5. Consolidated financial statements

5.1 Consolidated statement of financial position

Assets

In thousand euros	Note	**12/31/2020**	12/31/2019
Non-current assets		**19,504,537**	**19,244,737**
Investment properties	5.5.5.1	17,744,334	17,662,308
Buildings under reconstruction	5.5.5.1	1,256,816	1,055,147
Operating properties	5.5.5.1	81,116	85,977
Other tangible fixed assets	5.5.5.1	12,077	14,629
Goodwill	5.5.5.1.4	191,079	196,127
Intangible assets	5.5.5.1	9,005	7,017
Financial receivables on finance leases	5.5.5.1	103,811	121,643
Financial fixed assets	5.5.5.2	24,592	25,788
Equity-accounted investments	5.5.5.3	54,387	51,441
Non-current financial instruments	5.5.5.12.2	25,419	22,760
Deferred tax assets	5.5.5.4	1,900	1,900
Current assets		**745,087**	**1,210,068**
Properties for sale	5.5.5.5	368,240	928,751
Inventories	5.5.5.6	3,810	35,683
Trade receivables	5.5.5.7	56,358	77,385
Other receivables	5.5.5.8	124,574	111,205
Prepaid expenses	5.5.5.9	17,983	19,198
Cash and cash equivalents	5.5.5.10	174,123	37,846
TOTAL ASSETS		**20,249,624**	**20,454,805**

Equity and liabilities

In thousand euros	Note	**12/31/2020**	12/31/2019
Shareholders' equity	**5.5.5.11**	**12,500,901**	**12,726,570**
Capital		573,950	573,077
Additional paid-in capital		3,295,475	3,281,893
Consolidated reserves attributable to owners of the parent company		8,450,070	7,328,961
Consolidated net income attributable to owners of the parent company		154,831	1,515,287
Shareholders' equity attributable to owners of the parent company		**12,474,325**	**12,699,218**
Non-controlling interests		26,576	27,352
Non-current liabilities		**5,778,196**	**5,487,705**
Non-current financial debt	5.5.5.12.1	5,611,434	5,398,632
Non-current lease obligations		50,723	50,480
Non-current financial instruments	5.5.5.12.2	13,184	1,268
Deferred tax liabilities	5.5.5.4	64	1,654
Non-current provisions	5.5.5.13	102,790	35,671
Current liabilities		**1,970,527**	**2,240,530**
Current financial debt	5.5.5.12.1	1,612,885	1,884,852
Current financial instruments	5.5.5.12.2	0	555
Security deposits		73,340	80,545
Trade payables	5.5.5.15	159,235	153,006
Current tax and employee-related liabilities	5.5.5.16	51,762	48,983
Other current liabilities	5.5.5.17	73,304	72,589
TOTAL LIABILITIES AND EQUITY		**20,249,624**	**20,454,805**

5.2 Consolidated statement of comprehensive income

In thousand euros	Note	**12/31/2020**	12/31/2019
Gross rental income	5.5.6.1	**657,976**	**673,487**
Property expenses	5.5.6.2	(188,536)	(184,714)
Recharges to tenants	5.5.6.2	122,947	129,995
Net rental income		**592,387**	**618,768**
Current operating income on finance lease transactions	5.5.6.3	**2,449**	**5,411**
Current operating income on the hotel activity	5.5.6.3	**(877)**	**4,190**
Services and other income (net)	5.5.6.4	4,355	34,584
Overheads	5.5.6.5	(92,038)	(92,968)
EBITDA		**506,275**	**569,984**
Real estate margin	5.5.6.6	(7,096)	388
Gains or losses on disposals	5.5.6.7	(4,319)	102,289
Change in value of properties	5.5.6.8	(154,659)	1,004,271
Depreciation and amortization		(9,661)	(13,399)
Net impairments and provisions		(74,924)	(3,129)
Operating income		**255,616**	**1,660,404**
Net financial expenses	5.5.6.9	(90,815)	(102,016)
Financial impairment		(446)	0
Change in value of financial instruments	5.5.6.10	(23,990)	(26,071)
Premium and bond redemption costs		0	(15,933)
Net income from equity-accounted investments	5.5.5.3	4,402	4,647
Consolidated net income, before tax		**144,767**	**1,521,031**
Taxes	5.5.6.11	9,571	(4,141)
Consolidated net income		**154,339**	**1,516,890**
Of which consolidated net income attributable to non-controlling interests		(492)	1,603
OF WHICH CONSOLIDATED NET INCOME LINKED TO OWNERS OF THE PARENT COMPANY		**154,831**	**1,515,287**
Consolidated net earnings per share	5.5.6.12	€2.10	€20.58
Consolidated diluted net earnings per share	5.5.6.12	€2.10	€20.52

In thousand euros	**12/31/2020**	12/31/2019
Consolidated net income	**154,339**	**1,516,890**
Items not to be recycled in the net income	**(903)**	**(3,281)**
Actuarial gains (losses) on post-employment benefit obligations	(192)	(2,508)
Gains (losses) on non-consolidated interests	(712)	(773)
Items to be recycled in the net income	**(244)**	**40**
Gains (losses) from translation differentials	(244)	40
Comprehensive income	**153,192**	**1,513,649**
Of which comprehensive income attributable to non-controlling interests	(492)	1,603
OF WHICH COMPREHENSIVE INCOME LINKED TO OWNERS OF THE PARENT COMPANY	**153,684**	**1,512,046**

5.3 Statement of changes in consolidated equity

In thousand euros (except for number of shares)	Number of shares	Share capital	Additional paid-in capital and consolidated reserves	**Shareholders' equity attributable to owners of the parent company**	Shareholders' equity attributable to non-controlling interests	Total shareholders' equity
Balance at December 31, 2018	**76,266,750**	**572,001**	**11,149,813**	**11,721,814**	**29,431**	**11,751,245**
Dividend paid in 2019			(405,703)	(405,703)	(3,548)	(409,251)
Effect of treasury shares			(107,798)	(107,798)		(107,798)
Impact of share-based payments (1)			2,773	2,773		2,773
Actuarial gains (losses) on post-employment benefit obligations			(2,508)	(2,508)		(2,508)
Gains (losses) from translation differentials			40	40		40
First application of IFRS 16			(32,568)	(32,568)		(32,568)
Group capital increase (2)	143,510	1,076	8,268	9,345		9,345
Other changes			(1,462)	(1,462)	(134)	(1,597)
Net income at December 31, 2019			**1,515,287**	**1,515,287**	**1,603**	**1,516,890**
Balance at December 31, 2019	**76,410,260**	**573,077**	**12,126,141**	**12,699,218**	**27,352**	**12,726,570**
Dividend paid in 2020			(389,482)	(389,482)	(288)	(389,770)
Impact of share-based payments (1)			4,200	4,200		4,200
Actuarial gains (losses) on post-employment benefit obligations			(192)	(192)		(192)
Gains (losses) from translation differentials			(244)	(244)		(244)
Group capital increase (2)	116,344	873	5,843	6,715		6,715
Other changes			(722)	(722)	5	(717)
Net income at December 31, 2020			154,831	154,831	(492)	154,339
Balance at December 31, 2020	**76,526,604**	**573,950**	**11,900,375**	**12,474,325**	**26,576**	**12,500,901**

(1) Impact of benefits related to share award plans (IFRS 2).

(2) Creation of shares linked to the definitive vesting of shares as a result of the performance share award plan of July 17, 2017 (41,004 shares), to the capital increase reserved for Group employees (55,914 shares), to the exercise of share subscription options (19,426 shares). For the financial year 2019, creation of shares linked to the definitive vesting of shares as a result of the performance share award plans (creation of 52,310 shares), to the capital increase reserved for Group employees (61,942 shares), and to the exercise of share subscription options (29,258 shares).

5.4 Consolidated statement of cash flows

In thousand euros	Note	12/31/2020	12/31/2019
Consolidated net income (including non-controlling interests)		**154,339**	**1,516,890**
Net income from equity-accounted investments		(4,402)	(4,647)
Net depreciation and amortization, impairments and provisions		84,585	16,528
Changes in fair value and premiums and repurchase costs on bonds	5.5.7.1	178,649	(962,267)
Calculated charges and income from performance shares	5.5.6.5	4,200	2,773
Tax expenses (including deferred tax)	5.5.6.11	(9,571)	4,141
Capital gains and losses on disposals	5.5.6.6, 5.5.6.7	11,415	(102,677)
Other calculated income and expenses		(13,814)	(26,069)
Net financial expenses	5.5.6.9	90,815	102,016
Net cash flow before cost of net debt and tax		**496,215**	**546,688**
Tax paid		(7,966)	(7,478)
Change in operating working capital requirements	5.5.7.2	16,420	81,136
Net cash flow from operating activities (A)		**504,669**	**620,346**
Acquisitions of tangible and intangible fixed assets	5.5.5.1.2	(277,748)	(550,917)
Disposals of tangible and intangible fixed assets	5.5.7.3	467,168	876,114
Acquisitions of financial fixed assets (non-consolidated interests)		(1,435)	(3,733)
Dividends received (equity-accounted affiliates, non-consolidated securities)		1,456	1,513
Changes in granted loans and credit lines		469	46,159
Other cash flows from investing activities		938	(7,252)
Change in working capital requirement relating to investing activities	5.5.7.4	(11,109)	(78,716)
Net cash flow from investing activities (B)		**179,739**	**283,167**
Proceeds from capital increase received from shareholders		5,126	6,949
Amounts received on the exercise of performance shares		1,589	2,395
Purchases and sales of treasury shares		0	(107,798)
Dividends paid to shareholders of the parent company	5.5.7.5	(389,352)	(405,716)
Dividends paid to non-controlling interests		(288)	(3,548)
New loans	5.5.7.6	3,840,343	4,448,919
Repayments of loans	5.5.7.6	(3,896,058)	(4,651,706)
Net interest paid		(94,019)	(128,014)
Other cash flows from financing activities		(15,472)	(58,834)
Net cash flow from financing activities (C)		**(548,132)**	**(897,353)**
Net change in cash and cash equivalents (A + B + C)		**136,277**	**6,156**
Opening cash and cash equivalents	5.5.7.7	37,846	31,690
Closing cash and cash equivalents	5.5.7.7	**174,123**	**37,846**

5.5 Notes to the consolidated financial statements

5.5.1 Highlights

2020 financial year

In the context of the Coronavirus global health crisis, Gecina was able to ensure business continuity for the duration of lockdown and, by mid-March 2020, was actively supporting its clients, suppliers, employees and France's national solidarity effort. Faced with the uncertainties related to the effects of Covid-19, with a lower level of transactions and investors refocused in the most central sectors, Gecina has posted a resilient performance in 2020, with a property portfolio value stable at -0,1% on a like-for-like basis and nearly 99% of rents collected. Trade receivables depreciation following the effects of the Covid-19 crisis represents € 5.5 million, i.e., less than 1% of gross rental income.

The other significant events of the year are presented below.

At the start of 2020, Gecina signed two leases for a building located at the heart of the CBD, close to the Champs-Élysées, with a rental value of around €900/sq.m, confirming the market's strong upturn in the most central sectors. On this building, Gecina is starting to capture the significant reversion potential that will be gradually achieved as tenants are rotated or leases renewed.

On February 7, 2020, Gecina signed a firm twelve-year lease with Boston Consulting Group for its Paris headquarters, with 20,500 sq.m of office space and 3,000 sq.m of services in the l1ve building, which will come into effect during the second half of 2022. This building is 78% pre-let nearly two years before its delivery, reflecting the good level of the CBD (Central Business District) office markets.

Mid-February, Gecina signed a firm six-year lease for 3,600 sq.m with a Geodis group subsidiary in the Octant-Sextant building, taking this building's letting rate up to 91%.

On March 12, 2020, Gecina finalized the sale of the Le Valmy building for €212 million, excluding duties, with Primonial REIM. This building, with nearly 27,000 sq.m of office space, located in eastern Paris, on the border of Montreuil, was already covered by a preliminary sales agreement at the end of the 2019 financial year.

On April 16, 2020, Gecina finalized the sale of 54-56 avenue du Général-Leclerc in Boulogne-Billancourt. This fully occupied multi-tenant office building in Boulogne-Billancourt, with nearly 3,900 sq.m, has been sold for €36.6 million, excluding duties, achieving a premium versus its latest free appraisal values.

To align itself with the French Government's recommendations concerning the moderation of dividends paid, Gecina's Board of Directors decided on March 31, 2020 to submit a proposal at the General Meeting to limit its dividend for 2019 to €5.30 per share (versus €5.60), with this amount covering the company's legal obligations under the SIIC tax system. The General Meeting of April 23, 2020 approved that a dividend of €5.30 per share would be paid for the 2019 financial year. With an interim payment of €2.80 having already been paid on March 6, 2020, the balance of €2.50 per share was paid in cash on July 3, 2020.

On April 23, 2020, the Shareholders' General Meeting, held as a closed session, and the General Meetings of Noteholders (held on March 23 and April 7, 2020) ratified all the resolutions relating to the partial transfer of assets by Gecina to the company GEC 25, a wholly-owned subsidiary, allowing the subsidiarization of the Group's Residential portfolio. Gecina can now move forward with its residential strategy, in order to better respond to the needs for housing, flexibility and services, as well as to major environmental and social issues by developing a high-quality and responsible rental offer aimed at middle-class households.

On May 4, 2020, Gecina announced the letting of 3,600 sq.m of the Biopark building and the Cergy–Saint-Christophe business park. Gecina will welcome the American biopharmaceutical services group Parexel International to Building D of its Biopark complex in Paris' 13th arrondissement, signing a firm six-year lease that came into effect from early September 2020 for 1,800 sq.m. This transaction achieved positive reversion, highlighting this asset's attractive positioning. Gecina also signed several new leases for the Cergy–Saint-Christophe business campus with the La Poste Group and ENSUP group for over 1,800 sq.m.

On June 15, 2020, Gecina let 1,300 sq.m at 27 rue de la Ville-l'Évêque in Paris' CBD to a tenant from the CAC 40. The platforms were made available at the end of August 2020 following a program of work to reposition the building in line with the best market standards. This transaction shows significant positive reversion compared with the previous tenants.

On June 30, 2020, Gecina acquired a residential complex in the heart of Paris, thereby making its first residential acquisition through its dedicated subsidiary created for this purpose, in line with the Group's ambition to support housing around a long-term view. This building at 66 rue de Ponthieu in Paris' 8th arrondissement has 52 apartments and various ground-floor retail units, with a price of €33.1 million, excluding duties, and a total of nearly 4,100 sq.m. The Group is confirming its plans to deploy its know-how, in line with opportunities, on the buoyant residential markets in Paris, the Paris Region and certain major cities across France.

On July 1, 2020, Gecina has completed the signing of two leases for a firm six-year period with the Winamax Group, the French online poker and sports betting market leader, for the buildings at 136 and 138 bis rue de Grenelle in Paris' 7th arrondissement, covering a total of nearly 2,900 sq.m.

On September 14, 2020, Gecina announced the signing of two new leases for the Carré Michelet building located at 12 cours Michelet in Paris La Défense. On January 1, 2021, this building welcomed a digital services company under a firm six-year lease for around 2,400 sq.m. On July 1, 2020, it also welcomed the World Association of Nuclear Operators (WANO Paris Centre), with nearly 1,700 sq.m. Alongside the existing tenants MSD and Novo Nordisk, these new leases take this asset's letting rate up to over 50%.

On October 1, 2020, Gecina and Nexity have signed a partnership agreement with a view to develop 4,000 new housing units over four years in Paris, the Paris Region and major urban hubs across France on behalf of Gecina's residential subsidiary. Under this partnership, a joint co-development company will be set up, with 60% owned by Nexity and 40% by Gecina. By identifying opportunities and launching operations in line with the ambitions and requirements of both partners, each group will be able to further strengthen its expertise, giving Gecina the possibility to get involved from the development stage alongside Nexity, while offering the opportunity for Nexity to develop a first 'build to rent' portfolio in the freely available housing sector, through this alliance with a leading real estate group. The buildings developed in this way will be acquired by Gecina's residential subsidiary.

On October 23, 2020, Gecina successfully raised €400 million on the bond market, with an average maturity of 10.1 years and an average yield of 0.47%, through two bond issues of €200 million each, one maturing in June 2027 (remaining maturity of 6.7 years), at a yield of 0.08% and the other maturing in May 2034 (remaining maturity of 13.6 years), at a yield of 0.86%. This €400 million bond issue allows the Group to extend the average maturity of its debt under favorable conditions, further strengthening the solidity and flexibility of its balance sheet. For a maturity of over five years, this is Gecina's bond issue with the lowest rate to date.

On October 27, 2020, Gecina and Assistance Publique - Hôpitaux de Paris (AP-HP) have announced the signing of an agreement to provide housing, within the network of YouFirst Campus residences, for nursing staff after they graduate, making it easier for them to access housing. This partnership will help AP-HP to position itself more attractively in order to meet its recruitment needs. Gecina has set out a commitment to offering 70 rental properties to AP-HP, primarily one-bed furnished apartments, spread across residences in Paris City, La Défense, Bagnolet and Saint-Denis. These residences combine outstanding locations close to hospitals and excellent transport links, with travel times of less than 30 minutes for healthcare staff to reach their workplaces.

On November 3, 2020, Gecina signed an agreement with the Diaconesses Croix Saint Simon hospital group, to facilitate access to housing for healthcare workers in its YouFirst Campus residences. Gecina has made a commitment to offer 20 rental properties to the Diaconesses Croix Saint Simon hospital group, primarily one-bed furnished apartments, in the YouFirst Campus Paris Montsouris and Paris Bagnolet residences. These residences have excellent transport links and are ideally located to welcome staff from each of the hospital group's two sites, including nurses who are particularly mobilized in response to the current health crisis.

On November 12, 2020, Cellectis group extended its space in the Biopark building in Paris by a new lease concerning close to 850 sq.m for a six-year firm period. Cellectis is extending its presence in the Biopark complex to nearly 5,500 sq.m, reflecting its robust development and business growth. This lease takes the total space relet with the two biopharmaceutical groups Cellectis and Parexel in Biopark up to nearly 3,500 sq.m, following the previous tenant's departure, representing almost 85% of the space initially vacated during the first half of the year.

On December 17, 2020, Gecina announced that it has reached an agreement with the Orange group to renew two leases on two assets for over 50,000 sq.m in Arcueil (Val-de-Marne) and Montrouge (Hauts-de-Seine). At its 44,000 sq.m office building in Arcueil, Gecina has renewed a lease with the Orange group covering all of its space for a firm 12-year period. In Montrouge, the Orange group has renewed a lease that was due to expire at December 31, 2020 for six years, covering 6,476 sq.m of space in an independent building with Metro and RER links. Following the renewal of these two leases, the Gecina Group has already anticipated 75% of the leases scheduled to expire in 2021 for its buildings located outside of Paris and Neuilly-Sur-Seine.

On December 17, 2020, Gecina announced the finalization of the sale of five office buildings in Boulogne-Billancourt, Vincennes and Antony for €109 million excluding duties, achieving a premium versus their latest free appraisal values from end-2019. These sales are in line with the Group's portfolio rationalization strategy in order to further strengthen its centrality. On December 16, Gecina finalized the sale of a portfolio of four multi-tenant buildings in Boulogne-Billancourt and Vincennes representing nearly 12,000 sq.m to Carac, Mutual Savings, Retirement and Provident Fund. On December 15, the Group also finalized the sale of an office building in Antony with around 13,600 sq.m to the Patrimoni Group.

5.5.2 General principles of consolidation

5.5.2.1 Reporting standards

The consolidated financial statements of Gecina and its subsidiaries ("the Group") are prepared in accordance with IFRS as adopted by the European Union on the balance sheet date.

The official standards and interpretations applicable from January 1, 2020, in particular the amendment to IFRS 16 on the Covid-19 rent concessions, the amendments to IAS 1 and IAS 8 on the definition of the term 'material', the amendments to IAS 39, IFRS 7 and IFRS 9 on interest rate benchmark reform and amendments to IFRS 3 on the definition of a 'business' do not give rise to any significant impact on the Group.

The preparation of financial statements, in accordance with IFRS, requires the adoption of certain decisive accounting estimates. The Group is also required to exercise its judgment in the application of accounting principles. The areas with the most important issues in terms of judgment or complexity or those for which the assumptions and estimates are material in relation to the consolidated financial statements are presented in Note 5.5.3.15.

Gecina applies the Code of Ethics for Listed Real Estate Investment Companies (SIIC) as established by the Fédération des Sociétés Immobilières et Foncières.

5.5.2.2 Consolidation methods

All companies, in which the Group holds direct or indirect exclusive control and companies in which Gecina exercises a notable influence or joint control, are included in the scope of consolidation. The first group of companies are fully consolidated and the second group are consolidated using the equity method.

5.5.2.3 Scope of consolidation

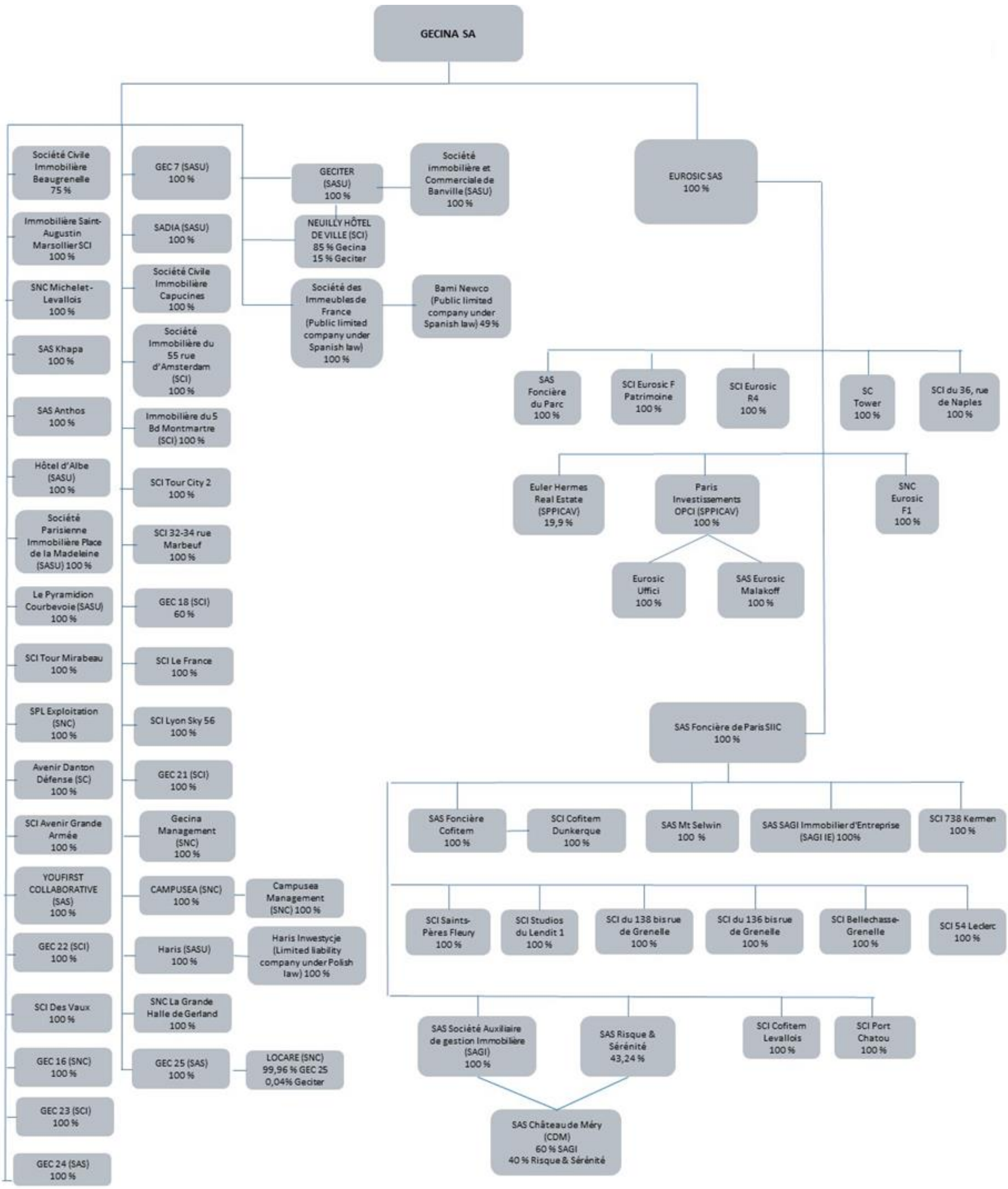
At December 31, 2020, the scope of consolidation included the companies listed below:

COMPANIES	SIREN	12/31/2020 % interest	Consolidation method	12/31/2019 % interest
Gecina	592 014 476	100.00%	Parent company	100.00%
5, rue Montmartre	380 045 773	100.00%	FC	100.00%
55, rue d'Amsterdam	382 482 065	100.00%	FC	100.00%
Anthos	444 465 298	100.00%	FC	100.00%
Beaugrenelle	307 961 490	75.00%	FC	75.00%
Campuséa	501 705 909	100.00%	FC	100.00%
Campuséa Management	808 685 291	100.00%	FC	100.00%
Capucines	332 867 001	100.00%	FC	100.00%
GEC 16	788 912 343	100.00%	FC	100.00%
GEC 18	799 089 982	60.00%	FC	60.00%
GEC 21	810 066 126	100.00%	FC	100.00%
GEC 22	812 746 188	100.00%	FC	100.00%
GEC 23	819 358 201	100.00%	FC	100.00%
GEC 7	423 101 674	100.00%	FC	100.00%
Gecina Management	432 028 868	100.00%	FC	100.00%
Geciter	399 311 331	100.00%	FC	100.00%
Grande Halle de Gerland	538 796 772	100.00%	FC	100.00%
Haris	428 583 611	100.00%	FC	100.00%
Haris Inwestycje (Poland)		100.00%	FC	100.00%
Khapa	444 465 017	100.00%	FC	100.00%
Le Pyramidion Courbevoie	479 762 874	100.00%	FC	100.00%
Locare	328 921 432	100.00%	FC	100.00%
Marbeuf	751 139 163	100.00%	FC	100.00%
Michelet-Levallois	419 355 854	100.00%	FC	100.00%
Sadia	572 085 736	100.00%	FC	100.00%
Saint-Augustin-Marsollier	382 515 211	100.00%	FC	100.00%
SCI Le France	792 846 123	100.00%	FC	100.00%
SCI Avenir Danton Défense	431 957 356	100.00%	FC	100.00%
SCI Avenir Grande Armée	751 037 631	100.00%	FC	100.00%
SCI Lyon Sky 56	809 671 035	100.00%	FC	100.00%
Société des Immeubles de France (Spain)		100.00%	FC	100.00%
Société Hôtel d'Albe	542 091 806	100.00%	FC	100.00%
Société Immobilière et Commerciale de Banville	572 055 796	100.00%	FC	100.00%
SPIPM	572 098 465	100.00%	FC	100.00%
SPL Exploitation	751 103 961	100.00%	FC	100.00%
Tour City 2	803 982 750	100.00%	FC	100.00%
Tour Mirabeau	751 102 773	100.00%	FC	100.00%
YouFirst Collaborative	823 741 939	100.00%	FC	100.00%
SCI Des Vaux	449 228 816	100.00%	FC	100.00%
SAS Eurosic	307 178 871	100.00%	FC	100.00%
SAS Eurosic Malakoff	453 385 601	100.00%	FC	100.00%
Foncière du Parc	445 394 851	100.00%	FC	100.00%
Tower	433 566 932	100.00%	FC	100.00%
SCI du 36 rue de Naples	479 871 659	100.00%	FC	100.00%
SCI Eurosic F Patrimoine	811 932 714	100.00%	FC	100.00%
SCI Eurosic R4	505 215 251	100.00%	FC	100.00%
SNC Eurosic F1	810 028 506	100.00%	FC	100.00%
Euler Hermes Real Estate	538 610 825	19.90%	EM	19.90%
Paris Investissements OPCI	793 904 640	100.00%	FC	100.00%
Foncière de Paris SIIC	331 250 472	100.00%	FC	100.00%
Foncière Cofitem	411 846 033	100.00%	FC	100.00%
MT Selwin	418 089 280	100.00%	FC	100.00%
Risque & Sérénité	419 403 449	43.24%	EM	43.24%
Société Auxiliaire de Gestion Immobilière	508 928 926	100.00%	FC	100.00%
SAGI Immobilier d'entreprise	528 047 129	100.00%	FC	100.00%
Château de Méry	479 916 298	77.30%	FC	77.30%
SCI Saints Pères Fleury	509 110 151	100.00%	FC	100.00%
SCI 54 Leclerc	381 619 535	100.00%	FC	100.00%

SCI 738 Kermen	349 816 116	100.00%	FC	100.00%
SCI du 136 bis rue de Grenelle	493 293 823	100.00%	FC	100.00%
SCI du 138 bis rue de Grenelle	493 293 633	100.00%	FC	100.00%
SCI Bellechasse-Grenelle	802 446 195	100.00%	FC	100.00%
SCI Cofitem Dunkerque	528 344 039	100.00%	FC	100.00%
SCI Cofitem Levallois	494 346 570	100.00%	FC	100.00%
SCI du Port Chatou	491 025 441	100.00%	FC	100.00%
SCI Studios du Lendit 1	508 475 662	100.00%	FC	100.00%
Eurosic UFFICI (Italy)		100.00%	FC	100.00%
JOINED CONSOLIDATION 2020				
GEC 25	880 266 218	100.00%	FC	
LEFT CONSOLIDATION 2020				
Colvel Windsor	477 893 366	Merged	FC	100.00%
Faubourg Saint Martin	430 046 607	Merged	FC	100.00%
JOINED CONSOLIDATION 2019				
GEC 24	851 756 502	100.00%	FC	100.00%
SCI Neuilly Hôtel de Ville	785 420 746	100.00%	FC	100.00%
LEFT CONSOLIDATION 2019				
Doret Antares	535 309 884		FC	Merged
SCI Eurosic Cours Michelet	811 963 438		FC	Merged
SNC Provence Logements	752 811 265		FC	Merged
SCI Eurosic Développement 5	824 082 192		FC	Merged
Hôtelière de Bellechasse-Grenelle	809 441 553		FC	Merged
Société Civile Vendôme Casanova	389 486 093		FC	Merged
GEC 10	529 783 649		FC	Merged
Gecina Gestion	752 603 548		FC	Merged
SAS Eurosic N2 Batignolles	820 809 945		FC	Merged
SCI Breizh Champs Blancs	792 857 377		FC	Merged
Hôtelière de la Villette	479 469 405		FC	Sold
SNC N2 Promotion	821 147 519		EM	Sold
Holding Saint-Dominique	534 629 993		FC	Sold
Amelot Roissy Hôtel	381 505 411		FC	Sold
Hôtelière de Boulogne	505 104 190		FC	Sold
Hôtelière de la rue Danton	511 122 590		FC	Sold
Société d'exploitation de l'hôtel du Parc de Bougival	310 728 563		FC	Sold
Groupement Européen de l'Immobilier	328 680 087		FC	Sold
SCI Cofitem Boulogne	494 341 845		FC	Sold
SCI du 4 rue Danton	488 449 190		FC	Sold

FC: full consolidation.
EM: accounted for under the equity method.

5.5.2.3.1 Legal organization chart



5.5.2.4 Consolidation adjustments and eliminations

5.5.2.4.1 Restatements to homogenize individual financial statements

The rules and methods applied by companies in the scope of consolidation are restated to make them consistent with those of the Group.

All companies closed their accounts (or prepared a position of accounts) on December 31, 2020.

5.5.2.4.2 Intercompany transactions

Intercompany transactions and any profits on disposal resulting from transactions between consolidated companies are eliminated.

5.5.2.4.3 Business combinations (IFRS 3)

To determine if a transaction is a business combination placed under IFRS 3, the Group determines whether an integrated set of activities is acquired in addition to the real estate. The selected criteria may be the number of real estate assets held, the scope of the processes acquired or the autonomy of the target. In this case, acquisition cost corresponds to the fair value on the date of exchange of the contributed assets and liabilities and the equity instruments issued in exchange for the acquired entity. Goodwill is recognized as an asset in respect of the surplus of the acquisition cost over the buyer's share of the fair value of the assets and liabilities acquired net of deferred tax recognized if necessary, while an amount for negative goodwill is posted to the income statement. Costs directly attributable to the acquisition process are recognized under expenses.

Revised IFRS 3 specifies a period of twelve months starting from the acquisition date to finalize the accounting of the acquisition. Corrections to valuations made must be linked to events and circumstances existing at the date of acquisition. Goodwill is subject to an impairment test at least once a year or whenever there is an indication of loss of value.

IAS 40 (investment properties) applies to acquisitions that are not part of a business combination.

5.5.2.5 Foreign currency translation

The Group's operating currency is the euro. Transactions conducted by subsidiaries located outside the eurozone are translated at the closing exchange rate for balance sheet items and at the average exchange rate over the period of the income statement. Exchange differentials recognized in the balance sheet at the beginning of the period and on earnings for the year are recorded on a separate line under shareholders' equity.

5.5.3 Accounting methods

5.5.3.1 Property portfolio

5.5.3.1.1 Investment properties (IAS 40)

Properties held for the long term and intended to be leased under operating leases, and/or held for capital appreciation, are considered investment properties.

On acquisition, investment properties are recorded on the balance sheet at acquisition cost, inclusive of duties and taxes.

The time spent by operational teams, directly attributable to disposals, rentals and development projects is monitored and priced, and then, as appropriate:

(i) reported under fixed assets for the portion spent on development projects, studies or marketing actions;

(ii) recognized under gains or losses on disposals if related to pre-sale activities.

The financial costs linked to construction operations as well as eviction allowances, paid in connection with property reconstructions, are capitalized.

Gecina has opted for the valuation of its investment properties at fair value as defined by IFRS 13 (cf. Note 5.5.3.1.2). The company has elected, by convention, to retain the block value of properties as the fair value of investment properties in the consolidated financial statements. This block value is understood as excluding transfer duties and is determined by independent experts (as at December 31, 2020: CBRE Valuation, Cushman & Wakefield, Catella Valuation Advisors, and Jones Lang LaSalle) who value the property portfolio of the Group from the point of view of a sustainable holding at June 30 and December 31 of each financial year and take into account the capitalized works. Valuations are conducted in accordance with industry practices using fair value valuation methods to establish market value for each asset, pursuant to the professional real estate valuation charter. All Gecina assets are appraised by independent appraisers.

The change in fair value of investment properties is recorded on the income statement. These properties are not therefore subject to depreciation or impairment. The income statement records the change in fair value of each property over the year determined as follows:

- current market value – (prior year market value + cost of construction work and other items capitalized in the current year).

Investment properties in the course of renovation are recognized at fair value.

Properties under construction acquired with the intention of redevelopment or which are in the process of being redeveloped are recognized at fair value where that value can be reliably measured. In cases where fair value cannot be reliably determined, the property is recognized at its last known value plus any costs capitalized during the period. At each balance sheet date, an impairment test is conducted to certify that the booked value does not require impairment. Impact is recognized at variation of fair value.

The market value is determined by appraisers based on an evaluation of the exit price of the property less all direct and indirect future development costs.

The Group considers that a property in the process of construction can be reliably appraised at fair value when construction begins and when its marketing is at an advanced stage. Whatever the case, the fair value appraisal will be performed when the asset is protected from the rain.

Nevertheless, when the asset is already leased and the signature of works contracts has sufficiently progressed to allow a reliable estimate of the construction cost, the asset under development may then be recognized at fair value.

Valuation methodology

Each property asset is valued separately by an independent appraiser. However, the appraisers use the same valuation methods, described below. When appraising a property, real estate appraisers exclude transfer duties, taxes and fees. They thus comply with the position taken by Afrexim[1] and use the following rates:

▪ 1.8% of legal fees for properties in VAT;

▪ 6.9% to 7.5% of registration fees and expenses for other properties.

The property is assessed at market value, which corresponds to the price at which it could be sold between informed consenting parties operating under normal market conditions without reference to the financing conditions as at the valuation date. The value used in the consolidated financial statements is the value excluding transfer duties.

a) Office and residential properties

The fair value of each asset is based on the results of the following three methods: the comparison method, the capitalization of net income and the discounting of future flows (discounted cash flow). The simple arithmetic mean of these three methods is used. In the event of a considerable difference between the results of the three methods, the appraiser has the option of determining the more relevant valuation.

▪ Direct comparison method: this method consists of comparing the asset that is the object of the appraisal to transactions made on assets equivalent in type and location, on dates close to the date of appraisal.

▪ Net income capitalization method: this method consists of capitalizing recorded or potential income on the basis of a yield expected by an investor for a similar type of asset. The income base is generally constituted either of net annual rent excluding taxes and rental expenses or the market rental value. For occupied premises, the appraiser conducts an analysis of the legal and financial conditions of each lease and of the rental market. For vacant premises, the market rental value is used as a reference, taking account of re-letting lead times, renovation work and other miscellaneous expenditure.

▪ Discounted cash flow (DCF) method: the value of the asset is equal to the discounted sum of the financial flows expected by the investor, including the assumed resale at the end of a 10-year holding period. The sale price at the end of the period is determined on the basis of the net cash flow in year 11 capitalized at yield. Discounted cash flow is determined on the basis of a risk-free interest rate (10-year government bond equivalent) plus an appropriate risk premium for the property determined in comparison with standard discounted rates on cash flow generated by similar assets.

b) Unit valuation for residential and mixed buildings

Unit valuation is used for buildings on sale by apartments (see Note 5.5.3.1.3).

The unit value is determined from unit prices per square meter recorded on the market for vacant premises. The appraisal includes discounts to reflect marketing periods, costs and the margin earned on the sale of all the units. These discounts are differentiated according to the size of the property and number of units included. The various lots of offices, as well as the commercial premises located on the ground floor of the buildings are then added together for their estimated values on the basis of three methods: direct comparison, income capitalization and discounted cash flow.

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[1] *Association française des sociétés d'expertise immobilière, the French professional body of property appraisers.*

For properties where the unit-by-unit sale process has been started, the valuation follows the same method, adjusting the allowances applied to the property's actual marketing situation.

5.5.3.1.2 Determination of fair value (IFRS 13)

The Group applies IFRS 13, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date. The standard establishes a fair value hierarchy that categorizes into three levels the data used for measurements:

- Level 1: price (not adjusted) on an active market for identical assets/liabilities available on the valuation date;
- Level 2: valuation model using inputs directly or indirectly observable in an active market;
- Level 3: valuation model using inputs not observable in an active market.

The fair value hierarchy is therefore established by reference to the levels of inputs to valuation techniques. When using a valuation technique based on inputs of several levels, the fair value level is then constrained by the lowest level.

Investment properties

The fair value measurement must consider the highest and best use of the asset. Gecina has not identified any highest and best use different from the current use.

The fair value measurement of investment properties implies using different valuation methods based on unobservable or observable inputs that have been subject to certain adjustments. Accordingly, the Group's property portfolio is considered, in its entirety, as categorized in Level 3 with respect to the fair value hierarchy established by IFRS 13, notwithstanding the recognition of certain Level 2 observable inputs.

Financial instruments

IFRS 13 requires the recognition of counterparty credit risk (i.e., the risk that a counterparty may breach any of its obligations) in measuring the fair value of financial assets and liabilities.

IFRS 13 retains the disclosure obligations on the three-level fair value hierarchy of IFRS 7, which requires an entity to establish a difference between the fair values of financial assets and financial liabilities based on the observable nature of the inputs used to measure fair value.

As at December 31, 2020, IFRS 13 application by the Group does not challenge the fair value hierarchy of financial instruments, until then categorized as Level 2 according to IFRS 7 (valuation model based on observable market inputs) to the extent that the adjustment for credit risk is considered as an observable input.

5.5.3.1.3 Assets held for sale (IFRS 5)

IFRS 5, "Non-current assets held for sale and discontinued operations", states that a non-current asset should be classified as held for sale as long as it is a major line of activity and if its book value will be recovered principally through a sales transaction rather than through continuing use. In such cases, the sale should be highly probable.

The sale of an asset is thus highly probable if the following three conditions are met:

- a plan to sell the asset has been initiated by an appropriate level of management;
- the asset is being actively marketed at a reasonable price in relation to its current fair value;
- it is probable that the sale will be concluded within one year, barring special circumstances.

When the sale pertains to one asset or one group of assets only, the assets for sale are reported separately in the balance sheet under "Properties for sale".

Buildings recorded in this category are valued as follows:

- properties in block sales: sale value recorded in the preliminary sales agreement or the purchase offer, subject to the deduction of selling expenses/fees and outstanding receivables from the straight-line recognition of commercial benefits under IFRS 16;
- properties sold unit by unit: appraisal value in units (see Note 5.5.3.1.1). If more than 60% (in value) of the property is sold, the asset is recognized at the fair value of the last recorded transactions for unsold units, after taking account of allowances linked to the sale of all units and at the sale value recorded in the preliminary agreement subject to the deduction of expenses and fees for units covered by a preliminary agreement.

When a sale concerns a complete business line, the consolidated assets and liabilities, booked as appropriate under subsidiaries held for sale, are presented separately on the asset side of the balance sheet (Assets held for sale) and on the liabilities side of the balance sheet (Liabilities held for sale). The corresponding net gain or loss is isolated in the income statement on the line "Net gain or loss from discontinued operations".

5.5.3.1.4 Operating properties and other property, plant and equipment (IAS 16)

The head office property at 16 rue des Capucines, Paris is valued at cost. It has been depreciated according to the component method, each component being depreciated on a straight-line basis over its useful life (10 to 60 years).

Hotel operating properties are valued at historical cost less accumulated depreciation and any impairment losses. They are amortized using a component approach; each component being amortized using the straight-line method over its useful life (9 to 90 years).

For each type of asset, the gross values of the buildings have been divided by component, determined on the basis of technical data at the time of the acquisition, using the current estimated cost of new reconstruction.

In addition to the land, six components have been identified:

TYPE OF ASSETS	Depreciation period
Land	Not depreciable
Framework structure	30 to 90 years depending on the type of building
Walls and roofing	15 to 45 years depending on the type of building
Technical installations	15 to 25 years depending on the type of building
Parking works	20 years
Restoration	15 years
Fixtures and fittings	9 to 10 years

The depreciation period of each component is calculated based on the date the building entered into service in the property portfolio, except in the case of the replacement of a component (at the time of renovation, for example); in which case the date of the last replacement of the component is applied. No residual value was retained for any of the components identified.

Other tangible fixed assets are recorded at acquisition cost and depreciated under the straight-line method for periods of three to ten years. They are primarily composed of computer hardware and furniture.

In the event of a sign of impairment, the book value of an asset is immediately written down to its recoverable value, which is determined by an independent appraisal conducted under the methods described in 5.5.3.1.1.

5.5.3.1.5 Intangible assets (IAS 38)

The costs to purchase software licenses are recorded as an asset based on the costs incurred in acquiring and commissioning the software concerned. These costs are amortized over the estimated useful life of the software (three to five years).

5.5.3.2 Equity interests

5.5.3.2.1 Equity-accounted investments

Equity interests in companies in which the Group exercises joint control or significant influence are recorded on the balance sheet at the Group share of their net assets restated at the reporting date using the Group's accounting principles. Adjustments are related to the harmonization of methods.

In the event that the Group's share in the negative equity of a company accounted for under the equity method were to exceed the book value of its investment, the Group considers its share to be nil and it ceases to recognize its share in upcoming losses, unless the Group is obliged or intends to financially support such investment.

5.5.3.2.2 Non-consolidated interests

Non-consolidated interests are valued at fair value pursuant to IAS 39. The changes in fair value are stated as equity until the date of disposal. For long-term impairment, underlying capital losses recognized in shareholders' equity are recorded as expenses.

5.5.3.2.3 Other financial fixed assets

Loans, receivables and other financial instruments are booked according to the amortized cost method on the basis of the effective interest rate. When there is non-recoverability or default risk, this is recognized in the profit and loss statement.

5.5.3.3 Inventories

Buildings relating to real estate development operations or acquired under the tax system governing properties held for rapid resale by real estate traders, legally designated as marchands de biens, are booked under inventories at their acquisition cost. An impairment test is carried out as soon as any indication of impairment is detected. In the event of such an indication and when the estimated recoverable amount is lower than the carrying amount, an impairment loss is recognized based on the difference between those two amounts.

5.5.3.4 Operating receivables

Receivables are recorded for the initial amount of the invoice, after deduction for impairment valued on the basis of the risk of non-recoverability. The cost of non-recoverability risk is posted under property expenses.

These receivables are valued using the amortized cost method.

Impairment is valued using the optional simplified approach under IFRS 9. Expected credit losses are calculated over their lifetime, based on the Group's historical loss data.

Rent receivables are systematically written down according to the age of the receivables and situation of the tenants.

An impairment rate is applied to the amount excluding tax of the receivable minus the security deposit:

- tenant has left the property: 100%;
- tenant in the property:
  - receivable between 3 and 6 months: 25%,
  - receivable between 6 and 9 months: 50%,
  - receivable between 9 and 12 months: 75%,
  - over 12 months: 100%.

Impairment thus determined is adjusted to take account of particular situations.

Residual receivables relating to the deferral of commercial benefits in accordance with IFRS 16 (see Note 5.5.3.13), and recognized by the difference between the economic rent and the paid rent, result in a specific analysis covering the ability of the tenant to actually reach the end of the signed lease, in order to validate their basis at each reporting date.

5.5.3.5 Cash and cash equivalents

Cash and money-market UCITS are recorded on the balance sheet at fair value.

5.5.3.6 Treasury shares (IAS 32)

Treasury shares held by the Group are deducted from consolidated shareholders' equity at acquisition cost.

5.5.3.7 Share-based payments (IFRS 2)

Gecina has instituted an equity-based remuneration plan (stock options and performance shares). The impact of services rendered by employees in exchange for the award of options or the allocation of performance shares is expensed against shareholders' equity. The total amount expensed over the rights vesting period is determined by reference to the fair value of equity instruments granted, the discounted value of future dividends paid over the vesting period, and the staff turnover rate.

At each balance sheet date, the number of options or number of shares that may be exercised or allocated is reviewed. Where applicable, the impact of revising estimates is posted to the income statement with a corresponding adjustment in shareholders' equity. Amounts received when options are exercised are credited to shareholders' equity, net of directly attributable transaction costs.

5.5.3.8 Financial instruments (IAS 32, IAS 39 and IFRS 9)

Hedging financial instruments

The Group hedges against interest rate risk as part of a macro-hedging strategy. It is covered by a portfolio of derivatives that are not specifically assigned and do not, therefore, meet hedge accounting eligibility criteria.

The Group decided not to adopt the hedge accounting proposed under IFRS 9 and to apply the provisions of IAS 39. Consequently, derivative instruments are recorded at fair value on the balance sheet with recognition of changes in fair value on the income statement.

Interest paid or received on derivative instruments is recorded under "Net financial expenses", while variations in value and any effects of disposals or terminations of contracts are recognized under "Change in value of financial instruments".

Fair value is determined in accordance with IFRS 13 (see Note 5.5.3.1.2) by an external financial organization using valuation techniques based on the discounted forward cash flow method, as well as the Black & Scholes model for optional products integrating the counterparty risks mentioned by IFRS 13. Estimates of probability of default are obtained by using bond spreads on the secondary market. Valuations are also confirmed by banking counterparties and in-house valuations.

Non-derivative financial assets and liabilities

Financial assets are initially recognized at amortized cost, at fair value through equity, or at fair value through profit or loss, depending on the type of financial instrument (debt or equity), the contractual cash flow characteristics, and the way in which the instruments are managed (based on the management model).

The classification and measurement criteria depend on the nature of the financial asset, i.e., whether it is categorized as a debt instrument (loan, advance, credit, bond, etc.) or as an equity instrument (shares).

Debt instruments (loans and fixed-yield or determinable-income securities) are classified and valued on the basis of their management model and on the analysis of contractual cash flow characteristics. Equity instruments are generally measured at fair value through profit or loss, except for those which the entity has irrevocably elected to measure at fair value through non-transferable equity (provided these instruments are not held for trading).

Financial liabilities consist primarily of bonds, bank borrowings, credit lines, commercial papers and other current liabilities.

Medium- and long-term credit lines can be utilized in drawings of variable lengths. Successive drawings are recognized in the financial statements at face value, with the unused portion of the borrowing facility representing an off-balance sheet commitment received.

Long-term bonds issued under the EMTN (Euro Medium Term Notes) program are stated at their amortized cost (net of transaction costs) based on the effective interest rate method.

Other current liabilities are considered as short-term liabilities and are not subject to any discounting.

Impairment of financial assets

The impairment model requires the measurement of expected credit losses (ECL) on loans and debt instruments measured at amortized cost or at fair value through transferable equity, on loan commitments and financial guarantee contracts not measured at fair value.

The Group uses the optional simplified approach for the impairment of receivables from leases and trade receivables (see Note 5.5.3.4).

5.5.3.9 Leases (IFRS 16)

Since January 1, 2019, the Group has applied IFRS 16, applying a modified retrospective method. Leases covered by the standard primarily relate to construction leases, long leases and, to a lesser extent, leases on vehicles and reprographic equipment. Leases for less than twelve months or with a low unit value are not covered by this standard.

On this basis, the Group recognizes in its balance sheet:

- under liabilities, a debt for lease obligations in relation to rents for the balance of the lease term, discounted at the same rate as the cost of the debt that the Group would have incurred over the same term as the rental contracts;
- under assets and within investment properties, where applicable, usage rights amortized in a linear fashion from the implementation of the contracts. As of January 1, 2019, the effect of the retrospective depreciation is recognized under equity.

In the income statement, rents and fees paid are replaced by:

- depreciation of rights of use recorded as a change in the valuation of investment properties where applicable;
- a financial expense, amounting to the interest included in rents paid in addition to the capital repaid to reduce the debt.

5.5.3.10 Long term non-financial provisions and liabilities

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognized when the Group has a present obligation (legal or constructive) to a third party as a result of past events, and when it is probable or certain that this obligation will give rise to an outflow of resources to that third party, without at least the equivalent expected in exchange from that third party.

5.5.3.11 Employee benefit commitments

IAS 19 specifies the accounting rules for employee benefits. This accounting occurs during the rights vesting period. It excludes from its scope share-based payments, which come under IFRS 2.

Short-term benefits

Short-term benefits (i.e., salaries, paid leave, social security contributions, incentives, etc.), which fall due within twelve months of the end of the year during which members of staff provided corresponding services, are recognized as “accrued expenses” under the heading “Current tax and social security liabilities” under balance sheet liabilities.

Long-term benefits

Long-term benefits correspond to benefits payable during the employee’s working life (anniversary premiums). They are recognized as non-recurring provisions.

Post-employment benefits

Post-employment benefits, also recognized as non-recurring provisions, correspond to end-of-career payments and supplementary retirement commitments to some employees. The valuation of these retirement commitments assumes the employee’s voluntary departure.

These commitments that are related to the defined benefit plans for supplementary pensions are paid to external organizations.

No post-employment benefits were granted to executives.

The net commitment resulting from the difference between amounts paid and the probable value of the benefits granted, recognized under salaries and benefits, is calculated by an actuary using the method known as “projected unit credit method”, the cost of the provision being calculated on the basis of services rendered at the valuation date.

Actuarial variances are booked in equity.

5.5.3.12 Taxes

5.5.3.12.1 IFRIC 21 taxes levied by the public authorities

IFRIC 21 interpretation (Levies) stipulates the timing for the recognition of a liability as a tax or levy imposed by a government. These rules cover both the levies recognized in accordance with IAS 37 Provisions, contingent liabilities and contingent assets and those for which the timing and amount are certain.

The levies and taxes in question are defined as net outflows of resources (thus excluding VAT collected on behalf of the Government) levied by governments (as defined by IAS 20 and IAS 24) in application of legal and/or regulatory provisions other than fines or penalties linked to non-compliance with laws or regulations. These include taxes entering into the scope of application of IAS 37 on provisions (excluding those falling under the scope of IAS 12, such as income tax liabilities) as well as taxes with a certain amount and payment date (i.e., liabilities that do not fall within the scope of application of IAS 37).

Pursuant to the IFRIC 21 interpretation, the following taxes are recognized (and their potential reinvoicing at the same time) on a single occasion on the first day of the current year:

- Property tax;
- Tax on offices, commercial premises, storage premises and parking areas;
- Annual tax on parking areas.

5.5.3.12.2 Standard regime

For companies not eligible under the SIIC system, deferred taxes resulting from timing differences on taxation or deductions are calculated under the liability method on all timing differences existing in the individual accounts or deriving from consolidation adjustments or eliminations of internal profits and losses. This happens when the book value of an asset or liability is different from its tax value. A net deferred tax asset is only recognized on loss carryforwards provided that it is likely that it can be charged against future taxable income. Deferred tax is determined using the principles and tax rates of the finance laws in effect at the balance sheet date that are likely to be applied when the various taxes involved crystallize. The same rule applies for assets held abroad.

5.5.3.12.3 Deferred tax assets and liabilities

Deferred tax arises from temporary differences between the tax valuation of assets or liabilities and their book values. They particularly result from the fair value revaluation of investment buildings held by companies who did not opt for the SIIC regime or from the cost related to the adoption of this regime. Deferred tax assets are recognized in respect of tax loss carryforwards if their future realization is likely.

5.5.3.12.4 SIIC regime

Opting for the SIIC regime means that an exit tax immediately falls due at the reduced rate of 19% on unrealized capital gains related to properties and investments in entities not subject to income tax.

Profits subject to the SIIC tax regime (fiscal transparency regime) treatment are free of corporate income tax subject to certain distribution conditions. However, for newly acquired non-SIIC companies, a deferred tax liability is calculated at a rate of 19% corresponding to the amount of exit tax that these companies have to pay when opting for the SIIC regime, this option being included in the acquisition strategy.

The discounting of the exit tax liability due to opting for the SIIC regime is only recognized when considered material.

5.5.3.13 Recognition of rental income (IFRS 16)

Rent is recorded in the income statement when invoiced. Under IFRS 16, incentives given to tenants (mainly rent-free periods and stepped rents) are spread in a straight line over the probable fixed term of the lease. Straight-line allocation of incentives given to tenants is offset by the recognition of a receivable up to December 31, 2017. From January 1, 2018, and for all leases with remaining rent-free periods and stepped rents, rent is now booked against the fair value adjustment of investment properties.

Consequently, rents shown in the income statement differ from rents paid.

Works carried out on behalf of tenants are capitalized and are not deferred over the probable term of the lease in accordance with IFRS 16.

5.5.3.14 Finance leases

In a financial lease, the lessor transfers all of the risks and benefits of the asset to the lessee. It is treated as financing granted to the lessee for the purchase of a property.

The current value of payments due under the lease, increased, as necessary, by the residual value, is entered under "Financial receivables on finance leases." The net income of the transaction for the lessor or the lessee corresponds to the amount of interest on the loan. It is recognized in the income statement under "Current operating income on finance lease transactions". The rents received are divided over the duration of the financing lease by recognizing them in capital amortization and interest such that the net income represents a constant rate of return over the residual outstanding. The rate of interest used is the implicit rate of interest in the lease.

5.5.3.15 Key accounting estimates and judgments

To establish the consolidated financial statements, the Group uses estimates and formulates judgments which are regularly updated and are based on historical data and other factors, especially forecasts of future events considered reasonable in the circumstances.

The significant estimates made by the Group mainly concern:

- the measurement of the fair value of investment properties;
- the measurement of the fair value of financial instruments;
- the measurement of equity interests;
- the measurement of provisions;
- the measurement of employee benefit commitments (pensions and share plans).

Due to the uncertainties inherent in any measurement process, the Group adjusts its estimates using regularly updated information. Estimates that carry a major risk of leading to a material adjustment in the net book value of assets and liabilities during the following period are analyzed below:

- the fair value of the property portfolio, whether it is held for the long term or for sale, is specifically determined based on the valuation of the portfolio by independent experts according to the methods described in sections 5.5.3.1.1 and 5.5.3.1.2. However, given the estimated nature inherent in these valuations, it is possible that the actual sales value of some properties will differ significantly from the valuation, even in the event of disposal within a few months following the balance sheet date;
- the fair value of the financial instruments that are not traded on an organized market (such as over-the-counter derivatives) is determined using valuation techniques. The Group uses methods and assumptions that it believes are the most appropriate, based on market conditions at the balance sheet date. The realizable value of these instruments may turn out to be significantly different from the fair value used for the accounting statement;
- the value in use and the fair value of equity investment securities are determined on the basis of estimates based on various data available to the Group as at the balance sheet date. New information obtained subsequent to the balance sheet date may have a material influence on this valuation.

The procedures for determining fair value according to IFRS 13 are detailed in section 5.5.3.1.2.

In addition to the use of estimates, the Group's management formulates judgments to define the appropriate accounting treatment for certain activities and transactions where the IFRS standards in force do not specifically deal with the issues concerned. This is especially the case for the analysis of leases, whether operating leases or financial leases.

5.5.4 Management of financial and operational risks

No other risks and uncertainties other than those presented in this document are expected.

5.5.4.1 Real estate market risk

Holding property assets for rent exposes the Group to the risk of fluctuation of the value of property assets and rents as well as to the risk of vacancy.

However, this exposure is limited given that:

- the assets are essentially held with a long-term perspective and valued in the accounts at fair value, even though fair value is based on estimates described in sections 5.5.3.1.1 to 5.5.3.1.3 above;
- invoiced rents come from rental commitments, the term and spread of which are liable to moderate the impact of fluctuations in the rental market.

With respect to development projects, the search for tenants begins once the investment decision is taken and results in the signing of pre-construction leases (baux en l'état futur d'achèvement – BEFA). These leases contain clauses on the definition of completion, the completion time and late penalties.

Certain aspects of this risk are quantified in Note 5.5.6.8.

5.5.4.2 Financial market risk

Holding financial instruments for the long term or for sale exposes the Group to the risk of fluctuation in the value of these assets. The analysis and quantification of the risk on hedging financial instruments are stated under Note 5.5.6.10.

In particular, the Group's exposure to equity risk in case of falling stock market indices gives rise to a problem of valuing hedging assets against pension liabilities. This risk is very limited with respect to the amounts of the hedging assets subject to equity risk.

Furthermore, Gecina may be subject to changes in share prices for its financial investments and for its treasury shares. Gecina has set up a share buyback program and therefore holds a certain number of its own shares. A fall in the price of the Gecina share has no impact on the consolidated financial statements, only on the individual company financial statements.

5.5.4.3 Counterparty risk

With a portfolio of clients of around 700 corporate tenants, from a wide variety of sectors, and over 8,300 individual tenants, the Group is not exposed to significant concentration risks. In the course of its development, the Group aims to acquire assets for which the rental portfolio is closely based on tenant selection criteria and the security provided by them. When a property is rented out, a detailed application is submitted by the tenant and an analysis of the tenant financial soundness is conducted. Tenant selection and rent collection procedures help to maintain a satisfactory rate of losses on receivables.

Financial transactions, especially hedging the interest rate risk, are carried out with a broad selection of leading financial institutions. Competitive tenders are conducted for all major financial transactions and the maintenance of a satisfactory diversification of sources of funds and counterparties is one of the selection criteria. Gecina has no material exposure to a single bank counterparty on its portfolio of derivatives. Counterparty risk is now an integral part of fair value as determined under IFRS 13 (see Note 5.5.3.1.2). The Group's maximum exposure on all its loans (used and unused) to a single counterparty is 5%.

5.5.4.4 Liquidity risk

Liquidity risk is managed by constantly monitoring the maturity of financing facilities, maintaining available credit lines and diversifying finance sources. Liquidity is managed in the medium and long term as part of multi-annual financing plans and, in the short term, by using confirmed undrawn credit lines and asset disposal programs. Details of debt maturity dates are provided in Note 5.5.5.12.1 as well as a description of the various limits that might affect interest conditions or early repayment, as stipulated in the credit agreements.

5.5.4.5 Interest rate risk

Gecina's interest rate risk management policy, which includes the use of hedging instruments, is aimed at limiting the impact of a change in interest rates on the Group's earnings, where a significant portion of the Group's loans is at a floating rate. With respect to the foregoing, a management framework was presented and validated by the company's Audit and Risk Committee. This management framework defines in particular the management horizons, a percentage of coverage required on the time horizons, new hedging targets and the instruments enabling such management (mostly caps and swaps). The interest rate risk is analyzed and quantified in Notes 5.5.5.12.2 and 5.5.6.10, together with an analysis of interest rate sensitivity. Gecina's interest rate hedging policy is primarily implemented on a global basis for all its loans (i.e., not specifically assigned to certain loans). As a result, it does not meet the accounting qualification of hedging instruments and the fair value change therefore appears in the income statement, according to the procedures described in Note 5.5.3.8.

5.5.4.6 Foreign exchange risk

The Group conducts the majority of its business in the eurozone and almost all its revenues, operating expenses, investments, assets and liabilities are denominated in euros.

5.5.4.7 Operating risks

Until 2009, when Mr. Joaquín Rivero was a corporate officer of Gecina or one of its subsidiaries, Gecina carried out a number of transactions, including the acquisition by SIF Espagne of a 49% equity investment in Bami Newco in 2009, and also undertook certain commitments, notably the granting of certain guarantees in relation to said transactions, as mentioned in Notes 5.5.5.13 and 5.5.9.3 When said commitments and transactions were revealed, impairment and provisions were recorded against some of them pursuant to applicable regulations. Some of the guarantees were also granted outside Gecina's internal control framework, despite the specific procedures implemented.

Gecina cannot totally rule out that non-compliance with internal control and risk management procedures, the deterioration in the economic environment in Spain or fraud attempts will not result in further financial, legal or regulatory risks which have not been identified to date. Occurrence of such risks may impact the Group's reputation, results or financial situation.

5.5.5 Notes to the consolidated statement of financial position

5.5.5.1 Property portfolio

5.5.5.1.1 Statement of changes in property holdings

Gross value

In thousand euros	12/31/2019	Acquisitions	Asset disposal or exercise of options	Change in fair value	Other changes	Transfers between items	12/31/2020
Investment properties	17,662,308	162,231	0	(265,702)	43,322	142,176	17,744,334
Buildings under reconstruction	1,055,147	104,551	0	153,199	3,038	(59,120)	1,256,816
Operating properties	106,879	616	0	0	0	0	107,494
Financial receivables on finance leases	246,879	2	(22,047)	0	0	0	224,835
Intangible assets	14,749	5,002	0	0	0	0	19,751
Other tangible fixed assets	29,766	2,676	(213)	0	0	0	32,228
Properties for sale	928,751	2,661	(438,351)	(42,156)	391	(83,056)	368,240
Inventories	37,804	9	(31,885)	0	0	0	5,928
Gross value	**20,082,284**	**277,748**	**(492,497)**	**(154,659)**	**46,751**	**0**	**19,759,627**

Depreciation and impairment

In thousand euros	12/31/2019	Allocations	Disposals/ Write backs	Change in fair value	Other changes	Transfers between items	12/31/2020
Operating properties	20,901	5,477	0	0	0	0	26,377
Financial receivables on finance leases	125,237	16,933	(21,147)	0	0	0	121,023
Intangible assets	7,732	3,015	0	0	0	0	10,747
Other tangible fixed assets	15,137	5,125	(110)	0	0	0	20,151
Inventories	2,121	2,182	(2,184)	0	0	0	2,119
Depreciation and impairment	**171,129**	**32,731**	**(23,441)**	**0**	**0**	**0**	**180,417**
NET FIXED ASSETS	**19,911,154**	**245,016**	**(469,055)**	**(154,659)**	**46,751**	**0**	**19,579,210**

Pursuant to the accounting principles defined in Note 5.5.3.1.1, five assets under reconstruction are recognized at their historical cost for a total amount of €7 million.

The other changes relate to the effect of the commercial benefits granted to tenants for €47 million.

Marketing costs, internal costs and eviction allowances, previously classified as "other changes", now appear under "acquisitions" detailed in note 5.5.5.1.2.

5.5.5.1.2 Analysis of acquisitions (including duties and costs)

Acquisitions concern the following:

In thousand euros	**12/31/2020**
Property acquisitions	**60,002**
Construction and redevelopment work	94,701
Renovation work	101,979
Works	**196,679**
Operating properties	592
Capitalized internal costs	4,710
Capitalized financial expenses	3,785
Marketing costs	2,772
Eviction allowances	1,520
Total property acquisitions	**270,060**
Tangible fixed assets	2,676
Intangible assets	5,002
Inventories	9
TOTAL ACQUISITIONS	**277,748**

5.5.5.1.3 Detail of the disposals

Disposals are detailed in Note 5.5.6.7.

5.5.5.1.4 Goodwill

The goodwill results from the acquisition of Eurosic in August 2017 and is allocated to the cash-generating unit (CGU) "Offices". It varied from €196 million as at December 31, 2019 to €191 million as at December 31, 2020.

According to IAS 36, an impairment test is performed when there is an indication that the goodwill may be impaired and at least once a year.

The valuation of the CGU was performed at December 31,2020 incrementally using the fair value of the assets, as accounted for in the Group's financial statements, plus the valuation of the cash flows not taken into account in the financial statements.

The COVID-19 health crisis represents an indication that goodwill may be impaired. The impairment test carried out on December 31, 2020 does not lead to the need to write down goodwill.

5.5.5.2 Financial fixed assets

In thousand euros	**12/31/2020**	12/31/2019
Non-consolidated investments	131,240	131,950
Advances on property acquisitions	65,519	65,519
Deposits and guarantees	1,079	1,177
Other financial investments	2,105	2,046
Total gross	**199,943**	**200,693**
Impairment	(175,351)	(174,905)
Total net	**24,592**	**25,788**

Impairment in the amount of €175.4 million is mainly related to the 49% equity interest in the Spanish company Bami Newco, which has been fully written down (€109.3 million) and the advance on property acquisition granted to the Spanish company Bamolo, written down for €65.2 million (in order to reduce it to the land's latest appraisal value given as a guarantee of €0.3 million).

5.5.5.3 Equity-accounted investments

This item reflects the share held by the Group in the companies in which the Group exercises significant influence.

The elements of the financial situation of the main companies with investments that do not afford control are presented below:

In thousand euros	Euler Hermes Real Estate	Risque & Sérénité	**Total**
Property holdings	289,820	0	289,820
Other assets	12,235	3,649	15,884
Total assets	**302,055**	**3,649**	**305,704**
Shareholders' equity	265,441	3,618	269,058
External loans and debts with partners	32,107	0	32,107
Other liabilities	4,507	32	4,539
Total liabilities	**302,055**	**3,649**	**305,704**
Revenue	8,676	0	8,676
Net income	**25,472**	**(1,543)**	**23,929**
% held	19.90%	43.24%	
Share of net income	**5,069**	**(667)**	**4,402**
Shareholders' equity	265,441	3,618	269,058
Securities of companies accounted for under the equity method	**52,823**	**1,564**	**54,387**

5.5.5.4 Deferred tax assets and liabilities

At December 31, 2020, net deferred taxes represented an asset of €1.8 million. They mainly include the effect of certain tax loss carryforwards.

In thousand euros	12/31/2019	Change in profit/loss	**12/31/2020**
Activation of tax losses	1,900	0	1,900
Total deferred tax assets	**1,900**	**0**	**1,900**
Gains on financial leases and inventory	(1,317)	1,253	(64)
Other changes	(337)	337	0
Total deferred tax liabilities	**(1,654)**	**1,590**	**(64)**
TOTAL NET DEFERRED TAXES	**247**	**1,590**	**1,836**

5.5.5.5 Properties for sale

Movements on properties for sale are included in the statement of changes in property holdings (see Note 5.5.5.1.1).

Properties for sale breaks down as follows:

In thousand euros	**12/31/2020**	12/31/2019
Properties for sale (block basis)	70,004	609,691
Properties for sale (unit basis)	298,236	319,060
Total	**368,240**	**928,751**

5.5.5.6 Inventories

These are office assets located in the Paris Region and acquired under the real estate trader regime. These assets are entered at their cost price (at cost, including expenses and works) and potentially written down, in the event of an indication of loss of value.

5.5.5.7 Trade receivables

The breakdown of net receivables by sector is indicated in Note 5.5.8.

In thousand euros	**12/31/2020**	12/31/2019
Billed clients	45,307	39,491
Unbilled expenses payable	5,053	11,289
Balance of rent-free periods and stepped rents	30,758	44,252
Trade receivables (gross)	**81,119**	**95,032**
Impairment of receivables	(24,761)	(17,647)
Trade receivables (net)	**56,358**	**77,385**

The impairment of receivables reported as at December 31, 2020 (€25 million) shows an increase of €7 million in line with the difficulties encountered by certain lessees as a result of the health crisis (€5 million for commercial and residential leases and €2 million for finance leases).

5.5.5.8 Other receivables

In thousand euros	**12/31/2020**	12/31/2019
Value added tax	48,282	52,677
Corporate income tax (1)	16,766	1,553
Bami Newco cash advances and guaranties (fully impaired)	32,763	32,763
Receivables on asset disposal	3,016	692
Other(2)	62,239	59,669
Gross values	**163,067**	**147,355**
Impairment	(38,493)	(36,150)
Net values	**124,574**	**111,205**

(1 Includes the expected reimbursement of €14 million of part of the tax paid in 2003 prior to entry into the SIIC regime (see Note 5.5.6.11)
(2) Includes €32 million of advances for projects as at December 31, 2019 and €34 million as at December 31, 2020, which will be consumed from 2021.

5.5.5.9 Prepaid expenses

In thousand euros	**12/31/2020**	12/31/2019
Loan application costs (1)	9,787	11,591
10-year warranty insurance	2,857	3,143
Other	5,339	4,464
Net values	**17,983**	**19,198**

(1) Primarily including arrangement fees.

5.5.5.10 Cash and cash equivalents

In thousand euros	**12/31/2020**	12/31/2019
Money-market UCITS	0	1
Current bank accounts	174,123	37,845
Cash and cash equivalents (gross)	**174,123**	**37,846**
Bank overdrafts	0	0
Cash and cash equivalents (net)	**174,123**	**37,846**

As at December 31, 2020, free cash stood at €174 million, in anticipation of the maturities of the commercial papers (NEU CP) due in January 2021.

5.5.5.11 Consolidated shareholders' equity

See the accounting statement preceding this note in section 5.3 "Statement of changes in consolidated equity".

5.5.5.12 Borrowings, financial debt and financial instruments

5.5.5.12.1 Borrowings and financial debt

Outstanding debt

In thousand euros	**Outstanding 12/31/2020**	Repayments < 1 year	Outstanding 12/31/2021	Repayments 1 to 5 years	Outstanding 12/31/2025	Repayments beyond 5 years
Fixed-rate debt	**5,399,168**	**(286,885)**	**5,112,283**	**(1,370,765)**	**3,741,518**	**(3,741,518)**
Fixed-rate bonds	5,248,979	(216,433)	5,032,545	(1,345,449)	3,687,096	(3,687,096)
Fixed-rate borrowings	47,587	(2,203)	45,383	(9,242)	36,142	(36,142)
Other fixed-rate liabilities	43,752	(9,398)	34,355	(16,075)	18,280	(18,280)
Accrued interest provisioned	58,851	(58,851)	0	0	0	0
Floating-rate debt	**1,825,151**	**(1,326,000)**	**499,151**	**(499,151)**	**0**	**0**
Negotiable EUropean Commercial Paper (NEU CP)	1,326,000	(1,326,000)	0	0	0	0
Floating-rate bonds	499,151	0	499,151	(499,151)	0	0
Floating-rate short-term bonds	0	0	0	0	0	0
Floating-rate borrowings	0	0	0	0	0	0
Gross debt	**7,224,320**	**(1,612,885)**	**5,611,434**	**(1,869,917)**	**3,741,518**	**(3,741,518)**
Cash (floating rate)						
Open-end investment funds (SICAV), investments and income receivable	0	0	0	0	0	0
Current bank accounts	174,123	(174,123)	0	0	0	0
Treasury	**174,123**	**(174,123)**	**0**	**0**	**0**	**0**
Net debt						
Fixed rate	5,399,168	(286,885)	5,112,283	(1,370,765)	3,741,518	(3,741,518)
Floating rate	1,651,029	(1,151,877)	499,151	(499,151)	0	0
TOTAL NET DEBT	**7,050,197**	**(1,438,763)**	**5,611,434**	**(1,869,917)**	**3,741,518**	**(3,741,518)**
Undrawn credit lines [1]	4,505,000		4,505,000	(2,955,000)	1,550,000	(1,550,000)
Future cash flows on debt		(101,749)		(322,308)		(250,291)

[1] *Excluding refinancing operations concluded at the start of 2021*

The interest that will be paid up to maturity of the entire debt and which is estimated on the basis of the rate curve at December 31, 2020 amounts to €674 million.

The breakdown of the repayment of gross debt within less than one year is as follows:

	1st quarter 2021	2nd quarter 2021	3rd quarter 2021	4th quarter 2021	Total
In thousand euros	658,910	675,935	274,352	3,689	1,612,886

These debt maturities over the next twelve months are covered by the liquidity available at December 31, 2020, which amount to €4,679 million.

Details of bonds issued

Bonds	Issuer	Issue date	Issue amount *(in million euros)*	Outstanding amount *(in million euros)*	Issue price	Redemption price	Nominal rate	Maturity date
Bond 05/2023	Gecina	05/30/2013	300	200.2	€98,646	€100,000	2.875%	05/30/2023
Bond 07/2021	Gecina	07/13/2014	50	50	€100,000	€100,000	3.30%	07/13/2021
Bond 07/2021	Gecina	07/30/2014	500	166.6	€99,317	€100,000	1.75%	07/30/2021
Bond 01/2023	Gecina	12/15/2014	125	125	€100,000	€100,000	3.051%	01/16/2023
Bond 01/2025	Gecina	01/20/2015	500	500	€99,256	€100,000	1.50%	01/20/2025
Bond 06/2024	Gecina	06/17/2015	500	377.8	€97,800	€100,000	2.00%	06/17/2024
Bond 11/2022	Gecina	11/06/2015	50	50	€100,000	€100,000	2.75%	11/06/2022
Bond 11/2023	Gecina	11/06/2015	100	100	€100,000	€100,000	3.00%	11/06/2023
Bond 06/2026	Gecina	12/01/2015	100	100	€100,000	€100,000	3.00%	06/01/2026
Bond 01/2029	Gecina	09/30/2016	500	500	€99,105	€100,000	1.00%	01/30/2029
Bond 06/2032	Gecina	06/30/2017	500	500	€98,535	€100,000	2.00%	06/30/2032
Bond 06/2022	Gecina	06/30/2017	500	500	€100,000	€100,000	Euribor 3 months +0.38%	06/30/2022
Bond 06/2027	Gecina	06/30/2017 10/30/2020	500 200	500 200	€99,067 €108,578	€100,000 €100,000	1.375%	06/30/2027
Bond 01/2028	Gecina	09/26/2017	700	700	€98,710	€100,000	1.375%	01/26/2028
Bond 03/2030	Gecina	03/14/2018	500	500	€97,325	€100,000	1.625%	03/14/2030
Bond 05/2034	Gecina	05/29/2019 10/30/2020	500 200	500 200	€98,597 €109,722	€100,000 €100,000	1.625%	05/29/2034

Covenants

The company's main credit facilities are accompanied by contractual clauses relating to compliance with certain financial ratios, determining interest rates charged and early repayment clauses, the most restrictive of which are summarized below:

	Benchmark standard	**12/31/2020**	12/31/2019
Net financial debt/revalued block value of property holding (excluding duties)	Maximum 55%/60%	35.6%	36.0%
EBITDA/net financial expenses	Minimum 2.0x	5.6x	5.3x
Outstanding secured debt/revalued block value of property holding (excluding duties)	Maximum 25%	0.2%	0.2%
Revalued block value of property holding (excluding duties) in billion euros	Minimum 6.0/8.0	19.7	20.1

Change of control clauses

For bonds issued by Gecina, a change of control leading to the downgrading of its credit rating to "Non-Investment Grade" and not raised to "Investment Grade" within 120 days could lead to the early repayment of the loan.

5.5.5.12.2 Financial instruments

The financial instruments (Level 2 instruments as defined by IFRS 7 and IFRS 13) held by the Group are hedging instruments. The financial instruments held by the Group are traded on the over-the-counter market and valued on the basis of valuation models using observable inputs.

Portfolio of derivatives

In thousand euros	**Outstanding 12/31/2020**	Maturity or effective date <1 year	Outstanding 12/31/2021	Maturity or effective date 1 to 5 years	Outstanding 12/31/2025	Maturity or effective date more than 5 years
Portfolio of outstanding derivatives at December 31, 2020						
Fixed-rate receiver swaps	259,200	(59,000)	200,200	(200,200)	0	0
Fixed-rate payer swaps	400,000	0	400,000	0	400,000	(400,000)
Selling of puts and calls on fixed-rate payer swaps	0	0	0	0	0	0
Purchasing of puts and calls on fixed-rate receiver swaps	0	0	0	0	0	0
Cap purchases	1,300,000	(350,000)	950,000	(750,000)	200,000	(200,000)
Cap sales	0	0	0	0	0	0
Floors sales	0	0	0	0	0	0
TOTAL	**1,959,200**	**(409,000)**	**1,550,200**	**(950,200)**	**600,000**	**(600,000)**
Portfolio of derivatives with deferred impact at December 31, 2020						
Fixed-rate receiver swaps	0	200,000	200,000	(200,000)	0	0
Fixed-rate payer swaps	0	0	0	0	0	0
Selling of puts and calls on fixed-rate payer swaps	0	0	0	0	0	0
Purchasing of puts and calls on fixed-rate receiver swaps	0	0	0	0	0	0
Cap purchases	0	300,000	300,000	0	300,000	(300,000)
Cap sales	0	0	0	0	0	0
Floors sales	0	0	0	0	0	0
TOTAL	**0**	**500,000**	**500,000**	**(200,000)**	**300,000**	**(300,000)**
Total derivatives portfolio as at December 31, 2020						
Fixed-rate receiver swaps	259,200	141,000	400,200	(400,200)	0	0
Fixed-rate payer swaps	400,000	0	400,000	0	400,000	(400,000)
Selling of puts and calls on fixed-rate payer swaps	0	0	0	0	0	0
Purchasing of puts and calls on fixed-rate receiver swaps	0	0	0	0	0	0
Cap purchases	1,300,000	(50,000)	1,250,000	(750,000)	500,000	(500,000)
Cap sales	0	0	0	0	0	0
Floors sales	0	0	0	0	0	0
TOTAL	**1,959,200**	**91,000**	**2,050,200**	**(1,150,200)**	**900,000**	**(900,000)**
Future interest cash flows on derivatives		4,723		6,165		(2,239)

Gross debt hedging

In thousand euros	**12/31/2020**
Gross fixed-rate debt	**5,399,169**
Fixed-rate debt converted to floating rate	(259,200)
Residual fixed-rate debt	**5,139,969**
Gross floating-rate debt	**1,825,151**
Fixed-rate debt converted to floating rate	259,200
Gross floating-rate debt after conversion of debt to floating rate	**2,084,351**
Fixed-rate payer swaps and activated caps/floors	(400,000)
Unhedged gross floating-rate debt	**1,684,351**
Cap purchases	(1,300,000)
Cap sales	0
Floating-rate debt	**384,351**

The fair value of hedging instruments, as recorded on the balance sheet, breaks down as follows:

In thousand euros	12/31/2019	Acquisitions/ disposals	Transfer between items	Change in value	Other items	**12/31/2020**
Non-current assets	22,760	13,891	(1,202)	(10,030)	-	25,419
Current assets	-	-	1,202	(1,202)	-	-
Non-current liabilities	(1,268)	-	-	(12,764)	847	(13,184)
Current liabilities	(555)	-	-	6	549	-
Total	**20,937**	**13,891**	**-**	**(23,990)**	**1,396**	**12,235**

The fair value of the financial instruments has decreased by €9 million. This decrease is mainly explained by the decrease in interest rates during 2020 and the time effect.

5.5.5.13 Provisions

In thousand euros	12/31/2019	Allocations	Write backs	Utilizations	**12/31/2020**
Tax reassessments	7,000	0	0	0	7,000
Employee benefit commitments	15,286	642	0	0	15,928
Other disputes	13,385	66,861	(373)	(11)	79,862
Total	**35,671**	**67,503**	**(373)**	**(11)**	**102,790**

Some companies within the consolidation have been the subject of tax audits leading to notifications of tax reassessments, the majority of which are contested. At December 31, 2020, the total amount accrued as a provision for the fiscal risk is €7 million, based on the assessments of the company and its advisers.

The Group has also, directly or indirectly, been the subject of liability actions and court proceedings instigated by third parties. Based on the assessments of the company and its advisers, all risks that would be likely to significantly impact the company’s earnings or financial situation have been provisioned.

Employee benefit commitments (€15.9 million) concern supplemental pensions, lump-sum retirement benefits, and anniversary premiums. They are valued by independent experts.

Other disputes (€79.9 million) include miscellaneous business-related litigations (€15.2 million) as well as provisions for commitments in Spain (€64.7 million) with the following breakdown.

In the context of the proceedings instigated by Abanca in Madrid in 2015, regarding its demand for Gecina to pay €48.7 million plus interest, pursuant to the guarantee letters of commitment allegedly signed by Mr. Joaquín Rivero (former Gecina officer), the Madrid Court of Appeal upheld the ruling whereby the Court of First Instance of Madrid had ordered Gecina to pay this amount as well as the default interest to Abanca. This decision led to the recognition of a provision of €59.9 million (including interest) over the financial year. Gecina considers this situation to be the result of the fraudulent actions of Mr. Joaquin Rivero and is contesting the decision of the Spanish courts. The Group has therefore lodged an appeal in Spain and is vigorously pursuing both the civil and criminal actions instigated in France with regard to this matter.

Moreover, the guarantees granted by SIF Espagne on November 13, 2009, then represented by Mr. Joaquín Rivero, concerning Bami Newco's repayment of credit facilities granted by Banco Popular remain fully accrued as at December 31, 2020 for €4.8 million.

The resulting contingent receivable was reported under the bankruptcy proceedings of Bami Newco. In June 2014, Banco Popular called in one of its two guarantees and claimed the payment of €3 million from SIF Espagne. In June 2016, MHB Bank claimed the payment of this guarantee in its capacity as the assignee of the guarantee. The company studied and analyzed this claim and believes that it is not required as of this date to make the payment.

Bami Newco was the subject of insolvency proceedings commenced in June 2013. Gecina and SIF Espagne reported their receivables in the context of these bankruptcy proceedings.

The liquidation plan sent to the parties in November 2015 is still in execution by the court-ordered liquidator. This plan shows a liability significantly higher than the remaining assets of Bami Newco, thereby confirming that it is unlikely for Gecina and SIF Espagne to recover their receivables, considered as subordinated debt. On January 22, 2016, Gecina and SIF Espagne filed pleadings seeking a classification of fraudulent bankruptcy and liability of the de facto and de jure directors of Bami Newco and they continue to assert their rights and defend their interests in this proceeding.

Following the January 2020 judgment recognizing the fraudulent nature of promissory notes, and the prescription of any new action relating to these promissory notes, the risk relating to the Arlette Dome case is definitively extinguished.

5.5.5.14 Pensions and other employee benefits

The amounts reported in the balance sheet as at December 31, 2020 are as follows:

In thousand euros	**12/31/2020**	12/31/2019
Present value of the liability	18,939	18,232
Fair value of hedging assets	(3,011)	(2,946)
Net present value of the liability	**15,928**	**15,286**
Non-recognized profits (losses)	0	0
Non-recognized costs of past services	0	0
Net liability on the balance sheet	**15,928**	**15,286**

The net commitment recorded as non-recurring provisions amounted to €16 million after taking into account hedging assets estimated at €3 million at December 31, 2020.

The actuarial difference for the period recorded in shareholders' equity amounted to €0.2 million.

Change in liability

In thousand euros	**12/31/2020**	12/31/2019
Net present value of the liability at beginning of period	**15,286**	**14,095**
Cost of services rendered during the year	1,124	967
Net interest	119	199
Actuarial losses and gains	(173)	25
Expense recognized under payroll expense	**1,070**	**1,192**
Effects of any change or liquidation of the plan	0	0
Benefits paid (net)	(425)	(794)
Contributions paid	(194)	(1,714)
Actuarial losses and gains not written to profit or loss	192	2,508
Net present value of the liability at end of period	**15,928**	**15,286**

The main actuarial assumptions used to calculate Group commitments are as follows:

	12/31/2020	12/31/2019
Expected yield rate of hedging assets	n.a	3.00%
Wage increase rate (net of inflation)	0.25%	0.25%
Discount rate	0.00% - 0.50%	0.00% - 1.00%
Inflation rate	1.50%	1.75%

5.5.5.15 Trade payables

In thousand euros	**12/31/2020**	12/31/2019
Trade payables on goods and services	61,458	47,600
Fixed asset trade payables	97,777	105,406
Trade payables	**159,235**	**153,006**

5.5.5.16 Current tax and employee-related liabilities

In thousand euros	**12/31/2020**	12/31/2019
Social security liabilities	26,531	29,383
Value added tax	20,736	18,000
Other tax liabilities	4,495	1,600
Current tax and social security liabilities	**51,762**	**48,983**

5.5.5.17 Other current liabilities

In thousand euros	**12/31/2020**	12/31/2019
Customer credit balance	61,913	54,373
Other payables	8,886	11,069
Deferred income	2,506	7,147
Other current liabilities	**73,304**	**72,589**

5.5.5.18 Off-balance sheet commitments

In thousand euros	**12/31/2020**	12/31/2019
Commitments given - Operating activities		
Asset-backed liabilities	47,587	49,758
Works amount to be invested (including off-plan property sales)	473,872	416,034
Preliminary property sale agreements	58,162	309,716
Other (1)	18,403	34,403
Total commitments given	**598,023**	**809,909**
Commitments received - Financing		
Undrawn credit lines	4,505,000	4,505,000
Commitments received - Operating activities		
Preliminary property sale agreements	55,450	304,000
Mortgage-backed receivable	300	480
Financial guarantees for management and transaction activities	660	660
Other (2)	1,282,785	1,279,033
Total commitments received	**5,844,195**	**6,089,173**

(1) Of which €17 million in liability guarantees granted as part of the sale of shares of subsidiaries (€14 million for previous Eurosic subsidiaries and €3 million for Hôtelière de La Villette).

(2) Of which a €1,240 million guarantee received as part of the acquisition of Avenir Danton Défense and Avenir Grande Armée equities.

During the course of its normal business operations, Gecina made certain commitments to be fulfilled within a maximum of ten years, and which do not appear in the table of commitments given because their cost is not yet known. Based on the assessments of the Group and its advisers, there are currently no commitments likely to be called and which would materially impact Gecina's earnings or financial position.

The outstanding amounts for future development costs (including off-plan property sales) correspond to reciprocal guarantees with the developer who undertakes to complete the works.

5.5.5.19 Recognition of financial assets and liabilities

In thousand euros	Assets/liabilities valued at fair value through the income statement	Assets/liabilities held to maturity	Loans and receivables	Liabilities at amortized cost	Historic cost[(1)]	Fair value through shareholders' equity	Total	Fair value
Financial fixed assets	0	300	3,121	0	0	21,171	24,592	24,592
Equity-accounted investments	0	0	0	0	54,387	0	54,387	54,387
Cash and cash equivalents	174,123	0	0	0	0	0	174,123	174,123
Financial instruments[(2)]	25,419	0	0	0	0	0	25,419	25,419
Other assets	0	0	0	0	180,932		180,932	180,932
Total financial assets	**199,542**	**300**	**3,121**	**0**	**235,318**	**21,171**	**459,452**	**459,452**
Financial debt[(3)]	0	1,476,188	0	5,748,132	0	0	7,224,320	7,637,852
Financial instruments[(2)]	13,184	0	0	0	0	0	13,184	13,184
Other liabilities	0	0	0	0	355,136	0	355,136	355,136
Total financial liabilities	**13,184**	**1,476,188**	**0**	**5,748,132**	**355,136**	**0**	**7,592,640**	**8,006,172**

(1) Due to the short-term nature of these receivables and debts, the book value represents a good estimate of fair value, as the discount effect is immaterial.
(2) According to IFRS 7 and IFRS 13, the fair value of the financial instruments is level 2, which means that the valuation is based on observable market data.
(3) See Note 5.5.5.12.1.

5.5.6 Notes to the consolidated statement of comprehensive income

5.5.6.1 Gross rental income

The revenue analysis by segment is detailed in Note 5.5.8.

Minimum future rents receivable until the next possible termination date under the operating leases of commercial properties are as follows:

In thousand euros	**12/31/2020**	12/31/2019
Less than 1 year	456,573	480,041
1 to 5 years	1,181,307	1,138,639
Over 5 years	493,021	434,070
Total	**2,130,901**	**2,052,749**

5.5.6.2 Direct operating expenses

These are composed of:

- rental expenses that are payable by the owner, expenses related to construction work, costs of disputes, if any, and property management fees;
- the portion of rechargeable rental expenses by nature, which remain the Group's expense, mainly on vacant premises;
- the rental risk consisting of net impairments plus the amount of losses and profits on unrecoverable debts for the period.

The cost of rental risk amounted to €5.5 million at December 31, 2020 (versus €0.8 million at December 31, 2019), mainly relating to lessees in difficulty, particularly in the context of the health crisis.

Recharges to tenants consist of rental income from recharging tenants for costs payable by them. As at December 31, 2019, they included fees for rental and technical management billed for €6.8 million; these invoices are included in overheads from January 1, 2020.

In thousand euros	**12/31/2020**	12/31/2019
External purchases and services	(107,830)	(106,121)
Taxes and other payables	(70,708)	(72,942)
Payroll costs	(4,483)	(4,747)
Other expenses	(5,515)	(904)
Property expenses	**(188,536)**	**(184,714)**
Rental expenses to be regularized	10,755	7,967
Vacant premises expenses	(10,274)	(10,546)
Miscellaneous recovery	41,126	50,144
Provisions on costs	81,340	82,430
Recharges to tenants	**122,947**	**129,995**
Net direct operating expenses	**(65,589)**	**(54,719)**

5.5.6.3 Operating income from finance leases and hotel activities

In thousand euros	**12/31/2020**	12/31/2019
Financial fees and other income on finance lease transactions	21,542	61,963
Operating expenses	(19,094)	(56,552)
Current operating income on finance lease transactions	**2,449**	**5,411**
Hotel operating income	1,306	36,416
Hotel operating expenses	(1,395)	(27,909)
Depreciation of the hotel activity	(788)	(4,318)
Current operating income on the hotel activity	**(877)**	**4,190**

Current operating income on financial lease transactions reflects the low number of options exercised in 2020 as well as the impairment of receivables (€2 million) largely due to lessees facing difficulties as a result of the health crisis.

The current operating income on the hotel activity shows the disposal of a hotel portfolio in 2019, as well as the slowdown in activity linked to the health crisis.

5.5.6.4 Services and other income (net)

These largely comprise the following items:

In thousand euros	**12/31/2020**	12/31/2019
Income from service activities	449	463
Reversals of investment subsidies	575	228
Other income	3,331	33,892
Services and other income (net)	**4,355**	**34,584**

As at December 31, 2019, the other income includes damages related to the dispute with Gecina’s former CEO, Joaquín Rivero, and arising from the agreement concluded with CaixaBank for an amount of €30 million.

5.5.6.5 Overheads

Overheads break down as follows:

In thousand euros	**12/31/2020**	12/31/2019
Payroll costs	(64,471)	(65,623)
Internal costs	5,537	6,245
Share-based payments	(4,200)	(2,773)
Net management costs	(35,995)	(30,817)
Invoicing of fees for rental and technical management	7,091	0
Overheads	**(92,038)**	**(92,968)**

Salaries and fringe benefits relate to the company's staff, with the exception of building staff included in property expenses.

Depending on their nature, certain salaries and fringe benefits and management fees are reclassified in a total amount of €5.5 million as at December 31, 2020 (internal costs). Expenses attributable to disposals are recorded under gains or losses on disposal, those attributable to projects under development and marketing actions are recognized as fixed assets. Lastly, fees attributable to ongoing studies are booked as prepaid expenses.

Share-based payments concern stock options for new or existing shares and performance shares (see Note 5.5.9.5) and are booked in accordance with IFRS 2 (see Note 5.5.3.7).

Management costs primarily include fees paid by the company and head office operating costs (computer maintenance, insurance, advertising, etc.).

From January 1, 2020, the fees for rental and technical management billed to tenants are included in overheads; they were previously included in direct operating expenses. As at December 31, 2019, fees for rental and technical management amounted to €6.8 million.

5.5.6.6 Real estate margin

In thousand euros	**12/31/2020**	12/31/2019
Transfer of inventories	25,846	15,100
Net book value of inventories	(31,885)	(13,733)
Transfer cost of inventories	(1,058)	(980)
Real estate margin	**(7,096)**	**388**

Two assets held as real estate traders were sold during the financial year.

5.5.6.7 Gains or losses on disposals

Disposals represented:

In thousand euros	**12/31/2020**	12/31/2019
Block sales	424,507	816,483
Unit sales	20,503	61,244
Proceeds from disposals	**445,010**	**877,727**
Block sales	(421,043)	(679,277)
Unit sales	(17,411)	(49,797)
Net book value	**(438,455)**	**(729,074)**
Block sales	(4,889)	(31,265)
Unit sales	(937)	(3,537)
Cost of sales	**(5,826)**	**(34,802)**
Share of goodwill	(5,048)	(11,561)
Net gains or losses on disposals	**(4,319)**	**102,289**

Gains and losses on disposal amount to -€4.3 million, including -€5 million for the share of goodwill written back with respect to the assets transferred within the "Offices" CGU.

Salaries and fringe benefits and net management costs reclassified as a result of disposal to internal costs are €1 million as at December 31, 2020, compared to €2.7 million as at December 31, 2019.

5.5.6.8 Change in value of properties

Changes in the fair value of property holdings break down as follows:

In thousand euros	**12/31/2019**	**12/31/2020**	**Change**
Investment properties	17,662,308	17,744,334	
Changes in consolidation scope	(415,940)	(616,124)	
Investment properties on a comparable basis	**17,246,368**	**17,128,210**	**(118,158)**
Capitalized works on investment properties			(96,274)
Capitalized salaries and fringe benefits on investment properties			(2,265)
Straight-line recognition of rent incentives			(42,274)
Other capitalized charges on investment properties[1]			(4,097)
Change in value of investment properties on a comparable basis			**(263,067)**
Change in value of buildings under reconstruction or acquired			150,563
Change in value of properties for sale			(42,156)
Change in value recorded in income statement			**(154,659)**

[1] *Mainly marketing costs and eviction allowances.*

Pursuant to IFRS 13 (see Note 5.5.3.1.2), the tables below break down, by activity sector, the ranges of the main unobservable inputs (Level 3) used by property appraisers:

Commercial sector	Yield rate			DCF discount rate			Market rental value *in €/sq.m*		
Paris CBD	2.30%	-	4.00%	2.85%	-	4.80%	530	-	€880/sq.m
Paris non-CBD	2.75%	-	6.20%	3.25%	-	6.00%	280	-	€850/sq.m
Paris	**2.30%**	**-**	**6.20%**	**2.85%**	**-**	**6.00%**	**280**	-	**€880/sq.m**
Inner Ring	3.70%	-	6.25%	4.00%	-	7.20%	110	-	€650/sq.m
Outer Ring	9.75%	-	9.75%	9.80%	-	9.80%	75	-	€180/sq.m
Paris Region	**3.70%**	**-**	**9.75%**	**4.00%**	**-**	**9.80%**	**75**	-	**€650/sq.m**
Rest of France	3.95%	-	4.25%	4.50%	-	4.70%	210	-	€290/sq.m
Commercial	**2.30%**	**-**	**9.75%**	**2.85%**	**-**	**9.80%**	**75**	-	**€880/sq.m**

Residential	Yield rate			DCF discount rate			Unit sale price in €/sq.m		
Paris	2.50%	-	3.00%	2.80%	-	3.80%	8,310	-	€12,650/sq.m
Inner Ring	3.10%	-	3.70%	3.45%	-	4.10%	4,930	-	€8,440/sq.m
Residential	**2.50%**	**-**	**3.70%**	**2.80%**	**-**	**4.10%**	**4,930**	-	**12,650/sq.m**

Sensitivity to changes in the capitalization rate

An unfavorable situation on the real estate market could have a negative impact on the valuation of Gecina's property portfolio and its operating income. For example, a downturn in the real estate market, resulting in an increase of 50 basis points (0.5%) in capitalization rates, could result in a decrease of approximately 10.1% in the appraised value of Gecina's property portfolio (on the assumption that such a downturn would affect all the different segments of Gecina's real estate business), representing around €1,993 million based on the block valuation of the assets at December 31, 2020, and would also have an unfavorable impact on Gecina's consolidated earnings.

Change in capitalization rate	Valuation of assets *(in million euros)*	Change in assets (in %)	Impact on consolidated income *(in million euros)*
All sectors [1]			
+0.5%	17,645	-10.1%	(1,993)
+0.25%	18,587	-5.3%	(1,050)
-0.25%	20,816	6.0%	1,178
-0.5%	22,147	12.8%	2,509
Offices			
+0.5%	14,425	-9.8%	(1,561)
+0.25%	15,166	-5.1%	(821)
-0.25%	16,902	5.7%	915
-0.5%	17,929	12.1%	1,942
Traditional residential			
+0.5%	2,874	-12.2%	(400)
+0.25%	3,061	-6.5%	(213)
-0.25%	3,519	7.5%	245
-0.5%	3,804	16.2%	529
Student residences			
+0.5%	336	-8.4%	(31)
+0.25%	351	-4.4%	(16)
-0.25%	385	4.8%	18
-0.5%	404	10.1%	37
Hotels			
+0.5%	9	-8.4%	(1)
+0.25%	9	-4.4%	0
-0.25%	10	4.8%	0
-0.5%	11	10.1%	1

[1] *Except financial leases.*

5.5.6.9 Net financial expenses

In thousand euros	**12/31/2020**	12/31/2019
Interest and charges on loans (including undrawn credit lines)	(96,936)	(104,995)
Interest expenses on hedge instruments	0	(3,136)
Other financial expenses	0	(34)
Losses from translation differentials	(59)	(75)
Capitalized interests on projects under development	3,785	7,661
Interest on lease obligations	(1,529)	(1,518)
Financial expenses	**(94,739)**	**(102,098)**
Interest income on hedging instruments	3,547	0
Other financial income	90	82
Foreign exchange gains	287	0
Financial income	**3,924**	**82**
Net financial expenses	**(90,815)**	**(102,016)**

The average cost of the drawn debt amounted to 1.0% in 2020.

5.5.6.10 Change in value of financial instruments

Based on the existing hedge portfolio and taking into account contractual conditions at December 31, 2020, and the anticipated debt in 2021, a 0.5% increase in the interest rate would generate an additional expense of €7 million in 2021. An interest rate decrease of 0.5% would lead to a drop in financial expenses in 2021 of €5 million.

Net valuation of financial instruments decreased by €9 million over the period.

Based on the portfolio at December 31, 2020, the change in fair value of the derivatives portfolio, as a result of a 0.5% increase in the interest rate would be +€19 million recognized in income. A 0.5% interest rate cut would lead to a fair value decrease of -€15 million in net income.

The Group holds all financial instruments to hedge its debt. None of them is held for speculative purposes.

5.5.6.11 Taxes

In thousand euros	**12/31/2020**	12/31/2019
CVAE	(5,883)	(6,586)
Recurrent tax	**(5,883)**	**(6,586)**
Corporate income tax	13,864	(1,685)
Deferred taxes	1,590	4,130
Non-recurrent tax	**15,455**	**2,445**
Total	**9,571**	**(4,141)**

Income taxes include a tax profit of €14 million resulting from the expected reimbursement, due to litigation procedure which has now ended, of part of the tax paid in 2003 prior to entry into the SIIC regime.

The business real estate tax (Cotisation foncière des entreprises – CFE), which mainly pertains to the corporate head office, is recognized under overheads.

The tax on wealth generated by businesses (Cotisation sur la valeur ajoutée des entreprises – CVAE) is considered as income tax.

In thousand euros	**12/31/2020**	12/31/2019
Consolidated net income	154,339	1,516,890
Tax (incl. CVAE)	(9,571)	4,141
Consolidated net income, before tax	**144,767**	**1,521,031**
Theoretical tax in %	**32.00%**	**32.00%**
Theoretical tax in value	**46,325**	**486,730**
Impact of tax rate differences between France and other countries	52	(188)
Impact of permanent and timing differences	(11,788)	571
Companies accounted for under the equity method	(1,409)	(1,487)
SIIC regime effect	(48,636)	(488,071)
CVAE	5,883	6,586
Total	**(55,897)**	**(482,589)**
Effective tax expense per income statement	(9,571)	4,141
Effective tax rate	**-6.61%**	**0.27%**

The SIIC regime is a tax transparency regime with a tax payment at shareholder's level.

- The theoretical tax rate of 32% corresponds to the ordinary tax rate of 31% (28% for profits up to €0.5 million) and to the corporate income tax social contribution of 3.3%.
- The effective tax rate presented covers corporate income tax (including a tax profit consecutive to a former tax litigation) and the CVAE, excluding all other taxes, local taxes and royalties.

5.5.6.12 Earnings per share

Earnings per share are calculated by dividing net income attributable to shareholders by the weighted average number of ordinary shares in circulation during the year.

Diluted earnings per share are calculated by dividing net income for the year attributable to shareholders by the weighted average number of ordinary shares outstanding during the year, adjusted for the impact of equity instruments to be issued when the issue conditions are met and the dilutive effect of the benefits granted to employees through the allocation of stock options and performance shares.

In accordance with IAS 33 "Earnings per share", the amounts per share for the previous financial period were restated retroactively, where applicable, to take the new shares created over the financial period into account.

	12/31/2020	12/31/2019
Earnings attributable to owners of the parent company *(in thousand euros)*	154,831	1,515,287
Weighted average number of shares before dilution	73,559,730	73,644,338
Undiluted earnings per share attributable to owners of the parent company *(in euros)*	**2.10**	**20.58**
Earnings attributable to owners of the parent company, after the effect of dilutive securities *(in thousand euros)*	154,831	1,515,310
Weighted average number of shares after dilution	73,702,836	73,849,455
Diluted earnings per share attributable to owners of the parent company *(in euros)*	**2.10**	**20.52**

	12/31/2020	12/31/2019
Earnings attributable to owners of the parent company before dilution *(in thousand euros)*	154,831	1,515,287
Impact of dilution on earnings (securities allocations effect)	0	23
Diluted earnings attributable to owners of the parent company *(in thousand euros)*	**154,831**	**1,515,310**
Weighted average number of shares before dilution	73,559,730	73,644,338
Impact of dilution on average number of shares	143,106	205,117
Weighted average number of shares after dilution	**73,702,836**	**73,849,455**

5.5.7 Notes to the consolidated statement of cash flows

5.5.7.1 Change in value and bond redemption costs

In thousand euros	Note	**12/31/2020**	12/31/2019
Change in value of properties	5.5.6.8	154,659	(1,004,271)
Change in value of financial instruments	5.2	23,990	26,071
Premium and bond redemption costs	5.2	0	15,933
Change in value and bond redemption costs		**178,649**	**(962,267)**

5.5.7.2 Change in operating working capital requirements

In thousand euros	**12/31/2020**	12/31/2019
Clients change	(420)	(3,236)
Change in other receivables[1]	(3,915)	(87,596)
Change of prepaid expenses	(1,214)	(3,647)
Total balance sheet assets	**(5,549)**	**(94,480)**
Change in tenants' security deposits	(7,206)	(2,133)
Change in trade payables	14,052	2,988
Change in tax and social security liabilities	3,512	(18,981)
Change in other debts	5,157	777
Change of deferred income	(4,642)	4,006
Total balance sheet liabilities	**10,872**	**(13,343)**
Total change in operating working capital requirements	**16,420**	**81,136**
[1] Compensation receivable for disputes	-	*(59,002)*

5.5.7.3 Proceeds from disposals of tangible and intangible fixed assets

In thousand euros	**12/31/2020**	12/31/2019
Block sales	452,961	831,583
Unit sales	20,503	61,244
Proceeds from disposals	**473,465**	**892,827**
Block sales	(5,360)	(13,176)
Unit sales	(937)	(3,537)
Cost of sales	**(6,296)**	**(16,712)**
Cash inflow linked to disposals[1]	**467,168**	**876,114**

(1) Includes the disposals of assets held as real estate traders and recorded in the real estate margin.

5.5.7.4 Change in working capital requirements from investing activities

In thousand euros	**12/31/2020**	12/31/2019
Change in other receivables (fixed asset buyers)	(5,031)	(29,743)
Change in fixed asset payables	(6,077)	(48,540)
Effects of the assets and liabilities of companies sold	0	(433)
Change in working capital requirements from investing activities	**(11,109)**	**(78,716)**

5.5.7.5 Dividends paid to shareholders of the parent company

After paying an interim dividend of €2.80 per share on March 6, 2020, the General Meeting of April 23, 2020 approved the payment of a dividend of €5.30 per share for the 2019 financial year. The balance of €2.50 per share still owing was paid out on July 3, 2020.

For the 2018 financial year, the Group distributed a dividend per share of €5.50 for a total of €406 million.

5.5.7.6 New loans and repayments of loans

In thousand euros	**12/31/2020**	12/31/2019
New loans[(1)]	3,840,343	4,448,919
Repayments of loans[(1)]	(3,896,058)	(4,651,706)
Change in loans	**(55,716)**	**(202,787)**

[(1)] *Includes renewals of Negotiable EUropean Commercial Paper (NEU CP) during the year.*

In thousand euros	**12/31/2020**	12/31/2019
Debts at year closing	7,224,320	7,283,484
Debts at year opening	(7,283,484)	(7,486,579)
Accrued interests at year closing	(58,851)	(58,270)
Accrued interests at year opening	58,270	70,721
Impact of bonds issued	3,786	(11,836)
Other changes	243	(307)
Change in loans	**(55,716)**	**(202,787)**

5.5.7.7 Closing cash and cash equivalents

In thousand euros	**12/31/2020**	12/31/2019
Marketable securities	0	1
Current bank accounts	174,123	37,845
Closing cash and cash equivalents	**174,123**	**37,846**

5.5.8 Segment reporting

The Group operates in France (except for minimal operations in other European countries). It is structured into various business sectors, as follows:

Income statement for business sectors at December 31, 2020

In thousand euros	Commercial	Residential	Student residences	Other sectors[1]	**Segments total**
Rent on commercial properties	528,559	9,447	661	0	538,667
Rent on residential properties	5,009	96,540	(124)	0	101,425
Rent on student residences	0	0	17,885	0	17,885
Gross rental income [2]	**533,568**	**105,987**	**18,422**	**0**	**657,976**
Property expenses	(149,570)	(31,320)	(7,646)	0	(188,536)
Recharges to tenants	107,337	13,328	2,282	0	122,947
Net rental income	**491,335**	**87,995**	**13,057**	**0**	**592,387**
Margin on rents	**92.1%**	**83.0%**	**70.9%**		**90.0%**
Current operating income on finance lease transactions				**2,449**	**2,449**
Current operating income on the hotel activity				**(877)**	**(877)**
Services and other income (net)	3,476	758	119	0	4,355
Overheads					(92,038)
EBITDA					**506,275**
Real estate margin	(7,096)				(7,096)
Gains or losses on disposals	(5,901)	2,155	0	(572)	(4,319)
Change in value of properties	(309,564)	153,878	1,027	0	(154,659)
Depreciation and amortization					(9,661)
Net impairments and provisions					(74,924)
Operating income					**255,616**
Net financial expenses					(90,815)
Financial impairment					(446)
Change in value of financial instruments					(23,990)
Net income from equity-accounted investments					4,402
Consolidated net income, before tax					**144,767**
Taxes					9,571
Consolidated net income					**154,339**
Of which consolidated net income attributable to non-controlling interests					(492)
Of which consolidated net income linked to owners of the parent company					**154,831**
Assets and liabilities by segment as at December 31, 2020					
Gross property holdings (excl. headquarters)	15,733,943	3,274,268	367,108	248,563	19,623,883
Of which acquisitions	24,190	35,813	0	0	60,002
Of which properties for sale	70,004	298,236	0	0	368,240
Amounts due from tenants	56,655	7,444	761	16,260	81,119
Provisions for tenant receivables	(10,063)	(6,384)	(627)	(7,687)	(24,761)
Security deposits received from tenants	61,372	9,636	2,150	182	73,340

[1] The other business segments include finance leasing and hotel company operations.

[2] Rents are presented by type of lease agreement, while the segment analysis is based on the Group's internal management organization.

Income statement for business sectors at December 31, 2019

In thousand euros	Commercial	Residential	Student residences	Other sectors[1]	**Segments total**
Rent on commercial properties	531,413	9,395	0	11,232	552,040
Rent on residential properties	5,532	96,262	0	0	101,793
Rent on student residences	0	0	19,653	0	19,653
Gross rental income [2]	**536,944**	**105,657**	**19,653**	**11,232**	**673,487**
Property expenses	(141,970)	(31,915)	(7,334)	(3,495)	(184,714)
Recharges to tenants	110,953	13,895	2,171	2,976	129,995
Net rental income	**505,927**	**87,637**	**14,490**	**10,713**	**618,768**
Margin on rents	**94.2%**	**82.9%**	**73.7%**	**95.4%**	**91.9%**
Current operating income on finance lease transactions				**5,411**	**5,411**
Current operating income on the hotel activity				**4,190**	**4,190**
Services and other income (net)	3,360	501	962	625	34,584
Overheads					(92,968)
EBITDA					**569,984**
Real estate margin	388				388
Gains or losses on disposals	50,226	(3,282)	0	55,345	102,289
Change in value of properties	868,966	139,856	8,554	(13,105)	1,004,271
Depreciation and amortization					(13,399)
Net impairments and provisions					(3,129)
Operating income					**1,660,404**
Net financial expenses					(102,016)
Financial impairment					0
Change in value of financial instruments					(26,071)
Premium and bond redemption costs					(15,933)
Net income from equity-accounted investments					4,647
Consolidated net income, before tax					**1,521,031**
Taxes					(4,141)
Consolidated net income					**1,516,890**
Of which consolidated net income attributable to non-controlling interests					1,603
Of which consolidated net income linked to owners of the parent company					**1,515,287**

Assets and liabilities by segment as at December 31, 2019					
Gross property holdings (excl. headquarters)	16,098,751	3,075,154	355,532	425,112	19,954,549
Of which acquisitions	331,839	0	0	0	331,839
Of which properties for sale	600,951	319,060	0	8,740	928,751
Amounts due from tenants	68,131	7,694	1,001	18,206	95,032
Provisions for tenant receivables	(4,785)	(6,346)	(592)	(5,924)	(17,647)
Security deposits received from tenants	65,947	9,558	2,710	2,329	80,545

[1] The other business segments include finance leasing and hotel company operations.

[2] Rents are presented by type of lease agreement, while the segment analysis is based on the Group's internal management organization.

[3] Other income includes damages related to the dispute with Gecina's former CEO Joaquín Rivero for €30 million (outside business sectors).

5.5.9 Other information

5.5.9.1 Shareholding structure of the Group

Gecina's shareholding is structured as follows:

Breakdown of share capital and voting rights as at December 31, 2020

Shareholders	Number of shares	% of share capital	% of theoretical voting rights (1)	% of exercisable voting rights (2)
Ivanhoé Cambridge	11,575,623	15.13%	15.13%	15.72%
Crédit Agricole Assurances – Predica	10,516,249	13.74%	13.74%	14.28%
Norges Bank	7,160,959	9.36%	9.36%	9.73%
Other shareholders(3)	44,366,868	57.98%	57.98%	60.26%
Treasury shares	2,906,905	3.80%	3.80%	
Total	**76,526,604**	**100.00%**	**100.00%**	**100.00%**

(1) The calculation of percentages of voting rights takes into account all shares entitled to voting rights, including shares with restricted voting rights (treasury shares).
(2) The calculation of percentages does not include the treasury shares held by the company which have restricted voting rights.
(3) Removal of obligatory registered basis form of shares on May 4, 2020 (General Meeting of April 23, 2020)

Change in the breakdown of share capital over the last three years

	12/31/2020			12/31/2019			12/31/2018		
	% of share capital	% of theoretical voting rights(1)	% of exercisable voting rights(2)	% of share capital	% of theoretical voting rights(1)	% of exercisable voting rights(2)	% of share capital	% of theoretical voting rights(1)	% of exercisable voting rights(2)
Ivanhoé Cambridge	15.13%	15.13%	15.72%	15.15%	15.15%	15.76%	15.18%	15.18%	15.62%
Crédit Agricole Assurances – Predica	13.74%	13.74%	14.28%	13.75%	13.75%	14.31%	13.29%	13.29%	13.67%
Norges Bank	9.36%	9.36%	9.73%	9.31%	9.31%	9.68%	9.12%	9.12%	9.39%
Other resident shareholders				6.48%	6.48%	6.74%	6.17%	6.17%	6.35%
Individual shareholders				3.72%	3.72%	3.87%	3.73%	3.73%	3.83%
Non-resident shareholders				47.72%	47.72%	49.64%	49.70%	49.70%	51.14%
Other shareholders(3)	57.98%	57.98%	60.26%						
Treasury shares	3.80%	3.80%		3.87%	3.87%		2.81%	2.81%	
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

(1) The calculation of percentages of voting rights takes into account all shares entitled to voting rights, including shares with restricted voting rights (treasury shares).
(2) The calculation of percentages does not include the treasury shares held by the company which have restricted voting rights.
(3) Removal of obligatory registered basis form of shares on May 4, 2020 (General Meeting of April 23, 2020

At December 31, 2020, the percentages of share capital and voting rights held by the members of the administrative and governance bodies were 28.2% and 29.3% respectively.

At December 31, 2020, Group employees held 1,011,971 Gecina shares directly and 67,508 Gecina shares indirectly via the Gecina employee shareholding fund ("FCPE Gecina actionnariat"), representing a total of 1.4% of share capital.

On June 24, 2020, the company was notified of a declaration which materializes the crossing of individual lower thresholds, by each of the companies Juno Investments S.à.r.l, Utah Investments S.à.r.l and Omaha Investments S.à.r.l, of the thresholds of 5% of the capital. and voting rights of the company Gecina and the crossing of individual thresholds, by each of the companies IC Juno Investments Limited IC Utah Investments Limited and IC Omaha Investments Limited, of the thresholds of 5% of the capital and voting rights of the company Gecina. These threshold crossings follow a reclassification outside the intra-group market of the Ivanhoé Cambridge group's stake in Gecina's capital.

During the 2020 financial year, the company was also notified of eleven declarations of statutory threshold crossings by BlackRock, Inc. These crossings, both upward and downward, of technical thresholds were due to transactions on the market and the decrease and increase in the number of Gecina shares held as collateral. On July 30, 2020, BlackRock, Inc. declared that it had broken through the 5% statutory threshold.

To the company's knowledge, no other shareholder owns more than 5% of the share capital or voting rights at December 31, 2020.

The company has no pledges on its treasury shares.

Company transactions on treasury shares

The General Meeting of shareholders of April 23, 2020 renewed the authorization given to the company to purchase treasury shares on the stock market for a period of 18 months. The maximum purchase price was set at €200. The number of shares purchased by the company during the duration of the buyback program cannot exceed, at any time whatsoever, 10% of the shares comprising the company's share capital, and 5% in the event of share buybacks aimed at external growth projects at the time of the transaction. The maximum number of shares that can be held, at any time whatsoever, is set at 10% of shares comprising the share capital. Given that the General Meeting of shareholders of April 23, 2020 granted authorization for a period of 18 months, a motion was submitted for its renewal, which will be submitted to the approval of the General Meeting convened to approve the financial statements for 2020.

In 2020, Gecina did not use the authorization given to the Board of Directors by the General Meeting of Shareholders of April 17, 2019, then by the General Meeting of Shareholders of April 23, 2020, to purchase treasury shares.

A total of 2,906,905 treasury shares were held as at December 31, 2020, i.e., 3.8% of the share capital. The treasury shares represent a total investment of €345.2 million, at an average price per share of €118.76.

Aggregate information 2020		% of share capital
Number of shares comprising the issuer's share capital at December 31, 2020	76,526,604	
Number of treasury shares at December 31, 2019	2,959,038	3.87%
Performance share	52,133	
Share buyback	none	
Average price of share buybacks including transaction fees		
Liquidity contract	none	
Number of shares purchased		
Number of shares sold		
Average purchase price		
Average sale price		
Number of treasury shares at December 31, 2019	2,906,905	3.80%

5.5.9.2 Dividends distributed

Pursuant to the provisions concerning the regime of French listed real estate investment trusts (SIIC), the system selected by Gecina, a proposal was made at the General Meeting for the distribution, in 2021, of a dividend of €5.30 per share for the 2020 financial year.

Pursuant to Article 158 of the French General Tax Code and Article L. 221-31 of the French Monetary and Financial Code, the dividends distributed by listed real estate investment trusts (SIIC) to individual investors resident in France do not qualify for the 40% rebate. In addition, the 20% withholding tax was introduced under Article 208C-II *ter* of the French General Tax Code.

Consequently, a proposal will be put to the General Meeting to appropriate 2020 earnings for the year as follows, and to decide, after taking into account:

- profit for the financial year of €233,371,011.58
- retained earnings of €376,323,314.01
- representing distributable earnings of €609,694,325.59,
- to distribute a dividend per share of €5.30 under the SIIC tax regime, representing a maximum overall amount of €405,591,001.20;
- to allocate €204,103,324.39 to retained earnings.

The total amount of the distribution above is calculated on the basis of the number of shares granting rights to a dividend as at December 31, 2020, i.e., 76,526,604 shares. This may change if the number of shares granting rights to a dividend changes between January 1, 2021 and the ex-date of the dividend based, in particular, on the number of treasury shares, the final allocation of bonus shares (if the beneficiary is entitled to a dividend in accordance with the provisions of the plans in question).

An interim payment of 50% will be paid out on March 5, 2021 and the balance will be paid on July 5, 2021.

The dividends distributed in the previous five financial years are set out below:

	2016	**2017**	**2018**	**2019**	**2020**(1)
Distribution	€329,860,128	€399,426,253	€419,467,125	€404,974,378	€405,591,001
Number of shares	63,434,640	75,363,444	76,266,750	76,410,260	76,526,604
Dividend under the SIIC system	€5.20	€5.30	€5.50	€5.30	€5.30

(1) Proposal submitted for approval by the General Meeting called to approve the financial statements for 2020.

Dividends not claimed at the end of a period of five years are time-barred and paid to the French tax authorities.

5.5.9.3 Related parties

A co-exclusive sale mandate for a building located in Neuilly-sur-Seine (Hauts-de-Seine) was signed in May 2011, between Locare, a subsidiary of Gecina, and Resico, a subsidiary of Predica, shareholder and Director of the company. Locare has not invoiced fees to Resico during 2020.

Bami Newco was the subject of insolvency proceedings commenced in June 2013. Gecina and SIF Espagne reported their receivables in the context of these bankruptcy proceedings.

Bami Newco is neither consolidated nor booked under the equity method by Gecina since the Group has no control or significant influence over this entity.

The liquidation plan sent to the parties in November 2015 is still in execution by the court-ordered liquidator. This plan shows a liability significantly higher than the remaining assets of Bami Newco, thereby confirming that it is unlikely for Gecina and SIF Espagne to recover their receivables, considered as subordinated debt, and which amount to a total of €38 million, fully impaired. On January 22, 2016, Gecina and SIF Espagne filed pleadings seeking a classification of fraudulent bankruptcy and liability of the de facto and de jure directors of Bami Newco and they continue to assert their rights and defend their interests in this proceeding.

5.5.9.4 Group employees

Average headcount(1)	**12/31/2020**	12/31/2019	12/31/2018
Managers	267	262	260
Employees and supervisors	178	183	177
Building staff	57	59	65
Total	**503**	**504**	**502**

(1) Average headcount including short-term contracts

5.5.9.5 Stock options and performance shares

Stock options

Grant date	Start date of exercise of options	Number of options granted	Subscription or purchase price	Balance remaining to be exercised at December 31, 2019	Options exercised in 2020	Options canceled, expired or transferred in 2020	Balance remaining to be exercised at December 31, 2020	Residual term (in years)
04/16/2010	04/16/2012	252,123	€76.52	421	311	110	0	0
12/27/2010	12/27/2012	210,650	€81.88	19,530	19,115	415	0	0

Performance shares

Grant date	Vesting date	Number of shares granted	Stock price when granted	Balance at December 31, 2019	Shares acquired in 2020	Shares canceled in 2020	Balance at December 31, 2020
07/17/2017	07/20/2020	53,810	€136.08	42,254	41,004	1,250	0
02/21/2018	02/22/2021	57,920	€153.70	49,927		1,840	48,087
02/19/2019	02/20/2022	49,010	€127.60	45,274		2,670	42,604
02/19/2020	02/20/2023	53,285	€182.00			870	52,415

5.5.9.6 Compensation for administrative and governance bodies

Compensation for management bodies concerns Gecina’s corporate officers.

In thousand euros	**12/31/2020**	12/31/2019
Short-term benefits	1,822	1,915
Post-employment benefits	n.a	n.a
Long-term benefits	n.a	n.a
End-of-contract benefits (ceiling for 100% of criteria)	n.a	n.a
Share-based payment	n.a	n.a

5.5.9.7 Auditors' fees

The fees of the Independent Auditors recognized in the income statement for 2020 for the audit and certification of the individual and consolidated financial statements and for audit-related missions amounted to:

	PricewaterhouseCoopers Audit				Mazars				Total			
	Amount (net of tax)*		%		Amount (net of tax)*		%		Amount (net of tax)*		%	
In thousand euros	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Audit												
Statutory Auditing, certification, review of individual and consolidated accounts	1,073	1,018	96%	96%	538	676	97%	97%	1,610	1,693	96%	96%
Services other than the certification of accounts	45	41	4%	4%	19	21	3%	3%	64	62	4%	4%
Total	**1,117**	**1,059**	**100%**	**100%**	**557**	**697**	**100%**	**100%**	**1,675**	**1,757**	**100%**	**100%**

** Including share of non-refundable VAT.*

In 2020, services other than the certification of accounts mainly included various certificates and work related to bond issues.

Fees paid to other firms totaled €18 thousand in 2020 and are not included in the table above.

5.5.9.8 Post-balance sheet events

None.