2024 HALF-YEAR FINANCIAL REPORT

LA POSTE
GROUPE

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HALF-YEAR MANAGEMENT REPORT

LA POSTE GROUPE

Operating and financial review

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NB 1: The financial data in this document have been taken from the group's consolidated financial statements prepared in accordance with IFRS.

NB 2: The amounts shown in the tables are generally expressed in millions of euros. Rounding may on occasion result in slight differences in totals or changes.

1. Significant events

1.1 Economic and financial environment

The group's businesses are influenced by the economic environment and in particular by inflation, which leads to rising labour costs in France and in other nearby European countries and to changes in consumer behaviour. Its banking and insurance activities are also sensitive to changes in interest rates in Europe (including for regulated savings products in France), as well as to financial market trends. Lastly, exchange rates – especially for the pound sterling and Brazilian real – and oil prices also have a significant impact on the group's logistics and on its international businesses.

A slight economic upturn in Europe, but still in the early stages

The eurozone economy strengthened slightly in the first quarter of 2024, growing 0.3% after a year of stagnation. However, the business climate remained subdued in the second quarter, with the services sector improving, but industry remaining relatively weak. European companies are facing intense international competition due to a number of factors: industrial deflation in China, partly due to overproduction in some sectors such as the automotive industry, which is driving Chinese companies to export; the continuation of Japan's ultra-loose monetary policy, running counter to the policy adopted by the world's other major central banks, which caused the yen to collapse (the dollar has appreciated by around 60% against the Japanese yen since the beginning of 2021); and measures put in place by the US authorities to make the country more attractive to investors. At the same time, inflation continued to recede in the eurozone in the first half of 2024, with the annual rate coming in at 2.5% in June, although the increase in services prices remained high, reflecting recent wage dynamics. In June, the European Central Bank (ECB) decided to ease its restrictive monetary policy by cutting its key rates by 25 basis points (bp) (to 3.75% for the deposit rate). The Fed has not followed suit for the time being, which has weighed somewhat on the euro (with the exchange rate standing at US$1.07/€ at end-June 2024 versus US$1.10/€ at end-December 2023). Despite showing some signs of weakening, the US economy held firm in the first half of the year and inflation inched below 3.5%.

In France, GDP grew by 0.2% in the first quarter of 2024. The annual inflation rate eased (dropping to 2.1% in June), with world market energy prices back to more or less where they were before the war in Ukraine. The labour market held up well, despite business volumes remaining sluggish, with companies still experiencing recruitment difficulties. In spite of ongoing lacklustre consumer spending, volumes of online sales – which were still well above their 2019 levels – picked up in the first four months of the year, following two years of trending downwards.

Overall, after falling sharply at the end of 2023 in the wake of expectations of sharp cuts in key ECB and Fed rates, long-term interest rates recovered in the first half of 2024. The announcement of the dissolution of the French National Assembly led to a widening of the difference in yields for French government bonds (OATs) compared with German *Bunds*. However, at the date of this report, the difference was still contained (around 70 bp at 9 July compared with 50 bp one month earlier), with the French 10-year yield at 3.26% (3.11% as at 7 June).

Due to the nature of the business conducted by its subsidiaries, La Poste Groupe is more specifically exposed to certain economic variables:

- In the wake of other European rates, the yield on 10-year Italian bonds (BTPs) followed a broadly upward trajectory in the first half of 2024, despite a narrowing of the spread compared with *Bunds*. After the announcement of the dissolution of the French National Assembly, the spread rose slightly. At the end of June, the yield on BTPs was 4.06% versus 3.72% at end-2023.
- In Brazil, there were continuing fears of an imbalance in the public accounts due to the ongoing rise in compulsory public spending, which weighed on the Brazilian real in the spring (with an exchange rate of R$5.59/US$ versus R$4.85/US$ at end-2023).

- The United Kingdom returned to growth at the start of 2024 and the most recent leading indicators (business climate, consumer confidence) are encouraging. An early general election led to a Labour victory at the beginning of July. The relatively favourable economic environment and the fact that the Bank of England kept key interest rates on hold resulted in the pound sterling strengthening slightly against the euro (£0.84/€ at end-June 2024 versus £0.87/€ at end-December 2023).

1.2 Regulatory environment

1.2.1 Banking environment trends

Conditions for granting home loans

The HCSF Decision[1] (D-HCSF-2021-7) of 29 September 2021 on the conditions for granting home loans established two criteria to be applied by credit institutions in this respect:

- mortgage repayments must not exceed 35% of the homebuyer's income;
- home loans are limited to a maximum term of 25 years (with payments able to be suspended for a two-year tolerance period in cases where the buyer is unable to take possession of the property until after the loan is granted).

HCSF Decision no. D-HCSF-2023-6 dated 18 December 2023 eases the rules for borrowers taking out bridging loans and for borrowers whose home loan project includes renovation works:

- The maximum loan term, set at 25 years, can be extended to 27 years if the cost of the renovation works represents more than 10% of the total amount of the transaction, compared with 25% previously. This measure is designed to encourage renovation projects.
- Bridging loans with a loan-to-value of 80% or less are not included in the calculation of the cap on mortgage repayments as a percentage of the homebuyer's income.

These new rules apply to all new home loans taken out from 1 January 2024. The changes are designed to facilitate access to home loans while maintaining financial stability.

Increase in the countercyclical capital buffer[2]

On 27 December 2022 (Decision D-HCSF-2022-6), the HCSF decided to increase the countercyclical capital buffer from 0.5% to 1.0%. Banks have had to comply with this requirement since 2 January 2024.

Revision of key ECB[3] interest rates

On 6 June 2024, the ECB decided to lower its three key interest rates by 25 basis points. This decision was aimed at stimulating economic growth by facilitating access to borrowing for households and businesses. The new rates have been applicable since 12 June 2024, replacing those that had been in effect since 20 September 2023. The interest rate for refinancing transactions was cut from 4.50% to 4.25%, the lending facility rate was reduced from 4.75% to 4.50% and the deposit facility rate was lowered from 4.00% to 3.75%. These cuts reflect the ECB's cautious and reactive approach to economic and inflationary developments in the eurozone.

[1] French High Council for Financial Stability.

[2] The countercyclical capital buffer is a CET1 capital surcharge. It is a regulatory capital requirement, representing between 0% and 2.5% of risk-weighted assets.

[3] European Central Bank.

Reduction of the risk weighting of exposures to local authorities

In its decision of 21 June 2024, the ACPR[4] announced that the risk weighting of exposures to French local authorities had been reduced from 20% to 0%. This zero-percent risk weighting means that debt issued by local authorities is recognised as forming part of the category representing the lowest level of issuer risks. Having a zero-percent risk weighting:

- makes local authorities' debt more attractive, more liquid in times of crisis, and therefore less costly;
- enables local authorities' securities issued by the bank to qualify as level 1 HQLA[5].

1.2.2 Development of the range of mail and parcel services

Following postal regulation authority Arcep's favourable Opinion no. 2022-1139 of 2 June 2022 and Decree no. 2022-1110 dated 3 August 2022 amending the definition of priority mail as set out in Article R. 1 of the French Postal and Electronic Communications Code (*Code des postes et des communications électroniques* – CPCE), La Poste began to roll out a new range of mail and parcel services as of 1 January 2023 within the scope of the universal postal service.

This change reflects the request made by the Prime Minister to the Senior Monitoring Committee for the Public Service Agreement on 22 July 2021.

This new range includes the *Lettre Verte* (green mail) with three-day delivery for regular correspondence, the *Lettre Services Plus* offering two-day delivery for priority items, and the *e-Lettre Rouge*, with next-day delivery for urgent correspondence. La Poste abolished its *Lettre Prioritaire* next-day delivery priority mail, which represented less than three items per household per year.

On 7 December 2023, the European Commission declared that the contribution paid by the French State to La Poste in connection with the universal postal service was compatible with the internal market for the 2021-2025 period.

1.2.3 Pricing adjustments for mail and parcels

The pricing framework defined for the 2024-2025 period[6] takes into account the highly inflationary economic environment of 2022 and 2023. The price changes for universal postal service products for 2024 were set in line with this framework. The *Lettre Verte* is the core mail range for retail customers. Following a price freeze in 2023, *Lettre Verte* prices were raised in 2024, but the increase was contained, with the price of the first weight bracket set at €1.29. The price of the first weight bracket for the *Lettre Services Plus* was increased to €2.99. The price of the e-*Lettre Rouge* is still €1.49 for the cheapest "S" (small) format, unchanged since 2022.

The price scale for bulk and industrial mail services was increased uniformly by 6.8% across all G2, G3 and G4 offers[7]. In the 0-50g bracket, the G2 offer is positioned at €1.31, the G3 offer at €0.705 and the G4 offer at €0.605. Advertising mail prices rose by 5.1%, a smaller increase than in 2023, to ensure mail remains a competitive medium.

In order for the Colissimo France offer to retain its competitive edge, the price increases applied for this service at 1 January 2024 were limited to 5.6%, which is lower than for the other universal service offers. The entry-level rate (Colissimo France under 250g) has therefore been kept below the €5 mark, at €4.99 (up 0.04%).

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[4] French Prudential Supervision and Resolution Authority.

[5] High Quality Liquid Assets.

[6] Arcep: Decision no. 2023-1298 of 15 June 2023 relating to the multi-year framework for universal postal service rates over the 2024-2025 period.

[7] Large-volume offers mainly for mail issued by businesses, with two-day delivery (G2), three-day delivery (G3) and four-day delivery (G4).

These price increases for mainland France, overseas France and international mail and parcels took effect on 1 January 2024 following Arcep Opinion no. 2023-1562 of 18 July 2023.

1.2.4 Changes in the press offer

Following the mandate conferred by the French Minister for the Economy, Finance and Recovery and the French Minister for Culture on Emmanuel Giannesini, a judge at the French Court of Auditors (*Cour des Comptes*), a memorandum of understanding on the reform of press transport was signed on 14 February 2022 by the French State, press industry associations, La Poste and Arcep.

This memorandum of understanding sets the conditions for press transport by post until 31 December 2026 as part of La Poste's public service mission, and ushers in three main measures:

- the system of public support for press distribution is to be overhauled by providing direct funding to publishers for press copies posted, so as to promote a more even spread of traffic between postal and courier services;
- uniform rates shall be applied for all press categories;
- the financing of La Poste's public service mission will be reinforced through a public contribution paid by the State.

On 5 December 2022, the European Commission declared that the contribution paid by the French State to La Poste in connection with the press transport and delivery mission was compatible with the internal market for the 2023-2026 period. The reform came into effect on 1 January 2023. Decree no. 2023-132 of 24 February 2023 introduced a subsidy per copy for mailed or courier-delivered press titles.

To implement the memorandum of understanding, the French State asked La Poste to manage payment of the per-copy subsidy for mailed press titles on its behalf. La Poste agreed to the State's request and an agency agreement was therefore signed by the State and La Poste on 6 March 2023.

1.2.5 Pricing adjustments for press

For 2024, La Poste applied the terms of the 14 February 2022 price capping agreement, which cap price increases for press transport and delivery services provided by La Poste as part of its public service mission at 2% for all categories of press. This applies to all publications registered with France's Joint Commission for Publications and Press Agencies (CPPAP), political and general information publications (PIPG), and daily newspapers with limited advertising resources (QFRP).

La Poste submitted a pricing proposal in line with this provision, which was approved by an Order of the Minister for the Economy, Finance and Industrial and Digital Sovereignty on 28 December 2023, after considering the Arcep Opinion[8].

1.2.6 2023-2027 Public Service Agreement

The commitments of La Poste and the French State are defined in a multi-year public service agreement.

After signing an amendment to the 2018-2022 public service agreement on 18 May 2022, the French State and La Poste signed a new service agreement for the 2023-2027 period following several months of exchanges and discussions.

The new agreement notably takes account of the following factors: (i) La Poste Groupe adopted a new strategic plan, "La Poste 2030, committed for you", with ambitious goals for growth, transformation and participation in four major social transitions; (ii) the French Government strengthened its support for the four public service missions, enshrined in the amendment signed on 18 May 2022 and

[8] Opinion no. 2023-2830 of 14 December 2023.

confirmed by three recent European Commission decisions; (iii) La Poste's appointment by the French 2010 Law as provider of the universal service for a term of 15 years expires at the end of 2025.

The new public service agreement is underpinned by three objectives: (i) to ratify the recent and important consolidation of public service missions; (ii) to approve a method and timetable for evaluating public service missions and, if necessary, considering changes to those missions so that they continue to meet people's real needs; and (iii) to set out the contributions that La Poste can make as regards the deployment of key public policies around four themes (independent living, mobility, digital trust and regional cohesion).

The public service agreement was referred to the French High Commission for Digital and Postal Services (CSNP) on 19 January 2023 and to Arcep on 23 January 2023, and a public opinion was subsequently issued by each.

On 23 February 2023, La Poste Groupe's Board of Directors authorised the group's Chairman and Chief Executive Officer to sign the agreement. The public service agreement was signed by the relevant ministers and by the Chairman and Chief Executive Officer of La Poste on 26 June 2023.

The main provisions of the new agreement are set out below.

Universal postal service

La Poste launched its new mail range on 1 January 2023 under its universal postal service mission. In accordance with the objectives set by Ministerial Order, La Poste provides a high quality of service. The State funds part of the net cost of La Poste's mission through its annual compensation of €520 million[9], based on the quality of service offered by the *Lettre Verte* for three-day delivery.

Percentage of *Lettre Verte* green mail delivered within 3 days	<94.5%	≥94.5% and <95.5%	≥95.5%
State compensation paid to La Poste	€500m	€510m	€520m

The agreement contains a clause providing for a review in 2024 with the aim of evaluating progress and giving La Poste a clear view of how the provider of the universal postal service will be appointed from 1 January 2026.

For 2022, La Poste received compensation of €520 million during 2023.

The 2024 Finance Act provides for compensation of €500 million for 2023, despite the fact that the three-day delivery rate of *Lettre Verte* green mail was over 95.5%.

Press transport and delivery

As of 1 January 2023, the French State and La Poste implemented the agreement of 14 February 2022 reforming the press aid scheme, after the European Commission declared it compatible on 5 December 2022[10]. La Poste provides a high quality of service. It will be part of the monitoring committee of the "Subscription Press Distribution Quality Watchdog" to be set up by Arcep.

[9] This aid was declared compatible with the internal market by the European Commission in its Decision of 7 December 2023: State aid SA.100746 (2023/N).

[10] State aid SA.102817 (2022/N).

The State will fund part of the net cost of La Poste's press transport and delivery mission. In 2024, this funding amounts to €42.8 million.

Pursuant to the service agreement, the French State granted a mandate to La Poste to manage payment of the per-copy subsidy due to publishers for mailed press titles on its behalf. To this end, the State shall make the corresponding sums available to La Poste in advance.

The agreement contains a clause providing for a review in 2024.

Regional development

The French State and La Poste confirm their commitment to carrying out this mission, under conditions that will be adapted to people's expectations based on cooperation with elected representatives. La Poste is strengthening and adapting its network's regional footprint with the help of the State and in consultation with local elected representatives.

It looks to pool its services at postal retail outlets.

La Poste receives maximum annual compensation of €177 million. Up to €174 million of this compensation is financed through statutory deductions from the bases of local taxes payable by La Poste, by a budget allocation and by any other means necessary. Additional funding of up to €3 million per year may also be made available. This results from deductions from the bases of property taxes payable on buildings used for postal activities and owned by La Poste subsidiaries. This scheme has been declared compatible with state aid rules by the European Commission. In 2023, the compensation received by La Poste amounted to €168 million.

The agreement contains a clause providing for a review in 2024.

Accessible banking

The French State and La Poste are very aware that accessible banking based on the *Livret A* passbook savings account operated by La Banque Postale continues to be an essential means of ensuring banking inclusion.

La Banque Postale therefore works closely with the La Poste network to provide in-person support and advice on all *Livret A* passbook savings account transactions.

The public contribution takes the form of a budget allocation in place of additional compensation paid by the Savings Fund[11]. The annual compensation[12] paid by the State to La Banque Postale for 2024 is set at €287 million.

La Banque Postale and the French State will seek ways to improve the effectiveness of this mission.

The agreement contains a clause providing for a review in 2024, when the conditions for renewing the mission beyond 2026 will also be considered, given that this is the year in which the decision on compatibility with the state aid scheme issued by the Commission on 25 July 2021 for the 2021-2026 period expires.

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[11] This provision is set out in Article L. 221-6 of the French Monetary and Financial Code (*Code monétaire et financier*), amended by the 2023 Finance Act (law no. 2022-1726 dated 30 December 2022).

[12] The multi-annual arrangement is set out in the Order of 9 August 2021 setting the additional compensation for La Banque Postale with respect to its obligations in terms of distributing and operating the *Livret A* passbook savings account.

Evaluation of public service missions

The French State and La Poste undertake to carry out an evaluation of public service missions in the light of their social utility, their costs, the way in which they are performed and the instruments used to assess them.
The initial technical work for this evaluation was carried out with governmental departments and their main findings were presented to La Poste's governing bodies.

Additional section to the public service agreement: La Poste's contribution to public policies as support for the population and the regions

In its "La Poste 2030, committed for you" strategic plan, La Poste Groupe is committed to the success of four major transitions: demographic, environmental, digital and regional.
In this additional section of the public service agreement, La Poste Groupe proposes and declares its intention to develop innovative, differentiated and effective solutions for its customers in four areas (independent living, sustainable mobility, digital trust and regional cohesion).
Tangible proposals are made for each of these areas, embodying the contributions that La Poste and its subsidiaries can make to the success of relevant public policies, and therefore to the public interest.

1.3 Developments, partnerships and acquisitions

1.3.1 Services-Mail-Parcels

1.3.1.1 *Launch of a new offer for mail deliveries*

Since January 2024, La Poste has been delivering parcels in the Vercors region by drone thanks to a new sales offer, with flights running twice a week. In partnership with Atechsys, the drone is designed to minimise ecological impact, with an autonomous delivery terminal powered by solar energy. This technological development saves time for delivery drivers and guarantees delivery to customers, even in bad weather, with no carbon emissions.

1.3.1.2 *Acquisition of LineUP7*

In June 2024, Isoskèle acquired 75% of LineUP7, a technological marketing agency that uses data (and the technology to collect and activate it) to meet new marketing challenges. LineUP7 offers a range of services to support companies in their data and digital transformations. It helps brands to better understand their marketing challenges and assists them with devising more personalised brand experiences and ever-more effective strategies.
Generating €9.5 million in revenue in 2023, LineUP7 has further strengthened Isoskèle's offering.

1.3.2 Geopost

1.3.2.1 *Inauguration of a new hub in Portugal*

In June 2024, DPD Portugal opened a new logistics centre with an innovative sorting system, which will enable Geopost to continue its expansion in Portugal. The new hub's building has been awarded one of the highest BREEAM certifications – an international assessment system developed by BRE (Building Research Establishment) that measures the environmental sustainability of buildings, in concordance with Geopost's commitment to sustainability and decarbonising its fleet.

1.3.3 La Banque Postale

1.3.3.1 *Merger of Tocqueville Finance into La Financière de l'Echiquier*

On 23 April 2024, La Financière de l'Échiquier (LFDE) announced its merger with Tocqueville Finance, an asset management subsidiary of LBP AM, marking the creation of a European leader in conviction-based management. With €27 billion in assets under management and one of the largest management teams in the Paris financial market, LFDE has become a leading conviction manager, particularly in European equities, combining financial and non-financial performance over the long term. This transaction follows on from LBP AM's acquisition of LFDE in July 2023 and is designed to enhance LFDE's range with new expertise, particularly in terms of investment styles, themes and geographies, while offering dedicated solutions for listed and real assets, backed by customised ESG approaches.

1.3.3.2 *Closure of Ma French Bank*

On 20 December 2023, La Banque Postale announced that it was considering a plan to shut down Ma French Bank, La Banque Postale group's 100% mobile bank. Following a period of employer-employee dialogue which ended on 25 April 2024, Ma French Bank, a wholly-owned La Banque Postale subsidiary, approved the discontinuation of its activities and the terms and conditions of its closure, which will take place gradually over a period of 12 to 15 months, from June 2024 until the summer of 2025.

1.3.3.3 *La Banque Postale launches green and social term deposits*

On 23 April 2024, La Banque Postale announced that it had enriched its sustainability offer with the launch of a new investment solution – green and social term deposits. These investments, aimed at non-profits, social housing associations, local public companies and businesses, can be used to finance social and environmental projects such as for renewable energy, energy transition, sustainable mobility, access to healthcare, education, housing and inclusive finance, with maturities ranging from one month to ten years. The first investments in these two products were made by the social housing developer, SAREMM (which invested €3.5 million in social term deposits) and the social housing association, Seqens (€17 million in green term deposits), reflecting these entities' commitment to energy transition and societal change.

1.3.3.4 *CNP Assurances strengthens its position in the insurance of the Préfon Retraite scheme*

Since 1 January 2024, CNP Assurances has strengthened its position in the insurance of the Préfon Retraite scheme in France, through its subsidiary CNP Retraite. Up to now, this contract was reinsured in quota share by four players: CNP Assurances, Axa, Groupama Gan Vie and Allianz. Following an agreement signed to switch over the share reinsured by Groupama Gan Vie, CNP Retraite's share was increased from 37% to 58%. This operation is part of CNP Assurances' strategy to strengthen its multi-partner model and develop solutions for social protection and preparation for retirement.

1.3.3.5 *Signature of binding agreements between CNP Assurances and La Mutuelle Générale for the creation of a major player in social protection*

Having entered into exclusive negotiations on 29 February 2024, the CNP Assurances group and La Mutuelle Générale announced on 15 July 2024 that they had signed binding agreements to establish a strategic partnership in the field of social protection (individual and group health and personal protection insurance). The aim is to create a leader in the French market and, if the partnership is approved, will involve the CNP Assurances group acquiring a majority stake in a public limited company (*société anonyme*), into which La Mutuelle Générale will have previously transferred its existing health and personal protection insurance activities (excluding statutory contracts and mutual insurance activities). The completion of the project is subject to obtaining approvals and authorisations from the competent authorities. This partnership fits seamlessly with both entities' objectives of strengthening their presence and impact in the social protection market.

1.3.3.6 *Signature of an exclusive distribution agreement by CNP Assurances and Banco de Brasília*

On 1 July 2024, CNP Assurances announced that it had signed an exclusive 20-year agreement with Banco de Brasília (BRB) for the distribution of *consórcio* and savings products to the BRB network's 7.8 million customers. The partnership will help drive CNP Assurances' expansion in Latin America as a whole and increase its diversification in Brazil. Completion of the transaction is subject to approval by the Brazilian competition authority.

1.3.3.7 *Start of exclusive negotiations for the sale of CNP Cyprus Insurance Holdings to Hellenic Bank Public Company Ltd*

On 9 July 2024, CNP Assurances signed an agreement to sell its insurance operations in Cyprus and Greece to Hellenic Bank Public Company Ltd. This transaction, which is expected to close by the first quarter of 2025, is in line with CNP Assurances' strategy of refocusing on its core markets while continuing to expand in Europe. The sale is subject to clearance from the relevant authorities, and its estimated impact on CNP Assurances' SCR coverage ratio is expected to be marginal, at around 0.7 points.

1.3.4 Retail Customers & Digital Services

1.3.4.1 *Launch of a partnership with Vinted*

In January 2024, Colissimo teamed up with Vinted to offer new delivery options for second-hand purchases. This is an attractive new delivery service through which buyers will benefit from fast delivery and sellers will be able to ship from their home or post office. La Poste, a pioneer in the circular economy and re-use, actively supports the second-hand market.

1.3.4.2 *Negotiations for the sale of La Poste Telecom*

In February 2024, La Poste entered into exclusive talks with Bouygues Telecom to sell La Poste Telecom. La Poste and Bouygues plan to forge a strong, long-term strategic partnership that includes the acquisition of La Poste Telecom by Bouygues, an exclusive distribution agreement and a licensing agreement for the La Poste Mobile brand. For La Poste, this partnership would enable it to capitalise on La Poste Mobile's success while continuing to market the brand within the postal network. This project will be submitted to La Poste Telecom's employee representative bodies, then to La Poste Groupe's governance bodies, to SFR's right of pre-emption and to the competent authorities.

1.3.4.3 *Launch of the first cybersecurity offering*

In March 2024, Docaposte announced the launch of the first full turnkey cybersecurity offering, tailored to the needs and resources of micro-enterprises, SMEs, local authorities and healthcare establishments. The offer is designed to simplify access to cybersecurity for all organisations, particularly those that are vulnerable to cyberattacks due to limited resources. It includes cyber-attack prevention, protection and reaction solutions, as well as a cybersecurity consultancy service to help customers build a customised approach to their cybersecurity. Docaposte has also forged two trusted partnerships for cybersecurity insurance solutions (with CNP Assurances and DATTAK) and incident response (Formind) to support its customers in all situations.

1.4 A group that is committed to sustainable development

1.4.1 A group committed to climate action

- Carbon budgets are being put in place in the group's business lines[13] in order to manage emissions reductions in line with the group's carbon reduction pathway and ensure rigorous management of the associated resources, costs and investments.
- All of the parcels delivered by Colissimo within Paris are carbon free, and the company is working towards achieving the same goal for the whole of Greater Paris by the end of 2024.
- The group is continuing to increase the number of electric vehicles in its fleet in Europe. At 30 June 2024, the fleet of electric vehicles managed by Véhiposte[14] totalled 23,531 and Geopost's included more than 9,300 alternative fuel vehicles.
- Pickup, a Geopost subsidiary that is France's leading network of pick-up points and lockers, has broken new ground by launching the country's first solar-powered lockers (with the aim of having 1,000 in 2026).
- In July 2024 La Banque Postale signed a new partnership with the European Investment Bank to support French businesses in financing their mobility and energy transition projects, representing a total amount of €600 million.
- In July 2023, La Banque Postale launched its impact home loans offering to help customers carry out energy-efficiency renovation projects on their homes. Financing for acquiring homes with these types of projects has increased sixfold since then.

1.4.2 An innovative group that takes into account planetary limits

- On 1 January 2024, through its subsidiary Recygo, La Poste set up the first collection and recycling network for occupational clothing. This network will help companies comply with the new regulations in France that require occupational clothing to be sorted and recycled as from 1 January 2025.
- In line with the group's values of trust and integrity, La Poste's new data & AI charter was presented at VivaTech 2024.

1.4.3 An attentive group that is inclusive, safe and unlocks people's potential

- The new profit-sharing agreement, signed in June 2024, includes social and environmental responsibility indicators for the first time, such as La Poste SA's lost-time accident frequency rate and the group's greenhouse gas (GHG) reduction rate.
- Term creditor insurance: CNP Assurances has announced that it will no longer charge excess premiums or apply insurance exclusions for breast cancer survivors. They will therefore now be able to take out term creditor insurance without having to wait for the statutory five-year medical history exemption period applicable in France.

[13] The carbon budgets are currently being rolled out across all of the group's business lines.

[14] The fleet managed by Véhiposte does not include e-bikes.

- In April, the number of employees who have taken part in Climate Fresk workshops topped the 20,000 mark, and the aim is for 50,000 postal workers to attend them so they can continue to play their role in the environmental transition.

1.4.4 A group with a local presence that contributes to regional development and service accessibility

- La Poste is trialling a mobile post office model in remote areas in five different regions of France. This project clearly demonstrates the group's determination to boost its presence in rural areas and, more broadly, help maintain public services throughout the country.
- La Poste Groupe and France's Chambers of Agriculture have joined forces to develop short supply chains and support business in the countryside through Chronofresh transporting fresh produce from the 10,000 farmers in the *Bienvenue à la ferme* network, and by developing La Poste contact points in farms and rural communities.

1.4.5 Recognition of the group's sustainability commitment and leadership

- In January 2024, La Poste Immobilier was awarded the Engagé RSE level 3 label for its commitment to corporate social responsibility. This label, awarded by AFNOR, certifies that the company has put in place a consistent and ambitious CSR strategy, that it regularly assesses the strategy's impacts and that it provides transparent disclosures about its results. It is a tribute to La Poste Immobilier's efforts to reconcile economic, social and environmental performance while ensuring respect for its stakeholders.
- La Poste Groupe's ESG leadership has been recognised with the SBTi approving its carbon emissions reduction targets in the fields of shipping, logistics and banking. The group is aiming for "zero net emissions" by 2040, a decade ahead of the goals set in the Paris Agreement.
- CNP Assurances was placed first out of the world's 23 largest life insurers in the 2024 ranking published by the UK NGO, ShareAction, with a score of 51/100, thanks to its climate and biodiversity commitments.

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1.5 La Poste – a group that cares about its employees, develops their skills and is committed to people-oriented innovation and performance

1.5.1 A new employer-employee framework to drive performance

In accordance with the French Act of 22 November 2022, La Poste has negotiated with its trade unions about switching to employee representative bodies (ERBs) governed by standard French law.
On 21 June 2024, La Poste signed its last employee agreement on the running of the Central Social and Economic Committee, marking the end of the negotiation process for ten collective agreements and paving the way for the SECs[15] to be set up by 31 October 2024.
These new ERBs will enable La Poste to move from a hybrid system of employee representation based on (i) civil service law, with technical committees, and (ii) labour law, with health, safety and working conditions committees (CHSCTs), towards a system based on standard French law provisions, with 32 entity-level SECs, employee representative commissions, local representatives, union representatives and a Central SEC.
Elections for the members of the 32 entity-level SECs to be appointed by employees will be held by 31 October 2024.

1.5.2 Giving postal workers a stake in the group's financial performance

On 17 June 2024, La Poste signed a new profit-sharing agreement with its trade unions covering the period from 2024 to 2026, which provides for the amounts paid to employees to be based on:

- the company's financial performance;
- the quality of customer relations;
- environmental action;
- quality of working life for postal workers.

1.5.3 Preparing postal workers for the jobs and skills of the future

La Poste intends to increase the number of training courses it offers that lead to qualifications and diplomas that meet the needs of the future. In line with this aim, 500 traditional programmes and pioneering pathways were available at end-April 2024.
The group also promotes internal mobility.

- In March 2024, it launched a La Poste Groupe mobility month entitled "1.2.3. I'm switching on my career" and 10,000 employees took part.
- In April 2024, it participated in the CDC Group's first-ever Mobility Week.
- New systems have been deployed to accelerate mobility, such as:
    - HR Mobility: a system powered by AI technology developed by La Poste to propose jobs that match people's skills based on data from their CVs as well as their career paths, annual performance reviews and job interviews;
    - Proxijobs: a system that is currently being trialled to offer employees jobs close to their homes.
- Training employees in the use of digital technology, data and AI: 65% of employees had been trained by end-May 2024 (with a target of 100% by the end of 2025) and specific data/AI training for senior managers has been rolled out.
- The DATA & AI academy: a new cohort of 50 postal and non-postal worker students who will be trained to become data scientists, data engineers, etc.

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[15] Social and Economic Committees.

1.5.4 Promoting diversity and inclusion

La Poste is continuing its efforts to help young people find work and it hired 5,000 young people in the first half of 2024 (on permanent contracts, fixed-term contracts, work-study contracts and internships).

- On 11 April 2024, La Poste signed a cooperation agreement with the French Ministry of National Education and Youth to encourage work experience placements for 15-16 year-old students.
- Employer of choice: in 2024, La Poste was awarded the *Engagement jeunes* certification, having achieved an 80% satisfaction rate in the survey conducted among young people within the company. This certification assesses areas such as the quality of the onboarding process for young people, sense of belonging, the quality of HR policies and corporate culture.

La Poste once again took part in the *L'Autre Cercle* employee survey, carried out this year between 22 January and 14 February, which assesses the level of non-discrimination of LGBT+ people, with some 2,300 postal workers responding to the survey.

La Poste is the leading employer of people with disabilities in France, with disabled workers making up 9.33% of its total workforce. For the third consecutive year, La Poste carried out a survey among its disabled employees in order to gauge their feelings about their working environment. Based on the results of a survey conducted by BVA in April-May 2024, 84% of employees with disabilities feel included and integrated within the company (up 4 points on 2023).

La Poste is also the largest employer of carers in France, with more than 5,200 postal workers who also carry out the role of carer. On 11 July 2024, La Poste and its trade unions signed a majority agreement covering the period from 2024 to 2026 to help postal workers who are also carers to achieve a better balance between their working lives and their private lives.

1.5.5 Social housing policy

In the first half of 2024, 1,600 new postal workers were provided with social housing by La Poste (19% more than in first-half 2023).
The first edition of an online housing fair was organised for postal workers from 28 to 30 May 2024. 3,200 postal workers logged on to the event and 1,200 followed the talks organised by La Banque Postale on home ownership.

2. Alternative performance measures

2.1 Introduction

The group uses a number of alternative performance measures (APMs) that are not covered by International Financial Reporting Standards (IFRS). La Poste Groupe's management team believes that these indicators are useful for measuring and analysing the group's performance. However, the APMs should be considered as providing additional information. They do not take precedence over the GAAP metrics used in the consolidated financial statements, nor do they replace them. In accordance with AMF Position DOC-2015-12, each APM is defined below.

2.2 APM definitions

2.2.1 Adjusted EBITDA

Adjusted EBITDA comprises all operating revenue within the scope of consolidation excluding La Banque Postale, less general operating expenses and personnel expenses, excluding additions to end-of-career benefits for the same scope excluding La Banque Postale. To this is added dividends received from equity-accounted companies and dividends received from La Banque Postale during the period in respect of the prior year.

2.2.2 Free cash flow

Free cash flow comprises the following components: (i) adjusted EBITDA; (ii) change in working capital; (iii) cash flows from purchases of property, plant and equipment and intangible assets net of disposals of property, plant and equipment and intangible assets; (iv) cash flows from taxes; (v) net interest paid; and (vi) repayment of lease liabilities and interest expense on lease liabilities.

The value used for each of the free cash flow aggregates is determined in terms of cash flows (positive for cash inflows and negative for cash outflows).

2.2.3 Net debt

Net debt comprises all current and non-current debt less cash and cash equivalents and derivative instruments linked to group financing. It also includes liabilities arising from the application of IFRS 16 – Leases, short-term financial investments with no significant risk of a change in value but whose original maturity on the subscription date was greater than three months, and the net financial receivable from La Banque Postale.

Group net debt does not take into account La Banque Postale, for which this indicator is not relevant.

2.2.4 Change at constant scope and exchange rates (like-for-like change)

Change at constant scope and exchange rates refers to the difference between the profit/loss for the reporting period and the profit/loss of a comparative period, following adjustment for any subsequent acquisitions or disposals completed in each of these periods. The two periods may then be compared based on the same scopes of consolidation. Currency transactions for the comparative period are remeasured using the average rate for the reporting period.

2.2.5 Operating profit including share in net profit of jointly-controlled companies

Operating profit is equal to consolidated net profit, adjusted for the share in the net profit of other equity-accounted companies, the income tax expense and the net financial expense.

2.2.6 Net debt/equity

The net debt/equity ratio is calculated by dividing the group's net debt by attributable equity.

2.2.7 Net debt/adjusted EBITDA

The net debt/adjusted EBITDA is calculated by dividing the group's net debt by adjusted EBITDA.

2.2.8 CET1 ratio

The CET1 ratio is calculated by dividing CET1 capital by total risk exposure (i.e., total risk-weighted assets – RWA – for credit and counterparty risk, market risk and operational risk).

The CET1 ratio is used by supervisory authorities to assess banks' solvency.

It is calculated for La Banque Postale and its subsidiaries (including CNP Assurances).

2.2.9 Liquidity Coverage Ratio (LCR)

The LCR is a monthly short-term liquidity ratio which measures a bank's capacity to withstand a severe deterioration in its financial situation for up to 30 days in a systemic shock environment. Target LCR must be greater than 100%.

This ratio is calculated by dividing the sum of unencumbered, high-quality liquid assets by the liquidity requirement in a stress environment over a 30-day period.

It is calculated for La Banque Postale and its subsidiaries (excluding CNP Assurances).

2.2.10 Net Stable Funding Ratio (NSFR)

The NSFR guarantees that banks have sufficient stable resources (i.e., resources with an initial maturity of more than one year) to fund their activities. This long-term structural liquidity ratio calculated over a one-year period aims to ensure a sustainable structure of asset and liability maturities.

The NSFR corresponds to the amount of available stable funding in relation to required stable funding. This ratio should be at least 100% at any time.

It is calculated for La Banque Postale and its subsidiaries (excluding CNP Assurances).

2.2.11 Cost-income ratio

The cost-income ratio is calculated by dividing operating expenses by net banking income adjusted for doubtful interest. Operating expenses represent the sum of general operating expenses, net depreciation and amortisation, and impairment of property, plant and equipment and intangible assets.

It is calculated for La Banque Postale and its subsidiaries (including CNP Assurances).

2.2.12 Solvency Capital Requirement (SCR)

The SCR corresponds to the level of eligible own-funds that enables an insurance undertaking to absorb significant losses and gives reasonable assurance to policyholders and beneficiaries that payments will be made as they fall due.

The SCR coverage ratio is calculated by dividing eligible own funds held to cover the SCR by the SCR. It is an indicator of an insurer's risk-weighted solvency. The higher the ratio, the greater the insurer's ability to absorb potential losses.

This ratio is calculated for CNP Assurances and its consolidated subsidiaries.

3. Summary of La Poste Groupe's consolidated results

The financial information presented below is taken from La Poste Groupe's consolidated financial statements for the six months ended 30 June 2024.

	Six months ended 30 June					
	First-half 2024	**First-half 2023**	**Change**		**Change at constant scope and exchange rates**	
			YoY		*YoY*	
(in € millions)			*(in €m)*	*(as a %)*	*(in €m)*	*(as a %)*
Group operating performance						
Operating revenue	**16,985**	**17,086**	**-102**	**-0.6**	**-155**	**-0.9**
Operating profit after share in net profit of jointly-controlled companies	**1,127**	**1,166**	**-39**	**-3.4**	**-137**	**-11.1**
Operating margin	6.6%	6.8%	-		-	
Net profit attributable to owners of the parent	**495**	**461**	**+34**	**+7.3**	**-57**	**-10.6**
Net margin	2.9%	2.7%	-	*0.2 pts*	-	*-0.3 pts*
Free cash flow	**(261)**	**(128)**	**-132**	**n.m.**		
Adjusted EBITDA	*1,134*	*1,480*	*-346*	*-23.4*		
Key figures – La Banque Postale						
Net banking income	**3,649**	**3,864**	**-215**	**-5.6**	**-265**	**-6.9**
Cost-income ratio[a]	69.9%	63.8%	-	*6.0 pts*		

(a) Scope: La Banque Postale and CNP Assurances.

	Six months ended 30 June			
	30 June 2024	**31 Dec. 2023**	**Change**	
			YoY	
(in € millions)			*(in €m)*	*(as a %)*
Key financial indicators				
Net debt	**12,359**	**11,997**	**+362**	**+3.0**
Net debt/adjusted EBITDA[a]	7.8	6.2		
Equity attributable to owners of the parent	**22,680**	**22,424**	**+256**	**+1.1**
Net debt/equity	54.5%	53.5%	-	*+1.0 pts*
Net profit[b]*/equity*	2.4%	2.3%	-	*+0.1 pts*
CET1 ratio	**19.0%**	**18.1%**	-	*+0.8 pts*
LCR	**169%**	**146%**	-	*+23 pts*
NSFR[c]	**133%**	**132%**	-	*+1 pt*
Loan-to-deposit ratio	**89.8%**	**88.4%**	-	*+1.4 pts*
SCR coverage ratio	**263%**	**253%**	-	*+10 pts*

(a) Adjusted EBITDA calculated over a rolling 12-month period.
(b) Net profit calculated over a rolling 12-month period.
(c) Estimated data

3.1 Operating revenue

La Poste Groupe's operating revenue amounted to €16,985 million in the first half of 2024, down €102 million, or 0.6%, year on year in a context of cooling inflation, low growth and interest rates starting to come down in Europe. The year-on-year decrease in revenue mainly reflects the decline in revenue from CNP Assurances.

			Six months ended 30 June			
	First-half 2024	**First-half 2023**	**Change**		**Change at constant scope and exchange rates**	
		restated	*YoY*		*YoY*	
(in € millions)			*(in €m)*	*(as a %)*	*(in €m)*	*(as a %)*
Services-Mail-Parcels	4,983	4,989	-6	-0.1	-6	-0.1
Geopost	7,741	7,639	+102	+1.3	+111	+1.5
La Banque Postale	3,649	3,864	-215	-5.6	-265	-6.9
Retail Customers & Digital Services	3,209	3,337	-128	-3.8	-142	-4.3
Other segments and intercompany	(2,597)	(2,743)	+145	-5.3	+147	-5.4
OPERATING REVENUE	**16,985**	**17,086**	**-102**	**-0.6**	**-155**	**-0.9**

Changes in scope had an overall positive impact of €18 million, attributable to La Banque Postale (positive €66 million), BGPN (positive €14 million), Services-Mail-Parcels (positive €1 million) and Geopost (negative €61 million). The currency effect was favourable, adding €36 million to operating revenue, mainly comprising positive impacts of €32 million from the pound sterling and €28 million from the Polish zloty and negative impacts of €15 million from the Argentine peso and €12 million from the rouble.

On a like-for-like basis, the group's operating revenue decreased by €155 million year on year, or by 0.9%.

This change reflects the following:

- Services-Mail-Parcels revenue amounted to €4,983 million, down €6 million, or 0.1%, like for like. The growth in e-commerce business led by Colissimo and Logissimo, the development of new services, particularly via the group's subsidiary EDE, and the revenue increase recorded by the Health & Autonomy business unit were not sufficient to offset the decline in traditional mail (with Mail revenue retreating by €55 million year on year).
- Revenue for the Geopost business line was €7,741 million, up €111 million, or 1.5%, like for like. This increase stemmed mainly from the €133 million rise in GEOPOST's[16] revenue, fuelled by higher volumes of parcel deliveries (up 3% on a like-for-like basis) and particularly by growth in the out-of-home market in all of the company's European countries. On the other hand, the closure of Urby's urban logistics business in 2023 shaved €14 million off revenue compared with first-half 2023.
- La Banque Postale's net banking income was €3,649 million, down €265 million on a like-for-like basis. This decline primarily reflects decreases in net banking income for Bancassurance France (down €214 million) and International Bancassurance (down €73 million), chiefly stemming from a reduction in the insurance service result (€227 million negative impact)

[16] See definition in section 4.3.

which was weighed down by the base effect in connection with exceptional gains in the first half of 2023, particularly in relation to the term creditor and personal risk/protection businesses.

- Retail Customers & Digital Services revenue was €3,209 million, representing a like-for-like contraction of €142 million, or 4.3%, due to a €128 million decrease for services carried out on behalf of third parties and a €14 million decline for commercial activities, which were weighed down by the fall-off in the Mail business.

3.2 Operating profit

Consolidated operating profit (after share in net profit of jointly-controlled companies) amounted to €1,127 million in first-half 2024. Excluding scope impacts corresponding to an overall positive €107 million (of which €76 million related to the deconsolidation of Stuart and €36 million to the first-time consolidation of La Financière de l'Echiquier) and negative currency impacts of €10 million (including a negative €14 million for the Argentine peso and a positive €5 million for the pound sterling), operating profit contracted by €137 million compared with the first half of 2023. This change includes a number of material non-recurring events, presented in detail in the section analysing attributable net profit. Adjusted for these items, the decrease in consolidated operating profit (after share in net profit of jointly-controlled companies) was €435 million on a like-for-like basis.

	Six months ended 30 June					
	First-half 2024	**First-half 2023**	**Change**		**Change at constant scope and exchange rates**	
			YoY		*YoY*	
(in € millions)		*restated*	*(in €m)*	*(as a %)*	*(in €m)*	*(as a %)*
Services-Mail-Parcels	(42)	134	-176	n.m.	-176	n.m.
Geopost	333	19	+314	n.m.	+230	n.m.
La Banque Postale	1,111	1,326	-215	-16.2	-231	-17.7
Retail Customers & Digital Services	61	138	-76	-55.6	-74	-54.0
Real Estate	16	7	+9	n.m.	+9	n.m.
Support & Corporate	(159)	(116)	-43	+37.1	-43	+37.1
Unallocated and eliminations	(194)	(341)	+148	-43.2	+148	-43.3
OPERATING PROFIT AFTER SHARE IN NET PROFIT OF JOINTLY-CONTROLLED COMPANIES	**1,127**	**1,166**	**-39**	**-3.4**	**-137**	**-11.1**

3.3 Net profit

The group ended the first half of 2024 with attributable net profit of €495 million, representing a €34 million increase compared with first-half 2023. Adjusted for (i) a €96 million positive scope effect related to Geopost's sale of Stuart in 2023 and La Banque Postale's acquisition of La Financière de l'Echiquier, and (ii) a €6 million negative currency effect, attributable net profit decreased by €57 million year on year. After adjusting for the significant accounting events in first-half 2024 and 2023 described in the section analysing net profit attributable to owners of the parent (section 5.2), attributable net profit retreated by €272 million at constant scope and exchange rates, with the positive effect of the decrease in income tax expense and the increase in the share of profit of equity-accounted companies (Ninja Van and Yurtici Kargo) partly offsetting the intrinsic reduction in operating profit.

3.4 Change in net debt

The group's net debt rose by €362 million during the first half to €12,359 million at the end of June 2024.

The change in the group's debt reflects (i) negative free cash flow of €261 million, representing a €132 million higher cash outflow than in first-half 2023 due to a €293 million reversal recorded in that period of a provision for post-employment benefits, (ii) a €58 million net cash outflow relating to external growth and (iii) an aggregate €25 million in dividends and other distributions paid.

4. Operating profit/(loss) by segment

4.1 Summary of operating profit/(loss) by segment

Segment reporting is presented in accordance with IFRS 8 – Operating Segments.

An operating segment is a component of the group for which discrete financial information is available and whose operating results are regularly reviewed by group Executive Management to make decisions about resources to be allocated to the segment and assess its performance.

The criteria used for determining operating segments include: the nature of the products and services; the type or class of customer for the products and services; the nature of the production processes; the methods used to distribute the products or provide the services; and the nature of the regulatory environment. Operating segments have been defined based on La Poste Groupe's existing management structure.

First-half 2024 reported *(in € millions)*	Services-Mail-Parcels	Geopost	La Banque Postale	Retail Customers & Digital Services	Real Estate	Support & Corporate	Unallocated	Elim.	TOTAL
External revenue & NBI	3,956	7,678	3,625	1,589	59	2	75		16,985
Intersegment revenue & NBI	1,027	63	23	1,620	411	688	0	(3,832)	
Operating revenue	**4,983**	**7,741**	**3,649**	**3,209**	**470**	**690**	**75**	**(3,832)**	**16,985**
Operating profit/(loss) before share in net profit/(loss) of jointly-controlled companies	**(42)**	**334**	**1,097**	**51**	**20**	**(159)**	**(155)**	**(39)**	**1,107**
Share in net profit/(loss) of jointly-controlled companies	0	(1)	14	10	(3)	0	0	0	20
Operating profit/(loss) after share in net profit/(loss) of jointly-controlled companies	**(42)**	**333**	**1,111**	**61**	**16**	**(159)**	**(155)**	**(39)**	**1,127**

First-half 2023 restated *(in € millions)*	Services-Mail-Parcels	Geopost	La Banque Postale	Retail Customers & Digital Services	Real Estate	Support & Corporate	Unallocated	Elim.	TOTAL
External revenue & NBI	3,953	7,583	3,840	1,587	54	1	68		17,086
Intersegment revenue & NBI	1,036	56	24	1,750	387	669	0	(3,923)	
Operating revenue	**4,989**	**7,639**	**3,864**	**3,337**	**441**	**670**	**68**	**(3,923)**	**17,086**
Operating profit/(loss) before share in net profit/(loss) of jointly-controlled companies	**134**	**20**	**1,324**	**130**	**8**	**(116)**	**(340)**	**(2)**	**1,158**
Share in net profit/(loss) of jointly-controlled companies	0	(1)	2	8	(0)	0	0	0	9
Operating profit/(loss) after share in net profit/(loss) of jointly-controlled companies	**134**	**19**	**1,326**	**138**	**7**	**(116)**	**(340)**	**(2)**	**1,166**

Segment information for first-half 2023 has been restated to take into account the transfer of Docaposte BPO IS, in first-half 2024, from the Retail Customers and Digital Services segment to the Services-Mail-Parcels segment.

4.2 Services-Mail-Parcels

The Services-Mail-Parcels business line brings together:

- La Poste SA's Business Mail activity (collection, sorting and delivery of correspondence, advertising and press), the e-PAQ activity (small cross-border e-commerce parcels) and new local services (local logistics, local knowledge);
- La Poste SA's Parcels activity (Colissimo), which specialises in express delivery and in the delivery of parcels under 30 kilograms to individuals, BtoC in France and abroad;
- all activities of subsidiaries operating in the diversification markets:
  - direct marketing and data marketing (Mediapost),
  - logistics and e-logistics solutions (Viaposte),
  - home healthcare and independence services (Health & Autonomy),
  - energy efficiency and the circular economy (New Services).

	First-half 2024	First-half 2023	Change		Change at constant scope and exchange rates	
		restated	*YoY*		*YoY*	
(in € millions)			*(in €m)*	*(as a %)*	*(in €m)*	*(as a %)*
Revenue	4,983	4,989	-6	-0.1	-6	-0.1
of which parent company Mail revenue	*3,355*	*3,410*	*-55*	*-1.6*	*-55*	*-1.6*
of which Parcels revenue	*1,088*	*1,045*	*43*	*+4.1*	*43*	*+4.1*
of which Services-Mail-Parcels subsidiaries revenue	*540*	*534*	*6*	*+1.1*	*6*	*+1.1*
Operating expenses	(5,026)	(4,856)	-170	+3.5	-170	+3.5
Operating profit/(loss) before share in net profit of jointly-controlled companies	**(42)**	**134**	**-176**	**n.m.**	**-176**	**n.m.**
Share in net profit of jointly-controlled companies	0	0	0	-	0	-
OPERATING PROFIT/(LOSS) AFTER SHARE IN NET PROFIT OF JOINTLY-CONTROLLED COMPANIES	**(42)**	**134**	**-176**	**n.m.**	**-176**	**n.m.**

4.2.1 Mail activity

Revenue amounted to €3,355 million, down €55 million, or 1.6%, year on year. This change reflects:

- a negative volume effect of €216 million based on traffic-generating Business revenue (down 9.9%). This decrease was partially offset by the price increase of an average 6.6% that took effect on 1 January 2024, representing a positive impact of €144 million on traffic-generating revenue;
- a €49 million increase due to the European elections and first round of French parliamentary elections in the first half of 2024;
- a €20 million decrease in international revenue.

4.2.2 Colissimo activity

Revenue amounted to €1,088 million, up €43 million, or 4.1%, year on year. This growth mainly reflects the 6.5% increase in volumes at equivalent working days and price increases. The volume of parcels delivered was 210 million items[17].

[17] Services-Mail-Parcels scope.

4.2.3 Services-Mail-Parcels subsidiaries activity

Revenue amounted to €540 million, up €6 million, or 1.1%, year on year.

- The activities of the Mediaposte division recorded a like-for-like decrease of €23 million, mainly due to a decline in printed advertising distribution at Mediaposte France (down €24 million).
- Subsidiaries in the New Services business reported a like-for-like revenue increase of €20 million compared with the first half of 2023, reflecting the increase in energy savings certificate trading[18] volumes at EDE.
- La Poste Health & Autonomy recorded like-for-like growth of €8 million, thanks mainly to growth in Asten's business (€7 million).
- Revenue generated by Viaposte rose by €3 million like for like, led by growth in VTM's external transport offering.

4.2.4 Operating profit

The Services-Mail-Parcels segment ended the period with an operating loss of €42 million, representing a €176 million negative swing from the operating profit recorded in first-half 2023 and primarily reflecting:

- a €162 million decline in Mail operating profit, due to the combined effects of inflation and the downturn in business levels, mitigated by measures to contain operating expenses;
- a €2 million decrease in Colissimo operating profit, stemming from an unfavourable change in the customer mix;
- a €12 million like-for-like contraction in operating profit of subsidiaries, triggered by the decline in business at Mediaposte France, although this effect was partially offset by an increase in business for Viaposte.

[18] Certificat d'Économies d'Énergie (CEE)

4.3 Geopost

The Geopost business line encompasses:

- GEOPOST, which operates fast and express parcel activities in France and abroad;
- Asendia, which offers cross-border mail solutions;
- Alturing, which provides its parcel IT expertise to the group's entities.

Urby's urban logistics activities were closed down in 2023.

	First-half 2024	First-half 2023	Change		Change at constant scope and exchange rates	
			YoY		*YoY*	
(in € millions)			*(in €m)*	*(as a %)*	*(in €m)*	*(as a %)*
Revenue	7,741	7,639	+102	+1.3	+111	+1.5
of which GEOPOST revenue	*6,498*	*6,387*	*+111*	*+1.7*	*+133*	*+2.1*
of which Asendia revenue	*1,239*	*1,234*	*+5*	*+0.4*	*-7*	*-0.6*
of which Urby revenue	*0*	*14*	*-14*	*-100.0*	*-14*	*-100.0*
of which Alturing revenue	*3*	*3*	*0*	*-3.0*	*0*	*-3.0*
Operating expenses	(7,407)	(7,619)	+212	-2.8	+119	-1.6
Operating profit before share in net profit/(loss) of jointly-controlled companies	**334**	**20**	**+314**	**n.m.**	**+230**	**n.m.**
Share in net profit/(loss) of jointly-controlled companies	(1)	(1)	+1	-44.9	+1	n.m.
OPERATING PROFIT AFTER SHARE IN NET PROFIT/(LOSS) OF JOINTLY-CONTROLLED COMPANIES	**333**	**19**	**+314**	**n.m.**	**+230**	**n.m.**

4.3.1 Revenue

Revenue for the Geopost business line came in at €7,741 million, up €102 million, or 1.3%, year on year. Scope impacts represented a negative €61 million overall, mainly relating to the sale of Stuart in November 2023 and the first-time consolidation of Absolutely. Currency effects were a positive €52 million in total, with the pound sterling and Polish zloty having positive impacts of €33 million and €28 million respectively, and the rouble representing a negative €12 million effect. On a like-for-like basis, revenue grew by €111 million, or 1.5%.

GEOPOST's revenue amounted to €6,498 million, a like-for-like increase of €133 million, or 2.1% against a slightly improved but still difficult macro-economic backdrop, with inflation cooling compared to first-half 2023 and moderate GDP growth in Europe. GEOPOST distributed 1,040 million parcels in the period, a like-for-like increase of 3% compared with first-half 2023. This growth was mainly fuelled by the out-of-home market, which saw revenue rises across all of GEOPOST's European countries, with a particularly high increase in deliveries of parcels sent from China to the Baltic countries and countries in Central and Eastern Europe.

The dynamics of the main countries in which GEOPOST operates were as follows:

- revenue in the United Kingdom amounted to €1,161 million, a like-for-like decline of €10 million, mostly attributable to an unfavourable customer mix effect;
- revenue in France amounted to €1,146 million, a like-for-like increase of €45 million driven by price increases and growth in out-of-home volumes at Chronopost;
- revenue in Germany totalled €1,067 million, up €14 million like for like, despite a 6.6% decline in volumes, with the upward trend propelled by a favourable customer mix thanks to growth in international business and price increases;

- revenue in Italy came to €935 million, a like-for-like decrease of €31 million, mainly reflecting a 6.7% decrease in volumes;
- in Poland, revenue amounted to €477 million, up €54 million like for like thanks to an 11% increase in traffic;
- Asendia generated revenue of €1,239 million, representing a like-for-like decline of €7 million, including an increase of €49 million for the Logistics activity and a decrease of €57 million for the Digital activity.

4.3.2 Operating profit

Operating profit (after share in net profit/(loss) of jointly-controlled companies) amounted to €333 million, up €314 million. Adjusted for an overall positive €84 million in scope and currency effects, principally related to the sale of Stuart, operating profit rose by €230 million, due to the impact of a number of material non-recurring events which are described in the section analysing attributable net profit. After adjusting for these items (which include a reversal of the impairment charged against DPD Russia's assets, the transfer of real-estate assets to La Poste Immobilier in the first half of 2024, the impact of a legal dispute involving an Italian subsidiary, impairment charged against Stuart's assets and the recognition of provisions for the closure of Urby in the first half of 2023), operating profit contracted by €103 million year on year.

Geopost's attributable net profit was €131 million, up €233 million at constant scope and exchange rates, led mainly by the rise in operating profit. The unfavourable impact of the business line's net financial expense, which amounted to €39 million at constant scope and exchange rates, was partly offset by a €34 million positive impact of share of net profit of equity-accounted companies, reflecting an improvement in Ninja Van's results and growth recorded by Yurtici Kargo.

4.4 La Banque Postale

This segment comprises La Banque Postale, its subsidiaries, and personnel costs of La Poste staff working exclusively for La Banque Postale, which are re-billed to La Banque Postale under a cost-sharing agreement.

4.4.1 Commercial activities

(in € billions)	**30 June 2024**	**30 June 2023** *pro forma*	**Change** *(in €bn)*	*(as a %)*
CUSTOMER SAVINGS – BALANCE SHEET	**199.2**	**206.2**	**-7.0**	**-3.4**
Demand deposits	78.2	83.4	-5.2	-6.2
Ordinary savings	96.9	95.3	+1.7	+1.7
Livret A	68.1	68.5	-0.4	-0.7
LEP	9.0	7.2	+1.8	+25.1
LDD	11.7	10.6	+1.1	+10.2
Other	8.2	9.0	-0.8	-8.8
Home savings	23.1	26.9	-3.8	-14.1
Other	+1.0	0.6	+0.3	+51.8
OFF-BALANCE SHEET	**373.7**	**369.2**	**+4.5**	**+1.2**
UCITS[a]	13.0	12.2	+0.8	+6.6
Life insurance[b]	360.7	357.0	+3.7	+1.0
CUSTOMER LOANS	**124.2**	**124.2**	**0.0**	**0.0**
Home loans	74.7	74.9	-0.2	-0.2
Consumer loans	6.2	6.0	0.3	+4.9
Other loans	0.8	0.9	-0.1	-6.4
Financing[c]	42.4	42.5	-0.1	-0.2

(a) Bancassurance France including Louvre Banque Privée, excluding Corporate and Local Development Banking.
(b) CNP Assurances (France and International) and other La Banque Postale insurers (all distributors and networks).
(c) Corporate and Local Development Banking financing including factoring.

Commercial activity was down in the first half of 2024, with customer savings down 3.4% and customer loans stable compared with 30 June 2023.

Demand deposits fell €5.2 billion (6.2%) year on year to €78.2 billion. By contrast, ordinary savings were up by €96.9 billion (1.7%) year on year. *Livret A* passbook savings decreased by 0.7% to €68.1 billion, with the interest rate payable on *Livret A* savings remaining at 3.0% on 1 February 2023. LEP passbook savings deposits rose by 25.1% (up €1.8 billion) following the increase in the ceiling from €7,700 to €10,000 from 1 October 2023.

CNP Assurances life insurance gross new money came in at €15 billion (down 2.1%), despite good momentum in France driven by the success of unit-linked debt funds, the Lagarde LBP campaigns and new bonus offers and campaigns in Europe. The unit-linked rate reached 48.5% (up 1.3 points versus end-June 2023).
Personal Risk/Protection earned premiums amounted to €3.8 billion in 2024, down 1.4% on 2023. The non-life insurance penetration rate rose by 0.7 points over the year to 31%.

In first-half 2024, new home loans totalled €3.6 billion, down 32.8% compared with 2023, despite declining loan rates compared to 2023. Outstanding home loans were more or less on a par with first-half 2023, edging down 0.2% to €74.7 billion.

In a retreating market, consumer finance originations were down by just 2.2%. Outstanding consumer credit, at €6.2 billion, was up by €0.3 billion (4.9% higher than at end 2023).

The Corporate and Investment Bank loanbook edged back slightly by 0.2% over the year to €42.4 billion. Outstanding loans to large corporates were down 1.6% at €10.2 billion, and outstanding loans to SMEs/mid-caps were up by a significant 7.8% at €12.1 billion. The fastest growth concerned loans to the financial sector and large institutions, with total outstanding loans to these customers up 14.9% to €2.6 billion, while loans to the local public sector fell 6.1% to €17.5 billion.

Factoring originations (in purchased receivables) were 11.6% higher, at €12.5 billion.

4.4.2 Operating performance

La Banque Postale's net banking income (NBI) amounted to €3,649 million in first-half 2024, a decrease of €215 million in an uncertain economic environment.

The net interest margin (NIM) was down €73 million or 8.3% in first-half 2024 to €810 million, affected by the absence of interest on compulsory ECB reserves and the higher cost of funds, despite an improvement in margins.

Fee and commission income increased by 7.1% (or €95 million), mainly due to a €45 million rise in bank fees as a result of price increases.

Insurance revenues retreated by €275 million, impacted by the decrease in the insurance service result due to the high basis of comparison created by favourable exceptional factors in the first half of 2023 (€227 million impact), particularly related to creditor and personal risk insurance in France and Brazil.

La Banque Postale's operating expenses increased by 1.5% compared with the first half of 2023, to €2,440 million. Excluding scope and currency effects and the impact of the planned closure of Ma French Bank, operating expenses were stable year on year, reflecting the end of the group's contributions to the Single Resolution Fund (SRF) and the *Fonds de Garantie des Dépôts et de Résolution* (FGDR) bank guarantee scheme, as well as tight cost control for banking activities in line with the cost savings plan launched in 2023.

La Banque Postale reported gross operating profit of €1,209 million, a decrease of 17.3% versus first-half 2023. Its cost-income ratio widened by 6 points to 69.9%.

At €100 million, cost of risk was stable versus the first half of 2023 (up by just €1 million) despite the persistently uncertain economic environment. The cost of risk/outstanding loans ratio was low, at 11 basis points, reflecting La Banque Postale's careful risk management and limited exposure to the sectors most affected by the current economic environment.

La Banque Postale's contribution to the group's attributable net profit was €554 million, down 10.8% as reported (or down 12.4% like for like).

(in € millions)	First-half 2024	First-half 2023	Change (in €m)	Change (as a %)	LFL change (in €m)	LFL change (as a %)
Net banking income	3,649	3,864	-215	-5.6	-265	-6.9
Operating expenses (a)	(2,440)	(2,403)	-37	+1.5	(3)	+0.1
Gross operating profit	**1,209**	**1,461**	**-252**	**-17.3**	**-268**	**-18.6**
Cost of risk	(100)	(101)	1	-1.1	1	-1.1
Gains and losses on other assets	(12.3)	(36.2)	24	-66.0	24	n.m.
Impact of the contribution of CNP Assurances shares	0	0	0	-	0	-
Operating profit before share in net profit of jointly-controlled companies	**1,097**	**1,324**	**-227**	**-17.2**	**-243**	**-18.6**
LBP cost-income ratio	*69.9%*	*63.8%*		*+6.0 pts*		*+6.1 pts*
Share in net profit of jointly-controlled companies	14	2	12	n.m.	12	n.m.
Operating profit after share in net profit of jointly-controlled companies	**1,111**	**1,326**	**-215**	**-16.2**	**-231**	**-17.7**
Income tax	(428)	(573)	146	-25.4	149	-26.2
Share in net profit of equity-accounted companies	0	0	0	-	0	-
Non-controlling interests	(129)	(132)	3	-2.3	7	-5.2
Attributable net profit	**554**	**621**	**-67**	**-10.8**	**-76**	**-12.4**
of which Bancassurance France	215	354	-139	-39.3	-139	-39.3
of which International Bancassurance	128	171	-43	-25.0	-36	-21.9
of which Private Banking & Asset Management	50	34	15	+44.8	-3	-10.3
of which Corporate and Local Development Banking	104	99	5	+4.8	7	+6.9
of which Corporate Centre	57	(38)	95	n.m.	96	n.m.

(a) Operating expenses include a positive effect from La Poste Financial Services' re-billing for €38.9 million in first-half 2024 and a positive effect of €40.2 million in first-half 2023.

4.4.2.1 *Bancassurance France*

Net banking income stood at €2,742 million, down 7.2%. The Insurance division's revenues were hampered by the high basis of comparison linked to the non-recurrence in first-half 2024 of exceptional surpluses linked to claims (deaths) recorded in the first half of 2023 in connection with the pension reform, and a lower insurance service result. Banking revenue remained resilient: the decline in the net interest margin, weighed down by the lower yield on home loans and deposit withdrawals, was partially offset by growth in bank fees (as a result of price increases) and financial commissions (life insurance).

Operating expenses increased by a contained 2.0%, reflecting inflation and an increase in distribution costs.

Attributable net profit came to €215 million, down 39.3 % (or €139 million) year on year.

4.4.2.2 *International Bancassurance*

Net banking income amounted to €565 million, down 13.6% as reported (down 11.5% like for like) due to unfavourable base effects as a result of favourable exceptional factors in the first half of 2023 that did not recur in first-half 2024, particularly for personal risk/protection insurance, and an adjustment to claims expenses in Brazil. In Italy, revenue retreated due to the increase in surrenders caused by competition from Italian government bonds, despite a good commercial performance underpinned by dividend offers.

Operating expenses edged down by €9.9 million (down 4.8% like for like) thanks to a reduction in project-related costs and the continued in-sourcing of certain services.

At €128 million, attributable net profit retreated by €42.8 million, or €36 million at constant scope and exchange rates.

4.4.2.3 *Wealth Management and Asset Management*

Net banking income reached €232 million, up 40.1% (up 1.8% like for like), driven by commissions and cash investments (up €6 million). The integration of LFDE had a €63.5 million positive impact on NBI. Operating expenses rose by 32.3%, reflecting the integration of LFDE and support for the development of the wealth management business (23 new sites in one year).

Attributable net profit was €49.8 million, up 44.8% (or €15.4 million) including the first-time consolidation of LFDE (€18.7 million positive impact).

4.4.2.4 *Corporate and Local Development Banking*

Net banking income was up 4.7% at €476 million euros, driven by strong momentum in specialised finance (volumes and development of up-front commissions) and profit-taking in the first half of 2024. Operating expenses rose by 5.3%, primarily as a result of the GEMO project[19].

Attributable net profit totalled €104 million, up €4.8 million on first-half 2023.

4.4.2.5 *Corporate Centre*

Attributable net profit for the business line totalled €57 million, compared with an attributable net loss of €38 million in first-half 2023, representing an improvement of €95 million. The Corporate Centre results can be explained by:

- the reclassification of insurance contract distribution costs, recognised as a deduction from net banking income in accordance with IFRS 17 (up €15 million);
- lower SRF/FGDR contributions included in operating expenses, at €53.2 million in first-half 2024 versus €20.5 million in first-half 2023 (down €32.7 million).

[19] GEMO ("*Gérer Ensemble la Modernisation de l'Organisation*"), is a project that was launched in February 2023 with the aim of creating a more efficient and collaborative working environment between the business-line teams and the IT teams.

4.4.3 Financial structure

	30 June 2024	31 Dec. 2023	Change
Balance sheet (in €bn)	**727.1**	**738.2**	**-1.5%**
Capital adequacy			
CET1 capital (in €bn)	17.9	17.5	*+2.3%*
CET1 ratio	19.0%	18.1%	*+0.8 pts*
Capital ratio	23.1%	22.2%	*+0.9 pts*
Leverage ratio	7.3%	7.3%	*0.0 pts*
Subordinated MREL (LRE)	10.2%	10.2%	*0.0 pts*
Subordinated MREL (RWA)	28.7%	27.6%	*+1.1 pts*
SCR coverage ratio[a]	263%	253%	+10 pts
Liquidity			
LCR	169%	146%	+23 pts
NSFR[b]	133%	132%	+1 pt
Loan-to-deposit ratio	89.8%	88.4%	*+1.4 pts*

(a) Scope: CNP Assurances Holding.
(b) Estimated data

La Banque Postale has a robust balance sheet, with a Common Equity Tier 1 ratio estimated at 19.0% at 30 June 2024 (up 0.8 points on the first half of 2023).
The total capital ratio came in at 23.1%, up 0.9 points versus end-June 2023.
The Insurance business consolidated SCR coverage ratio stood at 263% at 30 June 2024, an increase of 10.0 points within CNP Assurances Holding's scope compared to the ratio at 30 June 2023.
At end-June 2024, the leverage ratio was stable at 7.3%[20], above the regulatory minimum of 3%.
The balance sheet liquidity position continued to exceed regulatory requirements with a loan-to-deposit ratio of 89.8% reflecting strong financial resources. Liquidity ratios also remained very high, with an estimated LCR of 169% and an estimated NSFR of 133%.

4.5 Retail Customers & Digital Services

The Retail Customers & Digital Services business line markets postal, financial and telephone products and services to individual customers and business customers, drawing on the La Poste Network and the group's digital solutions and services, as part of an omnichannel customer relationship. It is also responsible for the group's digital transformation.
The Retail Customers & Digital Services business line is organised into two divisions:

- one division including the business line's commercial activities, mainly the Mail and Parcels activities, as well as the digital subsidiaries Docaposte, LP11 and La Poste Services à la Personne (LPSAP);
- a division for activities and services carried out for third parties, including those re-billed by the network and cross-functional projects run by the Digital Department.

[20] Leverage ratio excluding 100% of savings centralised with Caisse des Dépôts, in accordance with the provisions of CRR2.

(in € millions)	First-half 2024	First-half 2023 restated	Change YoY (in €m)	Change YoY (as a %)	Change at constant scope and exchange rates YoY (in €m)	Change at constant scope and exchange rates YoY (as a %)
Revenue	3,209	3,337	-128	-3.8	-142	-4.3
of which commercial activities	*1,600*	*1,600*	0	*0.0*	-14	*-0.9*
of which activities and services for third parties	*1,610*	*1,738*	-128	*-7.36*	-128	*-7.36*
Operating expenses	(3,158)	(3,207)	+49	-1.54	+65	-2.04
Operating profit before share in net profit of jointly-controlled companies	**51**	**130**	**-79**	**-60.6**	**-76**	**-58.9**
Share in net profit of jointly-controlled companies	10	8	+2	+29.7	+2	+29.7
OPERATING PROFIT AFTER SHARE IN NET PROFIT OF JOINTLY-CONTROLLED COMPANIES	**61**	**138**	**-76**	**-55.6**	**-74**	**-54.0**

4.5.1 Revenue

Revenue came in at €3,209 million, down €128 million, or 3.8%, year on year. After adjusting for €14 million in positive scope and currency effects, of which a positive €17 million related to Docaposte (due to the first-time consolidations of Maincare, Weliom, Axona and Acuitude) and a negative €3 million related to LP11 (sale of Optelo), revenue was down €142 million (4.3%) like for like compared to first-half 2023.

4.5.1.1 *Commercial activities*

Revenue from commercial activities amounted to €1,600 million, down €14 million like for like, breaking down as follows:

- Retail Customers revenue was down €16 million like for like to €1,136 million. This decline was mainly attributable to the €14 million revenue contraction recorded by the Mail business due to a 14% fall in volumes, partly offset by a positive 9% price effect. Revenue for the parcels business rose by €2 million, driven by a 5% volume increase led by parcels sent by small businesses and sole traders as well as by the Vinted offering.
- Revenue generated by the digital subsidiaries (Docaposte, LP11, LPSAP and Editique) remained stable year on year at €453 million. LP11 registered a €6 million like-for-like increase, mainly relating to Marketshot and Probayes, which helped offset a weaker performance from Docaposte (down €7 million), which, despite growth in Digital Trust Services, saw its revenue decline in its Digital Services Companies business as a result of a slowing market.
- Revenue from other commercial activities[21] rose by €3 million year on year to €11 million.

4.5.1.2 *Activities and services for third parties*

Billings for services performed on behalf of third parties amounted to €1,610 million, down €128 million, attributable mainly to a €170 million decrease in re-billings to the holding management company.

[21] External revenue from Digiposte, Digital Identity and fees from non-network customers.

4.5.2 Operating profit

Operating profit (after share in net profit of jointly-controlled companies) amounted to €61 million, down €74 million at constant scope and exchange rates year on year.

This change mainly reflects:

- a €154 million decrease in operating profit for the Network, stemming mainly from an unfavourable change in provisions for payroll costs[22];
- a €79 million increase in operating profit for the Retail Customers & Digital Services business line, propelled by the price increases introduced on 1 January 2024 (whereas there were no price increases in 2023), partly offset by an unfavourable impact related to the structural decline in Mail volumes;
- a €1 million contraction in Digital Subsidiaries' operating profit at constant scope and exchange rates, reflecting the difficulties encountered by Softeam.

4.6 Other segments

4.6.1 La Poste Immobilier

La Poste Immobilier is the group's Real Estate unit, comprising the Poste Immo subsidiary and the Real Estate Department of the La Poste parent company.

	First-half 2024	First-half 2023	Change		Change at constant scope and exchange rates	
			YoY		YoY	
(in € millions)			*(in €m)*	*(as a %)*	*(in €m)*	*(as a %)*
Revenue	470	441	+28	+6.4	+28	+6.4
Recurring operating expenses	(448)	(437)	-12	+2.7	-12	+2.7
Gains (losses) on disposals	(1)	3	-4	n.m.	-4	n.m.
Operating profit before share in net profit/(loss) of jointly-controlled companies	**20**	**8**	**+12**	**n.m.**	**+12**	**n.m.**
Share in net profit/(loss) of jointly-controlled companies	(3)	0	-3	n.m.	-3	n.m.
OPERATING PROFIT AFTER SHARE IN NET PROFIT/(LOSS) OF JOINTLY-CONTROLLED COMPANIES	**16**	**7**	**+9**	**n.m.**	**+9**	**n.m.**

Revenue generated by the Real Estate unit came to €470 million, up €28 million, or 6.4% year on year, fuelled by an increase in rental income as a result of rent indexation (up 6.3% or €19 million).

Operating profit (after share in net profit/(loss) of jointly-controlled companies) amounted to €16 million, up €9 million year on year. This increase was mainly due to the €9 million positive impact of rent indexation and a €4 million decrease in net charges to provisions, partly offset by a €4 million reduction in disposal gains.

[22] Including in the first half of 2023, the impact of the French pension reform on end-of-career benefit obligations and the termination of interest payments on La Poste retirees' demand deposits.

4.6.2 Support & Corporate

The Support & Corporate segment corresponds to the costs of the head office, the departments and shared services, and the vehicle fleet management subsidiary, Véhiposte. These costs are largely re-billed to the business lines.

(in € millions)	First-half 2024	First-half 2023	Change YoY *(in €m)*	*(as a %)*
Revenue	690	670	+20	+2.9
Operating expenses	(849)	(786)	-63	+8.0
Operating loss before share in net profit of jointly-controlled companies	**(159)**	**(116)**	**-43**	**+37.1**
Share in net profit of jointly-controlled companies	0	0	0	0.0
OPERATING LOSS AFTER SHARE IN NET PROFIT OF JOINTLY-CONTROLLED COMPANIES	**(159)**	**(116)**	**-43**	**+37.1**

Revenue amounted to €690 million, up €20 million year on year. This figure mainly comprises (i) intercompany income from billing services provided to other business lines for €632 million, and (ii) head office costs re-billed in respect of management fees for €49 million. The year-on-year increase reflects a higher amount of re-billed expenses due to the impact of inflation.
Operating loss after share in net profit of jointly-controlled companies was €159 million, widening by €43 million compared with the first half of 2023.

4.6.3 Unallocated expenses

(in € millions)	First-half 2024	First-half 2023	Change YoY *(in €m)*	*(as a %)*
Net cost of regional presence	(310)	(316)	+6	-1.8
Other operating income and expenses	156	(24)	+180	n.m.
OPERATING LOSS	**(155)**	**(340)**	**+185**	**-54.5**

Unallocated expenses comprise the costs of the universal postal service accessibility mission, the costs of the regional development mission, the corresponding local tax allowance and the costs associated with end-of-career benefits considered to be cross-group costs and which are therefore not allocated to the business lines, as well as the unallocated share of compensation for the universal postal service. The €185 million decrease in the operating loss compared with the first half of 2023 mostly arose from a €170 million reduction in expenses relating to end-of-career benefits.

5. Other key income statement metrics

5.1 Net financial expense

			Six months ended 30 June	
	First-half 2024	**First-half 2023**	**Change**	
			YoY	
(in € millions)			*(in €m)*	*(as a %)*
Net interest expense	(121)	(95)	-26	+26.8
Change in fair value including debt credit spread	3	12	-9	-74.1
Cost of net debt	**(118)**	**(83)**	**-34**	**+41.1**
Other financial items	(20)	(27)	+8	-28.0
NET FINANCIAL EXPENSE	**(137)**	**(111)**	**-27**	**+24.1**

Net financial expense increased by €27 million to €137 million year on year, with a €118 million cost of net debt (up €34 million), and other financial items representing a net expense of €20 million, a favourable year-on-year change of €8 million.

Net interest expense rose by €26 million to €121 million. Interest expense on borrowings and related derivatives rose by €22 million, due to the combined effects of the increase in average outstanding borrowings (€11,279 million in first-half 2024 compared with €10,821 million in first-half 2023) and the increase in the average cost of bond debt after hedging (1.64% in 2024 compared with 1.42% in 2023). The rise in interest rates also led to a €15 million increase in interest expense on lease liabilities. These higher interest expenses were partly offset by a €12 million increase in income from cash and cash equivalents as a result of a rise in the average rate of return on the investment portfolio from 2.5% in first-half 2023 to 4% in first-half 2024.

Other financial items (representing net expense of €20 million in first-half 2024) improved by €8 million year on year. This was essentially attributable to discounting adjustments on the provision for end-of-career and post-employment benefit obligations, which decreased in line with the reduction in the discount rates used at end-December 2023 compared with December 2022.

5.2 Attributable net profit

(in € millions)	First-half 2024	First-half 2023	Change YoY (in €m)	Change YoY (as a %)	Change at constant scope and exchange rates YoY (in €m)	Change at constant scope and exchange rates YoY (as a %)
			Six months ended 30 June			
Operating revenue	**16,985**	**17,086**	**-102**	**-0.6**	**-155**	**-0.9**
Operating expenses	**(15,878)**	**(15,929)**	**+51**	**-0.3**	**+6**	**0.0**
Operating profit/(loss)	**1,107**	**1,158**	**-51**	**-4.4**	**-149**	**-12.2**
Share in net profit of jointly-controlled companies	20	9	+12	n.m.	+12	n.m.
Operating profit/(loss) after share in net profit of jointly-controlled companies	**1,127**	**1,166**	**-39**	**-3.4**	**-137**	**-11.1**
Net financial expense	(137)	(111)	-27	+24.1	-25	+23.3
Profit before income tax	**990**	**1,056**	**-66**	**-6.2**	**-162**	**-14.5**
Income tax benefit/(expense)	(369)	(455)	+87	-19.0	+85	-19.1
Share in net profit/(loss) of other equity-accounted companies	2	(27)	+30	n.m.	+32	n.m.
CONSOLIDATED NET PROFIT	**623**	**573**	**+50**	**+8.8**	**-45**	**-7.0**
Net profit attributable to owners of the parent	**495**	**461**	**+34**	**+7.3**	**-57**	**-10.6**
Non-controlling interests	128	112	+17	+14.9	+11	+10.5

The group ended the first half of 2024 with attributable net profit of €495 million, representing a €34 million increase compared with the attributable net profit figure recorded for first-half 2023.

The scope effects (€96 million) primarily relate to Geopost's sale of Stuart at the end of 2023 (€83 million) and La Banque Postale's first-time consolidation of La Financière De l'Echiquier in the second half of 2023 (€19 million). The €6 million negative currency effects mostly related to the Argentine peso and pound sterling.

Adjusted for these scope and currency effects (representing an overall positive €91 million), the decrease in attributable net profit was €57 million, or 10.6%.

The main reason for this year-on-year decrease was operating profit after share in net profit of jointly-controlled companies, which was down €137 million like for like, primarily due to a series of non-recurring events in first-half 2023 and first-half 2024 for a net positive amount of €298 million, which breaks down as follows:

- a net operating expense of €162 million in the first half of 2023 as a result of legal proceedings on tax and social security matters relating to subcontracting services provided by an Italian Geopost subsidiary prior to its takeover by La Poste Groupe;
- the net balance of the impact of the pension reform and of the remedial action taken by the group in 2023 for an amount of €27 million;
- the sale of Stuart in 2023, which resulted in a loss of €65 million, corresponding to capital losses on the sale of shares and a provision for contingencies and losses to cover expenses that may be incurred in connection with the trust set up as part of the transaction;
- recognition of an aggregate €45 million in impairment and provisions for contingencies relating to the shut-down of Urby's activities in 2023, and a €2 million partial reversal in first-half 2024;

- a €33 million provision reversal recorded by LBP in the first half of 2023 related to 'Image chèque';
- a €38 million expense recorded by CNP Assurances in the first half of 2023 corresponding to the impact of the sale of Outlet Invest;
- a net €5 million expense recognised in first-half 2024 related to the implementation of the transformation plan for printed advertising distribution as part of Mediaposte's business restructuring plan adopted in 2023;
- €9 million in additional impairment charges recorded in first-half 2024 following the decision taken in late 2023 to close down Ma French Bank;
- a €22 million reversal of the impairment charged against DPD Russia's assets;
- a €32 million reversal of provisions for price reductions for holiday centres in 2024 following the agreement signed by La Poste in connection with the future Social and Economic Committee.

Adjusted for these items, group operating profit (after share in net profit/(loss) of jointly-controlled companies) decreased by €435 million.

The income tax expense recorded by the group in first-half 2024 was €85 million lower than one year earlier on a like-for-like basis. The first-half 2024 figure includes €58 million related to the following accounting events in the first six months of 2023 and 2024:

- the tax impact of the pension reform in France and the reversal of the loyalty premium provision, representing income of €55 million in first-half 2023;
- the tax impact of the reversal of the provision for price reductions, representing an expense of €4 million in first-half 2024;
- the tax impact of other material non-recurring events in first-half 2024, representing income of €1 million.

Adjusted for these accounting events in first-half 2023 and 2024, the group's income tax expense was €143 million lower year on year at constant scope and exchange rates, including €95 million for CNP Assurances and €54 million for La Banque Postale.

The group's net financial expense amounted to €137 million, up €27 million on the first half of 2023. Excluding scope and currency effects and the impact of material non-recurring events, the increase in net financial expense was €25 million, due to the combined impacts of higher average outstanding borrowings (€11,279 million versus €10,821 million in first-half 2023) and a rise in the average cost of bond debt from 1.42% in first-half 2023 to 1.64% in first-half 2024. Interest expense on lease liabilities was also affected by the rise in interest rates, although this impact was partly offset by higher average rates of return on cash investments.

The group recorded a €2 million share in net profit of other equity-accounted companies in first-half 2024, representing a like-for-like positive swing of €32 million (including positive impacts of €18 million related to Ninja Van, €11 million to Yurtici Kargo and €4 million to Aramex).

Net profit attributable to non-controlling interests increased by €17 million year on year, or €11 million at constant scope and exchange rates.
Excluding non-recurring items, net profit attributable to owners of the parent fell by €272 million.

6. Debt and financial strength

The tables below are set out so as to present both banking activities and industrial and commercial activities within the same group and to provide a more economic overview of their respective contribution to group cash generation.

La Poste, as the parent company, provides both funding for industrial and commercial activities and equity for La Banque Postale. For this reason, although La Banque Postale is fully consolidated, it is reported below based on the dividends it pays to its parent company, which are considered cash flows available to the group, once all minimum regulatory capital requirements are met.

Consequently, group net debt does not directly take into account La Banque Postale, for which this concept is not relevant. Group net debt thus varies mainly according to the following:

- the ability of the industrial and commercial activities to generate net free cash inflows (EBITDA, change in working capital, capital expenditure and any external growth);
- dividends paid by La Banque Postale to La Poste (including coupons for AT1 hybrid securities) or from equity-accounted companies and, conversely, any capital increases in these entities;
- the corporate income tax expense resulting in particular from the tax group set up between La Poste and its subsidiaries;
- La Poste's cost of capital employed, measured based on interest paid on net debt and dividends paid out to its shareholders.

6.1 Free cash flow

The group generated a negative €261 million in free cash flow in first-half 2024. Despite the €106 million increase in EBITDA, free cash flow retreated by €132 million year on year, reflecting the €131 million decrease in dividends received from La Banque Postale.

The €518 million improvement in income-tax-related cash flows due to the favourable impact of the first-time inclusion of CNP Assurances in the group's consolidated tax system was offset by the unfavourable changes in 2023 in working capital (€234 million) and HR provisions excluding end-of-career benefit obligations (€321 million).

	Six months ended 30 June			
	First-half 2024	**First-half 2023**	**Change**	
			YoY	
(in € millions)			*(in €m)*	*(as a %)*
EBITDA	733	628	+106	+16.8
Dividends received from equity-accounted companies	367	498	-131	-26.3
HR provisions excluding end-of-career benefit obligations	33	354	-321	-90.6
Adjusted EBITDA	**1,134**	**1,480**	**-346**	**-23.4**
Change in working capital	(707)	(472)	-234	+49.6
Purchases of property, plant and equipment and intangible assets	(634)	(638)	+4	-0.6
Disposals of property, plant and equipment and intangible assets	24	33	-9	-27.0
Net interest paid (excluding IFRS 16)	(74)	(28)	-46	n.m.
Income tax	484	(34)	+518	n.m.
CICE tax credit deducted/generated	0	0	0	n.m.
Repayment of lease liabilities	(421)	(420)	-1	+0.2
Interest expense on lease liabilities	(68)	(49)	-18	+36.7
FREE CASH FLOW	**(261)**	**(128)**	**-132**	**n.m.**

6.1.1 Adjusted EBITDA

Adjusted EBITDA came to €1,134 million in first-half 2024. This represented a €346 million year-on-year decrease, primarily due to a €321 million negative impact related to HR provisions excluding end-of-career benefit obligations. Out of this amount, €293 million related to the reversal of a provision in the first half of 2023 following the elimination of a post-employment benefit for La Poste retirees.

Dividends received from SMEs also decreased in first-half 2024, coming in €131 million lower, including an adjustment recorded during the period for an interim dividend paid by La Banque Postale in the second half of 2023.

At €733 million, EBITDA was €106 million higher than in first-half 2023 (with Geopost contributing €92 million to the increase). The year-on-year rise reflected a €134 million increase in non-banking revenue combined with a contained €29 million increase in expenses, whereas in 2023 EBITDA was impacted by a €176 million expense recognised for a fine levied on GEOPOST in Italy.

6.1.2 Purchases of property, plant and equipment and intangible assets

The cash outflow for purchases of property, plant and equipment and intangible assets decreased by €4 million versus first-half 2023 to €634 million, reflecting a €72 million decline in capital expenditure and a €68 million negative effect from the change in amounts due to suppliers of non-current assets.

	Six months ended 30 June			
	First-half 2024	**First-half 2023**	**Change**	
			YoY	
(in € millions)			*(in €m)*	*(as a %)*
Services-Mail-Parcels	(118)	(115)	-2	+2.1
Geopost	(152)	(188)	+36	-19.1
Retail Customers & Digital Services	(79)	(74)	-5	+6.4
Real Estate	(118)	(161)	+43	-26.9
Support & Other	(167)	(99)	-68	+69.2
Purchases of property, plant and equipment and intangible assets	**(634)**	**(638)**	**+4**	**-0.6**
Change in amounts due to suppliers of non-current assets	163	96	+68	+70.7
CAPITAL EXPENDITURE EXCLUDING BANKING ACTIVITIES	**(471)**	**(542)**	**+72**	**-13.2**

Purchases of property, plant and equipment and intangible assets break down as follows:

- Services-Mail-Parcels business line: €118 million, up €2 million. Investments for this business line were relatively stable year on year and related to maintaining the industrial base as well as IT.
- Geopost business line: €152 million, down €36 million. Projects for 2024 are focused on building delivery processing capacity, expanding the distribution network and developing new services. The largest projects concern the rollout of lockers in France and Poland, and investments in a sorting centre in Croatia and a depot in Portugal.
- Retail Customers & Digital Services business line: €79 million, up €5 million due to the unfavourable impact of changes in amounts due to suppliers of non-current assets, as volumes of purchases of these assets were €17 million lower than in first-half 2023. Investments are linked to network transformation projects, the launch of new services for PROs and IT investments.
- Real Estate division: €118 million, down €43 million. Investments were made to support the group's business lines and projects, such as the modernisation of post offices, the development of urban logistics activities and maintenance and compliance work on the buildings in the portfolio.
- Support & Other: €167 million, up €68 million, reflecting the delayed delivery in 2024 of capital expenditure projects begun in 2023.

6.1.3 Disposals of property, plant and equipment and intangible assets

Disposals of property, plant and equipment and intangible assets decreased by €9 million year on year to €24 million, chiefly reflecting an €8 million fall in disposal volumes in the real-estate division.

6.1.4 Other items of free cash flow

The change in working capital, which generated negative cash flow of €707 million in the first half of 2024, represented an unfavourable impact of €234 million compared with the first half of 2023. In 2023, Geopost recorded a €137 million liability towards the Italian State in connection with a legal dispute, which had a favourable impact on working capital but did not reflect any changes in operating activities.

The net cash outflow for interest paid amounted to €74 million, up €46 million year on year principally deriving from an adverse €45 million change in accrued interest not due.

Cash flows related to income tax represented a net inflow of €484 million in first-half 2024, representing a €518 million positive swing compared with first-half 2023, and primarily reflecting the repayment by the French tax authority of income tax overpaid by CNP Assurances in 2023 – the first year it was included in the group's tax consolidation structure.

The decrease in repayments of lease liabilities (€1 million) and the increase in interest expense on lease liabilities (€18 million) resulted notably in a €183 million year-on-year increase in finance lease liabilities, mainly driven by Geopost (up €193 million).

6.2 Change in net debt

The group's net debt rose by €362 million in first-half 2024, totalling €12,359 at 30 June. This increase mainly reflects the group's negative free cash flow of €261 million, the net cash outflow relating to external growth (€58 million), dividends paid (€25 million) and the elimination of HR provisions excluding end-of-career benefit obligations included in free cash flow (negative impact of €33 million). The €41 million cash inflow from capital increases corresponds to non-controlling interests' share in a €103 million capital increase carried out by the group's subsidiary Asendia.

	Six months ended 30 June			
	First-half 2024	**First-half 2023**	**Change**	
			YoY	
(in € millions)			*(in €m)*	*(as a %)*
Free cash flow	**(261)**	**(128)**	**-132**	**n.m.**
Dividends paid	(25)	(129)	+103	-80.5
Acquisitions and net financial assets	(58)	(433)	+375	-86.7
Change in finance lease liabilities	(24)	(50)	+26	-51.3
Change in accrued interest on financial instruments	27	(17)	+44	n.m.
Capital increases/reductions	41	0	+41	n.m.
Perpetual loans	0	0	0	-
Impact of changes in scope and exchange rates on debt	(8)	(9)	+1	-11.1
Elimination of HR provisions excl. end-of-career benefit obligations	(33)	(354)	+321	-90.6
Other cash flows used in operating activities	(26)	(41)	+15	-36.5
Other changes in net debt	5	37	-33	-87.6
Change in net debt	**(362)**	**(1,124)**	**+762**	**-67.8**
Opening net debt	**11,997**	**10,191**	**+1,806**	**+17.7**
Closing net debt (reported)	**12,359**	**11,314**	**+1,045**	**+9.2**

6.2.1 Impact of acquisitions and purchases of financial assets on group net debt

Cash flows related to acquisitions and changes in financial assets amounted to a net outflow of €58 million, down €375 million year on year, comprising the following:

- acquisitions of subsidiaries minus cash acquired for €20 million;
- acquisitions of financial assets, representing an outflow of €29 million, and €12 million related to disposals of financial assets (deposits and guarantees);

- purchases of non-controlling interests for €21 million, mainly relating to the buyout of non-controlling interests in Asten Santé and MN Santé and the sale of some of the group's shares in C Chez Vous.

6.2.2 Dividends paid by the group in 2024

The group paid out an aggregate €25 million in dividends and related income in first-half 2024, breaking down as follows:

- €2 million paid to non-controlling shareholders of group subsidiaries;
- €23 million recognised as dividends paid and corresponding to the remuneration of perpetual hybrid subordinated notes subscribed in 2018 and recorded in group equity.

6.3 Change in cash and cash equivalents

The group's cash and cash equivalents decreased by €220 million in first-half 2024, to €3,430 million at 30 June from €3,650 million at the beginning of the period.

	Six months ended 30 June			
	First-half 2024	First-half 2023	Change YoY	
(in € millions)			*(in €m)*	*(as a %)*
Free cash flow	**(261)**	**(128)**	**-132**	**n.m.**
Dividends paid	(25)	(129)	+103	-80.5
Acquisitions and net financial assets	(58)	(433)	+375	-86.7
Proceeds from new borrowings	503	2,018	-1,515	-75.1
Repayment of borrowings (excluding lease liabilities)	(499)	(1,391)	+892	-64.1
Capital increases/ reductions	41	0	+41	n.m.
Perpetual loans	0	0	0	-
Change in financial assets held for cash management purposes	48	281	-233	-82.9
Other cash flows from/(used in) financing activities	13	(57)	+70	n.m.
Impact of changes in exchange rates and accounting policy	14	6	+8	n.m.
Intra-group cash flows	63	(337)	+400	n.m.
Elimination of HR provisions excl. end-of-career benefit obligations	(33)	(354)	+321	-90.6
Other cash flows used in operating activities	(26)	(41)	+15	-36.5
Change in cash and cash equivalents	**(220)**	**(565)**	**+345**	**-61.1**
Opening cash and cash equivalents	**3,650**	**4,537**	**-887**	**-19.6**
Closing cash and cash equivalents	**3,430**	**3,972**	**-542**	**-13.6**

The change in cash and cash equivalents mainly reflects the following:

- €335 million in cash used as a result of free cash flow generated (€261 million) net of HR provisions excluding end-of-career benefit obligations (€33 million), dividends paid (€25 million corresponding to the remuneration of hybrid notes subscribed by the group), cash flows related to changes in capital (€41 million) and cash outflows for external growth transactions and purchases of financial assets (€58 million);
- a net €4 million increase in cash and cash equivalents attributable to proceeds from new borrowings less repayment of borrowings (excluding IFRS 16), with the €450 million in redemptions of commercial paper offset by issues representing the same amount (outstanding commercial paper was stable at €200 million at 30 June 2024);

- €63 million in intra-group cash flows, corresponding to the change in the net financial position with La Banque Postale, mainly due to the change in the balance of La Poste SA's current accounts at La Banque Postale to €45 million at 30 June 2024 versus €122 million at 31 December 2023, as well as a €6 million negative change in debt with La Banque Postale under the overall intra-group "debt/receivables" position;
- a €48 million increase in cash and cash equivalents from changes in financial assets held for cash management purposes, related to changes in the outstanding amounts of investments with maturities of more than three months;
- a net inflow of €13 million reflecting other cash flows from financing activities.

6.4 Gross debt

The Group's gross debt remained stable overall at €16,063 million, representing an increase of €40 million during the first half of 2024.

Gross debt breaks down as follows:

	Six months ended 30 June			
	30 June 2024	**31 Dec. 2023**	**Change**	
			YoY	
(in € millions)			*(in €m)*	*(as a %)*
Bonds	**11,269**	**11,261**	**+8**	**+0.1**
Short-term bonds	1,749	1,000	+749	+74.9
Medium- and long-term bonds	9,520	10,261	-741	-7.2
La Poste savings bonds	**50**	**51**	**0**	**-0.5**
Short-term La Poste savings bonds	50	51	0	-0.5
Medium- and long-term La Poste savings bonds	0	0	0	-
Commercial paper	**200**	**200**	**0**	**0.0**
Short-term commercial paper	200	200	0	0.0
Medium- and long-term commercial paper	0	0	0	-
Deposits and guarantees received	**56**	**58**	**-3**	**-4.5**
Short-term deposits and guarantees received	4	6	-2	-40.2
Medium- and long-term deposits and guarantees received	52	52	0	-0.4
Accrued interest	**86**	**112**	**-26**	**-23.2**
Accrued interest	86	112	-26	-23.2
Subordinated debt	**0**	**0**	**0**	**n.m.**
Lease liabilities	**4,102**	**4,078**	**+24**	**+0.6**
Short-term lease liabilities	819	812	+7	+0.9
Medium- and long-term lease liabilities	3,283	3,266	+17	+0.5
Other items excluding lease liabilities	**301**	**264**	**+37**	**+14.0**
Other short-term items	189	145	+45	+30.9
Other medium- and long-term items	111	119	-8	-6.4
GROSS DEBT	**16,063**	**16,023**	**+40**	**+0.3**
Short-term gross debt	**3,097**	**2,325**	**+772**	**+33.2**
Medium- and long-term gross debt	**12,966**	**13,698**	**-732**	**-5.3**

The group's bond debt at 30 June 2024 amounted to €11,269 million (excluding hybrid bonds but including green bonds) and comprised 14 issues with fixed rates, some of which were swapped to floating rates then swapped back as appropriate depending on interest rate forecasts.

6.5 Net debt

(in € millions)	30 June 2024	31 Dec. 2023	Change YoY *(in €m)*	Change YoY *(as a %)*
			Six months ended 30 June	
Closing gross debt	16,063	16,023	+40	+0.3
Cash and cash equivalents	(3,430)	(3,649)	+219	-6.0
Other assets	(274)	(376)	+102	-27.2
CLOSING NET DEBT	**12,359**	**11,997**	**+362**	**+3.0**

The group's net debt stood at €12,359 million at 30 June 2024. This represents a €362 million increase in first-half 2024, reflecting a €40 million increase in gross debt, a €219 million decrease in cash and cash equivalents (see section on cash and cash equivalents) and a €102 million decrease in other assets.

Other assets of €274 million mainly comprised the following:

- debt-related derivative assets with a fair value of €5 million, down €3 million;
- investments with initial maturities of more than three months for €161 million, down €47 million compared with 31 December 2023;
- the net financial position with La Banque Postale, which amounted to a credit position of €90 million versus a credit position of €152 million at 31 December 2023.

6.6 Equity and financial structure

	Six months ended 30 June			
	30 June 2024	**31 Dec. 2023**	**Change**	
			YoY	
(in € millions)			*(in €m)*	*(as a %)*
Equity attributable to owners of the parent (opening)	**22,424**	**21,381**	**1,042**	**+4.9**
Capital increases	0	316	-316	-100.0
Net profit attributable to owners of the parent	495	514	-19	-3.7
Dividend payments	0	(421)	421	-100.0
Remuneration of perpetual hybrid subordinated notes	(87)	(151)	63	-42.1
Reserves that may or will not be reclassified to profit or loss	39	753	-714	-94.8
Translation adjustments	(255)	108	-363	n.m.
Actuarial gains and losses	15	(24)	39	n.m.
Transactions with non-controlling interests	0	(7)	7	-100.0
Other	49	(46)	95	n.m.
Equity attributable to owners of the parent (closing)	**22,680**	**22,424**	**256**	**+1.1**
Non-controlling interests	7,905	8,345	-440	-5.3
CONSOLIDATED EQUITY (CLOSING)	**30,585**	**30,769**	**-184**	**-0.6**

Equity attributable to owners of the parent amounted to €22,680 million at 30 June 2024. This represents an increase during the period of €256 million, primarily reflecting the €495 million in attributable net profit and €255 million in translation losses, mainly at CNP Assurances. Reserves – both reclassifiable and non-reclassifiable to profit or loss – increased by €39 million, with reclassifiable reserves rising by €199 million and non-reclassifiable reserves falling by €160 million.

Non-controlling interests amounted to €7,905 million, a decline of €440 million year on year.

6.7 Credit ratings

Following its rating downgrade for France's general government debt, on 4 June 2024 S&P Global Ratings lowered its credit rating for La Poste Groupe to "A" with a Stable Outlook.
The rating assigned by Fitch Ratings remains unchanged.

Rating agency	Long-term rating	Short-term rating	Outlook	Date most recently assigned
Fitch Ratings	A+	F1+	Stable	15 December 2023
S&P Global	A	A-1	Stable	4 June 2024

7. Outlook and subsequent events

7.1 Outlook

Global growth is projected to be around 3.2% in 2024 and 2025[23], weighed down by the elevated central bank rates that have been set in order to fight inflation. Eurozone growth is expected to be a contained 0.8%, with France's economy growing 0.7%, driven by higher household spending as inflation eases.

Against this backdrop, in 2024 the group will press ahead with its strategic plan, "La Poste 2030, committed for you", focusing on the following priorities:

- Extend Geopost's core business to the out-of-home market, pursue its business development in BtoB and the high-growth markets of food and healthcare product deliveries and consolidate its footprint outside Europe.
- Reinforce La Banque Postale's retail banking model and more closely align the Network's objectives in order to step up the pace of its profitable growth momentum.
- Continue to transform its social dialogue, with the introduction of Social and Economic Committees by the end of October 2024.
- Remain a leader in relational marketing by continuing Mediaposte's transformation process and developing Log'issimo's new local logistics services.
- Be the partner of choice for players in care and independent living in order to enhance healthcare pathways across France.

La Poste Groupe will continue to carry out the public service missions entrusted to it and will pursue its aim of boosting its positive impacts for society as a whole by combining financial performance with its role of serving the public interest.

7.2 Subsequent events

None.

[23] See the International Monetary Fund's World Economic Outlook report, updated in April 2024.

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CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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LA POSTE
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CONSOLIDATED INCOME STATEMENT

(in € millions)	NOTE	First-half 2024	First-half 2023	Full-year 2023
Revenue from commercial activities	4	13,360	13,246	26,888
Net banking income	5	3,625	3,840	7,185
Operating revenue		**16,985**	**17,086**	**34,073**
Purchases and other expenses	6	(7,563)	(7,624)	(16,053)
Personnel expenses	7	(7,078)	(6,794)	(13,605)
Taxes other than on income	8	(214)	(363)	(505)
Depreciation, amortisation, provisions and impairment	8	(1,253)	(1,419)	(2,904)
Other operating expenses and income	8	241	295	689
Proceeds from asset disposals		(11)	(24)	(50)
Net operating expenses		**(15,878)**	**(15,929)**	**(32,428)**
Share in net profit/(loss) of jointly-controlled companies	14	20	9	35
Operating profit		**1,127**	**1,166**	**1,680**
Cost of net debt	9.1	(117)	(84)	(211)
Other financial items	9.2	(20)	(27)	(28)
Net financial expense	9	**(137)**	**(111)**	**(239)**
Share in net profit/(loss) of other equity-accounted companies	14	**2**	**(27)**	**(169)**
Profit/(loss) before income tax		**992**	**1,028**	**1,272**
Income tax benefit/(expense)	10	(369)	(455)	(496)
CONSOLIDATED NET PROFIT/(LOSS)		**623**	**573**	**776**
Attributable to non-controlling interests		128	112	262
NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT		**495**	**461**	**514**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts net of tax *(in € millions)*	First-half 2024	First-half 2023	Full-year 2023
CONSOLIDATED NET PROFIT/(LOSS)	**623**	**573**	**776**
OTHER COMPREHENSIVE INCOME RECOGNISED IN EQUITY			
Items that may be reclassified to profit or loss	**(749)**	**(559)**	**(577)**
Changes in unrealised gains and losses on financial instruments	(3,119)	2,177	8,334
Reclassification to profit or loss	*565*	*786*	*2,300*
Translation adjustments	(591)	470	322
Reclassification to profit or loss			
Share in other comprehensive income of equity-accounted companies that may be reclassified to profit or loss	22	(16)	(44)
Remeasurement of insurance and reinsurance contracts	2,939	(3,190)	(9,189)
Items that will not be reclassified to profit or loss	**214**	**1,533**	**1,659**
Actuarial gains and losses on employee benefits	18	(16)	(27)
Changes in credit risk of financial liabilities designated as at fair value through profit or loss	2	5	(1)
Remeasurement of equity instruments at fair value through other comprehensive income	197	1,553	1,684
Share in other comprehensive income of equity-accounted companies that will not be reclassified to profit or loss	(3)	(8)	3
Fair value adjustments to direct participating insurance contracts through OCI		(1)	
Total other comprehensive income/(loss) recognised in equity (net of tax)	**(535)**	**974**	**1,082**
TOTAL COMPREHENSIVE INCOME/(LOSS)	**88**	**1,547**	**1,858**
Total comprehensive income/(loss) attributable to non-controlling interests	(206)	375	507
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT	**294**	**1,172**	**1,351**

LA POSTE
GROUPE

CONSOLIDATED BALANCE SHEET

ASSETS

(in € millions)	NOTE	30 June 2024	31 Dec. 2023
Goodwill	11	5,961	5,942
Intangible assets	12	5,168	5,513
Property, plant and equipment	12	6,818	6,865
Right-of-use assets	13	3,642	3,628
Investments in equity-accounted companies	14	1,863	1,811
Other non-current financial assets	15	603	582
Deferred tax assets		2,098	1,920
Non-current assets		**26,153**	**26,261**
Inventories and work-in-progress	15	209	215
Trade and other receivables	15	5,661	5,670
Other current financial assets	15	252	283
Income tax credit		505	921
Other accruals – Assets		212	160
Cash and cash equivalents	15	3,430	3,650
Assets and disposal groups held for sale	23	823	53
Current assets		**11,092**	**10,952**
Cash, central banks	16	31,285	40,577
Financial assets at fair value through profit or loss	16	214,850	218,089
Hedging derivatives	16	736	677
Financial assets at fair value through OCI	16	210,914	212,678
Securities at amortised cost	16	34,062	33,104
Loans and advances to credit institutions at amortised cost	16	69,839	70,914
Loans and advances to customers at amortised cost	16	128,666	125,999
Revaluation differences on portfolios hedged against interest rate risks	16	(110)	181
Insurance contracts issued – Assets	16	1,199	1,343
Reinsurance contracts held – Assets	16	6,450	8,891
Other financial assets and accruals	16	11,900	8,596
Investment property	16	7,043	7,262
Assets specific to banking and insurance activities		**716,834**	**728,311**
TOTAL ASSETS		**754,079**	**765,524**

EQUITY AND LIABILITIES

(in € millions)	NOTE	30 June 2024	31 Dec. 2023
Share capital and share premium		7,104	7,104
Reserves		18,955	18,264
Cumulative gains and losses on financial instruments and insurance/reinsurance contracts reclassifiable to profit or loss		(4,072)	(3,910)
Translation reserve		(546)	(292)
Perpetual hybrid subordinated notes		744	744
Net profit/(loss) attributable to owners of the parent		495	514
Equity attributable to owners of the parent		**22,680**	**22,424**
Non-controlling interests		7,905	8,345
CONSOLIDATED EQUITY		**30,585**	**30,769**
Bonds and other debt [(a)]	18.1	11,961	11,945
Lease liabilities [(a)]	18.1	4,102	4,078
Provisions for contingencies and losses [(a)]	17	881	953
Employee benefits [(a)]	20	1,944	2,143
Deferred tax liabilities (non-current)		1,363	1,563
Trade and other payables [(a)]	21	9,211	10,140
Income tax liabilities (current)		302	199
Other accruals – Liabilities (current)		345	262
Liabilities directly associated with assets held for sale (current)	23	651	64
Non-current liabilities		**15,808**	**16,869**
Current liabilities		**14,952**	**14,478**
Financial liabilities at fair value through profit or loss	22	16,620	13,585
Hedging derivatives	22	1,848	2,183
Liabilities due to central banks and credit institutions	22	27,732	33,576
Customer deposits	22	226,622	224,995
Debt securities	22	28,494	34,314
Revaluation differences on portfolios hedged against interest rate risks	22	(328)	(331)
Insurance contracts issued and reinsurance contracts held	22	376,539	378,485
Other financial liabilities and accruals	22	5,806	7,151
Subordinated debt	22	9,401	9,450
Liabilities specific to banking and insurance activities		**692,734**	**703,408**
TOTAL EQUITY AND LIABILITIES		**754,079**	**765,524**
(a) Of which current portion:			
Bonds and other debt		*2,278*	*1,513*
Lease liabilities		*819*	*812*
Provisions for contingencies and losses		*762*	*828*
Employee benefits		*588*	*663*
Trade and other payables		*9,207*	*10,137*

CHANGES IN CONSOLIDATED EQUITY 2024

First-half 2024

Amounts net of tax *(in € millions)*	Share capital and share premium	Retained earnings	Translation reserves	Financial instrument reserves reclassifiable to profit or loss	Cumulative gains & losses on ins. & reins. contracts reclassifiable to profit or loss	Perpetual hybrid subordinated notes	Other reserves	**ATTRIBUTABLE TOTAL**	Non-controlling interests	**TOTAL**
Consolidated equity at 31 December 2023	**7,104**	**514**	**(292)**	**(19,463)**	**15,553**	**744**	**18,264**	**22,424**	**8,345**	**30,769**
Dividend payments									(287)	**(287)**
Remuneration of perpetual hybrid subordinated notes [(a)]							(87)	**(87)**		**(87)**
Put options written over non-controlling interests							9	**9**	20	**29**
Transactions with non-controlling interests							(12)	**(12)**	(8)	**(20)**
Appropriation of 2023 net profit/(loss)		(514)					514			
Comprehensive income for the period		495	(255)	(3,062)	2,902		214	**294**	**(206)**	**88**
Of which:										
- Net profit		*495*						***495***	*128*	***623***
- Reserves reclassifiable to profit or loss			*(255)*	*(3,062)*	*2,902*			***(415)***	*(334)*	***(749)***
- Cumulative gains and losses on financial instruments not reclassifiable to profit or loss							*199*	***199***		***199***
- Cumulative gains and losses on insurance and reinsurance contracts not reclassifiable to profit or loss										
- Actuarial gains and losses							*15*	***15***		***15***
Other				(2)			54	**52**	41	**93**
CONSOLIDATED EQUITY AT 30 JUNE 2024	**7,104**	**495**	**(546)**	**(22,527)**	**18,455**	**744**	**18,955**	**22,680**	**7,905**	**30,585**

(a) Remuneration of hybrid subordinated notes from La Poste (€23 million), La Banque Postale (€26 million) and CNP Assurances (€38 million).

CHANGES IN CONSOLIDATED EQUITY 2023

First-half 2023

Amounts net of tax *(in € millions)*	Share capital and share premium	Retained earnings	Translation reserves	Financial instrument reserves reclassifiable to profit or loss	Cumulative gains & losses on ins. & reins. contracts reclassifiable to profit or loss	Perpetual hybrid subordinated notes	Other reserves	ATTRIBU-TABLE TOTAL	Non-controlling interests	TOTAL
Consolidated equity at 31 December 2022 - reported	**6,788**	**1,203**	**(422)**	**(3,301)**		**744**	**12,534**	**17,546**	**7,767**	**25,313**
First-time application of IFRS 17 [(a)]		(192)	38	(24,312)	24,708		3,593	**3,835**	**320**	**4,155**
Consolidated equity at 31 December 2022	**6,788**	**1,011**	**(384)**	**(27,613)**	**24,708**	**744**	**16,127**	**21,381**	**8,087**	**29,468**
Dividend payments [(b)]	316						(421)	**(105)**	(215)	**(320)**
Remuneration of perpetual hybrid subordinated notes [(c)]							(85)	**(85)**		**(85)**
Put options written over non-controlling interests							(5)	**(5)**	(1)	**(6)**
Transactions with non-controlling interests			(16)	6			(50)	**(60)**	(58)	**(118)**
Appropriation of 2022 net profit/(loss)		(1,011)					1,011			
Comprehensive income for the period		461	212	2,122	(3,156)		1,533	**1,172**	**375**	**1,547**
Of which:										
- Net profit		*461*						***461***	*112*	***573***
- Reserves reclassifiable to profit or loss			*212*	*2,122*	*(3,156)*			***(822)***	*263*	***(559)***
- Cumulative gains and losses on financial instruments not reclassifiable to profit or loss							*1,558*	***1,558***		***1,558***
- Cumulative gains and losses on insurance and reinsurance contracts not reclassifiable to profit or loss							*(1)*	***(1)***		***(1)***
- Actuarial gains and losses							*(24)*	***(24)***		***(24)***
Other					(76)		83	**7**	168	**175**
CONSOLIDATED EQUITY AT 30 JUNE 2023	**7,104**	**461**	**(188)**	**(25,486)**	**21,476**	**744**	**18,194**	**22,305**	**8,356**	**30,661**

(a) Restated for the first-time application of IFRS 17.
(b) La Poste dividend payment for € 421 million. The payment was made in cash for €105 million and in new shares for €316 million (share premium included).
(c) Remuneration of hybrid subordinated notes from La Poste (€23 million), La Banque Postale (€26 million) and CNP Assurances (€36 million).

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Full-year 2023

Amounts net of tax *(in € millions)*	Share capital and share premium	Retained earnings	Translation reserves	Financial instrument reserves reclassifiable to profit or loss	Cumulative gains & losses on ins. & reins. contracts reclassifiable to profit or loss	Perpetual hybrid subordinated notes	Other reserves	**ATTRIBU-TABLE TOTAL**	Non-controlling interests	**TOTAL**
Consolidated equity at 31 December 2022 - reported	**6,788**	**1,203**	**(422)**	**(3,301)**		**744**	**12,534**	**17,546**	**7,767**	**25,313**
First-time application of IFRS 17 [(a)]		(192)	38	(24,312)	24,708		3,593	3,835	320	4,155
Consolidated equity at 31 December 2022	**6,788**	**1,011**	**(384)**	**(27,613)**	**24,708**	**744**	**16,127**	**21,381**	**8,087**	**29,468**
Dividend payments [(b)]	316						(421)	**(105)**	(358)	**(463)**
Remuneration of perpetual hybrid subordinated notes [(c)]							(151)	**(151)**		**(151)**
Put options written over non-controlling interests							31	**31**	(3)	**28**
Transactions with non-controlling interests			(16)	3			(25)	**(38)**	(61)	**(99)**
Appropriation of 2022 net profit/(loss)		(1,011)					1,011			
Comprehensive income for the period		514	108	8,146	(9,076)		1,659	**1,351**	**507**	**1,858**
Of which:										
- Net profit		*514*						***514***	*262*	***776***
- Reserves reclassifiable to profit or loss			*108*	*8,146*	*(9,076)*			***(822)***	*245*	***(577)***
- Cumulative gains and losses on financial instruments not reclassifiable to profit or loss							*1,683*	***1,683***		***1,683***
- Cumulative gains and losses on insurance and reinsurance contracts not reclassifiable to profit or loss										
- Actuarial gains and losses							*(24)*	***(24)***		***(24)***
Other				1	(79)		33	**(45)**	**173**	**128**
CONSOLIDATED EQUITY AT 31 DECEMBER 2023	**7,104**	**514**	**(292)**	**(19,463)**	**15,553**	**744**	**18,264**	**22,424**	**8,345**	**30,769**

(a) Restated for the first-time application of IFRS 17.
(b) La Poste dividend payment for € 421 million. The payment was made in cash for €105 million and in new shares for €316 million (share premium included).
(c) Remuneration of hybrid subordinated notes from La Poste (€23 million), La Banque Postale (€52 million) and CNP Assurances (€76 million).

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CONSOLIDATED STATEMENT OF CASH FLOWS

(in € millions)	First-half 2024			First-half 2023			Full-year 2023		
	Group	**Industrial and commercial activities**	**Banking and insurance activities**	**Group**	**Industrial and commercial activities**	**Banking and insurance activities**	**Group**	**Industrial and commercial activities**	**Banking and insurance activities**
EBITDA	**2,181**	**733**	**1,448**	**2,261**	**628**	**1,633**	**4,319**	**977**	**3,342**
Changes in provisions for current assets and irrecoverable receivables	(34)	(34)		(42)	(42)		(49)	(49)	
Miscellaneous financial income and expenses	8	8		1	1		17	17	
Cash flows from/(used in) operating activities before cost of net debt and taxes	**2,155**	**707**	**1,448**	**2,220**	**587**	**1,633**	**4,287**	**945**	**3,342**
Changes in working capital requirement	(786)	(709)	(77)	(290)	(473)	183	132	67	65
Changes in balance of banking and insurance assets and liabilities	(9,678)		(9,678)	11,216		11,216	147		147
Taxes paid	(46)	485	(531)	(313)	(34)	(279)	(643)	(77)	(566)
Dividends paid by La Banque Postale to La Poste		348	(348)		476	(476)		576	(576)
Dividends received from equity accounted companies	23	20	3	22	22		105	25	80
Net cash from/(used in) operating activities	**(8,332)**	**851**	**(9,183)**	**12,855**	**578**	**12,277**	**4,028**	**1,536**	**2,492**
Purchases of property, plant and equipment and intangible assets	(805)	(632)	(173)	(854)	(638)	(216)	(1,946)	(1,471)	(475)
Purchases of financial assets	(36)	(29)	(7)	(79)	(67)	(12)	(135)	(84)	(51)
Proceeds from disposals of property, plant and equipment and intangible assets	33	24	9	33	33		119	119	
Proceeds from disposals of financial assets	12	12		5	5		32	25	7
Impact of changes in consolidation scope	(21)	(21)		(251)	(344)	93	(959)	(472)	(487)
Changes in financial assets held for cash management purposes	48	48		281	281		380	380	
Net cash from/(used in) investing activities	**(769)**	**(598)**	**(171)**	**(865)**	**(730)**	**(135)**	**(2,509)**	**(1,503)**	**(1,006)**
Capital increases	41	41		172	1	171	178	1	177
Dividends paid and remuneration of hybrid subordinated notes	(369)	(25)	(344)	(401)	(129)	(272)	(615)	(135)	(480)
Purchases of non-controlling interests	(21)	(21)		(91)	(27)	(64)	(127)	(63)	(64)
Interest paid	(141)	(141)		(78)	(78)		(157)	(157)	
Proceeds from new borrowings	503	503		2,518	2,018	500	3,159	2,659	500
Repayment of borrowings	(499)	(499)		(1,591)	(1,391)	(200)	(2,444)	(2,244)	(200)
Repayment of lease liabilities	(437)	(421)	(16)	(444)	(419)	(25)	(892)	(850)	(42)
Other cash flows used in financing activities	13	13		(57)	(57)		(49)	(49)	
Intra-group flows		63	(63)		(337)	337		(86)	86
Net cash from/(used in) financing activities	**(910)**	**(487)**	**(423)**	**28**	**(419)**	**447**	**(947)**	**(924)**	**(23)**
Decrease/(increase) in cash and cash equivalents from banking activities before impact of changes in consolidation scope	9,777		9,777	(12,589)		(12,589)	(1,463)		(1,463)
Impact of subsidiaries held for sale	14	14		2	2		1	1	
Impact of changes in exchange rates	1	1		4	4		3	3	
Net (decrease)/increase in cash and cash equivalents	**(219)**	**(219)**		**(565)**	**(565)**		**(887)**	**(887)**	
Opening cash and cash equivalents	**3,649**	**3,649**		**4,537**	**4,537**		**4,537**	**4,537**	
Closing cash and cash equivalents	**3,430**	**3,430**		**3,972**	**3,972**		**3,650**	**3,650**	

GENERAL ITEMS

NOTE 1 SIGNIFICANT EVENTS OF THE SEMESTER

1.1 Bond issuances

During the first half of 2024, La Poste Groupe issued several bonds that qualify as debt instruments under IFRS 9 and IAS 32.

On 29 January 2024, La Banque Postale Home Loan SFH carried out a €750 million green covered bond issue, the proceeds of which will be used to finance green loans. The bonds are due in 2034 and pay interest at 3.125%.

On 13 February 2024, La Banque Postale issued €750 million worth of bonds due June 2030 paying interest at 3.5%.

On 17 June 2024, La Banque Postale issued €750 million worth of bonds due August 2034 paying interest at 3.75%.

1.2 Planned disposal of La Poste Telecom

On 22 February 2024, the group announced that it had entered into exclusive negotiations with Bouygues Telecom concerning the disposal of La Poste Telecom, the leading virtual mobile operator on the French market under the La Poste Mobile brand, as part of a new phase in the company's development.

In doing so, La Poste and Bouygues plan to forge a strong, long-term strategic partnership that will draw on the complementary strengths of the two groups and focus in particular on:

- Bouygues Telecom's acquisition of 100% of the capital of La Poste Telecom, 51% of which was held by La Poste Groupe and 49% by SFR;
- an exclusive distribution partnership in the postal network;
- a licensing agreement to consolidate the La Poste Mobile brand, which would remain the property of La Poste.

The value of 100% of La Poste Telecom's shares in this transaction is €950 million.

This project will be submitted to La Poste Telecom's employee representative bodies, then to La Poste Groupe's governance bodies, to SFR's right of pre-emption and to the competent authorities.

1.3 Disposal of the insurance business in Cyprus

On 9 July 2024, La Poste Groupe announced the signature of an agreement for the sale of its subsidiary Cyprus Insurance Holdings (CIH). The proposed sale price amounts to €182 million, generating a capital loss estimated at around €11 million.

The deal is expected to be closed in early 2025, once the necessary regulatory approvals have been obtained and the other customary conditions precedent have been fulfilled.

The assets and liabilities reclassified as held for sale amount to €808 million and €624 million respectively, net of intra-group transactions between Cyprus Insurance Holdings and other Group entities.

The announcement of the signing of the sale agreement is disclosed in Note 27 “Events after the reporting period”.

1.4 Income statement at constant scope and exchange rates

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

	Reported amounts		Restated amounts excluding scope and exchange rate effects	
(in € millions)	First-half 2024	First-half 2023	First-half 2024	First-half 2023
Revenue and NBI	**16,985**	**17,086**	**16,887**	**17,042**
Purchases and other expenses	(7,563)	(7,624)	(7,552)	(7,617)
Personnel expenses	(7,078)	(6,794)	(7,036)	(6,763)
Taxes other than on income	(214)	(363)	(213)	(362)
Depreciation, amortisation, provisions and impairment	(1,253)	(1,419)	(1,247)	(1,342)
Other operating expenses and income	241	295	243	287
Proceeds from asset disposals	(11)	(24)	(11)	(23)
Net operating expenses	**(15,878)**	**(15,929)**	**(15,815)**	**(15,821)**
Share in net profit/(loss) of jointly-controlled companies	20	9	20	9
Recurring operating profit/(loss) (after share in net profit/(loss) of jointly-controlled companies)	**1,127**	**1,166**	**1,092**	**1,229**

NOTE 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

La Poste, the parent company of **La Poste Groupe** ("La Poste Groupe" or "the group") has been a ***société anonyme*** (French public-owned limited company) since 1 March 2010, with its registered office at **9 rue du Colonel-Pierre-Avia, 75015 Paris, France**.

Prior to this, it was an independent state-owned entity, that was already subject to the same financial management and accounting policies as commercial businesses. La Poste Groupe is a large **multi-business services group**.

The group's condensed consolidated financial statements for the six months ended 30 June 2024 were approved for issue by the Board of Directors at its meeting of 1 August 2024.

2.1 Accounting basis

Pursuant to European Regulation No. 1606/2002 of 19 July 2002, the condensed consolidated financial statements of La Poste Groupe for the six months ended 30 June 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. These standards are available at: EUR-Lex - 02023R1803-20240109 - EN - EUR-Lex (europa.eu)

The condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 – Interim Financial Reporting. As these are condensed financial statements, they do not include all the disclosures required in a full set of annual financial statements and should be read in conjunction with the group's financial statements for the year ended 31 December 2023. With the exception of the items described in section 2.1.1 below, the accounting policies applied at 30 June 2024 are identical to those applied at 31 December 2023, as presented in Note 3 to the 2023 consolidated financial statements.

2.1.1 Standards and amendments applied by the group from 1 January 2024

The following narrow-scope amendments effective for reporting periods beginning on or after 1 January 2024 had no material impact on La Poste Groupe's interim financial statements for the six months ended 30 June 2024.

Amendment to IAS 1 – Non-current Liabilities with Covenants

The amendment to IAS 1 concerns situations where the borrower would not have complied with covenants within 12 months after the reporting period and would not therefore have the right to defer settlement of the liability. It clarifies that if the covenant is not complied with at the reporting date, the liability is not reclassified as current, but information must be disclosed in the notes to the financial statements concerning the risk that the liability could become repayable within 12 months of the reporting period.

Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

These amendments require more detailed disclosures about reverse factoring arrangements, in which the supplier is paid using financing from a bank, and their effects on an entity's cash flows or exposure to liquidity risk. The additional disclosures concern the main features of supplier financing arrangements, the amounts paid to suppliers and supplier payment terms.

Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback

This amendment only concerns sale and leaseback transactions. It confirms that the seller-lessee recognises the sale for the amount of the gain or loss related to the rights transferred to the buyer-lessor and recognises the leaseback by recording a lease liability that reflects the variable lease payments.

2.1.2 Standards and interpretations effective after 30 June 2024

The La Poste Groupe has not early adopted any standards or interpretations effective after 30 June 2024.

2.2 Valuation basis and use of estimates

When preparing the financial statements, the group uses the best possible assumptions and makes the best possible estimates based on information available at the reporting date and management judgements. These assumptions and estimates may be subject to varying degrees of uncertainty concerning actual future outcomes, due to many factors such as changes in interest rates and/or exchange rates.

As a result, actual amounts may differ from the estimates and assumptions used. The main items concerned are as follows:

- calculation of employee benefits;
- estimates of provisions for contingencies and losses;
- calculation of right-of-use assets and lease liabilities;
- measurement of goodwill and other assets and liabilities recognised on business combinations;
- assumptions used in particular for impairment tests on goodwill, other intangible assets and property, plant and equipment;
- measurement of insurance contracts under IFRS 17;
- measurement of financial instruments not listed on organised markets;
- credit risk estimates by La Banque Postale;
- assumptions and estimates used to measure hedge effectiveness.

More specifically, in recent years the group has developed a general framework for identifying and managing climate risk. This framework will enable uncertainties associated with climate risk to be taken into account in an appropriate manner in the preparation of estimates.

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NOTE 3 SEGMENT INFORMATION

There have been no changes in the policies used to measure segment information or the segments presented since 31 December 2023.

First-half 2024 *(in € millions)*	**Services-Mail-Parcels**	**Geopost**	**La Banque Postale**	**Retail Customers & Digital Services**	**Real Estate**	**Support & Corporate**	**Unallocated [a]**	**Elimi-nations**	**GROUP TOTAL**
External revenue and NBI	3,956	7,678	3,625	1,589	59	2	75		16,985
Inter-segment revenue and NBI	1,027	63	23	1,620	411	688		(3,832)	
Operating revenue	**4,983**	**7,741**	**3,649**	**3,209**	**470**	**690**	**75**	**(3,832)**	**16,985**
Share in net profit/(loss) of jointly-controlled companies		(1)	14	10	(3)				20
Recurring operating profit/(loss) (after share in net profit/(loss) of jointly-controlled companies)	**(42)**	**333**	**1,111**	**61**	**16**	**(159)**	**(155)**	**(39)**	**1,127**
Net financial expense							**(137)**		**(137)**
Income tax							(369)		(369)
Share in net profit/(loss) of other equity-accounted companies		4		(2)	1	(1)			2
CONSOLIDATED NET PROFIT/(LOSS)									**623**
Net depreciation, amortisation, provisions and impairment	(123)	(402)	(348)	(51)	(233)	(96)			**(1,253)**
Segment assets	3,275	13,097	726,982	2,379	4,134	13,098	(8,885)		**754,079**

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

First-half 2023 *(in € millions)*	**Services-Mail-Parcels**	**Geopost**	**La Banque Postale**	**Retail Customers & Digital Services**	**Real Estate**	**Support & Corporate**	**Unallocated [a]**	**Elimi-nations**	**GROUP TOTAL**
External revenue and NBI	3,953	7,583	3,840	1,587	54	1	68		17,086
Inter-segment revenue and NBI	1,036	56	24	1,750	387	669		(3,923)	
Operating revenue	**4,989**	**7,639**	**3,864**	**3,337**	**441**	**670**	**68**	**(3,923)**	**17,086**
Share in net profit/(loss) of jointly-controlled companies		(1)	2	8	(0)				9
Recurring operating profit/(loss) (after share in net profit/(loss) of jointly-controlled companies)	**134**	**19**	**1,326**	**138**	**7**	**(116)**	**(340)**	**(2)**	**1,166**
Net financial expense							**(111)**		**(111)**
Income tax							(455)		(455)
Share in net profit/(loss) of other equity-accounted companies		(27)		(1)	1	0			(27)
CONSOLIDATED NET PROFIT/(LOSS)									**573**
Net depreciation, amortisation, provisions and impairment	(132)	(594)	(329)	(50)	(238)	(75)			(1,419)
Segment assets	3,535	12,768	750,594	2,197	3,973	13,260	(8,168)		778,158

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

Segment information for first-half 2023 has been restated to take into account the transfer of Docaposte BPO IS, in first-half 2024, from the Retail Customers and Digital Services segment to the Services-Mail-Parcels segment.

Full-year 2023 *(in € millions)*	**Services-Mail-Parcels**	**Geopost**	**La Banque Postale**	**Retail Customers & Digital Services**	**Real Estate**	**Support & Corporate**	**Unallocated (a)**	**Elimi-nations**	**GROUP TOTAL**
External revenue and NBI	7,901	15,554	7,185	3,190	107	0	135		34,073
Inter-segment revenue and NBI	2,106	126	70	3,295	791	1,314		(7,702)	
Operating revenue	**10,007**	**15,679**	**7,256**	**6,485**	**898**	**1,314**	**135**	**(7,702)**	**34,073**
Share in net profit/(loss) of jointly-controlled companies		0	24	12	(1)				35
Recurring operating profit/(loss) (after share in net profit/(loss) of jointly-controlled companies)	**0**	**279**	**2,121**	**38**	**100**	**(256)**	**(583)**	**(20)**	**1,680**
Net financial expense							**(239)**		**(239)**
Income tax							(496)		(496)
Share in net profit/(loss) of other equity-accounted companies		(167)		(2)	2	(1)			(169)
CONSOLIDATED NET PROFIT/(LOSS)									**776**
Net depreciation, amortisation, provisions and impairment	(297)	(992)	(872)	(112)	(474)	(157)			**(2,904)**
Segment assets	3,354	13,020	738,020	2,425	4,068	13,251	(8,613)		**765,524**

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

Segment information for first-half 2023 has been restated to take into account the transfer of Docaposte BPO IS, in first-half 2024, from the Retail Customers and Digital Services segment to the Services-Mail-Parcels segment.

NOTES TO THE INCOME STATEMENT

NOTE 4 REVENUE

(in € millions)	First-half 2024	First-half 2023	Full-year 2023
Services-Mail-Parcels	3,956	3,953	7,901
Geopost	7,678	7,583	15,554
Retail Customers & Digital Services	1,589	1,587	3,190
Real Estate & Support	137	124	243
TOTAL	**13,360**	**13,246**	**26,888**

First-half 2024 total revenue includes:

- compensation from the French State for universal postal service for €250 million, allocated among the business lines based on their contribution to the cost of this service (€144 million for Services-Mail-Parcels, €91 million for Retail Customers & Digital Services and €15 million for Support);
- compensation from the French State for regional development recognised under Real Estate & Support for €60 million.

NOTE 5 NET BANKING INCOME

The group's net banking income breaks down as follows:

(in € millions)	First-half 2024	First-half 2023	Full-year 2023
Interest income	6,424	5,822	12,984
Interest expense	(3,859)	(3,422)	(7,454)
Fee and commission income	1,289	1,107	2,310
Fee and commission expense	(167)	(160)	(297)
Net gain or loss	6,097	4,373	7,449
- Financial instruments at fair value through profit or loss	*6,417*	*4,955*	*9,992*
- Financial instruments at fair value through OCI	*(320)*	*(580)*	*(2,543)*
- Derecognised financial assets at amortised cost	*0*	*(3)*	*0*
Insurance revenue [a]	6,054	6,020	11,685
Insurance service expenses [a]	(4,751)	(4,329)	(8,438)
of which general operating expenses relating to insurance activities [b]	*(870)*	*(844)*	*(1,657)*
Income and expenses from reinsurance contracts held	(20)	(109)	(106)
Finance income or expenses from insurance contracts issued	(7,486)	(6,013)	(11,352)
Finance income or expenses from reinsurance contracts held	64	529	888
Cost of credit risk on financial investments of insurance activities [c]	(7)	9	4
Income from other activities	486	562	937
Expenses from other activities	(497)	(548)	(1,423)
TOTAL	**3,625**	**3,840**	**7,185**

(a) See Note 29.1.
(b) Including purchases and other expenses, personnel expenses, taxes and levies, and net depreciation, amortisation and impairment of property, plant and equipment and intangible assets that are directly attributable to insurance activities.
(c) The insurance activities' cost of risk corresponds to assets at fair value through other comprehensive income classified in bucket 1 for €7 million.

NOTE 6 PURCHASES AND OTHER EXPENSES

Purchases and other expenses break down as follows:

(in € millions)	First-half 2024	First-half 2023	Full-year 2023
External services and general sub-contracting	2,148	2,221	4,900
Purchases	579	629	1,278
Outsourced transport	4,017	3,870	7,978
International mail services	237	263	505
Rental expenses [(a)]	260	263	513
Maintenance and repair costs	375	339	736
Telecommunications expenses	86	96	190
Travel and assignments	78	88	179
Other expenses	264	325	759
TOTAL BEFORE ALLOCATION TO INSURANCE CONTRACTS	**8,046**	**8,094**	**17,039**
Purchases and other expenses relating to insurance contracts reclassified in net banking income	(482)	(470)	(986)
TOTAL	**7,563**	**7,624**	**16,053**

(a) *This line item only includes rents for leases that have not been restated under IFRS 16 (mainly short-term leases or leases for low-value assets), as well as rental costs (see Note 13.3).*

NOTE 7 PERSONNEL EXPENSES AND HEADCOUNT

Personnel expenses break down by type of cost as follows:

(in € millions)	First-half 2024	First-half 2023	Full-year 2023
Wages and salaries, bonuses and allowances	5,651	5,528	11,080
Pension contributions	233	253	560
Other social security contributions	1,117	1,077	2,086
Employee welfare costs	137	139	256
Changes in post-employment provisions [(a)]	(10)	(345)	(352)
Changes in provisions for social security contingencies and labour disputes	9	(2)	14
Changes in other employee provisions [(b)]	(198)	24	(284)
Remuneration-based taxes and levies	402	376	710
TOTAL BEFORE ALLOCATION TO INSURANCE CONTRACTS	**7,341**	**7,050**	**14,070**
Expenses relating to insurance contracts reclassified in net banking income	(263)	(257)	(465)
TOTAL	**7,078**	**6,794**	**13,605**
Average headcount *(full-time equivalent employees/year)*	**226,587**	**234,145**	**232,726**

(a) *With the exception of actuarial gains and losses recognised directly in other comprehensive income (see changes in consolidated equity).*
Of which in first-half 2023, a positive €303 million for the cancellation of interest payments on La Poste retirees' demand deposits and a positive €36 million for the impact of the French pension reform on employees' retirement benefits.
(b) *Of which in first-half 2023, a €312 million charge to cover the impact of the French pension reform on end-of-career benefits.*

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

NOTE 8 OTHER OPERATING EXPENSE AND INCOME

Other operating expenses and income break down as follows:

(in € millions)	First-half 2024	First-half 2023	Full-year 2023
Local taxes	(84)	(86)	(121)
Other taxes and levies [(a)]	(214)	(361)	(522)
TAXES BEFORE ALLOCATION TO INSURANCE CONTRACTS	**(298)**	**(447)**	**(644)**
Tax on insurance contracts reclassified in net banking income	84	84	138
TOTAL TAXES OTHER THAN ON INCOME	**(214)**	**(363)**	**(505)**
Impairment losses and net changes in provisions on assets	48	(82)	(238)
- goodwill [(b)]	*(5)*	*(13)*	*(49)*
- right-of-use assets [(c)]	*10*	*(7)*	*43*
- intangible assets and property, plant and equipment [(c)]	*77*	*(20)*	*(184)*
- current assets	*(35)*	*(42)*	*(49)*
Net depreciation and amortisation [(c)]	(1,265)	(1,204)	(2,469)
Provisions for contingencies and losses [(d)]	24	(67)	(63)
Cost of risk (banking activities) [(e)]	(100)	(101)	(201)
DEPRECIATION, AMORTISATION, PROVISIONS AND IMPAIRMENT LOSSES BEFORE ALLOCATION TO INSURANCE CONTRACTS	**(1,294)**	**(1,453)**	**(2,971)**
Depreciation, amortisation, provisions and impairment losses on insurance contracts reclassified in net banking income	40	34	68
TOTAL DEPRECIATION, AMORTISATION, PROVISIONS AND IMPAIRMENT LOSSES	**(1,253)**	**(1,419)**	**(2,904)**
Capitalised production [(f)]	181	202	506
Royalties	(45)	(42)	(90)
Other recurring operating income and expenses	105	135	273
TOTAL OTHER OPERATING EXPENSES AND INCOME	**241**	**295**	**689**

(a) Of which €44 million for non-deductible VAT on leases in first-half 2024, €41 million in first-half 2023 and €76 million in full-year 2023 (see Note 13.3).
(b) Goodwill impairment is described in Note 11.
(c) A breakdown of the changes in the depreciation, amortisation and impairment of non-current assets is provided in Notes 12 and 13.
(d) Movements in provisions for contingencies and losses are described in Note 17.
(e) Including €84 million related to financial assets classified in bucket 3 in 2024 (€103 million in 2023).
(f) Capitalised production primarily consisted of IT development costs recognised under intangible assets.

NOTE 9 NET FINANCIAL EXPENSE

9.1 Cost of net debt
9.2 Other financial items

9.1 Cost of net debt

(in € millions)	First-half 2024	First-half 2023	Full-year 2023
Interest expense on financing transactions [a]	(111)	(89)	(198)
Interest expense on lease liabilities	(68)	(53)	(119)
Changes in the fair value of borrowings [b] and debt-related swaps	3	12	2
Income from cash and cash equivalents [c]	59	47	105
TOTAL	**(117)**	**(84)**	**(211)**

(a) Including interest and proceeds from the termination of debt-related derivatives.
(b) Excluding the effect of changes in own credit risk on borrowings, recognised in OCI.
(c) Including changes in the fair value of cash assets and financial assets.

9.2 Other financial items

(in € millions)	First-half 2024	First-half 2023	Full-year 2023
Discounting expense on provisions for employee benefits and return on plan assets	(19)	(32)	(53)
Net foreign exchange gains/(losses)	(1)	0	(2)
Other financial income and expenses	0	4	28
TOTAL	**(20)**	**(27)**	**(28)**

NOTE 10 INCOME TAX

Income tax expense includes current and deferred taxes calculated in accordance with the rules applicable in each tax jurisdiction and with the terms of specific agreements.

Income tax expense is analysed as follows:

(in € millions)	First-half 2024	First-half 2023	Full-year 2023
Net profit/(loss) attributable to owners of the parent	**495**	**461**	**514**
Share in net profit/(loss) of equity-accounted companies	(23)	19	135
Income tax expense	369	455	496
Non-controlling interests	128	112	262
Consolidated profit/(loss) before tax and share in net profit/(loss) of equity-accounted companies	**970**	**1,047**	**1,406**
Corporate income tax rate	**25.83%**	**25.83%**	**25.83%**
Theoretical income tax expense [(a)]	**(250)**	**(270)**	**(363)**
Deferred tax liabilities released to the income statement following the winding up of the CNP Assurances tax group			48
Unused tax loss carryforwards recognised in the year or used tax loss carryforwards recognised in prior years (excluding tax consolidation)	(34)	(83)	(108)
Tax rate differential for foreign subsidiaries	(51)	(48)	(94)
Other	(34)	(54)	21
Tax restatements	**(119)**	**(185)**	**(133)**
EFFECTIVE INCOME TAX EXPENSE	**(369)**	**(455)**	**(496)**

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

NOTES TO THE BALANCE SHEET

NOTE 11 GOODWILL

Breakdown of goodwill

CGU *(in € millions)*	Segment	30 June 2024	31 Dec. 2023
DPD Europe	Geopost	3,399	3,387
Digital Services	Retail Customers & Digital Services	859	858
Asset Management [(a)]	La Banque Postale	612	612
Asendia	Geopost	484	473
Healthcare	Services-Mail-Parcels	269	269
Mediaposte	Services-Mail-Parcels	88	87
EDE	Services-Mail-Parcels	67	67
CNP Assurances Prévoyance	La Banque Postale	59	59
Lenton Group	Geopost	51	49
MWPI	Real Estate & Support	25	25
JadLog	Geopost	24	26
Other Geopost CGUs	Geopost	17	16
Other Services-Mail-Parcels CGUs	Services-Mail-Parcels	8	13
TOTAL		**5,961**	**5,942**
Services-Mail-Parcels		**432**	**436**
Geopost		**3,974**	**3,952**
La Banque Postale		**671**	**671**
Retail Customers & Digital Services		**859**	**858**
Real Estate & Support		**25**	**25**

(a) La Banque Postale's Asset Management CGU includes the assets and liabilities of La Financière de l'Echiquier, Tocqueville Finance (which was merged into La Financière de l'Echiquier in the first half of 2024) and La Banque Postale Asset Management.

Changes in the carrying amount of goodwill

(in € millions)	30 June 2024	31 Dec. 2023
Opening balance	**5,942**	**5,092**
of which: Gross amounts	*6,277*	*5,396*
Impairment losses	*(335)*	*(303)*
Acquisitions [a]	2	902
Translation adjustments	22	5
Impairment losses [b]	(5)	(49)
Other		(8)
Disposals	0	
CLOSING BALANCE	**5,961**	**5,942**
of which: Gross amounts	*6,452*	*6,277*
Impairment losses	*(491)*	*(335)*

(a) Of which in 2023:
- in the Retail Customers & Digital Services segment, the acquisition of Maincare for €280 million;
- in the La Banque Postale segment, acquisition of La Financière de l'Echiquier for €564 million.

(b) Of which in first-half 2024:
- in the Services-Mail-Parcels segment, impairment of Geoptis goodwill for €4 million.

Of which in 2023:
- in the Geopost segment, impairment prior to disposal of Stuart goodwill for €13 million;
- in the La Banque Postale segment, impairment of SCI Lamartine goodwill for €36 million.

NOTE 12 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

(in € millions)	Intangible assets	Property, plant and equipment	TOTAL
GROSS AMOUNTS			
Balance at 31 December 2023	**11,309**	**16,094**	**27,403**
Acquisitions	283	360	**643**
Disposals	(85)	(256)	**(341)**
Changes in scope of consolidation			**0**
Translation adjustments	(353)	7	**(346)**
Transfers and other movements	(52)	27	**(25)**
BALANCE AT 30 JUNE 2024	**11,102**	**16,231**	**27,334**
DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES			
Balance at 31 December 2023	**(5,796)**	**(9,229)**	**(15,025)**
Depreciation and amortisation for the period	(384)	(426)	**(810)**
Impairment losses	(25)	(26)	**(50)**
Reversals of impairment losses	78	49	**127**
Reversals on disposals	73	237	**309**
Changes in scope of consolidation			**(0)**
Translation adjustments	64	(4)	**60**
Transfers and other movements	56	(14)	**43**
BALANCE AT 30 JUNE 2024	**(5,934)**	**(9,412)**	**(15,346)**
NET AMOUNTS			
At 31 December 2023	**5,513**	**6,865**	**12,378**
AT 30 JUNE 2024	**5,168**	**6,818**	**11,986**

The “Transfers and other movements” lines correspond to assets brought into use and to reclassifications to other assets line items.

Right-of-use assets, stemming from the application of IFRS 16, are described in Note 13.

NOTE 13 LEASES (lessee)

13.1 Right-of-use assets

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

(in € millions)	Land and buildings	Equipment and technical facilities	Vehicles	Other	Net amount
Balance at 31 December 2023	**2,961**	**255**	**405**	**7**	**3,628**
Increase	410	25	45	1	480
Decrease	(35)	(0)	(7)	(0)	(42)
Depreciation	(341)	(37)	(76)	(2)	(456)
Impairment losses	10	0	0		10
Changes in scope of consolidation and translation adjustments	13	2	7	0	22
Other	2		(2)		
BALANCE AT 30 JUNE 2024	**3,020**	**245**	**371**	**6**	**3,642**

13.2 Lease liabilities

Lease liabilities are presented in Note 18 for industrial and commercial activities. Lease liabilities for banking amounted €179 million (€175 million in 2023) and are included in “Other financial liabilities and accruals” of “Banking and insurance activity financial liabilities” (see Note 22).

13.3 Impact of leases on profit or loss

(in € millions)	First-half 2024	First-half 2023
Net operating expenses	**748**	**757**
Short-term lease expenses	83	63
Low-value lease expenses	42	33
Rental expenses	104	141
Non-deductible VAT on rental expenses	44	41
Depreciation of right-of-use assets	456	447
Impairment losses on right-of-use assets	(10)	7
Other [(a)]	30	25
Cost of net debt	**68**	**53**
Interest expense on lease liabilities	68	53
TOTAL	**817**	**810**

(a) Mainly concerning CNP Assurances.

13.4 Impact of leases on the statement of cash flows

(in € millions)	First-half 2024	First-half 2023
Net cash from /(used in) operating activities	**303**	**303**
Short-term lease expenses	83	63
Low-value lease expenses	42	33
Rental expenses	104	141
Non-deductible VAT on rental expenses	44	41
Other	30	25
Net cash from/(used in) financing activities	**505**	**498**
Interest paid on lease liabilities	68	53
Repayments of lease liabilities (including from La Banque Postale)	437	444
TOTAL CASH OUTFLOW	**808**	**801**

NOTE 14 EQUITY-ACCOUNTED COMPANIES

(in € millions)	Holding Gazières [a]	Arial CNP Assurances	XS5 Administradora de consórcio	Other insurance subsidiaries	Aramex PJSC	Ninja Logistics	Yurtici Kargo Servisi A.S.	Real Estate division	Other	TOTAL Equity-accounted companies (assets)	La Poste Telecom [b]
Operating segment	La Banque Postale	La Banque Postale	La Banque Postale	La Banque Postale	Geopost	Geopost	Geopost	Real Estate			Retail Customers & Digital Services
Type of control	Joint control	Joint control	Joint control	Joint control	Associate	Associate	Associate	Associates or Joint control			Joint control
Balance at 31 December 2023	**839**	**167**	**57**	**42**	**364**	**237**	**23**	**29**	**53**	**1,811**	**(37)**
Profit or loss for the period	31	4	4	6	9	(22)	17	(2)	(3)	43	10
Dividend payments			(3)				(18)	(1)	(0)	(23)	
Changes in fair value of financial instruments		0			(0)					0	
Changes in scope of consolidation and % control									7	7	
Capital increases									2	2	
Other changes	(2)		0	(0)	0		(1)	4	0	1	
Translation adjustments			(5)	(4)	9	6	15		1	22	
BALANCE AT 30 JUNE 2024	**868**	**171**	**52**	**44**	**382**	**221**	**36**	**30**	**58**	**1,863**	**(27)**

(a) This investment is included in the assets of the insurance business and the group's equity in its net profit is included in net banking income.
(b) Recognised under liabilities classified as held for sale (see Note 23).

NOTE 15 OTHER INDUSTRIAL AND COMMERCIAL ASSETS

(in € millions)	30 June 2024		31 Dec. 2023	
	Current	Non-current	Current	Non-current
Unconsolidated equity investments - net		412		403
Derivative financial instruments	1	4	1	7
Financial assets held for cash management purposes [a]	161		208	
Other financial assets - net	90	187	74	172
TOTAL OTHER FINANCIAL ASSETS	**252**	**603**	**283**	**582**
Raw materials, supplies, goods and other inventories	169		185	
Finished and semi-finished product inventories and work-in-progress	40		30	
TOTAL INVENTORIES AND WORK-IN-PROGRESS	**209**		**215**	
Trade receivables and related accounts-net	3,753		3,904	
International mail receivables [b]	453		637	
Receivables from the French State for compensation for public service missions [c]	810		500	
Other receivables	645		628	
TOTAL TRADE AND OTHER RECEIVABLES	**5,661**		**5,670**	
Cash equivalents	2,351		2,287	
Cash at bank and on hand	1,079		1,363	
TOTAL CASH AND CASH EQUIVALENTS	**3,430**		**3,650**	

(a) Cash equivalents consist exclusively of investments in UCITS at 30 June 2024 and 31 December 2023.
(b) International mail receivables (€453 million) are primarily owed by foreign postal operators for the delivery of their mail in France.
(c) Receivables from the French State for compensation for public service missions correspond to compensation not yet received for the universal postal service for first-half 2024 and full-year 2023, and regional development missions for first-half 2024.

NOTE 16 ASSETS SPECIFIC TO BANKING AND INSURANCE ACTIVITIES

(in € millions)	30 June 2024	31 Dec. 2023
Cash on hand (including cash held at post offices)	1,332	1,127
Central banks	29,953	39,450
Cash, central banks	**31,285**	**40,577**
Debt instruments	177,267	180,540
Equity instruments	18,950	18,823
Loans and advances	5,698	7,383
Derivative instruments	4,775	5,238
Securities and other assets purchased under collateralised reverse repurchase agreements	8,160	6,106
Financial assets at fair value through profit or loss	**214,850**	**218,089**
Interest-rate derivatives	640	570
Forex instruments	96	107
Hedging derivatives	**736**	**677**
Equity and other variable-income securities	14,304	15,705
Other long-term securities	3	4
Government paper and equivalents [a]	92,044	95,671
Bonds and other debt securities [a]	104,561	101,297
Financial assets at fair value through OCI	**210,914**	**212,678**
Government paper and equivalents	30,107	29,296
Bonds and other fixed-income securities	3,892	3,752
Subordinated securities	64	56
Securities at amortised cost [b]	**34,062**	**33,104**
Demand deposits with credit institutions	1,715	2,150
Term loans and advances to credit institutions	68,044	68,685
Subordinated loans	79	79
Loans and advances to credit institutions at amortised cost [b]	**69,839**	**70,914**
Loans and advances to customers repayable on demand	5,178	5,495
Term loans and advances to customers	119,667	116,705
of which real estate loans (excluding impairment)	*94,099*	*93,343*
Finance lease transactions	3,804	3,776
Subordinated loans to customers	16	23
Loans and advances to customers at amortised cost [b]	**128,666**	**125,999**
Revaluation differences on hedged portfolios (fair value hedges)	**(110)**	**181**
Insurance contracts issued – Assets – BBA/VFA	995	1,176
Insurance contracts issued – Assets – PAA	204	166
Acquisition costs not yet allocated to contracts – Assets	0	0
Insurance contracts issued – Assets	**1,199**	**1,343**
Reinsurance contracts held – Assets – BBA/VFA	6,126	8,556
Reinsurance contracts held – Assets – PAA	308	319
Assets related to ceded investment contracts without DPF – Reinsurance	15	15
Reinsurance contracts held – Assets	**6,450**	**8,891**
Financial assets	9,248	6,628
Accruals	2,651	1,968
Other financial assets and accruals	**11,900**	**8,596**
Investment property at amortised cost	874	930
Investment property at fair value	6,169	6,332
Investment property	**7,043**	**7,262**
ASSETS SPECIFIC TO BANKING AND INSURANCE ACTIVITIES	**716,834**	**728,311**

(a) See Note 28.1 b) for more information about credit risk.
(b) See Note 28.1 a) for more information about credit risk.

NOTE 17 PROVISIONS FOR CONTINGENCIES AND LOSSES

At 30 June 2024, **provisions for contingencies and losses** break down as follows:

(in € millions)	Labour disputes	Other disputes	Other	TOTAL
Non-current provisions	**17**	**6**	**102**	**126**
Current provisions	**63**	**285**	**480**	**827**
Balance at 31 December 2023	**80**	**291**	**582**	**953**
Additions for the period	28	29	152	209
Utilisations	(16)	(32)	(213)	(261)
Reversals of unused provisions	(3)	(11)	5	(9)
Other movements	(0)	(11)	1	(10)
Non-current provisions	**16**	**7**	**96**	**119**
Current provisions	**73**	**259**	**430**	**762**
BALANCE AT 30 JUNE 2024	**89**	**266**	**526**	**881**

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

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

Other provisions at 30 June 2024 include :

- the residual risk in connection with the Stuart companies for €27 million;
- miscellaneous contingencies linked to the group's operating activity.

LA POSTE GROUPE

NOTE 18 BONDS AND DEBT

18.1 Breakdown of debt

(in € millions)	30 June 2024		31 Dec. 2023	
	Short-term	Medium- and long-term	Short-term	Medium- and long-term
Debt at amortised cost	**2,173**	**9,681**	**1,390**	**10,431**
Bonds	1,749	9,520	1,000	10,261
La Poste savings bonds	50		51	
Commercial paper	200		200	
Current bank facilities	95		68	
Deposits and guarantees received	4	52	6	52
Other borrowings at amortised cost	75	109	65	118
Bonds designated at fair value	**(0)**		**(0)**	
Hedged borrowings		**(0)**		**(0)**
Subordinated debt		(0)		(0)
Derivative liabilities relating to bonds	**19**	**2**	**11**	**1**
Accrued interest on borrowings	**86**		**112**	
Total	**2,278**	**9,683**	**1,513**	**10,432**
BONDS AND OTHER DEBT	**11,961**		**11,945**	
Lease liabilities (a)	**819**	**3,283**	**812**	**3,266**
LEASE LIABILITIES	**4,102**		**4,078**	

(a) *Lease liabilities at 30 June 2024 break down by currency as follows: €2,821 million in euros, €922 million in pounds sterling and €359 million in other currencies.*

Lease liabilities at 31 December 2023 break down by currency as follows: €2,829 million in euros, €913 million in pounds sterling and €336 million in other currencies.

18.2 Bonds and subordinated debt

Changes in bonds and subordinated debt, excluding accrued interest, were as follows:

(in € millions)	Borrowings at amortised cost	Borrowings designated at fair value	Covered subordinated debt	TOTAL
Balance at 31 December 2023	**11,261**	**(0)**	**(0)**	**11,261**
New borrowings				
Redemptions				
Changes in credit risk				
Other changes	8			8
BALANCE AT 30 JUNE 2024	**11,269**	**(0)**	**(0)**	**11,269**

18.3 Derivative instruments for industrial and commercial activities

(in € millions)	Fair value at 30 June 2024		Fair value at 31 Dec. 2023	
	Assets	Liabilities	Assets	Liabilities
Trading derivatives at fair value through profit or loss				
Fixed-for-floating derivatives				
Floating-for-fixed derivatives				
Total				
Hedging derivatives				
Cash flow hedges	1		1	
TOTAL DEBT-RELATED DERIVATIVES	**1**		**1**	
Other				
Currency/exchange derivatives	4	21	7	12
TOTAL DERIVATIVES (EXCLUDING BANKING ACTIVITIES)	**5**	**21**	**8**	**12**
Amortisable balance on interrupted hedging derivatives				
Cash flow hedging derivatives	3		3	

NOTE 19 GROUP NET DEBT

19.1 Group net debt position
19.2 Changes in group net debt

19.1 Group net debt position

(in € millions)	Note	30 June 2024	31 Dec.2023
Cash and cash equivalents (balance sheet line)	**15**	3,430	3,650
Debt-related derivative assets		5	8
Security deposits paid in connection with derivatives, recognised as assets		18	8
Investment securities with initial maturities of over 3 months and UCITS	**15**	161	208
Net financial receivable from (payable to) La Banque Postale		90	152
Cash and other asset items (1)		**3,704**	**4,026**
Medium and long-term bonds and debt	**18.1**	9,683	10,432
Short-term bonds and debt	**18.1**	2,278	1,513
Lease liabilities	**18.1**	4,102	4,078
Gross debt (2)		**16,063**	**16,023**
NET DEBT (2)-(1)		**12,359**	**11,997**
Increase /(Decrease) in net debt at 30 June 2024		**362**	

19.2 Changes in group net debt

(in € millions)	Cross-references	First-half 2024	Full-year 2023
Net cash from/(used in) operating activities	**SCF** [(a)]	**851**	**1,536**
Net cash from/(used in) investing activities	**SCF**	(598)	(1,503)
Elimination of changes in financial assets held for cash management purposes	**SCF**	(48)	(380)
Net cash from/(used in) investing activities excluding acquisitions and disposals of financial assets held for cash management purposes [(b)]		**(646)**	**(1,883)**
Issuance of shares to non-controlling interests	**SCF**	41	1
Dividends paid to shareholders and remuneration of hybrid subordinated notes	**SCF**	(25)	(135)
Purchases of non-controlling interests	**SCF**	(21)	(63)
Net interest expense		(115)	(198)
Changes in fair value of debt and derivatives		6	2
Impact of changes in consolidation scope on gross debt (incl. lease liabilities)		(41)	(12)
Non-cash changes in lease liabilities (IFRS 16)		(415)	(1,051)
Net debt of subsidiaries held for sale		9	(8)
Commitment to pay dividends to non-controlling interests			3
Other		(7)	2
Cash flows and changes in debt from financing activities		**(567)**	**(1,460)**
Decrease/(increase) in net debt since 1 January		**(362)**	**(1,806)**
Opening net debt		(11,997)	(10,191)
Closing net debt		(12,359)	(11,997)

(a) "SCF" refers to the "Industrial and commercial activities" column of the consolidated statement of cash flows.
(b) "Net cash from/(used in) investing activities" differs from the item in the statement of cash flows due to the exclusion of "Changes in financial assets held for cash management purposes". These assets are deducted when calculating net debt.

NOTE 20 EMPLOYEE BENEFITS

(in € millions)	31 Dec. 2023 Current	31 Dec. 2023 Non-current	Changes in scope of consolidation	Increases	Decreases (utilisations)	Reversals (surplus)	Net interest cost	Other changes	30 June 2024 Current	30 June 2024 Non-current
Retirement benefits	23	581		46	(27)	(0)	5	(9)	23	595
Other post-employment benefits (a)	2	47		1	(1)	(32)	0	(1)	1	15
Post-employment benefits	**25**	**628**		**47**	**(28)**	**(32)**	**6**	**(10)**	**24**	**611**
End-of-career benefits	**385**	**575**		**45**	**(232)**		**13**	**0**	**318**	**467**
Severance payments	69	31		0	(0)				70	30
Long-term sick leave/long-term paid leave	31	19		0	(8)			0	25	19
Accrued leave	153	153		4	(7)			0	151	152
Other long-term benefits	1	73		4	(1)			0	0	77
Other employee benefits	**254**	**277**		**9**	**(16)**			**0**	**246**	**278**
TOTAL	**663**	**1,480**		**100**	**(276)**	**(32)**	**19**	**(10)**	**588**	**1,355**
	2,143								**1,944**	

(a) Including, in first-half 2024, reversal of a provision for €32 million that was no longer required after a post-employment benefit obligation towards La Poste employees was extinguished in light of the planned creation at end-2024 of a Social and Economic Committee (CSE) in accordance with the legal requirements applicable to La Poste.

NOTE 21 TRADE AND OTHER PAYABLES

(in € millions)	30 June 2024	31 Dec. 2023
Trade payables and related accounts	5,256	5,769
Tax and social security liabilities	2,456	2,421
Payables to suppliers of non-current assets	403	597
International mail payables	513	728
Customer advances and deposits	174	183
Other operating payables	408	442
TOTAL	**9,211**	**10,140**

NOTE 22 LIABILITIES SPECIFIC TO BANKING AND INSURANCE ACTIVITIES

(in € millions)	30 June 2024	31 Dec. 2023
Debt securities	4,763	3,869
Derivative instruments	3,781	4,041
Securities and other assets sold under collateralised repurchase agreements	8,075	5,675
Financial liabilities at fair value through profit or loss	**16,620**	**13,585**
Hedging derivatives	**1,848**	**2,183**
Central banks		
Demand deposits from credit institutions	1,357	1,308
Term liabilities due to credit institutions	26,375	32,268
of which securities and other assets sold under collateralised repurchase agreements	*24,447*	*29,097*
Liabilities due to central banks and credit institutions	**27,732**	**33,576**
Regulated savings accounts	123,421	124,219
of which Livret A	*69,259*	*68,696*
of which PEL/CEL home savings plans and accounts	*23,424*	*25,447*
Customer demand deposits	82,600	84,877
of which current accounts in credit	*77,062*	*78,410*
Customer term deposits	20,603	15,899
of which securities and other assets sold under collateralised term repurchase agreements	*18,304*	*11,410*
Customer deposits	**226,622**	**224,995**
Debt securities	**28,494**	**34,314**
Revaluation differences on portfolios hedged against interest rate risks	**(328)**	**(331)**
Insurance contracts issued – Liabilities – BBA/VFA	372,738	374,415
Insurance contracts issued – Liabilities – PAA	1,525	1,620
Acquisition costs not yet allocated to contracts – Liabilities		
Liabilities related to ceded investment contracts without DPF – Insurance	2,249	2,395
Insurance contracts issued – Liabilities	**376,513**	**378,430**
Reinsurance contracts held – Liabilities – BBA	15	35
Reinsurance contracts held – Liabilities – PAA	12	20
Liabilities related to ceded investment contracts without DPF – Reinsurance		
Reinsurance contracts held – Liabilities	**27**	**55**
Insurance contracts issued and reinsurance contracts held	**376,539**	**378,485**
Accruals	2,178	1,352
Deferred income	*474*	*470*
Other accruals	*1,704*	*882*
Securities-related liabilities	55	42
Security deposits received	1,023	1,246
Other payables	2,454	4,403
Securities settlement accounts	2	6
Home savings provisions	93	102
Other financial liabilities and accruals	**5,806**	**7,151**
Subordinated debt	**9,401**	**9,450**
LIABILITIES SPECIFIC TO BANKING AND INSURANCE ACTIVITIES	**692,734**	**703,408**

NOTE 23 ASSETS AND DISPOSAL GROUPS HELD FOR SALE

These assets and liabilities mainly stem from subsidiaries whose sale is planned in the coming months and properties under promise of sale.

At 30 June 2024, assets and liabilities held for sale include the group's share of the negative net worth of the equity-accounted company La Poste Télécom (€27 million) and the assets and liabilities of Cypriot entity CNP Cyprus Insurance Holdings and its subsidiaries (€808 million and €624 million respectively).

La Poste Télécom
See Note 1.2 Significant events of the period.

Insurance business in Cyprus
See Note 1.3 Significant events of the period.

DPD Russia
In the first half of 2022, the group responded to events affecting Russia by announcing its intention to withdraw from the Russian market.
As a result of this announcement, all of DPD Russia's assets and liabilities have been classified as held for sale since 30 June 2022. In light of the uncertainty over the long term future of the company and over the sale price, the DPD Russia goodwill and all of the company's intangible assets and property, plant and equipment were written down in full at 30 June 2022 (for a euro-equivalent amount of €149 million) and these write-downs were maintained at 31 December 2023.
The disposal of DPD Russia could not be completed in view of the absence of the sale conditions required by the group's compliance framework.
As a result, the company's assets and liabilities were no longer classified as held for sale at 30 June 2024, and the impairment losses recorded on its property, plant and equipment and intangible assets were reversed in the first half in the amount of €22 million, based on estimates of its future profitability.

LA POSTE GROUPE

NOTE 24 ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS

24.1 Impact of financial instruments on net profit and equity
24.2 Fair value and hierarchy of financial instruments

24.1 Impact of financial instruments on net profit and equity

First-half 2024		Changes in fair value			
(in € millions)	Interest income/ (expense)	Fair value through profit or loss	Fair value through OCI	Deconsolidation and dividends	Net gain/(loss)
Assets and liabilities at amortised cost	569				**569**
Assets at fair value through OCI	2,169		(4,699)		**(2,530)**
Financial instruments at fair value through profit or loss		5,726		692	**6,417**
Hedging transactions	(172)		(9)		**(181)**
TOTAL	**2,566**	**5,726**	**(4,708)**	**692**	**4,275**
First-half 2023					
Assets and liabilities at amortised cost	456			(3)	**453**
Assets at fair value through OCI	1,940		4,622	(580)	**5,982**
Financial instruments at fair value through profit or loss		4,267		698	**4,965**
Hedging transactions	4	1	(15)		**(10)**
TOTAL	**2,400**	**4,268**	**4,607**	**115**	**11,390**

24.2 Fair value and hierarchy of financial instruments

30 June 2024			Fair value hierarchy [b]		
(in € millions)	Carrying amount	Fair value [a]	Level 1	Level 2	Level 3
ASSETS					
Banking assets					
Financial assets at fair value through profit or loss	214,850	214,850	151,355	41,362	22,134
Hedging derivatives	736	736		736	
Financial assets at fair value through OCI	210,914	210,914	195,991	12,678	2,245
Securities at amortised cost	34,062	30,267	29,313	672	282
Loans and advances to credit institutions	69,839	69,873		68,638	1,235
Loans and advances to customers	128,666	119,690		105,110	14,581
Investment property at amortised cost	874	1,012		1,012	
Investment property at fair value	6,169	6,169		6,169	
Non-banking assets					
Other non-current financial assets	603	603		191	412
Trade and other receivables	5,661	5,661			
Other current financial assets	252	252	161	91	
Cash and cash equivalents	3,430	3,430	1,720	1,710	
LIABILITIES					
Banking liabilities					
Financial liabilities at fair value through profit or loss	16,620	16,620	342	16,277	
Hedging derivatives	1,848	1,848		1,848	
Liabilities due to banks and credit institutions	27,732	27,736		26,586	1,150
Customer deposits	226,622	226,042		224,723	1,319
Debt securities	28,494	29,679	17,797	11,882	
Subordinated debt	9,401	8,925	2,487	6,439	
Non-banking liabilities					
Bonds and other debt	11,961	11,048		11,048	
Trade and other payables	9,211	9,211			

(a) Including fair value of items recognised at amortised cost.
(b) For items recognised at fair value.

31 Dec. 2023			Fair value hierarchy [b]		
(in € millions)	Carrying amount	Fair value [a]	Level 1	Level 2	Level 3
ASSETS					
Banking assets					
Financial assets at fair value through profit or loss	218,089	218,089	150,882	45,810	21,397
Hedging derivatives	677	677		677	
Financial assets at fair value through OCI	212,679	212,679	204,513	6,066	2,100
Securities at amortised cost	33,104	30,114	28,839	978	297
Loans and advances to credit institutions	70,914	70,915		70,581	334
Loans and advances to customers	125,999	116,734		102,133	14,601
Investment property at amortised cost	930	1,079		1,079	
Investment property at fair value	6,332	6,332		6,332	
Non-banking assets					
Other non-current financial assets	582	582		195	387
Trade and other receivables	5,670	5,670			
Other current financial assets	283	283	208	75	
Cash and cash equivalents	3,650	3,650	2,457	1,193	
LIABILITIES					
Banking liabilities					
Financial liabilities at fair value through profit or loss	13,585	13,585	79	13,505	1
Hedging derivatives	2,183	2,183		2,183	
Liabilities due to banks and credit institutions	33,576	33,290		33,249	41
Customer deposits	224,995	224,525		223,092	1,434
Debt securities	34,314	35,694	14,463	17,237	3,993
Subordinated debt	9,450	8,893	2,521	6,371	
Non-banking liabilities					
Bonds and other debt	11,945	11,127		11,127	
Trade and other payables	10,140	10,140			

(a) Including fair value of items recognised at amortised cost.
(b) For items recognised at fair value.

Level 3 fair values: Reconciliation of opening and closing balances (Banking activities)

(in € millions)	Assets at fair value through profit or loss	Financial assets at fair value through OCI	TOTAL
Opening balance	**21,397**	**2,370**	**23,768**
Gains and losses recognised in profit or loss	278		278
Gains and losses recognised in OCI		15	15
Purchases	1,110	249	1,359
Sales	(304)	(46)	(350)
Redemptions	(350)		(350)
Transfers to or out of level 3	19	(82)	(63)
Other movements	(17)	(1)	(18)
CLOSING BALANCE	**22,134**	**2,504**	**24,638**

NOTE 25 RELATED-PARTY TRANSACTIONS

There have been no material changes in the nature of related-party transactions since the end of 2023 (see Note 42 to the 2023 consolidated financial statements).

NOTE 26 OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

There have been no material changes in off-balance sheet commitments and contingent liabilities since the end of 2023 (see Note 38 to the 2023 consolidated financial statements).

NOTE 27 EVENTS AFTER THE REPORTING PERIOD

Disposal of the insurance business in Cyprus
See Note 1.3 Significant events of the semester

Exclusive distribution agreement between CNP Assurances and Banco de Brasilia
CNP Assurances is continuing to grow its business in Brazil.
On 1 July 2024, CNP Assurances' two Brazilian subsidiaries, CNP Consórcio et CNP Capitalização, signed an exclusive agreement for the distribution of certain products in the network of Banco de Brasilia (BRB), the main financial institution in the Federal District of Brasília. Under the terms of the agreement, CNP Consórcio's consórcio products and CNP Capitalização's savings products will be distributed exclusively by BRB to its 7.8 million customers for a period of 20 years.
The agreement is subject to the usual conditions precedent, including approval by the Brazilian competition authority.
The CNP Assurances group will pay an estimated BRL 150 million (approximately €24.6 million) in exchange for the exclusive distribution rights. Of this amount, €100 million will be payable on inception of the agreement and the BRL 50 million balance will be payable in two instalments (BRL 20 million in year 3 and BRL 30 million in year 5), subject to the achievement of agreed sales targets.

Agreement between CNP Assurances and La Mutuelle Générale to establish a partnership in the field of social protection
On 15 July, CNP Assurances and La Mutuelle Générale (LMG) announced the signing of binding agreements to establish a structured partnership in the field of social protection (individual and group health and personal protection insurance), with the ambition of creating a leading player in this market.
The project is subject to the necessary licences and authorisations being obtained from the competent authorities. It will involve the acquisition by CNP Assurances of exclusive control of an LMG subsidiary to which LMG will have transferred its existing health and personal protection insurance activities (excluding statutory contracts and mutual insurance activities).
This company will draw on the teams and tools provided by La Mutuelle Générale, and the synergies generated by the combined expertise and know-how of the two partners. The existing complementary strengths of the two partners will enable it to provide an offer that meet growing needs and development opportunities of the social protection market in France.

€500 million Tier 2 subordinated notes issue by CNP Assurances
On 10 July 2024, CNP Assurances successfully completed a subordinated notes issue, placing €500 million worth of 4.875% 30-year notes due July 2034.
The notes qualify as Tier 2 capital based on the Solvency II criteria applicable to companies in the insurance sector. They are callable after 9.5 years.

NOTE 28 EXPOSURE TO CREDIT RISK

28.1 Classification by type of asset

a) *Financial assets at amortised cost*

b) *Financial assets at fair value through OCI reclassifiable to profit or loss*

c) *Off-balance sheet (financing commitments and guarantee contracts)*

28.2 Expected credit losses – Forward looking estimates

The quality of the credit portfolio remained relatively stable in the first half of 2024, with no major increase in retail customer claims. However, some indicators point to a more visible materialisation of consumer credit risk in the second half of 2024.
The corporate loan portfolio began to deteriorate in 2023 and the trend continued in the first half of 2024, leading to increases in the volume of loans on the watch list or subject to special measures or legal collection procedures.

Although La Banque Postale's current ECL calculations do not take into account any specific climate component, work has begun on the issue in response to the high expectations of regulators and banking supervisors in this area. In some cases, this complex task requires the creation of databases for the reporting of climate hazards (comprising data of adequate relevance and in sufficient quantity), in order to integrate this component directly into the risk parameters used for the ECL calculation, to limit use of the overlay approach. Complementary general approaches could also be envisaged if there are no planned changes to the related standards and the regulatory framework (European Taxonomy of Green Assets), once the relevant information becomes available (CSRD) or by drawing on other work (analysis of transition plans, etc.).
Some of this work should deliver results over the second half of 2024.

28.1 Classification by type of asset

a) Financial assets at amortised cost

	30 June 2024				31 Dec. 2023			
(in € millions)	Gross carrying amount	Allowance for credit losses	Revaluation	Net carrying amount (a)	Gross carrying amount	Allowance for credit losses	Revaluation	Net carrying amount (a)
Securities	34,135	(30)	(43)	34,062	33,158	(31)	(23)	33,104
Loans and advances to credit institutions	69,840	(1)		69,839	70,914	(1)		70,914
Loans and advances to customers	130,295	(1,628)	(1)	128,666	127,575	(1,575)	(1)	125,999
TOTAL	**234,270**	**(1,658)**	**(44)**	**232,567**	**231,648**	**(1,607)**	**(24)**	**230,016**

(a) See Note 16.

(in € millions)	Assets subject to 12-month ECL (bucket 1) Gross carrying amount	Assets subject to 12-month ECL (bucket 1) Allowance for credit losses	Assets subject to lifetime ECL (bucket 2) Gross carrying amount	Assets subject to lifetime ECL (bucket 2) Allowance for credit losses	Credit-impaired assets (bucket 3) Gross carrying amount	Credit-impaired assets (bucket 3) Allowance for credit losses	TOTAL Gross carrying amount (1)	TOTAL Allowance for credit losses (2)	TOTAL Net carrying amount (1) + (2)
At 31 December 2023	**214,877**	**(173)**	**14,242**	**(527)**	**2,504**	**(908)**	**231,623**	**(1,607)**	**230,016**
Transfers of assets during their lifetime from one bucket to another	**(512)**	**6**	**201**	**(15)**	**311**	**(69)**		**(79)**	**(79)**
Transfers to lifetime ECL (bucket 2)	(3,398)	13	3,558	(117)	(160)	32		(72)	(72)
Transfers to 12-month ECL (bucket 1)	3,118	(10)	(3,013)	75	(105)	17		82	82
Transfers to credit-impaired ECL (bucket 3) [(a)]	(232)	3	(344)	27	577	(117)		(88)	(88)
Total after transfers	**214,365**	**(167)**	**14,443**	**(542)**	**2,815**	**(977)**	**231,623**	**(1,686)**	**229,937**
Changes in gross carrying amounts and allowances for credit losses	**2,969**	**(23)**	**(115)**	**11**	**(208)**	**40**	**2,646**	**27**	**2,673**
New production: purchase, issuance, origination, etc. [(b)]	19,421	(66)	1,326	(104)	260	(94)	21,006	(264)	20,743
Derecognition: disposal, repayment, maturity, etc.	(16,451)	43	(1,441)	114	(423)	92	(18,315)	249	(18,066)
Write-offs					(44)	42	(44)	42	(2)
Modification of cash flows not resulting in derecognition					(1)		(1)		(1)
Changes in scope of consolidation									
Other		(0)		0	0	0	(0)	(0)	(0)
Total	**217,334**	**(191)**	**14,328**	**(531)**	**2,607**	**(936)**	**234,270**	**(1,658)**	**232,611**
Fair value adjustments							**(44)**		**(44)**
At 30 June 2024							**234,226**	**(1,658)**	**232,567**

(a) Transfers to bucket 3 correspond to loans initially classified in bucket 1 that have been downgraded either directly to bucket 3 or via bucket 2.
(b) The amounts shown under new production for buckets 2 and 3 may include loans originally recorded in bucket 1 and reclassified to bucket 2 or 3 during the same period.

b) Financial assets at fair value through OCI reclassifiable to profit or loss

(in € millions)	30 June 2024			31 Dec. 2023		
	Gross carrying amount	Unrealised gains/losses	Fair value (a)	Gross carrying amount	Unrealised gains/losses	Fair value (a)
Government paper and equivalents		(21,989)	92,045		(18,569)	95,671
Bonds and other debt securities		(8,879)	104,561		(8,128)	101,297
TOTAL	**227,997**	**(30,867)**	**196,605**	**224,103**	**(26,697)**	**196,970**

(a) See Note 16.

(in € millions)	Assets subject to 12-month ECL (bucket 1)		Assets subject to lifetime ECL (bucket 2)		Credit-impaired assets (bucket 3)		TOTAL	
	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses
At 31 December 2023	**224,032**	**(298)**	**68**			**(2)**	**224,101**	**(300)**
Transfers of assets during their lifetime from one bucket to another	**19**		**(19)**					
Transfers to lifetime ECL (bucket 2)								
Transfers to 12-month ECL (bucket 1)	19		(19)					
Transfers to credit-impaired ECL (bucket 3)								
Total after transfers	**224,051**	**(298)**	**51**			**(2)**	**224,102**	**(300)**
Changes in gross carrying amounts and allowances for credit losses	**3,940**	**(5)**	**(44)**			**2**	**3,896**	**(3)**
New production: purchase, issuance, origination, etc.	30,015		1				30,016	
Derecognition: disposal, repayment, maturity, etc.	(25,647)		(43)				(25,690)	
Changes in scope of consolidation								
Other	(428)	(5)				2	(431)	(4)
At 30 June 2024	**227,991**	**(304)**	**7**				**227,997**	**(304)**

c) Off-balance sheet (financing commitments and guarantee contracts)

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

(in € millions)	30 June 2024			31 Dec. 2023		
	Gross carrying amount	Allowance for credit losses	Net carrying amount	Gross carrying amount	Allowance for credit losses	Net carrying amount
Financing commitments and guarantee contracts [(a)]	30,871			26,130		
Loss allowance for financing commitments and guarantee contracts [(b)]		(152)			(146)	
TOTAL	**30,871**	**(152)**	**30,719**	**26,130**	**(146)**	**25,985**

(a) Including €28,852 million in bucket 1 and €1,817 million in bucket 2 in 2024 (compared with €24,024 million in bucket 1 and €1,986 million in bucket 2 in 2023). For bucket 1 in 2024, new production amounted to €10,472 million and derecognitions amounted to €(5,648) million.
(b) Including €(35) million in bucket 1 and €(74) million in bucket 2 in 2024 (compared with €(36) million in bucket 1 and €(79) million in bucket 2 in 2023).

28.2 Expected credit losses – Forward looking estimates

Expected credit losses (ECLs) are calculated based on three main components: Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). The estimates are forward looking, to take into account the effects of future economic conditions.
The group uses three scenarios into which it incorporates the forward-looking component: a central scenario, a favourable alternative scenario and an unfavourable alternative scenario. These scenarios contain projections for all the macroeconomic variables required to run the models developed to obtain the probability of default and loss given default at maturity.

The main features of these scenarios are as follows:

- the economic forecast horizon is three years;
- they are defined by the group's Economic Research unit within the group's Strategy department, based on scenarios designed by Caisse des Dépôts et Consignations;
- consistent global scenarios are applied uniformly with potentially opposite impacts on certain product or customer segments, to reflect the diversification of the portfolio (by way of illustration, it is not possible, in a given scenario, to use a different interest rate projection to measure the lifetime probabilities of default of individual customers and those of sovereign customers);
- the proposed scenarios are not necessarily adverse credit risk scenarios; the aim is not to use IFRS 9 scenarios to quantify the risk of losses in a highly adverse environment that would be highly unlikely to occur, but rather to define generally plausible scenarios whose probability of occurrence is within one standard deviation of the occurrence of the central scenario;
- the scenarios are not necessarily designed to have a strong impact on the specific credit component: unfavourable scenarios with a high probability of occurrence may be used even though their main impact is on the interest rate component;
- the scenarios used are the same as those used in other corporate processes (i.e., strategic planning, budgeting, ICAAP stress testing, regulatory reporting).

Against an uncertain economic and geopolitical backdrop, the group regularly reviews the forward-looking macroeconomic forecasts used to determine credit risk.
At 30 June 2024, the group considered that the uncertainties concerning the macroeconomic environment and global growth outlook have not significantly changed compared with the situation at 31 December 2023.

It therefore decided to maintain the weightings applied to each of these scenarios, as follows:

Scenarios	2024 scenarios	2023 scenarios
Central	60%	60%
Unfavourable	30%	30%
Favourable	10%	10%

For first-half 2024, La Banque Postale used the following scenarios to calculate its loss allowances under IFRS 9:

Central scenario: the scenario incorporates a 2024 growth forecast for France that remains stable compared to previous expectations. However, economic growth is still likely to be inhibited by: i) persistent supply chain problems combined with soft demand, ii) the slow pace of disinflation, holding back growth in consumer spending, iii) still unfavourable financing conditions, iv) enduring concern about geopolitical/energy/climate issues.
Inflation is being brought under control and a number of disinflationary effects are set to continue, with many of the disruptive impacts of Covid-19 and the war in Ukraine on pricing factors continuing to be absorbed upstream of consumer prices. Furthermore, companies that applied inflation-busting price increases are now facing a slump in demand. However, efforts to bring down inflation could be hampered by ongoing recruitment difficulties, although the situation is improving. The pace of wage growth has eased but still needs to be monitored, and the same applies to the rate of productivity gains, which determine unit labour costs and corporate margin strategies.
This scenario has been developed by Caisse des Dépôts et Consignations. The projections of some of the variables are provided below:

	Scenario at 30/06/2024					
Variables	T0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	**0.7**	1.1	1.1	1.0	1.0	1.0
Eurozone unemployment rate (average annual rate)	**6.8**	6.8	6.7	6.7	6.7	6.7
10-year OAT (average annual rate)	**2.88**	2.84	2.74	2.64	2.54	2.50
Inflation France (changes)	**2.5**	2.3	2.2	2.2	2.2	2.2

	Scenario at 31/12/2023					
Variables	T0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	**0.8**	0.7	1.1	1.1	1.0	1.0
Eurozone unemployment rate (average annual rate)	**6.5**	6.8	6.8	6.7	6.7	6.7
10-year OAT (average annual rate)	**2.95**	2.94	2.84	2.74	2.64	2.54
Inflation France (changes)	**5.0**	2.7	2.3	2.1	2.0	2.0

Unfavourable scenario: this scenario corresponds to a stressed inflationary scenario which illustrates a "eurozone sovereign debt crisis" type configuration, with renewed pressure on commodity prices the year of the shock due to the geopolitical situation leading to a fall in global GDP. A spiral of price and wage increases would take hold in the eurozone, leading to a rise in core inflation, with headline inflation remaining above central bank targets. The central banks would respond by setting their key rates above neutral, without managing to stabilise price momentum, leading to very high bond yields. Under this scenario, the ecological and energy transition would be more disorderly than under the central scenario, contributing to pressure on prices and interest rates, and a loss of potential growth in the medium term (loss of productivity).

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

	Scenario at 30/06/2024					
Variables	**T0**	**Y+1**	**Y+2**	**Y+3**	**Y+4**	**Y+5**
French GDP (annual rate of growth)	**0.7**	-1.5	0.0	0.5	0.6	0.6
Eurozone unemployment rate (average annual rate)	**6.8**	8.3	9.1	9.4	9.5	9.5
10-year OAT (average annual rate)	**2.88**	4.96	5.50	5.50	5.50	5.50
Inflation France (changes)	**2.5**	5.5	4.0	3.5	3.5	3.5

	Scenario at 31/12/2023					
Variables	**T0**	**Y+1**	**Y+2**	**Y+3**	**Y+4**	**Y+5**
French GDP (annual rate of growth)	**0.8**	-1.5	0.0	0.5	0.6	0.6
Eurozone unemployment rate (average annual rate)	**6.5**	8.4	9.2	9.5	9.6	9.6
10-year OAT (average annual rate)	**2.95**	4.56	5.50	5.50	5.50	5.50
Inflation France (changes)	**5.0**	5.8	4.2	3.7	3.0	3.0

Favourable scenario: this scenario assumes that inflation will be lowered a little more rapidly and more sharply than under the central scenario. This would allow consumer spending to recover a little more strongly (with a slightly faster fall in the savings rate), helping to drive economic growth. Against this backdrop, corporate capital investment and the job market should prove resilient. The central banks would cautiously increase the pace of interest rate cuts to more normal levels, with a temporary impact on long-term rates but no effect on medium-term target rates. This would create a positive environment for stock markets. The landings would be the same as under the central scenario.

This scenario is proposed by the Economic Research unit. The projections of some of the variables are presented below:

	Scenario at 30/06/2024					
Variables	**T0**	**Y+1**	**Y+2**	**Y+3**	**Y+4**	**Y+5**
French GDP (annual rate of growth)	**0.7**	1.5	1.5	1.3	1.1	1.0
Eurozone unemployment rate (average annual rate)	**6.8**	6.7	6.4	6.3	6.2	6.2
10-year OAT (average annual rate)	**2.88**	2.7	2.5	2.5	2.5	2.5
Inflation France (changes)	**2.5**	2.0	2.0	2.0	2.0	2.0

	Scenario at 31/12/2023					
Variables	**T0**	**Y+1**	**Y+2**	**Y+3**	**Y+4**	**Y+5**
French GDP (annual rate of growth)	**0.8**	1.5	1.5	1.3	1.2	1.1
Eurozone unemployment rate (average annual rate)	**6.5**	6.9	6.7	6.6	6.5	6.5
10-year OAT (average annual rate)	**2.95**	2.7	2.5	2.5	2.5	2.5
Inflation France (changes)	**5.0**	2.3	2.0	2.0	2.0	2.0

Sensitivity analysis of expected credit losses to macro-economic scenarios

Analyses have been conducted to gauge the sensitivity to credit risk of statistical ECL (i.e., excluding specific allowances for corporate credit losses).

The sensitivity of retail loan ECLs is fairly limited, ranging from [-1% to +2%] for the central scenario, depending on the scenario and before weighting.

The sensitivity of corporate loan ECLs is greater, ranging from [-10% to 23%] for the central scenario, depending on the scenario and before weighting. Volatility is higher for exposures in the large corporates segment.

NOTE 29 INSURANCE AND REINSURANCE CONTRACTS

29.1 Information on the income statement

a) Insurance revenue

(in € millions)	First-half 2024	First-half 2023
Contracts valued using the BBA and VFA models	**5,240**	**5,231**
Amounts relating to changes in the liability for remaining coverage arising from:	**4,459**	**4,368**
Contractual service margin released to profit on insurance services provided during the period	1,085	1,145
Risk adjustment for non-financial risk released to profit	133	151
Expected expenses for the period relating to insurance contracts issued, net of amortisation of the loss component	2,974	2,830
Experience adjustments to premiums received and acquisition costs	266	242
Acquisition costs allocated to the period	**781**	**863**
Contracts valued using the PAA model	**814**	**789**
TOTAL	**6,054**	**6,020**

b) Insurance service expenses

(in € millions)	Contracts valued using the BBA and VFA models	Contracts valued using the PAA model	First-half 2024
Incurred claims and other insurance service expenses	(4,265)	(623)	**(4,888)**
Amortisation of insurance acquisition cash flows	(781)	(10)	**(792)**
Adjustments to liabilities for incurred claims	932	20	**951**
Losses and reversals on groups of onerous contracts	(22)	(0)	**(22)**
TOTAL	**(4,137)**	**(614)**	**(4,751)**

(in € millions)	Contracts valued using the BBA and VFA models	Contracts valued using the PAA model	First-half 2023
Incurred claims and other insurance service expenses	(3,919)	(532)	**(4,451)**
Amortisation of insurance acquisition cash flows	(863)	(82)	**(945)**
Adjustments to liabilities for incurred claims	1,078	6	**1,083**
Losses and reversals on groups of onerous contracts	(15)	-	**(16)**
TOTAL	**(3,720)**	**(609)**	**(4,329)**

Insurance service expenses include the margin received by the group on the insurance contract distribution and management fees charged to subsidiaries. The margin is calculated as the difference between the fees received and underlying costs, determined using an analytical operating expense ratio specific to the insurance business.

29.2 Insurance activities

a) Net investment income

(in € millions)	First-half 2024	First-half 2023
Financial assets at fair value through profit or loss		
Net gain or loss on financial assets at fair value through profit or loss	6,446	4,935
Total	**6,446**	**4,935**
Financial assets at fair value through OCI reclassifiable to profit or loss		
Net gain or loss on financial assets at fair value through OCI reclassifiable to profit or loss	(820)	(1,002)
Interest calculated using the EIR method	2,008	1,812
Gains and losses recognised directly in equity	(4,180)	2,938
Impairment losses	(6)	11
Total	**(2,998)**	**3,760**
Financial assets at amortised cost		
Net gain or loss on derecognised financial assets at amortised cost	(0)	(321)
Interest calculated using the EIR method	127	121
Impairment losses	(1)	(2)
Total	**126**	**(202)**
Financial assets at fair value through OCI not reclassifiable to profit or loss		
Income/(expenses) recognised in profit or loss	435	448
Gains and losses recognised directly in equity	267	2,097
Total	**702**	**2,546**
Investment property		
Net gain or loss on investment property (net of impairment)	(33)	(45)
Total	**(33)**	**(45)**
Other net investment income/(expense)	35	10
Investment income/(expense) (impact on profit and equity)	**4,280**	**11,003**
Discounting adjustments and accrued interest on insurance contracts	(225)	110
Changes in fair value of underlying items	(7,131)	(5,986)
Changes in interest rates and the economic environment	3,882	(4,527)
Effect of risk mitigation	(113)	(11)
Foreign exchange differences on finance expenses from insurance contracts issued	(0)	(0)
Finance income or expenses from insurance contracts issued	**(3,587)**	**(10,414)**
of which: recognised directly in equity	*3,899*	*(4,401)*
of which: recognised in profit or loss	*(7,486)*	*(6,013)*
Discounting adjustments and accrued interest on reinsurance contracts held	321	192
Changes in interest rates and the economic environment	(246)	552
Other financial effects on reinsurance contracts held	8	(240)
Finance income or expense from reinsurance contracts held	**84**	**504**
of which: recognised directly in equity	*20*	*(25)*
of which: recognised in profit or loss	*64*	*529*
NET INVESTMENT INCOME	**776**	**1,093**
of which: recognised directly in equity	*6*	*609*
of which: recognised in profit or loss	*770*	*483*

LA POSTE GROUPE

b) Insurance income statement

(in € millions)	First-half 2024	First-half 2023
Insurance revenue	6,054	6,020
Insurance service expenses	(4,848)	(4,418)
Income and expenses from reinsurance contracts held	(20)	(109)
Insurance service result	**1,186**	**1,493**
Investment income net of expenses	3,045	3,467
Gains and losses on disposals of investments	(785)	(1,337)
Changes in fair value of financial assets recognised at fair value through profit or loss	5,547	3,936
Cost of credit risk on financial investments of insurance activities	(21)	9
Interest calculated using the EIR method	153	(138)
Finance income or expense from insurance contracts issued	(7,486)	(6,013)
Finance income or expense from reinsurance contracts held	64	529
Finance income or expense	**516**	**449**
Income and expenses from other activities	44	43
Other recurring operating income and expenses	(397)	(410)
Other recurring income and expense	**(354)**	**(366)**
Recurring operating profit/(loss)	**1,348**	**1,575**
Other non-recurring operating income and expense	(2)	7
Operating profit	**1,346**	**1,583**
Finance costs	(83)	(72)
Changes in value of intangible assets		(0)
Share in net profit/(loss) of equity-accounted companies	14	2
Effective income tax expense	(390)	(492)
Profit/(loss) after tax from assets held for sale and discontinued operations	(11)	
CONSOLIDATED NET PROFIT/(LOSS)	**877**	**1,021**
Non-controlling interests	119	129
NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT	**758**	**892**

29.3 Insurance investments

Analysis by accounting category

(in € millions)	30 June 2024	31 Dec. 2023
Financial assets at fair value through profit or loss	201,825	205,383
Hedging derivatives	96	58
Financial assets at fair value through OCI not reclassifiable to profit or loss	14,042	15,461
Financial assets at fair value through OCI reclassifiable to profit or loss	185,050	185,470
Securities at amortised cost	2,775	2,083
Investment property	7,043	7,262
Investments in equity-accounted companies	1,134	1,104
INSURANCE INVESTMENTS	**411,965**	**416,821**

Financial assets at fair value through profit or loss and financial assets at fair value through OCI, reclassifiable or not, to profit or loss are analysed below:

a) Financial assets at fair value through profit or loss

(in € millions)	30 June 2024	31 Dec. 2023
Debt instruments	**181,572**	**185,051**
Government paper and equivalents	2,731	2,751
Bonds and other fixed-income securities	18,343	26,269
UCITS	63,371	59,581
Assets backing unit-linked contracts	92,514	91,603
Loans and advances	4,614	4,845
Equity instruments	**18,856**	**18,729**
Equity and other variable-income securities	15,333	15,580
Assets backing unit-linked contracts	3,523	3,149
Derivative instruments	**1,397**	**1,603**
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**201,825**	**205,383**

b) Financial assets at fair value through OCI

	30 June 2024		31 Dec. 2023	
(in € millions)	Fair value	Unrealised gains/losses	Fair value	Unrealised gains/losses
Government paper and equivalents	91,298	(21,988)	95,134	(18,570)
Bonds and other fixed-income securities	93,752	(8,896)	90,336	(8,135)
FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI RECLASSIFIABLE TO PROFIT OR LOSS	**185,050**	**(30,884)**	**185,470**	**(26,705)**
Taxes		8,368		7,309
Gains and losses recognised directly in OCI - reclassifiable to profit or loss (net of tax)		**(22,516)**		**(19,395)**
Equities, other variable-income securities and other securities held as long-term investments	14,042	3,339	15,445	3,868
Unconsolidated equity investments			16	
FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI NON RECLASSIFIABLE TO PROFIT OR LOSS	**14,042**	**3,339**	**15,461**	**3,868**
Taxes		(636)		(773)
Gains and losses recognised directly in OCI - non reclassifiable to profit or loss (net of tax)		**2,704**		**3,096**

29.4 Insurance liabilities

a) Insurance and reinsurance contracts by valuation model

(in € millions)	30 June 2024 Contracts valued using the BBA and VFA models	Contracts valued using the PAA model	TOTAL
Liability for remaining coverage	**1,189**	**203**	**1,392**
Contracts valued using the PAA model		**203**	**203**
Contracts valued using the BBA and VFA models	**1,189**		**1,189**
Present value of future cash flows	1,504		1,504
Risk adjustment for non-financial risk	(63)		(63)
Contractual service margin	(251)		(251)
Liability for incurred claims	**(194)**	**1**	**(193)**
Present value of future cash flows	(190)	1	(189)
Risk adjustment for non-financial risk	(4)		(4)
Insurance contracts issued - Assets (1)	**995**	**204**	**1,199**
Liability for remaining coverage	**366,090**	**778**	**366,868**
Contracts valued using the PAA model		**778**	**778**
Contracts valued using the BBA and VFA models	**366,090**		**366,090**
Present value of future cash flows	345,534		345,534
Risk adjustment for non-financial risk	1,881		1,881
Contractual service margin	18,675		18,675
Liability for incurred claims	**6,649**	**746**	**7,395**
Present value of future cash flows	6,594	703	7,297
Risk adjustment for non-financial risk	54	44	98
Insurance contracts issued - Liabilities (2) (excluding investment contracts without discretionary participation features)	**372,738**	**1,525**	**374,263**
Insurance contracts (direct business and inward reinsurance) (2) - (1)	**371,744**	**1,321**	**373,064**
Insurance transactions relating to investment contracts (without discretionary participation features) (3)	**-**	**-**	**2,249**
INSURANCE CONTRACTS ISSUED - LIABILITIES (2) + (3) - see Note 22			**376,513**
Liability for remaining coverage	**5,622**	**61**	**5,684**
Contracts valued using the PAA model		**61**	**61**
Contracts valued using the BBA and VFA models	**5,622**		**5,622**
Present value of future cash flows	4,973		4,973
Risk adjustment for non-financial risk	90		90
Contractual service margin	559		559
Liability for incurred claims	**504**	**247**	**751**
Present value of future cash flows	498	238	736
Risk adjustment for non-financial risk	6	9	15
Reinsurance contracts held - Assets (1) (excluding investment contracts without discretionary participation features)	**6,126**	**308**	**6,435**
Reinsurance transactions relating to investment contracts (without discretionary participation features)			**15**
Reinsurance contracts held - Assets			**6,450**
Liability for remaining coverage	**18**	**12**	**29**
Contracts valued using the PAA model		**12**	**12**
Contracts valued using the BBA and VFA models	**18**		**18**
Present value of future cash flows	22		22
Risk adjustment for non-financial risk	(12)		(12)
Contractual service margin	7		7
Liability for incurred claims	**(3)**		**(3)**
Present value of future cash flows	(3)		(3)
Risk adjustment for non-financial risk	(0)		(0)
Reinsurance contracts held – Liabilities (2) - see Note 22 (excluding investment contracts without discretionary participation features)	**15**	**12**	**27**
REINSURANCE CONTRACTS HELD, NET (1) - (2)	**6,111**	**297**	**6,408**

(in € millions)	31 Dec. 2023 Contracts valued using the BBA and VFA models	Contracts valued using the PAA model	TOTAL
Liability for remaining coverage	**1,389**	**165**	**1,554**
Contracts valued using the PAA model		**165**	**165**
Contracts valued using the BBA and VFA models	**1,389**		**1,389**
Present value of future cash flows	1,746		1,746
Risk adjustment for non-financial risk	(75)		(75)
Contractual service margin	(282)		(282)
Liability for incurred claims	**(213)**	**1**	**(212)**
Present value of future cash flows	(208)	1	(207)
Risk adjustment for non-financial risk	(5)		(5)
Insurance contracts issued - Assets (1)	**1,177**	**166**	**1,343**
Liability for remaining coverage	**368,836**	**825**	**369,661**
Contracts valued using the PAA model		**825**	**825**
Contracts valued using the BBA and VFA models	**368,836**		**368,836**
Present value of future cash flows	348,273		348,273
Risk adjustment for non-financial risk	1,895		1,895
Contractual service margin	18,668		18,668
Liability for incurred claims	**5,578**	**795**	**6,374**
Present value of future cash flows	5,521	749	6,269
Risk adjustment for non-financial risk	58	47	104
Insurance contracts issued - Liabilities (2) (excluding investment contracts without discretionary participation features)	**374,415**	**1,620**	**376,035**
Insurance contracts (direct business and inward reinsurance) (2) - (1)	**373,238**	**1,454**	**374,692**
Insurance transactions relating to investment contracts (without discretionary participation features) (3)		**-**	**2,395**
INSURANCE CONTRACTS ISSUED - LIABILITIES (2) + (3) - see Note 22			**378,430**
Liability for remaining coverage	**8,060**	**82**	**8,142**
Contracts valued using the PAA model		**82**	**82**
Contracts valued using the BBA and VFA models	**8,060**		**8,060**
Present value of future cash flows	7,457		7,457
Risk adjustment for non-financial risk	91		91
Contractual service margin	512		512
Liability for incurred claims	**496**	**237**	**734**
Present value of future cash flows	490	227	717
Risk adjustment for non-financial risk	6	10	16
Reinsurance contracts held - Assets (1) (excluding investment contracts without discretionary participation features)	**8,556**	**319**	**8,875**
Reinsurance transactions relating to investment contracts (without discretionary participation features)			**15**
Reinsurance contracts held - Assets			**8,891**
Liability for remaining coverage	**43**	**20**	**63**
Contracts valued using the PAA model		**20**	**20**
Contracts valued using the BBA and VFA models	**43**		**43**
Present value of future cash flows	39		39
Risk adjustment for non-financial risk	(17)		(17)
Contractual service margin	20		20
Liability for incurred claims	**(8)**		**(8)**
Present value of future cash flows	(8)		(8)
Risk adjustment for non-financial risk	(0)		(0)
Reinsurance contracts held – Liabilities (2) - see Note 22 (excluding investment contracts without discretionary participation features)	**35**	**20**	**55**
REINSURANCE CONTRACTS HELD, NET (1) - (2)	**8,521**	**299**	**8,820**

b) Insurance and reinsurance contracts by accounting component

Yield curves

The yield curves used to discount estimated future cash flows that do not vary according to the yields of the underlying assets are presented in the tables below:

	Currency	30 June 2024				
		1 year	5 years	10 years	20 years	30 years
CNP Assurances group	**EUR**	4.20%	3.40%	3.40%	3.30%	3.10%
Subsidiaries of the non-life insurance division	**EUR**	[3.8% ; 3.9%]	[3.1% ; 3.3%]	[3.0% ; 3.1%]	[2.9% ; 3.1%]	[2.8% ; 2.9%]
Subsidiaries, Europe excluding France	**EUR**	[3.8% ; 5.2%]	[3.0% ; 4.4%]	[2.9% ; 4.4%]	[2.8% ; 4.3%]	[2.8% ; 4.0%]
Brazilian subsidiaries	**BRL**	[10.6% ; 11.0%]	[11.7% ; 12.1%]	[12.1% ; 12.5%]	[10.8% ; 11.2%]	[9.4% ; 9.7%]

	Currency	31 Dec. 2023				
		1 year	5 years	10 years	20 years	30 years
CNP Assurances group	**EUR**	4.29%	3.19%	3.21%	3.21%	3.09%
Subsidiaries of the non-life insurance division	**EUR**	[4.0% ; 4.2%]	[3.1% ; 3.3%]	[3.1% ; 3.3%]	[3.1% ; 3.3%]	[3.0% ; 3.2%]
Subsidiaries, Europe excluding France	**EUR**	[3.9% ; 5.2%]	[3.0% ; 4.4%]	[3.0% ; 4.4%]	[3.0% ; 4.3%]	[2.9% ; 4.0%]
Brazilian subsidiaries	**BRL**	[10.8% ; 11.1%]	[10.8% ; 11.2%]	[11.4% ; 11.8%]	[10.5% ; 10.8%]	[9.2% ; 9.4%]

Intra-group margin

La Banque Postale distributes and manages insurance contracts on behalf of its subsidiaries. This activity generates distribution and management costs which are included in the group's income statement.

The commission paid by the insurance subsidiaries to La Banque Postale for the distribution and management of insurance policies includes a margin billed by La Banque Postale.

Under IFRS 17, the component representing the insurance company's estimated obligation to policyholders – the present value of future cash flows or Best Estimate – incorporates all the costs associated with insurance activities, including the costs of distributing and managing insurance contracts.

At group level, the margin is not included in the Best Estimate, as it represents a profit and not a cost. It is therefore included in the CSM (representing future profits).

As a result, the group vision of CSM is different from the sum of the insurance subsidiaries' CSMs, i.e. from the insurance vision of CSM. Group CSM includes a component representing the intra-group margin, which is determined by applying an estimated cost/income ratio to distribution and management fees. This margin is included in the CSM at group level.

(in € millions)	Present value of future cash flows	Risk adjustment for non-financial risk	Contractual Service Margin (CSM)	TOTAL [b]
CLOSING NET BALANCE – INSURANCE VISION [a] At 30 June 2024	**352,526**	**2,003**	**17,215**	**371,744**
Insurance contract distribution and management fees – Intra-group eliminations	(1,711)		1,711	
CLOSING NET BALANCE – GROUP VISION At 30 June 2024	**350,815**	**2,003**	**18,926**	**371,744**
OPENING NET BALANCE – INSURANCE VISION [a] At 31 December 2023	**353,844**	**2,032**	**17,362**	**373,238**
Insurance contract distribution and management fees – Intra-group eliminations	(1,588)	-	1,588	-
OPENING NET BALANCE – GROUP VISION At 31 December 2023	**352,256**	**2,032**	**18,950**	**373,238**
OPENING NET BALANCE – INSURANCE VISION [a] At 31 December 2022	**341,814**	**1,863**	**15,522**	**359,199**
Insurance contract distribution and management fees – Intra-group eliminations	(1,320)		1,320	
OPENING NET BALANCE – GROUP VISION At 31 December 2022	**340,494**	**1,863**	**16,842**	**359,199**

(a) Analysed by component and coverage period.
(b) Data at 31 December 2022 restated for the first-time application of IFRS 17.

Analysis by accounting component – Contracts valued using the BBA and VFA models - Insurance contracts (insurance vision)

(in € millions)	Present value of future cash flows	Risk adjustment for non-financial risk	Contractual Service Margin (CSM)	**30 June 2024**
Opening balance - Assets	(1,538)	79	282	(1,176)
Opening balance - Liabilities	355,367	1,953	17,080	374,400
OPENING NET BALANCE	**353,829**	**2,032**	**17,362**	**373,224**
Changes related to future service	**(1,159)**	**151**	**1,054**	**46**
Changes in estimates resulting in an adjustment to the contractual service margin	(181)	39	161	18
Changes in estimates resulting in losses and reversals on groups of onerous contracts	(8)	6		(2)
Effect of contracts recognised during the period	(970)	107	893	30
Changes related to current service	**1,063**	**(113)**	**(1,085)**	**(135)**
Contractual service margin released to profit			(1,085)	(1,085)
Changes in non-financial risk adjustment		(113)		(113)
Experience adjustments	1,063			1,063
Changes related to past service	**(910)**	**(21)**		**(932)**
Adjustments to incurred claims	(910)	(21)		(932)
Insurance service result	**(1,005)**	**17**	**(32)**	**(1,020)**
Finance income (or expense) from insurance contracts issued	**1,014**	**(3)**	**(55)**	**956**
Finance income (or expense) from insurance contracts issued [(a)]	3,386	13	167	3,565
Effect of foreign exchange differences	(2,373)	(16)	(221)	(2,609)
Total changes in comprehensive income	**8**	**14**	**(86)**	**(64)**
Cash inflows and outflows on insurance contracts	(1,281)			(1,281)
Total cash flows	**(1,281)**			**(1,281)**
Deferred acquisition costs - Allocation to insurance contracts				
Other consolidation adjustments	**(31)**	**(43)**	**(61)**	**(135)**
CLOSING NET BALANCE	**352,526**	**2,003**	**17,215**	**371,744**
Closing balance - Assets	(1,313)	67	251	**(995)**
Closing balance - Liabilities	353,839	1,936	16,963	**372,738**

(a) Excluding foreign exchange differences.

(in € millions)	Present value of future cash flows	Risk adjustment for non-financial risk	Contractual Service Margin (CSM)	31 Dec. 2023
Opening balance - Assets	(2,423)	354	725	(1,343)
Opening balance - Liabilities	344,237	1,508	14,797	360,542
OPENING NET BALANCE	**341,814**	**1,863**	**15,522**	**359,199**
Changes related to future service	**(4,243)**	**404**	**3,919**	**80**
Changes in estimates resulting in an adjustment to the contractual service margin	(2,159)	162	2,013	15
Changes in estimates resulting in losses and reversals on groups of onerous contracts	(15)	52		38
Effect of contracts recognised during the period	(2,069)	190	1,906	28
Changes related to current service	**737**	**(262)**	**(2,212)**	**(1,737)**
Contractual service margin released to profit			(2,212)	(2,212)
Changes in non-financial risk adjustment		(262)		(262)
Experience adjustments	737			737
Changes related to past service	**(1,049)**	**(37)**		**(1,087)**
Adjustments to incurred claims	(1,049)	(37)		(1,087)
Insurance service result	**(4,555)**	**105**	**1,708**	**(2,743)**
Finance income (or expense) from insurance contracts issued	**24,754**	**61**	**127**	**24,942**
Finance income (or expense) from insurance contracts issued [(a)]	23,657	56	55	23,768
Effect of foreign exchange differences	1,097	5	72	1,174
Total changes in comprehensive income	**20,199**	**166**	**1,835**	**22,199**
Cash inflows and outflows on insurance contracts	(8,140)			(8,140)
Total cash flows	**(8,140)**			**(8,140)**
Deferred acquisition costs - Allocation to insurance contracts				
Other consolidation adjustments	**(44)**	**4**	**5**	**(35)**
CLOSING NET BALANCE	**353,829**	**2,032**	**17,362**	**373,224**
Closing balance - Assets	(1,538)	79	282	**(1,176)**
Closing balance - Liabilities	355,367	1,953	17,080	**374,400**

(a) Excluding foreign exchange differences.

Analysis by accounting component – Contracts valued using the BBA model – Reinsurance contracts held

(in € millions)	Present value of future cash flows	Risk adjustment for non-financial risk	Contractual Service Margin (CSM)	30 June 2024
Opening balance – Assets	7,990	97	512	8,599
Opening balance – Liabilities	(32)	17	(20)	(35)
OPENING NET BALANCE	**7,958**	**114**	**492**	**8,564**
Changes related to future service	**(69)**	**2**	**66**	**(0)**
Changes in estimates resulting in an adjustment to the contractual service margin	(67)	1	66	(0)
Changes in estimates resulting in losses and reversals on underlying onerous contracts				
Effect of contracts recognised during the period	(2)	1	1	(0)
Changes related to current service	**66**	**(3)**	**(15)**	**48**
Contractual service margin released to profit			(15)	(15)
Changes in non-financial risk adjustment		(3)		(3)
Experience adjustments	66			66
Changes related to past service	**(62)**	**(2)**		**(64)**
Adjustment of incurred claims	(62)	(2)		(64)
Income and expenses from reinsurance contracts held	**(65)**	**(3)**	**51**	**(17)**
Finance income (or expense) from reinsurance contracts held	**67**	**1**	**2**	**70**
Total changes in comprehensive income	**2**	**(2)**	**53**	**53**
Cash flows	(2,510)			(2,510)
Total cash flows	**(2,510)**			**(2,510)**
Other consolidation adjustments	**2**	**(4)**	**7**	**4**
CLOSING NET BALANCE	**5,452**	**108**	**552**	**6,111**
Closing balance – Assets	5,471	96	559	6,126
Closing balance – Liabilities	(19)	12	(7)	(15)

(in € millions)	Present value of future cash flows	Risk adjustment for non-financial risk	Contractual Service Margin (CSM)	31 Dec. 2023
Opening balance – Assets	7,171	108	624	7,903
Opening balance – Liabilities	(43)	22	1	(20)
OPENING NET BALANCE	**7,127**	**131**	**625**	**7,883**
Changes related to future service	**68**	**(17)**	**(49)**	**2**
Changes in estimates resulting in an adjustment to the contractual service margin	71	(22)	(48)	(0)
Changes in estimates resulting in losses and reversals on underlying onerous contracts				
Effect of contracts recognised during the period	(3)	5	(1)	2
Changes related to current service	**43**	**(8)**	**(72)**	**(38)**
Contractual service margin released to profit			(72)	(72)
Changes in non-financial risk adjustment		(8)		(8)
Experience adjustments	43			43
Changes related to past service	**(28)**	**(3)**		**(30)**
Adjustment of incurred claims	(28)	(3)		(30)
Income and expenses from reinsurance contracts held	**83**	**(28)**	**(121)**	**(66)**
Finance income (or expense) from reinsurance contracts held	**881**	**12**	**3**	**896**
Total changes in comprehensive income	**965**	**(16)**	**(118)**	**830**
Cash flows	(157)			(157)
Total cash flows	**(157)**			**(157)**
Other consolidation adjustments	**24**	**(0)**	**(14)**	**9**
CLOSING NET BALANCE	**7,958**	**114**	**492**	**8,564**
Closing balance – Assets	7,990	97	512	8,599
Closing balance – Liabilities	(32)	17	(20)	(35)

c) Contractual Service Margin (CSM) : analysis by maturity

(in € millions)	30 June 2024			
	Less than 5 years	5 to 10 years	Beyond 10 years	TOTAL
Insurance contracts (1)	7,511	4,141	5,562	17,215
Reinsurance contracts (2)	124	98	330	552
TOTAL (1) - (2)	**7,387**	**4,044**	**5,232**	**16,663**

(in € millions)	31 Dec. 2023			
	Less than 5 years	5 to 10 years	Beyond 10 years	TOTAL
Insurance contracts (1)	7,352	4,155	5,855	17,362
Reinsurance contracts (2)	136	99	257	492
TOTAL (1) - (2)	**7,216**	**4,056**	**5,598**	**16,870**

REPORT OF STATUTORY AUDITORS ON THE INTERIM FINANCIAL STATEMENTS

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Tour EXALTIS
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La Poste

Statutory Auditors' Review Report on the Half-yearly Financial Information

For the period from January 1 to June 30, 2024
LA POSTE
9 rue du Colonel Pierre Avia 75015 Paris

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-year management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

LA POSTE -

9 rue du Colonel Pierre Avia 75015 Paris

Statutory Auditors' Review Report on the Half-yearly Financial Information

For the period from January 1 to June 30, 2024

To the Shareholders,

In compliance with the assignment entrusted to us by your annual shareholders' meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of La Poste, for the period from January 1st 2024 to June 30th 2024,
- the verification of the information presented in the half-year management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information presented in the half-year management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

KPMG SA	FORVIS MAZARS
Paris La Défense, August 2th 2024	Paris La Défense, August 2th 2024

Stéphanie Millet Partner	Xavier de Coninck Partner	Gonzague Senlis Partner	Charles de Boisriou Partner

RESPONSIBILITY STATEMENT

Responsibility statement

I certify, to my knowledge, the condensed financial statements for the half year are prepared in accordance with applicable accounting standards and give a true and fair view of assets and liabilities, financial position and profit or loss of the issuer and the subsidiaries included in the consolidation, and the half-year activity report contained in section 1 of this report presents a true picture of the significant events that occurred during the first six months of the year, their impact on the accounts, and that it describes the principal risks and uncertainties for the remaining six months of the year.

Executed in Paris, 30 August 2024

Chairman and Chief Executive Officer

Philippe Wahl

GROUP FINANCE AND DEVELOPMENT DEPARTMENT
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LA POSTE
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