Mobilised for the recovery

2020 Financial Report

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2020 Financial Report

Introduction

Our model

The Caisse des Dépôts Group's model is unique. As trusted custodian and manager of public mandates entrusted to it by law or by the French State for more than 200 years, Caisse des Dépôts has developed to harness a portion of these funds to finance public interest projects and France's economic development.

Some of these resources are also invested in financial assets in order to ensure the liquidity and yield of the entrusted funds while contributing to the financing of the economy. Through the returns they generate, the financial assets and strategic investments also contribute to financing public interest missions

Trusted custodian and manager. Caisse des Dépôts manages the public mandates entrusted to it by law or the French State, mainly comprising a portion of regulated savings (Livret A, Livret de développement durable (LDD) and Livret d'épargne populaire (LEP) passbook accounts), funds from legal professionals, such as deposits by notaries, public sector pension plans and the Personal Training Account (CPF) programme.

Long-term investor on the financial markets. Caisse des Dépôts invests a portion of the funds entrusted to it on the financial markets with a dual objective: ensuring the security, liquidity and yield of the funds and generating regular returns to strengthen its equity and invest in public interest projects.

Lender and investor in public interest projects. Caisse des Dépôts produces two separate balance sheets, one for the Savings Funds and the other for the Central Sector.

It transforms a portion of the regulated savings carried on the Savings Funds balance sheet into long-term loans of up to 80 years. These loans are used to finance public interest projects in favour of a responsible economy and the green transition identified as priorities by the French State, such as social housing, urban and long-term investments by local authorities.

Caisse des Dépôts uses equity from the Central Sector balance sheet to make capital contributions to finance innovative public-private projects (semi-public companies) and special purpose entities created for real estate projects (residential care homes for the elderly *(établissements d'hébergement pour personnes agées dépendantes* – Ehpad), tourism, clinics, etc.).

Operator through its subsidiaries. Caisse des Dépôts holds strategic investments in sectors such as banking/insurance (majority shareholder of La Poste group), real estate/tourism (Icade and Compagnie des Alpes) and mobility/energy and engineering (Transdev group, RTE, CNR and Egis). Some of these subsidiaries were created by Caisse des Dépôts, for example Transdev, Egis, Icade, CNP Assurances and Compagnie des Alpes. After these activities were developed, they were turned into subsidiaries.

Our missions

"Caisse des dépôts et consignations and its subsidiaries constitute a state-owned group at the service of France's public interest and of the country's economic development. The Group fulfils public interest functions in support of the policies pursued by the State and local authorities, and may engage in competitive activities. […] Caisse des dépôts et consignations is a long-term investor promoting business development in line with its own ownership interests."

Article L. 518-2 of the French Monetary and Financial Code *(Code monétaire et financier)* (amended by the 2008 Economic Modernisation Act).

Public interest, trust, long-term vision: these are the values that motivate us every day and that have guided our actions for over 200 years. We use all of our expertise and our ability to act to respond to the challenges that our country faces and we support France's economic development, sustainable development and social cohesion.

Our activities are organised into four business lines at Caisse des Dépôts, supplemented by two major partners, Bpifrance and the La Poste group.

Banque des Territoires

Banque des Territoires supports public stakeholders by offering solutions tailored to local challenges, including advisory, loans and capital investments. It is aimed at local authorities, social housing organisations, local public companies, legal professions, businesse and financial players with the aim of working towards more inclusive, more sustainable, more attractive and more connected regions.

The Asset Management division (GDA)

The Asset Management division (GDA) manages all of Caisse des Dépôts' financial investments, carried on the balance sheets of the Savings Funds and the Central Sector. As the leading public asset manager with €200 billion in assets under management, the Asset Management division invests in all asset classes, directly or through its subsidiaries.

With whole sectors of the economy undermined by the health crisis, Caisse des Dépôts has launched a joint initiative with the French Insurance Federation (FFA) – Sustainable Recovery France – with an investment programme of €2.2 billion. The aim is to strengthen our health sovereignty, contribute to the revival of tourism and support SMEs and ISEs in the manufacturing and services sectors by engaging with companies over the long term, financing their development, enabling them to relocate and stimulating their R&D.

The Social Policy division

As a trusted operator, the Pensions and Solidarity division (DRS) supports the French population throughout their lives, from retirement to training and from inclusion to solidarity. A key partner to 63,000 public employers, the Pensions and Solidarity division is also a pivotal player in professional training with the "My Training Account" *(Mon Compte Formation)* application which it is continuing to develop. On 1 March 2021, the Pensions and Solidarity division became the Social Policy division, the aim being to better meet the expectations of its millions of beneficiaries, principals and employees. The division's organisational structure is clearer, reaffirming Caisse des Dépôts' ambition to become a global operator of public policy in the social sphere.

Management of Strategic Investments

This business line is in charge of acquisitions, as well as shareholder management for some 20 companies in which Caisse des Dépôts is the reference shareholder. As a long-term investor, Caisse des Dépôts supports the development of its subsidiaries – whose financial earnings support its public-interest missions – over the long term. Caisse des Dépôts conducts its shareholder policy on the basis of three criteria: Caisse des Dépôts' financial interests, the long-term interests of the companies concerned, their customers and their employees, and the public interest. These companies are key players in the banking and insurance, real estate and tourism, mobility, energy and engineering sectors. Dividends paid out by strategic investments (Transdev group, Egis, Icade, Compagnie des Alpes, RTE, etc.) are used to fund Caisse des Dépôts' public interest missions.

In 2020, following the signature of a binding agreement, Caisse des Dépôts acquired La Banque Postale's entire stake in the capital of SFIL (5%) and the French State's entire stake (75%), with the exception of one ordinary share, which the State will retain. Following the transaction, Caisse des Dépôts is the reference shareholder of SFIL, a new subsidiary of the Group, the seventh largest French bank by assets and the leading issuer of public sector covered bonds in Europe.

Bpifrance

Bpifrance, a public investment bank, is a subsidiary owned equally by Caisse des Dépôts and the French State that contributes to business financing and development. A Caisse des Dépôts business line in its own right, it fights against widening regional inequalities by providing companies with a range of financing solutions (loans, guarantees, holdings, advice and support) in all the stages of their development in France and internationally. A trusted partner of entrepreneurs, Bpifrance has supported 306,000 companies since its creation.

La Poste group

The merger between Caisse des Dépôts Group and La Poste group was finalised on 4 March 2020. On completion of the transaction, Caisse des Dépôts became the majority shareholder of La Poste, holding 66% alongside the French State, which holds 34%. La Banque Postale holds 62% of the capital of CNP Assurances. The merger thereby encourages the emergence of a leading player in bancassurance, following the model of the major French banks, while preserving CNP's open and multi-partner model.

Our governance

In accordance with the French law of 1816, Caisse des Dépôts is "closely supervised by the French Parliament and the legislative process", a special status that guarantees its independence. Parliament exercises control over its activities and guarantees its autonomy via a Supervisory Board, which reports to it at least once a year on its work. Under the PACTE law (*Plan d'action pour la croissance et la transformation des entreprises,* or Action Plan for Business Growth and Transformation), adopted in 2019, its composition was changed and its missions strengthened: it now has deliberative power and makes decisions that must be implemented by the Chairman and Chief Executive Officer. It monitors Caisse des Dépôts' (CDC) management, oversees compliance with the risk exposure limits and considers risk strategy and appetite as well as the Group's policy on equality in the workplace and equal pay. It approves the overall organisation and the consolidated and individual financial statements. Lastly, it sets risk-appropriate working capital and liquidity requirements and decides on the adoption of the Public Institution's budget. The Supervisory Board comprises sixteen members, including five appointed by the French Parliament, five elected members of French Parliament, one representative of the French State, three qualified officials appointed by the French State, and two employee representatives.

The Chairman and Chief Executive Officer of Caisse des Dépôts is appointed by decree of the President of the French Republic, after a review before the finance committees of the French Parliament. Appointed for a five–year term, the Chairman and Chief Executive Officer has wide-ranging powers and a large degree of independence from the government, which may only remove them from office on recommendation of the Supervisory Board. The Chairman and Chief Executive Officer is personally responsible for managing the funds entrusted to Caisse des Dépôts.

The Executive Committee, chaired by the Chairman and Chief Executive Officer of Caisse des Dépôts, is the main governance body of the Caisse des Dépôts Group. Its composition reflects the five business lines that make up the Group's core activities: support for regional projects; business financing via its joint subsidiary with the French State, Bpifrance; pensions and professional training; Asset Management; and monitoring of subsidiaries and investments. It monitors Caisse des Dépôts' operating performances and ensures that its solutions are adapted to the needs of its customers, partners and users.

Our sustainability policy

As a long-term investor serving the public interest, Caisse des Dépôts supports public policy to promote sustainable and inclusive economic development across all regions. Sustainable development is therefore at the heart of our missions. Our approach is based on consultation, transparency, impact and monitoring. Our sustainability policy has four key focuses: acceleration of the green transition, social cohesion, regional cohesion, and contribution to the economic development of regions and businesses. This policy is rooted in our decision-making processes, from the most operational, such as the selection of the projects that we finance, to the most strategic, such as the definition of our medium-term strategic plan approved by our governance bodies (Executive Committee and Supervisory Board). It combines two approaches: the integration of the United Nations' Sustainable Development Goals (SDGs) into our strategic management and the management of non-financial risks.

In particular, this involves developing product and service offerings with positive social and/or environmental impacts in each sector of activity. For the investment business lines, rolling out sustainable financial practices is a major priority, with implementation of a responsible investment policy that combines ESG integration, shareholder dialogue, and norm- and sector-based exclusions. As part of its commitment to leading by example, the Group's sustainability policy includes codes of ethics, a policy for combating corruption, money laundering and the financing of terrorism, minimisation of the negative impacts of activities and operations, and a responsible human resources management policy.

In 2019, the Group's climate policy was updated with the aim of aligning all its activities with a global warming trajectory of no more than 1.5°C, if possible. This is reflected in particular in its target of achieving carbon neutrality in its securities portfolios.

The economic environment in 2020

Economic context

In 2020, the international economic environment deteriorated sharply as a result of the global health crisis. Economic activity was extremely volatile from one quarter to the next, subject to restrictions such as lockdowns and curfews. Record declines in the spring were followed by record rebounds in the summer – mostly as a direct result of economies reopening – massively supported by extremely accommodative monetary and fiscal policies. A fresh wave of the virus emerged in the fourth quarter, particularly in Europe, leading to further recessions in many countries, albeit less pronounced than those experienced in the spring. In France, GDP fell 8.2% for the year as a whole (vs. 1.5% growth in 2019), representing a contraction more than three times greater than that seen in the 2009 financial crisis. The persistence of health risks in the short term, despite the rollout of vaccines, will limit the expected recovery in 2021.

At the same time, since the health crisis emerged in March 2020, deflationary forces – such as low demand for goods and services, and unsold inventories – have outweighed inflation risks such as a strong recovery in demand as lockdowns were eased, an increase in costs related to new health standards and significant monetary creation. In France, inflation trended from 1.5% in January to 0.0% in December, with an annual average of 0.5%, compared with 1.1% in 2019.

Financial context

In 2020, the financial markets were marked by the repercussions of the health crisis, initially in terms of investor risk perception, and by the strong accommodative reactions of the major central banks. The financial markets were initially struck by a sharp wave of mistrust characterised by a market drop, the widening of risk-free rates and a sharp rise in risk premiums. Subsequently, the ultra-accommodative policies of the major central banks, which deployed their entire arsenal of stimulus to address the crisis, helped to calm the markets by providing abundant liquidity and communicating on the highly accommodative outlook in the long term. At the end of the year, the markets were galvanised by good news on the launch of vaccines as well as stimulus and support plans, with liquidity remaining in strong supply. To summarise:

- On the money market, conditions continued to be characterised by low rates in the eurozone. The ECB kept interest rates at ultra-low levels and the deposit rate at –0.5%. However, it flooded the liquidity market with the announcement of new TLTRO programmes and launched an additional large-scale asset purchase programme. It stated that its monetary policy would remain accommodative until inflation reaches its target and remains there for an extended period. The three-month Euribor ended 2020 at –0.55%, below its end-2019 level of –0.38%, owing to abundant liquidity. The Fed also cut the Fed Funds rate to a target range of 0% to 0.25% and resumed its asset purchase programmes.
- On the French bond market, the yield on the ten-year OAT increased significantly initially due to risk aversion during the first lockdowns in Europe, before trending downwards for the rest of the year. It ended 2020 at –0.34%, well below its end-2019 level of 0.12%. There are several reasons for these extremely low yields: (i) the stock of assets held by the ECB increased sharply with the resumption of its purchases (exceptional asset purchase programme to deal with the health crisis), while investor demand for bonds was strong (defensive portfolio allocation in light of the many economic risks). This has significantly disrupted the balance between supply and demand, causing prices to increase and yields to fall, especially as investors faced abundant liquidity on the markets; (ii) the prospect of ultra-accommodative monetary policies by the major central banks led markets to price in persistently low interest rates; (iii) the lack of a recovery in inflation and record-low inflation expectations.
- On the equity markets, despite a sharp rally at the end of the year, the CAC 40 ended 2020 below end-2019 levels. The index lost 7.1% in 2020, with a historic fall in global stock markets at the start of the year followed by a significant increase at the end of the year resulting from the combination of several factors: (i) announcements regarding the launch of vaccines led to renewed investor confidence and a flurry of investment in high-risk assets; (ii) abundant liquidity on the markets (central bank liquidity and cash from economic agents); (iii) investor confidence in support and stimulus plans. However, the equity market rebound at the end of the year was not caused by an improvement in macro-economic forecasts or expectations on corporate earnings, which were significantly revised down throughout 2020.

Change in stock market indices	2017	2018	2019	2020	2020 Q1	2020 Q2	2020 Q3	2020 Q4
France	9.3%	-11.0%	26.4%	-7.1%	-26.5%	12.3%	-2.7%	15.6%
Germany	12.5%	-18.3%	25.5%	3.5%	-25.0%	23.9%	3.7%	7.5%
Spain	7.4%	-15.0%	11.8%	-15.5%	-28.9%	6.6%	-7.1%	20.2%
Italy	13.6%	-16.1%	28.3%	-5.4%	-27.5%	13.6%	-1.9%	16.9%
Portugal	15.2%	-12.2%	10.2%	-6.1%	-22.0%	7.9%	-7.4%	20.4%
United Kingdom	7.6%	-12.5%	12.1%	-14.3%	-24.8%	8.8%	-4.9%	10.1%
United States	19.4%	-6.2%	28.9%	16.3%	-20.0%	20.0%	8.5%	11.7%
Japan	19.1%	-12.1%	18.2%	16.0%	-20.0%	17.8%	4.0%	18.4%
Hong Kong	36.0%	-13.6%	9.1%	-3.4%	-16.3%	3.5%	-4.0%	16.1%
Brazil	26.9%	15.0%	31.6%	2.9%	-36.9%	30.2%	-0.5%	25.8%
Mexico	8.1%	-15.6%	4.6%	1.2%	-20.6%	9.2%	-0.7%	17.6%

Source: Bloomberg.

Key figures

Caisse des Dépôts Group

(in billions of euros)	2019	2020
Total consolidated assets	180.6	1,015.0
Equity attributable to owners *(excluding unrealised gains and losses)*	33.1	33.6
Equity attributable to owners *(including unrealised gains and losses)*	41.6	39.1
Consolidated net profit attributable to owners	2.1	0.6

Savings Funds

(in billions of euros)	2019	2020
Total loans agreed	13.2	13.5
Loans for social housing and urban planning	12.3	11.4
Loans to regional authorities	0.8	1.1
Loan to Bpifrance		1.0
Outstanding loans	190.0	191.9

Caisse des Dépôts long-term and short-term ratings

Established by the Law of 28 April 1816, Caisse des Dépôts is a state-owned institution serving France's public interest and local and regional economic development.

Caisse des Dépôts is closely supervised by the French Parliament and the legislative process.

Credit rating agencies consider Caisse des Dépôts to be a state agency and thus that it carries the same rating as the Republic of France.

The following table lists Caisse des Dépôts' long-term and short-term ratings at 31 December 2020:

Ratings	Standard & Poor's	Moody's	Fitch
Caisse des Dépôts	AA/Stable/A-1+	Aa2/Stable/P-1	AA/Negative/F1+
EMTN & BMTN Programmes	AA	Aa2	AA
CD Programme	A-1+	P-1	F1+
Global CP Programme	A-1+	P-1	F1+

Investor relations:

Short-term financing: CDC.TREASURY@caissedesdepots.fr

Long-term financing: EMTN-CDC@caissedesdepots.fr

Audit of the Financial Statements

In compliance with article L. 518-15-1 of the French Monetary and Financial Code:

"Each year, Caisse des Dépôts et Consignations shall present its company and consolidated financial statements, audited by two statutory auditors, to the Finance Committees of the National Assembly and the Senate."

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Caisse des Dépôts Group

Consolidated financial statements at 31.12.2020

reviewed and adopted by the Chairman and Chief Executive Officer of Caisse des Dépôts on 9 March 2021

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1. Consolidated financial statements

1.1 Caisse des Dépôts Group significant events

1.1.1 Merger between La Poste and Caisse des Dépôts to create a major public financial hub

The transactions relating to the creation of a major public financial hub were completed on 4 March 2020. Initially announced by the Minister for the Economy and Finance on 30 August 2018, the operation was achieved through the transfer by the French State and Caisse des Dépôts to La Poste, and then from La Poste to La Banque Postale, of their stakes in the capital of CNP Assurances. Since 4 March 2020, Caisse des Dépôts has been the majority shareholder of La Poste, and La Banque Postale has been the majority shareholder of CNP Assurances.

As part of the creation of this public financial hub, the following transactions were carried out on 4 March 2020:

- the French State and Caisse des Dépôts transferred to La Poste their respective stakes of approximately 1.1% and 40.9% in the capital of CNP Assurances and received in exchange shares in La Poste as part of a capital increase;
- La Poste then transferred to La Banque Postale all of the CNP Assurances shares received from the French State and Caisse des Dépôts in exchange for shares in La Banque Postale as part of a capital increase;
- Caisse des Dépôts acquired an additional stake in the capital of La Poste from the French State for nearly €1 billion.

On completion of these transactions, the French State held 34% of the capital and voting rights of La Poste, and Caisse des Dépôts held 66% of the capital and voting rights of La Poste.

At 4 March 2020, La Banque Postale, a wholly-owned subsidiary of La Poste, held 62.13% of the capital of CNP Assurances.

Coinciding with the completion of the transaction, the French State and Caisse des Dépôts entered into a new shareholders' agreement to reflect the changes in the capital of La Poste in the structure of their shareholder relationships.

1.1.1.1 Recognition of the La Poste transaction

The financial statements of La Poste and CNP Assurances were accounted for using the equity method in the consolidated financial statements of the Caisse des Dépôts Group until 29 February 2020, and then fully consolidated from 1 March 2020.

On the date of their completion, these transactions had the following impacts on the Caisse des Dépôts Group's financial statements:

- the reclassification to profit or loss of the translation reserves and unrealised gains of La Poste and CNP Assurances for the Group's share before the transaction, generating income of €1.3 billion;
- the impairment of the value of CNP Assurances securities previously accounted for using the equity method with respect to the share price on the date of the transaction and the value of these securities in the Caisse des Dépôts Group's financial statements, on 4 March 2020;
- the recognition of badwill corresponding to the difference between the Group's share of La Poste group's net assets measured at fair value and the value of the La Poste securities on the date of the transaction.

Badwill and the impairment of previously held equity investments represented total net income of €12 million.

The method used to determine goodwill is the partial goodwill method.

The fair value of the assets acquired and liabilities assumed on 4 March 2020 and the impact of the transaction on 2020 consolidated income can be broken down as follows:

(in millions of euros)	La Poste	La Banque Postale	CNP Assurances	La Poste group
Assets				
Cash and amounts due from central banks		17,203		17,203
Financial assets at fair value through profit or loss	812	12,846	182,841	196,499
Hedging instruments with a positive fair value		1,785		1,785
Financial assets at fair value through other comprehensive income	1	14,543	218,206	232,750
Securities at amortised cost		30,217	166	30,383
Loans and receivables due from credit institutions and related entities at amortised cost	734	73,054	1,722	75,510
Loans and receivables due from customers at amortised cost	1,184	123,108	2,346	126,638
Current and deferred tax assets	1,305	285	416	2,006
Prepayments, accrued income and other assets	4,325	3,351	29,270	36,946
Non-current assets held for sale	149			149
Investments in equity-accounted companies	211	55	487	753
Investment property			3,079	3,079
Owner-occupied property and equipment	8,876	1,018	172	10,066
Intangible assets	756	736	2,681	4,173
Goodwill				
Total assets	**18,353**	**278,201**	**441,386**	**737,940**
Liabilities and equity				
Due to central banks				
Financial liabilities at fair value through profit or loss	22	1,723	1,879	3,624
Hedging instruments with a negative fair value		826	5	831
Debt securities	6,688	25,159		31,847
Due to credit institutions	995	31,720	296	33,011
Due to customers	214	199,243	12,969	212,426
Current and deferred tax liabilities	38	475	1,292	1,805
Accrued expenses, deferred income and other liabilities	8,820	4,517	17,705	31,042
Liabilities related to non-current assets held for sale	112			112
Provisions	4,605	2,585	379,060	386,250
Subordinated debt		3,225	6,648	9,873
Total liabilities and equity	**21,494**	**269,473**	**419,854**	**710,821**
Acquired assets and assumed liabilities	**(3,141)**	**8,728**	**21,532**	**27,119**
Non-controlling interests recognised by La Poste group				(11,882)
Restatement of undated hybrid subordinated notes recognised by La Poste group				(744)
Restated acquired assets and assumed liabilities				**14,493**
Assets acquired and liabilities assumed by Caisse des Dépôts (66%)				**9,565**
Price of the La Poste securities transaction				(6,732)
Badwill				2,833
Impact on income of the remeasurement at fair value of securities previously held				(2,821)
Impact on 2020 income of the La Poste transaction				**12**

The impact of the transaction is recognised under "Gains and losses on other assets, net" in the consolidated income statement.

1.1.1.2 Contribution to the consolidated income statement of fully consolidated La Poste group entities following the merger with La Poste

31.12.2020	Amounts recognised in the income statement since 4 March 2020	Amounts that would have been recognised in the event that the acquisition date had been 1 January 2020[1]
Net banking income	**25,812**	**31,331**
Net profit (loss)	**(1,321)**	**(1,206)**

(1) i.e. two months of additional La Poste group activity, January and February 2020.

1.1.2 Acquisition by Caisse des Dépôts of La Banque Postale's entire stake in the capital of SFIL (5%) and the French State's entire stake (75%)

On 30 September 2020, the French State, Caisse des Dépôts and La Banque Postale finalised the transfer to Caisse des Dépôts of the French State's entire stake in SFIL (75%), with the exception of an ordinary share, which the French State will retain, and La Banque Postale's entire stake (5%), under the conditions announced on 9 October 2019 and 4 March 2020.

SFIL will continue to be wholly owned by public sector institutions as it is today: its shareholders will ensure that its financial strength is preserved and its economic base protected in accordance with applicable regulations.

By effect of this acquisition, Caisse des Dépôts is now the reference shareholder of SFIL.

Based on the public policy missions entrusted to SFIL - the financing of the local public sector and the refinancing of large export contracts - the French State will continue to be represented on the board of directors via a censor (non–voting director).

The exclusive partnership between SFIL and La Banque Postale to finance the French local public sector has been early extended until end 2026.

The acquisition of SFIL by Caisse des Dépôts will strengthen the major public financial hub dedicated to the major changes in society and to regional development bringing to the hub France's seventh largest bank in terms of balance sheet size and leading European public sector covered bond issuer.

1.1.2.1 Accounting for the SFIL transaction

SFIL's financial statements have been fully consolidated since 1 October 2020.

The fair value of the assets acquired and liabilities assumed on 1 October 2020 and the impact of the transaction on 2020 consolidated income can be broken down as follows:

(in millions of euros)	SFIL group
Assets	
Cash and amounts due from central banks	1,279
Financial assets at fair value through profit or loss	4,547
Hedging instruments with a positive fair value	5,209
Financial assets at fair value through other comprehensive income	563
Securities at amortised cost	8,406
Loans and receivables due from credit institutions and related entities at amortised cost	365
Loans and receivables due from customers at amortised cost	51,982
Current and deferred tax assets	529
Prepayments, accrued income and other assets	2,775
Owner-occupied property and equipment	13
Intangible assets	27
Total assets	**75,695**
Liabilities and equity	
Due to central banks	
Financial liabilities at fair value through profit or loss	1,120
Hedging instruments with a negative fair value	7,729
Debt securities	64,537
Due to credit institutions	4
Accrued expenses, deferred income and other liabilities	1,683
Provisions	14
Total liabilities and equity	**75,087**
Acquired assets and assumed liabilities	**608**
Price of the SFIL securities transaction (of which €300 million in cash)	320
Subscription by SFIL to Caisse des Dépôts issues	114
Loans granted by La Banque Postale to SFIL	379
Badwill	23
Impact on 2020 income of the SFIL transaction	**23**

The impact of the transaction is recognised under "Gains and losses on other assets, net" in the consolidated income statement.

1.1.2.2 Contribution to SFIL's consolidated income statement by full consolidation

31.12.2020	Amounts recognised in the income statement since 1 October 2020	Amounts that would have been recognised in the event that the acquisition date had been 1 January 2020
Net banking income	**113**	**383**
Net profit (loss)	**29**	**195**

(1) i.e. nine months of additional SFIL group activity from 1 January 2020 to 30 September 2020.

1.1.3 Caisse des Dépôts – Central Sector

1.1.3.1 Impact of the COVID-19 health crisis

The COVID-19 health crisis is having an unprecedented impact on economies, and the lockdown measures introduced by governments around the world have led to a substantial contraction in global activity. Despite government and central-bank support, both in liquidity and loan guarantees, substantial uncertainty regarding the intensity and duration of the crisis remains. Against this backdrop, Caisse des Dépôts is implementing an ambitious stimulus plan to ensure sustainable growth in sectors that affect the daily lives of the French population and that will help to accelerate more environmentally friendly economic development. Caisse des Dépôts will be rolling out a large-scale plan with four key focuses: the green transition, housing, support for businesses, and social cohesion.

As a long-term investor, Caisse des Dépôts holds portfolios of large and diversified, listed and non-listed financial assets. The current crisis has led a significant number of companies to cancel or postpone the payment of dividends. These measures are aimed at strengthening company equity and, in some cases, are made mandatory by governments and regulators. The health measures introduced to combat the spread of COVID-19 led to a major economic crisis in 2020, particularly for certain industrial sectors, some of which had already been weakened before the health crisis. Although the medium–term impacts are still unknown, Caisse des Dépôts has taken into account the likely deteriorations in the probabilities of default on the basis of reasonable estimates.

1.1.3.1.1 Calibration parameters

With regard to the measurement of expected credit losses, Caisse des Dépôts (Central Sector) chose to use three macroeconomic scenarios (including two "severe and plausible" deteriorated scenarios), developed by Caisse des Dépôts' research department and economic and financial environment department, with relatively broad coverage of potential future economic conditions. These scenarios were used as part of the Caisse des Dépôts Group's medium-term planning and budget process.

- **Central scenario:** after a severe recession in 2020 resulting from the COVID-19 crisis, the post-lockdown recovery in economic activity combined with the various monetary and fiscal support plans announced will enable a significant rebound in activity, resulting in a rebound in GDP in 2021. However, the lasting consequences of the crisis (bankruptcies, unemployment, risk aversion, debt burden) will weigh during the recovery, such that economic activity will not return to its pre-crisis level of 2019 until 2024. Overall, inflation will be low, leading to a lasting expansionist monetary policy (low key interest rates, prolonged asset purchases): interest rates will remain low. Yields are expected to remain low in financial markets relative to historical yields, with the understanding that asset prices may be disrupted and disconnected from their fundamentals owing to abundant liquidity.
- **Deteriorated scenario,** intended to stress test the financial activities of Caisse des Dépôts. This scenario includes a GDP recession crisis (health, financial or cyclical), with equity markets and interest rates falling in the year of the crisis. Potential growth is weakened after the crisis, limiting the economic rebound, such that interest rates remain structurally low.
- **A "bond crash" scenario,** designed in particular to stress test the real estate activities of Caisse des Dépôts (deposits from notaries, real estate investments, etc.) and which will lead to a sovereign debt-type crisis with a steepening of the yield curve. In this crisis scenario, French long-term interest rates will rise significantly, but the crisis will not deteriorate into a systemic crisis affecting banks. Rates will remain high, an assumption serving to restrict the real estate market and notary deposits over the long term.

To assess expected credit losses, the following probabilities of occurrence are used:

1.1.3.1.1.1 Downgrade to "bucket 2" via sector monitoring

Caisse des Dépôts' financial analysts studied sectors meriting classification on a watch list owing to crisis–related uncertainties. Watch-list classification automatically results in a classification of exposures in "bucket 2", with the calculation of lifetime expected credit losses.

	December 2020
Central scenario	75%
Deteriorated scenario	19%
“Bond crash” scenario	6%

1.1.3.1.1.2 Impact on the financial statements of the Central Sector at 31 December 2020

Based on the work specified in the previous paragraphs, the impacts of these inputs are an additional expense of €34 million, for a total of €56 million at 31 December 2020 (“bucket 1 & 2”). This impact is measured for the Central Sector, reflecting both the overall quality of the portfolio and the low interest-rate environment that supports economic players.

1.1.3.2 Economic stimulus plan

Caisse des Dépôts plays a role in France's transformation through its ability to mobilise the savings of the French population and unify private and public players to provide social and economic solutions. Caisse des Dépôts mobilises €26 billion in equity in sectors affecting the daily lives of the French population and which will help to accelerate more environmentally friendly economic growth. To develop a sustainable and solidarity economy, Caisse des Dépôts will be rolling out a large-scale action plan with four key focuses: the green transition, housing, support for businesses, and social cohesion. The objective is to invest nearly 80% of the €26 billion over the next two years.

1.1.3.2.1 Fostering the green transition: €6.3 billion

In addition to the thermal renovation of housing and public buildings, Caisse des Dépôts will invest substantially in sustainable infrastructure at a regional level. A large-scale plan on sustainable mobility will be deployed, with the primary goal of developing electric vehicle fleets and charging stations. As for renewable energies, Banque des Territoires, which already invests significantly in wind and solar farms, is stepping up its initiatives to further cover the energy needs of the French population with green sources. Banque des Territoires will also support the growth of the green hydrogen and biomass sectors: The plan is for a total 8.8 GW produced by new renewable energies, representing one third of the effort to be made in renewable energies to rebalance our energy mix, boosting the share of renewable energies in our energy consumption. Caisse des Dépôts, through Banque des Territoires, will also be pursuing its policy to foster the development of the circular economy, the key priorities being water sanitation and waste recycling. A Climate Plan to combat global warming was announced on 9 September by Banque des Territoires and Bpifrance.

1.1.3.2.2 Providing large-scale support to the housing and construction sectors: €11.1 billion

Caisse des Dépôts will earmark half of its investment capacity for the housing sector, the fundamental goal being to ensure everyone has access to housing. To that end, Caisse des Dépôts will continue to deploy its Housing Plan launched in 2018. The plan will serve to strengthen the equity of social housing bodies notably through the CDC’s acquisition of equity securities. Particular attention will be paid to priority groups, known as “key workers”, including caregivers. To step up the construction of new and affordable social and intermediate housing, Caisse des Dépôts subsidiary CDC Habitat launched a call for projects on 25 March 2020 with the aim of launching the production of 42,000 rental social housing units in 2021 and 2022. To support the deployment of this programme, Caisse des Dépôts endowed its subsidiary with an extra €1.2 billion in equity at 31 December 2020. The French population will also be able to count on Caisse des Dépôts, which is a key player in urban policy, in particular through the development of the *Action Cœur de Ville* programme, the new national programme for urban renewal (*Nouveau Programme National de Renouvellement Urbain* — NPNRU), and the rehabilitation of run-down properties.

1.1.3.2.3 Securing/financing businesses and investing in the long term: €8.3 billion

At sector level, Banque des Territoires and its subsidiary Bpifrance announced last May the Caisse des Dépôts Group’s Plan for Tourism to initiate the recovery and support industry professionals in their future projects. Safeguarding the economic fabric of all the regions will hinge on protecting small local shops selling essential goods. To step up city centre revitalisation, Banque des Territoires will launch a special aid programme for independent shop-owners between now and the end of the year, offering local authorities the possibility of creating up to 100 property companies to acquire and renovate small stores. Caisse des Dépôts will also be harnessing its asset management expertise to fulfil its role as a long-term investor. It will do so by replenishing or reviving the new–generation Nov’ funds for SMEs and mid-sized companies, notably in the health sector, and by investing in mid–caps on financial markets and supporting global French businesses with the Lac d’Argent fund managed by Bpifrance.

1.1.3.2.4 Contributing to social cohesion: €0.5 billion

Caisse des Dépôts will continue to develop its range of services in the social sector, relying notably on its expertise to create a number of platforms. In addition to providing support for public employers to enhance pensions management – with the launch in June of the PEP’s platform serving 63,000 public employers and web–based survivor’s pension requests for insureds –

Caisse des Dépôts is promoting upskilling, starting with the "My Training Account" *(Mon Compte Formation)* application, and to improve the inclusion of people with disabilities, through its Handicap platform. *Mon Compte Formation* will give French people aged under 25 with no qualifications access to training in tomorrow's professions, fully financed by the French civil service by the end of 2020.

The objective is to provide 100,000 courses leading to qualification or pre-qualification in tomorrow's professions, particularly those in the digital sphere. In the health sector, Caisse des Dépôts will harness telemedicine solutions and meet the financing needs of public hospitals across the board thanks to the capabilities of its subsidiary SFIL and La Banque Postale. New resources will also be devoted to renovating and investing in residential care homes for the elderly (Ehpad).

1.1.4 La Poste group

1.1.4.1 Acquisition of outstanding non-controlling interests in La Banque Postale Assurances IARD

On 7 April 2020, La Banque Postale acquired Groupama's 35% interest in La Banque Postale Assurances IARD. La Banque Postale now owns 100% of the share capital of the company, which is already fully consolidated. The acquisition consisted in the acquisition of Groupama's shares for €167 million, with no material impact on equity.

1.1.4.2 La Poste bond issue

On 21 April 2020, La Poste launched a €1.8 billion dual tranche bond, comprising

- an issue of €1.15 billion maturing in April 2032 and paying a coupon of 1.375%;
- an issue of €0.65 billion maturing in 2026 and paying a coupon of 0.625%.

1.1.4.3 CNP Assurances subordinated bond issues

On 30 June 2020, CNP Assurances issued subordinated debt securities for €0.75 billion maturing on 30 June 2051, bearing fixed interest of 2.5% until 30 June 2031.

On 8 December 2020, CNP Assurances finalised a debt security issue of €0.5 billion maturing on 8 March 2028 and paying fixed interest at 0.375%.

1.1.4.4 Partnership between CNP Assurances and Caixa Seguridade

On 30 December 2020, CNP Assurances and the Brazilian company Caixa Seguridade, a subsidiary of Caixa Econômica Federal, signed an exclusive distribution agreement through to 2046 for personal risk insurance, consumer loan insurance and retirement products in Brazil.

The distribution agreement was implemented through a new insurance joint venture created for this purpose by CNP Assurances and Caixa Seguridade. CNP Assurances will hold 51% of the voting rights for this new entity, and Caixa Seguridade 49%.

In addition to the full consolidation of the new company, this agreement had the following impact on the Group's financial statements at 31 December 2020:

- recognition on the balance sheet of an intangible asset for an amount of €3 billion corresponding to the distribution agreement, which can be amortised on a straight-line basis over the term of the contract; and
- recognition of non-controlling interests in equity for an amount of €1.8 billion.

1.1.4.5 Partnership agreement between CNP Assurances and Caixa Seguridade in the *consorcio* segment

CNP Assurances has signed a framework agreement with the Brazilian company Caixa Seguridade on the exclusive twenty-year distribution of the *consorcio* product using the Caixa Econômica Federal banking network in Brazil, in particular for the real estate and automobile sectors. The new agreement is in addition to that signed in August 2018 (and amended in September 2019) on personal risk, consumer loan insurance and pension products *(vida, prestamista, previdência)*.

The new distribution agreement will be implemented through a company formed for this purpose whose management and governance will be shared between CNP Assurances and Caixa Seguridade. CNP Assurances will hold 50.01% of the common shares with voting rights, while Caixa Seguridade will hold 49.99% of common shares with voting rights and 100% of the preferred shares without voting rights. The resulting breakdown of economic rights will be 25% for CNP Assurances and 75% for Caixa Seguridade.

The agreement stipulates that CNP Assurances is to pay a fixed sum of BRL 250 million on completion of the transaction.

The completion of the transaction remains subject to various conditions precedent, including approval from the relevant regulatory authorities for banking and competition. Subject to these approvals, it is expected that the transaction will be finalised no later than 30 March 2021.

1.1.4.6 Impact of the COVID-19 health crisis for La Poste group

The main impacts of the health crisis on the valuation of La Poste group's balance sheet assets are presented below:

1.1.4.6.1 Review of impairment indicators

In addition to the tests carried out at least once a year on all cash-generating units (CGUs) including goodwill, other CGUs were also tested based on indicators of impairment losses that may have been detected.

These tests led to the impairment of the assets of the Mail CGU for €900 million. The sharp decline in the volume of mail in 2020 due to the COVID-19 crisis indicates an impairment loss that required an impairment test on the fixed assets of the Mail CGU. These assets do not include goodwill and consist exclusively of depreciable/amortisable items, including software, industrial equipment, fixtures and right-of-use assets relating to buildings and vehicles recorded in accordance with IFRS 16.

The test was carried out on the basis of a business plan prepared using the best of the five-year business forecasts with a WACC of 7%. The normative growth rate used is -5% and takes into account a structural decline in mail volumes. Changes in these parameters only have a slight impact on the outcome of the test.

The impairment recorded in the financial statements is broken down as follows:

- Intangible assets: €201 million;
- Owner-occupied property and equipment: €288 million;
- Right-of-use assets: €411 million.

i.e. an overall negative impact of €594 million for the Caisse des Dépôts Group share.

No impairment has been recognised on buildings or fully owned vehicles belonging to another of La Poste group segment and used by the Mail CGU; the market value of these assets is measured as higher than the carrying amount.

It should be noted that La Poste's parcel transport business is a different CGU for which there is no indication of impairment.

1.1.4.6.2 Review of the recoverability of deferred tax assets

Owing to the change in the mail activity and the resulting deterioration of the tax profit forecasts for La Poste SA, some uncertainty exists over the recovery of the deferred tax assets of La Poste SA and the tax group to which it belongs. As a result, the net deferred tax assets of this tax group were fully impaired at end-December 2020. The impairment recorded in the 2020 financial statements amounted to €298 million, or €197 million for the Caisse des Dépôts Group share. Furthermore, unrecognised deferred tax assets for 2020 totalled €852 million.

1.1.4.6.3 Impacts on credit risk assessment

The COVID-19 crisis had an adverse impact estimated at €454 million on La Banque Postale's credit risk assessment in 2020, of which €364 million for legal entities and €90 million for natural persons.

In accordance with the applicable regulatory and accounting provisions, La Banque Postale has implemented a prudent and balanced provisioning approach to take account of the known elements of the crisis based on observations of the portfolio and the expertise of the sales teams and the Risk Management division.

1.1.4.6.3.1 Corporate customers

The cost of credit risk of legal entities is the result of:

- the bank's exposure monitoring process;
- specific provisioning decisions made by dedicated bodies for past-due loans
- the use of statistical provisioning mechanisms.

As regards this last group, the process for recording statistical provisions was extended in fourth-quarter 2020 to cover a greater volume of customers and sectors while targeting the most sensitive risk areas within a given sector. Sector-specific loss allowances (declassification to bucket 2) were recorded on exposures in the following sectors at 31 December 2020:

- tourism, hospitality and leisure industry;
- 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.

The COVID-19 crisis has impacted the cost of credit risk of legal entities to the tune of €364 million, including €95 million in cross-parameter effects and €211 million in general loss allowances. Finally, expected credit losses on significant individual exposures directly impacted by the crisis are estimated at €58 million.

1.1.4.6.3.2 Retail customers

Up to now, the COVID-19 crisis has had only a limited impact on La Banque Postale's retail banking credit exposures. The crisis could nonetheless have a material impact on the risk profile of the retail banking loan book in the coming months.

To adjust loss allowances accordingly, the risk parameters associated with default probabilities and various macroeconomic scenarios were reviewed in second-half 2020. In addition, loans to customers in certain socio–economic categories were reclassified in bucket 2 to reflect the expectation that these categories would be materially affected by the second lockdown.

In the case of loans subject to non-contractual payment deferrals due to the COVID-19 crisis (home loan repayment holidays and consumer finance renegotiations above and beyond contractual obligations) that were decided at the customer's request or at La Banque Postale's initiative, the credit quality of the customers concerned by the deferrals was considered as having deteriorated. These loans were reclassified to bucket 2, with some exceptions, leading to the recognition of allowances for the lifetime expected credit loss. When repayments resume, once a three-month probationary period has elapsed, the exposures in question are reclassified as performing loans (bucket 1).

There was no major change in the risk profile of retail banking exposures at 31 December 2020 and the effects of the COVID-19 crisis had not yet had a material impact.
As such, the increase in the cost of risk was mainly due to the revision of risk parameters to anticipate the impact of the crisis (€65 million) and the reclassification to bucket 2 of certain loans subject to a mix of repayment holidays (€8 million) and loans to customers in certain socio-economic categories (€18 million).

1.1.5 Bpifrance group

1.1.5.1 Merger by absorption of Bpifrance SA by Bpifrance Financement

On 18 December 2020, the General Meetings of the Shareholders of Bpifrance SA and Bpifrance Financement approved the merger by absorption of holding company Bpifrance SA by its subsidiary, credit institution Bpifrance Financement, with immediate legal effect.

1.1.5.2 Impact of the health crisis

The 2020 financial year was marked by an unprecedented health crisis linked to COVID-19. The pandemic impacts economic and social activities on an international scale and its economic consequences are significant. With its public–interest mission of financing and developing businesses, in support of public policies, Bpifrance is fully committed to supporting French companies during this period.

1.1.5.2.1 Support schemes implemented by Bpifrance

Bpifrance operates through various support mechanisms for companies, either on its own behalf or on behalf of third parties. The activities managed by Bpifrance on behalf of third parties are not included in Bpifrance's balance sheet.

1.1.5.2.2 Proprietary products, operating procedures

Bpifrance has implemented three new products as part of the COVID-19 epidemic.
In connection with the government's support for the economy, and in order to meet exceptional cash-flow requirements related to the economic situation or a working capital requirement, Bpifrance proposes:

- government-backed loans (PGEs) of 90%, intended for Bpifrance's VSEs, SMEs and mid-sized companies across all business sectors providing that they meet the necessary conditions; budget of €3 billion, €0.8 billion backed at 31 December 2020;
- government-backed innovation loans (PSIs) of 90%, intended for start-ups, SMEs and mid-sized companies with under 5,000 employees and annual revenue of less than €1.5 billion, registered in France and subject to French law, across all business sectors, providing that they meet the necessary conditions; no ceiling, €0.5 billion backed at 31 December 2020.

PGEs and PSIs are bullet loans of one year, with an extension clause that can be activated at no cost by the borrower. At the end of the first year, the borrower can either amortise the loan over a period of one to five years or defer repayment by an additional year and amortise the loan over a period of one to four years.
In addition to PGEs and PSIs, Bpifrance has also implemented the "Atout" loan. Available for VSEs, SMEs and mid-sized companies, it is also aimed at financing cash requirements related to the economic situation or an exceptional working capital requirement. It is offered over three to five years with a deferred depreciation option of up to twelve months. The interest rate, fixed or variable, is determined according to the conditions in force at the time the loan is granted. The portion backed on this type of loan is between 70% and 90%. Budget of €3 billion, €2.4 billion backed at 31 December 2020.
In addition, changes have been made to certain existing products. On a case-by-case basis, the Group has increased the expected volumes, extended the eligibility criteria (companies and expenses), re-endowed the guarantee fund, and changed the characteristics of the loan or guarantee (extending the maturity and/or the amortisation deferral, increase in the guaranteed portion). These adjustments solely concern the new production of the schemes in question. Two schemes have been particularly enhanced:

- the "Rebond" loan: a medium-term, interest-free regional development loan with a term of seven years, with a two-year deferral, backed by an allocation granted by each French region. This loan aims to strengthen the cash flow of SMEs in the context of the health crisis; budget of €1 billion, €0.8 billion backed at 31 December 2020;
- the "Tourisme" loan: a fixed-rate loan with a term of two to twelve years with a deferral of six to thirty-six months backed by the Tourisme guarantee fund. This loan aims to strengthen the cash flow of SMEs and mid-sized companies in the tourism sector; budget of €0.8 billion, €0.1 billion backed at 31 December 2020;

1.2 Subsequent events

1.2.1 La Poste group

On 11 January 2021, La Poste completed two bond issues for a total of €1,750 million:

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

1.2.2 Icade

On 11 January 2021, Icade issued a €600 million bond with a ten-year maturity with an annual coupon of 0.625%. The use of these funds will mainly be allocated to the exercise of a make-whole call on the 2022 bond issue for an amount of €395.7 million planned for 24 February 2021. On 18 January 2021, Icade also called for the repayment of the final portion of its April 2021 issue for €257.1 million in accordance with its documentation.

On 1 February 2021 and 19 February 2021, Icade signed preliminary sale agreements for the Millénaire 1 building in Aubervilliers and the Loire building in Villejuif for more than €300 million. These sales were completed at prices in line with both fair market values and appraisal values at 31 December 2020.

There were no other significant subsequent events likely to have a material impact on the financial statements and results of the Caisse des Dépôts Group at 31 December 2020.

1.3 Consolidated income statement, year ended 31 December 2020

(in millions of euros)	Notes	31.12.2020	31.12.2019
Interest income	2.3.1	3,903	1,406
Interest expense	2.3.1	(639)	(1,116)
Gains and losses resulting from net position hedges, net			
Fee and commission income	2.3.2	1,787	22
Fee and commission expense	2.3.2	(3,018)	(38)
Gains and losses on financial instruments at fair value through profit or loss, net	2.3.3	4,432	778
Gains and losses on financial instruments at fair value through other comprehensive income, net	2.3.4	216	681
Gains and losses resulting from derecognition of financial assets at amortised cost, net	2.3.5	18	(11)
Income from other activities	2.3.6	54,346	12,787
Expenses from other activities	2.3.6	(25,852)	(3,872)
Impact of the overlay approach (gross impact)		(692)	
Net banking income		**34,501**	**10,637**
General operating expenses	2.3.7	(30,114)	(7,879)
Depreciation, amortisation and impairment of property and equipment and intangible assets	2.4.11	(3,740)	(906)
Gross operating profit (loss)		**647**	**1,852**
Cost of credit risk	2.3.8	(986)	(37)
Operating profit (loss)		**(339)**	**1,815**
Share of profit (loss) of associates	2.4.10	220	366
Share of profit (loss) of joint ventures	2.4.10	1,527	723
Gains and losses on other assets, net	2.3.9	186	(17)
Change in value of goodwill	2.4.12	(111)	
Profit (loss) before tax		**1,483**	**2,887**
Income tax expense	2.3.10	(1,076)	(526)
Net profit (loss) from discontinued operations		3	2
Net profit (loss)		**410**	**2,363**
Non-controlling interests	2.4.18	156	(307)
Net profit (loss) attributable to owners		**566**	**2,056**

1.4 Consolidated statement of comprehensive income, year ended 31 December 2020

(in millions of euros)	31.12.2020	31.12.2019
Net profit (loss)	**410**	**2,363**
Items not to be reclassified to the income statement		
Actuarial gains and losses on post-employment defined benefit obligations	(79)	(28)
Changes in credit risk for financial liabilities designated at fair value through profit or loss using the fair value option	8	9
Changes in fair value of equity instruments recognised at fair value through other comprehensive income	(764)	3,614
Gains and losses on hedging instruments that hedge investments in equity instruments measured at fair value through other comprehensive income		
Share of other comprehensive income (loss) of equity-accounted companies	(310)	503
Total items not to be reclassified to the income statement	**(1,145)**	**4,098**
Items to be reclassified to the income statement		
Exchange differences on translation of foreign operations	(935)	11
Changes in fair value of financial assets at fair value through other comprehensive income	1,140	(9)
Gains and losses on hedging instruments	(43)	(92)
Share of other comprehensive income (loss) of equity-accounted companies	(1,543)	504
Total items to be reclassified to the income statement	**(1,381)**	**414**
Other comprehensive income (loss)	**(2,526)**	**4,512**
Total comprehensive income (loss)	**(2,116)**	**6,875**
Attributable to owners	(1,869)	6,570
Non-controlling interests	(247)	305

1.5 Consolidated statement of financial position, at 31 December 2020

(in millions of euros)	Notes	31.12.2020	31.12.2019
Assets			
Cash and amounts due from central banks		20,518	3,263
Financial assets at fair value through profit or loss	2.4.1	212,553	10,674
Hedging instruments with a positive fair value	2.4.2	8,817	1,747
Financial assets at fair value through other comprehensive income	2.4.3	266,152	34,567
Securities at amortised cost	2.4.4	75,401	55,708
Loans and receivables due from credit institutions and related entities at amortised cost	2.4.5	134,712	15,116
Loans and receivables due from customers at amortised cost	2.4.6	186,855	4,221
Cumulative fair value adjustments to portfolios hedged against interest rate risk		128	
Current and deferred tax assets	2.4.7	2,456	250
Prepayments, accrued income and other assets	2.4.8	44,989	6,348
Non-current assets held for sale	2.4.9	220	1,405
Investments in equity-accounted companies	2.4.10	18,733	24,520
Investment property	2.4.11	21,693	16,544
Owner-occupied property and equipment	2.4.11	13,969	4,339
Intangible assets	2.4.11	6,684	733
Goodwill	2.4.12	1,164	1,193
Total assets[1]		**1,015,044**	**180,628**

(1) Including €752 billion for La Poste group and €76 billion for SFIL group.

(in millions of euros)	Notes	31.12.2020	31.12.2019
Liabilities and equity			
Due to central banks			
Financial liabilities at fair value through profit or loss	2.4.1	4,740	803
Hedging instruments with a negative fair value		10,079	1,346
Debt securities	2.4.13	128,521	34,221
Due to credit institutions	2.4.14	54,238	12,830
Due to customers	2.4.15	310,674	71,546
Cumulative fair value adjustments to portfolios hedged against interest rate risk		23	
Current and deferred tax liabilities	2.4.7	4,186	2,752
Accrued expenses, deferred income and other liabilities	2.4.8	43,833	10,256
Liabilities related to non-current assets held for sale	2.4.9	143	12
Provisions	2.4.17	7,011	1,298
Insurance company technical provisions and shadow accounting reserves	2.5	379,830	
Subordinated debt		10,325	
Equity attributable to owners			
Reserves and retained earnings		33,031	31,053
Gains and losses recognised directly in equity		5,489	8,535
Profit (loss) for the period		566	2,056
Total equity attributable to owners		**39,086**	**41,644**
Non-controlling interests	2.4.18	22,355	3,920
Total equity		**61,441**	**45,564**
Total liabilities and equity[1]		**1,015,044**	**180,628**

(1) Including €752 billion for La Poste group and €76 billion for SFIL group.

1.6 Consolidated statement of changes in equity, 1 January 2019 to 31 December 2020

(in millions of euros)	Reserves and retained earnings	Other comprehensive income to be reclassified to the income statement			
		Cumulative changes in fair value of CNP Assurances ' financial instruments under IAS 39	Cumulative changes in fair value of debt instruments at fair value through other comprehensive Income	Cumulative changes in fair value of hedging instruments	Translation reserve
Equity at 1 January 2019	**29,776**	**1,312**	**(10)**	**(230)**	**(270)**
Appropriation of 2018 profit (loss)	1,768				
Balance of the 2018 dividend paid to the French State	(372)				
Interim dividend paid to the French State calculated on the basis of first-half 2019 results	(404)				
Dividend paid to non-controlling interests					
Non-controlling interest put options	(6)				
Transactions with non-controlling interests	38				(4)
Other movements	(6)		2	2	(2)
Profit (loss) for the period					
Other comprehensive income					
Exchange differences on translation of foreign operations					12
Changes in fair value of financial instruments at fair value through other comprehensive income	259	900	37	(42)	
Changes in credit risk on financial liabilities at fair value through profit or loss					
Changes in fair value of financial instruments reclassified to the income statement		(469)		(2)	
Other movements in other comprehensive income					
Equity at 31 December 2019	**31,053**	**1,743**	**29**	**(272)**	**(264)**
Effect of change in accounting method					
Equity at 1 January 2020	**31,053**	**1,743**	**29**	**(272)**	**(264)**
Appropriation of 2019 profit (loss)	2,056				
Balance of the 2019 dividend paid to the French State	(666)				
Interim dividend paid to the French State calculated on the basis of first-half 2020 results					
Dividend paid to non-controlling interests					
Non-controlling interest put options	26				
Transactions with non-controlling interests	42		3		
Other movements	(70)		(2)	(1)	6
Profit (loss) for the period					
Other comprehensive income					
Exchange differences on translation of foreign operations					(77)
Changes in fair value of financial instruments at fair value through other comprehensive income	590	(1,743)	377	(76)	
Changes in credit risk on financial liabilities at fair value through profit or loss					
Changes in fair value of financial instruments reclassified to the income statement					
Other movements in other comprehensive income			128	21	
Equity at 31 December 2020	**33,031**		**535**	**(328)**	**(335)**

Other comprehensive income not to be reclassified to the income statement										
Changes in credit risk on financial liabilities at fair value through profit or loss	Changes in value of actuarial gains and losses	Cumulative changes in fair value of equity instruments at fair value through other comprehensive income	Cumulative changes in fair value of hedging instruments	Net profit (loss) attributable to owners	Equity attributable to owners	Retained earnings – Non-controlling interests	Non-controlling interests in other comprehensive income (loss)	Non-controlling interests in profit (loss)	Non-controlling interests	**Total equity**
(27)	**(132)**	**3,622**		**1,768**	**35,809**	**3,377**	**122**	**147**	**3,646**	**39,455**
				(1,768)		147		(147)		
					(372)					**(372)**
					(404)					**(404)**
						(308)			(308)	**(308)**
					(6)					**(6)**
		9			43	177			177	**220**
		8			4	100			100	**104**
				2,056	2,056			307	307	**2,363**
					12		(1)		(1)	**11**
		3,975			5,129		(24)		(24)	**5,105**
9					9					**9**
					(471)		23		23	**(448)**
	(165)				(165)					**(165)**
(18)	**(297)**	**7,614**		**2,056**	**41,644**	**3,493**	**120**	**307**	**3,920**	**45,564**
(18)	**(297)**	**7,614**		**2,056**	**41,644**	**3,493**	**120**	**307**	**3,920**	**45,564**
				(2,056)		307		(307)		
					(666)					**(666)**
						(351)			(351)	**(351)**
					26	11			11	**37**
					45	1,887			1,887	**1,932**
(9)	(48)	33			(91)	17,158	(61)		17,097	**17,006**
				566	566			(156)	(156)	**410**
					(77)		(637)		(637)	**(714)**
		(1,567)			(2,419)	5	386		391	**(2,028)**
11					11		(2)		(2)	**9**
	(102)				47		195		195	**242**
(16)	**(447)**	**6,080**		**566**	**39,086**	**22,510**	**1**	**(156)**	**22,355**	**61,441**

1.7 Consolidated statement of cash flows, year ended 31 December 2020

The statement of cash flows is prepared using the indirect method. Investing activities correspond to purchases and sales of interests in consolidated companies, property and equipment and intangible assets.
Financing activities are activities that result in changes in the size and composition of equity, subordinated debt and bond debt. Operating activities correspond to all cash flows that do not fall within the above two categories.

(in millions of euros)	31.12.2020	31.12.2019
Profit (loss) before tax (excluding discontinued operations)	**1,705**	**2,887**
Net depreciation, amortisation and impairment of property and equipment and intangible assets	4,392	1,423
Impairment losses on goodwill and other non-current assets	422	(38)
Net provision expense and impairment losses	2,333	(26)
Share of profit (loss) of equity-accounted associates and joint ventures	(1,746)	(1,089)
Gains/losses from investing activities, net	68	781
Gains/losses from financing activities, net		
Other movements	13,203	114
Total non-monetary items included in profit (loss) before tax and other adjustments	**18,672**	**1,165**
Cash flows relating to transactions with credit institutions	4,398	(2,882)
Cash flows relating to customer transactions	21,213	5,721
Cash flows relating to other transactions affecting financial assets and liabilities	(1,092)	(108)
Cash flows relating to investment property	(1,953)	26
Cash flows relating to other transactions affecting non-financial assets and liabilities	2,504	72
Income taxes paid	(918)	(181)
Net increase (decrease) in cash related to assets and liabilities from operating activities	**24,152**	**2,648**
Net cash from (used in) operating activities	**44,529**	**6,700**
Cash flows relating to financial assets and investments	19,936	(1,640)
Cash flows relating to property and equipment and intangible assets	(7,485)	(809)
Net cash from (used in) investing activities	**12,451**	**(2,449)**
Cash flows from (used in) transactions with owners	1,960	(943)
Other net cash flows from (used in) financing activities	214	627
Net cash from (used in) financing activities	**2,174**	**(316)**
Effect of changes in exchange rates on cash and cash equivalents	**66**	
Effect of discontinued operations on cash and cash equivalents		**(3)**
Effect of changes in accounting methods		**(1)**
Net increase (decrease) in cash and cash equivalents	**59,220**	**3,931**
Cash and cash equivalents at the beginning of the period	**7,007**	**3,076**
Cash and central banks, net	3,263	1,043
Net loans to (borrowings from) credit institutions repayable on demand	3,744	2,032
Cash and cash equivalents at the end of the period	**66,226**	**7,007**
Cash and central banks, net	22,803	3,263
Net loans to (borrowings from) credit institutions repayable on demand	43,424	3,744
Net increase (decrease) in cash and cash equivalents	**59,220**	**3,931**

1.8 Composition of cash and cash equivalents

Cash and cash equivalents comprise cash, advances to and from central banks and post office banks, loans to and borrowings from credit institutions repayable on demand, and short-term investments in money market instruments. These investments generally have maturities of less than three months, are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

	31.12.2020		31.12.2019	
(in millions of euros)	Assets	Liabilities	Assets	Liabilities
Cash	1,290		3	
Central banks	21,512		3,260	
Sub-total	**22,802**		**3,263**	
Loans to (borrowings from) credit institutions repayable on demand	50,600	7,932	4,720	1,232
Money market mutual funds	754		256	
Sub-total	**51,354**	**7,932**	**4,976**	**1,232**
Cash and cash equivalents	**66,226**		**7,007**	

1.9 2020 segment information

(in millions of euros)	Caisse des Dépôts division 31.12.2020	Caisse des Dépôts division 31.12.2019	Bpifrance group 31.12.2020	Bpifrance group 31.12.2019	La Poste group 31.12.2020	La Poste group 31.12.2019
Interest income	1,352	1,403			2,596	
Interest expense	(745)	(926)			254	
Gains and losses resulting from net position hedges, net						
Fee and commission income	24	22			1,759	
Fee and commission expense	(34)	(36)			(2,979)	
Gains and losses on financial instruments at fair value through profit or loss, net	(54)	772			4,376	
Gains and losses on financial instruments at fair value through other comprehensive income, net	402	678			(192)	
Gains and losses resulting from derecognition of financial assets at amortised cost, net	15	(11)				
Income from other activities	1,041	1,211			43,122	
Expenses from other activities	(741)	(888)			(22,432)	
Net income from insurance activities					(692)	
Net banking income	**1,260**	**2,225**			**25,812**	
General operating expenses	(583)	(712)			(22,819)	
Depreciation, amortisation and impairment of property and equipment and intangible assets	(187)	(175)			(2,722)	
Gross operating profit (loss)	**490**	**1,338**			**271**	
Cost of credit risk	(74)	(45)			(841)	
Operating profit (loss)	**416**	**1,293**			**(570)**	
Share of profit (loss) of associates	48	44			113	279
Share of profit (loss) of joint ventures	49	56	(48)	502	1,375	(40)
Gains and losses on other assets, net	56	(56)			(2)	
Change in value of goodwill						
Profit (loss) before tax	**569**	**1,337**	**(48)**	**502**	**916**	**239**
Income tax expense	(149)	(435)			(898)	
Net profit (loss) from discontinued operations						
Net profit (loss)	**420**	**902**	**(48)**	**502**	**18**	**239**
Non-controlling interests	(7)				106	
Net profit (loss) attributable to owners	**413**	**902**	**(48)**	**502**	**124**	**239**

(in millions of euros)	Caisse des Dépôts division 31.12.2020	Caisse des Dépôts division 31.12.2019	Bpifrance group 31.12.2020	Bpifrance group 31.12.2019	La Poste group 31.12.2020	La Poste group 31.12.2019
Contribution to statement of financial position	**164,615**	**153,354**	**1,586**	**1,985**	**752,314**	**4,987**

Management of Strategic Investments division							
SFIL group		Real Estate & Tourism		Infrastructure & Transport		Total	
31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
(49)				3	3	3,903	1,406
47		(128)	(136)	(67)	(54)	(639)	(1,116)
4						1,787	22
(4)				(1)	(2)	(3,018)	(38)
111		2	4	(3)	2	4,432	778
				6	3	216	681
3						18	(11)
		2,153	2,799	8,030	8,777	54,346	12,787
1		(1,205)	(1,349)	(1,475)	(1,635)	(25,852)	(3,872)
						(692)	
113		**822**	**1,318**	**6,493**	**7,094**	**34,501**	**10,637**
(20)		(640)	(724)	(6,051)	(6,443)	(30,114)	(7,879)
(5)		(169)	(142)	(657)	(589)	(3,740)	(906)
88		**13**	**452**	**(215)**	**62**	**647**	**1,852**
(48)		(16)	11	(7)	(3)	(986)	(37)
40		**(3)**	**463**	**(222)**	**59**	**(339)**	**1,815**
		1	8	57	35	220	366
		(11)	(10)	162	215	1,527	723
		2	(21)	131	60	186	(17)
		(111)				(111)	
40		**(122)**	**440**	**128**	**369**	**1,483**	**2,887**
(11)		14	(33)	(31)	(58)	(1,076)	(526)
		3	2			3	2
29		**(105)**	**409**	**97**	**311**	**410**	**2,363**
		47	(266)	11	(41)	156	(307)
29		**(58)**	**143**	**108**	**270**	**566**	**2,056**

Management of Strategic Investments division							
SFIL group		Real Estate & Tourism		Infrastructure & Transport		Total	
31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
75,607		**13,700**	**13,441**	**7,221**	**6,861**	**1,015,044**	**180,628**

2. Notes to the consolidated financial statements

2.1 Summary of significant accounting policies

2.1.1 Basis of preparation of the financial statements

The Caisse des Dépôts Group applies IFRS as adopted by the European Union at 31 December 2020. In particular, the Group decided to apply the provisions of Regulation No. 2086/2004 of the European Commission, adopting IAS 39 with the exception of certain provisions for the accounting of macro hedge transactions. EU Regulation No. 2086/2004 makes it possible to select some of the macro hedge transactions carried out as part of asset/liability management for fair value hedging relationships (including in particular customer demand deposits).

These standards are available on the European Commission's website at: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting.

The consolidated financial statements at 31 December 2020 have been prepared in accordance with the recognition and measurement principles set out in the relevant IASs/IFRSs and IFRS IC (IFRIC) interpretations that were applicable at the end of the reporting period.

These standards and interpretations are identical to those used and described in the Caisse des Dépôts Group's financial statements at 31 December 2019, with the exception of the IFRS amendments described below (see section 2.1.1.1).

2.1.1.1 IFRS amendments that are mandatory as of 1 January 2020

The mandatory IFRS amendments effective as from 1 January 2020 are presented below. Their application did not have a material impact on the consolidated financial statements of the Caisse des Dépôts Group at 31 December 2020. They are:

***"Amendments to References to the Conceptual Framework in IFRS Standards"* (EU Regulation No. 2019/2075 of 29 November 2019)**

On 29 March 2018, the IASB published a revised version of the Conceptual Framework for Financial Reporting that underpins IFRS standards.

The amendments to the references in the Conceptual Framework in IFRS Standards are intended to update references to the Conceptual Framework in existing standards and interpretations.

Amendments to IAS 1 and IAS 8 "*Definition of Material*" (EU Regulation No. 2019/2104 of 29 November 2019)

The purpose of these amendments is to clarify the definition of "material" to enable companies to assess whether or not information is material and to improve the relevance of the information provided in notes to financial statements.

They also intend to align the definitions of "material" used by different IFRSs to improve the consistency of its application in financial statements.

Amendments to IFRS 3 *"Definition of a Business"* (EU Regulation No. 2020/551 of 21 April 2020)

These amendments clarify the definition of a business, specifying that the activities and assets acquired, in order to qualify as a business, must include at least one input and a substantive process that together significantly contribute to creating outputs.

Their purpose, then, is to enable entities to determine whether an acquisition must be recognised as a business combination under IFRS 3 for an acquisition qualified as a business or, failing that, as an acquisition of individual assets.

Amendment to IFRS 16 *"COVID-19-Related Rent Concessions"* (EU Regulation No. 2020/1434 of 9 October 2020)

This amendment exempts lessees from having to consider whether a COVID-19-related rent concession is a lease modification. It is a temporary and optional operational exemption that the Caisse des Dépôts Group decided to make use of in 2020.

In practice, the application of the amendment allows lessees to recognise COVID-19-related rent concessions as if they were not lease modifications. This involves recognising the impact of the rent concession in the income for the period for lessees (negative variable rent) rather than staggering it over the remaining term of the lease. The right–of–use asset is not impacted and its depreciation continues unchanged.

However, this amendment applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- the change in lease payments results in a revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021;
- there is no substantive change to other terms and conditions of the lease.

This exemption must be applied consistently to all lease contracts with similar characteristics and in similar circumstances (or to all lease contracts).

It is applied retrospectively, but the comparative figures for previous financial years do not need to be restated.

It should also be noted that the Caisse des Dépôts Group early adopted, from 1 January 2019, the amendments to IFRS 9, IAS 39 and IFRS 7 *"Interest Rate Benchmark Reform"* ("Phase 1") which were adopted by the European Union on 15 January 2020 (EU Regulation No. 2020/34) and which are mandatory only as of 1 January 2020.

The primary objective of these amendments is to provide exceptions to the hedge accounting requirements in IFRS 9 and IAS 39 for interest rate hedging relationships, to avoid any discontinuation of the hedging relationship solely due to uncertainties arising from the short-term interbank interest rate reform about future contractual cash flows.

EU Regulation No. 2016/1011 of 8 June 2016 ("Benchmark Regulation") introduces a common framework to ensure the accuracy and integrity of the indices used as benchmarks in financial instruments and financial contracts.

Under this regulation, the Eonia, Euribor and Libor interest rate benchmarks were designated as critical benchmarks, which are or could be scheduled to be phased out.

At this stage of the reform, uncertainties persist as to how benchmark rates will be replaced in existing financial contracts. Uncertainties also exist as to the assessment of the future cash flows of certain hedging transactions.

The amendments to IFRS 9, IAS 39 and IFRS 7 *"Interest Rate Benchmark Reform"* (Phase 1) therefore aim to amend the hedge accounting requirements only for the period prior to implementation of interest rate reform. The amendment will cease to be applied when there is no longer any uncertainty arising from the rate reform with respect to the timing and the amount of the cash flows of the hedged item, which are based on the interest rate benchmark, or when the hedging relationship that the hedged item is part of is discontinued.

These amendments consist in maintaining existing hedging relationships by disregarding the impacts of the new rates and assuming that the benchmark interest rate on which the hedged cash flows and the cash flows of the hedging instrument are based are not altered by the interbank interest rate reform.

In practical terms, these amendments prevent the potential discontinuation of hedge accounting for certain transactions due to uncertainties about interest rate reform.

The Caisse des Dépôts Group also applies the amendments to IFRS 4 *"Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts"* (EU Regulation No. 2017/1988 of 3 November 2017), which aims to align the date of first-time adoption of IFRS 9 with that of the new IFRS 17 standard on insurance contracts (application on 1 January 2021, subject to adoption by the European Union, with the date of 1 January 2021 having to be postponed to 1 January 2023, following the amendments to IFRS 17 published by the IASB on 25 June 2020). The Caisse des Dépôts Group has decided to adopt the provisions of IFRS 9 with respect to the measurement and recognition of the financial assets and liabilities of its insurance subsidiaries, using the "overlay" approach to present the net income of the eligible financial assets.

Lastly, under the adoption of IFRS 16 "*Leases*" the IFRS Interpretations Committee (IFRS IC) confirmed, at its meeting on 26 November 2019, the applicable approach for determining the lease term to be used for leases with an indefinite term or tacit renewal that may be terminated with notice given by the lessor and/or the lessee. The reasonably certain term of the lease contract should be assessed, taking into account penalties based on an economic rather than legal approach. Thus, providing that one of the parties has an economic incentive to not terminate the lease contract (i.e. it incurs a more than negligible penalty in the event of termination), the lease contract is enforceable.

At 31 December 2020, the Caisse des Dépôts Group's practice regarding the term of the leases to be used was deemed compliant with the decision of the IFRS IC to the extent that leases with an indefinite term or tacit renewal may be terminated at any time by either party, with at worst being subject to a negligible penalty, and that the net value of the arrangements concerned cannot, in the cases considered, constitute more than an insignificant penalty.

2.1.1.2 IFRS standards and amendments adopted by the European Union and not applicable on a mandatory basis at 1 January 2020

The Caisse des Dépôts Group did not early adopt the standards, amendments and interpretations likely to be adopted on 1 January 2020.

This includes amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 *"Interest Rate Benchmark Reform"* ("Phase 2"), which were adopted by the European Union on 13 January 2021 (EU Regulation No. 2021/25) and which will be applicable on a mandatory basis from 1 January 2021.

These amendments relating to the reform of benchmark interest rates ("Phase 2") address the accounting issues raised when replacing the former benchmark interest rates with new indices (for example, Eonia with €STER) or when changing the formula for calculating indices (hybrid Euribor) due to the benchmark rate reform. They make it possible to neutralise any accounting impacts by addressing in particular:

- the accounting consequences of a change in the cash flows of a financial instrument resulting from the contractual change in index;
- the consequences of the change in index on hedge accounting;
- the information to be disclosed in the notes to the financial statements.

In practice, the amendments to IFRS 9 make it possible to:

- consider that the change in a financial instrument resulting directly from the reform of benchmark interest rates is reflected in a forward-looking update of the effective interest rate to reflect the change in the benchmark index rather than an adjustment to be recognised in the income statement. In this way, replacing former interest rate indices with new ones does not result in an accounting impact in profit or loss;
- maintain the hedging relationships impacted by the reform of benchmark interest rates at the time of the effective replacement of interest rates in the contracts.

Additional disclosures are to be provided in the notes to the financial statements, particularly on the nature and extent of the risks arising from the reform of benchmark interest rates and how the entity is managing the transition to the various benchmark rates.

An analysis of the impact of the transition to the new benchmark interest rates is under way at the Caisse des Dépôts Group.

2.1.1.3 IFRS standards and amendments not yet adopted by the European Union

The Caisse des Dépôts Group did not apply the standards and amendments published by the IASB and not yet adopted by the European Union.

In particular, this concerns IFRS 17 *"Insurance Contracts"*.

Issued by the IASB on 18 May 2017, this standard will supersede IFRS 4 "*Insurance Contracts*". Initially effective as from 1 January 2021, the standard is now not expected to enter into force until 1 January 2023.

The IASB decided to defer application of IFRS 17 by one year, as some clarifications have recently been made to certain aspects of the standard in the amendments issued on 25 June 2020.

IFRS 17 establishes principles for the recognition, measurement and presentation of insurance contracts that fall within its scope.

IFRS 17 will have implications for the CNP Assurances group and the other insurance activities of the La Banque Postale group.

La Banque Postale group is currently analysing the impacts of IFRS 17.

Use of the Accounting Standards Authority (ANC) financial statement format for banks

In the absence of any requisite IFRS financial statement format, the layout of these financial statements complies with Recommendation No. 2017-02 dated 2 June 2017 issued by the *Autorité des normes comptables* (French accounting standards setter – ANC).

In accordance with revised IAS 1, Caisse des Dépôts presents a separate consolidated income statement providing a breakdown of profit. It also presents a statement of comprehensive income which starts with profit and details gains and losses recognised directly in equity, net of tax.

The Caisse des Dépôts Group has also chosen to present the specific information on insurance activities in the notes, in accordance with the option proposed by the recommendation.

Use of estimates

The preparation of the Group's financial statements involves making certain estimates and assumptions which affect the reported amounts of income and expenses, assets and liabilities, as well as the disclosures in the accompanying notes. To make any such estimates and assumptions, management is required to exercise judgement and consider information available when the financial statements are drawn up. The actual outcome of transactions for which estimates and assumptions are made could differ significantly from the anticipated outcome, particularly with respect to market conditions, and this may have a material impact on the financial statements.

Estimates and assumptions are used to calculate:

- the fair value of unlisted financial instruments carried in the statement of financial position under: "Financial assets/liabilities at fair value through profit or loss", "Hedging instruments" or "Financial assets at fair value through other comprehensive income";
- any impairment taken on financial assets (financial assets at fair value through other comprehensive income to be reclassified to profit or loss, securities at amortised cost, loans and receivables at amortised cost);

- any impairment taken on investments in equity–accounted companies;
- the fair value of investment property disclosed in the notes;
- any impairment taken on property and equipment, intangible assets and goodwill;
- deferred tax;
- insurance company technical provisions;
- provisions reported in liabilities (including for employee benefits and housing savings) in respect of contingencies and expenses;
- the initial amount of goodwill recognised on business combinations;
- the carrying amount of non-current assets and related liabilities held for sale.

2.1.2 Basis of consolidation

2.1.2.1 Scope of consolidation

The consolidated financial statements comprise the financial statements of Caisse des Dépôts (Central Sector), the consolidated financial statements of the sub-groups and the financial statements of entities over which Caisse des Dépôts exercises control, joint control or significant influence, whose consolidation has a material impact on the Group's financial statements.

2.1.2.2 Consolidation methods and definition of control

Investees (and structured entities) controlled by the Group are fully consolidated. Control is exercised when the Group: has the power to direct the investee's relevant activities; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect those returns through its power over the investee.

Potential voting rights which give the option to acquire additional voting rights in an investee are taken into account to determine control when such rights are currently exercisable in such a way as to allow the investor to direct the relevant activities of the investee.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Joint control may involve two types of arrangement: a joint venture or a joint operation.

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 ventures are accounted for by the equity method.

A joint operation is an arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint operation is consolidated by recognising the Caisse des Dépôts Group's interest in said operation:

- assets, including its share of any assets held jointly;
- liabilities, including its share of any liabilities incurred jointly;
- revenue from the sale of its share of the output of the joint operation and from the sale of the output by the joint operation;
- expenses, including its share of any expenses incurred jointly.

Entities over which the Group exercises significant influence are accounted for by the equity method. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. Significant influence is presumed to be exercised when the Group holds, directly or indirectly, 20% or more of the voting power of the investee.

The results of acquired entities are included in the consolidated financial statements from the effective acquisition date, while the results of entities sold during the period are included up to the date when control, joint control or significant influence is relinquished.

Financial year-end

Almost all consolidated companies have a 31 December year-end. Companies whose financial year-end is more than three months before or after the Group's year-end are consolidated based on financial statements drawn up at 31 December. In the case of companies whose financial year-end falls within three months of the Group's year-end, any material transactions occurring between their year-end and 31 December are taken into account in preparing the consolidated financial statements when this is necessary to comply with the true and fair view principle.

2.1.2.3 Companies excluded from the scope of consolidation

Investments in associates and joint ventures held in connection with the Group's private equity activity may be excluded from the scope of consolidation, in accordance with the option available under IAS 28.18. These investments are then recognised as "Financial assets at fair value through profit or loss".

Low-cost housing companies (ESH) are excluded from the scope of consolidation because they are not controlled by the Group within the meaning of IFRS. Shares in ESH are therefore recognised as "Financial assets at fair value through profit or loss" or, under the option provided for, as "Financial assets at fair value through other comprehensive income not to be reclassified to profit or loss".

Semi-public companies (SEMs, SAIEMs) not controlled by the Caisse des Dépôts Group are also excluded from the scope of consolidation. Shares in these companies are therefore recognised as "Financial assets at fair value through profit or loss" or, under the option provided for, as "Financial assets at fair value through other comprehensive income not to be reclassified to profit or loss".

Shares in companies acquired with the intention of being sold in the near term are excluded from the scope of consolidation and classified as "Non-current assets held for sale".

In application of IFRS, the agreements signed with the French State concerning the Investments for the Future Programme require the assets and liabilities covered by said agreements to be derecognised in the Group's consolidated financial statements. In the French GAAP accounts of the Central Sector, these assets and liabilities are transferred to adjustment accounts.

2.1.2.4 Consolidation adjustments and intra-group eliminations

The financial statements of consolidated companies are restated based on Group accounting policies when the effects of the restatement are material. The accounting policies applied by associates and joint ventures are aligned with Group policies where necessary.

Intra-group balances, income and expenses between fully consolidated companies are eliminated when their impact on the consolidated financial statements is material.

Gains and losses on intra-group sales of assets to associates and joint ventures are eliminated proportionately, based on the Group's percentage interest in the associate or joint venture, except when the asset sold is considered as being other-than-temporarily impaired.

2.1.2.5 Foreign currency translation

The consolidated financial statements are presented in euros. The financial statements of entities whose functional currency is different from the Group's presentation currency are translated by the closing rate method. Under this method, all monetary and non-monetary assets and liabilities are translated at the exchange rate at the end of the reporting period, while income and expenses are translated at the average exchange rate for the year. The differences arising from translation are recognised as a separate component of equity.

Gains and losses arising from the translation of the net investment in foreign operations, borrowings and foreign exchange instruments that are effective hedges of these investments are deducted from equity.

When the foreign operation is sold, the cumulative exchange differences recorded in equity are recognised in the income statement as part of the gain or loss on the sale.

2.1.2.6 Business combinations and goodwill

Business combinations are accounted for using the purchase method except for jointly controlled business combinations and a newly formed joint venture, which are excluded from the scope of IFRS 3.

Under the purchase method, the identifiable assets acquired and liabilities assumed are recognised at acquisition-date fair value.

Any contingent liabilities assumed are only recognised in the consolidated statement of financial position if they represent a current obligation at the date control is acquired, and the fair value of that obligation can be measured reliably.

The cost of a combination (consideration transferred) is equal to the fair value, at the date of exchange, of the assets transferred, liabilities incurred or assumed and any equity instruments issued by the Group, in exchange for control of the acquiree. Costs directly attributable to the business combination are treated as a separate transaction and are recognised in profit or loss.

Any contingent consideration is included in the cost of the combination as of the date control is acquired, for its fair value at the acquisition date. Any earn-out adjustments classified as financial liabilities are remeasured at fair value at the end of each reporting period and taken to profit or loss, unless these adjustments occur within 12 months of the date of the combination and relate to facts and circumstances existing at the acquisition date.

Goodwill represents the excess of the cost of the combination over the acquirer's share in the acquisition-date fair value of the identifiable assets and liabilities, and, at that date, is recognised in assets in the consolidated statement of financial position, under "Goodwill". Negative goodwill is recognised directly in profit or loss.

Non-controlling interests may be carried at either their share in the net identifiable assets of the acquiree ("partial" goodwill method) or at their fair value, in which case they are allocated a percentage of the corresponding goodwill ("full" goodwill method). This decision can be renewed for each business combination.

The initial accounting for a business combination spans up to twelve months after the acquisition date.

Goodwill is initially measured in the statement of financial position at cost in the currency of the acquiree and is translated at the exchange rate at the end of the reporting period.

Goodwill is tested for impairment, as explained in section 2.1.3.10.

When a business combination is carried out in stages (step acquisition), goodwill is determined by reference to the fair value at the date control is obtained. At this date, any previously-held interest in the acquiree is remeasured at fair value through profit or loss.

Similarly, a loss of control of a consolidated subsidiary requires the remaining holding to be remeasured at fair value through profit or loss.

2.1.2.7 Transactions with non-controlling interests

The Caisse des Dépôts Group recognises in equity any difference between the cost of the shares and its share in the acquiree's adjusted net assets for transactions involving the acquisition of non-controlling interests in an entity already controlled by the Group. Costs directly attributable to the acquisition are recognised as a deduction from equity.

Partial sales of non-controlling interests which do not result in a loss of control are recognised by adjusting equity.

2.1.2.8 Repurchase commitments granted to non–controlling shareholders of fully consolidated subsidiaries

Pursuant to the provisions of IAS 32 "*Financial Instruments: Presentation*", the Caisse des Dépôts Group records a financial liability in respect of put options granted to non–controlling shareholders of consolidated subsidiaries. Where the value of the option exceeds the amount of non–controlling interests, IFRS standards do not specify how the difference should be recognised.

The Caisse des Dépôts Group has chosen to recognise the difference between the option and the amount of non–controlling interests in equity. Subsequent changes in the liability relating to changes in the estimated exercise price of the option and the carrying amount of non-controlling interests are recognised in equity.

2.1.2.9 Segment information

In accordance with IFRS 8, the segment information presented is based on internal reports used by the Group's senior management and reflects the Group's internal business organisation. Operating activities are organised and managed based on the type of service provided.

The Caisse des Dépôts Group's business segments at 31 December 2020 are:

- Caisse des Dépôts division, consisting mainly of:
  - Caisse des Dépôts – Central Sector
  - SCET
  - CDC Habitat
- Bpifrance group
- La Poste group
- Management of Strategic Investments division, consisting mainly of:
  - SFIL group
  - Real Estate & Tourism
    - Icade
    - Compagnie des Alpes
  - Infrastructure & Transport
    - Egis
    - Transdev group
    - Coentreprise de Transport d'Electricité
    - Holding d'Infrastructures Gazières

At 31 December 2019, the La Poste division included Caisse des Dépôts' equity-accounted investments in CNP Assurances and La Poste.

2.1.3 Accounting policies

2.1.3.1 Financial instruments

Financial assets and liabilities are recognised in the financial statements at 31 December 2020 in accordance with the provisions of IFRS 9 and with the amendments to IFRS 9 "*Prepayment Features with Negative Compensation*". The "overlay" approach is used to present the net income of the eligible financial assets held by insurance subsidiaries (see section 2.1.3.2.1.1).

IFRS 9 sets out the principles for the classification and measurement of financial instruments, impairment of credit risk and hedge accounting excluding macro hedges, for which a draft separate standard is currently under review by the IASB.

2.1.3.1.1 Measurement of financial assets and liabilities

2.1.3.1.1.1 Initial recognition date

Securities are recorded on the statement of financial position on the settlement-delivery date, while derivative financial instruments are recorded on the trading date. Loans and receivables are recorded on the statement of financial position on the disbursement date.

Changes in fair value between the trading date and the settlement-delivery date are recognised in income or equity depending on the accounting category of the financial instruments concerned.

2.1.3.1.1.2 Initial measurement

On initial recognition, financial assets and liabilities are measured at fair value as defined by IFRS 13. This is 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 (see section 2.1.3.1.7).

2.1.3.1.1.3 Subsequent measurement

After initial recognition, non-derivative financial assets and liabilities are measured based on their classification, either at amortised cost using the effective interest rate method or at fair value as defined by IFRS 13. Derivative financial instruments are always measured at fair value.

Amortised cost corresponds to the amount at which the financial asset or financial liability is measured on initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between the initial amount and the maturity amount and, for a financial asset, minus impairment for credit risk, if any.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability, in order to obtain the exact gross carrying amount of the financial asset (i.e. amortised cost without taking into account any impairment for credit risk) or the amortised cost of the financial liability.

This calculation incorporates fees and commissions paid or received between the parties to the contract, transaction costs and all premiums and discounts.

2.1.3.1.2 Recognition of financial assets

Recognition of financial assets depends on the business model and the characteristics of the contractual cash flows of the instruments (see section 2.1.3.1.2.3).

2.1.3.1.2.1 Business models

Business model refers to how an entity manages its financial assets for the purpose of achieving a particular economic objective. IFRS 9 defines three types of business model:

- The "hold-to-collect model", the objective of which is to hold financial assets in order to collect contractual cash flows. This model, under which the concept of holding is fairly close to that of holding to maturity, remains valid if disposals occur under the following conditions:
  - the disposals are due to an increase in credit risk;
  - the disposals occur just before maturity and at a price that reflects the contractual cash flows that are still due;
  - other disposals are consistent with the objectives of the "hold-to-collect model" if they are infrequent (even if their value is significant) or if their value is insignificant when considered both individually and overall (even if they are frequent);
- The "mixed model", the objective of which is both to collect contractual cash flows and to sell financial assets. In this model, the collection of cash flows and the sale of financial assets are both essential.
- The "other models", which are defined in opposition to the "hold-to-collect model" and the "mixed model". They concern portfolios of instruments whose objective is to collect contractual cash flows by selling financial assets or those that are managed and whose performance is evaluated based on fair value.

2.1.3.1.2.2 Contractual cash flow characteristics of the instruments (Solely Payments of Principal and Interest (SPPI) criterion)

A financial asset is deemed SPPI (or "basic") if the contractual terms of that financial asset give rise, on specified dates, to cash flows corresponding solely to payments of principal and interest on the principal amount outstanding. On initial recognition, every asset should be tested to determine whether it meets the SPPI criterion (SPPI test).

Principal is defined as the acquisition-date fair value of the financial asset. Interest consists of consideration for the time value of money and the credit risk associated with the principal amount, as well as other risks such as liquidity risk, administrative costs and margin.

To assess whether contractual cash flows are solely payments of principal and interest, the contractual terms of the instrument should be taken into account. Any information that may cast doubt on whether only the time value of money and credit risk are represented must therefore be analysed. For example:

- Events that would change the amount and timing of the cash flows.

  Any contractual terms that generate exposure to risks or volatility in cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or a stock market index, or the introduction of leverage, would make it impossible to categorise contractual cash flows as SPPI.
- The characteristics of the applicable interest rates (for example, consistency between the rate refixing period and the interest calculation period).

  If a qualitative analysis does not provide a clear result, a quantitative analysis (benchmark test) is carried out. This involves comparing the contractual cash flows of the asset in question with the contractual cash flows of a benchmark asset. If the difference between the cash flows of the asset in question and the cash flows of the benchmark asset is deemed insignificant, the asset is considered to be a basic lending arrangement that satisfies the SPPI criterion.
- Prepayment and extension features.

  A contractual term that permits the borrower or lender to prepay the financial instrument remains consistent with the SPPI criterion for contractual cash flows if the prepayment amount substantially represents the principal amount outstanding and the related interest, as well as reasonable additional compensation, if applicable.

Furthermore, although they do not strictly meet the criteria for consideration for the time value of money, certain assets with a regulated rate are considered "basic" if that regulated interest rate provides consideration that is broadly consistent with the passage of time and does not generate exposure to risks or volatility in the contractual cash flows that are inconsistent with a basic lending arrangement.

To qualify as "basic" financial assets, the securities held in a securitisation vehicle must meet specific conditions. The contractual terms of the tranche must meet the SPPI criterion, as must the pool of underlying assets. The risk inherent in the tranche must be lower than or equal to the exposure to the underlying assets of the tranche.

2.1.3.1.2.3 Classification and measurement of financial assets

Financial assets are classified on the statement of financial position in the following three accounting categories: amortised cost, fair value through other comprehensive income and fair value through profit or loss, depending on the business models and the characteristics of the contractual cash flows associated with the instruments (see sections 2.1.3.1.2.1 and 2.1.3.1.2.2).

2.1.3.1.2.3.1 Debt instruments (loans, receivables, securities)

Debt instruments (loans, receivables, securities) may be recognised at amortised cost, at fair value through other comprehensive income to be reclassified to profit or loss, or at fair value through profit or loss.

2.1.3.1.2.3.1.1 Debt instruments recognised at amortised cost

Debt instruments are measured at amortised cost if the business model consists in holding the instrument to collect the contractual cash flows ("hold-to-collect model") and if the cash flows are solely payments of principal and interest on the principal amount outstanding (SPPI criterion).

Financial assets measured at amortised cost are initially recognised at fair value, which includes transaction costs and accrued interest (unless it can be demonstrated that the transaction costs are not material).

These financial assets are subsequently measured at amortised cost using the effective interest rate method.

The amortisation of any premiums/discounts and transaction costs over the remaining life of these instruments is recognised in profit or loss using the effective interest rate method, under "Interest income" in the income statement.

These financial assets are impaired under the conditions described in "Impairment for credit risk" (see section 2.1.3.1.4).

They are reported in the statement of financial position under "Securities at amortised cost", "Loans and receivables due from credit institutions and related entities at amortised cost", and "Loans and receivables due from customers at amortised cost", depending on the type of instrument.

2.1.3.1.2.3.1.2 Debt instruments recognised at fair value through other comprehensive income to be reclassified to profit or loss

Debt instruments are measured at fair value through other comprehensive income to be reclassified to profit or loss if the business model consists of holding the instrument to collect the contractual cash flows and sell the assets ("mixed model") and if the cash flows are solely payments of principal and interest on the principal amount outstanding (SPPI criterion).

Financial assets measured at fair value through other comprehensive income to be reclassified to profit or loss are initially recognised at fair value, which includes transaction costs and accrued interest (unless it can be demonstrated that the transaction costs are not material).

These financial assets are subsequently measured at fair value, with changes in fair value recognised in other comprehensive income to be reclassified to profit or loss with a corresponding entry against the outstanding amount (excluding accrued interest, which is recognised using the effective interest rate method under "Interest income" in the income statement).

The amortisation of any premiums/discounts and transaction costs over the remaining life of these instruments is also recognised in profit or loss using the effective interest rate method, under "Interest income" in the income statement.

When the assets are sold, the unrealised gains or losses previously recognised in equity are reclassified to the income statement under "Gains and losses on financial instruments at fair value through other comprehensive income, net".

These financial assets are impaired under the conditions described in "Impairment for credit risk" (without affecting the fair value in the statement of financial position) (see section 2.1.3.1.4).

They are reported in the statement of financial position under "Financial assets at fair value through other comprehensive income".

2.1.3.1.2.3.1.3 Debt instruments recognised at fair value through profit or loss

Any debt instruments that are not eligible to be recognised at amortised cost or at fair value through other comprehensive income to be reclassified to profit or loss are measured at fair value through profit or loss.

This category includes:

- Debt instruments classified in portfolios made up of financial assets:
  - that are held for trading or whose primary objective is disposal, and
  - that are managed and whose performance is evaluated on a fair value basis.

In both of the above-mentioned portfolio categories, even though contractual cash flows are collected while the entity holds the assets, the collection of those contractual cash flows is not integral but incidental.

- Debt instruments that do not meet the SPPI criterion, which is particularly the case for mutual funds (UCITS) and venture capital funds (FCPR).
- Debt instruments classified in portfolios for which the entity expressly chooses the fair value through the profit or loss approach in order to eliminate or reduce an accounting treatment mismatch in the measurement or recognition that would otherwise arise from the measurement of assets or liabilities on different bases.

  In that case, the financial asset is classified under the fair value option at fair value through profit or loss on initial recognition, and this classification is irrevocable.

Financial assets measured at fair value through profit or loss are initially recognised at fair value, excluding transaction costs (which are recognised directly in profit or loss) but including accrued interest.

These financial assets are subsequently measured at fair value, with changes in fair value recognised in profit or loss under "Gains and losses on financial instruments at fair value through profit or loss, net" with a corresponding entry against the outstanding amount.

These financial assets are not impaired.

They are reported in the statement of financial position under "Financial assets at fair value through profit or loss".

2.1.3.1.2.3.2 Equity instruments (shares)

Investments in equity instruments (such as shares) are measured at fair value through profit or loss or, under the option provided for, at fair value through other comprehensive income not to be reclassified to profit or loss.

Equity instruments are not impaired.

2.1.3.1.2.3.2.1 Equity instruments recognised at fair value through profit or loss

Equity instruments measured at fair value through profit or loss are initially recognised at fair value, excluding transaction costs (which are recognised directly in profit or loss).

These equity instruments are subsequently measured at fair value, with changes in fair value recognised in profit or loss under "Gains and losses on financial instruments at fair value through profit or loss, net" with a corresponding entry against the outstanding amount.

They are reported in the statement of financial position under "Financial assets at fair value through profit or loss".

2.1.3.1.2.3.2.2 Equity instruments recognised at fair value through other comprehensive income not to be reclassified to profit or loss (irrevocable election)

The irrevocable election to recognise equity instruments at fair value through other comprehensive income not to be reclassified to profit or loss is evaluated at the transaction level (line by line) and must be applied on initial recognition of the instrument (or on first-time adoption of IFRS 9 at 1 January 2018). Equity instruments held for trading are not eligible for this option.

Equity instruments measured at fair value through other comprehensive income not to be reclassified to profit or loss are initially recognised at fair value, including transaction costs (unless it can be demonstrated that the transaction costs are not material).

These equity instruments are subsequently measured at fair value, with changes in fair value recognised in other comprehensive income not to be reclassified to profit or loss under "Gains and losses recognised directly in equity" in the statement of financial position.

When the equity instruments are sold, unrealised gains and losses previously recognised in other comprehensive income are not reclassified to profit or loss. The gain or loss on disposal is thus still recognised in other comprehensive income.

However, the Caisse des Dépôts Group has chosen to reclassify to "Reserves and retained earnings" the share of other comprehensive income not to be reclassified to profit or loss recognised under "Gains and losses recognised directly in equity" corresponding to any capital gain or loss recorded on disposal.

Only dividends are recognised in profit or loss under "Gains and losses on financial instruments at fair value through other comprehensive income, net" if they correspond to a return on investment and not to redemption of the equity instrument.

They are reported in the statement of financial position under "Financial assets at fair value through other comprehensive income".

2.1.3.1.2.4 Reclassification of financial assets

Reclassifications of financial assets are not permitted, except in the case of a significant change in the business model for managing financial assets.

Such changes are expected to be infrequent (mainly when the entity begins or ceases to perform an activity that is significant to its operations) and must be determined by the entity's management body.

In that case, all of the portfolio's financial assets must be reclassified. This reclassification is prospective as from the date of reclassification and no gain, loss or interest recognised prior to that date should be restated.

2.1.3.1.2.5 Derecognition of financial assets

A financial asset is fully or partially derecognised:

- if the contractual rights to the cash flows from the financial asset expire; or
- if the contractual rights to the cash flows and substantially all of the risks and rewards incidental to ownership of this financial asset are transferred.

In that case, the financial asset is derecognised and all the rights and obligations created or retained in the transfer are recognised separately as assets and liabilities.

If the contractual rights to the cash flows are transferred but only some of the risks and rewards incidental to ownership of the financial asset, as well as control, are retained, the entity continues to recognise the financial asset to the extent of its continuing involvement in that asset.

Financial assets renegotiated for business reasons in the absence of financial difficulty of the counterparty and with the aim of developing or maintaining a business relationship are derecognised on the renegotiation date. The new loans granted to customers are recognised on this date for their fair value at the renegotiation date. Subsequent recognition depends on the business model and on whether or not the SPPI criterion has been met (see section 2.1.3.1.2.3).

2.1.3.1.2.6 Temporary acquisitions and disposals of securities

Temporary disposals of securities (lending of securities, securities sold under repurchase agreements) generally do not meet the conditions for derecognition.

Securities lent or sold under a repurchase agreement continue to be shown on the statement of financial position of the lender/seller. For securities sold under a repurchase agreement, the amount received, representing the liability to the acquiree, is recognised on the liabilities side of the statement of financial position by the seller.

Securities borrowed or acquired under a repurchase agreement are not shown on the statement of financial position of the borrower/acquiree. For securities acquired under a repurchase agreement, a claim against the seller is recognised on the acquiree's statement of financial position as consideration for the amount paid. If the security is subsequently resold, the acquiree records a liability measured at fair value which represents its obligation to return the security acquired under a repurchase agreement.

2.1.3.1.3 Recognition of financial liabilities

2.1.3.1.3.1 Distinction between debt and equity

The distinction between debt instruments and equity instruments is based on an analysis of the economic substance of the contractual arrangements.

A financial liability is a debt instrument if it includes a contractual obligation:

- to deliver cash, another financial asset or a variable number of equity instruments to another entity; or
- to exchange financial assets or financial liabilities with another entity under potentially unfavourable conditions.

An equity instrument is a non-redeemable financial instrument which offers a discretionary payment that evidences a residual interest in a company after deducting all its financial liabilities (net assets) and which is not qualified as a debt instrument.

Undated subordinated notes are therefore classified as equity instruments when the timing of interest payments is determined by the Group. All other dated and undated debt instruments are included in debt.

2.1.3.1.3.2 Classification and measurement of financial liabilities

Financial liabilities are classified on the statement of financial position in the following two accounting categories: fair value through profit or loss (because of their nature or under the fair value option) and amortised cost.

2.1.3.1.3.2.1 Financial liabilities recognised at fair value through profit or loss because of their nature

Financial liabilities issued primarily for the purpose of repurchasing them in the near term, those forming part of a portfolio of identified financial instruments that are managed together for the purpose of generating a profit due to short-term price fluctuations, and those that meet the definition of derivatives (with the exception of designated and effective hedging instruments) are recognised at fair value through profit or loss because of their nature.

Financial liabilities measured at fair value through profit or loss because of their nature are initially recognised at fair value, excluding transaction costs (which are recognised directly in profit or loss) but including accrued interest.

These financial liabilities are subsequently measured at fair value, with changes in fair value recognised in profit or loss under "Gains and losses on financial instruments at fair value through profit or loss, net" with a corresponding entry against the outstanding amount.

They are reported in the statement of financial position under "Financial liabilities at fair value through profit or loss".

2.1.3.1.3.2.2 Financial liabilities recognised at fair value through profit or loss under the fair value option

Financial liabilities that meet one of the three following conditions may be recognised at fair value through profit or loss under the fair value option:

- financial liability consisting of a separable embedded derivative that the entity does not want to separate or cannot separate;
- the entity's intention to eliminate or reduce an accounting treatment mismatch in the measurement or recognition that would otherwise arise from the measurement of assets or liabilities on different bases;
- management of a group of financial liabilities (or of a group of financial assets and financial liabilities) and evaluation of performance on a fair value basis in accordance with a documented risk management or investment strategy.

This option is exercised on initial recognition of the financial liability and is irrevocable.

Financial liabilities measured at fair value through profit or loss under the fair value option are initially recognised at fair value, excluding transaction costs (which are recognised directly in profit or loss) but including accrued interest.

These financial liabilities are subsequently measured at fair value, with changes in fair value recognised:

- in profit or loss for changes in fair value not related to credit risk (in the income statement under "Gains and losses on financial instruments at fair value through profit or loss, net");
- in other comprehensive income not to be reclassified to profit or loss for changes in fair value related to credit risk (in the statement of financial position under "Gains and losses recognised directly in equity").

They are reported in the statement of financial position under "Financial liabilities at fair value through profit or loss".

2.1.3.1.3.2.3 Financial liabilities recognised at amortised cost

All other liabilities that meet the definition of financial liability (excluding derivatives) are measured at amortised cost.

Financial liabilities measured at amortised cost are initially recognised at fair value, which includes transaction costs and accrued interest (unless it can be demonstrated that the transaction costs are not material).

These financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

They are reported in the statement of financial position under "Debt securities", "Due to credit institutions", and "Due to customers" depending on the type of instrument.

2.1.3.1.3.3 Reclassification of financial liabilities

The initial classification of financial liabilities is irrevocable. No subsequent reclassification is permitted.

2.1.3.1.3.4 Derecognition of and changes in financial liabilities

A financial liability is fully or partially derecognised:

- when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires;
- when quantitative or qualitative analyses indicate that it has been substantially modified.

A substantial modification of an existing financial liability must be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the extinguished financial liability and the new financial liability is recognised immediately in profit or loss.

If the financial liability is not derecognised, the original effective interest rate is maintained. A discount/premium is recognised immediately in profit or loss on the date of the modification, and is then amortised at the original effective interest rate over the remaining life of the instrument.

2.1.3.1.4 Impairment for credit risk

Credit risk is defined as the risk of loss arising from the default by a counterparty resulting in its inability to meet its commitments to the Caisse des Dépôts Group.

IFRS 9 has introduced an impairment model based on expected credit losses (ECL), which aims to anticipate the recognition of credit losses at the earliest possible stage.

2.1.3.1.4.1 Scope of the ECL impairment model

The ECL impairment model applies to the following assets, if they are not measured at fair value through profit or loss:

- financial assets qualified as debt instruments recognised at amortised cost or at fair value through other comprehensive income to be reclassified to profit or loss (loans, receivables, securities);
- lease receivables that fall within the scope of IFRS 16;
- trade receivables and contract assets generated by transactions that fall within the scope of IFRS 15;
- guarantee commitments that fall within the scope of IFRS 9 (see section 2.1.3.1.9);
- financing commitments (see section 2.1.3.1.10).

Equity instruments, whether recognised at fair value through profit or loss or, under the option provided for, at fair value through other comprehensive income not to be reclassified to profit or loss, are therefore not affected by the impairment provisions.

2.1.3.1.4.2 Models based on expected credit losses

Credit losses correspond to the difference between all the cash flows that are due to an entity in accordance with the contractual provisions and all the cash flows that the entity expects to receive, discounted at the original effective interest rate.

The cash flows that the entity expects to receive must include flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms of the financial instrument.

Expected credit losses therefore correspond to the weighted average of credit losses based on the counterparty's default risk.

2.1.3.1.4.2.1 General ECL model

The general ECL model relies on a three-stage approach to risk based on the extent of the deterioration in the credit quality of a financial asset since initial recognition:

- Stage 1: this risk level includes all financial assets on initial recognition as well as on subsequent measurement, if they have not had a significant increase in credit risk since initial recognition.

  The entity recognises twelve-month expected credit losses for these financial assets. Interest income is recognised through profit or loss using the effective interest rate method applied to the gross carrying amount of the assets (i.e. amortised cost before recognition of impairment).
- Stage 2: this risk level consists of financial assets that have had a significant increase in credit risk since their initial recognition. The entity recognises lifetime expected credit losses for the financial instrument. Interest income is recognised through profit or loss using the effective interest rate method applied to the gross carrying amount of the assets (i.e. amortised cost before recognition of impairment).

Thereafter, if credit quality subsequently improves to the point that the increase in credit risk since initial recognition is no longer considered significant, impairment for credit risk is once again measured based on twelve-month expected credit losses. In that case, the financial asset is reclassified to Stage 1.

- Stage 3: this risk level comprises credit-impaired financial assets for which there is objective evidence of impairment. These are financial assets where one or more events that have a detrimental impact on their estimated future cash flows have occurred since initial recognition. This level of risk therefore consists of financial assets that are in default (non-performing). The entity recognises lifetime expected credit losses for the financial instrument. Interest income is recognised through profit or loss using the effective interest rate method applied to the net carrying amount of the assets (i.e. amortised cost after impairment).

  Thereafter, if credit quality subsequently improves, the financial asset is reclassified to Stage 2, then potentially to Stage 1. The procedures for measuring impairment for credit risk and interest income are then modified accordingly.

2.1.3.1.4.2.2 Simplified ECL model for trade receivables, contract assets and lease receivables

A simplified approach has been introduced under IFRS 9 for trade receivables and contract assets that fall within the scope of IFRS 15, as well as for lease receivables that fall within the scope of IFRS 16. When applying this simplified approach, which allows entities to avoid monitoring changes in the credit quality of the receivable and calculating the twelve-month expected loss, impairment is always equal to lifetime expected credit losses.

This simplified approach is mandatory for trade receivables and contract assets that do not contain a significant financing component. It is optional for trade receivables and contract assets that do contain a significant financing component, as well as for lease receivables.

The Caisse des Dépôts Group has decided to use this simplified approach to calculate impairment of lease receivables as well as of trade receivables and contract assets that contain a significant financing component.

Lifetime expected credit losses are therefore measured for all trade receivables, contract assets and lease receivables (which are assigned to Stage 2 or Stage 3).

2.1.3.1.4.3 Significant increase in credit risk, definition of default (non-performing) and objective evidence of impairment

In the general ECL model (see section 2.1.3.1.4.2), classification to the different risk levels is based on the concepts of significant increase in credit risk, default (non-performing) and objective evidence of impairment.

2.1.3.1.4.3.1 Significant increase in credit risk

Significant increase in credit risk is assessed on an individual basis or, where applicable, on the basis of homogeneous portfolios of assets, if information about the significant deterioration is not identifiable on an individual financial asset level.

To make the assessment, account is taken of all reasonable and supportable information that is available without undue cost or effort, by comparing the risk of default on a financial instrument at the reporting date with the risk of default on the same instrument on initial recognition. This assessment must take account of information about past events, current conditions, and reasonable and supportable projections about future economic conditions and events (forward-looking information).

A transfer from Stage 1 to Stage 2, reflecting a significant increase in credit risk, should typically be recognised before the transaction is impaired on an individual basis due to the existence of objective evidence of impairment and before the loan is classified in Stage 3.

The Caisse des Dépôts Group also makes significant use of the rebuttable presumption provided for under IFRS 9 to consider that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Conversely, IFRS 9 provides that if the default risk is considered low at the reporting date and if the borrower has a strong capacity to meet its contractual cash flow obligations in the near term without this capacity being significantly reduced by adverse changes in economic conditions in the longer term, it may be assumed that the credit risk on a financial asset has not increased significantly since initial recognition. Any collateral held on financial assets is not taken into consideration in this judgement.

This rule is applied by the Caisse des Dépôts Group to a significant extent, notably to monitor the deterioration in investment grade securities.

2.1.3.1.4.3.2 Default (non-performing)/Objective evidence of impairment

The definition of default (non-performing) for the purposes of measuring expected credit losses is identical to that used for the purposes of internal credit risk management. Thus, a debtor is considered to be in default (non-performing) when at least one of the following two conditions is met:

- a payment generally more than 90 days past due, unless specific circumstances show that the arrears are due to reasons unrelated to the debtor's situation;
- the entity believes that the debtor is unlikely to meet all its credit obligations without recourse to potential measures such as the enforcement of collateral.

A loan in default (non-performing) is said to be credit-impaired when one or more observable events that have a detrimental impact on this financial asset's estimated future cash flows have occurred.

These observable events, used for a Stage 3 risk classification and which reflect the existence of a known credit risk, are:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract (past-due event);
- the lender, for reasons relating to the borrower's financial difficulty, having granted to the borrower concessions at very favourable conditions that it would not have otherwise considered (extension, lower rate, etc.);
- the borrower's bankruptcy or financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties.

2.1.3.1.4.4 Measurement of expected credit losses

The methods for calculating expected credit losses are implemented independently in each Caisse des Dépôts Group entity given the wide variety of their businesses. These calculation methods may also differ within a single entity, depending on the portfolios of financial assets held and the information available on these portfolios.

2.1.3.1.4.4.1 General ECL measurement model

To measure expected credit losses, the Caisse des Dépôts Group entities that conduct banking operations (mainly La Poste group with its subsidiary La Banque Postale, the Central Sector of Caisse des Dépôts, SFIL group and the Bpifrance group) rely largely on concepts and procedures that already exist as part of their supervisory monitoring framework.

The general methodology for calculating expected credit losses is thus based on three parameters:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

The criteria for assigning assets to the different risk levels, which determine the method used to measure expected credit losses, are based on a comparison between the financial asset's PD on the reporting date and its initial recognition date (these PDs themselves result from the ratings assigned to counterparties from internal or external models) and on the default status (non-performing).

A financial asset is therefore generally assigned:

- to Stage 1 if its PD on the reporting date has not deteriorated significantly relative to its initial PD or if it is considered to have a low credit risk (investment grade);
- to Stage 2 if its PD on the reporting date has deteriorated significantly relative to its initial PD (use of transition matrices), if it has payments more than 30 days past due or if the counterparty is monitored as part of a watch list;
- to Stage 3 if it has been impaired due to the existence of a known credit risk. In that case, the financial asset is in default (non-performing).

Expected credit losses are calculated as the product of PD multiplied by LGD and EAD for each weighted scenario developed.

The time horizon used for the ECL calculation depends on the risk level to which the financial assets have been assigned:

- one-year PD for financial assets classified to Stage 1;
- lifetime PD for financial assets classified to Stage 2.

The various parameters used to estimate expected credit losses (PD, EAD, LGD) rely on those used at the supervisory monitoring level (Basel parameters), which should be restated to comply with the requirements of IFRS 9.

Specific adjustments are therefore made to account for conditions on the reporting date and forward-looking macroeconomic projections:

- IFRS 9 parameters aim to estimate losses as accurately as possible for accounting provision purposes, whereas prudential parameters are generally more cautious for regulatory purposes. Several of these safety buffers are therefore restated;
- IFRS 9 parameters must allow losses to be estimated until the contract's maturity, whereas prudential parameters are defined to estimate one-year losses. One-year parameters are thus projected over long horizons;
- IFRS 9 parameters must be forward-looking and take into account the expected economic conditions over the projection horizon, whereas prudential parameters correspond to average cycle estimates. Prudential parameters are therefore also adjusted based on the expected economic conditions.

Parameters are adjusted to the economic environment by defining reasonable and supportable economic scenarios, combined with probabilities of occurrence. Three economic scenarios projected over several years (one core scenario and two alternative scenarios), provided by the Central Sector's economic research department, are used.

Once the parameters have been defined, expected credit losses can be measured for all rated exposures. For unrated exposures, prudent ECL measurement rules are applied, with historical loss information produced.

2.1.3.1.4.4.2 Simplified ECL measurement model for trade receivables, contract assets and lease receivables

Lifetime expected credit losses are measured for all trade receivables, contract assets and lease receivables (which are assigned to Stage 2 or Stage 3) (see section 2.1.3.1.4.2).

Assets are assigned to Stage 3 when they are impaired due to the existence of a known credit risk (financial assets in default). In such cases, impairment for credit risk corresponds to the difference between all the cash flows that are due to an entity in accordance with the contractual provisions and all the cash flows that the entity expects to receive, discounted at the original effective interest rate, if applicable.

All other assets are assigned to Stage 2. Impairment for credit risk is subsequently measured at an amount equal to lifetime expected credit losses, based on available information. Entities may, in particular, use impairment calculation matrices based on how long past due the payment is.

2.1.3.1.4.5 Restructuring operations

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

Restructuring processes are defined using two main criteria:

- concessions granted by the entity;
- the borrower's financial difficulties.

It is therefore necessary to analyse whether or not the contractual amendments to the loan relating to the borrower's financial difficulties lead to the derecognition of the loan.

Where the restructuring changes the contractual flows of the initial loan in a non-substantial manner, the initial loan is not derecognised. It is instead subject to a value adjustment (discount) made to reduce its carrying amount to the discounted amount, at the original effective interest rate of the loan, of the new expected future cash flows.

The interest rate discount recorded at the time of the loan restructuring is recorded in the income statement under "Cost of credit risk" and on the statement of financial position less the corresponding outstanding amount. The discount is then reclassified to the income statement in the interest margin in an actuarial manner over the term of the loan.

Any write-offs are recorded directly in profit or loss under "Cost of credit risk".

The restructured loan, which has not been derecognised, continues to be subject to the same assessments determining whether or not it has undergone a significant increase in credit risk since its initial recognition. To determine its allocation to the risk class and the amount of impairment for credit risk, a comparison is drawn between:

- the risk of default at the reporting date (based on the contractual conditions modified due to the restructuring) and;
- the risk of default at the initial recognition date (according to the original, unmodified contractual conditions).

However, if the restructuring substantially modifies the contractual flows of the initial loan, the initial loan is derecognised and the new financial asset provided in exchange is recognised at its fair value at the date of the exchange. The difference in value recorded during this exchange is recognised in the income statement under "Cost of credit risk".

The restructuring date is therefore the initial recognition date for applying the provisions relating to the initial recognition of the new post-restructuring financial asset (see section 2.1.3.1.2.3) and the credit risk impairment rules (see section 2.1.3.1.4).

Given the various cases of derecognising the restructuring processes that may arise, a case-by-case analysis is conducted in order to decide on the allocation of the new post-restructuring financial asset to its risk class.

2.1.3.1.4.6 Uncollectibility of financial assets

When a financial asset is deemed uncollectible, i.e. there is no hope of full or partial recovery (including through the enforcement of any collateral), it should be derecognised from the statement of financial position and the amount deemed non-recoverable should be written off.

The timing of the write-off is determined by expert opinion. Each entity must therefore establish this timing based on its knowledge of its business.

Before any write-off, the financial asset should be transferred to Stage 3 and a lifetime expected credit loss should be recognised (with the exception of financial assets recognised at fair value through profit or loss).

For financial assets recognised at amortised cost or at fair value through other comprehensive income to be reclassified to profit or loss, the amount written off is recognised in the income statement under "Cost of credit risk".

2.1.3.1.5 Derivative financial instruments

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

- its value fluctuates according to an interest rate, the price of a financial instrument, the price of commodities, a foreign exchange rate, a price or share price index, a credit rating or a credit index, or another variable called the underlying;
- it requires a low or zero initial net investment or lower than a non-derivative financial instrument to have the same sensitivity to changes in the underlying;
- it is settled at a future date.

Derivative instruments are financial assets and liabilities initially recognised in the statement of financial position at the transaction price. They are subsequently measured at fair value, regardless of whether they are held for trading or as part of a hedging relationship.

2.1.3.1.5.1 Derivative instruments held for trading

Derivatives are considered financial instruments held for trading, with the exception of derivatives that are part of a hedging relationship.

Derivative instruments held for trading are recognised in the statement of financial position under "Financial assets/ liabilities at fair value through profit or loss". They are recognised as assets when their market value is positive and as liabilities when it is negative. Realised and unrealised gains and losses are recognised in the income statement under "Gains and losses on financial instruments at fair value through profit or loss, net".

2.1.3.1.5.2 Derivative instruments and hedge accounting

The hedge accounting provisions of IFRS 9 will not be effective until the macro hedge project has been finalised. They are therefore independent of the provisions of IFRS 9 on the classification, measurement and impairment of financial instruments.

The Caisse des Dépôts Group decided to apply the provisions of IFRS 9 for hedge accounting as from 1 January 2018 (excluding macro-hedging transactions, which are subject to a draft separate standard currently under review by the IASB and for which the provisions of IAS 39 adopted by the European Union continue to apply).

IFRS 9 includes some significant advances relative to IAS 39, among which:

- a better translation of entities' risk management policy in the financial statements, resulting in both an expansion of the scope of transactions eligible for hedge accounting and a better reflection of hedging transactions in profit or loss; and
- an easing of effectiveness testing, with the elimination of the retrospective effectiveness test and of the 80%-125% range.

Hedge accounting can be applied to a hedging relationship only if all of the following conditions have been met:

- eligibility of hedging instruments;
- eligibility of hedged items;
- existence of documentation from inception;
- compliance with the effectiveness criteria;
- eligibility of the types of hedging relationships.

2.1.3.1.5.2.1 Eligibility of hedging instruments

IFRS 9 does not change the conditions under which a derivative instrument may qualify as a hedging instrument. Thus, a derivative may be designated in its entirety as a hedging instrument, with some exceptions, such as the possibility of using only a portion of the notional amount of a derivative (and not a portion of its term).

2.1.3.1.5.2.2 Eligibility of hedged items

IFRS 9 expands the scope of hedged items that may be eligible for hedge accounting relative to IAS 39. As a result:

- financial assets qualified as debt instruments and recognised at amortised cost can now be hedged against interest rate risk even if the management intention is to hold them to maturity.

Under IAS 39, these financial assets were recognised as "Held-to-maturity investments" and could not be hedged against interest rate risk.

- financial assets qualified as equity instruments (shares) and recognised at fair value through other comprehensive income not to be reclassified to profit or loss under the option provided for may be hedged at fair value even though the changes in fair value never affect profit or loss.

These methods of recognising and hedging equity instruments did not exist under IAS 39.

2.1.3.1.5.2.3 Existence of documentation from inception

To best ensure that accounting hedges align with risk management, all hedging relationships must fall within a framework defined by:

- a risk management strategy that defines the general framework by identifying the risks to which the entity is exposed and describing how these risks are managed overall (risk management policy); and
- certain management objectives that represent the implementation of the overall strategy at the individual hedging transaction level.

The documentation required from the inception of the hedging relationship should therefore identify the hedging instrument, the hedged item and the nature of the risk being hedged and describe how the entity will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and an explanation of how it determines the hedge ratio, where applicable).

2.1.3.1.5.2.4 Compliance with the effectiveness criteria

The effectiveness criteria which must be satisfied in order to apply hedge accounting under IFRS 9 have been changed relative to IAS 39 and are based on a less rigid approach which relies more on the use of judgement.

The criteria, which relate to expectations about hedge effectiveness, should be assessed on a prospective basis. There are three criteria:

- there is an economic relationship between the hedged item and the hedging instrument (inverse correlation);
- changes in the value of the hedging instrument or the hedged item are not linked primarily to a change in the counterparty's credit risk;
- in the case of hedging with a derivative that approximates the risk being hedged, the hedge ratio (i.e. quantity of the hedged item/quantity of the hedging instrument) used for accounting purposes must correspond to the ratio used by the entity for risk management purposes. There must be no obvious imbalance.

Prospective effectiveness tests must be conducted at the inception of the hedging relationship and, at a minimum, on each reporting date.

2.1.3.1.5.2.5 Eligibility of the types of hedging relationships

Like IAS 39, IFRS 9 recognises three types of hedging relationships.

Hedging derivatives meeting the criteria required by IFRS 9 (and IAS 39 adopted by the European Union for macro-hedging transactions) are recognised in the statement of financial position under "Hedging instruments". By default, other derivative instruments are recognised in the statement of financial position under "Financial assets/liabilities at fair value through profit or loss", even if economically they have been subscribed with a view to hedging one or more transactions.

2.1.3.1.5.3 Fair value hedges

A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment.

In a fair value hedging relationship, the hedging instruments are measured at fair value in the statement of financial position (under "Hedging instruments"), with an offsetting entry in:

- the income statement, together with the gains and losses that arise on the hedged item (general case) (under "Gains and losses on financial instruments at fair value through profit or loss, net" in the income statement);
- other comprehensive income not to be reclassified to profit or loss, together with the gains and losses that arise on the hedged equity instruments when the latter are recognised at fair value through other comprehensive income not to be reclassified to profit or loss under the option provided for (under "Gains and losses recognised directly in equity" in the statement of financial position).

In the statement of financial position, the gain or loss from remeasuring the hedged item is recognised based on the classification of the hedged item in a relationship hedging identifiable assets or liabilities.

An entity should discontinue fair value hedge accounting prospectively only when the hedging relationship no longer meets the eligibility conditions. In this situation:

- the hedging instrument continues to be recognised in the statement of financial position at fair value through profit or loss but is reclassified to "Financial assets/liabilities at fair value through profit or loss". If it no longer exists, the hedging instrument is derecognised;
- the hedged item continues to be recognised in the statement of financial position in the manner in which it had been recognised before the hedging transaction, unless it no longer exists, in which case it is derecognised. The hedged item is no longer adjusted for any changes in fair value related to the risk being hedged. The gains and losses recognised in the statement of financial position for the previously-hedged risk is amortised over the remaining life of the hedged item.

2.1.3.1.5.4 Macro-hedging

The Caisse des Dépôts Group applies the provisions of IAS 39 adopted by the European Union to macro-hedging transactions carried out as part of the asset/liability management of fixed-rate positions.

Some Group entities conduct an overall analysis of their interest rate risk. This analysis consists of assessing interest rate risk on all fixed rate elements recognised on the statement of financial position that generate such risk. These entities select the financial assets and liabilities that must be included in the interest rate risk hedging of the macro-hedging portfolio. These financial assets and liabilities are classified by portfolio maturity time intervals. Therefore, when these items are removed from the portfolio, they must be removed from all the time buckets to which they were allocated.

The entities constitute homogeneous portfolios, mainly loans and bond issues. Based on this differential analysis, performed on a net basis, they define the risk exposure to be covered, the length of time intervals, the test method and the frequency of the tests performed.

The macro-hedging instruments used by these entities are essentially simple interest rate swaps designated upon their application as fair value hedges of fixed-rate sources or uses. The effectiveness of these hedging relationships is evidenced through target schedules. The purpose of forward-looking effectiveness testing (carried out on the hedge designation date) and retrospective effectiveness testing (performed on each half-year and annual reporting date) is to ensure that there is no over-hedging. They are verified if, for each maturity band of the target schedule, the nominal amount of the hedged items is greater than the notional amount of hedging derivatives.

Macro-hedging instruments are derivatives whose accounting treatment is identical to that set out for fair value hedges. In particular, they are recognised at fair value.

Revaluations relating to the hedged risk are recognised on the statement of financial position (either as assets or liabilities depending on whether the hedged-item groups are assets or liabilities) under "Cumulative fair value adjustments to portfolios hedged against interest rate risk".

2.1.3.1.5.5 Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows from financial instruments or a highly probable forecast transaction.

In a cash flow hedging relationship, hedging instruments are measured at fair value in the statement of financial position (under "Hedging instruments"), with an offsetting entry to "Gains and losses recognised directly in equity" for the effective portion (equity) and to "Gains and losses on financial instruments at fair value through profit or loss, net" for the ineffective portion (income statement).

The amounts accumulated in equity over the life of the hedge are taken to profit or loss under "Interest income" or "Interest expense" as and when the hedged item itself affects profit or loss.

Hedged items continue to be accounted for under the rules applicable to their category.

An entity should discontinue cash flow hedge accounting prospectively only when the hedging relationship no longer meets the eligibility conditions. In this situation:

- the hedging instrument continues to be recognised in the statement of financial position at fair value through profit or loss but is reclassified to "Financial assets/liabilities at fair value through profit or loss". If it no longer exists, the hedging instrument is derecognised;
- the cumulative gain or loss on the hedging instruments that has been recognised in equity will remain in equity until the forecast transaction affects profit or loss or until the transaction is no longer expected to occur, in which case it is reclassified to profit or loss;
- if the hedged item no longer exists, the amounts accumulated in equity are recognised immediately in profit or loss.

2.1.3.1.5.6 Net investment hedges

A net investment hedge is a hedge of the exposure to unfavourable changes in fair value attributable to the currency risk on an investment other than in euros. The recognition principles applicable to net investment hedges are identical to those for cash flow hedges.

Irrespective of the hedging strategy, hedge ineffectiveness is recognised in profit or loss under "Gains and losses on financial instruments at fair value through profit or loss, net" in the income statement (with the exception of fair value hedges of equity instruments recognised at fair value through other comprehensive income not to be reclassified to profit or loss under the option provided for, for which hedge ineffectiveness is recognised in the statement of financial position under "Gains and losses recognised directly in equity").

The Caisse des Dépôts Group has also chosen to recognise certain hedged items and the related hedging instruments under "Financial assets/liabilities at fair value through profit or loss" as allowed under IFRS 9. This treatment has been applied primarily to government bonds and negotiable debt securities hedged by swaps under asset swap agreements.

2.1.3.1.6 Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that meets the definition of a derivative instrument. This designation applies only to financial liabilities and not to financial assets, for which the financial asset as a whole must be recognised in accordance with the provisions of IFRS 9 as described in section 2.1.3.1.2.3 (i.e. a derivative embedded in a financial asset cannot be separated).

Derivatives embedded in a financial liability must be separated from the host contract and recognised as derivatives if the following three conditions are met:

- the hybrid contract is not measured at fair value through profit or loss;
- separated from the host contract, the embedded component has the characteristics of a derivative;
- the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract.

An embedded derivative that is accordingly separated from the financial liability is recognised at fair value under "Financial liabilities at fair value through profit or loss".

2.1.3.1.7 Fair value of financial instruments

Financial assets and liabilities at fair value through profit or loss, hedging instruments and financial assets at fair value through other comprehensive income (to be and not to be reclassified to profit or loss) are measured and recognised at fair value on initial recognition and at subsequent reporting dates.

Fair value as defined by IFRS 13 is 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 Caisse des Dépôts Group determines the fair value of financial instruments based on either prices obtained directly from external inputs or from valuation techniques. The valuation techniques applied are primarily the market approach and the income approach, which draw on several widely used techniques such as discounted cash flow and adjusted net asset value models. These approaches maximise the use of observable inputs and minimise the use of unobservable inputs. Valuation techniques are calibrated to reflect current market conditions.

Assets and liabilities recognised or shown at fair value correspond to the following levels in the fair value hierarchy:

- level 1: fair value is determined using prices quoted in active markets (unadjusted) for identical assets or liabilities. An active market is a market in which transactions in the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- level 2: fair value is determined using valuation techniques that chiefly rely on directly or indirectly observable market inputs. These techniques are regularly calibrated and the inputs corroborated by data from active markets ("market-corroborated data").
- level 3: fair value is determined using valuation techniques that chiefly rely on unobservable inputs or on inputs that cannot be corroborated by market data, for example due to a lack of liquidity for the instrument or to a significant model risk. Unobservable inputs are inputs for which no market data is available, and which therefore result from internal assumptions based on data that would be used by other market participants. Judgement is involved in determining when there is a lack of liquidity or a risk relating to the use of a model.

When several inputs are used to calculate the fair value of a financial asset or liability, the fair value obtained is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire fair value measurement.

Unlisted equity instruments

The fair value of unlisted equity instruments is generally computed using a number of different techniques (discounted cash flows, adjusted net asset value or multiples for comparable companies):

- if fair value is based on data relating to comparable listed companies or, for property investments, on a revaluation of property using observable market inputs, equity instruments are classified in level 2 of the fair value hierarchy;
- however, if fair value is calculated based on discounted cash flows or adjusted net asset value using internal company data, the equity instruments are classified in level 3 of the fair value hierarchy. This also applies to instruments measured using the multiples approach when the inputs require significant adjustments based on unobservable inputs to reflect factors specific to the entity concerned.

2.1.3.1.8 Offsetting of financial assets and liabilities

In accordance with IAS 32 *"Financial Instruments: Presentation"*, the Caisse des Dépôts Group offsets a financial asset and a financial liability and presents a net amount when, and only when:

- it has a legally enforceable right to set off the recognised amounts; and
- it intends 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 able to be exercised in all circumstances.

Repurchase agreements whose operating principles meet the two criteria required by the standard are offset on the statement of financial position where:

- they relate to the same counterparty;
- they have the same maturity dates set from the outset;
- they are carried out in the same currency;
- they are settled through a settlement-delivery system guaranteeing the delivery of securities against the receipt of the corresponding cash;
- the securities are deposited with the same custodian.

Offsetting mainly concerns repurchase transactions made with the LCH Clearnet clearing house.

2.1.3.1.9 Financial guarantees given

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss that the holder suffers because a specified debtor fails to make a payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value and subsequently at the higher of:

- the amount of impairment determined using the ECL method as described in "Impairment for credit risk" (see section 2.1.3.1.4); or
- the amount initially recognised less, where applicable, the total income recognised in accordance with the principles of IFRS 15.

They are reported in liabilities, under "Provisions".

2.1.3.1.10 Financing commitments

Financing commitments that are not considered derivatives within the meaning of IFRS 9 or that are not designated as financial liabilities measured at fair value through profit or loss under the fair value option are not recognised in the statement of financial position.

However, they are covered by provisions determined using the ECL method under IFRS 9 as described in "Impairment for credit risk" (see section 2.1.3.1.4).

They are reported in liabilities, under "Provisions".

Financing commitments whose conditions are below market conditions must also be recognised initially at fair value. This fair value gives rise to the recognition of a discount in profit or loss as soon as the lending commitment is made (the discount represents the difference between the rate granted and the market rate on an actuarial basis), with an offsetting entry to a provision account in liabilities.

Financing commitments that have been entered into at a below-market interest rate are subsequently measured at the higher of:

- the amount of impairment determined using the ECL method as described in "Impairment for credit risk" (see section 2.1.3.1.4); or
- the amount initially recognised less, where applicable, the total income recognised in accordance with the principles of IFRS 15.

2.1.3.2 Insurance activities

2.1.3.2.1 General accounting principles

2.1.3.2.1.1 Financial instruments held by insurance subsidiaries

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 for eligible financial assets.

The overlay approach allows insurance companies to reclassify between net income and "Other comprehensive income" (equity) the difference between the amount presented in the income statement under IFRS 9 for eligible financial assets and the amount that would have been presented in the income statement for these same eligible financial assets if the insurance undertaking had applied IAS 39.

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), by eliminating from the income statement the volatility that may arise from the application of IFRS 9 before the entry into force of IFRS 17.

To be eligible for the overlay approach, financial assets must meet the following characteristics:

- they are held by insurers within the Group for insurance purposes;
- they are measured at fair value through profit or loss under IFRS 9, but would not have been measured as such in accordance with IAS 39.

Eligible financial assets are designated on an instrument-by-instrument basis and can be carried out:

- at 1 January 2018, during the first-time adoption of IFRS 9;
- at a later date, but only for the initial recognition of the assets in question.

2.1.3.2.1.2 Insurance contracts

Pending the upcoming IFRS 17 standard on insurance contracts, insurance subsidiaries continue to apply IFRS 4 to the following contracts:

- insurance contracts covering a risk for the policyholder. This category covers personal risk, pension, property and casualty contracts and unit-linked savings contracts with a capital guarantee;
- investment contracts issued by the insurer 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 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.

2.1.3.2.2 Technical and mathematical provisions

Technical provisions reflect the insurer's obligations towards policyholders:

- Mathematical provisions for traditional savings contracts 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 provisions 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 related technical reserves.
- Claims equalisation provisions are set aside to cover the exceptional cost of natural disaster, atomic, environmental liability, space, air transport and terrorism claims.
- Outstanding claims provisions are determined based on the estimated cost of settling the claims, net of subrogation and salvage.

2.1.3.2.3 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 the policyholder 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 policyholders 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) under "Insurance company technical provisions and shadow accounting reserves" or in assets (deferred participation asset) under "Prepayments, accrued income and other assets" as appropriate.

Deferred participation assets are tested for impairment. 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 the 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 Council (CNC) of 19 December 2008 on methods for recognising deferred participating assets issued, recoverability of the participating asset is based on a prudent assessment of the capacity for holding the assets, particularly in terms of their future collection in forecast cash flows. Likewise, the 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.

2.1.3.3 Investments in equity-accounted companies

The Group's interests in associates and joint ventures are accounted for by the equity method.

Under this method, the investment in an associate or joint venture is initially recognised at cost and subsequently adjusted to reflect any changes in the Group's share in the investee's net assets after the acquisition date. Goodwill relating to interests in associates and joint ventures is included in the carrying amount of the investment.

The Group's share of the earnings of associates and joint ventures is reflected in the income statement under "Share of profit (loss) of associates and joint ventures".

After the equity method is applied, the Caisse des Dépôts Group's interest in an associate or joint venture is impaired and an impairment loss is recognised if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the interest (loss event) and if that loss event (or events) has an impact on the estimated future cash flows of the interest that can be reliably estimated. The losses expected as a result of future events are, however, not recognised.

If there is objective evidence of impairment, the full amount of the equity-accounted investment is tested for impairment in accordance with IAS 36 "*Impairment of Assets*". An impairment loss is recognised if the recoverable amount of the investment, reflecting the higher of its fair value less the costs of disposal and its value in use, is lower than its carrying amount.

When an impairment loss is recognised, it is charged against the value of the equity–accounted investment in the statement of financial position, and may subsequently be reversed if the value in use or fair value less the costs of disposal increases. The impairment loss is recognised in the income statement under "Share of profit (loss) of associates and joint ventures".

If the Group's share in the losses of an equity-accounted company equals or exceeds its interest in that equity-accounted company, the Caisse des Dépôts Group discontinues recognising its share of further losses. Its interest is then reduced to zero. Additional losses of the associate or joint venture are provided for only to the extent that the Group has incurred legal and constructive obligations or made payments on behalf of the associate or joint venture.

When an interest in a joint venture becomes an interest in an associate (and vice versa), any retained interest in the investment is not revalued. This also applies to partial acquisitions and sales that do not result in a change of control.

Any gains or losses resulting from sales of investments in associates and joint ventures are recognised in the income statement under "Gains and losses on other assets, net".

2.1.3.4 Non-current assets held for sale and related liabilities, discontinued operations

A non-current asset or a disposal group is classified as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset or disposal group is reported on a separate line of the statement of financial position when it is highly probable that the sale of the asset will be completed within twelve months.

As soon as they are classified as held for sale, non–current assets and disposal groups are carried at the lower of their carrying amount and fair value less costs to sell and are no longer depreciated/amortised. However, the financial assets continue to be measured in accordance with the principles of IFRS 9.

Any impairment recognised on non-current assets held for sale and disposal groups is recognised in profit or loss and may be reversed in subsequent periods.

An operation is considered as discontinued when the related assets fulfil the criteria for classification as held for sale or when the operation has been sold. The profits or losses from discontinued operations are shown on a single line of the income statement for the periods presented. The reported amounts include the net profit or loss of the discontinued operations up to the date of sale and the after–tax disposal gain or loss.

2.1.3.5 Foreign currency transactions

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are converted into the Caisse des Dépôts Group's functional currency at the year-end exchange rate.

The resulting conversion gains and losses are recognised in profit or loss. As an exception to this principle, for monetary assets classified as financial assets at fair value through other comprehensive income, only the portion of the conversion gain or loss calculated on these assets' amortised cost is recognised in profit or loss, with the other portion recognised in equity.

Concerning non-monetary assets:

- assets measured at historical cost are converted at the exchange rate on the transaction date;
- assets measured at fair value are converted at the exchange rate at the end of the reporting period.

Conversion gains and losses on non-monetary items are recognised in profit or loss if the gain or loss on the non-monetary item is also recognised in profit or loss, or in equity if the gain or loss on the non-monetary item is also recognised in equity.

2.1.3.6 Employee benefits

Benefits granted to the Group's employees fall into four categories:

- short-term benefits, such as salaries, paid annual leave, matching payments to employee savings plans, and discretionary and non-discretionary profit-sharing;
- post-employment benefits, corresponding to pensions, length-of-service awards payable to employees on retirement, financial support for employees receiving reduced rate pensions, and medical cover;
- other long-term benefits such as jubilee and other long-service benefits;
- termination benefits.

2.1.3.6.1 Short-term benefits

Short-term benefits are employee benefits expected to be paid within twelve months of the end of the reporting period in which the employees render the related service. A liability and an expense are recognised when the Group has a contractual obligation or constructive obligation arising from past practices.

2.1.3.6.2 Post-employment benefits

Post-employment benefits comprise defined contribution plans and defined benefit plans.

Obligations under defined contribution plans are generally covered by contributions paid to a pay–as–you–go pension scheme or to an insurance company that manages benefit payments or by the French State for public service employees. In all cases, the contributions are in full discharge of any future liability for the Caisse des Dépôts Group. Contributions paid are expensed as incurred.

Defined benefit plans are plans under which the Group has an obligation to pay agreed benefits to current and former employees. These plans give rise to a medium- or long-term liability which is measured and provisioned in the financial statements.

In accordance with IAS 19, the projected benefit obligation is measured by the projected unit credit method based on a range of actuarial, financial and demographic assumptions. The projected unit credit method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Units of benefit entitlement are determined based on the discounted present value of the future benefits.

The discount rate used by the Group is determined by reference to the yield on investment-grade corporate bonds with a similar maturity to that of the benefit obligation within the same monetary area.

The provision for defined post-employment benefits is therefore equal to the present value of the defined benefit obligation at the end of the reporting period, calculated by the projected unit credit method, less the fair value of the plan assets, if any.

The provision is adjusted at the end of each reporting period to reflect changes in the projected benefit obligation.

All gains or losses on remeasuring the net defined benefit obligation (asset) are recognised immediately in equity under "Gains and losses recognised directly in equity" and are not reclassified to profit or loss in subsequent periods. These include actuarial gains and losses arising on changes in actuarial assumptions and experience adjustments, as well as the return on plan assets and the change in any asset ceiling (excluding amounts taken into account in calculating the net interest cost on the defined benefit obligation (asset)).

The annual cost of defined benefit plans recognised in personnel expenses reflects:

- the cost of services rendered by employees during the period (service cost);
- the cost of services rendered by employees in previous periods (past service cost), resulting from plan amendments or curtailments, as well as gains and losses on any plan settlements;
- the net interest cost related to discounting the net defined benefit obligation (asset). The interest rate used to calculate the expected return on plan assets is the same as the discount rate applied to the provision.

Outside France, Group employees are covered by various compulsory contributory pension schemes. The corresponding obligations are funded by contributions to company pension funds or recognised in the financial statements of the companies concerned.

2.1.3.6.3 Other long-term benefits

Other long-term benefits are benefits other than short-term benefits, post-employment benefits and termination benefits, that are not expected to be paid in the twelve months after the end of the period in which the employees render the related service.

They are measured and recognised on a similar basis to defined post-employment benefits, except that actuarial gains and losses are recognised directly in profit or loss.

2.1.3.7 Provisions for commitments on home savings contracts

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 when the savings are used as a deposit for a home purchase financed in part by a subsidised 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 accounts);
- 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 retail 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 statement of financial position 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 retail customers on equivalent savings and lending products for similar periods and with similar commencement dates.

2.1.3.8 Share-based payments

Share-based payments consist of payments based on the equity instruments of Group subsidiaries that are equity settled or cash settled for amounts that reflect the value of the underlying shares.

Most of the share-based payment plans set up by Caisse des Dépôts Group entities are equity-settled plans.

IFRS 2 also applies to rights issues carried out under the Group's employee savings plans.

The employee benefit corresponds to the difference, at the purchase date, between the fair value of the acquired shares, taking into account the deemed cost of the lock-up feature, and the price paid by employees, multiplied by the number of shares purchased. At the end of each reporting period, the number of options likely to vest is reviewed. Where appropriate, the estimates are revised and the effect of the revision is recognised in the income statement with a corresponding adjustment to equity.

2.1.3.9 Fixed assets

Fixed assets in the consolidated statement of financial position include owner-occupied property and equipment, intangible assets and investment property.

Owner-occupied property is held for use in the production or supply of goods or services and for administrative purposes. It corresponds to assets not leased to third parties under operating leases.

Investment property corresponds to property held to earn rentals or for capital appreciation or both.

Owner-occupied and investment properties are initially recognised at cost, corresponding to their purchase price, any directly attributable expenditure and any borrowing costs.

Land and leasehold rights are not depreciated. Other assets are depreciated from the date they are put into service by the straight-line method. This method consists of recording a constant annual charge to write off the cost of the asset less its residual value over the asset's estimated useful life.

Government grants are recorded as a deduction from the carrying amount of the assets they serve to finance.

When an asset comprises several items with different patterns of use that may require replacement at regular intervals or generate economic benefits at differing rates, each such item is recognised separately and depreciated over its estimated useful life when the amounts involved are material.

With regard to the real estate portfolio, the items of property and equipment and related depreciation periods are as follows:

- building shell: 20 to 100 years;
- roof/façade: 20 to 60 years;
- fixtures: 10 to 25 years;
- fittings and technical installations: 10 to 25 years;
- major maintenance work: 15 years.

The depreciable amount of each asset is determined by deducting the residual value from its cost, where said value is both material and measurable. Residual value is defined as the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Software and development costs are recognised in assets and amortised over periods of between three and seven years.

At the end of each reporting period, an impairment test is performed if there is any internal or external indication that an asset may be impaired. Impairment tests are performed by comparing the carrying amount of the asset with its recoverable amount.

If the recoverable amount is less than the carrying amount, the carrying amount is reduced to the recoverable amount by recording an impairment loss. If the recoverable amount increases in subsequent periods, the impairment loss is reversed.

Gains and losses on the disposal of fixed assets are recognised under "Gains and losses on other assets, net" in the income statement.

2.1.3.10 Impairment of non-amortisable intangible assets and goodwill

Goodwill and other intangible assets with an indefinite useful life are not amortised but are tested for impairment at annual intervals.

The impairment tests are performed at the level of cash-generating units (CGUs), representing the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Impairment tests are performed by comparing the recoverable amount of the asset or CGU to its carrying amount. The recoverable amount of an asset or a CGU is the higher of its fair value less the costs of disposal and its value in use.

If the carrying amount is greater than the recoverable amount, an impairment loss is recognised in the income statement for the difference between these two amounts.

Impairment losses recognised on goodwill related to subsidiaries and intangible assets with indefinite useful lives cannot be reversed.

2.1.3.11 Leases

The Caisse des Dépôts Group may be the lessor or lessee in a lease.

2.1.3.11.1 Leases in which the Caisse des Dépôts Group is the lessor

Leases are analysed based on their substance and financial reality. They are recognised as either finance leases or operating leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee, regardless of whether or not ownership is ultimately transferred.

Leases are classified as finance leases in particular when:

- the lease transfers ownership of the underlying asset;
- the lessee has the option to purchase the underlying asset at a price sufficiently lower than its fair value at the date the option becomes exercisable;
- the lease term is for the major part of the economic life of the underlying asset;
- the present value of the future lease payments amounts to substantially all of the fair value of the leased asset at the inception of the lease;
- the leased asset is of such a specialised nature that only the lessee can use it without major modifications.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee.

2.1.3.11.1.1 Finance leases

Finance leases are considered equivalent to the sale of an asset to the lessee financed by a loan from the lessor. Based on an analysis of the economic substance of the finance lease transactions, the lessor:

- removes the leased asset from the statement of financial position;
- records a receivable due from the customer/lessee under "Loans and receivables due from customers, at amortised cost" in an amount representing the lease payments receivable by the lessor under the lease, discounted using the interest rate implicit in the lease, plus any unguaranteed residual value accruing to the lessor;
- recognises deferred taxes for temporary differences relating to the receivable and the net carrying amount of the leased asset;
- breaks down the income corresponding to lease payments into interest and repayment of principal.

2.1.3.11.1.2 Operating leases

The lessor recognises leased assets in the statement of financial position under "Investment property" and "Owner-occupied property and equipment" depending on the nature of the underlying asset. Lease income is recognised on a straight-line basis within net banking income under "Income from other activities" in the income statement.

2.1.3.11.2 Leases in which the Caisse des Dépôts Group is the lessee

Leases are recognised in the statement of financial position on the date on which the leased asset is made available. The lessee recognises a right-of-use asset representing its right to use the underlying leased asset for the estimated term of the contract and a lease liability representing its obligation to make lease payments over the same term. Depending on the underlying leased asset, the right-of-use asset is presented either in "Investment property" or in "Owner-occupied property and equipment" in the statement of financial position. The lease liability is presented in "Accrued expenses, deferred income and other liabilities" in the statement of financial position.

The lease term is the non-cancellable period of the lease adjusted together with the periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option and an option to terminate the lease if the lessee is reasonably certain not to exercise that option. It cannot be longer than the period during which the contract is enforceable. The contract is no longer enforceable when the lessee and the lessor each has the right to terminate the lease with no more than an insignificant penalty.

The lease liability is recognised as the present value of lease payments remaining over the lease term. Lease payments include fixed payments, variable lease payments that depend on an index or rate, and amounts expected to be payable by the lessee under residual value guarantees, purchase options or penalties for terminating the lease. Variable lease payments that do not depend on an index or a rate are excluded from the lease liability calculation and are recognised in "General operating expenses" in the income statement.

The discount rate used to calculate the lease liability and right-of-use asset is the lessee's incremental borrowing rate over the lease term at the date the contract is signed, where the implicit rate cannot be readily determined.

Cash repayments of the lease liability are broken down into a principal portion and an interest portion.

The right-of-use asset is measured as the amount of the initial measurement of the lease liability plus any lease payments made at or before the commencement date, and any costs of restoration. It is depreciated over the estimated term of the lease.

The lease liability and the right-of-use asset may be adjusted if the lease is modified, the lease term is reassessed, or the lease payments are revised due to application of indices or rates.

Deferred taxes are recognised for temporary differences related to the right-of-use asset and the lease liability.

2.1.3.12 Provisions

Provisions recorded under liabilities, other than those relating to losses on financial instruments, commitments to home savings contracts and employee benefits, are mainly provisions for claims and litigation, fines and tax risks.

A provision is recorded when the Group has a present obligation arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits without there being any expectation that economic benefits with at least an equivalent value will be received. The obligation may be legal, regulatory, contractual or constructive. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are discounted when the effects of discounting are material, using a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. Increases in the provision to reflect the passage of time are recognised in "Interest expense".

2.1.3.13 Current and deferred taxes

Deferred taxes are recognised using the liability method for temporary differences between the carrying amount of assets and liabilities and their tax base. Under this method, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The effects of changes in tax rates are recognised in the period in which the change is enacted or substantively enacted.

Deferred taxes are calculated at the level of each tax entity. Deferred tax assets are recognised only when it is probable that sufficient taxable profits will be available to permit their recovery.

Certain directly or indirectly held Group entities form part of a tax group.

Income tax expense is recognised in the income statement, except for tax on items recognised directly in equity, which is also recorded in equity.

Deferred taxes are not discounted.

2.1.3.14 Share capital

In light of its status, Caisse des Dépôts does not have any share capital.

2.1.3.15 Revenue from contracts with customers

Revenue from contracts with customers has been recognised in accordance with IFRS 15 since 1 January 2018.

This standard covers the recognition of revenue applicable to all contracts with customers regardless of business sector, with the exception of leases, insurance contracts and financial instruments, which fall within the scope of IFRS 16, IFRS 4 and IFRS 9, respectively.

How revenue is recognised in the income statement must reflect the pattern of transfer to the customer of control of the good or service sold, for the amount to which the seller expects to be entitled in exchange for that good or service. This recognition method applies to sales of goods and merchandise, the provision of services and long-term contracts.

The approach developed in IFRS 15 consists of a series of five steps, from identifying the contract with the customer to recognising revenue in profit or loss:

- identifying the contract;
- identifying performance obligations;
- determining the transaction price;
- allocating the transaction price to performance obligations; and
- recognising revenue when performance obligations have been satisfied.

Depending on the conditions for the transfer of control of the goods and services promised to the customer, revenue is recognised:

- at a point in time, when control of the goods and services is transferred to the customer on a given date; or
- over time, reflecting how the performance obligation is satisfied by the seller.

These provisions mainly concern the Caisse des Dépôts Group entities that conduct an industrial or commercial activity.

Revenue from contracts with customers is reported in the income statement under "Income from other activities".

2.1.3.16 Insurance investments

Investments in insurance activities are not presented separately in assets but broken down by category in the same way as the Group's other assets. Similarly, income from insurance activities is not presented separately in the income statement.

These various asset and income items are presented in a specific note.

In liabilities, "Insurance company technical provisions and shadow accounting reserves" include:

- technical provisions relating to insurance contracts (life, non-life);
- the deferred participation reserve.

2.1.3.17 Interest income and expense

Interest income and expense is recognised in the income statement under "Interest income" and "Interest expense" for all financial instruments measured at amortised cost using the effective interest rate method, namely loans and borrowings due from credit institutions and customers, the securities portfolio at amortised cost, debt securities, subordinated debt and lease liabilities. Accrued interest and interest due on debt instruments recognised in the portfolio of financial assets at fair value through other comprehensive income and hedging derivatives is also recorded, it being specified that accrued interest on cash flow hedging derivatives is recorded in the income statement together with accrued interest on the hedged item.

2.1.3.18 Fee and commission income and expense

In accordance with IFRS 15 *"Revenue from contracts with customers"* fee and commission income is recognised in profit or loss when the related performance obligations are satisfied:

- when the performance obligation (service) is satisfied over time, the fee is recognised over the service period (payment media processing fees);
- when the performance obligation is satisfied at a point in time or concerns a significant transaction, the fee or commission is recognised in the income statement when the service is provided or the transaction is executed (intermediary commission, payment incident fee);
- variable fees are recognised in profit or loss only when it is highly probable that the fee will not be reduced significantly compared to the recognised amount.

These fees are presented under "Fee and commission income" and "Fee and commission expense" in the income statement.

However, fees that represent additional interest (loan fees) are an integral part of the effective interest rate and are recognised in interest income and expense ("Interest income" and "Interest expense" in the income statement), and not as fees and commissions.

2.1.3.19 Cost of credit risk

"Cost of credit risk" includes:

- impairment losses and reversals on financial assets at amortised cost and at fair value through other comprehensive income that may be reclassified to profit or loss;
- impairment losses and reversals on finance lease receivables;
- changes in provisions relating to financial guarantees given and financing commitments;
- discounts on restructured loans and recoveries of loans written down in full;
- bad debt write-offs.

2.2 Repayment holidays and government-backed loans

2.2.1 Banque des Territoires

Caisse des Dépôts has proposed a support mechanism for its customers, businesses and professionals, who were experiencing financial hardship due to the lockdown, the total or partial suspension of their business, short-time working or furlough schemes. It notably resulted in a mix of repayment deferrals and holidays of up to six months, proposed proactively at the initiative of Caisse des Dépôts for all customers concerned, in particular legal professional customers.

In concrete terms, all customers were given the option of deferring payments due between 12 March and 30 September 2020, each deferral being accepted automatically for a maximum period of six months. Line-by-line monitoring of the deferrals has been put in place.

2.2.2 La Banque Postale

2.2.2.1 Repayment holidays

La Banque Postale offered support to its business, professional and retail customers experiencing financial hardship due to lockdown, the total or partial suspension of their business, or furlough schemes. This support took various forms including a mix of repayment deferrals and holidays of up to six months:

- at the customer's request; or
- at La Banque Postale's initiative, in the case of specifically targeted vulnerable customers.

2.2.2.1.1 Corporate customers

For its corporate and professional customers, La Banque Postale set up a system in line with the practices of the French banking industry.

For markets and products representing high volumes but modest amounts (such as the professionals and SME markets, equipment lease products, etc.), repayments of total monthly instalments were unilaterally waived by La Banque Postale (except where this went against the customer's wishes) through to 30 September 2020. This amounted to a six-month grace period resulting in the extension of the term of the loan without any adjustment to the nominal interest rate. In some cases, the interest accrued during the repayment holiday was also waived by La Banque Postale.

For major and/or structured loans (key accounts, real estate, BFI customers, etc.), repayment holiday requests were handled on a case-by-case basis. The rules applied in each case were that the holiday could not exceed six months and accrued interest was not waived.

Counterparties that were considered at risk or had defaulted prior to the crisis, i.e. rated as B2 and B3 in accordance with IFRS 9, were examined on a case-by-case basis and an opinion was issued by the Troubled Loans Department.

As soon as EBA guidelines EBA/GL/2020/08 were published, repayment holidays for an additional six months were granted to customers in the tourism sector who requested them (decree of 13 July 2020, appendix 7, amending the decree of 23 March 2020, as published in the Official Journal). The total repayment holiday granted to eligible customers was capped at twelve months, including these additional six months.

No repayment holidays were granted in late 2020 pursuant to the decision published on 2 December 2020 authorising repayment holidays through 31 March 2021 on loans granted prior to 2 December 2020, and on loans already eligible for a repayment holiday of up to nine months through 30 September 2020.

Recovery efforts focusing on corporate customers were stepped up in 2020 to enhance risk identification and oversight of the portfolio in light of the impact of the COVID-19 crisis.

At 31 December 2020, La Banque Postale had granted repayment holidays for 13,610 loans, representing 4,299 customers and total outstanding principal of €2,651 million. Of this amount, the repayment holiday on €2,193 million worth of outstanding principal had ended at 31 December 2020. Repayment holidays still in progress at 31 December 2020 represented €458 million in exposure, including €36 million for professional customers and €422 million for corporate customers.

2.2.2.1.2 Retail customers

Repayment holidays were granted on home loans and consumer credit for periods of two to six months (depending on the target customer and the La Banque Postale entity concerned), with principal and interest payments suspended during that time but insurance premiums maintained. The amounts concerned by the repayment holiday were deferred to the end of the loan.

Consumer credit repayment holidays were granted systematically at the customer's request, even when this was not provided for in the finance agreement.

For home loans, repayment holidays were granted at the customer's request or at La Banque Postale's initiative, depending on whether or not the customer's revenues had been affected by the crisis.

The system was primarily intended for vulnerable customers whose situation was likely to worsen or whose revenues were likely to be directly affected by deteriorating economic conditions due to the lockdown (for example, self-employed professionals and workers, traders and craftspeople).

The repayment holidays were granted for two periods: during the first lockdown, between end-March 2020 and 1 July 2020, and again during the second lockdown beginning from November 2020 (with adjusted eligibility criteria).

At 31 December 2020, La Banque Postale had granted non-contractual repayment holidays on 17,178 loans, representing total outstanding principal of €1,959 million. Of this amount, the repayment holiday on €1,852 million worth of outstanding principal had ended at 31 December 2020.

2.2.2.1.3 Accounting treatment of repayment holidays

The nature and financial impact of the modification of contractual cash flows resulting from repayment holidays are analysed to determine whether the repayment holidays qualify as substantial modifications under IFRS 9.

Where the modification is not qualified as substantial (less-than-10% test and/or due to the exceptional and specific nature of the measure), the financial asset is not derecognised but its carrying amount is adjusted to take into account the modified future cash flows, discounted at the original effective rate of interest The adjustment is recognised immediately in profit. This accounting treatment had no material impact on La Banque Postale in 2020.

2.2.2.2 Government-backed loans

On 16 March 2020, the French government announced it was setting up a system of government-backed loans specifically for businesses in order to help them ride out the economic and health crisis brought on by COVID-19. These government-backed loans (PGEs) were made available between 16 March and 31 December 2020 through France's main banking institutions, including La Banque Postale. The decree of 29 December 2020 amending the decree of 23 March 2020 (published in the Official Journal) has extended the government-backed loan scheme through 30 June 2021.

The loans are designed to assist businesses experiencing cash flow problems. No repayments are due in the first year, after which the borrower has the option of either repaying the loan immediately or spreading the repayments over a period of up to five years. The loans are backed by a government guarantee covering between 70% and 90% of the principal, interest and incidental fees, depending on the size of the borrower's business. It applies throughout the term of the loan unless the acceleration clause is triggered due to a credit event. The cost of the loan comprises each lender's financing cost (interest rate), without any margin, plus the fee for the government guarantee which is fixed by law.

Following the French government's announcement of 14 January 2021, repayment may be deferred through 31 March 2022 if the customer makes a request to this effect.

The guarantee comes into effect two months after the loan is granted.

2.2.2.2.1 Accounting treatment of government-backed loans

Government-backed loans are initially recognised at their fair value plus directly attributable transaction costs.

In light of the scheme's characteristics, which were determined jointly between the government and French banks and are designed to ensure that the banks do not lose out from this economic support measure, La Banque Postale has concluded that the loans' nominal amount is representative of their grant-date fair value.

Government-backed loans are measured at amortised cost in accordance with IFRS 9, and the effective interest rate is determined based on the probable life of the loan. The net guarantee fee is recognised over the probable life of the loan by the yield-to-maturity method using the effective interest rate. The government guarantee is an integral part of the loan agreement and is therefore taken into account in calculating the expected credit loss, as:

- it is mentioned specifically in the loan agreement (and is inherent in this type of agreement);
- it is issued at the same time as the loan agreement and in consideration of the loan;
- based on IFRS 9, it represents a financial guarantee contract to be accounted for jointly with the loan, and not a derivative.

Any adjustment to the net guarantee fee cash flows resulting from a change in the probable term of the loans is accounted for in accordance with IFRS 9.

2.3 Notes to the consolidated income statement

2.3.1 Interest income and expense

(in millions of euros)	31.12.2020 Income	31.12.2020 Expense	31.12.2020 Net	31.12.2019 Income	31.12.2019 Expense	31.12.2019 Net
Ordinary accounts in debit/credit	32		32	1		1
Accounts and loans/borrowings with fixed maturities	148	(316)	(168)	106	(255)	(149)
Other, including hedging instruments	757	(27)	730	2	(13)	(11)
Interbank transactions at amortised cost	**937**	**(343)**	**594**	**109**	**(268)**	**(159)**
Ordinary accounts in debit/credit	160		160	3		3
Accounts and loans/borrowings with fixed maturities	819	(404)	415	67	(426)	(359)
Finance lease receivables	35		35			
Other, including hedging instruments	311	(215)	96	17		17
Customer transactions at amortised cost	**1,325**	**(619)**	**706**	**87**	**(426)**	**(339)**
Financial assets at fair value through OCI to be reclassified	435		435	71		71
Securities at amortised cost	650		650	704		704
Other, including hedging instruments	330		330	435		435
Financial instruments	**1,415**		**1,415**	**1,210**		**1,210**
Debt securities		625	625		(401)	(401)
Subordinated debt		(131)	(131)			
Borrowings		**494**	**494**		**(401)**	**(401)**
Lease liabilities		**55**	**55**		**(21)**	**(21)**
Total interest income and expense(1)	**3,677**	**(413)**	**3,264**	**1,406**	**(1,116)**	**290**

(1) Including €2,849 million net for La Poste group.

The amount of interest and remuneration received in respect of the centralised Livret A, Livret de développement durable and Livret d'épargne populaire savings deposits amounted to €893 million in 2020.

In 2019, the ECB launched a new series of long-term refinancing operations ("TLTRO-III"), comprising seven quarterly drawdowns between September 2019 and March 2021. Each drawdown has a maturity of three years and may be repaid early from September 2021.

The amount that each bank may borrow is based on its loanbook (corporates excluding financial institutions and retail customers excluding home loans) at 28 February 2019.

La Banque Postale drew down its entire TLTRO-III allocation in two tranches:

- €1.3 billion in December 2019; and
- €5.3 billion in March 2020.

The interest rate over the entire period of the operation is based on a formula that tracks lending volumes. The La Banque Postale group is reasonably certain that it will qualify for the subsidised interest rate and is calculating its interest on this basis (i.e. interest income as the interest rate is negative).

To encourage banks to lend during the COVID-19 crisis, the interest rate charged to banks that maintain or increase their lending volumes was reduced by a further 50 bps. This applies to interest rates on refinancing operations between 24 June 2020 and 23 July 2021.

La Banque Postale group has taken this reduction into account when calculating its effective rate of interest for the period and is recognising it in interest income between June 2020 and July 2021 for an amount of approximately €33 million. The reduction in the subsidised rate is passed on to customers in the interest rates charged on loans originated during the period.

2.3.2 Fee and commission income and expense

	31.12.2020		31.12.2019	
(in millions of euros)	Income	Expense	Income	Expense
Interbank and similar transactions	58	(9)		
Customer transactions	671	(6)	3	
Securities and derivatives transactions		(18)		(16)
Financial services transactions	1,058	(2,985)	19	(22)
Fee and commission income and expense(1)	**1,787**	**(3,018)**	**22**	**(38)**

(1) Including €1,759 million in income and €2,979 million in expenses for La Poste group.

2.3.3 Gains and losses on financial instruments at fair value through profit or loss, net

	31.12.2020		31.12.2019	
(in millions of euros)	Total	of which fair value option	Total	of which fair value option
Disposal gains and losses, net	272	32	136	2
Fair value adjustments, interest income or expense	2,430	(86)	29	(1)
Other income and expense, net				
Debt instruments	**2,702**	**(54)**	**165**	**1**
Disposal gains and losses, net	(418)		388	
Fair value adjustments, interest income or expense	1,501		103	
Dividend income	1,364		116	
Other income and expense, net				
Equity instruments	**2,447**		**607**	
Disposal gains and losses, net	(5)			
Fair value adjustments, interest income or expense	284		43	
Other income and expense, net				
Futures and options (excluding hedging instruments)	**279**		**43**	
Disposal gains and losses, net	(8)			
Fair value adjustments, interest income or expense	(63)		184	
Other income and expense, net				
Loans	**(71)**		**184**	
Disposal gains and losses, net				
Fair value adjustments, interest income or expense	8	71	(50)	(50)
Other income and expense, net	(311)	(89)	(271)	(13)
Debt securities, borrowings and securities issued	**(303)**	**(18)**	**(321)**	**(63)**
Ineffective portion of fair value hedges	(688)		94	
– change in fair value of hedged items	(816)		(499)	
– change in fair value of hedging derivatives	128		592	
Ineffective portion of cash flow hedges	10		(5)	
Fair value macro hedging	58			
Hedging instruments	**(620)**		**89**	
Discontinuation of cash flow hedges	1		1	
Discontinuation of cash flow hedges	**1**		**1**	
Currency instruments	(3)		10	
Currency instruments	**(3)**		**10**	
Total gains and losses on financial instruments at fair value through profit or loss, net(1)	**4,432**	**(72)**	**778**	**(62)**

(1) Including €4,376 million for La Poste group.

2.3.4 Gains and losses on financial instruments at fair value through OCI, net

(in millions of euros)	31.12.2020	31.12.2019
Disposal gains and losses, net	(193)	5
Debt instruments	**(193)**	**5**
Dividend income	409	676
Equity instruments	**409**	**676**
Total gains and losses on financial instruments at fair value through OCI, net	**216**	**681**

2.3.5 Gains and losses resulting from derecognition of financial assets at amortised cost, net

(in millions of euros)	31.12.2020	31.12.2019
Gains resulting from derecognition	24	4
Losses resulting from derecognition	(6)	(15)
Total net gains and losses resulting from derecognition of financial assets at amortised cost	**18**	**(11)**

The carrying amounts of financial assets at amortised cost derecognised during the period are as follows:

(in millions of euros)	31.12.2020	31.12.2019
Securities at amortised cost	4,557	3,180
Loans and advances to credit institutions and related entities at amortised cost		
Loans and receivables to customers at amortised cost	349	
Total carrying amounts of financial assets at amortised cost derecognised	**4,906**	**3,180**

2.3.6 Income and expense from other activities

	31.12.2020		31.12.2019	
(in millions of euros)	Income	Expense	Income	Expense
Income and expenses from investment property	1,951	(928)	1,869	(721)
Income and expense from other activities	52,395	(24,924)	10,918	(3,151)
Total income and expense from other activities, net[1]	**54,346**	**(25,852)**	**12,787**	**(3,872)**

(1) Including €43,122 million in income and €22,430 million in expenses for La Poste group.

2.3.7 General operating expenses

(in millions of euros)	31.12.2020	31.12.2019
Employee benefits expense	**(16,314)**	**(5,910)**
Other expenses and external services	(13,790)	(1,975)
Provision (charges)/reversals	(10)	6
Other general operating expenses	**(13,800)**	**(1,969)**
Total general operating expenses[1]	**(30,114)**	**(7,879)**

(1) Including €22,820 million in general operating expenses for La Poste group.

2.3.8 Cost of credit risk

	31.12.2020		31.12.2019	
(in millions of euros)	Income	Expense	Income	Expense
Impairment of loans and receivables due from credit institutions at amortised cost	278	(15)		
Impairment of loans and receivables due from customers at amortised cost	553	(1,123)	25	(8)
Impairment of debt instruments measured at fair value through OCI	126	(471)	5	
Impairment of securities at amortised cost	10	(79)		
Impairment of off-balance sheet commitments	45	(132)	8	(3)
Impairments for expected credit losses	**1,012**	**(1,820)**	**38**	**(11)**
Other provisions for counterparty risk	15	(25)	15	(25)
Other provisions for counterparty risk	**15**	**(25)**	**15**	**(25)**
Loan losses and bad debts		(174)		(54)
Recoveries on loans and receivables written off in prior years	6			
Losses and recoveries	**6**	**(174)**		**(54)**
Cost of credit risk[(1)]	**1,033**	**(2,019)**	**53**	**(90)**

(1) Including €987 million in income and €1,827 million in expenses for La Poste group.

2.3.9 Gains and losses on other assets, net

(in millions of euros)	31.12.2020	31.12.2019
Gains and losses on disposals of property and equipment and intangible assets	(80)	3
Gains and losses on disposals of property and equipment and intangible assets	**(80)**	**3**
Gains and losses on disposals of securities	269	(10)
Other gains and losses on long-term equity interests	6	(10)
Gains and losses on long-term equity interests	**275**	**(20)**
Other gains and losses	(9)	
Other gains and losses	**(9)**	
Total gains and losses on other assets, net	**186**	**(17)**

2.3.10 Income tax expense

2.3.10.1 Analysis of income tax expense

(in millions of euros)	31.12.2020	31.12.2019
Current taxes	(932)	(492)
Deferred taxes	(144)	(34)
Income tax expense	**(1,076)**	**(526)**

The change in income tax expense was linked to the integration of La Poste group in 2020 for €899 million and a decrease in the income of the Central Sector, which led to a €289 million reduction in income tax expense.

2.3.10.2 Reconciliation of theoretical and effective tax rates

(in millions of euros)	31.12.2020	31.12.2019
Net profit (loss) attributable to owners	566	2,056
Non-controlling interests	(157)	307
Share of profit (loss) of equity-accounted associates	(1,746)	(1,089)
Change in value of goodwill	111	
Net profit (loss) from discontinued operations	(3)	(2)
Income tax expense	1,076	526
Profit (loss) before tax, change in value of goodwill and share of profit (loss) of equity-accounted companies	**(153)**	**1,798**
Theoretical tax rate(1)	32.02%	34.43%
Theoretical tax expense	**49**	**(619)**
Effect of differences in tax rates	52	9
Effect of permanent differences	(65)	10
Effect of the SIIC regime and other exempt operations	110	180
Net effect of deferred tax recognition(2)	(1,201)	(89)
Tax credits	17	22
Other	(38)	(39)
Consolidated income tax expense	**(1,076)**	**(526)**

(1) Including the 3.3% social solidarity contribution.
(2) See in Note 1.1.4.6 impact of the COVID-19 health crisis for La Poste group.

2.4 Notes to the consolidated statement of financial position

2.4.1 Financial assets and liabilities at fair value through profit or loss

	31.12.2020		31.12.2019	
(in millions of euros)	Mandatory classification	Fair value option	Mandatory classification	Fair value option
Government paper and equivalents	2,161	3,784		121
Bonds and other fixed-income securities	10,816	2,256	63	
Negotiable debt securities	6,885		216	
UCITS	63,913		257	
Venture capital funds	2,451		2,083	
Assets backing unit-linked contracts	57,236			
Other securities	2,026	90	916	
Debt instruments	**145,488**	**6,130**	**3,535**	**121**
Equities	38,897		4,240	
Assets backing unit-linked contracts	4,071			
Other securities	933		791	
Equity instruments	**43,901**		**5,031**	
Derivative instruments held for trading	1,470		109	
Margin call on derivatives				
Derivative instruments held for trading	**1,470**		**109**	
Loans to credit institutions	32		16	
Customer loans	15,532		1,862	
Loans	**15,564**		**1,878**	
Total financial assets at fair value through profit or loss(1)	**206,423**	**6,130**	**10,553**	**121**

(1) Including €190,301 million in mandatory classification and €6,012 million under the fair value option for La Poste group.
Including €4,266 million in mandatory classification for SFIL group.

	31.12.2020		31.12.2019	
(in millions of euros)	Mandatory classification	Fair value option	Mandatory classification	Fair value option
Bonds		1,215		
Negotiable debt securities		384		770
Other		400		
Debt securities		**1,999**		**770**
Securities-related liabilities				
Derivative instruments held for trading	2,741		33	
Margin call on derivatives				
Derivative instruments held for trading	**2,741**		**33**	
Total financial liabilities at fair value through profit or loss(1)	**2,741**	**1,999**	**33**	**770**

(1) Including €1,672 million in mandatory classification and €1,615 million under the fair value option for La Poste group.
Including €1,037 million in mandatory classification and for SFIL group.

2.4.2 Hedging instruments

(in millions of euros)	31.12.2020 Positive fair value	Negative fair value	Notional amount	Change in fair value used to calculate ineffectiveness	31.12.2019 Positive fair value	Negative fair value	Notional amount	Change in fair value used to calculate ineffectiveness
Interest rate derivatives	6,742	5,288	210,658	181	848	206	35,357	464
Currency derivatives	708	1,112	58,131	(52)	366	203	53,624	129
Other derivatives		(31)						
Fair value hedges[1]	**7,450**	**6,369**	**268,790**	**129**	**1,214**	**409**	**88,981**	**593**
Interest rate derivatives	566	1,061	4,033		533	936	3,265	1
Currency derivatives	(4)	151	5,923					
Other derivatives						1	11	
Cash flow hedges	**562**	**1,213**	**9,973**		**533**	**937**	**3,276**	**1**
Hedges of net investments in foreign operations		**(2)**	**6**					
Total hedging instruments	**8,817**	**10,079**	**278,769**	**129**	**1,747**	**1,346**	**92,257**	**594**

(1) Including €4,323 million in fair value hedges on assets and €5,008 million in liabilities in respect of SFIL group.

2.4.2.1 Breakdown of items covered by fair value hedges

2.4.2.1.1 Micro-hedging

(in millions of euros)	31.12.2020 Carrying amount of hedged items	of which accumulated adjustment of fair value hedge	Change over the period in fair value used to calculate ineffectiveness	31.12.2019 Carrying amount of hedged items	of which accumulated adjustment of fair value hedge	Change over the period in fair value used to calculate ineffectiveness
Securities at amortised cost[1]	48,770	114	(1)	55,708	116	16
Loans and advances to credit institutions at amortised cost	16,939			13,115		
Loans and receivables to customers at amortised cost[2]	48,054	81	77	3,121		
Financial assets at fair value through OCI to be reclassified	24,781	330	(27)	10,040		
Financial assets at fair value through OCI not to be reclassified						
Assets – items covered by fair value hedges	**138,544**	**525**	**49**	**81,984**	**116**	**16**
Debt securities[3]	93,365	1,790	859	29,579	894	515
Due to credit institutions	13,171	(15)	6	4,389		
Due to customers[4]	75,689			71,447		
Liabilities – items covered by fair value hedges	**182,225**	**1,775**	**865**	**105,415**	**894**	**515**

(1) Including €42,586 million for CDC (Central Sector).
(2) Including €43,884 million for SFIL group.
(3) Including €56,086 million for SFIL group.
(4) Of which €75,689 million for Caisse des Dépôts (Central Sector).

2.4.2.1.2 Macro-hedging

(in millions of euros)	31.12.2020 Carrying amount of hedged items
Loans and receivables to customers at amortised cost	13,300
Assets – items covered by fair value hedges[1]	**13,300**
Due to customers	14,144
Liabilities – items covered by fair value hedges[1]	**14,144**

(1) For La Poste group.

2.4.2.2 Contractual maturities for the notional on hedging derivatives

(in millions of euros)	31.12.2020					
	<1 month	1-3 months	3-12 months	1-5 years	>5 years	**Total notional amount**
Interest rate derivatives	5,541	6,269	11,744	86,536	100,569	**210,659**
Currency derivatives	5,729	12,763	25,853	9,146	4,640	**58,131**
Fair value hedges	**11,270**	**19,032**	**37,597**	**95,682**	**105,209**	**268,790**
Interest rate derivatives	88	7	159	1,810	1,969	**4,033**
Currency derivatives	16		442	5,057	408	**5,923**
Commodities	15		2			**17**
Cash flow hedges	**119**	**7**	**603**	**6,867**	**2,377**	**9,973**
Hedges of net investments in foreign operations	**6**					**6**
Total notional on hedging instruments[1]	**11,395**	**19,039**	**38,200**	**102,549**	**107,586**	**278,769**

(1) Including €54,126 million for La Poste group and €137,787 million for SFIL group.

2.4.3 Financial assets at fair value through other comprehensive income

2.4.3.1 Financial assets at fair value through other comprehensive income to be reclassified

(in millions of euros)	31.12.2020			31.12.2019		
	Fair value	o/w hedged portion (fair value hedge)	o/w unrealised gains and losses	Fair value	o/w hedged portion (fair value hedge)	o/w unrealised gains and losses
Government paper and equivalents	129,935	213	1,870	6,017		(2)
Bonds and other debt securities	102,930	114	2,087			
Negotiable debt securities	6,226		15	4,022		9
Other securities	1,036	3	23			
Accrued interest	2,219					
Debt instruments	**242,346**	**330**	**3,995**	**10,039**		**7**
Loans						
Total financial assets at fair value through OCI to be reclassified[1]	**242,346**	**330**	**3,995**	**10,039**		**7**

(1) Including €230,010 million in financial assets at fair value through other comprehensive income to be reclassified for La Poste group, including €325 million hedged at fair value, including €3,979 million in unrealised gains and losses.

2.4.3.1.1 Impairment for expected credit losses recognised in other comprehensive income

(in millions of euros)	31.12.2020	31.12.2019
Debt instruments	(380)	(1)
Loans		
Total impairment losses	**(380)**	**(1)**

2.4.3.1.2 Exposure to credit risk on gross carrying amounts of financial assets measured at fair value through other comprehensive income to be reclassified

(in millions of euros)	Level 1 – 12-month expected credit losses	Level 2 – Lifetime expected credit losses	Level 3 – Lifetime expected credit losses – credit-impaired	**Total gross carrying amounts[(1)]**
Opening position at 01.01.2020	**10,033**			**10,033**
Additions	33,609	(80)		**33,529**
Repayments	(36,123)	(182)		**(36,305)**
Transfer between levels	(514)	514		
Other movements	230,759	385		**231,144**
Closing position at 31.12.2020	**237,764**	**637**		**238,401**

(1) The gross carrying amount of financial assets measured at fair value through other comprehensive income to be reclassified is calculated excluding unrealised gains and losses.

2.4.3.1.3 Breakdown of impairment for expected credit losses recognised in other comprehensive income to be reclassified

(in millions of euros)	Level 1 – 12-month expected credit losses	Level 2 – Lifetime expected credit losses	Level 3 – Lifetime expected credit losses – credit-impaired	**Total impairments for expected losses**
Opening position at 01.01.2020	**(1)**			**(1)**
Allocations on acquisitions during the period	(3)			**(3)**
Other allocations	(456)	(13)		**(469)**
Reversals used with write-off	1			**1**
Reversals related to asset disposals	114	2		**116**
Other unused reversals	6	3		**9**
Transfer between levels				
Other movements	(31)	(2)		**(33)**
Closing position at 31.12.2020	**(370)**	**(10)**		**(380)**

2.4.3.2 Financial assets at fair value through other comprehensive income not to be reclassified

	31.12.2020			31.12.2019		
(in millions of euros)	Fair value	o/w hedged portion (fair value hedge)	o/w unrealised gains and losses	Fair value	o/w hedged portion (fair value hedge)	o/w unrealised gains and losses
Equities	23,788		8,605	24,513		10,280
Other equity instruments	17		1	15		
Total financial assets at fair value through OCI not to be reclassified	**23,805**		**8,606**	**24,528**		**10,280**

2.4.3.2.1 Assets at fair value through other comprehensive income not to be reclassified sold during the period

	31.12.2020			31.12.2019		
(in millions of euros)	Fair value on date of sale	Gain or loss at time of sale	Dividends received during the period	Fair value on date of sale	Gain or loss at time of sale	Dividends received during the period
Equities	**1,360**	**(651)**	**7**	**861**	**34**	**9**
Credit institutions	12	3		15		
Other financial firms	131	(85)		190	12	1
Non-financial firms	1,217	(569)	7	656	22	8
Other equity instruments	**72**	**(37)**		**60**	**1**	**4**
Credit institutions						
Other financial firms	34	(34)				
Non-financial firms	38	(3)		60	1	4
Total	**1,432**	**(688)**	**7**	**921**	**35**	**13**

(1) Before tax.

2.4.4 Securities at amortised cost

(in millions of euros)	31.12.2020	31.12.2019
Government paper and equivalents	47,165	22,516
Bonds and other fixed-income securities	6,725	3,437
Negotiable debt securities	20,680	29,274
Other securities	91	89
Accrued interest	821	398
Provisions for expected losses	(81)	(6)
Total securities at amortised cost[(1)]	**75,401**	**55,708**

(1) Including €24,702 million for La Poste group and €8,353 million for SFIL group.

2.4.4.1 Exposure to credit risk on the gross book values of securities, at amortised cost

(in millions of euros)	Level 1 – 12-month expected credit losses	Level 2 – Lifetime expected credit losses	Level 3 – Lifetime expected credit losses – credit-impaired	**Total gross carrying amounts[(1)]**
Opening position at 01.01.2020	**55,397**	**201**		**55,598**
Additions	13,148			**13,148**
Disposals	(33,155)	1,021		**(32,134)**
Transfer between levels	(844)	844		
Other movements	37,277	1,476	4	**38,757**
Closing position at 31.12.2020	**71,823**	**3,542**	**4**	**75,369**

(1) The gross carrying amount of securities at amortised cost is calculated excluding unrealised gains and losses.

2.4.4.2 Breakdown of impairment for expected losses on securities at amortised cost

(in millions of euros)	Level 1 – 12-month expected credit losses	Level 2 – Lifetime expected credit losses	Level 3 – Lifetime expected credit losses – credit-impaired	**Total impairments for expected losses**
Opening position at 01.01.2020	**(5)**	**(1)**		**(6)**
Allocations on acquisitions during the period	(21)		(6)	**(27)**
Other allocations	(19)	(39)		**(58)**
Reversals used with write-off	4	1		**5**
Reversals linked to asset disposals		5		**5**
Other unused reversals	3	3		**6**
Transfers between levels				
Other movements	10	(16)		**(6)**
Closing position at 31.12.2020	**(28)**	**(47)**	**(6)**	**(81)**

2.4.5 Loans and receivables due from credit institutions and related entities at amortised cost

(in millions of euros)	31.12.2020	31.12.2019
Ordinary accounts in debit and overnight loans	52,073	4,720
Accrued interest	7	
Loans to credit institutions repayable on demand	**52,080**	**4,720**
Accounts and loans with fixed maturities	12,168	10,369
Securities and other assets purchased under collateralised reverse repurchase agreements	70,328	
Subordinated loans	101	
Accrued interest	38	27
Impairments for expected credit losses	(3)	
Loans and receivables due from credit institutions with fixed maturities	**82,632**	**10,396**
Total loans and receivables due from credit institutions and related entities at amortised cost(1)	**134,712**	**15,116**

(1) Including €115,825 million for La Poste group.

2.4.5.1 Exposure to credit risk on the gross carrying amount of loans and receivables due from credit institutions and related entities at amortised cost

(in millions of euros)	Level 1 – 12-month expected credit losses	Level 2 – Lifetime expected credit losses	Level 3 – Lifetime expected credit losses – credit-impaired	**Total gross carrying amounts**
Opening position at 01.01.2020	**15,116**			**15,116**
Payments	49,100			**49,100**
Repayments	(5,029)			**(5,029)**
Transfers between levels	9	(15)		**(6)**
Other movements	75,519	15		**75,534**
Closing position at 31.12.2020	**134,715**			**134,715**

2.4.5.2 Breakdown of impairment for expected losses on loans and receivables due from credit institutions and related entities at amortised cost

(in millions of euros)	Level 1 – 12-month expected credit losses	Level 2 – Lifetime expected credit losses	Level 3 – Lifetime expected credit losses – credit-impaired	**Total impairment for expected credit losses**
Opening position at 01.01.2020				
Allocations on acquisitions during the period				
Other allocations	(1)			**(1)**
Reversals used with write-off				
Reversals linked to asset disposals	1			**1**
Other movements	(3)			**(3)**
Closing position at 31.12.2020	**(3)**			**(3)**

2.4.6 Loans and receivables due from customers at amortised cost

(in millions of euros)	31.12.2020	31.12.2019
Ordinary accounts in debit	2,141	547
Accrued interest	46	2
Impairments for expected credit losses	(72)	(4)
Ordinary accounts in debit	**2,115**	**545**
Loans to financial sector customers	580	44
Cash facilities	18,472	249
Equipment financing	55,355	1,015
Housing loans	86,118	405
Export credit	3,727	
Advances on securities transactions	294	254
Finance lease receivables	3,337	77
Securities and other assets purchased under collateralised reverse repurchase agreements	13,193	
Other loans	4,513	1,701
Accrued interest	530	32
Impairments for expected credit losses	(1,379)	(101)
Other loans and receivables due from customers	**184,740**	**3,676**
Total loans and receivables due from customers at amortised cost(1)	**186,855**	**4,221**

(1) Including €130,342 million for La Poste group and €52,015 million for SFIL group.

2.4.6.1 Exposure to credit risk on the gross carrying amounts of loans and receivables due from customers at amortised cost

(in millions of euros)	Level 1 – 12-month expected credit losses	Level 2 – Lifetime expected credit losses	Level 3 – Lifetime expected credit losses – credit-impaired	**Total gross carrying amounts**
Opening position at 01.01.2020	**3,480**	**752**	**94**	**4,326**
Payments	26,041	3,674	552	**30,267**
Repayments	(23,244)	(1,592)	(1,013)	**(25,849)**
Transfers between levels				
Other movements	164,162	12,507	2,823	**179,492**
Closing position at 31.12.2020	**170,439**	**15,341**	**2,456**	**188,236**

2.4.6.2 Breakdown of impairment for expected losses on loans and receivables due from customers, at amortised cost

(in millions of euros)	Level 1 – 12-month expected credit losses	Level 2 – Lifetime expected credit losses	Level 3 – Lifetime expected credit losses – credit-impaired	**Total impairment for expected credit losses**
Opening position at 01.01.2020	**(9)**	**(17)**	**(79)**	**(105)**
Allocations on acquisitions during the period	(86)	(119)	(67)	**(272)**
Other allocations	(110)	(352)	(211)	**(673)**
Reversals used with write-off	11	2	10	**23**
Reversals linked to asset disposals	8	37	85	**130**
Other unused reversals	59	52	81	**192**
Transfers between levels	(49)	(2)	52	**1**
Other movements	(60)	(76)	(611)	**(747)**
Closing position at 31.12.2020	**(236)**	**(475)**	**(740)**	**(1,451)**

2.4.7 Current and deferred taxes

2.4.7.1 Breakdown of balance sheet tax accounts

(in millions of euros)	31.12.2020	31.12.2019
Current taxes	1,398	117
Deferred taxes	1,058	134
Total current and deferred assets[(1)]	**2,456**	**250**
Current taxes	403	137
Deferred taxes	3,783	2,615
Total current and deferred liabilities[(2)]	**4,186**	**2,752**

(1) Including €1,745 million for La Poste group and €531 million for SFIL group.
(2) Including €1,731 million for La Poste group.

2.4.7.2 Deferred taxes by source of assets and liabilities

(in millions of euros)	31.12.2020	31.12.2019
Assets and liabilities recognised at fair value through OCI not to be reclassified	(2,162)	(2,662)
Assets and liabilities recognised at fair value through OCI to be reclassified	(91)	88
Temporary differences – other	(471)	92
Total recognised deferred tax assets and liabilities, net[(1)]	**(2,724)**	**(2,482)**

(1) Tax assets are positive amounts, while tax liabilities are negative amounts.

2.4.8 Prepayments, accrued and deferred income and other assets and liabilities

(in millions of euros)	31.12.2020	31.12.2019
Prepaid expenses and accrued income	1,580	281
Other accruals	1,662	1,482
Prepayments and accrued income	**3,243**	**1,763**
Margin calls paid	3,864	104
Securities settlement accounts	2	
Inventories	897	761
Guarantee deposits	877	119
Costs of contracts	4	3
Contract assets	215	430
Accounts receivable	6,161	2,127
Other	4,026	1,285
Impairment	(470)	(244)
Other assets	**15,576**	**4,585**
Reinsurance companies' share of technical provisions	21,365	
Insurance and reinsurance receivables	3,180	
Loans and advances	257	
Miscellaneous insurance assets	1,368	
Other insurance assets	**26,170**	
Total prepayments, accrued income and other assets[1]	**44,989**	**6,348**

(1) Including €36,538 million for La Poste group.

(in millions of euros)	31.12.2020	31.12.2019
Accrued expenses and deferred income	2,945	529
Other accruals	3,043	1,885
Accrued expenses and deferred income	**5,988**	**2,414**
Margin calls received	3,074	852
Accounts payable	5,159	1,816
Lease liabilities	5,248	1,568
Miscellaneous payables	2,829	250
Securities settlement accounts	8	
Other	8,064	3,356
Other liabilities	**24,382**	**7,842**
Insurance and reinsurance payables	13,324	
Miscellaneous insurance liabilities	139	
Other insurance liabilities	**13,463**	
Total accrued expenses, deferred income and other liabilities[1]	**43,833**	**10,256**

(1) Including €31,061 million for La Poste group.

2.4.8.1 Exposure to credit risk on the gross carrying amounts of accounts receivable and contract assets[1]

(in millions of euros)	Level 2 – Lifetime expected credit losses	Level 3 – Lifetime expected credit losses – credit-impaired	**Total gross carrying amount**
Opening position at 01.01.2020	**2,130**	**427**	**2,557**
Increase	326	(3)	**323**
Decrease	(221)		**(221)**
Transfer between levels	(42)		**(42)**
Other movements	3,759		**3,759**
Closing position at 31.12.2020	**5,952**	**424**	**6,376**

(1) In accordance with the adoption of the simplified method, credit risk on accounts receivable and contract assets is measured based on lifetime expected credit losses.

2.4.8.2 Breakdown of impairment for expected losses on accounts receivable and contract assets

(in millions of euros)	Level 2 – Lifetime expected credit losses	Level 3 – Lifetime expected credit losses – credit-impaired	**Total impairment for expected credit losses**
Opening position at 01.01.2020	**(50)**	**(158)**	**(208)**
Allocations on acquisitions during the period	(79)	(49)	**(128)**
Other allocations		(1)	**(1)**
Reversal used with write-off	44	36	**80**
Reversals related to asset disposals	6	3	**9**
Other unused reversals	5		**5**
Transfer between levels	(59)		**(59)**
Other movements	(107)	4	**(103)**
Closing position at 31.12.2020	**(240)**	**(165)**	**(405)**

2.4.8.3 Breakdown by due date of accounts receivable and contract assets

	31.12.2020				
(in millions of euros)	Outstandings: less than 30 days	Outstandings: more than 30 days	Outstandings: more than 60 days	Outstandings: more than 90 days	**Total outstandings**
Accounts receivable and contract assets	1,797	4,197	28	354	**6,376**
Provisions for expected losses	(138)	(138)	(5)	(124)	**(405)**
Rate of losses expected estimated based on the total gross carrying amount by maturity	**-8%**	**-3%**	**-18%**	**-35%**	**-6%**

2.4.9 Non-current assets and liabilities held for sale

2.4.9.1 Assets

(in millions of euros)	31.12.2020	31.12.2019
Securities and derivative financial instrument portfolios	1	
Investment property		3
Owner-occupied property	67	41
CNP Assurances securities held for sale		1,361
Assets held for sale	**68**	**1,405**
Other assets	152	
Assets of discontinued operations	**152**	
Total non-current assets held for sale	**220**	**1,405**

2.4.9.2 Liabilities

(in millions of euros)	31.12.2020	31.12.2019
Liabilities related to non-current assets held for sale	127	4
Liabilities related to non-current assets held for sale	**127**	**4**
Other liabilities	15	8
Liabilities related to discontinued operations	**15**	**8**
Total liabilities related to non-current assets held for sale	**143**	**12**

2.4.10 Investments in equity-accounted companies

2.4.10.1 Associates

2.4.10.1.1 Statement of financial position - Associates

	31.12.2020		31.12.2019	
(in millions of euros)	Carrying amount	o/w goodwill net of adjustment	Carrying amount	o/w goodwill net of adjustment
Caisse des Dépôts division	**1,007**	**10**	**940**	
CDC Habitat group entities	441		426	
Compagnie Nationale du Rhône	272		269	
ADL Participations	64		91	
Terres d'Énergie	92			
Verdun Participations 1	80		80	
Le Marquis	25		49	
SAS Défense C3B	23		25	
CNR Solaire 10	10	10		
Management of Strategic Investments division	**1,148**	**15**	**361**	**20**
HIG – GRT Gaz	1,035		232	
Compagnie des Alpes group entities	81	15	82	19
Transdev group entities	7		29	
Egis group entities	25		18	1
La Poste group	**254**	**30**	**1,842**	
Investments in associates	**2,409**	**55**	**3,143**	**20**

2.4.10.1.2 Income statement – Associates

(in millions of euros)	31.12.2020 Share of profit (loss) of associates	31.12.2020 o/w adjustments to the value of goodwill	31.12.2019 Share of profit (loss) of associates	31.12.2019 o/w adjustments to the value of goodwill
Caisse des Dépôts division	**48**		**44**	
CDC Habitat group entities	25		37	
Compagnie Nationale du Rhône	46		8	
ADL Participations	(29)		2	
Terre d'Énergie	7			
Verdun Participations 1	1		1	
SAS Défense C3B	(2)		(4)	
Management of Strategic Investments division	**58**		**43**	
HIG – GRT Gaz	53		20	
Egis group entities	2		11	
Compagnie des Alpes group entities	1		9	
Transdev group entities	2		3	
La Poste group	**114**		**279**	
Share of profit (loss) of associates	**220**		**366**	

2.4.10.1.3 Statement of comprehensive income – Associates

(in millions of euros)	Caisse des Dépôts division		La Poste group		Management of Strategic Investments division	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Net profit (loss)	**48**	**44**	**114**	**279**	**58**	**43**
Items not to be reclassified to the income statement	(30)	(15)		(20)		(10)
Items to be reclassified to the income statement	(20)	34		102		
Other comprehensive income (loss)	**(50)**	**19**		**82**		**(10)**
Total comprehensive income (loss)	**(2)**	**63**	**114**	**361**	**58**	**33**

2.4.10.2 Joint ventures

2.4.10.2.1 Statement of financial position - Joint ventures

(in millions of euros)	31.12.2020		31.12.2019	
	Consolidated financial statements	o/w goodwill net of adjustment	Carrying amount	o/w goodwill net of adjustment
Caisse des Dépôts division	**1,711**		**1,578**	
CDC PME Croissance	858		885	
CDC EURO Croissance	501		319	
CDC TECH Croissance	62		51	
CDC Croissance Durable	54			
Other real estate entities	236		323	
Bpifrance group	**12,017**		**12,416**	
Bpifrance	12,017		12,416	
Management of Strategic Investments division	**1,917**	**1**	**1,961**	
Coentreprise de Transport d'Electricité	1,749		1,764	
Icade group entities	121		132	
Transdev group entities	26		44	
Egis group entities	21	1	21	
La Poste group	**681**	**38**		
CNP Assurances			**5,422**	
Investments in joint ventures	**16,324**	**39**	**21,377**	

2.4.10.2.2 Income statement – Joint ventures

(in millions of euros)	31.12.2020		31.12.2019	
	Share of profit (loss) of joint ventures	o/w adjustments to the value of goodwill	Share of profit (loss) of joint ventures	o/w adjustments to the value of goodwill
Caisse des Dépôts division	**50**		**56**	
CDC PME Croissance	39		39	
CDC EURO Croissance	1		4	
Other real estate entities	10		13	
Bpifrance group	**(48)**		**502**	
Bpifrance	(48)		502	
Management of Strategic Investments division	**150**		**205**	
Coentreprise de Transport d'Electricité	150		199	
Icade group entities	(11)		(10)	
Egis group entities	11		13	
Transdev group entities			3	
La Poste group	**1,375**			
CNP Assurances			**(40)**	**(208)**
Share of profit (loss) of joint ventures	**1,527**		**723**	**(208)**

2.4.10.2.3 Comprehensive income - Joint ventures

	Caisse des Dépôts division		Bpifrance group		La Poste division		Management of Strategic Investments division	
(in millions of euros)	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Net profit (loss)	**50**	**56**	**(48)**	**502**	**1,375**	**(40)**	**151**	**205**
Items not to be reclassified to the income statement	49	162	(277)	479		(11)	(56)	(83)
Items to be reclassified to the income statement			(51)	10		367		
Other comprehensive income (loss)	**49**	**162**	**(328)**	**489**		**356**	**(56)**	**(83)**
Total comprehensive income (loss)	**99**	**218**	**(376)**	**991**	**1,375**	**316**	**95**	**122**

2.4.11 Investment property, owner-occupied property and equipment and intangible assets

2.4.11.1 Gross value (excluding right-of-use assets)

(in millions of euros)	31.12.2019	Additions	Disposals	Other movements	31.12.2020
Land	4,412	68	(30)	1,422	5,872
Buildings	15,355	418	(191)	3,217	18,798
Technical installations and fixtures	142			56	199
Woodland and land banks	70		(1)		69
Government grants	(312)	(1)		(1)	(314)
Assets under construction	1,349	1,666		(614)	2,401
Intangible assets related to investment property	10				10
Investment property	**21,026**	**2,151**	**(222)**	**4,080**	**27,035**
Land	260	1	(12)	1,321	1,570
Buildings	1,094	33	(94)	4,791	5,823
Technical installations and fixtures	2,574	179	(96)	3,295	5,952
Vehicles	2,099	293	(295)	817	2,910
Computer hardware	43	79	(39)	780	864
Prepayments	2	41	(1)	(1)	42
Government grants	(13)	(3)			(16)
Assets under construction	224	570	(5)	(11)	779
Other operational equipment	623	139	(85)	3,349	4,027
Owner-occupied property and equipment(1)	**6,906**	**1,332**	**(627)**	**14,341**	**21,951**
Software	1,171	101	(153)	2,468	3,586
Concessions, licences and patents	180	51	(11)	1,973	2,193
Intangible assets in progress	184	497	(9)	106	779
Other intangible assets	630	85	(4)	1,306	2,016
Distribution agreements		3,045		389	3,434
Intangible assets of life insurance contracts				843	844
Intangible assets(2)	**2,165**	**3,779**	**(177)**	**7,085**	**12,852**

(1) Including €15,272 million for La Poste group.
(2) Including €10,406 million for La Poste group.

2.4.11.2 Depreciation, amortisation and impairment (excluding right-of-use assets)

(in millions of euros)	31.12.2019	Additions	Disposals	Other movements	31.12.2020
Land	(106)	(34)	6	(2)	(134)
Buildings	(4,419)	(611)	69	(259)	(5,223)
Technical installations and fixtures	(117)	(7)		(32)	(156)
Woodland and land banks	(1)				(2)
Government grants	144		9		154
Assets under construction	(3)	(4)		5	(2)
Intangible assets related to investment property	(10)				(10)
Investment property	**(4,512)**	**(656)**	**84**	**(288)**	**(5,373)**
Buildings	(592)	(200)	55	(1,941)	(2,677)
Technical installations and fixtures	(1,607)	(274)	83	(2,385)	(4,183)
Vehicles	(1,323)	(284)	237	(328)	(1,700)
Computer hardware	(34)	(65)	38	(637)	(697)
Government grants	2		1		3
Other operational equipment	(419)	(552)	73	(2,427)	(3,325)
Owner-occupied property and equipment(1)	**(3,973)**	**(1,378)**	**488**	**(7,722)**	**(12,585)**
Software	(882)	(336)	139	(1,820)	(2,901)
Concessions, licences and patents	(106)	(63)	11	(1,497)	(1,655)
Intangible assets in progress		(40)		(129)	(169)
Other intangible assets	(444)	(578)	45	10	(967)
Distribution agreements		(16)		(101)	(118)
Intangible assets of life insurance contracts		(368)		8	(358)
Intangible assets(2)	**(1,432)**	**(1,401)**	**195**	**(3,529)**	**(6,168)**

(1) Including a negative €8,766 million for La Poste group.
(2) Including a negative €4,540 million for La Poste group.

2.4.11.3 Right-of-use assets – Gross value

(in millions of euros)	31.12.2019	Additions	Disposals	Other movements	31.12.2020
Right-of-use assets – Land	31	2			33
Right-of-use assets – Investment property	**31**	**2**			**33**
Right-of-use assets – Land		50		62	112
Right-of-use assets – Buildings	633	912	(704)	5,384	6,229
Right-of-use assets – Technical installations and fixtures	116	26	(42)	331	322
Right-of-use assets – Vehicles	1,744	416	(340)	346	2,164
Right-of-use assets – Computer hardware		6			6
Right-of-use assets – Other operational equipment	112	8	(5)	29	145
Right-of-use assets – Owner-occupied property and equipment(1)	**2,605**	**1,418**	**(1,091)**	**6,152**	**8,978**

(1) Including €6,180 million for La Poste group.

2.4.11.4 Right-of-use assets – Depreciation, amortisation and impairment

(in millions of euros)	31.12.2019	Increases	Decreases	Other movements	31.12.2020
Right-of-use assets – Land	(1)	(1)			(2)
Right-of-use assets – Investment property	**(1)**	**(1)**			**(2)**
Right-of-use assets – Buildings	(178)	(1,030)	18	(1,745)	(2,935)
Right-of-use assets – Technical installations and fixtures	(3)	(49)	6	(117)	(162)
Right-of-use assets – Vehicles	(950)	(329)	4	102	(1,174)
Right-of-use assets – Other operational equipment	(68)	(24)		(11)	(104)
Right-of-use assets – Owner-occupied property and equipment[1]	**(1,199)**	**(1,432)**	**28**	**(1,771)**	**(4,375)**

(1) Including a negative €3,010 million for La Poste group.

2.4.11.5 Total investment property, owner-occupied property and equipment, intangible assets and right-of-use assets

(in millions of euros)	31.12.2019	31.12.2020
Investment property[1]	16,544	21,693
of which right-of-use assets	30	31
Owner-occupied property and equipment	4,339	13,969
of which right-of-use assets	1,406	4,603
Intangible assets	733	6,684
Total	**21,616**	**42,346**

(1) The estimated market value of investment property excluding held-for-sale investment property recognised at amortised cost was €31,666 million at 31 December 2020 and €25,714 million at 31 December 2019. The method used to calculate the fair value of investment property corresponds to Level 3 in the fair value hierarchy.

2.4.11.6 Breakdown of commitments received on non-cancellable operating leases

(in millions of euros)	31.12.2019	31.12.2020
Maturing in less than one year	911	910
Maturing in one to five years	2,657	2,644
Maturing in more than five years	1,838	1,545
Total	**5,406**	**5,099**

2.4.12 Goodwill

2.4.12.1 Changes in goodwill

(in millions of euros)	31.12.2019	Increases (acquisitions)	Decreases (disposals)	Impairment losses for the period	Other movements	31.12.2020
Icade group	39					39
Compagnie des Alpes group	327			(111)	(8)	208
Transdev group	653	6	(1)		(19)	639
Egis group	174	7			(12)	168
La Poste group		124	(1)		(13)	110
Total goodwill	**1,193**	**137**	**(2)**	**(111)**	**(53)**	**1,164**

2.4.12.2 Compagnie des Alpes group impairment tests

In the crisis environment created by COVID-19, the Group faces many uncertainties which make it extremely complicated to assess the various impacts on Group results over the short to medium term. These impacts will depend on a number of factors, including the timing of Compagnie des Alpes' business resumption following the second lockdown, and the preventive measures put in place by the governments of the countries where the Compagnie des Alpes group operates.

The COVID-19 health crisis resulted in a shutdown of the Group's activities on 14 March, which weighed on the Group's operational performance in 2020. These elements constitute an indication of loss of value. Insofar as the information currently known does not make it possible to precisely estimate the consequences on the projections, the values of the goodwill were assessed from:
(i) five-year plans estimated and revised in November 2020;
(ii) and supplemented by sensitivity analyses;
(iii) and after taking into account the discount rates recalculated at 30 September 2020.

In this context of uncertainty, the Compagnie des Alpes group has modelled three scenarios, high, medium and degraded, as follows:

- the "high" scenario takes into account:
(i) the normal opening of the Ski areas and a decrease in revenue of around 15% due to the loss of foreign customers,
(ii) a sharp drop in revenue during the Halloween period (a decrease of around 40%);

- the "medium" scenario takes into account:
(i) the closure of the Ski areas until the end of January 2021 and a decline in activity of around 35% compared to the previous business plan for the rest of the winter season,
(ii) the early closure of the Leisure Parks during the All Saints Day holiday until the end of March 2021 and a resumption of activity in the third and fourth quarter,
(iii) the review of the Travelfactory revenue and margin is line with that of our Ski areas,
(iv) conservative margins have also been applied to the EBITDA rates for the standard year of the Leisure Parks and the Travelfactory sub-group;

- the "degraded" scenario takes into account:
(i) a complete lack of opening of the Ski areas during the winter season in 2020/2021,
(ii) the early closure of Leisure parks during the All Saints holidays until the end of March 2021 and a decline in activity of 35% in the third quarter and 25% in the fourth quarter,
(iii) the alignment of the business plan of our tour operator Travelfactory with these assumptions,
(iv) the conservative margins on the EBITDA rates of the medium scenario were also taken into account;

- the three scenarios take into account a return to normal during the life of the plan. Management is assuming a return to normal in 2022 to regain its trajectory in 2023.

As the risks are reflected in the cash flows of each business, a single discount rate has been determined for the main businesses tested. This rate, which stands at 7% (compared to 6% at 30 September 2019), was determined on the basis analyses by external experts updated at 30 September 2020.

Beyond the five-year period of the plan, the terminal value is calculated on the basis of cash flows to perpetuity using an average growth rate of between 1% and 2% (this being adjusted on the basis of the specific outlook for each entity and its positioning). This growth rate is considered reasonable for the leisure sector in the medium and long term.
These valuations are supported by additional tests (including sensitivity analyses) carried out on the basis of criteria monitored internally (investments and margins).

2.4.12.2.1 Impairment test results

Due to the further shutdown of the activities of Compagnie des Alpes since 28 October 2020, the sharp slowdown in activity expected for FY 2020/2021 and the uncertainty weighing on the short and medium-term outlook triggered by the global health crisis, Caisse des Dépôts Group adopted the deteriorated scenario and recorded an impairment of the carrying amount of its goodwill for a total amount of €107 million over the year.

The sensitivity of the deteriorated scenario with a discount rate of 7% and a growth rate of 1.5% or 1.75% does not result in an additional impairment of the goodwill of Compagnie des Alpes group, which amounted to €208 million at 31 December 2020.

2.4.12.3 Transdev group impairment tests

Impairment tests were carried out by Transdev group on cash-generating units (CGUs), based on the long-term plan carried out in the second half of 2020 and approved by the Group's Strategy Committee on 28 September 2020. This long-term plan was developed on a country-by-country basis.

The projections were drawn up by reference to the immediate environment, taking into account the current COVID-19 pandemic. The level of uncertainty for the various parameters is high given the difficulties in determining the potential business levels following the health crisis as well as the impact of adaptation measures to restore previously known business and profitability levels.

At 31 December 2020, based on these tests, no impairment was charged against goodwill.

2.4.12.3.1 Key assumptions used to determine recoverable amounts

The discount rates and average perpetual growth rates used in 2020 are as follows:

	Method for determining the recoverable amount	Discount rate[1]	Perpetual growth rate
France	Value in use	4.6%	1.6%
Germany	Value in use	4.7%	2.0%
United States	Value in use	5.3%	2.2%

(1) After factoring in right-of-use assets.

On the measurement date, no significant difference was found between the recoverable amount of all the cash-generating units, based on their value in use and the carrying amount. Based on these tests, no impairment was recorded for this goodwill at 31 December 2020.

2.4.12.3.2 Sensitivity of impairment tests

The recoverable amounts determined for the impairment tests were subject to sensitivity tests based on a discount rate plus 0.5%, a perpetual growth rate minus 0.5% and operating cash flows minus 5%. These fluctuation assumptions are considered reasonable given the Group's business activities and the geographic regions in which it operates.

2.4.12.4 Impairment tests for other Group entities

No impairment was recorded at 31 December 2020 as a result of the impairment and sensitivity tests performed for the other Group entities.

2.4.13 Debt securities

(in millions of euros)	31.12.2020	31.12.2019
Medium- and long-term issues	70,518	14,550
Short-term issues	21,639	14,899
Accrued interest	685	129
Interbank and negotiable debt securities	**92,842**	**29,578**
of which amount of remeasurement of fixed-maturity issues covered by fair value hedges	1,821	894
Bonds and similar debt securities	35,393	4,617
Accrued interest	286	26
Bonds and similar debt securities	**35,679**	**4,643**
Total debt securities[1]	**128,521**	**34,221**

(1) Including €30,642 million for La Poste group and €64,581 million for SFIL group.

2.4.14 Amounts due to credit institutions

(in millions of euros)	31.12.2020	31.12.2019
Ordinary accounts in credit and overnight borrowings	1,478	599
Demand deposits from Savings Funds	6,630	633
Accrued interest	2	3
Amounts due to credit institutions repayable on demand	**8,110**	**1,235**
Accounts and borrowings with fixed maturities	21,519	10,548
Securities and other assets sold under collateralised fixed repurchase agreements	24,571	961
Accrued interest	38	86
Amounts due to credit institutions with fixed maturities	**46,128**	**11,595**
Total amounts due to credit institutions(1)	**54,238**	**12,830**

(1) Including €34,311 million for La Poste group.

2.4.15 Amounts due to customers

(in millions of euros)	31.12.2020	31.12.2019
Livret A passbook savings account	64,815	
Home savings plans and accounts	35,536	
Other regulated savings accounts	24,203	218
Regulated savings accounts	**124,553**	**218**
Current accounts in credit	143,449	57,343
Overnight accounts and borrowings	2,881	
Other amounts due	1,160	56
Customer demand deposits	**147,489**	**57,399**
Accounts and borrowings with fixed maturities	13,651	13,408
Term deposits	122	521
Securities sold under collateralised term repurchase agreements	24,859	
Amounts due to customers with fixed maturities	**38,632**	**13,929**
Total amounts due to customers(1)	**310,674**	**71,546**

(1) Including €235,242 million for La Poste group.

2.4.16 Offsetting of financial assets and liabilities

	31.12.2020					
(in millions of euros)	Gross amount of financial assets/ liabilities	Amounts offset in the statement of financial position	**Closing balance**	Impact of master netting agreements and similar arrangements	Financial instruments given/ received as collateral	**Net**
Assets						
Derivative financial instruments	10,197		**10,197**	6,066	1,705	**2,427**
Reverse repurchase agreements, securities borrowing agreements and similar(1)	18,696	2,713	**15,983**	1,821	11,811	**2,351**
Liabilities						
Derivative financial instruments	12,821		**12,821**	6,132	2,318	**4,371**
Repurchase agreements, securities lending agreements and similar	52,111	2,713	**49,398**	2,031	34,263	**13,104**

(1) Solely concerns La Poste group.

	31.12.2019					
(in millions of euros)	Gross amount of financial assets/ liabilities	Amounts offset in the statement of financial position	**Closing balance**	Impact of master netting agreements and similar arrangements	Financial instruments given/ received as collateral	**Net**
Assets						
Derivative financial instruments	1,960		**1,960**		737	**1,223**
Reverse repurchase agreements, securities borrowing agreements and similar						
Liabilities						
Derivative financial instruments	2,120		**2,120**		(168)	**2,288**
Repurchase agreements, securities lending agreements and similar	961		**961**		13	**948**

2.4.17 Provisions

(in millions of euros)	31.12.2019	Increases	Reversals (utilisations)	Reversals (surplus provisions)	Other movements	31.12.2020
Provisions for employee benefit obligations	645	593	(432)	(80)	3,216	3,942
Provisions for home savings schemes		54		(2)		52
Provisions on commitments and guarantees	6	111	(26)	(6)	55	140
Provisions for counterparty risks	42	20	(13)	(8)	28	69
Other provisions	605	466	(282)	(85)	2,103	2,807
Total provisions(1)	**1,298**	**1,244**	**(753)**	**(181)**	**5,402**	**7,010**

(1) Including €5,746 million for La Poste group.

2.4.18 Non-controlling interests

31.12.2020

(in millions of euros)	Control percentage and ownership interest of non-controlling interests	Non-controlling interests: Net profit (loss) for the period attributable to owners of non-controlling interests	Non-controlling interests: Amount in equity at year-end attributable to non-controlling interests	Non-controlling interests: **Dividends paid to owners of non-controlling interests**	Financial information published by subsidiaries(1): Total assets	Equity	Net banking income/ revenue	Net profit (loss)
La Poste group(2)	34%	(106)	18,769		758,188	31,959	31,185	2,084
Icade	60.6%	54	2,621	**180**	12,818	3,751	1,447	63
Compagnie des Alpes	60.7%	(103)	467	**10**	1,990	790	616	(104)
Other entities		(1)	498					
Total		**(156)**	**22,355**					

(1) The summarised financial information represents the data of sub-groups based on a 100% holding and before elimination of intra-group transactions.

(2) Contribution of La Poste group within the Caisse des Dépôts Group: La Poste, La Banque Postale, CNP Assurances.

31.12.2019

(in millions of euros)	Percentage of voting rights of owners of non-controlling interests	Non-controlling interests: Net profit (loss) for the period attributable to owners of non-controlling interests	Non-controlling interests: Amount in equity at year-end attributable to non-controlling interests	Non-controlling interests: **Dividends paid to owners of non-controlling interests**	Financial information published by subsidiaries(1): Total assets	Equity	Net banking income/ revenue	Net profit (loss)
Icade	61.0%	221	2,853	**207**	12,514	4,095	1,527	338
Compagnie des Alpes	60.6%	47	588	**10**	1,843	928	854	62
Other entities		20	335					
Total		**307**	**3,920**					

(1) The summarised financial information represents the data of sub-groups based on a 100% holding and before elimination of intra-group transactions.

2.5 Insurance activities

2.5.1 Insurance investments

(in millions of euros)	31.12.2020
Financial assets at fair value through profit or loss	187,678
Hedging instruments with a positive fair value	
Financial assets at fair value through OCI to be reclassified	216,883
Securities at amortised cost	155
Investment property	3,083
Insurance investments	**407,799**

2.5.1.1 Financial assets at fair value through profit or loss

(in millions of euros)	31.12.2020
Debt instruments	**149,028**
Government paper and equivalents	4,744
Bonds and other fixed-income securities	17,523
UCITS	62,680
Assets backing unit-linked contracts	57,236
Loans and advances	6,845
Equity instruments	**38,120**
Equities and other variable-income securities	34,049
Assets backing unit-linked contracts	4,071
Derivative financial instruments	**531**
Financial assets at fair value through profit or loss	**187,678**

2.5.1.2 Financial assets at fair value through OCI to be reclassified

	31.12.2020		
(in millions of euros)	Fair value	Impairment	Unrealised gains/ losses
Government paper and equivalents	122,018	(56)	1,847
Bonds and other fixed-income securities	94,865	(308)	2,017
Total debt instruments	**216,883**	**(364)**	**3,864**
Financial assets at fair value through OCI to be reclassified	**216,883**	**(364)**	**3,864**
Tax			(815)
Gains and losses recognised directly in equity on debt instruments measured at fair value through OCI to be reclassified to profit or loss (net of tax) – insurance investments			**3,049**

2.5.2 Insurance company technical provisions and shadow accounting reserves

(in millions of euros)	31.12.2020 Before reinsurance	31.12.2020 Reinsurance	31.12.2020 Net of reinsurance
Non-life insurance	9,502	775	8,727
Life insurance	222,155	17,202	204,953
of which life insurance mathematical provisions	209,680	16,846	192,834
Financial contracts with a discretionary participation feature	112,374	3,144	109,230
of which life insurance mathematical provisions	103,113	2,905	110,228
Financial contracts without a discretionary participation feature	3,931	245	3,686
Technical provisions	**347,961**	**21,365**	**326,596**

(in millions of euros)	31.12.2020 Before reinsurance	31.12.2020 Reinsurance	31.12.2020 Net of reinsurance
Net deferred participation reserve	31,870		31,870
Shadow accounting reserves	**31,870**		**31,870**
Total technical provisions and shadow accounting reserves[1]	**379,831**	**21,365**	**358,467**

(1) Technical provisions and shadow accounting reserves include €377 billion concerning CNP Assurances.

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.

2.5.2.1 Life insurance mathematical provisions

(in millions of euros)	31.12.2020 Before reinsurance	31.12.2020 Reinsurance	31.12.2020 Net of reinsurance
Life insurance mathematical provisions	**312,993**	**19,751**	**293,243**

2.5.2.2 Deferred participation

(in millions of euros)	31.12.2020
Deferred participation on remeasurement of assets at fair value through profit and loss	2,731
Deferred participation on remeasurement of assets at fair value through OCI	2,848
Other deferred participation	26,291
Total deferred participation	**31,870**

2.5.3 Net profit from insurance companies

(in millions of euros)	31.12.2020
Premiums written	23,169
Change in unearned premiums	(169)
Unearned premiums	**23,000**
Revenue from other activities	**135**
Other operating income	
Investment income, net of expenses	4,886
Gains and losses on disposals of investments	(602)
Change in fair value of financial assets at fair value through profit or loss	526
Change in impairment losses on investments	(333)
Impact of the overlay approach	(679)
Investment income net of expenses	**3,799**
Total revenue	**26,935**
Claims and benefits expenses	(21,039)
Ceded expenses and income	120
Income and expenses from other activities	(1)
Acquisition costs	(3,286)
Amortisation of acquired in-force business and distribution agreements	(431)
Administrative costs	(246)
Other exceptional recurring income and expense, net	(455)
Total recurring operating income and expense, net	**(25,338)**
Recurring operating profit (loss)	**1,597**
Non-recurring operating income and expenses, net	(28)
Operating profit (loss)	**1,569**
Finance costs	(56)
Changes in value of intangible assets	(11)
Share of profit of equity-accounted companies	95
Change in value of goodwill	
Income tax expense	(420)
Consolidated net profit (loss)	**1,177**
Non-controlling interests	**724**
Profit attributable to owners of the parent	**453**

2.5.4 Impact of applying the overlay approach for La Banque Postale group's insurance activities

The net impact of applying the overlay approach by type of financial asset is presented below:

	31.12.2020			
(in millions of euros)	Carrying amount	Gross overlay impact	Deferred tax	Net overlay impact
UCITS	45,751	152	(6)	146
Equities and other variable-income securities	29,263	529	(172)	357
Bonds	6,230	(4)	(41)	(46)
Other financial assets	19,028	2	6	8
Total	**100,272**	**679**	**(214)**	**465**

The impact on the income statement of applying the overlay approach is presented below:

	31.12.2020		
(in millions of euros)	IAS 39	IFRS 9	Overlay impact
Net banking income excluding overlay	(68)	611	
Overlay impact			**(679)**
Net banking income	**(68)**	**611**	**(679)**
Deferred taxes	16	(198)	214
Net profit (loss)	**(52)**	**413**	**(465)**

2.6 Commitments given and received

2.6.1 Commitments given and received

(in millions of euros)	31.12.2020	31.12.2019
Commitments given[1]	**260,194**	**53,922**
Financing commitments		
To credit institutions	8,408	19,766
To customers	32,024	4,452
Guarantee commitments		
To credit institutions	1,285	1,245
To customers	3,689	3,599
Securities-related commitments		
Securities to be delivered	15,938	1,866
Other commitments given		
To credit institutions[2]	175,045	16,260
To customers	23,805	6,734
Commitments received[3]	**271,282**	**44,846**
Financing commitments		
From credit institutions	53,933	22,450
From customers	495	
Guarantee commitments		
From credit institutions	47,769	11,722
From customers	21,589	5,176
Securities-related commitments		
Securities to be received	2,633	4,418
Other commitments received		
From credit institutions[4]	142,199	
From customers	2,664	1,080

(1) Including:
– €88 billion in commitments given by La Poste group;
– €120 billion in commitments given by SFIL.
(2) Including:
– SFIL: cross-currency swap commitments of €115 billion.
(3) Including:
– €88 billion in commitments received by La Poste group;
– €125 billion in commitments given by SFIL.
(4) Including, for SFIL:
– €115 billion related to the cross-currency swap.

2.6.1.1 Crédit Logement commitments

La Banque Postale is committed to maintaining Crédit Logement's Tier 1 capital at a level equivalent to its interest in the company, i.e. 6%, so that the company can maintain its capital ratio. La Banque Postale is also committed to replenishing Crédit Logement's mutual guarantee fund if required. This fund underwrites borrower defaults on loans guaranteed by the fund. The amount of this commitment, which corresponds to the share of outstanding Crédit Logement loans distributed by La Banque Postale, was €197 million at 31 December 2020 (€216 million at 31 December 2019).

The amount reported for guarantee commitments received from credit institutions primarily corresponds to guarantees received from Crédit Logement.

2.6.2 Exposure to credit risk on financing commitments and guarantees given

2.6.2.1 Exposure to credit risk on financing commitments and guarantees given

(in millions of euros)	Level 1 – 12-month expected credit losses	Level 2 – Lifetime expected credit losses	Level 3 – Expected losses on impaired loans	Total commitments given
Opening position at 01.01.2020	**26,685**	**2,376**	**1**	**29,062**
Increase	2,788	1,952	56	4,796
Decrease	(19,529)	(2,299)		(21,828)
Transfer between buckets				
Other movements	28,939	4,384	53	33,376
Closing position at 31.12.2020	**38,883**	**6,413**	**110**	**45,406**

2.6.2.2 Breakdown of provisions for expected losses

(in millions of euros)	Level 1 – 12-month expected credit losses	Level 2 – Lifetime expected credit losses	Level 3 – Expected losses on impaired loans	Total provisions for expected losses
Opening position at 01.01.2020	**(4)**	**(2)**		**(6)**
Allocations on movements during the period	(28)	6	1	(21)
Other allocations	(22)	(49)	(18)	(89)
Reversals used with write-off	18	3	4	25
Other unused reversals	1	5		6
Other movements	(29)	(23)	(3)	(55)
Closing position at 31.12.2020	**(64)**	**(60)**	**(16)**	**(140)**

2.7 Fair value of financial instruments

2.7.1 Fair value of financial assets and liabilities measured at amortised cost

(in millions of euros)	31.12.2020 Carrying amount	31.12.2020 Estimated market value	31.12.2019 Carrying amount	31.12.2019 Estimated market value
Assets				
Securities at amortised cost	75,401	80,234	55,708	59,564
Loans and receivables due from credit institutions and related entities at amortised cost	134,712	134,853	15,116	15,116
Loans and receivables due from customers at amortised cost	186,855	185,867	4,221	4,221
Total financial assets measured at amortised cost	**396,968**	**400,954**	**75,045**	**78,901**
Liabilities				
Debt securities	128,521	128,829	34,221	34,389
Due to credit institutions	54,238	54,348	12,830	12,940
Due to customers	310,674	307,567	71,546	71,546
Subordinated debt	10,325	10,587		
Total financial liabilities measured at amortised cost	**503,758**	**501,331**	**118,597**	**118,875**

2.7.2 Financial instruments measured at fair value

(in millions of euros)	Quoted on an active market: Level 1	Measured using observable inputs: Level 2	Measured using unobservable inputs: Level 3	**Total 31.12.2020**
	Carrying amount			
Financial assets at fair value				
Financial assets at fair value through profit or loss – mandatory classification	143,789	37,535	23,627	**204,951**
Financial assets at fair value through profit or loss – fair value option	5,613	30	487	**6,130**
Derivative instruments held for trading		1,453	19	**1,472**
Hedging instruments with a positive fair value		8,492	325	**8,817**
Financial assets at fair value through OCI to be reclassified	227,722	13,027	1,598	**242,347**
Financial assets at fair value through OCI not to be reclassified	21,547	1,517	741	**23,805**
Cumulative fair value adjustments to portfolios hedged against interest rate risk – assets		128		**128**
Total financial assets at fair value	**398,671**	**62,182**	**26,797**	**487,650**
Financial liabilities at fair value				
Financial liabilities at fair value through profit or loss	593	1,406		**1,999**
Derivative instruments held for trading		2,595	146	**2,741**
Hedging instruments with a negative fair value	1	9,491	587	**10,079**
Cumulative fair value adjustments to portfolios hedged against interest rate risk – liabilities	11	4	8	**23**
Total financial liabilities at fair value	**605**	**13,496**	**741**	**14,842**

(in millions of euros)	Quoted on an active market: Level 1	Measured using observable inputs: Level 2	Measured using unobservable inputs: Level 3	Total 31.12.2019
Financial assets at fair value				
Financial assets at fair value through profit or loss – Mandatory classification	538	4,857	5,049	10,444
Financial assets at fair value through profit or loss – Fair value option	121			121
Derivative instruments held for trading		109		109
Hedging instruments with a positive fair value		1,747		1,747
Financial assets at fair value through OCI to be reclassified	27	10,012		10,039
Financial assets at fair value through OCI not to be reclassified	22,007	2,054	467	24,528
Total financial assets at fair value	**22,693**	**18,779**	**5,516**	**46,988**
Financial liabilities at fair value				
Financial liabilities at fair value through profit or loss	450	320		770
Derivative instruments held for trading		33		33
Hedging instruments with a negative fair value	1	1,345		1,346
Total financial liabilities at fair value	**451**	**1,698**		**2,149**

- The Group's financial instruments are partly measured using prices "quoted on an active market" (Level 1 of the fair value hierarchy).
  These include:
  - equities, measured on the basis of quoted prices on their reference market;
  - bonds, EMTNs, BMTNs: for each instrument, the value is determined based on the most recent of the quoted prices available on the stock exchange, from brokers, trading rooms or trading platforms;
  - units in UCITS and other funds, measured at net asset value;
  - BTAN treasury notes, at the prices quoted under the Banque de France's centralised quotation system;
  - derivative instruments traded on an organised market (futures, options, etc.).
- Financial instruments "Measured using observable inputs" (Level 2 of the hierarchy) concern instruments that are measured using the prices of:
  - similar-type instruments quoted on an active market, from the same issuer or guarantor. In that case, the prices and other observable market inputs are used and an adjustment may be made to account for the instrument's degree of illiquidity;
  - or identical or similar-type instruments quoted on a non-active market on which regular, observable transactions take place, or financial instruments measured using inputs other than quoted prices that are observable.

  These include:
  - structured products valued by the Group, arrangers or external valuers;
  - OTC derivatives contracts;
  - money market securities other than BTANs measured based on the zero coupon price curve plus a spread.

  Derivatives are classified based on an analysis that combines the observability of the market inputs used in the valuation and the robustness of the valuation models measured in terms of effectiveness in providing a valuation within market consensus. This approach shows that the derivatives used by CDC Group to hedge its activities fall mainly into Level 2.
- Financial instruments "Measured using unobservable inputs" (Level 3 of the hierarchy) concern financial instruments measured using inputs not based on observable market data. These 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. These instruments are mainly unlisted participating interests, asset-backed securities and hedging derivatives.
  The market value of unlisted participating interests classified as financial assets at fair value through other comprehensive income is calculated by reference to certain criteria such as net assets, future profitability and discounted future cash flows.

2.7.3 Change in value of financial instruments measured at fair value using a technique based on unobservable inputs (Level 3)

(in millions of euros)	Financial assets designated at fair value through profit or loss	Financial assets at fair value through OCI to be reclassified	Financial assets at fair value through OCI not to be reclassified	Hedging instruments	Total
Balance at 01.01.2019	**3,374**	**6**	**415**		**3,795**
Additions	1,417		2		1,419
Disposals	(540)	(6)			(546)
Transfers to Level 3 (incoming)	546		10		556
Transfers from Level 3 (outgoing)	(3)				(3)
Gains and losses in the period recognised in OCI			29		29
Gains and losses in the period recognised in profit or loss	210				210
Effect of changes in scope of consolidation	45		11		56
Balance at 31.12.2019	**5,049**		**467**		**5,516**
Additions	5,074	1,065	90	91	6,320
Disposals and repayments	(2,330)		(90)		(2,420)
Transfers to Level 3 (incoming)	(138)	(50)			(188)
Transfers from Level 3 (outgoing)	(2)				(2)
Gains and losses in the period recognised in OCI		14	(70)		(56)
Gains and losses in the period recognised in profit or loss	(205)			(9)	(214)
Translation adjustment			(8)		(8)
Effect of changes in scope of consolidation	16,685	569	352	243	17,849
Balance at 31.12.2020	**24,133**	**1,598**	**741**	**325**	**26,797**

Effects of changes in scope of consolidation relate mainly to the first-time consolidation of the La Poste and SFIL groups. Disposals and repayments mainly concern Caisse des Dépôts (negative €719 million) and CNP Assurances (negative €1,404 million).

2.8 Interest rate benchmark reform

Regulation (EU) 2016/1011 (Benchmark Regulation or "BMR"), is the European legislative response to the need to strengthen the regulatory framework applicable to benchmark interest rates, particularly Interbank Offered Rates (IBOR). IBOR reform implies replacing a current benchmark interest rate by an alternative benchmark adopted by all market players, or changing the method of determining the current benchmark It will impact euro zone rates (Eonia, Euribor) but also rates outside of the euro zone (Libor).

The Benchmark Regulation has been applicable since 1 January 2018, but existing benchmarks can continue to be used during a transition period due to the operational and legal complexities. The deadline for changing to the new BMR-compliant interest rates is 1 January 2022.

The Caisse des Dépôts Group anticipates mainly operational impacts on its IT systems and on the legal and accounting functions. Working groups were therefore set up at the Group's different entities, mainly Caisse des Dépôts, La Banque Postale and SFIL, to examine the various operational impacts of compliance with the BMR and of the elimination of certain benchmark rates (Eonia, Libor).

These working groups are focused on, among others:

- mapping the positions affected by the rate reforms;
- updating contracts to comply with the BMR and new market practices;
- revision of existing contracts to include or improve fallback provisions applicable if the benchmark rate referred to in the contract no longer exists from 1 January 2022. As of 31 December 2020, the majority of the La Banque Postale group's contracts already included fallback provisions, and the work involved in revising existing contracts should not be too great. In addition, the number of contracts indexed on Eonia or Libor expiring after 2021, including master agreements issued by financial market bodies, is not material;
- the preparation of procedures to comply with the BMR;
- the updating of systems to handle new benchmark rates and replace certain rates (Libor, Eonia);
- the management of legal, operational and financial risks generated by the reform;
- external and internal communications related to the benchmark rate reform.

As a result of the reform, the contractual cash flows of financial instruments indexed on a benchmark rate will change when the transition is made to an alternative benchmark rate. Given that the benchmark rates are different from one market to another, replacement will not take place at the same time and in the same way. During the period preceding replacement, there may be uncertainty about the timing and amount of future cash flows as long as the alternative benchmark rate and the replacement date are not known.

- Eonia:

  Eonia has been replaced by the €STR (Euro Short Term Rate) effective from 2 October 2019. On the replacement date, the €STR was set at a rate equal to the Eonia plus 8.5 bps. The two rates will co-exist until 1 January 2022.
- Euribor:

  In July 2019, the Financial Services and Markets Authority (FSMA) licensed the European Money Markets Institute (EMMI) as the Euribor benchmark rate administrator, thus confirming that the requirements of the BMR have been met. Euribor can therefore continue to be used for new and existing contracts. At the end of October 2019, a new method of determining Euribor was adopted and the rate was renamed the Hybrid Euribor. The new name will now be substituted for all references to the Euribor.

2.8.1 Hedging relationships that fall within the scope of the “Interest Rate Benchmark Reform” amendments

	31.12.2020			
(in millions of euros)	Assets	Liabilities and equity	Notional amount	Change in fair value used to calculate ineffectiveness
Interest rate derivatives	7,553	7,805	74,357	(68)
Currency derivatives	447	564	5,637	106
Fair value hedges	8,000	8,369	79,994	38
Currency derivatives	(6)	(71)	145	
Cash flow hedges	(6)	(71)	145	
Hedges of net investments in foreign operations				
Total hedging instruments	**7,994**	**8,298**	**80,139**	**38**

The notional amounts of the hedging instruments affected by the amendment to IFRS 9, IAS 39 and IFRS 7, which permits an exemption from certain hedge accounting requirements under the interest rate benchmark reform, are as follows for instruments indexed to the following main rates:

(in millions of euros)	Notional amount
Eonia	35,688
Euribor	36,618

2.9 Risk factors

2.9.1 Financial instrument risk

2.9.1.1 Financial instrument risk management system

2.9.1.1.1 Risk control organisation

2.9.1.1.1.1 Scope

The French Monetary and Financial Code *(Code monétaire et financier)* establishes the principle that a decree issued by the *Conseil d'Etat* (France's highest administrative court) lays down the provisions applicable to Caisse des Dépôts Group with respect to internal control, standards and risk management systems. Within this legislative framework, **Decree no. 2020-94 of 5 February 2020 on the internal and external control of Caisse des Dépôts et Consignations** sets out these provisions.

The decree makes applicable the prudential provisions, with the necessary adjustments, of Regulation (EU) no. 575/2013 on prudential requirements for credit institutions and investment firms (primarily solvency, large exposures and liquidity).

It also makes a series of rules on internal control applicable to Caisse des Dépôts. In particular, it requires the Group to organise its internal control system on a number of different levels covering all of its subsidiaries.

The internal control system must also comply with the General Regulations of the French financial markets authority (*Autorité des marchés financiers* – AMF) as well as with specific regulations applicable to the Group's different entities (in particular, the Decree of 3 November 2014 on internal control) and to the specialised businesses (portfolio management, insurance, etc.).

The Group Risk Management division and the Group Permanent Control and Compliance division are responsible for monitoring changes in the internal control regulations applicable to Caisse des Dépôts and their implementation within the Group.

Caisse des Dépôts' permanent control principles are set out in the "Group Permanent Control Charter" reference document, which has been approved by the Executive Committee. The document applies to all Caisse des Dépôts divisions (hereinafter the "divisions") and to the subsidiaries over which CDC exercises "exclusive" or "joint" control.

Each division applies these principles within its scope and within the subsidiaries or other entities which make up its operational reporting scope, ensures compliance with the processes implemented and, where applicable, provides any additional information required to factor in the specific features of its businesses.

All subsidiaries must deploy risk management and prevention systems adapted to their businesses and the degree of inherent risk, in compliance with the Group's overall risk management framework and without prejudice to the provisions applicable to them. They must be organised in line with the approach set out in the Group Permanent Control Charter.

The internal control system covers all risks incurred, a classification of which is provided in the risk mapping management procedure.

2.9.1.1.1.2 Key players

The Chairman and Chief Executive Officer of Caisse des Dépôts is responsible for the Group's internal control and risk management system. The Chairman and Chief Executive Officer defines the risk management and compliance policies for the Group, as well as the internal control principles, which consist of permanent controls and periodic controls. He receives key internal control and risk management reports.

The directors of the Public Institution and the heads of the subsidiaries are responsible for rolling out the Group's permanent control principles within their own reporting scope. They are responsible for the operational implementation of the Group's risk management and compliance policies.

Line managers set up effective risk management processes within their own divisions, particularly with regard to segregation of tasks and procedures. They ensure that their operations comply with entity-specific provisions, including the applicable law and regulations, professional standards and management instructions, applied in line with the policies defined by the Chairman and Chief Executive Officer.

The Group's Chief Risk Officer is responsible for the risk management function. She develops and implements the risk management framework, taking into account the risk appetite defined at the Group level.

The Group's Permanent Control and Compliance Officer is responsible for organising the second-tier permanent control system, which is independent from the operational functions, through a control plan that combines the principle of completeness of permanent controls with a risk-based approach. He is also responsible for the framework for preventing compliance risk, as defined in Decree no. 2020-94 of 5 February 2020.

The heads of the subsidiaries' risk management, permanent control and compliance functions implement the risk management (including compliance risk) and permanent control systems in their subsidiaries under the authority of the heads of these entities.

The Group Director of Internal Control is responsible for periodic controls within the internal control system.

2.9.1.1.1.3 Internal Control Organisation Principles

2.9.1.1.1.3.1 Permanent and periodic controls

The permanent control system covers all the activities of the divisions, subsidiaries and other entities within their operational reporting scope, including activities deemed critical or important, within the meaning of banking and financial regulations, that have been outsourced to a service provider.

There are two levels of controls: operational controls (first tier) and work by control function staff (second tier):

- The first tier consists of controls designed to ensure that all operations processed are conducted properly. They are performed by operational teams and their respective managers, who ensure that the activities for which they are responsible are properly conducted. First-tier controls are designed around the principles of segregation of functions, delegation of power and approval limits, and the accuracy and completeness of all entries and data flows processed. First-tier controls also include controls carried out by automated transaction processing systems;
- The second-tier controls are the responsibility of the Group's Permanent Control and Compliance division and the subsidiaries' Permanent Control and Compliance Officers. This second tier contributes to the control of the compliance, security and approval of the operations carried out. It also aims to ensure that the first-tier control systems are appropriate to the risks involved and activities carried out. The controls are defined in reference to the risk maps, warning flags and events.

Periodic controls provide a third level of control and are performed by Group Internal Audit and the Audit network in accordance with the action principles and methodology set out in the Caisse des Dépôts Internal Audit Charter.

2.9.1.1.1.3.2 Independence and reporting relationship of risk officers

The subsidiaries' Risk, Permanent Control and Compliance Officers report back to the Group Risk Management division on the risk management system and back to the Group Permanent Control and Compliance division on the risks identified in the context of their compliance and permanent controls. They may ask the divisions to intervene directly.

2.9.1.1.1.3.3 Documented procedures and traceability of permanent control

Permanent control is based on written procedures and formally documented control processes.

The Permanent Control and Compliance division and the subsidiaries' Risk, Permanent Control and Compliance Officers define the permanent control standards and ensure they are complied with.

The Permanent Control and Compliance division implements second-tier controls and regularly submits reports to Caisse des Dépôts' governance and executive bodies.

All second-tier control plans, control results, control events and corresponding action plans for the Public Institution are archived in a Group-wide application. The subsidiaries have developed applications for ensuring the reliability of the internal control audit trail as well as the traceability of any events identified.

2.9.1.1.2 Risk control policies, objectives, procedures and reporting

In accordance with the French Monetary and Financial Code, the Supervisory Board considers Caisse des Dépôts' risk appetite on an annual basis.

Caisse des Dépôts' risk appetite framework outlines its risk appetite principles for the major risk categories: solvency risk, liquidity risk, profitability risk, general interest rate risk, currency risk, asset (equities, fixed income and real estate) risk, concentration risk, credit risk, banking and financial operational and compliance risk, risk of failure to implement audit and regulator recommendations, legal risk, information system- and information system security-related risks, corporate social responsibility (CSR) risks, and model risk.

To carry out the public-interest missions entrusted to it and fulfil its role as a long-term investor, Caisse des Dépôts has adopted risk appetite principles that meet the following objectives:

- **protect the savings and deposits** entrusted to it as a fiduciary manager of private funds;
- implement a strategy focused on a **long-term vision** to maintain the ability to take **countercyclical** action;
- support investment and financing projects **conducive to the balanced and sustainable development of the economy and society,** with the aim of generating future financial, environmental and social benefits, and develop innovation to serve the regions, their communities and the economic fabric;
- apply a **financial, management and diversification policy** to its investments and financing so it can **strengthen its financial base** to serve its public–interest missions;
- **protect Caisse des Dépôts' reputation** by complying with applicable laws and regulations, adopting best ethical practices and **carefully managing non-financial risks** that might hurt its image.

Every year, the Supervisory Board issues an opinion on the risk appetite levels that have been expressed in a risk appetite statement. For each major category of risk, qualitative principles and/or metrics (key risk indicators) are used to manage risk appetite. These metrics sometimes include thresholds and/or limits, taking into account Caisse des Dépôts' financial objectives as well as its public interest activities and the mandates entrusted to it by the public authorities.

The decisions made when allocating investment amounts as part of Caisse des Dépôts Group's multi-annual financial planning process factor in the risk appetite principles and levels.

The prudential model used for solvency takes into account, from an economic standpoint, the main risks to which Caisse des Dépôts is exposed (liquidity risk, interest rate risk, credit risk on portfolio securities and on loans granted, real estate risk, currency risk, operational risk, equity risk and risks related to subsidiaries and equity interests). It is used to determine, over a medium-term projection period (five years) whether the solvency positions resulting from Caisse des Dépôts Group's multi-annual financial planning process are consistent with the risk appetite levels. The prudential model used for liquidity helps assess, over the very short term (up to five years), compliance with liquidity risk tolerance.

The risk modelling and resulting working capital requirements are designed primarily to ensure a very high level of financial security, consistent with the missions entrusted to Caisse des Dépôts. The model is intended to cover all Caisse des Dépôts Group entities in line with their various different businesses.

The limits on the fixed income and equity portfolios take risk appetite levels into account and are subject to regular approval by the governing body.

The Group Risk Management division is responsible for evaluating the quality of the individual loans/investments and the overall portfolio, and for reviewing the methods used to measure losses.

To assess each project's risks, teams from the Group Risk Management division issue an opinion on the proposed commitment presented by Caisse des Dépôts' business line teams as part of the internal commitment processes. This assessment is then reviewed on a regular basis, in different ways depending on the nature of the counterparty, the materiality of the risk, and the intensity of the related commitment activity.

To assess the financial risks across the entire entity, they are mapped for all the relevant business lines. This map is revised every year and the consolidated version is provided to the Executive Committee and the Supervisory Board.

The impartiality of these assessments is guaranteed by:

- having the risk teams report to the Group Risk Management division. The head of this division cannot make any commitments and reports directly to the Chairman and Chief Executive Officer;
- establishing compensation arrangements for the members of this team in conjunction with the Human Resources division;
- complying with internal ethics rules specifying that staff may be transferred when there is a conflict of interest.

The Group Risk Management division has direct access to information about the Group's risks. It also regularly receives data, in the format of its choice, on subsidiaries' risks as part of the Group's risk reporting exercise. It holds frequent discussions with its counterparts at the Group's subsidiaries to align their risk vision. The Group manages its risks through different channels depending on the nature of its relationship with the subsidiary and the materiality of the projected risk. The largest transactions are submitted to a series of Group committees for approval. Whistleblowing and risk treatment procedures are outlined in the risk appetite framework. Lastly, risks are managed through the participation of Caisse des Dépôts' directors in the subsidiaries' governance bodies, including the audit and risk committees.

The Group Risk Management division prepares a monthly risk summary for the Executive Committee. It also prepares a quarterly report on the Group's risk profile for the Executive Committee and Supervisory Board, mainly to verify compliance with the risk appetite levels. Lastly, it submits the results of the risk mapping exercises to the Supervisory Board.

The Permanent Control and Compliance division provides information on the status of the permanent controls put in place by the Public Institution and its main subsidiaries at a predefined frequency and in the appropriate formats.

Senior management therefore receives regular reports from the Group Permanent Control and Compliance division, which meets with the Risk, Permanent Control and Compliance Committee twice a year, under the chairmanship of the Chairman and Chief Executive Officer. The Group Permanent Control and Compliance division reports to the Supervisory Board, in particular through half-yearly reports, on permanent controls and compliance, in accordance with the requirements of Decree no. 2020-94 of 5 February 2020 on the internal and external control of Caisse des Dépôts et Consignations. An annual internal control report is prepared, provided to the Supervisory Board and submitted to the French Prudential Supervisory and Resolution Authority (ACPR).

2.9.1.1.3 *Ex-ante* reviews of commitments

The business lines are assigned annual operating targets that are determined jointly with the Corporate Secretary's Office and the Finance divisions and that are approved by the Chairman and Chief Executive Officer.

The Group Risk Management division intervenes in the pre–commitment phase, as a member of:

- the Group Commitments Committee, chaired by the Chairman and Chief Executive Officer or by any person delegated to do so, which examines all commitments above a certain amount;
- the division-level Commitments Committees, representing the ultimate decision-making body within the division concerned;
- the Asset/Portfolio Management Committees, which are organised around monthly and quarterly meetings to present management strategies to the Chairman and Chief Executive Officer.

2.9.1.1.4 Credit and market risk monitoring

Each Group financial subsidiary has its own tools and processes for monitoring credit and market risk. Group-level indicators are monitored by the Group Risk Management division based on information provided by the subsidiaries (risk reporting, consolidated risk profile, etc.).

2.9.1.2 Identifying financial risks

2.9.1.2.1 Definitions

2.9.1.2.1.1 Credit and counterparty risk

Credit risk is the current or prospective risk of a loss on a receivable, due to a deterioration in the borrower's credit standing that may result in an inability to meet payments when they fall due.

2.9.1.2.1.2 Concentration risk

Concentration risk is the risk that results from a large exposure to a given counterparty, or from a high probability that certain groups of counterparties will default.

2.9.1.2.1.3 Liquidity risk

Liquidity risk is the risk that the Public Institution will be unable to meet the commitments associated with its financial liabilities when they fall due, or to access the funds needed on the market.

2.9.1.2.1.4 Market risk

Market risk is the risk of losses on balance sheet or off–balance sheet items resulting from an unfavourable change in market factors such as interest rates, equities, credit spreads, exchange rates or volatility, or from price fluctuations in general.

2.9.1.2.1.5 Currency risk

Currency risk is the risk that changes in exchange rates will affect the entity's profitability.

2.9.1.2.1.6 Interest rate risk

Interest rate risk is the impact on an entity's annual earnings and net assets of an adverse change in interest rates.

2.9.1.2.2 Risk acceptance process – Decision–making process

Investments (other than capital markets transactions) are reviewed during meetings of the Commitments Committee. The committee is chaired by the Group's Chairman and Chief Executive Officer when investments involve over €100 million, and by the Deputy Chief Executive Officer or Group Finance Director when they concern amounts between €50 million and €100 million.

Investments of less than €50 million managed by the Asset Management department are approved by the Chief Investment Officer or by the deputy Chief Investment Officer.

Committee meetings held to review investments by Banque des Territoires (BdT) of between €20 million and €50 million are chaired by the Director of Banque des Territoires or its Finance Director. Committee meetings held to review investments of less than €20 million are chaired by the Chief Investment Officer pursuant to delegations of signature authority granted by the Chairman and Chief Executive Officer, except for the decentralised decisions described below.

Lastly, committee meetings held to review regional decentralised investments are chaired by the Regional Director of BdT when the cumulative amount is less than €2 million for sectors such as City Planning, Real Estate and Tourism, or less than €1 million for the other sectors (excluding corporate ventures, which are not currently decentralised).

The business lines are responsible for their commitments, which must comply with the annual objectives approved by the Chairman and Chief Executive Officer.

Commitments (other than capital markets transactions) are decided by committees at different levels within the business lines, namely:

- the Group Commitments Committee, which reviews investments or expenses greater than or equal to €50 million;
- the BdT's Commitments Committee, which decides on investments or expenses greater than or equal to €20 million and €10 million, respectively, and less than €50 million;
- the National Commitments Committee of the BdT's Investments division, which approves all investment projects of less than €20 million, the corresponding engineering loans and other non-decentralised expense-related financing;
- the National Commitments Committee of the BdT Head Office Network division, which approves general engineering loans (cities, etc.) and other non-decentralised expense-related financing;

- the Regional Commitments Committee, which has authority over decentralised investments and the related engineering loans for the City Planning, Tourism and Real Estate sectors when the cumulative amount is less than €2 million (€1 million for the other sectors, excluding corporate ventures, see above), as well as over general-interest financing recognised under expenses (urban planning engineering, subsidies, partnerships, etc.), within the limit of the overall amount decentralised by the head office.

The Group Risk Management division may participate in all meetings of Commitments Committees representing the ultimate decision-making body within a division, expressing an opinion on the project before the final decision is made and requesting additional information about the related risk when appropriate. It double checks that the project is in line with the Group's strategy, that risks have been properly identified and – if necessary – hedged, and that the expected return on investment is reasonable for the class of assets concerned. If it opposes a project, it may only be overruled by the business line's executive management and, in this case, the Group Executive Committee must be informed.

2.9.1.2.3 Risk measurement methods

With the integration of the La Poste and SFIL groups in 2020, financial instrument risks now lie mainly with Caisse des Dépôts (Central Sector), La Banque Postale and SFIL, which each have their own method for measuring financial instrument risk.

2.9.1.2.3.1 Caisse des Dépôts (Central Sector) risk measurement methods

The Caisse des Dépôts (Central Sector) portfolios of financial assets are managed within the framework of authorised investment criteria and defined management processes. To efficiently manage this type of portfolio, it is important to be able to respond quickly to changing market conditions. For this reason, the commitment process for these portfolios is different to that for other activities.

For these portfolio transactions, the Group Risk Management division's independent risk review is organised around its participation in monthly meetings of the Portfolio Management Committee and quarterly meetings of the Portfolio Management and Balance Sheet Committee, chaired by the Chairman and Chief Executive Officer, during which management strategies for the coming period are discussed. These quarterly committee meetings review management activities for the previous quarter. At the end of each year, they determine the management strategy for the coming year, based on an assessment of balance sheet financial risks and objectives over the medium term (five years). These exercises are based on detailed analyses of forecast asset/liability ratios performed by a dedicated team. The broad asset allocation strategies are then detailed by asset class.

Real estate and private equity investments are examined by specific Investment Committees.

2.9.1.2.3.1.1 Credit risk

2.9.1.2.3.1.1.1 Oversight procedure

Concerning credit risks on financial portfolios, the Counterparty Risk Committee meets every month to set exposure limits by counterparty, based on the Group Risk Management division's recommendations, and to review compliance with these limits during the previous month. The exposure limits recommended by the Group Risk Management division are determined using methods that aim to diversify risks within each portfolio. The Group Risk Management division also performs daily checks to ensure that the limits are complied with. Specific market risk exposure limits are set for each portfolio.

The monthly reporting schedules submitted to the Financial Management Committees include risk measurements for each of these limits.

2.9.1.2.3.1.1.2 Risk mitigation procedure

For fixed income portfolios, issuer, issue or transaction guarantees are taken into account by the information systems when calculating credit risk exposures at the level of the guarantors.

Caisse des Dépôts is exposed to counterparty risk on its over-the-counter capital markets transactions, which it manages through the systematic use of standard contractual arrangements requiring counterparties to put up collateral or netting agreements.

Caisse des Dépôts clears qualifying derivatives through clearing houses.

The Group does not use securitisation techniques to attenuate its risk exposures.

2.9.1.2.3.1.1.3 Impairment procedure

The process used by Caisse des Dépôts (Central Sector) for measuring and booking provisions for financial instruments is based around three levels of decision-making bodies:

- Business Line Valuation and Impairment Committees;
- the Central Valuation and Impairment Committee;
- the Accounts Committee.

The procedure in force comprises internal guidelines setting out the roles and workings of the different committees. Operational deployment is based around a formally documented methodology specific to each type of financial instrument.

As of the reporting date, controls are in place to ensure the completeness of the list of financial assets covered in a given review, the appropriateness of the measurement basis used, compliance with accounting standards (as set out in the Note "Summary of significant accounting policies"), as well as substantiation of calculations and any resulting provisions for impairment.

The brief of the business line and Central committees covers all of the Public Institution's outstandings (loans and receivables from customer financial institutions, accounts in debit, special financing operations, etc.) and securities transactions.

Business Line Valuation and Impairment Committees

Business line committees are chaired by a business line head, who sits on the Public Institution's Management Committee, and are tasked with:

- determining the methods for measuring and booking provisions for financial instrument risk by type of financial instrument;
- fixing valuations and provisions within their designated threshold of responsibility;
- communicating the valuations and provisions outside of their designated threshold of responsibility.

Business line committees meet at least half-yearly and decisions are made based on a file containing all information needed to understand and determine the valuations.

The Legal and Tax division, the Group Risk Management division and the Group Finance division participate in all of the business line committees.

A summary of the decisions and proposals of each business line committee is submitted for validation by the Central Valuation and Impairment Committee as part of the annual and interim accounts closing process.

The Central Valuation and Impairment Committee

The Central Valuation and Impairment Committee is authorised to act on behalf of the Accounts Committee by the Chairman and Chief Executive Officer.

Chaired by the Group Finance Director, the committee meets at half-yearly intervals in the month following the end of the annual and interim reporting periods. Its permanent members are the Group Chief Risk Officer, the Head of the Legal and Tax division, the business line heads, the Head of the Regulatory and Accounting Management division, and the Group Finance division's Senior Financial Advisor.

The committee defines the structure and the materiality thresholds of the business line committees and approves the valuation and impairment guidelines and methods for the transactions submitted to it by those committees. It uses the information provided to decide which valuations should actually be applied together with any related impairment charges to be booked in the accounts of the Central Sector and in Caisse des Dépôts Group's consolidated financial statements.

A summary of the decisions taken by the Central Committee is submitted to the Accounts Committee as part of the Central Sector and Group accounts closing processes.

2.9.1.2.3.1.1.4 Impacts of the COVID-19 crisis

The COVID-19 health crisis and the related economic fallout constituted the single biggest event of 2020. As such, Caisse des Dépôts proved highly agile in each phase of the epidemic. The Public Institution acted immediately to deploy measures to support its customers and also launched a phased plan to review risks on an ongoing basis so they are properly reflected in its financial statements.

In March 2020, after the WHO declared that the COVID-19 epidemic had become a pandemic, the French government responded immediately by imposing a lockdown with very severe restrictions on movements and the closure of non-essential public places. These measures automatically had major consequences on the economy, and Caisse des Dépôts mobilised its resources alongside the government to support customers experiencing financial hardship. In addition to providing access to emergency funding (lines of credit, overdraft facilities), the key measure was to pause customers' loan repayments for up to six months (repayment holidays), while also waiving late payment penalties and incidental charges. However, Caisse des Dépôts did not distribute government-backed loans.

In October 2020, after noting a sharp resurgence in the spread of the virus, the French government once again imposed a lockdown and approved new targeted support measures. During this period, Caisse des Dépôts continued working hard for its customers. It also reviewed its risk management and measurement processes in order to reflect its exposures more accurately in the financial statements at 31 December 2020.

Impact of the crisis on credit risk assessment

Caisse des Dépôts' Group Risk Management division worked throughout 2020 to arrive at a level of cost of risk that reflected the actual risk on its customer loan portfolios and debt security portfolios.

Its work was based both on application of the current procedures for identifying significant deteriorations in risk (IFRS 9 bucket classification rules) and on specific assessments of the potential impacts of COVID-19 (watchlist and industry-specific measures, identification of "high-risk" repayment holidays).

The impacts of the COVID-19 pandemic (and its macroeconomic consequences) on the credit risk assessment for Caisse des Dépôts can be divided into two main categories:

General impacts on all securities portfolios, relating to the recalibration of all the models and scenarios underlying the calculation of the Public Institution's statistical provisions.

Individual or industry-specific impacts, determined after an analytical review was conducted of all its customer and securities portfolios.

General measures to adjust Caisse des Dépôts' (Central Sector) statistical provisions:

The probability of default models used to calculate IFRS 9 provisions did not require significant adjustments in the crisis environment. The most recent data on behaviour and/or changes in risk profiles (changed ratings) were integrated in the models so as to obtain the appropriate parameters for 12-month and lifetime expected credit losses.

The macroeconomic scenarios used for provisioning were also recast to factor the impacts of the crisis into the calculation of forward looking expected credit losses: projections of the variables used in each of these scenarios were re-estimated in order to systematically integrate the projected effects of the COVID-19 crisis. The weightings for each of these scenarios were also reviewed to reflect possible changes in the macroeconomic outlook.

This information is described in detail in section 2.9.1.2.3.1.1.4 Provisions methodological approach to expected credit loss.

Securities portfolio

For the 31 December 2020 accounts closing and in accordance with applicable regulatory and accounting provisions, Caisse des Dépôts implemented a prudent and balanced provisioning approach to take into account the information that was known about the crisis based on a portfolio analysis performed by the Group Risk Management division.

Accordingly, the cost of credit risk for 2020 reflected:

- the portfolio exposure oversight procedure;
- specific decisions to downgrade internal ratings or include exposures on the watchlist (resulting in classification in bucket 2) following reviews of financial analyses;
- the use of statistical provisioning mechanisms.

Regarding this last item, the statistical provisioning mechanism decided on in June 2020 remained in effect in the fourth quarter of 2020 for all counterparties that were not subject to an individual review during the half-year period (counterparties that were reviewed were removed from the statistical mechanism and subjected to an individual risk measurement). At 31 December 2020, industry-specific provisions were determined for several sectors, including leisure and tourism, automotive, oil and gas, and transport.

The exposures in question were reclassified to bucket B2, except for those that were subject to an individual analysis in the second half of the year, which could be reclassified to bucket B1.

Customer portfolios

To date, the COVID-19 crisis has had a limited impact on Caisse des Dépôts' customer credit exposure. Despite the ongoing uncertainties about the length of the crisis and the extent of its impacts on the economy, the Public Institution does not anticipate a massive deterioration in the risk profile of its customer portfolios in the coming months due to its concentration in the legal professions, which are expected to be fairly resilient in the short and medium term.

In light of the above, the risk parameters associated with probabilities of default have not been revised. However, exposures were reclassified to bucket 2 or bucket 3 depending on the expected impact of the crisis on the customers in question.

Specifically concerning contracts subject to COVID–19-related repayment holidays, repayment holidays were only considered as indicative of a significant deterioration in the credit quality of the customers concerned in certain circumstances. This allowed for objective application of the presumption of a significant deterioration in credit quality. Approximately 9% of customers who took advantage of repayment holidays were reclassified to bucket 2 (significant deterioration in credit quality), leading to the recognition of a provision corresponding to the lifetime expected credit loss, and 6% were reclassified to bucket 3 (credit-impaired).

Impact of the crisis on management practices

Caisse des Dépôts generally left its management procedures and rules for both commitment decisions and portfolio monitoring unchanged. It has, however, implemented specific monitoring of customers who opted for repayment holidays, in order to ensure that payments resume when the repayment holiday ends. Customers reclassified to bucket 2 or 3 due to repayment holidays are subject to quarterly reviews.

The Public Institution also left its portfolio segmentation unchanged.

No material change or adjustment was made to the rating or provision models. Lastly, no changes were made to the back-testing procedures used in the ongoing assessment of the models' robustness.

2.9.1.2.3.1.1.5 Significant deterioration in credit quality

Principles

Caisse des Dépôts defines six principles for assessing a deterioration in credit quality in accordance with IFRS.

Principle 1 – Monitoring of credit risk: in accordance with IFRS 9, credit quality is assessed from the beginning of the commitment. Credit quality is measured at each reporting date after initial recognition in order to determine the classification of the asset concerned.

A financial instrument is classified as sensitive when there has been a significant deterioration 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).

Principle 2 – Rating indicator to monitor credit quality: the Public Institution monitors the credit risk of each contract using a system for rating the credit quality of the counterparty. The rating of a contract at a given time is determined on the basis of the counterparty's rating at that time, such that, at a given time, all contracts with a same counterparty have the same rating.

In order to measure an increase in credit risk, Caisse des Dépôts uses a rating system derived from the internal rating models used to manage and monitor risks.

The Public Institution's risk management monitoring systems collect ratings data at the inception of the contract and store these in a centralised database in order to identify any significant increase in credit risk, as well as the last known rating in order to comply with the first principle.

If no internal or external rating is available for a given customer and the related exposure, other methods are used to assess whether there has been a significant increase in credit risk since inception. For portfolios that do have an internal rating, assessment of a possible significant increase in credit risk is based on the rating, supplemented where appropriate by quantitative and/or qualitative analyses by the Group Risk Management division.

Principle 3 – Monitoring of credit quality with the addition of a backstop: to supplement Principle 1, the Public Institution uses an absolute threshold criterion based on payments and/or unauthorised overdrafts that are more than thirty days past due.

Principle 4 – Application of the low credit risk exemption: IFRS 9 allows entities to assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the instrument is determined to have low credit risk at the reporting date. A financial instrument is considered to represent a low credit risk when there has been no significant increase in its credit risk since initial recognition. "Low credit risk" can be equivalent to a widely accepted definition such as "investment grade".

The Public Institution uses the low credit risk exemption for debt securities.

Principle 5 – Consideration of qualitative information: for the customer portfolio, the presumption of a transfer to bucket 2 requires a specific qualitative analysis to be carried out by the Watchlist Committee to confirm or reject the assessment that a significant increase in credit risk has occurred.

Principle 6 – Transfer to bucket 2 before default: wherever possible, assets exposed to a significant increase in credit risk are identified before they default. Exceptionally, some commitments can be exempted from being reclassified to bucket 2 before they are recorded in default.

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 classifying a commitment in bucket 2 are described by category of exposure:

- customer portfolios;
- sovereign debt and equivalent;
- financial institution debt;
- corporate debt.

The criteria do not represent an exhaustive list and the relevance of the information depends on the category of exposure concerned. Other events resulting in a deterioration in credit quality or generating risk can be taken into consideration following an analysis by the Group Risk Management division, in conjunction with the operating entities responsible for monitoring their customers.

Taking the specific example of the COVID-19 pandemic and its impacts on the loanbook, it was decided that, in some circumstances, repayment holidays granted to customers were an indicator of a significant increase in credit risk that could lead to reclassification to bucket 2.

The operating entities are responsible for the exposures that they have generated and must immediately detect 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.

2.9.1.2.3.1.1.6 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 amount determined by evaluating a range of possible outcomes, the time value of money and all available information.

12-month expected credit losses ($ECL_{12months}$)

At each reporting date, when there is no significant increase in the credit risk associated with a commitment since initial recognition, the provision is measured at an amount equal to the 12-month expected credit loss.

$ECL_{12months}$ represents the portion of the lifetime cash shortfalls that will result if a default occurs the 12 months after the reporting date.

This formula applies to all commitments classified in bucket 1.

Lifetime expected credit loss ($ECL_{lifetime}$):
At each reporting date, when there is a significant increase in credit risk associated with a commitment since initial recognition, the provision is measured at an amount equal to the lifetime expected credit loss.

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).

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 (point-in-time probability of default – PiT PD). This parameter does not correspond to the average over the cycle (through-the-cycle probability of default – TTC PD) 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 PiT PD estimate is based on future and current assessments and depends on the counterparty category.
PiT PD is used for all securities portfolios.
Customer portfolios are subject to specific treatment, based on the historical average of defaults over the previous eight years.

Loss given default (LGD): Loss given default corresponds to the ratio between contractual and expected cash flows taking into account the effects of discounting and other expenses incurred at the time that an instrument goes into default. LGD is expressed as a percentage of exposure at default.
As CDC's portfolios do not have internal loss given default models, LGD is established by experts, based either on observed historical collections (customer portfolios) or on the levels generally used under the Basel standard (securities portfolios).

Exposure at default (EAD): EAD corresponds to the basis used to calculate 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).
The provision is based on the outstanding amount recorded on balance sheet and off-balance sheet.

Forward looking
In accordance with IFRS 9, expected credit losses take into account the effects of future economic conditions. Caisse des Dépôts uses three scenarios (a core scenario and two alternative scenarios) defined by its Economic Research department. Five-year economic projections are used:
Consistent global scenarios are applied across the Public Institution with potentially opposite impacts on certain counterparty segments, to reflect the diversification of the portfolio.
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 are very unlikely to occur in light of the prevailing macroeconomic situation at the estimation date, 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 used are generally the same as those used in other corporate processes (multi-annual financial planning process, etc.) to ensure a high degree of overall consistency in financial management and strong consolidation capabilities at the Group level.
These scenarios are documented and contain projections for all the macroeconomic variables needed to run the models developed to obtain lifetime PDs. The probability of occurrence of each scenario is documented by the Public Institution's economists.
The system uses a number of models, corresponding to groups of counterparties with similar characteristics (for example, one model for all European financial institutions). All of the models used for IFRS 9 purposes are subject to an independent review by the Model Validation team.
For 2021, the scenarios integrated by Caisse des Dépôts into its processes for calculating provisions under IFRS 9 are as follows (scenarios used since November 2020):

- **Central scenario**: gradual return of business to pre-crisis levels. This scenario is based on the conservative assumption of a gradual lifting of restrictions and a slow “normalisation” of activity. For the United States and the eurozone, the steep falls in GDP experienced in 2020 should be replaced by a strong recovery in 2021, followed by a return to their respective potential growth trajectories from 2022. The outflow of savings during the recovery will be tempered by the high level of economic and social uncertainty that is still very likely to prevail in 2022. Moreover, the high levels of public and private sector debt will negatively affect corporate investment capacity. The projections in this scenario are summarised below:

Core scenario **2021** variables	2021	2022	2023	2024	2025
US inflation	1.50	1.70	1.80	1.90	2.00
US GDP	5.00	2.30	1.80	1.70	1.70
Eurozone GDP	6.00	1.50	1.20	1.10	1.10
Brent price in euros	41.50	46.00	48.70	51.30	51.70
Brent price in USD	46.50	52.00	55.50	59.00	60.00
Eurozone investment grade (BBB) corporate bond spread in basis points	120.00	110.00	115.00	120.00	125.00
US unemployment rate	10.40	8.20	6.70	5.80	5.00
Eurozone unemployment rate	11.20	10.20	9.60	9.00	8.60
Key deposit rate (eurozone)	-0.50	-0.50	-0.50	-0.40	-0.15
Key rate (US)	0.25	0.25	0.50	1.00	1.50

Core scenario **2020** variables	2020	2021	2022	2023	2024
US inflation	2.13	2.11	1.98	1.98	1.99
US GDP	1.95	1.84	1.76	1.75	1.75
Eurozone GDP	1.46	1.39	1.30	1.21	1.20
Brent price in euros	57.02	53.85	51.25	49.59	48.39
Brent price in USD	65.00	63.00	61.50	60.50	60.00
Eurozone investment grade (BBB) corporate bond spread in basis points	139.41	146.02	154.38	164.23	175.25
US unemployment rate	3.84	3.98	4.14	4.24	4.32
Eurozone unemployment rate	7.52	7.39	7.29	7.22	7.16
Key deposit rate (eurozone)	-0.40	0.10	0.60	1.10	1.60
Key rate (US)	2.50	2.75	2.75	2.75	2.75

- **Adverse scenario based on an L-shaped recovery**: recessionary shock to GDP in 2021 (health, financial or economic crisis), triggering a fall in stock markets and interest rates, followed by stalemate (secular stagnation, lack of counter-cyclical headroom leading to a downward adjustment of growth forecasts).
  These economic shocks would drive interest rates even lower than in the central scenario.
  Stock prices would also fall sharply, inflation would remain low and property prices would contract slightly. The projections in this scenario are summarised below:

L-shaped scenario **2021** variables	2021	2022	2023	2024	2025
US inflation	0.60	0.70	0.70	0.80	0.80
US GDP	-1.50		1.00	1.00	1.00
Eurozone GDP	-1.00		0.60	0.60	0.60
Brent price in euros	17.00	12.90	12.90	12.90	12.90
Brent price in USD	22.60	18.10	18.10	18.10	18.10
Eurozone investment grade (BBB) corporate bond spread in basis points	300.00	200.00	100.00	100.00	100.00
US unemployment rate	11.40	11.00	10.10	9.30	8.50
Eurozone unemployment rate	11.70	12.50	12.70	12.80	12.80
Key deposit rate (eurozone)	-1.00	-1.00	-1.00	-1.00	-1.00
Key rate (US)	0.25	0.25	0.25	0.25	0.25

L-shaped scenario **2020** variables	2020	2021	2022	2023	2024
US inflation	1.08	0.84	0.96	1.09	1.16
US GDP	0.55	1.14	1.15	1.25	1.25
Eurozone GDP	0.75	0.95	0.94	0.95	0.95
Brent price in euros	28.57	20.69	20.69	20.69	20.69
Brent price in USD	40.00	30.00	30.00	30.00	30.00
Eurozone investment grade (BBB) corporate bond spread in basis points	323.76	173.28	99.86	92.19	92.05
US unemployment rate	4.79	5.98	6.56	6.88	7.04
Eurozone unemployment rate	8.33	8.79	9.03	9.16	9.28
Key deposit rate (eurozone)	-0.80	-0.80	-0.80	-0.80	-0.80
Key rate (US)	0.25	0.25	0.25	0.25	0.25

- **Adverse bond crash scenario**: long-term interest rates would rise sharply and remain at those levels for an extended period (short-term rates would remain low). Stock markets would fall sharply and real estate prices would also drop. Inflation would remain low.
  This scenario and its projections are presented below:

Bond crash **2021** variables	2021	2022	2023	2024	2025
US inflation	1.20	1.30	1.50	1.60	1.60
US GDP	1.04	1.42	1.64	1.69	1.81
Eurozone GDP	-1.00		0.60	0.60	0.60
Brent price in euros	31.20	28.10	28.10	28.10	28.10
Brent price in USD	32.80	29.50	29.50	29.50	29.50
Eurozone investment grade (BBB) corporate bond spread in basis points	300.00	300.00	300.00	300.00	300.00
US unemployment rate	10.80	8.80	7.40	6.50	5.70
Eurozone unemployment rate	11.70	12.50	12.70	12.80	12.80
Key deposit rate (eurozone)	-1.00	-1.00	-1.00	-1.00	-1.00
Key rate (US)	0.25	0.25	0.25	0.50	0.75

The bond crash scenario has replaced the low rate alternative scenario for 2020, which had interest rates staying very low over the long term.

Low rate alternative **2020** variables	2020	2021	2022	2023	2024
US inflation	2.13	2.11	1.98	1.98	1.99
US GDP	1.95	1.84	1.76	1.75	1.75
Eurozone GDP	1.46	1.39	1.30	1.21	1.20
Brent price in euros	57.02	53.85	51.25	49.59	48.39
Brent price in USD	65.00	63.00	61.50	60.50	60.00
Eurozone investment grade (BBB) corporate bond spread in basis points	139.41	146.02	154.38	164.23	175.25
US unemployment rate	3.84	3.98	4.14	4.24	4.32
Eurozone unemployment rate	7.52	7.39	7.29	7.22	7.16
Key deposit rate (eurozone)	-0.40	0.10	0.60	1.10	1.60
Key rate (US)	2.50	2.75	2.75	2.75	2.75

The probability that each of the scenarios used in the IFRS 9 models will occur is summarised in the table below:

Scenarios	2020 scenarios	Scenarios at 31 December 2021
Central	37%	75%
L-shaped recovery alternative	22%	19%
Low rate alternative	41%	0%
Bond crash	0%	6%

2.9.1.2.3.1.1.7 Maximum exposure to credit risk

Maximum exposure to credit risk corresponds to the carrying amount of loans and receivables, debt instruments and derivative financial instruments, after the effect of any netting agreements and impairment losses.

	31.12.2020			
(in millions of euros)	Net carrying amount of ECL	Guarantees, collateral and other credit enhancements	Maximum exposure to credit risk (excluding guarantees)	ECL provisions
Financial assets at fair value through profit or loss – debt instruments	3,532		3,532	
Financial assets at fair value through profit or loss – loans and commitments	2,068		2,068	
Hedging instruments with a positive fair value	1,683	(173)	1,510	
Debt instruments at fair value through OCI to be reclassified to profit or loss	11,825		11,825	(8)
Securities at amortised cost	42,346		42,346	(33)
Loans and receivables due from credit institutions and related entities at amortised cost	16,026	(10,841)	5,185	(1)
Loans and receivables due from customers at amortised cost	3,311	(1,439)	1,872	(122)
On-balance sheet exposure, net of impairment losses	**80,791**	**(12,453)**	**68,338**	**(164)**
Financing commitments	12,479		12,479	(17)
Guarantee commitments given	383		383	
Off-balance sheet exposure, net of provisions	**12,862**		**12,862**	**(17)**
Total net exposure	**93,653**	**(12,453)**	**81,200**	**(181)**

2.9.1.2.3.1.1.8 Sovereign exposure

Sovereign debt comprises all receivables and debt securities for which the counterparty is a given country, i.e. a national government or one of its agencies.

The net exposure shown below comprises all such amounts carried on the balance sheet (marked to market and less any impairment losses), net of guarantees.

	31.12.2020	31.12.2019
(in millions of euros)	Net exposure	Net exposure
France	31,331	25,900
Japan	5,466	5,417
Austria	308	330
EIB (Supranational)	556	225
Chile	204	227
Indonesia	208	192
Mexico	236	218
Romania	214	158
Germany	147	
Peru	145	140
Colombia	137	135
Israel	107	109
Croatia	91	60
Slovenia	55	59
Poland	56	94
Lithuania	40	44
Brazil	38	54
Venezuela	32	
Finland	25	25
South Africa	24	41
Bulgaria	19	19
South Korea	16	16
Czech Republic	43	
Caisse des Dépôts' (Central Sector) total net sovereign debt exposure	**39,498**	**33,463**

Caisse des Dépôts' (Central Sector) sovereign debt exposure mainly concerns "Securities at amortised cost", "Financial assets at fair value through other comprehensive income to be reclassified to profit or loss" and "Loans and receivables at amortised cost".

2.9.1.2.3.1.1.9 Concentration risk

The Group Risk Management division chairs the Counterparty Risk Committee (CRC), which meets every month to review the updated counterparty risk assessments prepared by the Risk Management division for the bond and money market portfolios and related derivatives portfolios. These assessments cover:

- the breakdown by credit rating, geographical area and issuer category;
- the level of risk concentration;
- changes in counterparty ratings since the last report.

The management reporting schedules prepared by the lender business lines include all the information required to monitor their credit risks (defaults and watch events, ratings, concentrations, quality of the guarantees, etc.).

Concentration risk is measured as described below:

- for fixed income portfolios, based on the sum of commitments:
  - by geographic area;
  - by industry;
  - by credit rating category;
  - for the 50 largest exposures.
- for equity portfolios:
  - industry concentration: based on the portfolio's Value–at–Risk by industry.

Commitments are broken down by credit rating based on the average external rating (defined as the lower of the two highest ratings from the three leading agencies: S&P's, Moody's and Fitch).

Concentration of credit risk on financial assets at amortised cost by credit rating and by counterparty

	31.12.2020		
	Assets recognised at amortised cost		
(in millions of euros)	Level 1 – 12-month expected credit losses	Level 2 – Lifetime expected credit losses	Level 3 – Lifetime expected credit losses – credit-impaired
AAA	1,913		
AA	25,400	145	4
A	12,115	643	
BBB	3,707	612	
BB	142	234	
<B		15	
Not rated[2]	16,162	369	268
Total breakdown by credit rating	**59,439**	**2,018**	**272**
Central banks			
Public authorities	23,005	205	31
Credit institutions	27,885	48	
Other financial firms	1,987	441	
Non-financial firms	5,815	1,313	184
Other	747	11	57
Total by counterparty category	**59,439**	**2,018**	**272**
of which France	**49,522**	**835**	**254**
Impairment losses	(25)	(18)	(114)

(1) Trade receivables are not recognised in this category – see Note 2.4.8 Prepayments, accrued and deferred income and other assets and liabilities.
(2) Including mainly loans and receivables due from credit institutions in Level 1 for €13,227 million, including €10,500 million due from the Savings Funds.

Concentration of credit risk on financial assets at fair value through other comprehensive income by credit rating and by counterparty

(in millions of euros)	31.12.2020		
	Financial assets recognised at fair value through OCI		
	Level 1 – 12-month expected credit losses	Level 2 – Lifetime expected credit losses	Level 3 – Lifetime expected credit losses – credit-impaired
AAA			
AA	1,518		
A	10,301		
BBB			
BB			
<B			
Not rated			
Total breakdown by credit rating	**11,819**		
Central banks			
Public authorities	5,667		
Credit institutions	5,938		
Other financial firms	14		
Non-financial firms	200		
Total by counterparty category	**11,819**		
of which France	**2,969**		
Impairment losses	(8)		

Concentration of credit risk on off-balance sheet commitments (financing and guarantee commitments) given by credit rating and by counterparty category

(in millions of euros)	31.12.2020		
	Off-balance sheet commitments given		
	Level 1 – 12-month expected credit losses	Level 2 – Lifetime expected credit losses	Level 3 – Lifetime expected credit losses – credit-impaired
AAA			
AA	3,700		8
A	215		
BBB			
BB			
<B			
Not rated(1)	8,836	50	53
Total breakdown by credit rating	**12,751**	**50**	**61**
Central banks	82		
Public authorities	3,808		41
Credit institutions	8,066		
Other financial firms	81		
Non-financial firms	700	49	19
Other	15		
Total by counterparty category	**12,752**	**49**	**60**
of which France	**12,752**	**49**	**60**
Impairment losses	(4)	–	(13)

(1) Mainly concerns commitments given to the Savings Funds (€7,850 million).

2.9.1.2.3.1.2 Liquidity risk

Given the importance of managing balance sheet liquidity throughout the Caisse des Dépôts Group, a number of mechanisms have been set up that are designed to:

- match sources to uses of funds as effectively as possible by controlling maturity mismatch risk on the balance sheet and therefore by limiting the need to refinance long-term investments with short-term liabilities;
- maintain conservative amounts of liquid assets to cover upcoming repayment obligations;
- limit the need for market-based financing.

Liquidity is managed in accordance with the prudential model (reference document updated every year), supplemented by the ILAAP (Internal Liquidity Adequacy Assessment Process), which demonstrates the Public Institution's robust mechanism for assessing and managing liquidity. They contain the documentation relating to Caisse des Dépôts' liquidity policy, as well as its operational deployment, governance and risk management.

Liquidity gap analysis measures differences in maturities of liabilities and assets on a monthly basis and over the next five years. Gaps are calculated on a static and dynamic basis:

- static gap analysis measures the difference between the natural maturities of liabilities (including contractual deposit maturities) and assets, excluding new lending;
- dynamic gap analysis measures the reinvestment and new lending impacts.

Deposits are taken into account based on the same maturity assumptions as for the calculation of interest rate mismatches.

Warning thresholds and limits applied to the static liquidity gap analysis are set in relation to the basic liquidity reserve and its runoff. On average, they stand at around €30 billion. The thresholds and limits are approved every year by the governing body. If the thresholds are reached, the contingency plan described in the ILAAP is activated, in order to generate the necessary liquidity, mainly through market transactions and, if need be, investment reductions.

Maximum liquidity gaps calculated at end-December 2020 were well below the Group's warning threshold or overall risk limit.

The Public Institution's liquidity reserve is also calculated every month. It corresponds to the amount of liquidity likely to be obtained at short notice (a few hours to a few days) under high-stress conditions. This reserve remains at a very comfortable level and enabled the Public Institution to respond to institutional customers' one-off and temporary requests during the COVID-19 crisis.

The medium-term issuance programme initially envisaged was carried out in line with the projections set out in the 2020 financing plan and did not need to be adjusted as a result of the COVID-19 crisis.

Financial assets by maturity

	31.12.2020						
(in millions of euros)	<1 month	1-3 months	3-12 months	1-5 years	>5 years	No fixed maturity	**Total financial assets recognised**
Cash and amounts due from central banks	16,795						**16,795**
Financial assets at fair value through profit or loss	50	6	132	494	3,043	6,938	**10,663**
Hedging instruments with a positive fair value	6	29	230	122	1,296		**1,683**
Financial assets at fair value through OCI to be reclassified	29	399	11,029	354	2	12	**11,825**
Financial assets at fair value through OCI not to be reclassified					1	22,910	**22,911**
Securities at amortised cost	744	1,161	7,964	10,923	21,437	117	**42,346**
Loans and receivables at amortised cost	4,964	67	1,042	2,364	10,900		**19,337**
Total financial assets	**22,588**	**1,662**	**20,397**	**14,257**	**36,679**	**29,977**	**125,560**

Financial liabilities by maturity

(in millions of euros)	31.12.2020 <1 month	1-3 months	3-12 months	1-5 years	>5 years	No fixed maturity	**Total financial liabilities recognised**
Due to central banks	1						**1**
Financial liabilities at fair value through profit or loss	38	1	6	28	202	138	**413**
Hedging instruments with a negative fair value	136	227	172	96	64		**695**
Debt securities	3,262	5,908	3,522	5,280	10,026		**27,998**
Due to credit institutions and related entities	7,107	16	1,214	448	2,399		**11,184**
Due to customers	61,213	139	271	576	12,524		**74,723**
Subordinated debt						1	**1**
Cumulative fair value adjustments to portfolios hedged against interest rate risk – liabilities							
Lease liabilities						53	**53**
Total financial liabilities	**71,757**	**6,291**	**5,185**	**6,428**	**25,215**	**192**	**115,068**

In the short term, Caisse des Dépôts (Central Sector) has a structural excess of liabilities over assets (amounts due to customers of €61 billion) linked to regulated deposits consisting mainly of deposits from notaries, primarily for real estate transactions. This excess of liabilities relating to line items that do not have a contractual repayment schedule is deemed stable and is subject to projection conventions.

Maturities of commitments given in respect of financing and guarantees

(in millions of euros)	31.12.2020 <1 month	1-3 months	3-12 months	1-5 years	>5 years	**Total commitments given**
Financing commitments given	4,422	194	2,573	5,290		**12,479**
Guarantee commitments given	217				166	**383**
Total commitments given	**4,639**	**194**	**2,573**	**5,290**	**166**	**12,862**

2.9.1.2.3.1.3 Market risk

Market and liquidity risks are monitored during monthly presentations to the Asset/Portfolio Management Committees on the management of these risks and of market and ALM risks.

The monthly management reports submitted to the Chairman and Chief Executive Officer include input from the Group Risk Management division on financial risks.

The Group Risk Management division performs Value-at–Risk calculations for the equity portfolios: VaR (1 month, 99%) is calculated using the Monte Carlo method based on an annualised horizon and multiplication by root (252/22) in this document. This indicator is reported to Caisse des Dépôts senior management.

The VaR calculation uses pseudo-Gaussian distribution assumptions with fat-tailed distributions. This provides an accurate estimate of the maximum risk for the chosen holding period and confidence interval under actual market conditions, assuming the Group will continue as a going concern.

The VaR calculation method uses a large number of risk factors and a high-dimension Monte Carlo model that involves choosing from among these risk factors in the light of volatilities and historical correlations.

The historical depth of the data is high, and an exponential weighting is used for events (one half-life weighting is one year) that assigns a higher weighting to more recent events.

If the price of an instrument does not vary in line with the primary risk factor – as is the case with options – the calculation tool remeasures it under each of the scenarios using integrated pricing formulas.

Caisse des Dépôts' equity portfolio risk is broken down by industry using the Industry Classification Benchmark (ICB2), which makes it possible to break out marginal VaR and to analyse the contribution of each industry to overall VaR.

Equity fund risk is calculated in the local currency, but does not factor in the underlying currency risk, and is then revalued at the equivalent euro amount. As explained in the section on currency risk below, Caisse des Dépôts' currency risk is measured for the Group as a whole and not at individual portfolio level.

Since models based on a Gaussian distribution cannot properly capture extreme movements in markets, in 2019 the Group Risk Management division shifted its VaR calculation from a Gaussian distribution to a pseudo-Gaussian distribution with a fat tail. These methods are based on extreme distribution patterns which give a more accurate estimate of extreme events and how often they occur.

In addition to monitoring VaR indicators, the Group also performs sensitivity and stress test calculations.

Central Sector VaR at 31 December 2020

(in millions of euros)	VaR (1 year, 99%)
Equities portfolio	13,828
International equities:	
– US equities	254
– Japanese equities	170
– emerging market equities	169
European small-caps portfolio	177
Innovation funds	64
Transition funds	40

Central Sector VaR at 31 December 2019, as reported

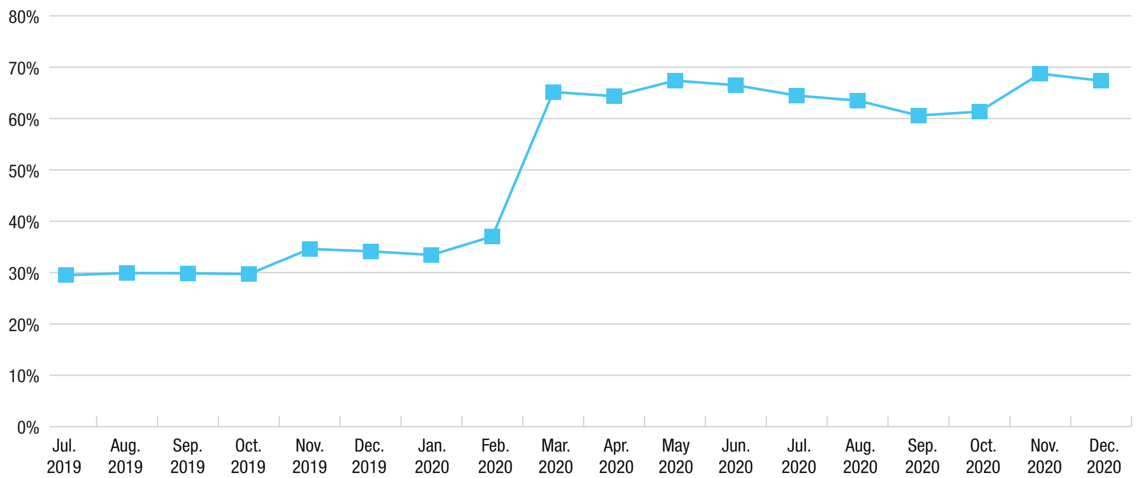
(in millions of euros)	VaR (1 year, 99%)
Equities portfolio	7,451
International equities:	
– US equities	130
– Japanese equities	119
– emerging market equities	116
European small-caps portfolio	79
Innovation funds	23
Transition funds	26

The change in VaR for the equity portfolio at 31 December 2020 is due to the high volatility seen on the equity markets since end-February. It remains fully in line with the VaR for the portfolio's benchmark.

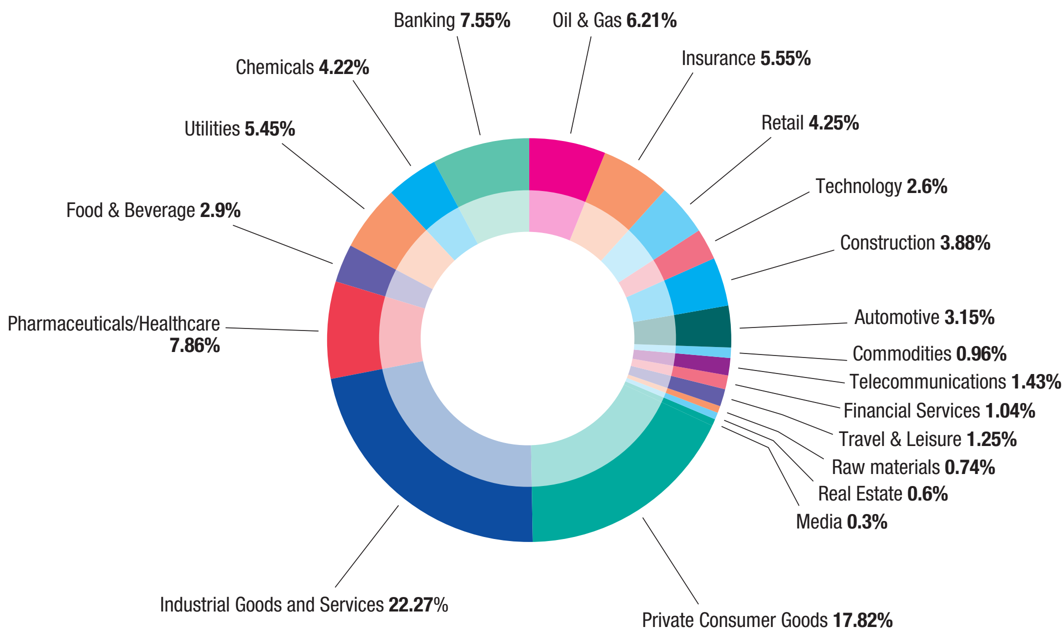
Monthly changes in Central Sector equity portfolio VaR levels for 2020

Monthly changes in equity portfolio VaR with a confidence interval of 99% over a one-year horizon

The very high volatility seen on the equity markets since end-February 2020 led to a sharp increase in VaR for the equity portfolio.



Breakdown of Central Sector equity portfolio VaR by risk factor at 31 December 2020



2.9.1.2.3.1.3.1 Currency risk

Caisse des Dépôts' (Central Sector) currency positions chiefly concern four currencies: the USD, GBP, CHF and JPY.

The Caisse des Dépôts' (Central Sector) currency risk hedging policy is to systematically finance foreign currency asset positions through real borrowing (issues) or synthetic borrowing (swaps). Exposure to currency risks on the carrying amount of foreign currency items is therefore fully neutralised. However, unrealised gains and losses on these positions are not hedged. This differential is taken into account in Value-at-Risk calculations.

Despite the health crisis, Caisse des Dépôts (Central Sector) pursued its foreign currency issuance programme throughout the year, in order to match its investments with a liability in the same currency: these issuances were executed in accordance with the financing plan.

2.9.1.2.3.1.3.2 Interest rate risk

The Central Sector analyses assets and liabilities based on three types of interest rates: contractual, variable and fixed. The fixed rate position is monitored based on the fixed rate gap – corresponding to the excess of fixed rate liabilities over fixed rate assets – and changes in the gap over time as assets and liabilities fall due. The fixed rate position mainly comprises deposits originating from the legal professions on the liabilities side and fixed rate medium-term and long–term bond portfolios and fixed rate loans on the assets side. Deposits are taken into account applying a runoff assumption over time.

The sensitivity of annual interest margins to an unfavourable change in interest rates is calculated according to several scenarios, including a downside scenario in which rates are maintained at their current level for five years. The sensitivity of annual margins is calculated in terms of variance with the results obtained under baseline interest rate forecasts using macroeconomic data.

A prolonged situation of low interest rates results in a gradual reduction in the net banking income generated on fixed rate positions. This is because fixed rate liabilities exceed fixed rate assets, while the remuneration conditions for fixed rate investments deteriorate progressively as the portfolio is amortised. This effect is partly offset by the margin generated on the contractual rate position, which is higher when rates are low.

The health crisis had a minimal impact on the fixed rate position. Overall, the programme of investment in fixed-rate products (bonds, loans, etc.) was conducted in accordance with the targets set in the multi-annual financial planning process for 2020.

Deposits from notaries are adjusted for seasonal variations when calculating sensitivities.

Sensitivity of annual margins generated on fixed rate positions to interest rates remaining at their current level (Central Sector)

(in millions of euros)	31.12.2020
Year	Margin sensitivity
2021	(1)
2022	(3)
2023	(7)
2024	(13)
2025	(20)

(in millions of euros)	31.12.2019
Year	Margin sensitivity
2020	(2)
2021	(6)
2022	(5)
2023	(4)
2024	(8)

2.9.1.2.3.1.4 Hedging activities

The Caisse des Dépôts Group's multi-annual financial planning process defines the Group's five-year hedging and investment policy by major asset class and by business line (Central Sector and subsidiaries), with a view to managing the resulting changes in the financial ratios (solvency, liquidity, earnings). The multi-annual financial planning process is approved every year by a committee chaired by the Chairman and Chief Executive Officer of Caisse des Dépôts.

The Central Sector applies fair value hedge accounting to reduce the impact of earnings volatility caused by fluctuations in interest rates (interest rate risk) and currencies (currency risk).

2.9.1.2.3.1.4.1 Risk management strategy and objectives

For the Central Sector, the following strategies are implemented as part of the multi-annual financial planning process:

- **Short-term balance sheet management** involves managing the Central Sector's investor balance sheet balance by investing cash surpluses in short-term maturities while maintaining the short-term issuance programmes:
  - surplus cash management: investments may be hedged by derivatives that have the same characteristics to neutralise interest rate and/or currency risks;
  - short-term issuance programme management: foreign currency issuances must be converted into euros at the time of issuance with the exception of those aimed at reducing liquidity gaps by currency (i.e. refinancing of foreign currency asset positions).
- **Medium/long-term issuance management** concerns bond issues that cover the Central Sector's medium/long-term financing needs. To avoid increasing the exposure of the Central Sector's balance sheet to a fall

in interest rates, these issuances, most of which are fixed-rate euro issues, are hedged with interest rate derivatives, converting them to variable rates. Bonds issued in foreign currencies must be converted into euros at the time of issuance with the exception of those aimed at reducing liquidity gaps by currency (i.e. refinancing of foreign currency asset positions).

- **Fixed-income asset class management** is guided by the investment amounts set out in the multi-annual financial planning process, broken down into investment programmes, for fixed-rate assets and variable-rate assets.

For variable-rate assets, the investment programme describes the authorised assets, the return objective and the risk constraints. The management team may invest in fixed-rate assets then return to variable rates using interest rate and currency derivatives.

Hedging instruments used

The hedging instruments used to hedge exposures to interest rate and currency risks are:

- **Interest-rate swaps,** which are used to reduce interest-rate risks in a single currency;
- **Cross-currency swaps,** which are used to reduce interest-rate and currency risks when an investment or issuance is in a non-euro currency and has a long maturity;
- **Currency swaps**, which are used to reduce currency risks when an investment or issuance is in a non-euro currency and has a short maturity.

Economic relationship between the hedged item and the hedging instrument

The economic relationship between the hedged item and the hedging instrument, to ensure the effectiveness of the hedging relationship that has been established, is created on inception of the hedging transaction. This relationship is inherently fulfilled insofar as one of the two legs of the swap accurately reflects the hedged item in terms of amount, maturity and interest rate.

Hedge ratio and sources of ineffectiveness

Only interest-rate and currency risks are hedged in hedge accounting and the risk is routinely fully hedged.

Accordingly, sources of ineffectiveness are therefore limited. These concern:

- the establishment of adjustable rates at the beginning of each period (when there is an interest-rate swap or a cross-currency swap);
- the change in the basis swap (when there is a cross-currency swap);
- the change in the premium/discount (when there is a currency swap);
- the dual-curve discounting of the hedging instrument.

2.9.1.2.3.1.4.2 Impact of hedging transactions on the amount and timing of cash flows

The contractual maturities of the notional amount of the hedging instruments have been included in Note 2.4.2 – Hedging instruments – assets and liabilities.

2.9.1.2.3.1.4.3 Impact of hedge accounting in the Group's consolidated financial statements

The impacts of hedge accounting are presented in the consolidated financial statements as well as in Notes 2.3.1 – Interest income and expense, 2.3.3 – Net gains and losses on financial instruments at fair value through profit or loss, and 2.4.2 – Hedging instruments – assets and liabilities.

2.9.1.2.3.2 La Banque Postale group risk measurement methods

2.9.1.2.3.2.1 Credit risk

2.9.1.2.3.2.1.1 General framework

Within La Banque Postale group, the Group Risk Department manages the credit risk taken on by La Banque Postale, i.e. the risk incurred in the event of default of 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 of the Council on prudential requirements for credit institutions and investment firms (the CRR).

The Executive Board sets the fundamental risk management principles (strategic guidelines, values, risk appetite, governance). These principles are then approved by the Supervisory Board and used as a basis by each business line for setting its priority actions and the associated risk management under the supervision of the Group Risk Department.

2.9.1.2.3.2.1.2 Impacts of the crisis on the assessment of credit risk

The COVID-19 health crisis and the related economic fallout constituted the single biggest event of 2020. La Banque Postale has adapted its marketing, operational and risk management processes accordingly. La Banque Postale acted immediately to deploy measures to support its customers and also launched a phased plan to review risks on an ongoing basis so that they are properly reflected in its financial statements.

In March 2020, after the WHO declared that the COVID-19 epidemic had become a pandemic, the French government responded immediately by imposing a lockdown, the closure of non-essential public places and the cancellation of all cultural and sporting events. These measures automatically had major consequences on the economy and La Banque Postale mobilised its resources alongside the government to support customers experiencing financial hardship.

Several practical initiatives were organised around exceptional government measures to support businesses and individuals, including:

- loan repayment holidays of up to six months for businesses and individuals and waiver of late payment penalties and incidental charges;
- distribution of government-backed loans.

In October 2020, after noting a sharp resurgence in the spread of the virus, the French government once again imposed a lockdown and approved new targeted support measures. During this period, La Banque Postale continued working hard for its customers. It also reviewed its risk management and measurement processes in order to obtain the best estimate of its credit risks based on available information and the assumptions derived from the work of its experts, and to then reflect this best estimate in its financial statements at 31 December 2020.

This section describes the main impacts of the COVID-19 crisis on the Group's financing activities and how it factored these impacts into the estimates of its credit risk exposure at 31 December 2020.

Impact of the crisis on credit risk assessment

Throughout 2020, La Banque Postale's Group Risk Department performed extensive analyses with a view to determining a cost of risk that reflects the actual short- or medium-term risk on its retail and corporate loanbooks, aside from losses already taken on these loans.

Following completion of this work, La Banque Postale considers that the Group's overall risk monitoring process and the related provisioning methods provide a detailed picture of loanbook risk exposure while also meeting the requirements of the European supervisor. All of the principles set out in the following section continue to be applied by La Banque Postale amid the continuing uncertainty of the crisis, with the classification and provisioning of the Group's exposures continuing 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.).

Consequently, the impacts of the COVID-19 pandemic (and its macroeconomic fallout) on the measurement of La Banque Postale's credit risk falls into two broad categories:

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

General measures taken to adjust the Bank's statistical provisions:

All probability of default models used to calculate loss allowances in accordance with IFRS 9 were reviewed to assess the expected impacts of the crisis. The most recent data on behaviour and/or changes in risk profiles (changed ratings) were integrated along with new forecast scenarios to obtain the appropriate parameters for 12–month and lifetime expected credit losses (and to avoid inconsistent provisioning – especially on the low default portfolio – and its procyclical effects).

Macroeconomic scenarios used for provisioning were also recast and adapted to the Group's specific circumstances to factor the impacts of the crisis into the calculation of forward looking expected credit losses: projections of the variables used in each of these scenarios were re-estimated in order to systematically integrate the projected effects of the COVID-19 crisis. The weightings for each of these scenarios were also reviewed to reflect possible changes in the macro-economic outlook.

Further details are given in the next section of this document.

Corporate customers

To prepare its annual financial statements, La Banque Postale adopted an approach to determining provisions that was designed to avoid exacerbating procyclical effects and to ensure that credit risk was adequately reflected, based on observations of the loanbook and the expertise of the Group Risk Department.

On this basis, as explained above, Corporate and Investment Banking cost of risk at 31 December 2020 results from:

- the exposure monitoring process;
- specific provisioning decisions made by dedicated committees for outstanding loans under surveillance (included on the Watchlist and/or for which the credit quality had deteriorated, classified in bucket 2, and credit-impaired loans classified in bucket 3 under IFRS 9);
- application of sector-specific or other provisioning mechanisms.

As regards this last group, the process for recording statistical provisions was extended in fourth-quarter 2020 to cover a greater volume of customers and sectors while targeting the most sensitive risk areas within a given sector.

Sector-specific provisions were recorded on exposures in the following sectors at 31 December 2020:

- tourism, hospitality and leisure industry;
- 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.

The related exposures were reclassified to bucket B2 as there was considered to have been an increase in their credit risk since they were added to the loanbook.

The COVID-19 crisis led to a €364 million increase in Corporate & Investment Banking cost of risk at 31 December 2020, including €95 million in cross-parameter effects and €211 million in statistical provisions. Lastly, expected credit losses on significant individual exposures, calculated on a case-by-case basis, are estimated at €58 million.

Retail customers

Up to now, the COVID-19 crisis has had only a limited impact on La Banque Postale's retail banking credit exposures. The crisis could nonetheless have a material impact on the risk profile of the retail banking loan book in the coming months.

To recognise the expected effects of the crisis and adjust provisions accordingly, the risk parameters associated with default probabilities and various macroeconomic scenarios were reviewed in second-half 2020 as explained previously. In addition, loans to customers in certain socio-economic categories (SEC) were reclassified in bucket 2 to reflect the expectation that customers in these categories would be materially affected by the second lockdown and the duration of the health crisis, which limited or halted activity throughout whole sectors of the economy.

In the case of loans subject to non-contractual payment deferrals due to the COVID-19 crisis (home loan repayment holidays and consumer finance renegotiations above and beyond contractual obligations) that were decided at the customer's request or at La Banque Postale's initiative, the credit quality of the customers concerned by the deferrals was considered as having deteriorated. These loans were reclassified to bucket 2, with some exceptions, leading to the recognition of allowances for the lifetime expected credit loss. When repayments resume, once a three-month probationary period has elapsed, the exposures in question are reclassified as performing loans (bucket 1).

There was no major change in the risk profile of retail banking exposures at 31 December 2020 and the effects of the COVID-19 crisis had not yet had a material impact.

The increased cost of risk for 2020 was mainly due to the revision of risk parameters to anticipate the impact of the crisis (€64 million) and the reclassification to bucket 2 of certain loans subject to repayment deferrals (€8 million) and loans to customers in certain socio-economic categories (€18 million).

Financial impacts of the COVID-19 pandemic for CNP Assurances group

The financial impacts of the COVID-19 pandemic were as follows:

- CNP Assurances made a €25 million exceptional contribution to the €400 million solidarity fund set up by the industry federation, Fédération Française de l'Assurance (FFA), which was recognised under "Expenses from other activities". The fund is intended to support French government funding to help SMEs, micro-enterprises and self-employed workers.
- CNP Assurances also increased its insurance and reinsurance support for group death/disability insurance plans by setting aside a €50 million budget to expand coverage beyond its contractual obligations. This amount is reported under "Expenses from other activities". The final cost of the expanded coverage will depend on the proportion of insureds who cannot work from home or who have applied to be placed on sick leave in order to shield themselves from the risk of infection or to care for their children.
- Distribution activities were limited in the first half due to the temporary closure of bank branches and post offices during lockdown.
- The impact of the COVID-19 crisis on intangible assets was not material.

2.9.1.2.3.2.1.3 Significant deterioration in credit quality

Principles

La Banque Postale defines seven 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: in accordance with IFRS 9, credit quality is assessed from the beginning of the commitment. Credit quality is measured at each reporting date after initial recognition in order to determine the classification of the asset concerned.

A financial instrument is classified as sensitive when there has been a significant deterioration 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).

Principle 2 – Rating indicator to monitor credit quality: La Banque Postale monitors the credit risk of each contract using a system for rating the credit quality of the counterparty. The rating of a contract at a given time is determined on the basis of the counterparty's rating at that time, such that, at a given time, all contracts with a same counterparty have the same rating.

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

- the internal rating models used to manage and monitor risks; or
- external rating models used for routine risk management, that include ranking guidelines.

La Banque Postale's risk monitoring systems collect ratings data at the inception of the contract and store these in a centralised database in order to identify any significant increase in credit risk, as well as the last known rating in order to comply with the first principle.

For portfolios that have an internal and/or external rating, assessment of a possible significant increase in credit risk is based on the rating, supplemented where appropriate by quantitative and/or qualitative analyses by the business line concerned.

If no internal or external rating is available for a given customer and the related exposure, other methods are used to assess whether there has been a significant increase in credit risk since inception (see Principle 6).

Principle 3 – Monitoring of credit quality with the addition of a backstop: to supplement the first principle, an absolute threshold criterion has been added. The approach defined by La Banque Postale 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: payments that are more than 30 days past due. In accordance with IFRS 9, payments more than 30 days past due are considered as an indicator of a significant increase in the credit risk as they point to a decline in credit quality.

Principle 4 – Use of a 12-month indicator for 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.

Principle 5 – Application of the low credit risk exemption: IFRS 9 allows entities to assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the instrument is determined to have low credit risk at the reporting date. A financial instrument is considered to represent a low credit risk when there has been no significant increase in its credit risk since initial recognition. "Low credit risk" can be equivalent to a widely accepted definition such as "investment grade", which according to the CRR scale would correspond to a rating below or equal to 3. EBA guidelines stipulate that this exemption applies only to debt securities

La Banque Postale does not use the low credit risk exemption for its credit transactions. However, it is used for debt securities at the time of validation of the bucket in accordance with Principle 6.

Principle 6 – Consideration of qualitative information: for the portfolio excluding retail customers, the presumption of a transfer to bucket 2 requires a specific qualitative analysis to be carried out by the Watchlist Committee to confirm or reject the assessment that a significant increase in credit risk has occurred based on the rating indicator.

For corporate customers, many additional methods are used to identify any significant increase in credit risk both for rated and unrated customers.

For its Corporates network, La Banque Postale has set up a warning system that analyses the loan book on a daily basis and alerts the Front Office and risk management teams concerned. This monitoring and warning/alert system, which may culminate in loans being placed on a Monitoring List or Watchlist, or being handed over to dedicated teams (Debt collection/Troubled Loans departments) is supplemented by information brought to the attention of La Banque Postale, either from the public domain or through exchanges with customers, or based on the findings of the annual commitments review process. All of these processes provide La Banque Postale with a robust monitoring system that addresses any significant increase in credit risk without delay, regardless of whether customers are rated or not.

An asset that has been restructured due to the financial difficulties of the counterparty continues to be regarded as in default for a period of 12 months, and then if no default event occurs it is moved back into bucket 2 for a period of 24 months in accordance with prudential regulations.

Principle 7 – Transfer to bucket 2 before default: in accordance with IFRS 9, wherever possible assets exposed to a significant increase in credit risk are identified before they default. Exceptionally, some commitments can be exempted from being reclassified to bucket 2 before they are recorded in default.

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 classifying a commitment in bucket 2 are described by category of exposure:

- Retail banking customers – individuals;
- Retail banking customers – professionals;
- Central administrations & central banks;
- Credit institutions;
- Corporates;
- Public sector entities.

The criteria do not represent an exhaustive list and the relevance of information depends on the customer segment concerned (except for retail 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.

Taking the specific example of the COVID-19 pandemic and its impacts on the loanbook, it was decided that for certain categories of customer (retail customers), repayment holidays were an indicator of a significant increase in credit risk that could lead to reclassification to bucket 2.

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 classified to bucket 2 following a significant increase in credit risk may be moved out of bucket 2 if all the criteria that led to this classification are no longer met and any arrears have been settled, or if it is reclassified to bucket 3. Depending on the circumstances, an observation period may be required for vulnerable debtors to prevent recurrence. Again, taking the example of the COVID-19 crisis, moving personal banking customers who had requested repayment holidays out of bucket 2 was subject to a three-month observation period.

Moving restructured assets out of "default" status is subject to a regulatory probationary period.

2.9.1.2.3.2.1.4 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 amount determined by evaluating a range of possible outcomes, the time value of money and all available information. This methodology is described in Note 2 (Provisioning methods for bucket 1 and bucket 2 provisioning methodology).

12-month expected credit losses ($ECL_{12months}$)

At each reporting date, when there is no significant increase in the credit risk associated with a commitment since initial recognition, the provision is measured at an amount equal to the 12-month expected credit loss.

$ECL_{12months}$ represents the portion of the lifetime cash shortfalls that will result if a default occurs in the 12 months after the reporting date.

This formula applies to all commitments classified in bucket 1.

Lifetime expected credit loss ($ECL_{lifetime}$):

At each reporting date, when there is a significant increase in credit risk associated with a commitment since initial recognition, the provision is measured at an amount equal to the lifetime expected credit loss.

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 for a loan commitment or a financial instrument on which the principal and interest must be settled in full or the date when the authorised amount or authorisation period 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 to be 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 the Bank, 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 (point-in-time probability of default – PiT PD). This parameter does not correspond to the average over the cycle (through-the-cycle probability of default – TTC PD) applicable under the Basel framework for the internal ratings-based approach. This variable is used to estimate the probability that a commitment will go into default over a given period of time. A "point-in-time" (PiT) probability of default estimate is based on future and current assessments and depends on both the customer and the product.

PiT PD is used for all portfolios regardless of whether or not they have an internal rating.

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

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

Exposure at default (EAD): EAD corresponds to the basis used to calculate 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 provision 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 (CCF).

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

Forward looking

In accordance with IFRS 9, expected credit losses take into account the effects of future economic conditions through the use of forward-looking data models and informed judgement. La Banque Postale uses three scenarios (a central scenario and two alternative scenarios based around high and low interest rates) defined by the Economic Research Departments of Caisse des Dépôts et Consignations (CDC) and La Banque Postale. Five-year economic projections are used:

- 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 retail customers and those of sovereigns).
- 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 in light of the prevailing macroeconomic situation at the estimation date, 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 used are the same as those used in other corporate processes (i.e. strategic planning, budgeting, ICAAP stress testing, regulatory reporting).

These scenarios are documented, and contain projections for all the macroeconomic variables required to run the models developed to obtain lifetime PDs and LGDs. The probability of occurrence of each scenario is documented by La Banque Postale's economists.

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.

For 2020, La Banque Postale used the following scenarios to calculate its provisions under IFRS 9 (scenarios used since November 2020 to calculate provisions for the entire bank portfolio, that will not be adjusted until end-2021 unless there is a serious mismatch between these scenarios and the actual macroeconomic situation observed in first-half 2021):

- **Central scenario**: gradual return of business to pre-crisis levels. This scenario is based on the conservative assumption of a gradual lifting of restrictions and a slow "normalisation" of activity. For the US and the eurozone, the steep falls in GDP experienced in 2020 should be replaced by a strong recovery in 2021, followed by a return to their respective potential growth trajectories from 2022. The outflow of savings during the recovery will be tempered by the high level of economic and social uncertainty that is still very likely to prevail in 2022. Moreover, the high levels of public and private sector debt will negatively affect corporate investment capacity.
  This scenario has been developed by Caisse des Dépôts et Consignations and its projections are provided below:

Scenario variables at 31 December 2020	Q0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	-10	7	1.5	1.3	1.2	1.2
Unemployment rate (average annual rate)	10.2	10.5	10.1	9.6	9.3	9
10-year OAT (average annual rate)		0.1	0.3	0.5	0.7	0.8
CAC 40 (annual rate of growth)	-22.3	9.6	3.2	3.2	3.2	3.2
Real estate prices (annual rate of growth)	4.3	-5	2	1.8	1.7	1.7

Previous scenario variables	Q0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	1.3	1.4	1.4	1.3	1.3	1.3
Unemployment rate (average annual rate)	8.3	8.3	8.2	8.1	8	8
10-year OAT (average annual rate)	0.4	0.6	0.9	1.2	1.6	NA
CAC 40 (annual rate of growth)	10.3	3.7	3.7	3.7	3.7	3.7
Real estate prices (annual rate of growth)	3.1	2.5	2	1.5	1.5	1.5

- **Low interest rate scenario**: recessionary shock to GDP (health, financial or economic crisis), with a fall in stock markets and interest rates in the year of the shock followed by stalemate (stagnation, lack of counter-cyclical headroom leading to a downward adjustment of growth forecasts). These economic shocks drive interest rates even lower than in the central scenario, leading to a sharp decline in stock market indices and even lower long-term economic forecasts.
  This scenario has been developed by Caisse des Dépôts et Consignations and its projections are provided below:

Scenario variables at 31 December 2020	Q0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	-10	-0.5		0.6	0.6	0.6
Unemployment rate (average annual rate)	10.2	10.9	11.3	11.5	11.6	11.6
10-year OAT (average annual rate)		-0.9	-0.7	-0.2		
CAC 40 (annual rate of growth)	-22.3	-11.3	4.7	4.7	4.7	4.7
Real estate prices (annual rate of growth)	4.3	-5.5	-3	-1.5		

Previous scenario variables	Q0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	1.3	0.8	1	1	NA	NA
Unemployment rate (average annual rate)	8.3	8.8	9	9.2	NA	NA
10-year OAT (average annual rate)	0.4	-0.2	-0.2		NA	NA
CAC 40 (annual rate of growth)	10.3	NA	NA	NA	NA	NA
Real estate prices (annual rate of growth)	3.1	NA	NA	NA	NA	NA

- **Alternative scenario of a gradual increase in interest rates:** faster-than-expected recovery of economic activity as the health crisis eases. The health crisis dissipates rapidly and the accompanying restrictions are lifted. Consequently, the monetary and fiscal stimulus measures deployed in recent months in many countries begin to kick in. Economic activity returns to pre-crisis levels more rapidly than under the central scenario and the recovery lasts longer. Nevertheless, this positive scenario only gets economic activity back to pre-crisis levels in 2023. Monetary policies remain fairly loose but begin to normalise a little faster than under the central scenario. This scenario has been developed by La Banque Postale's Economic Research Department and its projections are provided below:

Scenario variables at 31 December 2020	Q0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	-10	9	3.5	2	1.8	1.4
Unemployment rate (average annual rate)	10.2	9.6	8.3	7.3	6.9	6.5
10-year OAT (average annual rate)	0	0.7	1.3	1.6	1.6	1.6
CAC 40 (annual rate of growth)	-22.3	NA	NA	NA	NA	NA
Real estate prices (annual rate of growth)	4.3	NA	NA	NA	NA	NA

Previous scenario variables	Q0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	1.3	1.5	2.2	1.9	1.8	NA
Unemployment rate (average annual rate)	8.3	8.2	7.6	7	6.5	NA
10-year OAT (average annual rate)	0.4	0.7	1.6	1.9	2.3	NA
CAC 40 (annual rate of growth)	10.3	NA	NA	NA	NA	NA
Real estate prices (annual rate of growth)	3.1	NA	NA	NA	NA	NA

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

Scenarios	Scenarios 2020	Scenarios at 31 December 2021
Central	50%	65%
Lower interest rates	45%	15%
Higher interest rates	5%	20%

La Banque Postale decided not to use the scenarios developed by the ECB for all of the reasons outlined previously and to reflect the fact that its portfolio is concentrated in France.

2.9.1.2.3.2.1.5 Maximum exposure to credit risk

(in millions of euros)	31.12.2020			
	Net maximum exposure to credit risk	Total assets held as collateral and other techniques	Unsecured	ECL provisions
Financial assets at fair value through profit or loss	**100,321**	**7,068**	**93,253**	
Financial assets held for trading	7,815	7,068	747	
Financial assets designated as at fair value through profit or loss on option	6,012		6,012	
Non-SPPI financial assets at fair value	86,494		86,494	
Hedging derivatives	**1,429**	**1,429**	**0**	
Financial assets at fair value through OCI reclassifiable to profit or loss	**230,010**	**153**	**229,857**	**(372)**
Debt securities	230,010	153	229,857	(372)
Financial assets at amortised cost	**268,460**	**87,364**	**181,096**	**(1,248)**
Loans and advances to credit institutions	114,418	2,804	111,614	(1)
Loans and advances to customers	129,340	84,560	44,780	(1,216)
Debt securities	24,702		24,702	(30)
Off-balance sheet (financing commitments and guarantee contracts)	**25,812**	**1,227**	**24,585**	**(99)**
Financing commitments given	23,182	1,227	21,955	(95)
Guarantee commitments given	2,630		2,630	(4)
Total maximum exposure to credit risk	**626,032**	**97,241**	**528,791**	**(1,719)**

2.9.1.2.3.2.1.6 Sovereign exposure

The following exposures are based on the scope defined by the EBA, including local and regional authorities or bodies benefiting from a government guarantee. These exposures include deposits centralised with the CDC Savings Funds.

The breakdown of direct and indirect sovereign exposures is as follows:

(in millions of euros)	31.12.2020
	Total
Germany	5,400
Austria	2,627
Belgium	12,280
Spain	13,036
France	225,535
Italy	9,326
Netherlands	346
Poland	391
Portugal	1,450
Other countries	272
Supranational	5,562
Total Europe	**276,227**
Brazil	15,133
Canada	269
South Korea	158
Japan	539
Other countries	211
Total Rest of World	**16,310**
Total	**292,537**

2.9.1.2.3.2.1.7 Concentration risk

Concentration of credit risk on financial assets at amortised cost by economic agent

	31.12.2020			
	Gross carrying amount			
	Performing assets (with or without credit deterioration)			
(in millions of euros)	Assets subject to 12-month ECL (level 1)	Assets subject to lifetime ECL (level 2)	Credit-impaired assets (level 3)	**Total**
Retail banking customers	70,269	6,597	1,165	**78,031**
Government	100,157	42	2	**100,201**
Central banks	41,500			**41,500**
Credit institutions	5,609	50		**5,659**
Finance companies	14,672	158	15	**14,845**
Non-financial sector companies	25,000	4,027	444	**29,471**
Impairment losses	(173)	(448)	(626)	**(1,247)**
Total	**257,034**	**10,426**	**1,000**	**268,460**

Concentration of credit risk on financial assets recognised at fair value through OCI by economic agent

	31.12.2020			
	Fair value			
	Performing assets (with or without credit deterioration)			
(in millions of euros)	Assets subject to 12-month ECL (level 1)	Assets subject to lifetime ECL (level 2)	Credit-impaired assets (level 3)	**Total**
Retail banking customers				
Government	127,761	42		**127,803**
Central banks	2,612			**2,612**
Credit institutions	46,018	45		**46,063**
Finance companies	6,017			**6,017**
Non-financial sector companies	46,946	569		**47,515**
Total	**229,354**	**656**		**230,010**
Of which impairment losses	(361)	(11)		**(372)**

Concentration of credit risk on off-balance sheet commitments (financing commitments and guarantee contracts) by economic agent

	31.12.2020			
	Commitment amount			
	Performing commitments (with or without credit deterioration)			
(in millions of euros)	Commitments subject to 12-month ECL (level 1)	Commitments subject to lifetime ECL (level 2)	Credit-impaired commitments (level 3)	**Total**
Retail banking customers	7,721	423	28	**8,172**
Government	5,583	4		**5,587**
Central banks				
Credit institutions	2,794	24		**2,818**
Finance companies	1,694	8		**1,702**
Non-financial sector companies	6,854	670	7	**7,531**
Provisions[1]	(46)	(50)	(3)	**(99)**
Total	**24,600**	**1,079**	**32**	**25,711**

Exposure to credit risk – Retail banking by PD level credit risk

Financial assets at amortised cost

	31.12.2020			
	Gross carrying amount			
	Performing assets (with or without credit deterioration)			
(in millions of euros)	Assets subject to 12-month ECL (level 1)	Assets subject to lifetime ECL (level 2)	Credit-impaired assets (level 3)	Total
PD <1%	56,912	3,265		**60,177**
1% <PD <3%	10,355	1,090		**11,445**
3% <PD <10%	2,574	636		**3,210**
PD >10%	428	1,606		**2,034**
Doubtful loans (subject to legal collection procedures)			1,165	**1,165**
Total	**70,269**	**6,597**	**1,165**	**78,031**

Off-balance sheet (financing commitments and guarantee contracts)

	31.12.2020			
	Commitment amount			
	Performing commitments (with or without credit deterioration)			
(in millions of euros)	Commitments subject to 12-month ECL (level 1)	Commitments subject to lifetime ECL (level 2)	Credit-impaired commitments (level 3)	Total
PD <1%	5,247	186		**5,433**
1% <PD <3%	2,002	76		**2,078**
3% <PD <10%	358	41		**399**
PD >10%	114	120		**234**
Doubtful loans (subject to legal collection procedures)			28	**28**
Total	**7,721**	**423**	**28**	**8,172**

Exposure to credit risk – Corporate

Financial assets at amortised cost

	31.12.2020			
	Gross carrying amount			
	Performing assets (with or without credit deterioration)			
(in millions of euros)	Assets subject to 12-month ECL (level 1)	Assets subject to lifetime ECL (level 2)	Credit-impaired assets (level 3)	Total
AAA	1,411	136		**1,547**
AA	5,152	322	48	**5,522**
A	12,856	352	15	**13,223**
Other	20,253	3,375	396	**24,024**
Total	**39,672**	**4,185**	**459**	**44,316**

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

	31.12.2020			
	Fair value			
	Performing assets (with or without credit deterioration)			
(in millions of euros)	Assets subject to 12-month ECL (level 1)	Assets subject to lifetime ECL (level 2)	Credit-impaired assets (level 3)	**Total**
AAA	2,463			**2,463**
AA	9,183			**9,183**
A	19,554			**19,554**
Other	21,763	569		**22,332**
Total	**52,963**	**569**		**53,532**

Off-balance sheet (financing commitments and guarantee contracts)

	31.12.2020			
	Commitment amount			
	Performing commitments (with or without credit deterioration)			
(in millions of euros)	Commitments subject to 12-month ECL (level 1)	Commitments subject to lifetime ECL (level 2)	Credit-impaired commitments (level 3)	**Total**
AAA	469	80		**549**
AA	1,213	89		**1,302**
A	1,814	56		**1,870**
Other	5,052	453	7	**5,512**
Total	**8,548**	**678**	**7**	**9,233**

Exposure to credit risk – Government and central banks

Financial assets at amortised cost

	31.12.2020			
	Gross carrying amount			
	Performing assets (with or without credit deterioration)			
(in millions of euros)	Assets subject to 12-month ECL (level 1)	Assets subject to lifetime ECL (level 2)	Credit-impaired assets (level 3)	**Total**
AAA	2,272			**2,272**
AA	127,308	4		**127,312**
A	4,882	4	1	**4,887**
Other	7,195	34	1	**7,230**
Total	**141,657**	**42**	**2**	**141,701**

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

(in millions of euros)	31.12.2020 Fair value			
	Performing assets (with or without credit deterioration)			
	Assets subject to 12-month ECL (level 1)	Assets subject to lifetime ECL (level 2)	Credit-impaired assets (level 3)	**Total**
AAA	5,159			**5,159**
AA	101,918			**101,918**
A	4,161			**4,161**
Other	19,135	42		**19,177**
Total	**130,373**	**42**		**130,415**

Off-balance sheet (financing commitments and guarantee contracts)

(in millions of euros)	31.12.2020 Commitment amount			
	Performing commitments (with or without credit deterioration)			
	Commitments subject to 12-month ECL (level 1)	Commitments subject to lifetime ECL (level 2)	Credit-impaired commitments (level 3)	**Total**
AAA	120			**120**
AA	854	3		**857**
A	2,122	1		**2,123**
Other	2,487			**2,487**
Total	**5,583**	**4**		**5,587**

Exposure to credit risk – Credit institutions

Financial assets at amortised cost

(in millions of euros)	31.12.2020 Gross carrying amount			
	Performing assets (with or without credit deterioration)			
	Assets subject to 12-month ECL (level 1)	Assets subject to lifetime ECL (level 2)	Credit-impaired assets (level 3)	**Total**
AAA				
AA	954			**954**
A	1,852			**1,852**
Other	2,803	50		**2,853**
Total	**5,609**	**50**		**5,659**

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

	31.12.2020			
	Fair value			
	Performing assets (with or without credit deterioration)			
(in millions of euros)	Assets subject to 12-month ECL (level 1)	Assets subject to lifetime ECL (level 2)	Credit-impaired assets (level 3)	**Total**
AAA	8,724			**8,724**
AA	10,272			**10,272**
A	20,677	25		**20,702**
Other	6,345	20		**6,365**
Total	**46,018**	**45**		**46,063**

Off-balance sheet (financing commitments and guarantee contracts)

	31.12.2020			
	Commitment amount			
	Performing commitments (with or without credit deterioration)			
(in millions of euros)	Commitments subject to 12-month ECL (level 1)	Commitments subject to lifetime ECL (level 2)	Credit-impaired commitments (level 3)	**Total**
AAA	85	9		**94**
AA	1,646			**1,646**
A	844			**844**
Other	219	15		**234**
Total	**2,794**	**24**		**2,818**

Concentration of credit risk by geographical region

Financial assets at amortised cost

	31.12.2020			
	Gross carrying amount			
	Performing assets (with or without credit deterioration)			
(in millions of euros)	Assets subject to 12-month ECL (level 1)	Assets subject to lifetime ECL (level 2)	Credit-impaired assets (level 3)	**Total**
France (incl. overseas departments and territories)	244,531	10,346	1,513	**256,390**
Other EU countries	12,248	288	76	**12,612**
Other European countries	51	36	1	**88**
Other	377	204	36	**617**
Impairment losses	(173)	(448)	(626)	**(1,247)**
Total	**257,034**	**10,426**	**1,000**	**268,460**

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

(in millions of euros)	31.12.2020 Fair value – Performing assets (with or without credit deterioration): Assets subject to 12-month ECL (level 1)	Assets subject to lifetime ECL (level 2)	Credit-impaired assets (level 3)	**Total**
France (incl. overseas departments and territories)	120,660	60		**120,720**
Other EU countries	67,693	308		**68,001**
Other European countries	8,469	125		**8,594**
Other	32,532	163		**32,695**
Total	**229,354**	**656**		**230,010**
Of which impairment losses	(361)	(11)		**(372)**

Off-balance sheet (financing commitments and guarantee contracts)

(in millions of euros)	31.12.2020 Commitment amount – Performing commitments (with or without credit deterioration): Commitments subject to 12-month ECL (level 1)	Commitments subject to lifetime ECL (level 2)	Credit-impaired commitments (level 3)	**Total**
France (incl. overseas departments and territories)	24,200	1,120	35	**25,355**
Other EU countries	425	8		**433**
Other European countries	8			**8**
Other	13	1		**14**
Provisions[1]	(46)	(50)	(3)	**(99)**
Total	**24,600**	**1,079**	**32**	**25,711**

(1) Expected or incurred losses on off-balance sheet commitments are covered by provisions recorded in liabilities.

2.9.1.2.3.2.2 Liquidity risk

Liquidity risk is defined by French 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.

Liquidity risk management is based on:

- a system of guidelines and limits;
- a financing plan that ensures that the Bank's funding position is balanced in advance;
- a liquidity buffer consisting of high-quality, unencumbered liquid securities (and its equivalent in Central Bank deposits).

The competent bodies of La Banque Postale (Supervisory Board) approved the entire Internal Liquidity Adequacy Assessment Process (ILAAP) in April 2020.

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 portfolio of high quality liquidity assets (HQLA). La Banque Postale has traditionally invested a significant portion of its balance sheet in sovereign debt securities, due to its historical activity as a deposit-taker. The customer credit business only began to develop in 2006. The portfolio contains only high-quality liquid assets in accordance with the provisions of Delegated Regulation (EU) 2015/61, which enables La Banque Postale to raise its short-term liquidity ratio to above 135%, and to an average of about 150%.
- A forecast financing plan updated on a regular basis.
- 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 and has adopted very conservative runoff assumptions. Consequently, in calculating its resources, it applies upper limits for the volatility of outstanding amounts and lower limits for their liquidity duration.

2.9.1.2.3.2.2.1 Liquidity risk management

The ALM Committee is responsible for liquidity risk management in compliance with the principles and limits approved by its Risk Management Committee. This responsibility is partly delegated to the Capital Operational Management Committee and to the trading room's money market and long-term financing units for the management of tactical liquidity risk related to La Banque Postale's cash management.

In operational terms, La Banque Postale has implemented an Internal Liquidity Adequacy Assessment Process (ILAAP), which combines its liquidity limits and liquidity assessment, monitoring, reporting and management procedures. The process includes:

- a system of guidelines and limits;
- a financing plan that ensures that the Bank's funding position is balanced in advance as part of the budgeting process;
- maintaining and monitoring a liquidity buffer of high-quality, unencumbered liquid securities and amounts entrusted to the Central Bank's deposit facility;
- the Emergency Funding Plan (EFP), which is primarily intended to:
  - define alert thresholds enabling the 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.
- 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

Short-term monitoring of liquidity

Short-term liquidity monitoring is based on:

- regulatory liquidity ratios and reports;
- the Liquidity Coverage Ratio (LCR)
- the Net Stable Funding Ratio (NSFR)

Liquidity Coverage Ratio

The LCR is a monthly short-term liquidity ratio that measures La Banque Postale's ability to withstand a severe deterioration in its financial situation for up to 30 days in a systemic shock environment. La Banque Postale's LCR stood at 179% at 31 December 2020, significantly above the minimum ratio of 100%.

The ratio is calculated by dividing the sum of unencumbered high quality liquid assets by the stressed liquidity requirement over a 30 day period.

The LCR is also one of the requirements to be observed in dynamic liquidity forecasts.

An LCR proxy is calculated daily.

The concentration, cost and structure of refinancing and the concentration of the asset buffer are assessed regularly and are the subject of a regulatory report (ALMM), which is produced alongside the LCR report.

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 equal to 100% at any time. "Available stable funding" refers to the portion of funding that is not due within the time frame considered, i.e. 1 year within the context of the NSFR. The amount of "required stable funding" of a business depends on the characteristics of its liquidity and the residual maturity of its assets (and off–balance sheet positions).

At the date of this report, as part of the regulatory liquidity exercises carried out for the ECB, the NSFR liquidity ratio is above 100%.

Long-term monitoring of liquidity

The liquidity monitoring system is also based on:

- a financing plan, to ensure that a liquidity forecast is provided alongside the provisional budget trajectory;
- an assessment of the forecast LCR as part of the implementation of the financing plan, with La Banque Postale ensuring an adequate level over the long term;
- the creation of several LCR stress scenarios as part of the ILAAP;
- the concentration, cost and structure of refinancing, and the concentration of the asset buffer, are assessed on a regular basis and are the subject of a regulatory report (ALMM) which is produced alongside the LCR report;
- bi-annual market access tests conducted every two years to verify market access in different currencies;
- a liquidity gap assessment, as described below.

La Banque Postale assesses its long-term liquidity level by liquidity gap. This includes static gap projections by maturity and limits defined over one, three and five-year horizons. The assumptions used correspond to a stressed approach, resulting in a conservative view of La Banque Postale's liquidity position.

Liquidity gap assessment approaches are determined according to the type of asset (or liability):

- outstandings with fixed maturities (contractual runoff that may or may not be adjusted by a model);
- outstandings with no fixed maturities (conventional runoff);
- liquidity profile of marketable assets;
- off-balance sheet items (liquidity commitments and guarantees).

Items with no contractual maturity (including customer deposits and passbook savings accounts) are included using the standard runoff assumptions validated by the ALM Committee and the Risk Department.

Off-balance sheet commitments are included, taking into account drawdown assumptions.

The transferability of certain items may be taken into account where appropriate.

Emergency Funding Plan (EFP)

The Emergency Funding Plan (EFP) is intended to be monitored by the governing bodies in charge of financial management (the ALM Committee, the Capital Operational Management Committee and the Group Risk Management Committee), and implemented by the Corporate and Investment Banking division.

The EFP is part of the internal liquidity assessment process on which the Bank reports each year. The EFP sets out the leading indicators used 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;
- idiosyncratic indicators.

A specific threshold (comfortable, vigilance or warning) is defined for each indicator.

The EFP also makes provisions 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 provide reassurance to La Banque Postale's management regarding the heightened oversight of its liquidity risk. In normal times, the indicators are presented every week at meetings of the Benchmark and Refinancing Committee and periodically to the Group Risk Management 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.

La Banque Postale's self-financing capability was successfully tested twice in 2020.

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);
- the securities in the HQLA (High-Quality Liquid Asset) comprising primarily of government securities, covered bonds, and corporate securities meeting the prudential liquidity criteria defined by regulations applicable to the Liquidity Coverage Ratio (LCR) calculation, for which the securities valuation includes a discount in line with prudential regulations;
- other securities available from the ECB (primarily bank securities), including the ECB discount.

High-quality guaranteed property loans that can be refinanced by the Group's home loans company by issuing covered bonds also represent a significant source of liquidity (around €8.9 billion in potential collateral at 31 December 2020, in addition to the other sources of funding typically used by La Banque Postale).

Ability to access external financing

In line with the ALM Committee and the Group Risk Management Committee'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 €10 billion retail EMTN programme enabling the issue of senior (vanilla and structured), non-preferred senior and Tier 2 debt;
- 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 repo platform.
- 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.

In addition, La Banque Postale participated for larger amounts in the ECB's targeted long-term refinancing operations (TLTRO III) during the COVID-19 crisis that began in the spring of 2020. Its TLTRO III borrowings were based on a prudent and preventive approach, in response to the extreme tension in the credit markets during this period.

The tables below show the maturities of the Group's financial assets and liabilities by contractual maturity date. Fixed-income securities, loans and debt are analysed by contractual maturity date. Equity investments and UCITS are included in the "Indefinite" column. Demand deposits (assets and liabilities) are shown in the first two columns below. The amounts presented in this table correspond to the balance sheet amounts (including the effects of discounting).

Financial assets by maturity

	31.12.2020						
(in millions of euros)	<1 month	1-3 months	3-12 months	1-5 years	>5 years	No fixed maturity	**Total financial assets**
Cash and amounts due from central banks	1,783						**1,783**
Financial assets at fair value through profit or loss	2,690	3,922	6,387	17,006	17,396	147,969	**195,370**
Hedging instruments with a positive fair value			11	752	665		**1,428**
Financial assets measured at fair value through OCI reclassifiable to profit or loss	3,146	3,113	21,847	86,765	115,139		**230,010**
Financial assets at fair value through OCI not reclassifiable to profit or loss						390	**390**
Securities at amortised cost	578	329	4,463	3,562	15,770		**24,702**
Loans and advances at amortised cost	61,989	71,109	13,915	32,062	62,334	2,350	**243,759**
Cumulative fair value adjustments to portfolios hedged against interest rate risk – assets			4	100	36		**140**
Total financial assets	**70,186**	**78,473**	**46,627**	**140,247**	**211,340**	**150,709**	**697,582**

Financial liabilities by maturity

	31.12.2020						
(in millions of euros)	<1 month	1-3 months	3-12 months	1-5 years	>5 years	No fixed maturity	**Total financial liabilities**
Central banks							
Financial liabilities at fair value through profit or loss	62	19	54	701	2,034	409	**3,279**
Hedging instruments with a negative fair value		2	16	327	401		**746**
Debt securities	4,931	1,299	2,164	3,329	10,586		**22,309**
Liabilities due to credit institutions	15,574	9,542	997	6,847	460		**33,420**
Customer deposits	223,263	109	380	31		11,642	**235,425**
Subordinated debt	95		20	1,346	8,654	178	**10,293**
Revaluation differences on portfolios hedged against interest rate risks – liabilities							
Lease liabilities			42	50	23		**115**
Total financial liabilities	**243,925**	**10,971**	**3,673**	**12,631**	**22,158**	**12,229**	**305,587**

Maturities of commitments given in respect of financing and guarantees

(in millions of euros)	31.12.2020						
	<1 month	1-3 months	3-12 months	1-5 years	>5 years	No fixed maturity	**Total commitments given**
Financing commitments given	12,890	1,077	2,513	4,507	2,194		**23,181**
Guarantee commitments given	2,012		614	3		1	**2,630**
Total commitments given	**14,902**	**1,077**	**3,127**	**4,510**	**2,194**	**1**	**25,811**

2.9.1.2.3.2.3 Market risk

2.9.1.2.3.2.3.1 General framework of the risk management strategy framework

Value at Risk (VaR)

VaR is an indicator of La Banque Postale's loss exposure. It gives an estimate of the 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.

The 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.

This matrix is calculated using a decay factor designed to give a higher weighting to recent movements than to older ones.

The resulting VaR partly covers option-related risks, with second-degree risks not 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, 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 attack, 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.

2.9.1.2.3.2.3.2 Exchange rate risk

Exchange rate risk, particularly the risk related to international mandates and financial activities, remains moderate despite the start of a USD financing business by the Corporate and Regional Development Department

The balance sheet of La Banque Postale is managed almost exclusively in euros. Foreign currency market activities carried out by the cash management unit and portfolio-related activities are systematically hedged and converted into euros beyond a specified exchange rate position threshold.

The residual exchange rate risk related to income earned from these activities is managed by converting said income into euros at least every six months or whenever it reaches the established threshold.

The retail bank's foreign currency operations, which mainly involve international mandates, is fairly small.

At 31 December 2020, La Banque Postale's currency position represented €62 million, of which around 98% denominated in USD.

2.9.1.2.3.2.3.3 Interest rate risk

Interest rate risk is the risk of changes in interest rates affecting the Bank's future margins or economic value. Management of interest rate risk involves managing the sensitivity of the economic value of equity (EVE) and the sensitivity of the net interest margin (NIM).

The unit responsible for supervising and managing overall interest rate risk is the Balance Sheet Risk Department (DRF-RB) within the Financial Risk Department, which reports to La Banque Postale's Group Risk Department.

The department has several responsibilities:

- 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 Group Risk Management Committee. Interest rate and liquidity risk reviews take place monthly.

Assessing risk

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.

Significant interest rate risks present 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, Eonia, 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 actual interest and inflation rates.

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.

Transactions in delegated management portfolios measured at fair value through profit or loss 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 room 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.

- outstandings with fixed maturities (contractual runoff that may or may not be adjusted by a model);
- outstandings with no fixed maturities (conventional runoff);
- off-balance sheet items (liquidity commitments and guarantees).

Items with no contractual maturity (including customer deposits and passbook savings accounts) are included using the standard runoff assumptions validated by the ALM Committee and the Risk Department.

Off-balance sheet commitments 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 mismatch 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 (swaps and amortisation of balancing payments), by maturity.

2.9.1.2.3.2.4 Hedging activities

2.9.1.2.3.2.4.1 Risk management strategy and objectives

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.

The Group has applied the provisions of IFRS 9 concerning hedge accounting from 1 January 2020. However, the final version of the hedge accounting provisions of IFRS 9 published by the International Accounting Standards Board (IASB) leaves entities the option of deferring the application of these new hedge accounting guidelines. Since 1 January 2020, La Banque Postale has applied the transitional provisions of IFRS 9 concerning hedge accounting, by applying IFRS 9 to all hedging relationships, except for portfolio fair value hedges for which it continues to apply 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 are accounted for on a symmetrical basis with the underlying; they do not form part of a hedging relationship and do not qualify for hedge accounting.

Derivatives that form part of a hedging relationship which qualifies for hedge accounting under IFRS 9 and the provisions of IAS 39 concerning portfolio fair value hedges 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 is recognised directly in 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 La Banque Postale’s fixed-rate assets and liabilities. La Banque Postale 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. Any over-hedging is identified during effectiveness tests and the hedging derivative is systematically terminated for the ineffective portion.

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 the Group are mainly Overnight Index Swaps.

Concerning options (OTC contracts between two counter-parties giving the buyer the option to hedge its exposure above a certain level), La Banque Postale uses caps to hedge against a rise in interest rates above a pre-determined level (the cap rate or strike rate), in exchange for a premium that is generally payable immediately.

The currency swaps used by La Banque Postale are cross currency swaps whereby it 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.

Scopes and economic links with the hedged risk (underlying)

Underlyings

La Banque Postale hedges balance sheet transactions (both customer and financial transactions) using derivatives set up with market counterparties. These transactions depend on the business model of the portfolio.

They stem from different hedging strategies that aim primarily to hedge the interest rate risk.

Hedged item	Derivative	Hedges
Fixed-rate loans	Fixed-rate payer swap	CO-FVH: carve-out fair value hedge
Fixed-rate loans	Fixed-rate payer swap	FVH: fair value hedge
Variable-rate loans	Fixed-rate receiver swap	CFH: cash flow hedge(1)
Fixed-rate securities purchased	Fixed-rate payer swap	CO-FVH: carve-out fair value hedge
Fixed-rate securities purchased	Fixed-rate payer swap	FVH: fair value hedge
Fixed-rate forward securities purchased	Forward contract	"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

(1) Position closed out end-2018.

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 of a security with a swap

There are two types of fair value hedges:

- Euribor hedge: Euribor hedges are valued using a Euribor discount curve for the securities and an Eonia curve for derivatives. The use of two different discount curves creates a slight hedging ineffectiveness that will become greater when the Eonia-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 Eonia) but a pre-set rate (like the Euribor)).
- Eonia hedge: Eonia hedges are valued using an Eonia discount curve for both the securities and the derivatives. The mathematical hedge is thus perfect between the security and the swap (security discounted using Eonia with adjustment of the credit component and swap discounted using Eonia), 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 a 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 must be less than or equal to the shortest maturity of the securities in the strategy;
4. the sensitivity of the swap must be less than or equal to the overall sensitivity of the securities in the strategy;
5. If there are several swaps in the strategy, they must be executed on the same day;
6. once the securities and the swap(s) have been matched, no other securities may be purchased in the strategy, only sales of securities and unwinding of 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 the Group 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 group 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, the Group 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 of a security with a swap

For micro-hedging using Euribor swaps, the Group uses the hypothetical derivative method. Based on the assumption that Eonia swaps are 100% effective in micro-hedging, the method consists of creating an Eonia 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, Group 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 of several securities by a swap

In order to monitor the hedging strategy, hedging relationships are documented on a rolling basis to evidence the fact that no new securities have been added to the strategy and no existing positions have been topped up.

Hedging of several loans by several swaps (bottom-layer approach/IAS 39 carve out)

If the notional amount of the derivatives is greater, the hedging relationship is discontinued, and the derivative(s) is/are systematically unwound. If the notional amount of the derivatives is greater, the hedging relationship is discontinued, and the derivative(s) is/are systematically unwound.

2.9.1.2.3.2.4.2 Impact of hedging transactions on the amount and timing of cash flows

The contractual maturities of hedging instruments are presented in Note 2.4.2 Hedging instruments assets and liabilities.

2.9.1.2.3.2.4.3 Impact of hedge accounting in the Group's consolidated financial statements

The impacts of hedge accounting are presented in the consolidated financial statements as well as in Notes 2.3.1 – Interest income and expense, 2.3.3 – Net gains and losses on financial instruments at fair value through profit or loss, and 2.4.2 – Hedging instruments – assets and liabilities.

2.9.1.2.3.2.5 Insurance sector risk

Caisse des Dépôts Group's insurance business is carried out by La Banque Postale group.

The Insurance division is dominant in La Banque Postale group's new structure, and exposure to insurance risks mainly concerns CNP Assurances, along with La Banque Postale's three legacy insurance subsidiaries.

The insurance business complements La Banque Postale group's banking products and services, offering customers a broad and innovative range of insurance products that respect the values of affordability and trust associated with La Banque Postale group.

For La Banque Postale group, the development of its insurance business for its customers, and of the products and services offered by CNP Assurances in its multi-partner business model, represent strategic priorities that will allow the Group to provide its target markets with bespoke products while ensuring its own financial stability.

CNP Assurances sells insurance policies to non-La Banque Postale customers either through its partners' distribution networks, or directly through collective insurance underwriters

2.9.1.2.3.2.5.1 Management of insurance risks

All of La Banque Postale group's subsidiaries that operate in the insurance sector must meet the applicable regulatory requirements at all times. As head of a financial conglomerate, La Banque Postale group is responsible for ensuring that each of its subsidiaries respects all such requirements. More generally, for all of its insurance businesses, La Banque Postale group makes sure that the risk management procedures in place are consistent with the principles of the Risk Management Operational Policy (RMOP) set out in its Risk Appetite Statement and Risk Organisation Charter.

These documents have been updated in order to reflect changes related to the integration of CNP Assurances into La Banque Postale group. The RMOP is rolled down based on the legal and regulatory framework resulting from the "Solvency II" and "FICOD" directives, as transposed into French law. The Policy sets out the strategies, principles and processes making it possible to identify, measure, manage and monitor the risks to which the insurance businesses of La Banque Postale group are exposed.

La Banque Postale group's policy for managing risks related to its insurance business is described below.

CNP Assurances

The general principles of technical insurance risk supervision and commitments are set out in the Group's Risk Management Policy. CNP Assurances' underwriting policy lays down the governance arrangements and delegation process for new insurance commitments. The Business Units and subsidiaries draw up detailed underwriting policies specific to their products and markets.

CNP Assurances' reinsurance policy also defines the conditions in which reinsurance must be used to mitigate technical insurance risks. This reinsurance policy is also rolled out in its subsidiaries.

Risk management, Group underwriting and reinsurance policies are approved by CNP Assurances' Board of Directors.

The main risks linked to insurance activities are monitored by La Banque Postale group's Risk Management Committee and CNP Assurances' Group Risk Committee.

For the Insurance division

Within the framework of La Banque Postale group's Risk Management Operational Policy and by delegation of La Banque Postale group's Risk Management Department, the definition and implementation of the risk management, control and oversight system for the insurance activities of the Insurance division of La Banque Postale and its subsidiaries are entrusted to the Finance, Risk, Compliance and Legal Department of the Insurance division, which:

- develops and seeks approval for an Insurance Risk Management Policy which is integrated into the Risk Management Operational Policy;
- implements the risk management procedures for La Banque Postale group, where applicable rolling down and adapting those procedures for the Insurance division, taking into account the applicable industry regulations;
- ensures that the Insurance division entities comply with Group procedures and with the requirements specific to the business and applicable regulations;
- sets up a Risk Organisation for the Insurance division which it coordinates and for which it liaises with La Banque Postale's risk organisation. It is led by La Banque Postale's Group Risk Department together with the Risk and Actuarial Department. Within this framework, the head of risk management within the Insurance division reports to the department on a functional level.

These insurance risk management procedures allow La Banque Postale group's Insurance division to have a consolidated view of the risks and to ensure that they are compatible with the risk appetite at all times. These procedures also enable supervision to be carried out on a consolidated basis at the level of La Banque Postale group.

To ensure that the insurance activities are aligned with the risk management policies of La Banque Postale group, the Insurance Risk Committee coordinates and supervises the risk management procedures for the entire Insurance division, including outsourced activities. In particular, the committee is responsible for providing an overview of Insurance division risk and the extent to which those risks are managed.

The committee is chaired by the Head of the Insurance division and is coordinated by the Head of the Insurance division's Risk and Actuarial Department. Committee meetings are attended by managers from various functions involved in risk control and management at La Banque Postale group.

With regard to the Insurance division, risk governance is based on:

- the executive bodies of each subsidiary:
  - the Board of Directors and its Audit and Risk Committee,
  - any other related committees (e.g., Development Committee);
- operational governing bodies:
  - General Management of the subsidiary which relies on two effective managers, each of whom has the authority to make commitments on behalf of the Company and whose respective remits and procedures ensure a dual view of transactions and continuity in the decision-making processes defined by the Board of Directors,
  - General Management has various responsibilities in terms of implementing the internal control risk management and monitoring system. It implements the Insurance Risk Management Policy, oversees the allocation of equity to the different businesses, defines operational risk limits and performs regular reviews according to changes in the risk profile, defines the organisation of the subsidiary in detail, particularly the associated decision-making procedures, defines and develops an internal control environment, ensures that an appropriate structured reporting system is in place, reviews the risk indicator dashboard and updates the risk map, makes recommendations to the Board of Directors concerning any measures designed to adapt and improve the internal control and risk management system, applies the Board of Directors' guidelines as

to the measures to be taken to mitigate the risks identified and/or make improvements based on the reports received, and informs the Board of Directors of any material issues or risks,

- the Insurance General Management Committee, comprising the Managing Director, Insurance; the persons who effectively run the subsidiaries; the Chief Financial Officer; the Human Resources Director; the Legal Affairs Director; the Director of the Risks and Actuarial Department (RFC Risks); the Director of the Compliance and Permanent Control Department (RFC Compliance); the Chief Actuary; the Organisation Director; the Information Systems Director; and the Customer Relations Director,

The role of the Insurance General Management Committee is to implement the strategy of the Insurance division, monitor the progress plan and implement any required corrective action, define and coordinate the Insurance division's activities, manage the results and resources of the Insurance division,

propose structural operational solutions for the Insurance division, guarantee seamless coordination with La Banque Postale group and lend it its expertise, put forward new growth projects, develop the Insurance division's medium-term business plan and monitor its implementation.

- the Risk Management Committee, which falls under the responsibility of the Risk Management Function, assists General Management with defining and monitoring the risk strategy and the associated levels of economic capital, and defining any corrective actions, providing oversight of the risk management system and plans of controls, ensuring regular production of the risk indicator dashboard and analysing the results,
- the Model and Assumptions Committee of each subsidiary, which reports to the Actuarial Function and enables General Management, the Actuarial Function and the Risk Management Function to obtain a report on the status of the models, the secure environment put in place, and the related inputs in order to understand, approve and, where appropriate, report to the Risk Management Committee on changes to models as well as their impacts on model limits, ensure that there is an adequate level of documentation, obtain approval for the management strategies proposed to the Company's business heads, take part in training managers on the tools and their limits, and arbitrate on the assumptions, legal framework and models used for decrees,
- the Product Review Committee, which reports directly to General Management, and analyses new products and guarantees and their risks in order to ensure that they are aligned with the business plan and the risk profile of the subsidiary, approves or rejects planned launches of new products or guarantees before they are presented to La Banque Postale's Product Review Committee
- Partnership Management Committees, which report to General Management and ensure that service providers implement their contractual commitments in terms of risk management,
- the four key functions of each subsidiary: Risk Management, Compliance Checking, Actuarial Verification and Internal Audit. The key functions report on their work to the Audit and Risk Committee, which in turn reports to the Board of Directors.

The risk limits are set in line with the risk appetite of each subsidiary, and are approved by each subsidiary's Board of Directors. They provide a strict framework for risk management and risk selection activities.

2.9.1.2.3.2.5.2 Classification of insurance risks

La Banque Postale group classifies insurance risks in its insurance business as described below.

CNP Assurances

The risks described below are inherent in the economic, competitive and regulatory environment in which CNP Assurances operates.

The main risks to which CNP Assurances is exposed are set out in this section.

The main risks to which CNP Assurances is exposed are set out in this section:

- **risk factors linked to the financial markets:** risk of falling interest rates and persistently low rates, risk of falling share prices, corporate credit risk, real estate risk, sovereign credit risk;
- **underwriting risk factors linked to the insurance business:** policy surrender or cancellation risk, morbidity risk;
- **operational risk factors linked to the business:** outsourcing risk, product and client interaction compliance risk, information systems and data risk, and risk related to models;
- **strategic risk factors:** strategic partnership risk, country risk, regulatory risk.

2020 was shaped by the systemic health crisis caused by the COVID-19 pandemic. The impacts on La Banque Postale group's operating activities were limited. The crisis had a significant impact on CNP Assurances' business in the first half of 2020, with a 32.3% decline in premium income for that period. The impact of the crisis eased in the second half of the year, thanks in particular to reinvigorated performances in Brazil and by CNP UniCredit Vita in Italy.

The COVID-19 crisis underlines the importance of risk factors linked to the financial markets, which were closely monitored throughout 2020, with strengthened oversight and additional stress scenarios analysed. The crisis led to a fall in the Group's SCR coverage ratio, which stood at 208% at the end of 2020 compared to 227% at end-2019, primarily reflecting adverse market fluctuations during the period (down 40 points).

The impacts of the crisis on the risk factors are detailed in the sub-sections of this part of the report.

Risk factors linked to the financial markets

Risk of a fall in interest rates and persistently low interest rates

During a period of falling interest rates, interest and redemption proceeds are reinvested at a lower rate, leading to a gradual erosion of bond portfolio yields. A prolonged fall in interest rates makes contractual loading more difficult to apply to savings and pension products and exposes the insurer to a risk of lower margins, especially on traditional life insurance products. In more unfavourable scenarios, despite the relatively low proportion of contracts with a guaranteed yield, there is a risk that asset yields will be insufficient to cover contractually guaranteed yields, forcing the Group to use its own-funds portfolio to pay the guaranteed amount.

In 2020, the COVID-19 crisis put paid to any hopes of relief from the very low and even negative interest rate environment. CNP Assurances is particularly exposed to this risk on its traditional savings/pensions business, which represented average technical reserves of €249 billion net of reinsurance in 2020. The fixed-income portfolio represents 58% of the CNP Assurances group's assets, and a carrying amount (under IFRS) of €233 billion. In 2020, the average yield to maturity of bond purchases in France was 1.08%, while the average guaranteed yield on savings/pensions new money for the year was 0.02%.

For several years now, CNP Assurances has followed a policy of setting aside a portion of the income generated by its investments in the policyholders' surplus reserve, in order to smooth policyholder returns if interest rates stay low for a long time. Pursuant to the government order relating to surplus funds in life insurance dated 24 December 2019, a substantial portion of the policyholders' surplus reserve can be included in the calculation of the SCR coverage ratio. Furthermore, CNP Assurances has continued to transform its technical reserves into savings.

CNP Assurances is also exposed to the risk of falling interest rates in Brazil, albeit to a lesser extent. In 2020, the SELIC (the benchmark interest rate for the Brazilian economy) was cut by 250 bps from 4.5% to 2.0%.

Overall, in the event of a 50 bp drop in European interest rates, the Group's SCR coverage ratio, which stood at 208% at 31 December 2020, would fall by 26 points and the value of in-force business, as measured for MCEV© calculations, would contract by €3.5 billion.

Adverse market fluctuations and persistently low interest rates in the context of the health crisis had a significant impact on the coverage ratio (down 40 points, of which 35 points on account of the sharp decline in 10-year interest rates and 5 points on account of the downturn in equity markets.

Since financial risks represent CNP Assurances' largest risk exposure, oversight procedures for this risk were stepped at the start of the crisis.

For these reasons, CNP Assurances' exposure to the fall in interest rates and persistently low interest rates is considered as **very significant**.

	31.12.2020
(in millions of euros)	MCEV impact
50 bps increase in interest rates	2,577
50 bps decrease in interest rates	(3,120)

Risk of a fall in the value and dividend yield of its equity portfolio

CNP Assurances invests fairly significant amounts in equities and equity funds as part of its portfolio diversification policy. Equities represent 6% of CNP Assurances' assets portfolio (IFRS carrying amount of €24 billion). Listed equities account for more than 80% of the total, with the balance made up of private equity and infrastructure investments. The IFRS carrying amount of equities in unit-linked portfolios was €1 billion at 31 December 2020.

A 25% fall in equity prices would result in a 10-point reduction in the consolidated SCR coverage ratio, which stood at 208% at 31 December 2020. In addition, a 25% fall in equity prices would reduce the value of CNP Assurances' in-force business, as measured for MCEV© calculation purposes, by €2.3 billion. Lastly, a 10% fall in equity prices would reduce attributable net profit (IFRS) by €5.1 million.

In 2020, the equity markets were severely affected by the COVID-19 crisis, with the CAC 40 losing an unprecedented 12% to hit a low for the year on 12 March. However, late in the year, the promise of a COVID–19 vaccine and central bank support helped to restore the index to pre-crisis levels.

CNP Assurances has a long-standing hedging programme to protect against equities risk, representing a hedged notional amount of €13.6 billion at 31 December 2020. The equities portfolio hedging strategy was reinforced in 2020, affording greater protection to IFRS investment income and capital gains on the portfolios.

For these reasons, the Group's exposure to the risk of a fall in equity prices is considered as **significant**.

	31.12.2020
(in millions of euros)	MCEV impact
Equities – 25%	(3,265)

Credit risk on corporate bonds

The credit risk on a bond is the risk of partial or total issuer default and, by extension, an increase in the bond portfolio's credit spread. The credit spread is the risk premium, namely the difference between the yield on a bond and that on a risk-free government bond with the same characteristics. Credit spreads vary according to investor perceptions of the credit risk represented by the issuer.

As a long-term investor, CNP Assurances holds in its asset portfolio over €90 billion worth of corporate bonds (based on market value), representing over 47% of the fixed–income portfolio (excluding unit-linked portfolios) at 31 December 2020. CNP Assurances is exposed to the risk of a change in credit spread on these bonds.

This risk depends on the issuers' financial health and credit quality. Out of the total corporate bond portfolio, 71% are rated A or higher and BBB issuers account for 28% (based on market values). Bonds issued by banks account for 41% of the total (based on market value) and the balance of the portfolio is invested in bonds issued by companies operating in a wide range of industries and sectors.

There were no significant rating downgrades in the credit portfolio, as CNP Assurances' exposure to businesses deemed high-risk in the context of COVID-19 remains limited. However, the Company introduced an additional coverage ratio sensitivity test to round out its assessment of credit risk impacts. The new test analysed sensitivity to a full rating downgrade for 20% of the bond portfolio. At 31 December 2020, sensitivity to this input was limited, with the coverage ratio declining 3% in the event of a full rating downgrade for 20% of the bond portfolio.

This exposure is considered as **significant.**

Credit risk on sovereign bonds

During periods of increased government borrowing, there may be growing concern about the ability of certain sovereign issuers to continue to service their debt, leading to investor distrust of the corresponding bonds and significantly wider spreads. In extreme situations, we may be faced with an actual default or a debt restructuring and have to take a significant haircut on the securities in question.

CNP Assurances holds significant portfolios of French and other European government bonds and is naturally sensitive to any widening of sovereign debt spreads in the main Eurozone countries that are considered to be relatively exposed. A wave of surrenders could oblige CNP Assurances to sell part of the government bond portfolio and if spreads widen, the sales could generate losses which could in turn impact its own-funds.

Spreads widened for a time after lockdowns and other health restrictions were introduced in many countries, affecting household spending and businesses, before governments and central banks began to react. In light of the financial position of many companies and the high levels of public debt, uncertainties remain as to the levels of spreads in the coming years.

A 50-point widening in sovereign spreads would result in a 8–point reduction in our consolidated SCR coverage ratio, which stood at 208% at 31 December 2020.

All told, CNP Assurances' exposure to this risk is considered as **important**.

Breakdown of bond portfolio by issuer rating

Rating (in millions of euros)	Bond portfolio at fair value
AAA	15,577
AA	121,849
A	51,565
BBB	49,282
<BBB	17,319
Unrated	2,686
Total	**258,278**

Risk of a fall in property values or yields

The value of properties owned directly by CNP Assurances or through a fund is exposed to the risk of changes in rental income and in the investment market itself, as well as to the potential risk that certain buildings will be rendered obsolete by new regulations (on energy use, for example) resulting in losses in the event of sale or additional costs to bring the assets back into compliance.

The rental income from a property portfolio is exposed to market risk (e.g., excess of supply over demand, increased vacancy rates and their impact on rental value) as well as to the risk of tenant default and unfavourable changes in rent adjustment indices.

At 31 December 2020, CNP Assurances' investment property portfolio represented around €15 billion (IFRS net carrying amount).

There was only a small decline in the value of properties held in CNP Assurances' investment property portfolio.

Rental payments deferred in 2020 owing to the health crisis were not material to total rents as a whole (3.1% of annual rents).

CNP Assurances also holds €3.4 billion worth of properties in unit-linked portfolios (IFRS carrying amount). A decline in the value of these assets could trigger a high volume of surrenders for the policies concerned. The underlying properties could prove difficult to sell in the falling market, forcing us to draw on the Group's own funds to finance the surrenders.

Lastly, subsidiary CNP Caution could experience a fall in earnings from its home loan guarantee business in the event that a steep decline in property values limits its ability to recover the guaranteed amount if the borrower goes into default.

All told, CNP Assurances' exposure to this risk is considered as **important**.

Other information on financial risks

Payment projections by maturity

	31.12.2020				
(in millions of euros)	<1 year	1-5 years	5-10 years	10-15 years	>15 years
Insurance and financial liabilities (incl. linked liabilities)	27,589	77,962	63,500	43,447	102,169

Future cash flow projections – Insurance

	31.12.2020			
Intended holding period (in millions of euros)	<1 year	1-5 years	5-10 years	10-15 years
Assets at fair value through profit or loss	2,053	4,465	1,775	1,114
Assets at fair value through OCI reclassifiable to profit or loss	35,796	83,116	60,977	42,975
Assets at amortised cost	66			63
Total – Liquidity risk – Future cash flows	**37,915**	**87,581**	**62,752**	**44,153**

Contracts with immediate surrender option

(in millions of euros)	31.12.2020
Contracts with immediate surrender option	265,466
Contracts with no immediate surrender option	80,044

Credit risk on reinsured business

Ceded reservesRating (in millions of euros)	31.12.2020
AA+	5
AA-	22
A+	11,543
A	9,331
A-	11
Unrated	171
Total ceded reserves	21,083

Risk factors linked to the insurance business

Surrender and cancellation risk

Traditional savings contracts include an early surrender option for a contractually fixed amount. Surrender rate depends on how the financial markets perform, the yield offered by other competing financial products, policyholders' behaviour and their confidence in the Group, and the tax rules applicable to investments in life insurance products.

For group pensions contracts, surrender risk corresponds to the risk of the policy being transferred by the client to another insurer. The PACTE Law that came into effect in 2019 requires insurers to include a clause in their policies allowing for this.

Average technical reserves for the savings/pensions business alone represent €242 billion in France and CNP Assurances' exposure to surrender risk is therefore significant. High surrender rates could have a serious adverse effect on the Group's earnings or solvency ratio in certain unfavourable environments.

In term creditor insurance, surrender risk includes the risk of a contract being surrendered due to the early repayment or renegotiation of the underlying loan (which is more likely in a period of falling interest rates) or the loan's cancellation. An unexpectedly high surrender rate would modify the average contract duration and could adversely affect the business's profitability. As France's leading provider of term creditor insurance, CNP Assurances has significant exposure to cancellation risk, which could have a material impact on its IFRS earnings.

The surrender rate was stable overall in 2020 and no significant COVID-related increase in surrenders was observed.

More generally, surrender risk is linked to policyholder behaviour, which by definition is highly uncertain and partly dependent on external factors. CNP Assurances' exposure to this risk is therefore considered as **important**.

Morbidity risk

Personal risk contracts comprise various types of primary guarantees covering temporary or permanent disability, long-term care and health risks. These guarantees expose CNP Assurances to morbidity risks. The risk arises when death rates among insureds are higher than were expected when the policies were priced. The longer the Group's commitments, the greater the risk; as a result, morbidity risk is greatest for term creditor insurance and long-term care insurance.

CNP Assurances is exposed to risks associated with natural disasters which, in addition to the damage they cause and their immediate impact, may have consequences for the margin realised on certain classes of personal insurance business. The increase in the legal retirement age in France has also had an adverse impact as benefits are payable until the policyholder retires.

In 2020, there was no major COVID-related increase in loss ratios, due mainly to the characteristics of CNP Assurances' policyholders, who are less directly at risk from the pandemic.

With 38 million insureds under personal risk/protection policies in France, Latin America and Europe, CNP Assurances's exposure to morbidity risk is considered as **important**.

Risk factors linked to the business

Outsourcing risk

CNP Assurances business model makes extensive use of outsourcing as defined in Solvency II. Activities delegated to partners or outsourced to service providers include:

- certain insurance transactions (delegated to individual insurance distribution partners in France);
- part of the policy and/or claims administration activities of CNP Santander Insurance in particular, and part of the policy administration activities of the Brazilian subsidiary;
- asset management for most investments in France and Italy (outsourced by CNP UniCredit Vita);
- information systems management, outsourced by CNP Santander Insurance in particular but also part of the Group's information systems management activities in France;

- certain key functions of the less material subsidiaries (CNP Luxembourg for internal audit only, with other key functions performed internally).

The main outsourcing risks concern the quality and compliance of the outsourced activities and regulatory compliance (including the ban on price bargaining, dependence issues, loss of internal know-how and conflicts of interest). An internal outsourcing policy has been drawn up to increase employee understanding, monitoring and control of the related risks.

A CNP Assurances Outsourcing department was set up in 2019 to strengthen cross-functional outsourcing processes by updating the contractor map and systematically seeking back-up solutions at the level of CNP Assurances. In addition, a team of outsourcing auditors has been set up within the Internal Audit department, to help strengthen operational controls performed by contractors and controls over compliance risks.

In 2020, the control environment was updated to reflect these developments.

Currently, outsourced critical and important activities are generally in the areas of policy administration (policy administration, client relationship management and archiving), asset management, and information systems management.

CNP Assurances' exposure to outsourcing risk is considered as **significant**

Product and client interaction compliance risk

Product compliance risk concerns risks that could prevent the company from fulfilling its regulatory obligations or complying with internal standards in its relations with policyholders.

Several aspects of the regulatory framework governing insurance activities have been changed. Many new regulations have been introduced to improve client protection, with the Packaged Retail and Insurance-based Investment Products (PRIIPs) regulation that came into effect in January 2018, the Insurance Distribution directive (IDD) that came into effect in October 2018 and the General Data Protection Regulation (GDPR).

The new regulations expose the Group to compliance risks due to its broad range of businesses, in an environment shaped by the digitalisation of policyholder relationships and the increased focus on unit–linked sales, which are also a source of changing risks.

The life insurance section of the CNP Assurances business model (covering insurer liability) is frequently prepared by the partner networks. The products offered by the Group and the contractual and marketing documents presented to clients must be legally watertight and provide policyholders with clear information about the content and scope of the purchased cover or insurance proposal.

In response to the health crisis and in line with its efforts to modernise exchanges, CNP Assurances has developed electronic signatures with its partners.

No events were reported in relation to the health and economic crisis in 2020 that could prevent the company from fulfilling its obligations.

Combating money laundering and the financing of terrorism is a constant concern for CNP Assurances. The business model pursued, in which vast numbers of transactions are conducted by partners on the Group's behalf, has shaped the related controls. Nearly all transactions go through policyholders' accounts with the partner banks which are responsible for performing know-your-customer procedures. The tasks performed by partners on the Group's behalf are described in the distribution agreements between CNP Assurances and its partners.

CNP Assurances was ordered to pay a fine of €8 million in 2016 due to failings in its anti-money laundering systems, and was fined €40 million in 2014 after being found not to have made sufficient effort to trace the beneficiaries of unclaimed life insurance settlements. In light of these penalties, the Group's exposure to compliance risk is considered as **significant.**

Information system, data protection and cyber-security risks

Cyber risk is any risk of financial loss, business interruption or damage to the company's reputation due to a failure of information systems (IS). CNP Assurances monitors cyber risk continuously, and its coverage is regularly challenged by dedicated experts in order to adapt with agility to a shifting environment.

CNP Assurances' sales and marketing and underwriting operations are all organised around mission-critical information systems. Information system incidents are generally the main cause of operating incidents for CNP Assurances. These incidents mainly affect the policyholder services units. If several applications go down, this can affect service quality, while calculation or processing errors have to be corrected, which can be a problem especially for the management of unit-linked contracts. The relative financial impact of these incidents remains moderate.

CNP Assurances must be capable of adapting to a constantly changing environment and increasingly frequent cyber-attacks.

Information system risks include systems security risks, software malfunction risks and data protection risks (covering the disclosure, alteration or destruction of sensitive data). Instances of system downtime or failure or processing delays could lead to losses and may also damage the Group's image among customers. Granting access to the systems to certain partners and outside contractors exposes the Group to risks of intrusion and malicious acts that could result in the disclosure of sensitive data. To address these issues, an information systems security management process has been deployed and a Systems Security Officer has been appointed.

For partners and subsidiaries, several initiatives are in place including training and awareness-raising sessions for employees and improved process security aided by head office experts. The cyber-risk management system was recently enhanced, with the adoption of new preventive measures (infrastructure specifically designed to prevent 'denial of service' attacks, roll-out of the self–care mechanism, data anonymity, encryption of audio communications, improved workstation security, stricter access controls for sensitive networks, definition of cyber–policies, management, etc.).

Given the increase in cyber-crime and the shift to home working throughout the organisation since March 2020, intruder risk in CNP Assurances' systems remains a concern. Various critical preventive measures have been put in place to address this concern.

Security weaknesses have been detected in subsidiaries' information systems, particularly in Brazil, but are being rapidly resolved following local audit recommendations issued by the central body and the improved efficiency of local teams.

As a life insurer that holds insureds' medical data, the Group is heavily exposed to the risk of personal data breaches due to the large volume of information on policies and policyholders that is processed automatically or manually. A cross-functional compliance project was carried out within CNP Assurances in preparation for the application of the new General Data Protection Regulation (GDPR).

In all, information system risks are considered as significant at the level of CNP Assurances.

Model risks

CNP Assurances uses statistical and actuarial methods to calculate its solvency and profitability indicators and its technical reserves, as well as for asset-liability management purposes.

These calculations are inherently uncertain and use data extrapolated from past experience or prospective assumptions that draw upon trends in policyholder behaviour, factors specific to the insurance business or wider economic or regulatory factors.

Model risk may result from design errors (methods or assumptions not relevant to the specified aim), execution errors, or inappropriate use of the models.

A system to manage model risk is in place within CNP Assurances, based on a model map and drawing on various principles such as a dedicated risk governance structure and an independent review process.

CNP Assurances' exposure to model-related risks is considered to be significant.

Strategic risk

Partnership risk

CNP Assurances enters into strategic partnerships, either directly or through its subsidiaries, to strengthen its presence in certain markets. These partnerships represent a means of sharing the business and financial risk with the partners concerned. They may simply be commercial arrangements, such as a distribution agreement, or involve the investment of capital in a joint subsidiary.

The integration of these partnerships or joint subsidiaries within CNP Assurances may sometimes prove more difficult and take longer than expected, or require greater time and effort on the part of the teams and managers concerned, and this may negatively affect consolidated earnings. The constantly evolving nature of the business means that there is no guarantee that the financial performance of acquirees or partners will be aligned with the original business plans on which the investment decision was based. Underperformance may result in impairment losses being recognised on goodwill or other intangible assets that will negatively affect CNP Assurance's financial position.

It may be necessary to rethink a partnership in the event of changes to the project itself, the local political and economic situation, the partner's own financial situation, or because of a disagreement between partners.

As the bancassurance business model relies on maintaining and renewing partnership agreements, the risk that those agreements will not be renewed could affect the company's profitability and financial position.

In 2020, over three quarters of premium income was generated through the Group's five main distribution partners (La Banque Postale 23.4%, BPCE 17.5%, Caixa Seguridade 20.7%, Banco UniCredit 12.2%, Banco Santander 2.8%).

Internationally, two strategic agreements were signed during the year, strengthening CNP Assurances' footprint in Brazil and its multi-partner approach:

- exclusive distribution agreements with CNP Assurances' long-standing partner in Brazil, Caixa Econômica Federal (CEF), securing CNP Assurances' presence and business on this market for the next 25 years. The agreement provides for the exclusive distribution of personal risk insurance, consumer loan insurance and retirement products;
- a non-exclusive 10-year distribution agreement between its Brazilian subsidiary Caixa Seguradora and the Brazilian Post Office, Correios, concerning savings products and dental insurance products.

In France, the BPCE group and CNP Assurances signed agreements on 19 December 2019 extending the 2015 distribution partnerships between BPCE/Natixis and CNP Assurances that were originally due to expire on 31 December 2022. Under the new agreements, which came into effect on 1 January 2020, the distribution partnerships will now continue until 31 December 2030, thereby consolidating CNP Assurances' multi-partner model.

CNP Assurances' business model depends to a considerable extent on the continuation of its existing partnerships and its ability to establish new ones. Its exposure to partnership risk is therefore considered as very significant.

Country risk

CNP Assurances has operations in many countries in Europe and Latin America. The sustainability and development of its businesses depends in part on these countries' economic health and political stability.

More specifically, the financial viability of certain businesses may depend on local regulations and government commitments in the Group's host countries, especially in cases where it is called on to advance funds on behalf of the State. Regulatory changes (for example, the statutory increases in life annuities introduced in 2017) or a government decision to renege on its commitments may lead to litigation, with a significant adverse effect on CNP Assurances' earnings if the courts rule against the Group.

CNP Assurances is bound by local regulations and subject to audits carried out by the competent local authorities. In Brazil, for example, any dividends paid to CNP Assurances must be approved by the Brazilian Central Bank and the brokerage activities of Wiz Soluções e Corretagem de Seguros (a CNP Assurances subsidiary in which Caixa Seguradora Holding holds a 25% minority stake), listed on BOVESPA (Brazil's São Paulo stock market), are supervised by the Brazilian Securities Commission (CVM), the equivalent of the AMF in France.

CNP Assurances has large subsidiaries in Brazil and Italy (accounting for 21% and 12% of consolidated premium income in 2020, respectively), which were both badly affected by the COVID-19 crisis during the year.

However, in Latin America, net insurance revenue held firm in 2020, with the effects of the first-half contraction in business linked to the lockdown cancelled by second-half performance. Loss ratios were kept under control and the impact on profit was limited. This strong upturn in business was also apparent for the Italian subsidiary. In Europe excluding France, revenue was reduced by €17 million, due mainly to the slight 0.6% fall in premium income.

In light of this, CNP Assurances' exposure to country risk is considered as **significant.**

Regulatory risk

Complying with new European regulations or new regulations in the Group's host countries, can prove complex and costly. Several different departments may be involved, information systems may have to be adapted, and the cost of compliance training is frequently high. In recent years, for example, the Group has had to implement major projects to comply with the new General Data Protection Regulation (GDPR), the Insurance Distribution Directive (IDD) and the PACTE Law.

In addition, new regulations may affect the CNP Assurances business model. IFRS 17, which is due to come into effect in 2023, and IFRS 9, could change the presentation of the business indicators published each quarter and affect CNP Assurances' investment strategy. Similarly, the Solvency II review (particularly EIOPA's proposals concerning the yield curve and interest rate module) could lead to a significant reduction in CNP Assurances' solvency margin, because its risk profile is heavily weighted towards financial risks. Lastly, if adopted, the proposed capping of life insurance commission rates in Germany effective from 2022 risks having a material impact on CNP Santander Insurance's business in this country.

All told, CNP Assurances' exposure to this risk is considered as **important**.

Insurance division

The risks faced by the Insurance division of La Banque Postale are grouped into the following eight categories in line with the risk classification in Solvency II and the conglomerate risk map:

- strategic and business risks;
- intragroup risks;
- credit and counterparty risks;
- market risks;
- liquidity risks;
- operational risks;
- insurance underwriting risks;
- other risks.

Market risk

Assets at cost, excluding unit-linked portfolios (IFRS, in millions of euros)	31.12.2020
Bonds and other fixed income securities	2,217
Equities and other variable income securities	74
Total	**2,292**

The market risks to which the insurance subsidiaries are exposed include the following:

- interest rate risk;
- equity risk;
- credit spread risk
- real estate risk;
- currency risk;
- volatility risk;
- unlisted asset valuation risk;
- concentration risk on underlying assets;
- liquidity risk.

Interest rate risk

As the majority of the asset portfolio is made up of fixed income products, it is primarily exposed to interest rate risk: an increase in interest rates would have an immediate impact on unrealised capital gains or losses on the bond portfolio, while a fall in rates would dilute the overall rate of return on the portfolio due to the lower purchase-date yields to maturity.

Equity risk

Equity risk is the risk of loss resulting from unfavourable changes in equity market parameters (prices, volatility, etc.).

Real estate risk

Real estate risk corresponds to the risk of a change in the value of real estate investments (including investments in real estate funds, excluding owner-occupied property). Direct investments in equities and investments in equity funds are sensitive to fluctuations in the stock markets and to the risk of a fall in value due to a decline in the price of property and infrastructure assets.

Credit spread risk

Credit spread risk corresponds to the risk of loss resulting from unfavourable changes in credit market parameters (credit spread, spread volatility, etc.).

Currency risk

Indirect exposure to currency risk may arise from investments in funds that hold securities denominated in a foreign currency. Currency risk corresponds to the risk of:

- losses resulting from an unfavourable change in the fair value of assets and liabilities denominated in a foreign currency, affecting profit or loss (currency risk);
- losses resulting from an unfavourable change in exchange rates affecting operating profit (operational currency risk);
- losses resulting from an unfavourable change in exchange rates affecting the economic value of equity capital (structural risk).

Concentration risk on underlying assets

Concentration risk on underlying assets corresponds to the risk of loss resulting from unfavourable changes in market parameters linked to a combination of exposures concentrated on the same market segment (security, issuer, risk factor, etc.).

Liquidity risk

Liquidity risk, for insurance subsidiaries, is the risk of not being able to sell investments and other assets in order to honour their financial obligations when these obligations become due.

Payment projections by maturity – Insurance division

	31.12.2020				
(in millions of euros)	<1 year	1-5 years	5-10 years	10-15 years	>15 years
Insurance and financial liabilities (incl. linked liabilities)	154	456	303	279	654

Future cash flow projections – Insurance division

	31.12.2020			
Intended holding period (in millions of euros)	<1 year	1-5 years	5-10 years	10-15 years
Available-for-sale financial assets	480	717	957	314
Assets held for trading and measured at fair value through OCI	58	26	38	23
Held-to-maturity investments	10			

Contracts with an immediate surrender option – Insurance division

(in millions of euros)	31.12.2020
Contracts with immediate surrender option	830
Contracts with no immediate surrender option	1,155

Counterparty risk

Counterparty risks include contracts entered into for risk mitigation purposes such as reinsurance agreements, securitisations and derivatives, and receivables from intermediaries and policyholders. To manage market risks, strategic and tactical investment allocation guidelines are defined annually by the subsidiaries in La Banque Postale's Insurance division. These guidelines specify the target distribution of portfolios by asset class, preferred maturities and interest rates for fixed income investments, and the objectives in terms of financial risk hedging.

Application of these guidelines is monitored by assessing compliance with the limits set for each asset class, portfolio sensitivity and liquidity levels.

Credit risk on reinsured business

Rating (in millions of euros)	31.12.2020
AA-	142
A+	27
A	184
Not rated	7
Total	**360**

Credit risks on government bonds and government bond-based instruments

	31.12.2020
Rating (in millions of euros)	Bond portfolio at fair value
AAA	30
AA	1,024
A	120
BBB	37
Total	**1,212**

Analysis of the asset portfolio of the Insurance division at 31 December 2020

Assets at cost, excluding unit-linked portfolios (IFRS, in millions of euros)	31.12.2020
Bonds and other fixed income securities	2,217
Equities and other variable income securities	74
UCITS	237
Total	**2,529**

Analysis of the bond portfolio of the Insurance division at 31 December 2020 by rating:

Rating (in millions of euros)	31.12.2020 Bond portfolio at fair value
AAA	91
AA	1,213
A	720
BBB	436
<BBB	2
Total	**2,462**

Insurance underwriting risks

Due to their activities in Property & Casualty insurance and in Health & Personal Risk insurance, the insurance subsidiaries of La Banque Postale are exposed to underwriting risk and to catastrophe risk, associated with changes to the features of portfolios of insured parties.

Underwriting risk is the risk that an insurer incurs by selling insurance policies to individuals or legal entities.

Underwriting risk encompasses the following risks:

- **Life catastrophe risk** is the risk of loss or of an unfavourable change in the value of insurance commitments attributable to the occurrence of extreme, uncertain and one-off events causing serious harm to the individuals and/or property insured, and which result from a natural phenomenon, human action or a combination of the two.
- **Termination (surrender) risk** is the risk of loss or of an unfavourable change in the value of insurance commitments resulting from changes in the surrender of insured parties (termination, renewal, surrender). This risk may also result from permanent changes in surrender rates, widespread and one-off surrenders, and inaccurate estimates of surrender rates. Two types of surrender can be modelled: structural surrenders (which depend on the average characteristics of the buyers in the portfolio) and economic surrenders (which depend on the economic environment).
- **Mortality risk** is the risk of loss or an unfavourable change in the value of insurance liabilities resulting from an increase in mortality rates. This risk can be attributable to several factors within the Group:
  - Trend factor: increase in general mortality;
  - Level factor: deviation of portfolio mortality from general mortality;
  - Volatility factor: volatility of the data used to measure the portfolio mortality rate.
- **Longevity risk** is the risk of a long-term loss resulting from the financial risk on insurance commitments, caused by individuals living significantly longer than expected on average.
- **Morbidity risk** is the risk of loss or of an unfavourable change in the value of insurance commitments, resulting from fluctuations affecting the level, trend and/or volatility of disability, sickness and morbidity rates.
- **Revision risk** is the risk of loss or of an unfavourable change in the value of insurance commitments resulting from fluctuations affecting the level, trend and/or volatility of revision rates applicable to annuities, owing to a change in the legal environment or in the health of the insured party.
- **Pricing and reserve risk** is the risk of loss or of an unfavourable change in the value of insurance commitments resulting from fluctuations affecting the date of occurrence, frequency and severity of insured events, as well as the amount of claim settlements.
- **Termination (surrender) risk** is the risk of unreliable projections by the underwriter or insurer as to the exercise of policy termination or renewal options.
- **Catastrophe risk** is the risk of loss or of an unfavourable change in the value of insurance commitments attributable to the occurrence of extreme, uncertain and one-off events causing serious harm to the individuals and/or property insured, which result from a natural phenomenon, human action or a combination of the two.
- **Expense risk** is the risk of loss or of an unfavourable change in the value of insurance commitments resulting from the volatility of expenses incurred in managing insurance and reinsurance contracts.

Through their underwriting policies, the insurance subsidiaries define their requirements in terms of controls, management and monitoring of underwriting risk, in line with the features of the portfolios insured. The applicable rules aim to hedge the expected level of underwriting risk. Underwriting limits have been defined for each risk.

2.9.1.2.3.3 SFIL group risks and risk measurement methods

2.9.1.2.3.3.1 Credit risk

2.9.1.2.3.3.1.1 Impacts of the crisis on the assessment of credit risk

So far, the impact of the COVID-19 pandemic on French local public authorities and public sector entities has been limited.

As a public development bank and the leading provider of finance for public hospitals in partnership with La Banque Postale, SFIL supported all health institutions as part of the national effort to combat the global pandemic. SFIL offered these institutions the opportunity to defer for six months the payment of loan instalments due between 12 March 2020 and 30 June 2020, without incurring any late interest or penalties.

Requests for payment holidays were also received from certain French local authorities and public sector entities.

The COVID-19 pandemic had a greater impact on the export credit portfolio and in particular on cruise ship financing (for vessels under construction by Chantiers de l'Atlantique and those already in operation), due to the interruption of cruise operations. The entire export credit portfolio is guaranteed for 100% by the French Republic via BPI AE credit insurance policies.

2.9.1.2.3.3.1.2 Significant deterioration in credit quality

Characterisation of the significant increase in credit risk

Increases in credit risk are analysed on a case-by-case basis and not on a statistical basis. The objective of the analysis is to compare the default risk at the balance sheet date with the risk on initial recognition. The analysis takes into account all relevant reasonable and supportable information available to the Group without incurring undue cost or effort, in particular quantitative and qualitative information on past events (use of historical data), current economic conditions, and forecasts of future economic conditions (forward looking information). In practice, the increase in credit risk is estimated at counterparty level:

- by comparing the future probability of default (PD) (weighted average PD of the different forward looking scenarios) to the PD observed at the time of initial recognition; or
- by identifying migrations (based on ratings generated by internal rating systems) from one year to the next to high risk categories (with historically higher default risks).

A counterparty's contracts are classified in Stage 3 when the counterparty is in one of the following situations:

- it is in "default" within the meaning of the Capital Requirements Regulation (CRR) due to a risk of non–payment: it is unlikely that the counterparty will pay all or part of its debt without recourse to actions such as realising security;
- one or more instalments are more than 90 days past due, whether or not the counterparty is in "default" within the meaning of the CRR.

The contracts of a counterparty in either of the above situations are also considered as non-performing exposures for prudential purposes. For exposures concerned by the segmentation into Stages under the new expected credit loss model in IFRS 9, Stage 3 exposures broadly correspond to "non-performing exposures", rather than "in default" exposures within the meaning of the CRR, with one notable difference concerning counterparties already in forbearance to which a new forbearance has been granted and/or a payment incident of between 31 and 90 days has been noted. The contracts of a counterparty in this situation are classified as non-performing exposures for prudential purposes but remain classified as Stage 2 for accounting purposes (see below).

A counterparty's contracts are classified in Stage 2 when, without being in one of the Stage 3 situations described above, the counterparty is in one of the following situations that indicate a significant increase in credit risk:

- the counterparty is placed on the watchlist by the Asset Monitoring Committee due to an increase in credit risk or forbearance (i.e. due to a concession granted by the Group in light of the counterparty's financial difficulties);
- one or more instalments due by the counterparty are between 31 and 90 days past due;
- the counterparty is rated as non-investment grade (internal rating of BB+ or lower), has not been assigned an internal rating, or has been (or will be) subject to a rating downgrade to high risk based on forward looking scenarios. Rating downgrades to high risk are determined on the basis of quantitative models developed using historical data supplemented by expert judgement.

Unless either of the above situations exists, the increase in credit risk is not qualified as significant and the counterparty's contracts remain classified as Stage 1.

Transfers between Stages must comply with the following rules:

- For contracts of a counterparty in "default", the exit from Stage 3 and "default" (and the return to Stage 2 or Stage 1) can only take place after a probationary period of at least one year during which the counterparty is still considered to be in "default" within the meaning of the CRR and the contracts of that counterparty remain classified in Stage 3. The exit must also be formally recorded in the Default Committee minutes and depends on all outstanding payments being settled in full. The probationary period does not apply to the contracts of a counterparty that was classified in Stage 3 without being in "default" within the meaning of the CRR.

- For counterparties that have been granted forbearance, the exit from Stage 2 or Stage 3 as the case may be (and the return to Stage 1) can only take place at the end of a probationary period of at least two years starting from the forbearance date if the counterparty was not in “default” within the meaning of the CRR, or from the date of exit from “default” if it was.

2.9.1.2.3.3.1.3 Provisioning – the expected credit losses (ECL) approach

Definition of the provisioning base

A provision for expected credit losses is recorded for all financial assets measured at amortised cost or at fair value through other comprehensive income. At each closing date, they are analysed between three Stages:

- Stage 1: credit risk has not increased significantly since initial recognition;
- Stage 2: credit risk has increased significantly since initial recognition;
- Stage 3: the asset is credit impaired.

At each closing date, the provision for expected credit losses is measured:

- at the amount corresponding to 12-month expected credit losses for Stage 1 assets;
- at the amount corresponding to lifetime expected credit losses for Stage 2 assets and Stage 3 assets.

No provision for expected credit losses is recorded on initial recognition of purchased or originated credit–impaired financial assets. Interest revenue on these assets is determined using an effective interest rate that takes into account expected credit losses. In subsequent periods, fair value adjustments to these assets correspond to the cumulative change in lifetime expected credit losses since initial recognition. The Group does not purchase or originate any credit-impaired assets.

Measurement of expected credit losses

The provision recognised on the contract is equal to the average of the expected credit losses of each scenario weighted by their respective probabilities of occurrence. For all large portfolios, the definition of the scenarios includes a forward-looking dimension that allows for the projection of macro-economic and financial variables and an assessment of their impact on the provision.

These scenarios are based either on projections produced by the Credit Risk department or on quantitative analyses performed using data from advanced models. In the case of French local authorities, the main assumptions as well as the scenarios and their weighting are presented below. The assumptions are updated regularly and have been adapted to take into account the effects of the COVID-19 pandemic.

- Central scenario (60% weighting) concerning changes in the accounts of local authorities; this scenario has been prepared in two stages:
  - Central scenario before COVID-19. This scenario reflects the natural change in the accounts, i.e. the change that would probably have occurred without the health crisis. It includes the increase in tax bases, Finance Act allocations, pre-crisis capital spending trends for 2020, etc.
  - Central scenario including COVID-19. Under this scenario, changes due to the COVID-19 crisis are added to the natural changes covered by the first scenario. The costing of this crisis has been the subject of several studies to date. A distinction is made between a ’one-off’ impact due to lockdown and/or which should be rapidly absorbed by a recovery in revenue, and a ’lasting’ impact, where the economic crisis leads to a loss of revenue that local authorities will not recover according to the scenario.
- An optimistic scenario (25% weighting) that uses the assumptions underpinning the central scenario, with the following variants:
  - 30% reduction in the negative impact of COVID-19 on tax, service and other revenues;
  - faster increase in operating grants paid by the State in 2021 and 2022.
- A pessimistic scenario (15% weighting) that uses the assumptions underpinning the central scenario, with the following variants:
  - 30% increase in the negative impact of COVID-19 on tax, service and other revenue;
  - no increase in operating grants paid by the State in 2021 and 2022 compared to 2020;
  - strong rebound in capital spending in 2021 and 2022.

For contracts classified as Stage 1 or Stage 2, expected credit losses correspond to the present value (discounted at the contract’s original effective interest rate) of the result of multiplying three parameters (probability of default [PD], exposure at default [EAD] and loss given default [LGD]), over a 12–month horizon for contracts classified as Stage 1 and over the remaining lifetime of contracts classified as Stage 2. The three parameters vary depending on the scenario and year considered. The Group has capitalised on the system for calculating these parameters in the Basel model and has introduced adjustments to take account of the specific provisions of IFRS 9. This approach has led to the definition of specific IFRS 9 models for all material portfolios. Specific models for calculating the PD and LGD have been developed for local authorities and groups of municipalities taxed as a single unit, as these customers represent the Group’s largest portfolio. The calculations are carried out in the following steps:

- a migration-through-the-cycle matrix is constructed on the basis of available historical data;
- it is then distorted to calculate the point-in-time PDs and produce a point-in-time migration matrix;
- the latter is used in the scenarios, taking into account forward looking information.

For contracts classified in Stage 3, the expected credit loss corresponds to the lifetime loss, i.e. the difference between the sequence of cash flows contractually due to the Group and the sequence of cash flows that the Group expects to recover, both discounted at the original effective interest rate. Depending on the materiality of the contract, the cash flows that the Group expects to recover are determined either through individual simulations performed by the Credit Risk Department or through standard recovery scenarios applied according to predefined management rules. Where applicable, the proceeds from the sale of instruments received as collateral, which form an integral part of the contractual terms and conditions, are deducted from these cash flows.

At each closing date, the classification of financial assets in Stages and the provisions for expected credit losses are reviewed and validated by the Provisions Committee prior to their recognition. Backtesting procedures have been defined to enable annual monitoring of the performance of the expected credit loss calculation system under IFRS 9. These procedures cover data quality, the structure of the portfolio and the quality of projections.

2.9.1.2.3.3.1.4 Maximum exposure to credit risk

	31.12.2020			
	Net carrying amount of ECL	Guarantees, collateral and other credit enhancements	Maximum exposure to credit risk (excluding guarantees)	ECL provisions
Financial assets at fair value through profit or loss – debt instruments				
Financial assets at fair value through profit or loss – loans and commitments	4,243		4,243	
Hedging instruments	5,138	(1,426)	3,712	
Debt instruments at fair value through OCI to be reclassified	511		511	
Securities at amortised cost	8,354		8,354	(17)
Loans and receivables due from credit institutions and related entities at amortised cost	378	(108)	270	
Loans and receivables due from customers at amortised cost	52,015	(5,123)	46,892	(35)
On-balance sheet exposure, net of impairment losses	**70,639**	**(6,657)**	**63,982**	**(52)**
Financing commitments	4,765	(4,765)		(10)
Guarantee commitments given				
Off-balance sheet exposure, net of provisions	**4,765**	**(4,765)**		**(10)**
Total net exposure	**75,404**	**(11,422)**	**63,982**	**(62)**

2.9.1.2.3.3.1.5 Sovereign exposure

	31.12.2020
(in millions of euros)	Net exposure
Austria	144
Belgium	50
Germany	301
Spain	340
France	11,021
United Kingdom	8
Italy	2,286
Portugal	7
Sweden	17
SFIL total sovereign debt exposure	**14,174**

2.9.1.2.3.3.1.6 Concentration risk

SFIL group has chosen to apply the advanced internal ratings-based approach to calculating solvency and capital adequacy ratios (Basel III reform). It has developed internal rating models that cover the main customer segments, and these models have been validated by the established supervisory authorities. These models enabled Caisse Française de Financement Local to present an analysis of its exposures by rating at 31 December 2020.

This analysis confirms the excellent quality of the assets in the portfolio, with over 90% of the portfolio rated investment grade or higher.

Concentration of credit risk on financial assets at amortised cost by economic agent

	31.12.2020		
	Assets recognised at amortised cost		
(in millions of euros)	Level 1 – 12-month expected credit losses	Level 2 – Lifetime expected credit losses	Level 3 – Lifetime expected credit losses – credit-impaired
AAA	525	13	
AA	20,084	955	
A	14,920	123	77
BBB	18,404	1,092	56
BB	224	1,148	
<B	663	1,817	444
Not rated	44	136	
Total breakdown by credit rating	**54,864**	**5,284**	**577**
Central banks			
Public authorities	50,675	3,405	560
Credit institutions	2,357		
Other financial firms			
Non-financial firms	1,832	1,879	17
Other			
Total by counterparty category	**54,864**	**5,284**	**577**
France	45,951	2,058	457
Italy	3,236	1,255	
Cayman Islands		883	
Qatar	1,081		
Argentina			114
Other countries	4,596	1,088	6
Impairment losses	(9)	(36)	(7)

Concentration of credit risk on financial assets recognised at fair value through OCI by economic agent

	31.12.2020		
	Financial assets at fair value through OCI		
(in millions of euros)	Level 1 – 12-month expected credit losses	Level 2 – Lifetime expected credit losses	Level 3 – Lifetime expected credit losses – credit-impaired
AAA			
AA	254		
A	202		
BBB	48		
BB			
<B			
Not rated			
Total breakdown by credit rating	**504**		
Central banks			
Public authorities	122		
Credit institutions	382		
Other financial firms			
Non-financial firms			
Total by counterparty category	**504**		
of which France	**318**		
Impairment losses			

Concentration of credit risk on off-balance sheet commitments (financing commitments and guarantee contracts) by economic agent

	31.12.2020		
	Off-balance sheet commitments given		
(in millions of euros)	Level 1 – 12-month expected credit losses	Level 2 – Lifetime expected credit losses	Level 3 – Expected losses on impaired loans
AAA			
AA	235		
A	503		
BBB			
BB	11		
<B	148	3,664	15
Not rated	190		
Total breakdown by credit rating	**1,087**	**3,664**	**15**
Central banks			
Public authorities	592		15
Credit institutions	24		
Other financial firms			
Non-financial firms	471	3,664	
Other			
Total by counterparty category	**1,087**	**3,664**	**15**
France	298		
Cayman Islands		3,654	
Qatar	440		
Argentina			15
Other countries	349	10	
Impairment losses		(10)	

2.9.1.2.3.3.2 Liquidity risk

Financial assets by maturity

(in millions of euros)	31.12.2020 <1 month	1-3 months	3-12 months	1-5 years	>5 years	No fixed maturity	Total financial assets recognised
Cash and amounts due from central banks	1,932						**1,932**
Financial assets at fair value through profit or loss		104	326	1,117	2,023	696	**4,266**
Hedging instruments with a positive fair value			645			4,492	**5,137**
Financial assets at fair value through OCI to be reclassified		19	198	287		7	**511**
Financial assets at fair value through OCI not to be reclassified							
Securities at amortised cost	1	445	772	2,489	3,408	1,238	**8,353**
Loans and receivables at amortised cost	29	1,205	3,772	17,505	27,538	2,344	**52,393**
Cumulative fair value adjustments to portfolios hedged against interest rate risk – assets						(13)	
Total financial assets	**1,962**	**1,773**	**5,713**	**21,398**	**32,969**	**8,764**	**72,579**

Financial liabilities by maturity

(in millions of euros)	31.12.2020 <1 month	1-3 months	3-12 months	1-5 years	>5 years	No fixed maturity	Total financial liabilities recognised
Due to central banks							
Financial liabilities at fair value through profit or loss			57			980	**1,037**
Hedging instruments with a negative fair value			215			7,335	**7,550**
Debt securities	1,280	787	4,320	23,480	30,860	3,854	**64,581**
Due to credit institutions and related entities						3	**3**
Due to customers							
Subordinated debt							
Cumulative fair value adjustments to portfolios hedged against interest rate risk – liabilities						23	**23**
Lease liabilities		1	3	5			**9**
Total financial liabilities	**1,280**	**788**	**4,595**	**23,485**	**30,860**	**12,195**	**73,203**

Maturities of commitments given in respect of financing and guarantees

(in millions of euros)	31.12.2020 <1 month	1-3 months	3-12 months	1-5 years	>5 years	Total commitments given
Financing commitments given		52	676	3,756	281	**4,765**
Guarantee commitments given						
Total commitments given		**52**	**676**	**3,756**	**281**	**4,765**

These tables present the balance sheet position at the reporting date; they do not take into account management decisions dealing with maturity mismatches, or the future production of assets and liabilities. SFIL group's liquidity is provided by the existing financing agreement with its shareholders and by the issue of bonds or certificates of deposit. In addition, Caisse Française de Financement Local can obtain financing from the Banque de France by pledging some of its assets. The proceeds from Banque de France financing would be used to redeem its covered bonds at maturity; the assets given as collateral are therefore excluded from the calculation of the coverage ratio.

2.9.1.2.3.3.3 Market risk

2.9.1.2.3.3.3.1 Scope of market risks

Market risk is defined as the risk of loss (recognised in the income statement or directly in equity) that may result from fluctuations in the prices of financial instruments held in a given portfolio.

SFIL group, as a public development bank, does not conduct any trading transactions and is therefore not exposed to market risks in the regulatory sense of the term. On a consolidated basis, all swaps are treated as hedging instruments. Similarly, CAFFIL, as a *société de crédit foncier* (mortgage bank), is prohibited from holding trading portfolios or equity investments and is therefore not exposed to regulatory market risk.

Certain positions or activities in the SFIL group's banking book that are not exposed to market risk in the regulatory sense of the term, are nevertheless sensitive to the volatility of market parameters and could affect profit or equity; they are monitored as non-regulatory market risks. These are primarily:

- risks arising from fluctuations in the value of financial assets at fair value through profit or loss or other comprehensive income;
- certain risks arising from the export credit business (changes in the value of the specific export credit indicator and, for loans denominated in foreign currencies, changes in the value of currency swaps used to hedge this activity);
- changes in fair value adjustments to derivatives including credit valuation adjustments (CVA) and debt valuation adjustments (DVA), recognised in the income statement under IFRS;
- the French GAAP provision for marketable securities;
- risks that may affect SFIL's separate financial statements related to the derivatives intermediation activity carried out on behalf of CAFFIL, if the derivatives set up by SFIL with external counterparties are not perfectly replicated with CAFFIL.

The COVID-19 crisis affected the Group's results in the first half of 2020, mainly because of the fall in the fair value of loans with a nominal value of €3.3 billion measured at fair value through profit or loss in accordance with IFRS. The decline in fair value was mainly due to the deterioration of credit spreads modelled on the basis of a market index that includes public-sector counterparties of comparable credit quality. The sensitivity of the portfolio value to a 1-bp change in the credit spread is €2.6 million. After hitting a low point mid-April, the value of these assets has since improved, with three quarters of the rise in the index determining the credit spread having been absorbed in the second half of the year. Taking into account the amortisation of the portfolio, net fair value adjustments for the year finally represented a positive amount of €8 million. The positive net fair value adjustment does not correspond to realised profit, but to unrealised net gains, as the assets are intended to be maintained on the balance sheet until maturity (and are financed to maturity). It is therefore classified as a non-recurring item.

Likewise, despite significant fluctuations in credit spreads during the year, fair value adjustments to securities in the "hold to collect and sell" portfolio measured at fair value through other comprehensive income finally had a €1 million positive impact on equity. The sensitivity of the portfolio to a 1-bp change in credit spread is €0.1 million.

2.9.1.2.3.3.3.2 Governance and monitoring of market risk

The governance of market risk monitoring is organised around the Market Risk Committee, which monitors the following risk indicators on a quarterly basis:

- valuation of assets recognised at fair value through profit or loss or other comprehensive income and French GAAP provisions for marketable securities;
- interest rate limits;
- cash collateral paid/received;
- export credit activity indicators.

This committee is also responsible for the approval of policies, guidelines and procedures relating to non-regulatory market risks before submission to the Risks Committee.

Ongoing monitoring of non-regulatory market risks is carried out by SFIL's Market and Balance Sheet Risk Department, which is mainly responsible for the following tasks:

- definition, in line with SFIL and CAFFIL's risk appetite, of:
  - market risk policies and guidelines,
  - the various limits,
  - methods for calculating and measuring the various risks;
- certification of the valuation of derivatives for accounting purposes;
- determination of:
  - balance sheet values (assets and liabilities),
  - fair value adjustments (CVA and DVA) to derivatives;
- monitoring of:
  - the valuation of currency swaps acquired as hedges of export credits in foreign currency but not yet included in a hedging relationship,

– the valuation of swaps that no longer qualify for hedge accounting following default on the hedged loan;

- controls over daily margin calls on derivatives (cash collateral) by monitoring sensitivities to market parameters. These correspond to the change in fair value of the instruments for a standard deviation (or shock) in market parameters.

Calculation and control of the impact of spread risk on the securities portfolio.

Securities not at adjustable rates that are measured at fair value through other comprehensive income under IFRS or as marketable securities under French GAAP are generally hedged by swaps. The residual risk on the securities portfolio is limited to the credit spread risk: the Market Risk and Balance Sheet Department calculates the recognised impact resulting from changes in issuers' credit spreads.

2.9.1.2.3.3.3.3 Currency risk

The reference currency of SFIL group is the euro; currency risk therefore reflects the change in value of assets and liabilities in a currency other than the euro due to that currency fluctuating against the euro.

Debt issues and assets denominated in foreign currencies are hedged by cross-currency swaps at the latest on initial recognition and until their final maturity, thus hedging the currency risk on the nominal value of these assets and liabilities and the related interest streams. Adjustable rate exposures are included in the management of interest rate risk. However, for operational reasons, SFIL maintains a marginal open currency position corresponding to the part of the margin not paid to CAFFIL on export credit transactions in foreign currencies.

Currency risk is monitored based on the net foreign exchange position in each currency, calculated on all recognised receivables, commitments and accrued interest in foreign currencies. The net foreign exchange position by currency must be zero, with the exception of positions in USD and GBP for which a small open position is tolerated for operational reasons.

In addition, certain export credit transactions denominated in foreign currencies may generate a very limited currency risk for CAFFIL during the drawdown phase. This residual risk is limited by a very low sensitivity cap on the euro/currency base.

Classification by original currency	31.12.2020				
(in millions of euros)	EUR	Other European currencies	USD	Other currencies	**Total**
Total assets	72,202	628	3,848	358	**77,036**
Total liabilities	72,202	628	3,848	358	**77,036**
Net balance sheet position					

2.9.1.2.3.3.3.4 Interest rate risk

SFIL does not accept interest rate risk as an entity. The interest rate risk hedging strategy consists of setting up perfect micro-hedges, either through the use of Eonia or €STR swaps, or by matching asset and liability transactions based on the same index, or in the case of the export credit business, through hedging transactions carried out via the stabilisation mechanism. This hedging programme ensures that SFIL is not exposed to any interest rate risk.

To limit the impact of these risks, Caisse Française de Financement Local has implemented a two-stage hedging strategy:

- Firstly, preferred assets and liabilities that are not naturally at variable rates are hedged against Euribor until maturity, from the date of initial recognition. In practice, acquired loan books (generally comprising loans for small unit amounts) are usually hedged using portfolio fair value hedging (macro-hedging) techniques. Individual loans or bond issues may be micro- or macro-hedged. Assets and liabilities are generally hedged using interest rate swaps, but also, where possible, by terminating swaps in the opposite direction.
- The second stage consists of hedging cash flows on assets and liabilities at Euribor (naturally or after hedging) using Eonia or €STR swaps in order to protect profits against the basis risk resulting from the different periods for which the Euribor is quoted (one, three, six or twelve months) and against the fixing risk. The residual risk is managed using portfolio fair value hedging techniques over a management horizon of one week.

These hedges are set up on the market by Caisse Française de Financement Local either directly or through SFIL.

These hedging operations do not concern junior debt, corresponding to borrowings by Caisse Française de Financement Local from its shareholder to finance the mortgage bond over-collateralisation. These borrowings are made either directly at Eonia or €STR plus a spread, in which case they do not need to be swapped, or at Euribor plus a spread, in which case the proceeds are used to finance Euribor assets. Where applicable, short-term fixed rate borrowings from the Banque de France are not hedged, but are used to finance assets that are also at fixed rates.

These different types of interest rate risk are monitored, analysed and managed via:

- static calculations of interest rate gaps (fixed rate, basis and fixing):

Fixed-rate gap	Difference between on- and off-balance sheet assets and liabilities for fixed rate transactions, or transactions for which the rate has been fixed. It is calculated each month until the positions are extinguished.
Index gaps	Difference between on- and off-balance sheet assets and liabilities for a given index tenor that has not yet been fixed. This gap is calculated each month until the positions are extinguished.
Basis gaps	Gaps resulting from the matching of two index gaps. There are as many basis gaps as there are index pairs.
Fixing gap	For a given index tenor: difference between adjustable rate on- and off-balance sheet assets and liabilities, by fixing date.

- production of monthly indicators of the sensitivity of net present value (NPV) to a 100–bps rate shock, intended to regulate CAFFIL's residual fixed/fixed rate positions (after hedging). These indicators are calculated over four predefined time buckets, and are framed by limits calibrated so as not to lose more than 6% of equity (i.e. €80 million) with a quantile of 99% calculated on the basis of ten-years' historical data:

Parallel increase/decrease of the yield curve	Limit of €25 million
Steepening/rotation of the yield curve on distant points of the curve	Limit of €15 million on the ST time bucket, €10 million on the MT and LT, and €9 million on the VLT.
Steepening/rotation of the yield curve within a time bucket	Limit of €30 million on the absolute value of the sensitivities within a time bucket.

(1) In the first half of 2020, CAFFIL's interest rate risk sensitivity limits were adjusted, while the overall interest rate risk appetite was left unchanged (€80 million). The previous limit was €10 million for the four time buckets.

(2) The limit applicable to points earlier than 31 May 2020 was €40 million. Since May 2020, it has been €30 million.

Directional risk measurement

Quarter-end sensitivity measurements are presented below.

Directional risk

Total sensitivity

(in millions of euros)	Limit	31.03.2020	30.06.2020	30.09.2020	31.12.2020
Sensitivity	25/(25)	(2.7)	(1.9)	(1.0)	(6.8)

Steepening/rotation risk measurement

Quarter-end sensitivity measurements are presented below.

Steepening risk between two distant maturity points on the curve

Sum of sensitivities

(in millions of euros)	Limit	31.03.2020	30.06.2020	30.09.2020	31.12.2020
Short term	15/(15)	(6)	(4)	(5)	(10)
Medium term	10/(10)	(2)	(7)	(6)	3
Long term	10/(10)	2	4	5	(3)
Very long term	9/(9)	4	5	5	2

Steepening risk between two close maturity points on the curve

Sum of sensitivities in absolute value

(in millions of euros)	Limit	31.03.2020	30.06.2020	30.09.2020	31.12.2020
Short term	30	17	9	13	11
Medium term	30	13	13	14	22
Long term	30	12	10	4	11
Very long term	30	7	8	8	9

2.9.1.2.3.3.4 Hedging activities

2.9.1.2.3.3.4.1 Portfolio interest rate risk management strategy and objectives

The Group applies IAS 39 as adopted by the European Union (IAS 39 carve-out) which is a more exact reflection of how it manages its financial instruments.

The objective of hedge accounting is to reduce the exposure to interest rate risk arising from certain categories of assets or liabilities designated as forming part of a hedging relationship.

The Group conducts an overall analysis of its interest rate risk. This analysis consists of assessing interest rate risk on all fixed rate elements recognised on the statement of financial position that generate such risk. The Group selects the financial assets and liabilities to be included in the portfolio's interest rate risk hedge. The same method is applied to select the financial assets and liabilities in the portfolio, which are allocated to time buckets based on their maturities. Therefore, when these items are removed from the portfolio, they must be removed from all the time buckets to which they were allocated.

The Group has chosen to create loan portfolios and bond portfolios comprising instruments with similar characteristics. From this differential analysis, carried out on a net basis, when the contract is set up, the risk exposure to be hedged is defined, along with the period covered by each time bucket, the testing method and testing frequency.

The portfolio fair value hedging instruments used by the Group are mainly simple interest rate swaps designated at inception as fair value hedges of fixed rate assets and liabilities. The effectiveness of these hedging relationships is evidenced through target schedules. Prospective effectiveness tests (carried out at the date of designation of the hedge) and retrospective effectiveness tests (carried out at each half-yearly and annual closing) aim to ensure that there is no over-hedging: this is the case if, for each time bucket of the target maturity, the nominal amount of the items to be hedged is greater than the notional amount of the hedging derivatives.

Hedging instruments are portfolios of derivatives whose positions can be offset. They are measured at fair value through profit or loss (including accrued interest payable or receivable).

Fair value adjustments to hedged items are recognised in the balance sheet (as assets or liabilities respectively, depending on whether the groups of hedged items are assets or liabilities) under "Cumulative fair value adjustments to portfolios hedged against interest rate risk" and in profit or loss.

2.9.1.2.3.3.4.2 Impact of hedging transactions on the amount and timing of cash flows

The contractual maturities of the notional amount of the hedging instruments have been included in Note 2.4.2 – Hedging instruments – assets and liabilities.

2.9.1.2.3.3.4.3 Impact of hedge accounting in the Group's consolidated financial statements

The impacts of hedge accounting are presented in the consolidated financial statements as well as in Notes 2.3.1 – Interest income and expense, 2.3.3 – Net gains and losses on financial instruments at fair value through profit or loss, and 2.4.2 – Hedging instruments – assets and liabilities.

2.9.2 Operational and compliance risk

The Group Risk Management division is responsible for analysing and measuring Group risks. Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Permanent Control division contributes to the management of operational risk by continuously improving permanent control processes (defining standards and reports, and implementing compliance controls) in liaison with the Public Institution divisions and the subsidiaries.

This division is also responsible for managing the permanent control and compliance system at Group level. It reports to Group senior management and the Supervisory Board.

The Permanent Control and Compliance division is also in charge of the programme to combat money laundering and the sponsoring of terrorism (*lutte contre le blanchiment de capital et de financement du terrorisme* – LCB-FT), as well as the anti-corruption programme, and monitors compliance with the principles set out in the Group's Code of Ethics.

2.9.2.1 Applications for monitoring operational and compliance risk

The Permanent Control and Compliance division works with the Caisse des Dépôts divisions to ensure that appropriate control measures are implemented to obtain reasonable assurance that the risks inherent in each process are properly managed. A number of different tools have been developed:

2.9.2.1.1 An integrated risk management application

PRISM, which has been deployed across all the divisions, handles risk mapping, control processes, control events, business continuity plans and follow-up of audit recommendations.

2.9.2.1.2 Risk maps

The Permanent Control and Compliance division maps operational and compliance risks, in coordination with the Caisse des Dépôts divisions.

These maps make it possible to identify the major risks to be matched to permanent controls, and the action plans intended to reduce their probability of occurrence and/or their potential impact. The risks thus identified for the Public Institution are presented to the Caisse des Dépôts Management Committee.

2.9.2.1.3 The "event" database

All control events reported within the Public Institution are recorded in a centralised database and significant events are monitored by the Permanent Control and Compliance division.

Control events in the subsidiaries are reported to the Group Risk Management division and to the Permanent Control and Compliance division. The aim is to consolidate all types of events impacting the Caisse des Dépôts Group, to highlight identified system failures, assess the potential or actual related losses and draw up appropriate corrective action plans.

2.9.2.1.4 The second-tier control plan

The Permanent Control and Compliance division implements a second-tier control plan, which uses a risk–based approach, applied across the Caisse des Dépôts scope and, in conjunction with the Risk, Permanent Control and Compliance Officer network, in the subsidiaries.

This control plan is designed to test the appropriateness of permanent control and compliance processes in terms of the risks involved and activities performed.

These processes are evaluated based on the tests performed by the Permanent Control and Compliance division and the results are presented to the Caisse des Dépôts Management Committee and Supervisory Board.

2.9.2.1.5 Warning flags

The Public Institution entities and Group subsidiaries have devised a series of indicators, including warning thresholds, to anticipate any deterioration in the quality of permanent controls or operational risk monitoring and control.

2.9.2.1.6 Coordinating the LCB-FT compliance programme

In accordance with the French Monetary and Financial Code, Caisse des Dépôts is responsible for setting up a programme to combat money laundering and the sponsoring of terrorism (LCB-FT).

The Permanent Control and Compliance division coordinates and supervises the Group's LCB-FT programme. It devises the guidelines that must be applied throughout the Group. Caisse des Dépôts has a zero–tolerance policy with respect to LCB-FT compliance risk.

The Permanent Control and Compliance division is in charge of making declarations to, and liaising with, TRACFIN, the French government anti-money laundering agency, on behalf of the Public Institution. The Permanent Control and Compliance division carries out anti-money laundering and terrorist financing compliance checks throughout the Public Institution and the subsidiaries, at least once a year.

Working with the Human Resources division, it organises the legally required regulatory training for employees and coordinates its network on a Group-wide basis through committees and working groups.

Caisse des Dépôts has drawn up a country classification of LCB-FT risk based on a series of objective criteria and a pre-determined methodology. Accordingly, more stringent controls are applied to any files relating to high-risk countries.

It has also compiled a blacklist to prohibit investments in Non-Cooperative Countries and Territories (*Etats et territoires non coopératifs*– ETNC) (see French government blacklist) or countries on the Financial Action Task Force's (FATF) List no. 1 and subject to counter-measures (Iran and North Korea).

2.9.2.1.7 Coordinating ethical compliance standards

The ethical guidelines consist of the Group's Ethics Charter and the Public Institution's Code of Ethics. The guidelines have been revised and are accompanied by implementation procedures contained in the ethical standards compendium available on the Caisse des Dépôts intranet.

The Permanent Control and Compliance division supervises and coordinates the Public Institution's ethical standards, providing guidance and running its network.

The Permanent Control and Compliance division carries out annual ethical compliance checks throughout the Public Institution.

Caisse des Dépôts has also adopted an anti-corruption policy for the Group and a whistleblowing facility for the Public Institution, in accordance with law no. 2016-1691 of 9 December 2016 on transparency, anti-corruption and economic modernisation (the "Sapin II" law).

2.9.2.1.8 The business continuity plan

Continuity planning at Caisse des Dépôts is led by:

- the Permanent Control and Compliance division, which develops the Public Institution's policies to ensure business continuity and maintain operational readiness, sets continuity standards and makes sure they are properly implemented;
- the Corporate Secretary's Office, which is responsible for the operational management of the company-wide business continuity plan;
- the divisions, which develop, implement and test their business continuity plans.

2.9.2.1.9 Information systems security

The Group Risk Management division defines the Group information systems security policy, rolls the policy out to the Public Institution and liaises with the divisions and Informatique Caisse des Dépôts over its implementation. Information systems security is focused on system availability, data integrity and confidentiality, and proof (or non-repudiation) of transmission, represented by the acronym AICP (i.e. availability, integrity, confidentiality, proof). Operational security (protection, detection, incident response and reconstruction) is ensured by the internal IT teams at Informatique Caisse des Dépôts (Security Operations Center [SOC] and Computer Emergency Response Team [CERT]).

Information systems security deployment is overseen by the Information Systems Strategy Committee, which meets twice a year.

The Group Risk Management division systematically issues an opinion on information systems security risk for each IS project conducted in the Public Institution.

2.9.3 Tax and legal risks

Legal and tax risk comprises all risks related to ignorance, to non-compliance or to misinterpretation of current legislation and may result in lawsuits arising from erroneous application of procedures or regulations.

The Legal, Tax and Related Services division issues legal and tax guidelines to streamline processes and tighten up management practices. These guidelines apply to all Group operating activities. It is also involved in designing key Public Institution projects to boost Group-wide legal compliance. It helps the operating divisions and subsidiaries with legal and tax matters in all aspects of their businesses as well as with cross-disciplinary issues such as secure IT development.

2.10 Related-party transactions

Related parties include consolidated companies, savings funds, pension funds and funds managed by Caisse des Dépôts in connection with the national loan.

2.10.1 Relations between consolidated companies

Transactions and balances existing at year-end between fully consolidated companies are eliminated in consolidation. The following information therefore only concerns intragroup transactions with jointly controlled companies (accounted for by the equity method), and with associates over which the Group exercises significant influence (accounted for by the equity method).

(in millions of euros)	31.12.2020	31.12.2019
Loans	332	260
Other financial assets	264	217
Other assets	9	2
Total assets	**605**	**479**
Borrowings	237	429
Other financial liabilities	36	
Other liabilities(1)	6,496	
Total liabilities	**6,769**	**429**
Commitments given(2)		2,717
Commitments received(2)		1,940
Total commitments		**4,657**
Interest income (expense), net		2
Fee and commission income (expense), net	119	(2)
Net income (loss) from financial transactions		1
Net income (loss) from other activities	3	16
General operating expenses, net of rebillings		7
Gross operating profit (loss)	**122**	**24**

(1) Mainly CNP Assurances' equity-accounted entities.

(2) In 2019, including €1.9 billion in CNP Assurances securities to be delivered and €1.9 billion in La Poste securities to be received as part of the merger between La Poste and Caisse des Dépôts. This transaction was completed on 4 March 2020.

2.10.2 Related parties not controlled by the Group

2.10.2.1 Savings Funds

Caisse des Dépôts manages the centralised savings funds entrusted to it by the French State.

(in millions of euros)	31.12.2020	31.12.2019
Loans[1]	78,108	7,342
Other assets	75	47
Total assets	**78,183**	**7,389**
Borrowings	6,622	1,120
Other liabilities	567	37
Total liabilities	**7,189**	**1,157**
Commitments given[2]	8,048	9,825
Commitments received[3]	11,143	5,500
Total commitments	**19,191**	**15,325**
Interest income (expense), net	687	106
Fee and commission income (expense), net	330	
Net income (loss) from other activities	9	(53)
General operating expenses, net of rebillings	177	157
Gross operating profit (loss)	**1,203**	**210**

(1) Including €67 billion in loans to La Banque Postale, and €7.8 billion in zero-interest, EIB and Housing Plan loans (€5.2 billion in 2019).
(2) Including €5.8 billion in commitments given to the Savings Funds for zero-interest, EIB and Housing Plan loans (€7.7 billion in 2019).
(3) Including €10.8 billion in guarantee commitments received from the Savings Funds for zero-interest, EIB and Housing Plan loans (€5.4 billion in 2019).

2.10.2.2 Pension funds

(in millions of euros)	31.12.2020	31.12.2019
Other assets	76	59
Total assets	**76**	**59**
Borrowings	1,716	1,580
Other liabilities	37	52
Total liabilities	**1,753**	**1,632**
Commitments given		
Commitments received		
Total commitments		
Interest income (expense), net	5	(1)
Net income (loss) from financial transactions		(1)
Net income (loss) from other activities	5	5
General operating expenses, net of rebillings	292	290
Gross operating profit (loss)	**302**	**293**

2.10.2.3 Funds managed in connection with the Investments for the Future programme

Caisse des Dépôts has been entrusted with the management of programmes and actions within the scope of the Investments for the Future programme, also known as the national loan. The French State has entrusted Caisse des Dépôts with managing these funds with a payment into a specific Caisse des Dépôts account with the French Treasury.

At 31 December 2020, these packages break down as follows after payments and after deducting management fees:

	Assets		Liabilities and equity	
	Amounts receivable in respect of current or future cash investments		Amounts payable to the French State in respect of the national loan	
(in millions of euros)	31.12.2020	31.12.2019	31.12.2020	31.12.2019
France Brevets	109	117	109	117
Technological development	719	719	719	719
Social and solidarity economy	40	46	40	46
Work-study programme – housing and modernisation	67	118	67	118
National seed capital fund	156	202	156	202
Innovation platforms and competitive clusters	12	12	12	12
Fonds Écotechnologies (Eco-technologies fund)	212	220	212	220
Fonds pour la société numérique (Digital society funds) – infrastructure and services	534	644	534	644
Tomorrow's cities	349	374	349	374
National fund for innovation – and entrepreneurial culture	3	4	3	4
Regional integrated energy transition projects	15	19	15	19
Transition numérique de l'État et modernisation de l'action publique (Digital transition for government and modernisation of public action)	4	6	4	6
French Tech Accélération	196	200	196	200
Partenariat pour la formation professionnelle et l'emploi (Alliance for vocational training and employment)	64	78	64	78
Health biotech acceleration fund	330	330	330	330
Fund of turnaround funds	123	74	123	74
Digital innovation for education excellence	40	42	40	42
Thematic institutions of excellence in decarbonised energies	43	43	43	43
Fund of funds – priority urban areas	48	49	48	49
Territoires d'innovation de grande ambition (Regional schemes for ambitious innovation)	183	97	183	97
Regional schemes for innovation in education	67	47	67	47
Fonds à l'internationalisation des PME (Fund for SME international expansion)	100	100	100	100
Adaptation et qualification main-d'œuvre (Maintain and develop employment in all geographical areas)	50	35	50	35
Academic and research companies	99	99	99	99
Accélération du développement des écosystèmes d'innovation performants (Accelerate the development of high-performance innovation ecosystems)	106		106	
Major challenges	250		250	
	3,919	**3,675**	**3,919**	**3,675**

2.11 Employee benefits

2.11.1 Employee benefits expense

(in millions of euros)	31.12.2020	31.12.2019
Payroll costs	(15,661)	(5,743)
Post-employment benefit plan costs	(467)	(57)
Discretionary and non-discretionary profit-sharing	(186)	(110)
Total employee benefits expense[(1)]	**(16,314)**	**(5,910)**

(1) Including €10,656 million for La Poste group.

2.11.2 Average number of employees at controlled companies

	31.12.2020	31.12.2019
France	253,798	50,832
International	98,501	54,924
Average number of employees[(1)]	**352,299**	**105,756**

(1) Including €248,906 for La Poste group.

2.11.3 Employee benefit obligations

2.11.3.1 Net employee benefit obligations recognised

(in millions of euros)	31.12.2020	31.12.2019
Assets and liabilities recognised in the statement of financial position		
Present value of funded employee benefit obligation	422	194
Present value of unfunded employee benefit obligation	3,893	587
Present value of employee benefit obligation	**4,315**	**781**
Market value of plan assets	**(373)**	**(136)**
Provision for employee benefit obligations	**3,942**	**645**
Actuarial liability – current	580	70
Actuarial liability – non-current	3,362	575

2.11.3.2 Change in employee benefit obligations in the income statement

(in millions of euros)	31.12.2020	31.12.2019
Current service cost – post-employment plans	(227)	(26)
Current service cost – long-term benefits	(34)	(18)
Past service cost (including plan amendments and curtailments)	(2)	(1)
Gains and losses on plan settlements	75	5
Service cost	**(188)**	**(40)**
Net interest cost	**(17)**	**(8)**
Actuarial gains and losses on long-term benefits	**(1)**	**(10)**
Post-employment plan and long-term benefit expense	**(206)**	**(58)**

2.11.3.3 Change in provision for employee benefit obligations

(in millions of euros)	31.12.2020	31.12.2019
Opening balance	**645**	**595**
Post-employment plan and long-term benefit expense	206	58
Benefits paid	(116)	(51)
Actuarial gains and losses on post-employment plans resulting from:		
– changes in demographic assumptions	(5)	(4)
– changes in financial assumptions	68	65
– experience adjustments	(7)	(13)
Actuarial gains and losses on plan assets	(37)	(7)
Changes in scope of consolidation(1)	3,201	
Other movements	(13)	2
Closing balance	**3,942**	**645**

(1) La Poste group

2.11.3.4 Analysis of the provision for employee benefit obligations

2.11.3.4.1 Breakdown of obligations by type

(in millions of euros)	31.12.2020	31.12.2019
Retirement benefits	960	306
Other pension plans	614	72
Other post-employment benefit plans	561	72
Long-term benefits	197	195
La Poste group part-time retirement plan	1,610	
Provision for employee benefit obligations	**3,942**	**645**

2.11.3.4.2 Breakdown of obligations by consolidated entity

(in millions of euros)	31.12.2020	31.12.2019
Caisse des Dépôts (Central Sector)	185	264
La Poste group	3,365	
Transdev group	171	174
Egis group	58	56
Compagnie des Alpes group	54	57
Icade group	26	26
Informatique CDC	29	27
CDC Habitat group	42	35
Other entities	12	6
Provision for employee benefit obligations	**3,942**	**645**

2.11.3.5 Breakdown of plan assets by type

(in millions of euros)	31.12.2020	31.12.2019
Equities	73	51
Bonds	125	29
Other assets	174	56
Total plan assets	**373**	**136**

2.11.3.6 Other information on employee benefit obligations

2.11.3.6.1 Weighted average discount rates used to measure retirement benefits

Average discount rate for each consolidated entity	31.12.2020	31.12.2019
Caisse des Dépôts (Central Sector)	0.33%	0.65%
La Poste group	0.30%	-
Transdev group	0.30%	0.40%
Egis group	0.50%	0.60%
Compagnie des Alpes group	0.60%	0.50%
Icade group	0.33%	0.60%
Informatique Caisse des Dépôts	0.32%	0.83%
CDC Habitat group	0.34%	0.65%

The discount rate is determined by reference to the iBoxx € Corporates AA 10+ index, which essentially represents the yield on investment-grade corporate bonds.

2.11.3.6.2 Analysis of sensitivity of the provision for employee benefit obligations to a rise or fall in the discount rate

	31.12.2020	31.12.2019
Sensitivity of actuarial liability	**+/-50 bps**	**+/-50 bps**
Amount of provision in the event of a rise in the discount rate	3,804	607
Provision for employee benefit obligations at year-end	**3,942**	**645**
Amount of provision in the event of a fall in the discount rate	4,083	690

2.12 Information on associates and joint ventures

The table below sets out data relating to material joint ventures based on a 100% holding prior to the elimination of intragroup balances and transactions, using the Group's IFRS publication format.

2.12.1 Material joint ventures

The Group's material joint ventures are Bpifrance and Coentreprise de Transport d'Electricité, which account for 84% of investments in joint ventures.

2.12.1.1 Summarised financial information

2.12.1.1.1 Bpifrance

	31.12.2020	31.12.2019
Percent control and percent interest held by the entity	49.29%	50%
Nature of relationship	Corporate financing and investment partner	Corporate financing and investment partner
Dividends received	0	€209 million

Balance sheet - Bpifrance

(in millions of euros)	31.12.2020	31.12.2019
Assets		
Cash and amounts due from central banks	7,819	1,046
Financial assets at fair value through profit or loss	5,944	5,568
Hedging instruments with a positive fair value	6	5
Financial assets at fair value through OCI	12,288	10,831
Securities at amortised cost	8,041	7,538
Loans and receivables due from credit institutions	1,461	1,042
Loans and receivables due from customers	44,420	40,706
Finance lease and equivalent operations	6,185	6,223
Innovation financing aids	988	983
Cumulative fair value adjustments to portfolios hedged against interest rate risk	586	436
Current and deferred tax assets	260	145
Prepayments, accrued income and other assets	827	536
Non-current assets held for sale		85
Investments in equity-accounted companies	5,053	4,289
Owner-occupied property and equipment	250	217
Intangible assets	185	157
Goodwill	2	2
Total assets	**94,315**	**79,809**

(in millions of euros)	31.12.2020	31.12.2019
Liabilities and equity		
Financial liabilities at fair value through profit or loss	2	2
Hedging instruments with a negative fair value	84	21
Due to credit institutions	18,801	11,012
Due to customers	3,014	3,510
Debt securities	36,346	30,267
Cumulative fair value adjustments to portfolios hedged against interest rate risk	728	539
Current and deferred tax liabilities	130	146
Accrued expenses, deferred income and other liabilities	2,490	1,459
Lease liabilities	122	97
Provisions	144	123
Net innovation intervention resources	1,916	1,829
Public guarantee funds	6,456	5,907
Subordinated debt	7	7
Equity attributable to owners	**24,061**	**24,513**
Share capital and related reserves	21,122	20,862
Reserves and retained earnings	3,763	2,412
Gains and losses recognised directly in equity	(727)	235
Profit (loss) for the period	(97)	1,004
Non-controlling interests	14	377
Total liabilities and equity	**94,315**	**79,809**

Income statement – Bpifrance

(in millions of euros)	31.12.2020	31.12.2019
Net banking income	**1,239**	**1,453**
General operating expenses	(717)	(639)
Depreciation, amortisation and impairment of property and equipment and intangible assets	(76)	(72)
Gross operating profit (loss)	**446**	**742**
Cost of risk	(462)	(82)
Operating profit (loss)	**(16)**	**660**
Share of profit (loss) of equity-accounted companies	(107)	416
Gains and losses on other assets, net		19
Change in value of goodwill		20
Income tax	18	(97)
Net profit (loss)	**(105)**	**1,018**
Non-controlling interests	(8)	14
Net profit (loss) attributable to owners	**(97)**	**1,004**

Other comprehensive income – Bpifrance

(in millions of euros)	31.12.2020	31.12.2019
Net profit (loss)	**(105)**	**1,018**
Items to be reclassified to the income statement	**(100)**	**20**
Changes in fair value of financial assets at fair value through OCI	40	4
Share of other comprehensive income (loss) of equity-accounted companies	(129)	18
Associated taxes	(11)	(2)
Items not to be reclassified to the income statement	**(551)**	**960**
Actuarial gains and losses on post-employment defined benefit obligations	(2)	(5)
Changes in fair value of equity instruments recognised at fair value through OCI	(582)	1,005
Share of other comprehensive income (loss) of equity-accounted companies	47	1
Associated taxes	(14)	(41)
Other comprehensive income (loss)	**(651)**	**980**
Total comprehensive income (loss)	**(756)**	**1,998**
Attributable to owners	(749)	1,982
Non-controlling interests	(7)	16

Reconciliation of financial information with the equity-accounted carrying amount of Bpifrance

(in millions of euros)	31.12.2020	31.12.2019
Equity attributable to owners	24,061	24,513
Restatements (fair value adjustments)	319	319
Equity based on Caisse des Dépôts' percent interest	12,017	12,416
Equity-accounted carrying amount on Caisse des Dépôts' statement of financial position	**12,017**	**12,416**

2.12.1.1.2 Coentreprise de Transport d'Electricité

	31.12.2020	31.12.2019
Percent control and percent interest held by the entity	29.9%	29.9%
Nature of relationship	Strategic interest	Strategic interest
Dividends received	€110 million	€94 million

Balance sheet – Coentreprise de Transport d'Electricité

(in millions of euros)	31.12.2020	31.12.2019
Assets		
Non-current assets	19,203	18,568
Current assets	4,036	3,120
Assets	**23,239**	**21,688**

(in millions of euros)	31.12.2020	31.12.2019
Equity and liabilities		
Total equity	**2,750**	**2,833**
Non-current liabilities	15,630	15,059
Current liabilities	4,859	3,796
Equity and liabilities	**23,239**	**21,688**

Income statement – Coentreprise de Transport d'Electricité

(in millions of euros)	31.12.2020	31.12.2019
Total revenue	**4,729**	**4,856**
Gross operating surplus	**1,914**	**2,181**
Net profit (loss)	**472**	**632**

Reconciliation of financial information with the equity-accounted carrying amount of Coentreprise de Transport d'Electricité

(in millions of euros)	31.12.2020	31.12.2019
Equity attributable to owners	2,750	2,829
Restatements (chiefly purchase price allocation)	3,099	3,071
Equity based on Caisse des Dépôts' percent interest	1,749	1,764
Equity-accounted carrying amount on Caisse des Dépôts' statement of financial position	**1,749**	**1,764**

2.13 Statutory Auditors' fees

(in millions of euros)	Mazars 2020	Mazars 2019	PwC 2020	PwC 2019
Audit				
Statutory audit, certification, review of the individual and consolidated financial statements				
– Central Sector	1.5	1.1	1.3	1.1
– Fully consolidated subsidiaries	7.3	5.1	8.8	2.8
Non-audit services				
– Central Sector	0.1	0.1		0.1
– Fully consolidated subsidiaries	1.0	0.8	1.2	0.7
Total	**9.9**	**7.1**	**11.3**	**4.7**

2.14 Scope of consolidation

Caisse des Dépôts prepares separate annual financial statements under French GAAP for each of its constituent sectors: the Central Sector and the Savings Funds.

In addition, Banque des Territoires brings together all of the Caisse des Dépôts' resources to promote regional development. It encompasses the operational departments (banking, investor, lender) and relies on a network of 35 offices, with functional departments (finance, communication, digital strategy and human resources). It also includes two subsidiaries, CDC Habitat and SCET, which support regional players in engineering and consulting.

The Caisse des Dépôts Group is unique as a public institution with subsidiaries and affiliates that operate in the competitive sector. It publishes consolidated financial statements under IFRS. These combine the financial statements of the Central Sector and those of the entities over which Caisse des Dépôts exercises exclusive or joint control to form the consolidated financial statements of the Caisse des Dépôts Group. Presentation of the Group's scope of consolidation is organised on the basis of the Group's four business segments. Entities, sub-groups and subsidiaries are thus presented by business segment.

At 31 December 2020, the Caisse des Dépôts Group consolidated 1,847 companies in its financial statements.

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
CAISSE DES DÉPÔTS DIVISION						
CAISSE DES DÉPÔTS						
CDC (CENTRAL SECTOR) *Registered office: 56, rue de Lille – 75356 Paris 07 SP*	FULL	100.00	100.00	FULL	100.00	100.00
SCET *Registered office: 52, rue Jacques-Hilairet – 75612 Paris Cedex 12*	FULL	100.00	100.00	FULL	100.00	100.00
CDC HABITAT GROUP						
CDC HABITAT *Registered office: 100, avenue de France – 75013 Paris*	FULL	100.00	100.00	FULL	100.00	100.00
SAINTE-BARBE	FULL	100.00	100.00	FULL	100.00	100.00
AMPÈRE GESTION	FULL	100.00	100.00	FULL	100.00	100.00
ADOMA	EQUITY (JV)	56.44	56.44	EQUITY (JV)	56.44	56.44
FONDS DE LOGEMENT INTERMÉDIAIRE	EQUITY (Ass.)	19.14	19.14	EQUITY (Ass.)	19.14	19.14
ADESTIA	FULL	100.00	100.00	FULL	100.00	100.00
SCI DES RÉGIONS				FULL	100.00	100.00
SCI MAC DONALD LOGEMENTS LOCATIFS				FULL	100.00	100.00
CAISSE DES DÉPÔTS DIVISION – OTHER ENTITIES						
INFORMATIQUE CDC	FULL	100.00	99.95	FULL	100.00	99.95
CDC CROISSANCE	FULL	100.00	100.00	FULL	100.00	100.00
CDC PME CROISSANCE	EQUITY (JV)	53.29	53.29	EQUITY (JV)	53.29	53.29
CDC EURO CROISSANCE	EQUITY (JV)	50.01	50.01	EQUITY (JV)	50.01	50.01
CDC TECH CROISSANCE	EQUITY (JV)	35.66	35.66	EQUITY (JV)	35.66	35.66
CDC CROISSANCE DURABLE	EQUITY (JV)	50.00	50.00			
CDC INVESTISSEMENT IMMOBILIER	FULL	100.00	100.00	FULL	100.00	100.00
CDC INVESTISSEMENT IMMOBILIER INTERNE	FULL	100.00	100.00	FULL	100.00	100.00

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
ACEP INV 3	FULL	100.00	100.00	FULL	100.00	100.00
DOCKS V3	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
DOCKS V2	EQUITY (JV)	50.00	50.00			
FONCIÈRE FRANKLIN	FULL	100.00	100.00	FULL	100.00	100.00
TONUS TERRITOIRES	FULL	100.00	100.00	FULL	100.00	100.00
GPI REUILLY	FULL	100.00	99.90	FULL	100.00	99.90
GPINVEST 5	FULL	100.00	100.00			
GPI RUE PETIT	FULL	100.00	100.00	FULL	100.00	100.00
GPINVEST PB10	FULL	100.00	100.00	FULL	100.00	100.00
LE MARQUIS	EQUITY (Ass.)	40.00	40.00	EQUITY (Ass.)	40.00	40.00
PARIS RIVE GAUCHE A9				FULL	100.00	100.00
PBEM – PARIS BATIGNOLLES ÉMERGENCE	FULL	100.00	99.90	FULL	100.00	99.90
SAS CHÂTEAUDUN	FULL	100.00	100.00	FULL	100.00	100.00
SAS DÉFENSE CB3	EQUITY (Ass.)	25.00	25.00	EQUITY (Ass.)	25.00	25.00
SAS LA NEF LUMIÈRE	FULL	100.00	87.50	FULL	100.00	87.50
SAS LAFAYETTE	FULL	100.00	100.00	FULL	100.00	100.00
SAS PARIS NORD EST	FULL	100.00	79.00	FULL	100.00	79.00
SAS PRINTEMPS LA VALETTE II	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
SAS RICHELIEU VIVIENNE*	FULL	100.00	50.00	EQUITY (JV)	50.00	50.00
SCI 182 RUE DE RIVOLI	FULL	100.00	99.00	FULL	100.00	99.00
SCI 43 45 RUE DE COURCELLES	FULL	100.00	99.00	FULL	100.00	99.00
SCI ALPHA PARK	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
SCI BATIGNOLLES LOT 09	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
SCI BAUDELIQUE	FULL	100.00	99.66	FULL	100.00	99.66
SCI BOULOGNE ILOT V	FULL	100.00	99.00	FULL	100.00	99.00
SCI CUVIER MONTREUIL II	FULL	100.00	100.00	FULL	100.00	100.00
SCI EVI-DANCE	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
SCI FARMAN*	FULL	100.00	50.00	EQUITY (JV)	50.00	50.00
SCI INNOVATIS II	FULL	100.00	100.00	FULL	100.00	100.00
SCI MMV 2013	FULL	100.00	100.00	FULL	100.00	100.00
PRD MONTPARNASSE 1	EQUITY (JV)	50.00	50.00			
PRD MONTPARNASSE 2	EQUITY (JV)	50.00	50.00			
PRD MONTPARNASSE 3	EQUITY (JV)	50.00	50.00			
SCI PB10	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
SCI PRINTEMPS LA VALETTE	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
SCI SARIHV	FULL	100.00	100.00	FULL	100.00	100.00
SCI SILOGI	FULL	100.00	99.00	FULL	100.00	99.00
SCI TOUR MERLE	EQUITY (JV)	50.00	50.00	EQUITY (JV)	50.00	50.00
ANATOL INVEST GROUP						
ANATOL INVEST HOLDING FRANCE *Registered office: 56, rue de Lille – 75007 Paris*	FULL	100.00	100.00	FULL	100.00	100.00
ANATOL INVEST HOLDING BV (Netherlands)	FULL	100.00	100.00	FULL	100.00	100.00
MYSLBEK (Czech Republic)	FULL	100.00	100.00	FULL	100.00	100.00
PAIGE INVESTMENTS (Poland)	FULL	100.00	100.00	FULL	100.00	100.00
PBW REAL ESTATE FUND (Netherlands)	FULL	100.00	100.00	FULL	100.00	100.00
GDYNIA CENTRUM HANDLOWE Sp zoo	FULL	100.00	100.00			

GROUPS/COMPANIES	31.12.2020 Method	% control	% interest	31.12.2019 Method	% control	% interest
BPIFRANCE DIVISION						
BPIFRANCE GROUP						
BPIFRANCE* *Registered office: 27-31, avenue du Général–Leclerc – 94710 Maisons–Alfort Cedex*	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
ALSABAIL	EQUITY (Ass.)	20.06	20.06	EQUITY (Ass.)	18.47	18.47
AUXI-FINANCES	EQUITY (JV)	49.29	49.29	EQUITY (JV)	45.39	45.39
AVENIR ENT DVLP C1	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
AVENIR ENT DVLP C2	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
AVENIR ENT DVLP C3	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
AVENIR ENT DVLP C4	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
AVENIR ENT MEZZANINE	EQUITY (JV)	32.95	32.95	EQUITY (JV)	33.42	33.42
AVENIR ENTREPRISE INVESTISSEMENT	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
AVENIR TOURISME	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
BPIFRANCE ASSURANCE EXPORT	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
BPIFRANCE CAPITAL 1	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
BPIFRANCE COURTAGE	EQUITY (JV)	49.29	49.29	EQUITY (JV)	45.39	45.39
BPIFRANCE FINANCEMENT***				EQUITY (JV)	45.39	45.39
BPIFRANCE IC INVESTMENT HOLDING	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
BPIFRANCE INNO 1 LARGE VENTURE II	EQUITY (JV)	49.29	49.29			
BPIFRANCE INNOVATION 1	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
BPIFRANCE INTERNATIONAL CAPITAL	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
BPIFRANCE INVESTISSEMENT	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
BPIFRANCE MEZZANINE 1	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
BPIFRANCE PARTICIPATIONS	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
BPIFRANCE RÉGIONS	EQUITY (JV)	49.28	49.28	EQUITY (JV)	45.38	45.38
CDC ENTREPRISES CAPITAL INVESTISSEMENT	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
ETI 2020	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
EUTELSAT COMMUNICATIONS	EQUITY (Ass.)	9.76	9.76	EQUITY (Ass.)	9.90	9.90
FCPR PART'COM	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
FCT BPIFRANCE SME-1	EQUITY (JV)	49.29	49.29	EQUITY (JV)	45.39	45.39
FCT BPIFRANCE SME-2020-1	EQUITY (JV)	49.29	49.29			
FCT BPIFRANCE TPE	EQUITY (JV)	49.29	49.29			
FFI 2	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
FFI 3	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
FFI 4	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
FFI 5	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
FFI PARTS A	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
FFI PARTS B	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
FFI PARTS B PRIME	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
FIC DETTE PRIVEE 2	EQUITY (JV)	49.29	49.29			
FONDS LAC I	EQUITY (Ass.)	16.43	16.43			
FPMEI	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
FRANCE INVESTISSEMENT CROISSANCE 1	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00

GROUPS/COMPANIES	31.12.2020 Method	% control	% interest	31.12.2019 Method	% control	% interest
FRANCE INVESTISSEMENT CROISSANCE 2	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
FRANCE INVESTISSEMENT CROISSANCE 3	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
FRANCE INVESTISSEMENT CROISSANCE 4	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
FRANCE INVESTISSEMENT CROISSANCE 5	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
FRANCE INVESTISSEMENT CROISSANCE 6	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
FRANCE INVESTISSEMENT RÉGIONS 1	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
FRANCE INVESTISSEMENT RÉGIONS 2	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
FRANCE INVESTISSEMENT RÉGIONS 3	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
FRANCE INVESTISSEMENT RÉGIONS 4	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
FRANCE INVESTISSEMENT TOURISME	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
FRENCH EMIRATI FUND CAPITAL	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
FRENCH FUTURE CHAMPIONS	EQUITY (Ass.)	24.65	24.65	EQUITY (Ass.)	25.00	25.00
FSI PME PORTEFEUILLE	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
FSN AMBITION NUMÉRIQUE	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
GROUPE PSA	EQUITY (Ass.)	6.07	6.07	EQUITY (Ass.)	6.16	6.16
LION PARTICIPATIONS	EQUITY (JV)	49.29	49.29	EQUITY (JV)	50.00	50.00
SCI BPIFRANCE	EQUITY (JV)	49.29	49.29	EQUITY (JV)	45.39	45.39
STCONSO (STM consolidation subgroup consolidated at 27.76%)	EQUITY (Ass.)	24.65	24.65	EQUITY (Ass.)	25.00	25.00
TYROL ACQUISITION – TDF GROUP	EQUITY (Ass.)	11.82	11.82	EQUITY (Ass.)	11.99	11.99
LA POSTE GROUP						
LA POSTE Full consolidation *Registered office: 9, rue du Colonel–Pierre–Avia* – 75015 Paris	FULL	100.00	66.00			
SERVICES-MAIL-PARCELS SECTOR						
ADIMMO	FULL	100.00	34.68			
ADIR ASSISTANCE	FULL	100.00	34.72			
ALISEO	FULL	100.00	34.72			
ALLIANCE PERF	FULL	100.00	34.72			
ASENDIA AUSTRIA GmbH (Austria)	FULL	100.00	39.60			
ASENDIA BENELUX BV (Netherlands)	FULL	100.00	39.60			
ASENDIA GERMANY GmbH (Germany)	FULL	100.00	39.60			
ASENDIA HOLDING AG (Switzerland)	FULL	100.00	39.60			
ASENDIA HONG KONG Ltd (Hong Kong)	FULL	100.00	39.60			
ASENDIA ITALY SpA (Italy)	FULL	100.00	39.60			
ASENDIA MGMT SAS	FULL	100.00	39.60			
ASENDIA MGMT SAS, BERN BRANCH (Switzerland)	FULL	100.00	39.60			
ASENDIA NORDIC AB (Sweden)	FULL	100.00	39.60			
ASENDIA NORWAY A/S (Norway)	FULL	100.00	39.60			
ASENDIA OCEANIA AU (Australia)	FULL	100.00	39.60			
ASENDIA OCEANIA NZ (New Zealand)	FULL	100.00	39.60			

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
ASENDIA OPERATIONS (SCL) (Germany)	FULL	100.00	39.60			
ASENDIA OPERATIONS VERWALTUNG GmbH (Germany)	FULL	100.00	39.60			
ASENDIA PRESS EDIGROUP SA (Switzerland)	FULL	100.00	39.60			
ASENDIA PRESS EDS AG (Switzerland)	FULL	100.00	39.60			
ASENDIA SINGAPORE (Singapore)	FULL	100.00	39.60			
ASENDIA SPAIN SL (Spain)	FULL	100.00	39.60			
ASENDIA UK Ltd (United Kingdom)	FULL	100.00	39.60			
ASENDIA USA (United States)	FULL	100.00	39.60			
ASTEN EST	FULL	100.00	34.72			
ASTEN SANTE	FULL	100.00	34.72			
AXEO DEVELOPPEMENT	FULL	100.00	50.16			
AXEO PARTENARIATS PRO SERVICES (PPS)	FULL	100.00	50.16			
AXEO PRO SERVICES	FULL	100.00	50.16			
AXEO SERVICES	FULL	100.00	50.16			
BLUESOM	FULL	100.00	34.36			
BTB MAILFLIGHT (United Kingdom)	FULL	100.00	39.60			
BTB MAILFLIGHT HOLDING (United Kingdom)	FULL	100.00	39.60			
BUDGET BOX	FULL	100.00	66.00			
CABESTAN	FULL	100.00	66.00			
CASSIOP	FULL	100.00	66.00			
COORDINATION AXEO	FULL	100.00	50.16			
CREAT DIRECT (Romania)	FULL	100.00	66.00			
DIADOM SAS	FULL	100.00	66.00			
DYNAPRESSE MARKETING SA	FULL	100.00	39.60			
EAP FRANCE	FULL	100.00	66.00			
ÉCONOMIE D'ÉNERGIE	FULL	100.00	49.95			
EDENEXT	FULL	100.00	49.95			
ETHIC SANTE	FULL	100.00	66.00			
FINANCIERE AXEO	FULL	100.00	50.16			
FLUOW	FULL	100.00	33.66			
GEOPTIS	FULL	100.00	66.00			
H2AD	FULL	100.00	33.54			
HELP CONFORT	FULL	100.00	47.65			
HELP CONFORT SAINT-NAZAIRE	FULL	100.00	50.16			
IM SANTE	FULL	100.00	66.00			
INBOX MARKETING (Romania)	FULL	100.00	65.98			
INNOVAGENCY (Portugal)	FULL	100.00	50.01			
INNOVAGENCY RESOURCES (Portugal)	FULL	100.00	50.01			
INTERACTIONS MARKETING (Romania)	FULL	100.00	62.70			
ISOSKELE	FULL	100.00	66.00			
ISOSKELE FACTORY	FULL	100.00	66.00			
LA POSTE E-EDUCATION	FULL	100.00	66.00			
LA POSTE GLOBAL MAIL	FULL	100.00	66.00			
LA POSTE IMS	FULL	100.00	39.60			
LA POSTE NOUVEAUX SERVICES	FULL	100.00	66.00			

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
LA POSTE SANTE	FULL	100.00	66.00			
LA POSTE SERVICES A LA PERSONNE	FULL	100.00	66.00			
LA POSTE SILVER	FULL	100.00	66.00			
LATIN AMERICA E-COMMERCE DIRECT, SA de CV	FULL	100.00	19.84			
MATCHING SAS	FULL	100.00	55.28			
MEDIAPOST DISTRIBUIÇÃO POSTAL (Portugal)	FULL	100.00	66.00			
MEDIAPOST ESPAGNE (Spain)	FULL	100.00	66.00			
MEDIAPOST HIT MAIL (Romania)	FULL	100.00	66.00			
MEDIAPOST HIT MAIL BULGARIA (Bulgaria)	FULL	100.00	66.00			
MEDIAPOST HOLDING	FULL	100.00	66.00			
MEDIAPOST SAS	FULL	100.00	66.00			
MEDIAPOST SGPS (Portugal)	FULL	100.00	66.00			
METRICA (BULGARIA)	FULL	100.00	39.60			
MOBILE MARKETING (Romania)	FULL	100.00	62.70			
MSCM2	FULL	100.00	33.54			
NEOLOG	FULL	100.00	66.00			
NORTH AMERICA DIRECT, Inc. (United States)	FULL	100.00	19.84			
NOUVEAL	FULL	100.00	43.56			
NOUVELLE ATTITUDE SAS	FULL	100.00	66.00			
ORGANISME FORMATION SERVICES	FULL	100.00	50.16			
PARAMEDICAL DE LA PLAINE	FULL	100.00	34.72			
PROXIMY	EQUITY (Ass.)	25.00	16.50			
RECYGO	FULL	100.00	33.66			
S2A OXYGENE	FULL	100.00	34.71			
S2A SANTE	FULL	100.00	34.72			
SADIMMO	FULL	100.00	31.24			
SADIR ASSISTANCE	FULL	100.00	34.72			
SCI STP IMMO	FULL	100.00	66.00			
SMP	FULL	100.00	66.00			
SOGEC DATAMARK SERVICES	FULL	100.00	66.00			
SOGEC GESTION	FULL	100.00	66.00			
SOGEC INFORMATIQUE	FULL	100.00	66.00			
SOGEC MARKETING	FULL	100.00	66.00			
SOGEFINAD	FULL	100.00	66.00			
SOMEPOST	FULL	100.00	66.00			
SPI UK (United Kingdom)	FULL	100.00	39.60			
STP SA	FULL	100.00	66.00			
TIKEASY	FULL	100.00	66.00			
US DIRECT (SINGAPORE) PTE Ltd (Singapore)	FULL	100.00	19.84			
US DIRECT ECOMMERCE AUS Pty Ltd (Australia)	FULL	100.00	19.84			
US DIRECT ECOMMERCE HOLDING Ltd (Ireland)	FULL	100.00	19.84			
US DIRECT ECOMMERCE Ltd (Ireland)	FULL	100.00	19.84			

GROUPS/COMPANIES	31.12.2020 Method	% control	% interest	31.12.2019 Method	% control	% interest
US DIRECT ECOMMERCE NETHERLANDS BV	FULL	100.00	19.84			
US DIRECT ECOMMERCE NOMINEE DAC (Ireland)	FULL	100.00	19.84			
US DIRECT E-COMMERCE RUS LLC (Russia)	FULL	100.00	19.84			
US DIRECT ECOMMERCE UK (United Kingdom)	FULL	100.00	19.84			
VERTICAL MAIL	FULL	100.00	66.00			
VIAPOST	FULL	100.00	66.00			
VIAPOST MAINTENANCE	FULL	100.00	66.00			
VIAPOST TRANSPORT MANAGEMENT	FULL	100.00	66.00			
WN TPC (United Kingdom)	FULL	100.00	39.60			
WNDIRECT USA, Inc	FULL	100.00	39.60			
GEOPOST SECTOR						
GEOPOST	FULL	100.00	66.00			
360° SERVICES SAS	FULL	100.00	66.00			
3W EXPRESS (PRIVATE) Ltd (Sri Lanka)	FULL	100.00	21.33			
A52 WAREHOUSE Inc. (Canada)	FULL	100.00	21.33			
ACP GLOBAL FORWARDING (Poland)	FULL	100.00	66.00			
ALAS COURIER, SL – MEE	EQUITY (Ass.)	48.00	31.68			
ALTURING	FULL	100.00	66.00			
ARMADILLO HOLDING GmbH (Germany)	FULL	100.00	66.00			
BEIJING LINEHAUL EXPRESS Co. Ltd (China)	FULL	100.00	42.65			
BIO CAIR FORWARDING INTERNATIONAL Co. Ltd (China)	FULL	100.00	66.00			
BIOCAIR ASIA Ltd (Hong Kong)	FULL	100.00	66.00			
BIOCAIR AUSTRALIA PTY Ltd (Australia)	FULL	100.00	66.00			
BIOCAIR BELGIUM (Belgium)	FULL	100.00	66.00			
BIOCAIR CUSTOMS BROKERAGE LLC	FULL	100.00	66.00			
BIOCAIR GERMANY GmbH (Germany)	FULL	100.00	66.00			
BIOCAIR Inc. (United States)	FULL	100.00	66.00			
BIOCAIR INTERNATIONAL Ltd (United Kingdom)	FULL	100.00	66.00			
BIOCAIR SINGAPORE Pte Ltd (Singapore)	FULL	100.00	66.00			
BIOCAIR SOUTH AFRICA Ltd (South Africa)	FULL	100.00	66.00			
BLOOMSBURYS GmbH (Germany)	FULL	100.00	66.00			
BUY ONLINE GmbH (Germany)	FULL	100.00	66.00			
CALEDONIE EXPRESS	EQUITY (JV)	60.00	39.60			
CHRONOFRESH SAS	FULL	100.00	66.00			
CHRONOPOST	FULL	100.00	66.00			
CHRONOPOST (MAURITIUS) Ltd (Mauritius)	FULL	100.00	45.54			
CHRONOPOST INTERNATIONAL BURKINA FASO (Burkina Faso)	EQUITY (Ass.)	40.00	26.40			
CHRONOPOST INTERNATIONAL ALGERIE (Algeria)	FULL	100.00	66.00			
CHRONOPOST INTERNATIONAL COTE D'IVOIRE (Côte d'Ivoire)	FULL	100.00	33.00			

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
CHRONOPOST INTERNATIONAL MAROC (Morocco)	EQUITY (Ass.)	34.00	22.44			
CUSTOMS CLEARANCE Ltd (United Kingdom)	FULL	100.00	42.65			
DELIFRESH IDF	FULL	100.00	66.00			
Direct PARCEL DISTRIBUTION CZ sro (Czech Republic)	FULL	100.00	66.00			
Direct PARCEL DISTRIBUTION SK sro (Slovakia [Slovak Republic])	FULL	100.00	66.00			
DPD (UK) Ltd (United Kingdom)	FULL	100.00	66.00			
DPD AUSTRIA (Austria)	EQUITY (Ass.)	25.57	16.87			
DPD BEL FLLC (Belarus)	FULL	100.00	66.00			
DPD BELGIUM (Belgium)	FULL	100.00	66.00			
DPD CROATIA (Croatia)	FULL	100.00	66.00			
DPD CZ sro (Czech Republic)	FULL	100.00	66.00			
DPD DEUTSCHLAND GmbH (Germany)	FULL	100.00	66.00			
DPD EESTI AS (Estonia)	FULL	100.00	66.00			
DPD EURASIA LLC (Uzbekistan)	FULL	100.00	66.00			
DPD FRANCE	FULL	100.00	66.00			
DPD FRESH BELUX BV (Belgium)	FULL	100.00	66.00			
DPD GROUP INTERNATIONAL SERVICES GmbH (Germany)	FULL	100.00	66.00			
DPD HUNGARIA Kft (Hungary)	FULL	100.00	66.00			
DPD IRELAND Ltd (Ireland)	FULL	100.00	66.00			
DPD KAZAKHSTAN LLP (Kazakhstan)	FULL	100.00	66.00			
DPD LASER (South Africa)	FULL	100.00	49.50			
DPD LATVIJA SIA (Latvia)	FULL	100.00	66.00			
DPD LIETUVA UAB (Lithuania)	FULL	100.00	66.00			
DPD LOCAL UK Ltd (United Kingdom)	FULL	100.00	66.00			
DPD LUXEMBOURG SA (Luxembourg)	FULL	100.00	66.00			
DPD NETHERLANDS BV (Netherlands)	FULL	100.00	66.00			
DPD POLSKA (Poland)	FULL	100.00	66.00			
DPD PORTUGAL EXCHRONOPOST INTERNATIONAL PORTUGAL (Portugal)	FULL	100.00	66.00			
DPD RUS (Russia)	FULL	100.00	57.29			
DPD SCHWEIZ AG (Switzerland)	FULL	100.00	66.00			
DPD SERVICE GmbH (Germany)	FULL	100.00	66.00			
DPD SK sro (Slovakia [Slovak Republic])	FULL	100.00	66.00			
DPD SLOVENIA (Slovenia)	FULL	100.00	66.00			
DPDGROUP IT Solutions (Poland)	FULL	100.00	66.00			
DPDGROUP IT Solutions Hungary Kft (Hungary)	FULL	100.00	66.00			
DPDGROUP UK Ltd (United Kingdom)	FULL	100.00	66.00			
DS RUSSIA GmbH & Co. Asset KG (Germany)	FULL	100.00	57.29			
DS RUSSIA GP GmbH (Germany)	FULL	100.00	66.00			
DS RUSSIA MANAGEMENT GmbH (Germany)	FULL	100.00	58.61			
DTDC (India)	EQUITY (JV)	42.52	28.06			

GROUPS/COMPANIES	31.12.2020 Method	31.12.2020 % control	31.12.2020 % interest	31.12.2019 Method	31.12.2019 % control	31.12.2019 % interest
DYNAMIC PARCEL DISTRIBUTION Ltd (United Kingdom)	FULL	100.00	66.00			
EVOL BORDEAUX	FULL	100.00	39.60			
EVOL CLERMONT-FERRAND	FULL	100.00	39.60			
EVOL GRENOBLE	FULL	100.00	32.87			
EVOL LILLE	FULL	100.00	39.60			
EVOL LYON	FULL	100.00	39.60			
EVOL MARSEILLE-AIX-TOULON	FULL	100.00	39.60			
EVOL MONTPELLIER	FULL	100.00	39.60			
EVOL NANTES	FULL	100.00	39.60			
EVOL NICE	FULL	100.00	39.60			
EVOL PARIS	FULL	100.00	39.60			
EVOL SAINT-ÉTIENNE	FULL	100.00	39.60			
EVOL TOULOUSE	FULL	100.00	39.60			
EXPRESS DELIVERY SERVICES	FULL	100.00	34.70			
FB ON BOARD COURIER SERVICES, Inc.	EQUITY (Ass.)	7.11	4.69			
FERMOPOINT Srl	FULL	100.00	33.64			
FLAP LOCADORA E TRANS. Ltda (Brazil)	FULL	100.00	64.68			
FORWARDER LINE LOGISTIK (Liechtenstein)	FULL	100.00	66.00			
GEOPOST, Inc. (United States)	FULL	100.00	66.00			
GEOPOST ESPAÑA, SL (Spain)	FULL	100.00	66.00			
GEOPOST HOLDINGS Ltd (United Kingdom)	FULL	100.00	66.00			
GEOPOST IMDH GmbH (Germany)	FULL	100.00	66.00			
GEOPOST INTERMEDIATE HOLDINGS (United Kingdom)	FULL	100.00	66.00			
GEOPOST IRELAND Ltd (Ireland)	FULL	100.00	66.00			
GLPU	FULL	100.00	66.00			
GRUPPO BRT (Italy)	FULL	100.00	56.07			
ILOXX GmbH (Germany)	FULL	100.00	66.00			
INTERLINK EXPRESS PARCELS Ltd (United Kingdom)	FULL	100.00	66.00			
INTERLINK EXPRESS Plc (United Kingdom)	FULL	100.00	66.00			
JADLOG LOGISTICA Ltda (Brazil)	FULL	100.00	64.68			
JLGP BRASIL PARTICIPAÇÕES Ltda (Brazil)	FULL	100.00	66.00			
JUMBO GLORY Ltd (Hong Kong)	FULL	100.00	21.80			
KEYOPSTECH	FULL	100.00	62.70			
KEYOPSTECH IVOIRE SARL (Côte d'Ivoire)	FULL	100.00	62.70			
KEYOPSTECH SENEGAL SARL (Senegal)	FULL	100.00	62.70			
KOT IVOIRE SAS	FULL	100.00	62.70			
LENTON GROUP Ltd (Hong Kong)	FULL	100.00	42.65			
LINEHAUL EXPRESS (Cambodia) Co. Ltd (Cambodia)	EQUITY (Ass.)	16.16	10.66			
LINEHAUL EXPRESS (HK) Ltd (Hong Kong)	FULL	100.00	42.65			
LINEHAUL EXPRESS (INDIA) PRIVATE Ltd (India)	FULL	100.00	42.65			

GROUPS/COMPANIES	31.12.2020			31.12.2019		
	Method	% control	% interest	Method	% control	% interest
LINEHAUL EXPRESS (NZ) Ltd (New Zealand)	FULL	100.00	21.75			
LINEHAUL EXPRESS (Shenzhen) Ltd (China)	FULL	100.00	42.65			
LINEHAUL EXPRESS (Taiwan) Ltd (Taiwan)	FULL	100.00	42.65			
LINEHAUL EXPRESS (Thailand) Co. Ltd. (Thailand)	FULL	100.00	21.33			
LINEHAUL EXPRESS (Zhengzhou) Ltd (China)	FULL	100.00	32.20			
LINEHAUL EXPRESS Co. Ltd (Canada)	FULL	100.00	42.65			
LINEHAUL EXPRESS FRANCE SARL	FULL	100.00	42.65			
LINEHAUL EXPRESS KOREA Ltd (South Korea)	FULL	100.00	21.75			
LINEHAUL EXPRESS LLC (United Arab Emirates)	FULL	100.00	42.65			
LINEHAUL EXPRESS Ltd (United Kingdom)	FULL	100.00	42.65			
LINEHAUL MAC EXPRESS (PRIVATE) Ltd (Sri Lanka)	FULL	100.00	21.33			
LINEX AIR SERVICES (PRIVATE) Ltd (South Africa)	FULL	100.00	42.65			
LINEX AIR SERVICES Pty Ltd (Australia)	FULL	100.00	42.65			
LINEX CORPORATION (Philippines)	FULL	100.00	25.59			
LINEX Inc. (United States)	FULL	100.00	42.65			
LINEX NANKAI JP Co. Ltd (JAPAN)	FULL	100.00	25.59			
LUDEV – LOGISTIQUE URBAINE DEVELOPPEMENT**	FULL	100.00	79.60			
LWW SOUTH AFRICA (South Africa)	FULL	100.00	66.00			
MADRIPAQ SERVICIOS, SL – MEE (Spain)	EQUITY (Ass.)	24.00	15.84			
MAIL PLUS LTD (United Kingdom)	FULL	100.00	66.00			
MENEXPRES, SA (Spain)	FULL	100.00	66.00			
NINJA LOGISTICS Pte Ltd (Singapore)	EQUITY (Ass.)	36.60	24.15			
PACKCITY FRANCE	EQUITY (Ass.)	25.00	16.50			
PACKCITY GEOPOST	EQUITY (Ass.)	50.50	33.33			
PARCELINE Ltd (United Kingdom)	FULL	100.00	66.00			
PARCELLOCK GmbH (Germany)	EQUITY (Ass.)	50.00	33.00			
PICKPOINT (RUSSIA) LLC (Russia)	EQUITY (Ass.)	29.06	19.18			
PICKPOINT DELIVERY SYSTEM Ltd (Cyprus)	EQUITY (Ass.)	29.06	19.18			
PICKUP LOGISTICS	FULL	100.00	66.00			
PICKUP PERSONAL SERVICES	FULL	100.00	62.70			
PICKUP SERVICES	FULL	100.00	66.00			
PIE MAPPING SOFTWARE Ltd (United Kingdom)	FULL	100.00	66.00			
FOR GOOD	EQUITY (Ass.)	46.76	30.86			
PT LINEHAUL EXPRESS INDONESIA (Indonesia)	EQUITY (Ass.)	25.85	17.06			
RESTO-IN	FULL	100.00	66.00			
RPX Ltd. (Hong Kong)	FULL	100.00	42.65			
SCI EXA IMMO	FULL	100.00	66.00			
SCI EXAMURS PARIS	FULL	100.00	66.00			

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
SCI INTEL IMMO	FULL	100.00	66.00			
SEUR ESPAÑA OPERACIONES, SA (Spain)	FULL	100.00	62.51			
SEUR GEOPOST, SL (Spain)	FULL	100.00	66.00			
SEUR GERENCIA DE RIESGOS, SL (Spain)	FULL	100.00	62.51			
SEUR LOGISTICA SA (Spain)	FULL	100.00	62.51			
SEUR, SA (Spain)	FULL	100.00	62.51			
SHANGHAI E & T WAKO EXPRESS Co. Ltd (China)	FULL	100.00	25.59			
SIODEMKA SYSTEMY Sp zoo (Poland)	FULL	100.00	66.00			
SODEXI	EQUITY (Ass.)	35.00	23.10			
SOMEVA, SLU (Spain)	FULL	100.00	62.51			
SPEEDY AD (BULGARIA)	EQUITY (Ass.)	24.81	16.37			
SRT FRANCE LOGISTICS	FULL	100.00	66.00			
SRT FRANCE SAS (formerly Stuart)	FULL	100.00	66.00			
SRT GROUP (STUART) (formerly SRT group)	FULL	100.00	66.00			
STUART DELIVERY LTD (United Kingdom)	FULL	100.00	66.00			
STUART DELIVERY, SL (Spain)	FULL	100.00	66.00			
TD EXPRESS SERVICES SARL	FULL	100.00	66.00			
TIGERS (CHINA) Co. Ltd (China)	FULL	100.00	66.00			
TIGERS (PHILIPPINES) GLOBAL LOGISTICS (Philippines)	FULL	100.00	36.33			
TIGERS (USA) GLOBAL LOGISTICS Inc. (United States)	FULL	100.00	66.00			
TIGERS AG (Switzerland)	FULL	100.00	66.00			
TIGERS DELIVER (AUST) Pty Ltd (Australia)	FULL	100.00	66.00			
TIGERS ESHOP (HK) Ltd (China)	FULL	100.00	66.00			
TIGERS ESHOP (MALAYSIA) (Malaysia)	FULL	100.00	66.00			
TIGERS EXPRESS Ltd (China)	FULL	100.00	66.00			
TIGERS GLOBAL LOGISTICS Ltd (United Kingdom)	FULL	100.00	66.00			
TIGERS GmbH (Germany)	FULL	100.00	66.00			
TIGERS HK Co. Ltd (HONG KONG)	FULL	100.00	66.00			
TIGERS INDO CHINA LOGISTICS Co. Ltd (Myanmar)	FULL	100.00	46.20			
TIGERS INTERN. LOGISTICS BV (Netherlands)	FULL	100.00	66.00			
TIGERS INTERN. TRANSPORT BV (Netherlands)	FULL	100.00	66.00			
TIGERS INTERNATIONAL SOLUTIONS Pty Ltd (Australia)	FULL	100.00	66.00			
TIGERS LOGISTICS GROUP Ltd (United Kingdom)	FULL	100.00	66.00			
TIGERS Ltd (Hong Kong)	FULL	100.00	66.00			
TIGERS MALAYSIA (Malaysia)	FULL	100.00	66.00			
TIGERS SHARED SERVICES (South Africa)	FULL	100.00	66.00			
TIGERS TRADING COMPANY Ltd (China)	FULL	100.00	66.00			
TIGERS UK HOLDING Ltd (United Kingdom)	FULL	100.00	66.00			

GROUPS/COMPANIES	31.12.2020 Method	31.12.2020 % control	31.12.2020 % interest	31.12.2019 Method	31.12.2019 % control	31.12.2019 % interest
TIGERS WORLDWIDE LOGISTICS Ltd (India)	FULL	100.00	49.34			
TRANSCIUDAD REAL, SL (Spain)	FULL	100.00	66.00			
TRANSPORTE INTEGRAL DE PAQUETERIA, SA MEE	EQUITY (Ass.)	50.73	33.48			
UNIVERSAL COURIER EXPRESS Pte Ltd (Singapore)	FULL	100.00	21.75			
UNIVERSAL EXPRESS LLC	FULL	100.00	21.75			
UNIVERSAL EXPRESS Ltd. (Kenya)	FULL	100.00	21.75			
WAKO AIR EXPRESS Co. Ltd (Hong Kong)	FULL	100.00	66.00			
WAKO EXPRESS Co. Ltd (Taiwan)	FULL	100.00	42.65			
WAKO GROUP Ltd (Hong Kong)	FULL	100.00	42.65			
WDM (WA) Pty Ltd (Australia)	FULL	100.00	66.00			
WLG (Australia) Pty Ltd (Australia)	FULL	100.00	66.00			
WLG, Inc. (United States)	FULL	100.00	66.00			
YURTIÇI KARGO SERVISI AS (TURKEY)	EQUITY (Ass.)	25.00	16.50			
LA BANQUE POSTALE SECTOR						
La Banque Postale *Registered office: 115, rue de Sèvres – 75275 Paris Cedex 06*	FULL	100.00	66.00			
AEP 3 SCI	FULL	100.00	41.48			
AEP 4 SCI	FULL	100.00	41.48			
AEW	EQUITY (Ass.)	40.00	26.40			
ARIAL CNP ASSURANCES	EQUITY (JV)	25.14	16.59			
ASSURBAIL PATRIMOINE	FULL	100.00	41.48			
ASSUR-IMMEUBLE	FULL	100.00	41.48			
ASSURISTANCE	EQUITY (JV)	41.48	27.37			
BPE	FULL	100.00	66.00			
CAIXA ASSESSORIA E CONSULTORIA (Brazil)	FULL	100.00	21.46			
CAIXA CAPITALIZAÇÃO (Brazil)	FULL	100.00	10.95			
CAIXA CONSÓRCIOS (Brazil)	FULL	100.00	21.46			
CAIXA SAUDE (Brazil)	FULL	100.00	21.46			
CAIXA SEGURADORA (Brazil)	FULL	100.00	21.46			
CAIXA SEGUROS HOLDING SA (Brazil)	FULL	100.00	21.46			
CAIXA SEGUROS PARTICIPAÇÕES SECURITÁRIAS Ltda (Brazil)	FULL	100.00	21.46			
CAIXA VIDA E PREVIDENCIA (Brazil)	FULL	100.00	16.59			
CIMO	FULL	100.00	41.48			
CNP ASFALISTIKI (Cyprus)	FULL	100.00	41.48			
CNP ASSUR TRÉSORERIE PLUS	FULL	100.00	40.70			
CNP ASSURANCES	FULL	100.00	41.48			
CNP ASSURANCES COMPANA DE SEGUROS (Argentina)	FULL	100.00	31.72			
CNP ASSURANCES PARTICIPAÇÕES Ltda (Brazil)	FULL	100.00	41.48			
CNP CAUTION	FULL	100.00	41.48			
CNP CYPRIALIFE (Cyprus)	FULL	100.00	41.48			

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
CNP CYPRUS INSURANCE HOLDINGS (Cyprus)	FULL	100.00	41.48			
CNP CYPRUS PROPERTIES (Cyprus)	FULL	100.00	41.48			
CNP CYPRUS TOWER Ltd (Cyprus)	FULL	100.00	41.48			
CNP EUROPE LIFE (Ireland)	FULL	100.00	41.48			
CNP HOLDING BRASIL (Brazil)	FULL	100.00	41.48			
CNP IMMOBILIER	FULL	100.00	41.48			
CNP LUXEMBOURG (Luxembourg)	FULL	100.00	41.48			
CNP PARTNERS (Spain)	FULL	100.00	41.48			
CNP PRAKTORIAKI (Greece)	FULL	100.00	41.48			
CNP SA DE CAPITALIZACION Y AHORRO P/FINES DETERMINADOS (Argentina)	FULL	100.00	20.74			
CNP UNICREDIT VITA (Italy)	FULL	100.00	23.85			
CNP ZOIS (Greece)	FULL	100.00	41.48			
EASYBOURSE	FULL	100.00	66.00			
ÉCUREUIL PROFIL 90	FULL	100.00	23.57			
ÉCUREUIL VIE DÉVELOPPEMENT	EQUITY (JV)	30.79	20.32			
FCT ÉLISE 2012	FULL	100.00	62.70			
FILASSISTANCE INTERNATIONAL	EQUITY (JV)	41.48	27.37			
HOLDING CAIXA SEGUROS PARTICIPAÇÕES EM SAÚDE Ltda (Brazil)	FULL	100.00	21.46			
HOLDING D'INFRASTRUCTURES GAZIÈRES (HELD BY CNP)	EQUITY (JV)	34.19	22.57			
INFRA INVEST	FULL	100.00	41.47			
LA BANQUE POSTALE ASSURANCE SANTE	FULL	100.00	33.66			
LA BANQUE POSTALE ASSURANCES IARD	FULL	100.00	66.00			
LA BANQUE POSTALE COLLECTIVITÉS LOCALES**	FULL	100.00	77.90			
LA BANQUE POSTALE CONSEIL EN ASSURANCES	FULL	100.00	66.00			
LA BANQUE POSTALE FINANCEMENT	FULL	100.00	66.00			
LA BANQUE POSTALE LEASING & FACTORING	FULL	100.00	66.00			
LA BANQUE POSTALE PRÉVOYANCE	FULL	100.00	66.00			
LBAM COURT TERME	FULL	100.00	41.48			
LBP ACTIFS IMMO	FULL	100.00	41.48			
LBP AM	FULL	100.00	46.20			
LBP AM HOLDING	FULL	100.00	46.20			
LBP DUTCH MORTGAGE PORTFOLIO 1 BV (Netherlands)	FULL	100.00	66.00			
LBP DUTCH MORTGAGE PORTFOLIO 2 BV (Netherlands)	FULL	100.00	66.00			
LBP HOME LOAN SFH	FULL	100.00	66.00			
LBP IMMOBILIER CONSEIL	FULL	100.00	66.00			
MA FRENCH BANK	FULL	100.00	66.00			
MFPRÉVOYANCE SA	FULL	100.00	26.96			
MONTPARVIE V	FULL	100.00	41.48			
NEW HOLDCo	FULL	100.00	16.59			

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
NEW INSURER	FULL	100.00	16.59			
ODONTO EMPRESAS CONVENIOS DENTARIOS Ltda (Brazil)	FULL	100.00	21.46			
OPCI AEP247	FULL	100.00	41.48			
OPCI AEW IMCOM 1	FULL	100.00	41.48			
OPCI FII RENDA CORPORATIVA ANGICO (Brazil)	FULL	100.00	17.61			
OPCI MTP INVEST	FULL	100.00	41.35			
OPCI RASPAIL	FULL	100.00	41.41			
OPCVM CAIXA CAPITALIZAÇÃO SA (Brazil)	FULL	100.00	10.95			
OPCVM CAIXA CONSÓRCIOS (Brazil)	FULL	100.00	21.46			
OPCVM CAIXA SEGURADORA SA (Brazil)	FULL	100.00	21.46			
OPCVM CAIXA VIDA E PREVIDENCIA (Brazil)	FULL	100.00	16.59			
OPCVM HOLDING CAIXA SEGUROS HOLDING SA (Brazil)	FULL	100.00	21.46			
OSTRUM AM	EQUITY (JV)	45.00	20.79			
OUTLET INVEST	FULL	100.00	41.48			
PREVISUL (Brazil)	FULL	100.00	21.46			
SANTANDER INSURANCE EUROPE Ltd (Ireland)	FULL	100.00	21.15			
SANTANDER INSURANCE LIFE LTD (Ireland)	FULL	100.00	21.15			
SANTANDER INSURANCE SERVICES IRELAND Ltd (Ireland)	FULL	100.00	21.15			
SAS ALLERAY	FULL	100.00	41.48			
SCI CRSF DOM	FULL	100.00	65.96			
SCI CRSF MÉTROPOLE	FULL	100.00	66.00			
SCI TERTIAIRE SAINT ROMAIN	FULL	100.00	66.00			
SF2	FULL	100.00	66.00			
SICAC	FULL	100.00	41.48			
SOFIAP	FULL	100.00	43.56			
SOGESTOP K	FULL	100.00	41.48			
TOCQUEVILLE FINANCE	FULL	100.00	46.11			
TOCQUEVILLE FINANCE HOLDING	FULL	100.00	46.15			
UNIVERS CNP 1 FCP	FULL	100.00	41.48			
VIVACCIO ACT 5 DEC	FULL	100.00	41.48			
WIZ SOLUÇÕES E CORRETAGEM DE SEGUROS SA (Brazil)	EQUITY (JV)	8.13	5.37			
DIGITAL SECTOR						
2B-SOFTEAM DATA	FULL	100.00	66.00			
ADVERLINE	FULL	100.00	66.00			
AMETIX GROUP	FULL	100.00	66.00			
ARKHINEO	FULL	100.00	66.00			
AR 24	FULL	100.00	36.30			
BRETAGNE ROUTAGE	FULL	100.00	66.00			
CER DOCAPOST BPO SAS	FULL	100.00	33.65			
CERTINOMIS	FULL	100.00	66.00			

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
CNTP DOCAPOST BPO	FULL	100.00	43.56			
DOCAPOST	FULL	100.00	66.00			
DOCAPOST APPLICAM	FULL	100.00	66.00			
DOCAPOST BPO IS	FULL	100.00	42.90			
DOCAPOST BPO SAS	FULL	100.00	66.00			
DOCAPOST CONSEIL	FULL	100.00	66.00			
DOCAPOST CSP	FULL	100.00	66.00			
DOCAPOST DPS	FULL	100.00	66.00			
DOCAPOST E-SANTE	FULL	100.00	66.00			
DOCAPOST EXTERNALISATION	FULL	100.00	66.00			
DOCAPOST FAST	FULL	100.00	66.00			
DOCAPOST IOT	FULL	100.00	66.00			
DOCAPOST LOCALEO	FULL	100.00	66.00			
ESCENT BELGIQUE (Belgium)	FULL	100.00	66.00			
ESCENT LUXEMBOURG (Luxembourg)	FULL	100.00	66.00			
EUKLES	FULL	100.00	66.00			
GENITECH TUNISIE (Tunisia)	FULL	100.00	66.00			
ICANOPEE	FULL	100.00	52.80			
INADVANS	FULL	100.00	66.00			
INDEX ÉDUCATION	FULL	100.00	50.56			
INDEX ÉDUCATION DÉVELOPPEMENT	FULL	100.00	50.56			
INDEX ÉDUCATION ITALIE	FULL	100.00	50.56			
LP11	FULL	100.00	66.00			
MAILEVA	FULL	100.00	66.00			
MARKETSHOT	FULL	100.00	54.88			
MEDIA PRISME SAS	FULL	100.00	54.16			
MODELIOSOFT	FULL	100.00	66.00			
OPTELO	FULL	100.00	66.00			
OXEVA	FULL	100.00	46.22			
PROBAYES	FULL	100.00	66.00			
SEFAS	FULL	100.00	66.00			
SEFAS ESPAÑA (Spain)	FULL	100.00	66.00			
SEFAS, Inc. (United States)	FULL	100.00	66.00			
SEFAS Ltd (United Kingdom)	FULL	100.00	66.00			
SERES ALLEMAGNE (Germany)	FULL	100.00	43.56			
SERES ESPAGNE (Spain)	FULL	100.00	43.56			
SERES SA	FULL	100.00	43.56			
SOFADEV DOCAPOST BPO (Morocco)	FULL	100.00	33.65			
SOFTEAM	FULL	100.00	66.00			
SOFTEAM AGENCY	FULL	100.00	66.00			
SOFTEAM ARMONYS	FULL	100.00	66.00			
SOFTEAM CONSULTING	FULL	100.00	66.00			
SOFTEAM GROUP	FULL	100.00	66.00			
T2IS DOCAPOST BPO (Morocco)	FULL	100.00	33.65			
VOXALY	FULL	100.00	66.00			

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
THE LA POSTE NETWORK						
LP TELECOM	EQUITY (JV)	51.00	33.66			
REAL ESTATE SECTOR						
POSTE IMMO	FULL	100.00	66.00			
AKATEA 2 TPF2 SAS	EQUITY (Ass.)	20.02	13.22			
AKATEA TPF2	EQUITY (Ass.)	20.02	13.22			
ARKADEA LYON GIRONDINS	EQUITY (JV)	50.00	33.00			
ARKADEA SAS	EQUITY (JV)	50.00	33.00			
CIPOSTE SAS	FULL	100.00	66.00			
FREJORGUES ENERGY SAS	EQUITY (Ass.)	46.00	30.36			
HOLDING PI	EQUITY (Ass.)	46.00	30.36			
HOLDING PI2	EQUITY (Ass.)	46.00	30.36			
IMMOSTOC SAS	FULL	100.00	66.00			
LOCAPOSTE SAS	FULL	100.00	66.00			
LUMIN' TOULOUSE SAS	EQUITY (JV)	44.00	29.04			
LUMIN' LOGISTIQUE URBAINE	EQUITY (JV)	44.00	29.04			
PI ENERGY	EQUITY (Ass.)	46.00	30.36			
PI ENERGY 2	EQUITY (Ass.)	46.00	30.36			
POSTE IMMO TERTIAIRE	FULL	100.00	66.00			
SAS PI DÉVELOPPEMENT	FULL	100.00	66.00			
SAS PI ÉNERGIES RENOUVELABLES	FULL	100.00	66.00			
SAS PI INVEST	FULL	100.00	66.00			
SAS STARWAY	EQUITY (JV)	28.00	18.48			
SAS STARWAY PARTNERS	FULL	100.00	52.78			
SC PYXIS	FULL	100.00	66.00			
SCCV 56, RUE CLER	EQUITY (JV)	49.00	32.34			
SCCV PARIS CAMPAGNE PREMIÈRE	EQUITY (JV)	49.00	32.34			
SCI ACTIVITÉS ANNEXES	FULL	100.00	66.00			
SCI ACTIVITÉS COLIS	FULL	100.00	66.00			
SCI ACTIVITÉS COURRIER DE PROXIMITÉ	FULL	100.00	66.00			
SCI ACTIVITÉS COURRIER INDUSTRIEL	FULL	100.00	66.00			
SCI ARKADEA FORT DE FRANCE	EQUITY (Ass.)	49.00	32.34			
SCI ARKADEA LYON CREPET	EQUITY (JV)	35.00	23.10			
SCI ARKADEA LYON CROIX-ROUSSE	EQUITY (JV)	30.00	19.80			
SCI ARKADEA MARSEILLE SAINT VICTOR	EQUITY (JV)	49.00	32.34			
SCI ARKADEA RENNES TRIGONE	EQUITY (JV)	49.00	32.34			
SCI BATAILLE	EQUITY (JV)	35.00	23.10			
SCI BP	FULL	100.00	66.00			
SCI BP MIXTE	FULL	100.00	66.00			
SCI CENTRES DE LOISIRS	FULL	100.00	66.00			
SCI DOM	FULL	100.00	66.00			
SCI GREEN OPALE	FULL	100.00	66.00			
SCI LOGEMENT	FULL	100.00	66.00			
SCI PI BORDEAUX TOURVILLE	FULL	100.00	66.00			
SCI PI 17	FULL	100.00	66.00			

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
SCI ROUTE DU MOULIN BATEAU BONNEUIL	FULL	100.00	66.00			
SCI RSS STRASBOURG	FULL	100.00	66.00			
SCI TERTIAIRE	FULL	100.00	66.00			
SCI TERTIAIRE MIXTE	FULL	100.00	66.00			
SOBRE	EQUITY (JV)	48.33	31.90			
SOBRE GLP	FULL	100.00	49.02			
SOCIÉTÉ SCCV RUE DU CHAMP MACRET-ROYE	FULL	100.00	66.00			
TOULOUSE OCCITANIE	EQUITY (JV)	44.00	29.04			
TPF2 SPPICAV	EQUITY (Ass.)	20.02	13.22			
URBA 44	EQUITY (Ass.)	46.00	30.36			
NOT ALLOCATED						
VÉHIPOSTE SAS	FULL	100.00	66.00			
GIE VÉHIPOSTE	FULL	100.00	66.00			
MANAGEMENT OF STRATEGIC INVESTMENTS DIVISION						
REAL ESTATE & TOURISM						
ICADE GROUP						
BUSINESS PROPERTY INVESTMENT						
ICADE SA *Registered office: 27, rue Camille–Desmoulins – CS 10166 – 92445 Issy-les-Moulineaux* Cedex	FULL	100.00	39.44	FULL	100.00	39.08
GIE ICADE MANAGEMENT	FULL	100.00	39.44	FULL	100.00	39.08
BUSINESS PARKS						
SCI BATI GAUTIER	FULL	100.00	39.44	FULL	100.00	39.08
OFFICES						
ICADE TOUR EQHO	FULL	100.00	20.11	FULL	100.00	19.93
SAS ICADE TMM	FULL	100.00	39.44	FULL	100.00	39.08
SCI 68 VICTOR HUGO	FULL	100.00	39.44	FULL	100.00	39.08
SCI DU 1 TERRASSE BELLINI	EQUITY (JV)	33.33	13.14	EQUITY (JV)	33.33	13.03
SCI FACTOR E.	FULL	100.00	25.76	FULL	100.00	25.52
SCI FUTURE WAY	FULL	100.00	19.93	FULL	100.00	19.75
SCI ICADE LEO LAGRANGE	FULL	100.00	39.44	FULL	100.00	39.08
SCI ICADE RUE DES MARTINETS	FULL	100.00	39.44	FULL	100.00	39.08
SCI LAFAYETTE	FULL	100.00	21.68	FULL	100.00	21.49
SCI LE PARC DU MILLÉNAIRE	FULL	100.00	39.44	FULL	100.00	39.08
SCI LE TOLBIAC	FULL	100.00	39.44	FULL	100.00	39.08
SCI MESSINE PARTICIPATIONS	FULL	100.00	39.44	FULL	100.00	39.08
SCI MORIZET	FULL	100.00	39.44	FULL	100.00	39.08
SCI NEW WAY	FULL	100.00	39.44	FULL	100.00	39.08
SCI ORIANZ	FULL	100.00	25.76	FULL	100.00	25.52
SCI PDM 1	FULL	100.00	39.44	FULL	100.00	39.08

GROUPS/COMPANIES	31.12.2020 Method	31.12.2020 % control	31.12.2020 % interest	31.12.2019 Method	31.12.2019 % control	31.12.2019 % interest
SCI PDM 2	FULL	100.00	39.44	FULL	100.00	39.08
SCI SILKY WAY	FULL	100.00	39.44	FULL	100.00	39.08
SCI STRATÈGE	FULL	100.00	21.68	FULL	100.00	21.49
SNC LES BASSINS À FLOTS	FULL	100.00	39.44	FULL	100.00	39.08
POINTE MÉTRO 1	FULL	100.00	39.44	FULL	100.00	39.08
SCI QUINCONCES TERTIAIRE	FULL	100.00	20.11	FULL	100.00	39.08
OTHER ASSETS						
SCI ANF IMMOBILIER HÔTELS	FULL	100.00	30.37	FULL	100.00	30.09
SCI BASSIN NORD	EQUITY (JV)	50.00	19.72	EQUITY (JV)	50.00	19.54
SCI BATIMENT SUD CENTRE HOSPITALIER PONTOISE	FULL	100.00	39.44	FULL	100.00	39.08
SCI BSM DU CHU DE NANCY	FULL	100.00	39.44	FULL	100.00	39.08
SCI BASILIQUE COMMERCE	EQUITY (JV)	51.00	20.11	EQUITY (JV)	51.00	19.93
OTHER						
CYCLE-UP	EQUITY (JV)	48.61	19.17	EQUITY (JV)	50.00	19.54
ICADE 3.0	FULL	100.00	39.44	FULL	100.00	39.08
URBAN ODYSSEY	FULL	100.00	39.44			
HEALTH PROPERTY INVESTMENT						
HEALTH PROPERTY INVESTMENT – FRANCE						
SAS ICADE SANTÉ	FULL	100.00	22.99	FULL	100.00	22.21
SCI BONNET INVEST	FULL	100.00	22.99	FULL	100.00	22.21
SCI CHAZAL INVEST	FULL	100.00	22.99	FULL	100.00	22.21
SCI COURCHELETTES INVEST	FULL	100.00	22.99	FULL	100.00	22.21
SCI DIJON INVEST	FULL	100.00	22.99	FULL	100.00	22.21
SCI GOULAINE INVEST	FULL	100.00	22.99	FULL	100.00	22.21
SCI GRAND BATAILLER INVEST	FULL	100.00	22.99	FULL	100.00	22.21
SCI HAUTERIVE	FULL	100.00	22.99	FULL	100.00	22.21
SCI MARSEILLE LE ROVE INVEST	FULL	100.00	22.99	FULL	100.00	22.21
SCI ORLÉANS INVEST	FULL	100.00	22.99	FULL	100.00	22.21
SCI PONT-DU-CHÂTEAU INVEST	FULL	100.00	22.99	FULL	100.00	22.21
SCI SAINT AUGUSTINVEST	FULL	100.00	22.99	FULL	100.00	22.21
SCI SAINT CIERS INVEST	FULL	100.00	22.99	FULL	100.00	22.21
SCI SAINT SAVEST	FULL	100.00	22.99	FULL	100.00	22.21
SCI TONNAY INVEST	FULL	100.00	22.99	FULL	100.00	22.21
SNC SEOLANES INVEST	FULL	100.00	22.99	FULL	100.00	22.21
SA NCN ASSOCIÉS				FULL	100.00	22.21
SCI SOCIÉTÉ DU CONFLUENT				FULL	100.00	22.21
HEALTH PROPERTY INVESTMENT – INTERNATIONAL						
OPPCI ICADE HEALTHCARE EUROPE	FULL	100.00	23.42	FULL	100.00	23.21
SALUTE ITALIA – FUND	FULL	100.00	23.42	FULL	100.00	23.21
SAS IHE SALUD IBERICA	FULL	100.00	23.42	FULL	100.00	23.21
SAS IHE GESUNDHEIT	FULL	100.00	23.42	FULL	100.00	23.21
RADENSLEBEN GmbH	FULL	100.00	24.38	FULL	100.00	24.16
NEURUPPIN GmbH	FULL	100.00	24.38	FULL	100.00	24.16
TREUENBRIETZEN GmbH	FULL	100.00	24.38	FULL	100.00	24.16
ERKNER GmbH	FULL	100.00	24.38	FULL	100.00	24.16

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
KYRITZ GmbH	FULL	100.00	24.38	FULL	100.00	24.16
HENNIGSDORF GmbH	FULL	100.00	24.38	FULL	100.00	24.16
COTTBUS GmbH	FULL	100.00	24.38	FULL	100.00	24.16
BELZIG GmbH	FULL	100.00	24.38	FULL	100.00	24.16
FRIEDLAND GmbH	FULL	100.00	24.38	FULL	100.00	24.16
KLAUSA GmbH	FULL	100.00	24.38	FULL	100.00	24.16
AUENWALD GmbH	FULL	100.00	24.38	FULL	100.00	24.16
KLT GRUNDBESITZ GmbH	FULL	100.00	24.38	FULL	100.00	24.16
ARN GRUNDBESITZ GmbH	FULL	100.00	24.38	FULL	100.00	24.16
BRN GRUNDBESITZ GmbH	FULL	100.00	24.38	FULL	100.00	24.16
FLORA MARZINA GmbH	FULL	100.00	24.38	FULL	100.00	24.16
KOPPENBERGS HOF GmbH	FULL	100.00	24.38	FULL	100.00	24.16
LICHTENBERG GmbH	FULL	100.00	24.38	FULL	100.00	24.16
TGH GRUNDBESITZ GmbH	FULL	100.00	24.38	FULL	100.00	24.16
PROMENT BESITZGESELLSCHAFT GmbH	FULL	100.00	24.38	FULL	100.00	24.16
BREMERHAVEN GmbH	FULL	100.00	24.38	FULL	100.00	24.16
SAS ORESC 7	FULL	100.00	11.94	FULL	100.00	24.16
SAS ORESC 8	FULL	100.00	21.05	FULL	100.00	24.16
SAS ORESC 12	FULL	100.00	11.94	FULL	100.00	24.16
PROPERTY DEVELOPMENT COMPANIES						
	HOUSING DEVELOPMENT 138 controlled companies 87 joint ventures 22 associates			HOUSING DEVELOPMENT 133 controlled companies 83 joint ventures 22 associates		
	COMMERCIAL PROPERTY DEVELOPMENT 25 associates 35 joint ventures 1 associate			COMMERCIAL PROPERTY DEVELOPMENT 24 controlled companies 30 joint ventures 1 associate		
COMPAGNIE DES ALPES GROUP						
COMPAGNIE DES ALPES SA *Registered office: 50-52, boulevard Haussmann – 75009 Paris*	FULL	100.00	39.28	FULL	100.00	39.35
HOLDING COMPANIES & SUPPORT SUBSIDIARIES						
CDA BEIJING (China)	FULL	100.00	39.28	FULL	100.00	39.35
CDA DS	FULL	100.00	39.28	FULL	100.00	39.35
CDA FINANCEMENT	FULL	100.00	39.28	FULL	100.00	39.35
CDA MANAGEMENT	FULL	100.00	39.28	FULL	100.00	39.35
DJAY SAS	FULL	100.00	33.07	FULL	100.00	28.84
INGELO	FULL	100.00	39.28	FULL	100.00	39.35
LOISIRS RE (Luxembourg)	FULL	100.00	39.28	FULL	100.00	39.35
PIERRE ET NEIGE SA	FULL	100.00	38.59	FULL	100.00	38.66
SC2A	FULL	100.00	38.59	FULL	100.00	38.66
SIMPLY TO SKI SAS	FULL	100.00	21.50	FULL	100.00	18.74
SKILINE SPRL	FULL	100.00	33.07	FULL	100.00	28.84
SNOWTIME	FULL	100.00	33.07			
STE CONSTRUCTION IMMOBILIÈRE VALLÉE DE BELLEVILLE SCI (SCIVABEL)	FULL	100.00	32.07	FULL	100.00	32.11
TFI	FULL	100.00	33.07	FULL	100.00	28.84

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
TRAVELFACTORY SAS	FULL	100.00	33.07	FULL	100.00	28.84
SKI RESORTS						
ADS	FULL	100.00	38.24	FULL	100.00	38.30
DEUX ALPES LOISIRS SA (DAL)	FULL	100.00	38.59	FULL	100.00	38.66
DOMAINE SKIABLE DE FLAINE SA (DSF)/ GRAND MASSIF DS	FULL	100.00	31.80	FULL	100.00	31.85
DOMAINE SKIABLE DE LA ROSIÈRE SAS (DSR)	EQUITY (Ass.)	20.00	7.86	EQUITY (Ass.)	20.00	7.87
DOMAINE SKIABLE DE VALMOREL SAS (DSV)	EQUITY (Ass.)	20.00	7.86	EQUITY (Ass.)	20.00	7.87
GROUPE COMPAGNIE DU MONT BLANC SA	EQUITY (Ass.)	37.49	14.73	EQUITY (Ass.)	37.49	14.75
MERIBEL ALPINA SAS	FULL	100.00	39.28	FULL	100.00	39.35
SERRE CHEVALIER VALLEY SA (SCV)	FULL	100.00	39.28	FULL	100.00	39.35
SNC BÂTIMENTS DE SERVICE	FULL	100.00	37.77	FULL	100.00	38.30
STE AMÉNAGEMENT ARVES GIFFRE SA (SAG)	FULL	100.00	31.80	FULL	100.00	31.85
STE AMÉNAGEMENT LA PLAGNE SA (SAP)	FULL	100.00	38.52	FULL	100.00	38.58
STE EXPLOIT RM MORZINE AVORIAZ SAS (SERMA)	EQUITY (Ass.)	20.00	7.86	EQUITY (Ass.)	20.00	7.87
STE EXPLOITATION VALLEE DE BELLEVILLE SAS (SEVABEL)	FULL	100.00	32.06	FULL	100.00	32.11
STE TÉLÉPHÉRIQUES DE LA GRANDE MOTTE SA (STGM)	FULL	100.00	30.56	FULL	100.00	30.60
STE TÉLÉPHÉRIQUES DE VAL D'ISÈRE SAS (STVI)	FULL	100.00	39.28	FULL	100.00	39.35
VALBUS SAS	FULL	100.00	39.28	FULL	100.00	39.35
LEISURE PARKS						
AVENIR LAND	FULL	100.00	39.28	FULL	100.00	39.35
BELPARK BV (Belgium)/WALIBI BELGIUM	FULL	100.00	39.28	FULL	100.00	39.35
BY GRÉVIN (Switzerland)	FULL	100.00	39.28	FULL	100.00	39.35
CDA BRANDS	FULL	100.00	39.28	FULL	100.00	39.35
CDA DL	FULL	100.00	39.28	FULL	100.00	39.35
CDA PRODUCTIONS	FULL	100.00	39.28	FULL	100.00	39.35
FAMILYPARK GmbH	FULL	100.00	39.28	FULL	100.00	39.35
FRANCE MINIATURE	FULL	100.00	39.28	FULL	100.00	39.35
FUTUROSCOPE DESTINATION	FULL	100.00	32.16	FULL	100.00	32.19
FUTUROSCOPE MAINTENANCE & DÉVELOPPEMENT	FULL	100.00	32.16	FULL	100.00	32.19
GRÉVIN & CIE	FULL	100.00	39.28	FULL	100.00	39.35
GRÉVIN MONTRÉAL Inc. (Canada)	FULL	100.00	39.28	FULL	100.00	39.35
HARDERWIJK HELLENDORN HOLDING (Netherlands)	FULL	100.00	39.28	FULL	100.00	39.35
IMMOFLOR NV (Belgium)	FULL	100.00	39.28	FULL	100.00	39.35
MUSÉE GRÉVIN	FULL	100.00	37.66	FULL	100.00	37.72
PARC FUTUROSCOPE	FULL	100.00	17.89	FULL	100.00	17.92
PREMIER FINANCIAL SERVICES (Belgium)	FULL	100.00	39.28	FULL	100.00	39.35
WALIBI HOLIDAY PARK (Netherlands)	FULL	100.00	39.28	FULL	100.00	39.35
WALIBI HOLLAND (Netherlands)	FULL	100.00	39.28	FULL	100.00	39.35
WALIBI WORLD (Netherlands)	FULL	100.00	39.28	FULL	100.00	39.35

GROUPS/COMPANIES	31.12.2020 Method	31.12.2020 % control	31.12.2020 % interest	31.12.2019 Method	31.12.2019 % control	31.12.2019 % interest
SFIL GROUP						
SFIL *Registered office: 1-3, rue du Passeur-de-Boulogne - 92130 Issy-les-Moulineaux*	FULL	100.00	100.00			
CAISSE FRANÇAISE DE FINANCEMENT LOCAL	FULL	100.00	100.00			
INFRASTRUCTURE & TRANSPORT						
EGIS GROUP						
EGIS SA	FULL	100.00	76.41	FULL	100.00	76.08
Registered office: 11, avenue du Centre – CS 30530 – Saint-Quentin-en-Yvelines – 78286 Guyancourt Cedex						
FRANCE						
ACOUSTB	FULL	100.00	45.39	FULL	100.00	45.20
AIRPORT AERONAUTICAL EQUIPMENT	JOINT ARR.	45.00	34.38	JOINT ARR.	45.00	34.24
AIR'PY	EQUITY (Ass.)	24.50	18.72	EQUITY (Ass.)	24.50	18.64
BTM/BUREAU TECHNIQUE MÉDITERRANÉE	FULL	100.00	76.41	FULL	100.00	76.08
BUREAN D'ETUDES PLANTIER	FULL	100.00	49.66	FULL	100.00	49.45
CYCLE-UP	EQUITY (JV)	50.00	38.20	EQUITY (JV)	50.00	38.04
EASYTRIP France SAS				FULL	100.00	76.08
EBI/ÉTUDES BÂTIMENTS INGÉNIERIE	FULL	100.00	76.41	FULL	100.00	76.08
EGC AÉRO	EQUITY (Ass.)	45.00	34.38	EQUITY (Ass.)	45.00	34.24
EGIS AIRPORT OPERATION	FULL	100.00	76.41	FULL	100.00	76.08
EGIS ASSET MANAGEMENT SOLUTIONS	FULL	100.00	76.41	FULL	100.00	76.08
EGIS AVIA	FULL	100.00	76.41	FULL	100.00	76.08
EGIS BÂTIMENTS	FULL	100.00	76.41	FULL	100.00	76.08
EGIS BÂTIMENTS ANTILLES GUYANE	FULL	100.00	76.41	FULL	100.00	76.08
EGIS BATIMENTS CENTRE OUEST	FULL	100.00	76.41	FULL	100.00	76.08
EGIS BÂTIMENTS GRAND-EST	FULL	100.00	76.41	FULL	100.00	76.08
EGIS BÂTIMENTS INTERNATIONAL	FULL	100.00	76.41	FULL	100.00	76.08
EGIS BÂTIMENTS MANAGEMENT	FULL	100.00	76.41	FULL	100.00	76.08
EGIS BÂTIMENTS MÉDITERRANÉE	FULL	100.00	76.41	FULL	100.00	76.08
EGIS BÂTIMENTS NORD	FULL	100.00	76.41	FULL	100.00	76.08
EGIS BÂTIMENTS OCÉAN INDIEN	FULL	100.00	76.41	FULL	100.00	76.08
EGIS BÂTIMENTS RHÔNE ALPES	FULL	100.00	76.41	FULL	100.00	76.08
EGIS BÂTIMENTS SUD-OUEST	FULL	100.00	76.41	FULL	100.00	76.08
EGIS CONCEPT	FULL	100.00	76.41	FULL	100.00	76.08
EGIS CONSEIL	FULL	100.00	76.38	FULL	100.00	76.06
EGIS EASYTRIP SERVICES SA	FULL	100.00	76.41	FULL	100.00	76.08
EGIS EAU	FULL	100.00	76.41	FULL	100.00	76.08
EGIS ENGINEERING	FULL	100.00	76.39	FULL	100.00	76.07
EGIS ENVIRONMENTAL INVESTMENT SAS	EQUITY (Ass.)	51.00	38.97	EQUITY (Ass.)	51.00	38.80
EGIS EXPLOITATION AQUITAINE	FULL	100.00	76.41	FULL	100.00	76.08

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
EGIS HOLDING BÂTIMENT INDUSTRIE	FULL	100.00	76.41	FULL	100.00	76.08
EGIS FORHOM	FULL	100.00	76.38			
EGIS INDUSTRIES	FULL	100.00	76.41	FULL	100.00	76.08
EGIS INFORMATIQUE	FULL	100.00	76.41	FULL	100.00	76.08
EGIS INGÉNIERIE	FULL	100.00	76.41	FULL	100.00	76.08
EGIS INTERNATIONAL	FULL	100.00	76.41	FULL	100.00	76.08
EGIS INVESTMENT PARTNERS – France	FULL	100.00	22.92	FULL	100.00	22.82
EGIS MOBILITÉ	FULL	100.00	76.41	FULL	100.00	76.08
EGIS ONE 5	FULL	100.00	76.41	FULL	100.00	76.08
EGIS PARKING SERVICES France	FULL	100.00	76.41	FULL	100.00	76.08
EGIS PORTS	FULL	100.00	76.41	FULL	100.00	76.08
EGIS PROJECTS SA	FULL	100.00	76.41	FULL	100.00	76.08
EGIS RAIL	FULL	100.00	76.40	FULL	100.00	76.07
EGIS ROAD OPERATION SA	FULL	100.00	76.41	FULL	100.00	76.08
EGIS ROUTE	FULL	100.00	76.41	FULL	100.00	76.08
EGIS STRUCTURES ET ENVIRONNEMENT	FULL	100.00	76.41	FULL	100.00	76.08
EGIS VILLES ET TRANSPORTS (formerly Egis France)	FULL	100.00	76.41	FULL	100.00	76.08
EIP FRANCE III	FULL	100.00	38.28	FULL	100.00	38.12
ENGAGE	EQUITY (Ass.)	25.00	19.10	EQUITY (Ass.)	25.00	19.02
EXYZT	FULL	100.00	45.84	FULL	100.00	45.65
FLOWERGY ASNIÈRES	JOINT ARR.	40.00	30.56	JOINT ARR.	40.00	30.43
FLOWERGY CONCESSION	EQUITY (JV)	30.00	22.92			
GCC RUEIL COFELY/EGIS	JOINT ARR.	35.00	26.74	JOINT ARR.	35.00	26.63
GME IDEX/EGIS	JOINT ARR.	40.00	30.56	JOINT ARR.	40.00	30.43
INGESUD	FULL	100.00	76.41	FULL	100.00	76.08
EGIS HOLDING ENVIRONNEMENT STRUCTURES (formerly JEAN MULLER INTERNATIONAL)	FULL	100.00	76.41	FULL	100.00	76.08
KIWHI PASS SOLUTIONS				FULL	100.00	76.08
MOOVIA	EQUITY (JV)	30.00	22.92	EQUITY (JV)	30.00	22.82
PARK + PARKINGS SÉCURISÉS POIDS LOURDS	EQUITY (JV)	40.00	30.56	EQUITY (JV)	40.00	30.43
ROUTALIS SAS	FULL	100.00	53.48	FULL	100.00	53.26
SAS PHENIX	FULL	100.00	38.97	FULL	100.00	38.80
SEGAP SA	EQUITY (Ass.)	50.00	38.20	EQUITY (Ass.)	50.00	38.04
SEP EGIS RAIL/SETEC ITS				JOINT ARR.	70.00	53.26
SEP NRL	FULL	100.00	76.41	FULL	100.00	76.08
SINTRA	FULL	100.00	76.40	FULL	100.00	76.07
SOCIÉTÉ DU MÉTRO DE MARSEILLE (SMM)	FULL	100.00	76.40	FULL	100.00	76.07
EGIS INTERNATIONAL NETWORKS (formerly SOCIÉTÉ NOUVELLE INGEROUTE)	FULL	100.00	76.41	FULL	100.00	76.08
TOLLSYS	FULL	100.00	53.48	FULL	100.00	53.26
WIND-IT DÉVELOPPEMENT	FULL	100.00	60.82	FULL	100.00	60.56
EGIS ENGINEERING MIDDLE EAST	FULL	100.00	76.41			
SEEBOOST	FULL	100.00	76.41			
VOLTERE	FULL	100.00	38.97			
EST SIGNALISATION	FULL	100.00	45.84			

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
CHARLES VOGT PARTICIPATIONS	FULL	100.00	45.84			
SCI LA CROIX	FULL	100.00	52.90			
INTERNATIONAL						
AERIA (Côte d'Ivoire)	EQUITY (Ass.)	28.31	21.63	EQUITY (Ass.)	28.31	21.54
ATTIKES DIADROMES (Greece)	EQUITY (Ass.)	20.00	15.28	EQUITY (Ass.)	20.00	15.22
AUTOBAHN + A8 GmbH (Germany)				EQUITY (Ass.)	5.00	3.80
AUTOBAHN + SERVICES GmbH (Germany)	FULL	100.00	51.19	FULL	100.00	50.97
AUTOSTRADA EXPLO EKSPLOATACJA (AESA) (Poland)	EQUITY (JV)	34.71	26.52	EQUITY (JV)	34.71	26.41
BIKE U SP ZOO (Poland)	FULL	100.00	76.41	FULL	100.00	76.08
BONAVENTURA STRASSENERHALTUNG GmbH (Austria)	FULL	100.00	76.41	FULL	100.00	76.08
CAOG AIRPORT OPERATIONS Ltd (Cyprus)	JOINT ARR.	36.00	27.51	JOINT ARR.	36.00	27.39
CENTRE DES MÉTIERS DE L'AÉRIEN (Côte d'Ivoire)	EQUITY (Ass.)	50.00	38.20	EQUITY (Ass.)	50.00	38.04
COMPANY OPERADORA Y MANTENEDORA GOLFO CENTRO (Mexico)	EQUITY (Ass.)	36.50	27.89	EQUITY (Ass.)	36.50	27.77
CONTIR SRL (Italy)	FULL	100.00	54.10	FULL	100.00	53.87
E&I MOVILIDAD MEXICO	EQUITY (JV)	50.00	38.20	EQUITY (JV)	50.00	38.04
EASYTRIP SERVICES CORPORATION (Philippines)	EQUITY (JV)	34.00	25.98	EQUITY (JV)	34.00	25.87
EASYTRIP SERVICES IRELAND Ltd (Ireland)	EQUITY (JV)	50.00	38.20	EQUITY (JV)	49.99	38.04
EGIS Algérie SPA (Algeria)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS BEIJING ENGINEERING CONSULTING (China)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS BULGARIE EAD (Bulgaria)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS CAMEROUN (Cameroon)	FULL	100.00	76.35	FULL	100.00	76.03
EGIS CONSULTÓRIA SAS	FULL	100.00	76.41	FULL	100.00	76.08
EGIS EMIRATES LLC	FULL	100.00	68.77	FULL	100.00	68.47
EGIS ENGENHARIA E CONSULTÓRIA Ltda (formerly LENC) (Brazil)	FULL	100.00	74.14	FULL	100.00	72.00
EGIS GEOPLAN PVT Ltd (India)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS INDIA CONSULTING ENGINEERS PVT Ltd (India)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS INDONESIA (Indonesia)	FULL	100.00	42.02	FULL	100.00	41.84
EGIS INFRAMAD (Madagascar)	FULL	100.00	54.25	FULL	100.00	54.02
EGIS INVESTMENT PARTNERS – A8 (Luxembourg)	FULL	100.00	20.11	FULL	100.00	20.02
EGIS INVESTMENT PARTNERS – INFRASTRUCTURE (Luxembourg)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS INVESTMENT PARTNERS – M25 (Luxembourg)	FULL	100.00	15.28	FULL	100.00	15.22
EGIS INVESTMENT PARTNERS PHILIPPINES (Philippines)	FULL	100.00	43.71	FULL	100.00	43.53
EGIS INVESTMENT SARL (Luxembourg)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS KENYA (Kenya)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS LAGAN SERVICES (Ireland)	EQUITY (JV)	50.00	38.20	EQUITY (JV)	50.00	38.04
EGIS OPERATION SOUTH AFRICA	FULL	100.00	76.41			
EGIS MONACO (Monaco)	FULL	100.00	76.41	FULL	100.00	76.08

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
EGIS PARKING SERVICES BV (Netherlands)	FULL	100.00	57.30	FULL	100.00	57.06
EGIS POLAND SP Zoo (Poland)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS PROJECTS ASIA PACIFIC PTY LTD (Australia)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS PROJECTS CANADA Inc. (Canada)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS PROJECTS INCORPORATION (United States)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS PROJECTS IRELAND Ltd (Ireland)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS PROJECTS PHILIPPINES (Philippines)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS PROJECTS POLSKA (Poland)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS RAIL ISRAËL (Israel)	FULL	100.00	76.40	FULL	100.00	76.07
EGIS RAIL PTE (Singapore)	FULL	100.00	76.40	FULL	100.00	76.07
EGIS RAIL THAÏLANDE (Thailand)	FULL	100.00	45.84	FULL	100.00	45.65
EGIS RAIL USA Inc. (United States)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS ROAD & TUNNEL OPERATIONS IRELAND Ltd (Ireland)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS ROAD OPERATION AUSTRALIA PTY Ltd (Australia)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS ROAD OPERATION CONGO SAS	FULL	100.00	76.41	FULL	100.00	76.08
EGIS ROAD OPERATION CROATIA (Croatia)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS ROAD OPERATION INDIA (India)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS ROAD OPERATION M40 LTD (United Kingdom)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS ROAD OPERATION PHILIPPINES (Philippines)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS ROAD OPERATION POLOGNE (Poland)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS ROAD OPERATION PORTUGAL (Portugal)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS ROAD OPERATION UK (United Kingdom)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS ROMANIA (Romania)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS SAUDI ENGINEERING CONSULTANCY (Saudi Arabia)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS TUNEL ISLETMECILIGI AS (Turkey)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS UKRAINA LLC	FULL	100.00	76.41	FULL	100.00	76.08
EGISMEX (Mexico)	FULL	100.00	76.40	FULL	100.00	76.07
ENGLAND TIR SPA (Italy)	FULL	100.00	76.41	FULL	100.00	76.08
EP INFRASTRUKTURPROJEKTENTWICKLUNG (Austria)	FULL	100.00	76.41	FULL	100.00	76.08
FULTON HOGAN EGIS (Australia)	EQUITY (JV)	50.00	38.20	EQUITY (JV)	50.00	38.04
GEBZE IZMIR (Turkey)	EQUITY (JV)	50.00	38.20	EQUITY (JV)	50.00	38.04
H&E ENERGY Ltd	EQUITY (JV)	50.00	38.20	EQUITY (JV)	50.00	38.04
HeBra HOLDING GmbH (Germany)				FULL	100.00	74.99
HELIOS (United Kingdom)	FULL	100.00	76.41	FULL	100.00	76.08
HERMES AIRPORTS Ltd (Cyprus)	EQUITY (Ass.)	20.00	15.28	EQUITY (Ass.)	20.00	15.22
ICTAS EGIS (Turkey)	EQUITY (JV)	51.00	38.97	EQUITY (JV)	51.00	38.80
Inhabit (Hong Kong)	FULL	100.00	51.12	FULL	100.00	45.65

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
INTERNATIONAL ADMINISTRATIEKANTOOR JW VERSLUIS NV (Netherlands)	FULL	100.00	76.41	FULL	100.00	76.08
IOSIS MAROC ZFT (Morocco)	FULL	100.00	76.41	FULL	100.00	76.08
ISIS BELGIQUE (Belgium)	FULL	100.00	76.41	FULL	100.00	76.08
ITS ROAD SERVICES Ltd (Ireland)	EQUITY (JV)	50.00	38.20	EQUITY (JV)	50.00	38.04
JMI PACIFIC (Thailand)	FULL	100.00	76.41	FULL	100.00	76.08
LEM ANTWERPEN (Belgium)	FULL	100.00	76.41	FULL	100.00	76.08
LEM OOSTENDE (Belgium)	FULL	100.00	76.41	FULL	100.00	76.08
M6 TOLNA USEMELTETO KFT (Hungary)	FULL	100.00	64.18	FULL	100.00	63.91
MIDLINK M7/M8 LTD (Ireland)	FULL	100.00	51.19	FULL	100.00	50.97
NORTHLINK M1 Ltd (Ireland)	FULL	100.00	51.19	FULL	100.00	50.97
OCACSA (Mexico)	FULL	100.00	70.35	FULL	100.00	70.06
PARACT (Côte d'Ivoire)	FULL	100.00	76.41	FULL	100.00	76.08
PROJACS INTERNATIONAL BSC (Bahrain)	FULL	100.00	72.93	FULL	100.00	38.80
PROJACS INTERNATIONAL PROJECT MANAGEMENT WILL (Kuwait)	FULL	100.00	72.93	FULL	100.00	38.80
ROAD SAFETY OPERATION IRELAND Ltd (Ireland)	EQUITY (JV)	42.00	32.09	EQUITY (JV)	42.00	31.95
SEMALY PORTUGAL (Portugal)	FULL	100.00	76.40	FULL	100.00	76.07
SEMALY UK (United Kingdom)	FULL	100.00	76.40	FULL	100.00	76.07
SEMOVEPARK	EQUITY (Ass.)	49.00	37.44	EQUITY (Ass.)	49.00	37.28
SOUTHLINK N25 Ltd (Ireland)	FULL	100.00	51.19	FULL	100.00	50.97
TEN DESIGN GROUP Ltd (sub-group)	FULL	100.00	51.57	FULL	100.00	41.84
TRANS CANADA FLOW TOLLING, Inc. (Canada)				EQUITY (JV)	50.00	37.49
TRANSLINK INVESTMENT (Australia)	EQUITY (JV)	50.00	38.20	EQUITY (JV)	50.00	38.04
Easytrip BV (formerly TRANSPASS BV) (Netherlands)	FULL	100.00	76.41	FULL	100.00	76.08
EASYTRIP NETHERLANDS BV (formerly TRANSPASS HOLDING BV) (Netherlands)	FULL	100.00	76.41	FULL	100.00	76.08
EASYTRIP SERVICES BV (formerly TRANSPASS SERVICES BV) (Netherlands)	FULL	100.00	76.41	FULL	100.00	76.08
EGIS PROJECTS UK Ltd (formerly TRANSROUTE UK Ltd) (United Kingdom)	FULL	100.00	76.41	FULL	100.00	76.08
TUNNEL NETWORK SERVICES (Australia)	FULL	100.00	76.41	FULL	100.00	76.08
VIA4 SA (Poland)	EQUITY (JV)	45.00	34.38	EQUITY (JV)	45.00	34.24
TRANSDEV GROUP						
TRANSDEV GROUP *Registered office: 32, boulevard Gallieni – 92130 Issy-les-Moulineaux*	FULL	100.00	66.00	FULL	100.00	66.00
ALGERIA						
VEOLIA TRANSPORT PILOTE				FULL	100.00	66.00
GERMANY						
AHRWEILER VERKEHRS GmbH	FULL	100.00	66.00	FULL	100.00	66.00
ALPINA IMMOBILIEN GmbH	FULL	100.00	66.00	FULL	100.00	66.00
BAYERISCHE OBERLANDBAHN GmbH IG	FULL	100.00	66.00	FULL	100.00	66.00
BAYERISCHE REGIOBAHN GmbH	FULL	100.00	66.00	FULL	100.00	66.00

GROUPS/COMPANIES	31.12.2020 Method	% control	% interest	31.12.2019 Method	% control	% interest
EISENBAHN VERKEHRS SERVICE GESELLSCHAFT MBH	FULL	100.00	66.00	FULL	100.00	66.00
EUROBUS VERKHERS-SERVICE GmbH	FULL	100.00	66.00	FULL	100.00	66.00
EVERRIDE GmbH	FULL	100.00	66.00	FULL	100.00	66.00
FREIBERGER EISENBAHNGESELLSCHAFT MBH	FULL	100.00	56.10	FULL	100.00	56.10
GRIENSTEIDL GmbH	FULL	100.00	66.00	FULL	100.00	66.00
HABUS GmbH VERKEHRSBETRIEBE	EQUITY (JV)	51.00	33.66	EQUITY (JV)	51.00	33.66
HEIDENHEIMER VERKEHRSGESELLSCHAFT MBH	EQUITY (JV)	49.00	32.34	FULL	100.00	49.39
KRAFTVERKEHRSGESELLESCHAFT DREILANDERECK MBH	FULL	100.00	66.00	FULL	100.00	66.00
KSA GmbH (formerly KSA VERWALTUNG GmbH AUGSBURG)	EQUITY (JV)	49.00	32.34	EQUITY (JV)	49.00	32.34
KSI GmbH & CO.KG (formerly KSI GmbH & Co.KG AUGSBURG)	EQUITY (JV)	49.00	32.34	EQUITY (JV)	49.00	32.34
MARTIN BECKER GmbH & Co.KG	FULL	100.00	66.00	FULL	100.00	66.00
MB MOSELBAHN VERKEHRSGESELLSCHAFT MBH	FULL	100.00	66.00	FULL	100.00	66.00
MOBUS MARKISCH-ODERLAND BUS GmbH	FULL	100.00	66.00	FULL	100.00	66.00
MOVE ON TELEMATIC SERVICE GmbH	FULL	100.00	66.00	FULL	100.00	66.00
NASSAUISCHE VERKEHRS-GESELLSCHAFT MBH	FULL	100.00	66.00	FULL	100.00	66.00
NBRB TEILE UND LOGISTIKGESELLSCHAFT MBH	FULL	100.00	44.02	FULL	100.00	44.02
NIEDERSCHLESISCHE VERKEHRSGESELLSHAFT GmbH	FULL	100.00	66.00	FULL	100.00	66.00
NORDDEUTSCHE VERKEHRSBETRIEBE GmbH	FULL	100.00	66.00	FULL	100.00	66.00
NORD-OSTSEE-BAHN GmbH	FULL	100.00	66.00	FULL	100.00	66.00
NORDWESTBAHN GmbH	FULL	100.00	66.00	FULL	100.00	66.00
NUTZFAHRZEUGZENTRUM MITTELRHEIN GmbH	FULL	100.00	66.00	FULL	100.00	66.00
OBERLANDBAHN FAHRZEUGBEREITSTELLUNGS GmbH	FULL	100.00	66.00	FULL	100.00	66.00
OMNIBUS-VERKEHR RUOFF GmbH	FULL	100.00	66.00	FULL	100.00	66.00
OSL BUS GmbH	FULL	100.00	66.00	FULL	100.00	66.00
OSTSEELAND VERKEHR GmbH	FULL	100.00	66.00	FULL	100.00	66.00
PALATINA BUS GmbH	FULL	100.00	66.00	FULL	100.00	66.00
R M V BETEILIGUNGS GMBH	EQUITY (JV)	50.00	33.00	EQUITY (JV)	50.00	33.00
REGIONALBUS OBERLAUSITZ GmbH	FULL	100.00	48.84	FULL	100.00	48.84
REGIONALBUS WEST GmbH	FULL	100.00	66.00	FULL	100.00	66.00
REGIONALVERKEHR WESTSACHSEN GmbH	FULL	100.00	66.00	FULL	100.00	66.00
RHEIN-BUS VERKEHRSBETRIEB GmbH	EQUITY (JV)	51.00	33.66	EQUITY (JV)	51.00	33.66
ROHDE VERKEHRSBETRIEBE GmbH	FULL	100.00	66.00	FULL	100.00	66.00
SAX-BUS EILENBURGER BUSVERKEHR GmbH	FULL	100.00	36.96	FULL	100.00	36.96
SCHAUMBURGER VERKEHRS-GESELLSCHAFT MBH				FULL	100.00	33.66
STADTBUS BAD KREUZNACH GmbH	FULL	100.00	66.00	FULL	100.00	66.00
STADTBUS SCHWÄBISCH HALL GmbH	FULL	100.00	66.00	FULL	100.00	66.00

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
STADTBUS ZWEIBRUCKEN GmbH	FULL	100.00	66.00	FULL	100.00	66.00
STENDAL BUS GmbH	FULL	100.00	66.00	FULL	100.00	66.00
TAETER-TOURS GmbH	FULL	100.00	33.66	FULL	100.00	33.66
TRANS REGIO DEUTSCHE REGIONALBAHN GMBH	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV BAHN GmbH	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV BUSSERVICE GmbH (formerly BUSTOURISTIK TONNE GmbH)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV GmbH	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV HANNOVER	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV INSTANDHALTUNG GmbH (formerly EISENBAHNWERKSTATT-GESELLSCHAFT MBH)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV MITTELDEUTSCHLAND GmbH	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV NIEDERSACHSEN/ WESTFALEN GmbH	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV NORD GmbH	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV OSTWESTFALEN GmbH	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV PERSONALSERVICE GmbH	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV REGIO GmbH	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV REGIO OST GmbH	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV RHEINLAND GmbH	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV RHEIN-MAIN GmbH	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV SACHSEN-ANHALT GmbH	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV SE & CO.KG	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV SERVICE GmbH	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV SERVICE WEST GmbH	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV SHUTTLE GmbH (formerly VERKEHRSBETRIEB RHEIN LAHN GmbH)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV STADT GmbH	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV SUD-WEST GmbH	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV TAUNUS GmbH	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV VERTRIEB GmbH	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV VERWALTUNGS SE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV WEST GmbH	FULL	100.00	66.00	FULL	100.00	66.00
VERKEHRSBETRIEB LAHN DILL GmbH	FULL	100.00	66.00	FULL	100.00	66.00
VERKEHRSBETRIEB RHEIN EIFEL MOSEL GmbH	FULL	100.00	66.00	FULL	100.00	66.00
VERKEHRSBETRIEBE MINDEN-RAVENSBERG GmbH I.L				FULL	100.00	66.00
VERKEHRSGESELLSCHAFT MBH BAD KREUZNACH	FULL	100.00	66.00	FULL	100.00	66.00
VERKEHRSGESELLSCHAFT ZWEIBRUCKEN GmbH	FULL	100.00	66.00	FULL	100.00	66.00
VERWALTUNGSGESELLSCHAFT DER FIRMA MARTIN BECKER MBH	FULL	100.00	66.00	FULL	100.00	66.00
VIO VERKEHRSGESELLSCHAFT IDAR-OBERSTEIN GmbH	FULL	100.00	66.00	FULL	100.00	66.00
WEST – BUS GmbH	EQUITY (JV)	49.00	32.34	EQUITY (JV)	49.00	32.34

GROUPS/COMPANIES	31.12.2020			31.12.2019		
	Method	% control	% interest	Method	% control	% interest
WURTTEMBERGISCHE BUS-GESELLSCHAFT GmbH	FULL	100.00	66.00	FULL	100.00	66.00
WÜRTTEMBERGISCHE EISENBAHN-GESELLSCHAFT MBH	FULL	100.00	66.00	FULL	100.00	66.00
AUSTRALIA						
ACN 105 260 099	FULL	100.00	66.00	FULL	100.00	66.00
BRISBANE FERRIES				EQUITY (JV)	50.00	33.00
BUSLINK VIVO PTY Ltd	JOINT ARR.	50.00	33.00	EQUITY (JV)	50.00	33.00
CONNEX MELBOURNE PTY Ltd	FULL	100.00	66.00	FULL	100.00	66.00
GREAT RIVER CITY LIGHT RAIL PTY Ltd	FULL	100.00	46.20	FULL	100.00	46.20
HARBOUR CITY FERRIES PTY LTD	FULL	100.00	66.00	FULL	100.00	66.00
MAINCO MELBOURNE PTY Ltd				EQUITY (JV)	30.00	19.80
METROLINK VICTORIA PTY Ltd	EQUITY (JV)	50.00	33.00	EQUITY (JV)	50.00	33.00
TRANSAMO AUSTRALASIA	FULL	100.00	62.73	FULL	100.00	62.73
TRANSDEV AUSTRALASIA PTY Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV AUSTRALIA PTY Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV BRISBANE FERRIES PTY Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV FERRIES SYDNEY PTY Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV LINK PTY Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV MAINTENANCE SERVICES PTY Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV MELBOURNE PTY Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV NSW PTY Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV NSW SOUTH PTY Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV QUEENSLAND PTY Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV SOUTH WEST PTY Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV SYDNEY FERRIES PTY Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV SYDNEY PTY Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV TSL PTY Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV VICTORIA PTY Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV WA PTY Ltd	FULL	100.00	66.00	FULL	100.00	66.00
VIVO CONNECT PTY Ltd	FULL	100.00	66.00	FULL	100.00	66.00
CANADA						
947465 ONTARIO Ltd	FULL	100.00	66.00	FULL	100.00	66.00
CHECKER LIMOUSINE, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
CITYWAY CANADA	FULL	100.00	66.00	FULL	100.00	66.00
MOBILINX HURONTARIO SERVICES	FULL	100.00	66.00	FULL	100.00	66.00
ONTARIO Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV CANADA, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV HURONTARIO EQUITY HOLDING	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV QUEBEC, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV SERVICES (CANADA), Inc.	FULL	100.00	66.00	FULL	100.00	66.00
VOYAGEUR PATIENT TRANSFER SERVICES, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
YORK BRT SERVICES I, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
CHILE						
REDBUS URBANO SA	FULL	100.00	66.00	FULL	100.00	66.00

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
REDSUPPORT SPA	FULL	100.00	66.00	FULL	100.00	66.00
REDVAN SPA	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV CHILE SA (formerly VEOLIA TRANSPORT CHILE)	FULL	100.00	66.00	FULL	100.00	66.00
COLOMBIA						
BOGOTÁ MOVIL OPERACIÓN SUR SAS	EQUITY (JV)	50.00	33.00	EQUITY (JV)	50.00	33.00
BOGOTÁ MOVIL PROVISION SUR SAS	EQUITY (JV)	50.00	33.00	EQUITY (JV)	50.00	33.00
CITY MOVIL	EQUITY (JV)	28.13	18.57	EQUITY (JV)	25.63	16.92
CIUDAD MOVIL	EQUITY (JV)	38.50	25.41	EQUITY (JV)	38.50	25.41
CONEXION MOVIL	EQUITY (JV)	33.41	22.05	EQUITY (JV)	33.41	22.05
TRANSDEV COLUMBIA SAS	FULL	100.00	66.00	FULL	100.00	66.00
SOUTH KOREA						
RATP DEV TRANSDEV KOREA (formerly VT RATP KOREA)				EQUITY (JV)	50.00	33.00
SPAIN						
CGT, SA, CGEA CONNEX, SA	JOINT ARR.	66.00	43.56	EQUITY (JV)	66.00	43.56
DETREN COMPANIA GENERAL DE SERVICIOS FERROVIARIOS, S.L	JOINT ARR.	66.00	43.56	EQUITY (JV)	66.00	43.56
TRANSDEV DIVISION ESPAÑA, SLU (formerly VEOLIA TRANSPORTE ESPAÑA SLU)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV OPERADOR, SLU (formerly TRANSDEV ESPAÑA SLU)				FULL	100.00	66.00
TRANSPORTE METROPOLITANO TRANSMIÑO	FULL	100.00	65.99	FULL	100.00	65.99
UNIÓN TEMPORAL DE EMPRESAS	JOINT ARR.	65.00	42.90	FULL	100.00	42.90
UNITED STATES						
10-10 TAXI AR, LLC	FULL	100.00	66.00	FULL	100.00	66.00
10-10 TAXI FL 1, LLC	FULL	100.00	66.00	FULL	100.00	66.00
10-10 TAXI MN, LLC	FULL	100.00	66.00	FULL	100.00	66.00
10-10 TAXI NY, LLC	FULL	100.00	66.00	FULL	100.00	66.00
10-10 TAXI TX 1, LLC	FULL	100.00	66.00	FULL	100.00	66.00
10-10 TRANSPORTATION, LLC	FULL	100.00	66.00	FULL	100.00	66.00
ABCOCK RANCH TRANSPORTATION SERVICES, LLC	FULL	100.00	66.00	FULL	100.00	66.00
AIRLINES ACQUISITION Co., Inc.	FULL	100.00	66.00	FULL	100.00	66.00
AIRPORT LIMOUSINE SERVICE, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
ASSOCIATED CAB, LLC	FULL	100.00	66.00	FULL	100.00	66.00
ATC PARTNERS LLC	FULL	100.00	66.00	FULL	100.00	66.00
ATC/VANCOM OF ARIZONA, LTD PARTNERSHIP	FULL	100.00	66.00	FULL	100.00	66.00
BELLE ISLE CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
CENTRAL CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
CENTURY CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
CHAMPION CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
CHECKER AIRPORT TAXI, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
CHECKER CAB ASSOCIATION, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
CHECKER YELLOW CAB OF JACKSONVILLE, LLC	FULL	100.00	66.00	FULL	100.00	66.00
CHOICE CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
CIRCLE CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
CITYWAY USA	FULL	100.00	66.00	FULL	100.00	66.00
CLASSIC CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
CLEARWATER TRANSPORTATION, LLC	FULL	100.00	66.00	FULL	100.00	66.00
COAST CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
COLONIAL CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
COLORADO CAB COMPANY, LLC	FULL	100.00	66.00	FULL	100.00	66.00
COLORADO SPRINGS TRANSPORTATION, LLC	FULL	100.00	66.00	FULL	100.00	66.00
COLORADO TRANS MANAGEMENT, LLC	FULL	100.00	66.00	FULL	100.00	66.00
COMPUTER CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
CONNEX RAILROAD LLC	FULL	100.00	66.00	FULL	100.00	66.00
CORDIAL CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
ENVIRO CAB, LLC TX				FULL	100.00	66.00
ENVIROCAB, LLC VIRGINIA	FULL	100.00	66.00	FULL	100.00	66.00
GOLDEN TOUCH TRANSPORTATION OF NEW YORK, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
GOLDEN TOUCH TRANSPORTATION OF THE DISTRICT OF COLUMBIA	FULL	100.00	66.00	FULL	100.00	66.00
GREEN TOMATO CARS DC, LLC	FULL	100.00	66.00	FULL	100.00	66.00
GREEN TOMATO CARS VA, LLC	FULL	100.00	66.00	FULL	100.00	66.00
HUNTLEIGH TRANSPORTATION SERVICES LLC	FULL	100.00	66.00	FULL	100.00	66.00
INTELLIRIDE LLC	FULL	100.00	66.00	FULL	100.00	66.00
KANSAS CITY LIMOUSINE LLC	FULL	100.00	66.00	FULL	100.00	66.00
KANSAS CITY SHUTTLE LLC	FULL	100.00	66.00	FULL	100.00	66.00
KANSAS CITY TAXI LLC	FULL	100.00	66.00	FULL	100.00	66.00
MASSACHUSETTS BAY COMMUTER RAILROAD LLC	FULL	100.00	39.60	FULL	100.00	39.60
MCLEAN CONSULTING, LLC	FULL	100.00	66.00	FULL	100.00	66.00
PHOENIX TRANSIT JOINT VENTURE				FULL	100.00	54.12
PITTSBURGH CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
PITTSBURGH TRANSPORTATION COMPANY	FULL	100.00	66.00	FULL	100.00	66.00
PITTSBURGH TRANSPORTATION GROUP CHARTER SERVICES, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
PROFESSIONAL FLEET MANAGEMENT LLC				FULL	100.00	66.00
PROFESSIONAL TRANSIT MANAGEMENT, Ltd.	FULL	100.00	66.00	FULL	100.00	66.00
PROFESSIONAL TRANSIT SOLUTIONS LLC	FULL	100.00	66.00	FULL	100.00	66.00
PTM OF ATTLEBORO, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
PTM OF RACINE, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
PTM OF TUCSON, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
PTM OF WAUKESHA, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
PTM PARATRANSIT OF TUCSON, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
RAYRAY CAB COMPANY, LLC	FULL	100.00	66.00	FULL	100.00	66.00
SAFETY CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
SCOUT CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
SE FLORIDA TRANSPORTATION, LLC	FULL	100.00	66.00	FULL	100.00	66.00
SECURE CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
SELECT CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
SENTINEL CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
SERENE CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
SFO AIRPORTER, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
SHAMROCK CHARTERS, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
SHAMROCK LEASING LLC	FULL	100.00	66.00	FULL	100.00	66.00
SHAMROCK LUXURY LIMOUSINE LLC	FULL	100.00	66.00	FULL	100.00	66.00
SHAMROCK TAXI OF FORT COLLINS, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
SHUTTLEPORT ARIZONA JOINT VENTURE	FULL	100.00	42.90	FULL	100.00	42.90
SHUTTLEPORT CALIFORNIA LLC				FULL	100.00	66.00
SHUTTLEPORT CONNECTICUT LLC				FULL	100.00	66.00
SHUTTLEPORT DC LLC				FULL	100.00	66.00
SHUTTLEPORT SERVICES ARIZONA LLC				FULL	100.00	66.00
SKYLINE CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
SPENCER LEASING LLC	FULL	100.00	66.00	FULL	100.00	66.00
SUNRISE CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
SUPER TRANSPORTATION OF FLORIDA, LLC	FULL	100.00	66.00	FULL	100.00	66.00
SUPERIOR CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
SUPERTAXI, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
SUPREME CAB COMPANY, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
TEMPE ARIZONA VF JOINT VENTURE				FULL	100.00	56.10
THE YELLOW CAB COMPANY	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV ALTERNATIVE SERVICES, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV BUS ON DEMAND LLC	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV BUSINESS SOLUTIONS	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV BUSINESS SOLUTIONS LEASING, LLC	FULL	100.00	66.00			
TRANSDEV NORTH AMERICA	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV ON DEMAND, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV SERVICES Inc.	FULL	100.00	66.00	FULL	100.00	66.00
VEOLIA TRANSPORTATION MAINTENANCE AND INFRASTRUCTURE, Inc.	FULL	100.00	46.20	FULL	100.00	46.20
WIER TRANSPORTATION	FULL	100.00	32.34	FULL	100.00	32.34
YC HOLDINGS, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
YELLOW CAB ASSOCIATION, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
YELLOW CAB COMPANY OF PITTSBURGH	FULL	100.00	66.00	FULL	100.00	66.00
YELLOW TAXI ASSOCIATION, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
ZTRIP, Inc.	FULL	100.00	66.00	FULL	100.00	66.00
FINLAND						
TRANSDEV FINLAND OY				FULL	100.00	66.00
TRANSDEV HELSINKI OY				FULL	100.00	66.00
TRANSDEV VANTAA OY (formerly VEOLIA TRANSPORT VANTAA OY)				FULL	100.00	66.00

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
FRANCE						
AERO PISTE	FULL	100.00	66.00	FULL	100.00	66.00
AEROPASS	FULL	100.00	66.00	FULL	100.00	66.00
AIRCAR	FULL	100.00	66.00	FULL	100.00	66.00
ALBATRANS	EQUITY (Ass.)	57.55	37.98	EQUITY (Ass.)	57.55	37.98
ALTIBUS.COM	FULL	100.00	43.54	FULL	100.00	43.54
AMBULANCES GUIRADO	FULL	100.00	66.00	FULL	100.00	66.00
AMBULANCES MARTEGALES (formerly SARL MARTEGALES)	FULL	100.00	66.00	FULL	100.00	66.00
AMBULANCES PONT-DE-L'ARC (formerly SARL PONT-DE-L'ARC)	FULL	100.00	66.00	FULL	100.00	66.00
ANTRAS HOLDING	FULL	100.00	65.98	FULL	100.00	65.98
ARY	FULL	100.00	65.98	FULL	100.00	65.98
ATRIOM DE BEAUVAISIS	FULL	100.00	65.98	FULL	100.00	65.98
ATRIOM DU COMPIÉGNOIS	FULL	100.00	63.30	FULL	100.00	63.30
AUTOBUS AUBAGNAIS	FULL	100.00	65.98	FULL	100.00	65.98
AUTOBUS AURÉLIENS	FULL	100.00	45.98	FULL	100.00	45.98
AUTOBUS DE L'ÉTANG	FULL	100.00	66.00	FULL	100.00	66.00
AUTOCARS ALIZES	FULL	100.00	65.98	FULL	100.00	65.98
AUTOCARS DARCHE-GROS	FULL	100.00	66.00	FULL	100.00	66.00
AUTOCARS MARNE-LA-VALLÉE	FULL	100.00	66.00	FULL	100.00	66.00
AUTOCARS MUSSO	FULL	100.00	65.98	FULL	100.00	65.98
AUTOCARS SABARDU	FULL	100.00	66.00	FULL	100.00	66.00
AUTOCARS TOURNEUX	FULL	100.00	66.00	FULL	100.00	66.00
BESANÇON MOBILITÉ	FULL	100.00	66.00	FULL	100.00	66.00
BIÈVRE BUS MOBILITÉS	FULL	100.00	66.00	FULL	100.00	66.00
BIO SERVICE LOGISTIQUE	FULL	100.00	66.00	FULL	100.00	66.00
BUS EST	FULL	100.00	66.00	FULL	100.00	66.00
CARBU WASH	FULL	100.00	66.00	FULL	100.00	66.00
CARS DU PAYS D'AIX	FULL	100.00	66.00	FULL	100.00	66.00
CAUX SEINE MOBILITÉ	FULL	100.00	36.29	FULL	100.00	36.29
CEA TRANSPORTS	FULL	100.00	66.00	FULL	100.00	66.00
CENTRALE DE RÉSERVATION EUROPE AUTOCAR	FULL	100.00	66.00	FULL	100.00	66.00
CFTA CENTRE OUEST	FULL	100.00	65.98	FULL	100.00	65.98
CIE ARMORICAINE DE TRANSPORTS	FULL	100.00	65.95	FULL	100.00	65.95
CITRAM AQUITAINE	FULL	100.00	65.98	FULL	100.00	65.98
CITRAM PYRÉNÉES	FULL	100.00	65.98	FULL	100.00	65.98
CITYWAY	FULL	100.00	66.00	FULL	100.00	66.00
COMPAGNIE DES BACS DE LOIRE	FULL	100.00	66.00	FULL	100.00	66.00
COMPAGNIE DES TRANSPORTS COLLECTIFS DE L'OUEST PARISIEN	EQUITY (JV)	50.00	33.00	EQUITY (JV)	50.00	33.00
COMPAGNIE DES TRANSPORTS DU PAYS DE VANNES				FULL	100.00	66.00
COMPAGNIE FRANÇAISE DE TRANSPORT INTERURBAIN	FULL	100.00	65.98	FULL	100.00	65.98
COMPAGNIE OCÉANE	FULL	100.00	66.00	FULL	100.00	66.00
CONNEX LOCATION CARS ET BUS	FULL	100.00	66.00	FULL	100.00	66.00

GROUPS/COMPANIES	31.12.2020 Method	% control	% interest	31.12.2019 Method	% control	% interest
CONTRÔLE DE STATIONNEMENT EN VOIRIE	FULL	100.00	46.20	FULL	100.00	46.20
CONTRÔLE PRÉVENTION SÛRETÉ (formerly TRANSDEV CONTRÔLE PRÉVENTION SÛRETÉ)	FULL	100.00	66.00	FULL	100.00	66.00
DELEYROLLE AAAC (formerly SARL DELEYROLLE AAAC)	FULL	100.00	63.36	FULL	100.00	63.36
EAP	FULL	100.00	66.00	FULL	100.00	66.00
ÉTABLISSEMENTS BRÉMOND FRÈRES	FULL	100.00	66.00	FULL	100.00	66.00
ÉTABLISSEMENTS MONEGER ET COMPAGNIE	FULL	100.00	65.97	FULL	100.00	65.97
EURE-ET-LOIR MOBILITÉ	FULL	100.00	65.98	FULL	100.00	65.98
FARGO FINANCE	FULL	100.00	66.00	FULL	100.00	66.00
FLYBUS	FULL	100.00	66.00	FULL	100.00	66.00
FOURAS AIX	FULL	100.00	66.00	FULL	100.00	66.00
FRIOUL IF EXPRESS	FULL	100.00	66.00	FULL	100.00	66.00
GROUPEMENT D'ENSEIGNEMENT DU TRANSPORT SANITAIRE (formerly SARL GETS)	FULL	100.00	66.00	FULL	100.00	66.00
IBERFRAN	EQUITY (JV)	12.71	8.39	EQUITY (JV)	12.71	8.39
IBEROLINES	EQUITY (JV)	25.42	16.78	EQUITY (JV)	25.42	16.78
INTER PISTES	FULL	100.00	66.00	FULL	100.00	66.00
INTERVAL	FULL	100.00	66.00	FULL	100.00	66.00
KERDONIS	FULL	100.00	65.99	FULL	100.00	65.99
LAE GIE A 13	FULL	100.00	64.15	FULL	100.00	64.15
LES AUTOBUS DU FORT	FULL	100.00	66.00	FULL	100.00	66.00
LES CARS D'ORSAY	FULL	100.00	66.00	FULL	100.00	66.00
LES CARS ROSE	FULL	100.00	66.00	FULL	100.00	66.00
LES COURRIERS AUTOMOBILES PICARDS	FULL	100.00	64.59	FULL	100.00	64.59
LES COURRIERS DE L'AUBE	FULL	100.00	65.96	FULL	100.00	65.96
LES COURRIERS DE SEINE-ET-OISE	FULL	100.00	66.00	FULL	100.00	66.00
LES LIGNES DU VAR	FULL	100.00	65.96	FULL	100.00	65.96
L'IMMOBILIÈRE DES FONTAINES	FULL	100.00	66.00	FULL	100.00	66.00
LITTORAL (formerly EURL LITTORAL)	FULL	100.00	66.00	FULL	100.00	66.00
MAINTENANCE, ÉTUDES ET RÉALISATIONS EN CIRCULATION URBAINE ET RÉGULATION	FULL	100.00	66.00	FULL	100.00	66.00
MECA PISTE	FULL	100.00	66.00	FULL	100.00	66.00
MIDI PROVENCE (formerly SARL MIDI-PROVENCE)	FULL	100.00	66.00	FULL	100.00	66.00
MOBILINK (formerly CIOTABUS)	FULL	100.00	66.00	FULL	100.00	66.00
MOBILITÉ ET SERVICES	FULL	100.00	65.98	FULL	100.00	65.98
MOUV'IDÉES	FULL	100.00	66.00	FULL	100.00	66.00
MULHOUSE MOBILITÉS	FULL	100.00	57.97	FULL	100.00	57.97
N'4 MOBILITÉS	FULL	100.00	63.80	FULL	100.00	63.80
NOUVELLE MEDISUD (formerly EURL MEDISUD)	FULL	100.00	66.00	FULL	100.00	66.00
ODULYS	FULL	100.00	36.30	FULL	100.00	36.30
PARTORPEN SANITRANS	FULL	100.00	66.00	FULL	100.00	66.00
PHOEBUS	FULL	100.00	66.00	FULL	100.00	66.00

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
PÔLE ILE-DE-FRANCE IMMOBILIER AND FACILITIES	FULL	100.00	66.00	FULL	100.00	66.00
PREVOST	FULL	100.00	65.98	FULL	100.00	65.98
PROVENCE SECOURS (formerly SARL PROVENCE SECOURS)	FULL	100.00	66.00	FULL	100.00	66.00
PROXIWAY	FULL	100.00	66.00	FULL	100.00	66.00
RATP DEV TRANSDEV ASIA SA				EQUITY (JV)	50.00	33.00
RÉGIE MIXTE DES TRANSPORTS TOULONNAIS	FULL	100.00	47.13	FULL	100.00	47.13
RHÔNEXPRESS	EQUITY (Ass.)	28.20	18.61	EQUITY (Ass.)	28.20	18.61
SERI 49	FULL	100.00	65.78	FULL	100.00	65.59
SAEM DES AUTOCARS ET AUTOBUS AUNIS ET SAINTONGE	EQUITY (JV)	49.98	32.99	EQUITY (JV)	49.98	32.99
SANTÉ MOBILITÉ SERVICES	FULL	100.00	46.20	FULL	100.00	46.20
SAS AUTONOMIE ET SANTÉ	FULL	100.00	66.00	FULL	100.00	66.00
SAS LA MIMÉTAINE (formerly SAS HOLDING MIMETAINE)	FULL	100.00	66.00	FULL	100.00	66.00
SCI DU CLOS PIERVIL	FULL	100.00	65.89	FULL	100.00	65.89
SCI LA MARE AU MOULIN	FULL	100.00	66.00	FULL	100.00	66.00
SCI LE PRÉ BOUDROT	EQUITY (JV)	49.00	32.34	EQUITY (JV)	49.00	32.34
SENONAIS MOBILITÉS	FULL	100.00	66.00	FULL	100.00	66.00
SEVM SAS				FULL	100.00	66.00
SITE.OISE	FULL	100.00	43.56	FULL	100.00	43.56
SOCIÉTÉ AÉROPORTUAIRE DE GESTION ET D'EXPLOITATION DE BEAUVAIS	EQUITY (JV)	49.00	32.34	EQUITY (JV)	49.00	32.34
SOCIÉTÉ DE GESTION DE L'AÉROPORT DE LA RÉGION DE LILLE	EQUITY (Ass.)	34.00	22.44	EQUITY (Ass.)	34.00	22.44
SOCIÉTÉ DE PRESTATIONS TRANSDEV IDF	FULL	100.00	66.00	FULL	100.00	66.00
SOCIÉTÉ DE TRANSPORTS AUTOMOBILES ET DE VOYAGES	FULL	100.00	66.00	FULL	100.00	66.00
SOCIÉTÉ DES TRANSPORTS DE CALAIS ET EXTENSIONS	FULL	100.00	66.00	FULL	100.00	66.00
SOCIÉTÉ DES TRANSPORTS DE DUNKERQUE ET EXTENSIONS	FULL	100.00	66.00	FULL	100.00	66.00
SOCIÉTÉ DES TRANSPORTS DE L'AGGLOMÉRATION THONONAISE	EQUITY (JV)	50.00	33.00	EQUITY (JV)	50.00	33.00
SOCIÉTÉ DES TRANSPORTS DU BASSIN CHELLOIS	FULL	100.00	66.00	FULL	100.00	66.00
SOCIÉTÉ DES TRANSPORTS LIBOURNAIS	FULL	100.00	66.00	FULL	100.00	66.00
SOCIÉTÉ DES TRANSPORTS PAR AUTOCARS DE L'OUEST PAYS DE LA LOIRE	FULL	100.00	65.98	FULL	100.00	65.98
SOCIÉTÉ D'EXPLOITATION AÉROPORTUAIRE AIR'PY (formerly AIR PY)				EQUITY (Ass.)	24.50	16.17
SOCIÉTÉ D'EXPLOITATION AMBULANCES LA MIMETAINE (formerly SARL SE LA MIMÉTAINE)	FULL	100.00	66.00	FULL	100.00	66.00
SOCIÉTÉ D'EXPLOITATION DE TRANSPORTS ET DE RÉPARATIONS AUTOMOBILES	FULL	100.00	66.00	FULL	100.00	66.00
SOCIÉTÉ DU MÉTRO DE L'AGGLOMÉRATION ROUENNAISE	FULL	100.00	66.00	FULL	100.00	66.00
SOCIÉTÉ NIÇOISE D'ENLÈVEMENT ET DE GARDIENNAGE	FULL	100.00	66.00	FULL	100.00	66.00

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
SOCIÉTÉ NOUVELLE AMBULANCES PATRICK (formerly SARL PATRICK)	FULL	100.00	66.00	FULL	100.00	66.00
SOCIÉTÉ NOUVELLE CPL				FULL	100.00	66.00
SOLEA	FULL	100.00	57.97	FULL	100.00	57.97
SPC MOBILITÉS (formerly SOCIÉTÉ DE SERVICES ET D'EXPLOITATION DE GARES ROUTIÈRES)	FULL	100.00	66.00	FULL	100.00	66.00
SUD CARS	FULL	100.00	66.00	FULL	100.00	66.00
SUD LOGISTIQUE (formerly SARL SUD LOGISTIQUE)	FULL	100.00	66.00	FULL	100.00	66.00
SURESNES UP	FULL	100.00	66.00	FULL	100.00	66.00
TCRM TRANSP. COMMUNS RÉGION METZ	EQUITY (Ass.)	39.96	26.37	EQUITY (Ass.)	39.96	26.37
TIPS	FULL	100.00	61.38	FULL	100.00	61.38
TPMR STRASBOURG	FULL	100.00	65.98	FULL	100.00	65.98
TPMR TOULOUSE	FULL	100.00	65.96	FULL	100.00	65.96
TPMR TOURS				FULL	100.00	65.98
TRANS VAL DE FRANCE	FULL	100.00	66.00	FULL	100.00	66.00
TRANS VAL-D'OISE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSAMO	FULL	100.00	62.73	FULL	100.00	62.73
TRANSBUSÉVRY (formerly TRANSÉVRY)	EQUITY (Ass.)	44.37	29.28	EQUITY (Ass.)	44.37	29.28
TRANSDEV	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV AÉROPORT CARCASSONNE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV AÉROPORT LIAISONS	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV AÉROPORT PERPIGNAN	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV AÉROPORT SERVICES	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV AÉROPORT TRANSIT	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV AGGLOMÉRATION DE BAYONNE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV ALBERTVILLE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV ALPES	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV ALPES-MARITIMES	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV ANNONAY (formerly SOCIÉTÉ DE TRANSPORT D'ANNONAY DAVEZIEUX ET EXTENSIONS)	FULL	100.00	62.77	FULL	100.00	62.77
TRANSDEV ARLES	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV ARTOIS (formerly LES AUTOBUS ARTÉSIENS)	FULL	100.00	65.97	FULL	100.00	65.97
TRANSDEV ARTOIS GOHELLE (formerly ARTOIS GOHELLE)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV AUXERROIS (formerly AUXERROIS MOBILITÉS)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV BASSIN ANNÉCIEN (formerly VOYAGES CROLARD)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV BASSIN D'ARCACHON	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV BEAUVAISIS MOBILITÉ (formerly BEAUVAISIS MOBILITÉ)	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV BFC EST (formerly TRANSDEV PAYS D'OR)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV BFC NORD (formerly RAPIDES DE BOURGOGNE)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV BFC SUD (formerly RAPIDES DE SAÔNE-ET-LOIRE)	FULL	100.00	66.00	FULL	100.00	66.00

GROUPS/COMPANIES	31.12.2020			31.12.2019		
	Method	% control	% interest	Method	% control	% interest
TRANSDEV BRETAGNE	FULL	100.00	66.00			
TRANSDEV BRIANÇON (formerly SOCIÉTÉ DES TRANSPORTS BRIANÇONNAIS)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV BRIVE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV BUSINESS INFORMATION SOLUTIONS	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV CARGO	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV CFA	FULL	100.00	66.00			
TRANSDEV CHAMBÉRY	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV CMT (formerly CREUSOT MONTCEAU TRANSPORTS)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV COMPAGNIE AXONAISE (formerly COMPAGNIE SAINT-QUENTINOISE DE TRANSPORTS)	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV CÔTE D'AZUR (formerly RAPIDES DE CÔTE D'AZUR)	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV DAUPHINE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV DROME	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV DU MARSAN	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV DURANCE	FULL	100.00	39.60	FULL	100.00	39.60
TRANSDEV ESPACES	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV EURE-ET-LOIR (formerly TRANSPORTS D'EURE-ET-LOIR)	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV EXPRESS GRAND OUEST	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV EXPRESS RHÔNE-ALPES AUVERGNE				FULL	100.00	66.00
TRANSDEV EXPRESS SUD-OUEST	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV FOUGÈRES	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV GRAND EST	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV GROUP INNOVATION	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV GUINGAMP-PAIMPOL AGGLOMÉRATION	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV HAUTE-SAVOIE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV ICM				FULL	100.00	66.00
TRANSDEV IDF CSP CONTRÔLE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV ÎLE-DE-FRANCE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV ISTRE	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV LA ROCHELLE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV LE HAVRE (formerly COMPAGNIE DES TRANSPORTS DE LA PORTE OCÉANE)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV LITTORAL NORD (formerly LITTORAL NORD AUTOCARS)	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV LOCATION DE VÉHICULE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV LOIR-ET-CHER (formerly STE DES TRANSPORTS DEP DU LOIR-ET-CHER)	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV LOIRET (formerly LES RAPIDES DU VAL-DE-LOIRE)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV LYS	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV MÂCONNAIS BEAUJOLAIS (formerly MÂCONNAIS BEAUJOLAIS MOBILITÉS)	FULL	100.00	66.00	FULL	100.00	66.00

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
TRANSDEV MANOSQUE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV MARITIME LA ROCHELLE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV MARTIN (formerly AUTOCARS MARTIN HAUTE TARENTAISE VOYAGES)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV MARNE-LA-VALLEE	FULL	100.00	66.00			
TRANSDEV MÉDITERRANÉE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV MOBILITÉ MONTPELLIER MÉTROPOLE	FULL	100.00	62.70	FULL	100.00	62.70
TRANSDEV MONACO (formerly RAPIDES DU LITTORAL)	FULL	100.00	65.90	FULL	100.00	65.90
TRANSDEV MONT BLANC BUS (formerly MONT-BLANC BUS)	FULL	100.00	49.43	FULL	100.00	49.43
TRANSDEV MONT SAINT MICHEL (formerly COMPAGNIE DES PARCS ET DES PASSEURS)	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV MONTPELLIER				FULL	100.00	66.00
TRANSDEV NANCY	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV NÎMES MOBILITÉ	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV NIORT AGGLOMÉRATION	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV NORD (formerly AUTOCARS DE L'AVESNOIS)	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV NORMANDIE INTERURBAIN (formerly VOYAGE ET TRANSPORTS DE NORMANDIE)	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV NORMANDIE MANCHE (formerly NORMANDIE VOYAGES)	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV NORMANDIE PAYS DE CAUX (formerly ECAUXMOBILITÉ)	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV NORMANDIE VAL DE SEINE (formerly TRANSPORTS DU VAL DE SEINE)	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV OCCITANIE LITTORAL (formerly PAYS D'OC MOBILITÉS)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV OCCITANIE OUEST (formerly CAP PAYS CATHARE)	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV OCCITANIE PAYS NÎMOIS (formerly STE TRANSPORTS DÉPARTEMENTAUX DU GARD)	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV OISE CABARO (formerly CABARO)	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV OUTRE-MER	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV PARIS EST				FULL	100.00	66.00
TRANSDEV PARK (formerly TRANSDEV STATIONNEMENT)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV PARK BAGNEUX	FULL	100.00	49.50	FULL	100.00	49.50
TRANSDEV PARK LAVAL (formerly LAVAL UP)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV PARK RAMBOUILLET (formerly RAMBOUILLET UP)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV PARK SERVICES (formerly URBIS PARK SERVICES SAS)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV PAYS ROCHEFORTAIS	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV PAYS SAINT-QUENTINOIS (formerly SAINT-QUENTIN MOBILITÉ)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV PICARDIE	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV POITOU-CHARENTES	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV RAIL BRETAGNE (formerly CFTA)	FULL	100.00	66.00	FULL	100.00	66.00

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
TRANSDEV RAIL PUY DE DÔME (formerly CFTA PUY DE DÔME)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV RAIL RHÔNE (formerly CFTA RHÔNE)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV REIMS	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV RHÔNE ALPES (formerly TRANSDEV RHÔNE-ALPES INTERURBAIN)	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV ROANNE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV ROYAN ATLANTIQUE	FULL	100.00	64.36	FULL	100.00	66.00
TRANSDEV SAINT-DIÉ-DES-VOSGES	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV SAINT DIZIER	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV SAVOIE (formerly TRANSAVOIE)	FULL	100.00	65.67	FULL	100.00	65.67
TRANSDEV SÉNART	FULL	100.00	66.00			
TRANSDEV SERVICES RÉUNION	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV SHUTTLE FRANCE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV STAC (formerly SOCIÉTÉ DES TRANSPORTS DE L'AGGLOMÉRATION CHÂLONNAISE)	FULL	100.00	52.80	FULL	100.00	52.80
TRANSDEV SUD	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV SUD-OUEST	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV TOURAINE (formerly CIE DES AUTOCARS DE TOURAINE)	FULL	100.00	65.98	FULL	100.00	65.98
TRANSDEV URBAIN	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV URBAIN DIEPPE (formerly SOCIÉTÉ DES TRANSPORTS URBAINS DE DIEPPE)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV URBAIN GRAND VILLENEUVOIS (formerly VILLENEUVE MOBILITÉ)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV URBAIN LIBOURNAIS	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV URBAINS DU VALENCIENNOIS	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV VALENCE MOBILITÉ (formerly CITÉBUS DES DEUX-RIVES)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV VAUCLUSE (formerly SUD-EST MOBILITÉS)	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV VERDUN	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV VICHY	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV VITROLLES (formerly TRANS PROVENCE)	FULL	100.00	65.69	FULL	100.00	65.69
TRANSPORTS DE TOURISME DE L'OCÉAN	FULL	100.00	65.98	FULL	100.00	65.98
TRANSPORTS DU VAL-D'OISE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSPORTS EN COMMUN DE COMBS-LA-VILLE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSPORTS EN COMMUN DE LA RÉGION AVIGNONAISE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSPORTS EN COMMUN DE L'AGGLOMÉRATION ROUENNAISE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSPORTS MARNE ET MORIN	FULL	100.00	66.00	FULL	100.00	66.00
TRANSPORTS PARIS BEAUVAIS	EQUITY (JV)	49.00	32.34	EQUITY (JV)	49.00	32.34
TRANSPORTS PUBLICS DE L'AGGLOMÉRATION STÉPHANOISE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSPORTS RAPIDE AUTOMOBILE	FULL	100.00	66.00	FULL	100.00	66.00
VAD	FULL	100.00	65.98	FULL	100.00	65.98

GROUPS/COMPANIES	31.12.2020 Method	% control	% interest	31.12.2019 Method	% control	% interest
VAL-D'EUROPE AIRPORT	FULL	100.00	66.00	FULL	100.00	66.00
VE AIRPORT	FULL	100.00	66.00	FULL	100.00	66.00
VELOWAY	FULL	100.00	66.00	FULL	100.00	66.00
VEOLIA EDF NICE AUTO-PARTAGE	EQUITY (JV)	69.98	46.19	EQUITY (JV)	69.98	46.19
VISUAL	FULL	100.00	66.00	FULL	100.00	66.00
GUERNSEY						
CAMELBACK INSURANCE Ltd GUERNSEY	FULL	100.00	66.00	FULL	100.00	66.00
HONG KONG						
HONG KONG ENGINEERING				EQUITY (JV)	50.00	33.00
HONG KONG TRAMWAYS Ltd (MEE)				EQUITY (Ass.)	49.50	32.67
VEOLIA TRANSPORT CHINA Ltd HK				FULL	100.00	36.30
VT RATP CHINA				EQUITY (JV)	50.00	33.00
VT RATP CONSULTING Co. Ltd				EQUITY (JV)	50.00	33.00
INDIA						
RATP DEV TRANSDEV INDIA				EQUITY (JV)	50.00	33.00
IRELAND						
TRANSDEV DUBLIN LIGHT RAIL Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV IRELAND BUS Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV IRELAND Ltd	FULL	100.00	66.00	FULL	100.00	66.00
S2M DUBLIN LIGHT RAIL Ltd	EQUITY (JV)	49.00	32.34	EQUITY (JV)	49.00	32.34
ISRAEL						
VEOLIA TRANSPORTATION ISRAEL Ltd				FULL	100.00	66.00
LUXEMBOURG						
TRANSDEV RÉ	FULL	100.00	66.00	FULL	100.00	66.00
MOROCCO						
TRANSDEV RABAT SALE SA	FULL	100.00	66.00	FULL	100.00	66.00
NEW CALEDONIA						
CARSUD SA (MEE)	EQUITY (Ass.)	27.96	18.45	EQUITY (Ass.)	27.96	18.45
NEW ZEALAND						
HOWICK AND EASTERN BUSES Ltd	FULL	100.00	66.00	FULL	100.00	66.00
MANA COACH SERVICES Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV NEW ZEALAND Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV WELLINGTON Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV AUCKLAND Ltd	FULL	100.00	66.00	FULL	100.00	66.00
NETHERLANDS						
ABEL TECHNOLOGIE BV				FULL	100.00	66.00
ACM OPLEIDINGEN BV	FULL	100.00	66.00	FULL	100.00	66.00
ACM ZORGOPLEIDINGEN BV	FULL	100.00	66.00	FULL	100.00	66.00
CONEXXION MULTIMODAL BV	FULL	100.00	66.00	FULL	100.00	66.00
CONNEXXION HAAGLANDEN BV	FULL	100.00	66.00	FULL	100.00	66.00
CONNEXXION MOBILITY SERVICES BV (formerly CONNEXXION MOBILITY SERVICES BV)	FULL	100.00	66.00	FULL	100.00	66.00
CONNEXXION NEDERLAND NV	FULL	100.00	66.00	FULL	100.00	66.00
CONNEXXION OPENBAAR VERVOER NV	FULL	100.00	66.00	FULL	100.00	66.00
CONNEXXION TAXI SERVICES BV	FULL	100.00	66.00	FULL	100.00	66.00

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
CONNEXXION VLOOT BV	FULL	100.00	66.00	FULL	100.00	66.00
CONNEXXION WATER BV				FULL	100.00	66.00
CONNEXXION ZORGVERVOER BV	FULL	100.00	66.00	FULL	100.00	66.00
CONNEXXION ZORGVERVOER ZUID HOLLAND BV	FULL	100.00	66.00	FULL	100.00	66.00
COÖPERATIE REGIONAL AMBULANCEVOORZIENING KENNERMERLAND UA	EQUITY (Ass.)	50.00	33.00	EQUITY (Ass.)	50.00	33.00
COÖPERATIE REGIONALE AMBULANCEVOORZIENING HAAGLANDEN UA	EQUITY (Ass.)	25.00	16.50	EQUITY (Ass.)	25.00	16.50
CXX AML MATERIEEL BV	FULL	100.00	66.00	FULL	100.00	66.00
DE GROOTH VERVOER BV	FULL	100.00	66.00	FULL	100.00	66.00
FUTURE TECHNOLOGY NEDERLAND BV				FULL	100.00	66.00
HERMES GROEP NV	FULL	100.00	66.00	FULL	100.00	66.00
HERMES OPENBAAR VERVOER BV	FULL	100.00	66.00	FULL	100.00	66.00
OMNITAX BV				FULL	100.00	66.00
OPLEIDINGSINSTITUUT SPOEDEISENDE GENEEKSKUNDE BV	FULL	100.00	66.00	FULL	100.00	66.00
OV REGIO LJSSELMOND BV	FULL	100.00	66.00	FULL	100.00	66.00
PARTEXX BV	FULL	100.00	66.00	FULL	100.00	66.00
PERSONEELSVOORZIENING BRABANTS BUSVERVOER BV				FULL	100.00	66.00
PERSONENVERVOER GRONINGEN BV	FULL	100.00	66.00	FULL	100.00	66.00
PERSONENVERVOER VAN DIJK DELFTZIJL BV	FULL	100.00	66.00	FULL	100.00	66.00
PERSONENVERVOER ZUID-NEDERLAND BV	FULL	100.00	66.00	FULL	100.00	66.00
REISINFORMATIEGROEP BV	EQUITY (Ass.)	32.80	21.65	EQUITY (Ass.)	32.80	21.65
SCHIPHOL TRAVEL TAXI BV	EQUITY (Ass.)	50.00	33.00	EQUITY (Ass.)	50.00	33.00
STADSBUS GROEP MAASTRICHT NV				FULL	100.00	66.00
STADSBUS MAASTRICHT PARTICIPATIES BV				FULL	100.00	66.00
STAN BV HOLDING	FULL	100.00	66.00	FULL	100.00	66.00
STAN BV	FULL	100.00	66.00			
STICHTING AMBULANCEZORG NOORD EN OOST GELDERLAND	FULL	100.00	66.00	FULL	100.00	66.00
STICHTING REGIONALE AMBULANCEVOORZIENING ZEELAND	FULL	100.00	66.00	FULL	100.00	66.00
TAXI CENTRALE MIDDEN-BRABANT	FULL	100.00	66.00	FULL	100.00	66.00
TBC HOLDING BV	FULL	100.00	66.00	FULL	100.00	66.00
TECHNO SERVICE NEDERLAND NV	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV BBA HOLDING BV	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV LIMBURG BV (formerly VEOLIA TRANSPORT LIMBURG BV)				FULL	100.00	66.00
TRANSDEV LIMBURG BUS BV (formerly VEOLIA TRANSPORT LIMBURG BUS BV)				FULL	100.00	66.00
TRANSDEV LIMBURG PERSONEEL BV				FULL	100.00	66.00
TRANSDEV LIMBURG RAIL BV				FULL	100.00	66.00
TRANSDEV LIMBURG TOUR (formerly VEOLIA TRANSPORT LIMBURG TOUR)				FULL	100.00	66.00
TRANSDEV NEDERLAND HOLDING NV	FULL	100.00	66.00			

GROUPS/COMPANIES	31.12.2020 Method	% control	% interest	31.12.2019 Method	% control	% interest
TRANSDEV NOORD BRABANT NV (formerly VEOLIA TRANSPORT BRABANT NV)				FULL	100.00	66.00
TRANSDEV ZEELAND FAST FERRIES BV (formerly VEOLIA TRANSPORT FAST FERRIES BV)				FULL	100.00	66.00
TRANZER BV	EQUITY (Ass.)	15.00	9.90	EQUITY (Ass.)	12.96	9.90
VERENIGING AMBULANCEZORG REGIO NOORD-HOLLAND NOORD IN COÖPERATIEF VERBAND UA	EQUITY (Ass.)	50.00	33.00	EQUITY (Ass.)	50.00	33.00
WITTE KRUIS AMBULANCE BV	FULL	100.00	66.00	FULL	100.00	66.00
WITTE KRUIS AMBULANCEZORG BV	FULL	100.00	66.00	FULL	100.00	66.00
WITTE KRUIS BV	FULL	100.00	66.00	FULL	100.00	66.00
WITTE KRUIS HOLDING BV	FULL	100.00	66.00	FULL	100.00	66.00
WITTE KRUIS MIDELEN BV	FULL	100.00	66.00	FULL	100.00	66.00
WITTE KRUIS ZORG BV	FULL	100.00	66.00	FULL	100.00	66.00
PORTUGAL						
AUTO VIAÇÃO AVEIRENSE	FULL	100.00	66.00	FULL	100.00	66.00
CAIMA TRANSPORTES	FULL	100.00	66.00	FULL	100.00	66.00
EMPRESA DE TRANSPORTES ANTÓNIO CUNHA	FULL	100.00	66.00	FULL	100.00	66.00
INTERCENTRO	FULL	100.00	31.96	FULL	100.00	31.96
INTERGALIZA	EQUITY (JV)	25.42	16.78	EQUITY (JV)	25.42	16.78
INTERNORTE	FULL	100.00	33.56	FULL	100.00	33.56
MINHO BUS	FULL	100.00	66.00	FULL	100.00	66.00
RODOVIÁRIA DA BEIRA LITORAL	FULL	100.00	66.00	FULL	100.00	66.00
RODOVIÁRIA DO TEJO	EQUITY (JV)	25.42	16.78	EQUITY (JV)	25.42	16.78
RODOVIÁRIA DA BEIRA INTERIOR	FULL	100.00	66.00	FULL	100.00	66.00
RODOVIÁRIA DE ENTRE D'OURO E MINHO	FULL	100.00	66.00	FULL	100.00	66.00
RODOVIÁRIA DO LIS	EQUITY (JV)	25.42	16.78	EQUITY (JV)	25.42	16.78
RODOVIÁRIA DO OESTE	EQUITY (JV)	25.42	16.78	EQUITY (JV)	25.42	16.78
TRANSDEV DOURO	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV EXPRESSOS	FULL	100.00	66.00			
TRANSDEV INTERIOR	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV MOBILIDADE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV NORTE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV PARTICIPAÇÕES SGPS	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV PORTO	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV PORTUGAL ATIVIDADES AEROPORTUARIAS, UNIPESSOA Lda	FULL	100.00	66.00	FULL	100.00	66.00
CZECH REPUBLIC						
ANEXIA BUS Sro	FULL	100.00	66.00	FULL	100.00	66.00
AUDIS BUS	FULL	100.00	66.00			
BUS MANAGEMENT Sro	FULL	100.00	59.58	FULL	100.00	59.58
CSAD FRYDEK MYSTEK AS	FULL	100.00	57.45	FULL	100.00	57.45
CSAD HAVIROV AS	FULL	100.00	57.45	FULL	100.00	57.45
CSAD KARVINA AS	FULL	100.00	57.45	FULL	100.00	57.45
TRANSDEV CESKA REPUBLIKA Sro	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV MORAVA	FULL	100.00	66.00	FULL	100.00	66.00

	31.12.2020			31.12.2019		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
UNITED KINGDOM						
BLACKBURN WITH DARWEN TRANSPORT Ltd	FULL	100.00	66.00			
BLAZEFIELD BUSES	FULL	100.00	66.00	FULL	100.00	66.00
BLAZEFIELD TRAVEL GROUP	FULL	100.00	66.00	FULL	100.00	66.00
BURNLEY & PENDLE TRAVEL	FULL	100.00	66.00	FULL	100.00	66.00
COMET CAR HIRE Ltd	FULL	100.00	66.00	FULL	100.00	66.00
CONNEX SOUTH EASTERN	FULL	100.00	66.00	FULL	100.00	66.00
HARROGATE & DISTRICT TRAVEL Ltd	FULL	100.00	66.00	FULL	100.00	66.00
HEATHROW COACH SERVICES Ltd	FULL	100.00	66.00			
KEIGHLEY & DISTRICT TRAVEL Ltd	FULL	100.00	66.00	FULL	100.00	66.00
LANCASHIRE COUNTY TRANSPORT Ltd	FULL	100.00	66.00			
LANCASHIRE UNITED Ltd	FULL	100.00	66.00	FULL	100.00	66.00
ROSSENDALE TRANSPORT Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV AIRPORT SERVICES	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV BLAZEFIELD Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV CLAIMS INVESTIGATIONS Ltd	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV NORTHERN BLUE	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV Plc	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV TRAM UK	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV YORK	FULL	100.00	66.00	FULL	100.00	66.00
YORKSHIRE COASTLINER	FULL	100.00	66.00	FULL	100.00	66.00
SWEDEN						
A BJORKS AB	FULL	100.00	66.00	FULL	100.00	66.00
ÅNGFARTYGSAKTIEBOLAGET STOCKHOLM-BILDÖSUND	FULL	100.00	66.00	FULL	100.00	66.00
BJORKS BUSS AKTIEBOLAG	FULL	100.00	66.00	FULL	100.00	66.00
BJORKS BUSS i NARKE AB	FULL	100.00	66.00	FULL	100.00	66.00
BLIDÖSUNDSBOLAGET MANAGEMENT AB	FULL	100.00	66.00	FULL	100.00	66.00
BLIDÖSUNDSBOLAGET AB	FULL	100.00	66.00	FULL	100.00	66.00
BUSS OCH TAXI LOGISTIK I SVERIGE AB	FULL	100.00	66.00	FULL	100.00	66.00
BUSSDEPÅN I KRISTIANSTAD AB				EQUITY (Ass.)	43.00	28.38
BUSSGODS DALARNA AB				FULL	100.00	66.00
FLYGBUSSARNA				FULL	100.00	66.00
GÖTEBORGS-STYRSÖ SKÄRGÅRDSTRAFIK AB	FULL	100.00	66.00	FULL	100.00	66.00
KLOVSJO-RATAN TRAFIK AKTIEBOLAG AB	FULL	100.00	66.00	FULL	100.00	66.00
KOMMANDITBOLAGET BUSSNINGEN	FULL	100.00	66.00	FULL	100.00	66.00
LINDBERGS BUSS AB	FULL	100.00	66.00	FULL	100.00	66.00
MERRESOR AB	FULL	100.00	66.00	FULL	100.00	66.00
PEOPLE TRAVEL GROUP AB				FULL	100.00	66.00
SAMBUS AKTIEBOLAG	FULL	100.00	66.00	FULL	100.00	66.00
SILJAN BUSS AB	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV NORTHERN EUROPE AB	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV SVERIGE AB	FULL	100.00	66.00	FULL	100.00	66.00
TRANSDEV UPPLAND AB	FULL	100.00	66.00	FULL	100.00	66.00

GROUPS/COMPANIES	31.12.2020 Method	% control	% interest	31.12.2019 Method	% control	% interest
UTOREDERIET	FULL	100.00	66.00	FULL	100.00	66.00
VS & PERSSONS BUSSAR AB	FULL	100.00	66.00	FULL	100.00	66.00
COENTREPRISE DE TRANSPORT D'ÉLECTRICITÉ GROUP						
COENTREPRISE DE TRANSPORT D'ÉLECTRICITÉ *Registered office: 69-71 rue de Miromesnil - 75008 Paris*	EQUITY (JV)	29.90	29.90	EQUITY (JV)	29.90	29.90
AIRTELIS	EQUITY (JV)	29.90	29.90	EQUITY (JV)	29.90	29.90
ARTERIA	EQUITY (JV)	29.90	29.90	EQUITY (JV)	29.90	29.90
CIRTEUS	EQUITY (JV)	29.90	29.90	EQUITY (JV)	29.90	29.90
CORESO	EQUITY (Ass.)	4.78	4.78	EQUITY (Ass.)	4.78	4.78
HGRT	EQUITY (Ass.)	10.17	10.17	EQUITY (Ass.)	10.17	10.17
IFA2	JOINT ARR.	14.95	14.95	JOINT ARR.	14.95	14.95
INELFE	JOINT ARR.	14.95	14.95	JOINT ARR.	14.95	14.95
RTE	EQUITY (JV)	29.90	29.90	EQUITY (JV)	29.90	29.90
RTE IMMO	EQUITY (JV)	29.90	29.90	EQUITY (JV)	29.90	29.90
RTE INTERNATIONAL	EQUITY (JV)	29.90	29.90	EQUITY (JV)	29.90	29.90
INFRASTRUCTURE & TRANSPORT – OTHER ENTITIES						
ADL PARTICIPATIONS	EQUITY (Ass.)	24.50	24.50	EQUITY (Ass.)	24.50	24.50
CDC ELAN PME				FULL	100.00	100.00
CNR SOLAIRE 10	EQUITY (JV)	80.00	80.00			
COMPAGNIE NATIONALE DU RHÔNE	EQUITY (Ass.)	33.20	33.20	EQUITY (Ass.)	33.20	33.20
HOLDING INFRASTRUCTURES GAZIERES – GRT GAZ*	FULL	100.00	33.46	EQUITY (Ass.)	32.35	32.35
STOA	FULL	100.00	83.33	FULL	100.00	83.33
TERRES D'ÉNERGIE	EQUITY (Ass.)	40.54	40.54			
VERDUN PARTICIPATIONS 1	EQUITY (Ass.)	49.00	49.00	EQUITY (Ass.)	49.00	49.00
LA POSTE – CNP ASSURANCES DIVISION						
LA POSTE *Registered office: 9, rue du Colonel-Pierre–Avia – 75015 Paris*				EQUITY (Ass.)	26.32	26.32
CNP ASSURANCES *Registered office: 4, place Raoul-Dautry – 75716 Paris Cedex 15*				EQUITY (JV)	40.90	40.90

Consolidation methods:
FULL: Full consolidation.
EQUITY (JV): Equity-accounted joint venture.
EQUITY (Ass.): Equity-accounted associate.
JOINT ARR.: Joint arrangement.
* CNP Assurances Co-holding.
** La Poste co-holding.
*** Merger-absorption of Bpifrance SA by Bpifrance Financement.

2.15 Statutory Auditors’ report on the consolidated financial statements

(For the year ended 31 December 2020)

This is a free translation into English of the Statutory Auditors’ report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Supervisory Board of Caisse des Dépôts et Consignations,

2.15.1 Opinion

In compliance with the engagement entrusted to us, we have audited the accompanying consolidated financial statements of Caisse des Dépôts et Consignations for the year ended 31 December 2020.
In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities, and of the financial position of the Group at 31 December 2020, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.
The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

2.15.2 Basis for opinion

2.15.2.1 Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
Our responsibilities under these standards are further described in the “Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements” section of our report.

2.15.2.2 Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from 1 January 2020 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No. 537/2014.
Furthermore, the non-audit services that we provided to the entity and its controlled undertakings during the financial year that are not disclosed in the management report or in the notes to the consolidated financial statements are as follows:

- PricewaterhouseCoopers Audit: in 2020, the main engagements carried out related to comfort letters for debt issuance programmes, certificates and due diligence work;
- Mazars: in 2020, the main engagements carried out related to comfort letters for debt issuance programmes, certificates and due diligence work.

2.15.3 Justification of assessments – Key audit matters

Due to the global crisis related to the COVID-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies’ internal organisation and the performance of the audits.
It is in this complex and evolving context that, in accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.
These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Impact of the consolidation of La Poste and SFIL on the consolidated financial statements

(See Notes 1.1.1, 1.1.2 and 2.1.2.2.6 to the consolidated financial statements)

Description of risk	How our audit addressed this risk
The transactions relating to the creation of a major public financial hub were completed on 4 March 2020. Initially announced by the Minister for the Economy and Finance on 30 August 2018, the operation was achieved through the transfer by the French State and Caisse des Dépôts to La Poste, and then from La Poste to La Banque Postale, of their stakes in the capital of CNP Assurances. Since 4 March 2020, Caisse des Dépôts et Consignations has been the majority shareholder of La Poste, and La Banque Postale has been the majority shareholder of CNP Assurances. The financial statements of La Poste and CNP Assurances were accounted for using the equity method in the consolidated financial statements of the Caisse des Dépôts et Consignations Group until 29 February 2020, and then fully consolidated from 1 March 2020. On the date of their completion, these transactions had the following impacts on the Caisse des Dépôts et Consignations Group's financial statements: • the impairment of the value of CNP Assurances securities previously accounted for using the equity method, for an amount of €2.8 billion, with respect to the difference between the share price on the date of the transaction and the value of these securities in the Caisse des Dépôts et Consignations Group's financial statements, on 4 March 2020; • the recognition of badwill corresponding to the difference between the Caisse des Dépôts et Consignations Group's share of La Poste group's net assets measured at fair value and the value of the La Poste securities on the date of the transaction. Badwill and the impairment of previously held equity investments represented total net income of €12 million; • the reclassification to profit or loss of the translation reserves and unrealised gains of La Poste and CNP Assurances for the Group's share before the transaction, generating income of €1.3 billion. In addition, on 30 September 2020, the French State, Caisse des Dépôts et Consignations and La Banque Postale finalised the transfer to Caisse des Dépôts et Consignations of the French State's entire stake in SFIL, with the exception of one ordinary share, which the French State will retain and La Banque Postale's entire stake under the conditions announced on 9 October 2019 and 4 March 2020. SFIL's financial statements have been fully consolidated since 1 October 2020. The transaction resulted in the recognition of badwill in the amount of €23 million corresponding to the difference between SFIL group's net assets measured at fair value and the transaction price of the SFIL securities. We deemed these two structural transactions to be a key audit matter in view of the significant amounts of the assets acquired and liabilities assumed, as well as the level of judgement required to identify and measure these assets and liabilities in accordance with the provisions of IFRS 3, and in particular to estimate the fair value of the intangible assets.	We examined the procedures for determining the purchase price of La Poste group and SFIL's securities and in the specific case of the La Poste transaction, and the derecognition of the equity-accounted shares. As part of our work relating to the purchase price allocation of the assets acquired, we performed audit procedures which consisted primarily of: • analysing the shareholders' agreement, ownership structure and governance structure, the respective rights and benefits of each of the stakeholders, and the way in which each step of the transaction was structured; • reviewing management's analysis which led to the conclusion that Caisse des Dépôts et Consignations exercises exclusive control over La Poste group; • examining the work carried out by Caisse des Dépôts et Consignations in identifying assets and liabilities that should be measured at fair value at the transaction date on the La Poste, LBP and SFIL balance sheets; • assessing the estimates of the fair value of the main assets and liabilities of La Poste, LBP and SFIL at the acquisition date; • checking the arithmetical accuracy of any goodwill or residual badwill. Additionally, we performed the following work on the accounts of La Poste, La Banque Postale and SFIL, taking into account the impacts of the transactions: • validation of the financial data recorded in the accounts at the acquisition date of the assets and liabilities; • with the support of our internal experts, assessment of the consistency of the different assumptions used by management for the purposes of the purchase price allocation and checking the related calculations, including mechanisms for reversing these impacts.

Measurement of non-current assets related to the La Poste's Mail business

(See Notes 1.1.4.6 and 2.4.11 to the consolidated financial statements)

Description of risk	How our audit addressed this risk
The Mail Cash-Generating Unit (CGU) represents La Poste's Mail business. This comprises intangible assets (software), property, plant and equipment (handling/sorting machines, fixtures and fittings, IT equipment, etc.) as well as right of use assets under leases. They are recognised in the statement of financial position at their initial cost and amortised/depreciated over their estimated useful life as determined by management. They are tested for impairment whenever an indication of impairment is identified by management in order to determine a recoverable amount and any adjustment that might be required to their carrying amount. The carrying amount of these assets was written down in full at 31 December 2020 after taking into account net impairment in 2020 of €900 million (of which €288 million on property, plant and equipment, €201 million on intangible assets and €411 million on right of use assets). As the COVID-19 health crisis accelerated the decrease in volumes of the Group's Mail business in 2020 and negatively impacted sales and profitability forecasts for future years, it was considered an indication of impairment. In view of this, management performed an impairment test to estimate the recoverable amount of the Mail CGU's assets. The recoverable amount of these assets is determined by management on the basis of a business plan prepared using the best of the five-year business forecasts. Management also examined the fair value of assets (real estate, vehicles) held by other CGUs but used significantly by the Mail business, to ensure that it remained higher than the carrying amount. We considered the assessment of non-current assets dedicated to La Poste's Mail business to be a key audit matter due to the material nature of these assets and the related impairment, the degree of judgement surrounding management's projections and estimates at a time of uncertainty linked to the COVID-19 pandemic and the economic environment, and due to the sensitivity of some of the assessments to operational, economic and financial assumptions.	We assessed the consistency of the methodology used to carry out the impairment tests with the applicable accounting standards and examined the methodology for implementing impairment tests. Our work consisted primarily in: • examining the identification of indications of impairment; • reconciling the value of the net economic assets tested with the underlying accounting data; • analysing the components of the book value of the CGUs, and the consistency between the establishment of this value and the way in which projected future cash flows were determined with a view to estimating the recoverable amount; • examining the process for recording provisions and assessing the consistency of cash flow projections with the information sources available to us, actual cash flows observed, data resulting from the Mail Department's budget process, and the priorities of the new strategic plan; • with guidance from our valuation experts, analysing the inputs used to calculate recoverable amounts and assessing the reasonableness of the measurement assumptions and inputs used (discount rate, normative growth rate); • examining management's assessment of the fair value of assets held by other CGUs, used by the Mail business; • examining the sensitivity tests carried out by management on changes in various inputs and assumptions. Lastly, we examined the appropriateness of the disclosures in Note 1.1 "Caisse des Dépôts Group significant events" to the consolidated financial statements.

Fair value measurement of financial assets classified as Level 3

(See Note 2.7.2 to the consolidated financial statements)

Description of risk	How our audit addressed this risk
The Caisse des Dépôts et Consignations Group recognises a portfolio of financial assets measured at fair value, for an amount of €487.7 billion at 31 December 2020, as a result of the consolidation of the La Poste and SFIL groups. These financial investments are measured at fair value at the end of the reporting period. For most of the asset portfolio, determining the fair value of these assets is based on prices directly observable on active financial markets (Level 1) or valued using observable data (Level 2). However, the risk concerning the measurement of fair value is considered greater for assets classed Level 3 in the fair value hierarchy pursuant to IFRS 13, which are measured using unobservable data (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). These instruments are mainly unlisted participating interests, asset-backed securities and hedging derivatives. These assets are valued on the basis of models, assumptions and data, such as net assets, earnings outlook and discounted future cash flows, that require a considerable degree of judgement from management. The fair value of these assets represented €26.8 billion at 31 December 2020. We deemed the measurement of these Level 3 financial assets to be a key audit matter given the significant amount and the sensitivity of their fair value to management's judgement, particularly as regards the choice of the measurement methods and underlying assumptions to be used.	We carried out the following procedures: • familiarising ourselves with the internal control system used for the valuation of financial assets; • based on a sample of Level 3 financial assets, with the assistance of our valuation experts: • we verified that the estimates of these values determined by management were based on an appropriate justification of the measurement method, assumptions and data used, • analysing the most recent valuations available, prepared by experts and fund managers, in order to assess the values used by the entity.

Technical insurance reserves

(See Notes 2.1.3.2.1.2 and 2.5.2 to the consolidated financial statements)

Description of risk	How our audit addressed this risk
On the liabilities side of their balance sheet, the entities controlled by the Caisse des Dépôts et Consignations Group, that carry out insurance activities, recognise technical reserves representative of their commitments to policyholders. These technical reserves include certain provisions, the determination of which necessitates a particular degree of judgement. At 31 December 2020, technical insurance reserves (gross of reinsurance) amounted to €380 billion including €377 billion concerning CNP Assurances. They consist of non-life and life insurance policies, financial instruments with and without a discretionary participation feature (DPF) and the net deferred participation reserve, which represents the life insurance policyholders' share of unrealised gains and losses and impairments recognised on assets whose yields determine the yield paid to policyholders. Management uses estimates to evaluate technical insurance reserves. At each reporting date, the Group's fully-consolidated insurance subsidiaries perform liability adequacy tests to check that r ecognised 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. Considering the sensitivity of technical insurance reserves to the inputs and assumptions used to determine them (in particular discount rates, experience-based tables prepared according to observations and analyses established on the basis of portfolio data, policyholder behaviour for the reserve for escalating risks, economic scenarios, projected return on assets, the insurer's financial policy and future management decisions for the liability adequacy test), we considered the technical reserves of insurance companies to be a key audit matter.	We carried out the following procedures with the guidance of our actuarial experts: For the liability adequacy testing: • we gained an understanding of the method used; • we assessed the consistency of the economic and financial assumptions used with market data; • we examined governance processes relating to future management decisions taken into account in the measurement of liabilities; • we examined the controls implemented in relation to the integration of asset and liability data and financial and non-financial assumptions into the calculation model; • we examined the data generated by the projection model that was used for the liability adequacy test; • we analysed changes in discounted future cash flows compared to 31 December 2019. For other technical insurance reserves: • we examined the procedures by which the methodology for determining the reserve is implemented; • we assessed the consistency of the key assumptions used to determine the reserve (homogeneous risk classes, discount rates, surrender rates, experience-based tables etc.); • we examined the mathematical design of the actuarial model, particularly by recalculating the reserves.

Provisions for credit risks for La Banque Postale group

(See Notes 1.1.3.1, 2.1.3.1.4, 2.3.8 and 2.4.6 to the consolidated financial statements)

Description of risk	How our audit addressed this risk
At 31 December 2020, gross outstanding loans to and receivables due from customers at amortised cost amounted to €186.9 billion, including €130.3 billion concerning La Poste group. The related impairment totalled €1.4 billion. The principles for establishing credit risk provisions are detailed in Notes 2.1.3 Accounting policies "Financial instruments" and 1.1.3.1 "Impact of the COVID-19 health crisis". The cost of risk amounted to €986 million, breaking down as €1,033 million in income and €2,019 million in expenses, and €987 million in income and €1,827 million in expenses concerning La Poste group. The methods for calculating expected credit losses are implemented independently in each Caisse des Dépôts Group entity given the wide variety of their businesses. The La Banque Postale group records impairment to cover the risk of default by its customers. In accordance with IFRS 9, La Banque Postale group recognises impairment for Expected Credit Loss (ECL) relying on a three-stage approach to risk (Level 1, Level 2 and Level 3), based on the extent of the deterioration in the credit quality of a financial asset since initial recognition. The rules for the impairment of expected credit losses require the creation of a first impairment level resulting in a 12-month expected credit loss following the origination of a new financial asset and of a second level resulting in a credit loss expected over the life of the financial instrument and, in the event of a significant increase in credit risk since initial recognition. The general methodology for calculating expected credit losses is thus based on three parameters: • Probability of default (PD); • Loss given default (LGD); and • Exposure at default (EAD). The outstanding loans for which there is objective evidence of impairment (Level 3) are impaired. This impairment is calculated by management based on estimated future recoverable flows. In light of the COVID-19 health crisis, La Banque Postale group made provisions to address a potential decline in the financial position of counterparties in the sectors deemed the most exposed to the impacts of the crisis. When calculating provisions, a judgement-based assessment is used to classify exposure (Level 1, 2, or 3) and to determine future recoverable flows, recovery time scales and the calculation of sectoral provisions, the judgement being just as complex as the ongoing crisis impacts are uncertain. Given the importance of this judgement in the process for determining impairment and the expected credit risk deterioration as a result of the COVID-19 crisis, we considered the estimates for establishing credit risk provisions on loans to La Banque Postale group customers at 31 December 2020 to be a key audit matter.	**Provisions for Level 1 and 2 loans** We verified that an internal control system is in place that ensures a suitably regular update of the ratings of various loans. On the provisioning models: • we verified that a governance system is in place that ensures a suitably regular review of the appropriateness of the impairment models and parameters used to calculate impairment; • we assessed the correct calibration of the inputs used to calculate impairment at 31 December 2020; • we assessed how the main impacts of the COVID-19 crisis in updating impairment models and parameters were taken into account, as well as the additional impacts of sectoral provisioning. We also examined the relevant documentation so as to assess the justification of the sectors selected for making specific provisions and performed our own calculations on the main loan portfolios. Based on a sample of credit files relating to corporate customers, classified as Level 2 and included on the "watchlist", we corroborated the amounts provisioned with our own calculations. We performed controls on the entire IT system implemented by the Group to process its customer loan transactions, particularly tests on the general IT controls, interfaces and controls conducted on specific data used for provisions for credit risks. **Provisions for Level 3 loans** As part of our audit work, we examined the control procedures applicable to identifying risk exposure, monitoring credit and counterparty risk, assessing the risk of non-recovery and estimating the related impairment and provisions, determined on an individual and collective basis. Our work included assessing the quality of the system monitoring sensitive, doubtful or disputed counterparties, the credit review procedure, and the guarantee valuation system and testing the efficacy of the controls implemented in the reviewed procedures identified as key. Based on a sample of credit files relating to corporate customers selected on the basis of materiality and risk criteria, we also performed counteranalyses of the amounts provisioned and, in this regard, we particularly assessed their proper valuation in the current economic environment. We also examined the disclosures provided in the notes to the consolidated financial statements relating to credit risk provisions at 31 December 2020.

Measurement of investments in equity-accounted companies

(See Notes 1.1.1.1, 2.1.3.3 and 2.4.10 to the consolidated financial statements)

Description of risk	How our audit addressed this risk
The "Investments in equity-accounted companies" line in the statement of financial position represents a total of €18.7 billion. It comprises investments in associates and joint ventures, accounted for using the equity method. The change in this item at 31 December 2020, compared to the previous year, is explained in particular by the full consolidation of La Poste and CNP Assurances shares as part of the transaction relating to the creation of a major public financial hub, completed on 4 March 2020. The "Share of profit (loss) of equity-accounted associates and joint ventures" came to €0.2 billion and €1.5 billion respectively. This item mainly comprises the effects of the reclassification to profit or loss of the translation reserves and unrealised gains of La Poste and CNP Assurances for Caisse des Dépôts et Consignations Group's share before the transaction consisting in the creation of a major public financial hub, generating income of €1.3 billion. The value of investments in equity-accounted companies corresponds to the portion held (percentage interest) in the equity of the corresponding companies plus any goodwill or measurement difference. Their value is tested for impairment on an annual basis, based on various different valuation techniques and macroeconomic assumptions, including: • historical data (equity values, share price); • forecast data (profit forecasts and business plan); • market assumptions, particularly the discount rate and perpetual growth rate. Estimating their value requires management to exercise judgement when selecting the inputs to be taken into account for the relevant investments. We therefore deemed the measurement of investments in associates and joint ventures to be a key audit matter.	We assessed the procedures implemented by Caisse des Dépôts et Consignations to measure the possible need for impairment of investments in equity-accounted companies. Depending on the different methods applied, we: • verified that the historical financial data used corresponded to the data validated by the Statutory Auditors of the relevant companies; • examined the projections used, by ensuring they had been approved by the management teams of the relevant companies, and by assessing their consistency with the assumptions made to produce them and with past performance; • where appropriate, asked our valuation experts to evaluate the macroeconomic assumptions made and the discount rates used. For the impacts of the transaction consisting in the creation of a major public financial hub, we have carried out specific procedures to ensure the correct accounting treatment of the various impacts of this transaction (see key audit matter "Impact of the consolidation of La Poste and SFIL on the consolidated financial statements"). For subsidiaries included in our audit scope, we assessed the consistency of the value of the investments used by Caisse des Dépôts et Consignations with the conclusions of the Statutory Auditors of the relevant subsidiaries.

2.15.4 Specific verifications

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the management report of the Caisse des Dépôts et Consignations Group.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

2.15.5 Other verifications and information pursuant to legal and regulatory requirements

2.15.5.1 Appointment of the Statutory Auditors

We were appointed Statutory Auditors of the Central Sector of Caisse des Dépôts et Consignations by way of the decision of the Chairman and Chief Executive Officer approving the financial statements for the year ended 31 December 2004, for PricewaterhouseCoopers Audit and for Mazars.

At 31 December 2020, PricewaterhouseCoopers Audit and Mazars were in the seventeenth consecutive year of their engagement, and the fifteenth year since the securities of Caisse des Dépôts et Consignations were admitted to trading on a regulated market.

2.15.6 Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the entity or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Chairman and Chief Executive Officer.

2.15.7 Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

2.15.7.1 Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the entity's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the entity to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

2.15.7.2 Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822–10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit and Risk Committee.

Paris La Défense and Neuilly-sur-Seine, 29 March 2021

The Statutory Auditors

Mazars		**PricewaterhouseCoopers Audit**	
Jean Latorzeff	Gilles Magnan	Pierre Clavié	Philippe Vogt

Caisse des Dépôts' Business Review and Sustainable Development Report, as well as the financial statements
and the Savings Funds Report, are all available on the corporate website at:
http://rapportannuel.caissedesdepots.fr

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Finance Department (contact: Sandrine Gitton)

Note to the reader
The French version of the 2020 Financial Report includes the audited consolidated financial statements of the Caisse des Dépôts Group, the audited financial statements of Caisse des Dépôts Central Sector, and the audited financial statements of the Savings Funds centralised by Caisse des Dépôts. The English version of the report includes solely the audited consolidated financial statements of the Caisse des Dépôts Group. The detailed financial statements for the subsidiaries and for other organisations and establishments managed by Caisse des Dépôts are not presented in this report, but in specific reports prepared by those entities.

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Ensemble, faisons grandir la France