	2021	2020
Equities	11%	10%
Government bonds	43%	41%
LDI funds (Liability-Driven Investment)	20%	28%
Insurance contracts	9%	11%
Other	17%	11%

Discount rate sensitivity

A 50 basis point reduction in the discount rate would increase the Group's net post-employment benefit commitment by around €81 million.

30.5 Analysis of post-employment benefit expenses

(€ million)	2021	2020
Cost of services provided	63	77
Discount unwinding costs	15	12
Expected return on assets	(4)	(4)
EXPENSE (INCOME) FOR THE PERIOD	75	85

30.6 Expected cash outflows

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

(€ million)	Cash outflows
2021	67
2022	59
2023	55
2024	51
2025	54

As at 31 December 2021, the average duration of post-employment benefits was around 20 years.

NOTE 31 BANKING ACTIVITIES FINANCIAL LIABILITIES

- 31.1 Financial liabilities at fair value through profit or loss
- 31.2 Financial hedging derivatives
- 31.3 Liabilities to credit institutions and similar transactions
- 31.4 Liabilities to customers
- 31.5 Debt evidenced by a certificate
- 31.6 Revaluation adjustment on hedged portfolios – fair value hedges
- 31.7 Other financial liabilities and accrual accounts
- 31.8 Specific provisions for the insurance and Banking activities and shadow accounting
- 31.9 Subordinated debt

31.1 Financial liabilities at fair value through profit or loss

<i>(€ million)</i>	31/12/2021	31/12/2020
Debt securities	2,047	1,614
Rate	733	737
Foreign exchange	828	829
Credit	13	14
Instruments on equity and indices	627	77
Other	4	8
Derivatives	2,205	1,664
TOTAL	4,253	3,279

31.2 Financial hedging derivatives

<i>(€ million)</i>	31/12/2021	31/12/2020
Interest-rate derivatives	282	684
Currency exchange derivatives	50	79
TOTAL	333	763

31.3 Liabilities to credit institutions and similar transactions

<i>(€ million)</i>	31/12/2021	31/12/2020
Ordinary accounts payable	1,057	1,005
Overnight deposits and borrowings	0	173
Other amounts due	8	3
Sight liabilities to credit institutions	1,065	1,181
Deposits and loans	8,752	9,289
securities given under repurchase agreements	20,576	23,062
Term liabilities to credit institutions	29,328	32,351
TOTAL	30,393	33,533

31.4 Liabilities to customers

(€ million)	31/12/2021	31/12/2020
Livret A passbook savings accounts	65,254	64,602
Home Loan Savings Plans and Accounts (PEL & CEL)	30,624	31,321
Other special accounts	25,087	23,556
Special savings accounts	120,965	119,480
of which ordinary trade payables	84,981	81,372
Overnight deposits and borrowings	3,314	2,867
Other amounts due to customers	1,040	1,076
Sight liabilities to customers	89,335	85,315
Term deposits and borrowings	753	0
Term deposits	35	146
Equities and securities given under repurchase agreement	23,495	24,853
Term liabilities to customers	24,283	24,998
TOTAL	234,582	229,793

31.5 Debt evidenced by a certificate

(€ million)	31/12/2021	31/12/2020
Certificates of deposit and treasury bills	7,863	8,267
Bonds	13,830	13,372
TOTAL	21,693	21,639

31.6 Revaluation adjustment on hedged portfolios – fair value hedges

(€ million)	31/12/2021	31/12/2020
Revaluation adjustment on hedged portfolios - fair value hedges	422	726
TOTAL	422	726

31.7 Other financial liabilities and accrual accounts

(€ million)	31/12/2021	31/12/2020
Deferred income	466	502
Other accruals	1,557	1,204
Accrual accounts	2,023	1,706
Debt securities	95	82
Guarantee deposits received	1,007	955
Lease liabilities	153	115
Other sundry payables	2,168	2,504
Other miscellaneous payables	2,321	2,619
Settlement accounts for securities transactions	6	8
Liabilities arising from insurance and reinsurance operations	13,001	13,324
Other	220	139
Other insurance liabilities	13,221	13,463
TOTAL	18,674	18,834

31.8 Specific provisions for the insurance and Banking activities and shadow accounting

(€ million)	31/12/2021	31/12/2020
Non-life insurance	9,627	9,502
Life insurance	261,941	222,155
<i>of which actuarial life insurance provisions</i>	248,849	209,860
Financial instruments with DPF	107,284	112,374
<i>of which actuarial life insurance provisions</i>	97,942	103,133
Financial instruments without DPF	3,713	3,931
Specific provisions for the insurance and banking activities	382,564	347,961
Deferred participation reserve	31,834	31,870
Home Loan Savings risk provisions (a)	186	204
TOTAL	414,584	380,035

(a) See detail below

The provision for deferred participation reserve results from the application of "shadow accounting". It represents the share of policyholders of life insurance subsidiaries in unrealized capital gains and losses and depreciations recorded on assets, when the proceeds of the contracts are linked to their performance.

The provision for Home Loan Savings risk covers the negative impact of Home Loan Savings deposits for lending institutions authorised to accept them, given the commitments that they imply.

This provision was subject to a net decrease of €18 million as at 31 december 2021 which broke down as follows:

(€ million)	Amounts collected	PEL and CEL amounts granted	2021 Provisions	2020 Provisions	Net movements 2020/2021
Age					
Over 10 years	11,065	0	125	109	16
4 to 10 years	14,234	0	4	65	(61)
Under 4 years	994	0	2	6	(4)
Total Home Loan Savings Plans (PEL)	26,293	8	131	180	(49)
Total Home Loan Savings Accounts (CEL)	4,331	43	55	24	31
TOTAL	30,624	51	186	204	(18)

31.9 Subordinated debt

(€ million)	31/12/2021	31/12/2020
Subordinated debts	10,110	10,187

Subordinated debts are detailed as follows :

(€ million)	date of issue	Maturity date	rate served	amount of the issue in foreign currencies	Currency	31/12/2021 (a)	31/12/2020 (a)
Repayable subordinated debt						9,306	10,009
La Banque Postale	4/23/2014	4/23/2026	2.75%	750	EUR	0	765
La Banque Postale	11/19/2015	11/19/2027	2.75%	750	EUR	750	749
La Banque Postale	6/9/2016	6/9/2028	3.00%	500	EUR	525	543
La Banque Postale	10/5/2016	10/5/2028	2.25%	100	EUR	102	105
La Banque Postale	1/19/2017	6/9/2028	3.00%	150	EUR	158	164
La Banque Postale	10/26/2020	1/26/2031	0.875%	500	EUR	494	497
La Banque Postale	2/2/2021	8/2/2032	0.75%	500	EUR	486	0
La Banque Postale	4/27/2021	8/2/2032	0.75%	250	EUR	243	0
CNP Assurances	4/7/2011	9/30/2041	6.85% until September 2021 then Euribor 12M + 440 bp	700	EUR	0	748
CNP Assurances	6/24/2003	6/23/2023	4,7825% until 2013 and Euribor 3M + 2% from 06/24/2013	200	EUR	204	207
CNP Assurances	4/11/2011	9/30/2041	7,375% until September 2021 then Libor 12M + 448,2 bp	300	GBP	0	355
CNP Assurances	6/5/2014	6/5/2045	4,25% until June 2025 then reset fixed rate swap 5 ans + 360 bp	500	EUR	561	575
CNP Assurances	12/10/2015	6/10/2047	4,5% until June 2027 then Euribor 3M + 460 bp	750	EUR	889	912
CNP Assurances	1/22/2016	1/22/2049	6% for the duration of the title	500	USD	504	472
CNP Assurances	10/20/2016	10/20/2022	1,875% for the duration of the title	1,000	EUR	1,019	1,037
CNP Assurances	2/5/2019	2/5/2029	2,75% for the duration of the title	500	EUR	576	585
CNP Assurances	11/27/2019	7/27/2050	2,00% until June 2030 then Euribor 3M + 300 bp	750	EUR	779	782
CNP Assurances	12/10/2019	1/15/2027	0,80% for the duration of the title	250	EUR	254	255
CNP Assurances	6/30/2020	9/30/2051	2,5% until September 2031 then Euribor 3M + 100 bps	750	EUR	759	759
CNP Assurances	12/8/2020	3/8/2028	0.38%	500	EUR	502	500
CNP Assurances	10/12/2021	10/12/2053	1,875% until October 2033 then Euribor 3M + 270 bps	500	EUR	502	0
Perpetual subordinated debt						803	178
CNP Assurances	11/15/2004		4,93% until 2016 and Euribor 3M + 1,60% from 15/11/2016	90	EUR	88	88
CNP Assurances	11/15/2004		Euribor 3M + 0,70% until 2016 then Euribor 3M + 1,60%	93	EUR	90	90
CNP Assurances	4/7/2021		4,875% until April 2031 then CMT 5Y rate + 318,5 bp	700	USD	625	
TOTAL DEEPLY SUBORDINATED DEBT						10,109	10,187

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

NOTE 32 TRADE AND OTHER PAYABLES

<i>(€ million)</i>	12/31/2021	31/12/2020
Trade payables and related accounts	5,018	4,905
Tax and social security liabilities	2,279	2,147
Payable to suppliers of non-current assets	489	320
International mail payables	818	856
Customer advances and deposits	160	181
Other operating payables	375	341
TOTAL	9,139	8,749

ADDITIONAL INFORMATION

NOTE 33 INFORMATION ON RISKS EXCLUDING BANKING ACTIVITIES

33.1 Credit and counterparty risk

33.2 Liquidity risk

33.3 Interest-rate risk

33.4 Currency risk

The main purpose of the Group's financial liabilities is to finance the Group's operating activities, ensure liquidity and allow for acquisitions. The Group takes out derivative instruments, mainly interest rate swaps and currency swaps in a purpose of managing interest rate risk and currency risk.

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

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

An execution report for the Limits Handbook is presented to La Poste's Audit Committee every year. In 2021, it presents in particular the adaptations made to the Limits Handbook during the year and validated by the governance set up by the Group.

33.1 Credit and counterparty risk

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

Investment securities

La Poste's cash and cash equivalents are invested in interest bearing accounts, bank term deposits, UCITS and Negotiable Debt Securities (TCN) from a minimal short-term rating of A2/P2 at purchase. Credit risks are controlled by a system of limits representing the maximum nominal amount not to be exceeded per UCITS or issuer. The Group also excludes the more risky types of investment securities (structured products or products with unguaranteed capital) and the issuers presenting too much risk.

In the event where an investment portfolio sees one of its short-term ratings fall below A2/P2 rating, this security must be sold "at best", unless the Group Financial Committee makes an overriding decision.

In addition, to limit the risk of loss on the asset investment portfolio (excluding cash UCITS), a maximum loss limit has been introduced. This limit represents the statistical loss on the asset investment portfolio within a 97.5% interval. Its calculation is based on including CDS (Credit Default Swap) for each security in the portfolio, weighted by its residual maturity.

Derivative instruments

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

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

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

Trade and other receivables

Provisions are calculated on an individual basis, based on an assessment of the risk of non-recovery. No Group customer accounts for more than 10% of consolidated revenues.

33.2 Liquidity risk

The Group strives to have sufficient financial resources to finance current business activities and the capital expenditure needed for future growth at all times. The aim of cash management is to access financial in line (in terms of amount and time to obtain) with the Group's needs.

Liquidity risk is measured through cash flow forecasts (annual, monthly and weekly depending on what is at stake) and dealt with by:

- negotiating confirmed credit facilities with financial institutions. The Group has a five-year €1 billion syndicated credit line expiring in March 2025 (renewable twice for one year), for which it has received commitments from the eleven banks in the banking pool (see note 38.3.2);
- keeping at all times a minimum amount of cash and cash equivalents for less than one year taken individually and for an average duration not exceeding 90 days, of a minimum amount called "Security cash". This amount is set at €1.2 billion and is defined and monitored by the Group's Financial Committee;

- By issuing short-term negotiable debt securities (Negotiable European Commercial Paper and Euro Commercial Paper) in order to compensate for the change in cash and bond debt (senior, hybrid or green) to meet the Group's long-term needs;
- By the prospective monitoring of indicators linked to short and long term equity markets in order to anticipate liquidity crisis situations.

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.

These liabilities do not have any specific clause likely to significantly modify the terms.

As at 31/12/2021 (€ million)	Balance sheet amount	2022 flows		2023 flows		2024-2026 flows		2027 flows and beyond	
		Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
Bonds	8,991	126	0	126	1,000	184	2,475	248	5,500
Borrowings at amortised cost	8,369	101	0	101	420	184	2,475	248	5,500
Borrowings at fair value	622	25	0	25	580	0	0	0	0
Subordinated debt	440	23	0	23	0	70	0	398	441
Other financial debt	4,364	63	1,163	54	625	115	1,412	157	1,163
Lease liabilities	3,760	63	712	54	591	115	1,311	157	1,146
La Poste savings bonds	52	0	52	0	0	0	0	0	0
Commercial paper	300	0	300	0	0	0	0	0	0
Current bank facilities	26	0	26	0	0	0	0	0	0
Deposits and guarantees received	78	0	34	0	10	0	29	0	6
Other borrowings at amortised cost	147	0	39	0	24	0	73	0	11
Derivatives	(22)	(34)	0	(34)	26	1	0	1	(0)
Derivative liabilities	36	(7)	0	(8)	29	2	0	1	(0)
Derivative assets	(58)	(27)	0	(26)	(3)	(1)	0	(0)	0
TOTAL	13,773	179	1,163	170	1,650	371	3,887	803	7,104

33.3 Interest-rate risk

The Group's interest rate risk stems from changes in market rates (principally ester and euribor 3-months) , which would result in higher interest expense on borrowings, lower returns on investments or the loss of opportunity.

To better manage interest rate risk, the Group has established:

- an active strategy in the management of its bond debt based on the use of derivative instruments to take advantage of market opportunities and reduce the cost of its bonds;
- an active strategy in the management of its investments based on the use of derivatives to guarantee returns and adjust the Group's exposure to fluctuations in interest rates;
- prospective monitoring over 12 rolling months of its net debt and investment position indexed to market rates, and the fluctuation of financial income and expense resulting from adverse change in market rates (triggering a limit when the estimated impact exceeds 2% of RNPG (Net profit/(loss), Group share) of last three financial years). Monitoring of this nature serves notably to allow active debt and investment management strategies to be adjusted as and to limit the impact of change in interest rates, upward or downward.

Sensitivity analysis

A uniform sudden 50-basis point increase in the market yield curve would not result in the increase in the Group's annual financial expense, after taking into account debt management derivative instruments (idem 2020).

A uniform sudden 50-basis point increase in the market yield curve would result in a €4.7 million profit in income (compared with €8.2 million as at 31 December 2020), 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.

33.4 Currency risk

The Group exercises international activities, from France or foreign subsidiaries, through its Services-Mail-Parcels and GeoPost business units.

In order to support its growing globalisation and the resulting currency risk, the Group has established an acurrency risk management Policy. This policy targets as a priority:

- acquisition flows of foreign currency investment securities;
- foreign currency financial debt and loans;
- foreign currency net assets held and consolidated by the Group.

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

To date, and in accordance with the established thresholds and conditions, the Group uses currency derivative instruments backed:

- to its subordinated debt in US dollars (\$500 million), hedged at 100% using a euro dollar currency swap;
- to its US dollar equity investments, partly hedged by euro dollar currency swaps (\$34 million) and its equity investments in Singapore dollars hedged in part by forward sales of Singapore dollars against the euro (SGD502 million);
- to the significant commercial activities exposure to foreign currencies from its subsidiaries (mainly Asendia, Armadillo GmbH and DPD UK).

Other foreign exchange derivatives, not qualified under IFRS, are used for economic hedging purposes.

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

As at 31 December 2021, the accounting currency effect on revenue amounted to €-29 million, stemming mainly from the Brazilian real (€-71 million), the ruble (€-13million) and the pound sterling (€+91 million). The accounting impact of currency fluctuations on operating profit/(loss) was not significant in 2021.

NOTE 34 INFORMATION ON RISKS RELATING TO BANKING ACTIVITIES

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

34.1 Structural risk factors

La Banque Postale has a risk taxonomy, which represents the framework for the risk factors to which it is exposed. The purpose of this framework is to establish a common risk language for all La Banque Postale Group entities (banking, insurance and asset management).

The risk mapping that rates all these risks makes it possible to meet regulatory requirements and inform the various cross-functional risk management exercises such as the ICAAP or the stress tests.

This risk mapping includes and classifies all the risks to which La Banque Postale is exposed. It was updated following the strategic equity alliance with CNP Assurances, in particular to ensure the correct coverage of insurance risks.

The main changes consist of:

- better definition and granularity of strategic and business risks;
- rationalisation of financial risks (market risks, ALM, liquidity risk) following the convergence work with CNP Assurances;
- integration of a new family of ESG risks.

34.2 Credit risk

34.2.1 Impacts of the Covid-19 crisis on credit risk assessment

The main impacts of the health crisis on the credit risk are presented in note 1.6.

Throughout 2021, LBP's Group Risk Department has carried out numerous studies with the aim of achieving a cost of risk level that reflects the reality of the risks of its loan portfolio regarding Individuals and Legal entities in the short and medium term, beyond the losses already recorded on some of its financing.

At the end of this work, it should be mentioned that La Banque Postale considers that the general risk monitoring and provisioning system enables the level of risk in the credit portfolio to be accurately and appropriately assessed, while meeting the expectations of the European supervisor. Thus, all the principles detailed in section 4.2 are still being applied by La Banque Postale in the uncertain context of the crisis. In other words, the classification and provisioning of the bank's exposures continues to be based on:

- Automatic mechanisms for identifying Significant Impairments of Potential Risks and for classifying or proposing classification in the IFRS 9 "buckets";

- Control and validation measures involving the teams of the Group Risk Department, and possible individual or collective adjustment decisions taken as part of the exposure monitoring system (Watch List process, sector measures, etc.).

Consequently, it is possible to present the impacts of the Covid-19 pandemic (and its macro-economic consequences) on the assessment of credit risk for La Banque Postale according to two main categories:

- General impacts for the entire portfolio, both Individuals and Legal entities, linked to the recalibration of all the models and scenarios underlying the calculation of the bank's statistical provisions;
- Impacts specific to certain customer segments, related to management measures taken by the Group Risk Department, after an analytical review of its entire portfolio.

General measures to adjust the bank's statistical provisions

Firstly, all of the "Probability of default" models used in IFRS 9 provision calculations have been reviewed to take into account the known effects of the crisis. The most recent behavioural information and/or changes in risk profiles (rating migration) have been integrated in order to obtain parameters that are relevant at one year and at maturity (and to avoid inconsistent levels of provisions - particularly on the Low Default Portfolio - and their pro-cyclicality effects).

In addition, the macroeconomic scenarios used for provisioning have also undergone a major revision, adapted to LBP's specific situation in order to integrate the effects of the crisis into the calculation of "Forward Looking" Expected Credit Losses: the projection of the variables used in each of these scenarios has been re-estimated in order to systematically integrate the known effects of the Covid-19 crisis. In addition, the weights associated with each of these scenarios were also revised to reflect possible macroeconomic developments.

These elements are presented in detail below.

34.2.2. General framework

The Risk Department manages credit risk, specifically, the risk incurred in the event of default by a counterparty or counterparties considered as a single beneficiary within the meaning of Regulation (EU) No. 575/2013 of the European Parliament and Council on prudential requirements applicable to credit institutions and investment companies (CRR). The Management Board sets the common basic principles (strategic priorities, values, risk appetite,

governance) validated by the Supervisory Board, on the basis of which each business line sets out its priorities for action and control of the associated risk, under the supervision of the Group Risk Department (DRG).

It should be noted that at this stage discussions have begun within La Banque Postale to quantify its exposure to climate risk (both in terms of physical risk and transition risk). Environmental risks will be taken into account in the assessment of credit risk at the end of this work, if it is observed that they have a significant impact on the projection horizons in force in the context of provisioning.

34.2.3. Significant increase in credit risk The principles

La Banque Postale defines seven principles to assess significant increase in credit risk in accordance with IFRS and the European Banking Authority's (EBA) guidelines defining the conditions for migration from bucket 1 to bucket 2.

Principle 1 – Credit risk monitoring: IFRS 9 indicates that the assessment of credit quality is carried out from the outset at the commitment level. This credit quality assessment from the initial recognition must be carried out at each year-end to determine the allocation of the asset concerned.

La Banque Postale considers that a financial instrument is classified as sensitive if its credit quality has significantly deteriorated compared to the initial recognition (comparison of the asset's credit quality in relation to its situation at the date of entry in the balance sheet or commitment date for off-balance sheet instruments).

Principle 2 – Rating indicator to monitor credit quality: The Group monitors the credit risk of each contract based on a counterparty credit quality rating system. Consequently, the rating for a contract at any given time is determined on the basis of the counterparty's rating at that time. At any given time, all contracts for a single third party have the same rating. To assess any deterioration in credit risk, La Banque Postale has a rating system based on:

- internal rating models used to manage and monitor risks, and;
- external ratings used in day-to-day risk management, with associated prioritisation rules.

La Banque Postale's risk management monitoring systems collect information about the rating at the start of the commitment and store it with the aim of identifying significant increases in credit risk along with the latest known rating in order to comply with the first principle.

For portfolios with an internal and/or external rating, the assessment of the significant increase in credit risk is based on the rating, along with quantitative and/or qualitative analysis by the business line concerned, if applicable.

When La Banque Postale, for a given customer and its associated commitments, does not have an internal or external rating, other elements for assessing the significant deterioration in credit risk since inception are used (see principle 6).

Principle 3 – Monitoring of credit quality with the addition of a backstop: In addition to principle 1, La Banque Postale adds an absolute threshold criteria. The approach defined by La Banque Postale is a combined approach of a relative threshold and then an absolute threshold.

La Banque Postale's absolute threshold is based on two indicators:

- Rating indicator: the absolute level of credit quality below which assets are considered to be highly impaired is set by customer segment and/or asset type;
- Arrears indicator: payment arrears of over 30 days. According to IFRS 9, payment arrears of over 30 days are considered to constitute a significant increase in credit risk as arrears of over 30 days indicate lower credit quality.

Principle 4 – Use of the 12 month indicator for retail customers: The assessment of significant increase in credit risk involves assessing the risk of default over the asset's remaining lifetime at each year-end. Instead of assessing the change in risk of default over the lifetime, IFRS 9 allows the use of a 12-month indicator if this assessment is a reasonable estimate of the risk at maturity.

Principle 5 – The low credit risk concept: IFRS 9 allows the use of the low credit risk concept at year-end. A financial instrument is considered to be low risk when its credit risk has not significantly increased since its initial recognition. The concept of "Low Credit Risk" may be equivalent to a universal definition such as "investment grade" which, according to CRR regulations, would correspond to a credit level of 3 or less. This exemption only applies to debt securities in accordance with EBA guidelines.

La Banque Postale does not use the Low Credit Risk exemption for its credit operations. However, this exemption is used for debt securities, during bucket validations in accordance with principle 6.

Principle 6 – Consideration of qualitative information: In the non-retail customer portfolio, the presumption of migration to bucket 2 requires a specific qualitative analysis by the Watch List Committee to confirm or reject the significant deterioration according to the rating indicator.

For corporate customers, the additional elements for assessing the significant deterioration in credit risk, used for rated and non-rated customers, are also multiple.

For its Corporate network customers La Banque Postale has an industrial alert generation system that analyses the portfolio on a daily basis and triggers support by the front and risk teams concerned. In addition, this system of monitoring and investigating alerts, the conclusion of which may be a registration in a Monitoring List or Watch List, or even a transfer to management by dedicated teams (Recovery/Special Affairs), is completed by taking into account any information brought to the attention of the bank, via public elements or from exchanges with its customers, or through the results of the process of annual review of commitments. All these elements enable La Banque Postale to have a robust monitoring system, not deferring significant deterioration in risk, whether customers are rated or not.

An asset restructured due to the counterparty's financial difficulties remains in default for 12 months, then if no incident has been reported, it moves back to bucket 2 for a period of 24 months in accordance with prudential regulations.

Principle 7 – Migration to bucket 2 before default: In accordance with IFRS 9, La Banque Postale must identify, as far as possible, any assets that have sustained a significant increase in credit risk before they default. Exceptionally, certain commitments may be exempt from migration to bucket 2 before default.

The assessment process for a significant increase in credit risk

The operational procedures implemented enable monitoring and/ or detection of revealing events indicating the possible deterioration of the credit quality of a counterparty.

The criteria for bucket 2 classification of a commitment are described by exposure class:

- Retail customers – private individuals;
- Retail customers – professionals;
- Central administrations & Central banks;
- Credit institutions;
- Corporate customers;
- Public sector entities.

The criteria do not constitute an exhaustive list and the relevance of the information must be assessed according to the observed customer segment (with the exception of retail customers). Other events indicating credit quality deterioration or risk-generating facts may be taken into account following an analysis carried out by the risk unit concerned.

These events are considered by the Group Risk Department business lines, which have good knowledge of the counterparties they manage or the related customer groups.

The operational entities are responsible for the exposure that they generate and must immediately detect events that raise concern about a deterioration in the credit quality of their customers.

It should be noted that all assets that are not included in *bucket 3* or *bucket 2* are classified in bucket 1. These are assets with no significant increase in credit risk since their initial recognition.

Lastly, La Banque Postale specifies that an asset that has undergone a significant deterioration in credit risk may exit Bucket 2 when all the significant criteria of deterioration in credit risk are no longer observed, with possibly a regularisation of payment arrears. Depending on the case, an observation period could be set up when the debtor is considered fragile in order to avoid recurrences. As an illustration, in the context of the management of the Covid crisis, the exit from Bucket 2 of individual customers having requested the implementation of a moratorium was accompanied by an observation period of 3 months.

In the case of a restructured asset, the exit from the status of "default" is monitored for a probationary period defined according to regulatory requirements.

34.2.4 Provisioning – methodological approach in relation to expected credit loss

The expected credit loss concept

The methodology for calculation of Expected Credit Losses (ECL) must reflect a measurement of the possible probabilistic losses, taking into account the time value of money and all reasonably available information. This methodology was described in note 3.13.7 (*bucket 1* and *bucket 2* provisioning methodology).

12 month expected credit loss (12-month ECL)

At each year-end, when the risk associated with a commitment has not significantly increased since its initial recognition, La Banque Postale assesses the impairment for credit loss of this exposure at the amount of expected credit loss for the next 12 months.

The 12-month ECL represents the portion of expected credit losses of a financial instrument resulting from a default event that may occur within 12 months after the closing date.

This formula applies to all commitments classified in bucket 1.

Expected credit loss at maturity (lifetime ECL)

At each year-end, when the risk associated with a commitment has significantly increased since its initial recognition, La Banque Postale assesses the impairment for credit loss of this exposure at the amount of expected credit loss at its maturity.

This formula applies to all commitments classified in bucket 2 and 3.

Definition of the parameters for calculating the expected credit loss

La Banque Postale calculates the ECL using three main components: the probability of default, the loss in the event of default and the exposure to default.

Maturity refers to the final payment date of a loan commitment or financial instrument, at which the amount loaned and the interest must be paid, or when the authorisation amount or date ends.

It corresponds to the maximum contractual period including extension options, with the exception of revolving type products, renewable credit cards and overdrafts for which behavioural maturity must be used.

For contracts without a contractual maturity, the maximum maturity is 12 months while, in the event of debtor insolvency, La Banque Postale would contest the overdraft authorisation within a period of less than 12 months, in accordance with French banking law.

Renewable loans are financial instruments for which there is no fixed maturity, no amortisation plan and no contractual termination period. The maturity selected for these instruments depends on the lifetime estimated by La Banque Postale, which may exceed the duration of the contractual commitment. The maturity selected at Group level is the behavioural maturity.

Probability of Default (PD): IFRS 9 introduces the concept of expected credit loss and, indirectly, the concept of probability of default adjusted to the situation at the closing date (PDPit). This parameter does not correspond to the average over the cycle (PDTC) under the prudential framework in force for the internal approach. This variable makes it possible to estimate the probability of a commitment defaulting over a given period. Estimates of default probability, referred to as "Point in Time" (PiT) estimates, are grounded on the future and current assessment. This parameter is linked to the customer and product.

The probability of "Point in Time" default is used for all La Banque Postale portfolios, whether or not they have an internal rating.

Loss Given Default (LGD): The Loss Given Default corresponds to the ratio between the contractual and expected cash flows taking into account discounting effects and other expenses committed at the instrument's default date. The LGD is expressed as a percentage of the exposure at default.

This parameter in IFRS 9 differs from the Basel concept. Prudentially, the Loss Given Default is restated for the prudent margin, the downturn effect and other expenses. IFRS 9 does not contain any specific indications with regard to the observation period and the collection of the historical data used to calculate the LGD parameters. This parameter must take into account forward looking and passage of time concepts.

The Group has chosen to use an adjusted modelled LGD, in accordance with IFRS 9, for portfolios with a loss model in the event of default, depending on the type of product and the guarantee, and may determine an LGD at the recommendation of an expert, according to the segment, product and type of guarantee, to be reviewed at least once a year.

Exposure at Default (EAD): The exposure corresponds to the calculation basis for the amount of expected credit loss. It is based on the value exposed to credit risk, whilst taking into account the flow rate according to the type of amortisation and expected early redemption (forecast cash flow). This parameter is calculated based on the amounts at the start of the period.

The provisioning base corresponds to the balance sheet and off-balance sheet outstandings (unused portion) converted into credit equivalent (the credit conversion factor or CCF).

To take into account early redemption and the flow rate, the Bank applies an early redemption rate to the provisioning calculation base for each portfolio. This rate is periodically reviewed by La Banque Postale's ALM team according to the trends in observed early repayments.

Forward Looking

In accordance with IFRS 9, the expected credit losses take into account the effects of future economic conditions: the "Forward Looking" is based on a modelled approach and expert judgement. La Banque Postale uses three scenarios (a central scenario, and two alternative scenarios (high interest rate / low

interest rate) defined by the Economic Studies Departments of Caisse des Dépôts et Consignations and La Banque Postale. The forecast horizon for future economic conditions is 5 years:

- The scenarios selected are global and consistent economic scenarios: they apply uniformly throughout La Banque Postale with potentially opposite impacts on certain product or customer segments, reflecting the portfolio's diversification. (As an illustration, it is not possible, in a given scenario, to have a different interest rate projection for measuring the life time probabilities of default of retail customers and those of sovereign customers);
- The proposed scenarios are not necessarily adverse scenarios on the strict aspect of the credit risk: IFRS 9 scenarios are not intended to quantify risks of loss in a highly deteriorated environment with a very low probability of occurrence in relation to the macroeconomic situation in force at the date of the estimate, but rather plausible scenarios in general, with a probability of occurrence that differs by one standard deviation from the central scenario;
- The scenarios selected are generally scenarios used in other governing processes of the institution (strategic plan, budget, ICAAP stress test exercises, regulatory reporting).

These scenarios are documented and include forecasts for all the macroeconomic variables required to operate the models developed to obtain the PD and LGD at maturity. The probability of occurrence of each scenario is subject to documentation by La Banque Postale's economists.

The system is based on a significant number of models. All the models used in the IFRS 9 system are subject to an independent review by the Model Validation team and are validated by the Model Validation Committee before use.

For 2021, the scenarios used by La Banque Postale to calculate provisions under IFRS 9 are as follows:

Central scenario:

After a severe recession in France in 2020 due to the Covid-19 shock, under the assumptions of no new period of strict lockdown like the one experienced in the spring of 2020, the resumption of post-lockdown activity associated with the effects of the vaccination and various monetary and budgetary support plans announced to date would result in a significant rebound in GDP in 2021. However, the consequences of the crisis would weigh during the recovery, so that GDP would not return to its pre-crisis level of 2019 before 2023. Beyond infra-annual volatility due to base effects, the context would be generally low-inflation, given the size of the production gap and the very relaxed labour markets, with few tensions that could generate increases in wages and costs, resulting in long-term expansionary monetary policy.

This scenario is a scenario proposed by Caisse des Dépôts et Consignations and its projections are detailed below :

Variables	Scenario as at December 31, 2021					
	OR	N+1	N+2	N+3	N+4	N+5
GDP France (annual growth rate)	4.0	3.5	1.8	1.5	1.3	1.2
Unemployment rate (average annual rate)	9.8	9.6	9.4	9.2	9.1	9.0
10-year OATs (annual average)	0.0	0.0	0.2	0.4	0.6	0.8
CAC40 (annual growth rate)	7.7	2.5	2.5	2.5	2.5	0.0
Property prices (annual growth rate)	3.7	0.6	0.7	0.9	1.2	1.5

Variables	Previous scenario					
	OR	N+1	N+2	N+3	N+4	N+5
GDP France (annual growth rate)	-10.0	7.0	1.5	1.3	1.2	1.2
Unemployment rate (average annual rate)	10.2	10.5	10.1	9.6	9.3	9.0
10-year OATs (annual average)	0.0	0.1	0.3	0.5	0.7	0.8
CAC40 (annual growth rate)	-22.3	9.6	3.2	3.2	3.2	3.2
Property prices (annual growth rate)	4.3	-5.0	2.0	1.8	1.7	1.7

Low interest rate scenario: this scenario includes a recessive GDP shock (health, financial or cyclical), with a decline in equity markets and interest rates in the year of the shock. Potential growth is weakened after the shock, limiting the cyclical rebound, so that interest rates remain structurally low.

This scenario is a scenario proposed by Caisse des Dépôts et Consignations and its projections are detailed below:

Variables	Scenario as at December 31, 2021					
	OR	N+1	N+2	N+3	N+4	N+5
GDP France (annual growth rate)	4.0	-0.5	0.0	0.6	0.6	0.6
Unemployment rate (average annual rate)	9.8	10.5	10.9	11.1	11.2	11.2
10-year OATs (annual average)	0.0	-0.7	-0.7	-0.2	0.0	0.0
CAC40 (annual growth rate)	7.7	-20.3	1.8	1.8	1.8	1.8
Property prices (annual growth rate)	3.7	-2.5	-3.5	-1.5	0.0	0.0

Variables	Previous scenario					
	OR	N+1	N+2	N+3	N+4	N+5
GDP France (annual growth rate)	-10.0	-0.5	0.0	0.6	0.6	0.6
Unemployment rate (average annual rate)	10.2	10.9	11.3	11.5	11.6	11.6
10-year OATs (annual average)	0.0	-0.9	-0.7	-0.2	0.0	0.0
CAC40 (annual growth rate)	-22.3	-11.3	4.7	4.7	4.7	4.7
Property prices (annual growth rate)	4.3	-5.5	-3.0	-1.5	0.0	0.0

Alternative scenario of a gradual rise in rates: The health crisis is easing rapidly, thanks in particular to effective vaccination campaigns leading to collective immunity in the second half of 2021, both in the United

States and in Europe. The resulting mobility constraints are quickly being erased. As a result, the economic support measures implemented in recent months in a large number of countries, both monetary and fiscal, are having their full effect. This is reflected in a favourable confidence effect on economic agents (reduction in the savings surplus accumulated by households during the crisis, unfreezing of corporate investment projects). The return to the pre-crisis level of activity is therefore more rapid than in the central scenario.

This scenario is a scenario proposed by La Banque Postale's Economic Studies and its projections are detailed below:

Variables	Scenario as at December 31, 2021					
	OR	N+1	N+2	N+3	N+4	N+5
GDP France (annual growth rate)	4.0	4.5	2.5	2.0	1.6	1.2
Unemployment rate (average annual rate)	9.8	9.3	8.8	8.4	8.2	8.1
10-year OATs (annual average)	0.0	0.2	0.5	0.9	1.1	1.2
CAC40 (annual growth rate)	nd	nd	nd	nd	nd	nd
Property prices (annual growth rate)	nd	nd	nd	nd	nd	nd

nd : non disponible

Variables	Previous scenario					
	OR	N+1	N+2	N+3	N+4	N+5
GDP France (annual growth rate)	-10.0	9.0	3.5	2.0	1.8	1.4
Unemployment rate (average annual rate)	10.2	9.6	8.3	7.3	6.9	6.5
10-year OATs (annual average)	0.0	0.7	1.3	1.6	1.6	1.6
CAC40 (annual growth rate)	-22.3	nd	nd	nd	nd	nd
Property prices (annual growth rate)	4.3	nd	nd	nd	nd	nd

The probability of occurrence of each of these scenarios is summarised in the table below:

Scenarios	Scenarios 2021	Effective scenarios in 2022
	Central	65%
Rate cut	15%	15%
Rise in rates	20%	20%

La Banque Postale chose not to adopt the scenarios proposed by the ECB, for all the reasons mentioned earlier in this section but also to take account of the concentration of its portfolio in France and to rely on the skills of Group CDC and La Banque Postale.

Sensitivity analysis of macroeconomic scenarios on expected credit losses:

The sensitivity's analyses were conducted on the credit risk of corporate and retail customers, on the parameters of the statistical ECLs (meaning without the sector specific provisions and the loans guaranteed by the French State concerning the corporates).

These analyses show that the perimeter of retail customers is not very sensitive to macroeconomic scenarios as the changes in ECL observed after modifying the weightings of the scenarios are very small (less than €1.5 million).

However, on the perimeter of corporate customers, a rate increasing scenario weighted at 100% would lead to an ECL reversal of €64 million (36%) and a rate decreasing scenario weighted up to 100% would lead to an ECL allowance of €136 million (77%) if compared to the weightings applied as of 31 December 2021. These impacts mostly concern large corporate customers.

34.2.5 Operational implementation

Impairment is calculated in a centralised way for the entire Group by the Group Risk Department teams.

34.2.6 Exposure to credit risk**Change in book value and allowances for losses over the period**

Allowances for losses correspond to the impairment of assets and provisions on off-balance sheet commitments recognised in net profit/(loss) (Cost of risk) in respect of credit risk.

The different stages of impairment ("Healthy Assets – Bucket 1", "Deteriorated Assets – Bucket 2" and "Impaired Assets – Bucket 3") as well as the definition of impaired assets from acquisition or from issuance are explained in note 34.2.3 "Significant increase in credit risk – the principles".

The following tables present a conciliation between the opening and closing balances of the allowances for losses recognised in Cost of risk and the associated book values, by accounting category and instrument type.

The "Modifications to flows not resulting in derecognition" line enables the identification of impacts on the gross book value and the allowance for loss relating to a restructuring for risk during the period.

Financial assets at amortised cost

31/12/2021	Gross book value	Allowance for losses	Net amount
(€ million)			
Securities at amortised cost	23,516	(37)	23,480
Loans and receivables - Credit and similar institutions at amortised cost	67,846	(6)	67,840
Customer loans and receivables at amortised cost	124,499	(1,346)	123,152
TOTAL	215,861	(1,390)	214,472

31/12/2020	Gross book value	Allowance for losses	Net amount
(€ million)			
Securities at amortised cost	24,049	(30)	24,019
Loans and receivables - Credit and similar institutions at amortised cost	114,486	(1)	114,485
Customer loans and receivables at amortised cost	126,471	(1,216)	125,255
TOTAL	265,006	(1,247)	263,759

(€ million)	Assets subject to a 12-month ECL (Bucket 1)		Assets subject to a lifetime ECL (Bucket 2)		Impaired assets (Bucket 3)		TOTAL		
	Gross book value	Allowance for losses	Gross book value	Allowance for losses	Gross book value	Allowance for losses	Gross book value	Allowance for losses	Net book Value
	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a) + (b)
At 1 January 2021	252,507	(173)	10,874	(448)	1,626	(627)	265,005	(1,247)	263,758
Transfers of active assets from one bucket to another	1,422	(6)	(1,763)	(21)	339	(55)	1	(84)	(83)
Transfers of 12-month ECL (Bucket 1) to Lifetime ECL (Bucket 2)	(3,594)	12	3,594	(101)	0	0	0	(90)	(90)
Return of Lifetime ECL (Bucket 2) to 12-month ECL (Bucket 1)	5,097	(19)	(5,097)	67	0	0	0	48	48
Transfers of 12-month ECL (Bucket 1) to Impaired Lifetime ECL (Bucket 3)	(264)	2	0	0	264	(57)	0	(55)	(55)
Transfers of lifetime ECL (Bucket 2) to Impaired Lifetime ECL (Bucket 3)	0	0	(363)	20	363	(59)	0	(39)	(39)
Return of Impaired Lifetime ECL (Bucket 3) to 12-month ECL (Bucket 1)	184	0	0	0	(184)	26	0	26	26
Return of Impaired Lifetime ECL (Bucket 3) to Lifetime ECL (Bucket 2)	0	0	104	(6)	(104)	35	0	28	28
Total after transfer	253,929	(179)	9,112	(469)	1,965	(682)	265,006	(1,331)	263,675
Change in Gross book values and Allowances for losses	(48,278)	(9)	(526)	(63)	(338)	13	(49,142)	(59)	(49,200)
New production: purchase, granting, origination, etc.	65,664	(121)	2,908	(304)	445	(190)	69,018	(615)	68,403
Deconsolidation: sale, redemption, maturity, etc.	(114,241)	112	(3,434)	241	(689)	124	(118,364)	477	(117,887)
Write-offs	0	0	0	0	(84)	79	(84)	79	(6)
Change in flows not giving rise to deconsolidation	0	0	0	0	(10)	0	(10)	0	(10)
Changes in the model / methodology	0	0	0	0	0	0	0	0	0
Changes in consolidation scope	298	0	0	0	0	0	298	0	298
Other	1	(0)	0	0	0	1	1	0	1
Total	205,652	(189)	8,586	(532)	1,627	(669)	215,864	(1,390)	214,475
Impact of fair value adjustments of micro-hedged instruments	(3)	0	0	0	0	0	(3)	0	(3)
As at 31 December 2021	205,649	(189)	8,586	(532)	1,627	(669)	215,861	(1,390)	214,472

	Assets subject to a 12-month ECL		Assets subject to a lifetime ECL		Impaired assets		TOTAL		
	(Bucket 1)		(Bucket 2)		(Bucket 3)				
(€ million)	Gross book value	Allowance for losses	Gross book value	Allowance for losses	Gross book value	Allowance for losses	Gross book value	Allowance for losses	Net book Value
							(a)	(b)	(a) + (b)
At 1 January 2020	208,681	(100)	3,106	(150)	1,374	(580)	213,160	(829)	212,331
Transfers of active assets from one bucket to another	(5,906)	9	5,479	(181)	427	(65)	0	(237)	(237)
Transfers of 12-month ECL (Bucket 1) to Lifetime ECL (Bucket 2)	(6,808)	14	6,808	(232)	0	0	0	(217)	(217)
Return of Lifetime ECL (Bucket 2) to 12-month ECL (Bucket 1)	1,217	(6)	(1,217)	43	0	0	0	36	36
Transfers of 12-month ECL (Bucket 1) to Impaired Lifetime ECL (Bucket 3)	(480)	2	0	0	480	(79)	0	(77)	(77)
Transfers of lifetime ECL (Bucket 2) to Impaired Lifetime ECL (Bucket 3)	0	0	(222)	13	222	(53)	0	(40)	(40)
Return of Impaired Lifetime ECL (Bucket 3) to 12-month ECL (Bucket 1)	165	(2)	0	0	(165)	30	0	28	28
Return of Impaired Lifetime ECL (Bucket 3) to Lifetime ECL (Bucket 2)	0	0	111	(5)	(111)	37	0	32	32
Total after transfer	202,775	(91)	8,585	(331)	1,801	(645)	213,160	(1,066)	212,094
Change in Gross book values and Allowances for losses	49,732	(82)	2,289	(117)	(175)	18	51,845	(181)	51,664
New production: purchase, granting, origination, etc.	95,861	(113)	3,598	(177)	436	(172)	99,895	(462)	99,433
Deconsolidation: sale, redemption, maturity, etc.	(50,542)	32	(1,319)	60	(466)	83	(52,328)	175	(52,153)
Write-offs	0	0	0	0	(133)	106	(133)	106	(27)
Change in flows not giving rise to deconsolidation	0	0	0	0	(12)	0	(12)	0	(12)
Changes in the model / methodology	0	0	0	0	0	0	0	0	0
Changes in consolidation scope	4,217	0	10	0	0	0	4,227	0	4,227
Other	196	(1)	0	0	0	1	196	0	196
Total	252,507	(173)	10,874	(448)	1,626	(627)	265,005	(1,247)	263,758
Impact of fair value adjustments of micro-hedged instruments	0	0	0	0	0	0	0	0	0
As at 31 December 2020	252,507	(173)	10,874	(448)	1,626	(627)	265,005	(1,247)	263,758

Financial assets at fair value through recyclable equity

	31/12/2021	
	Fair Value	o/w allowance for losses
(€ million)		
Debt instruments at fair value through equity	228,121	(465)
TOTAL	228,121	(465)

	31/12/2020	
	Fair Value	o/w allowance for losses
(€ million)		
Debt instruments at fair value through equity	230,388	(372)
TOTAL	230,388	(372)

	Assets subject to a 12-month ECL (Bucket 1)		Assets subject to a lifetime ECL (Bucket 2)		Impaired assets (Bucket 3)		TOTAL	
	Gross book value	Allowance for losses	Gross book value	Allowance for losses	Gross book value	Allowance for losses	Gross book value	Allowance for losses
	(€ million)							
At 1 January 2021	229,731	(361)	656	(12)	0	0	230,386	(373)
Transfers of active assets from one bucket to another	(140)	1	141	1	0	0	2	2
Transfers of 12-month ECL (Bucket 1) to Lifetime ECL (Bucket 2)	(140)	1	141	0	0	0	1	1
Return of Lifetime ECL (Bucket 2) to 12-month ECL (Bucket 1)								
Transfers of 12-month ECL (Bucket 1) to Impaired Lifetime ECL (Bucket 3)								
Transfers of lifetime ECL (Bucket 2) to Impaired Lifetime ECL (Bucket 3)								
Return of Impaired Lifetime ECL (Bucket 3) to 12-month ECL (Bucket 1)								
Return of Impaired Lifetime ECL (Bucket 3) to Lifetime ECL (Bucket 2)								
Total after transfer	229,591	(360)	797	(11)	0	0	230,389	(371)
Change in gross book values and allowances for losses	(1,849)	(96)	(418)	2	0	0	(2,267)	(93)
New production: purchase, granting, origination, etc.	34,921	0	122	0	0	0	35,043	0
Deconsolidation: sale, redemption, maturity, etc.	(45,743)	0	(545)	0	0	0	(46,288)	0
Write-offs	0	0	0	0	0	0	0	0
Change in flows not giving rise to deconsolidation	0	0	0	0	0	0	0	0
Change in the model / methodology	0	0	0	0	0	0	0	0
Changes in consolidation scope	14,099	0	0	0	0	0	14,099	0
Other	(5,127)	(96)	5	2	0	0	(5,122)	(93)
As at 31 December 2021	227,742	(456)	379	(9)	0	0	228,121	(465)

	Assets subject to a 12-month ECL (Bucket 1)		Assets subject to a lifetime ECL (Bucket 2)		Impaired assets (Bucket 3)		TOTAL	
	Gross book value	Allowance for losses	Gross book value	Allowance for losses	Gross book value	Allowance for losses	Gross book value	Allowance for losses
(€ million)								
At 1 January 2020	14,663	(3)	38	(1)			14,700	(4)
Transfers of active assets from one bucket to another	(509)	1	501	(9)	0	0	(8)	(8)
Transfers of 12-month ECL (Bucket 1) to Lifetime ECL (Bucket 2)	(509)	1	501	(9)			(8)	(8)
Return of Lifetime ECL (Bucket 2) to 12-month ECL (Bucket 1)								
Transfers of 12-month ECL (Bucket 1) to Impaired Lifetime ECL (Bucket 3)								
Transfers of lifetime ECL (Bucket 2) to Impaired Lifetime ECL (Bucket 3)								
Return of Impaired Lifetime ECL (Bucket 3) to 12-month ECL (Bucket 1)								
Return of Impaired Lifetime ECL (Bucket 3) to Lifetime ECL (Bucket 2)								
Total after transfer	14,154	(2)	539	(10)	0	0	14,692	(12)
Change in gross book values and allowances for losses	215,577	(359)	117	(2)	0	0	215,694	(361)
New production: purchase, granting, origination, etc.	30,505		73				30,578	
Deconsolidation: sale, redemption, maturity, etc.	(35,483)		(179)				(35,662)	
Write-offs								
Change in flows not giving rise to deconsolidation								
Change in the model / methodology								
Changes in consolidation scope	218,213	(37)	186				218,399	(37)
Other	2,342	(322)	37	(2)			2,379	(324)
As at 31 December 2020	229,731	(361)	656	(12)	0	0	230,386	(373)

Off-balance sheet (financing and guarantee commitment)

	31/12/2021		
	Gross book value	Allowance for losses	Net amount
(€ million)			
Financing and guarantee commitments	31,389	0	0
Provisions for financing and guarantee commitments	0	(97)	0
Total financing and guarantee commitments	31,389	(97)	31,292

	31/12/2020		
	Gross book value	Allowance for losses	Net amount
(€ million)			
Financing and guarantee commitments	28,521	0	
Provisions for financing and guarantee commitments	0	(99)	
Total financing and guarantee commitments	28,521	(99)	28,422

(€ million)	Assets subject to a 12-month ECL (Bucket 1)		Assets subject to a lifetime ECL (Bucket 2)		Impaired assets (Bucket 3)		TOTAL		
	Gross book value	Allowance for losses	Gross book value	Allowance for losses	Gross book value	Allowance for losses	Gross book value	Allowance for losses	Net book Value
	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a) – (b)
At 1 January 2021	27,358	(46)	1,128	(50)	35	(3)	28,521	(99)	28,422
Transfers of active assets from one bucket to another	(56)	1	49	(2)	7	(1)	(0)	(2)	(2)
Transfers of 12-month ECL (Bucket 1) to Lifetime ECL (Bucket 2)	(284)	2	284	(7)	0	0	0	(5)	(5)
Return of Lifetime ECL (Bucket 2) to 12-month ECL (Bucket 1)	232	(1)	(232)	5	0	0	(0)	4	4
Transfers of 12-month ECL (Bucket 1) to Impaired Lifetime ECL (Bucket 3)	(14)	0	0	0	14	(1)	0	(1)	(1)
Transfers of Lifetime ECL (Bucket 2) to Impaired Lifetime ECL (Bucket 3)	0	0	(4)	0	4	0	0	0	0
Return of Impaired Lifetime ECL (Bucket 3) to 12-month ECL (Bucket 1)	9	0	0	0	(9)	0	0	0	0
Return of Impaired Lifetime ECL (Bucket 3) to Lifetime ECL (Bucket 2)	0	0	2	0	(2)	0	0	0	0
Total after transfer	27,302	(45)	1,178	(52)	42	(4)	28,521	(101)	28,420
Change in gross book values and Allowances for losses	3,147	(7)	(271)	12	(9)	(1)	2,868	4	2,872
New production: purchase, granting, origination, etc.	15,946	(43)	589	(30)	15	(4)	16,550	(77)	16,473
Deconsolidation: sale, redemption, maturity, etc.	(12,799)	36	(860)	42	(23)	3	(13,682)	81	(13,602)
Others	0	0	0	0	0	0	0	0	0
As at 31 December 2021	30,448	(52)	907	(40)	33	(5)	31,389	(97)	31,292

	Assets subject to a 12-month ECL		Assets subject to a lifetime ECL		Impaired assets		TOTAL			
	(Bucket 1)		(Bucket 2)		(Bucket 3)		Gross book value	Allowance for losses	Net book Value	
	Gross book value	Allowance for losses	Gross book value	Allowance for losses	Gross book value	Allowance for losses				(a)
(€ million)										
At 1 January 2020	28,545	(25)	475	(14)	30	(1)	29,051	(40)	29,011	
Transfers of active assets from one bucket to another	(405)	0	395	9	10	(2)	0	11	(11)	
Transfers of 12-month ECL (Bucket 1) to Lifetime ECL (Bucket 2)	(490)	1	490	(13)	0	0	0	(12)	(12)	
Return of Lifetime ECL (Bucket 2) to 12-month ECL (Bucket 1)	93	(1)	(93)	4	0	0	0	3	3	
Transfers of 12-month ECL (Bucket 1) to Impaired Lifetime ECL (Bucket 3)	(17)	0	0	0	17	(2)	0	(2)	(2)	
Transfers of Lifetime ECL (Bucket 2) to Impaired Lifetime ECL (Bucket 3)	0	0	(4)	0	4	0	0	0	0	
Return of Impaired Lifetime ECL (Bucket 3) to 12-month ECL (Bucket 1)	9	0	0	0	(9)	0	0	0	0	
Return of Impaired Lifetime ECL (Bucket 3) to Lifetime ECL (Bucket 2)	0	0	2	0	(2)	0	0	0	0	
Total after transfer	28,140	(25)	870	(23)	40	(3)	29,051	(51)	29,000	
Change in gross book values and Allowances for losses	(782)	21	258	(26)	(5)	(1)	(530)	(48)	(578)	
New production: purchase, granting, origination, etc.	9,715	(31)	582	(31)	14	(1)	10,311	(63)	0	
Deconsolidation: sale, redemption, maturity, etc.	(10,497)	10	(324)	5	(19)	0	(10,841)	15	0	
Others	0	0	0	0	0	0	0	0	0	
As at 31 December 2020	27,358	(46)	1,128	(50)	35	(4)	28,521	(99)	28,422	

Modified financial assets

Modified financial assets correspond to assets restructured for financial difficulties. These are receivables for which the entity has modified the initial financial conditions (interest rate, duration) for economic or legal reasons due to the borrower's financial difficulties, under conditions that would not

have been envisaged in other circumstances. They concern receivables classified as defaulting, and since 1 January 2014, healthy receivables, at the time of their restructuring. A more detailed definition is provided in note 3 « Accounting rules and policies ». An asset retains modified financial asset status when a restructuring event occurs, up to its derecognition.

For assets subject to restructuring during the period, the book value established after the restructuring is as follows:

(€ million)	Book value before transfer under restructuring	Amount of discount recognised in the income statement	Gross book value
31/12/2021			
Loans and receivables – Customers	107	(10)	97
Debt securities			
TOTAL MODIFIED FINANCIAL ASSETS	107	(10)	97

(€ million)	Book value before transfer under restructuring	Amount of discount recognised in the income statement	Gross book value
31/12/2020			
Loans and receivables – Customers	135	(12)	123
Debt securities			
TOTAL MODIFIED FINANCIAL ASSETS	135	(12)	123

Restructured assets whose stage of impairment corresponds to bucket 2 (degraded assets) or bucket 3 (impaired assets) may be returned to bucket 1 (healthy assets) in the event of subsequent improvement in the

credit quality leading to the view that there is no longer a significant deterioration in credit quality. The amount of the impairment loss is then reduced to a level of expected losses within 12 months.

The gross carrying amount of the modified assets concerned by this reclassification during the period is :

(€ million)	31/12/2021
	Transfer to Bucket 1
Loans and receivables – Customers	10
Debt securities	
TOTAL MODIFIED FINANCIAL ASSETS	10

(€ million)	31/12/2020
	Transfer to Bucket 1
Loans and receivables – Customers	7
Debt securities	
TOTAL MODIFIED FINANCIAL ASSETS	7

Maximum Exposure to credit risk

	31/12/2021		
	Maximum net exposure to credit risk	Assets held as collateral and other credit enhancement techniques	Without guaranteed
(€ million)			
31/12/2021			
Financial assets at fair value through profit or loss	113,659	4,411	109,247
Financial assets held for trading	5,946	4,411	1,534
Financial assets designated at fair value option	5,717	0	5,717
Financial assets at fair value non-SPII	101,996	0	101,996
Hedging derivatives	1,022	1,022	
Financial assets measured at fair value through recyclable equity	228,121	22	228,098
Debt securities	228,121	22	228,098
Financial assets measured at amortised cost	214,472	79,103	135,369
Loans and advances to credit institutions	67,840	332	67,508
Loans and advances to customers	123,152	78,770	44,382
Debt securities	23,480		23,480
Off-balance sheet (financing and guarantee commitment)	31,292	1,334	29,958
Funding commitments given	28,849	1,333	27,516
Guaranteed commitments given	2,443	0	2,443
TOTAL MAXIMUM EXPOSURE TO CREDIT RISK	588,566	85,893	502,673

	31/12/2020		
	Maximum net exposure to credit risk	Assets held as collateral and other credit enhancement techniques	Without guaranteed
(€ million)			
31/12/2020			
Financial assets at fair value through profit or loss	100,362	7,068	93,294
Financial assets held for trading	7,815	7,068	747
Financial assets designated at fair value option	6,012		6,012
Financial assets at fair value non-SPII	86,535		86,535
Hedging derivatives	1,443	1,443	
Financial assets measured at fair value through recyclable equity	230,388	153	230,234
Debt securities	230,388	153	230,234
Financial assets measured at amortised cost	263,757	87,364	176,394
Loans and advances to credit institutions	114,484	2,804	111,681
Loans and advances to customers	125,255	84,560	40,695
Debt securities	24,018		24,018
Off-balance sheet (financing and guarantee commitment)	28,422	1,227	27,195
Funding commitments given	25,796	1,227	24,569
Guaranteed commitments given	2,626		2,626
TOTAL MAXIMUM EXPOSURE TO CREDIT RISK	624,372	97,255	527,117

Credit risk concentration

Credit risk concentration by economic agent

Financial assets at amortised cost	As at 31/12/2021				TOTAL
	Book value			Impaired assets	
	Healthy or degraded assets		(Bucket 3)		
	Assets subject to a 12-month ECL	Assets subject to a lifetime ECL			
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)		
Retail clients ^(a)	70,081	4,725	1,049	75,855	
Administration	97,291	101	4	97,396	
Central banks	0	0	0	0	
Credit institutions	2,756	50	0	2,806	
Financial companies	8,839	293	0	9,132	
Non-financial companies	26,682	3,417	573	30,672	
Impairment	(189)	(532)	(669)	(1,390)	
TOTAL	205,460	8,054	958	214,472	

(a) Without loans granted to Real estate investment companies (called in French Sociétés Civiles Immobilières – SCI). These loans are presented within the retail clients in the balance sheet but here within the non-financial companies because of the breaking down by economic agent.

Financial assets at amortised cost	As at 31/12/2020				TOTAL
	Book value			Impaired assets	
	Healthy or degraded assets		(Bucket 3)		
	Assets subject to a 12-month ECL	Assets subject to a lifetime ECL			
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)		
Retail clients ^(a)	65,569	6,597	1,165	73,331	
Administration	100,157	42	2	100,201	
Central banks	41,500	-	0	41,500	
Credit institutions	5,609	50	0	5,659	
Financial companies	14,672	158	15	14,845	
Non-financial companies	25,000	4,027	444	29,471	
Impairment	(173)	(448)	(626)	(1,247)	
TOTAL	252,334	10,426	1,000	263,760	

(a) Without loans granted to Real estate investment companies (called in French Sociétés Civiles Immobilières – SCI). These loans are presented within the retail clients in the balance sheet but here within the non-financial companies because of the breaking down by economic agent.

Financial assets at fair value through recyclable equity	As at 31/12/2021				TOTAL
	Book value			Impaired assets	
	Healthy or degraded assets		(Bucket 3)		
	Assets subject to a 12-month ECL	Assets subject to a lifetime ECL			
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)		
Retail clients	0	0	0	0	
Administration	127,888	21	0	127,908	
Central banks	1,785	0	0	1,785	
Credit institutions	47,299	7	0	47,306	
Financial companies	6,144	51	0	6,195	
Non-financial companies	44,626	301	0	44,927	
TOTAL	227,742	379	0	228,121	
Of which impairment	(456)	(9)	0	(465)	

Financial assets at fair value through recyclable equity	As at 31/12/2020			
	Book value			
	Healthy or degraded assets		Impaired assets	TOTAL
	Assets subject to a 12- month ECL	Assets subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
Retail clients	0	0	0	0
Administration	128,139	42	0	128,181
Central banks	2,612	0	0	2,612
Credit institutions	46,018	45	0	46,063
Financial companies	6,017	0	0	6,017
Non-financial companies	46,946	569	0	47,515
TOTAL	229,732	656	0	230,388
<i>Of which impairment</i>	<i>(361)</i>	<i>(11)</i>	<i>0</i>	<i>(372)</i>

Off-balance sheet (financing and guarantee commitment)	As at 31/12/2021			
	Commitment amount			
	Healthy or degraded commitments		Impaired commitments	TOTAL
	Commitments subject to a 12-month ECL	Commitments subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
Retail clients	11,425	352	22	11,799
Administration	5,965	3	0	5,968
Central banks	0	0	0	0
Credit institutions	3,047	26	0	3,073
Financial companies	1,244	0	0	1,244
Non-financial companies	8,767	527	11	9,305
<i>Provisions ⁽¹⁾</i>	<i>(52)</i>	<i>(40)</i>	<i>(5)</i>	<i>(97)</i>
TOTAL	30,397	867	28	31,292

Off-balance sheet (financing and guarantee commitment)	As at 31/12/2020			
	Commitment amount			
	Healthy or degraded commitments		Impaired commitments	TOTAL
	Commitments subject to a 12-month ECL	Commitments subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
Retail clients	10,433	423	28	10,884
Administration	5,583	4	0	5,587
Central banks	0	0	0	0
Credit institutions	2,794	24	0	2,818
Financial companies	1,694	8	0	1,702
Non-financial companies	6,854	670	7	7,531
<i>Provisions ^(a)</i>	<i>(46)</i>	<i>(50)</i>	<i>(3)</i>	<i>(99)</i>
TOTAL	27,312	1,079	32	28,423

(a) Expected or realised losses relating to off-balance sheet commitments are recognised as provisions under liabilities on the balance sheet

Retail credit risk exposure

Financial assets at amortised cost	As at 31/12/2021			
	Gross book value			
	Healthy or degraded assets		Impaired assets	TOTAL
	Assets subject to a 12-month ECL	Assets subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
PD < 1%	60,213	988	0	61,201
1% < PD < 3%	7,654	641	0	8,295
3% < PD < 10%	1,799	1,534	0	3,333
PD > 10%	415	1,562	0	1,977
Doubtful contracts - disputes	0	0	1,049	1,049
TOTAL	70,081	4,725	1,049	75,855

Financial assets at amortised cost	As at 31/12/2020			
	Gross book value			
	Healthy or degraded assets		Impaired assets	TOTAL
	Assets subject to a 12-month ECL	Assets subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
PD < 1%	52,212	3,265	0	55,477
1% < PD < 3%	10,355	1,090	0	11,445
3% < PD < 10%	2,574	636	0	3,210
PD > 10%	428	1,606	0	2,034
Doubtful contracts - disputes	0	0	1,165	1,165
TOTAL	65,569	6,597	1,165	73,331

Off-balance sheet (financing and guarantee commitment)	As at 31/12/2021			
	Commitment amount			
	Healthy or degraded commitments		Impaired commitments	TOTAL
	Commitments subject to a 12-month ECL	Commitments subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
PD < 1%	9,168	89	0	9,256
1% < PD < 3%	1,707	72	0	1,779
3% < PD < 10%	368	81	0	449
PD > 10%	182	110	0	293
Doubtful contracts - disputes	0	0	22	22
TOTAL	11,425	352	22	11,799

Off-balance sheet (financing and guarantee commitment)	As at 31/12/2020			
	Commitment amount			
	Healthy or degraded commitments		Impaired commitments	TOTAL
	Commitments subject to a 12-month ECL	Commitments subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
PD < 1%	7,959	186	0	8,145
1% < PD < 3%	2,002	76	0	2,078
3% < PD < 10%	358	41	0	399
PD > 10%	114	120	0	234
Doubtful contracts - disputes	0	0	28	28
TOTAL	10,433	423	28	10,884

Corporate credit risk exposure

Financial assets at amortised cost	As at 31/12/2021			
	Gross book value			
	Healthy or degraded assets		Impaired assets	TOTAL
	Assets subject to a 12-month ECL	Assets subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
AAA	1,047	42	0	1,089
AA	6,749	84	0	6,833
A	5,444	182	1	5,627
Other	22,281	3,402	573	26,256
TOTAL	35,521	3,709	574	39,804

Financial assets at amortised cost	As at 31/12/2020			
	Gross book value			
	Healthy or degraded assets		Impaired assets	TOTAL
	Assets subject to a 12-month ECL	Assets subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
AAA	1,411	136	0	1,547
AA	5,152	322	48	5,522
A	12,856	352	15	13,223
Other	20,253	3,375	396	24,024
TOTAL	39,672	4,185	459	44,316

Financial assets at fair value through recyclable equity	As at 31/12/2021			
	Fair value			
	Healthy or degraded assets		Impaired assets	TOTAL
	Assets subject to a 12- month ECL	Assets subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
AAA	1,829	0	0	1,829
AA	7,442	0	0	7,442
A	18,002	40	0	18,042
Other	23,496	312	0	23,808
TOTAL	50,770	352	0	51,122

Financial assets at fair value through recyclable equity	As at 31/12/2020			
	Fair value			
	Healthy or degraded assets		Impaired assets	TOTAL
	Assets subject to a 12- month ECL	Assets subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
AAA	2,464	0	0	2,464
AA	9,183	0	0	9,183
A	19,554	0	0	19,554
Other	21,763	569	0	22,332
TOTAL	52,964	569	0	53,533

Off-balance sheet (financing and guarantee commitment)	As at 31/12/2021			
	Commitment amount			
	Healthy or degraded commitments		Impaired commitments	TOTAL
	Commitments subject to a 12-month ECL	Commitments subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
AAA	1,586	29	0	1,615
AA	70	0	0	70
A	1,964	50	0	2,014
Other	6,390	448	11	6,849
TOTAL	10,010	527	11	10,549

Off-balance sheet (financing and guarantee commitment)	As at 31/12/2020			
	Commitment amount			
	Healthy or degraded commitments		Impaired commitments	TOTAL
	Commitments subject to a 12-month ECL	Commitments subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
AAA	469	80	0	549
AA	1,213	89	0	1,302
A	1,814	56	0	1,870
Other	5,052	453	7	5,512
TOTAL	8,548	678	7	9,233

Administration and central banks credit risk exposure

Financial assets at amortised cost	As at 31/12/2021			
	Gross book value			
	Healthy or degraded assets		Impaired assets	TOTAL
	Assets subject to a 12-month ECL	Assets subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
AAA	2,416	0	0	2,416
AA	81,196	0	0	81,196
A	549	60	0	609
Other	13,129	41	4	13,175
TOTAL	97,291	101	4	97,396

Financial assets at amortised cost	As at 31/12/2020			
	Gross book value			
	Healthy or degraded assets		Impaired assets	TOTAL
	Assets subject to a 12-month ECL	Assets subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
AAA	2,271	0	0	2,271
AA	127,308	4	0	127,312
A	4,882	4	1	4,887
Other	7,195	34	1	7,230
TOTAL	141,656	42	2	141,700

Financial assets at fair value through recyclable equity	As at 31/12/2021			
	Fair value			
	Healthy or degraded assets		Impaired assets	TOTAL
	Assets subject to a 12-month ECL	Assets subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
AAA	4,078	0	0	4,078
AA	94,551	0	0	94,551
A	5,496	0	0	5,496
Other	25,546	21	0	25,567
TOTAL	129,672	21	0	129,693

Financial assets at fair value through recyclable equity	As at 31/12/2020			
	Fair value			
	Healthy or degraded assets		Impaired assets	TOTAL
	Assets subject to a 12-month ECL	Assets subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
AAA	5,159	0	0	5,159
AA	102,296	0	0	102,296
A	4,161	0	0	4,161
Other	19,135	42	0	19,177
TOTAL	130,751	42	0	130,793

Off-balance sheet (financing and guarantee commitment)	As at 31/12/2021			
	Commitment amount			
	Healthy or degraded commitments		Impaired commitments	TOTAL
	Commitments subject to a 12-month ECL	Commitments subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
AAA	375	0	0	375
AA	150	0	0	150
A	473	0	0	473
Other	4,969	3	0	4,971
TOTAL	5,966	3	0	5,969

Off-balance sheet (financing and guarantee commitment)	As at 31/12/2020			
	Commitment amount			
	Healthy or degraded commitments		Impaired commitments	TOTAL
	Commitments subject to a 12-month ECL	Commitments subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
AAA	120	0	0	120
AA	854	3	0	857
A	2,123	1	0	2,124
Other	2,487	0	0	2,487
TOTAL	5,584	4	0	5,588

Credit institutions credit risk exposure

Financial assets at amortised cost	As at 31/12/2021			
	Gross book value			
	Healthy or degraded assets		Impaired assets	TOTAL
	Assets subject to a 12-month ECL	Assets subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
AAA	116	0	0	116
AA	472	0	0	472
A	992	0	0	992
Other	1,176	50	0	1,226
TOTAL	2,756	50	0	2,806

Financial assets at amortised cost	As at 31/12/2020			
	Gross book value			
	Healthy or degraded assets		Impaired assets	TOTAL
	Assets subject to a 12-month ECL	Assets subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
AAA	0	0	0	0
AA	954	0	0	954
A	1,852	0	0	1,852
Other	2,803	50	0	2,853
TOTAL	5,609	50	0	5,659

Financial assets at fair value through recyclable equity	As at 31/12/2021			
	Fair value			
	Healthy or degraded assets		Impaired assets	TOTAL
	Assets subject to a 12- month ECL	Assets subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
AAA	7,491	0	0	7,491
AA	7,732	0	0	7,732
A	21,967	5	0	21,972
Other	10,110	1	0	10,111
TOTAL	47,299	7	0	47,306

Financial assets at fair value through recyclable equity	As at 31/12/2020			
	Fair value			
	Healthy or degraded assets		Impaired assets	TOTAL
	Assets subject to a 12- month ECL	Assets subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
AAA	8,723	0	0	8,723
AA	10,272	0	0	10,272
A	20,677	25	0	20,702
Other	6,345	20	0	6,365
TOTAL	46,017	45	0	46,062

Off-balance sheet (financing and guarantee commitment)	As at 31/12/2021			
	Commitment amount			
	Healthy or degraded commitments		Impaired commitments	TOTAL
	Commitments subject to a 12-month ECL	Commitments subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
AAA	229	9	0	237
AA	737	0	0	737
A	272	0	0	272
Other	1,809	17	0	1,826
TOTAL	3,047	26	0	3,073

Off-balance sheet (financing and guarantee commitment)	As at 31/12/2020			
	Commitment amount			
	Healthy or degraded commitments		Impaired commitments	TOTAL
	Commitments subject to a 12-month ECL	Commitments subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
AAA	85	9	0	94
AA	1,645	0	0	1,645
A	844	0	0	844
Other	219	15	0	234
TOTAL	2,793	24	0	2,817

Credit risk exposure by geographical area

Financial assets at amortised cost	As at 31/12/2021			
	Gross book value			
	Healthy or degraded assets		Impaired assets	TOTAL
	Assets subject to a 12-month ECL	Assets subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
France (including overseas territories - DOM-TOM)	191,172	7,931	1,568	200,671
Other EU countries	13,639	263	52	13,954
Other European countries	556	66	2	623
Other	282	326	5	613
Impairment	(189)	(532)	(669)	(1,390)
TOTAL	205,460	8,054	958	214,472

Financial assets at amortised cost	As at 31/12/2020			
	Gross book value			
	Healthy or degraded assets		Impaired assets	TOTAL
	Assets subject to a 12-month ECL	Assets subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
France (including overseas territories - DOM-TOM)	239,830	10,346	1,513	251,689
Other EU countries	12,248	288	76	12,612
Other European countries	51	36	1	88
Other	377	204	36	617
Impairment	(173)	(448)	(626)	(1,247)
TOTAL	252,333	10,426	1,000	263,759

Financial assets at fair value through recyclable equity	As at 31/12/2021			
	Fair value			
	Healthy or degraded assets		Impaired assets	TOTAL
	Assets subject to a 12-month ECL	Assets subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
France (including overseas territories - DOM-TOM)	113,758	21	0	113,778
Other EU countries	72,128	256	0	72,384
Other European countries	8,879	10	0	8,889
Other	32,977	92	0	33,069
TOTAL	227,742	379	0	228,121
<i>Of which impairment</i>	(456)	(9)	0	(465)

Financial assets at fair value through recyclable equity	As at 31/12/2020			
	Fair value			
	Healthy or degraded assets		Impaired assets	TOTAL
	Assets subject to a 12-month ECL	Assets subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
France (including overseas territories - DOM-TOM)	121,038	60	0	121,098
Other EU countries	67,693	308	0	68,001
Other European countries	8,469	125	0	8,594
Other	32,532	163	0	32,695
TOTAL	229,732	656	0	230,388
<i>Of which impairment</i>	(361)	(11)	0	(372)

Off-balance sheet (financing and guarantee commitment)	As at 31/12/2021			
	Commitment amount			
	Healthy or degraded commitments		Impaired commitments	TOTAL
	Commitments subject to a 12-month ECL	Commitments subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
France (including overseas territories - DOM-TOM)	29,773	749	33	30,556
Other EU countries	598	154	0	752
Other European countries	63	3	0	66
Other	14	0	0	14
Provisions ^(a)	(52)	(40)	(5)	(97)
TOTAL	30,397	867	28	31,292

Off-balance sheet (financing and guarantee commitment)	As at 31/12/2020			
	Commitment amount			
	Healthy or degraded commitments		Impaired commitments	TOTAL
	Commitments subject to a 12-month ECL	Commitments subject to a lifetime ECL		
(€ million)	(Bucket 1)	(Bucket 2)	(Bucket 3)	
France (including overseas territories - DOM-TOM)	26,912	1,120	34	28,066
Other EU countries	425	8	0	433
Other European countries	8	0	0	8
Other	13	1	0	14
Provisions ^(a)	(46)	(50)	(3)	(99)
TOTAL	27,312	1,079	31	28,422

(a) Expected or realised losses relating to off-balance sheet commitments are recognised as provisions under liabilities on the balance sheet.

34.2.7. Additional information on sovereign exposure

The list of sovereign exposures was prepared in accordance with the scope defined by the European Banking Authority (EBA), in other words by including the exposure data relative to regional authorities, central authorities and businesses guaranteed by the French

government. These exposures include deposits centralised at Caisse des Dépôts.

31/12/2021							
(€ million)	Bank portfolio	Assets at fair value through profit or loss	Total direct exposure (a)	Repo	Off-balance sheet	Total direct and indirect exposure (b)	Exposure (as a %)
Germany	5,910	287	6,198	114	0	6,312	2.5%
Austria	543	5	549	0	0	549	0.2%
Belgium	10,173	236	10,408	2,200	(0)	12,608	4.9%
Spain	14,866	142	15,008	44	0	15,051	5.9%
France	164,472	3,561	168,034	8,018	942	176,993	69.5%
Ireland	88	15	103	0	0	103	0.0%
Italy	14,800	501	15,300	11	0	15,311	6.0%
Netherlands	305	4	309	0	0	309	0.1%
Poland	337	25	362	0	0	362	0.1%
Portugal	1,873	77	1,949	0	0	1,949	0.8%
Romania	174	1	175	0	0	175	0.1%
Other European countries	214	62	276	0	0	276	0.1%
Supranational	5,330	739	6,070	2	0	6,072	2.4%
TOTAL EUROPE	219,085	5,656	224,740	10,389	943	236,072	92.6%
Brasil	2,176	15,117	17,293	0	0	17,293	6.8%
Canada	750	1	750	0	0	750	0.3%
Japan	105	0	105	0	0	105	0.0%
Other countries	547	56	603	0	0	603	0.2%
TOTAL REST OF THE WORLD	3,578	15,174	18,752	0	0	18,752	7.4%
TOTAL	222,663	20,829	243,492	10,389	943	254,824	100%

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

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

31/12/2020							
(€ million)	Bank portfolio	Assets at fair value through profit or loss	Total direct exposure (a)	Repo	Off-balance sheet	Total direct and indirect exposure (b)	Exposure (as a %)
Germany	4,716	291	5,007	393	0	5,400	1.8%
Austria	2,488	6	2,494	133	0	2,627	0.9%
Belgium	10,448	312	10,760	1,521	0	12,281	4.2%
Spain	12,911	124	13,035	0	0	13,035	4.5%
France	208,599	3,527	212,126	12,375	1,036	225,537	77.1%
Italy	8,389	783	9,172	154	0	9,326	3.2%
Netherlands	341	5	346	0	0	346	0.1%
Poland	355	36	391	0	0	391	0.1%
Portugal	1,370	80	1,450	0	0	1,450	0.5%
Other European countries	208	55	263	9	1	273	0.1%
Supranational	4,814	732	5,546	16	0	5,562	1.9%
TOTAL EUROPE	254,639	5,951	260,590	14,601	1,037	276,228	94.4%
Brasil	2,918	12,216	15,134	0	0	15,134	5.2%
Canada	269	0	269	0	0	269	0.1%
Korea, South	64	0	64	94	0	158	0.1%
Japan	65	474	539	0	0	539	0.2%
Other countries	153	57	210	0	0	210	0.1%
TOTAL REST OF THE WORLD	3,469	12,747	16,216	94	0	16,310	5.6%
TOTAL	258,108	18,698	276,806	14,695	1,037	292,538	100%

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

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

34.3 Market risk and hedging accounting

34.3.1 Derivatives operations: breakdown by maturity (notional)

The breakdown of derivatives market value is presented by contractual residual maturity

Hedging derivatives

	31/12/2021							
	Less than 1 year	1 to 5 years	> 5 years	TOTAL	Less than 1 year	1 to 5 years	> 5 years	TOTAL
	ASSETS				LIABILITIES			
<i>(€ million)</i>								
Interest rate instruments	13	658	295	967	21	176	85	282
Interest rate swaps	13	658	295	967	21	176	85	282
Caps-floors-collars								
Foreign currency instruments	0	0	55	55	0	0	51	51
Firm foreign exchange transactions	0	0	55	55	0	0	51	51
Credit instruments	0	0	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0	0	0
Total fair value hedging derivatives	13	658	351	1,022	21	176	136	333

	31/12/2020							
	Less than 1 year	1 to 5 years	> 5 years	TOTAL	Less than 1 year	1 to 5 years	> 5 years	TOTAL
	ASSETS				LIABILITIES			
<i>(€ million)</i>								
Interest rate instruments	11	766	665	1,442	11	327	346	684
Interest rate swaps	11	766	665	1,442	11	327	346	684
Caps-floors-collars	0	0	0	0	0	0	0	0
Foreign currency instruments	0	0	0	0	7	0	72	79
Firm foreign exchange transactions	0	0	0	0	7	0	72	79
Credit instruments	0	0	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0	0	0
Total fair value hedging derivatives	11	766	665	1,442	18	327	418	763

Trading derivatives

	31/12/2021							
	Less than 1 year	1 to 5 years	> 5 years	TOTAL	Less than 1 year	1 to 5 years	> 5 years	TOTAL
	ASSETS				LIABILITIES			
<i>(€ million)</i>								
Interest rate instruments	41	558	695	1,293	33	349	408	791
Interest rate swaps	9	215	462	686	7	159	314	480
Options Caps-floors-collars	33	343	233	608	26	191	94	311
Foreign currency instruments	73	32	82	188	32	440	380	853
Firm foreign exchange transactions	73	32	82	188	32	440	380	853
Credit instruments	0	2	0	2	0	13	0	13
Equity and index instruments	142	664	12	818	73	554	0	627
Other instruments	0	0	0	0	1	4	0	4
Total fair value trading derivatives	256	1,257	789	2,302	139	1,360	788	2,288

	31/12/2020							
	Less than 1 year	1 to 5 years	> 5 years	TOTAL	Less than 1 year	1 to 5 years	> 5 years	TOTAL
	ASSETS				LIABILITIES			
<i>(€ million)</i>								
Interest rate instruments	11	264	606	881	10	233	584	827
Interest rate swaps	6	225	545	776	5	203	554	762
Options Caps-floors-collars	5	39	61	105	5	30	30	65
Foreign currency instruments	11	65	81	157	110	322	449	881
Firm foreign exchange transactions	11	65	81	157	110	322	449	881
Credit instruments	0	5	0	5	0	14	0	14
Equity and index instruments	0	0	0	0	0	0	0	0
Other instruments	89	302	8	399	14	70	0	84
Total fair value trading derivatives	111	636	695	1,442	134	639	1,033	1,806

34.3.2 General risk management strategy framework

General framework

Market risks reflect the potential impact of changes in the financial markets on the Bank's net profit/(loss) or its balance sheet. They include price risk, currency risk and commodity risk.

Most of the items in the balance sheet generate interest income and expenses whose amounts are exposed to interest rate changes, either through the implementation of new transactions where the rate is unknown, or through the comparative assessment of the rate at which existing transactions would have been implemented. In the first case, it is a cash flow risk, whereas in the second case, it is a fair value risk.

Since 1 January 2020, La Banque Postale Group applies the provisions of IFRS 9 to its hedging relationships except for macro-hedging relationships for which it continues to apply the provisions of IAS 39 as adopted by the European Union.

Reform of benchmark interest rates

The Benchmark Regulation (EU) No. 2016/1011 (BMR) is the European legislative response to strengthen the regulatory framework applicable to benchmark interest rates, in particular to InterBank Offered Rates (IBORs). The reform of the benchmark interest rates entails the replacement of or change of the market-wide calculation method of a current benchmark interest rate with an alternative reference rate. It affects both Euro zone (EONIA, EURIBOR) and non-Euro zone (LIBOR) rates.

The deadline for applying the new BMR-compliant benchmark rates is 1 January 2022. However, it is expected that this project will remain active because of the various actions to be carried out in the future, such as the modification of contracts (amendments) and systems (updating calculations to use new rates) to the potential (LIBOR) or expected (EONIA) disappearance of certain rates at the beginning of 2022 or 2023.

In 2021, the project structured by La Banque Postale Group addressed especially the following issues:

- Updating of contracts to comply with BMR requirements and new market practices;
- Remediation of existing contracts for the inclusion or improvement of fallback clauses in the event of the disappearance of a benchmark rate as of 1 January 2022;
- Adaptation of systems to support a new benchmark rate such as the €STR, the SOFR or the SONIA.

As a result of the reform, the contractual cash flows of financial instruments indexed to a reference rate will be changed when switching to an alternative benchmark rate. As the benchmark rates differ from one market to another, the replacement will not take place on the same date or under the same terms and conditions.

The Group is mainly exposed to EONIA and EURIBOR and to a lesser extent to USD LIBOR.

EURIBOR

The Group does not envisage that EURIBOR will cease to

exist in the foreseeable future nor the change of the hedged risk to a new benchmark rate.

EONIA

Following the announcement of the end of the publication of the EONIA from 31 December 2021, the Working Group of the European Central Bank (ECB) recommended that the Euro Short Term Rate (€STR), increased by 0.085%, be used as a fallback rate for EONIA. As a reminder, since 1 October 2019, the EONIA is determined by adding 0.085% to the €STR.

La Banque Postale has thus begun a process of replacing the EONIA rate by €STR+0.085% or by €STR but with a payment in compensation for the absence of any increase.

In 2021 and early 2022, the following products were mainly modified under EONIA:

- **Derivatives (swaps) cleared by the LCH and Eurex clearing houses** that La Banque Postale held via clearing brokers. With the approach of the disappearance of EONIA, these two clearing houses decided to switch the index-linking of these products from EONIA to €STR by cancelling the contracts in existence on 15 October and by booking new €STR contracts on 16 October. The difference of 0.085% between EONIA and €STR was offset via balances paid or received by the clearing houses in order to safeguard the economic equivalence, for each counterparty, between the situations before and after.
- **Concerning derivatives (swaps) held by La Banque Postale and whose counterparty was not a clearing house**, amendments to the framework agreements were signed. These amendments consisted in replacing the EONIA index by €STR+8.5 bps at the time of the disappearance of the EONIA. This also applies to intra-group swaps.
- **Concerning the financing products proposed by La Banque Postale**, generally loans or short-term financing such as overdrafts or cash lines, for which La Banque Postale was the customer's sole counterparty (bilateral financing), the EONIA index was replaced by €STR+0.085% from 3 January 2022 (inclusive), the first day of interest for which the EONIA was not published.

LIBOR

Ice Benchmark Administrator (IBA), LIBOR director, announced the cessation of the publication of the CHF, EUR, JPY, GBP and USD LIBOR indices as of 31 December 2021 (1 week, 2 months). The USD LIBOR 1, 3, 6 and 12 months would cease to be published on 30 June 2023. Unlike EONIA, however, LIBOR has not enjoyed a single rate of decline that can replace LIBOR in contracts without any other modification. However, guidelines on the rates to be used and the calculation methods have generally been proposed by the competent authorities or the associations governing framework contracts.

La Banque Postale was keen to comply with market practices and proceeded as follows to amend its LIBOR contracts:

- **Derivatives.** The bank did not hold any derivatives in LIBOR other than USD LIBOR; therefore, no change in the LIBOR index occurred on these products;

- Financing products. The bank has been able to use LIBOR indices as part of its financing product offering, in particular for revolving credit facilities and term loans. These products were subject to two distinct changes: either they were modified to switch to the corresponding RFR index, calculated according to the recommendations of the authorities, and increased by a spread accepted by market practices (generally the spread selected by ISDA), or they relied on the use of the synthetic LIBORs published by ICE for contracts that are difficult to modify (tough legacy). All these changes were the subject of a prior study by both the legal and technical teams (business line, support) to ensure a smooth transition with minimal operational risk.

At 31 December 2021, the breakdown by significant reference index of the instruments based on the old benchmark rates and which must be transferred to the new rates before their maturity was as follows:

(€ million)	Book values of financial assets (excluding derivatives)	Book values of financial liabilities (excluding derivatives)	Notional of derivatives
2021			
EONIA	381	0	8,493
EURIBOR	12,331	1,625	81,566
LIBOR EURO	0	0	0
LIBOR USD	257	522	1,536
LIBOR GBP	243	0	104
LIBOR CHF	0	0	0
TIBOR	0	0	0
LIBOR JPY	0	0	0
Other rate	215	0	173

Type of hedging – Management of related risks

As part of the management of market risk associated with asset/liability balances and the risk management policy, La Banque Postale implements hedging using derivative instruments.

This economic hedging leads to different accounting types.

When derivatives are held for trading, they do not fall under the accounting category of derivatives used for hedging. Therefore, the hedging purpose is not achieved by the hedging accounting but by the symmetry with the underlying hedged item.

Hedging derivatives that qualify as hedging instruments are classified in “Fair value hedges” or “Cash flow hedges”.

Fair value hedges

Fair value hedging enables to hedge exposure to fluctuations in the fair value of financial assets or liabilities; it is mainly used to hedge interest rate risk on fixed-rate assets and liabilities and on demand deposits, as part of the options allowed by the European Union. The derivatives used to hedge fair value stabilise the value by evolving in an opposite direction to that of the hedged item. The valuation difference between the

derivative and the hedged item is the inefficient portion of the hedging relationship and as such will be recognised in the income statement.

Cash flow hedges: Cash Flow Hedge and all-in-one Cash Flow Hedge

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 derivatives used for cash flow hedging must effectively enable cash flows to be fixed. In the specific case of forward contracts, they are all-in-one cash flow hedges which are, by construction, effective given that these contracts hedge the underlying specified for delivery (the contracts incorporate both the derivative and the underlying, which explains the name “all-in-one”).

Macro-hedging

La Banque Postale applies the provisions of IAS 39 as adopted by the European Union to macro-hedging transactions 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 and uses. The flow rate of these hedging swaps is systematically shorter than the probable flow rate of the fixed rate hedged items. This is known as the bottom-layer approach. In the event of over-hedging, the effectiveness test conducted by La Banque Postale shows that it is not complied with and the ineffective portion of the hedging derivative is systematically cancelled.

Hedging instruments

La Banque Postale uses several types of hedging derivatives to manage the interest rate and currency risks of balance sheet items.

For interest rate swaps (over the counter contracts enabling the exchange, based on a nominal amount, of interest rate flows calculated using a fixed rate against interest rate flows calculated using a floating rate), La Banque Postale favours OIS swaps.

For options (over the counter contracts between two counterparties giving the buyer the option of hedging beyond a certain level), La Banque Postale used Caps to hedge against an increase in interest rates beyond a predetermined level (ceiling or exercise rate, also called the strike rate), against the – generally immediate – payment of a premium.

For currency swaps, La Banque Postale uses cross currency swaps (currency swaps that pays the rate in currency and receives of the floating rate in euros). The cross currency swap ensures both financing in foreign currency and currency hedging (financing and interest). Currency flows for the security and swap are completely matched in terms of amounts, dates and outflows.

34.3.3. Scopes and economic ties with the hedged risk (underlying)

Underlyings

La Banque Postale carries out hedging of transactions in the Group's balance sheet (for both customer and financial origins) with derivatives traded with market counterparties. These transactions depend on the portfolio's accounting business model.

The transactions use different hedging strategies aiming mainly to hedge interest rate risk.

Covered item	Scénarios 2021 (effective)	
	Derivatives	Coverage
Fixed rate loans	Fixed Payor Swap	Macro-hedging "carve-out" of fair value (CO-FVH: Carve-out Fair value hedge)
	Fixed Payor Swap	Fair value hedge (FVH: Fair value Hedge)
	Fixed Payor Swap	Cash Flow Hedge (CFH) (a)
Fixed-rate securities purchased	Fixed Payor Swap	Macro-hedging "carve-out" of fair value (CO-FVH: Carve-out Fair value hedge)
	Fixed Payor Swap	Fair value hedge (FVH: Fair value Hedge)
Fixed-rate securities purchased forward	Forward	All-in-one cash flow hedge ("all-in-one CFH": all-in-one cash flow hedge)
Capped revisable rate assets	Cape purchased	Macro-hedging "carve-out" of fair value (CO-FVH: Carve-out Fair value hedge)
Fixed rate customer deposits	Fixed receiver swap	Macro-hedging "carve-out" of fair value (CO-FVH: Carve-out Fair value hedge)
Fixed-rate bond issue	Fixed receiver swap	Fair value hedge (FVH: Fair value Hedge)

Underlying hedged assets

The hedged risk corresponds to the interest rate risk in value attached to fixed rate bonds and customer loans (real estate, consumer), and to cash flow interest rate risk (purchase of term bonds).

Underlying hedged liabilities

The hedged risk corresponds to the interest rate risk in value attached to fixed rate customer deposits (on demand, Home Loan Savings Plans), and fixed rate bond issues.

Sources of ineffectiveness

Hedging of a security by a swap

There are two types of fair value hedging:

Hedging against EURIBOR: Hedges against EURIBOR are valued using a EURIBOR discount curve for securities, whilst derivatives are valued using an EONIA curve. The introduction of two

different discount curves creates a slight hedge ineffectiveness, which will be all the more significant as the EONIA-EURIBOR spread will vary over time (the ineffectiveness stems from changes in the fair value of the variable component of the swap, since this rate is not a daily rate [such as EONIA] but a prefixed rate [such as EURIBOR]);

Hedging against EONIA: Hedges against EONIA are valued using an EONIA discount curve for securities and derivatives. Thus, the mathematical hedging between the security and the swap (security discounted against EONIA with restatement of the credit component and swap discounted against EONIA) is perfect – for this reason they are considered to be 100% effective.

Hedging of several securities by several swaps

The defined principles enable the attainment of simplified hedging documentation that is considered to be 100% effective, whilst correctly managing the accounting treatment of the hedged rate component and, in particular, the recycling of hedging results according to the securities' transactions carried out.

The securities and their hedging (a swap, more exceptionally several swaps) are grouped by macro-hedging "strategy". Each macro-hedging strategy complies with the following constraints:

1. the maturity of the strategy's swap and securities are comprised in the same bucket of one year long or less;
2. the notional amount of the strategy's swap must be strictly lower than the total principal amount of the securities;
3. the maturity of a swap in a strategy has to be smaller or equal to the smallest maturity of the securities in the same strategy;
4. the sensitivity of the strategy's swap must be less than or equal to the overall sensitivity of the securities;
5. if there are several swaps in the strategy, they must be executed on the same day;
6. once the securities and swap(s) have been matched, no additional securities can be purchased under the strategy, only the sales of securities and unwinding of swaps are authorised.

This guarantees that during the hedging period, all the securities and swaps have had homogeneous value changes (in respect of interest rate risk) over time.

La Banque Postale has set itself unwinding rules by following the principal amount of the securities sold, strategy by strategy, to constantly comply with the defined constraints, and by partially cancelling swap

outstandings that exceed the principal of the remaining securities on the same day the securities are sold. In the event of over-hedging, the effectiveness test put in place by La Banque Postale is not met; in this event, an "ineffectiveness" figure is then calculated, and the over-hedged amount of the hedging derivative is systematically cancelled.

Macro-hedging: the sources of ineffectiveness mainly consist of the disappearance of the underlying item.

Hedging ratio

The hedging ratio (quantity of items hedged/quantity of hedging instruments) corresponds to the ratio used by La Banque Postale in its operational risk management.

The hedging ratio is calculated as follows: at each closing date, the retrospective documentation consists of checking that the change in value of the hedged item since the origin is consistent with the change in the hedging item. The valuation difference is the inefficient portion of the hedging relationship and as such will be recognised in the income statement.

Effectiveness test

La Banque Postale conducts an effectiveness test at least twice per half year.

Cash flow hedging

La Banque Postale uses the hypothetical derivative method for cash flow hedges. This hypothetical derivative method consists of comparing the changes in value of the derivative instrument to the changes in value of a fictional derivative instrument called the hypothetical derivative that perfectly represents the hedged risk.

Fair Value Hedge

Hedging of a security by a swap

La Banque Postale uses the hypothetical derivative method for micro-hedging on EURIBOR swaps.

Working from the assumption that swaps against EONIA are 100% effective in micro-hedging, the method consists of creating an EONIA swap that could have been set up during the hedging (exactly replicating the security) and it assesses the change in value of this swap compared to the change in value of the swap that was actually set up.

The residual ineffectiveness corresponds to the sum of changes in value of the hedged item and the hedging item. The security and swap are valued using an identical and constant rate curve, with only the market exchange rate taken into account. Thus, the change in value of the security valued in this way is independent from changes in interest rates and is only impacted by the change in exchange rates. In cases where the effectiveness test is not complied with, La Banque Postale requires that all or part of the hedging underlying is cancelled. For this, effectiveness tests are carried out before and after disposals to ensure the cancellation operation is compliant.

Hedging of several securities by a swap

To ensure the monitoring of the hedging strategy, La Banque Postale has set up rolling documentation of hedging strategies to substantiate the absence of new or additional securities on existing positions.

Hedging of several loans by several swaps (bottom-layer/carve out)

For a sub-group of fixed-rate customer contracts, La Banque Postale carries out tests to ensure that the flow of the hedged underlyings is much higher than that of the nominal amount of the derivatives (swaps or options) used for hedging. If the nominal amount of the derivatives is higher, this ends the hedging relationship and the derivative(s) is/are systematically cancelled.

Fair value and cash flow hedging derivatives

(€ million)	As at 31/12/2021		
	Assets	Liabilities	Notional
Interest rate instruments	967	282	45,305
Interest rate swaps	967	282	45,305
Caps-floors-collars-interest-rate options	0	0	0
Foreign currency instruments	0	0	1,152
Firm foreign exchange transactions	0	0	1,152
Other instruments	0	0	0
TOTAL FAIR VALUE HEDGING DERIVATIVES	967	282	46,458
Interest rate instruments	0	0	0
Foreign currency instruments	55	50	1,060
Firm foreign exchange transactions	55	50	1,060
Other instruments	0	0	0
TOTAL CASH FLOW HEDGING DERIVATIVES	55	50	1,060
TOTAL HEDGING DERIVATIVES	1,022	333	47,517

The notional amounts of hedging derivatives that fall within the scope of the amendment to IFRS 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform” are as follows :

Notional amount of FVH derivatives by maturity	3 years	> 3 years
EONIA	5,130	3,056
LIBOR USD	728	171

The notional amounts of hedging derivatives are broken down before or after the maturity of 3 years that starts as of 1 January 2022 and ends as of 31 December 2024. When a bank contributing to the calculation of a critically important benchmark decides to leave this panel, it remains bound to it for a period of 3 years from 1 January 2022, and is then renewed from year to year.

(€ million)	As at 31/12/2020		
	Assets	Liabilities	Notional
Interest rate instruments	1,443	684	51,596
Interest rate swaps	1,443	684	51,477
Caps-floors-collars-interest-rate options	0	0	119
Foreign currency instruments	0	0	798
Firm foreign exchange transactions	0	0	798
Other instruments	0	0	0
TOTAL FAIR VALUE HEDGING DERIVATIVES	1,443	684	52,394
Interest rate instruments	0	0	140
Foreign currency instruments	0	79	741
Firm foreign exchange transactions	0	79	741
Other instruments	0	0	0
TOTAL CASH FLOW HEDGING DERIVATIVES	0	79	881
TOTAL HEDGING DERIVATIVES	1,443	763	53,275

Hedging derivatives operations: breakdown by maturity (notional)

The breakdown of the notional amounts of derivative instruments is presented by residual contractual maturity.

	As at 31/12/2021			
	< 1 year	1 to 5 years	> 5 years	TOTAL
(€ million)				
Interest rate instruments	5,555	32,619	7,131	45,305
Interest rate swaps	5,555	32,619	7,131	45,305
Caps-floors-collars-interest-rate options	0	0	0	0
Foreign currency instruments	0	100	1,053	1,152
Firm foreign exchange transactions	0	100	1,053	1,152
Other instruments	0	0	0	0
TOTAL FAIR VALUE HEDGING DERIVATIVE NOTIONALS	5,555	32,718	8,184	46,458
Interest rate instruments	0	0	0	0
Foreign currency instruments	0	0	1,060	1,060
Firm foreign exchange transactions	0	0	1,060	1,060
Other instruments	0	0	0	0
TOTAL CASH FLOW HEDGING DERIVATIVE NOTIONALS	0	0	1,060	1,060
TOTAL HEDGING DERIVATIVE NOTIONALS	5,555	32,718	9,244	47,517

	As at 31/12/2020			
	< 1 year	1 to 5 years	> 5 years	TOTAL
(€ million)				
Interest rate instruments	5,597	35,263	10,736	51,596
Interest rate swaps	5,555	35,208	10,714	51,477
Caps-floors-collars-interest-rate options	42	55	22	119
Foreign currency instruments	340	0	459	799
Firm foreign exchange transactions	340	0	459	799
Other instruments	0	0	0	0
TOTAL FAIR VALUE HEDGING DERIVATIVE NOTIONALS	5,937	35,263	11,195	52,395
Interest rate instruments	140	0	0	140
Foreign currency instruments	334	0	407	741
Credit instruments	0	0	0	0
Other instruments	0	0	0	0
TOTAL CASH FLOW HEDGING DERIVATIVE NOTIONALS	474	0	407	881
TOTAL HEDGING DERIVATIVE NOTIONALS	6,411	35,263	11,602	53,276

Fair value hedge

Hedged items

Fair value micro-hedging	31/12/2021			
	Existing hedging		Discontinued hedges	Fair value adjustment over the period related to the hedge (including discontinued hedges during the period)
	Book value	of which total fair value adjustments related to the hedge	Total fair value adjustments related to the hedge still to be amortised	
(€ million)				
ASSETS				
Interest rate	8,916	(7)	0	(332)
Foreign exchange	100	0	0	0
Other	0	0	0	0
Financial instruments at fair value through equity	9,015	(7)	0	(332)
Interest rate	639	4	0	(11)
Foreign exchange	0	0	0	0
Other	0	0	0	0
Financial instruments at amortised cost	639	4	0	(11)
LIABILITIES				
Interest rate	10,063	257	0	(308)
Foreign exchange	0	0	0	0
Other	0	0	0	0
Financial instruments at amortised cost	10,063	257	0	(308)

Fair value micro-hedging	31/12/2020			
	Existing hedging		Discontinued hedges	Fair value adjustment over the period related to the hedge (including discontinued hedges during the period)
	Book value	of which total fair value adjustments related to the hedge	Total fair value adjustments related to the hedge still to be amortised	
(€ million)				
ASSETS				
Interest rate	12,333	325	0	105
Foreign exchange	0	0	0	0
Other	0	0	0	0
Financial instruments at fair value through equity	12,333	325	0	105
Interest rate	1,000	14	0	2
Foreign exchange	0	0	0	0
Other	182	0	0	0
Financial instruments at amortised cost	1,182	14	0	2
LIABILITIES				
Interest rate	11,195	565	0	88
Foreign exchange	0	0	0	0
Other	0	0	0	0
Financial instruments at amortised cost	11,195	565	0	88

Fair value macro-hedging	31/12/2021	31/12/2020
	Book value	Book value
<i>(€ million)</i>		
Debt instruments recognised at fair value through equity	0	0
Debt instruments classified at amortised cost	11,585	13,300
Total- ASSETS	11,585	13,300
Debt instruments classified at amortised cost	14,079	14,144
Total LIABILITIES	14,079	14,144
TOTAL Fair value hedging of the interest rate risk exposure of a portfolio of financial instruments	25,664	27,444

Fair value hedge accounting result

	31/12/2021		
	Net result (hedge accounting result)		
	Change in fair value on hedging instruments (including discontinuations)	Change in fair value on hedged items (including discontinuations)	Ineffective part of the hedge
<i>(€ million)</i>			
Interest rate	(130)	125	(5)
Foreign exchange	1	(1)	0
Other	0	0	0
TOTAL	(129)	124	(5)

	31/12/2020		
	Net result (hedge accounting result)		
	Change in fair value on hedging instruments (including discontinuations)	Change in fair value on hedged items (including discontinuations)	Ineffective part of the hedge
<i>(€ million)</i>			
Interest rate	(145)	145	0
Foreign exchange	9	(8)	0
TOTAL	(136)	137	0

Cash-flow hedge

Hedging items

	31/12/2021		
	Existing hedging	Discontinued hedges	
	of which total fair value adjustments related to the hedge	Total fair value adjustments related to the hedge still to be amortised	Fair value adjustment over the period related to the hedge (including discontinued hedges during the period)
(€ million)			
ASSETS			
Interest rate	0	27	0
Foreign exchange	0	20	42
Other	0	0	0
TOTAL	0	47	42

	31/12/2020		
	Existing hedging	Discontinued hedges	
	of which total fair value adjustments related to the hedge	Total fair value adjustments related to the hedge still to be amortised	Fair value adjustment over the period related to the hedge (including discontinued hedges during the period)
(€ million)			
ASSETS			
Interest rate	0	31	0
Foreign exchange	(22)	0	(1)
Other	0	0	0
TOTAL	(22)	31	(1)

Cash-flow hedge accounting result

	31/12/2021		
	Other comprehensive income		Net result (hedge accounting result)
	Effective part of the hedge recognised during the period	Amount recognized in recyclable equity reclassified under income during the period	Ineffective part of the hedge
(€ million)			
Interest rate	0	(4)	0
Foreign exchange	106	(64)	0
Other	0	0	0
TOTAL	106	(67)	0

	31/12/2020		
	Other comprehensive income		Net result (hedge accounting result)
	Effective part of the hedge recognised during the period	Amount recognized in recyclable equity reclassified under income during the period	Ineffective part of the hedge
(€ million)			
Interest rate	0	(16)	0
Foreign exchange	(67)	66	9
Other	0	0	0
TOTAL	(67)	50	9

34.3.4 Assessment of risk

Value at risk (VaR)

Value at risk (VaR) is a risk indicator used to assess the potential loss which La Banque Postale could face. It provides an estimate of the maximum potential loss at a given horizon with a given probability. This indicator does not provide an estimate of the potential loss which could result from rare events.

The VaR indicator covers transaction portfolios as well as certain banking portfolios. A global VaR is also calculated on all positions.

The VaR indicator is available for each activity included in the market portfolio.

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 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.

The VaR calculated in this way partially covers option risks as second-tier risks are not taken into account. The development of optional positions, which to date have not been very significant in relation to the overall positions, could lead the Group Risk Department (DRG) to deploy a more appropriate methodology. Indicators dedicated to option risk monitoring are also implemented.

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

Stress scenarios

The VaR estimate, based on the assumption of a normal distribution law, is calculated under normal market conditions and does not provide any information on the amount of the potential loss when the VaR is exceeded. It is therefore necessary to be able to estimate potential losses by assuming exceptional market conditions (attacks, bankruptcy of a large group, etc.), and it is in this manner that stress scenarios are implemented.

A stress scenario is used to simulate an extreme situation in order to evaluate its financial consequences on the results or the equity of La Banque Postale. Using scenarios is a tool to analyse and monitor market risks.

34.4 Liquidity risk

Liquidity risk is defined by the Decree of 3 November 2014 as a company's risk of not being able to meet its commitments or not being able to resolve or offset a position due to the market situation (systemic risk) or idiosyncratic factors (its own credit risk), within a determined time frame and at a reasonable cost.

The liquidity risk reporting systems cover the entire La Banque Postale at the prudential level. Some of the limits and indicators used in management refer to corporate units of the Group, notably La Banque Postale, the largest entity.

The management of liquidity risk is based on:

- A risk mapping;
- A guidelines and limits system;
- A financing plan which ensures the ex ante La Banque Postale Group balanced funding position;
- A buffer of high-quality, liquid, unencumbered securities (and its central bank deposit equivalent).

In April 2021, La Banque Postale's bodies (Supervisory Board) approved the entire system for assessing liquidity and its adequacy – ILAAP (*Internal Liquidity Adequacy Assessment Process*).

La Banque Postale has a strong liquidity position based on:

- customer deposits in excess of loans to customers. La Banque Postale has a very large, diversified deposit base (in excess of €200 billion), principally consisting of deposits by French individual customers;
- a significant HQLA (High Quality Liquidity Assets) portfolio, La Banque Postale has traditionally invested a large part of its balance sheet in sovereign bonds, due to its long-standing business of collecting deposits, while the customer loans business only developed as of 2006. This portfolio exclusively contains liquid, high quality assets in line with the provisions of Delegated Regulation (EU) No. 2015/61, which brings its short-term liquidity ratio above 150%;
- a regularly adjusted provisional financing plan;
- proven access to capital markets financing.

As the resources from customers are for the most part without maturity and payable at any time (deposits, saving accounts), their outflow is modelled in order to determine its time profile. La Banque Postale selected a conservative approach for its liquidity valuation, and used very conservative assumptions to estimate outflows. Resources are thus valued using increased outstanding volatility and decreased liquidity duration.

Managing the liquidity risk

Responsibility for managing the liquidity risk rests with the dedicated Committee in line with the principles and limitations approved by the Group's Risk Management Committee. This responsibility is partially delegated to the ALM Committee and Treasury for the liquidity risk. Operationally, La Banque Postale has implemented an internal liquidity assessment system, or ILAAP (Internal

Liquidity Adequacy Assessment Process), which covers all of the arrangements on limits, assessment, monitoring, reporting and management of liquidity.

These arrangements include:

- a guidelines and limits system;
- a financing plan which ensures *ex ante* the Bank's balanced funding position as regards budget planning for La Banque Postale;
- maintaining and monitoring of changes to a high-quality, unencumbered liquid securities; buffer, as well as the amounts referred to the central bank's deposit facility;
- the emergency financing plan (PFU), the main objectives of which are (cf.infra) :
 - o to define the alert thresholds for the early detection of tensions on liquidity, whether these be idiosyncratic (specific to La Banque Postale) or systemic
 - o to identify all available capacities to generate liquidity (liquidity reserves and financing capacities)
 - o to mobilise a governance able to manage a crisis with the required expediency and a stress test system aimed at measuring the room for manoeuvre of La Banque Postale in situations of historically high tensions on La Banque Postale liquidity.

The prudential liquidity risk declaration systems apply to the entire scope of prudential consolidation. Some entities within the group are also subject to individual reporting requirements.

Assessment of liquidity risk

Short-term liquidity monitoring

This system is mainly based on the survival horizon and the short-term liquidity coverage ratio (LCR).

The LCR is a monthly short-term liquidity ratio which measures La Banque Postale's ability to resist during 30 days to a severely degraded situation in a context of a systemic shock.

The LCR must be above 100%, a regulatory limit respected by La Banque Postale (which sets a higher internal target, previously mentioned) at the end of 2021. This ratio is calculated by dividing the sum of high-quality, liquid assets free of commitments by the liquidity requirement under stress over 30 days. A LCR proxy is calculated daily.

The survival horizon indicator measures the length of time that La Banque Postale would remain able to meet its maturities during a period of stress combining systemic and idiosyncratic shocks.

The LCR is also one of the limitations to be adhered to under the dynamic liquidity projections.

A LCR proxy is calculated daily.

Long-term liquidity monitoring

The steering system also relies on:

- the Net Stable Funding Ratio (NSFR);
- A financing plan, which ensures that the projected budget path is accompanied by forward-looking liquidity management;

- As part of the implementation of the financing plan, the projected LCR is evaluated, and the bank ensures that an adequate level is maintained over time;
- Within the framework of the ILAAP, several stresses on the LCR have been developed;
- The concentration, cost and structure of refinancing, as well as the concentration of the asset cushion are regularly reviewed and are subject to regulatory reports (ALMM) in addition to the disclosing of the LCR;
- Bi-annual testing of market access in different currencies;
- A liquidity gap assessment, detailed below.
- La Banque Postale uses a liquidity gap to assess its long-term liquidity level. This gap comprises projections of static gaps by maturity and limits set for 1, 3 and 5 years. The assumptions taken into account follow a stressed approach, resulting in a prudent estimation of the Group's liquidity situation.
- The methods used to evaluate the liquidity gap are determined depending on the type on assets and liabilities in the balance sheet:
- amounts breaking down by maturity (contractual outflows, corrected or not by a model);
- amounts un-breaking down by maturity (outflow agreement);
- liquidity profile of transferable assets ;
- off-balance sheet commitments (liquidity commitments and guarantees).

Operations without contractual maturities (including on demand deposits and savings accounts) are taken into account using outflow agreements reviewed by the ALM Committee and the Group Risk Department.

Off-balance sheet commitments are taken into account using drawing assumptions.

The transferable nature of certain operations can in some cases be taken into account.

The NSFR is the ratio of the amount of available and stable funding divided by the required amount of stable funding. This ratio should, at all times, be at least 100 %. "Available Stable Funding" refers to the portion of resources that are not due over the relevant time horizon, i.e. 1 year under the NSFR. The amount of "Required Stable Funding" of a bank depends on the liquidity features and the residual maturity of the assets (and off-balance-sheet positions) held.

Emergency Financing Plan

The Emergency Financing Plan is designed to be monitored by the financial management governance bodies (ALM Committee, COGOB, Group Risk Management Committee) and executed operationally by the Financing and Investment Bank.

The Emergency Financing Plan (PFU in French) is part of the internal liquidity assessment process that La Banque reports on every year. The PFU presents the indicators used to determine the health of the markets (financial or banking) on which the liquidity of La Banque Postale is exposed.

These indicators are broken down into two main families:

- systemic indicators;
- idiosyncratic indicators.

A threshold is set for each indicator (comfort, vigilance or alert).

The Emergency Financing Plan also includes arrangements to be implemented in the event of an incurred crisis, whether it be systemic or idiosyncratic. This arrangement mainly takes the form of an analysis of the various sources of financing (or liquidities) which La Banque Postale can access, depending on the amounts represented and the speed of implementation. The PFU also provides for specific governance via Committees, which monitor the indicators. The aim of this governance is to provide a higher level of surveillance of La Banque Postale's liquidity risk. The disclosure (during normal periods) of the indicators is carried out weekly for the Scale and Refinancing Committee and periodically at the CPRG. Finally, the selected indicators and the proposed responses are tested on the markets to assess their relevance and the liquidity of the market.

The financing test involves testing the market by carrying our short-term borrowings. The aim of this type of test is to regularly check the bank's ability to quickly secure funds on the markets to ensure that the estimates on the Bank's ability to borrow remain valid. It is envisaged that this type of test will take place at least twice a year.

Liquidity reserve

The liquidity reserve represents the amount of cash and liquidity available rapidly for transfer or repurchase agreements, in order to deal with a liquidity crisis.

The liquidity reserve comprises:

- cash deposits with the central bank (excluding average obligatory reserves calculated over the maintenance period);
- securities forming the HQLA (High Quality Liquid Assets) cushion, comprising mainly state securities, covered bonds and corporate securities complying with prudential liquidity criteria, as defined by regulation rules for the calculation of the LCR, for which valuation of investments is affected by a haircut according to prudential rules;
- other securities transferable to the ECB (mainly banking securities) affected by the ECB haircut.

High quality guaranteed home loans, which are convertible through the issue of covered bonds by the Home Financing Company of the Group, are also a significant liquidity resource.

Capacity to access external financing

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 Neu-CP (Negotiable European Commercial Paper) program and a €10 billion ECP (European Commercial Paper) program with the goal of refinancing part of La Banque Postale's short-term financing needs, and to satisfy institutional clients;
- a €2 billion Neu-MTN program with the goal of refinancing part of the La Banque Postale's short- and medium-term financing needs, and to satisfy institutional clients;

- a €20 billion EMTN program, in retail format, allowing the issuance of senior debt (vanilla and structured), senior non-preferred and Tier 2 debt;
- a €10 billion bond program, in retail format, dedicated to structured senior debt;
- a €30 billion EMTN program, for the issue of a Home Lending Bond (OFH) via its secured financing vehicle implemented in 2013, LBP Home Loan SFH, subsidiary of La Banque Postale SA;
- access to refinancing by the BEI as part of La Banque Postale's commitment for eligible funds;
- a portfolio of HQLA (High Quality Liquid Asset) securities, which mainly consists of high-quality government bonds, which are rapidly convertible and provides a permanent source of eligible securities granting access to the ECB's refinancing transactions or to the repurchase agreements market;
- access to the repurchase platforms: Brokertec, Eurex Repo et Eurex GC pooling et NGT Bondlend;
- access to the inter-bank market;

La Banque Postale also has access to a secured financing vehicle via *la Caisse de Financement Local (CAFFIL)*, to which it regularly assigns loans to local authorities.

In addition, following the ECB's relaxation of the criteria for access to targeted long-term refinancing operations (TLTRO III), at the beginning of 2021, La Banque Postale has drawn the full available allocation.

34.5 Interest-rate risk

Interest rate risk represents the likelihood of seeing La Banque Postale future margins or economic value affected by fluctuations in interest rates. Managing the interest rate risk includes managing the sensitivity of the Economic Value of Equity (EVE) and the Net Interest Margin (NIM).

The unit in charge of monitoring and managing overall interest rate risk is inside the Risk department of La Banque Postale.

The department has several missions:

- ensuring the periodic monitoring of the indicators that control the overall interest rate risk for La Banque Postale and its banking subsidiaries on a consolidated basis;
- auditing the calculation processes of the different indicators (static and dynamic) and checking the integrity of the exposure calculations;
- auditing the methodologies used.

This risk is monitored via future margin sensitivity and economic value sensitivity to interest rates indicators, as well as scenarios designed to assess the ability of the institution to withstand exogenous shocks.

The interest rates movements in these scenarios affect both uncertain inflows from financial products and results from retail banking operations, via customer behaviour models, in particular regarding the implicit options available to customers.

The interest rate risk monitoring is the responsibility of the ALM and Treasury Committee. This Committee monitors the indicators, anticipates their evolution according to the orientations of the commercial policy and the observation of customer behaviour. Rate risk indicators are also reviewed in CPRG. The frequency of

review of interest rate risks is essentially on a monthly basis.

Goals

The interest rate risk is monitored to cover the sensitivity of La Banque Postale's future net interest margin, subject to compliance with value sensitivity indicators. This monitoring is a dynamic one and relies on the business plan. It leads to set up interest rate derivatives (hedging) or changes in the commercial policy. Balance sheet includes implicit and explicit options that conduct to a non-linearity of the economical value depending on the rates. That is why ALM regularly propose a rebalancing of the structural positions with instruments of the market.

Scope

As required by the Basel Committee, the significant rate risks include in the banking book are identified and measured. When relevant, some of them are monitored more specifically.

The interest rate risk is measured by maturity, by type of index for floating or revisable rate instruments (Euribor, Inflation, Eonia, etc.) taking into account the likely outflow models that depend on market conditions.

It encompasses several risk factors:

- fixation risk, linked to the differences between the interest rate new expositions in the assets and the liabilities (according to references and maturities);
- curve risk, linked to the fixation risk : generated by the changes of the rate curve (translation, rotation, etc.);
- basis risk linked to the multiplicity of rate references used that induced risks. These risks are caused by the imperfect correlation between the rate references used;
- optional risks (contractual or behavioural);
- risks induced by the amounts exposed to real rate and/or inflation.

Therefore, the change in the net interest margin is measured using several rate scenarios. The interest-rate risk in the balance sheet is simulated dynamically, taking into account future changes in amounts outstanding (early redemptions, new productions, etc.) in accordance with the behavioural models developed and in the business plan.

The bond portfolio transactions classified at fair value through profit or loss are not part of the overall interest-rate risk, as their risk is monitored and contained by the limits specific to each portfolio. These portfolios, which relate to the trading floor, are contained by market risk type limits.

Assessment of general interest rate Conventions and procedures

The methods used to evaluate the interest rate gap and sensibilities are determined depending on the type on assets and liabilities in the balance sheet:

- amounts breaking down by maturity (contractual outflows, corrected or not by a model);
- oamounts un-breaking down by maturity (outflow agreement);
- off-balance sheet commitments (liquidity commitments and guarantees).

Operations without maturities (including on demand deposits and savings accounts) are taken into account using outflow agreements reviewed by the relevant Committee and the Group Risk Department.

Off-balance sheet commitments are taken into account using drawing assumptions.

Rate gaps

For a given currency, the nominal rate gap is calculated for fixed- rate and variable-rate transactions, and can be reviewed until their next review or setting date. The nominal rate gap does not take rate drops into account.

The rate gap is the difference between the average amounts of fixed-rate assets and the average amounts of fixed-rate liabilities including the impacts of off-balance sheet items (swaps and depreciation on payments) by maturity.

Sensitivity of the Economic Value of Equity (EVE)

This corresponds to a negative change in value following an instantaneous shock of $\pm 2\%$ applied to La Banque Postale's regulatory own funds. Regulatory capital is calculated using static modelling, based on the contractual maturities of balance sheet items.

Net interest margin (NIM) sensitivity

Net interest margin (NIM) sensitivity is defined as the difference between the NIM in a modified interest rate scenario and the NIM in a baseline interest rate scenario.

NIM sensitivity is calculated for each interest rate scenario taking into account interest rate-dependent behavioural models, and by maintaining levels of loan origination and deposits from the commercial business, along with assumptions related to equivalent financial transactions in the baseline scenario.

NOTE 35 ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS

- 35.1 Fair value and ranking of financial instruments
- 35.2 Methods for calculating the fair value of financial instruments
- 35.3 Impact of financial instrument on net profit/(loss) and equity
- 35.4 Financial hedging instruments
- 35.5 Reclassification of financial assets
- 35.6 Offsetting of financial instruments

35.1 Fair value and ranking of financial instruments

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

31/12/2021	Fair value ranking ^(b)				
(€ million)	Book value	Fair value ^(a)	Level 1	Level 2	Level 3
ASSETS					
Bank assets					
Customer loans and receivables	123,117	125,901	0	0	0
Credit institutions loans and receivables	67,823	67,837	0	0	0
Financial assets at fair value through profit or loss	231,420	231,420	182,357	30,587	18,476
Hedging derivatives	1,022	1,022	0	1,022	0
Financial assets at fair value through OCI	228,310	228,310	222,356	3,064	2,890
Investment properties	3,393	3,877	0	2,050	0
Financial assets classified at amortised cost	23,480	24,256	0	0	0
Non-bank assets					
Other non-current financial assets	500	500	0	44	334
Trade and other receivables	5,554	5,554	0	0	0
Other current financial assets	436	436	230	134	0
Cash and cash equivalents	2,895	2,895	634	2,261	0
LIABILITIES					
Bank liabilities					
Liabilities to credit institutions	30,393	30,723	0	0	0
Customer transactions	234,582	233,333	0	0	0
Financial liabilities at fair value through profit or loss	4,253	4,253	470	3,783	0
Hedging derivatives	333	333	0	333	0
Debt evidenced by a certificate	21,693	22,495	0	0	0
Subordinated debt	10,110	10,376	0	0	0
Non-banking liabilities					
Bonds and other financial debt	13,909	14,176	0	657	0
Trade and other payables	9,140	9,140	0	0	0

(a) Including fair value of items recognised at amortised cost.

(b) For items recognised at fair value.

Transfers on securities :

Reclassifications from Level 2 to Level 1: €226 million (17 fixed-rate investments whose transactions now meet the criteria for volume and frequency).

Reclassifications from Level 1 to Level 2: €28 million (2 fixed-rate investments whose transactions do not meet the criteria for volume and frequency any more).

31/12/2020			Fair value ranking ^(b)		
(€ million)	Book value	Fair value ^(a)	Level 1	Level 2	Level 3
ASSETS					
Bank assets					
Customer loans and receivables	125,222	131,030	0	0	0
Credit institutions loans and receivables	114,434	114,446	0	0	0
Financial assets at fair value through profit or loss	195,629	195,629	148,285	33,035	14,309
Hedging derivatives	1,443	1,443	0	1,443	0
Financial assets at fair value through OCI	230,559	230,559	226,826	1,964	1,769
Investment properties	3,083	4,109	0	1,705	0
Financial assets classified at amortised cost	24,018	25,842	0	0	0
Non-bank assets					
Other non-current financial assets	501	501	0	75	323
Trade and other receivables	5,100	5,100	0	0	0
Other current financial assets	382	382	0	314	0
Cash and cash equivalents	2,763	2,763	450	2,314	0
LIABILITIES					
Bank liabilities					
Liabilities to credit institutions	33,533	33,533	0	0	0
Customer transactions	229,793	232,109	0	0	0
Financial liabilities at fair value through profit or loss	3,279	3,279	400	2,879	0
Hedging derivatives	763	763	0	763	0
Debt evidenced by a certificate	21,639	22,697	0	0	0
Subordinated debt	10,187	10,586	0	0	0
Non-banking liabilities					
Bonds and other financial debt	12,399	12,988	0	705	0
Trade and other payables	8,724	8,724	0	0	0

(a) Including fair value of items recognised at amortised cost.

(b) For items recognised at fair value.

Transfers on securities :

Reclassifications from Level 2 to Level 1: €117.6 million (4 fixed-rate investments whose transactions now meet the criteria for volume and frequency).

Reclassifications from Level 1 to Level 2: €64.1 million (8 fixed-rate investments whose transactions do not meet the criteria for volume and frequency any more).

Transfers on derivatives :

Reclassifications from Level 1 to Level 2: €8.5 million (This is a change of method between 2019 and 2020 applied to CDS on 9 cases).

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

(€ million)	Assets at fair value through profit or loss	Financial assets at fair value through OCI	TOTAL
Opening balance	14,308	1,989	16,297
Gains and losses recorded in income	1,500	0	1,500
Gains and losses recorded in equity	0	(80)	(80)
Purchases	4,086	719	4,805
Sales	(1,029)	0	(1,029)
Redemptions	(2,005)	0	(2,005)
Reclassifications to or from Level 3	(16)	(283)	(298)
Change of scope	2,962	745	3,707
Other movements	(1,332)	4	(1,328)
Closing balance	18,476	3,094	21,571

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

None

35.2 Methods for calculating the fair value of financial instruments

35.2.1 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.

35.2.2 Financial instruments used in banking activities

IFRS 13 defines the fair value as the exit price meaning the price that would be received for the sale of an asset or paid for the transfer of a liability during a normal transaction between market participants at the measurement date.

When an instrument is first recognised, its fair value is usually the transaction price.

IFRS 13 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 (multi contribution), a trader or a regulatory agency, and if these prices represent actual transactions (volume, price range) 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 fixed-income securities, equity securities and futures is determined using listed prices. Valuation

techniques referring to market data are used mainly for over-the-counter derivatives, discount securities (e.g. commercial paper, and certificates of deposit, etc.) and repurchase agreement deposits.

The financial instruments are presented in note 34.1 according to three levels based on the observability of values, in descending order, and the parameters used for their valuation:

- **level 1:** Instruments valued using (unadjusted) listed prices on an active market for identical assets or liabilities.

These are mainly listed shares and derivatives on organised markets (futures, options, etc.);

- **level 2:** Instruments valued using data other than the prices indicated in level 1 and which are observable for the asset and liability concerned, either directly (i.e. prices) or indirectly (i.e. data derived from prices).

These are instruments which are valued with techniques using observable parameters and standard models or instruments that are valued by referring to similar instruments listed on an active market. This classification concerns rate swaps, caps, etc;

- **level 3:** Instruments valued using unobservable market data.

These are mainly unlisted equity investments, FCPR or FCPI funds.

The market value for unlisted equity investments is set by referring to certain criteria such as net assets, profitability outlook and discounting of future cash flows.

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

35.3 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.

2021		Changes in fair value		Impairment	Deconsolidation and dividends	Net gain (loss)
		Interest income (expense)	Fair value through profit or loss			
	(€ million)					
	Assets and liabilities classified at amortised cost	1,977	0	0	0	1,977
	Assets classified at fair value through OCI	1,763	0	(952)	(1,208)	(397)
	Financial instruments at fair value through profit or loss	0	12,575	0	1,399	13,974
	Hedging	205	(5)	38	0	238
TOTAL		3,946	12,570	(914)	191	15,793
2020						
	Assets and liabilities classified at amortised cost	1,921	0	0	297	2,218
	Assets classified at fair value through OCI	438	0	1,109	(157)	1,390
	Financial instruments at fair value through profit or loss	0	3,678	0	1,275	4,953
	Hedging	227	9	(37)	0	199
TOTAL		2,586	3,687	1,072	1,415	8,760

35.4 Financial hedging instruments

Non-banking activities

See note 28.

Banking activities

See note 34.3.

35.5 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 net book value and fair value of securities reclassified on 1 July 2008 remain immaterial as at 31 December 2021.

35.6 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.

35.6.1 Non-banking derivative instruments

2021	Gross amount	Offset amount on balance sheet	Net amount on balance sheet	Amounts not offset on balance sheet		Net amounts
				Derivative instruments D	Collateral cash E	
(€ million)	A	B	C=A-B	D	E	F=C-D-E
Derivative assets	58		58	30	29	(1)
Derivative liabilities	35		35	30	3	2
2020	A	B	C=A-B	Derivative instruments D	Collateral cash E	F=C-D-E
Derivative assets	89		89	59	31	(1)
Derivative liabilities	59		59	59		

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.

35.6.2 Banking financial instruments

2021	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	232,524	0	232,524	2,237	961	0	229,326
of which repurchase agreements	1	0	1	0	0	0	1
Of which derivatives (including hedging derivatives)	3,368	0	3,368	2,237	961	0	170
Customer and credit institutions loans and receivables	192,957	1,965	190,992	82	60	5,119	185,731
Of which securities under repurchase agreements	9,228	1,965	7,263	82	60	5,119	2,002
Accruals and other assets	33,415	0	33,415	5	0	0	33,410
Of which deposits and guarantees paid	5	0	5	5	0	0	0
Other assets not offset	315,379	0	315,379	0	0	0	315,379
TOTAL ASSETS	774,275	1,965	772,310	2,324	1,021	5,119	763,846
LIABILITIES							
Financial instruments at fair value through profit or loss	4,667	0	4,667	2,237	338	0	2,092
Of which derivatives (including hedging derivatives)	2,612	0	2,612	2,237	338	0	37
Customer and credit institutions liabilities	267,396	1,965	265,431	87	635	27,416	237,293
Of which securities under repurchase agreements	46,035	1,965	44,070	87	635	27,416	15,932
Other liabilities not offset (excluding equity)	470,433	0	470,433	0	0	0	470,433
TOTAL LIABILITIES	742,496	1,965	740,531	2,324	973	27,416	709,818
2020							
(€ million)	A	B	C=A-B			E	F=C-D-E
ASSETS							
Financial instruments at fair value through profit or loss	197,215		197,215	2,095	667		194,453
Of which derivatives (including hedging derivatives)	2,980		2,980	2,095	667		218
Customer and credit institutions loans and receivables	242,453	2,713	239,740	1,820	1	11,811	226,108
Of which securities under repurchase agreements	18,696	2,713	15,983	1,820	1	11,811	2,351
Accruals and other assets	31,907		31,907	7			31,900
Of which deposits and guarantees paid	17	0	17	7			10
Other assets not offset	268,314		268,314				268,314
TOTAL ASSETS	739,889	2,713	737,176	3,922	668	11,811	720,775
LIABILITIES							
Financial instruments at fair value through profit or loss	4,184		4,184	2,095	453		1,636
Of which derivatives (including hedging derivatives)	2,568		2,568	2,095	453		20
Customer and credit institutions liabilities	266,639	2,713	263,926	1,820	212	34,237	227,657
Of which securities under repurchase agreements	50,628	2,713	47,915	1,820	212	34,237	11,646
Other liabilities not offset (excluding equity)	436,623		436,623				436,623
TOTAL LIABILITIES	707,446	2,713	704,733	3,915	665	34,237	665,916

NOTE 36 RELATED PARTY TRANSACTIONS**36.1** Relations with the French State and public sector companies**36.2** Relations with consolidated companies**36.3** Remuneration of administration and management bodies**36.1 Relations with the French State and public sector companies****36.1.1 Relations with the French State**

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, and subject to economic and financial control by the French State, and to the control procedures of the French Court of Auditors and the French Parliament.

A new Public Service Agreement was approved by the Board of Directors on 19 December 2017, and signed on 16 January 2018 between La Poste and the French State for the 2018-2022 period. This agreement is an extension of the previous agreement, and aims at ensuring and modernising the exercise of the four public service missions of La Poste. These missions benefit from the support of the French State, in exchange for which La Poste commits to respecting ambitious quality indicators.

Moreover, the agreement develops the use of citizen commitments to promote the development of a digital society, of local services, and of a sustainable and responsible development.

The French Postal Regulation Act of 20 May 2005 provided Arcep (French relevant Authority) 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 State 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.

36.1.2 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.

36.2 Relations with consolidated companies

Transactions performed between fully consolidated Group companies are eliminated on consolidation and are therefore not discussed in this note.

Transactions with companies consolidated by Caisse des Dépôts group mainly concern transactions carried out with the Savings Funds managed by Caisse des Dépôts and are detailed in the following table:

(€ million)	31/12/2021	31/12/2020
Income	1,082	946
Expenses	(7)	(10)
Accounts receivable	66,115	68,682
Liabilities	452	184

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

36.3 Remuneration of administration and management bodies

The remuneration of Le Groupe La Poste senior executives amounted to €5.6 million in total for the year ended 31 December 2021 (€5.8 million in 2020). Senior executives do not benefit from any specific post-employment benefits.

The Group's main senior executives are the members of the Executive Committee and the members of the Board of Directors (whose remuneration comprises attendance fees, for the most part paid back to the State or to Caisse des Dépôts, and the salaries of employee representatives). Attendance fees paid in 2021 amounted to €0.3 million (€0.2 million in 2020).

NOTE 37 STRUCTURED ENTITIES

37.1 Consolidated structured entities

37.2 Unconsolidated structured entities

37.1 Consolidated structured entities

Structured entities are entities that have been designed in such a way that voting rights or similar rights are not the determining factor in establishing who controls the entity; this is particularly the case when the relevant activities are conducted through contractual agreements. Structured entities generally have a specific and well-defined purpose or well-defined activities.

Consolidated structured entities include:

- Undertakings for Collective Investments managed by the Group's subsidiaries as part of its banking activities or in which the Group invests on behalf of policyholders subscribing with Group entities as well as on its own behalf.
- Securitization Mutual Funds whose units are issued by structured entities whose purpose is to diversify the underlying credit risks and which may be divided into tranches.

37.2 Unconsolidated structured entities

The information presented below concerns structured entities by the Group and not controlled. This information has been grouped by entities engaged in similar activities: Securitization, Investment Funds and Other.

Securitization

Securitization transactions include Securitization Mutual Funds and equivalent structures which issue financial instruments that can be subscribed by investors, carry inherent credit risks and can be divided into tranches. Securitization is a financial technique by which traditionally illiquid receivables held by their holders until maturity are transformed into marketable and liquid securities. The purpose of this operation is to:

- allow the transformation of an illiquid portfolio into liquid securities;
- encourage the raising of funds on advantageous terms: refinancing tool;
- improve risk management: mechanism for transferring risk to the investor;
- transfer credit risk and its components (interest rate risk, liquidity risk, etc.) and thus reduce constraints on equity capital;
- facilitate the structuring of the balance sheet (balance sheet management instrument).

Investment funds

This activity consists in responding to investor demand in:

- the fund management. This activity uses structured entities such as undertakings for collective investment or real estate funds and other equivalent structures;
- the investment of insurance premiums received from clients of insurance companies in accordance with the regulatory provisions of the Insurance Code. The investments of the insurance companies make it possible to guarantee the commitments made to policyholders throughout the life of the insurance contracts. Their value and return are correlated to these commitments.

Others

This is a grouping of the rest of the activities.

Interests in non-consolidated structured entities

The Group's interest in an unconsolidated structured entity relates to contractual or non-contractual relationships that expose it to a risk of variable returns associated with the performance of this structured entity. The interests may be evidenced in particular by the holding of equity instruments or debt securities, but also by financing, cash credit, credit enhancement, the granting of guarantees or structured derivatives.

The table below provides information by grouping by activity, on a cumulative basis, the exhaustiveness of the entities in which the Group has an interest without any particular restriction:

<i>(€ million)</i>	Securitization	Investment funds	Other
Financial assets at fair value through profit or loss	6,049	117,424	435
Hedging derivatives	-	-	-
Financial assets at fair value through OCI	3	-	40
Financial assets measured at amortised cost	-	170	2,773
Total recognized assets to non-consolidated structured entities	6,052	117,594	3,248
Provisions	-	-	-
Total recognized liabilities to non-consolidated structured entities	-	-	-
Funding commitment	-	120	836
Commitment given	-	-	-
Maximum exposure risk of loss	6,052	117,714	4,084
Guarantees received and other credit enhancements	-	-	-
Net exposure to risk of loss	6,052	117,714	4,084

The maximum exposure to the risk of loss corresponds to the amount of interest recorded on the assets side of the balance sheet and commitments given less provisions for contingencies and losses recorded on the liabilities side, less guarantees received.

The maximum exposure to the risk of loss is generally limited to the units held in the funds, with the exception of funds in which La Banque Postale provides a capital and performance guarantee.

Information on non-consolidated structured entities sponsored by the group.

Are defined as non-consolidated structured entities those funds that are structured by a management company controlled by the Group, in particular funds managed by the subsidiary La Banque Postale Asset Management.

A structured entity is deemed to be sponsored by the Group if its name incorporates the name of the Group or one of its subsidiaries.

Revenues generated by the Group on these entities amounted to 98 million euros at 31 December 2021 and are mainly made up of non-recurring commissions.

NOTE 38 OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

- 38.1 Banking activities commitments
- 38.2 Other commitments given
- 38.3 Other commitments received
- 38.4 Contingent liabilities

38.1 Banking activities commitments

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

(€ million)	31/12/2021	31/12/2020
Financing and guarantee commitments and commitments on securities given		
Financing commitments		
to credit institutions	1,949	1,838
to customers	26,992	24,053
Guarantee commitments		
to credit institutions	1,123	980
to customers ^(a)	1,324	1,650
Commitments on securities to be delivered	17,438	15,135
Financing and guarantee commitments and commitments on securities received		
Financing commitments		
from credit institutions ^(b)	17,185	15,619
from customers	400	495
Guarantee commitments		
from credit institutions	36,937	36,712
from customers	6,980	6,515
Commitments on securities to be received	216	365
Other commitments given ^{(b)(c)}	53,078	46,668
Other commitments received	27,297	27,589

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

(b) Of which commitments given (€9,099 million) and received (€702 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 2021, this includes commitments of €23,798 million (€21,725 million in 2020) relating to home loans given in guarantees of bonds issued by La Banque Postale Home Loan SFH, the housing financing company of the Group.

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 €184 million as at 31 December 2021 (€197 million as at 31 December 2020).

38.2 Other commitments given

38.2.1 Guarantees and endorsements

Total guarantees and endorsements given amounted to €41 million as at 31 December 2021.

38.2.2 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;

These options are 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.

38.2.3 Sponsorship

La Poste committed to finance several sponsorship projects for a total amount of €11 million as at 31 December 2021.

38.3 Other commitments received

38.3.1 Guarantees and endorsements

Total guarantees and endorsements received amounted to €82 million as at 31 December 2021, including €65 million for La Poste.

38.3.2 Credit facilities

The Group has access to a €1 billion renewable credit facility with a 5-year maturity until March 2023, for which it received commitments from the eleven banks in the banking pool. This facility had not been used as at 31 December 2021.

38.3.3 Property sale commitments

La Poste has entered into property sale commitments that are expected to be completed in 2022 or later. As at 31 December 2021, the commitments received in this respect amounted to €60 million in total.

38.3.4 Liabilities guarantees

As part of its business acquisition transactions, the Group was granted by the sellers liabilities guarantees which cannot be precisely estimated, as they depend on trigger thresholds and/or caps.

38.3.5 Non-compete clauses

As part of the acquisition of Seur franchises in Spain and Portugal, the sellers committed to non-compete clauses whose violation would require the sellers to pay compensation in the total amount of €8.5 million.

38.4 Contingent liabilities

The Group is not aware of any material risks for which no provision has been recorded in the consolidated financial statements.

NOTE 39 ADDITIONAL DETAILS ON BANKING AND INSURANCE ACTIVITIES

- 39.1 La Banque Postale sub-group balance sheet (in banking format)
- 39.2 Banking assets and liabilities by residual maturity
- 39.3 Insurance business investments
- 39.4 Net income on insurance activities
- 39.5 Impact of the overlay approach

39.1 La Banque Postale sub-group balance sheet (in banking format)

ASSETS

(€ million)	31/12/2021	31/12/2020
Cash on hand and at central banks	50,812	1,783
Financial assets at fair value through profit or loss	231,420	195,629
Hedging derivatives	1,022	1,443
Financial assets at fair value through OCI	228,509	230,779
Financial assets classified at amortised cost	23,480	24,018
Loans and receivables – Credit institutions	67,823	114,434
Loans and receivables - Customers	123,117	125,222
Revaluation adjustment on interest-rate hedged portfolios	101	220
Tax assets	831	969
Accruals and other assets	33,268	31,696
Assets held for sale	178	0
Investments in equity associates	948	696
Tangible and intangible assets, and investment properties	9,796	9,149
Net goodwill – Assets	142	142
Elimination of investments	(8,879)	(8,879)
TOTAL	762,568	727,301

LIABILITIES

(€ million)	31/12/2021	31/12/2020
Financial liabilities at fair value through profit or loss	4,253	3,279
Hedging derivatives	333	763
Inter-bank and similar transactions: Liabilities to credit institutions	30,393	33,533
Customer transactions	234,584	229,793
Debt evidenced by a certificate	21,693	21,639
Revaluation adjustment on interest-rate hedged portfolios	422	726
Tax liabilities	1,355	1,592
Accruals and sundry liabilities	21,226	21,456
Underwriting reserves of insurance companies	414,398	379,830
Provisions	1,075	1,025
Subordinated debt	10,110	10,187
Non-controlling interests	11,690	13,593
Equity, Group share	10,845	9,688
Consolidated reserves and other	10,289	5,567
Net profit/(loss) Group share	556	4,121
Balance of transactions with the rest of the Group – Impact on income	0	0
Balance of transactions with the rest of the Group – Impact on the balance sheet	193	197
TOTAL	762,568	727,301

39.2 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	50,812	(0)	50,812
Financial assets at fair value through profit or loss	7,774	223,646	231,420
Hedging derivatives	13	1,009	1,022
Financial assets at fair value through OCI	24,616	203,840	228,456
Financial assets classified at amortised cost	1,581	21,899	23,480
Receivables from credit institutions	67,372	451	67,823
Customer loans and receivables	21,908	101,209	123,117
Revaluation adjustment on portfolio interest rate hedging - Assets	0	101	101
Liabilities by residual maturity			
Financial liabilities at fair value through profit or loss	140	4,113	4,253
Hedging derivatives	21	312	333
Liabilities to credit institutions	23,611	6,782	30,393
Liabilities to customers	218,668	15,915	234,584
Debt evidenced by a certificate	8,004	13,689	21,693
Subordinated debt	1,123	8,987	10,110
Revaluation adjustment on portfolio interest rate hedging - Liabilities	0	421	422

39.3 Insurance business investments

(€ million)	31/12/2021	31/12/2020
Financial assets at fair value through profit or loss (a)	226,404	187,678
Hedging derivatives	55	0
Financial assets at fair value through OCI (b)	216,584	216,883
Financial assets classified at amortised cost	84	155
Investment properties	3,393	3,083
INSURANCE BUSINESS INVESTMENTS	446,520	407,799

(a) Financial assets at fair value through profit or loss

(€ million)	31/12/2021	31/12/2020
Debt instruments		
Government securities and similar	4,316	4,744
Bonds and other fixed income securities	20,439	17,523
OPCVM	76,848	62,680
Assets backing unit-linked liabilities	73,742	57,236
Loans and advances	5,607	6,845
Equity instruments		
Equity and other variable income securities	39,301	34,049
Assets backing unit-linked liabilities	4,737	4,071
Derivatives		
	1,413	531
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	226,403	187,679

(b) Financial assets at fair value through recyclable equity

	31/12/2021		
	Fair Value	Impairment	Unrealized gains / losses
<i>(€ million)</i>			
Government securities and similar	121,945	(70)	(1,669)
Bonds and other fixed income securities	94,639	(359)	491
Total debt instruments	216,584	(429)	(1,178)
FINANCIAL ASSETS AT FAIR VALUE THROUGH RECYCLABLE EQUITY	216,584	(429)	(1,178)
Tax	0	0	603
Gains and losses recognized directly in equity on debt instruments at fair value through recyclable equity (net of tax) on insurance investments			(575)

	31/12/2020		
	Fair Value	Impairment	Unrealized gains / losses
<i>(€ million)</i>			
Government securities and similar	122,018	(56)	1,847
Bonds and other fixed income securities	94,865	(308)	2,017
Total debt instruments	216,883	(364)	3,864
FINANCIAL ASSETS AT FAIR VALUE THROUGH RECYCLABLE EQUITY	216,883	(364)	3,864
Tax	0	0	(815)
Gains and losses recognized directly in equity on debt instruments at fair value through recyclable equity (net of tax) on insurance investments			3,049

39.4 Net income on insurance activities

(€ million)	31/12/2021	31/12/2020
Premiums written	32,849	23,169
Change in unearned premiums reserve	(176)	(169)
Earned premiums	32,673	23,000
Revenue from other activities	90	135
Other operating revenue	14	0
Net investment income	5,289	4,886
Gains and losses on disposal of investments	(1,209)	(2,180)
Change in fair value of financial assets at fair value through profit or loss	10,457	526
Change in impairment losses on financial instruments	(68)	(333)
Impact of the overlay approach	(1,074)	(679)
Investment income before finance costs	13,396	2,221
Income from ordinary activities	46,173	25,356
Claims and benefits expenses	(39,215)	(21,042)
Reinsurance result	205	120
Expenses of other businesses	5	(1)
Acquisition costs	(4,013)	(3,286)
Amortisation of value of in-Force business and distribution agreements	(552)	(431)
Contract administration expenses	(285)	(246)
Other recurring operating income and expense net	(489)	(455)
Total other recurring operating income and expense net	(44,345)	(25,340)
Recurring operating profit	1,828	16
Other non-recurring operating income and expense, net	(4)	(28)
Operating profit	1,823	(12)
Finance costs	(99)	(56)
Change in fair value of intangible assets	(122)	(11)
Share of profit of equity-accounted companies	88	688
Change in value of acquisition purchases	0	4,578
Income tax expense	(469)	(420)
Net profit for the period	1,222	4,767
Non-controlling interests	474	491
Net profit attributable to owners of the parent	748	4,276

39.5 Impact of the overlay approach

The net impact of the overlay approach by type of financial asset is detailed as follows:

	31/12/2021				31/12/2020			
	Book Value	Impact Overlay brut	Deferred tax	Impact Overlay net	Book Value	Impact Overlay brut	Deferred tax	Impact Overlay net
<i>(€ million)</i>								
OPCVM	46,964	131	(32)	99	45,751	152	(6)	146
Equity and other variable income securities	33,598	943	(56)	887	29,263	529	(172)	357
Bonds	6,160	(9)	2	(7)	6,230	(4)	(41)	(46)
Others financial assets	18,559	9	36	45	19,028	2	6	8
TOTAL	105,281	1,074	(50)	1,024	100,272	679	(213)	465

The impacts of the overlay approach on the income statement are detailed as follows :

	31/12/2021			31/12/2020		
	IAS 39	IFRS 9	Impact Overlay	IAS 39	IFRS 9	Impact Overlay
<i>(€ million)</i>						
Net banking income excluding Overlay	51	1,125	-	(68)	611	0
Impact Overlay	-	-	(1,074)	0	0	(679)
Net banking income	51	1,125	(1,074)	(68)	611	(679)
Deferred tax	(25)	(75)	50	16	(198)	214
TOTAL	26	1,050	(1,024)	(52)	413	(465)

NOTE 40 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

- 40.1** Reconciliation between net profit/(loss) and cash flows from operating activities before the cost of net financial debt and tax
- 40.2** Depreciation, amortisation and impairment
- 40.3** Change in working capital requirement
- 40.4** Change in balance of banking sources and uses
- 40.5** Outflows for acquisitions of tangible, intangible assets and investment property
- 40.6** Proceeds from new borrowings
- 40.7** Redemption of borrowings
- 40.8** Other cash flows from financing activities
- 40.9** Change in net cash from banking activities

40.1 Reconciliation between net profit/(loss) and cash flows from operating activities before the cost of net financial debt and tax

(€ million)	NOTE	2021	2020
Consolidated net profit/(loss) for Industrial and Commercial activities		1,556	(1,993)
Share in profits of equity associates		23	14
Unrealised gains and losses on fair value adjustments (excluding Banking activities)		(7)	(0)
Gains and losses on disposal (including dilution)		(47)	(2)
Net changes in provisions		6	90
Depreciation, amortisation and impairment	40.2	800	2,539
Other non-cash income and expenses		(24)	(77)
Operating cash flow after the cost of net financial debt and tax		2,307	570
Cost of net financial debt ^(a)		240	234
Corporation tax (including deferred taxes)		27	413
Total industrial and commercial entities of the Group		2,574	1,217
Contribution of banking and insurance activities (see EBITDA, note 40.10)		2,820	2,947
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE COST OF NET DEBT AND TAXES		5,394	4,163

(a) Excluding change in unrealised gains and losses on fair value adjustments

40.2 Dépréciation, amortisation and impairment

(€ million)	2021	2020
Additions to and reversals of amortisation of operating profit/(loss)	800	2,506
Additions to and reversals of amortisation of financial profit/(loss)	(3)	0
Impairment of goodwill	3	33
TOTAL	800	2,539

40.3 Change in working capital requirement

(€ million)	2021	2020
Change in inventories and work-in-progress	31	(65)
Change in operating receivables	(486)	(591)
Change in operating payables and other operating assets and liabilities	11	1,106
TOTAL	(444)	450

40.4 Change in balance of banking sources and uses

(€ million)	2021	2020
Change in financial assets at fair value through profit or loss	(22,361)	(6,742)
Change in financial hedging derivatives	471	119
Change in financial assets at fair value through OCI	16,367	1,992
Change in securities classified at amortised cost	539	4,179
Change in credit institutions loans and receivables at amortised cost	5,711	1,186
Change in customer loans and receivables at amortised cost	2,079	(9,006)
Change in revaluation adjustment on hedged portfolios -fair value heges	119	(13)
Change in other financial assets and accrual accounts	(314)	597
Change in investment property	(438)	81
Change in financial liabilities at fair value through profit or loss	(12,639)	(9,491)
Change in financial hedging derivatives	(494)	93
Change in liabilities to credit institutions and similar transactions	(2,912)	2,922
Change in liabilities to customers	4,633	26,291
Change in debt evidenced by a certificate	54	(2,100)
Change in revaluation adjustment on hedged portfolios -fair value hedges	(304)	(113)
Change in other financial liabilities and accrual accounts	11,420	8,038
Change in specific provisions for the insurance and Banking activities and shadow accounting	6,980	4,999
TOTAL	8,911	23,033

40.5 Outflows for acquisitions of tangible, intangible assets and investment property

(€ million)	2021	2020
Acquisitions of intangible assets	(587)	(3,578)
Acquisitions of tangible assets	(1,144)	(910)
Acquisitions of investment property	0	(185)
Change in payables to suppliers of non-current assets	(17)	25
TOTAL	(1,747)	(4,649)

40.6 Proceeds from new borrowings

(€ million)	2021	2020
Bonds	2,226	1,799
Commercial paper	725	1,039
Other borrowings and similar debt	1,875	1,756
TOTAL	4,826	4,594

40.7 Redemption of borrowings

(€ million)	2021	2020
Bonds	(1,000)	0
Borrowings from credit institutions	(25)	(24)
La Poste savings bonds	(1)	(1)
Commercial paper	(725)	(1,039)
Borrowings on finance leases	0	0
Other borrowings and similar debt	(1,789)	(1,578)
TOTAL	(3,540)	(2,641)

40.8 Other cash flows from financing activities

(€ million)	2021	2020
Collection of deposits and guarantees received	17	7
Repayment of deposits and guarantees received	(5)	(46)
Other	(6)	(32)
TOTAL	6	(72)

40.9 Change in net cash from banking activities

(€ million)	NOTE	2021	2020
Opening cash and central bank deposits (assets)		1,783	22,412
Sight loans and receivables - credit institutions (assets)		43,652	372
Sight loans and receivables - credit institutions (liabilities)		(1,181)	(1,178)
Opening		44,254	21,607
Closing cash and central bank deposits (assets)	24.2	50,812	1,783
Sight loans and receivables - credit institutions (assets)	22.5	2,261	43,652
Sight loans and receivables - credit institutions (liabilities)	31.3	(1,065)	(1,181)
Closing		52,008	44,254
Net decrease (increase) in cash and cash equivalents from banking activities		7,753	22,648
of which impact of changes in consolidation scope		298	1,439
Net decrease (increase) in cash and cash equivalents from banking activities on the balance sheet before impact of changes in consolidation scope		7,455	21,208

40.10 Transition from Operating profit to EBITDA

		2021			2020		
		Group	Non-banking	Banking and insurance activities	Group	Non-banking	Banking and insurance activities
Operating profit/(loss) before share in results of joint ventures	(a)	3,431	1,808	1,624	3,149	(1,327)	4,476
of which non-cash movements to neutralize :							
Share in profit of joint ventures	(a)	87	(2)	89	41	(7)	48
Impact of takeover of CNP Assurances		0	0	0	3,007	0	3,007
Impairment, net depreciation of assets and net amortisation included in Net Banking Income	(b)	(379)	0	(379)	(441)	0	(441)
Change in employee provisions	note 9	15	23	(8)	(106)	(102)	(4)
Depreciation, amortisation, provisions and impairment	(a)	(1,772)	(859)	(912)	(3,736)	(2,572)	(1,165)
Proceeds from asset disposals	(a)	23	22	1	84	2	81
Revenue recorded following an acquisition of control	note 12	18	18	0	76	76	0
Other		17	4	13	(2)	1	(3)
EBITDA	CFS	5,422	2,602	2,820	4,226	1,274	2,953
Reinstatement of change in provisions for current assets and irrecoverable (non banking activities)	(c)	(29)	(29)	0	(52)	(52)	0
Miscellaneous financial income and expenses		(0)	(0)	0	(11)	(5)	(6)
Cash flows from operating activities before cost of net debt and taxes	CFS	5,394	2,574	2,820	4,163	1,217	2,947

(a) See the Consolidated income statement.

(b) Of which €349 million of depreciation related to an intangible asset – customer relationship.

(c) Change in provisions for current assets and irrecoverable of non banking activities are non-cash movements excluded from the calculation of EBITDA. In accordance with the ANC's recommendation on the financial statements of industrial and commercial companies, these movements are neutralized on the line "Change in working capital requirement", hence their reintegration after EBITDA for the calculation of cash flow before cost of net financial debt and tax. This restatement is no longer carried out for banking activities.

NOTE 41 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.

2021

(€ million excl. tax)	KPMG	%	MAZARS	%
Statutory audit, certification, review of separate and consolidated financial statements				
- parent company	0.6	5%	0.5	6%
- fully consolidated subsidiaries	6.4	58%	3.4	40%
	6.9	63%	3.9	46%
Service other than Statutory Auditor's assignment				
- parent company	0.2	2%	0.0	0%
- fully consolidated subsidiaries	3.9	35%	4.5	54%
	4.1	37%	4.5	54%
TOTAL	11.0	100%	8.4	100%

2020

(€ million excl. tax)	KPMG	%	PWC	%
Statutory audit, certification, review of separate and consolidated financial statements				
- parent company	0.7	8%	0.7	10%
- fully consolidated subsidiaries	5.4	64%	5.4	76%
	6.1	72%	6.1	86%
Service other than Statutory Auditor's assignment				
- parent company	0.4	5%	0.2	2%
- fully consolidated subsidiaries	2.0	23%	0.8	12%
	2.4	28%	1.0	14%
TOTAL	8.5	100%	7.1	100%

The services provided by Mazars are as follows: statements and agreed procedures, letters of comfort relating to EMTN programme updates or bond issues, training, assessments of internal control procedures, information systems, limited reviews, translation reviews and technical consultations.

The services provided by KPMG are as follows: statements and agreed procedures, letters of comfort to EMTN programme updates or bond issues, assessments of internal control procedures, accounting consultations, and assessments of employment, environmental and social data or indicators.

NOTE 42 POST-BALANCE SHEET EVENTS

Business combinations

Within the GeoPost branch, the Group took control in January 2022 of the company CitySprint, the UK's premier same day delivery company. In 2021, this company represents an estimated turnover volume between £150 and £160 million.

NOTE 43 SCOPE OF CONSOLIDATION

COMPANY	COUNTRY	% of interest		% of control		Method of consolidation	
		2020	2021	2020	2021	2020	2021
CONSOLIDATING COMPANY							
LA POSTE							
9 rue du Colonel Pierre Avia 75757 PARIS CEDEX 15							
SERVICES-MAIL-PARCELS SEGMENT							
Adimmo	France	52.54	52.54	99.90	99.90	FC	FC
Adir Assistance	France	52.60	0.00	100.00	0.00	FC	
Age d'or Expansion	France	0.00	100.00	0.00	100.00		FC
Aliséo	France	52.60	0.00	100.00	0.00	FC	
Asten Santé	France	52.60	52.60	52.60	52.60	FC	FC
Asten Santé à domicile (Ex Asten Est)	France	52.60	52.60	100.00	100.00	FC	FC
Axeo Développement	France	76.00	100.00	100.00	100.00	FC	FC
AXEO Partenariats Pro Services (P.P.S)	France	76.00	100.00	100.00	100.00	FC	FC
Axeo Pro Services	France	76.00	100.00	100.00	100.00	FC	FC
Axeo Services	France	76.00	100.00	100.00	100.00	FC	FC
Bien être à la carte (BEAC) (ex EAP France)	France	100.00	100.00	100.00	100.00	FC	FC
BlueSom	France	52.06	52.06	99.00	99.00	FC	FC
Budget Box	France	100.00	100.00	100.00	100.00	FC	FC
Cassiop	France	100.00	100.00	100.00	100.00	FC	FC
Coordination Axeo	France	76.00	100.00	100.00	100.00	FC	FC
Creat Direct	Romania	100.00	100.00	100.00	100.00	FC	FC
DIADOM SAS	France	100.00	100.00	100.00	100.00	FC	FC
Economie d'Energie	France	75.68	97.65	100.00	100.00	FC	FC
EDENEXT	France	75.68	97.65	75.68	97.65	FC	FC
E-SY COM	France	0.00	91.10	0.00	91.10		FC
Ethic Santé	France	100.00	0.00	100.00	0.00	FC	
Financière Axeo	France	76.00	100.00	76.00	100.00	FC	FC
Fluow	France	51.00	51.00	51.00	51.00	FC	FC
Geoptis	France	100.00	100.00	100.00	100.00	FC	FC
H2AD	France	50.82	50.82	96.64	96.64	FC	FC
Help Confort	France	72.20	100.00	95.00	100.00	FC	FC
Help Confort ST Nazaire	France	76.00	100.00	100.00	100.00	FC	FC
IM Santé	France	100.00	100.00	100.00	100.00	FC	FC
Inbox Marketing	Romania	99.97	99.97	99.97	99.97	FC	FC
Innovagency	Portugal	75.77	100.00	75.77	100.00	FC	FC
Innovagency Resources	Portugal	75.77	0.00	100.00	0.00	FC	
Interactions Marketing	Romania	95.00	95.00	95.00	95.00	FC	FC
Isoskèle	France	100.00	0.00	100.00	0.00	FC	
Isoskèle (ex Cabestan)	France	100.00	100.00	100.00	100.00	FC	FC
Isoskèle Factory	France	100.00	100.00	100.00	100.00	FC	FC
La Poste E-éducation	France	100.00	100.00	100.00	100.00	FC	FC

COMPANY	COUNTRY	% of interest		% of control		Method of consolidation	
		2020	2021	2020	2021	2020	2021
SERVICES-MAIL-PARCELS SEGMENT							
La Poste Nouveaux services	France	100.00	100.00	100.00	100.00	FC	FC
La Poste Santé	France	100.00	100.00	100.00	100.00	FC	FC
La Poste Silver	France	100.00	100.00	100.00	100.00	FC	FC
Matching	France	83.76	83.76	83.76	83.76	FC	FC
Media Presse	France		25.00		25.00		EM
Mediapost Distribuição Postal	Portugal	100.00	100.00	100.00	100.00	FC	FC
Mediapost Espagne SL	Spain	100.00	100.00	100.00	100.00	FC	FC
Mediapost Hit Mail	Romania	100.00	100.00	100.00	100.00	FC	FC
Mediapost Hit Mail Bulgaria	Bulgaria	100.00	100.00	100.00	100.00	FC	FC
Mediapost Holding	France	100.00	100.00	100.00	100.00	FC	FC
Mediapost SAS	France	100.00	100.00	100.00	100.00	FC	FC
Mediapost SGPS	Portugal	100.00	100.00	100.00	100.00	FC	FC
Metrica	Bulgaria	60.00	60.00	60.00	60.00	FC	FC
Mobile Marketing	Romania	95.00	0	95.00	0	FC	
MSCM2	France	50.82	50.82	100.00	100.00	FC	FC
Neolog	France	100.00	100.00	100.00	100.00	FC	FC
Nouveal	France	66.00	66.00	66.00	66.00	FC	FC
Nouvelle Attitude	France	100.00	100.00	100.00	100.00	FC	FC
Nutrimédical	France		52.60		100.00		FC
Organisme Formation Services	France	76.00	100.00	100.00	100.00	FC	FC
Paramédical de la Plaine	France	52.60	0	100.00	0	FC	
Proximy	France	25.00	0	25.00	0	EM	
Recygo	France	51.00	51.00	51.00	51.00	FC	FC
S2A Oxygène	France	52.59	52.59	100.00	100.00	FC	FC
S2A Santé	France	52.60	0	100.00	0	FC	
Sadimmo	France	47.33	47.33	90.00	90.00	FC	FC
Sadir Assistance	France	52.60	0	100.00	0	FC	
SCI STP Immo	France	100.00	100.00	100.00	100.00	FC	FC
SMP	France	100.00	100.00	100.00	100.00	FC	FC
Sogec Datamark Services	France	100.00	0	100.00	0	FC	
Sogec Gestion	France	100.00	100.00	100.00	100.00	FC	FC
Sogec Informatique	France	100.00	100.00	100.00	100.00	FC	FC
Sogec Marketing	France	100.00	100.00	100.00	100.00	FC	FC
Sogefinad	France	100.00	100.00	100.00	100.00	FC	FC
Somepost	France	100.00	100.00	100.00	100.00	FC	FC
STP SA	France	100.00	100.00	100.00	100.00	FC	FC
Tikeasy	France	100.00	100.00	100.00	100.00	FC	FC
TimeOne – Group	France	0	100.00	0	100.00		FC
TimeOne – LMT	France	0	100.00	0	100.00		FC
TimeOne - Media buying	France	0	100.00	0	100.00		FC
TimeOne - Performance	France	0	100.00	0	100.00		FC
TimeOne – Publishing	France	0	100.00	0	100.00		FC
Vertical Mail	France	100.00	0	100.00	0	FC	
Viapost Maintenance	France	100.00	100.00	100.00	100.00	FC	FC
Viapost SAS	France	100.00	100.00	100.00	100.00	FC	FC
Viapost transport Management	France	100.00	100.00	100.00	100.00	FC	FC

COMPANY	COUNTRY	% of interest		% of control		Method of consolidation	
		2020	2021	2020	2021	2020	2021
GEOPOST SEGMENT							
GeoPost SA	France	100.00	100.00	100.00	100.00	FC	FC
360° Services SAS	France	100.00	100.00	100.00	100.00	FC	FC
A52 Warehouse Inc.	Canada	32.31	32.31	50.00	50.00	FC	FC
ACP Global Forwarding	Poland	100.00	100.00	100.00	100.00	FC	FC
Alas Courier, S.L.	Spain	48.00	100.00	48.00	100.00	EM	FC
Alolomer, S.L.U.	Spain	0.00	24.04	0.00	25.00		EM
Alturing	France	100.00	100.00	100.00	100.00	FC	FC
Andalupaq Express, S.L.	Spain	0.00	100.00	0.00	100.00		FC
Aramex PJSC	United Arab Emirates	0.00	24.93	0.00	24.93		EM
Armadillo Holding GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
Asendia Austria GmbH	Austria	60.00	60.00	100.00	100.00	FC	FC
Asendia Benelux B.V.	Pays Bas	60.00	60.00	100.00	100.00	FC	FC
Asendia Germany GmbH	Germany	60.00	60.00	100.00	100.00	FC	FC
Asendia Holding AG	Switzerland	60.00	60.00	60.00	60.00	FC	FC
Asendia Honk Kong Ltd	Hong Kong	60.00	60.00	100.00	100.00	FC	FC
Asendia Italy S.p.A.	Italy	60.00	60.00	100.00	100.00	FC	FC
Asendia Mgmt SAS	France	60.00	60.00	100.00	100.00	FC	FC
Asendia Mgmt SAS, branch Bern	Switzerland	60.00	60.00	100.00	100.00	FC	FC
Asendia Nordic AB	Sweden	60.00	60.00	100.00	100.00	FC	FC
Asendia Norway A/S	Norway	60.00	60.00	100.00	100.00	FC	FC
Asendia Oceania AU	Australie	60.00	60.00	100.00	100.00	FC	FC
Asendia Oceania NZ	New Zeland	60.00	60.00	100.00	100.00	FC	FC
Asendia Opérations (SCL)	Germany	60.00	60.00	100.00	100.00	FC	FC
Asendia Opérations Verwaltung GmbH	Germany	60.00	60.00	100.00	100.00	FC	FC
Asendia Press Edigroup SA	Switzerland	60.00	60.00	100.00	100.00	FC	FC
Asendia Press EDS AG	Switzerland	60.00	0.00	100.00	0.00	FC	
Asendia Singapore	Singapore	60.00	60.00	100.00	100.00	FC	FC
Asendia Spain S.L.	Spain	60.00	60.00	100.00	100.00	FC	FC
Asendia UK Ltd	United Kingdom	60.00	60.00	100.00	100.00	FC	FC
Asendia USA	United States	60.00	60.00	100.00	100.00	FC	FC
Beijing Linehaul Express Co Ltd.	China	64.63	64.63	100.00	100.00	FC	FC
Bio Cair Forwarding International Co Ltd	China	100.00	100.00	100.00	100.00	FC	FC
Biocair Asia Limited	Hong Kong	100.00	100.00	100.00	100.00	FC	FC
Biocair Australia PTY Ltd	Australia	100.00	100.00	100.00	100.00	FC	FC
Biocair Belgium	Belgium	100.00	100.00	100.00	100.00	FC	FC
Biocair Customs Brokerage LLC	United States	100.00	100.00	100.00	100.00	FC	FC
Biocair Germany GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
Biocair Inc.	United States	100.00	100.00	100.00	100.00	FC	FC
Biocair International Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Biocair Singapore Pte Ltd	Singapore	100.00	100.00	100.00	100.00	FC	FC
Biocair South Africa (Pty) Ltd	South Africa	100.00	100.00	100.00	100.00	FC	FC
Bloomsburys GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
BK Logistics Group B.V.	Netherlands		100.00		100.00		FC
BK Pharma Logistics B.V.	Netherlands		100.00		100.00		FC
BK Sneltransport B.V.	Netherlands		100.00		100.00		FC
BTB Mailflight	United Kingdom	60.00	60.00	100.00	100.00	FC	FC
BTB Mailflight Holding	United Kingdom	60.00	60.00	100.00	100.00	FC	FC
Buy Online GmbH	Germany	100.00	0.00	100.00	0.00	FC	
Caledonie express	France	60.00	60.00	60.00	60.00	EM	EM
Cargonet Software SARL	France	0.00	100.00	0.00	100.00		FC
Central de Mensajeros Logística 2008, S.L.	Spain	0.00	100.00	0.00	100.00		FC
Chrono Diali	Morocco	0.00	49.00	0.00	49.00		EM
Chronofresh SAS	France	100.00	100.00	100.00	100.00	FC	FC
Chronopost (Mauritius) Ltd	Mauritius	69.00	75.00	75.00	75.00	FC	FC
Chronopost SAS	France	100.00	100.00	100.00	100.00	FC	FC
CI Algérie	Algeria	100.00	100.00	100.00	100.00	FC	FC
CI Burkina	Burkina Faso	40.00	40.00	40.00	40.00	EM	EM
CI Côte d'Ivoire	Ivory Coast	50.00	50.00	50.00	50.00	FC	FC
CI Maroc	Morocco	34.00	34.00	34.00	34.00	EM	EM
Customs Clearance Ltd.	United Kingdom	64.63	64.63	100.00	100.00	FC	FC
Delifresh IDF	France	100.00	100.00	100.00	100.00	FC	FC
Direct Parcel Distribution CZ s.r.o.	Czech Republic	100.00	100.00	100.00	100.00	FC	FC
Direct Parcel Distribution SK s.r.o.	Slovakia	100.00	100.00	100.00	100.00	FC	FC
DPD (UK) Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC

COMPANY	COUNTRY	% of interest		% of control		Method of consolidation	
		2020	2021	2020	2021	2020	2021
GEOPOST SEGMENT							
DPD Austria	Austria	25.57	25.57	25.57	25.57	EM	EM
DPD Bel FLLC	Belarus	100.00	100.00	100.00	100.00	FC	FC
DPD Belgium	Belgium	100.00	100.00	100.00	100.00	FC	FC
DPD Croatia	Croatia	100.00	100.00	100.00	100.00	FC	FC
DPD CZ s.r.o.	Czech Republic	100.00	0.00	100.00	0.00	FC	
DPD Deutschland GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
DPD Eesti AS	Estonia	100.00	100.00	100.00	100.00	FC	FC
DPD Eurasia LLC	Uzbekistan	100.00	100.00	100.00	100.00	FC	FC
DPD France SAS	France	100.00	100.00	100.00	100.00	FC	FC
DPD fresh BeLux BV	Belgium	100.00	100.00	100.00	100.00	FC	FC
DPD Group International Services GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
DPD HK Ltd. (ex RPX Ltd.)	Hong Kong	64.63	64.63	100.00	100.00	FC	FC
DPD Hungaria kft	Hungary	100.00	100.00	100.00	100.00	FC	FC
DPD Immobilien GmbH & Co. KG	Germany	0.00	100.00	0.00	100.00		FC
DPD Immobilienverwaltung GmbH	Germany	0.00	100.00	0.00	100.00		FC
DPD Ireland	Ireland	100.00	100.00	100.00	100.00	FC	FC
DPD Kazakhstan LLP	Kazakhstan	100.00	100.00	100.00	100.00	FC	FC
DPD Laser	South Africa	75.00	75.00	75.00	75.00	FC	FC
DPD Latvija SIA	Latvia	100.00	100.00	100.00	100.00	FC	FC
DPD Lietuva UAB	Lithuania	100.00	100.00	100.00	100.00	FC	FC
DPD Local UK Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
DPD Luxembourg	Luxembourg	100.00	100.00	100.00	100.00	FC	FC
DPD Netherlands	Netherlands	100.00	100.00	100.00	100.00	FC	FC
DPD Polska	Poland	100.00	100.00	100.00	100.00	FC	FC
DPD Portugal	Portugal	100.00	100.00	100.00	100.00	FC	FC
DPD Romania S.A.	Romania	0.00	69.81	0.00	100.00		FC
DPD RUS	Russia	86.80	86.80	100.00	100.00	FC	FC
DPD Schweiz	Switzerland	100.00	100.00	100.00	100.00	FC	FC
DPD Service GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
DPD SK s.r.o.	Slovakia	100.00	0.00	100.00	0.00	FC	
DPD Slovenia	Slovenia	100.00	100.00	100.00	100.00	FC	FC
DPDgroup IT Solutions	Poland	100.00	100.00	100.00	100.00	FC	FC
DPDgroup IT Solutions Hungary Kft	Hungary	100.00	100.00	100.00	100.00	FC	FC
DPDgroup UK Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
DS Russia GmbH & Co. Asset KG	Germany	86.80	86.80	86.80	86.80	FC	FC
DS Russia GP GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
DS Russia Management GmbH	Germany	88.80	88.80	88.80	88.80	FC	FC
DTDC	India	42.52	42.52	42.52	42.52	EM	EM
Dynamic Parcel Distribution Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Dynapresse Marketing SA	Switzerland	60.00	60.00	100.00	100.00	FC	FC
Epicery SAS	France		87.47		87.47		FC
EVOL BORDEAUX	France	60.00	60.00	100.00	100.00	FC	FC
EVOL CENTRE	France	0.00	60.00	0.00	100.00		FC
EVOL CLERMONT FERRAND	France	60.00	60.00	100.00	100.00	FC	FC
EVOL GRENOBLE	France	49.80	49.80	100.00	100.00	FC	FC
EVOL LILLE	France	60.00	60.00	100.00	100.00	FC	FC
EVOL LORRAINE	France	0.00	60.00	0.00	100.00		FC
EVOL LYON	France	60.00	60.00	100.00	100.00	FC	FC
EVOL MARSEILLE AIX TOULON	France	60.00	60.00	100.00	100.00	FC	FC
EVOL MONTPELLIER	France	60.00	60.00	100.00	100.00	FC	FC
EVOL NANTES	France	60.00	60.00	100.00	100.00	FC	FC
EVOL NICE	France	60.00	60.00	100.00	100.00	FC	FC
EVOL PARIS	France	60.00	60.00	100.00	100.00	FC	FC
EVOL RENNES	France	0.00	60.00	0.00	100.00		FC
EVOL ROUEN	France	0.00	60.00	0.00	100.00		FC
EVOL SAINT ETIENNE	France	60.00	0.00	100.00	0.00	FC	
EVOL STRASBOURG	France	0.00	60.00	0.00	100.00		FC
EVOL TOULOUSE	France	60.00	60.00	100.00	100.00	FC	FC
Express Delivery Services	France	52.58	52.58	52.58	52.58	FC	FC
FB On Board Courier Services Inc.	Canada	7.11	7.11	11.00	11.00	EM	EM
FermoPoint S.r.l.	Italy	50.98	50.98	60.00	60.00	FC	FC
Flap Locadora e Trans. Ltda.	Brazil	98.00	98.00	98.00	98.00	FC	FC
Forwarder Line Logistik	Liechtenstein	100.00	100.00	100.00	100.00	FC	FC
Geopost Americas	United States	100.00	100.00	100.00	100.00	FC	FC
GeoPost Bulgaria EOOD	Bulgaria	0.00	69.81	0.00	100.00		FC
GeoPost Espana, S.L.	Spain	100.00	100.00	100.00	100.00	FC	FC
GeoPost Holdings Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
GeoPost Intermediate Holdings	United Kingdom	100.00	100.00	100.00	100.00	FC	FC

COMPANY	COUNTRY	% of interest		% of control		Method of consolidation	
		2020	2021	2020	2021	2020	2021
GEOPOST SEGMENT							
GeoPost Ireland Limited	Ireland	100.00	100.00	100.00	100.00	FC	FC
GeoPost Trans EOOD	Bulgaria	0.00	69.81	0.00	100.00		FC
GLPU	France	100.00	100.00	100.00	100.00	FC	FC
GP IMDH GmbH (ex GeoPost IMDH GmbH)	Germany	100.00	100.00	100.00	100.00	FC	FC
Gruppo BRT	Italy	84.96	84.96	84.96	84.96	FC	FC
Hubez HK Ltd	Hong Kong	0.00	64.63	0.00	100.00		FC
Iloxx GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
Interlink Express Parcels Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Interlink Express Plc	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Jadlog Logística Ltda	Brazil	98.00	98.00	98.00	98.00	FC	FC
JLGP Brasil Participações Ltda	Brazil	100.00	100.00	100.00	100.00	FC	FC
Jumbo Glory Ltd.	Hong Kong	33.02	0.00	51.10	0.00	FC	
Keyopstech	France	95.00	95.00	95.00	95.00	FC	FC
Keyopstech Ivoire SARL	Ivory Coast	95.00	95.00	100.00	100.00	FC	FC
Keyopstech Sénégal SARL	Senegal	95.00	95.00	100.00	100.00	FC	FC
KOT Ivoire SAS	France	95.00	0.00	100.00	0.00	FC	
La Poste Global Mail	France	100.00	100.00	100.00	100.00	FC	FC
La Poste IMS	France	60.00	60.00	100.00	100.00	FC	FC
Latin America eCommerce Direct, S.A. de C.V	Mexico	30.06	60.00	100.00	100.00	FC	FC
Lenton Group Ltd	Hong Kong	64.63	64.63	64.63	64.63	FC	FC
Linehaul Express (Cambodia) Co. Ltd.	Cambodia	16.16	16.16	25.00	25.00	EM	EM
Linehaul Express (HK) Ltd.	Hong Kong	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express (India) Private Ltd.	India	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express (NZ) Ltd.	New Zealand	32.96	0.00	51.00	0.00	FC	
Linehaul Express (Shenzhen) Ltd.	China	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express (Taiwan) Ltd.	Taiwan	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express (Thailand) Co. Ltd.	Thailand	32.31	32.31	50.00	50.00	FC	FC
Linehaul Express (Yiwu) Ltd	China	0.00	64.63	0.00	100.00		FC
Linehaul Express (Zhengzhou) Ltd.	China	48.79	48.79	75.50	75.50	FC	FC
Linehaul Express Co. Ltd.	Canada	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express France SARL	France	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express Korea Ltd.	Republic of Korea	32.96	0.00	51.00	0.00	FC	
Linehaul Express LLC	United Arab Emirates	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express Ltd.	United Kingdom	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express Singapore Pte Ltd. (ex Universal Courier Express Pte Ltd)	Singapore	32.96	64.63	51.00	100.00	FC	FC
Linehaul Mac Express (Private) Ltd.	Sri Lanka	32.31	32.31	50.00	50.00	FC	FC
Linex Air Services (Private) Ltd.	South Africa	64.63	64.63	100.00	100.00	FC	FC
Linex Air Services Pty Ltd.	Australia	64.63	0.00	100.00	0.00	FC	
Linex Corporation	Philippines	38.78	38.78	60.00	60.00	FC	FC
Linex Inc.	United States	64.63	64.63	100.00	100.00	FC	FC
Linex Nankai JP Co, Ltd.	Japan	38.78	38.78	60.00	60.00	FC	FC
LUDEV	France	60.00	60.00	60.00	60.00	FC	FC
LWW South Africa	South Africa	100.00	0.00	100.00	0.00	FC	
Madripaq Servicios, S.L.	Spain	24.00	100.00	24.00	100.00	EM	FC
Mail Plus Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Menexpres, S.A.	Spain	100.00	100.00	100.00	100.00	FC	FC
Ninja Logistics Pte. Ltd	Singapore	36.60	43.27	36.60	43.27	EM	EM
North America Direct Inc	United States	30.06	60.00	100.00	100.00	FC	FC
OMG Mobile EOOD	Bulgaria	0.00	69.81	0.00	100.00		FC
Packcity France	France	25.00	0.00	25.00	0.00	EM	
Packcity GeoPost	France	50.50	34.00	34.00	34.00	EM	EM
Parceline Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
ParcelLock GmbH	Germany	50.00	50.00	50.00	50.00	EM	EM
PickPoint (Russia) LLC	Russia	29.06	48.95	29.06	48.95	EM	EM
Pickpoint Delivery System Ltd. (Cyprus)	Cyprus	29.06	48.95	29.06	48.95	EM	EM
Pickup At Home	France	0.00	100.00	0.00	100.00		FC
Pickup Logistics	France	100.00	100.00	100.00	100.00	FC	FC
Pickup Personal Services	France	95.00	95.00	95.00	95.00	FC	FC
Pickup Services	France	100.00	100.00	100.00	100.00	FC	FC
Pie Mapping Software Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Pour de bon	France	46.76	44.89	46.76	44.89	EM	EM
PT Linehaul Express Indonesia	Indonesia	25.85	25.85	40.00	40.00	EM	EM
Pudo Portugal S.A.	Portugal	0.00	25.00	0.00	25.00		EM
Rapido Express and Logistics EOOD	Bulgaria	0.00	69.81	0.00	100.00		FC
Resto in	France	100.00	100.00	100.00	100.00	FC	FC
RPX MAC Express (Private) Limited (ex 3W Express Ltd)	Sri Lanka	32.31	32.31	100.00	100.00	FC	FC
SCI Exa Immo	France	100.00	100.00	100.00	100.00	FC	FC

COMPANY	COUNTRY	% of interest		% of control		Method of consolidation	
		2020	2021	2020	2021	2020	2021
GEOPOST SEGMENT							
SCI Examurs Paris	France	100.00	100.00	100.00	100.00	FC	FC
Sci Intel Immo	France	100.00	100.00	100.00	100.00	FC	FC
Seur España Operaciones, S.A.	Spain	94.71	96.14	100.00	100.00	FC	FC
Seur Geopost, S.L.	Spain	100.00	100.00	100.00	100.00	FC	FC
Seur Gerencia de Riesgos, S.L.	Spain	94.71	96.14	100.00	100.00	FC	FC
Seur Logística S.A.	Spain	94.71	96.14	100.00	100.00	FC	FC
Seur, S.A.	Spain	94.71	96.14	94.71	96.14	FC	FC
Shanghai E & T Wako Express Co. Ltd.	China	38.78	64.63	60.00	100.00	FC	FC
Siodemka Systemy Sp z o.o.	Poland	100.00	100.00	100.00	100.00	FC	FC
Sodexi	France	35.00	35.00	35.00	35.00	EM	EM
Someva, S.L.U.	Spain	94.71	96.14	100.00	100.00	FC	FC
Speedy AD	Bulgaria	24.81	69.81	24.81	69.81	EM	FC
Speedy EOOD	Bulgaria	0	69.81	0	100.00		FC
SPI UK	United Kingdom	60.00	60.00	100.00	100.00	FC	FC
SRT France Logistics	France	100.00	100.00	100.00	100.00	FC	FC
SRT France SAS (Stuart)	France	100.00	100.00	100.00	100.00	FC	FC
SRT Group SAS	France	100.00	100.00	100.00	100.00	FC	FC
Stuart Delivery LTD	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Stuart Delivery, S.L.	Spain	100.00	100.00	100.00	100.00	FC	FC
Stuart Logistica, SL	Spain	0	100.00	0	100.00		FC
Stuart Polska sp.zo.o.	Poland	0	100.00	0	100.00		FC
TD Express services	France	100.00	100.00	100.00	100.00	FC	FC
STRT Delivery Portugal, Unipessoal LDA	Portugal		100.00		100.00		FC
Tigers (China) Co. Ltd	China	100.00	0	100.00	0	FC	
Tigers (USA) Global Logistics, Inc.	United States	100.00	0	100.00	0	FC	
Tigers AG	Switzerland	100.00	0	100.00	0	FC	
Tigers Deliver (Aust) Pty Ltd	Australia	100.00	0	100.00	0	FC	
Tigers eShop (HK) Limited	China	100.00	0	100.00	0	FC	
Tigers Eshop (Malaysia) Sdn. Bhd.	Malaysia	100.00	0	100.00	0	FC	
Tigers Express Ltd	China	100.00	0	100.00	0	FC	
Tigers Global Logistics Ltd	United Kingdom	100.00	0	100.00	0	FC	
Tigers GmbH	Germany	100.00	0	100.00	0	FC	
Tigers HK Co. Ltd	Hong Kong	100.00	0	100.00	0	FC	
Tigers Indo China Logistics co., Limited (Myanmar)	Burma	70.00	0	70.00	0	FC	
Tigers Intern. Logistics BV	Netherlands	100.00	0	100.00	0	FC	
Tigers Intern. Transport BV	Netherlands	100.00	0	100.00	0	FC	
Tigers International Solutions Pty	Australia	100.00	0	100.00	0	FC	
Tigers Logistics Group Ltd	United Kingdom	100.00	0	100.00	0	FC	
Tigers Ltd	Hong Kong	100.00	0	100.00	0	FC	
Tigers Malaysia	Malaysia	100.00	0	100.00	0	FC	
Tigers (Philippines) Global Logistics Ltd.Inc.	Philippines	55.05	0	55.05	0	FC	
Tigers Shared Services	South Africa	100.00	0	100.00	0	FC	
Tigers Trading Company Ltd	China	100.00	0	100.00	0	FC	
Tigers UK Holding Ltd	United Kingdom	100.00	0	100.00	0	FC	
Tigers Worldwide Logistics Ltd	India	74.75	0	74.75	0	FC	
Transciudad Real, S.L.	Spain	100.00	0	100.00	0	FC	
Transporte Integral de Paquetería, S.A.	Spain	50.73	100.00	50.73	100.00	EM	FC
U.S. Direct (singapore) PTE Ltd	Singapore	30.06	60.00	100.00	100.00	FC	FC
U.S. Direct e-commerce AUS PTY Limited	Australia	30.06	60.00	100.00	100.00	FC	FC
U.S. Direct E-Commerce Netherlands B.V.	Netherlands	30.06	60.00	100.00	100.00	FC	FC
U.S. Direct e-commerce UK	United Kingdom	30.06	60.00	100.00	100.00	FC	FC
Universal Express LLC	United Arab Emirates	32.96	64.63	51.00	100.00	FC	FC
Universal Express Ltd.	Kenya	32.96	64.63	51.00	100.00	FC	FC
US Direct eCommerce Holding Ltd	Ireland	30.06	60.00	50.10	100.00	FC	FC
US Direct eCommerce Ltd	Ireland	30.06	60.00	100.00	100.00	FC	FC
US Direct eCommerce Nominee DAC	Ireland	30.06	60.00	100.00	100.00	FC	FC
US Direct E-Commerce Rus LLC	Russia	30.06	60.00	100.00	100.00	FC	FC
Wako Air Express Co. Ltd	Hong Kong	100.00	0	100.00	0	FC	
Wako Express Co. Ltd.	Taiwan	64.63	64.63	100.00	100.00	FC	FC
Wako Group Ltd	Hong Kong	64.63	0	100.00	0	FC	
WDM (WA) Pty Ltd	Australia	100.00	0	100.00	0	FC	
WLG (Australia) Pty Ltd	Australia	100.00	0	100.00	0	FC	
WLG Inc	United States	100.00	0	100.00	0	FC	
WN TPC	United Kingdom	60.00	60.00	100.00	100.00	FC	FC
WnDirect USA, Inc	United States	60.00	60.00	100.00	100.00	FC	FC
Your Cargo Contact B.V.	Netherlands	0	48.47	0	75.00		FC
Yurtiçi Kargo Servisi A.S.	Turkey	25.00	25.00	25.00	25.00	EM	EM

COMPANY	COUNTRY	% of interest		% of control		Method of consolidation	
		2020	2021	2020	2021	2020	2021
LA BANQUE POSTALE - CNP - SEGMENT							
La Banque Postale	France	100.00	100.00	100.00	100.00	FC	FC
AEP3 SCI	France	62.84	78.95	100.00	100.00	FC	FC
AEP4 SCI	France	62.84	78.95	100.00	100.00	FC	FC
AEW Europe SA	France	40.00	40.00	40.00	40.00	EM	EM
Arial CNP Assurances	France	25.14	31.58	40.00	40.00	EM	EM
Assurbaill Patrimoine	France	62.84	78.95	100.00	100.00	FC	FC
Assurimmeuble	France	62.84	78.95	100.00	100.00	FC	FC
Assurance	France	41.48	52.11	66.00	66.00	EM	EM
BPE	France	100.00	100.00	100.00	100.00	FC	FC
Caixa Consórcios SA Administradora de Consórcios	Brazil	32.52	40.86	100.00	100.00	FC	FC
Caixa Seguradora Especializada Em Saúde S/A (ex Caixa Saúde SA)	Brazil	32.52	40.86	100.00	100.00	FC	FC
Caixa Seguradora S.A.	Brazil	32.52	40.86	100.00	100.00	FC	FC
Caixa Seguros Assessoria e Consultoria Ltda	Brazil	32.52	40.86	100.00	100.00	FC	FC
Caixa Seguros Participações em Saúde Ltda (ex Holding Caixa Seguros Participações em Saúde Ltda)	Brazil	32.52	40.86	100.00	100.00	FC	FC
Caixa Vida e Previdência	Brazil	25.14	31.58	100.00	100.00	FC	FC
CIMO	France	62.84	78.95	100.00	100.00	FC	FC
CNP Asfalistiki	Cyprus	62.84	78.95	100.00	100.00	FC	FC
CNP Assur Trésorerie Plus	France	61.67	77.46	98.13	98.12	FC	FC
CNP Assurances	France	62.84	78.95	68.51	82.12	FC	FC
CNP Assurances Compañia de Seguros	Argentina	48.06	60.37	76.47	76.47	FC	FC
CNP Assurances Latam Holding Ltda (ex CNP Holding Brasil)	Brazil	62.84	78.95	100.00	100.00	FC	FC
CNP Assurances Participações Ltda	Brazil	62.84	78.95	100.00	100.00	FC	FC
CNP Capitalização S.A.	Brazil	16.58	20.84	51.00	51.00	FC	FC
CNP Caution	France	62.84	78.95	100.00	100.00	FC	FC
CNP Cyprialife	Cyprus	62.84	78.95	100.00	100.00	FC	FC
CNP Cyprus Insurance Holdings	Cyprus	62.84	78.95	100.00	100.00	FC	FC
CNP Cyprus Properties	Cyprus	62.84	78.95	100.00	100.00	FC	FC
CNP Cyprus Tower Ltd	Cyprus	62.84	78.95	100.00	100.00	FC	FC
CNP Europe Life	Ireland	62.84	78.95	100.00	100.00	FC	FC
CNP Immobilier	France	62.84	78.95	100.00	100.00	FC	FC
CNP Luxembourg	Luxembourg	62.84	78.95	100.00	100.00	FC	FC
CNP OSTRUM ISR OBLI 12 MOIS (ex LBPAM Court terme)	France	62.84	77.84	100.00	98.59	FC	FC
CNP Participações Securitárias Brasil Ltda	Brazil	32.52	40.86	100.00	100.00	FC	FC
CNP Partners	Spain	62.84	78.95	100.00	100.00	FC	FC
CNP Praktoriaki	Greece	62.84	78.95	100.00	100.00	FC	FC
CNP SA de Capitalización y Ahorro p/ fines determinados	Argentina	31.42	39.47	65.38	65.38	FC	FC
CNP Santander Insurance Europe Ltd	Ireland	32.05	40.26	51.00	51.00	FC	FC
CNP Santander Insurance Life Ltd	Ireland	32.05	40.26	51.00	51.00	FC	FC
CNP Santander Insurance Services Ireland Ltd	Ireland	32.05	40.26	51.00	51.00	FC	FC
CNP Seguros Holding Brasil S.A.	Brazil	32.52	40.86	51.75	51.75	FC	FC
CNP UniCredit Vita	Italy	36.13	45.40	57.50	57.50	FC	FC
CNP Vita Assicura	Italy		40.26		51.00		FC
CNP Vita Assicurazione	Italy		78.95		100.00		FC
CNP Zois	Greece	62.84	78.95	100.00	100.00	FC	FC
Companhia de Seguros Previdencia Do Sul-Previsul	Brazil	32.52	40.86	100.00	100.00	FC	FC
Easy Bourse	France	100.00	100.00	100.00	100.00	FC	FC

COMPANY	COUNTRY	% of interest		% of control		Method of consolidation	
		2020	2021	2020	2021	2020	2021
LA BANQUE POSTALE - CNP - SEGMENT							
Ecureuil Profil 90	France	35.71	44.89	56.83	56.86	FC	FC
Ecureuil Vie Développement	France	30.79	38.69	49.00	49.00	EM	EM
FCT Elise 2012	France	95.00	95.00	95.00	95.00	FC	FC
Filassistance International	France	41.48	52.11	66.00	66.00	EM	EM
Fundo De Investimento Imobiliario Renda Corporativa Angico - FII (ex OPCI FII Renda Corporativa Angico)	Brazil	26.69	38.54	100.00	100.00	FC	FC
Holding d'Infrastructures Gazières	France	34.19	41.84	54.41	53.00	EM	EM
Holding XS 1 SA	Brazil	25.14	31.58	51.00	51.00	FC	FC
Infra-Invest	Luxembourg	62.84	78.95	100.00	100.00	FC	FC
Infra-invest France	France	0.00	78.95	0.00	100.00		FC
Infra-invest Holding	France	0.00	78.95	0.00	100.00		FC
Issy Cœur de Ville (ICV)	France		78.95		100.00		FC
La Banque Postale Asset Management (ex LBP AM)	France	70.00	70.00	100.00	100.00	FC	FC
La Banque Postale Asset Management Holding (ex LBP AM Holding)	France	70.00	70.00	70.00	70.00	FC	FC
La Banque Postale Assurance Santé	France	51.00	51.00	51.00	51.00	FC	FC
La Banque Postale Assurances IARD	France	100.00	100.00	100.00	100.00	FC	FC
La Banque Postale Collectivités Locales	France	65.00	65.00	65.00	65.00	FC	FC
La Banque Postale Conseil en Assurances	France	100.00	100.00	100.00	100.00	FC	FC
La Banque Postale Consumer Finance	France	100.00	100.00	100.00	100.00	FC	FC
La Banque Postale Home Loan SFH	France	100.00	100.00	100.00	100.00	FC	FC
La Banque Postale Immobilier Conseil	France	100.00	100.00	100.00	100.00	FC	FC
La Banque Postale Leasing & Factoring	France	100.00	100.00	100.00	100.00	FC	FC
La Banque Postale Prévoyance	France	100.00	100.00	100.00	100.00	FC	FC
LBP Actifs Immo	France	62.84	78.95	100.00	100.00	FC	FC
LBP Dutch Mortgage Portfolio 1 BV	Netherlands	100.00	100.00	100.00	100.00	FC	FC
LBP Dutch Mortgage Portfolio 2 BV	Netherlands	100.00	100.00	100.00	100.00	FC	FC
Ma French Bank	France	100.00	100.00	100.00	100.00	FC	FC
MFPrévoyance SA	France	40.85	78.95	51.00	100.00	FC	FC
Montparvie V	France	62.84	78.95	100.00	100.00	FC	FC
Odonto Empresas Convênios Dentários Ltda	Brazil	32.52	40.86	100.00	100.00	FC	FC
OPCI AEP247	France	62.84	78.95	100.00	100.00	FC	FC
OPCI AEW Imcom 1	France	62.84	78.95	100.00	100.00	FC	FC
OPCI MTP Invest	France	62.65	78.95	100.00	100.00	FC	FC
OPCI Raspail	France	62.75	78.95	100.00	100.00	FC	FC
OPCVM Caixa Capitalização SA	Brazil	16.58	20.84	100.00	100.00	FC	FC
OPCVM Caixa Consórcios	Brazil	32.52	40.86	100.00	100.00	FC	FC
OPCVM Caixa Seguradora SA	Brazil	32.52	40.86	100.00	100.00	FC	FC
OPCVM Caixa Vida e Previdência	Brazil	25.14	31.58	100.00	100.00	FC	FC
OPCVM Holding Caixa Seguros Holding SA	Brazil	32.52	40.86	100.00	100.00	FC	FC
Ostrum Asset Management	France	31.50	31.50	45.00	45.00	EM	EM
Outlet Invest	France	62.84	78.95	100.00	100.00	FC	FC
SAS Allera	France	62.84	78.95	100.00	100.00	FC	FC
SICAC	France	62.84	78.95	100.00	100.00	FC	FC
SCI CRSF DOM	France	99.94	99.94	99.94	99.94	FC	FC
SCI CRSF Métropole	France	100.00	100.00	100.00	100.00	FC	FC
SCI Tertiaire Saint Romain	France	100.00	100.00	100.00	100.00	FC	FC
SF 2	France	100.00	0.00	100.00	0.00	FC	FC
SOFIAP	France	66.00	66.00	66.00	66.00	FC	FC
Sogestop K	France	62.84	78.95	100.00	100.00	FC	FC
Tocqueville Finance Holding	France	69.92	0.00	99.89	0.00	FC	FC
Tocqueville Finance SA	France	69.86	69.93	99.90	99.90	FC	FC
Univers CNP 1 FCP	France	62.84	78.95	100.00	100.00	FC	FC
Vivaccio ISR actions	France	62.84	78.95	100.00	100.00	FC	FC
Wiz Soluções e Corretagem de Seguros S.A.	Brazil	8.13	10.22	25.00	25.00	EM	EM
XS2 Vida e Previdência SA	Brazil	25.14	31.58	100.00	100.00	FC	FC
XS5 Administradora de consorcios S.A.	Brazil	0.00	19.74	0.00	50.01		EM

COMPANY	COUNTRY	% of interest		% of control		Method of consolidation	
		2020	2021	2020	2021	2020	2021
CONSUMER AND DIGITAL SERVICES - SEGMENT							
2B-Softeam Data	France	100.00	100.00	100.00	100.00	FC	FC
Adverline	France	100.00	100.00	99.88	99.88	FC	FC
Ametix SAS	France	100.00	0.00	100.00	0.00	FC	
ARKHINEO	France	100.00	100.00	100.00	100.00	FC	FC
AR 24	France	55.00	55.00	55.00	55.00	FC	FC
Boxtal	France	0.00	100.00	0.00	100.00		FC
Bretagne Routage SA	France	100.00	100.00	100.00	100.00	FC	FC
CER - Docapost BPO	France	50.98	50.98	50.98	50.98	FC	FC
Certinomis	France	100.00	100.00	100.00	100.00	FC	FC
CNTP - Docapost BPO	France	66.00	66.00	66.00	66.00	FC	FC
Docapost	France	100.00	100.00	100.00	100.00	FC	FC
Docapost Agility	France	0.00	100.00	0.00	100.00		FC
Docapost Applicam	France	100.00	100.00	100.00	100.00	FC	FC
Docapost BPO IS	France	65.00	65.00	65.00	65.00	FC	FC
Docapost BPO SAS	France	100.00	100.00	100.00	100.00	FC	FC
Docapost Conseil	France	100.00	0.00	100.00	0.00	FC	
Docapost CSP	France	100.00	100.00	100.00	100.00	FC	FC
Docapost DPS	France	100.00	100.00	100.00	100.00	FC	FC
Docapost E-Santé	France	100.00	100.00	100.00	100.00	FC	FC
Docapost Externalisation	France	100.00	100.00	100.00	100.00	FC	FC
Docapost Fast	France	100.00	100.00	100.00	100.00	FC	FC
DOCAPOSTE Trust & Sign	France	0.00	100.00	0.00	100.00		FC
Docapost IOT	France	100.00	100.00	100.00	100.00	FC	FC
Docapost Localéo	France	100.00	100.00	100.00	100.00	FC	FC
ESCENT Luxembourg	Luxembourg	100.00	100.00	100.00	100.00	FC	FC
ESCENT Belgique	Belgium	100.00	100.00	100.00	100.00	FC	FC
Eukles	France	100.00	100.00	100.00	100.00	FC	FC
GENITECH Tunisie	Tunisia	100.00	100.00	100.00	100.00	FC	FC
Icanopée	France	80.00	80.00	80.00	80.00	FC	FC
Inadvans	France	100.00	100.00	100.00	100.00	FC	FC
Index Education France	France	76.60	76.60	100.00	100.00	FC	FC
Index Education Développement	France	76.60	76.60	100.00	100.00	FC	FC
Index Italie	Italy	76.60	76.60	100.00	100.00	FC	FC
Kidscare	France	0.00	100.00	0.00	100.00		FC
La Poste Telecom	France	51.00	51.00	51.00	51.00	EM	EM
La Poste Services à la Personne	France	100.00	100.00	100.00	100.00	FC	FC
LPII	France	100.00	100.00	100.00	100.00	FC	FC
Maileva	France	100.00	100.00	100.00	100.00	FC	FC
MARKETSHOT	France	83.15	89.86	83.15	89.86	FC	FC
Media Prisme SAS	France	82.05	82.05	82.05	82.05	FC	FC
Modeliosoft	France	100.00	0.00	100.00	0.00	FC	
Openvalue	France	0.00	80.00	0.00	100.00		FC
OPTELO	France	100.00	100.00	100.00	100.00	FC	FC
Oxeva	France	70.03	70.03	70.03	70.03	FC	FC
Probayes	France	100.00	100.00	100.00	100.00	FC	FC
Prosofteam	France		100.00		100.00		FC
Sefas SA	France	100.00	100.00	99.99	99.99	FC	FC
Sefas Espana	Spain	100.00	100.00	100.00	100.00	FC	FC
Sefas Inc	United States	100.00	100.00	100.00	100.00	FC	FC
Sefas Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Sérès SA	France	66.00	66.00	66.00	66.00	FC	FC
Sérès Allemagne	Germany	66.00	66.00	100.00	100.00	FC	FC
Sérès Espagne	Spain	66.00	66.00	100.00	100.00	FC	FC
Sofadev - Docapost BPO	Morocco	50.98	50.98	100.00	100.00	FC	FC
Softeam	France	100.00	100.00	100.00	100.00	FC	FC
Softeam Agency	France	100.00	100.00	100.00	100.00	FC	FC
Softeam Armonys	France	100.00	100.00	100.00	100.00	FC	FC
Softeam Consulting	France	100.00	100.00	100.00	100.00	FC	FC
Softeam Group	France	100.00	100.00	100.00	100.00	FC	FC
T2IS Docapost BPO	Morocco	50.98	50.98	100.00	100.00	FC	FC
Voxaly	France	100.00	100.00	100.00	100.00	FC	FC

COMPANY	COUNTRY	% of interest		% of control		Method of consolidation	
		2020	2021	2020	2021	2020	2021
REAL ESTATE SEGMENT							
Poste Immo	France	100.00	100.00	100.00	100.00	FC	FC
Akatea 2 TPF2 SAS	France	20.02	20.02	20.02	20.02	EM	EM
Akatea TPF2	France	20.02	20.02	20.02	20.02	EM	EM
Arkadea Lyon Girondins	France	50.00	50.00	50.00	50.00	EM	EM
Ciposte SAS	France	100.00	100.00	100.00	100.00	FC	FC
Fréjorgues Energy SAS	France	46.00	46.00	46.00	46.00	EM	EM
Holding PI	France	46.00	46.00	46.00	46.00	EM	EM
Holding PI2	France	46.00	46.00	46.00	46.00	EM	EM
ImmoStoc SAS	France	100.00	100.00	100.00	100.00	FC	FC
LocaPoste SAS	France	100.00	100.00	100.00	100.00	FC	FC
Lumin' Toulouse SAS	France	44.00	44.00	44.00	44.00	EM	EM
Lumin' Logistique urbaine	France	44.00	44.00	44.00	44.00	EM	EM
PI Energy	France	46.00	46.00	46.00	46.00	EM	EM
PI Energy 2	France	46.00	46.00	46.00	46.00	EM	EM
PI Logistique Urbaine	France	0.00	100.00	0.00	100.00		FC
Poste Immo Tertiaire	France	100.00	100.00	100.00	100.00	FC	FC
SAS Arkadea	France	50.00	50.00	50.00	50.00	EM	EM
SAS PI Développement	France	100.00	100.00	100.00	100.00	FC	FC
SAS PI Energies Renouvelables	France	100.00	100.00	100.00	100.00	FC	FC
SAS PI Invest	France	100.00	100.00	100.00	100.00	FC	FC
SAS Starway	France	28.00	28.00	28.00	28.00	EM	EM
SAS Starway Partners	France	79.97	79.97	79.97	79.97	FC	FC
SC Pyxis	France	100.00	100.00	100.00	100.00	FC	FC
SCCV 56, rue Cler	France	49.00	49.00	49.00	49.00	EM	EM
SCCV Paris Campagne Première	France	49.00	49.00	49.00	49.00	EM	EM
SCI Activités Annexes	France	100.00	100.00	100.00	100.00	FC	FC
SCI Activités Colis	France	100.00	100.00	100.00	100.00	FC	FC
SCI Activités Courrier de Proximité	France	100.00	100.00	100.00	100.00	FC	FC
SCI Activités Courrier Industriel	France	100.00	100.00	100.00	100.00	FC	FC
SCI Arkadea Fort de France	France	49.00	49.00	49.00	49.00	EM	EM
SCI Arkadea Lyon Crepet	France	35.00	35.00	35.00	35.00	EM	EM
SCI Arkadea Lyon Croix Rousse	France	30.00	30.00	30.00	30.00	EM	EM
SCI Arkadea Marseille Saint Victor	France	49.00	49.00	49.00	49.00	EM	EM
SCI Arkadea Rennes Trigone	France	49.00	49.00	49.00	49.00	EM	EM
SCI Bataille	France	35.00	35.00	35.00	35.00	EM	EM
SCI BP	France	100.00	100.00	100.00	100.00	FC	FC
SCI BP Mixte	France	100.00	100.00	100.00	100.00	FC	FC
SCI Centres de Loisirs	France	100.00	100.00	100.00	100.00	FC	FC
SCI DOM	France	100.00	100.00	100.00	100.00	FC	FC
SCI Green Opale	France	100.00	100.00	100.00	100.00	FC	FC
SCI Logement	France	100.00	100.00	100.00	100.00	FC	FC
SCI PI Bordeaux Tourville	France	100.00	100.00	100.00	100.00	FC	FC
SCI PI 17	France	100.00	100.00	100.00	100.00	FC	FC
SCI Route du Moulin Bateau Bonneuil	France	100.00	100.00	100.00	100.00	FC	FC
SCI RSS Strasbourg MEE	France	100.00	59.00	100.00	59.00	FC	EM
SCI Tertiaire	France	100.00	100.00	100.00	100.00	FC	FC
SCI Tertiaire Mixte	France	100.00	100.00	100.00	100.00	FC	FC
Sobre	France	48.33	48.56	48.33	48.56	EM	EM
SOBRE GLP	France	74.28	74.28	51.00	51.00	FC	FC
Société SCCV rue du Champ Macret-Roye	France	100.00	100.00	100.00	100.00	FC	FC
SOGARIS Paris : les espaces logistiques urbains	France	0.00	22.50	0.00	22.50		EM
Toulouse Occitanie	France	44.00	44.00	44.00	44.00	EM	EM
TPF2 - SPPICAV	France	20.02	20.02	20.02	20.02	EM	EM
Urba 144	France	46.00	46.00	46.00	46.00	EM	EM
UNALLOCATED							
La Poste Ventures (LP7)	France	0.00	100.00	0.00	100.00		FC
Véhiposte SAS	France	100.00	100.00	100.00	100.00	FC	FC
GIE Véhiposte	France	100.00	0.00	100.00	0.00	FC	
Movivolt	France	0.00	30.00	0.00	30.00		EM

FC : Full consolidation EM : Equity Method PC : Proportionate consolidation

NOTE 44 OTHER UNCONSOLIDATED EQUITY INVESTMENTS – EXCLUDING FRANCE

(€ thousand)	Country	31/12/2021		31/12/2020
		Percentage held	Balance sheet value	Balance sheet value
Anchanto	Singapore	18%	6,191	6,191
Tactio Inc.	Canada	29%	3,990	0
Aljutrans Cádiz, S.L.	Spain	28%	2,584	0
Bosta Inc.	United States	11%	1,285	1,285
Livelihoods	Luxembourg	3%	1,000	1,000
Localz Pty Ltd.	Australia	5%	926	926
Wundr Commerce Ltd	United Kingdom	12%	874	0
Sérès Argentine	Argentina	90%	790	581
Citibox Smart Services, S.L.	Spain	3%	750	750
Sérès Colombie	Colombia	100%	707	707
Sérès Mexique	Mexico	100%	553	553
Koiki	Spain	3%	370	0
Mediapost Vietnam	Vietnam	36%	311	311
Sérès Equateur	Ecuador	100%	216	216
Metrica	Bulgaria	60%	95	97
Ofertia Mexico	Mexico	100%	89	89
Sérès Perou	Peru	100%	65	0
Innovagency	Portugal	ns	52	1
CargoNetwork Gm	Germany	11%	40	40
Others	Portugal	ns	26	20
CID Externalizacion de Servici	Spain	10%	25	25
Ofertia Colombia	Colombia	100%	18	18
Kombiverkehr Deu	Germany	ns	16	16
Others	Italy	100%	13	11
Applicam Tunisie	Tunisia	95%	10	10
IG Zollwerk	Swiss	100%	10	9
Bancaja	Spain	ns	9	9
Insercion personal Discapacita	Spain	1%	6	6
Third Parties	Spain	ns	5	0
Others	Spain	ns	3	3
Others	Germany	ns	1	1
Others	United Kingdom	ns	0	1
Packlink Shipping, S.L. ^(b)	Spain	100%	0	8,000
Logalty Servicios ^(b)	Spain	11%	0	1,768
Chrono Diali ^(a)	Morocco	50%	0	347
TOTAL			21,030	22,991

(a) Companies consolidated in 2021.

(b) Companies sold in 2021.