CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

LA POSTE
GROUPE

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CONSOLIDATED INCOME STATEMENT

(in € millions)	NOTE	2022	2021
Revenue from commercial activities	6	27,103	26,617
Net banking income	7	8,289	7,992
Operating revenue	5.2	**35,392**	**34,609**
Purchases and other expenses	8	(16,556)	(15,490)
Personnel expenses	9	(13,935)	(14,154)
Taxes other than on income	10	(465)	(449)
Depreciation, amortisation, provisions and impairment	11	(3,888)	(1,772)
Other operating expenses and income	12	566	577
Proceeds from asset disposals		52	23
Net operating expenses		**(34,226)**	**(31,265)**
Share in net profit/(loss) of jointly-controlled companies	19	31	87
Recurring operating profit/(loss) (after share in net profit/(loss) of jointly-controlled companies)		**1,197**	**3,431**
Cost of net debt	13.1	(214)	(233)
Other financial items	13.2	7	31
Net financial income/(expense)	13	**(207)**	**(202)**
Share in net profit/(loss) of other equity-accounted companies	19	**(88)**	**(12)**
Profit/(loss) before income tax		**902**	**3,217**
Income tax	14	605	(620)
CONSOLIDATED NET PROFIT/(LOSS)		**1,507**	**2,597**
Attributable to non-controlling interests		304	528
NET PROFIT/(LOSS) ATTRIBUABLE TO OWNERS OF THE PARENT		**1,203**	**2,069**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts after tax *(in € millions)*	2022	2021
CONSOLIDATED NET PROFIT / (LOSS)	**1,507**	**2,597**
OTHER COMPREHENSIVE INCOME RECOGNISED IN EQUITY		
Items that may be reclassified to profit or loss	**(4,485)**	**513**
Change in unrealised gains and losses on financial instruments	(4,635)	(643)
Reclassification to profit or loss	*1,943*	*1,250*
Translation adjustments	549	108
Reclassification to profit or loss	*0*	*(3)*
Impact of the overlay appoach	(426)	1,024
Share in other reclassifiable comprehensive income of equity-accounted companies	27	24
Items that will not be reclassified to profit or loss	**114**	**70**
Actuarial gains and losses on employee benefits	42	*84*
Change in credit risk of financial liabilities designated as at fair value through profit or loss	4	(8)
Remeasurement of equity instruments at fair value through other comprehensive income (excluding instruments sold during the year)	11	(6)
Share in other not reclassifiable comprehensive income of equity-accounted companies	57	0
Total other comprehensive income/(loss) recognised in equity (after tax)	**(4,371)**	**583**
Total comprehensive income/(loss)	**(2,864)**	**3,180**
Total comprehensive income/(loss) attributable to non-controlling interests	125	668
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT	**(2,989)**	**2,512**

CONSOLIDATED BALANCE SHEET

ASSETS

(in € millions)	NOTE	31/12/2022	31/12/2021
Goodwill	15	5,092	4,464
Intangible assets	16	6,126	6,133
Property, plant and equipment	17	6,582	6,792
Right of use assets	18	3,426	3,700
Investments in equity-accounted companies	19	2,031	1,900
Other non-current financial assets	21	591	500
Deferred tax assets	14	2,976	205
Non-current assets		**26,824**	**23,694**
Inventories and work-in-progress	23.1	207	190
Trade and other receivables	23.2	5,503	5,554
Other current financial assets	21	702	436
Income tax credit		961	651
Other accruals – Assets		121	118
Cash and cash equivalents	24.1	4,537	2,895
Assets held for sale	25	62	200
Current assets		**12,093**	**10,044**
Cash, central banks	24.2	39,355	50,812
Financial assets at fair value through profit or loss	22.1	222,722	231,420
Hedging derivatives	22.2	1,139	1,022
Financial assets at fair value through OCI	22.3	194,534	228,310
Securities at amortised cost	22.4	27,193	23,480
Loans and advances to credit institutions at amortised cost	22.5	67,095	67,823
Loans and advances to customers at amortised cost	22.6	129,628	123,117
Revaluation differences on portfolios hedged against interest rate risks	22.7	721	101
Other financial assets and accruals	22.9	35,847	33,149
Net participating benefit	22.9	9,692	0
Investment property	22.8	6,280	3,393
Specific assets of banking and insurance activities		**734,206**	**762,627**
TOTAL ASSETS		**773,123**	**796,365**

EQUITY AND LIABILITIES

(in € millions)	NOTE	31/12/2022	31/12/2021
Share capital and share premium		6,788	6,668
Reserves		12,534	10,648
Financial instrument reserves reclassifiable to profit or loss		(3,301)	1,373
Translation reserve		(422)	(570)
Perpetual hybrid subordinated notes		744	744
Net profit/(loss) attributable to owners of the parent		1,203	2,069
Equity attributable to owners of the parent		**17,546**	**20,932**
Non-controlling interests		7,767	11,718
CONSOLIDATED EQUITY		**25,313**	**32,650**
Bonds and debt (1)	28.1	11,564	10,149
Lease liabilities (1)	28.1	3,869	3,760
Provisions for contingencies and losses (1)	27	885	816
Employee benefits (1)	30	2,687	3,157
Deferred tax liabilities (non-current)	14.5	886	1,217
Trade and other payables (1)	32	9,903	9,140
Income tax liabilities (current)		320	199
Other accruals – Liabilities (current)		180	233
Liabilities directly associated with assets held for sale (current)	25	47	0
Non-current liabilities		**16,269**	**16,411**
Current liabilities		**14,072**	**12,260**
Financial liabilities at fair value through profit or loss	31.1	13,359	4,253
Hedging derivatives	31.2	2,371	333
Liabilities due to credit institutions	31.3	26,445	30,393
Customer deposits	31.4	233,276	234,582
Debt securities	31.5	29,052	21,693
Revaluation differences on portfolios hedged against interest rate risks	31.6	294	422
Other financial liabilities and accruals	31.7	19,810	18,674
Banking and insurance activity technical provisions and shadow accounting reserves	31.8	383,763	414,584
Subordinated debt	31.9	9,099	10,110
Specific liabilities of banking and insurance activities		**717,469**	**735,044**
TOTAL EQUITY AND LIABILITIES		**773,123**	**796,365**
(1) Of which current share:			
Bonds and debt		*1,430*	*541*
Lease liabilities		*766*	*741*
Provisions for contingencies and losses		*700*	*678*
Employee benefits		*729*	*754*
Trade and other payables		*9,900*	*9,114*

CHANGES IN CONSOLIDATED EQUITY – 2022

Amounts after tax *(in € millions)*	Share capital and share premium	Retained earnings	Translation reserve	Financial instruments reserve reclassifiable to profit or loss	Perpetual hybrid subordinated notes	Other reserves	ATTRIBU-TABLE TOTAL	Non-controlling interests	TOTAL
Consolidated equity at 31 December 2021	**6,668**	**2,069**	**(570)**	**1,373**	**744**	**10,648**	**20,932**	**11,718**	**32,650**
Issue of perpetual notes	0	0	0	0	0	0	**0**	29	**29**
Dividend payments [b]	120	0	0	0	0	(529)	**(409)**	(372)	**(781)**
Remuneration of perpetual hybrid subordinated notes [a]	0	0	0	0	0	(144)	**(144)**	0	**(144)**
Put options written over non-controlling interests	0	0	0	0	0	(55)	**(55)**	(31)	**(86)**
Transactions with non-controlling interests [c]	0	0	(82)	(137)	0	457	**238**	(3,903)	**(3,665)**
Appropriation of 2021 net profit/(loss)	0	(2,069)	0	0	0	2,069			
Comprehensive income for the period		1,203	230	(4,536)		114	**(2,989)**	**125**	**(2,864)**
Of which:									
- Net profit/(loss)		*1,203*					***1,203***	*304*	***1,507***
- Reserves reclassifiable to profit or loss			*230*	*(4,536)*			***(4,306)***	*(179)*	***(4,485)***
- Financial instrument reserves not reclassifiable to profit or loss						*15*	***15***		***15***
- Actuarial gains and losses						*99*	***99***	*0*	***99***
Other			0	(1)		(26)	**(27)**	**201**	**174**
CONSOLIDATED EQUITY AT 31 DECEMBER 2022	**6,788**	**1,203**	**(422)**	**(3,301)**	**744**	**12,534**	**17,546**	**7,767**	**25,313**

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

(b) La Poste dividends paid out in cash and shares (see note 26.1).

(c) Including the acquisition of CNP Assurance's non-controlling interest (see note 1.2).

CHANGES IN CONSOLIDATED EQUITY - 2021

Amounts after tax (in € millions)	Share capital and share premium	Retained earnings	Translation reserve	Financial instruments reserve reclassifiable to profit or loss	Perpetual hybrid subordinated notes	Other reserves	ATTRIBU-TABLE TOTAL	Non-controlling interests	TOTAL
Consolidated equity at 31/12/2020 - reported	**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 agenda decision of May 2021						**143**	**143**	**0**	**143**
Consolidated equity at 31/12/2020 - restated	**6,668**	**2,084**	**(574)**	**836**	**744**	**8,632**	**18,390**	**13,712**	**32,102**
Issue of perpetual loan	**0**	0	0	0	0	0	**0**	942	**942**
Dividend payments	0	0	0	0	0	0	**0**	(655)	**(655)**
Remuneration of perpetual hybrid subordinated notes [(a)]	0	0	0	0	0	(91)	**(91)**	(23)	**(114)**
Put options written over 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 period		2,069	102	267		74	**2,512**	**668**	**3,180**
Of which:									
- Net profit/(loss)		*2,069*					***2,069***	*528*	***2,597***
- Reserves reclassifiable to profit or loss			*102*	*267*			***369***	*144*	***513***
- Financial instrument reserves not reclassifiable to profit or loss						*(14)*	***(14)***		***(14)***
- Actuarial gains and losses						*88*	***88***	*(4)*	***84***
Other[(b)]			0	0		5	**5**	**456**	**461**
CONSOLIDATED EQUITY AS AT 31/12/2021	**6,668**	**2,069**	**(570)**	**1,373**	**744**	**10,648**	**20,932**	**11,718**	**32,650**

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

(b) Including the increase in non-controlling interests following the acquisition of control of life insurance activities in Italy.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in € millions)	NOTE	2022			2021		
		Group	Industrial and commercial activities	Banking and insurance activities	Group	Industrial and commercial activities	Banking and insurance activities
EBITDA	**40.10**	**4,811**	**2,031**	**2,780**	**5,422**	**2,602**	**2,820**
Change in provisions for current assets and irrecoverable receivables		(40)	(40)	0	(28)	(28)	0
Miscellaneous financial income and expenses		(7)	(7)	0	0	0	0
Cash flows from operating activities before cost of net debt and taxes	**40.1**	**4,764**	**1,984**	**2,780**	**5,394**	**2,574**	**2,820**
Change in working capital requirement	40.3	264	121	143	(445)	(361)	(84)
Change in balance of banking and insurance assets and liabilities	40.4	(6,313)	0	(6,313)	8,911	32	8,879
Taxes paid		(934)	(100)	(834)	(446)	(62)	(384)
Dividends paid by La Banque Postale to La Poste		0	1,542	(1,542)	0	171	(171)
Dividends received from equity accounted companies		114	31	83	67	19	48
Cash flows from operating activities		**(2,105)**	**3,578**	**(5,683)**	**13,481**	**2,373**	**11,108**
Purchases of property, plant and equipment and intangible assets	40.5	(1,704)	(1,217)	(487)	(1,747)	(1,301)	(446)
Purchases of financial assets		(157)	(109)	(48)	(1,267)	(829)	(438)
Proceeds from disposals of property, plant and equipment and intangible assets		125	121	4	120	119	1
Proceeds from disposals of financial assets		283	43	240	123	122	1
Impact of changes in consolidation scope		(1,612)	(656)	(956)	(495)	(187)	(308)
Change in financial assets held for cash management purposes		(230)	(230)	0	(51)	(51)	0
Cash flows from investing activities		**(3,295)**	**(2,048)**	**(1,247)**	**(3,317)**	**(2,127)**	**(1,190)**
Capital increases		14	14	0	0	0	0
Perpetual loans		29	29	0	942	198	744
Dividends paid and remuneration of hybrid subordinated notes		(928)	(442)	(486)	(769)	(33)	(736)
Purchases of non-controlling interests		(3,753)	(139)	(3,614)	(3,018)	(556)	(2,462)
Interest paid		(199)	(199)	0	(240)	(240)	0
Proceeds from new borrowings	40.6	3,477	2,474	1,003	4,826	2,957	1,869
Repayment of borrowings	40.7	(2,795)	(1,045)	(1,750)	(3,540)	(1,789)	(1,751)
Repayment of lease liabilities		(873)	(816)	(57)	(802)	(751)	(51)
Other cash flows from financing activities	40.8	(46)	(46)	0	6	6	0
Intra-group flows		0	302	(302)	0	76	(76)
Cash flows from financing activities		**(5,074)**	**132**	**(5,206)**	**(2,595)**	**(132)**	**(2,463)**
Decrease (increase) in cash and cash equivalents from banking activities before impact of changes in consolidation scope	40.9	12,136	0	12,136	(7,455)	0	(7,455)
Impact of subsidiaries held for sale		(15)	(15)		0	0	
Impact of changes in exchange rates		(5)	(5)		18	18	
Change in cash and cash equivalents		**1,642**	**1,642**		**132**	**132**	
Opening cash and cash equivalents		**2,895**	**2,895**	**0**	**2,763**	**2,763**	**0**
Closing cash and cash equivalents		**4,537**	**4,537**	**0**	**2,895**	**2,895**	**0**

GENERAL ITEMS

NOTE 1 SIGNIFICANT EVENTS OF THE YEAR

1.1 Bond issuances

In 2022, La Poste Groupe carried out several bond issuances, as detailed below. These issuances qualify as debt instruments under IFRS 9 and IAS 32.

La Poste bond issuances

On 14 September 2022, La Poste Groupe carried out a €1,200 million sustainable bond issue, comprising a first tranche of €600 million maturing in September 2028, and a second tranche of €600 million maturing in March 2033, at annual rates of 2.625% and 3.125%, respectively. This issue forms part of La Poste Groupe's societal commitment policy and will be used to finance (or refinance) assets that contribute to the social and environmental objectives enshrined in La Poste's Articles of Association and that comply with strict eligibility criteria.

In addition, La Poste Groupe increased the following existing bond issuances:

- on 21 January 2022, to the bond issuance maturing on September 2034, for €100 million, at a rate of 1%;
- on 30 May 2022, to the bond issuance maturing on October 2026, for €150 million, at a rate of 0.625%.
- on 28 September 2022, on a bond issue maturing in July 2029, for an amount of €100 million at a rate of 0%, with share premium of €20 million.

La Banque Postale bond issuances

On 13 September 2022, La Banque Postale issued GBP 425 million worth of senior non-preferred notes with a final spread of Gilt +260 bps and a fixed-rate coupon of 5.625%. It was the first benchmark issuance from La Banque Postale in a foreign currency.

On 5 December 2022, La Banque Postale carried out a €500 million Tier 2 subordinated notes issue, maturing in March 2034, at a rate of 5.5% until March 2029.

La Banque Postale Home Loan SFH (a subsidiary of La Banque Postale dedicated to the refinancing of the mortgage loans granted by its French network) has issued a « green » secured bond on 4 May 2022. This issuance was carried out in the form of an 8-year covered bond, with a final spread of MS + 4 bps and a fixed coupon of 1.625%.

In addition, on 19 November 2022, La Banque Postale called the €750 million worth of 2.75% bonds issued in 2015.

CNP Assurances bond issuances

On 27 January 2022, CNP Assurances issued €500 million of 7-year *Restricted Tier 3* subordinated notes, paying interest at a fixed rate of 1.25%.

The Lamartine residential property fund (SCI Lamartine), 85%-owned by CNP Assurances (see note 4.1) and 15%-owned by CDC Habitat since March 2022, issued two green bonds for a total amount of €850 million.

Lastly, in October 2022, CNP Assurances redeemed a €1 billion bond issued in October 2016 at a rate of 1.875%.

1.2 Purchase of non-controlling interests of CNP Assurances

Throughout the first semester, La Poste Groupe gradually bought the non-controlling interests of CNP Assurances to reach the percentage of interest of 100% as at 30 June 2022:

- March: purchase of 6.3% of non-controlling interests;
- May: Simplified tender offer at €20.90 per share (dividend of €1 paid to non-controlling shareholders);
- June: implementation of a mandatory delisting of CNP Assurances to enable La Banque Postale becoming the only shareholder.

The result of the year of CNP Assurances has been assigned to La Poste Groupe following the acquisition timing of CNP Assurances' shares in that period.

In accordance with IFRS 10, CNP Assurances being already under exclusive control of the group, these purchases of shares are purchases of non-controlling interests recognised as equity transactions. This means that non-controlling interests have decreased by their carrying amounts of €3,462 million and that the share of the Group share in the equity has increased by €387 million that corresponds to the surplus of this carrying amount over the amount paid out.

1.3 Disposal project of DPD Russia

After having signalled its decision to suspend all flows to and from Russia on 28 February 2022, La Poste Groupe announced in first-half 2022 its intention to withdraw completely from the Russian market.

Accordingly, all assets and liabilities of DPD Russia has been presented as at 31 December 2022 as assets and liabilities held for sale for respective amounts of €42 million and €47 million after impairment.

Given the current circumstances, the difficulties being encountered by the subsidiary and the risks involved in the sale, the goodwill, intangible assets and property, plant and equipment of DPD Russia were written down in full in 2022 for a total amount of 9 741 million roubles, mostly converted at the exchange rate of 5 May 2022 (i.e., 65.87 roubles/euro), with the exception of movements in the second half of the year, which were converted at the average rate for the period, representing €149 million (including €104 million worth of goodwill).The impairment losses recorded in the balance sheet on these assets amounted to €126 million, converted at the 31 December 2022 exchange rate (i.e., 77.59 roubles/€).
The currency translation reserve amounts to €37 million as at 31 December 2022. It represents the impact generated by the unfavourable evolution of the Russian rouble rate since the DPD Russia's entry into the scope of consolidation. When the disposal of this entity is effective, this cumulative amount of translation reserve will be reclassified from equity to profit and loss.

1.4 Recognition of deferred tax

The purchase of non-controlling interests of CNP Assurances (see note 1.2) permits to consider including this entity in the tax integration group starting from 2023 and significantly improves tax result forecasts. Thus and on the basis of the best forecasts available, the carry-forward deficit of the tax integration group will be absorbed within 5 years. Therefore, the group recognises in 2022 all deferred tax assets related to its carry-forward deficit and related to other temporary differences that will reverse within 10 years.
In this respect, deferred tax income of €903 million was recognised under "Income tax" in the 2022 financial statements. (impact calculated at 1 January 2022).

1.5 Impairment of the assets of La Poste's Mail CGU

Despite the compensation for the universal postal service granted by the French State in 2021, on-going notification to the European Commission, the business plan of the La Poste's Mail CGU sharply deteriorated in 2022 mainly because of the fast-increasing inflation on 2022. This inflation is expected to remain at a high level for a while and therefore induces significant higher cots that can be passed on only partially to rates.

The impairment test of this CGU was carried out on the basis of the up-dated business plan with the best forecasts for the next five years and a WACC of 6.5%. it resulted in all non-current assets of the CGU being impaired for a total amount of €940 million. All these assets are amortising ones: mainly softwares, equipment, building fittings and IFRS 16 rights of use related to buildings and vehicles.

The standard growth rate adopted is -5% and takes into account the structural decline in the volumes of this activity. Changes in this rate and in WACC have very little impact on the result of the test.

Impairment recognised in the financial statements for the year breaks down as follows:
- Intangible assets: €228 million;
- Property, plant and equipment: €250 million;
- Rights of use: €462 million.

Because their fair values were assessed as higher than their net carrying amounts, no impairment was accounted for on buildings or vehicles own in full ownership, affected to another business unit of the group and used by the Mail's CGU.

NOTE 2 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

La Poste, the parent company of **Le Groupe La Poste** ("Le groupe La Poste" or "the Group") has been a ***Société Anonyme*** (French public limited company) since 1 March 2010, with its registered office at **9, rue du Colonel Pierre Avia, Paris, France**.
Prior to this, it was an independent state-owned entity, that was already subject to the same financial management and accounting policies as commercial businesses. La Poste Groupe is a large **multi-business services Group.**
The group's consolidated financial statements for the year ended 31 December 2022 were approved for issue by the Board of Directors (meeting on 23 February 2023) and are subject to the approval of the General Meeting.
No change in the company's name occurred in 2022.

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

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

2.1 Accounting basis

Pursuant to European Regulation No. 1606/2002 of 19 July 2002, the consolidated financial statements of La Poste Groupe for the year ended 31 December 2022 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 at 31 December 2022 are unchanged from those applied at 31 December 2021.

The consolidated financial statements are presented in millions of euros.

2.1.1 Standards and interpretations effective for annual reporting periods beginning on 1 January 2022

The standards and interpretations effective for annual reporting periods beginning on 1 January 2022 had no material impact on La Poste Groupe's financial statements for the year ended 31 December 2022.

2.1.2 Standards and interpretations effective after 31 December 2022 and not early adopted

The Group has not early adopted any standard or interpretation effective after 31 December 2022.

IFRS 17 – *Insurance Contracts* was published and amended by the IASB on 18 May 2017 and 25 June 2020, respectively. The amended standard was adopted by the European Union on 19 November 2021.

It is effective for annual reporting periods beginning on or after 1 January 2023 (with mandatory comparative information for 2022 to be presented on the same basis), superseding IFRS 4.
The purpose of the new standard is to set out principles for the recognition, measurement, presentation and disclosure of insurance and reinsurance contracts issued, all reinsurance contracts held with a significant insurance risk and investment contracts with discretionary participation features issued.
In addition, IFRS 17 requires certain components to be accounted for separately from insurance contracts so that the relevant standard can be applied. These include some embedded derivatives, distinct investment components and other performance obligations, such as to provide goods and non-insurance services.
Each group of insurance contracts in force at the transition date will be recognised and measured as if IFRS 17 had always been applied. There are three types of transition methods under IFRS 17 :

- the Fair Value Approach (FVA), whereby insurance contracts are measured at fair value at the transition date. This approach will be applied to the majority of insurance contracts written by La Banque Postale group, particularly savings and pension contracts;
- the Full Restrospective Approach (FRA), whereby all accounting components of insurance contracts are recalculated from the contracts's inception. This approach will be applied for La Banque Postale Assurances IARD and for certain cohorts of CNP Assurances contracts for which the necessary data is available;
- the Modified Retrospective Approcah (MRA), a simplified version of the FRA that avoids the additional cost of producing historical contract data. This approach will be used for La Banque Postale Prévoyance.

In the IFRS 17 financial statements, the liability recognised when an insurance contract is written will be measured using the Building Block Approach (BBA), based on the following blocks :

- discounted present value of future cash flows that relate directly to the fulfilment of the contractual obligations (fulfilment cash flows);
- an adjustment for non-financial risks that contribute to uncertainty in the amount and timing of the future cash flows;
- a Contractual Service Margin (CSM).

The CSM represents the unearned profit of the group of insurance contracts that the entity will recognise as it provides services in the future. It is included on the liabilities side of the balance sheet and recognised in income over time on the residual maturity of the contract and based on coverage units. If the group of insurance contracts is expected to generate a loss, rather than recording a negative CSM, the expected loss is recognised immediately in profit or loss when the contracts are written (onerous contracts).

A second model-The Variable Fee Approach (VFA)-is applicable to insurance contracts with direct participation features that contain the following conditions :

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the entity expects to pay the policyholder an amount equal to a substancial share of the fair value of returns from the underlying items;
- a substantial proportion of the cash flows the entity expects to pay to the policyholder are expected to vary in line with changes in the fair value of the underlying items.

The VFA is similar to the default BBA, with the difference that the CSM absorbs not only technical shocks but also financial shocks.

In addition to the General Model (BBA), IFRS 17 also includes an optional simplified measurement approach – the Premium Allocation Approach (PAA) – which may be applied to :

- all insurance contracts provided that the PAA produces a measurement of the liability that would not be materially different from that produced applying the BBA;
- contracts with a short duration (coverage period of one year or less).

The initial liability corresponds only to the premiums received at initial recognition (no CSM). Acquisition costs may be deferred or immediately recognised as an expense.

The group's insurance entities will use these three models.

Under IFRS 17, insurance liabilities will be measured at a more granular level. They will now be divided into portfolios as follows:

- the first step will be to define a portfolio of contracts (a set of contracts managed together and subject to similar risks);
- each portfolio will then be divided into three accounting groups on initial recognition of the contracts, to enable the CSM to be calculated and tracked. The groups correspond to (i) onerous contracts; (ii) contracts which, at initial recognition, have no significant possibility of becoming onerous subsequently; and (iii) the remaining contracts in the porfolio.

IFRS 17 stipulates that a portfolio could not include contracts written more than one year apart. To avoid the economic reality of insurance contracts involving intergenerational pooling of risks (savings contracts, pension contracts, etc.) not being properly reflected in the financial statements, the European Union has introduced an optional exemption from the application of this annual cohort requirement. CNP Assurances and La Banque Postale have both opted to apply this exemption.

For contracts measured using the BBA, VFA and PAA, IFRS 17 offers companies the option of recognising the effect of changes in financial assumptions in other comprehensive income in order to reduce their earnings volatility. The group has chosen to apply this option.

The yield curve used to discount future cash flows is determined in a similar manner to that applied under the Solvency II framework, based on a risk-free rate and an illiquidity premium that varies according to the group of contracts concerned.

The concurrent adoption of IFRS 9 and IFRS 17 by the insurance business will have no impact at group level except for the following two changes :

- the overlay approach will no longer be applied;
- companies will have the option of measuring equity instruments available for sale at fair value through other comprehensive income not reclassifiable to profit or loss.

Concerning the presentation of La Banque Postale group's consolidated financial statements, from 1 January 2023, recommendation no.2022-01 of 8 April 2022 relating to the format of the IFRS consolidated financial statements of banking institutions supersedes recommandation no.2017-02 of 2 June 2017. This new recommandation is designed to ensure that insurance activities in the financial statements of banks are presented in line with the enforcement of IFRS 17. As provided for in the recommandation, La Banque Postale group has opted to analyse its insurance investments based on the same categories as the investment porfolios of the banking business.

The effects of applying IFRS 17 have been analysed by the group and have been the subject of an IFRS implementation project.

In 2022, the IFRS 17 implementation project mainly involved:

- further assessing how best to present the insurance business in the group's consolidated financial statements;
- stabilizing the main methodological options (accounting models, yield curve, risk adjustment, etc.);
- continuing to design target accounts production processes;
- carrying out preliminary work to prepare for the production and compilation of the opening IFRS 17 balance sheet and IFRS 17 comparative information.

Application of IFRS 17 will have a significant impact on the group's consolidated financial statements:

- it will modify the presentation of the balance sheet and the notes;
- it will set up a new presentation of statement of financial performance that will comprise i) income

from insurance contracts written and expenses relating to insurance contracts written (including amortisation of the CSM, amortisation of the risk adjustment, experience variances (i.e., the difference between expected claims and expenses and actual claims and expenses that were reported under other operating expenses in the previous presentation) and the impact of onerous contracts) and ii) insurance and reinsurance finance expenses (income from insurance investments is reported on the same line as income from banking investments);
- it will also lead to a major reorganisation of management processes, including statutory accounting, account closing, management accounting and internal and external reporting systems;
- actuarial modelling tools will also be affected;
- in addition, the internal organisation of accounting processes will be adjusted, with the introduction of new measurement, consolidation and reporting processes.

Concerning the expected financial impacts, application of IFRS 17 to CNP Assurances and its subsidiaries from 1 January 2022 could lead to an increase of around €1.3 billion in La Banque Postale equity at that date, of which €0.8 billion attributable to owners of the parent and €0.5 billion attributable to non-controlling interests.

2.1.3 European Single Electronic Format

In accordance with Commission Delegated Regulation (EU) 2019/815, as amended by Delegated Regulation (EU) 2022/352, the requirements of the European single electronic format apply to all consolidated financial statements prepared under IFRS, with some notable differences between the primary financial statements and the notes.

As was the case last year, each amount in La Poste Groupe's primary financial statements is marked up in detail.

As of this year, La Poste Groupe has also block tagged the notes to the financial statements using the block tags provided in the ESEF. Each relevant block tag is linked to a disclosure in the notes (which may include one or more paragraphs).

2.1.4 IBOR reform

The process of replacing interbank offered rates (IBORs) with alternative reference rates (ARRs) continued in 2022.

Details of the work performed and the amounts involved are provided in notes 22.10 and 31.10 respectively on assets and liabilities specific to banking and insurance activities.

2.2 Valuation basis and use of estimates

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

The main items concerned are as follows:
- calculation of employee benefits;
- estimates of provisions for contingencies and losses;
- calculation of right of use assets and lease liabilities;
- measurement of goodwill and other assets and liabilities recognised on business combinations;
- assumptions used for impairment tests on goodwill, other intangible assets and property, plant and equipment;
- estimates of specific provisions for banking and insurance activities (including the home savings provision);
- measurement of financial instruments not listed on organised markets;
- credit risk estimates by La Banque Postale;
- assumptions and estimates used to measure hedge effectiveness;
- more specifically, in recent years the group has developed a general framework for identifying and managing climate risk. This framework will enable uncertainties associated with climate risk to be taken into account in an appropriate manner in the assumptions used to prepare estimates. Lastly, details of the group's carbon neutrality strategy are provided in the non-financial performance statement included in the Universal Registration Document.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Consolidation methods

3.1.1 Full consolidation

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

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

3.1.2 Equity method

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

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

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

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

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

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

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

3.1.3 Non-material controlled entities

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

3.1.4 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 presentation currency of La Poste, the group's parent company.

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

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

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

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

3.3 Foreign currency transactions

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

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

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

3.4 Consolidation of the La Banque Postale segment

To improve the clarity of the financial statements, items specific to La Banque Postale, corresponding to banking and insurance activities are presented on separate lines in the consolidated balance sheet and income statement. A detailed presentation of these items is provided in the notes, in accordance with IFRS requirements.

The accounting policies applied to operations in the La Banque Postale segment are described in Sections 3.13.1 *and seq.*

3.5 Business combinations

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

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

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

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

Goodwill is not amortised but is subject to impairment tests annually or more frequently when there are indications that it may have been impaired, using the method described in note 3.11.

3.6 Operating revenue

3.6.1 Revenue from commercial activities

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

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

3.6.2 Net banking income

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

3.7 Taxes

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

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

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

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

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

3.8 Intangible assets

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

Intangible assets primarily consist of software and leasehold rights and are recognised at acquisition cost less amortisation and any impairment losses.

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

Research and development expenditure

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

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

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

Contractual customer relationships

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

Distribution agreements

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

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

Acquired in-force insurance business

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.

When the group acquired control of CNP Assurances, VOBA was calculated and recognised as an intangible asset. VOBA is excluded from the scope of IAS 36 and IAS 38 (IFRS 4, Paragraph 33).

VOBA is tracked by entity and sub-segment and amortised over the remaining life of the contracts in line with the expected pattern of estimated future profits. These periods are shown in the table below:

(in number of years)	France	Italy	Brazil	Spain	Ireland
Traditional savings and pensions (in euros)	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
Term Creditor Insurance	5.9	6.4	6.8	3.3	1.7
Death & Disability	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, technical facilities, equipment, tools, and computer hardware. These assets are recognised at cost less depreciation and any impairment losses.

3.9.1 Acquisition cost of property, plant and equipment

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

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

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

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

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

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

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

3.9.3 Depreciation periods

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

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

Land is not depreciated.

3.9.4 Special case of investment property

Classification on the group's balance sheet

At 31 December 2022, virtually all investment property was within the scope of La Banque Postale's insurance businesses. They are thus presented in assets specific to banking and insurance activities.

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

Principles

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

The group has elected to measure investment property using the cost model, as allowed by IAS 40, except for properties held in unit-linked portfolios which are measured at fair value.

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

Impairment of investment property

At the end of each reporting period, properties are assessed to determine whether there is any indication that they may be impaired. One such indicator is a fall in value to more than 20% below cost. If there is an indication of impairment, the recoverable amount of the property concerned is estimated.

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

3.10 Leases

As allowed under IFRS 16, the group has opted not to apply this standard to leases of intangible assets.

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

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

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

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

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

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

In addition, as provided for in the standard, leases previously classified as finance leases are recognised the same as under IAS 17.

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

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

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

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

The principles applied to external leases where the group is the lessor are described in Section 3.13.

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

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

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

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

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

The value in use of an asset or group of assets is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

The value in use of goodwill and certain other assets is generally determined using cash flow projections based on financial budgets/forecasts approved by the group. These forecasts generally cover a five-year period within the group, beyond which cash flows are extrapolated using a low growth rate, usually corresponding to inflation. These cash flows are discounted by applying the weighted average cost of capital for each relevant asset or group of assets.

3.12 Other financial assets

3.12.1 Other non-current financial assets

This item includes notably (see note 21):

- loans granted for social housing, recognised at amortised cost using the effective interest rate method. Loss allowances are set aside to take into account the maturities and repayment terms of these loans, as well as the estimated risk of non-recovery;
- unconsolidated equity investments. Under IFRS 9 an irrevocable election may be made, at the date of initial recognition of each instrument, to present subsequent changes in fair value in other comprehensive income not reclassifiable to profit or loss. In this case, the cumulative unrealised gain or loss in other comprehensive income is not transferred to profit or loss on disposal of the instrument. Only the dividends received on the instrument affect profit or loss. In the case of sale of these investments, the cumulative unrealised gain or loss in other comprehensive income is reclassified to reserves on 1 January of the following year;
- The group has elected to classify its equity investments in this category, with the exception of the Visa shares;
- in the event that no active market exists, and the fair value cannot be reliably determined using alternative measurement methods, unconsolidated equity investments are carried at cost;
- the non-current portion of the fair value of derivative financial instruments relating to La Poste's bond debt (see note 28).

3.12.2 Other current financial assets

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

3.13 Assets and liabilities of banking and insurance activities

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

3.13.1 General principles for the recognition of financial assets and liabilities

Initial recognition

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

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

Date of initial recognition

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

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

3.13.2 Recognition of financial assets

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

Business models

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

There are three types of business model:

- a business model whose objective is achieved by holding financial assets in order to collect contractual cash flows ("hold to collect" model);
- a business model whose objective is achieved by collecting contractual cash flows and selling the financial assets ("hold to collect and Sell" model);
- a model specific to other financial assets, notably those held for trading.

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

Changes in business model are very rare by nature. When they do occur, they must be decided by the management of the business line with the agreement of Senior Management in response to internal or external developments that are significant in relation to the business and observable by external parties. In practice, a change of business model may be decided only in response to the discontinuation or launch of a material line of business. One example would be the disposal of a business line previously managed according to the "hold to collect" model: in this case, the entity no longer sells this type of financial instrument and reclassifies all the assets concerned to a "Trading" business model.

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

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

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

Basic lending arrangement criteria, or the "SPPI" test

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

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

Interest can include several components, of which:

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

Financial assets that meet the basic lending arrangement criterion are debt instruments such as traditional loans, fixed and variable-rate bonds and trade receivables.

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

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

Under IFRS 9, financial assets are classified in one of the four categories described in Sections 3.13.3 to 3.13.6.

3.13.3 Financial assets at amortised cost

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

The objective of the "Hold to collect" business model is to hold the assets over a long period or until maturity to collect the contractual cash flows. In principle, financial assets allocated to this business model are not sold. However, their sale may be allowed in some circumstances (for example, sales due to an increase in the credit risk or of assets that are close to maturity, frequent sales representing non-material amounts, and isolated sales representing material or non-material amounts).

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

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

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

3.13.4 Financial assets at fair value through other comprehensive income reclassifiable to profit or loss

Debt instruments that are managed to collect the contractual cash flows and sell the assets ("hold to collect and sell" model), with contractual flows that consist solely of payments of principal and interest on the principal amount outstanding (meeting the basic lending arrangement or SPPI test criterion), are classified as financial assets at fair value through other comprehensive income reclassifiable to profit or loss. They are initially recognised at fair value and fall within the scope of IFRS 9 impairment requirements.

Accrued or earned income is qualified as interest income and recognised in the income statement under net banking income at the effective interest rate.
At the reporting date, financial instruments in this category are measured in the balance sheet at fair value and changes in fair value excluding revenue are recognised in other comprehensive income reclassifiable to profit or loss, except for exchange differences on foreign currency monetary assets, which are recognised directly in profit or loss.
In accordance with the credit risk impairment model, changes in expected credit losses on these instruments are reclassified to profit or loss under cost of risk.
When the securities are sold, the cumulative unrealised gain or loss previously recorded in other comprehensive income is transferred to profit or loss under "Net gains or losses on financial assets at fair value through other comprehensive income reclassifiable to profit or loss".

3.13.5 Financial assets at fair value through other comprehensive income not reclassifiable to profit or loss

For investments in equity instruments that are not held for trading, under IFRS 9 an irrevocable election may be made, at the date of initial recognition of each instrument, to present subsequent changes in fair value in other comprehensive income not reclassifiable to profit or loss.The same accounting treatment as for non-consolidated equity investments then applies (see note 3.12.1).
The group has elected to classify its non-consolidated equity investments in this category, with the exception of the Visa shares.
In the case of sale of these investments, the cumulative unrealised gain or loss in other comprehensive income is reclassified to reserves on 1 January of the following year.

3.13.6 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss is the default category under IFRS 9.
It includes debt securities that do not meet the basic lending arrangement criterion (units in UCITS, for example) and equity instruments that are not classified as financial assets at fair value through other comprehensive income not reclassifiable to profit or loss.
It also includes derivatives and other financial assets that are held for trading, i.e., acquired or issued with the intention to sell them in the short term. In the case of the group, it notably includes loans to local authorities eligible for sale to Caffil.
More broadly, this category includes all financial assets held under a management model that is neither a hold to collect nor a hold to collect and sell model.
Changes in fair value of assets classified in this category are recorded in the income statement.

3.13.7 Impairment of financial assets

The impairment method set out by IFRS 9 requires loss allowances to be recognised for expected credit losses (and not incurred losses as was previously the case), and for changes in credit risk since initial recognition of an asset to be taken into account.
IFRS 9 defines an impairment model applicable to all financial assets giving rise to a counterparty risk (excluding equity instruments) that are not measured at fair value through profit or loss, including all financial assets at amortised cost and at fair value through other comprehensive income reclassifiable to profit or loss. The model also applies to lease receivables, loan commitments and financial guarantee contracts.
A loss allowance corresponding to 12-month expected credit losses is recorded on initial recognition of financial assets measured at amortised cost and at fair value through other comprehensive income reclassifiable to profit or loss. The allowance is maintained at that amount provided that the credit risk does not increase significantly. 12-month expected credit losses correspond to the total loss given default, weighted by the 12-month probability of default. These assets are classified in bucket 1.
If the credit risk on a financial asset has increased significantly since initial recognition, the loss allowance is measured at an amount equal to the lifetime expected credit losses. Lifetime expected credit losses correspond to the total loss given default weighted by the lifetime probability of default. These assets are classified in bucket 2.
Financial assets that are credit impaired are classified in bucket 3 and the loss allowance corresponds to an amount equal to the lifetime expected credit losses.
For assets at amortised cost, the expected credit losses are recognised in "Cost of risk" in the income statement, and the loss allowance is deducted from the carrying amount of the financial asset.

Significant increase in credit risk

Increase in credit risk is defined in relative, not absolute, terms. This relative approach implies being able to track the change in credit quality over time.
The group uses a certain number of indicators to detect a possible deterioration in credit quality of a counterparty (the principles are described in note 34).

Bucket 1 and bucket 2 impairment methodology

Expected credit losses correspond to the difference between the contractual cash flows that the entity has the right to receive and the cash flows that the entity expects to recover, discounted at the financial asset's effective interest rate.
The cash flows that the entity has the right to receive take account of all the contractual terms of the financial instrument over its expected lifetime (for example, early repayment options, extension options, etc.), and include cash flows from exercising contractual guarantees that are analysed as being integral to the asset.
Expected credit losses are estimated based on the probability of default by the counterparty. Probability of default corresponds to the probability of the debtor defaulting within a given time period.
For bucket 1, the time period is 12 months. For bucket 2, the time period is the lifetime of the instrument. The methodology for calculating expected credit losses is described in note 34.
Within the group, impairment of credit is statistical (by homogeneous categories presenting similar risk characteristics), with the possibility of adjustment based on an expert's opinion in certain particular cases, notably for loans granted to corporates.

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

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

Defaulted loans in bucket 3

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

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

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

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

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

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

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

For home loans,

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

For lease finance and corporate loans

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

Loans no longer classified in bucket 3

For home loans

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

For lease finance and corporate loans

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

Write-offs

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

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

Restructuring operations

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

Restructuring operations are defined according to two main criteria:

- concessions by the bank;
- financial difficulties experienced by the borrower.

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

Any relinquishment of the capital is directly recorded in the income statement.

3.13.8 Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when these rights and substantially all the risks and rewards of ownership are transferred to a third party.
Within the group, most loan renegotiations lead to derecognition, as the contractual rights are substantially modified.

Collateralised repurchase agreements

Securities sold under collateralised repurchase agreements are not derecognised and a liability is recognised for the obligation to return the cash received. This financial liability is recognised at amortised cost, with the exception of transactions entered into as part of trading activities, which are recognised as liabilities at fair value through profit or loss.
The acquirer does not recognise the securities received but records a receivable for the cash loaned to the seller. This receivable is carried in loans and receivables for its nominal amount, except for transactions entered into as part of trading activities, which are recognised in financial assets at fair value through profit or loss.
In subsequent reporting periods, the securities continue to be measured using the model applicable to their original category.

Securities lending

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

3.13.9 Financial liabilities

General principle for the classification of financial liabilities

All financial liabilities are classified by default as subsequently measured at amortised cost.
At each reporting date, financial liabilities are recorded in the balance sheet under “Liabilities due to credit institutions”, “Customer deposits”, “Debt securities” or “Subordinated debt”.
They are measured using the effective interest rate except where they are the subject of a fair value hedge.

Liabilities due to credit institutions and customer deposits

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

Debt securities

Debt securities consist of issued money market securities.

Subordinated debt

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

Financial liabilities at fair value through profit or loss

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

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

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

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

Financial liabilities with embedded derivatives

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

Reclassification of financial liabilities

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

Derecognition of financial liabilities

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

3.13.10 Derivatives and hedge accounting

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

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

Derivatives are classified in two categories:

Derivatives held for trading

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

Hedging derivatives

Entities may elect not to apply the new hedge accounting requirements in IFRS 9 pending adoption of the new standard on macro-hedge accounting (also referred to as portfolio fair value hedge accounting). The group elected to apply the micro-hedge accounting requirements of IFRS 9 with effect from 1 January 2020.

Concerning macro-hedges of interest rate risks, the accounting standard adopted for use in the European Union continues to apply.

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

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

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

Fair value hedges

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

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

When the hedging instrument is sold, hedge accounting is discontinued prospectively and the cumulative gain or loss on the hedged item is amortised over the remainder of the initial hedging period.

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

Portfolio fair value hedges (macro-hedges)

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

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

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

Cash flow hedges

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

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

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

The hedged item continues to be measured according to the principles that apply to its accounting category.

When the hedging instrument is sold, hedge accounting is discontinued. The cumulative gain or loss on the hedging instrument recorded in the cash flow hedge reserve is adjusted to the cumulative change in fair value of the hedged item through interest income or expense, or recognised immediately in profit or loss.

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

Hedges of a net investment in a foreign operation

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

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

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

3.13.11 Offsetting of financial assets and liabilities

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

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

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

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

Offsetting primarily concerns repurchase transactions carried out with the LCH Clearnet clearing house

3.13.12 Guarantee commitments

Financial guarantee contracts

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

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

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

3.13.13 Financing commitments

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

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

3.13.14 Lease accounting – group as lessor

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

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

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

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

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

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

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

3.13.15 Insurance activities

Overlay approach

The financial assets and liabilities of fully-consolidated insurance subsidiaries are measured and recognised in accordance with IFRS 9 and presented using the overlay approach.

The overlay approach addresses the temporary accounting consequences of the difference in application dates of IFRS 9 and the new insurance contracts standard replacing IFRS 4 (IFRS 17). It eliminates from profit or loss some of the additional accounting mismatches and temporary volatility that may occur due to the application of IFRS 9 before IFRS 17.

The overlay approach consists of reclassifying fair value adjustments to eligible designated financial assets from the income statement to other comprehensive income, so that the amount reported in the income statement is the same as if IAS 39 had been applied to the designated financial assets.

Application of IFRS 4

Pending application of IFRS 17 - *Insurance Contracts* as of 1 January 2023, IFRS 4 has been applied to the following contracts:

- contracts that expose the policyholder to a risk. This category includes death & disability policies, pension contracts, property damage policies and unit-linked savings policies with a capital guarantee;
- investment contracts with a discretionary participation feature (DPF).

In accordance with IFRS 4, technical provisions for contracts in both categories continue to be measured based on local GAAP.

The investment contracts accounted for in accordance with IFRS 9 are contracts without DPF, i.e., unit-linked savings contracts without a traditional savings component (in euros) and without a capital guarantee.
Pursuant to the shadow accounting principles set out in IFRS 4, a deferred participation provision is recorded for insurance policies with DPF. This provision is determined in a way that reflects the potential rights of policyholders to a share of unrealised gains or their potential participation in unrealised losses on financial instruments measured at fair value.
At each reporting date, the group's fully-consolidated insurance subsidiaries perform liability adequacy tests to check that recognised insurance liabilities, net of deferred acquisition costs and related intangible assets, are adequate. These tests are performed using current estimates of future cash flows arising from insurance liabilities and investment contracts with DPF.

Technical provisions and mathematical reserves
Technical provisions reflect the insurer's obligations towards policyholders.

- mathematical reserves for traditional savings contracts (in euros) correspond to the difference between the present value of the insurer's obligation and that of the policyholder;
- life insurance provisions are determined using discount rates not exceeding a conservative estimate of the future yield on the underlying assets;
- the insurer's obligations are discounted at a rate not exceeding the rate used to price the policy concerned, and take into account statutory mortality tables or experience-based tables if these are more conservative. The discount rate applied to annuity obligations takes into account the consequences of a fall in interest rates when the rate used to price the policy is considered too high relative to expected reinvestment rates;
- mathematical reserves for unit-linked contracts are determined on the basis of the underlying assets. Gains or losses resulting from the remeasurement of the assets at fair value are recognised in profit or loss to offset the impact of changes in the technical provisions;
- claims equalisation provisions are set aside to cover the exceptional cost of claims relating to natural disasters, atomic, radiation, pollution-related civil liability, space, air transport and terrorism;
- outstanding claims provisions are determined based on the estimated cost of settling the claims, net of subrogation and salvage.

Deferred participation
Most investment contracts sold to policyholders by the group's life insurance subsidiaries include a discretionary participation feature (DPF).
The DPF clause entitles life insurance policyholders to a share of investment income over and above the guaranteed yield. Pursuant to the shadow accounting principles set out in IFRS 4, the deferred participation provision recorded for these contracts is adjusted to reflect the potential rights of policyholders to a share of unrealised gains or their potential participation in unrealised losses on financial instruments measured at fair value. The share of gains attributed to the policyholder is determined based on the specific terms of the investment contract with DPF.
The net deferred participation resulting from the application of shadow accounting principles is recognised either in liabilities (deferred participation provision) or assets (deferred participation asset) as appropriate.
Deferred participation assets are subject to a recoverability test. The purpose of this test is to demonstrate, based on the going concern assumption, that the deferred participation asset will be recoverable against the policyholder's share of future investment income or capital gains, and that the liabilities recognised by the group are adequate relative to its economic liability. The recoverability test is performed using current estimates of future contractual cash flows. The subsidiaries' asset/liability management models are used to assign a value to liabilities under a wide range of economic scenarios based on a stochastic approach.
In accordance with the recommendation of the French National Accounting Board (CNC) of 19 December 2008 on the recognition of deferred participation assets, recoverability of the asset is confirmed by a conservative assessment of the group's ability to continue holding the underlying assets supported by projections of future cash inflows.
Likewise, the ability to generate adequate future gains to absorb unrealised losses is tested, based on a worst-case surrender scenario that has never yet been experienced.

Acquired in-force insurance business

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 presented 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;
  - the above liability.

The value of in-force business corresponding to purchased insurance portfolios is generally amortised by the effective interest method over the portfolios' remaining life.

Contribution of the insurance activities to the group's financial statements
The group has elected not to present its insurance activities as separate items in assets and in the income statement, but rather to include them in existing balance sheet and income statement captions.
Specific information on insurance activities is provided in note 39 "Additional details on banking and insurance activities".

Insurance investments

Investments are included in the following captions:
- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income;

- securities at amortised cost;
- loans and advances to customers at amortised cost;
- investment properties.

Other insurance-related assets

- the reinsurers' share of technical provisions is recorded in "Accruals and other assets";
- insurance and reinsurance receivables are recorded in "Accruals and other assets".

Insurance company technical provisions and shadow accounting reserves

This items includes:

- technical provisions relating to life and non-life insurance contracts;
- deferred participation liabilities.

Other insurance-related liabilities

Liabilities arising from insurance and reinsurance transactions are recorded in "Accruals and other liabilities". They mainly consist of cash deposits received from reinsurers.

Insurance-related income and expenses

- income and expenses from insurance investments are included in the income statement caption used for the underlying assets;
- income from insurance activities (earned premiums from insurance contracts and investment contracts with or without a discretionary participation feature) is classified as "Income from other activities";
- expenses from insurance activities (paid claims and benefits, changes in technical provisions) are classified as "Expenses from other activities".

3.14 Distinction between debt instruments and equity instruments

Distinction between debt instruments and equity instruments

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

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

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

Perpetual deeply subordinated securities

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

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

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

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

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

3.15.1 Bonds backed by fixed-for-floating swaps

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

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

Bonds designated at fair value through profit or loss

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

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

Bonds documented in a fair value hedge relationship

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

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

3.15.2 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 swaps for loans

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

3.16 Lease liabilities

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

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

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

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

3.18 Inventories and work-in-progress

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

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

3.19 Trade receivables

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

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

3.20 Provisions

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

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

Provisions for commitments on home savings agreements

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

They generate two types of obligation for the distributing institution:

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

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

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

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

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

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

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

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

3.21 Employee benefits

3.21.1 Post-employment benefits

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

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

The provision recorded in the balance sheet for post-employment defined benefit plans corresponds to the projected benefit obligation at the reporting date, less the market value of any plan assets where applicable (Geopost UK).

The projected benefit obligation is calculated on an annual basis using the projected credit unit method. It is determined by discounting expected future cash outflows at the market interest rate for investment grade corporate bonds denominated in the currency in which the benefit will be paid and with a maturity that is close to the average estimated maturity of the underlying obligation.

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

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

Pension and other employee benefit arrangements, as well as the main assumptions used, are described in note 29.

3.21.2 End-of-career arrangements

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

3.22 Assets held for sale

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

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

3.23 Statement of cash flows

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

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

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

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

They include:

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

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

The calculation of EBITDA is described in note 40.10.

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

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

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

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

Financing activities relate to transactions that affect the amount and composition of equity and debt. Cash flows from financing activities include sources of financing (new borrowings) and related outflows (dividends paid to non-controlling shareholders, La Poste savings bond redemptions and debt repayments).

Concerning changes in debt instruments for La Banque Postale, only movements in subordinated debt and lease liabilities are classified as cash flows from financing activities.

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

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

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

NOTE 4 CHANGES IN THE CONSOLIDATION SCOPE

The scope of consolidation in note 43.

4.1 Main acquisitions of control and investments

CitySprint

In January 2022, La Poste Groupe (Geopost business line/DPD Europe CGU) acquired control of CitySprint, the United Kingdom's leading courier and express delivery operator. Acquisition of 100% of CitySprint's shares generated estimated goodwill of 249 million pounds sterling (€296 million). In 2022, CitySprint contributed €196 million to consolidated Group revenue.

Scalefast

On 23 June 2022, La Poste Groupe (Geopost business line/Asendia CGU) acquired control of Scalefast, a global e-commerce solutions provider, by acquiring 100% of its shares. Provisional goodwill on this acquisition was estimated at 291 million US dollars (€278 million). In 2022, Scalefast contributed €92 million to consolidated Group revenue.

SCI Lamartine

On 9 March 2022, as part of its insurance investments business, CNP Assurances (La Banque Postale business line) acquired an 85% interest in SCI Lamartine from CDC Habitat. Lamartine owns a portfolio of over 7,600 affordable housing units of high environmental quality worth €2.4 billion.

4.2 Main acquisitions of non-controlling interests

Purchase of non-controlling interests of CNP Assurances

(see significant events of the year note 1).

Streamlining of the ownership structure of life insurance subsidiaries in Italy

On 26 October 2022, following its acquisition of Aviva's life insurance activities in Italy in the prior year, CNP Assurances finalised an agreement with UniCredit covering:

- acquisition by CNP Assurances of UniCredit's 49% interest in CNP Vita Assicura S.p.A. for €501 million, increasing CNP Assurances' interest to 100%;
- sale of 6.5% of CNP UniCredit Vita S.p.A. to UniCredit for €70 million, with CNP Assurances retaining a controlling interest of 51%.

This transaction reduced equity by €-431 million, including €-51 million attributable to owners of the parent and €-381 million attributable to non-controlling interests.

Buy out of minority shareholders of CNP Consórcios and Odonto Empresa

CNP Assurances completed the acquisition of 100% of the shares held by Caixa Seguridade in two companies: CNP Consórcios on 17 November 2022 for €409 million Brazilian reals (€79 million), and Odonto Empresa on 23 December 2022 for €18 million Brazilian reals (€3 million).

This transaction reduced equity by €-77 million, including €-38 million attributable to owners of the parent and €-39 million attributable to non-controlling interests.

4.3 Main disposals

Disposal project of DPD Russia

See significant events note 1.

Disposal of AEW Europe SA and Ostrum Asset Management

Last 13 May, the disposals to groupe BPCE group of La Banque Postale's interests in AEW Europe SA (40%) and Ostrum Asset Management (45%) were finalised. The impact on profit before income tax/net profit attributable to owners of the parent was €60 million. At 31 December 2021, these two interests were presented on the balance sheet as non-current assets held for sale.

Completion of sale of CNP Partners

On 29 December 2022, CNP Assurances completed the sale of its Spanish life insurance subsidiary CNP Partners to Mediterráneo Vida for €126 million, resulting in a capital loss of €32 million.

4.4 Income statement at constant scope and exchange rates

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

	Reported amount		**Restated amount** excluding scope and exchange rate effects	
(in € millions)	**31/12/2022**	**31/12/2021**	**31/12/2022**	**31/12/2021**
Revenue and NBI	**35,392**	**34,609**	**34,699**	**34,817**
Purchases and other expenses	(16,556)	(15,491)	(16,092)	(15,603)
Personnel expenses	(13,935)	(14,154)	(13,820)	(14,177)
Taxes other than on income	(465)	(449)	(462)	(448)
Depreciation, amortisation, provisions and impairment	(3,888)	(1,772)	(3,865)	(1,771)
Other operating expenses and income	566	577	562	556
Proceeds from asset disposals	52	23	52	22
Net operating expenses	**(34,226)**	**(31,265)**	**(33,625)**	**(31,420)**
Share in net profit/(loss) of jointly-controlled companies	31	87	14	87
RECURRING OPERATING PROFIT/(LOSS) (AFTER SHARE IN NET PROFIT/(LOSS) OF JOINTLY-CONTROLLED COMPANIES)	**1,197**	**3,431**	**1,088**	**3,483**

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

	31/12/2022		**31/12/2021**	
(in € millions)	**operating revenue**	**Recurring operating profit/(loss)**	**operating revenue**	**Recurring operating profit/(loss)**
Consolidated financial statements restated for changes in scope and exchange rates	**34,699**	**1,088**	**34,817**	**3,483**
Impact of changes in scope and exchange rates :				
CitySprint (consolidated on 11 January 2022)	196	18	-	-
CNP Assurances Italy (consolidated on 1 December 2021)	178	79	-	-
Scalefast (consolidated on 23 June 2022)	92	(12)	-	-
Tipsa (consolidated on 1 August 2021)	66	2	-	-
Speedy AD (consolidated on 19 March 2021)	41	5	-	-
Cession de Tigers (deconsolidated on 30 April 2021)	-	-	101	-
Changes in exchange rates [(a)]	-	-	(309)	(54)
Other	120	17	1	2
Reported consolidated financial statements	**35,392**	**1,197**	**34,609**	**3,431**

(a) The negative €-309 million and negative €-54 million restated in 2021 correspond to the impact of recalculating revenue and operating profit for the year using the average exchange rates of 2022.

NOTE 5 SEGMENT INFORMATION

5.1 Definition of operating segments

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

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

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

SEGMENT	ACTIVITIES
Services-Mail-Parcels	▪ mail activity (collection, sorting and delivery of correspondance, advertising, press and international mail) and related services ▪ parcels activity in France carried out under the Colissimo brand ▪ health and autonomy activity for human and healthcare services ▪ new services by postal carriers
Geopost	▪ express activity carried out by the Geopost sub-group's brands, primarily DPD, Chronopost and Seur ▪ international mail ▪ e-commerce activities by Asendia
La Banque Postale	▪ banking and insurance activities of the La Banque Postale sub-group ▪ La Poste SA division comprising services provided by some La Poste staff to La Banque Postale under service agreements
Retail customer & Digital Services	▪ sale and distribution activities for La Poste products and serices intended for the general public ▪ all group digital activities (La Poste Mobile) ▪ other external products
Real estate	▪ management of property assets held by La Poste Immobilier sub-group ▪ activities of the La Poste Real Estate department
Shared Services	▪ "corporate" activities of the group's headquarters ▪ Group supports services

5.2 Information by operating segment

The accounting principles applied to segment reporting are the same as those used for the consolidated financial statements, as described in note 2 and note 3. The profits or losses, assets and liabilities allocated to the segments correspond to profits or losses, assets and liabilities that may be allocated directly and indirectly to the segments.

Amounts not allocated to segments mainly concern:

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

Segmentation of operating expenses

Given that Services-Mail-Parcels, La Banque Postale and La Poste Network players coexist within La Poste, and that their production process are highly inter-connected, La Poste has set out cost accounting principles in order to allocate shared costs between the various segments and thereby determine each segment's profit or loss.
The expenses for the La Poste Network post office counters are re-billed to the businesses that use the network on the basis of service agreements, where the pricing mechanisms are based on measurable operating metrics (revenue, statistics measuring the time required to perform various transactions, etc.).

Segmentation of non-current assets

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

5.2.1 Income statement by operating segment

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

2022 *(in € millions)*	Services-Mail-Parcels	Geopost	La Banque Postale	Retail Customer and Digital Services	Real Estate	Support & Corporate	Unallocated [a]	Eliminations	TOTAL
External revenue and NBI	8,094	15,455	8,289	3,343	91	4	116	0	35,392
Inter-segment revenue and NBI	2,107	118	31	3,233	770	1,232	0	(7,492)	**0**
Operating revenue	**10,201**	**15,573**	**8,320**	**6,576**	**861**	**1,236**	**116**	**(7,492)**	**35,392**
Share in net profit/(loss) of jointly-controlled companies	0	2	28	2	(1)	0	0	0	31
Recurring operating profit/(loss) (after share in net profit/(loss) of jointly-controlled companies	**(767)**	**654**	**1,841**	**199**	**68**	**(262)**	**(541)**	**5**	**1,197**
Net financial income/(expense)	**0**	**0**	**0**	**0**	**0**	**0**	**(207)**	**0**	**(207)**
Income tax	0	0	0	0	0	0	605	0	605
Share in net profit/(loss) of other equity-accounted companies	0	(88)	(1)	0	1	(1)	0	0	(88)
CONSOLIDATED NET PROFIT/(LOSS)									**1,507**
Depreciation, amortisation, provisions and impairment	(1,278)	(1,019)	(838)	(131)	(469)	(153)	0	0	(3,888)
Segment assets	3,510	12,710	745,261	1,595	4,038	13,780	(7,771)	0	773,123

2021 *(in € millions)*	Services-Mail-Parcels	Geopost	La Banque Postale	Retail Customer and Digital Services	Support & Corporate	Shared services	Unallocated [a]	Eliminations	TOTAL
External revenue and NBI	8,353	14,598	7,992	3,510	36	4	117	0	34,609
Inter-segment revenue and NBI	2,267	103	25	3,213	787	1,255	0	(7,651)	**0**
Operating revenue	**10,620**	**14,701**	**8,017**	**6,723**	**824**	**1,258**	**117**	**(7,651)**	**34,609**
Share in net profit/(loss) of jointly-controlled companies	0	3	89	(5)	0	0	0	0	87
Recurring operating profit/(loss) (after share in net profit/(loss) of jointly-controlled companies	**1,246**	**1,057**	**1,642**	**155**	**95**	**(266)**	**(505)**	**7**	**3,431**
Net financial income/(expense)	**0**	**0**	**0**	**0**	**0**	**0**	**(202)**	**0**	**(202)**
Income tax	0	0	0	0	0	0	(620)	0	(620)
Share in net profit/(loss) of other equity-accounted companies	(1)	(21)	10	0	2	(1)	0	0	(12)
CONSOLIDATED NET PROFIT/(LOSS)									**2,597**
Depreciation, amortisation, provisions and impairment	605	(736)	(912)	(103)	(465)	(160)	0	0	(1,772)
Segment assets	3,968	12,005	771,794	1,608	4,397	10,103	(7,510)	0	796,365

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

5.2.2 Balance sheet by operating segment

31/12/2022 *(in € millions)*	Services-Mail-Parcels	Geopost	La Banque Postale	Retail Customer & Digital Services	Real Estate	Support & Corporate	Eliminations	TOTAL
ASSETS								
Goodwill, other intangible assets and property, plant and equipment	917	5,942	6,442	872	3,092	546	(12)	17,799
Right-of-use assets	100	2,487	206	59	549	25	0	3,426
Equity-accounted investments	0	893	1,108	0	29	1	0	2,031
Other non-current assets	23	213	2,291	(13)	69	7,600	(6,616)	3,567
Other current assets	2,470	3,175	877	677	298	5,608	(1,011)	12,093
Specific assets of banking and insurance activities	0	0	734,337	0	0	0	(131)	734,206
TOTAL	**3,510**	**12,710**	**745,261**	**1,595**	**4,038**	**13,780**	**(7,771)**	**773,123**
Investments [a]	**238**	**1,122**	**1,491**	**143**	**264**	**215**	**0**	**3,473**
EQUITY AND LIABILITIES								
Equity	0	0	0	0	0	25,313	0	25,313
Bonds and debt	688	4,439	0	577	1,083	11,450	(6,673)	11,564
Lease liabilities	141	2,606	0	65	1,031	25	0	3,869
Other non-current liabilities	883	293	1,271	534	67	(17)	0	3,031
Other current liabilities	2,919	3,120	3,755	1,086	326	1,321	(650)	11,878
Specific liabilities of banking and insurance activities	0	0	717,553	2	0	0	(87)	717,468
TOTAL	**4,631**	**10,459**	**722,579**	**2,265**	**2,507**	**38,092**	**(7,410)**	**773,123**

31/12/2021 *(in € millions)*	Services-Mail-Parcels	Geopost	La Banque Postale	Retail Customer & Digital Services	Real Estate	Support & Corporate	Eliminations	TOTAL
ASSETS								
Goodwill, other intangible assets and property, plant and equipment	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-accounted investments	0	907	948	(0)	44	1	0	1,900
Other non-current assets	42	134	527	22	13	5,995	(6,027)	706
Other 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**
EQUITY AND LIABILITIES								
Equity	0	0	0	0	0	32,650	0	32,650
Bonds and debt	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	1,020	257	1,723	717	65	1	0	3,782
Other current liabilities	2,712	2,926	3,451	1,017	277	1,158	(563)	10,979
Specific liabilities of banking and insurance activities	0	0	735,466	34	0	(0)	(455)	735,044
TOTAL	**4,490**	**9,687**	**740,640**	**2,396**	**2,506**	**44,137**	**(7,490)**	**796,365**

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

5.3 Information by geographical area

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

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

2022 *(in € millions)*	France	European Union (excluding France)	Other	TOTAL
Revenue from commercial activities	13,155	8,246	5,702	27,103
Net banking income	6,679	686	924	8,289
OPERATING REVENUE	**19,833**	**8,932**	**6,626**	**35,392**
Segment assets	**682,686**	**55,893**	**34,544**	**773,123**
Investments [(a)]	**2,609**	**238**	**626**	**3,473**

2021 *(in € millions)*	France	European Union (excluding France)	Other	TOTAL
Revenue from commercial activities	13,630	7,784	5,203	26,617
Net banking income	6,803	503	687	7,992
OPERATING REVENUE	**20,433**	**8,286**	**5,890**	**34,609**
Segment assets	**711,017**	**58,191**	**27,157**	**796,365**
Investments [(a)]	**2,995**	**367**	**148**	**3,509**

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

NOTES TO THE INCOME STATEMENT

NOTE 6 REVENUE

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

(in € millions)	2022	2021
Services-Mail-Parcels	8,094	8,353
Geopost	15,455	14,598
Retail Customers & Digital Services	3,343	3,510
Real Estate & Support	211	157
TOTAL	**27,103**	**26,617**

Total revenue in 2022 and 2021 included:
- compensation from the French State for universal postal service for €520 million, (identical amount in 2022 and 2021), allocated among the business lines based on their contribution to the cost of this service (€303 million for the Services-Mail-Parcels, €174 million for the Retail Customers & Digital Services and €43 million for Support, allocation identical in 2022 and 2021);
- compensation from the French State for regional development recognized under Real Estate & Support, for €73 milion in 2022 et €74 million in 2021.

Geopost revenue included 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:

(in € millions)	2022	2021
Interest income	8,410	5,825
Interest expense	(2,946)	(1,879)
Fee and commission income	2,200	2,203
Fee and commission expense	(3,652)	(3,460)
Net gain or loss	(12,033)	12,758
- Financial instruments at fair value through profit or loss	*(9,358)*	*13,966*
- Financial instruments at fair value through OCI	*(2,694)*	*(1,208)*
- Derecognised financial assets at amortised cost	*18*	*0*
Income from other activities	37,983	33,467
Expenses from other activities	(22,373)	(39,847)
Impact of the overlay approach (gross impact)	700	(1,074)
TOTAL	**8,289**	**7,992**

NOTE 8 PURCHASES AND OTHER EXPENSES

Purchases and other expenses broke down as follows:

(in € millions)	2022	2021
External services and general sub-contracting	4,681	4,126
Purchases	1,153	1,146
Outsourced transport	8,041	7,702
International mail services	494	535
Rental expenses [(a)]	442	435
Maintenance and repair costs	673	636
Telecommunications expenses	202	215
Travel and assignments	162	110
Other expenses	706	587
TOTAL	**16,556**	**15,490**

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

NOTE 9 PERSONNEL EXPENSES AND HEADCOUNT

Personnel expenses broke down by type of cost as follows:

(in € millions)	2022	2021
Wages and salaries, bonuses and allowances	10,828	10,647
Pension contributions	571	634
Other social security contributions	2,004	1,953
Employee welfare costs	235	217
Change in post-employment provisions [(a)]	10	27
Change in provisions for social security contingencies and labour disputes	18	1
Change in other employee provisions	(435)	(43)
Remuneration-based taxes and levies	704	718
TOTAL	**13,935**	**14,154**
Average headcount *(full-time employee equivalent/year)*	**238,033**	**244,980**

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

The "**Pension contributions**" line item corresponds to contributions paid into post-employment defined benefit plans. Since the implementation in 2006 of the new system for funding pension benefits for civil servants assigned to La Poste, this line item includes the full discharge for the liability for pension payments provided for by law.

NOTE 10 TAXES OTHER THAN ON INCOME

Taxes other than on income consist of the following item:

(in € millions)	2022	2021
Local taxes	128	119
Other taxes and levies [(a)]	336	329
TOTAL	**465**	**449**

(a) Of which, €87 million for non-deductible VAT on leases in 2022 and €92 million in 2021.

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

In this regard, in 2022 and in 2021 La Poste enjoyed a 99% reduction in its corporate tax base for all local taxation (property tax and territorial economic contribution (CET)) in accordance with the provisions of Article 1635 sexies of the French Tax Code and Decrees No. 2022-1699 of 23 December 2022 and No. 2021-1786 of 23 December 2021.

The CET tax is recognised under "Local taxes".

NOTE 11 DEPRECIATION, AMORTISATION, PROVISIONS AND IMPAIRMENT

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

(in € millions)	2022	2021
Net depreciation and amortisation	**2,358**	**2,302**
Intangible assets [(a)]	692	712
Property, plant and equipment [(a)]	804	794
Right-of-use assets [(a)]	861	796
Net provisions and impairment	**1,314**	**(799)**
Goodwill [(b)]	184	0
Right-of-use assets [(a)]	469	(406)
Intangible assets and property, plant and equipment [(a)]	597	(460)
Inventories [(c)]	3	4
Receivables [(c)]	8	(1)
Losses on irrecoverable receivables	29	26
Provisions for contingencies and losses [(d)]	25	39
Cost of risk (banking activities)	**216**	**268**
Cost of risk (banking activities) - other impairments and contingencies	122	170
Cost of risk (banking activities) - irrecoverable receivables	94	98
TOTAL	**3,888**	**1,772**

(a) A breakdown of the changes in the depreciation, amortisation and impairment of non-current assets is provided in notes 16, 17 and 18. Additions to and reversals of provisions for right-of-use assets mainly concerned the Mail CGU (see note 18 and note 1.5).

(b) The Goodwill impairment is described in note 15.2.

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

(d) Movements in provisions for contingencies and losses are described in note 27.

NOTE 12 OTHER OPERATING EXPENSES AND INCOME

Other operating expenses and income broke down as follows:

Income/(expenses) *(in € millions)*	**2022**	**2021**
Capitalised production [a]	490	427
Royalties	(80)	(71)
Gains/(losses) recognised following an acquisition of control [b]	21	18
Other recurring operating income and expenses	134	202
TOTAL	**566**	**577**

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

(b) In 2021, €18 million linked to the acquisition of control of Speedy.

NOTE 13 NET FINANCIAL INCOME/(EXPENSE)

13.1 Cost of net debt
13.2 Other financial items

Group impacts excluding banking activities are analysed below:

13.1 Cost of net debt

(in € millions)	**2022**	**2021**
Interest expense on financing transactions [a]	(143)	(162)
Interest expense on lease liabilities	(82)	(74)
Change in the fair value of borrowings [b] and debt-related swaps	(1)	3
Income from cash and cash equivalents [c]	12	(0)
TOTAL	**(214)**	**(233)**

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

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

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

13.2 Other financial items

(in € millions)	**2022**	**2021**
Discounting expense on provisions for employee benefits and return on plan assets	(3)	2
Net foreign exchange gains/(losses)	(5)	(2)
Other financial income and expenses	15	32
TOTAL	**7**	**31**

The other financial income and expenses included in 2021 a €27 million capital gain on the disposal of unconsolidated shares held by the Geopost business line.

NOTE 14 INCOME TAX

14.1 Income tax expense recognised in profit or loss

(in € millions)	2022	2021
Current tax income/(expense)	(787)	(918)
Deferred tax income/(expense)	1,392	298
TOTAL TAX INCOME/(EXPENSE)	**605**	**(620)**

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

14.2 Tax on other comprehensive income

(in € millions)	2022	2021
Change in unrealised gains and losses on financial instruments (reclassifiable and non-reclassifiable items)		
Amount before tax	(6,763)	140
Tax impact	1,700	227
AMOUNT AFTER TAX	**(5,063)**	**367**
Translation adjustments		
Amount before tax	593	108
Tax impact	0	0
AMOUNT AFTER TAX	**593**	**108**

14.3 Tax proof

Income tax expense is analysed as follows:

(in € millions)	2022	2021
Net profit/(loss) attributable to owners of the parent	**1,203**	**2,069**
Share in net profit/(loss) of equity-accounted companies	56	(75)
Income tax	(605)	620
Non-controlling interests	304	528
Consolidated profit/(loss) before tax and share in net profit/(loss) of equity-accounted companies	**957**	**3,142**
Corporate income tax rate	**25.83%**	**28.41%**
Theoretical income tax expense [a]	**(247)**	**(893)**
Recognition of deferred tax on inclusion of CNP Assurances in La Poste tax group from 2023	903	0
Movements in impairment of Mail CGU assets	(4)	256
Tax rate differential for foreign subsidiaries	(58)	(7)
Reduced rate on capital gains	84	33
Impairment losses including write-down of DPD Russia *(see note 1.3)*	(59)	0
Other	(13)	(10)
Tax restatements	**852**	**272**
EFFECTIVE INCOME TAX EXPENSE	**605**	**(620)**

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

14.4 Deferred tax recognised on the balance sheet

(in € millions)	Deferred tax assets	Deferred tax liabilities	Total
31/12/2020	**141**	**1,497**	**(1,357)**
Impact on profit or loss	39	(259)	298
Assets/liabilities held for sale	(1)	(1)	
Reclassifications	(484)	(484)	
Impact on equity	64	(163)	227
Change in scope of consolidation	445	620	(175)
Translation adjustments and other	3	7	(4)
31/12/2021	**205**	**1,217**	**(1,012)**
Impact on profit or loss	1,008	(384)	1,392
Assets/liabilities held for sale			
Reclassifications	1,555	1,555	
Impact on equity	99	(1,601)	1,700
Change in scope of consolidation	1	4	(3)
Translation adjustments and other	109	95	14
31/12/2022	**2,976**	**886**	**2,090**

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

14.5 Breakdown of deferred tax by type

(in € millions)	**31/12/2022**	**31/12/2021**
Deferred tax assets		
Employee benefits	403	363
Other non-deductible provisions	423	3
Other temporary differences	555	181
Financial instruments	1,327	16
Tax loss carryforwards	601	23
Asset/liability offsets [(a)]	(332)	(382)
TOTAL ASSETS	**2,976**	**205**
Deferred tax liabilities		
Regulatory provisions	123	106
Revaluation of contributions to Poste Immo	14	19
Financial instruments	822	1,223
Deductible goodwill	162	165
Other temporary tax differences	98	85
Asset/liability offsets [(a)]	(332)	(382)
TOTAL LIABILITIES	**886**	**1,217**

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

14.6 Unrecognised deferred tax assets

Type and amount of unrecognised deferred tax asset bases *(in € millions)*	**31/12/2022**			
	French tax group companies	Non-consolidated French companies	Foreign companies	**Total**
Home savings provisions	72	0	0	**72**
Employee benefits	443	0	2	**445**
Other temporary differences	566	4	113	**683**
Ordinary tax losses	0	191	357	**548**
TOTAL	**1,081**	**195**	**472**	**1,748**

Unrecognised deferred tax asset bases amounted to €4,584 million at 31 December 2021.

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NOTES TO THE BALANCE SHEET

NOTE 15 GOODWILL

15.1 Breakdown of goodwill

CGU *(in € millions)*	Segment	31/12/2022	31/12/2021
DPD Europe [(a)]	Geopost	3,282	2,991
Digital Services	Retail Customers & Digital Services	554	539
Asendia [(b)]	Geopost	479	204
Healthcare [(c)]	Services-Mail-Parcels	275	185
Mediapost [(d)]	Services-Mail-Parcels	86	148
La Banque Postale Prévoyance	La Banque Postale	59	94
DPD Russia [(e)]	Geopost	(0)	80
EDE	Services-Mail-Parcels	67	67
C Chez Vous [(f)]	Geopost	63	0
Lenton Group	Geopost	51	48
SCI Lamartine (CNP Assurances) [(g)]	La Banque Postale	36	0
Tocqueville Group	La Banque Postale	27	27
JadLog	Geopost	25	22
Multiburo / Startway	Real Estate & Shared Services	25	0
La Banque Postale Asset Management	La Banque Postale	20	20
Stuart	Geopost	13	13
Other Geopost CGU	Geopost	18	17
Other Services-Mail-Parcels CGU	Services-Mail-Parcels	13	9
Other Real Estate and Shared Services	Real Estate & Shared Services	0	0
TOTAL		**5,092**	**4,464**
Services-Mail-Parcels		**441**	**408**
Geopost		**3,930**	**3,375**
La Banque Postale		**143**	**142**
Retail Customers & Digital Services		**554**	**539**
Real Estate and Shared Services		**25**	**0**

(a) Of which in 2022, acquisition of CitySprint with an goodwill to €296 million, see note 4.1.
(b) Of which in 2022, acquisition of Scalefast on June 2022 with an goodwill to €278 million, see note 4.1.
(c) Of which in 2022, acquisition of Happytal, with an goodwill to €68 million.
(d) Of which in 2022, impairment of Médiapost CGU goodwill for €80 million, see note 20.
(e) In 2022, full impairment of goodwill, see note 1.3.
(f) Acquisition in the period.
(g) Acquisition in the period, see note 4.1.

15.2 Change in the carrying amount of goodwill

(in € millions)	2022	2021
Opening balance	**4,464**	**4,175**
of which: Gross amount	*4,767*	*4,470*
Impairment losses	*(302)*	*(295)*
Acquisitions [a]	845	311
Translation adjustments	3	27
Impairment losses[b]	(184)	0
Other	(35)	0
Disposals [c]	(1)	(49)
CLOSING BALANCE	**5,092**	**4,464**
of which: Gross amount	*5,396*	*4,767*
Impairment losses	*(303)*	*(302)*

(a) Of which in 2022 :
- *in the Geopost segment, the acquisition of CitySprint (DPD Europe CGU) for €296 million, Scalefast (Asendia CGU) for €278 million et C Chez Vous for €63 million;*
- *in the Services-Mail-Parcels segment, the acquisition of Happytal (Healthcare CGU) for €68 million;*
- *in the La Banque Postale segment, the acquisition of SCI Lamartine, which generated goodwill of €36 million.*

Of which in 2021 :
- *in the Geopost segment, the increases of €93 million on the acquisition of control of Speedy and the acquisition on the acquisition of Transporte Intégral de Paqueteria S.A. for €48 million;*
- *in the Retail Customers & Digital Services segment, the acquisition of Docaposte Trust & Sign;and for €35 million, Boxtal for €22 million and Open Value for €17 million;*
- *in the Services-Mail-Parcels segment, the acquisitions of Asten Santé for €27 million and TimeOne Group for €27 million..*

(b) Of which in 2022 :
- *in the Geopost segment, impairment of DPD Russia goodwill for €104 million, translated at the exchange rate on the day of the decision (see note 1.3);*
- *in the Services-Mail-Parcels segment, impairment of Médiapost CGU goodwill for €80 million.*

(c) Of which in 2021, a decrease of €-48 million on the disposal of Tigers.

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

NOTE 16 INTANGIBLE ASSETS

(in € millions)	Software, patents and licences	Intangible assets in progress	Other intangible assets	TOTAL
GROSS AMOUNT				
Balance at 31/12/2020	**7,822**	**558**	**2,026**	**10,406**
Acquisitions	125	424	41	591
Disposals	(293)	(14)	(6)	(312)
Changes in scope of consolidation [(a)]	539	1	3	543
Transfers	1,815	(493)	(1,337)	(14)
Translation adjustments	60	0	1	62
Balance at 31/12/2021	**10,069**	**477**	**729**	**11,276**
Acquisitions	209	444	40	693
Disposals	(157)	(6)	(8)	(171)
Changes in scope of consolidation [(a)]	77	4	11	92
Transfers	349	(390)	78	37
Translation adjustments	656	0	0	657
BALANCE AT 31/12/2022	**11,203**	**530**	**851**	**12,584**
AMORTISATION AND IMPAIRMENT LOSSES				
Balance at 31/12/2020	**(3,837)**	**0**	**(704)**	**(4,540)**
Amortisation for the period	(997)	0	(65)	(1,061)
Impairment losses	(125)	0	0	(125)
Reversals of impairment losses	72	0	242	315
Reversals on disposals	290	0	4	294
Changes in scope of consolidation	(8)	0	(5)	(13)
Transfers	(33)	0	31	(1)
Translation adjustments	(10)	0	(1)	(11)
Balance at 31/12/2021	**(4,647)**	**0**	**(496)**	**(5,143)**
Amortisation for the period	(976)	0	(83)	(1,059)
Impairment losses [(b)]	(64)	0	(301)	(366)
Reversals of impairment losses	0	0	36	37
Reversals on disposals	156	0	4	160
Changes in scope of consolidation	(37)	0	(2)	(39)
Transfers	15	0	12	27
Translation adjustments	(75)	0	1	(75)
BALANCE AT 31/12/2022	**(5,628)**	**0**	**(829)**	**(6,457)**
NET AMOUNT				
AT 31/12/2021	**5,422**	**477**	**233**	**6,133**
AT 31/12/2022	**5,575**	**530**	**22**	**6,126**

(a) Of which in 2021, €523 million on the acquisition of Aviva's life insurance activities.

(b) Of which in 2022, impairment of the intangible assets of La Poste SA's Mail CGU for €228 million (see note 1.5).

The "Transfers" lines correspond to the commissioning of assets and to reclassifications to other assets line items.

NOTE 17 PROPERTY, PLANT AND EQUIPMENT

(in € millions)	Land and buildings	Equipment and technical facilities	Vehicles	Other	Property, plant and equipment in progress	TOTAL
GROSS AMOUNT						
Balance 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)
Changes in scope of consolidation	3	23	7	16	241	290
Transfers	374	138	3	87	(635)	(33)
Translation adjustments	15	7	1	12	5	39
Balance at 31/12/2021	**5,885**	**3,716**	**1,035**	**4,312**	**793**	**15,741**
Acquisitions	78	181	147	231	478	1,116
Disposals	(100)	(272)	(110)	(581)	(3)	(1,065)
Changes in scope of consolidation	(17)	(10)	0	68	0	41
Transfers	385	151	17	92	(847)	(201)
Translation adjustments	(8)	(2)	1	(7)	(2)	(19)
BALANCE AT 31/12/2022	**6,223**	**3,764**	**1,090**	**4,115**	**420**	**15,612**
DEPRECIATION AND IMPAIRMENT LOSSES						
Balance at 31/12/2020	**(2,091)**	**(2,648)**	**(554)**	**(3,478)**	**0**	**(8,771)**
Depreciation for the period	(192)	(203)	(116)	(286)	0	(798)
Impairment losses	(12)	(2)	0	(55)	0	(69)
Reversals of impairment losses	5	1	0	334	0	340
Reversals on disposals	56	86	96	138	0	377
Changes in scope of consolidation	(0)	(14)	(2)	(8)	0	(24)
Transfers	12	(2)	3	(2)	0	11
Translation adjustments	(4)	(4)	(1)	(7)	0	(16)
Balance at 31/12/2021	**(2,226)**	**(2,786)**	**(574)**	**(3,364)**	**0**	**(8,950)**
Depreciation for the period	(191)	(212)	(116)	(285)	0	(804)
Impairment losses [(a)]	(22)	(0)	(0)	(295)	0	(317)
Reversals of impairment losses	19	3	0	28	0	50
Reversals on disposals	54	263	96	575	0	989
Changes in scope of consolidation	4	9	(0)	(61)	0	(48)
Transfers	22	10	(2)	10	0	41
Translation adjustments	1	1	(0)	7	0	10
BALANCE AT 31/12/2022	**(2,339)**	**(2,711)**	**(596)**	**(3,385)**	**0**	**(9,031)**
NET AMOUNT						
AT 31/12/2021	**3,659**	**931**	**460**	**948**	**793**	**6,792**
AT 31/12/2022	**3,884**	**1,054**	**494**	**730**	**420**	**6,582**

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

"Right-of-use assets", stemming from the application of IFRS 16, are described in note 18.
The "Transfers" lines correspond to the commissioning of assets and to the reclassification of certain items of property, plant and equipment to "Assets held for sale" (see note 25).

NOTE 18 LEASES (lessee)

18.1 Right-of-use assets

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

(in € millions)	Land and buildings	Equipment and technical facilities	Vehicles	Other	NET AMOUNTS
Balance at 31/12/2020	**2,633**	**151**	**222**	**11**	**3,017**
Increase	771	135	179	6	1,091
Decrease	(113)	(5)	(3)	(0)	(121)
Depreciation	(607)	(70)	(113)	(6)	(796)
Impairment losses	385	(0)	21	(0)	406
Changes in scope of consolidation and translation adjustments	69	4	27	1	101
Other	64	0	0	0	64
Assets held for sale	(61)	(1)	(0)	(0)	(62)
Balance at 31/12/2021	**3,141**	**215**	**334**	**11**	**3,700**
Increase	889	89	179	6	1,163
Decrease	(76)	(1)	(3)	(0)	(80)
Depreciation	(653)	(72)	(130)	(6)	(861)
Impairment losses [a]	(447)	(0)	(22)	0	(469)
Changes in scope of consolidation and translation adjustments	(10)	(3)	(14)	(0)	(27)
Other	1	0	0	0	1
Assets held for sale	0	0	0	0	0
BALANCE AT 31/12/2022	**2,845**	**227**	**344**	**10**	**3,426**

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

18.2 Lease liabilities

Lease liabilities are presented in note 28 for industrial and commercial activities. Lease liabilities for banking and insurance activities amounted €214 million (€153 million in 2021) and are included in "Other financial liabilities and accruals" of "Specific liabilities of banking and insurance activities" (see note 31.7 "Leases liabilities"item).

18.3 Impact of leases on profit or loss

(in € millions)	2022	2021
Net operating expenses	**1,857**	**910**
Short-term lease expenses	122	107
Low-value lease expenses	56	53
Rental expenses	222	224
Non-deductible VAT on rental expenses	87	92
Depreciation of right-of-use assets	861	796
Impairment losses/(reversals) on right-of-use assets [a]	469	(406)
Other [b]	40	44
Cost of net debt	**82**	**74**
Interest expense on lease liabilities	82	74
TOTAL	**1,939**	**984**

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

(b) Of which, relating to CNP Assurances in 2022 for €37 million and in 2021 for €36 million.

18.4 Impact of leases on the statement of cash flows

(in € millions)	2022	2021
Cash flows from operating activities	**527**	**526**
Short-term lease expenses	122	107
Low-value lease expenses	56	53
Rental expenses	222	224
Non-deductible VAT on rental expenses	87	92
Other	40	51
Cash flows from financing activities	**954**	**876**
Interest paid on lease liabilities	82	74
Repayments of lease liabilities (including from La Banque Postale)	872	802
TOTAL CASH OUTFLOW	**1,481**	**1,403**

NOTE 19 EQUITY-ACCOUNTED COMPANIES

(in € millions)	Holding d'Infra structures Gazières [(a)]	Arial CNP Assurances	XS5 Administradora de consórcio [(b)]	Other insurance subsidiaries	CNP Assurances Italy	Ostrum AM [(c)]	AEW Europe [(c)]	Aramex PJSC [(d)]	Ninja Logistics	Yurtici Kargo Servisi A.S.	Real Estate division	Other	TOTAL Equity-accounted companies (assets)	La Poste Mobile [(e)]
Segment activity	La Banque Postale	La Banque Postale	La Banque Postale	La Banque Postale	La Banque Postale	La Banque Postale	La Banque Postale	Geopost	Geopost	Geopost	Real Estate			Retail Customers & Digital Services
Type of control	Joint control	Joint control	Joint control	Joint control	Joint control	Joint control	Associate	Associate	Associate	Associate	Associate/ Joint control			Joint control
Balance at 31/12/2020	**427**	**47**	**0**	**52**	**0**	**114**	**56**	**0**	**101**	**19**	**30**	**88**	**935**	**(46)**
Profit or loss for the period	46	1	(1)	6	36	0	10	0	(27)	17	3	(10)	81	(5)
Dividend payments	(43)	0	0	(3)	0	0	(2)	0	0	(12)	(3)	(2)	(65)	0
Change in FV of fin. instruments	(0)	(1)	(0)	(1)	0	0	0	0	0	0	0	0	(2)	0
Change in conso. scope and % control	(12)	0	0	0	(36)	0	0	422	102	0	15	(32)	458	0
Capital increases	383	0	44	0	0	0	0	0	213	0	0	3	644	0
Other changes	2	(0)	0	(1)	0	(114)	(64)	0	0	(0)	(1)	0	(178)	0
Translation adjustments	0	0	0	1	0	0	(0)	10	20	(7)	0	2	26	0
Balance at 31/12/2021	**803**	**47**	**43**	**54**	**0**	**(0)**	**(0)**	**432**	**410**	**17**	**44**	**48**	**1,900**	**(51)**
Profit or loss for the period	86	1	(1)	28	0	0	(0)	12	(111)	14	1	(2)	28	2
Dividend payments	(77)	0	0	(6)	0	0	0	(11)	0	(16)	(3)	(1)	(114)	0
Change in FV of fin. instruments	(7)	(7)	0	(3)	0	0	0	0	0	0	0	0	(17)	0
Change in conso. scope and % control	(0)	0	0	(27)	0	0	0	48	(1)	0	(14)	3	8	0
Capital increases	0	120	3	0	0	0	0	0	1	0	0	2	126	0
Other changes	55	(0)	0	(1)	0	0	0	0	0	(0)	1	0	55	0
Translation adjustments	0	0	5	(9)	0	0	0	22	23	3	0	(1)	44	0
BALANCE AT 31/12/2022	**860**	**161**	**50**	**37**	**0**	**(0)**	**(0)**	**503**	**322**	**19**	**29**	**49**	**2,031**	**(50)**

(a) This investment is in the scope of insurance activities. As of 2022, profit or loss from this investment is presented within net banking income, under "Income from other activities". In 2021, it was reported under "Share in net profit/(loss) of jointly controlled companies".
(b) Joint venture created in 2021 by CNP Assurances with the Brazilian company CNP Assurances Participações Ltda under a new exclusive distribution agreement.
(c) See note 4.3.
(d) Increase in investment from 25% in 2021 to 28% in 2022.
(e) Recognised in "Provisions for contingencies and losses" (see note 27).

NOTE 20 IMPAIRMENT TEST ON GOODWILL AND NON-CURRENT ASSETS

20.1 Impairment tests on goodwill

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

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

The impairment test involves comparing the carrying amount of the CGUs, including any goodwill, to their recoverable amount, determined using the method in note 3.11.

The main assumptions used were as follows:

2022	Discount rate		Standard growth rate	Number of projected years
	eurozone	Other		
Services-Mail-Parcels	5.0% - 10.2%	-	2%	5
Geopost	6.3% - 7.6%	7.3% - 14.9%	2% - 5%	5
La Banque Postale	6.8% - 9%	-	2%	5
Retail Customers & Digital Services	7.0%	-	2%	5
2021				
Services-Mail-Parcels	5.8% - 8.3%		2%	5
Geopost	6.7% - 8%	6.7% - 13.1%	1% - 5%	5
La Banque Postale	7.8% - 9%	-	2%	5
Retail Customers & Digital Services	6.6%	-	2%	5

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

No material impairment losses were recognised on goodwill in 2021.

Sensitivity analysis at 31 December 2022

- a 1-point increase in the discount rates or a 0.5-point decrease in the perpetuity growth rates would result in additional impairment losses of between €9 million and €19 million.
- a 1-point increase in the discount rates and a simultaneous 0.5-point decrease in the perpetuity growth rates would result in additional impairment losses of €26 million.
- a 2-point increase in the discount rates and a simultaneous 1-point decrease in the perpetuity growth rates would result in additional impairment losses of around €93 million.

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

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

This led to a test being performed on the La Poste Mail CGU's assets, all of which were impaired for a total amount of €940 million (see note 1.5). The test was carried out on the basis of a business plan updated to best reflect five-year forecasts, with a perpetuity growth rate of -5% and a WACC of 6.5%.

The impairment losses break down as follows:
- intangible assets: €228 million (see note 16);
- property, plant and equipment: €250 million (see note 17);
- right-of-use assets: €462 million (see note 18).

NOTE 21 OTHER FINANCIAL ASSETS

(in € millions)	31/12/2022		31/12/2021	
	Current	Non-current	Current	Non-current
Unconsolidated equity investments	0	401	0	333
Deposits and guarantees paid	27	64	12	58
Derivative financial instruments	37	8	13	*43*
Loans for social housing	5	46	4	50
Provisions for loans for social housing	*0*	*(15)*	*0*	*(18)*
Financial assets held for investment purposes	581	0	351	0
Other financial assets	53	115	56	61
Provisions for other financial assets	*0*	*(27)*	*0*	*(27)*
TOTAL	**702**	**591**	**436**	**500**

Unconsolidated equity investments

(in € millions)	Segment	31/12/2022		31/12/2021
		Percentage held	Carrying amount	Carrying amount
Crédit Logement	La Banque Postale	6%	96	99
Domiserve	La Banque Postale	100%	42	33
XAnge Digital 3	Shared Services	22%	30	21
Django (formerly Credere)	La Banque Postale	100%	24	8
Transactis	La Banque Postale	50%	23	12
Xange Capital 2	Shared Services	36%	23	30
Ezyness	La Banque Postale	100%	19	0
KissKissBankBank	La Banque Postale	100%	17	16
XAnge 4	Shared Services	7%	15	15
Toit et joie	Shared Services	100%	12	12
Mandarine Gestion	La Banque Postale	12%	12	14
STET	La Banque Postale	5%	7	7
Bigblue	Shared Services	4%	6	1
EPI Company SE	La Banque Postale	11%	6	2
LP12	Shared Services	100%	5	0
AD Breihz	Services-Mail-Parcels	15%	0	5
CyberCité [(a)]	Services-Mail-Parcels		0	17
Other - French companies			37	21
Other - foreign companies (see details in note 44)			26	21
TOTAL			**401**	**333**

(a) Company consolidated in 2022.

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

Deposits and guarantees

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

Derivative financial instruments

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

Loans for social housing

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

Financial assets held for cash management purposes

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

(in € millions)	31/12/2022	31/12/2021
Term deposits accessible after more than 3 months	250	70
UCITS	231	230
Negotiable debt securities (maturities of 3 to 12 months)	100	50
TOTAL	**581**	**351**

NOTE 22 SPECIFIC ASSETS OF BANKING AND INSURANCE ACTIVITIES

22.1 Financial assets at fair value through profit or loss

Breakdown by nature of financial instruments

(in € millions)	31/12/2022	31/12/2021
Government paper and equivalents	23,934	20,041
Bonds and other fixed-income securities	34,637	31,003
UCITS	107,881	126,247
Debt instruments	**166,452**	**177,291**
Equities and other variable-income securities	37,019	44,101
Equity instruments	**37,019**	**44,101**
Customers	6,889	7,807
Loans and advances	**6,889**	**7,807**
Interest rate	5,995	1,237
Exchange rate	131	164
Credit	1	2
Equity and index instruments	646	818
Derivative instruments	**6,773**	**2,221**
Credit institutions	2	0
Customer	5,586	0
Securities and other assets purchased under collateralised reverse repurchase agreements	**5,589**	**0**
TOTAL	**222,722**	**231,420**

Breakdown by IFRS 9 category

(in € millions)	31/12/2022	31/12/2021
Financial assets held for trading	13,953	5,864
Non-SPPI financial assets and equity instruments	122,875	141,360
Financial assets backing unit-linked contracts	80,659	78,479
Financial assets designated at fair value	5,235	5,717
TOTAL	**222,722**	**231,420**

22.2 Hedging derivatives

(in € millions)	31/12/2022	31/12/2021
Interest-rate instruments	**1,020**	**967**
Forex instruments	**118**	**55**
TOTAL	**1,139**	**1,022**

22.3 Financial assets at fair value through OCI

(in € millions)	31/12/2022	31/12/2021
Equities and other variable-income securities	**217**	**189**
Other long-term securities	**1**	**0**
Government paper and equivalents - nominal value	97,930	122,946
Government paper and equivalents - impairment losses	(121)	(71)
Governement paper and equivalents	**97,809**	**122,875**
Bonds and other debt securities	96,695	105,640
Bonds - impairment losses	(188)	(394)
Bonds and other debt securities	**96,507**	**105,246**
TOTAL	**194,534**	**228,310**

22.4 Securities at amortised cost

(in € millions)	31/12/2022	31/12/2021
Government paper and equivalents	25,179	22,153
Bonds and other fixed-income securities	2,009	1,321
Subordinated securities	5	6
TOTAL	**27,193**	**23,480**

22.5 Loans and advances to credit institutions at amortised cost

(in € millions)	31/12/2022	31/12/2021
Current accounts in debit	1,891	2,257
Suspense accounts	7	4
Demand deposits with credit institutions	**1,898**	**2,261**
Accounts and loans	16	105
Deposits centralised with CDC	64,850	65,047
Securities and other assets purchased under collateralised reverse repurchase agreements	252	332
Term loans and advances to credit institutions	**65,119**	**65,484**
Subordinated loans	**78**	**78**
TOTAL	**67,095**	**67,823**

22.6 Loans and advances to customers at amortised cost

(in € millions)	31/12/2022	31/12/2021
Retail current accounts in debit	1,036	1,023
Factoring accounts	3,796	4,312
Loans to customers repayable on demand, suspense accounts and other accounts	112	148
Loss allowances	(128)	(119)
Loans and advances to customers repayable on demand	**4,816**	**5,364**
Short-term credit facilities	14,315	13,030
Real estate loans	91,835	85,159
Equipment loans	7,699	7,534
Loans to financial sector customers	1,122	534
Other loans	2,278	2,279
Securities purchased under collateralised reverse repurchase agreements	5,155	6,932
Loss allowances	(1,267)	(1,177)
Term loans and advances to customers	**121,136**	**114,291**
Subordinated loans to customers	**10**	**5**
Finance lease transactions	**3,666**	**3,458**
TOTAL	**129,628**	**123,117**

22.7 Revaluation differences on portfolios hedged against interest rate risks

(in € millions)	31/12/2022	31/12/2021
Revaluation differences on hedged portfolios (fair value hedges)	**721**	**101**

22.8 Investment property

(in € millions)	31/12/2022	31/12/2021
Gross amount	3,802	1,597
Amortisation	(281)	(247)
Impairment losses	(14)	(6)
Investment property at amortised cost	**3,508**	**1,344**
Investment property at fair value	**2,772**	**2,050**
TOTAL	**6,280**	**3,393**

Virtually all of the investment properties presented in the 2022 financial statements are from the CNP Assurances group.

The change in investment property at amortised cost was mainly due to the acquisition of SCI Lamartine (see note 4).

22.9 Other financial assets, accruals and net participating benefit

(in € millions)	31/12/2022	31/12/2021
Sundry debtors	7,075	4,797
Securities settlement accounts	1	3
Impairment losses	(68)	(61)
Other assets	**7,007**	**4,739**
Reinsurance companies' share of technical provisions relating to life and insurance contracts	20,793	21,392
Insurance and reinsurance receivables	3,087	2,804
Loans and advances	214	232
miscellaneous insurance assets	2,428	2,069
Other insurance assets	**26,522**	**26,496**
Prepaid expenses and accrued income	1,420	1,049
Collection accounts	71	15
Other accruals	827	850
Accruals - Assets	**2,317**	**1,914**
TOTAL OTHER FINANCIAL ASSETS AND ACCRUALS	**35,847**	**33,149**
Net participating benefit	**9,692**	**0**
TOTAL NET PARTICIPATING BENEFIT	**9,692**	**0**

22.10 IBOR reform

The process of replacing interbank offered rates (IBORs) with alternative reference rates (ARRs) continued in 2022 for new variable-rate transactions, with certain exceptions defined by the regulatory authorities concerning USD LIBOR. Publication of the USD LIBOR rates (overnight, one-, three-, six- and 12-month maturities), in the format supplied by banks, must be discontinued as from the end of June 2023. La Poste Groupe intends to migrate the contracts concerned by this date at the latest.
Furthermore, the GBP and JPY LIBOR rates (one-, three- and six-month maturities) are no longer supplied by banks and are now published on a “synthetic” basis solely for the purpose of managing the transition to the new rates.
The European EONIA index was last published on 3 January 2022.
As there have been no announcements regarding a forthcoming replacement of EURIBOR, this index has been excluded from the quantitative data provided below.

At 31 December 2022, La Banque Postale group is exposed to USD LIBOR as follows:
- a nominal amount of €992 million on derivatives;
- book value of financial assets of €198 million.

NOTE 23 OTHER CURRENT ASSETS

23.1 Inventories and work-in-progress

(in € millions)	31/12/2022			31/12/2021
	Gross amount	Provisions	Net amount	Net amount
Raw materials, supplies, goods and other inventories	179	(6)	173	142
Finished and semi-finished product inventories and work-in-progress	37	(3)	34	48
TOTAL	**216**	**(9)**	**207**	**190**

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

23.2 Trade and other receivables

(in € millions)	31/12/2022	31/12/2021
Advances and deposits paid	241	234
Trade receivables and related accounts	3,564	3,427
Impairment losses on trade receivables and related accounts	*(133)*	*(140)*
International mail receivables	684	789
Receivables from the State for income about public service missions	520	594
Other receivables	656	639
Impairment losses on other receivables	*(29)*	*11*
TOTAL	**5,503**	**5,554**

International mail receivables (€684 million) are primarily owed by foreign postal operators for the delivery of their mail in France.
Likewise, trade and other payables include an international mail payable (see note 32) of €780 million owed to foreign postal operators for the delivery of La Poste mail outside of France.

Receivables from the State for income about public service missions correspond to compensation not yet received. At 31 December 2022, this caption corresponded to the compensation for universal postal service provided in 2022. At 31 December 2021, it included the compensation for universal postal service and regional development in 2021 (amounts settled in 2022).

NOTE 24 CASH AND CASH EQUIVALENTS

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

24.1 Cash and cash equivalents

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

(in € millions)	31/12/2022	31/12/2021
Cash equivalents	3,125	1,487
Cash at bank	1,407	1,401
Cash on hand	5	8
TOTAL	**4,537**	**2,895**

Cash equivalents

Cash equivalents consisted mainly of term deposits accessible at any time, or within three months, for €2,113 million (€763 million as at 31 December 2021), and units in money-market UCITS for €910 million (€635 million as at 31 December 2021).

24.2 Cash, central banks (Banking activities)

(in € millions)	31/12/2022	31/12/2021
Cash on hand (including cash held at post offices)	1,004	1,116
Central banks	38,351	49,696
TOTAL	**39,355**	**50,812**

NOTE 25 ASSETS HELD FOR SALE AND DIRECTLY ASSOCIATED LIABILITIES

At 31 December 2022, these assets and liabilities stemmed from subsidiaries whose sale is planned in the coming months, and, as at 31 December 2021, properties under promise of sale.

At 31 December 2022, assets held for sale and directly associated liabilities included the assets and liabilities of DPD Russia for €42 million and €47 million, respectively (see note 1.3).

In 2021, the assets and liabilities held for sale mainly corresponded to the proposition sale of the non-controlling interests held by La Banque Postale in Ostrum Asset Management (45%) and AEW Europe(40%).

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NOTE 26 EQUITY

26.1 Share capital

At 31 December 2022, the share capital amounted to €5,620 million, divided into 2 810 162 908 ordinary shares with a par value of €2 each. At that date, 66% of the capital was owned by Caisse des Dépôts and 34% was owned by the French State.

History of the share capital

On 1 March 2010, La Poste became a *société anonyme* (French public limited company), with a share capital of €1 billion, divided into 500 million fully paid-up shares with a par value of €2 each. This share capital is, by law, wholly-owned by the French State or State-owned entities, except for any portion reserved for La Poste employees. Prior to that date, La Poste was an independent State-owned company, with no share capital within the legal meaning of the term.

April 2011 capital increase

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

- share capital increase of €1 billion through an increase in the par value of existing shares from €2 to €4, via a capitalisation of reserves;
- issue of 350 million new shares with warrants attached with a price of €6 per share, of which a par value of €4 and share premium of €2, representing a total of €2.1 billion, of which €1.4 billion in capital and €700 million in share premium;
- warrants attached to each new share. The warrants issued entitled holders to buy 100 million new shares between 1 March and 30 April 2013 for a total of €600 million, of which €400 million in capital and €200 million in share premium. The French State and Caisse des Dépôts had made an irrevocable commitment to exercise all of their warrants no later than the last day of the exercise period (i.e., 30 April 2013).

In April 2013, the French State and Caisse des Dépôts exercised the 350 million warrants they held, which resulted in the issue of 100 million new shares at a price of €6 per share, including €2 of share premium.

Contribution of CNP Assurances shares on 4 March 2020

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

- “technical” reduction of La Poste's share capital by reducing the par value of shares from €4 to €2, with allocation of this capital reduction to share 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 of a total of €1,523 million, corresponding to the issue 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 of a total of €42 million, corresponding to the issue of 20,752,760 new shares, together with a contribution premium of €64 million;
- share capital increase of €1,900 million 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.

2022 stock dividend

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

26.2 Hybrid debt

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

26.3 Non-controlling interests

Non-controlling interests amounted to €7,767 million at 31 December 2022, compared with €11,718 million at 31 December 2021.

At the end of 2022, they essentially corresponded to:

- non-controlling interests in the CNP Assurances group for €6,168 million (€10,103 million in 2021);
- perpetual notes issued by La Banque Postale:
  - in November 2019, for €744 million (perpetual fixed-rate notes with a semi-annual coupon of 3.875%, callable after 7 years);
  - in September 2021, for €744 million (perpetual fixes-rate notes with a semi-annual coupon of 3%, callable after 7,5 years.
- perpetual notes issued by Asendia for €198 million in March 2021, supplemented by €29 million in 2022.

NOTE 27 PROVISIONS FOR CONTINGENCIES AND LOSSES

At 31 December 2022, **provisions for contingencies and losses** broke down as follows:

(in € millions)	Labour disputes	Other disputes	Other	TOTAL
Non-current provisions	**12**	**15**	**89**	**116**
Current provisions	**45**	**231**	**483**	**759**
Balance at 31/12/2020	**57**	**246**	**572**	**876**
Additions for the period	32	76	210	318
Utilisations	(22)	(13)	(183)	(218)
Reversals of unused provisions	(7)	(12)	(15)	(34)
Other movements	(1)	8	(131)	(124)
Non-current provisions	**8**	**14**	**116**	**138**
Current provisions	**50**	**291**	**337**	**678**
Balance at 31/12/2021	**58**	**305**	**453**	**816**
Additions for the period	51	24	303	378
Utilisations	(25)	(14)	(214)	(252)
Reversals of unused provisions	(8)	(59)	(12)	(79)
Other movements	3	16	3	22
Non-current provisions	**16**	**6**	**163**	**186**
Current provisions	**63**	**266**	**370**	**700**
BALANCE at 31/12/2022	**80**	**273**	**533**	**885**

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

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

Other provisions at 31 December 2022, included:

- a €50 million provisions for the negative net asset value of equity accounted companies, compared with €51 million at 31 December 2021 (see Note 19);
- miscellaneous contingencies linked to the group's operating activity.

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

NOTE 28 BONDS AND DEBT

28.1 Breakdown of debt

(in € millions)	31/12/2022		31/12/2021	
	Short-term	Medium-and long-term	Short-term	Medium-and long-term
Debt at amortised cost	**731**	**9,664**	**451**	**8,522**
Bonds	420	9,464	0	8,369
La Poste savings bonds	51	0	52	0
Commercial paper	150	0	300	0
Current bank facilities	38	0	26	0
Deposits and guarantees received	36	48	34	44
Other borrowings at amortised cost	36	151	39	108
Bonds designated at fair value	**584**	**0**	**(0)**	**622**
Hedged borrowings	**0**	**468**	**0**	**440**
Subordinated debt		468	**0**	440
Derivative liabilities relating to bonds	**25**	**3**	**12**	**24**
Accrued interest on borrowings	**89**	**0**	**77**	**0**
Total	**1,429**	**10,134**	**541**	**9,608**
BONDS AND DEBT	**11,564**		**10,149**	
Lease liabilities (a)	**766**	**3,102**	**741**	**3,019**
LEASE LIABILITIES	**3,869**		**3,760**	

(a) *Lease liabilities at 31 December 2022 broke down by currency as follows: €2,833 million in euros, €736 million in pound sterling and €300 million in other currencies.*

Lease liabilities at 31 December 2021 broke down by currency as follows: €2,899 million in euros, €696 million in pound sterling and €165 million in other currencies.

28.2 Breakdown of debt by maturity

	Due within 1 year		Due in 1 to 5 years		Due beyond 5 years		Total	
(in € millions)	2022	2021	2022	2021	2022	2021	2022	2021
Debt at amortised cost	**731**	**451**	**3,757**	**3,024**	**5,907**	**5,498**	**10,395**	**8,973**
Bonds	420	0	3,613	2,889	5,851	5,480	9,884	8,369
La Poste savings bonds	51	52	0	0	0	0	51	52
Commercial paper	150	300	0	0	0	0	150	300
Current bank facilities	38	26	0	0	0	0	38	26
Deposits and guarantees received	36	34	42	38	7	6	85	78
Other borrowings at amortised cost	36	39	102	97	49	12	187	147
Bonds designated at fair value	**584**	**0**	**0**	**622**	**0**	**0**	**584**	**622**
Hedged borrowings								
Subordinated debt	0	0	0	0	468	440	468	440
Derivative liabilities	**25**	**12**	**0**	**22**	**3**	**2**	**27**	**36**
Accrued interest	**89**	**77**	**0**	**0**	**0**	**0**	**89**	**77**
Lease liabilities	**766**	**741**	**1,970**	**1,916**	**1,132**	**1,104**	**3,869**	**3,760**
TOTAL	**2,196**	**1,281**	**5,727**	**5,584**	**7,509**	**7,043**	**15,432**	**13,909**

28.3 Changes in debt

The following table presents changes in debt in 2022 and 2021, distinguishing between changes with an impact on cash and those without.

(in € millions)	Bonds and debt [(a)]	Debt-related derivative assets (including security deposits) [(a)]	Lease liabilities [(a)]	Cash impact (Excl. Banking activities)	La Banque Postale subordinated debt	La Banque Postale lease liabilities	Cash Impact (Group)
Balance at 31/12/2020	**8,891**	**(89)**	**3,509**	**0**	**10,187**	**115**	**0**
Changes 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	(751)	(751)	0	(51)	(801)
Other cash flows from financing activities	12	(5)	0	6	0	0	6
Changes without cash impact							0
Change in accrued interest on financial instruments	(0)	0	0		0	0	
Increase in 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 banking activities) [(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 non-controlling interests	34	0	0		0	0	
Balance at 31/12/2021	**10,149**	**(61)**	**3,760**	**0**	**10,110**	**153**	
Changes with cash impact							
Proceeds from new borrowings [(b)]	2,475	0	0	2,475	1,003	0	3,477
Repayment of borrowings [(c)]	(1,045)	0	0	(1,045)	(1,750)	0	(2,795)
Repayment of lease liabilities	0	0	(814)	(814)	0	(58)	(872)
Other cash flows from financing activities	(32)	(13)	0	(45)	0	0	(45)
Changes without cash impact	0	0	0	0	0	0	0
Change in accrued interest on financial instruments	14	0	0		0	0	
Increase in lease liabilities	0	0	1,044		0	118	
Changes in consolidation scope and exchange rates	19	9	(30)		0	0	
Changes in fair value (excluding banking activities) [(d)]	(42)	23	0		0	0	
Other non-cash flows and reclassifications	28	(15)	(78)		(264)	1	
Debt of subsidiaries held for sale	(0)	0	(14)		0	0	
Commitment to pay dividends to non-controlling interests	(3)	0	0				
BALANCE at 31/12/2022	**11,564**	**(57)**	**3,869**		**9,099**	**214**	

(a) ***See note 29.1***

(b) ***Proceeds from new borrowings:***
On 14 September 2022, La Poste carried out a €1,200 million sustainable bond issue, recognised at amortised cost, comprising:
- *a first tranche of €600 million at a fixed rate of 2.625% with a 6-year term (maturity: September 2028);*
- *a second tranche of €600 million at a fixed rate of 3.125% with a 10.5-year term (maturity: March 2033).*

La Poste carried out three tap issues, recognised at amortised cost:
- *a €100 million tap issue in January 2022 at a fixed rate of 1% maturing in September 2034;*
- *a €150 million tap issue in May 2022 at a fixed rate of 0.625% maturing in October 2026;*
- *a €100 million tap issue in September 2022 at a fixed rate of 0% maturing in July 2029.*

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

In 2021, La Poste issued the following two bonds on 11 January, recognised at amortised cost:
- *€1,000 million bond at a fixed rate of 0.625% with a 15-year term (maturity: January 2036);*
- *€750 million bond at a fixed rate of 0% with an 8,5-year term (maturity: July 2029).*

Also in 2021, La Poste carried out three tap issues in November, recognised at amortised cost:
- *a €200 million tap issue at a fixed rate of 0% maturing in July 2029;*
- *a €200 million tap issue at a fixed rate of 1% maturing in September 2034;*
- *a €75 million tap issue at a fixed rate of 0,625% maturing in October 2026.;*

In addition, €725 million in commercial paper was issued in 2021.

(c) ***Repayment of borrowings:***
In 2022, CNP Assurances redeemed a €1,000 million bond (see note 1).
In 2021, La Poste redeemed a bond with a nominal value of €1,000 million that was issued in 2006 and recognised at amortised cost.
In addition, €1,021 million in commercial papers was redeemed in 2022 (€725 million in 2021).

(d) ***Changes in fair value (excluding banking activities):***
In accordance with IFRS 9, some bonds backed by fixed-for-floating swaps are recognised at fair value through profit or loss.
The credit risk component of the change in fair value is recognised in "Other comprehensive income" (positive €1 million in 2022, and negative €6 million in 2021).
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 subordinated debt

As 31 December 2022, group bonds with nominal values over €500 million broke down as follows:

Date of issue	Maturity	Currency	Nominal interest rate	Nominal value *(in millions of currency units)*	Accounting treatment
2003	2023	Euro	4.375%	580	Fair value
			Other bonds at fair value		
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
2019-2021-2022	2034	Euro	1.000%	1,000	Amortised cost
2020-2021-2022	2026	Euro	0.625%	875	Amortised cost
2020	2032	Euro	1.375%	1,150	Amortised cost
2021-2022	2029	Euro	0.000%	1,050	Amortised cost
2021	2036	Euro	0.625%	1,000	Amortised cost
2022	2028	Euro	2.625%	600	Amortised cost
2022	2033	Euro	3.125%	600	Amortised cost
			Other bonds at amortised cost	*420*	
TOTAL BONDS AT AMORTISED COST				**9,945**	

At 31 December 2022, bonds broke down by rate type as follows:

	Debt breakdown before fixed-for-floating swaps		Impact of fixed-for-floating transactions	Debt breakdown after fixed-for-floating swaps	
(in € millions)	Amount	%	Amount	Amount	%
Fixed-rate borrowings	10,468	100%	(584)	9,884	94%
Floating-rate borrowings	0	0	584	584	6%
Of which borrowings covered by partial or total floating-for-fixed swaps (see note below)	*0*	*0*	*(584)*		
TOTAL BORROWINGS	**10,468**	**100%**	**0**	**10,468**	**100%**

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

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

At 31 December 2022, floating-rate borrowings covered by floating-to-fixed swaps amounted to €584 million, or 5.6% of total borrowings. These borrowings are still disclosed on the “Floating-rate borrowings” line.

Floating-for-fixed swaps represented a nominal amount of €580 million including €380 million qualified as cash flow hedges.

Breakdown of debt by currency

All bonds were denominated in euros at 31 December 2022.

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

28.5 Derivative instruments for industrial and commercial activities

	Fair value at 31/12/2022		Fair value at 31/12/2021	
(in € millions)	Assets	Liabilities	Assets	Liabilities
Trading derivatives at fair value through profit or loss				
Fixed-for-floating derivatives	17	0	54	0
Floating-for-fixed derivatives	2	0	0	3
Total	**19**	**0**	**54**	**3**
Hedging derivatives				
Cash flow hedges	8	0	2	22
TOTAL DEBT-RELATED DERIVATIVES	**27**	**0**	**56**	**25**
Other				
Currency / exchange derivatives	17	27	2	10
TOTAL DERIVATIVES (EXCLUDING BANKING ACTIVITIES)	**44**	**27**	**58**	**36**
Amortisable balance on interrupted hedging derivatives				
Cash flow hedging derivatives	4	0	5	0

28.6 Other debt

La Poste savings bonds

This line represents La Poste's savings bond liabilities. All of the bonds had matured at the end of 2022.

Commercial paper

Commercial paper issued by La Poste and outstanding at 31 December 2022 had maturities of three months or less and represented €150 million (€300 million at 31 December 2021).

Deposits and guarantees received

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

NOTE 29 GROUP NET DEBT

29.1 Group net debt position
29.2 Changes to Group net debt

29.1 Group net debt position

(in € millions)	Note	31/12/2022	31/12/2021
Cash and cash equivalents (balance sheet line)	**24**	4,537	2,895
Debt-related derivative assets	**21**	44	58
Security deposits paid in connection with derivatives, recognised as assets		13	3
Investment securities with initial maturities of over 3 months and UCITS	**21**	581	351
Net financial receivable from La Banque Postale		66	369
Cash and other asset items (1)		**5,242**	**3,676**
Medium and long-term bonds and debt	**28.1**	10,134	9,608
Short-term bonds and debt	**28.1**	1,429	541
Lease liabilities	**28.1**	3,869	3,760
Gross debt (2)		**15,432**	**13,909**
NET DEBT (2)-(1)		**10,191**	**10,233**
Increase /(Decrease) in net debt at 31 december 2022		**(42)**	

29.2 Changes to Group net debt

(in € millions)	Cross-references	2022	2021
Net cash from/(used in) operating activities	**SCF** [(a)]	**3,578**	**2,375**
Net cash from/(used in) investing activities	**SCF**	(2,048)	(2,126)
Elimination of change in financial assets held for cash management purposes	**SCF**	230	51
Net cash from/(used in) investing activities excluding acquisitions and disposals of financial assets held for cash management purposes [(b)]		**(1,818)**	**(2,075)**
Perpetual loans classified as equity [(c)]	**SCF**	29	198
Dividends paid to shareholders and remuneration of hybrid subordinated notes	**SCF**	(442)	(33)
Purchases of non-controlling interests	**SCF**	(139)	(556)
Net interest expense		(214)	(242)
Change in fair value of debt and derivatives		18	(13)
Impact of changes in consolidation scope on gross debt (incl. lease liabilities)		(10)	(174)
Non-cash changes in lease liabilities (IFRS 16)		(966)	(886)
Net debt of subsidiaries held for sale		(1)	(9)
Commitment to pay dividends to non controlling interests		3	(34)
Other items [(d)]		6	18
Cash flows and change in debt from financing activities		**(1,717)**	**(1,730)**
DECREASE/(INCREASE) IN NET DEBT SINCE 1 JANUARY		**42**	**(1,431)**
Opening net debt		(10,233)	(8,802)
Closing net debt		(10,191)	(10,233)

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

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

(c) Perpetual notes issued by Asendia in 2021 and in 2022.

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

NOTE 30 EMPLOYEE BENEFITS

30.1 Change in provisions for employee benefits

Provisions for employee benefits changed as follows in 2022:

(in € millions)	31/12/2021 Current	31/12/2021 Non-current	Changes in consoli-dation scope	Increase	Decrease for utilisation	Reversals	Net interest cost	Other changes	31/12/2022 Current	31/12/2022 Non-current
Retirement benefits	23	711	2	127	(111)	(0)	4	(146)	29	580
Other post-employment benefits	7	234	0	6	(16)	0	2	105	8	331
Post-employment benefits	**31**	**945**	**2**	**133**	**(127)**	**(0)**	**6**	**(40)**	**37**	**910**
End-of-career arrangements	**450**	**1,152**	**0**	**45**	**(445)**	**0**	**(3)**	**(0)**	**432**	**767**
Severance payments	84	61	0	4	(40)	0	0	(0)	75	34
Long-term sick leave/long-term paid leave	39	26	0	1	(8)	0	0	0	36	22
Accrued leave	142	134	0	19	(1)	0	0	(0)	147	147
Other long-term benefits	9	85	(0)	2	(20)	(0)	0	1	1	77
Other employee benefits	**274**	**306**	**(0)**	**27**	**(68)**	**(0)**	**0**	**1**	**259**	**280**
TOTAL	**754**	**2,403**	**2**	**204**	**(640)**	**(0)**	**3**	**(39)**	**729**	**1,958**
	3,157								**2,687**	

30.2 Description of employee benefits

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

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

30.2.1 Pension obligations for La Poste civil servants

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

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

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

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

In application of this decree, the French State plans to recalculate the contributions paid for the years 2018 to 2020. Part of the adjustment was taken into account when calculating the rate for 2021. As a result, an €80 million annual reduction in pension expenses was recognised in the 2021 and 2022 financial statements.

The remaining adjustment is expected to be around €80 million. This amount was not recognised in 2022 as the method for determining the competitive equity rate for future periods was unknown.

30.2.2 Post-employment benefits for La Poste civil servants

Other post-employment benefit obligations comprise:

- employee welfare services provided to civil servants, including holiday discounts;

- a loyalty bonus granted to retired civil servants who hold their pension in a La Banque Postale account;
- grants to organisations that provide services to retired civil servants.

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

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

30.2.4 Pension plans for employees of group subsidiaries outside France

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

30.2.5 End-of-career arrangements

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

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

Provisions for end-of-career arrangements recognised at 31 December 2022 take into account expected enrolments for plans open until 30 June 2023 and enrolments in previous plans.

30.2.6 Other long-term benefits

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

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

30.3 Actuarial assumptions

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

The main assumptions used at 31 December 2022 are as follows:

- The probability of active employees staying with the Group, mortality rates and estimated future salary levels;
- retirement assumptions for employees of companies outside France and employees governed by foreign collective bargaining agreements, which take into account local economic and demographic factors;
- an assumed average benefit increase of 2% (unchanged compared with 2021);
- a forecast of the *Livret A* rate used to calculate the loyalty bonus (see above);
- provisions for obligations relating to end-of-career arrangements that form part of agreements, calculated on the basis of (i) definite enrolments in these plans at the reporting date, and (ii) Management's best estimate of probable future enrolments up until the expiry date of the agreements. A 1-point increase in the expected enrolment rate would increase the provision by around €11 million at 31 December 2022;
- discount rates used for actuarial assessments as at period-end, determined with reference to a basket of AA-rated corporate bonds published by *Reuters*, as follows:

Maturity	5 years	10 years	15 years	20 years
2022				
Euro zone	3.7%	3.7%	3.8%	3.7%
UK	5.1%	4.7%	4.8%	4.9%
2021				
Euro zone	0.3%	0.6%	1.0%	1.0%
UK	1.5%	1.7%	1.7%	1.9%

Inflation assumptions used for the UK were 3.15% (*Retail Price Index* - RPI) and 2.4% (Consumer *Price Index* - CPI), and respectively 3.35% and 2.55% in 2021.

30.4 Change in post-employment benefit obligations

(in € millions)	2022	2021
Obligations at beginning of period	**1,248**	**1,410**
Change in the calculation of certain post-employment benefits following the IFRS IC agenda decision of May 2021	0	(143)
Obligations at beginning of period (restated)	**1,248**	**1,267**
Current service cost	63	63
Interest cost	17	15
Benefits paid	(62)	(57)
Employee contributions	1	3
Actuarial (gains)/losses relating to changes in assumptions [(a)]	(162)	(73)
Actuarial (gains)/losses relating to experience adjustments	26	0
Translation adjustments	(9)	17
Change in scope of consolidation	0	0
Other	18	11
OBLIGATION AT END OF PERIOD	**1,140**	**1,248**
Plan assets at beginning of period	**273**	**235**
Expected return on assets	5	4
Employer contributions	26	28
Employee contributions	3	4
Benefits paid	(21)	(25)
Actuarial gains and losses	(82)	9
Translation adjustments	(9)	18
PLAN ASSETS AT END OF PERIOD	**193**	**273**
Obligation	1,140	1,248
Plan assets [(b)]	(193)	(273)
PROVISION	**947**	**975**
of which non-current provision	*910*	*945*
of which current provision	*37*	*31*

(a) Actuarial gains and losses recognised in 2022 and 2021 mainly arised from changes in financial assumptions.

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

Changes in actuarial gains and losses (recognised in "Other comprehensive income")

(in € millions)	2022	2021
Actuarial (gains)/ losses at beginning of period	**93**	**175**
Actuarial (gains)/losses relating to changes in assumptions	(162)	(73)
Actuarial (gains)/losses relating to experience adjustments	26	0
Actuarial (gains)/losses on plan assets	82	(9)
ACTUARIAL (GAINS)/LOSSES AT END OF PERIOD	**39**	**93**

Breakdown of plan assets

Type of assets	2022	2021
Equities	11%	11%
Debt securities	43%	43%
Liability-driven Investment (LDI) funds	20%	20%
Insurance contracts	9%	9%
Other	16%	17%

Discount rate sensitivity

A 50-basis point decrease in the discount rate would result in an increase of approximately €60 million in the Group's net post-employment benefit obligations.

30.5 Analysis of post-employment benefit expense

(in € millions)	2022	2021
Current service cost	63	63
Interest cost	17	15
Expected return on assets	(5)	(4)
EXPENSE /(INCOME) FOR THE PERIOD	**76**	**75**

30.6 Expected cash outflows

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

(in € millions)	Cash outflows
2022	60
2023	50
2024	45
2025	41
2026	42

At 31 December 2022, the average duration of post-employment benefits was around 20 years.

NOTE 31 BANKING ACTIVITY FINANCIAL LIABILITIES

31.1 Financial liabilities at fair value through profit or loss

(in € millions)	31/12/2022	31/12/2021
Debt securities	**2,443**	**2,047**
Interest rate	3,241	733
Exchange rate	941	828
Credit	1	13
Equity and index instruments	256	627
Other	4	4
Derivative instruments	**4,443**	**2,205**
Credit institutions	5,699	0
Customer	774	0
Securities and other assets sold under collateralised repurchase agreements	**6,473**	**0**
TOTAL	**13,359**	**4,253**

31.2 Hedging derivatives

(in € millions)	31/12/2022	31/12/2021
Interest-rate derivatives	**2,371**	**282**
Forex instruments	**0**	**50**
TOTAL	**2,371**	**333**

31.3 Liabilities due to credit institutions

(in € millions)	31/12/2022	31/12/2021
Current accounts in credit	1,324	1,057
Overnight accounts and borrowings	0	0
Other amounts due	3	8
Demand deposits from credit institutions	**1,326**	**1,065**
Term deposits	7,960	8,752
Securities and other assets sold under collateralised repurchase agreements	17,159	20,576
Term liabilities due to credit institutions	**25,119**	**29,328**
TOTAL	**26,445**	**30,393**

31.4 Customer deposits

(in € millions)	31/12/2022	31/12/2021
Livret A	67,459	65,254
PEL/CEL home savings plans and accounts	29,068	30,624
Other regulated savings accounts	27,515	25,087
Regulated savings accounts	**124,042**	**120,965**
Current accounts in credit	82,921	84,981
Overnight accounts and borrowings	2,280	3,314
Other amounts payable to customers	1,332	1,040
Customer demand deposits	**86,533**	**89,335**
Term deposits	1,305	753
Term deposit accounts in credit	533	35
Securities and other assets sold under collateralised term repurchase agreements	20,864	23,495
Customer term deposits	**22,702**	**24,283**
TOTAL	**233,276**	**234,582**

31.5 Debt securities

(in € millions)	31/12/2022	31/12/2021
Certificates of deposit and commercial paper	13,397	7,863
Bonds	15,655	13,830
Other debt evidenced by a certificate	0	(0)
TOTAL	**29,052**	**21,693**

31.6 Revaluation differences on portfolios hedged against interest rate risks

(in € millions)	31/12/2022	31/12/2021
Revaluation differences on portfolios hedged against interest rate risks	294	**422**
TOTAL	**294**	**422**

31.7 Other financial liabilities and accruals

(in € millions)	31/12/2022	31/12/2021
Deferred income	468	466
Other accruals	681	1,557
Accruals	**1,149**	**2,023**
Securities-related liabilities	**77**	**95**
Security deposits received	**2,313**	**1,007**
Lease liabilities	214	153
Other miscellaneous payables	2,789	2,168
Other payables	**3,004**	**2,321**
Securities settlement accounts	**8**	**6**
Insurance and reinsurance payables	13,027	13,001
Other miscellaneous insurance liabilities	233	220
Other insurance liabilities	**13,260**	**13,221**
TOTAL	**19,810**	**18,674**

31.8 Banking and insurance activity technical provisions and shadow accounting reserves

(in € millions)	31/12/2022	31/12/2021
Non-life insurance	9,816	9,627
Life insurance	267,765	261,941
of which actuarial life insurance mathematical reserves	*254,735*	*248,849*
Financial instruments with DPF	101,296	107,284
of which actuarial life insurance mathematical reserves	*91,938*	*97,942*
Financial instruments without DPF	3,110	3,713
Banking and insurance activity technical provisions	**381,987**	**382,564**
Net deferred participation reserve [(a)]	**1,669**	**31,834**
PEL/CEL home savings provisions	**106**	**186**
TOTAL	**383,763**	**414,584**

(a) See below for details.

The deferred participation reserve results from the use of "shadow accounting". It represents the life insurance policyholders' share of unrealised gains and losses and impairments recognised on assets, whose yields determine the yield paid to policyholders.

The PEL/CEL home savings provision covers the negative impact of home savings deposits for credit institutions authorised to accept them, given the commitments that they imply.

This provision was reserved for an amount of €80 million at 31 December 2022 which can be analysed as follows:

(in € millions)	New money	PEL and CEL loans	2022 Provisions	2021 Provisions	Net movements 2021/2022
Age					
More than 10 years	11,930	0	21	125	(104)
4 to 10 years	11,834	0	1	4	(3)
Less than 4 years	973	0	0	2	(2)
Total PEL home savings plans	**24,737**	**5**	**22**	**131**	**(109)**
Total CEL home savings accounts	**4,331**	**27**	**84**	**55**	**29**
TOTAL	**29,068**	**31**	**106**	**186**	**(80)**

31.9 Subordinated debt

(in € millions)	31/12/2022	31/12/2021
Subordinated debt	**9,099**	**10,110**

Subordinated debt can be analysed as follows:

(in € millions)	date of issue	Maturity date	Interest rate	Amount in issue currency	Currency	31/12/2022 (a)	31/12/2021 (a)
Redeemable subordinated notes						**8,254**	**9,306**
La Banque Postale	19/11/2015	19/11/2027	2.75%	750	EUR	0	750
La Banque Postale	09/06/2016	09/06/2028	3.00%	500	EUR	445	525
La Banque Postale	05/10/2016	05/10/2028	2.25%	100	EUR	85	102
La Banque Postale	19/01/2017	09/06/2028	3.00%	150	EUR	134	158
La Banque Postale	26/10/2020	26/01/2031	0.875%	500	EUR	453	494
La Banque Postale	02/02/2021	02/08/2032	0.75%	500	EUR	426	486
La Banque Postale	27/04/2021	02/08/2032	0.75%	250	EUR	213	243
La Banque Postale	05/12/2022	05/03/2034	5.50%	500	EUR	486	0
CNP Assurances	24/06/2003	23/06/2023	4.7825% until 2013, then 3-month Euribor + 200 bps from 24/06/2013	200	EUR	202	204
CNP Assurances	05/06/2014	05/06/2045	4.25% until June 2025, then reset at the 5-year fixed swap 5-year + 360 bps	500	EUR	547	561
CNP Assurances	10/12/2015	10/06/2047	4.5% until June 2027, then 3-month Euribor + 460 bps	750	EUR	867	889
CNP Assurances	22/01/2016	22/01/2049	6% for the duration of the title	500	USD	528	504
CNP Assurances	20/10/2016	20/10/2022	1.875% for the duration of the title	1,000	EUR	0	1,019
CNP Assurances	05/02/2019	05/02/2029	2.75% for the duration of the title	500	EUR	567	576
CNP Assurances	27/11/2019	27/07/2050	2.00% until June 2030, then 3-month Euribor + 300 bps	750	EUR	776	779
CNP Assurances	10/12/2019	15/01/2027	0.80% throughout the life of the notes	250	EUR	254	254
CNP Assurances	30/06/2020	30/09/2051	2.5% until Sept. 2031, then 3-month Euribor + 100 bps	750	EUR	759	759
CNP Assurances	08/12/2020	08/03/2028	0.38%	500	EUR	502	502
CNP Assurances	12/10/2021	12/10/2053	1.875% until Oct. 2033, then 3-month Euribor + 270 bps	500	EUR	502	502
CNP Assurances	27/01/2022	27/01/2029	1.25% until January 2029	500	EUR	509	0
Perpetual subordinated notes						**845**	**804**
CNP Assurances	15/11/2004		4.93% until 2016, then 3-month Euribor + 160 bps from 15/11/2016	90	EUR	89	88
CNP Assurances	15/11/2004		3-month Euribor + 70 bps until 2016, then 3-month Euribor + 160 bps	93	EUR	92	90
CNP Assurances	07/04/2021		4.875% until April 2031, then 5-year CMT + 318.5 bps	700	USD	664	625
TOTAL DEEPLY SUBORDINATED DEBT						**9,099**	**10,110**

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

31.10 IBOR reform

Details of the work carried out in 2022 together with the Group's exposure on assets and derivatives are provided in note 22.10.

At 31 December 2022, the La Banque Postale's exposure to USD LIBOR in terms of book value of financial liabilities amounted to €523 million.

NOTE 32 TRADE AND OTHER PAYABLES

(in € millions)	31/12/2022	31/12/2021
Trade payables and related accounts	5,435	5,018
Tax and social security liabilities	2,433	2,279
Payables to suppliers of non-current assets	728	489
International mail payables	780	818
Customer advances and deposits	208	160
Other operating payables	320	376
TOTAL	**9,903**	**9,140**

ADDITIONAL INFORMATION

NOTE 33 INFORMATION ON RISKS EXCLUDING BANKING ACTIVITIES

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

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

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

A summary of financial risks is presented to La Poste's Audit Committee every year. In 2022, this summary described in particular the changes made to the Limits Handbook during the year and approved by the governance set up by the group.

33.1 Credit and counterparty risk

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

Investment securities

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

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

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

Derivative instruments

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

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

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

Trade and other receivables

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

33.2 Liquidity risk

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

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

- negotiating confirmed credit facilities with financial institutions. The group has 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 syndicate (see Note 38.3.2);
- keeping at all times a minimum amount of "security cash" in cash and cash equivalents and in investments maturing within one year taken individually and whose average maturity does not exceed 90 days. This minimum amount is set at €1.3 billion and is defined and monitored by the group's Financial Committee;

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

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

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

31/12/2022	Balance sheet amount	2023 flows		2024 flows		2025-2027 flows		2028 flows and beyond	
(in € millions)		Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
Bonds	**10,468**	**153**	**1,000**	**119**	**1,000**	**252**	**2,625**	**341**	**5,900**
Borrowings at amortised cost	9,884	128	420	119	1,000	252	2,625	341	5,900
Borrowings at fair value	584	25	580	0	0	0	0	0	0
Subordinated debt	**468**	**25**	**0**	**25**	**0**	**75**	**0**	**398**	**469**
Other debt	**4,379**	**83**	**1,067**	**69**	**661**	**142**	**1,431**	**168**	**1,221**
Lease liabilities	3,869	83	755	69	625	142	1,323	168	1,165
La Poste savings bonds	51	0	51	0	0	0	0	0	0
Commercial paper	150	0	150	0	0	0	0	0	0
Current bank facilities	38	0	38	0	0	0	0	0	0
Deposits and guarantees received	85	0	36	0	11	0	32	0	7
Other borrowings at amortised cost	187	0	37	0	26	0	77	0	49
Derivative instruments	**(17)**	**(33)**	**2**	**3**	**0**	**8**	**0**	**11**	**(11)**
Derivative liabilities	27	1	0	1	0	1	0	1	2
Derivative assets	(44)	(34)	2	2	0	7	0	11	(12)
TOTAL	**15,298**	**227**	**2,068**	**216**	**1,661**	**477**	**4,056**	**917**	**7,579**

33.3 Interest-rate risk

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

To manage interest rate risk, the group has established:

- an active strategy to manage its bond debt based on the use of derivative instruments to take advantage of market opportunities and reduce the cost of its bonds;
- an active strategy to manage its investments based on the use of derivatives to guarantee returns and adjust the group's exposure to interest rate fluctuations;
- prospective monitoring over 12 rolling months of its net debt and investment position indexed to market rates, and of the fluctuation of financial income and expense resulting from adverse changes in market rates (with a limit when the estimated impact exceeds 2% of net profit or loss attributable to owners of the parent of last three financial years). This monitoring notably serves to allow active debt and investment management strategies to be adjusted as needed and to limit the impact of significant increase or decrease in interest rates.

Sensitivity analysis

A sudden, uniform 50-basis point increase in the market yield curve would not result in an increase in the group's annual financial expense, after taking into account debt management derivative instruments (unchanged from 2021).

A sudden, uniform 50-basis point increase in the market yield curve would result in a €1.4 million gain in earnings (compared with €4.6 million as at 31 December 2021), resulting from the change in the fair value of debt recognised at fair value through profit or loss and of the debt management swaps.

33.4 Currency risk

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

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

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

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

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

- its subordinated USD-denominated debt ($500 million), fully hedged by a EUR/USD currency swap;
- its USD-denominated equity investments, partly hedged by EUR/USD currency swaps ($34 million), and its equity investments in Singapore dollars (SGD), hedged in part by forward SGD sales against the euro (SGD 502 million);
- its equity investments in United Arab Emirates dirhams (AED), hedged in part by forward AED sales against the euro (AED 1,548 million).

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

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

At 31 December 2022, the accounting currency effect on revenue amounted to a negative positive €309 million, stemming mainly from the Brazilian real (positive €144 million), the rouble (positive €46 million), the US dollar (positive €38 million), the Hong-Kong dollar (positive €36 million), the pound sterling (positive €24 million) and the zloty (negative €18 million). The accounting impact of currency fluctuations on operating profit/(loss) amounted to almost a positive €54 million in 2022.

NOTE 34 INFORMATION ON RISKS RELATING TO BANKING ACTIVITIES

34.1 Structural risk factors

La Banque Postale has a Risk Taxonomy representing the framework of risk factors to which it is exposed. Its purpose is to create a shared risk language across all of the La Banque Postale group's entities (banking, insurance and asset management sectors).

La Banque Postale has a risk map that scores all of these risks and enables it to comply with the applicable regulatory requirements of the banking and insurance sectors (government order of 3 November 2014 on internal control, FICOD, SSM publications, etc.). It is also used as a support for the various cross-functional risk management exercises (suc as ICAAP, Risk Appetite Statement and Dashboard, New Product Analysis, Stress Tests, etc.).

This risk map sets out and classifies all of the risks to which the conglomerate is exposed. It is revised annually and was updated following the integration of CNP Assurances to ensure that La Banque Postale group's insurance risks are appropriately covered.

Following on from the end-2021 mapping exercise, further action has been taken to strengthen the process. The updated map places greater emphasis on conglomerate-level risks and the areas for attention highlighted by the ECB in 2021, which relate to operational risks (IT project management risks and risks associated with distribution agreements).

The risk factors are broken down into eight categories.

The 2023 risk map was validated by the Executive Board of La Banque Postale on 19 September 2022. The main changes include:

- improvements to the definitions of certain strategic and business risk;
- the removal of outsourcing risk, which is covered by the operational risk category;
- integration of basis spread risk monitoring in the basis risk category;
- changes in operational risks, mainly concerning process execution and mangement risks, IT project management and distribution agreement monitoring, and outsourcing risks;
- extension of governance risk review processes to cover all the group's business.

34.2 Credit risk

The macroeconomic conditions in which La Banque Postale group operates changed considerably in 2022 compared to the environment at the end of 2021. While economists had protected that the waning of the Covid-19 pandemic would be followed by several years of sustained economic recovery (accompanied by expansionary fiscal policy and promotion of the environmental transition), the outbreak of armed conflict in Europe between Ukraine and Russia in first-quarter 2022 has plunged the global economy back into uncertainty. The measures taken to hedge credit risk are intended to reflect this environment.

The information presented in this note also factors in these developments.

34.2.1 Developments in the geopolitical and macroeconomic environment

Geopolitical and macroeconomic developments

The invasion of Ukrainian territory by Russian troops on 24 February 2022 led to significant pressure on agricultural raw materials and energy prices. Straight away, investors became more risk averse and began to question of robustness of the global recovery. This situation exacerbated the inflationary pressures that were already present in the post-pandemic environment due to the recovery in economic activity accompanied by a digital revolution, pent-up demand following periods of forced saving during successive lockdowns, and severe supply chain problems.

The main central banks responded to this inflationary environment by announcing interest rate hikes, calibrated in each case with their local macroeconomic and budgetary situation.

The impacts of this situation for La Banque Postale are as follows:

- fairly limited impact in terms of the risk arising directly from the Ukraine-Russia conflict: La Banque Postale's loanbook has no exposure to Ukraine and Russia. Its subsidiary CNP Assurances has minor exposure. The main area for attention in terms of the loanbook results from the indirect consequences of the situation on French corporate customers financed by La Banque Postale who do a significant portion of their business with Russia, in particular.
  Note: Measures were taken by the Group Compliance Department at the outbreak of the conflict to identify and closely monitor the accounts, assets and transactions of retail and corporate customers subject to sanctions. These measures are still in force today ;

- a potentially significant (albeit not yet visible to date) deterioration in the credit quality of loanbooks due to the negative external impacts of the conflict, namely the sharp increase in inflation and its impact on the broader interest rate environment and the rest of the macroeconomy.

The potential impacts of this deterioration in the macroeconomic environment can be summed up as follows:

- **Corporate customers**: business failures among the most fragile customers. The size of companies and their business sector are two of the main factors used for assessing this risk. La Banque Postale continued to adopt a conservative approach to determining non-performing loan provisions at 31 December. All the existing measures concerning industry risk provisions (some of which relate to activities potentially representing greater risk in the current environment) were maintained in the most sensitive sectors, comprising the Private Passenger Transport industry – with a particular focus on Airlines – the Automotive industry, Tourism and Hospitality, Retail, Commercial Property and, above all, Agriculture to anticipate possible raw materials shortages following the outbreak of the Russia-Ukraine conflict (measure in place since 30 June 2022). In addition, Group Risk Management decided to recognise general provisions at 31 December 2022 on leveraged exposures with the lowest credit quality ratings.
- **Retail customers**: job stability and the stability of savings and disposable incomes net of inflation represent structural factors taken into account to assess the credit risk represented by retail customers who have obtained loans from the Bank. Government support packages, price freezes and the French unemployment system all help to delay or even offset the occurrence of this risk, but La Banque Postale's customers with low incomes are nonetheless expected to experience difficulties, as they are particularly vulnerable to sharp price increases on basic and everyday consumer products. La Banque Postale set aside provisions for a category of customers that the Bank considers to be vulnerable in the current inflationary environment and particularly exposed to the macroeconomic impact of the current monetary policy reaction to rising inflation. The customers concerned have very limited savings with the Bank or very small disposable incomes.

Covid-19 impacts

Like all credit institutions, La Banque Postale has been dealing with the economic and operational consequences of the Covid-19 pandemic since the beginning of 2020.

Between March 2020, when the World Health Organization declared that the Covid-19 epidemic had become a pandemic, and the date when this document was prepared, France experienced seven waves of Covid-19 infections. Each time, the French government responded by imposing a lockdown, the closure of non-essential public places and the cancellation of all cultural and sporting events. These measures inevitably had major consequences on the economy and La Banque Postale mobilised its resources alongside the government to support customers experiencing financial hardship during these periods.

Several practical initiatives were organised around exceptional government measures to support business and retail customers, and remained in place at 31 December 2022:

- distribution of government-backed loans (PGE): at 31 December 2022, these loans represented a residual outstanding amount of €844 million (of which €718 million due in more than two years);
- distribution of stimulus loans (PPR): these loans were granted by La Banque Postale and other French banks between April 2021 and June 2022. In 2022, 21 loans were contracted for a total amount of €5,9 million. The loans represented a residual outstanding amount of €11,5 million at 31 December 2022.

As of the date of preparation of this document, the epidemic appears to have been brought under control. Although new waves of Covid-19 infections, including its variants, have been observed, they are far less dangerous thanks to the high level of vaccination coverage and they no longer act as a serious brake on economic growth in developed countries.

However, the World Health Organization is still very cautious when it comes to predicting the end of the pandemic, and a new outbreak with dangerous variants of the virus would increase the uncertainties and potential difficulties for the Bank's clients, as mentioned in the paragraph on developments in the geopolitical and macroeconomic environment.

Impact of the macroeconomic environment on the measurement of credit risk

After gradually returning to a normal level in 2021 with cost of risk at €268 million, cost of risk stood at €216 million in 2022, with the loss ratio largely unchanged, reflecting:

- the high quality of the group's assets in Retail and CIB banking books;
- its limited exposure to the corporate sectors hardest hit by the current crisis;
- La Banque Postale's conservative policy concerning loss allowances across all customer categories.

Outstanding non-performing loans rose slightly compared to 2021, due to a "*dossier de Place*" being reclassified to bucket 3 (NPL rate of 0.76% of gross detail exposures and securities). Due to the size of this non-performing loan, the overall NPL coverage rate declined to 35% at 31 December 2022.

The classification and provisioning of La Banque Postale's exposures at 31 December 2022 continue to be based on:

- automatic processes for identifying potential significant increases in credit risk and for classifying or proposing classification in buckets in accordance with IFRS 9;
- control and approval processes performed by the Group Risk Department and individual or collective adjustment decisions taken as part of the exposure monitoring process (Watchlists, sector-based measures, etc.).

La Banque Postale updated its macroeconomic scenarios at 31 December 2022, along with the related risk parameters used to determine statistical provisions. The impact on credit risk assessments of the uncertainty caused by the crisis (and its macroeconomic consequences) is reflected in La Banque Postale's financial statements through management measures adapted to each major customer segment. These measures were taken by the Group Risk Department after reviewing the entire loanbook.

Corporate customers

2022 cost of risk for Corporate and investment Banking customers results from:

- La Banque Postale's exposure monitoring process specific provisioning decisions made by dedicated committees for outstanding loans under surveillance (included on the Watchlist and/or credit impaired loans classified in bucket 2 and defaulted loans classified in bucket 3 under IFRS 9);
- application of sector-specific or other general loss provisioning principles ;
- statistical provisions recorded on the rest of the performing loanbook not subject to individual or general provisions.

In this last area, after observing the effects of the crisis, La Banque Postale chose to maintain or step up the policy adopted in late 2020 concerning general loss allowances and to extend the policy into 2021 and 2022.

Sector-specific loss allowances were recorded on exposures in the following sectors at 31 December 2022:

- Tourism, Hospitality and Leisure;
- Private Air and Land Passenger Transport;
- the Photovoltaic Energy sector in France, due to a review of pricing conditions;
- certain segments of the Retail sector;
- the Automotive sector;
- Commercial Real Estate other than city centre locations;
- Agriculture (sector added at 30 June 2022) in order to anticipate the likely difficulties to come for certain customers affected by the raw materials shortages and disruptions to their supply chains since the start of the armed conflict between Russia and Ukraine;
- leveraged transactions (as defined in European Banking Authority guidelines) with a downgraded rating, and LBOs, in order to anticipate possible inflation-related cash flow difficulties (category added at 31 December 2022).

The related exposures were reclassified to IFRS 9 bucket 2 as La Banque Postale considered that there had been a significant increase in their credit risk since they were added to the loanbook.

In 2022, the Corporate and Investment Banking cost of risk amounted to €108 million, reflecting:

- additional allocations to provisions, primarily to reflect the natural deterioration of the loanbook and the downgrades applied to certain specific exposures (including provisioning decisions made by the Watchlist/Special Cases committees);
- monitoring measures implemented in anticipation of certain potential macroeconomic downturns, with sector-specific provisions recognised as part of the alignment of provisioning methodologies across all industries concerned (addition of agriculture, removal of shipping and reduction for some other sectors due to a base effect and improved credit scores), and provisions also set aside for corporate leveraged transactions;
- the use of updated parameters for provisioning models, and updated macroeconomic scenarios with adjusted weightings across all customer segments to which the Bank is exposed;
- the use of revised thresholds for determining whether an asset has been subject to a significant increase in credit risk.

Retail customers

In 2022, the following adjustments were made to reflect the impact of the crisis on the loanbook's retail customers:

- retail credit exposures in the Caribbean region were reclassified to sound, due to the improvement in the health, economic and labour environment;
- the provision set aside in 2021 to cover the rating migration risk on the performing loanbook was gradually reversed, as part of a prospective approach designed to prepare for a possible return to a distribution more representative of the loanbook's structural composition;
- the overlay (multiplying factor) for calculating loss given default (LGD) for home loans guaranteed by sureties was maintained;
- loans to customers that the bank considers to be vulnerable in the current inflationary environment and particularly exposed to the macroeconomic impact of the current monetary policy reaction to rising inflation were reclassified to bucket 2. The customers concerned have very limited savings with the Bank or very small disposable incomes;
- the parameters used for provisioning models were updated, as were the macroeconomic scenarios and their weighting across all customer segments to which La Banque Postale is exposed;
- revised thresholds were applied to determine whether an asset has been subject to a significant increase in credit risk.

Taking these factors into account, the cost of risk for retail customers in 2022 amounts to €96 million (excluding online banking), of which €48 million relates to the consumer credit business and €35 million to the home loan business.

34.2.2 General framework

The Group Risk Department (GRD) manages credit risk, i.e., the risk incurred by La Banque Postale in the event of default by a customer or a group of connected customers considered as constituting a single risk within the meaning of Regulation (EU) No. 575/2013 of the European Parliament and the Council on prudential requirements for credit institutions and investment firms (CRR).

La Banque Postale does not currently take climate risk into account for the calculation of its Expected Credit Losses (ECLs). At 31 December 2022, La Banque Postale's exposure to carbon-intensive sectors was very limited, with virtually no exposure to fossil fuels (€2,3 million) due to a prudent management policy that gives priority to financing the renewable energy sector (€ 2,228 million).

Work will be undertaken in the coming years, once the relevant databases and observations have been compiled, to incorporate climate risk in the parameters used to model ECLs. The Group Risk Department currently prefers to quantify this risk and take it into account in the financial statements using other methods such as economic capital measurements that better correspond to the time horizon for the occurrence of this type of risk.

34.2.3 Significant increase in credit risk

Principles

La Banque Postale defines six principles for assessing a significant increase in credit risk in accordance with IFRS and the guidelines of the European Banking Authority (EBA) for moving loans from bucket 1 to bucket 2.

Principle 1 – Monitoring of credit risk:
The credit quality of an asset is measured at the outset, i.e., it is a relative assessment applied at the level of the commitment. The ECL is measured on initial recognition of the asset and again at each reporting date to determine the asset's bucket classification.

A financial instrument is classified as sensitive (bucket 2) when there has been an increase in credit quality since initial recognition (comparison of the asset's credit quality vs when it was first recorded in the balance sheet or recognised as an off-balance sheet commitment).

Effective from 2022, based on the recommendations of the European supervisor, the increase in credit risk is considered significant when the Probability of Default TTC (Through The Cycle, i.e., the value of a parameter averaged over a macroeconomic cycle) associated with the customer's credit score used in the provisioning process has been multiplied by three since the loan was recorded in the portfolio.

Principle 2 – Monitoring of credit quality with the addition of a backstop:
To supplement the first principle, La Banque Postale has added an absolute threshold criterion. The approach defined by the group combines a relative threshold and an absolute threshold.
The absolute threshold is based on two indicators:

- rating indicator: the absolute quality level beyond which there is considered to be a significant increase in the assets' credit risk is set by customer segment and/or type of asset;
- past due indicator: contractual payments more than 30 days past due (see IFRS 9, paragraph 5.5.11).

Principle 3 – Use of a 12-month indicator for individual (retail) customers:
Assessment of a significant increase in credit risk implies assessing at each reporting date the probability of a default occurring over the remaining life of the asset. Rather than basing the assessment on the lifetime probability of default, IFRS 9 allows the use of a 12-month probability of default if this is a reasonable approximation of the lifetime probability and is supported by appropriate documentation.

Principle 4 – The low credit risk concept:
In determining whether a financial instrument represents a low credit risk, La Banque Postale may use its internal credit score or another rating that meets a universally accepted definition of "low credit risk" and takes into account the risks and the type of financial instrument being assessed. For example, a financial instrument rated investment grade (BBB or better) by a recognised credit rating agency could be considered to represent a low credit risk.

La Banque Postale uses this exemption only at CNP Assurances.

Principle 5 – Consideration of qualitative information:

- Non-retail loanbook: in addition to quantitative and automated analyses based on changes in the probability of default, a specific qualitative analysis may be carried out by the Watchlist Committee or based on independent analyses. This additional analysis will serve to confirm or reject the existence of a significant increase in credit risk determined by the credit score indicator and the reclassification to bucket 2;
- Retail loanbook: the presumption of bucket 2 status may be supported by additional analyses based on expert judgement, particularly in the case of vulnerable customers;
- Restructured loans: a restructured exposure is considered as a credit impaired/bucket 2 asset after a 12-month probationary period in default status. La Banque Postale considers that a restructured asset is credit impaired for a minimum period of 24 months. At the end of this period, Regulation 680/2014 allows the restructured status to be forgotten as long as all the regulatory criteria are met.

Although the unit of account under IFRS 9 is the contract, and each contract is recognised separately, the standard allows additional analyses to be performed on groups of contracts when a significant increase in credit risk has been identified.

This approach makes it possible, for example, to integrate information on the increase in credit risk of a group of loans with a common characteristic (same geographical area, same industry, etc.).

It also ensures that all relevant information is taken into account in the process even if it is not yet available for individual contracts (i.e., it is not yet known which contract in the loanbook will be affected). For the implementation of an approach based on a group of contracts, instruments are grouped on the basis of common credit risk characteristics (same type of collateral, same generation, same industry, same geographical area, etc.).

Principle 6 – Transfer to bucket 2 before default:
Assets exposed to a significant increase in credit risk must be identified before they default. A loan should not be transferred directly from performing (bucket 1) to in default (bucket 3).

Exceptionally, some commitments can be exempt from being classified as credit impaired/bucket 2 before they are recorded in default.

Application of some of these principles requires the use of credit scoring models. La Banque Postale currently monitors credit risk at the individual contract level using credit scoring models generally applied to the counterparty. In other words, the credit score of a contract at a given time is determined on the basis of the counterparty's score at that time, such that, at a given time, all contracts with the same counterparty have the same credit score.

In order to measure an increase in the credit risk, La Banque Postale uses a credit scoring system derived from:

- internal credit scoring models; or
- a database that collects, keeps and uses the external credit ratings awarded to the borrower concerned.

Consequently, the Bank's risk monitoring systems collect data on the ratings at the commencement of the contracts and keep them in order to determine a significant increase in credit risk, as well as the last known rating in order to fulfil the first principle.

When La Banque Postale does not have rating models or systems for gathering ratings (and thus does not use ratings as data on entry into the portfolio), it can use other types of measurement. For loanbooks that have an internal credit score and/or external rating, the existence of a significant increase in credit risk is assessed primarily on the basis of the credit score or rating, and secondly by reference to any appropriate quantitative and/or qualitative analyses prepared by the business line concerned, especially where the increase in credit risk is due to an unjustified change in the credit score/rating.

Process for assessing a significant increase in credit risk

The operational procedures in place enable events indicating a possible deterioration in the credit quality of a counterparty to be monitored/detected.

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

- individual customers – individuals;
- individual customers – professionals;
- central administrations & central banks;
- credit institutions;
- corporate;
- public sector entities.

The criteria do not represent an exhaustive list and the relevance of information depends on the customer segment concerned (except for individual customers). Other events leading to a deterioration in credit quality or generating risk can be taken into consideration following an analysis carried out by the risk unit concerned.

These events are evaluated by the Group Risk Department's teams with good knowledge of the customers or groups of connected customers they are tasked with monitoring.

The operating entities are responsible for the exposures they have generated and must detect immediately any events that indicate a deterioration in the credit quality of their customers.

All assets that are not in bucket 3 or bucket 2 are classified in bucket 1. These are assets that show no significant increase in credit risk since initial recognition.

Lastly, an asset moved to bucket 2 following a significant increase in credit risk may be moved out of Bucket 2 and reclassified in bucket 1 if all the criteria that led this classification are no longer met and any arrears have been settled. Depending on the circumstances, an observation period may be required for vulnerable debtors to prevent recurrence.

Moving restructured assets out of default are monitored during a probationary period determined in accordance with the regulatory requirements.

34.2.4 Provisioning – the expected credit losses (ECL) approach

Expected credit losses

Expected credit losses (ECL) are measured in a way that reflects an unbiased and probability-weighted loss amount determined by evaluating a range of possible outcomes, the time value of exposure and all reasonably available information. This methodology is described in Note 3.13.7 (Provisioning methods for bucket 1 and bucket 2).

12 month expected credit loss (12-month ECL)

When there is no significant increase in the credit risk associated with a commitment since initial recognition, the loss allowance is measured at an amount equal to the 12-month expected credit losses.

12-month ECL represents the portion of the lifetime cash shortfalls that will result if a default occurs in the 12 months.

This formula applies to all assets and commitments classified in bucket 1.

Lifetime expected credit losses (lifetime ECL)

When there is a significant increase in credit risk associated with a commitment since initial recognition, the loss allowance is measured at an amount equal to the lifetime expected credit losses.

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

Definition of ECL calculation parameters

Expected credit losses are calculated using three main components: Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

Maturity refers to the final payment date of a loan commitment or financial instrument on which the principal and interest must be settled in full or the date when the authorised amount or date expires.

It corresponds to the maximum contractual period including extension options, except in the case of revolving lines of credit, renewable credit card facilities and overdrafts for which a behaviour-based maturity is used.

For commitments without a contractual maturity, a 12-month maximum maturity is used as, in the case of insolvency of the debtor, the overdraft facility is cancelled within 12 months, in accordance with French banking law.

Revolving lines of credit are financial instruments that do not have a fixed maturity, repayment schedule or cancellation period. The maturity taken into account for these instruments depends on their lifetime estimated by La Banque Postale, which can be greater than the duration of the contractual commitment. The maturity used at group level is based on observed behaviours.

Probability of Default (PD): IFRS 9 introduces the notion of expected credit losses and, indirectly, that of the probability of default adjusted to the situation at the reporting date (PIT PD – Point-in-Time Probability of Default). This parameter does not correspond to the average over the cycle (TTC PD – Through-The-Cycle Probability of Default) applicable under the Basel framework for the internal ratings-based approach. This variable is used to estimate the probability that a commitment will go into default over a given period of time. A “point-in-time” (PIT) probability of default estimate is based on future and current assessments and depends on both the customer and the product.

Loss Given Default (LGD): loss given default corresponds to the ratio between contractual cash flows and the expected cash flows taking into account the effects of discounting and other expenses incurred at the time that an instrument goes into default. LGD is expressed as a percentage of the exposure at default.

This input under IFRS 9 differs from the Basel definition. For Basel II purposes, loss given default is adjusted to include a prudential buffer and to reflect losses occurring during a downturn in the business cycle and other costs. IFRS 9 makes no specific mention of the observation period or the period covered by the historical data used for the calculation of LGD parameters. This parameter takes into account the passage of time.

The group uses modelled LGDs adjusted in accordance with IFRS 9 for portfolios that have a loss given default internal model by type of product and guarantee, and to determine an LGD based on expert analyses for the other portfolios by segment, product and type of guarantee that will be revised at least once a year.

Exposure At Default (EAD): the EAD corresponds to the basis for calculating the expected credit loss. It is based on the value exposed to credit risk taking into account the type of repayment schedule, the passage of time and expected early repayments (projected cash flows). EAD is calculated based on the amount at the start of the reporting period.

The loss allowance is based on the outstanding amount recorded on balance sheet and off-balance sheet (undrawn portion) converted to its credit exposure equivalent using the credit conversion factor.

To take into account early repayments and the passage of time, an early repayment rate is applied to the basis used to calculate loss allowances by portfolio. This rate is reviewed periodically by the ALM team to take into account any economy-led change in rates.

Forward Looking

In accordance with IFRS 9, expected credit losses take into account the effects of future economic conditions.
The forward-looking expected credit loss takes into account the impact of changes in macroeconomic conditions.
The group uses three scenarios to integrate forward-looking estimates: a central scenario, a favourable alternative scenario and an unfavourable alternative scenario.

These scenarios are defined by the Economic Research Departments of the group, relying on scenarios designed by Caisse des Dépôts.

The economic forecast horizon used is three years:

- consistent global scenarios are applied across La Banque Postale with potentially opposite impacts on certain product or customer segments, to reflect the diversification of the portfolio. (By way of illustration, it is not possible, in a given scenario, to use a different interest rate projection to measure the lifetime probabilities of default of individual customers and those of sovereign customers);
- the proposed scenarios are not necessarily adverse credit risk scenarios; the aim is not to use IFRS 9 scenarios to quantify the risk of losses in a highly adverse environment that is very unlikely to occur but rather to develop generally plausible scenarios whose probability of occurrence is within one standard deviation of the occurrence of the central scenario;
- the scenarios are not necessarily designed to have a strong impact on the specific credit component: unfavourable scenarios with a high probability of occurrence may be used even though their main impact is on the interest rate component;
- the scenarios used are generally the same as those used in other corporate processes (i.e., strategic planning, budgeting, ICAAP stress testing, regulatory reporting).

These scenarios are documented, and contain projections for all the macroeconomic variables required to run the models developed to obtain PDs and LGDs at maturity. The probability of occurrence of each scenario is documented by La Banque Postale’s Economic Research Department.
The system uses a significant number of models. All of the models used for IFRS 9 purposes are subject to an independent review by the Model Validation team and are validated by the Model Validation Committee.

The scenarios used since November 2022 to calculate loss allowances for La Banque Postale’s entire banking book will not be adjusted until end-2023 unless there is a serious mismatch between these scenarios and the actual macroeconomic situation observed in first-half 2023. For 2022, La Banque Postale used the following scenarios to calculate its loss allowances under IFRS 9:

Central scenario:.
The growth and inflation scenario adopted for France includes a deterioration in the macroeconomic and geopolitical context (severely reduced consumer purchasing power, loss of business confidence). It puts growth at a level close to France’s estimated potential growth, and assumes that the inflation rate will be higher than under the Banque de France’s unfavourable scenario for 2022. Internationally, particularly in the United States and Europe (euro zone, United Kingdom), the multi-year GDP profile would be broadly similar to the projected profile for France, even though the short-term negative impact of the conflict in Ukraine would be more severe in Europe than in the United States. In the housing market, recent trends in the market for existing homes should continue, despite probable mortgage rate hikes; notwithstanding the increases, the rates would still be very attractive to homebuyers and the market should continue to benefit from sustained demand driving higher prices. Homebuyers’ reduced borrowing capacity would be likely to drive a fairly sharp net decline in transaction volumes from 2023 onwards, although the number of sales should continue to top one million units. The lower transaction volumes would ease the pressure on prices, which should rise at a more

moderate rate in the medium term, due in particular to demographic factors and higher interest rates, although average rates would still be lower than in the first ten years of the millennium. The unemployment rate would be lower in this scenario than for the previous trajectory. Concerning financial variables, it is expected that ECB and Federal Reserve policy rates would gradually increase. Long-term rates should rise over the projection period at a faster rate than was expected under the previous scenario. Concerning the stock markets, the forward-looking yield on an investment in the CAC 40 would still be below the historical average.

This scenario has been developed by Caisse des Dépôts. The projections of some variables are provided below:

	Scenario at 31 December, 2022					
Variables	T0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	**2.5**	0.3	1.0	1.2	1.2	1.2
Unemployment rate euro zone (average annual rate)	**6.7**	7.1	7.3	7.2	7.1	7.0
10-year OAT (average annual rate)	**1.6**	2.5	2.4	2.3	2.1	1.9
Inflation France (change)	**5.3**	4.5	2.5	2.0	1.8	1.8

	Previous scenario					
Variables	T0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	**4.0**	3.5	1.8	1.5	1.3	1.2
Unemployment rate euro zone (average annual rate)	**9.8**	9.6	9.4	9.2	9.1	9.0
10-year OAT (average annual rate)	**0**	0.0	0.2	0.4	0.6	0.8

Unfavourable scenario:

This scenario corresponds to a stressed inflationary scenario which illustrates a “euro zone sovereign debt crisis” type configuration, with a sharply higher risk premium in the crisis year, a steeper yield curve, an economic recession and a precipitous fall in stock market prices. Long-term rates would rise significantly and remain high in the long term and energy-related inflationary pressures would last longer than in the central scenario. Prices and interest rates would come under increasing pressure, leading to a greater shock to both the real economy and financial markets. A possible source of this additional stress could be a worsening of the current energy crisis, particularly if gas supplies became harder to obtain.

This scenario was initially developed by Caisse des Dépôts and has been adjusted by La Banque Postale’s Economic Research Department. The projections of some variables are presented below:

	Scenario at 31 December, 2022					
Variables	T0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	**2.5**	-1.5	-1.0	-0.5	0.6	0.6
Unemployment rate euro zone (average annual rate)	**6.7**	7.5	8.5	9.5	9.0	8.5
10-year OAT (average annual rate)	**1.6**	4.0	5.0	4.4	4.0	4.0
Inflation France (change)	**5.3**	7.0	5.0	3.0	2.0	3.0

	Previous scenario					
Variables	T0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	**4.0**	-0.5	0.0	0.6	0.6	0.6
Unemployment rate euro zone (average annual rate)	**9.8**	10.5	10.9	11.1	11.2	11.2
10-year OAT (average annual rate)	**0**	-0.7	-0.7	-0.2	0.0	0.0

Favourable scenario:

In this scenario, it is assumed that the price of oil and other commodities will fall from 2023 onwards, i.e., earlier than in the central scenario, helping to ease energy-related inflationary pressures. The less severe loss of consumer purchasing power would lead to more sustained growth, especially in the short term. Macroeconomic conditions throughout the world would be more favourable than in the central scenario, driving more dynamic world trade. Consumer and business confidence would recover rapidly with a positive impact on investment flows. The scenario also assumes that value chain tensions would ease more quickly than in the central scenario. This situation could drive a rebound in some sectors. Finally, as in the central scenario, the health situation would improve; however, in this scenario the bottlenecks that appeared with the global economic recovery would be absorbed more quickly, supporting a rebound in some sectors such as tourism. In an environment shaped by more limited inflationary pressures than in the central scenario, the central banks would not tighten their monetary policy despite slightly stronger economic growth.
This scenario has been developed by La Banque Postale's Economic Research Department. The projections of some variables are provided below:

Variables	Scenario at 31 December, 2022					
	T0	N+1	N+2	N+3	N+4	N+5
French GDP (annual rate of growth)	**2.5**	1.0	1.8	1.4	1.3	1.3
Unemployment rate euro zone (average annual rate)	**6.7**	7.0	6.8	6.6	6.6	6.5
10-year OAT (average annual rate)	**1.6**	2.5	2.4	2.3	2.1	1.9
Inflation France (change)	**5.3**	3.8	2.8	2.1	1.8	3.8

n/a : not avalaible

Variables	Previous scenario					
	OR	N+1	N+2	N+3	N+4	N+5
French GDP (annual rate of growth)	**4.0**	4.5	2.5	2.0	1.6	1.2
Unemployment rate euro zone (average annual rate)	**9.8**	9.3	8.8	8.4	8.2	8.1
10-year OAT (average annual rate)	**0**	0.2	0.5	0.9	1.1	1.2

The probability of each of these scenarios occurring is shown in the following table:

Scenarios	Scenarios 2021	Scenarios in 2022
Central	65%	60%
Unfavourable	20%	30%
Favourable	15%	10%

La Banque Postale decided not to use the scenarios developed by the ECB and to reflect the fact that its portfolio is concentrated in France, and instead decided to draw on the expertise of the Caisse des Dépôts and La Banque Postale.

Sensitivity analysis of expected credit losses to macroeconomic scenarios:

Analyses were conducted to gauge the sensitivity of statistical ECL (i.e., excluding loss allowances for corporate customers based on expert judgement) to credit risk on corporate and individual customer scopes.

These analyses show that the individual customer scope is not very sensitive to macroeconomic scenarios insofar as the variations observed in expected credit losses upon changing the weightings vary between negative 5% and positive 5%.

The sensitivity of statistical ECL for corporate customers is slightly greater, with an unfavourable scenario weighted at 100% leading to a roughly 18% increase in loss allowances and a favourable scenario weighted at 100% leading to a 19% reduction in loss allowances, primarily led by large corporates.

34.2.5 Operational deployment

Loss allowances are calculated centrally for the entire group by the Group Risk Department teams.

34.2.6 Exposure to credit risk

Change in carrying amounts and allowances for credit losses over the year

Allowances for credit losses correspond to impairment of financial assets and off-balance sheet commitments recorded in the income statement under "Cost of risk".
The different stages of impairment ("Performing – bucket 1", "Deteriorated credit quality – bucket 2" and "Credit impaired – bucket 3") and the definition of impaired assets from acquisition or issuance are described in Note 34.2.3 "Significant increase in credit risk".
The following tables present a reconciliation of opening and closing loss allowances recorded in "Cost of risk" and the associated carrying amounts, by accounting category and type of instrument.
The line "Modification of cash flows not resulting in derecognition" shows the effect of a loan restructuring on the gross carrying amount and the loss allowance during the period.

Financial assets at amortised cost

31/12/2022 *(in € millions)*	Gross carrying amount	Allowance for credit losses	Net carrying amount
Securities at amortised cost	27,248	(54)	27,193
Loans and advances to credit institutions at amortised cost	67,096	(0)	67,095
Loans and advances to customers at amortised cost	131,104	(1,460)	129,645
TOTAL	**225,448**	**(1,514)**	**223,933**

31/12/2021 *(in € millions)*	Gross carrying amount	Allowance for credit losses	Net carrying amount
Securities at amortised cost	23,516	(37)	23,480
Loans and advances to credit institutions at amortised cost	67,846	(6)	67,840
Loans and advances to customers at amortised cost	124,499	(1,346)	123,152
TOTAL	**215,861**	**(1,390)**	**214,472**

	Assets subject to 12-month ECL (bucket 1)		Assets subject to lifetime ECL (bucket 2)		Credit-impaired assets (bucket 3)		TOTAL		
(in € millions)	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount (a)	Allowance for credit losses (b)	Net carrying Amount (a) + (b)
At 31 December 2021	**205,649**	**(189)**	**8,586**	**(532)**	**1,627**	**(669)**	**215,861**	**(1,390)**	**214,472**
Transfers of assets during their lifetime from one bucket to another	**(16,010)**	**29**	**15,462**	**(78)**	**548**	**(107)**	**(1)**	**(155)**	**(156)**
Transfers to Lifetime ECL (bucket 2)	(17,556)	29	17,659	(169)	(103)	35	0	(106)	(106)
Transfers to 12-month ECL (bucket 1)	2,072	(5)	(1,953)	64	(119)	17	(0)	76	76
Transfers to Credit-impaired ECL Lifetime (bucket 3)	(526)	5	(244)	27	770	(158)	(0)	(126)	(126)
Total after transfers	**189,639**	**(159)**	**24,048**	**(610)**	**2,174**	**(775)**	**215,861**	**(1,545)**	**214,316**
Changes in gross carrying amount and Allowances for credit losses	**8,327**	**37**	**1,379**	**5**	**(59)**	**(11)**	**9,647**	**31**	**9,678**
New production: purchase, issuance, origination, etc.	83,734	(80)	4,894	(210)	770	(178)	89,399	(468)	88,930
Derecognition: disposal, repayment, maturity, etc.	(75,353)	118	(3,516)	215	(734)	99	(79,603)	432	(79,170)
Write-offs	0	0	0	0	(86)	67	(86)	67	(19)
Modification of cash flows not resulting in derecognition	0	0	0	0	(9)	0	(9)	0	(9)
Changes in scope of consolidation	(75)	0	0	0	0	0	(75)	0	(75)
Other	20	(1)	(0)	0	0	1	20	0	20
Total	**197,966**	**(123)**	**25,428**	**(605)**	**2,116**	**(786)**	**225,508**	**(1,514)**	**223,994**
Impacts of changes in fair value of hedged instruments	**(61)**	**0**	**0**	**0**	**0**	**0**	**(61)**	**0**	**(61)**
At 31 December 2022	**197,905**	**(123)**	**25,428**	**(605)**	**2,116**	**(786)**	**225,447**	**(1,514)**	**223,933**

Financial assets at amortised cost

	Assets subject to 12-month ECL (bucket 1)		Assets subject to lifetime ECL (bucket 2)		Credit-impaired assets (bucket 3)		TOTAL		
(in € millions)	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount (a)	Allowance for credit losses (b)	Net carrying Amount (a) + (b)
At 31 december 2020	**252,507**	**(173)**	**10,874**	**(448)**	**1,626**	**(627)**	**265,005**	**(1,247)**	**263,758**
Transfers of assets during their lifetime from one bucket to another	**1,422**	**(6)**	**(1,763)**	**(21)**	**339**	**(55)**	**1**	**(84)**	**(83)**
Transfers to Lifetime ECL (bucket 2)	(3,594)	12	3,698	(108)	(104)	35	1	(62)	(62)
Transfers to 12-month ECL (bucket 1)	5,280	(19)	(5,097)	67	(184)	26	0	73	73
Transfers to Credit-impaired ECL Lifetime (bucket 3)	(264)	2	(363)	20	627	(116)	0	(94)	(94)
Total after transfers	**253,929**	**(179)**	**9,112**	**(469)**	**1,965**	**(682)**	**265,006**	**(1,331)**	**263,675**
Changes in gross carrying amount and Allowances for credit losses	**(48,278)**	**(9)**	**(526)**	**(63)**	**(338)**	**13**	**(49,142)**	**(59)**	**(49,200)**
New production: purchase, issuance, origination, etc.	65,664	(121)	2,908	(304)	445	(190)	69,018	(615)	68,403
Derecognition: disposal, repayment, 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)
Modification of cash flows not resulting in derecognition	0	0	0	0	(10)	0	(10)	0	(10)
Changes in scope of consolidation	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**
Impacts of changes in fair value of hedged instruments	**(3)**	**0**	**0**	**0**	**0**	**0**	**(3)**	**0**	**(3)**
At 31 December 2021	**205,649**	**(189)**	**8,586**	**(532)**	**1,627**	**(669)**	**215,861**	**(1,390)**	**214,472**

Financial assets at fair value through reclassifiable to profit or loss

	31/12/2022	
(in € millions)	Fair Value	*o/w allowance for losses*
Debt instruments at fair value through other comprehensive income	194,315	(310)
TOTAL	**194,315**	**(310)**

	31/12/2021	
(in € millions)	Fair Value	*o/w allowance for losses*
Debt instruments at fair value through other comprehensive income	228,121	(465)
TOTAL	**228,121**	**(465)**

Financial assets at fair value through reclassifiable to profit or loss

	Assets subject to 12-month ECL (bucket 1)		Assets subject to lifetime ECL (bucket 2)		Credit-impaired assets (bucket 3)		TOTAL	
(in € millions)	Fair value	Of which allowance for credit losses	Fair value	Of which allowance for credit losses	Fair value	Of which allowance for credit losses	Fair value	Of which allowance for credit losses
At 31 december 2021	**227,742**	**(456)**	**379**	**(9)**	**0**	**0**	**228,121**	**(465)**
Transfers of assets during their lifetime from one bucket to another	**10**	**0**	**(10)**	**0**	**0**	**0**	**0**	**0**
Transfers to Lifetime ECL (bucket 2)	(303)	2	303	(2)	0	**0**	0	0
Transfers to 12-month ECL (bucket 1)	313	(2)	(313)	3	0	**0**	0	0
Transfers to Credit-impaired Lifetime ECL (bucket 3)	0	0	0	0	0	**0**	0	0
Total after transfers	**227,751**	**(455)**	**370**	**(9)**	**0**	**0**	**228,121**	**(464)**
Changes in gross carrying amounts and allowances for credit losses	**(33,715)**	**158**	**(90)**	**(3)**	**0**	**0**	**(33,806)**	**154**
New production: purchase, issuance, origination, etc.	56,982	0	103	0	0	0	57,085	0
Derecognition: disposal, repayment, maturity, etc.	(53,068)	0	(187)	0	0	0	(53,256)	0
Changes in scope of consolidation	(978)	0	0	0	0	0	(978)	0
Other	(36,652)	158	(6)	(3)	0	0	(36,658)	154
At 31 december 2022	**194,036**	**(298)**	**279**	**(12)**	**0**	**0**	**194,315**	**(310)**

	Assets subject to 12-month ECL (bucket 1)		Assets subject to lifetime ECL (bucket 2)		Credit-impaired assets (bucket 3)		TOTAL	
(in € millions)	Fair value	Of which allowance for credit losses	Fair value	Of which allowance for credit losses	Fair value	Of which allowance for credit losses	Fair value	Of which allowance for credit losses
At 31 December 2020	**229,731**	**(361)**	**656**	**(12)**	**0**	**0**	**230,386**	**(373)**
Transfers of assets during their lifetime from one bucket to another	**(140)**	**1**	**141**	**1**	**0**	**0**	**2**	**2**
Transfers to Lifetime ECL (bucket 2)	(140)	1	141	0	0	0	1	1
Transfers to 12-month ECL (bucket 1)	0	0	0	0	0	0	0	0
Transfers to Credit-impaired Lifetime ECL (bucket 3)	0	0	0	0	0	0	0	0
Total after transfers	**229,591**	**(360)**	**797**	**(11)**	**0**	**0**	**230,389**	**(371)**
Changes in gross carrying amounts and allowances for credit losses	**(1,849)**	**(96)**	**(418)**	**2**	**0**	**0**	**(2,267)**	**(93)**
New production: purchase, issuance, origination, etc.	34,921	0	122	0	0	0	35,043	0
Derecognition: disposal, repayment, maturity, etc.	(45,743)	0	(545)	0	0	0	(46,288)	0
Changes in scope of consolidation	14,099	0	0	0	0	0	14,099	0
Other	(5,127)	(96)	5	2	0	0	(5,122)	(93)
At 31 December 2021	**227,742**	**(456)**	**379**	**(9)**	**0**	**0**	**228,121**	**(465)**

Off-balance sheet (financing commitments and guarantee contracts)

(in € millions)	31/12/2022 Gross carrying amount	31/12/2022 Allowance for credit losses	31/12/2022 Net carrying amount
Financing commitments and guarantee contracts	30,363	0	
Loss allowance for financing commitments and guarantee contracts	0	(122)	
Total financing commitments and guarantee contracts	**30,363**	**(122)**	**30,242**

(in € millions)	31/12/2021 Gross carrying amount	31/12/2021 Allowance for credit losses	31/12/2021 Net carrying amount
Financing commitments and guarantee contracts	31,389	0	
Loss allowance for financing commitments and guarantee contracts	0	(97)	
Total financing commitments and guarantee contracts	**31,389**	**(97)**	**31,292**

	Commitments subject to 12-month ECL (bucket 1)		Commitments subject to lifetime ECL (bucket 2)		Credit-impaired commitments (bucket 3)		TOTAL		
(in € millions)	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount (a)	Allowance for credit losses (b)	Net carrying amount (a) – (b)
At 31 December 2021	**30,448**	**(52)**	**907**	**(40)**	**33**	**(5)**	**31,389**	**(97)**	**31,292**
Transfers of commitments from one bucket to another	(3,103)	6	3,086	(2)	17	(6)	0	(2)	(2)
Transfers to Lifetime ECL (bucket 2)	(3,223)	7	3,226	(12)	(3)	0	0	(5)	(5)
Transfers to 12-month ECL (bucket 1)	130	(1)	(126)	4	(4)	0	0	4	4
Transfers to Credit-impaired commitments (bucket 3)	(10)	0	(14)	5	24	(7)	0	(2)	(2)
Total after transfers	**27,345**	**(45)**	**3,993**	**(42)**	**50**	**(11)**	**31,389**	**(99)**	**31,290**
Changes in gross carrying amounts and allowances for credit losses	**(636)**	**11**	**(388)**	**(34)**	**(1)**	**1**	**(1,026)**	**(22)**	**(1,048)**
New production: purchase, issuance, origination, etc.	16,504	(29)	1,693	(80)	21	(3)	18,217	(111)	18,105
Derecognition: disposal, repayment, maturity, etc.	(17,140)	40	(2,081)	46	(21)	3	(19,242)	89	(19,153)
Other	0	0	0	0	0	0	0	(0)	(0)
At 31 December 2022	**26,709**	**(34)**	**3,605**	**(76)**	**49**	**(11)**	**30,363**	**(122)**	**30,242**

Off-balance sheet (financing commitments and guarantee contracts)

	Commitments subject to 12-month ECL (bucket 1)		Commitments subject to lifetime ECL (bucket 2)		Credit-impaired commitments (bucket 3)		TOTAL		
(in € millions)	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount (a)	Allowance for credit losses (b)	Net carrying amount (a) – (b)
At 31 December 2020	**27,358**	**(46)**	**1,128**	**(50)**	**35**	**(3)**	**28,521**	**(99)**	**28,422**
Transfers of commitments from one bucket to another	**(56)**	**1**	**49**	**(2)**	**7**	**(1)**	**(0)**	**(2)**	**(2)**
Transfers to Lifetime ECL (bucket 2)	(284)	2	285	(7)	(2)	0	0	(5)	(5)
Transfers to 12-month ECL (bucket 1)	242	(1)	(232)	5	(9)	0	(0)	4	4
Transfers to Credit-impaired commitments (bucket 3)	(14)	0	(4)	0	18	(1)	0	(1)	(1)
Total after transfers	**27,302**	**(45)**	**1,178**	**(52)**	**42**	**(4)**	**28,521**	**(101)**	**28,420**
Changes in gross carrying amounts and allowances for credit losses	**3,147**	**(7)**	**(271)**	**12**	**(9)**	**(1)**	**2,868**	**4**	**2,872**
New production: purchase, issuance, origination, etc.	15,946	(43)	589	(30)	15	(4)	16,550	(77)	16,473
Derecognition: disposal, repayment, maturity, etc.	(12,799)	36	(860)	42	(23)	3	(13,682)	81	(13,602)
Other	0	0	0	0	0	0	0	0	0
At 31 December 2021	**30,448**	**(52)**	**907**	**(40)**	**33**	**(5)**	**31,389**	**(97)**	**31,292**

Modified financial assets

Modified financial assets correspond to assets that have been restructured due to the customer's financial difficulties. They are loans for which the initial financial conditions have been modified (interest rate, term) for financial or legal reasons related to the borrower's financial difficulties, and which would not have been modified in other circumstances. They concern assets classified as non-performing and, since 1 January 2014, assets that were classified as performing at the time of the restructuring. A more detailed definition of modified financial assets is provided in Note 3 "Significant accounting policies". An asset continues to be classified as modified from the restructuring event and until derecognition.

The post-restructuring carrying amounts of assets restructured during the reporting period are as follows:

(in € millions) At 31 December 2022	Carrying amount before transfer to modified financial assets	Amount of the discount recognised in the income statement	Gross carrying amount
Loans and advances to customers at amortised cost	83	(9)	75
TOTAL MODIFIED FINANCIAL ASSETS	**83**	**(9)**	**75**

(in € millions) At 31 December 2021	Carrying amount before transfer to modified financial assets	Amount of the discount recognised in the income statement	Gross carrying amount
Loans and advances to customers at amortised cost	107	(10)	97
TOTAL MODIFIED FINANCIAL ASSETS	**107**	**(10)**	**97**

Restructured assets at an impairment stage that corresponds to bucket 2 (deteriorated credit quality) or bucket 3 (credit-impaired) can be transferred back into bucket 1 (performing assets) following a subsequent improvement in credit quality resulting in the assessment that there is no longer a significant deterioration in credit quality. In this case, the loss allowance is reduced to an amount equal to the 12-month expected credit loss.

The gross carrying amount of modified assets reclassified during the period is presented below:

	31/12/2022
(in € millions)	Transfer to bucket 1
Loans and advances to customers	7
TOTAL MODIFIED FINANCIAL ASSETS	**7**

	31/12/2021
(in € millions)	Transfer to bucket 1
Loans and advances to customers	10
TOTAL MODIFIED FINANCIAL ASSETS	**10**

Maximum exposure to credit risk

(in € millions)	31/12/2022		
	Net maximum exposure to credit risk	Collateral and other credit enhancements	Unsecured
At 31 December 2022			
Financial assets at fair value through profit or loss	**108,011**	**13,706**	**94,306**
Financial assets held for trading	13,987	13,706	281
Financial assets designated at fair value	5,235	0	5,235
Non SPPI financial assets at fair value	88,789	0	88,789
Hedging derivatives	**1,139**	**1,139**	
Financial assets at fair value through OCI reclassifiable to profit or loss	**194,315**	**20**	**194,295**
Debt securities	194,315	20	194,295
Financial assets at amortised cost	**223,933**	**83,319**	**140,614**
Loans and advances to credit institutions	67,095	153	66,943
Loans and advances to customers	129,645	83,167	46,478
Debt securities	27,193	(0)	27,193
Off-balance sheet (financing commitments and guarantee contracts)	**30,242**	**1,241**	**29,001**
Financing commitments given	28,031	1,240	26,791
Guarantee commitments given	2,211	1	2,210
TOTAL MAXIMUM EXPOSURE TO CREDIT RISK	**557,640**	**99,425**	**458,215**

(in € millions)	31/12/2021		
	Net maximum exposure to credit risk	Collateral and other credit enhancements	Unsecured
At 31 December 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	5,717	0	5,717
Non SPPI financial assets at fair value	101,996	0	101,996
Hedging derivatives	**1,022**	**1,022**	**0**
Financial assets at fair value through OCI reclassifiable to profit or loss	**228,121**	**22**	**228,098**
Debt securities	228,121	22	228,098
Financial assets 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	0	23,480
Off-balance sheet (financing commitments and guarantee contracts)	**31,292**	**1,334**	**29,958**
Financing commitments given	28,849	1,333	27,516
Guarantee commitments given	2,443	0	2,443
TOTAL MAXIMUM EXPOSURE TO CREDIT RISK	**588,566**	**85,893**	**502,673**

Concentration of credit risk

Concentration of credit risk by economic agent

Financial assets at amortised cost	31/12/2022			
	Carrying amount			
	Performing assets (with or without credit deterioration)		Credit-impaired assets	TOTAL
(in € millions)	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	(bucket 3)	
Retail [(a)]	59,871	20,278	1,088	81,237
Government	98,862	121	107	99,089
Central banks	0	0	0	0
Credit institutions	2,867	(0)	0	2,867
Finance companies	7,301	450	15	7,765
Non-financial sector companies	29,005	4,578	907	34,489
Loss allowances	(123)	(605)	(786)	(1,514)
TOTAL	**197,783**	**24,821**	**1,330**	**223,933**

(a) Excluding loans granted to non-trading property companies (SCIs), which are presented in Retail loans in the balance sheet and in Non-financial sector companies in the breakdown by economic agent.

Financial assets at amortised cost	31/12/2021			
	Carrying amount			
	Performing assets (with or without credit deterioration)		Credit-impaired assets	TOTAL
(in € millions)	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	(bucket 3)	
Retail (a)	70,081	4,725	1,049	75,855
Government	97,291	101	4	97,396
Central banks	0	0	0	0
Credit institutions	2,756	50	0	2,806
Finance companies	8,839	293	0	9,132
Non-financial sector companies	26,682	3,417	573	30,672
Loss allowances	(189)	(532)	(669)	(1,390)
TOTAL	**205,460**	**8,054**	**958**	**214,472**

(a) Excluding loans granted to non-trading property companies (SCIs), which are presented in Retail loans in the balance sheet and in Non-financial sector companies in the breakdown by economic agent.

Financial assets at fair value through OCI reclassifiable to profit or loss	31/12/2022			
	Carrying amount			
	Performing assets (with or without credit deterioration)		Credit-impaired assets	TOTAL
(in € millions)	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	(bucket 3)	
Retail	0	0	0	0
Government	101,830	20	0	101,850
Central banks	3,439	0	0	3,439
Credit institutions	44,159	3	0	44,162
Finance companies	6,277	70	0	6,347
Non-financial sector companies	38,331	186	0	38,517
TOTAL	**194,036**	**280**	**0**	**194,315**
Of which loss allowances	*(298)*	*(12)*	*0*	*(310)*

Financial assets at fair value through OCI reclassifiable to profit or loss	31/12/2021			
	Carrying amount			
	Performing assets (with or without credit deterioration)		Credit-impaired assets	TOTAL
(in € millions)	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	(bucket 3)	
Retail	0	0	0	0
Government	127,888	21	0	127,908
Central banks	1,785	0	0	1,785
Credit institutions	47,299	7	0	47,306
Finance companies	6,144	51	0	6,195
Non-financial sector companies	44,626	301	0	44,927
TOTAL	**227,742**	**379**	**0**	**228,121**
Of which loss allowances	*(456)*	*(9)*	*0*	*(465)*

Off-balance sheet (financing commitment and guarantee contracts)	31/12/2022			
	Commitment amount			
	Performing commitments (with or without credit deterioration)		Credit-impaired commitments	TOTAL
(in € millions)	Commitments subject to 12-month ECL (bucket 1)	Commitments subject to lifetime ECL (bucket 2)	(bucket 3)	
Retail [(a)]	9,295	2,040	27	11,363
Government [(b)]	5,176	16	0	5,192
Central banks	1	0	0	1
Credit institutions [(c)]	2,199	115	0	2,314
Finance companies [(d)]	1,835	134	1	1,970
Non-financial sector companies [(d)]	8,203	1,299	21	9,524
Loss allowances [(e)]	*(34)*	*(76)*	*(11)*	*(122)*
TOTAL	**26,675**	**3,528**	**39**	**30,242**

(a) Of which €9,614 million with a probability of default of less than 1%.

(b) Of which €4,037 million with a rating below A.

(c) Of which €578 million with a rating below A.

(d) Of which €.8,126 million with a rating below A.

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

Off-balance sheet (financing commitment and guarantee contracts)	31/12/2021			
	Commitment amount			
	Performing commitments (with or without credit deterioration)		Credit-impaired commitments	TOTAL
(in € millions)	Commitments subject to 12-month ECL (bucket 1)	Commitments subject to lifetime ECL (bucket 2)	(bucket 3)	
Retail [(a)]	11,425	352	22	11,799
Government [(b)]	5,965	3	0	5,968
Central banks	0	0	0	0
Credit institutions [(c)]	3,047	26	0	3,073
Finance companies [(d)]	1,244	0	0	1,244
Non-financial sector companies [(d)]	8,767	527	11	9,305
Loss allowances [(e)]	*(52)*	*(40)*	*(5)*	*(97)*
TOTAL	**30,397**	**867**	**28**	**31,292**

(a) Of which €9,256 million with a probability of default of less than 1%.

(b) Of which €4,971 million with a rating below A.

(c) Of which €1,826 million with a rating below A.

(d) Of which €6,849 million with a rating below A.

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

Concentration of credit risk by rating

Financial assets at amortised cost	31/12/2022			
	Gross carrying amount			
	Performing assets (with or without credit deterioration)		Credit-impaired assets	TOTAL
(in € millions)	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	(bucket 3)	
PD < 1%	53,341	11,915	0	65,256
1% < PD < 3%	5,538	4,477	0	10,015
3% < PD < 10%	967	2,825	0	3,792
PD > 10%	25	1,061	0	1,087
Defaulted loans (subject to legal collection procedures)	0	0	1,088	1,088
TOTAL - Retail	**59,871**	**20,278**	**1,088**	**81,237**
AAA	2,493	76	0	2,569
AA	1,145	0	0	1,145
A	5,179	364	0	5,542
Other	27,489	4,589	921	32,999
TOTAL - corporate	**36,306**	**5,028**	**921**	**42,255**
AAA	2,887	0	0	2,887
AA	83,265	0	0	83,265
A	3,677	4	0	3,681
Other	9,033	117	107	9,256
TOTAL - Government and central banks	**98,862**	**121**	**107**	**99,089**
AAA	352	0	0	352
AA	95	0	0	95
A	1,344	0	0	1,344
Other	1,077	0	0	1,077
TOTAL - Credit institutions	**2,867**	**0**	**0**	**2,867**

Financial assets at amortised cost	31/12/2021			
	Gross carrying amount			
	Performing assets (with or without credit deterioration)		Credit-impaired assets	TOTAL
(in € millions)	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (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
Defaulted loans (subject to legal collection procedures)	0	0	1,049	1,049
TOTAL - Retail	**70,081**	**4,725**	**1,049**	**75,855**
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 - corporate	**35,521**	**3,709**	**574**	**39,804**
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 - Government and central banks	**97,291**	**101**	**4**	**97,396**
AAA	116	0	0	116
AA	472	0	0	472
A	992	0	0	992
Other	1,176	50	0	1,226
TOTAL - Credit institutions	**2,756**	**50**	**0**	**2,806**

Financial assets at fair value through OCI reclassifiable to profit or loss	31/12/2022			
	Fair value			
	Performing assets (with or without credit deterioration)		Credit-impaired assets	TOTAL
(in € millions)	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	(bucket 3)	
AAA	2,228	18	0	2,246
AA	6,665	16	0	6,681
A	17,575	41	0	17,616
Other	18,140	180	0	18,321
TOTAL - Corporate	**44,608**	**256**	**0**	**44,864**
AAA	6,721	0	0	6,721
AA	71,255	0	0	71,255
A	4,297	0	0	4,297
Other	22,995	20	0	23,015
TOTAL - Governement and central banks	**105,269**	**20**	**0**	**105,289**
AAA	5,075	0	0	5,075
AA	6,130	0	0	6,130
A	26,231	0	0	26,231
Other	6,722	3	0	6,726
TOTAL - Credit institutions	**44,159**	**3**	**0**	**44,162**

Financial assets at fair value through OCI reclassifiable to profit or loss	31/12/2021			
	Fair value			
	Performing assets (with or without credit deterioration)		Credit-impaired assets	TOTAL
(in € millions)	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (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 - Corporate	**50,770**	**352**	**0**	**51,122**
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 - Governement and central banks	**129,672**	**21**	**0**	**129,693**
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 - Credit institutions	**47,299**	**7**	**0**	**47,306**

Concentration of credit risk by geographical region

Financial assets at amortised cost	31/12/2022			
	Gross carrying amount			
	Performing assets (with or without credit deterioration)		Credit-impaired assets	TOTAL
(in € millions)	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	(bucket 3)	
France (incl. overseas departments and territories)	182,691	24,788	2,039	209,518
Other EU countries	14,239	208	50	14,498
Other European countries	299	84	3	387
Other	675	346	24	1,046
Loss allowances	(123)	(605)	(786)	(1,514)
TOTAL	**197,783**	**24,821**	**1,330**	**223,933**

Financial assets at amortised cost	31/12/2021			
	Gross carrying amount			
	Performing assets (with or without credit deterioration)		Credit-impaired assets	TOTAL
(in € millions)	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	(bucket 3)	
France (incl. overseas departments and territories)	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
Loss allowances	(189)	(532)	(669)	(1,390)
TOTAL	**205,460**	**8,054**	**958**	**214,472**

Financial assets at fair value through OCI reclassifiable to profit or loss	31/12/2022			
	Fair value			
	Performing assets (with or without credit deterioration)		Credit-impaired assets	TOTAL
(in € millions)	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	(bucket 3)	
France (incl. overseas departments and territories)	88,927	36	0	88,963
Other EU countries	62,012	147	0	62,159
Other European countries	8,054	20	0	8,075
Other	35,043	76	0	35,118
TOTAL	**194,036**	**280**	**0**	**194,315**
Of which loss allowances	(298)	(12)	0	(310)

Financial assets at fair value through OCI reclassifiable to profit or loss	31/12/2021			
	Fair value			
	Performing assets (with or without credit deterioration)		Credit-impaired assets	TOTAL
(in € millions)	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	(bucket 3)	
France (incl. overseas departments and territories)	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**
Of which loss allowances	(456)	(9)	0	(465)

Off-balance sheet (financing commitments and guarantee contracts)	31/12/2022			
	Commitment amount			
	Performing commitments (with or without credit deterioration)		Credit-impaired commitments	TOTAL
	Commitments subject to 12-month ECL	Commitments subject to lifetime ECL		
(in € millions)	(bucket 1)	(bucket 2)	(bucket 3)	
France (incl. overseas departments and territories)	25,803	3,444	49	29,296
Other EU countries	773	157	0	930
Other European countries	121	2	0	123
Other	12	2	0	14
Loss allowances [(a)]	(34)	(76)	(11)	(122)
TOTAL	**26,675**	**3,528**	**39**	**30,242**

Off-balance sheet (financing commitments and guarantee contracts)	31/12/2021			
	Commitment amount			
	Performing commitments (with or without credit deterioration)		Credit-impaired commitments	TOTAL
	Commitments subject to 12-month ECL	Commitments subject to lifetime ECL		
(in € millions)	(bucket 1)	(bucket 2)	(bucket 3)	
France (incl. overseas departments and territories)	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
Loss allowances [(a)]	(52)	(40)	(5)	(97)
TOTAL	**30,397**	**867**	**28**	**31,292**

(a) Expected or incurred losses on off-balance sheet commitments are covered by loss allowances recorded in liabilities.

34.2.7 Additional information on sovereign exposure

The list of sovereign exposures was prepared in accordance with the scope defined by the European Banking Authority (EBA), in other words by including the exposure data relative to regional authorities, central authorities and organisations guaranteed by the French State. These exposures include deposits centralised with Caisse des Dépôts.

31/12/2022 *(in € millions)*	Total Banking Portfolio	Assets at fair value through profit or loss	**Total direct exposure (a)**	Collateral repurchase agreements	Off-balance sheet	**Total direct and indirect exposure (b)**	Exposure (as a%)
Germany	5,763	434	**6,197**	0	0	**6,197**	2.6%
Austria	780	50	**829**	0	0	**829**	0.3%
Belgium	6,572	246	**6,818**	1,628	0	**8,446**	3.5%
Spain	12,683	93	**12,776**	0	0	**12,776**	5.3%
France	148,035	3,870	**151,905**	9,660	1,609	**163,174**	68.0%
United Kingdom	0	1	**1**	582	0	**584**	0.2%
Ireland	69	7	**76**	183	0	**259**	0.1%
Italy	13,074	402	**13,475**	0	0	**13,475**	5.6%
Netherlands	300	79	**380**	0	0	**380**	0.2%
Poland	215	23	**238**	0	0	**238**	0.1%
Portugal	2,158	77	**2,235**	594	0	**2,829**	1.2%
Romania	124	1	**125**	0	0	**125**	0.1%
Other European countries	259	56	**315**	0	0	**315**	0.1%
Supranational	5,780	928	**6,708**	91	0	**6,798**	2.8%
TOTAL EUROPE	**195,812**	**6,266**	**202,078**	**12,738**	**1,609**	**216,424**	**90.3%**
Brasil	2,809	19,315	**22,124**	0	0	**22,124**	9.2%
Canada	665	1	**665**	0	0	**665**	0.3%
Mexico	101	1	**102**	0	0	**102**	0.0%
Other	446	34	**480**	0	0	**480**	0.2%
TOTAL REST OF WORLD	**4,021**	**19,351**	**23,372**	**0**	**0**	**23,372**	**9.7%**
TOTAL	**199,833**	**25,617**	**225,450**	**12,738**	**1,609**	**239,796**	**100.0%**

(a) Direct exposure: fair value or gross carrying amount of proprietary exposures.
(b) Direct and indirect exposures: direct exposures plus indirect exposures arising from the guarantees granted to some of the group's UCITS.

31/12/2021 *(in € millions)*	Total Banking Portfolio	Assets at fair value through profit or loss	**Total direct exposure (a)**	Collateral repurchase agreements	Off-balance sheet	**Total direct and indirect exposure (b)**	Exposure as a%
Germany	5,910	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%
United Kingdom	0	3	**3**	0	1	**3**	0,0%
Ireland	88	15	**103**	0	0	**103**	0,0%
Italy	14,800	501	**15,300**	11	0	**15,311**	6.0%
Luxembourg	37	0	**38**			**38**	0,0%
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	180	59	**239**	0	0	**239**	0.1%
Supranational	5,330	739	**6,070**	2	0	**6,072**	2.4%
TOTAL EUROPE	**219,088**	**5,656**	**224,743**	**10,389**	**943**	**236,075**	**92.6%**
Brasil	2,176	15,117	**17,293**	0	0	**17,293**	6.8%
Canada	750	1	**752**	0	0	**752**	0.3%
Mexico	108	0	**108**	0	0	**108**	0.0%
Other	544	56	**600**	0	0	**600**	0.2%
TOTAL REST OF WORLD	**3,578**	**15,174**	**18,752**	**0**	**0**	**18,752**	**7.4%**
TOTAL	**222,666**	**20,829**	**243,496**	**10,389**	**943**	**254,827**	**100.0%**

(a) Direct exposure: fair value or gross carrying amount of proprietary exposures.
(b) Direct and indirect exposures: direct exposures plus indirect exposures arising from the guarantees granted to some of the group's UCITS.

34.3 Market risk and hedge accounting

34.3.1 Derivatives transactions: analysis by remaining life (notional amounts)

The breakdown of the market value of derivatives by remaining life is presented below.

Hedging derivatives

	31/12/2022							
	Less than 1 year	1 to 5 years	Beyond 5 years	TOTAL	Less than 1 year	1 to 5 years	Beyond 5 years	TOTAL
(in € millions)	ASSETS				LIABILITIES			
Interest rate instruments	**110**	**746**	**155**	**1,011**	**37**	**686**	**1,626**	**2,350**
Interest rate swaps	110	746	155	1,011	37	686	1,626	2,350
Forex instruments	**0**	**0**	**127**	**127**	**0**	**0**	**22**	**22**
Currency futures	0	0	127	127	0	0	22	22
Credit instruments	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other instruments	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total fair value of hedging derivatives	**110**	**746**	**283**	**1,139**	**37**	**686**	**1,648**	**2,371**

	31/12/2021							
	Less than 1 year	1 to 5 years	Beyond 5 years	TOTAL	Less than 1 year	1 to 5 years	Beyond 5 years	TOTAL
(in € millions)	ASSETS				LIABILITIES			
Interest rate instruments	**13**	**658**	**295**	**967**	**21**	**176**	**85**	**282**
Interest rate swaps	13	658	295	967	21	176	85	282
Forex instruments	**0**	**0**	**55**	**55**	**0**	**0**	**51**	**51**
Currency futures	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 of hedging derivatives	**13**	**658**	**351**	**1,022**	**21**	**176**	**136**	**333**

Trading derivatives

(in € millions)	31/12/2022							
	ASSETS				LIABILITIES			
	Less than 1 year	1 to 5 years	Beyond 5 years	TOTAL	Less than 1 year	1 to 5 years	Beyond 5 years	TOTAL
Interest rate instruments	**133**	**3,462**	**2,425**	**6,020**	**609**	**916**	**1,740**	**3,265**
Interest rate swaps	99	659	1,808	2,566	101	560	1,574	2,234
Interest rate options, caps, floors, collars	34	2,803	617	3,454	41	336	166	544
Other interest rate instruments	0	0	0	0	467	20	0	487
Forex instruments	**18**	**18**	**105**	**140**	**343**	**295**	**314**	**951**
Currency futures	18	18	105	140	343	295	314	951
Credit instruments	**0**	**0**	**1**	**1**	**0**	**0**	**1**	**1**
Equity and index instruments	**154**	**477**	**15**	**646**	**10**	**246**	**0**	**256**
Other instruments	**0**	**0**	**0**	**0**	**1**	**3**	**0**	**4**
Total fair value of trading derivatives	**304**	**3,957**	**2,545**	**6,807**	**963**	**1,459**	**2,055**	**4,477**

(in € millions)	31/12/2021							
	ASSETS				LIABILITIES			
	Less than 1 year	1 to 5 years	Beyond 5 years	TOTAL	Less than 1 year	1 to 5 years	Beyond 5 years	TOTAL
Interest rate instruments	**41**	**558**	**695**	**1,293**	**33**	**349**	**408**	**791**
Interest rate swaps	9	215	462	686	7	159	314	480
Interest rate options, caps, floors, collars	33	343	233	608	26	191	94	311
Forex instruments	**73**	**32**	**82**	**188**	**32**	**440**	**380**	**853**
Currency futures	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 of trading derivatives	**256**	**1,257**	**789**	**2,302**	**139**	**1,360**	**788**	**2,288**

34.3.2 General framework of the risk management strategy

General framework

Market risks correspond to the potential impact of changes in the financial markets on La Banque Postale's results or balance sheet. They include price risk, currency risk and commodities risk.

The majority of balance sheet items generate interest income and expenses that are exposed to changes in interest rates either through new transactions at rates that are not known in advance, or through comparative increases in the rate of existing transactions. In the first case, there is a risk of a change in cash flows, while in the second case, there is a fair value risk.

Since 1 January 2020, La Banque Postale group has applied the transitional provisions of IFRS 9 concerning hedge accounting, by applying IFRS 9 to all hedging relationships except for portfolio fair value hedges which continue to be accounted for in accordance with IAS 39.

Type of hedge – management of associated risks

La Banque Postale uses derivatives to hedge market risks as part of its asset/liability and risk management policies.

These economic hedges are subject to different accounting treatments.

Derivatives held for trading, it is on a symmetrical basis with the hedged underlying and that do not by definition qualify for hedge accounting.

Derivatives that form part of a hedging relationship which qualifies for hedge accounting under IFRS 9 and IAS 39 for portfolio hedging, are classified as either fair value hedges or cash flow hedges.

Fair value hedges

A fair value hedge is a hedge of the exposure to changes in the fair value of financial assets or liabilities. Fair value hedges are primarily used to hedge the interest rate risk on fixed-rate assets and liabilities, as well as on demand deposits on the basis allowed by the European Union. In a fair value hedge, the effective portion of the gain or loss on the hedging instrument offsets the loss or gain on the hedged item. The difference between the two amounts corresponds to the ineffective portion of the gain or loss on the hedging instrument, which will have a net impact on profit or loss.

Cash Flow Hedges and all-in-one Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows from financial assets or liabilities, firm commitments or future transactions. Cash flow hedges are used to hedge the interest rate risk on adjustable-rate assets and liabilities. Derivatives used for cash flow hedging fix the amount of future cash flows. In the particular case of forwards, they act as an "all-in-one" cash flow hedge which is automatically effective because the contract covers both the derivative and the underlying to be delivered (hence the term "all-in-one").

Portfolio fair value hedges

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

Portfolio fair value hedging instruments are mainly interest rate swaps designated as fair value hedges of the group's fixed-rate assets and liabilities. The group uses the bottom-layer approach whereby only part of the total value of portfolio items allocated to a time bucket ("the bottom layer") is hedged by the swaps. This is called the bottom-layer approach. In the case of over-hedging, the effectiveness test performed by La Banque Postale shows that it is ineffective, and the hedging derivative is systematically terminated.

Hedging instruments

La Banque Postale uses several types of hedging derivatives to manage the interest rate and currency risks on its balance sheet items.

An interest rate swap is an over-the-counter contract whereby a stream of fixed-rate interest payments on a notional amount is exchanged for a stream of variable-rate interest payments on the same amount. The swaps used by La Banque Postale are mainly Overnight Index Swaps.

An interest rate option is an over-the-counter contract between two counterparties protecting the option buyer from an increase in the underlying interest rate above a certain level. The options used by La Banque Postale were caps entitling it to a cash payment if the underlying interest rate rose above a pre-determined level (the strike rate) in exchange for a premium generally payable when the option was purchased.

The currency swaps used by La Banque Postale are cross currency swaps whereby the group pays principal and fixed-rate interest in foreign currency and receives principal and variable rate interest in euros. In this way, the cross currency swap provides both financing in foreign currency and an economic hedge of the currency risk. The foreign currency and euro cash flows are perfectly matched in terms of amounts, dates and payments.

34.3.3 Scopes and economic links to the hedged risk (the underlying)

Underlyings

La Banque Postale hedges balance sheet transactions in the banking scope (both customer and financial transactions) using derivatives set up with market counterparties. These transactions depend on the business model of the portfolios.

They stem from different hedging strategies that aim primarily to hedge the interest rate risk.

	Scénarios 2022 (in force)	
Hedged item	**Derivative**	**Hedge**
Fixed-rate loans	Fixed-rate payer swap	CO-FVH: carve-out fair value hedge
	Fixed-rate payer swap	FVH: fair value Hedge
Fixed-rate securities purchased	Fixed-rate payer swap	CO-FVH: carve-out fair value hedge
	Fixed-rate payer swap	FVH: fair value hedge
Fixed-rate forward securities purchased	Forward	All-in-one CFH: all-in-one cash flow hedge
Assets with capped revisable rates	Purchased cap	CO-FVH: carve-out fair value hedge
Fixed-rate customer deposits	Fixed-rate receiver swap	CO-FVH: carve-out fair value hedge
Fixed-rate bond issue	Fixed-rate receiver swap	FVH: fair value hedge

Underlying assets

The hedged risk corresponds to the amount represented by the interest rate risk on fixed-rate bonds and customer loans (home loans, consumer credit), and by the interest rate risk on future cash flows (purchases of long-term bonds).

Underlying liabilities

The hedged risk corresponds to the amount represented by the interest rate risk on fixed-rate customer deposits (demand deposits, PEL home-saving plan) and fixed-rate bond issues.

Sources of hedge ineffectiveness

Hedging a security by a swap

There are two types of fair value hedges:
Euribor hedges: Euribor hedges are valued using a Euribor discount curve for the securities and an €STR curve for derivatives. The use of two different discount curves creates a slight hedge ineffectiveness that will become greater when the €STR -Euribor spread varies over time (ineffectiveness stemming from the changes in fair value of the variable leg of the swap, when this rate is not an overnight rate (like the €STR) but a pre-set rate (like the Euribor)).

€STR hedges: €STR hedges are valued using an €STR discount curve for both the securities and the derivatives. The mathematical hedge is thus perfect between the security and the swap (security discounted using €STR with adjustment of the credit component and swap discounted using €STR), which is why this type of hedge is considered to be 100% effective and no effectiveness test is required.

Hedging several securities with several swaps

By applying the defined principles, it is possible to obtain a simplified documented hedging relationship that is **100% effective**, while accurately managing the accounting treatment of the interest rate hedge component and notably the reclassification to profit or loss of hedging gains or losses according to the securities transactions.

The securities and their hedge (a swap or, exceptionally, several swaps) are grouped together by portfolio fair value hedging strategy. Each portfolio fair value hedging strategy respects the following restrictions:

1. maturities of the securities and swaps in the strategy must be in the same time bucket of a maximum of one year;
2. the notional amount of the swap in the strategy must be less than the total principal amount of the securities;
3. the maturity of the swap in the strategy must be less than or equal to the shortest maturity of the securities in the strategy;
4. the sensitivity of the swap in the strategy must be less than or equal to the overall sensitivity of the securities;
5. if there are several swaps in the strategy they must all be executed on the same day;
6. once the securities and the swap(s) are matched, no other securities may be purchased in the strategy, only sales of securities and unwinding of the swaps are authorised.

Within this management framework, once a hedging strategy is set up, new securities or new swaps cannot be added to it. This guarantees that all securities and all swaps undergo the same changes in value (with respect to interest rate risk) over the hedging period.

La Banque Postale has set rules for unwinding hedges by tracking the principal amount of sold securities, strategy by strategy in order to comply with the above restrictions at all times, and partially terminating, on the day the securities are sold, the outstanding amount of the swap that exceeds the aggregate principal amount of the remaining securities. In the case of over-hedging, the effectiveness test performed by La Banque Postale fails and the hedging derivative is systematically terminated for the ineffective portion.

Portfolio fair value hedging: the sources of ineffectiveness consist mainly of the disappearance of the underlying.

Hedging ratio

The hedging ratio (quantity of hedged items/quantity of hedging instruments) is used by La Banque Postale in its operational risk management.

To calculate the ratio, at each reporting date the backward-looking documentation is reviewed to verify that the change in the value of the hedged item since the beginning of the hedging relationship is the same as the change in the hedging instrument. Any valuation difference represents the ineffective portion of the gain or loss on the hedge and is recognised in the income statement.

Effectiveness test

La Banque Postale performs an effectiveness test at least twice during each half-year period.

Cash flow hedges

For cash flow hedges, La Banque Postale uses the hypothetical derivative method. This method consists of comparing changes in fair value of the derivative with changes in the fair value of a hypothetical derivative that would perfectly represent the hedged risk.

Fair value hedges

Hedging a security by a swap

For micro-hedging using Euribor swaps, La Banque Postale uses the hypothetical derivative method. Based on the assumption that €STR swaps are 100% effective in micro-hedging, the method consists of creating an €STR swap replicating the underlying security exactly that could have been set up at the time of hedging, and assessing the change in the value of this swap compared with the change in that of the actual swap.

The residual ineffectiveness thus corresponds to the sum of the changes in value of the hedged item and the hedging instrument. The security and the swap are valued using the same constant yield curve, so that only the market exchange rate is taken into account. The change in the value of the security valued this way is independent of the changes in value of the interest rates and is therefore affected solely by the change in the exchange rate.

If the effectiveness test fails, La Banque Postale rules impose the sale of all or part of the hedged underlying. In this case, effectiveness tests are performed before and after the sale to ensure that the sale eliminates the hedge ineffectiveness.

Hedging several securities by a swap

For monitoring purposes, hedging strategies are documented on a rolling basis to confirm that no new securities have been added to the strategy and that existing positions have not been added to.

Hedging of several loans by several swaps (bottom-layer approach/IAS 39 carve-out)

For a sub-set of fixed-rate customer loans, tests are performed to verify that the value of the loans in the time bucket represent more than the notional amount of the derivatives (swaps or options) used to hedge them (i.e., only the bottom layer is hedged). If the notional amount of the derivatives is greater, the hedging relationship is discontinued, and the derivative(s) is/are systematically unwound.

Fair value and cash flow hedging derivatives

	31/12/2022		
(in € millions)	Assets	Liabilities	Notional amount
Interest rate instruments	**1,011**	**2,350**	**55,471**
Interest rate swaps	1,011	2,350	55,471
Interest rate options, caps, floors, collars	0	0	0
Forex instruments	**9**	**22**	**589**
Currency futures	9	22	589
Other instruments	0	0	0
TOTAL FAIR VALUE HEDGING DERIVATIVES	**1,020**	**2,371**	**56,060**
Interest rate instruments	**0**	**0**	**0**
Forex instruments	**118**	**0**	**1,125**
Currency futures	118	0	1,125
Other instruments	0	0	0
TOTAL CASH FLOW HEDGING DERIVATIVES	**118**	**0**	**1,125**
TOTAL HEDGING DERIVATIVES	**1,139**	**2,371**	**57,185**

The notional amounts of hedging derivatives falling within the scope of application of the amendment to IFRS 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform” are as follows:

Notional amounts of FVH derivatives by maturity	2 years	> 2 years
USD Libor	**668**	**324**

These notional amounts of hedging derivatives are analysed before and after the two-year maturity, which is the period between 1 January 2023 and 31 December 2024.

	31/12/2021		
(in € millions)	Assets	Liabilities	Notional amount
Interest rate instruments	**967**	**282**	**45,305**
Interest rate swaps	967	282	45,305
Interest rate options, caps, floors, collars	0	0	0
Forex instruments	**0**	**0**	**1,152**
Currency futures	0	0	1,152
Other instruments	0	0	0
TOTAL FAIR VALUE HEDGING DERIVATIVES	**967**	**282**	**46,458**
Interest rate instruments	**0**	**0**	**0**
Forex instruments	**55**	**50**	**1,060**
Currency futures	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**

Hedging derivatives: analysis by residual life (notional amounts)

The breakdown of the notional amounts of derivative instruments by residual contractual life is presented below.

	31/12/2022			
(in € millions)	Less than 1 year	1 to 5 years	Beyond 5 years	TOTAL
Interest rate instruments	**16,029**	**24,948**	**14,495**	**55,471**
Interest rate swaps	16,029	24,948	14,495	55,471
Interest rate options, caps, floors, collars	0	0	0	0
Forex instruments	**0**	**0**	**589**	**589**
Currency futures	0	0	589	589
Other instruments	0	0	0	0
TOTAL NOTIONAL AMOUNT OF FAIR VALUE HEDGING DERIVATIVES	**16,029**	**24,948**	**15,084**	**56,060**
Interest rate instruments	**0**	**0**	**0**	**0**
Forex instruments	**0**	**0**	**1,125**	**1,125**
Currency futures	0	0	1,125	1,125
Other instruments	0	0	0	0
TOTAL NOTIONAL AMOUNT OF CASH FLOW HEDGING DERIVATIVES	**0**	**0**	**1,125**	**1,125**
TOTAL NOTIONAL AMOUNT OF HEDGING DERIVATIVES	**16,029**	**24,948**	**16,209**	**57,185**

	31/12/2021			
(in € millions)	Less than 1 year	1 to 5 years	Beyond 5 years	TOTAL
Interest rate instruments	**5,555**	**32,619**	**7,131**	**45,305**
Interest rate swaps	5,555	32,619	7,131	45,305
Interest rate options, caps, floors, collars	0	0	0	0
Forex instruments	**0**	**100**	**1,053**	**1,152**
Currency futures	0	100	1,053	1,152
Other instruments	**0**	**0**	**0**	0
TOTAL NOTIONAL AMOUNT OF FAIR VALUE HEDGING DERIVATIVES	**5,555**	**32,718**	**8,184**	**46,458**
Interest rate instruments	**0**	**0**	**0**	**0**
Forex instruments	**0**	**0**	**1,060**	**1,060**
Currency futures	0	0	1,060	1,060
Other instruments	**0**	**0**	**0**	**0**
TOTAL NOTIONAL AMOUNT OF CASH FLOW HEDGING DERIVATIVES	**0**	**0**	**1,060**	**1,060**
TOTAL NOTIONAL AMOUNT OF HEDGING DERIVATIVES	**5,555**	**32,718**	**9,244**	**47,517**

Fair value hedges

Hedged items

Fair value micro-hedging	31/12/2022			
	Existing hedges		Discontinued hedges	Hedging-related changes in fair value (incl. hedges discontinued during the year)
(in € millions)	Carrying amount	*Including hedging-related cumulative change in fair value*	Deferred cumulative hedging-related change in fair value	
ASSETS				
Interest rate	9,237	(581)	0	(574)
Forex	395	(1)	0	(1)
Other	0	0	0	0
Financial instruments at fair value through OCI	**9,632**	**(583)**	**0**	**(575)**
Interest rate	1,229	(98)	0	(101)
Forex	0	0	0	0
Other	0	0	0	0
Financial instruments at amortised cost	**1,229**	**(98)**	**0**	**(101)**
LIABILITIES				
Interest rate	15,738	(1,631)	0	(1,888)
Forex	0	0	0	0
Other	0	0	0	0
Financial instruments at amortised cost	**15,738**	**(1,631)**	**0**	**(1,888)**

Fair value micro-hedging	31/12/2021			
	Existing hedges		Discontinued hedges	Hedging-related changes in fair value (incl. hedges discontinued during the year)
(in € millions)	Carrying amount	*Including hedging-related cumulative change in fair value*	Deferred cumulative hedging-related change in fair value	
ASSETS				
Interest rate	8,916	(7)	0	(332)
Forex	100	0	0	0
Other	0	0	0	0
Financial instruments at fair value through OCI	**9,015**	**(7)**	**0**	**(332)**
Interest rate	639	4	0	(11)
Forex	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)
Forex	0	0	0	0
Other	0	0	0	0
Financial instruments at amortised cost	**10,063**	**257**	**0**	**(308)**

Portfolio fair value hedges	31/12/2022		31/12/2021	
(in € millions)	Carrying amount	Cumulative change in fair value	Carrying amount	Cumulative change in fair value [(a)]
Debt instruments at amortised cost	9,849	721	11,585	101
Total- ASSETS	**9,849**	**721**	**11,585**	**101**
Debt instruments at amortised cost	16,689	294	14,079	422
Total liabilities and equity	**16,689**	**294**	**14,079**	**422**
TOTAL FAIR VALUE HEDGINF OF THE INTEREST RATE RISK OF A PORFOLIO OF FINANCIAL INSTRUMENTS	**26,538**	**1,015**	**25,664**	**522**

(a) Change in fair value attributable to the hedged risk only and used to determine the effective portion of the fair value of the hedging instrument. The change excludes accrued interests.

Fair value hedging gains and losses

	31/12/2022		
	Net hedging gain/loss		
(in € millions)	Changes in fair value of hedging instruments (incl. discontinued hedges)	Changes in fair value of hedged items (incl. discontinued hedges)	Ineffective portion of the gains/losses
Interest rate	(1,976)	1,950	(26)
Forex	(12)	13	1
TOTAL	**(1,988)**	**1,963**	**(25)**

	31/12/2021		
	Net hedging gain/loss		
(in € millions)	Changes in fair value of hedging instruments (incl. discontinued hedges)	Changes in fair value of hedged items (incl. discontinued hedges)	Ineffective portion of the gains/losses
Interest rate	(130)	125	(5)
Forex	1	(1)	0
TOTAL	**(129)**	**124**	**(5)**

Cash-flow hedges

Hedged items

	31/12/2022		
	Existing hedges	Discontinued hedges	Hedging-related changes in fair value (incl. hedges discontinued during the year)
(in € millions)	Cumulative hedging-related change in fair value	Deferred cumulative hedging-related change in fair value	
ASSETS			
Interest rate	0	75	75
Forex	67	0	47
TOTAL	**67**	**75**	**122**

	31/12/2021		
	Existing hedges	Discontinued hedges	Hedging-related changes in fair value (incl. hedges discontinued during the year)
(in € millions)	Cumulative hedging-related change in fair value	Deferred cumulative hedging-related change in fair value	
ASSETS			
Interest rate	0	27	0
Forex	0	20	42
TOTAL	**0**	**47**	**42**

Cash-flow hedging gains and losses

Hedged items

	31/12/2022		
	Other comprehensive income		Net hedging gain/loss
(in € millions)	Effective portion of hedging gain/loss recognised during the year	Amount recognised in OCI and reclassified to profit or loss during the year	Ineffective portion of gains/losses
Interest rate	0	0	0
Forex	188	(66)	0
TOTAL	**188**	**(66)**	**0**

	31/12/2021		
	Other comprehensive income		Net hedging gain/loss
(in € millions)	Effective portion of hedging gain/loss recognised during the year	Amount recognised in OCI and reclassified to profit or loss during the year	Ineffective portion of gains/losses
Interest rate	0	(4)	0
Forex	106	(64)	0
TOTAL	**106**	**(67)**	**0**

34.3.4 Assessment of risk

Value at risk (VaR)

Value at risk (VaR) is an indicator of La Banque Postale's loss exposure. It gives an estimate of maximum potential losses over a specified period with a given probability. However, VaR does not indicate the various levels of potential losses that may arise from infrequent events.

The VaR indicator is calculated on trading portfolios and also on certain banking portfolios. An overall VaR encompassing all positions is also calculated.

VaR is broken down for each of the activities included in the market portfolio.

In line with a prudent approach, La Banque Postale decided to apply a VaR indicator (one-day, 99%) to all of its mark-to-market positions. The VaR indicator used by La Banque Postale is a parametric VaR, calculated using a variance-covariance matrix that covers La Banque Postale's exposure to interest rate, spread, exchange rate, volatility and equity risks.

The resulting VaR partly covers option-related risks, with second-degree risks not being taken into account. Although they are not currently material in relation to total positions, an increase in option positions could lead the Group Risk Department to adopt a more appropriate methodology. Moreover, option risk monitoring indicators are deployed.

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

Stress scenarios

VaR, which is calculated on the assumption that it follows a normal distribution, is estimated under normal market conditions and does not provide any information on the amount of the potential loss when the VaR is exceeded. As the group needs to be able to estimate potential losses in exceptional market conditions (terrorist attacks, the collapse of a major group, etc.), it defines stress scenarios.

A stress scenario involves simulating an extreme situation in order to assess the financial impact on La Banque Postale's earnings or capital. The use of these scenarios is an analytical and management tool providing a better understanding of market risk.

La Banque Postale trades on all markets (UCITS, currencies, fixed-income, credit and derivatives). However, at present, it mostly deploys directional strategies on the fixed-income, credit and UCITS markets. The crisis scenarios used in the models mainly affect yield curves and credit spreads; other parameters are also taken into account but their impact is limited.

A distinction is made between two major stress families – historical stresses and hypothetical stresses:

- historical stresses are based on historical facts (events which have actually occurred). To build the scenarios, changes which took place in the past during major financial crises are applied to current market conditions. These are historical scenarios;
- hypothetical stresses are scenarios that adopt plausible variations which, although they have never occurred, could threaten the organisation if they did. These shocks are calibrated with assumptions based on historical statistics drawn from market data.

A historical stress scenario is triggered by a sudden event affecting a combination of factors. To plan for a worst-case scenario, the time frames selected correspond to the initial stage during which the crisis spreads up to the first indication that prices are stabilising, given that several trading days are needed to close out high-risk positions.

A stress test is applied to a given category of market risk. La Banque Postale performs stress tests on its main risk exposures.

At group level, quarterly stress tests are performed on all portfolios measured at fair value (including the insurance subsidiaries). This indicator is calculated on the basis of the historical scenario with a 3-month horizon, determined to be the most unfavourable for La Banque Postale group over a 10-year period with a confidence level of 99.5%.

34.4 Liquidity risk

Liquidity risk is defined by the government order of 3 November 2014 as the risk that a company cannot meet its commitments or cannot unwind or cover a position either because of the market situation (systemic risk) or idiosyncratic factors (own risks), within a specific period or at a reasonable cost.

The liquidity risk reporting systems cover the entire La Banque Postale group for regulatory purposes. Some of the limits and indicators used in management refer to corporate units of the group, notably La Banque Postale, the largest entity.

La Banque Postale has a strong liquidity position based on:

- customer deposits exceeding customer loans. La Banque Postale has a significant and diversified deposit base (in excess of €200 billion) consisting primarily of deposits from French retail customers;
- a significant HQLA portfolio (High-Quality Liquid Assets). La Banque Postale has traditionally invested a significant portion of its balance sheet in sovereign securities due to its historical activity as a deposit-taker. The customer credit business only began to develop in 2006. This portfolio contains only high-quality liquid assets in accordance with Delegated Regulation (EU) No 2015/61;
- proven access to capital market financing.

Since funds from customers mostly have no fixed maturity and may be payable at any time (deposits, passbook accounts), their runoff is modelled to determine their profile over time. La Banque Postale has taken a conservative approach to its liquidity assessments.

Liquidity risk management

The Balance Sheet Management Committee is responsible for managing liquidity risk in compliance with the principles and limits approved by the GRMC. Part of this responsibility is delegated to the ALM and Treasury Committee.

In operational terms, La Banque Postale has implemented an internal liquidity adequacy assessment process (ILAAP) which combines all of its liquidity limits, assessment, monitoring, reporting and management procedures. The process includes:

- a system of risk indicators associated with regulatory or internal limits, published at monthly intervals;
- daily monitoring of changes in the buffer consisting of unencumbered high-quality liquid securities and a proxy LCR;
- a financing plan which ensures the equilibrium of La Banque Postale's refinancing position on an ex-ante basis in its budget planning universe;
- twice-yearly market access tests to verify market access in different currencies and actual liquidity tests on securities;
- the Emergency Funding Plan (EFP), which is primarily intended to (see below):
    - define alert thresholds to enable early detection of liquidity stress, whether specific to La Banque Postale or systemic;
    - identify all available liquidity-generating capacities (liquidity reserves and financing capacity);
    - mobilise governance to manage potential crises in a timely manner, and measure La Banque Postale's room for manoeuvre via a stress test system in the context of historically high stress on its liquidity.

The liquidity risk prudential reporting systems cover the entire prudential consolidation scope. Some group entities are also subject to reporting requirements at the individual level.

Liquidity risk measurement

The main indicators of liquidity risk are presented below.

Liquidity Coverage Ratio (LCR)

Short-term liquidity monitoring is based primarily on the survival period and the Liquidity Coverage Ratio (LCR).

The LCR is a monthly short-term liquidity ratio which measures La Banque Postale's capacity to withstand a severe deterioration in its financial situation for up to 30 days in a systemic shock environment.

Under banking regulations, LCR must be greater than 100%. La Banque Postale's internal LCR target is higher than this, and it met this minimum level.

This ratio is calculated by dividing the sum of unencumbered, high-quality liquid assets by the liquidity requirement in a stress environment over a 30-day period. An LCR proxy is calculated daily.

Survival horizon

This indicator measures the number of days during which La Banque Postale would be able to meet its payment obligations in a crisis situation, solely by using its liquidity buffers and assuming that it continues to operate normally (i.e., without extraordinary management action such as a lending freeze).

It is determined based on stressed dynamic gaps calculated for each crisis scenario (systemic, specific to La Banque Postale or both) and corresponds to the horizon observed under the least favourable scenario for La Banque Postale.

The survival horizon is expressed as a number of months (up to a maximum of six months, which corresponds to the crisis scenario horizon), plus the observed liquidity surplus or shortfall corresponding to the horizons set for risk management purposes.

Liquidity gap

La Banque Postale assesses its long-term liquidity level by reference to a liquidity gap. The liquidity gap includes static gap forecasts by maturity and limits defined at 1-, 3- and 5-year horizons. The assumptions used correspond to a stressed approach, resulting in a conservative view of the La Banque Postale group's liquidity position.

The liquidity gap assessment approaches are determined according to the type of asset (or liability) on the balance sheet:

- outstanding loans with fixed maturities (contractual runoff that may or may not be adjusted by a model);
- outstanding loans with no fixed maturities (conventional runoff);
- liquidity profile of the transferable assets;
- off-balance sheet items (liquidity commitments and guarantees).

Transactions with no contractual maturity (including customer deposits and passbook savings accounts) are included based on runoff conventions approved by the Balance Sheet Management Committee and the Group Risk Department.

Off-balance sheet transactions are included, taking into account drawdown assumptions.

The transferability of certain transactions may be taken into account where appropriate.

Net Stable Funding Ratio (NSFR)

The NSFR corresponds to the amount of available stable funding in relation to required stable funding. This ratio should be at least 100% at any time. "Available stable funding" (ASF) refers to the portion of resources that are not payable within the time frame considered, i.e., 1 year within the context of the NSFR. The amount of "required stable funding" (RSF) of a business depends on the characteristics of its liquidity and the residual maturity of its assets (and off-balance sheet positions).

Liquidity reserve

The purpose of the liquidity reserve is to quantify the amount of cash and liquidity readily available through the sale or repurchase of securities in order to withstand a liquidity crisis.

The liquidity reserve is composed of:

- cash deposited with the Central Bank (excluding the average mandatory reserves calculated over the incorporation period);
- ECB-eligible securities with a satisfactory rating;
- retained covered bonds and covered bonds issued by La Banque Postale through its subsidiary La Banque Postale Home Loan SFH.

Top high quality secured home loans qualifying for refinancing by La Banque Postale Home Loan SFH through covered bond issues also represent an important source of liquidity.

Emergency Funding Plan (EFP)

The EFP is monitored by the group's funding governance bodies (the ALM and Treasury Committee and the Refinancing Sub-Committee of the Group Risk Committee) and implemented by the CIB Division.

The EFP is part of the internal liquidity assessment process on which La Banque Postale reports each year. The EFP sets out the leading indicators selected to gauge the robustness of the (financial or banking) markets impacting the liquidity of La Banque Postale.

These indicators can be broken down into two major groups:

- systemic indicators;
- entity-specific ("idiosyncratic") indicators.

A specific threshold (comfort, vigilance or warning) is defined for each indicator.

The EFP also makes provision for a mechanism to be implemented in the event of a proven systemic or entity-specific crisis. This mechanism mainly takes the form of an inventory of the various sources of funds (or liquidity) available to La Banque Postale, based on the amounts involved and the speed with which they can be accessed. The EFP also makes provisions for specific governance through committees, which will monitor the leading indicators. The purpose of this governance organisation is to increase oversight of liquidity risk. In normal times, the indicators are presented at meetings of the ALM and Treasury Committee and periodically to the GRMC. They are also tracked during weekly meetings of the Refinancing Committee. The indicators selected, and the actions proposed, are tested on the markets in order to gauge their suitability along with market liquidity.

The funding test involves testing the market by issuing short-term debt. The aim of this type of test is to regularly verify La Banque Postale's ability to quickly raise funds on the markets to ensure that its estimated borrowing capacity remains valid. This type of test is carried out at least twice a year.

Ability to access external financing

In line with the ALM Committee and the GRMC's prudent liquidity management, La Banque Postale has secured diversified sources of financing, including:

- a €20 billion NEU CP (Negotiable European Commercial Paper) programme and a €10 billion ECP (European Commercial Paper) programme to refinance a portion of La Banque Postale's short-term financing requirements and satisfy demand from institutional customers;
- a €2 billion NEU EMTN programme to refinance a portion of La Banque Postale's short-term financing requirements and satisfy demand from institutional customers;
- a €20 billion retail EMTN programme enabling the issue of senior (vanilla and structured), non-preferred senior and Tier 2 debt;
- a €10 billion retail structured senior debt programme;
- a €30 billion EMTN programme for the issue of home loan bonds (obligations de financement de l'habitat – OFH) via its secure financing vehicle, La Banque Postale Home Loan SFH, a La Banque Postale SA subsidiary created in 2013;
- access to European Investment Bank (EIB) refinancing under La Banque Postale's eligible funds commitment;
- a portfolio of HQLA (High-Quality Liquid Asset) securities, consisting mainly of rapidly accessible, high-quality government bonds which represent a stable source of eligible assets enabling access to ECB refinancing operations or to the securities repo market;
- access to the Brokertec, Eurex Repo and Eurex GC Pooling and NGT Bondlend repo platforms;
- access to the interbank market.

La Banque Postale also has access to a secured financing vehicle via the Caisse de financement local (CAFFIL), to which it regularly sells originated local public sector loans.

34.5 Interest rate risk

The unit responsible for supervising and managing overall interest rate risk is La Banque Postale's Group Risk Department.

The department has several goals:

- to map risks, assess the risk management system and propose limits in line with La Banque Postale's risk appetite;
- to provide periodic monitoring of the indicators used to manage La Banque Postale's overall consolidated interest rate risk and that of its banking subsidiaries;
- to carry out audits of the calculation processes for the various indicators (static and dynamic) and control the integrity of calculated exposures;
- to audit the methodologies used.

This risk is monitored using indicators showing the sensitivity of future margins and economic value to interest rates, and by modelling scenarios which assess the entity's capacity to withstand exogenous shocks.

The interest rate movements tested affect both uncertain cash flows from financial products and earnings from Retail Banking operations via behavioural models – particularly implicit options available to customers.
The supervision of interest rate risk is the responsibility of the ALM Committee, which monitors indicators and forecasts trends based on commercial policy guidelines and observed customer behaviour. The interest rate risk indicators are also reviewed by the GRMC. Interest rate risks are generally reviewed on a monthly basis.

Objectives

Interest rate risk is managed so as to hedge the sensitivity of La Banque Postale's future net interest margin while ensuring compliance with value sensitivity indicators. A dynamic approach based on the business plan is used, applying interest rate derivatives (hedges) or adjusting commercial policies.

The balance sheet includes implicit and explicit options, leading to non-linear economic values based on interest rates. In this context, ALM proposes the regular rebalancing of structural positions using market instruments.

Scope

As required by the Basel Committee, significant interest rate risks in the banking book are identified and measured. Some of these risks may give rise to a specific follow-up procedure.

Interest rate risk is measured by maturity and by type of index for products dependent on variable or adjustable rates (Euribor, inflation, €STR, etc.), taking into account likely runoff agreements, which are themselves dependent on market conditions.

Interest rate risk includes several components:

- fixing risk related to differences between new interest rates applied to assets and to liabilities (depending on baseline rates and maturities);
- yield curve risk related to fixing risk: this is generated by changes in the yield curve (translation, rotation, etc.);
- baseline risks: these are related to the use of multiple baseline interest rates and arise from the imperfect correlation of different reference rates;
- option-related risks (contractual or behavioural);
- risks caused by positions exposed to inflation.

The change in the net interest margin is therefore measured by reference to several interest rate scenarios. The interest rate risk on the balance sheet is simulated with dynamic modelling, taking into account future changes in outstanding amounts (early repayments, loan originations, etc.), in accordance with behavioural models and the business plan.
Trading desk transactions are not included in the overall interest rate risk management process as the risk associated with these transactions is monitored and managed according to the individual limits for each portfolio. These specific trading desk portfolios are subject to market risk-type limits.

Assessing overall interest rate risk

Agreements and models

The interest rate gap and interest rate sensitivity valuation methodologies used are determined according to the type of assets (or liabilities) comprising the balance sheet:

- outstanding loans with fixed maturities (contractual runoff that may or may not be adjusted by a model);
- outstanding loans with no fixed maturities (conventional runoff);
- off-balance sheet items (liquidity commitments and guarantees.

Transactions with no contractual maturity (including customer deposits and passbook savings accounts) are included based on runoff conventions approved by the Balance Sheet Management Committee and the Group Risk Department.

Off-balance sheet transactions are included, taking into account drawdown assumptions.

Interest rate gap

For a given currency, the nominal interest rate gap is calculated for fixed-rate transactions and for variable-rate and adjustable-rate transactions up to the next rate review or reset date. The nominal interest rate gap does not take into account interest rate payments.

The interest rate gap is the difference between the amount of fixed-rate assets and the average amount of fixed-rate liabilities including the effects of off-balance sheet items by maturity.

EVE (Economic Value of Equity) sensitivity

This corresponds to a negative change in value resulting from various shock scenarios. EVE is calculated using static modelling, based on the contractual maturities of balance sheet items.

The following shock scenarios were modelled:

- parallel 200 bps increases in short- and long-term rates;
- parallel 200 bps decreases in short- and long-term rates;
- steeper yield curve (decrease in short-term rates, increase in long-term rates);
- flatter yield curve (increase in short-term rates, decrease in long-term rates);
- increase in short-term rates;
- decrease in short-term rates.

EBA guidelines also require banks to model a regulatory floor for the risk-free rate. The floor starts at -1% and is increased in steps of 0.05% to 0% at 20 years.

Net Interest Margin sensitivity

Net interest margin (NIM) sensitivity is defined as the difference between NIM in a modified interest rate scenario and NIM in a baseline interest rate scenario.

NIM sensitivity is calculated for each interest rate scenario taking into account interest rate-dependent behavioural models, and by maintaining levels of loan origination and deposits from the commercial business, along with assumptions related to equivalent financial transactions in the baseline scenario.
Only the behavioural models show a reaction to the shock scenario. Their impacts on amounts outstanding modify the level of short-term financing.

Different interest rate scenarios featuring an instantaneous shock relative to the baseline curve:

- parallel +100 bps increases in short- and long-term rates;
- parallel 100 bps decreases in short- and long-term rates;
- steeper yield curve (decrease in short-term rates, increase in long-term rates);
- flatter yield curve (increase in short-term rates, decrease in long-term rates);
- increase in short-term rates;
- decrease in short-term rates.

EBA guidelines also require banks to model a regulatory floor for the risk-free rate. The floor starts at -1% and is increased in steps of 0.05% to 0% at 20 years.

NOTE 35 ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS

35.1 Fair value and hierarchy of financial instruments

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

- level 1: instruments valued according to the (unadjusted) prices quoted for identical assets or liabilities on an active market;
- level 2: instruments valued using inputs that are observable for the asset or liability;
- level 3: instruments valued using inputs that are not based on observable market data.

31/12/2022			Fair value hierarchy [b]		
(in € millions)	Carrying amount	Fair value [a]	Level 1	Level 2	Level 3
ASSETS					
Bank assets					
Loans and advances to customers	129,628	121,000	0	107,168	13,832
Loans and advances to credit institutions	67,095	67,131	0	66,816	315
Financial assets at fair value through profit or loss	222,722	222,722	158,121	44,206	20,395
Hedging derivatives	1,139	1,139	0	1,139	0
Financial assets at fair value through OCI	194,534	194,534	186,121	3,934	4,479
Investment property at amortised cost	3,508	4,200	0	4,200	0
Investment property at fair value	2,772	2,772	0	2,772	0
Securities at amortised cost	27,193	23,491	22,197	948	346
Non-bank assets					
Other non-current financial assets	591	591	0	190	401
Trade and other receivables	5,503	5,503	0	0	0
Other current financial assets	702	702	231	471	0
Cash and cash equivalents	4,537	4,537	910	3,627	0
LIABILITIES					
Bank liabilities					
Liabilities due to credit institutions	26,445	26,459	0	26,421	38
Customer deposits	233,276	233,174	0	231,446	1,728
Financial liabilities at fair value through profit or loss	13,359	13,359	345	13,014	0
Hedging derivatives	2,371	2,371	0	2,371	0
Debt securities	29,052	30,407	11,996	18,411	0
Subordinated debt	9,099	8,009	2,155	5,853	0
Non-banking liabilities					
Bonds and debt	11,564	10,083	0	10,083	0
Trade and other payables	9,903	9,903	0	0	0

(a) Including fair value of items recognised at amortised cost.
(b) For items recognised at fair value.

Fair value and hierarchy of financial instruments

31/12/2021			Fair value hierarchy [b]		
(in € millions)	Carrying amount	Fair value [a]	Level 1	Level 2	Level 3
ASSETS					
Bank assets					
Loans and advances to customers	123,117	125,901	0	112,097	13,804
Loans and advances to credit institutions	67,823	67,837	0	67,547	290
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 property at amortised cost	1,344	1,827	0	1,827	0
Investment property at fair value	2,050	2,050	0	2,050	0
Securities at amortised cost	23,480	24,256	22,671	1,087	498
Non-bank assets			0	0	0
Other non-current financial assets	500	500	0	166	334
Trade and other receivables	5,554	5,554	0	0	0
Other current financial assets	436	436	230	206	0
Cash and cash equivalents	2,895	2,895	634	2,261	0
LIABILITIES					
Bank liabilities					
Liabilities due to credit institutions	30,393	30,723	0	30,683	40
Customer deposits	234,582	234,582	0	232,967	1,615
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 securities	21,693	22,495	11,725	10,770	0
Subordinated debt	10,110	10,376	2,731	7,645	0
Non-banking liabilities			0	0	0
Bonds and debt	10,149	14,176	0	14,176	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.

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

(in € millions)	Assets at fair value through profit or loss	Financial assets at fair value through OCI	TOTAL
Opening balance	**18,477**	**3,093**	**21,570**
Gains and losses recognised in profit or loss	572	0	**572**
Gains and losses recognised in OCI	0	(1,198)	**(1,198)**
Purchases	4,917	2,965	**7,882**
Sales	(1,178)	(56)	**(1,234)**
Issues	0	0	**0**
Redemptions	(1,615)	(167)	**(1,782)**
Transfers to or out of level 3	(821)	136	**(685)**
Change of scope of consolidation	0	2	**2**
Other movements	43	(30)	**13**
CLOSING BALANCE	**20,395**	**4,745**	**25,140**

Level 3 fair values: gains and losses for the period recognised in profit or loss.

None

35.2 Methods for calculating the fair value of financial instruments

35.2.1 Financial instruments excluding banking activities

The fair value of bonds and related swaps is measured using a calculation method based on observable inputs, which corresponds to level 2 of the IFRS 7 fair value hierarchy. Details of this calculation method are provided below.

Every financial product is assessed as a series of future cash flows regardless of whether they are determined at the calculation date. The fair value calculation is based on discounting these future cash flows. The discounting factors are deduced from a zero-coupon curve. To calculate the fair value of bonds, La Poste's credit spread is added to the zero-coupon curve. La Poste's implied credit spread is determined based on price brackets supplied by various market participants (brokers).

In the case of cash flows dependent on a floating rate not yet determined at the calculation date, future rates are estimated based on the future structure of interest rates.

In the case of financial products with cash flows in different currencies, the cash flows are discounted for each currency based on discounting factors specific to the currency. The currency market values obtained are then translated into euros at the ECB exchange rate on the day of the calculation.

Option products are determined by factoring in implied market volatility, in view of the option exercise dates.

The fair value of current financial assets and liabilities is deemed equivalent to their carrying amount, in view of their short-term maturity.

The fair value of bonds and UCITS units is determined using quoted prices.

35.2.2 Banking activity financial instruments

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an instrument at initial recognition is generally the transaction price.

IFRS 13 recommends using a quoted price in an active market whenever possible to determine the fair value of a financial asset or liability. An active market is defined as a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Examples include prices observed on exchange markets, dealer markets and brokered markets, or quoted by a regulatory agency, that reflect actual transactions (volumes, range of prices) conducted in an orderly market. In the absence of an active market, fair value is determined using valuation techniques. These techniques include the prices of recent transactions carried out on arm's length terms. They use recognised valuation methods based on market data, fair values of substantially identical instruments, discounted cash flow models or option pricing models. The aim of these techniques is to establish what the price of an instrument would be under normal market conditions. For example, the fair value of bonds or variable-income securities and futures is determined using quoted prices. Valuation techniques based on market data are used mainly to value over-the-counter derivatives, securities on which interest is paid up front (commercial paper, certificates of deposit, etc.) and repo deposits.

Financial instruments are analysed in Note 34.1 based on the three levels of inputs in the fair value hierarchy:

- **level 1**: instruments valued according to the (unadjusted) prices quoted for identical assets or liabilities on an active market.

  This level primarily includes shares and derivatives quoted on organised markets (futures, options, etc.).

  The price quoted for an asset held or a liability to be issued is usually the bid price, and that of a liability held or an asset to be acquired is usually the ask price.
- **level 2**: instruments valued using inputs other than the quoted market prices included within level 1 that are observable for the asset or liability, either directly (prices) or indirectly (prices derived from or corroborated by observable market data).

  These instruments are valued using observable parameters and standardised models or on the basis of similar instruments quoted on an active market. This category includes interest rate swaps, caps, floors, etc.
- **level 3**: instruments valued using unobservable inputs. Unobservable inputs are defined as inputs based neither on observable market transactions involving the same instrument at the measurement date, nor on observable market data available at the same date.

  This category mainly includes unlisted equity investments and units in venture capital and innovation funds.

  The market value of unlisted equity investments is determined by reference to criteria such as net assets, earnings outlook and discounted future cash flows.

Fair value of loans

This information covers all disbursed loans and drawdowns on credit facilities shown in La Banque Postale's balance sheet. Loans granted but not yet disbursed or drawn down are not taken into account: the assumption is that since their rates were recently set, their fair value should not be materially different from their nominal amount.

The main underlying assumptions for the calculation are as follows for the loans marketed by La Banque Postale:

- the fair value of current account overdrafts is presumed to correspond to their book value due to their short duration (the customer is required to return the account to credit within one month);
- the fair value of loans is determined using internal models based on the discounted present value of cash flows from principal and interest payments over the residual term. The discount rate applied is the internal disposal rate.

Fair value of deposits

The main underlying assumptions for the calculation are as follows:

- for deposits at regulated interest rates, Livret B and Livret jeune accounts, Plans d'épargne populaire and term deposit accounts, fair value is assumed to be the carrying amount of the amount outstanding;
- the fair value of demand deposits is assumed to correspond to the carrying amount of the amount outstanding, net of the fair value excluding accrued interest of the swaps used to hedge demand deposits (carve-out).

Fair value of held or issued debt instruments

The fair value of listed financial instruments corresponds to the period-end closing price. The fair value of unlisted financial instruments is determined by discounting future cash flows at the market rate in effect at the closing date.

35.3 Impact of financial instruments on net profit/(loss) and equity

Non-banking activities

The impact of the group's financial instruments on profit or loss (excluding banking activities) is described in note 13 "Net financial income/(expense)".

Banking activities

The table below details the impact of the banking activity financial instruments on profit or loss and other comprehensive income.

2022		Changes in fair value			
(in € millions)	Interest income (expense)	Fair value through profit or loss	Fair value through OCI	Deconso-lidation and dividends	**Net gain/(loss)**
Assets and liabilities at amortised cost	1,623	0	0	18	**1,641**
Assets at fair value through OCI	3,622	0	(6,293)	(2,694)	**(5,365)**
Financial instruments at fair value through profit or loss	0	(10,911)	0	1,578	**(9,333)**
Hedging transactions	219	(25)	118	0	**312**
TOTAL	**5,464**	**(10,936)**	**(6,175)**	**(1,098)**	**(12,745)**
2021					
Assets and liabilities at amortised cost	1,977	0	0	0	**1,977**
Assets 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 transactions	205	(5)	38	0	**238**
TOTAL	**3,945**	**12,570**	**(914)**	**191**	**15793**

35.4 Hedging derivatives

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 to "Loans and advances". The transfer of part of the securities in the available-for-sale financial assets portfolio that no longer had the expected liquidity to the loans and advances category enables the financial statements to provide a better view of La Banque Postale's allocation of resources. The carrying amount and fair value of securities reclassified on 1 July 2008 remained immaterial at 31 December 2022.

35.6 Offsetting of financial instruments

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

35.6.1 Industrial and commercial activity derivative instruments

2022	Gross amount	Amount offset in balance sheet	Net amount in balance sheet	Amount not offset in balance sheet		Net amount
(in € millions)	A	B	C=A-B	Derivative instruments D	Collateral cash E	F=C-D-E
Derivative assets	44		44	15	29	1
Derivative liabilities	27		27	15	13	
2021	A	B	C=A-B	Derivative instruments D	Collateral cash E	F=C-D-E
Derivative assets	58		58	30	29	(1)
Derivative liabilities	35		35	30	3	2

La Poste has put framework agreements in place with all of its market counterparties in order to reduce its exposure if its market counterparties default. These agreements result in the losing counterparty paying a security deposit to the winning counterparty in cash, equivalent to the net position of the derivatives. Margin calls occur weekly or daily, according to the counterparties. These agreements do not comply with the criteria in IAS 32 governing the offsetting of derivative assets and liabilities in the balance sheet. They do, however, fall within the scope of disclosures under IFRS 7 on offsetting.

35.6.2 Banking activity financial instruments

2022	Gross amount	Amount offset in balance sheet	Net amount in balance sheet	Amount not offset in balance sheet		Instruments received/given as collateral	Net amount
(in € million)	A	B	C=A-B	Financial instruments D	Collateral cash D	E	F=C-D-E
ASSETS							
Financial instruments at fair value through profit or loss	**223,895**	**0**	**223,895**	**4,828**	**2,927**	**0**	**216,140**
Of which repo transactions	5,589	0	5,589	0	0	0	5,589
Of which derivatives (including hedging derivatives)	*7,946*	*0*	*7,946*	*4,828*	*2,927*	*0*	*191*
Loans and advances to credit institutions and customers	**198,113**	**1,373**	**196,740**	**101**	**246**	**1,426**	**194,966**
Of which repo transactions	*6,780*	*1,373*	*5,407*	*101*	*246*	*1,426*	*3,634*
Accruals and other assets	**36,008**	**0**	**36,008**	**8**	**0**	**0**	**36,000**
Of which security deposits	*8*	*0*	*8*	*8*	*0*	*0*	*0*
Other financial assets not offset	**289,002**	**0**	**289,002**	**0**	**0**	**0**	**289,002**
TOTAL ASSETS	**747,018**	**1,373**	**745,644**	**4,937**	**3,174**	**1,426**	**736,107**
LIABILITIES							
Financial instruments at fair value through profit or loss	**15,764**	**0**	**15,764**	**4,828**	**806**	**0**	**10,130**
Of which derivatives (including hedging derivatives)	*6,848*	*0*	*6,848*	*4,828*	*806*	*0*	*1,214*
Liabilities due to credit institutions and customers	**261,181**	**1,373**	**259,807**	**101**	**950**	**18,941**	**239,816**
Of which reverse repo transactions	*39,396*	*1,373*	*38,023*	*101*	*950*	*18,941*	*18,030*
Other liabilities not offset (excluding equity)	**446,765**	**0**	**446,765**	**0**	**0**	**0**	**446,765**
TOTAL LIABILITIES	**723,710**	**1,373**	**722,336**	**4,929**	**1,756**	**18,941**	**696,711**

2021	Gross amount	Amount offset in balance sheet	Net amount in balance sheet	Amounts not offset in balance sheet		Instruments received/given as collateral	Net amount
(in € millions)	A	B	C=A-B	Financial instruments D	Collateral cash D	E	F=C-D-E
ASSETS							
Financial instruments at fair value through profit or loss	**232,524**	**0**	**232,524**	**2,237**	**961**	**0**	**229,326**
of which repo transactions	1	0	1	0	0	0	1
Of which derivatives (including hedging derivatives)	*3,368*	*0*	*3,368*	*2,237*	*961*	*0*	*170*
Loans and advances to credit institutions and customers	**192,957**	**1,965**	**190,992**	**82**	**60**	**5,119**	**185,731**
Of which repo transactions	*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 security deposits	*5*	*0*	*5*	*5*	*0*	*0*	*0*
Other financial 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*
Liabilities due to credit institutions and customers	**267,396**	**1,965**	**265,431**	**87**	**635**	**27,416**	**237,293**
Of which reverse repo transactions	*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**

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

The commitments of La Poste and the French State were redefined in "Public Service Agreement 2013-2017" approved by the group's Board of Directors on 22 April 2013 and signed by all stakeholders on 1 July 2013.

The agreement is based on the following principles:

- maintaining the broad scope of the public service missions assigned to La Poste: universal postal service, press transport and delivery, accessible banking and regional development, as well as maintaining the principle of offsetting costs for the latter three missions;
- making progress in strengthening service quality;
- developing missions adapted to users' expectations and technological advancements;
- introducing community commitments to promote the development of businesses and regions, supporting disadvantaged people, developing a digital society and engaging in corporate social responsibility.

A new public service agreement between La Poste and the French State for the 2018-2022 period was approved by the group's Board of Directors on 19 December 2017 and signed on 16 January 2018. This agreement is an extension of the previous agreement and aims at ensuring and modernising the exercise of the four public service missions of La Poste. These missions benefit from the support of the State, in exchange for which La Poste commits to respecting ambitious quality indicators.

Moreover, the agreement expands on the use of community commitments to promote the development of a digital society, local services, and sustainable and responsible development.

An amendment to the public service agreement between La Poste and the French State was signed on 18 May 2022. It incorporates changes announced by the government concerning its support for the universal postal service and regional development missions as well as the reform of the public service mission of press transport.

The French Postal Regulation Law of 20 May 2005 provided France's electronic communications and postal regulation authority ARCEP with the power to regulate pricing for the universal postal service on a multi-year basis, after reviewing La Poste's proposals. This law also confirmed and clarified La Poste's regional development mission.

Regarding the group's banking activities, the French State sets the commission rates on regulated savings products, i.e *Livret A* saving accounts, sustainable development savings accounts and *Livret d'épargne populaire* saving accounts. Changes in these rates has a direct impact on La Banque Postale's net banking income.

36.1.2 Relations with public-sector companies

La Poste Groupe enters into transactions, at arm's-length conditions, with puclic-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 the Caisse des Dépôts (CDC) group mainly concern transactions carried out by La Banque Postale with the savings funds managed by CDC and are presented in the following table:

(in € millions)	31/12/2022	31/12/2021
Income	1,611	1,082
Expenses	(14)	(7)
Receivables	69,280	66,115
Payables	506	452

Transactions with other associates and joint ventures are not material.

36.3 Remuneration of administration and management bodies

The remuneration of La Poste Groupe's main senior executives amounted to €5.7 million in total for the year ended 31 December 2022 (€5.6 million in 2021). Senior executives do not receive any specific post-employment benefits.

The Group's main senior executives are the members of the Executive Committee and the members of the Board of Directors (whose remuneration comprises attendance fees, for the most part paid to the State or to Caisse des Dépôts, and the salaries of employee representatives). Attendance fees paid in 2022 amounted to €0.3 million (€0.3 million in 2021).

NOTE 37 STRUCTURED ENTITIES

37.1 Consolidated structured entities

Structured entities are entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. This is the case, for example, when the relevant activities are directed by means of contractual arrangements. Structured entities generally have a narrow and well-defined objective and restricted activities.

Consolidated structured entities include:

- collective investments undertakings (OPC/FCP funds) managed by group subsidiaries as part of its banking business, or that are held in policyholder and own-fund portfolios;
- securitization funds whose units are issued by structured entities. They are designed to diversify the underlying credit risk and may be organised by tranche.

37.2 Unconsolidated structured entities

The following disclosures concern entities structured but not controlled by the group. They are organised by group of entities with the same or similar business: securitisation, mutual funds and other activities.

Securitisation

Securitisation covers securitisation funds and similar structures that issue financial instruments with inherent credit risk that may be acquired by investors and may be organised in tranches. Securitisation is a financial technique that converts receivables that are illiquid and held to maturity, into negotiable liquid securities. The purpose of securitisation is to:

- convert illiquid portfolios into liquid securities;
- Make it easier to raise funds on more attractive terms (refinancing vehicle) ;
- enhance risk management by transferring risk to the investor;
- transfer credit risk and its components (interest rate risk, liquidity risk, etc.) and reduce capital requirements ;
- restructure the balance sheet (ALM instrument).

Mutual funds

This activity seeks to meet investor demand by:

- managing funds via structured entities such as collective investment undertakings, real estate investment funds or equivalent vehicles;
- investment insurance premiums received by insurers from policyholders in accordance with the regulatory provisions of the French Insurance Code. The insurance companies' asset portfolios guarantee their ability to fulfil their obligations towards policyholders throughout the life of the insurance policy and both the value of the investments and the investment yield are correlated to the related obligations.

Other activities

This category covers all other activities.

Interests in non-consolidated structured entities

The group's interest in a non-consolidated structured entity concerns contractual or non-contractual ties that expose it to a risk of variable returns linked to the entity's performance. Its interest may be in the form of equity instruments or debt securities but may also take the form of a loan, a cash facility, credit enhancement or the provision of collateral or structured derivatives.

The following table provides cumulative information by activity about all entities in which the group has unrestricted interests :

(in € millions)	**Securitization**	**Investment funds**	**Other**
Financial assets at fair value through profit or loss	6,810	99,920	423
Financial assets at fair value through OCI	1,386	0	87
Financial assets at amortised cost	0	203	3,211
Total recognised assets in non-consolidated structured entities	**8,197**	**100,123**	**3,720**
Financial liabilities at fair value through profit or loss	0	0	351
Total recognised liabilities in non-consolidated structured entities	**0**	**0**	**351**
Funding commitments given	0	0	866
Maximum loss exposure	**8,197**	**100,123**	**4,586**
Guarantees received and other credit enhancements	0	0	0
Net loss exposure	**8,197**	**100,123**	**4,586**

The maximum loss exposure corresponds to the interests recognised in assets and commitments given, less provisions for liabilities and charges recognised in liabilities, less guarantees received.

The maximum loss exposure is, in most cases, limited to the units held in funds, with the exception of funds in which La Banque Postale guarantees capital and performance.

Disclosures concerning non-consolidated structured entities sponsored by the group

Non-consolidated structured entities sponsored by the group are funds structured by a management company controlled by the group, notably funds managed by La Banque Postale Asset Management.

A structured entity is considered to be sponsored by the group when its name includes either the name of the group or one of its subsidiaries.

Income received by the group from these entities amounted to €104 million for the year ended 31 December 2022 and consisted mainly of non-recurring commission.

NOTE 38 OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

38.1 Banking activity commitments

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

(in € millions)	31/12/2022	31/12/2021
Financing, guarantee and securities commitments given		
Financing commitments		
given to credit institutions	1,296	1,949
given to customers	26,849	26,992
Guarantee commitments		
given to credit institutions	1,019	1,123
given to customers [(a)]	1,199	1,324
Commitments on securities to be delivered	15,432	17,438
Financing, guarantee and securities commitments received		
Financing commitments		
received from credit institutions [(b)]	14,783	17,185
received from customers	1,728	400
Guarantee commitments		
received from credit institutions	40,713	36,937
received from customers	7,746	6,980
Commitments on securities to be received	179	216
Other commitments given [(b)(c)]	54,333	51,044
Other commitments received[(d)]	23,666	27,297

(a) *Including capital and performance guarantees given to the holders of UCITS units managed by group entities.*
(b) *Of which commitments given (€8,825 million) and received (€1,795 million) as part of the "3 G" guarantee management arrangement with the Banque de France, which the Banque de France, which allows banks to jointly manage all collateral relating to their refinancing transactions with Banque de France.*
(c) *In 2022, this included €25,277 million (€23,798 million in 2021) in home loans pledged as collateral for bonds issued by La Banque Postale Home Loan SFH, the home financing company of the group.*
(d) *Corresponding mainly to securities pledged to CNP Assurances by ceding insurers under the terms of inward reinsurance contracts.*

Crédit Logement commitments

La Banque Postale is commited to maintaining Crédit Logement's Tier 1 capital at a level equivalent to its interest in the company, i.e., 6%, so that the company can maintain its solvency ratio.

La Banque Postale is also committed to resplenishing Crédit Logement's mutual guarantee fund if required. This fund underwrites borrower defaults on guaranteed loans. The amount of this commitment, which corresponds to the share of loans distributed by La Banque Postale, was €168 million at 31 December 2022 (versus €184 million at 31 December 2021).

38.2 Other commitments given

38.2.1 Guarantees and endorsements

Total guarantees and endorsements given amounted to €29 million as at 31 December 2022.

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 recognised the corresponding liability;
- sale of the shares in the franchises owned;

These options are exercisable over a period of 20 years as of 10 March 2008, subject to the acquisition of a franchise by Geopost subsequent to this agreement. The purchase obligation guaranteed by Geopost is capped at an annual €100 million.

These options have been exercisable since the acquisition of the Teruel franchise by Geopost in March 2009.

38.2.3 Corporate philanthropy

La Poste had committed to financing several philanthropical projects for a total of €13 million at 31 December 2022.

38.3 Other commitments received

38.3.1 Guarantees and endorsements

Total guarantees and endorsements received amounted to €71 million at 31 December 2022, including €59 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 11 banks in the banking syndicate. This facility had not been used at 31 December 2022.

38.3.3 Property sale commitments

La Poste Groupe has entered into property sale commitments that are expected to be completed in 2023 or later. As at 31 December 2022, the commitments received in this respect amounted to €41 million in total.

38.3.4 Commitments received in business acquisition transactions

In connection with its acquisitions of equity interests, the group receives various legal or negotiated commitments from the vendors, under which the group may be entitled to compensation for any losses under certain conditions.
These commitments include vendor non-compete commitments received in connection with the acquisition of the Seur franchises in Spain and Portugal and various vendor warranties.
The group has also received various other guarantees that cannot be measured accurately because they are triggered or capped when a certain threshold is exceeded.

38.4 Contingent liabilities

The group is not aware of any material risks for which no provision has been recognised in the consolidated financial statements.

NOTE 39 ADDITIONAL DETAILS ON BANKING AND INSURANCE ACTIVITIES

39.1 La Banque Postale sub-group balance sheet (in banking format)

ASSETS

(in € millions)	31/12/2022	31/12/2021
Cash, central banks	39,355	50,812
Financial assets at fair value through profit or loss	222,722	231,420
Hedging derivatives	1,139	1,022
Financial assets at fair value through OCI	194,796	228,509
Securities at amortised cost	27,193	23,480
Loans and advances to credit institutions at amortised cost	67,095	67,823
Loans and advances to customers at amortised cost	129,628	123,117
Revaluation differences on portfolios hedged against interest rate risks	721	101
Current tax assets	2,592	831
Accruals and other assets	35,947	33,268
Assets held for sale	0	178
Deferred participation	9,692	0
Investments in equity-accounted companies	1,108	948
Property, plant and equipment, intangible assets and investment properties	12,785	9,796
Net goodwill – Assets	143	142
Elimination of La Banque Postale shares held by La Poste	(8,879)	(8,879)
TOTAL	**736,038**	**762,568**

LIABILITIES

(in € millions)	31/12/2022	31/12/2021
Financial liabilities at fair value through profit or loss	13,359	4,253
Hedging derivatives	2,371	333
Interbank transactions: liabilities due to credit institutions	26,445	30,393
Customer deposits	233,277	234,584
Debt securities	29,052	21,693
Revaluation differences on portfolios hedged against interest rate risks	294	422
Current tax liabilities	1,017	1,355
Accruals and other liabilities	22,582	21,226
Insurance company technical provisions	383,656	414,398
Provisions	970	1,075
Subordinated debt	9,099	10,110
Non-controlling interests	**7,731**	**11,690**
Equity attibutable to owners of the parent	**6,314**	**10,845**
Reserves and retained earnings	5,273	10,289
Profit/(loss) attributable to owners of the parent	1,041	556
Balance of transactions with the rest of the group – Impact on profit and loss	0	0
Balance of transactions with the rest of the group – Impact on the balance sheet	(128)	193
TOTAL	**736,038**	**762,568**

39.2 Banking and insurance assets and liabilities by remaining periods to maturity

(in € millions)	Maturities of under 1 year	Maturities of over 1 year	Total
Assets remaining periods to maturity			
Cash, central banks	39,355	0	39,355
Financial assets at fair value through profit or loss	22,256	200,466	222,722
Hedging derivatives	110	1,029	1,139
Financial assets at fair value through OCI	26,982	167,814	194,796
Securities at amortised cost	2,621	24,572	27,193
Loans and advances to credit institutions	66,654	441	67,095
Loans and advances to customers	19,705	109,923	129,628
Revaluation differences on portfolios hedged against interest rate risks - Liabilities	0	721	721
Liabilities by remaining periods to maturity			
Financial liabilities at fair value through profit or loss	7,413	5,946	13,359
Hedging derivatives	37	2,334	2,371
Liabilities due to credit institutions	24,961	1,484	26,445
Customers deposits	215,713	17,564	233,277
Debt securities	14,143	14,909	29,052
Subordinated debt	316	8,783	9,099
Revaluation differences on portfolios hedged against interest rate risks - Liabilities	0	294	294

39.3 Insurance investments

(in € millions)	31/12/2022	31/12/2021
Financial assets at fair value through profit or loss	212,096	226,403
Hedging derivatives	118	55
Financial assets at fair value through OCI reclassifiable to profit or loss	182,437	216,584
Securities at amortised cost	96	84
Investment properties	6,280	3,393
Investments in equity-accounted companies	1,108	948
INSURANCE INVESTMENTS	**402,135**	**447,467**

The Financial assets at fair value through profit or loss and the financial assets at fair value through OCI reclassifiable to profit or loss are detailed below :

Financial assets at fair value through profit or loss

(in € millions)	31/12/2022	31/12/2021
Debt instruments	**171,448**	**180,952**
Government paper and equivalents	3,992	4,316
Bonds and other fixed-income securities	23,592	20,439
UCITS	60,782	76,848
Assets backing unit-linked contracts	77,726	73,742
Loans and advances	5,356	5,607
Equity instruments	**36,946**	**44,038**
Equity and other variable-income securities	34,012	39,301
Assets backing unit-linked contracts	2,933	4,737
Derivatives instruments	3,702	1,413
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**212,096**	**226,403**

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

(in € millions)	31/12/2022 Fair Value	31/12/2022 Loss allowances	31/12/2022 Unrealised gains/losses
Government paper and equivalents	97,190	(121)	(24,808)
Bonds and other fixed-income securities	85,247	(175)	(13,264)
Total debt instruments	**182,437**	**(296)**	**(38,072)**
FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI RECLASSIFIABLE TO PROFIT OR LOSS	**182,437**	**(296)**	**(38,072)**
Tax	0	0	10,277
Gains and losses recognised directly in OCI (net of tax) [(a)]			**(27,795)**

(in € millions)	31/12/2021 Fair Value	31/12/2021 Loss allowances	31/12/2021 Unrealised gains/losses
Government paper and equivalents	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 OCI RECLASSIFIABLE TO PROFIT OR LOSS	**216,584**	**(429)**	**(1,178)**
Tax	0	0	603
Gains and losses recognised directly in OCI (net of tax) [(a)]			**(575)**

(a) On debt instruments at fair value through OCI reclassifiable to profit or loss (insurance investments).

39.4 Net Income from insurance activities

(in € millions)	31/12/2022	31/12/2021
Written premiums	37,140	32,849
Change in unearned premiums	(54)	(176)
Earned premiums	**37,086**	**32,673**
Revenue from other activities	**82**	**90**
Other operating income	**2**	**14**
Investment income net of expenses	5,697	5,289
Gains and losses on disposals of investments	(2,973)	(1,209)
Change in fair value of investments recognised fair value through profit or loss	(11,253)	10,457
Change in impairment losses on investments	128	(68)
Impact of the overlay approach	700	(1,074)
Investment income net expenses	**(7,701)**	**13,396**
Total revenue	**29,470**	**46,173**
Claims and benefits expenses	(21,572)	(39,215)
Ceded expenses and income	93	205
Income and expenses from other activities	(15)	5
Acquisition costs	(4,313)	(4,013)
Amortisation of value of in-force business and distribution agreements	(580)	(552)
Administrative costs	(362)	(285)
Other recurring operating income and expenses	(614)	(489)
Total other recurring income and expenses, net	**(27,364)**	**(44,345)**
Recurring operating profit/(loss)	**2,106**	**1,828**
Non-recurring operating income and expenses, net	(48)	(4)
Operating profit/(loss)	**2,058**	**1,823**
Finance costs	(121)	(99)
Changes in value of intangible assets	(47)	(122)
Share of profits of equity-accounted companies	28	88
Changes in value of goodwill	23	0
Income tax	(432)	(469)
Consolidated net profit/(loss)	**1,509**	**1,222**
Non-controlling interests	**279**	**474**
Net profit/(loss) attribuable to owners of the parent	**1,230**	**748**

39.5 Impact of the application of the overlay approach

The net impact of applying the overlay approach by type of financial asset is presented bellow:

	31/12/2022				31/12/2021			
(in € millions)	**Carrying amount**	**Gross overlay impact**	**Deferred tax**	**Net overlay impact**	**Carrying amount**	**Gross overlay impact**	**Deferred tax**	**Net overlay impact**
UCITS	45,527	(438)	112	(326)	46,964	131	(32)	99
Equities and other variable-income securities	31,847	(180)	87	(92)	33,598	943	(56)	887
Bonds	8,508	(83)	37	(47)	6,160	(9)	2	(7)
Others financial assets	13,310	1	38	39	18,559	9	36	45
TOTAL	**99,192**	**(700)**	**274**	**(426)**	**105,281**	**1,074**	**(50)**	**1,024**

The impact of the income statement of applying the overlay approach is presented below:

	31/12/2022			31/12/2021		
(in € millions)	**IAS 39**	**IFRS 9**	**Overlay impact**	**IAS 39**	**IFRS 9**	**Overlay impact**
Net banking income excluding overlay	(91)	(791)	-	51	1,125	-
overlay impact	-	-	700	-	-	(1,074)
Net banking income	**(91)**	**(791)**	**700**	**51**	**1,125**	**(1,074)**
Deferred taxes	23	297	(274)	(25)	(75)	50
NET PROFIT	**(68)**	**(494)**	**426**	**26**	**1,050**	**(1,024)**

NOTE 40 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

40.1 Reconciliation between net profit/(loss) and cash flows from operating activities before cost of net debt and taxes

(in € millions)	NOTE	2022	2021
Consolidated net profit/(loss) for industrial and commercial activities		**176**	**1,556**
Share in net profit/(loss) of equity-accounted companies		84	23
Unrealised gains and losses on fair value adjustments (excluding banking activities)		(3)	(7)
Gains and losses on disposals (incl. dilution)		(18)	(47)
Net changes in provisions		(385)	6
Depreciation, amortisation and impairment losses	40.2	2,966	800
Other non-cash income and expenses		(3)	(24)
Cash flow from operating activities after cost of net debt and taxes for industrial and commercial activities		**2,818**	**2,307**
Cost of net debt [(a)]		214	240
Income tax (incl. deferred taxes)		(1,048)	27
Cash flows from operating activities before cost of net debt and taxes for industrial and commercial activities		**1,985**	**2,574**
Contribution of banking and insurance activities (see EBITDA, note 40.10)		2,780	2,820
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE COST OF NET DEBT AND TAXES		**4,764**	**5,394**

(a) Excluding change in unrealised gains and losses on fair value adjustments.

40.2 Depreciation, amortisation and impairment losses

(in € millions)	2022	2021
Additions to and reversals of amortisation of operating profit/(loss)	2,790	800
Additions to and reversals of amortisation of net financial income/(expense)	(7)	(3)
Goodwill impairment	184	3
TOTAL	**2,966**	**800**

40.3 Change in working capital requirement

(in € millions)	2022	2021
Change in inventories and work-in-progress	(15)	31
Change in operating receivables	35	(486)
Change in operating payables and other operating assets and liabilities	243	11
TOTAL	**264**	**(444)**

40.4 Change in balance of banking and insurance assets and liabilities

(in € millions)	2022	2021
Change in financial assets at fair value through profit or loss	11,577	(22,361)
Change in hedging derivatives	(167)	471
Change in financial assets at fair value through OCI	(4,016)	16,367
Change in securities at amortised cost	(3,705)	539
Change in loans and advances to credit institutions at amortised cost	314	5,711
Change in loans and advances to customers at amortised cost	(6,527)	2,079
Change in revaluation differences on portfolios hedged against interest rate risks	(621)	119
Change in other financial assets and accruals	(3,174)	(314)
Change in investment property	(982)	(438)
Change in financial liabilities at fair value through profit or loss	11,203	(12,639)
Change in hedging derivatives	2,089	(494)
Change in liabilities due to credit institutions	(5,016)	(2,912)
Change in customers deposits	(1,307)	4,633
Change in debt securities	7,359	54
Change in revaluation differences on portfolios hedged against interest rate risks	(128)	(304)
Change in other financial liabilities and accruals	(1,536)	11,420
Change in banking and insurance activity technical provisions and shadow accounting reserves	(11,676)	6,980
TOTAL	**(6,313)**	**8,911**

40.5 Outflows for acquisitions of property, plant and equipment and intangible assets

(in € millions)	2022	2021
Acquisitions of intangible assets	(691)	(587)
Acquisitions of property, plant and equipment	(1,115)	(1,144)
Acquisitions of investment property	0	0
Change in amounts due to suppliers of non-current assets	103	(17)
TOTAL	**(1,704)**	**(1,747)**

40.6 Proceeds from new borrowings

(in € millions)	2022	2021
Bonds	1,550	2,226
Commercial paper	871	725
Other borrowings	1,056	1,875
TOTAL	**3,477**	**4,826**

40.7 Repayment of borrowings

(in € millions)	2022	2021
Bonds	0	(1,000)
Borrowings from credit institutions	(11)	(25)
La Poste savings bonds	(1)	(1)
Commercial paper	(1,021)	(725)
Borrowings under finance leases	0	0
Other borrowings	(1,762)	(1,789)
TOTAL	**(2,795)**	**(3,540)**

40.8 Other cash flows from financing activities

(in € millions)	2022	2021
Collection of deposits and guarantees received	6	17
Repayment of deposits and guarantees received	(6)	(5)
Other	(46)	(6)
TOTAL	**(46)**	**6**

40.9 Change in cash from banking activities

(in € millions)	NOTE	2022	2021
Opening cash, central banks (assets)		50,812	1,783
Loans and advances to credit institutions repayable on demand (assets)		2,261	43,652
Loans and advances to credit institutions repayable on demand (liabilities)		(1,065)	(1,181)
Opening balance		**52,008**	**44,254**
Closing cash, central banks (assets)	**24.2**	39,355	50,812
Loans and advances to credit institutions repayable on demand (assets)	**22.5**	1,898	2,261
Loans and advances to credit institutions repayable on demand (liabilities)	**31.3**	(1,326)	(1,065)
Closing balance		**39,927**	**52,008**
Net increase (decrease) in cash and cash equivalents from banking activities		**(12,080)**	**7,753**
of which impact of changes in consolidation scope		55	298
Net increase (decrease) in cash and cash equivalents from banking activities before impact of changes in consolidation scope		**(12,136)**	**7,455**

40.10 Transition from recurring operating profit to EBITDA

		2022			2021		
		Group	Industrial and commercial activities	Banking and insurance activities	Group	Industrial and commercial activities	Banking and insurance activities
Operating profit/(loss)	(a)	**1,197**	**(580)**	**1,776**	**3,431**	**1,808**	**1,624**
of which non-cash movements to be eliminated :							
Share in net profit/(less) of jointly-controlled companies	(a)	31	3	28	87	(2)	89
Depreciation and Impairment of non-current assets and movements in provisions included in net banking Income	(b)	(240)	0	(240)	(379)	0	(379)
Additions to and reversals of provisions for employee benefits	note 9	407	413	(6)	15	23	(8)
Depreciation, amortisation and provisions	(a)	(3,888)	(3,050)	(837)	(1,772)	(859)	(912)
Proceeds from asset disposals before tax	(a)	52	15	36	23	22	1
Gains on remeasurement of investments	note 12	21	6	16	18	18	0
Miscellaneous		1	2	(0)	17	4	13
EBITDA	**CFS**	**4,811**	**2,031**	**2,780**	**5,422**	**2,602**	**2,820**
Reintegration of change in provisions for current assets and irrecoverable receivables (non-banking activities)	(c)	(40)	(40)	0	(29)	(29)	0
Miscellaneous financial income and expenses		(7)	(7)	(0)	(0)	(0)	0
Cash flows from operating activities before cost of net debt and taxes	**CFS**	**4,764**	**1,984**	**2,780**	**5,394**	**2,574**	**2,820**

(a) See the consolidated income statement. The share net profit/(loss) of jointly-controlled companies does not include the profit of Holding Infrastructures Gazières, which is included in net banking income (see note 19).

(b) Including amortisation of intangible assets for €366 million in 2022 and €349 million in 2021.

(c) Movements in impairment on current assets and irrecoverable receivables are non-cash movements excluded from the calculation of EBITDA. In accordance with the ANC recommendation on the financial statements of industrial and commercial companies, these movements are eliminated on the line "Change in working capital requirement", hence their reintegration after EBITDA for the calculation of cash flows from operating before cost of net debt and taxes. This restatement is not performed for banking activities.

NOTE 41 STATUTORY AUDITORS'FEES

Pursuant to French Decree No. 2008-1487 of 30 December 2008, the fees paid to the Statutory Auditors recognised in profit or loss by La Poste and its consolidated companies are presented below.

2022

(in € millions, excluding taxes)	KPMG	%	MAZARS	%
Statutory audit of the Company and consolidated financial statements				
- parent company	0.6	6%	0.6	6%
- fully-consolidated subsidiaries	7.2	71%	5.4	53%
	7.8	**77%**	**6.0**	**59%**
Service other than statutory audit of the financial statements				
- parent company	0.3	3%	0.1	1%
- fully-consolidated subsidiaries	2.0	20%	4.1	40%
	2.3	**23%**	**4.2**	**41%**
TOTAL	**10.1**	**100%**	**10.2**	**100%**

2021

(in € millions, excluding taxes)	KPMG	%	MAZARS	%
Statutory audit of the Company 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 audit of the financial statements				
- 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%**

The services provided by Mazars are as follows: statements and agreed procedures, letters of comfort relating to EMTN programme updates or bond issues, reviews of internal control procedures, accounting consultations, reviews of employment, environmental and social data or indicators.

The services provided by KPMG are as follows: statements and agreed procedures, letters of comfort relating to EMTN programme updates or bond issues, training, reviews of internal control procedures and information systems, accounting and tax consultations, and reviews of employment, environmental and social data and indicators.

NOTE 42 EVENTS AFTER THE REPORTING PERIOD

As part of its international growth strategy, in January 2023 CNP Assurances completed the buyout of Caixa Seguridade and Icatu's interests in CNP Seguros Participações em Saúde Ltda "Holding Saúde", Seguros Previdência do Sul "Previsul" and CNP Capitalização S.A. "CNP Cap", raising its interest in the three companies to 100%.

NOTE 43 SCOPE OF CONSOLIDATION

COMPANY	COUNTRY	% interest		% control		Consolidation method	
		2021	2022	2021	2022	2021	2022
CONSOLIDATING COMPANY							
LA POSTE 9 rue du Colonel Pierre Avia 75757 Paris Cedex 15, France							
SERVICES-MAIL-PARCELS SEGMENT							
Adimmo	France	52.54	52.54	99.90	99.90	FC	FC
Age d'or Expansion	France	100.00	100.00	100.00	100.00	FC	FC
Asten Santé	France	52.60	52.60	52.60	52.60	FC	FC
Asten Santé à domicile	France	52.60	52.60	100.00	100.00	FC	FC
Axeo Developpement	France	100.00	100.00	100.00	100.00	FC	FC
AXEO Partenariats Pro Services (P.P.S)	France	100.00	100.00	100.00	100.00	FC	FC
Axeo Pro Services	France	100.00	100.00	100.00	100.00	FC	FC
Axeo Services	France	100.00	100.00	100.00	100.00	FC	FC
Bien être à la carte (BEAC)	France	100.00	0.00	100.00	0.00	FC	
BlueSom	France	52.06	0.00	99.00	0.00	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
Conciergerie	France		51.00		51.00		FC
Coordination Axeo	France	100.00	100.00	100.00	100.00	FC	FC
Creat Direct	Romania	100.00	100.00	100.00	100.00	FC	FC
CyberCité	France		75.00		75.00		FC
DIADOM SAS	France	100.00	100.00	100.00	100.00	FC	FC
Economie d'énergie	France	97.65	98.82	100.00	100.00	FC	FC
EDENEXT	France	97.65	98.82	97.65	98.82	FC	FC
E-SY COM	France	91.10	91.10	91.10	91.10	FC	FC
Financière Axeo	France	100.00	100.00	100.00	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
Go Logistic	Portugal		90.00		90.00		FC
H2AD	France	50.82	50.82	96.64	96.64	FC	FC
Happytal	France		86.00		86.00		FC
Help Confort	France	100.00	100.00	100.00	100.00	FC	FC
Help Confort ST Nazaire	France	100.00	100.00	100.00	100.00	FC	FC
IM Santé	France	100.00	100.00	100.00	100.00	FC	FC
Inbox Marketing	Romania	99.97	99.97	99.97	99.97	FC	FC
Innovagency	Portugal	100.00	100.00	100.00	100.00	FC	FC
Interactions Marketing	Romania	95.00	100.00	95.00	100.00	FC	FC
Isoskèle	France	100.00	100.00	100.00	100.00	FC	FC
Isoskèle Factory	France	100.00	100.00	100.00	100.00	FC	FC
La Poste E-éducation	France	100.00	100.00	100.00	100.00	FC	FC

COMPANY	COUNTRY	% interest 2021	% interest 2022	% control 2021	% control 2022	Consolidation method 2021	Consolidation method 2022
SERVICES-MAIL-PARCELS SEGMENT							
La Poste Nouveaux Services	France	100.00	100.00	100.00	100.00	FC	FC
La Poste Santé	France	100.00	100.00	100.00	100.00	FC	FC
La Poste Santé et Autonomie (ex La Poste Silver)	France	100.00	100.00	100.00	100.00	FC	FC
Maela	France		48.14		100.00		FC
Matching	France	83.76	83.76	83.76	83.76	FC	FC
Media Presse	France	25.00	0.00	25.00	0.00	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
MSCM2	France	50.82	50.82	100.00	100.00	FC	FC
Neolog	France	100.00	100.00	100.00	100.00	FC	FC
Newco Santé Holding	France	0.00	48.14	0.00	48.14		FC
Nouveal	France	66.00	48.14	66.00	100.00	FC	FC
Nouvelle Attitude	France	100.00	100.00	100.00	100.00	FC	FC
Nutrimédical	France	52.60	0.00	100.00	0.00	FC	
Ofertia Colombia	Colombia		100.00		100.00		FC
Ofertia Mexico	Mexico		100.00		100.00		FC
OnlySo	France		75.00		100.00		FC
Organisme Formation Services	France	100.00	100.00	100.00	100.00	FC	FC
Recygo	France	51.00	51.00	51.00	51.00	FC	FC
S2A Oxygène	France	52.59	52.59	100.00	100.00	FC	FC
Sadimmo	France	47.33	0.00	90.00	0.00	FC	
SCI STP Immo	France	100.00	100.00	100.00	100.00	FC	FC
SMP	France	100.00	100.00	100.00	100.00	FC	FC
Sogec Gestion	France	100.00	100.00	100.00	100.00	FC	FC
Sogec Informatique	France	100.00	100.00	100.00	100.00	FC	FC
Sogec Marketing	France	100.00	100.00	100.00	100.00	FC	FC
Sogefinad	France	100.00	100.00	100.00	100.00	FC	FC
Somepost	France	100.00	100.00	100.00	100.00	FC	FC
STP SA	France	100.00	100.00	100.00	100.00	FC	FC
Tikeasy	France	100.00	100.00	100.00	100.00	FC	FC
TimeOne – Group	France	100.00	100.00	100.00	100.00	FC	FC
TimeOne – LMT	France	100.00	100.00	100.00	100.00	FC	FC
TimeOne - Media buying	France	100.00	0.00	100.00	0.00	FC	
TimeOne - Performance	France	100.00	100.00	100.00	100.00	FC	FC
TimeOne – Publishing	France	100.00	0.00	100.00	0.00	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	% interest 2021	% interest 2022	% control 2021	% control 2022	Consolidation method 2021	Consolidation method 2022
GEOPOST SEGMENT							
GeoPost SA	France	100.00	100.00	100.00	100.00	FC	FC
360° Services SAS	France	100.00	100.00	100.00	100.00	FC	FC
A52 Warehouse Inc.	Canada	32.31	32.31	50.00	50.00	FC	FC
ACP Global Forwarding	Poland	100.00	100.00	100.00	100.00	FC	FC
Air 360	France		60.00		100.00		FC
Alas Courier, S.L.	Spain	100.00	100.00	100.00	100.00	FC	FC
Alolomer, S.L.U.	Spain	24.04	24.04	25.00	25.00	EM	EM
Alturing	France	100.00	100.00	100.00	100.00	FC	FC
Andalupaq Express, S.L.	Spain	100.00	100.00	100.00	100.00	FC	FC
Aramex PJSC	United Arab Emirates	24.93	28.00	24.93	28.00	EM	EM
Armadillo Holding Gmbh	Germany	100.00	100.00	100.00	100.00	FC	FC
Asendia Austria GmbH	Austria	60.00	60.00	100.00	100.00	FC	FC
Asendia Benelux B.V.	Netherlands	60.00	60.00	100.00	100.00	FC	FC
Asendia Germany GmbH	Germany	60.00	60.00	100.00	100.00	FC	FC
Asendia Holding AG	Switzerland	60.00	60.00	60.00	60.00	FC	FC
Asendia Hong Kong Ltd	Hong Kong	60.00	60.00	100.00	100.00	FC	FC
Asendia Italy S.p.A.	Italy	60.00	60.00	100.00	100.00	FC	FC
Asendia Mgmt SAS	France	60.00	60.00	100.00	100.00	FC	FC
Asendia Mgmt SAS, branch Bern	Switzerland	60.00	60.00	100.00	100.00	FC	FC
Asendia Nordic AB	Sweden	60.00	60.00	100.00	100.00	FC	FC
Asendia Norway A/S	Norway	60.00	60.00	100.00	100.00	FC	FC
Asendia Oceania AU	Australia	60.00	60.00	100.00	100.00	FC	FC
Asendia Oceania NZ	Zealand	60.00	60.00	100.00	100.00	FC	FC
Asendia Operations (SCL)	Germany	60.00	60.00	100.00	100.00	FC	FC
Asendia Operations 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 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 Fowarding International Co LTD	China	100.00	100.00	100.00	100.00	FC	FC
Biocair Asia Limited	Hong Kong	100.00	100.00	100.00	100.00	FC	FC
Biocair Australia PTY Ltd	Australia	100.00	100.00	100.00	100.00	FC	FC
Biocair Belgium	Belgium	100.00	100.00	100.00	100.00	FC	FC
Biocair Customs Brokerage LLC	United States	100.00	100.00	100.00	100.00	FC	FC
Biocair France SAS	France	0.00	100.00	0.00	100.00		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 Limited	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Biocair Singapore Pte Ltd	Singapore	100.00	100.00	100.00	100.00	FC	FC
Biocair South Africa (Pty) Ltd	South Africa	100.00	100.00	100.00	100.00	FC	FC
BK Logistics Group B.V.	Netherlands	100.00	100.00	100.00	100.00	FC	FC
BK Pharma Logistics B.V.	Netherlands	100.00	100.00	100.00	100.00	FC	FC
BK Sneltransport B.V.	Netherlands	100.00	100.00	100.00	100.00	FC	FC
Bloomsburys Gmbh	Germany	100.00	100.00	100.00	100.00	FC	FC
BTB Mailflight	United Kingdom	60.00	60.00	100.00	100.00	FC	FC
BTB Mailflight Holding	United Kingdom	60.00	60.00	100.00	100.00	FC	FC
Broad Reach Commerce Inc.	United States		54.00		90.00		FC
C Chez Vous SAS	France		95.00		95.00		FC
Caledonie express	France	60.00	60.00	60.00	60.00	EM	EM
Cargonet Software SARL	France	100.00	100.00	100.00	100.00	FC	FC
Central de Mensajeros Logística 2008, S.L.	Spain	100.00	100.00	100.00	100.00	FC	FC
Chrono Diali	Morocco	49.00	49.00	49.00	49.00	EM	EM
Chronofresh SAS	France	100.00	100.00	100.00	100.00	FC	FC
Chronopost (Mauritius) Ltd	Mauritius	75.00	75.00	75.00	75.00	FC	FC
Chronopost SAS	France	100.00	100.00	100.00	100.00	FC	FC
CI Algérie	Algeria	100.00	100.00	100.00	100.00	FC	FC
CI Burkina	Burkina Faso	40.00	40.00	40.00	40.00	EM	EM
CI Côte d'ivoire	Côte d'Ivoire	50.00	50.00	50.00	50.00	FC	FC
CI Maroc	Morocco	34.00	34.00	34.00	34.00	EM	EM
CitySprint (UK) Bidco Limited	United Kingdom		100.00		100.00		FC
CitySprint (UK) Group Limited	United Kingdom		100.00		100.00		FC
CitySprint (UK) Limited	United Kingdom		100.00		100.00		FC
CitySprint Courier Services Limited	United Kingdom		100.00		100.00		FC
Customs Clearance Ltd.	United Kingdom	64.63	64.63	100.00	100.00	FC	FC
CXB Partner S.A.U.	Spain		100.00		100.00		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

COMPANY	COUNTRY	% interest 2021	% interest 2022	% control 2021	% control 2022	Consolidation method 2021	Consolidation method 2022
GEOPOST SEGMENT							
DPD (UK) Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
DPD Austria	Austria	25.57	25.57	25.57	25.57	EM	EM
DPD Bel FLLC	Belarus	100.00	100.00	100.00	100.00	FC	FC
DPD Belgium	Belgium	100.00	100.00	100.00	100.00	FC	FC
DPD Croatia	Croatia	100.00	100.00	100.00	100.00	FC	FC
DPD Deutschland GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
DPD Eesti AS	Estonia	100.00	100.00	100.00	100.00	FC	FC
DPD Eurasia LLC	Uzbekistan	100.00	100.00	100.00	100.00	FC	FC
DPD France SAS	France	100.00	100.00	100.00	100.00	FC	FC
DPD fresh BeLux BV	Belgium	100.00	100.00	100.00	100.00	FC	FC
DPD Group International Services GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
DPD HK Ltd.	Hong Kong	64.63	64.63	100.00	100.00	FC	FC
DPD Hungaria kft	Hungary	100.00	100.00	100.00	100.00	FC	FC
DPD Immobilien GmbH & Co. KG	Germany	100.00	100.00	100.00	100.00	FC	FC
DPD Immobilienverwaltung GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
DPD Ireland	Ireland	100.00	100.00	100.00	100.00	FC	FC
DPD Kazakhstan LLP	Kazakhstan	100.00	100.00	100.00	100.00	FC	FC
DPD Laser	South Africa	75.00	75.00	75.00	75.00	FC	FC
DPD Latvija SIA	Latvia	100.00	100.00	100.00	100.00	FC	FC
DPD Lietuva UAB	Lithuania	100.00	100.00	100.00	100.00	FC	FC
DPD Local UK Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
DPD Luxembourg	Luxembourg	100.00	100.00	100.00	100.00	FC	FC
DPD Netherlands	Netherlands	100.00	100.00	100.00	100.00	FC	FC
DPD Polska	Poland	100.00	100.00	100.00	100.00	FC	FC
DPD Portugal	Portugal	100.00	100.00	100.00	100.00	FC	FC
DPD Romania S.A.	Romania	69.81	69.81	100.00	100.00	FC	FC
DPD RUS	Russia	86.80	100.00	100.00	100.00	FC	FC
DPD Schweiz	Switzerland	100.00	100.00	100.00	100.00	FC	FC
DPD Service GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
DPD Sichuan Ltd	Germany	0.00	64.63	0.00	100.00		FC
DPD Slovenia	Slovenia	100.00	100.00	100.00	100.00	FC	FC
DPDCN Linehaul Express Ltd (ex Linehaul Express (Shenzhen) Ltd.)	China	64.63	64.63	100.00	100.00	FC	FC
DPDgroup IT Solutions	Poland	100.00	100.00	100.00	100.00	FC	FC
DPDgroup IT Solutions Hungary Kft	Hungary	100.00	100.00	100.00	100.00	FC	FC
DPDgroup Uk Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
DS Russia GmbH & Co. Asset KG	Germany	86.80	100.00	86.80	100.00	FC	FC
DS Russia GP GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
DS Russia Management GmbH	Germany	88.80	100.00	88.80	100.00	FC	FC
DTDC	India	42.52	42.52	42.52	42.52	EM	EM
Dynamic Parcel Distribution Ltd	United Kingdom	100.00	0.00	100.00	0.00	FC	
Dynapresse Marketing SA	Switzerland	60.00	0.00	100.00	0.00	FC	
Epicery SAS	France	87.47	87.47	87.47	87.47	FC	FC
ESW Parent, Inc, (ESPI)	United States	0.00	60.00	0.00	60.00		FC
ESW U.S. Direct E-Commerce Canada Corp	Canada	0.00	60.00	0.00	100.00		FC
EVOL ANNECY	France	0.00	60.00	0.00	100.00		FC
EVOL BORDEAUX	France	60.00	60.00	100.00	100.00	FC	FC
EVOL CENTRE	France	60.00	60.00	100.00	100.00	FC	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	60.00	60.00	100.00	100.00	FC	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	60.00	60.00	100.00	100.00	FC	FC
EVOL ROUEN	France	60.00	60.00	100.00	100.00	FC	FC
EVOL STRASBOURG	France	60.00	60.00	100.00	100.00	FC	FC
EVOL TOULOUSE	France	60.00	60.00	100.00	100.00	FC	FC
Express Delivery Services	France	52.58	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	69.81	69.81	100.00	100.00	FC	FC
GeoPost España, S.L.	Spain	100.00	100.00	100.00	100.00	FC	FC
Geopost Holdings Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
GeoPost IMDH GmbH (ex GP IMDH GmbH)	Germany	100.00	100.00	100.00	100.00	FC	FC

COMPANY	COUNTRY	% interest		% control		Consolidation method	
		2021	2022	2021	2022	2021	2022
GEOPOST SEGMENT							
Geopost Intermediate Holdings	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
GeoPost Ireland Limited	Ireland	100.00	100.00	100.00	100.00	FC	FC
GeoPost South East Asia (SEA) Pte. Ltd.	Singapore		100.00		100.00		FC
GeoPost Trans EOOD	Bulgaria	69.81	69.81	100.00	100.00	FC	FC
GLPU	France	100.00	100.00	100.00	100.00	FC	FC
Gruppo BRT	Italy	84.96	84.96	84.96	84.96	FC	FC
Hubez HK Ltd	Hong Kong	64.63	64.63	100.00	100.00	FC	FC
iloxx GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
Infraestructuras, Tecnologia Y Soporte Al Reparto, SL	Spain		100.00		100.00		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
Keyopstech	France	95.00	95.00	95.00	95.00	FC	FC
Keyopstech Ivoire SARL	Côte d'Ivoire	95.00	0.00	100.00	0.00	FC	
Keyopstech Sénégal SARL	Senegal	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
Last Mile Link Technologies Limited	United Kingdom		100.00		100.00		FC
Latin America E-Commerce Direct, S.A. de C.V	Mexico	60.00	60.00	100.00	100.00	FC	FC
Lenton Group Ltd	Hong Kong	64.63	64.63	64.63	64.63	FC	FC
Linehaul Express (Cambodia) Co. Ltd.	Cambodia	16.16	16.16	25.00	25.00	EM	EM
Linehaul Express (Hainan) Ltd	China		64.63		100.00		FC
Linehaul Express (HK) Ltd.	Hong Kong	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express (India) Private Ltd.	India	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express (Sichuan) Ltd	China	0.00	48.79	0.00	100.00		FC
Linehaul Express (Taiwan) Ltd.	Taiwan	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express (Thailand) Co. Ltd.	Thailand	32.31	32.31	50.00	50.00	FC	FC
Linehaul Express (Yiwu) Ltd	China	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express (Zhengzhou) Ltd.	China	48.79	48.79	75.50	75.50	FC	FC
Linehaul Express Co. Ltd.	Canada	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express France SARL	France	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express LLC	United Arab Emirates	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express Ltd.	United Kingdom	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express Singapore Pte Ltd.	Singapore	64.63	64.63	100.00	100.00	FC	FC
Linehaul MAC Express (Private) Ltd.	Sri Lanka	32.31	32.31	50.00	50.00	FC	FC
Linex Air Services (Private) Ltd.	South Africa	64.63	64.63	100.00	100.00	FC	FC
Linex Corporation	Philippines	38.78	38.78	60.00	60.00	FC	FC
Linex Inc.	United States	64.63	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
Madripaq Servicios, S.L.	Spain	100.00	100.00	100.00	100.00	FC	FC
Mail Plus Ltd	United Kingdom	100.00	0.00	100.00	0.00	FC	
Menexpres, S.A.	Spain	100.00	100.00	100.00	100.00	FC	FC
Nanny Bag	France	0.00	49.95	0.00	49.95		EM
Ninja Logistics Pte. Ltd.	Singapore	43.27	42.41	43.27	42.41	EM	EM
North America Direct, Inc.	United States	60.00	60.00	100.00	100.00	FC	FC
On The Dot Technologies Limited	United Kingdom	0.00	100.00	0.00	100.00		FC
Packcity GeoPost	France	34.00	34.00	34.00	34.00	EM	EM
Parceline Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
ParcelLock GmbH	Germany	50.00	50.00	50.00	50.00	EM	EM
PickPoint (Russia) LLC	Russia	48.95	48.95	48.95	48.95	EM	EM
Pickpoint Delivery System Ltd. (Cyprus)	Cyprus	48.95	48.95	48.95	48.95	EM	EM
Pickup At Home	France	100.00	100.00	100.00	100.00	FC	FC
Pickup Logistics	France	100.00	100.00	100.00	100.00	FC	FC
Pickup Personal Services	France	95.00	100.00	95.00	100.00	FC	FC
Pickup Services	France	100.00	100.00	100.00	100.00	FC	FC
Pie Mapping Software Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Pour de bon SAS	France	44.89	100.00	44.89	100.00	EM	FC
Project Bolt Newco 1 Limited	United Kingdom	0.00	100.00	0.00	100.00		FC
Project Bolt Newco 2 Limited	United Kingdom	0.00	100.00	0.00	100.00		FC
PT Linehaul Express Indonesia	Indonesia	25.85	25.85	40.00	40.00	EM	EM
Pudo Portugal S.A.	Portugal	25.00	25.00	25.00	25.00	EM	EM
Rapido Express and Logistics EOOD	Bulgaria	69.81	69.81	100.00	100.00	FC	FC
Resto In	France	100.00	100.00	100.00	100.00	FC	FC
RPX MAC Express (Private) Limited	Sri Lanka	32.31	32.31	100.00	100.00	FC	FC
Scalefast Australia PTY LTD	Australia		60.00		100.00		FC
Scalefast Canada Enterprises	Canada		60.00		100.00		FC
Scalefast Inc.	United States		60.00		100.00		FC
Scalefast Japan Kabushiki Kaisha	Japan		60.00		100.00		FC
Scalefast S. de R.L. de C.V.	Mexico		60.00		100.00		FC

COMPANY	COUNTRY	% interest		% control		Consolidation method	
		2021	2022	2021	2022	2021	2022
GEOPOST SEGMENT							
Scalefast SAS	France		60.00		100.00		FC
Scalefast Singapore PTE Ltd	Singapore		60.00		100.00		FC
Scalefast, S.L.	Spain		60.00		100.00		FC
SCI Exa Immo	France	100.00	100.00	100.00	100.00	FC	FC
SCI Examurs Paris	France	100.00	100.00	100.00	100.00	FC	FC
Sci Intel immo	France	100.00	100.00	100.00	100.00	FC	FC
Seur España Operaciones, S.A.	Spain	96.14	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	96.14	96.14	100.00	100.00	FC	FC
Seur Logística S.A.	Spain	96.14	96.14	100.00	100.00	FC	FC
Seur, S.A.	Spain	96.14	96.14	96.14	96.14	FC	FC
Shanghai E & T Wako Express Co. Ltd.	China	64.63	64.63	100.00	100.00	FC	FC
SHIFT7	France		60.00		100.00		FC
Siodemka Systemy Sp z o.o.	Poland	100.00	100.00	100.00	100.00	FC	FC
Sodexi	France	35.00	35.00	35.00	35.00	EM	EM
Someva, S.L.U.	Spain	96.14	96.14	100.00	100.00	FC	FC
Speedy AD	Bulgaria	69.81	69.81	69.81	69.81	FC	FC
Speedy EOOD	Bulgaria	69.81	69.81	100.00	100.00	FC	FC
Speedy Tech Lab.(ex OMG Mobile EOOD)	Bulgaria	69.81	69.81	100.00	100.00	FC	FC
SPI UK	United Kingdom	60.00	60.00	100.00	100.00	FC	FC
SRT France Logistics	France	100.00	100.00	100.00	100.00	FC	FC
SRT France SAS (Stuart)	France	100.00	100.00	100.00	100.00	FC	FC
SRT Group SAS	France	100.00	100.00	100.00	100.00	FC	FC
SRT Italy S.r.l.	Italy	0.00	100.00	0.00	100.00		FC
STOCKNORD	France	0.00	60.00	0.00	100.00		FC
STRT Delivery Portugal, Unipessoal LDA	Portugal	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 Polska sp.zo.o.	Poland	100.00	100.00	100.00	100.00	FC	FC
Stuart Urban, S.L. (ex Stuart Logistica)	Spain	100.00	100.00	100.00	100.00	FC	FC
TD Express services	France	100.00	100.00	100.00	100.00	FC	FC
The Courier and Passenger Transport Group Limited	United Kingdom	0.00	100.00	0.00	100.00		FC
The Courier and Passenger Transport Holdings Limited	United Kingdom	0.00	100.00	0.00	100.00		FC
The Reach Advisory Limited.	Ireland	0.00	60.00	0.00	100.00		FC
Transporte Integral de Paquetería, S.A.	Spain	100.00	100.00	100.00	100.00	FC	FC
Transworld Global Courier Ltd	United Kingdom	0.00	100.00	0.00	100.00		FC
Urgent Deliveries Limited (EcoSpeed)	United Kingdom	0.00	100.00	0.00	100.00		FC
U.S. Direct (singapore) PTE Ltd	Singapore	60.00	60.00	100.00	100.00	FC	FC
U.S. Direct e-commerce AUS PTY Limited	Australia	60.00	60.00	100.00	100.00	FC	FC
U.S. Direct E-Commerce Netherlands B.V.	Netherlands	60.00	60.00	100.00	100.00	FC	FC
U.S. Direct e-commerce UK	United Kingdom	60.00	60.00	100.00	100.00	FC	FC
US Direct E-Commerce (USA) Inc.	United States	0.00	60.00	0.00	60.00		FC
Universal Express LLC	United Arab Emirates	64.63	64.63	100.00	100.00	FC	FC
Universal Express Ltd.	Kenya	64.63	0.00	100.00	0.00	FC	
US Direct eCommerce Holding Ltd	Ireland	60.00	60.00	100.00	100.00	FC	FC
US Direct eCommerce Ltd	Ireland	60.00	60.00	100.00	100.00	FC	FC
US Direct eCommerce Nominee DAC	Ireland	60.00	60.00	100.00	100.00	FC	FC
US Direct E-Commerce Rus LLC	Russia	60.00	60.00	100.00	100.00	FC	FC
Wako Express Co. Ltd.	Taiwan	64.63	64.63	100.00	100.00	FC	FC
WN TPC	United Kingdom	60.00	60.00	100.00	100.00	FC	FC
WnDirect USA, Inc	United States	60.00	60.00	100.00	100.00	FC	FC
Your Cargo Contact B.V.	Netherlands	48.47	48.47	75.00	75.00	FC	FC
Yurtici Kargo Servisi A.S.	Turkey	25.00	25.00	25.00	25.00	EM	EM

COMPANY	COUNTRY	% interest 2021	% interest 2022	% control 2021	% control 2022	Consolidation method 2021	Consolidation method 2022
LA BANQUE POSTALE - CNP - SEGMENT							
La Banque Postale	France	100.00	100.00	100.00	100.00	FC	FC
115 K	France	0.00	100.00	0.00	100.00		FC
AEP3 SCI	France	78.95	100.00	100.00	100.00	FC	FC
AEP4 SCI	France	78.95	100.00	100.00	100.00	FC	FC
AEW Europe SA	France	40.00	0.00	40.00	0.00	EM	
Arial CNP Assurances	France	31.58	40.00	40.00	40.00	EM	EM
Assurbail Patrimoine	France	78.95	100.00	100.00	100.00	FC	FC
Assurimmeuble	France	78.95	100.00	100.00	100.00	FC	FC
Assuristance	France	52.11	100.00	66.00	100.00	EM	FC
Caixa Seguradora Especializada Em Saúde SA	Brazil	40.86	51.75	100.00	100.00	FC	FC
Caixa Seguradora SA	Brazil	40.86	51.75	100.00	100.00	FC	FC
Caixa Vida e Previdência	Brazil	31.58	40.00	100.00	100.00	FC	FC
CIMO	France	78.95	100.00	100.00	100.00	FC	FC
CNP Asfalistiki	Cyprus	78.95	100.00	100.00	100.00	FC	FC
CNP Assur Trésorerie Plus	France	77.46	99.09	98.12	99.09	FC	FC
CNP Assurances	France	78.95	100.00	82.12	100.00	FC	FC
CNP Assurances Compañia de Seguros	Argentina	60.37	76.47	76.47	76.47	FC	FC
CNP Assurances Latam Holding Ltda	Brazil	78.95	100.00	100.00	100.00	FC	FC
CNP Assurances Participações Ltda	Brazil	78.95	100.00	100.00	100.00	FC	FC
CNP Capitalização SA	Brazil	20.84	26.39	51.00	51.00	FC	FC
CNP Caution	France	78.95	100.00	100.00	100.00	FC	FC
CNP Consórcio SA Administradora de Consórcios (ex Caixa Consórcio SA Administradora de Consórcios)	Brazil	40.86	100.00	100.00	100.00	FC	FC
CNP Cyprialife	Cyprus	78.95	100.00	100.00	100.00	FC	FC
CNP Cyprus Insurance Holdings	Cyprus	78.95	100.00	100.00	100.00	FC	FC
CNP Cyprus Properties	Cyprus	78.95	100.00	100.00	100.00	FC	FC
CNP Cyprus Tower Ltd	Cyprus	78.95	100.00	100.00	100.00	FC	FC
CNP Europe Life	Ireland	78.95	100.00	100.00	100.00	FC	FC
CNP Immobilier	France	78.95	100.00	100.00	100.00	FC	FC
CNP Luxembourg	Luxembourg	78.95	100.00	100.00	100.00	FC	FC
CNP OSTRUM ISR OBLI 12 MOIS	France	77.84	98.98	98.59	98.98	FC	FC
CNP Participações Securitarias Brasil Ltda	Brazil	40.86	51.75	100.00	100.00	FC	FC
CNP Partners	Spain	78.95	0.00	100.00	0.00	FC	
CNP Praktoriaki	Greece	78.95	100.00	100.00	100.00	FC	FC
CNP Retraite	France	0.00	100.00	0.00	100.00		FC
CNP SA de Capitalización y Ahorro p/ fines determinados	Argentina	39.47	50.00	65.38	65.38	FC	FC
CNP Santander Insurance Europe Ltd	Ireland	40.26	51.00	51.00	51.00	FC	FC
CNP Santander Insurance Life Ltd	Ireland	40.26	51.00	51.00	51.00	FC	FC
CNP Santander Insurance Services Ireland Ltd	Ireland	40.26	51.00	51.00	51.00	FC	FC
CNP Seguros Holding Brasil SA	Brazil	40.86	51.75	51.75	51.75	FC	FC
CNP Seguros Participações em Saúde Ltda (ex Caixa Seguros Participações em Saúde Ltda)	Brazil	40.86	51.75	100.00	51.75	FC	FC
CNP UniCredit Vita	Italy	45.40	51.00	57.50	51.00	FC	FC
CNP Vita Assicura	Italy	40.26	100.00	51.00	100.00	FC	FC
CNP Vita Assicurazione	Italy	78.95	100.00	100.00	100.00	FC	FC
CNP Zois	Greece	78.95	100.00	100.00	100.00	FC	FC
Companhia de Seguros Previdencia Do Sul-Previsul	Brazil	40.86	51.75	100.00	100.00	FC	FC
Credicoop Compañia de Seguros de Retiro SA	Argentina	0.00	29.82	0.00	29.82		EM
EasyBourse	France	100.00	100.00	100.00	100.00	FC	FC

COMPANY	COUNTRY	% interest 2021	% interest 2022	% control 2021	% control 2022	Consolidation method 2021	Consolidation method 2022
LA BANQUE POSTALE - CNP - SEGMENT							
Ecureuil Profil 90	France	44.89	56.22	56.86	56.22	FC	FC
Ecureuil Vie Développement	France	38.69	49.00	49.00	49.00	EM	EM
FCT Elise 2012	France	95.00	95.00	95.00	95.00	FC	FC
Filassistance International	France	52.11	100.00	66.00	100.00	EM	FC
Fundo De Investimento Imobiliario Renda Corporativa Angico - FII	Brazil	38.54	48.81	100.00	100.00	FC	FC
Holding d'Infrastructures Gazières	France	41.84	52.97	53.00	52.97	EM	EM
Holding XS 1 SA	Brazil	31.58	40.00	51.00	51.00	FC	FC
Infra-Invest	Luxembourg	78.95	100.00	100.00	100.00	FC	FC
Infra-Invest France	France	78.95	100.00	100.00	100.00	FC	FC
Infra-Invest Holding	France	78.95	100.00	100.00	100.00	FC	FC
La Banque Postale Asset Management	France	70.00	75.00	100.00	100.00	FC	FC
La Banque Postale Asset Management Holding	France	70.00	75.00	70.00	75.00	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	78.95	100.00	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
Louvre Banque Privée (ex BPE)	France	100.00	100.00	100.00	100.00	FC	FC
Ma French Bank	France	100.00	100.00	100.00	100.00	FC	FC
MFPrévoyance SA	France	78.95	100.00	100.00	100.00	FC	FC
Montparvie V	France	78.95	100.00	100.00	100.00	FC	FC
Odonto Empresas Convênios Dentários Ltda	Brazil	40.86	100.00	100.00	100.00	FC	FC
OPCI AEP247	France	78.95	100.00	100.00	100.00	FC	FC
OPCI AEW Imcom 1	France	78.95	100.00	100.00	100.00	FC	FC
OPCI MTP Invest	France	78.95	100.00	100.00	100.00	FC	FC
OPCI Raspail	France	78.95	99.94	100.00	99.94	FC	FC
OPCVM Caixa Seguradora SA	Brazil	40.86	51.75	100.00	100.00	FC	FC
OPCVM Caixa Vida e Previdência	Brazil	31.58	40.00	100.00	100.00	FC	FC
OPCVM CNP Capitalizacao SA (ex OPCVM Caixa Capitalizacao SA)	Brazil	20.84	26.39	100.00	100.00	FC	FC
OPCVM CNP Consórcio SA (ex OPCVM Caixa Consorcios)	Brazil	40.86	100.00	100.00	100.00	FC	FC
OPCVM Holding Caixa Seguros Holding SA	Brazil	40.86	51.75	100.00	100.00	FC	FC
Ostrum Asset Management	France	31.50	0.00	45.00	0.00	EM	
Outlet Invest	France	78.95	100.00	100.00	100.00	FC	FC
Provincia Seguros de Vida SA	Argentina	0.00	40.00	0.00	40.00		EM
SAS Alleray	France	78.95	100.00	100.00	100.00	FC	FC
SCI CRSF DOM	France	99.94	0.00	99.94	0.00	FC	
SCI CRSF Métropole	France	100.00	100.00	100.00	100.00	FC	FC
SCI ICV	France	78.95	100.00	100.00	100.00	FC	FC
SCI Lamartine	France	0.00	85.00	0.00	85.00		FC
SCI Tertiaire Saint Romain	France	100.00	100.00	100.00	100.00	FC	FC
SCP Lamartine Euros	France	0.00	100.00	0.00	100.00		FC
SCP Lamartine monitoring Holding	France	0.00	100.00	0.00	100.00		FC
SICAC	France	78.95	100.00	100.00	100.00	FC	FC
SOFIAP	France	66.00	66.00	66.00	66.00	FC	FC
Sogestop K	France	78.95	100.00	100.00	100.00	FC	FC
Tocqueville Finance SA	France	69.93	74.99	99.90	99.99	FC	FC
Univers CNP 1 FCP	France	78.95	100.00	100.00	100.00	FC	FC
Vivaccio ISR actions	France	78.95	100.00	100.00	100.00	FC	FC
Wiz Soluçoes e Corretagem de Seguros SA	Brazil	10.22	12.94	25.00	25.00	EM	EM
XS2 Vida e Previdência SA	Brazil	31.58	40.00	100.00	100.00	FC	FC
XS5 Administradora de consorcios SA	Brazil	19.74	25.00	50.01	50.01	EM	EM
Youse Tecnologia e Assistencia em Seguros Ltda (ex Caixa Seguros Assessoria e Consultoria Ltda)	Brazil	40.86	51.75	100.00	100.00	FC	FC

COMPANY	COUNTRY	% interest 2021	% interest 2022	% control 2021	% control 2022	Consolidation method 2021	Consolidation method 2022
RETAIL CUSTOMERS & 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	100.00	FC	FC
AR 24	France	55.00	80.24	55.00	80.24	FC	FC
ARKHINEO	France	100.00	100.00	100.00	100.00	FC	FC
Boxtal	France	100.00	100.00	100.00	100.00	FC	FC
Bretagne Routage SA	France	100.00	0.00	100.00	0.00	FC	
CER - Docapost BPO	France	50.98	0.00	50.98	0.00	FC	
Certinomis	France	100.00	100.00	100.00	100.00	FC	FC
CNTP - Docapost BPO	France	66.00	100.00	66.00	100.00	FC	FC
Docapost	France	100.00	100.00	100.00	100.00	FC	FC
Docapost Agility	France	100.00	100.00	100.00	100.00	FC	FC
Docapost Applicam	France	100.00	100.00	100.00	100.00	FC	FC
Docapost BPO (ex T2IS – Docapost BPO)	Morocco	50.98	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 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 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
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
Docaposte E -Santé	France	100.00	100.00	100.00	100.00	FC	FC
DOCAPOSTE Trust & Sign	France	100.00	100.00	100.00	100.00	FC	FC
DOCAPOSTE Trust & Sign POLOGNE	Poland		100.00		100.00		FC
DOCAPOSTE Trust & Sign ROUMANIE	Romania		100.00		100.00		FC
ESCENT Belgique	Belgium	100.00	100.00	100.00	100.00	FC	FC
ESCENT Luxembourg	Luxembourg	100.00	100.00	100.00	100.00	FC	FC
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
Heva	France		100.00		100.00		FC
Icanopée	France	80.00	100.00	80.00	100.00	FC	FC
Inadvans	France	100.00	100.00	100.00	100.00	FC	FC
Index Education Développement	France	76.60	80.00	100.00	100.00	FC	FC
Index Education France	France	76.60	80.00	100.00	100.00	FC	FC
Index Italie	Italy	76.60	80.00	100.00	100.00	FC	FC
Kidscare	France	100.00	100.00	100.00	100.00	FC	FC
La Poste Services à la Personne	France	100.00	100.00	100.00	100.00	FC	FC
La Poste Telecom	France	51.00	51.00	51.00	51.00	EM	EM
LP11	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	89.86	100.00	89.86	100.00	FC	FC
Media Prisme SAS	France	82.05	82.05	82.05	82.05	FC	FC
Openvalue	France	80.00	80.00	100.00	100.00	FC	FC
OPTELO	France	100.00	100.00	100.00	100.00	FC	FC
Oxeva	France	70.03	0.00	70.03	0.00	FC	
Probayes	France	100.00	100.00	100.00	100.00	FC	FC
Prosofteam	France	100.00	100.00	100.00	100.00	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
Sefas SA	France	100.00	100.00	99.99	99.99	FC	FC
Seres Allemagne	Germany	66.00	66.00	100.00	100.00	FC	FC
Séres Espagne	Spain	66.00	66.00	100.00	100.00	FC	FC
Sérès SA	France	66.00	66.00	66.00	66.00	FC	FC
Sofadev - Docapost BPO	Morocco	50.98	100.00	100.00	100.00	FC	FC
Softeam	France	100.00	100.00	100.00	100.00	FC	FC
Softeam Agency	France	100.00	100.00	100.00	100.00	FC	FC
Softeam Armonys	France	100.00	100.00	100.00	100.00	FC	FC
Softeam Consulting	France	100.00	100.00	100.00	100.00	FC	FC
Softeam Group	France	100.00	100.00	100.00	100.00	FC	FC
Voxaly	France	100.00	100.00	100.00	100.00	FC	FC

COMPANY	COUNTRY	% interest		% control		Consolidation method	
		2021	2022	2021	2022	2021	2022
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	0.00	50.00	0.00	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
Multiburo	France		100.00		100.00		FC
Multigestion	France		100.00		100.00		FC
Multiburo Gares	France		100.00		100.00		FC
Multiburo Suisse SA	Swiss		100.00		100.00		FC
N.C.I	Belgium		100.00		100.00		FC
PI Energy	France	46.00	46.00	46.00	46.00	EM	EM
PI Energy 2	France	46.00	46.00	46.00	46.00	EM	EM
PI Logistique Urbaine	France	100.00	100.00	100.00	100.00	FC	FC
Poste Immo tertiaire	France	100.00	100.00	100.00	100.00	FC	FC
SAS Arkadea	France	50.00	0.00	50.00	0.00	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 Startway IG	France	28.00	45.10	28.00	45.10	EM	FC
SAS Startway Partners	France	79.97	96.00	79.97	100.00	FC	FC
SAS STARTWAY SYSTEM	France		100.00		100.00		FC
SC Pyxis	France	100.00	100.00	100.00	100.00	FC	FC
SCCV 56, Rue Cler	France	49.00	49.00	49.00	49.00	EM	EM
SCCV Paris Campagne Première	France	49.00	49.00	49.00	49.00	EM	EM
SCI Activités annexes	France	100.00	100.00	100.00	100.00	FC	FC
SCI Activités Colis	France	100.00	100.00	100.00	100.00	FC	FC
SCI Activités Courrier de Proximité	France	100.00	100.00	100.00	100.00	FC	FC
SCI Activités Courrier Industriel	France	100.00	100.00	100.00	100.00	FC	FC
SCI Aix-Pichaury	France		100.00		100.00		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 Nantes Aubiniere	France		100.00		100.00		FC
SCI PI 17	France	100.00	100.00	100.00	100.00	FC	FC
SCI PI Bordeaux Tourville	France	100.00	100.00	100.00	100.00	FC	FC
SCI Route du Moulin Bateau Bonneuil	France	100.00	100.00	100.00	100.00	FC	FC
SCI RSS Strasbourg MEE	France	59.00	59.00	59.00	59.00	EM	EM
SCI Tertiaire	France	100.00	100.00	100.00	100.00	FC	FC
SCI Tertiaire Mixte	France	100.00	100.00	100.00	100.00	FC	FC
Sobre	France	48.56	48.56	48.56	48.56	EM	EM
SOBRE GLP	France	74.28	74.28	51.00	51.00	FC	FC
Société SCCV Rue du Champ Macret-Roye	France	100.00	100.00	100.00	100.00	FC	FC
SOGARIS Paris : les espaces logistiques urbains	France	22.50	22.50	22.50	22.50	EM	EM
Toulouse Occitanie	France	44.00	44.00	44.00	44.00	EM	EM
TPF2 - SPPICAV	France	20.02	20.02	20.02	20.02	EM	EM
Urba 144	France	46.00	46.00	46.00	46.00	EM	EM
UNALLOCATED							
La Poste Ventures (LP7)	France	100.00	100.00	100.00	100.00	FC	FC
Vehiposte SAS	France	100.00	100.00	100.00	100.00	FC	FC
Movivolt	France	30.00	30.00	30.00	30.00	EM	EM

FC : full consolidation **EM : equity method** **PC : proportional consolidation**

NOTE 44 OTHER UNCONSOLIDATED EQUITY INVESTMENTS – EXCLUDING FRANCE

(in € thousands)	Country	31/12/2022		31/12/2021
		Percentage held	Carrying Amount	Carrying Amount
DalcoSud, S.L.U.	Spain	100%	**9,723**	0
Anchanto	Singapore	19%	**6,191**	6,191
Cool Runnings Transport B.V.	Netherlands	100%	**2,544**	0
Bosta Inc.	United States	11%	**1,285**	1,285
Livelihoods	Luxembourg	3%	**1,000**	1,000
Localz Pty Ltd.	Australia	5%	**926**	926
Sérès Argentine	Argentina	90%	**850**	790
Advanced Ideas SRL	Romania	60%	**821**	
Sérès Colombie	Colombia	100%	**807**	707
Sérès Mexique	Mexico	100%	**586**	553
Koiki	Spain	9%	**370**	370
Mediapost Vietnam	Vietnam	36%	**311**	311
Sérès Equateur	Ecuador	100%	**216**	216
Citibox Smart Services, S.L.	Spain	2%	**153**	750
Vouchers Depot SRL	Romania	75%	**152**	0
Séres Pérou	Peru	100%	**95**	65
Mediapost Martech	Romania	51%	**52**	52
Vietnam Postal SRL	Vietnam	6%	**43**	43
CargoNetwork Gm	Germany	11%	**40**	40
Miscellaneous	Portugal	n.m.	**32**	78
CID Externalizacion de Servici	Spain	10%	**25**	25
Miscellaneous	Philippines	n.m.	**20**	0
Miscellaneous	Spain	n.m.	**17**	17
Kombiverkehr Deu	Germany	n.m.	**16**	16
Biocair India Private Limited	India	100%	**11**	0
IG Zollwerk	Switzerland	7%	**10**	10
Applicam Tunisie	Tunisia	95%	**10**	10
Insercion Personal Discapacita	Spain	10%	**6**	6
Miscellaneous	Germany	n.m.	**1**	1
Wundr Commerce Ltd	United Kingdom	12%		874
Miscellaneous	Italy	n.m.		13
Tactio Inc. [(a)]	Canada			3,990
Aljutrans Cádiz, S.L. [(b)]	Spain			2,584
Ofertia Mexico [(b)]	Mexico			89
Ofertia Colombia [(b)]	Colombia			18
TOTAL			**26,313**	**21,030**

(a) *Company solde in 2022.*
(b) *Company consolidated in 2022.*