Crédit du Nord Group

Update to the 2013 Registration Document

(including the June 30, 2014 interim financial report)

BANQUE COURTOIS
Banque Kolb
Banque Laydernier
BANQUE NUGER
Banque Rhône-Alpes
Banque Tarneaud
Société Marseillaise de Crédit
Crédit du Nord

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1 Person responsible for the Registration Document

1. Person responsible for the registration document:

Philippe AYMERICH, Chief Executive Officer of Crédit du Nord.

2. Certification by the person responsible for the registration document:

I hereby certify, having taken all reasonable measures to this end, that to the best of my knowledge, the information contained in this updated 2013 Registration Document is true and that there are no omissions that could impair its meaning.

I certify that to the best of my knowledge, the interim financial statements were drawn up in accordance with applicable accounting standards and present fairly, in all material respects, the financial position and results of the parent company and of the entire Group as constituted by the consolidated companies, and that the interim financial statements included in the sections of the present updated document listed in the cross-reference table in section 7 accurately reflects the major events that took place over the first six months of the financial year, their impact on the accounts, the key transactions between related parties, as well as a description of the main risks and uncertainties for the remaining six months of the financial year.

I received a letter of completion from the statutory auditors in which they state that they verified the information in respect of the financial position and accounts presented in this update and that they read through the entire 2013 Registration Document and this update (A-01).

The historic financial information presented in the 2013 Registration Document was addressed in the statutory auditor's reports, appearing on pages 133 to 134 and 191 to 192 of the 2013 Registration Document, in addition to financial information included in reference to fiscal years 2011 and 2012, respectively on pages 134 to 135 and 196 to 197 of the 2011 Registration Document and on pages 132 to 133 and 188 to 189 of the 2012 Registration Document. The statutory auditor's reports referring to the 2011, 2012 and 2013 financial statements contain observations. The statutory auditor's report referring to the consolidated financial statements of June 30, 2014, which appears in section 5 of this update and the statutory auditor's report referring to the consolidated financial statements of June 30, 2013 contain observations.

Paris, August 29, 2014

Chief Executive Officer,
Philippe AYMERICH

2 Statutory auditors

ERNST & YOUNG et Autres

Represented by Bernard HELLER

Adress:
1/2, place des Saisons
92 400 Courbevoie - Paris-La Défense 1

Date appointed:
May 4, 2000 for a term of six fiscal years

Date term was last renewed:
May 11, 2012 for a term of six fiscal years

Alternate statutory auditor:
Société PICARLE et Associés
Represented by Marc CHARLES

Adress:
1/2, place des Saisons
92 400 Courbevoie - Paris-La Défense 1

Date appointed:
May 18, 2006 for a term of six fiscal years

Date term was last renewed:
May 11, 2012 for a term of six fiscal years

DELOITTE & ASSOCIES

Represented by Jean-Marc MICKELER

Adress:
185, avenue Charles de Gaulle
92 200 Neuilly-sur-Seine

Date appointed:
May 4, 2000 for a term of six fiscal years

Date term was last renewed:
May 11, 2012 for a term of six fiscal years

Alternate statutory auditor:
Société BEAS
Represented by Mireille BERTHELOT

Adress:
7-9, villa Houssay
92 200 Neuilly-sur-Seine

Date de nomination :
May 4, 2000 for a term of six fiscal years

Date term was last renewed:
May 11, 2012 for a term of six fiscal years

3 Corporate Governance

1. Corporate Governance as at June 30, 2014

Board of Directors	Date of first appointment[1]	Term of mandate expires at the AGM of May
Chairman of the Board of Directors		
Jean-François SAMMARCELLI	January 1, 2010	2017
Administrateurs		
Didier ALIX	January 7, 2010	2016
Philippe AYMERICH [2]	January 11, 2012	2015
Sophie-Ségolène BENHAMOU	May 28, 2014	2018
Christophe BONDUELLE	May 6, 2011	2015
Séverin CABANNES	February 21, 2007	2016
Thierry DIGOUTTE [3]	July 26, 2013	2015
Bruno FLICHY	April 28, 1997	2015
Marie-Chantal JACQUOT [3]	December 4, 2012	2015
Anne MARION-BOUCHACOURT	May 16, 2013	2017
Thierry MULLIEZ	May 6, 2011	2015
Annie PRIGENT [3]	December 4, 2012	2015
Bernardo SANCHEZ INCERA	May 28, 2014	2018
Patrick SUET	May 3, 2001	2015

(1) Term of office: 4 years. (2) Chief Executive Officer. (3) Employee representative.

The Board of Directors has met three times since the start of 2014 to discuss changes in the Board, examine the budget, yearly and interim financial statements, analyse and discuss important strategic decisions concerning commercial, organisational and investment policies.

The Board of Directors of Crédit du Nord met on July 23, 2014 to review the summarised interim consolidated financial statements.

The General Meeting of Shareholders was held on May 28, 2014.

Executive Committee

Philippe AYMERICH, Chief Executive Officer,
Philippe AMESTOY, Deputy Chief Executive Officer - Head of Marketing,
Gilles RENAUDIN, Deputy Chief Executive Officer - Head of the Central Risk Division,
François ORAIN, Head of Business Customers,
Yves BLAVET, Head of Corporate Resources,
Philippe CALMELS, Head of Human Resources,
Frédéric FIGER, Chief Financial Officer,
Eric l'HOTE, Head of Communications (attends Executive Committee meetings).

Madame Odile THOMAZEAU, previously a member of the Executive Committee, left CREDIT DU NORD in January 2014; she was replaced by Stéphane LABAT SAINT VINCENT as Corporate Secretary; Mr. LABAT SAINT VINCENT is not a member of the Executive Committee.

2. General Meeting of Shareholders of May 28, 2014

The shareholders of Crédit du Nord, a public limited company (société anonyme) with share capital of €890,263,248 divided into 111,282,906 shares each with a par value of €8, met at the Ordinary Shareholders' Meeting on May 28, 2014 held at the registered office located at 59 Boulevard Haussmann in the 8th arrondissement of Paris.

Only one shareholder, holding 10 shares, was absent. All the other shareholders were in attendance or were represented, totalling 111,282,896 shares. As the legally required quorum had been met, the duly convened Meeting was able to take place.

All the resolutions submitted by the Board of Directors were adopted.

The 2013 consolidated and individual financial statements were approved.

Two new directors were appointed for a four-year term: Sophie-Ségolène BENHAMOU and Monsieur Bernardo SANCHEZ INCERA.

Resolutions put to a vote:

10 resolutions within the authority of the Ordinary General Shareholders' Meeting

1. Approval of consolidated financial statements
2. Approval of individual financial statements and discharge of Directors
3. Distribution of earnings
4. Approval of the regulated agreements addressed by Articles L.225-38 et seq. of the French Commercial Code,
5. Consultative opinion on the compensation paid in 2013 to the persons referred to in Article L.511-71 of the French Monetary and Financial Code
6. Authorisation to raise the variable portion of the total compensation paid to the persons referred to in Article L.511-71 of the French Monetary and Financial Code, to a maximum of double the amount of their fixed pay,
7. Appointment of Sophie-Ségolène BENHAMOU,
8. Appointment of Bernardo SANCHEZ INCERA,
9. Adjustment of the budget for attendance fees,
10. Powers.

3. Audit Committee

The Crédit du Nord Audit Committee meets twice a year. In the first half of 2014, the Committee met on April 2.

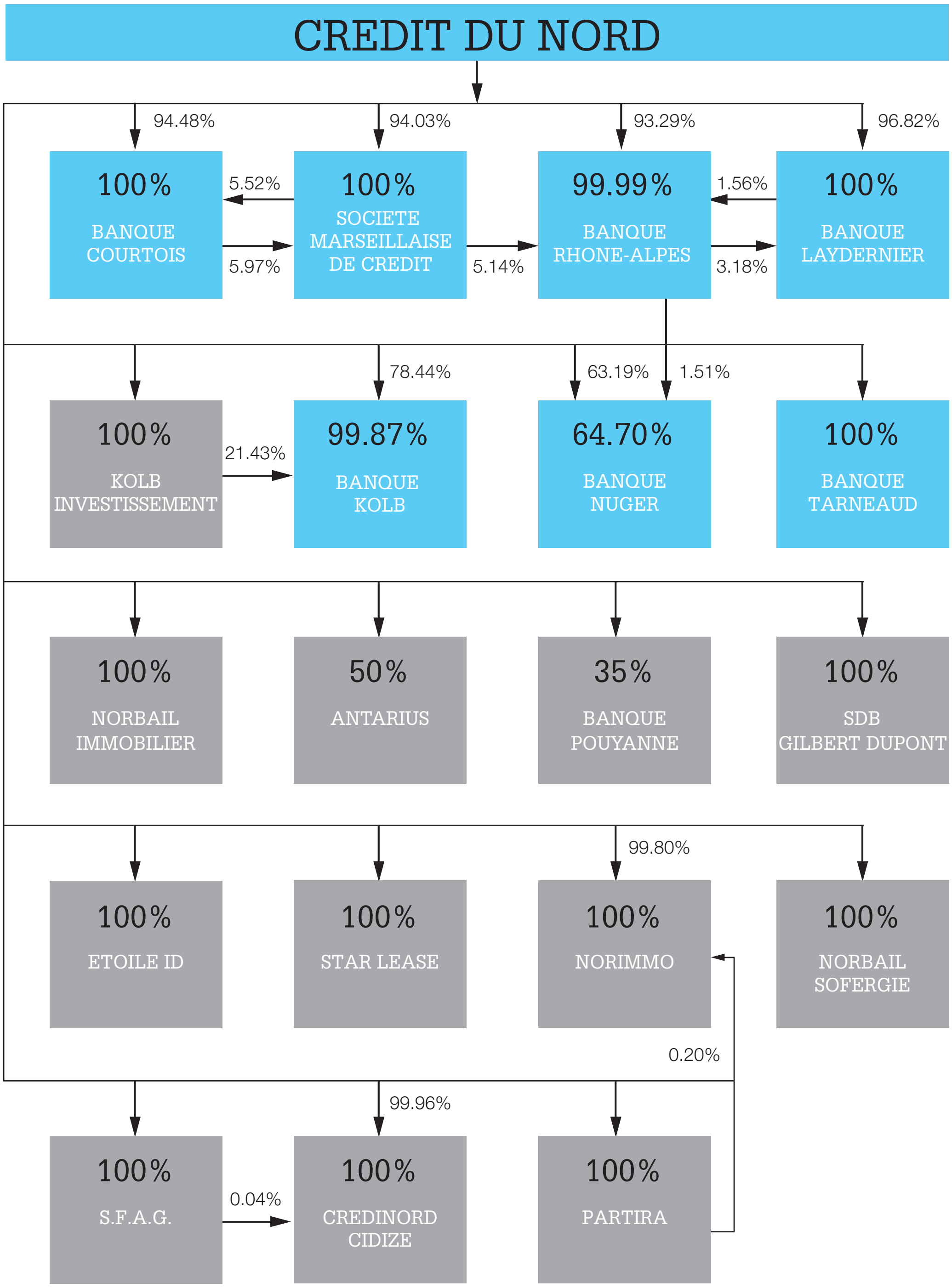
Four items on the agenda were examined and discussed at the meeting:

1. Execution of the 2014 audit plan – Follow-up of recommendations
2. Review of counterparty and operational risks
3. Review of relations with the supervisory authorities
4. Summary of the report on internal control

The next Committee meeting is scheduled for September 30, 2014

4 Group structure

The diagram below presents the links between the main Crédit du Nord Group entities. Direct shareholdings are listed as well as the overall percentage of capital directly or indirectly held by the Group.



5 Consolidated financial statements as at June 30, 2014

1. Key figures as at June 30, 2014

Consolidated Group data

Balance sheet

(in EUR million)	30/06/2014 [1] IAS/IFRS	30/06/2013 [1] IAS/IFRS	% change 2014/2013 IAS/IFRS
Customer deposits	32,033.2	29,991.7	+6.8
Customer loans	35,908.1	35,726.6	+0.5
Shareholders' equity [2]	2,567.1	2,591.5	-0.9
Doubtful loans (gross)	2,597.0	2,350.9	+10.5
Write-downs of individually impaired loans	-1,308.0	-1,214.0	+7.7
TOTAL BALANCE SHEET	**53,356.0**	**54,230.4**	**-1.6**
ASSETS UNDER MANAGEMENT (OFF-BALANCE SHEET)	**26,012.0**	**24,768.0**	**+5.0**

(1) Amounts restated relative to the financial statements published in 2013, following the change in consolidation method applied to Antarius from proportionate to equity-method consolidation.

(2) Includes income in progress.

Income Statement

(in EUR million)	30/06/2014 [1] IAS/IFRS	30/06/2013 [1] IAS/IFRS	% change 2014/2013 IAS/IFRS
Net Banking Income	959.0	908.5	+5.6
Gross Operating Income	356.7	304.5	+17.1
Operating income before income tax	267.0	213.5	+25.1
Consolidated net income	175.4	140.3	+25.0

(1) Amounts restated relative to the financial statements published in 2013, following the change in consolidation method applied to Antarius from proportionate to equity-method consolidation.

Ratios

(as a %)	30/06/2014	30/06/2013
Cost of risk / Outstanding loans	0.55%	0.55%
Shareholders' equity / Total balance sheet	4.81%	4.78%
Tier 1 capital (1) / Total risk-weighted assets (2)	8.40%	8.10%

(1) Includes income in progress, net of forecasted dividend payout.
(2) Basel 3 standard in 2014, Basel 2 standard in 2013.

Ratings

		30/06/2014	30/06/2013
Standard and Poor's	ST	A - 1	A - 1
	LT	A	A
Fitch	ST	F1	F1 +
	LT	A	A +
	Intrinsic (1)	bbb +	bbb +

(1) The intrinsic rating is Crédit du Nord Group's individual rating as determined by the rating agency, i.e. separate from Societe Generale Group.

2. Management Report

First-Half 2014

French economy struggling to turn around in a fragile global economic environment

The global recovery is rife with major disparities. The slowdown in US growth in the first half, coupled with weaker momentum in emerging economies, are jeopardising the expectations of a recovery announced at the end of 2013. Developed economies, particularly in Europe, are suffering from low levels of domestic consumption and business investment. The monetary policies conducted by the central banks on both sides of the Atlantic have stimulated economies by establishing a series of historically low interest rates.

In Europe, growth remains sluggish, with large divides separating the different countries. Germany and the UK managed to maintain their economic momentum in the first half. Spain and Italy are on the road to stabilising, but are still undermined by their debt ratios and efforts to clean up their public spending. In the euro zone, the ECB's accommodative monetary policy has been stepped up in a bid to help the recovery along and curb the decline in inflation levels. In June of this year, the ECB announced yet another 10-bp cut in its main interest rate, which now stands at 0.15%. What's more, in a first for a western central bank, it also announced it would be applying a negative deposit facility rate (-0.10%).

Against this backdrop, France is struggling to find the resilience for a much-anticipated recovery. Its GDP stagnated in the first quarter and is estimated at +0.2% in the second. Projections for full-year 2014 point to low growth barely climbing over 0.5%. The first half saw a drop in domestic consumption, undermined in large part by tax pressure, a low level of investment and weak industrial output. The CAC 40, which ended the month of June at 4,423 points, has posted limited year-to-date growth of just +3%, trailing way behind the +18% achieved in 2013.

In this economically fragile environment, Crédit du Nord Group maintained solid commercial and financial performances.

In accordance with IFRS 11, Antarius is now consolidated using the equity method in the Group's financial statements, as from January 1, 2014. The following changes as at June 30, 2014 are pro forma of this change in accounting method.

Crédit du Nord Group's consolidated NBI amounted to €959.0 million at June 30, 2014 (+5.6%). Solid management of operating expenses resulted in a -0.3% decrease to -€602.3 million. Cost of risk increased slightly by -0.7% to -€102.5 million in the first half. Operating income rose +25.4% to €254.2 million. Consolidated net income increased by +25.0% to €175.4 million. ROE came out at 13.4%. The Tier One ratio was 8.4% at June 30, 2014.

Restated for changes in PEL/CEL provisions, the fair value measurement of financial liabilities, the application of IFRS 13 on the valuation of derivatives, i.e. Credit Value Adjustment (CVA) or Debit Value Adjustment (DVA), and the payment of a dividend in 2013 by Amundi [(1)], the Group's recorded growth of +0.9% in NBI and +4.5% in consolidated net income.

The margin on deposits rose by +8.3%, buoyed by a volume effect on sight deposits and the decrease in the rate of return on the Livret A savings book. The adverse effect associated with low short rates was therefore offset over the course of the first half.

The margin on loans fell by -4.2%, hurt by sluggish demand, particularly on the business customer market. The high level of prepayments in 2013 also created a negative comparison base in terms of the collection of prepayment penalty fees.

(1) *In December 2013, Crédit du Nord and its subsidiaries sold their equity investments in Amundi Group, held via Etoile Gestion Holding, to Societe Generale.*

The development of the customer bases, coupled with continuous efforts to increase the number of products as well as banking and insurance services sold to customers, paid off with a +2.5% improvement in net fee income. Service fee income dipped by -1.4% due to the impact of the cap on penalty charges and poor credit demand. Individual customers showed a strong appetite for life insurance products in the first half. Combined with the development of financial savings, this led to a significant increase in financial fee income (+11.1%).

Crédit du Nord boosted by efforts to adapt its sales structure

Société Marseillaise de Crédit, purchased in 2010 and consolidated in Crédit du Nord's information system since 2012, is contributing to the Group's robust sales performances. Having set a solid pace when it comes to earning new customers, and with business on the rise in the individual and professional customer markets in H1 2014, Société Marseillaise de Crédit has consolidated its status as a growth driver. The increase in products and services sold to its customers demonstrate its ability to generate leverage in its contribution to the Group's financial performance.

Private Banking activity continued to expand in 2014, climbing to over 4,200 customers. This is a major source of potential for Crédit du Nord, which has maintained its objective of developing an offering tailored to its customers' needs.

Finally, in order to adjust to customer demand, further changes were made to the sales structure, including reorganised opening times and a gradual reconfiguration of branch coverage.

Crédit du Nord continues to aim for improved sales efficiency and customer satisfaction, with a special focus on multi-channel distribution

Crédit du Nord continued its efforts to enhance the workstations at its branches by incorporating new working situations and new products and services.

Launched in 2013, efforts to dematerialise bank statements and supporting documents were continued. Rolled out in 2013 on the individual and business customers markets, this project has been expanded to include the professional customer market as from 2014.

In a bid to improve the service offer and customer satisfaction, Crédit du Nord has begun to equip its business and institutional customer advisers with tablets. When on assignment working with existing or prospective customers, advisers will have the portable tools they need to immediately answer questions and meet requests put forward by customers by showing them service presentations and simulations. This dedicated application will be expanded in the coming months, with for example starting in July 2014, the addition of an electronic payment simulator and an interactive presentation of the bank.

With the same goal of improving the responsiveness of its sales force, Crédit du Nord Group has been testing a Webex solution this year, which allows advisers at the branch with their customers to communicate with a specialist online and to instantaneously exchange documents via this application. This tool will be gradually rolled out to all the branches by the end of 2014.

In June 2014, an internal social network ("Etoile Connect") was launched especially for the community of independent professional customer advisers. Professional customer advisers and wealth management advisers can use this network to stay informed and share best practices Groupwide.

Crédit du Nord Group continued to roll out its digital offer in the first half. H1 highlights included improvements to the smartphone app, in terms of user-friendliness and services, plus the recent launch of the Ipad app.

The number of online banking contracts taken out (Internet and mobile) continued to climb steadily across all markets, exceeding 900,000 customers (including nearly 700,000 individual customers). As at end-June 2014, smartphone and tablet apps totalled more than 500,000 downloads.

Sales activity

The present analysis of Crédit du Nord Group's sales activity extends across the entire scope of the Group's banks, i.e. Crédit du Nord and its subsidiary banks:

Indicators shown relate to euro-denominated businesses, which account for virtually all of the Group's activities. Outstanding loans and growth in customer bases based upon period-end figures.

Further development of the individual customer base

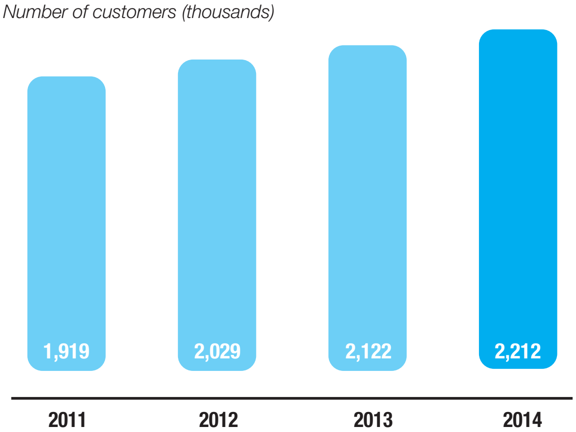
The Individual Customer base showed further growth with nearly 66,000 new customers year-to-date and year-on-year growth of +2.3%. As at June 30, 2014, the customer base included more than 2.2 million individual customers.

The expanding customer base drew on the Group's efforts to win new customers, particularly through word-of-mouth recommendations.

Individual customer base

(at June 30)

Number of customers (thousands)



Growth rates are determined based on precise figures and not on the rounded figures shown in the charts. This comment applies to all charts contained in this report.

Growth went hand-in-hand with the sharp pick-up in the rate of product sales to customers. The number of customers with six or more products remained at a high level (48.2%).

The Livret A and LDD savings books gained ground in the first half, with 36,000 Livret A savings books opened by our customers or their children, bringing the total to 500,000 Livret A savings books sold by Crédit du Nord. At June 30, 2014, funds invested in Livret A savings books totalled EUR 2.4 billion. PEL outstandings rose 6% to EUR 1.8 billion with 36,000 new home savings plans recorded in the first half.

Life insurance inflows continued to climb, particularly in the Antarius Duo and Antarius Sélection vehicles, with 24,000 policies sold in first-half 2014.

The personal protection and casualty insurance policies enjoyed continued success, with over 58,000 policies sold over the period. The January launch of the new Multi-Risk Housing policy was also a success, with over 12,000 subscriptions in 6 months.

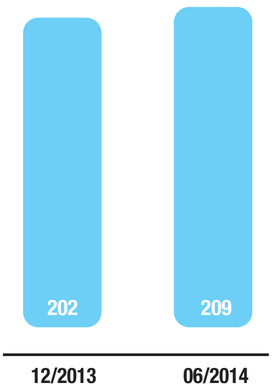
Telephone and Internet banking expanded, with 58,000 new Internet contracts opened in H1 2014.

The Professional Customer base continued to be a major source of development, with new customers earned at a solid pace. The number of new relationships with qualified customers rose by +6.8% compared to H1 2013. Compared to December 31, 2013, the qualified customer base grew +2.6% (excluding private relationships). This improvement speaks to the quality of Crédit du Nord Group's close-knit network, with dedicated account managers to deal with both the private and commercial aspects of banking relations and a tailored offering.

Professional customer base

(at June 30)

Number of customers (thousands)*

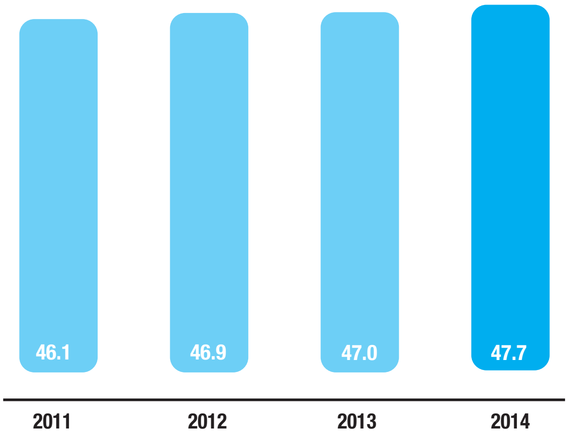


* *Change in standards in December 2013 in the Professional Customers base.*

Business customer base

(at June 30)

Number of companies (in thousands)



Sales of new products to existing professional customers were robust, driven by the success of the Convention Alliance package deal, owned by 74% of the customer base. In addition, over 48% of professional customers maintain a business and private relationship with the bank. The number of professional customers owning 4 or more products rose by 4 points and accounts for 40.3% of the professional customer base.

The number of Plans d'Epargne Interentreprises (intercompany savings plans) created for professional customers increased by +2.8% year-on-year.

The active Business customer base gained +1%, with over one out of four business relations established with companies generating revenue in excess of €7.5 million. The number of customers having their main banking relationship with Crédit du Nord was up 4% in the first half.

Over 90% of active business customers hold an active internet contract. The number of visits to the business customer website stood at 2.6 million in H1 2014, up +4.5% versus H1 2013.

New product launches

New products and services were launched in the first half of 2014.

- on the Individual Customer market, five new funds were added to the range of SICAV-FCP mutual funds: Amundi Patrimoine; EMG Actifs Plus and EMG Actifs (two funds of funds initiated in partnership with Russell and Etoile Gestion); EMG USA and EMG France. The new SME personal equity plan invests in European equities. A new Multi-Risk Housing policy replaced and expanded the existing offer;
- on the Professional Customer market, two new factoring offers were added to the range: CGA Agri for farmers and CGA Express to meet the occasional cash flow needs of the bank's customers.

Satisfaction surveys

The Group's performances are also measured by satisfaction surveys. In 2014, the competition survey conducted by CSA[(1)] ranked Crédit du Nord among the leaders in customer satisfaction: the bank once again took first place on the Business Customer market and maintained a leading position on the Individual and Professional Customer markets.

(1) *Competition surveys measuring customer satisfaction carried out by polling institute CSA on a representative sample of more than 10,500 individual, professional and business customers of the top ten banks in the French marketplace.*

Significant rise in on-balance sheet savings

On-balance sheet savings climbed +4.8% in the first half of 2014.

Sight deposits increased by +8.8% on the individual customer market. On the professional and business customer market, they posted an even stronger increase of +9.1%. This can be attributed to outflows from money market mutual funds, which remained unattractive due to particularly low interest rates and our customers' cash surpluses.

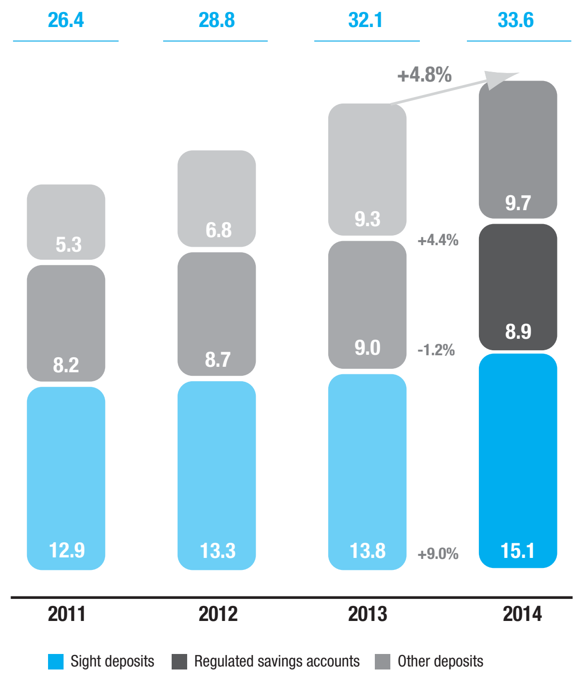
Despite a rise in Livret A/LDD savings book outstandings and solid PEL inflows, CERS (regulated savings accounts) outstandings fell by -1.1%. Assets were shifted out of savings books and into life insurance vehicles, which drained household savings.

H1 2014 saw a +15% increase in gross inflows relative to H1 2013. Life insurance net inflows reached €546 million. Life insurance assets under management climbed +6.6% year-on-year to €17.2 billion. Unit-linked accounts increased to 16.3% of assets under management.

On-balance sheet savings

(at June 30)

(in €bn)



For business customers, the regular savings book reserved for institutional customers and the step-up time deposit account made solid gains.

At the same time, revolving term account outstandings amounted to over €1.1 billion, bringing the savings volume in regular savings books for institutional customers and term accounts to €5.7 billion at end-June 2014.

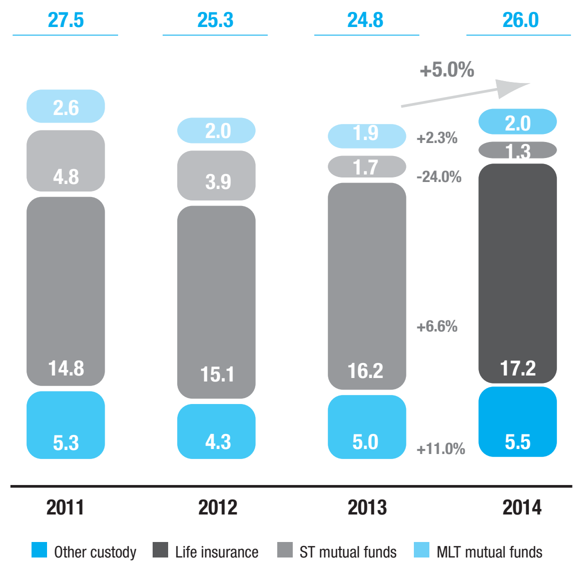
Medium- and long-term mutual fund AuM was up +2.3% year-on-year to €2 billion. Meanwhile, short-term mutual fund AuM fell -24% year-on-year across all customer markets. Returns on money market funds were heavily impacted by low short-term money market rates.

Overall, savings under management (on- and off-balance sheet) picked up by +4.9%.

Off-balance sheet savings

(at June 30)

(in €bn)



Slowdown in origination of property loans linked to poor demand

In the wake of a persistently dynamic first quarter, origination of property loans slowed during the second quarter, ending the month of June down -6% with disbursements of €1.7 billion.

On the heels of 2013, marked by an upturn in prepayments, outstandings rose by +1.9% year-on-year to €18.5 billion.

Crédit du Nord continued to implement a selective risk policy, setting thresholds for customer contributions and reasonable debt ratios, and by offering only fixed- or adjustable-rate loans limited to terms of less than 25 years.

Origination of consumer loans to individuals once again positive in the first half

In spite of sluggish household consumption, origination of personal loans was yet again on a positive trend, up +3.9% at June 30, 2014 versus -9% at December 31, 2013.

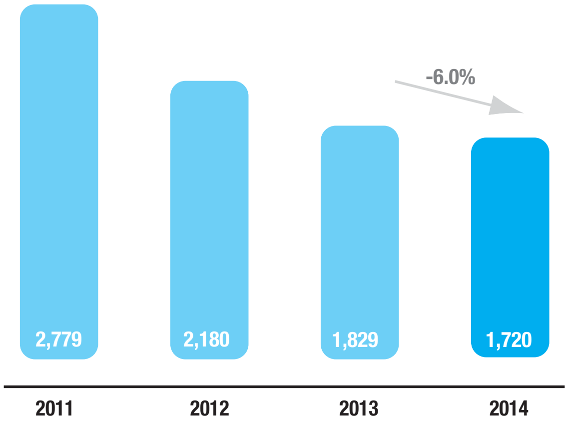
This can be attributed to Crédit du Nord's strong focus on financing customer projects, with several commercial deals carried out in the first half.

Use of revolving loans increased, with outstandings up +0.5%.

New housing loans

(at June 30)

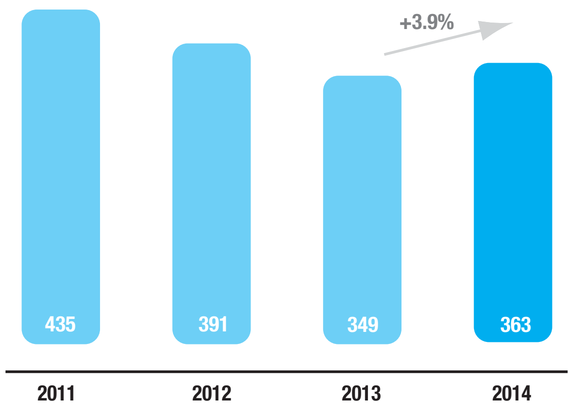
(in EUR million)



New personal loans

(at June 30)

(in EUR million)

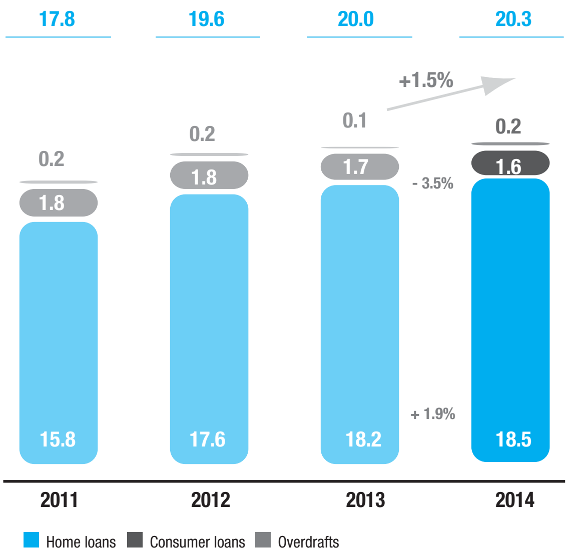


Overall, outstanding loans to individuals totalled €20.3 billion, up +1.5%.

Loans to individual customers

(at June 30)

(in €bn)



Crédit du Nord helps finance the French economy

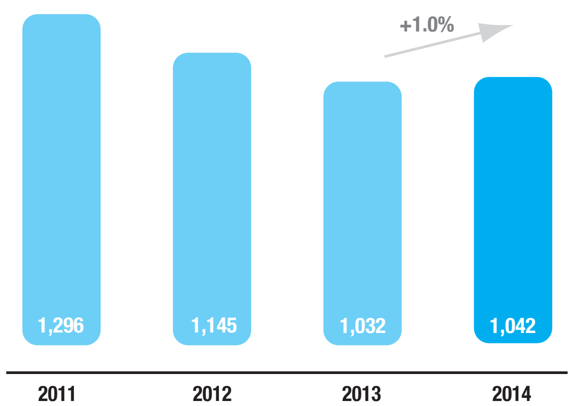
Crédit du Nord contributed to the financing of the economy and the development of SMEs in the first half.

Even under extremely harsh conditions, Crédit du Nord continued to help fund the economy, disbursing nearly €1.4 billion in equipment loans and leases.

New equipment loans

(at June 30)

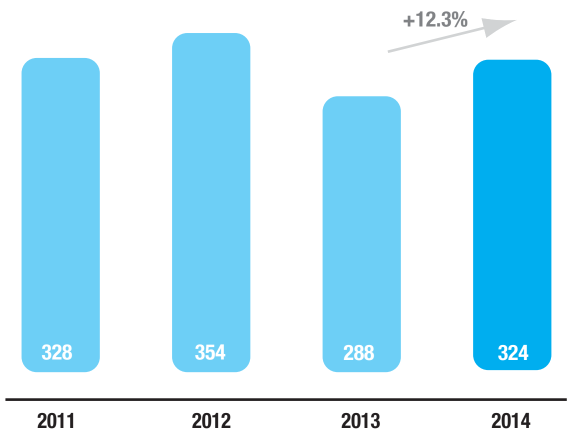
(in EUR million)



New equipment leasing activity

(at June 30)

(in EUR million)

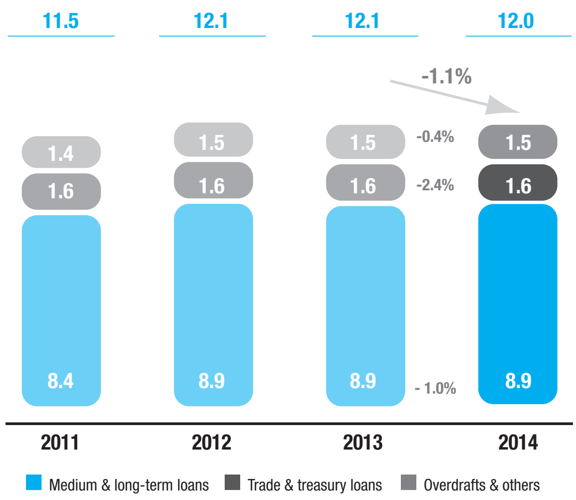


Loans to business customers dropped by -1.1% to €12 billion, due to a slowdown in credit demand from businesses and weak revenues.

Outstanding loans to Business customers

(at June 30)

(in €bn)



Financial developments

The figures presented below are taken from the Group's fully consolidated financial statements.

In the interest of providing an economic approach to financial performance, the following comments have been restated for the effects of the application of IFRS as they pertain to future commitments related to home savings products, the fair value measurement of financial liabilities and the first application of IFRS 13 - Fair Value Measurements - on the valuation of derivatives, i.e. Credit Value Adjustment (CVA) or Debit Value Adjustment (DVA), and the Amundi dividend received in 2013. As of January 1, 2014, the consolidation method applied to Antarius was changed from the proportionate consolidation method to the equity method (IFRS 11). The 2013 consolidated accounting documents have been restated on a pro forma basis.

(in EUR million) (including change in PEL/CEL provision)	30/06/2014	30/06/2013	% change 2014/2013
Net interest and similar income	566.5	525.4	+7.8
Net fee income	392.5	383.1	+2.5
NBI	**959.0**	**908.5**	**+5.6**

Crédit du Nord Group's consolidated book NBI rose +5.6% in H1 2014. Restated for PEL/CEL provisions (+€1 million in 2013, -€1.15 million in 2014 before tax), the fair value measurement of financial liabilities (-€28.15 million in 2013, -€7.24 million in 2014 before tax) and the application of IFRS 13 - Fair Value Measurements - on the valuation of derivatives (-€27.67 million in 2013, +€3.49 million in 2014 before tax) and the Amundi dividend received in 2013 (+€8.05 million), NBI was up +0.9%. This improvement demonstrates the resilience of sales margins and fee income in a challenging market environment.

The sales margin was up +3.5%, i.e. +€17.5 million.

The margin on deposits climbed +8.3%, i.e. +€25.7 million. The sharp increase in sight and term deposit volumes, combined with the decline in the Livret A savings book rate of return to 1.25%, helped offset the negative effect of the drop in short rates.

The margin on loans was down -4.2%, i.e. -€8.2 million, due to a contraction in outstanding loans on the business customer market.

Restated for the items presented in the introduction, net interest and similar income dipped slightly by -0.2%.

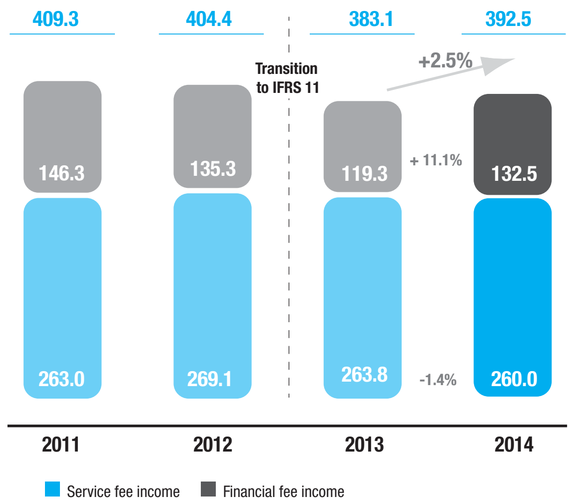
Consolidated net fee income increased by +2.5%. Consolidated service fee income fell by -1.4%, owing to the impact of the cap on penalty fees, partially offset by solid management of electronic payment fees and the expansion of the bank's customer bases.

Financial fee income was up +11.1%, thanks to efforts to stimulate financial savings begun in 2013.

Net fee income

(at June 30)

Consolidated Group scope (in EUR million)



Operating expenses

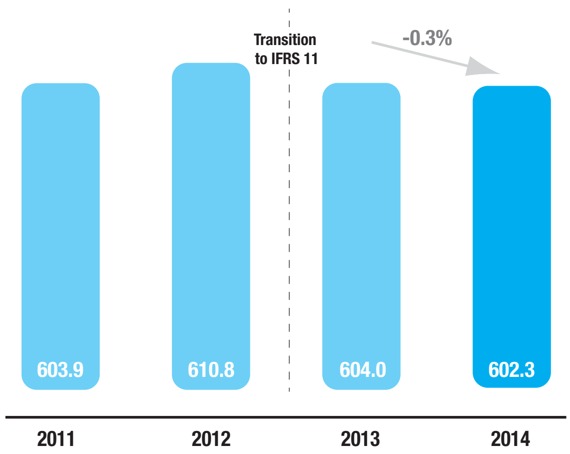
(in EUR million)	30/06/2014	30/06/2013	% change 2014/2013
Personnel expenses	-358.0	-365.5	-2.1
Taxes	-18.2	-19.1	-4.7
Other operating expenses	-188.6	-180.5	+4.5
Depreciation and amortisation	-37.5	-38.9	-3.6
TOTAL OPERATING EXPENSES	**-602.3**	**-604.0**	**-0.3**

Operating expenses declined by -0.3% in first-half 2014, with a -€7.5 million reduction in personnel expenses, -€1.4 million in depreciation and amortisation, and -€0.9 million in taxes. These decreases were partially offset by a rise in other operating expenses, mainly related to IT investments.

Operating expenses

(at June 30)

Consolidated Group scope (in EUR million)



At the end of June 2014, the Group had a total active headcount of 7,947, down -1.6% compared to June 2013.

	30/06/2014	30/06/2013	% change 2014/2013
Prorata staff count in activity - Group [(1)]	7,947	8,080	-1.6

(1) *Restated for transferred staff.*

Gross operating income

(in EUR million)	30/06/2014	30/06/2013	% change 2014/2013
NBI	959.0	908.5	+5.6
Operating expenses	-602.3	-604.0	-0.3
GOI	**356.7**	**304.5**	**+17.1**

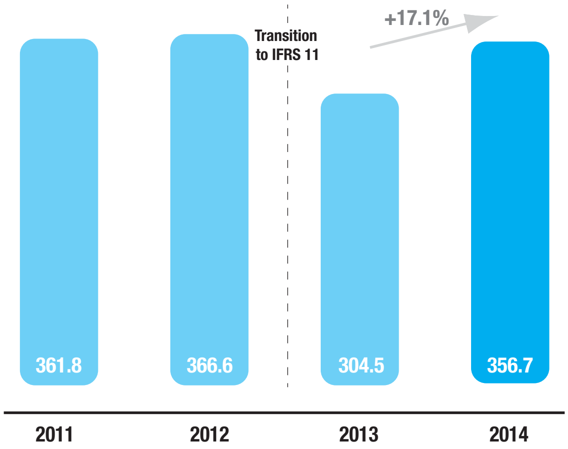
Book GOI rose by +17.1% on 2013 to €356.7 million. Restated for PEL/CEL provisions, the fair value measurement of financial liabilities and the first application of IFRS 13 – Fair Value Measurements – on the valuation of derivatives, and the Amundi dividend received in 2013, GOI was up +2.9%.

The book cost-to-income ratio was 62.8%. Restated for the above-mentioned items, the ratio came to 62.5%, down -0.7 points compared to H1 2013.

Gross operating income (GOI)

(at June 30)

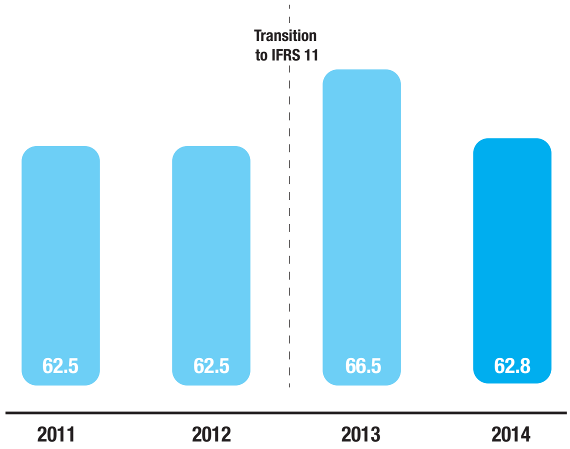
Consolidated Group scope (in EUR million)



Cost-to-income ratio

(at June 30)

Consolidated Group scope (%)



Cost of risk

	30/06/2014	30/06/2013	% change 2014/2013
Cost of risk	-102.5	-101.8	0.7
Gross outstanding loans	37,341.5	37,031.9	0.8
Cost of risk / outstanding loans	0.55%	0.55%	0.00 pt

Crédit du Nord Group's consolidated cost of risk [1] totalled -€102.5 million at June 30, 2014 versus -€101.8 million at June 30, 2013. Divided by total lending, cost of risk was stable over the period at 0.55%.

Crédit du Nord Group's lending business essentially targets French customers. SME and VSE customers were continuously beset by economic tensions this past year, resulting in a slight increase in the rate of doubtful and disputed loans out of total outstandings.

Against this backdrop, the Group maintained a cautious provisioning policy concerning doubtful loans and continued its collective provisioning efforts on performing loan portfolios.

At June 30, 2014, cost of risk was under control, at a level similar to that of last year.

(in EUR million)	30/06/2014	30/06/2013	% change 2014/2013
Doubtful and disputed loans (gross)	2,597.00	2,350.90	+10.5
Write-downs of individually impaired loans	-1,308.00	-1,214.00	+7.7
Gross doubtful and disputed loans/gross outstanding loans	7.00%	6.30%	0.61 pt
Net doubtful and disputed loans/net outstanding loans	3.60%	3.20%	0.40 pt
Rate of provisioning for doubtful and disputed loans net of guarantees received on doubtful outstandings	71.60%	77.80%	-6.18 pt

(1) Cost of risk represents the net provisioning charge on banking activities (allocations to provisions less write-backs), plus non-provisioned losses on irrecoverable loans, less amounts recovered on amortised loans.

Operating income before corporation tax

(in EUR million)	30/06/2014	30/06/2013	% change 2014/2013
GOI	**356.7**	**304.5**	**+17.1**
Cost of risk	-102.5	-101.8	+0.7
OPERATING INCOME	**254.2**	**202.7**	**+25.4**
Net income from companies accounted for by the equity method	13.0	11.5	+13.0
Gains or losses on fixed assets	-0.2	-0.7	ns
OPERATING INCOME BEFORE CORPORATION TAX	**267.0**	**213.5**	**+25.1**

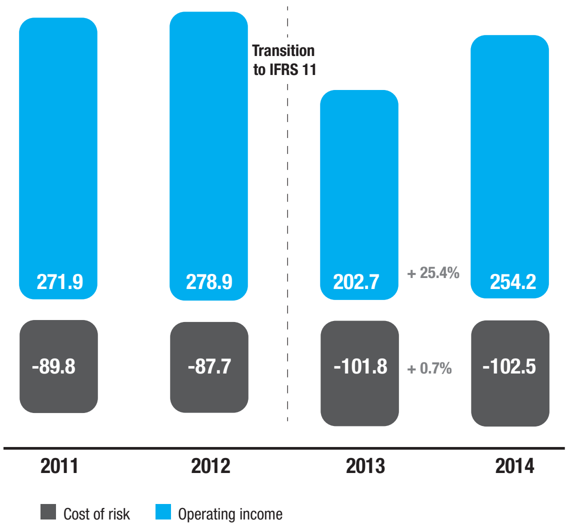
Operating income

Taking cost of risk into account, Crédit du Nord Group generated operating income of €254.2 million in 2014, up +25.4% in relation to 2013. Restated for PEL/CEL provisions, the fair value measurement of financial liabilities and the first application of IFRS 13 – Fair Value Measurements – on the valuation of derivatives, and the Amundi dividend received in 2013, operating income was up +3.8%.

Operating income

(at June 30)

Group scope (in EUR million)



Net income

(in EUR million)	30/06/2014	30/06/2013	% change 2014/2013
OPERATING INCOME BEFORE CORPORATION TAX	**267.0**	**213.5**	**+25.1**
Corporation tax	-90.0	-72.1	+24.8
Non-controlling interests	-1.6	-1.1	+45.5
CONSOLIDATED NET INCOME	**175.4**	**140.3**	**+25.0**

Consolidated net income amounted to €175.4 million at June 30, 2014, up +25.0% on 2013.

Restated consolidated net income rose +4.5%.

Outlook

In a challenging environment, Crédit du Nord Group remained focused on expanding its business, achieving growth in each of its customer bases (individual, professional and business customers).

Group NBI climbed +0.9% in first-half 2014, restated for changes in PEL/CEL provisions, the fair value measurement of financial liabilities, the application of IFRS 13 - Fair Value Measurements - and the Amundi dividend received in 2013. Thanks to solid management, operating expenses fell -0.3%. Cost of risk was under control, posting a limited increase of +0.7%. Overall, restated consolidated net income rose by +4.5%.

Income was boosted by the sharp rise in the margin on deposits, with the combined effect of robust sight deposit inflows and the drop in the Livret A savings book rate of return, which took place on August 1, 2013.

The margin on loans declined due to sluggish demand and competitive pressure on margin levels.

Finally, despite the negative effects associated with the cap on penalty fees and weak credit demand, net fee income picked up over the first half, driven by solid momentum in financial savings and life insurance in particular.

In persistently fragile economic conditions and subject to growing regulatory constraints, the second half of the year is not expected to have any big changes in store. Despite recent measures taken by the ECB to further ease its monetary policy, European economies are set to remain mired in a weak recovery. France is not expected to return to a more dynamic level of growth until 2015. The increase in household consumption should combine with a turnaround in business investment to create a more stimulating environment.

Accordingly, Crédit du Nord will continue to develop its growth drivers in second-half 2014 by promoting financial savings and distributing insurance and personal protection products. In terms of sales structure, the Group will continue to develop its Private Banking activity and will also draw on the strength of the Société Marseillaise de Crédit brand to step up its expansion in this high-potential area.

With the aim of consolidating and improving customer satisfaction, Crédit du Nord will further its investments to offer a broad and innovative range of services associated with digital media. Through its actions and the momentum already at play, Crédit du Nord Group will consolidate its positioning as a leading bank for customer service.

3. Consolidated financial statements

Consolidated balance sheet

Assets

(in EUR million)	Notes	30/06/2014	31/12/2013 (1)
Cash, due from central banks		659.2	738.0
Financial assets at fair value through profit or loss	3	101.5	102.0
Hedging derivatives		1,318.8	844.8
Available-for-sale financial assets	4	8,773.6	7,065.6
Due from banks	5	4,668.6	4,626.2
Customer loans	6	33,347.1	33,027.7
Lease financing and similar agreements		2,096.5	2,126.8
Revaluation differences on portfolios hedged against interest rate risk		464.5	325.7
Held-to-maturity financial assets		1.6	2.1
Tax assets		418.9	363.1
Other assets		201.2	196.3
Non-current assets held for sale		1.6	1.6
Investments in subsidiaries and affiliates accounted for by the equity method		238.8	222.9
Tangible and intangible fixed assets		556.1	569.5
Goodwill	7	508.0	508.0
TOTAL		**53,356.0**	**50,720.3**

(1) Amounts restated relative to the financial statements published in 2013, following the entry into force of IFRS 11, with retrospective application (see Note 2).

Liabilities

(in EUR million)	Notes	30/06/2014	31/12/2013 [1]
Due to central banks		-	-
Financial liabilities at fair value through profit or loss	3	2,693.2	2,474.8
Hedging derivatives		617.1	422.9
Due to banks	8	1,618.8	1,385.6
Customer deposits	9	30,954.2	30,314.8
Debt securities	10	11,498.5	10,395.7
Revaluation differences on portfolios hedged against interest rate risk		1,079.0	583.8
Tax liabilities		716.7	747.3
Other accounts payable		751.6	748.4
Underwriting reserves of insurance companies		-	-
Provisions	11	162.3	163.0
Subordinated debt		697.5	697.5
TOTAL DEBT		**50,788.9**	**47,933.8**
Common stock		890.3	890.3
Equity instruments and associated reserves		169.4	170.8
Retained earnings		1,264.0	1,309.0
Net income		175.4	368.9
Sub-total		**2,499.1**	**2,739.0**
Gains or losses booked directly to equity		44.8	24.0
Sub-total, equity, Group share		**2,543.9**	**2,763.0**
Non-controlling interests		**23.2**	**23.5**
TOTAL SHAREHOLDERS' EQUITY		2,567.1	2,786.5
TOTAL		**53,356.0**	**50,720.3**

(1) *Amounts restated relative to the financial statements published in 2013, following the entry into force of IFRS 11, with retrospective application (see Note 2).*

Consolidated income statement

(in EUR million)	Notes	First-Half 2014	2013 [1]	First-Half 2013 [1]
Interest and similar income	12	872.6	1,750.0	903.8
Interest and similar expenses	12	-304.4	-623.5	-347.2
Dividends on equity securities		2.9	13.7	12.2
Fee income	13	432.3	897.8	444.7
Fee expenses	13	-39.8	-106.9	-61.6
Net income from financial transactions		-6.2	-42.0	-42.7
o/w net gains and losses on financial instruments at fair value through profit or loss	*14*	*-9.6*	*-45.6*	*-46.4*
o/w net gains or losses on available-for-sale financial assets	*15*	*3.4*	*3.6*	*3.7*
Income from other activities		10.5	24.9	8.7
Expenses due to other activities		-8.9	-20.2	-9.4
Net Banking Income		**959.0**	**1,893.8**	**908.5**
Personnel expenses	16	-358.0	-733.3	-365.5
Taxes		-18.2	-36.9	-19.1
Other expenses		-188.6	-366.9	-180.5
Amortisation and depreciation expense on intangible and tangible fixed assets		-37.5	-81.1	-38.9
Total operating expenses		**-602.3**	**-1,218.2**	**-604.0**
Gross Operating Income		**356.7**	**675.6**	**304.5**
Cost of risk	17	-102.5	-197.8	-101.8
Operating income		**254.2**	**477.8**	**202.7**
Share of net income of companies accounted for by the equity method		13.0	22.9	11.5
Net gains or losses on other assets		-0.2	51.6	-0.7
Goodwill impairment		-	-	-
Pre-tax income		**267.0**	**552.3**	**213.5**
Income tax	18	-90.0	-180.4	-72.1
Consolidated net income		**177.0**	**371.9**	**141.4**
Non-controlling interests		1.6	3.0	1.1
CONSOLIDATED NET INCOME AFTER TAXES		**175.4**	**368.9**	**140.3**
Earnings per ordinary share (in euros)		**1.59**	**3.31**	**1.26**
Diluted earnings per ordinary share (in euros)		**1.59**	**3.31**	**1.26**
Number of shares comprising the share capital		**111,282,906**	**111,282,906**	**111,282,906**

(1) Amounts restated relative to the financial statements published in 2013, following the entry into force of IFRS 11, with retrospective application (see Note 2).

Statement of net income and gains and losses booked directly to equity

(in EUR million)	First-Half 2014	2013 [(1)]	First-Half 2013 [(1)]
Net income	**177.0**	**371.9**	**141.4**
Translation differences	-	-	-
Available-for-sale financial assets	26.9	-63.7	-18.1
Revaluation difference over the period	*112.8*	*15.9*	
Reclassified in the income statement	*-85.9*	*-79.6*	
Hedging derivatives	-0.1	-	-
Revaluation difference over the period	*-0.1*		
Reclassified in the income statement			
Share of gains and losses booked directly to equity from companies accounted for by the equity method that will be subsequently reclassified in the income statement	4.6	15.6	15.9
Taxes on items that will not be subsequently reclassified in the income statement	-10.6	0.8	0.3
Gains and losses booked directly to equity that will be subsequently reclassified in the income statement	**20.8**	**-47.3**	**-1.9**
Actuarial gains/losses on post-employment benefits	-3.1	10.5	4.9
Share of gains and losses booked directly to equity from companies accounted for by the equity method that will not be subsequently reclassified in the income statement	-	-	-
Taxes on items that will not be subsequently reclassified in the income statement	1.0	-3.6	-1.7
Gains and losses booked directly to equity that will not be subsequently reclassified in the income statement	**-2.1**	**6.9**	**3.2**
Total gains and losses booked directly to equity	**18.7**	**-40.4**	**1.3**
NET INCOME AND GAINS AND LOSSES BOOKED DIRECTLY TO EQUITY	**195.7**	**331.5**	**142.7**
Of which Group share	*194.2*	*329.6*	*141.7*
o/w share attributable to non-controlling interests	*1.5*	*1.9*	*1.0*

(1) *Amounts restated relative to the financial statements published in 2013, following the entry into force of IFRS 11, with retrospective application (see Note 2).*

Change in shareholders' equity

	Share capital and associated reserves			
(in EUR million)	Common stock	Equity instruments and associated reserves	Elimination of treasury stock	**Total**
SHAREHOLDERS' EQUITY AT JANUARY 1, 2013	**890.3**	**158.3**	**-**	**1,048.6**
Capital increase				-
Elimination of treasury stock				-
Issuance of equity instruments				-
Equity component of share-based payment plans		6.0		6.0
H1 2013 dividends paid				-
Impact of acquisitions and disposals of non-controlling interests				-
Sub-total of changes linked to relations with shareholders	**-**	**6.0**	**-**	**6.0**
Gains and losses booked directly to equity (2) (3)				-
Other changes		0.3		0.3
H1 2013 net income				-
Sub-total	**-**	**0.3**	**-**	**0.3**
Changes in value of financial instruments having an impact on shareholders' equity (2)				-
SHAREHOLDERS' EQUITY AT JUNE 30, 2013	**890.3**	**164.6**	**-**	**1,054.9**
Capital increase				-
Elimination of treasury stock				-
Issuance of equity instruments				-
Equity component of share-based payment plans		6.2		6.2
H2 2013 dividends paid				-
Impact of acquisitions and disposals of non-controlling interests				-
Sub-total of changes linked to relations with shareholders	**-**	**6.2**	**-**	**6.2**
Gains and losses booked directly to equity (2) (3)				-
Other changes				-
H2 2013 net income				-
Sub-total	**-**	**-**	**-**	**-**
Changes in value of financial instruments having an impact on shareholders' equity (2)				-
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2013	**890.3**	**170.8**	**-**	**1,061.1**
Distribution of earnings				-
SHAREHOLDERS' EQUITY AT JANUARY 1, 2014	**890.3**	**170.8**	**-**	**1,061.1**
Capital increase				-
Elimination of treasury stock				-
Issuance of equity instruments				-
Equity component of share-based payment plans		-1.5		-1.5
H1 2014 dividends paid				-
Impact of acquisitions and disposals of non-controlling interests				-
Sub-total of changes linked to relations with shareholders	**-**	**-1.5**	**-**	**-1.5**
Gains and losses booked directly to equity				-
Other changes		0.1		0.1
H1 2014 net income				-
Sub-total	**-**	**0.1**	**-**	**0.1**
Changes in value of financial instruments having an impact on shareholders' equity				-
SHAREHOLDERS' EQUITY AT JUNE 30, 2014	**890.3**	**169.4**	**-**	**1,059.7**

(1) Impacts of acquisitions on non-controlling interests following the buyout of the shares held by the minority shareholders of Banque Tarneaud (Simplified Public Offer launched from November 30 to December 20, 2012, followed by a Public Buyout Offer launched in January 2013).

(2) Amounts restated relative to the financial statements published in 2013, following the entry into force of IFRS 11, with retrospective application (see Note 2).

(3) Actuarial gains or losses on post-employment defined-benefit plans, net of tax, are transferred directly to "Retained earnings".

At June 30, 3014, Crédit du Nord SA's fully paid-up share capital amounted to €890,263,248 and consisted of 111,282,906 shares each with a par value of €8.

		Gains and losses recognised directly in equity (net of tax)				Non-controlling interests			
		That will be subsequently reclassified in the income statement							
Retained earnings	Consolidated net income for the period	Change in fair value of available-for-sale assets	Change in fair value of hedging derivatives	**Total**	Shareholders' equity, Group share	Share capital and reserves	Gains and losses booked directly to equity	Total	**Total consolidated shareholders' equity**
1,525.2	**-**	**70.2**	**-**	**70.2**	**2,644.0**	**27.8**	**-**	**27.8**	**2,671.8**
				-	-			-	-
				-	-			-	-
				-	-			-	-
				-	6.0			-	6.0
-222.6				-	-222.6	-0.7		-0.7	-223.3
-0.2				-	-0.2	-5.5		-5.5	-5.7
-222.8	**-**	**-**	**-**	**-**	**-216.8**	**-6.2**	**-**	**-6.2**	**-223.0**
3.2		-12.2		-12.2	-9.0		-0.1	-0.1	-9.1
-0.3				-	-			-	-
	140.3			-	140.3	1.1		1.1	141.4
2.9	**140.3**	**-12.2**	**-**	**-12.2**	**131.3**	**1.1**	**-0.1**	**1.0**	**132.3**
		10.4		10.4	10.4			-	10.4
1,305.3	**140.3**	**68.4**	**-**	**68.4**	**2,568.9**	**22.7**	**-0.1**	**22.6**	**2,591.5**
				-	-			-	-
				-	-			-	-
				-	-			-	-
				-	6.2			-	6.2
				-	-			-	-
				-	-			-	-
-	**-**	**-**	**-**	**-**	**6.2**	**-**	**-**	**-**	**6.2**
3.7		-44.3	0.1	-44.2	-40.5		-1.0	-1.0	-41.5
				-	-			-	-
	228.6			-	228.6	1.9		1.9	230.5
3.7	**228.6**	**-44.3**	**0.1**	**-44.2**	**188.1**	**1.9**	**-1.0**	**0.9**	**189.0**
		-0.2		-0.2	-0.2			-	-0.2
1,309.0	**368.9**	**23.9**	**0.1**	**24.0**	**2,763.0**	**24.6**	**-1.1**	**23.5**	**2,786.5**
368.9	-368.9			-	-			-	-
1,677.9	**-**	**23.9**	**0.1**	**24.0**	**2,763.0**	**24.6**	**-1.1**	**23.5**	**2,786.5**
				-	-			-	-
				-	-			-	-
				-	-			-	-
				-	-1.5			-	-1.5
-411.7				-	-411.7	-1.9		-1.9	-413.6
				-	-			-	-
-411.7	**-**	**-**	**-**	**-**	**-413.2**	**-1.9**	**-**	**-1.9**	**-415.1**
-2.1		17.9	-0.1	17.8	15.7			-	15.7
-0.1				-	-			-	-
	175.4			-	175.4	1.6		1.6	177.0
-2.2	**175.4**	**17.9**	**-0.1**	**17.8**	**191.1**	**1.6**	**-**	**1.6**	**192.7**
		3.0		3.0	3.0			-	3.0
1,264.0	**175.4**	**44.8**	**-**	**44.8**	**2,543.9**	**24.3**	**-1.1**	**23.2**	**2,567.1**

Statement of cash flows

(in EUR million)	30/06/2014	31/12/2013 [(1)]	30/06/2013 [(1)]
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income after tax (I)	**177.0**	**371.9**	**141.4**
Amortisation and depreciation expense on tangible and intangible fixed assets (including operating leases)	37.8	82.1	39.4
Impairment of goodwill and other fixed assets	-	-	-
Net allocation to provisions and impairment	46.0	76.6	33.2
Net income/loss from companies accounted for by the equity method	-13.0	-22.9	-11.5
Change in deferred taxes	-1.3	-37.5	-19.3
Net income from the sale of long-term available-for-sale assets and consolidated subsidiaries	-	-52.4	-
Change in deferred income	4.0	-4.9	3.4
Change in prepaid expenses	-4.5	3.4	0.1
Change in accrued income	2.6	-25.7	-4.3
Change in accrued expenses	67.6	-157.6	-71.5
Other changes	139.7	449.8	138.6
Non-monetary items included in net income and other adjustments (not including income on financial instruments measured at fair value through profit or loss) (II)	**278.9**	**310.9**	**108.1**
Net income on financial instruments measured at fair value through profit or loss [(2)]	**9.6**	**45.6**	**46.4**
Interbank transactions	285.8	-6,629.4	-3,062.4
Transactions with customers	130.9	1,549.1	369.0
Transactions related to other financial assets and liabilities	-232.8	1,633.7	3,920.4
Transactions related to other non-financial assets and liabilities	-180.7	-130.8	-128.9
Net increase/decrease in cash related to operating assets and liabilities (III)	**12.8**	**-3,531.8**	**1,144.5**
CASH FLOWS FROM OPERATING ACTIVITIES (A)=(I)+(II)+(III)	**468.7**	**-2,849.0**	**1,394.0**
NET CASH FLOW FROM INVESTING ACTIVITIES			
Cash flows from the acquisition and disposal of financial assets and long-term investments	0.7	115.7	-4.9
Cash flows from the acquisition and disposal of tangible and intangible fixed assets	-23.3	-44.5	-36.1
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	**-22.6**	**71.2**	**-41.0**
NET CASH FLOW FROM FINANCING ACTIVITIES			
Cash flow from/to shareholders	-413.6	-223.3	-223.3
Other net cash flows from financing activities	-3.9	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**-417.5**	**-223.3**	**-223.3**
IMPACT OF CHANGE IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS (D)	**-**	**-**	**-**
NET FLOW OF CASH AND CASH EQUIVALENTS (A) + (B) + (C) + (D)	**28.6**	**-3,001.1**	**1,129.7**
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the start of the year			
Net balance of cash accounts and accounts with central banks (excluding related receivables)	737.0	2,075.6	2,075.6
Net balance of accounts, demand deposits and loans with banks	142.8	1,805.3	1,805.3
Cash and cash equivalents at the close of the year			
Net balance of cash accounts and accounts with central banks (excluding related receivables)	658.2	737.0	4,781.6
Net balance of accounts, demand deposits and loans with banks	250.2	142.8	229.0
NET FLOWS OF CASH AND CASH EQUIVALENTS	**28.6**	**-3,001.1**	**1,129.7**

(1) *Amounts restated relative to the financial statements published in 2013, following the entry into force of IFRS 11, with retrospective application (see Note 2).*

(2) *The net income on financial instruments measured at fair value through profit or loss includes realised and unrealised income.*

4. Notes to the consolidated financial statements

NOTE 1 Main rules for evaluating and presenting the consolidated financial statements

The condensed interim consolidated financial statements of Crédit du Nord Group (“the Group”) in respect of the interim results at June 30, 2014, have been prepared and are presented in accordance with IAS (International Accounting Standards) 34 “Interim Financial Reporting”. As such, the notes to the condensed interim consolidated financial statements relate to the major events and transactions affecting the Group’s financial position and performance over the first half of 2014. These notes must be read with the audited consolidated financial statements for the period ended December 31, 2013 as they appear in the Registration Document relative to the 2013 fiscal year.

Furthermore, as the Group’s activities are neither seasonal nor cyclical, the interim results are not influenced by these factors.

The consolidated financial statements are presented in euros.

Use of estimates

In drawing up the condensed interim consolidated financial statements, the application of the accounting principles and methods described below led Management to formulate assumptions and make estimates which may have an impact on the amounts recognised on the income statement, on the measurement of balance sheet assets and liabilities, and on the disclosures presented in the notes to the consolidated financial statements.

In order to make these estimates and formulate such assumptions, Management uses data available on the date of issue of the consolidated financial statements and may rely on its own judgement. By nature, the valuations based on these estimates contain risks and uncertainties as to whether they will materialise in the future. Consequently, the final future results of the transactions in question may be different from these estimates and have a significant impact on the financial statements.

These estimates were chiefly used for evaluating the fair value of financial instruments, the write-downs on assets, provisions, deferred tax assets recorded on the balance sheet and goodwill.

Accounting principles and methods used

The accounting principles and methods used for establishing the condensed interim consolidated financial statements are identical to those used the Group to prepare its consolidated financial statements for the period ended December 31, 2013, in compliance with IFRS (International Financial Reporting Standards), as adopted by the European Union and outlined in Note 1 “Principles and methods of consolidation, accounting principles” of the consolidated financial statements for the 2013 fiscal year, completed by the following accounting standards and interpretations applied by the Group as at January 1, 2014.

IFRS and IFRIC interpretations or amendments applied by the Group as from January 1, 2014

Standards, amendments and interpretations	Date published by IASB	Date of adoption by the European Union
Amendments to IAS 32 “Presentation - Offsetting financial assets and liabilities”	December 16, 2011	December 13, 2012
IFRS 10 “Consolidated financial statements”	May 12, 2011	December 11, 2012
IFRS 11 “Joint arrangements”	May 12, 2011	December 11, 2012
IFRS 12 “Disclosure of interests in other entities”	May 12, 2011	December 11, 2012
Amendments to IAS 27 “Separate financial statements”	May 12, 2011	December 11, 2012
Amendments to IAS 28 “Investments in associates and joint ventures”	May 12, 2011	December 11, 2012
Amendments to IFRS 10, IFRS 11 and IFRS 12 on phase-in measures	June 28, 2012	April 4, 2013
Investment entities (amendments to international financial disclosure standards IFRS 10, IFRS 12 and IAS 27)	October 31, 2012	November 20, 2013
Amendments to IAS 36 “Recoverable amount disclosures for non-financial assets”	May 29, 2013	December 19, 2013
Amendments to IAS 39 “Novation of derivatives and continuation of hedge accounting”	June 27, 2013	December 19, 2013

Amendments to IAS 32 "Presentation - Offsetting financial assets and liabilities"

These amendments clarify the rules for offsetting financial assets and liabilities: offsetting is compulsory only if the relevant entity has an unconditional and legally binding right to offset the amounts in the accounts and if it intends either to settle the asset and liability on a net basis or to realise the asset and settle the liability simultaneously. The right to offset amounts in the accounts must be legally binding in all circumstances, both for regular activities and in the event one of the parties defaults. These amendments also stipulate the circumstances in which a simultaneous gross settlement system (delivery against payment) can be considered as equivalent to a net settlement. The application of these amendments had no material impacts on the Group's financial statements.

IFRS 10 "Consolidated financial statements"

This new standard redefines the concept of control and provides clarifications on agent/principal relations and structured entities (in which voting rights are not the determining factor for analysing control). In view of these new provisions, the Group controls a subsidiary or a structured entity where the following conditions are met:

- the Group holds power over the entity's relevant activities through ownership of voting rights or other rights;
- the Group is exposed or entitled to variable returns as a result of its ties to the entity; and
- the Group is able to exercise its power over the entity in such a way as to influence the amount of returns it obtains.

Where voting rights are not relevant to determine the existence or absence of the Group's control of an entity, the evaluation of said control must take all events and circumstances into account. Power over the entity's relevant activities, combined with significant exposure to returns, may indicate a control situation in which the Group is exposed to less than the majority of risks and benefits.

Application of this new standard had no impact on the Group's financial statements.

IFRS 11 "Joint arrangements"

This new standard makes a distinction between two types of joint control agreements (joint operation or joint venture) depending on the partners' rights and obligations, and it removes the option to apply the proportionate consolidation method. Joint ventures are now consolidated using the equity method.

The consequences of the retrospective application of this new standard are described in Note 2.

IFRS 12 "Disclosure of interests in other entities"

This standard defines all of the information that must be presented in the notes on all subsidiaries, partnerships, associates and structured entities (whether consolidated or not). This information will be provided in the notes to the consolidated financial statements for the fiscal year ending December 31, 2014.

Amendments to IAS 27 "Separate financial statements"

The amendments specify the methods to be used when entering equity interests in the accounts of the individual financial statements.

Amendments to IAS 28 "Investments in associates and joint ventures"

These amendments take account of the changes introduced by the publication of IFRS 10 and IFRS 11 regarding investments in associates and joint ventures.

Amendments to the phase-in measures of IFRS 10, IFRS 11 and IFRS 12

These amendments limit the restated comparative data to the comparative period immediately preceding the application of IFRS 10, 11 and 12, and remove the need to publish restated comparative information for unconsolidated structured entities in the first year of application of IFRS 12.

Investment entities (amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments exempt investment entities from having to consolidate the entities they control, instead they are accounted for at fair value through profit or loss.

They also clarify the information to be disclosed by investment companies in the notes to the financial statements.

Amendments to IAS 36 "Recoverable amount disclosures for non-financial assets"

Under these amendments, disclosure obligations on the recoverable value and conditions for fair value measurement (less disposal costs) of a cash-generating unit including goodwill or intangible assets with an indefinite useful life are limited exclusively to impaired assets.

Amendments to IAS 39 "Novation of derivatives and continuation of hedge accounting"

These amendments make it possible to maintain hedging relationships in the event the counterparties of the hedging instrument are required by regulation (such as EMIR in the European Union) or law to novate the hedging instrument to a clearing house without the terms of the instrument being otherwise amended.

Accounting standards and interpretations that the Group will apply in the future

The IASB (International Accounting Standards Board) has published standards and interpretations that were not all adopted by the European Union as at June 30, 2014. Application of these standards and interpretations will become mandatory for reporting periods beginning on July 1, 2015 or upon their adoption by the European Union at the earliest. Consequently, they will not be applied by the Group at June 30, 2014.

Accounting standards, interpretations and amendments adopted by the European Union as at June 30, 2014.

Standards, amendments and interpretations	Date of adoption by the European Union	Application dates: fiscal years beginning from
IFRIC 21 "Levies"	June 13, 2014	January 1, 2015

IFRIC 21 "Levies"

This interpretation of IAS 37 "Provisions, contingent liabilities and contingent assets" lays down the conditions for recognising a liability related to taxes levied by a public authority. An entity is only required to recognised this liability if the triggering event, as provided for by law, takes place. If the obligation to pay the tax arises from the gradual realisation of the activity, it must be recorded gradually over the same period. Finally, if the obligation to pay is generated by reaching a given threshold, the liability associated with this tax is only recorded once the threshold is reached. The consequences of this interpretation are currently being analysed.

Accounting standards, interpretations and amendments not yet adopted by the European Union as at June 30, 2014

Standards, amendments and interpretations	Date of publication by the IASB	Application dates: fiscal years beginning from
IFRS 9 "Financial Instruments" and amendments to IFRS 7 and IAS 39	November 12, 2009 October 28, 2010, December 16, 2011, November 19, 2013 and July 24, 2014	January 1, 2018
Amendments to IAS 19 "Defined Benefit Plans: Employee Contributions"	November 21, 2013	July 1, 2014
Annual improvements (2010-2012 and 2011-2013) to IFRS - December 2013	December 12, 2013	July 1, 2014
Amendments to IFRS 11 "Acquisition of an interest in a joint operation"	May 6, 2014	January 1, 2016
Amendments to IAS 16 and IAS 38 "Clarification of acceptable methods of depreciation and amortisation"	May 12, 2014	January 1, 2016
IFRS 15 "Revenue from contracts with customers"	May 28, 2014	January 1, 2017

IFRS 9 "Financial Instruments" and amendments to IFRS 7 and IAS 39

The purpose of IFRS 9 is to overhaul IAS 39. IFRS 9 defines the new rules for classifying and measuring financial assets and liabilities, the new impairment methodology for financial assets, and the treatment of hedging transactions, with the exception of macro-hedges, for which a separate draft standard is currently being prepared by the IASB.

Classification and measurement

Financial assets will be classified in three categories (amortised cost, fair value through profit and loss, and fair value through equity) depending on the details of their contractual flows and the way the entity manages its financial instruments (business model).

Debt instruments (loans, receivables or debt securities) will be recorded at their amortised cost, provided that they are held for the purpose of receiving contractual cash flows and they present standard characteristics (the cash flows must be solely payments of principal and interest on the principal outstanding).

Equity instruments will be recognised at fair value through profit or loss unless there is an irrevocable option to measure them at fair value through equity (only if these instruments are not held for trading and classified as such under financial assets measured at fair value through profit or loss) without subsequent removal from equity followed by reclassification in the income statement.

Embedded derivatives will no longer be booked separately from the financial host instruments, where they are financial assets within the scope of IFRS 9. Instead the hybrid assets in their entirety are measured at fair value through profit or loss.

The rules for classifying and measuring financial liabilities addressed by IAS 39 are retained without modification in IFRS 9, with the exception of financial assets which the entity has elected to measure at fair value through profit or loss (fair value option) for which revaluation differences associated with changes in the entity's own credit risk will be recognised as gains and losses taken directly to equity without subsequent removal from equity followed by recognition under profit or loss.

The provisions of IAS 39 regarding derecognition of financial assets and liabilities are retained without modification in IFRS 9.

Credit risk

Debt instruments classified as financial assets at amortised cost or as financial assets at fair value through equity, lease receivables, and financing commitments and guarantees given are subject to impairment or a provision for projected credit losses.

These credit losses will be equal to losses projected at one year and adjusted to reach losses projected for the remaining life of the financial instrument, where the credit risk linked to this instrument has significantly increased since its initial accounting recognition.

Hedge accounting

The purpose of this new standard is also to better align hedge accounting with the entity's management of its financial and non-financial risks.

The standard expands the scope of non-derivative financial instruments able to be qualified as hedging instruments. Similarly, the scope of items able to be qualified as hedged items is expanded to include components of non-financial instruments. The standard also amends the conditions for assessing the effectiveness of hedges. Furthermore, additional disclosures are required in the notes to describe the risk management and hedging strategy as well as the impacts of hedge accounting on the financial statements.

Amendments to IAS 19 "Defined Benefit Plans: Employee Contributions"

These amendments concern employee contributions to defined-benefit plans. Their aim is to simplify the recognition of these contributions where they are independent of the number of years worked by employees.

Annual improvements (2010-2012 and 2011-2013) to IFRS - December 2013

As part of the annual process of improving International Financial Reporting Standards, the IASB published a series of amendments to existing standards.

Amendments to IFRS 11 "Acquisition of an interest in a joint operation"

These amendments clarify how to recognise the acquisition of an interest in a joint operation, which constitutes a "business combination" within the meaning of IFRS 3. Accordingly, IFRS 3 guidelines should be applied in respect of the interest acquired.

Amendments to IAS 16 and IAS 38 "Clarification of acceptable methods of depreciation and amortisation"

The IASB has confirmed that the use of the income method to calculate the impairment of an asset is not appropriate. This is because income generated by an activity using an asset includes items other than the consumption of the economic benefits of the asset.

IFRS 15 "Revenue from contracts with customers"

This standard defines the guidelines for recognising income applicable to all contracts entered into with customers. There are five steps to be followed: identification of the contract entered into with the customer, identification of the performance obligations included in the contract, determination of the transaction price of the contract, allocation of the transaction price to the various performance obligations, and recognition of income where a performance obligation is met.

NOTE 2 Consolidation scope

Change in consolidation scope

1- Normative changes

The application of IFRS 10 "Consolidated financial statements" had no impact on the Group's financial statements. Following the retrospective application of IFRS 11 "Joint arrangements", 50% -owned insurance entity Antarius meets the criteria for a joint venture. Previously, this company was proportionately consolidated, but it is now consolidated according to the equity method.

The tables below show the impacts of the retrospective application of IFRS 11 on the consolidated balance sheet and income statement:

Assets

(in EUR million)	31/12/2013 After IFRS 11	31/12/2013 Before IFRS 11	Impact of IFRS 11
Cash, due from central banks	738.0	738.0	-
Financial assets at fair value through profit or loss	102.0	1,725.8	-1,623.8
Hedging derivatives	844.8	844.8	-
Available-for-sale financial assets	7,065.6	11,363.0	-4,297.4
Due from banks	4,626.2	4,628.5	-2.3
Customer loans	33,027.7	33,027.7	-
Lease financing and similar agreements	2,126.8	2,126.8	-
Revaluation differences on portfolios hedged against interest rate risk	325.7	325.7	-
Held-to-maturity financial assets	2.1	2.1	-
Tax assets	363.1	383.0	-19.9
Other assets	196.3	485.0	-288.7
Non-current assets held for sale	1.6	1.6	-
Investments in subsidiaries and affiliates accounted for by the equity method	222.9	9.7	213.2
Tangible and intangible fixed assets	569.5	569.5	-
Goodwill	508.0	508.0	-
TOTAL	**50,720.3**	**56,739.2**	**-6,018.9**

Liabilities

(in EUR million)	31/12/2013 After IFRS 11	31/12/2013 Before IFRS 11	Impact of IFRS 11
Due to central banks	-	-	-
Financial liabilities at fair value through profit or loss	2,474.8	2,474.8	-
Hedging derivatives	422.9	422.9	-
Due to banks	1,385.6	1,445.3	-59.7
Customer deposits	30,314.8	30,310.6	4.2
Debt securities	10,395.7	10,391.8	3.9
Revaluation differences on portfolios hedged against interest rate risk	583.8	583.8	-
Tax liabilities	747.3	768.6	-21.3
Other accounts payable	748.4	1,100.8	-352.4
Underwriting reserves of insurance companies	-	5,628.7	-5,628.7
Provisions	163.0	163.2	-0.2
Subordinated debt	697.5	662.2	35.3
TOTAL DEBT	**47,933.8**	**53,952.7**	**-6,018.9**
Common stock	890.3	890.3	-
Equity instruments and associated reserves	170.8	170.8	-
Retained earnings	1,309.0	1,309.0	-
Net income	368.9	368.9	-
Sub-total	**2,739.0**	**2,739.0**	**-**
Gains or losses booked directly to equity	24.0	24.0	-
Sub-total, equity, Group share	**2,763.0**	**2,763.0**	**-**
Non-controlling interests	23.5	23.5	-
TOTAL SHAREHOLDERS' EQUITY	**2,786.5**	**2,786.5**	**-**
TOTAL	**50,720.3**	**56,739.2**	**-6,018.9**

The consequences on the consolidated balance sheet of the equity-method consolidation of Antarius mainly concern financial assets at fair value through profit or loss for -€1,623.8 million, available-for-sale assets for -€4,297.4 million and underwriting reserves of insurance companies for -€5,628.7 million.

Income statement

(in EUR million)	2013 After IFRS 11	2013 Before IFRS 11	First-Half 2013 After IFRS 11	First-Half 2013 Before IFRS 11
Interest and similar income	1,750.0	1,897.4	903.8	977.7
Interest and similar expenses	-623.5	-769.3	-347.2	-418.6
Dividends on equity securities	13.7	19.1	12.2	12.6
Fee income	897.8	959.2	444.7	475.1
Fee expenses	-106.9	-136.3	-61.6	-76.0
Net income from financial transactions	-42.0	-41.0	-42.7	-42.7
o/w net gains and losses on financial instruments at fair value through profit or loss	*-45.6*	*-44.6*	*-46.4*	*-46.4*
o/w net gains or losses on available-for-sale financial assets	*3.6*	*3.6*	*3.7*	*3.7*
Income from other activities	24.9	30.9	8.7	12.7
Expenses due to other activities	-20.2	-20.6	-9.4	-9.8
Net Banking Income	**1,893.8**	**1,939.4**	**908.5**	**931.0**
Personnel expenses	-733.3	-733.3	-365.5	-365.5
Taxes	-36.9	-39.7	-19.1	-20.7
Other expenses	-366.9	-373.6	-180.5	-183.8
Amortisation and depreciation expense on intangible and tangible fixed assets	-81.1	-81.1	-38.9	-38.9
TOTAL OPERATING EXPENSES	**-1,218.2**	**-1,227.7**	**-604.0**	**-608.9**
Gross Operating Income	**675.6**	**711.7**	**304.5**	**322.1**
Cost of risk	-197.8	-197.8	-101.8	-101.8
Operating income	**477.8**	**513.9**	**202.7**	**220.3**
Share of net income of companies accounted for by the equity method	22.9	0.8	11.5	0.4
Net gains or losses on other assets	51.6	51.6	-0.7	-0.7
Goodwill impairment	-	-	-	-
Pre-tax income	**552.3**	**566.3**	**213.5**	**220.0**
Income tax	-180.4	-194.4	-72.1	-78.6
Consolidated net income	**371.9**	**371.9**	**141.4**	**141.4**
Non-controlling interests	3.0	3.0	1.1	1.1
CONSOLIDATED NET INCOME AFTER TAXES	**368.9**	**368.9**	**140.3**	**140.3**
Earnings per ordinary share (in euros)	**3.31**	**3.31**	**1.26**	**1.26**
Diluted earnings per ordinary share (in euros)	**3.31**	**3.31**	**1.26**	**1.26**
Number of shares comprising the share capital	**111,282,906**	**111,282,906**	**111,282,906**	**111,282,906**

2- Change in scope in H1 2014

The consolidation scope included 23 companies at June 30, 2014:

- 21 fully consolidated companies;
- 2 companies accounted for by the equity method, including one joint venture and one entity under significant influence.

The consolidation scope includes entities over which the Group holds exclusive or joint control or exercises significant influence, and whose financial statements are material relative to the Group's consolidated financial statements, particularly with respect to total balance sheet assets and gross operating income.

The main changes to the consolidation scope taken at June 30, 2014 compared to the scope at December 31, 2013 were as follows (taking into account the retrospective application of IFRS 11):

- Liquidation of the securitisation fund Blue Star GHL in January 2014.

NOTE 3 Financial liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss

(in EUR million)	30/06/2014				31/12/2013 (1)			
	Valuation determined using prices quoted on active markets (L1)	Valuation determined using observable data other than quoted market prices (L2)	Valuation determined mainly using non-observable market data (L3)	Total	Valuation determined using prices quoted on active markets (L1)	Valuation determined using observable data other than quoted market prices (L2)	Valuation determined mainly using non-observable market data (L3)	Total
ASSETS								
TRADING PORTFOLIO								
Bonds and other debt securities	1.8	-	-	1.8	0.6	-	-	0.6
Shares and other equity securities	18.6	-	-	18.6	13.8	-	-	13.8
Other financial assets	-	-	-	-	-	-	-	-
SUB-TOTAL ASSETS HELD FOR TRADING	**20.4**	**-**	**-**	**20.4**	**14.4**	**-**	**-**	**14.4**
FINANCIAL ASSETS MEASURED UNDER THE FAIR VALUE OPTION RECOGNISED IN PROFIT OR LOSS								
Bonds and other debt securities	-	0.5	1.6	2.1	-	0.4	1.8	2.2
Shares and other equity securities	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-
SUB-TOTAL FINANCIAL ASSETS MEASURED UNDER THE FAIR VALUE OPTION RECOGNISED IN PROFIT AND LOSS	**-**	**0.5**	**1.6**	**2.1**	**-**	**0.4**	**1.8**	**2.2**
SUB-TOTAL SEPARATE ASSETS RELATING TO EMPLOYEE BENEFITS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TRADING DERIVATIVES								
Interest rate instruments	**-**	**55.3**	**-**	**55.3**	**-**	**48.3**	**-**	**48.3**
Firm transactions	-	50.9	-	50.9	-	43.2	-	43.2
Swaps	-	*50.9*	-	*50.9*	-	*43.2*	-	*43.2*
FRAs	-	-	-	-	-	-	-	-
Options	-	4.4	-	4.4	-	5.1	-	5.1
Options on organised markets	-	-	-	-	-	-	-	-
OTC options	-	-	-	-	-	-	-	-
Caps, floors, collars	-	*4.4*	-	*4.4*	-	*5.1*	-	*5.1*
Foreign exchange instruments	**-**	**23.7**	**-**	**23.7**	**-**	**37.1**	**-**	**37.1**
Firm transactions	-	18.1	-	18.1	-	29.3	-	29.3
Options	-	5.6	-	5.6	-	7.8	-	7.8
Equity and index instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other forward financial instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Instruments on organised markets	-	-	-	-	-	-	-	-
OTC instruments	-	-	-	-	-	-	-	-
SUB-TOTAL TRADING DERIVATIVES	**-**	**79.0**	**-**	**79.0**	**-**	**85.4**	**-**	**85.4**
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**20.4**	**79.5**	**1.6**	**101.5**	**14.4**	**85.8**	**1.8**	**102.0**

(1) *Amounts restated relative to the financial statements published in 2013, following the entry into force of IFRS 11, with retrospective application (see Note 2).*

Changes in financial assets at fair value through profit or loss determined using non-observable parameters (third level)

	Trading portfolio			Financial assets using fair value option through profit or loss.			Trading financial derivatives						
(in EUR million)	Bonds and other debt securities	Shares and other equity securities	Other financial assets	Bonds and other debt securities	Shares and other equity securities	Other financial assets	Interest rate derivatives	Foreign exchange derivatives	Equity and index derivatives	Commodity derivatives	Credit derivatives	Other forward financial instruments	**Total financial assets at fair value through profit or loss**
Balance at January 1, 2014	-	-	-	1.8	-	-	-	-	-	-	-	-	1.8
Acquisitions													-
Disposals/redemptions													-
Transfer to Level 2													-
Transfer to Level 1													-
Transfer from Level 2													-
Transfer from Level 1													-
Gains and losses for the period (2)				-0.2									-0.2
Foreign exchange differences													-
BALANCE AT JUNE 30, 2014	**-**	**-**	**-**	**1.6**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.6**

(2) *Gains and losses for the period are recorded in the income statement under "Net gains and losses on financial instruments at fair value through profit or loss."*

Financial liabilities at fair value through profit or loss

(in EUR million)	30/06/2014 Valuation determined using prices quoted on active markets (L1)	30/06/2014 Valuation determined using observable data other than quoted market prices (L2)	30/06/2014 Valuation determined mainly using non-observable market data (L3)	30/06/2014 Total	31/12/2013 Valuation determined using prices quoted on active markets (L1)	31/12/2013 Valuation determined using observable data other than quoted market prices (L2)	31/12/2013 Valuation determined mainly using non-observable market data (L3)	31/12/2013 Total
LIABILITIES								
TRADING PORTFOLIO								
Debt securities	-	-	-	-	-	-	-	-
Amounts payable on borrowed securities	-	-	-	-	-	-	-	-
Bonds and other debt securities sold short	-	-	-	-	-	-	-	-
Shares and other equity securities sold short	-	-	-	-	0.1	-	-	0.1
Other financial liabilities	-	-	-	-	-	-	-	-
SUB-TOTAL ASSETS HELD FOR TRADING	**-**	**-**	**-**	**-**	**0.1**	**-**	**-**	**0.1**
TRADING DERIVATIVES								
Interest rate instruments	**-**	**58.9**	**-**	**58.9**	**-**	**55.5**	**-**	**55.5**
Firm transactions	-	56.2	-	56.2	-	52.1	-	52.1
Swaps	-	*56.2*	-	*56.2*	-	*52.1*	-	*52.1*
FRAs	-	-	-	-	-	-	-	-
Options	-	2.7	-	2.7	-	3.4	-	3.4
Options on organised markets	-	-	-	-	-	-	-	-
OTC options	-	-	-	-	-	-	-	-
Caps, floors, collars	-	*2.7*	-	*2.7*	-	*3.4*	-	*3.4*
Foreign exchange instruments	**-**	**19.5**	**-**	**19.5**	**-**	**37.1**	**-**	**37.1**
Firm transactions	-	12.9	-	12.9	-	28.5	-	28.5
Options	-	6.6	-	6.6	-	8.6	-	8.6
Equity and index instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other forward financial instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Instruments on organised markets	-	-	-	-	-	-	-	-
OTC instruments	-	-	-	-	-	-	-	-
SUB-TOTAL TRADING DERIVATIVES	**-**	**78.4**	**-**	**78.4**	**-**	**92.6**	**-**	**92.6**
SUB-TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (3)	**-**	**2,614.8**	**-**	**2,614.8**	**-**	**2,382.1**	**-**	**2,382.1**
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (4)	**-**	**2,693.2**	**-**	**2,693.2**	**0.1**	**2,474.7**	**-**	**2,474.8**

Amount repayable at maturity of financial liabilities using fair value option through profit or loss

(in EUR million)	30/06/2014 Fair value	30/06/2014 Amount repayable at maturity	30/06/2014 Difference between fair value and amount repayable at maturity	31/12/2013 Fair value	31/12/2013 Amount repayable at maturity	31/12/2013 Difference between fair value and amount repayable at maturity
TOTAL FINANCIAL LIABILITIES USING FAIR VALUE OPTION THROUGH PROFIT OR LOSS (3)	**2,614.8**	**2,582.8**	**32.0**	**2,382.1**	**2,364.6**	**17.5**

(3) The change in fair value attributable to own credit risk generated an expense of -€7.2 million at June 30, 2014. Revaluation differences linked to the Group's issuer credit risk are measured using models incorporating the Group's most recent actual refinancing terms and conditions on the markets and the residual maturity of the relevant liabilities.

(4) Of which securities sold under term repurchase agreements for €155 million at June 30, 2014 versus €137 million at December 31, 2013.

NOTE 4 Available-for-sale financial assets

(in EUR million)	30/06/2014 Valuation determined using prices quoted on active markets (L1)	30/06/2014 Valuation determined using observable data other than quoted market prices (L2)	30/06/2014 Valuation determined mainly using non-observable market data (L3)	30/06/2014 Total	31/12/2013 [1] Valuation determined using prices quoted on active markets (L1)	31/12/2013 [1] Valuation determined using observable data other than quoted market prices (L2)	31/12/2013 [1] Valuation determined mainly using non-observable market data (L3)	31/12/2013 [1] Total
CURRENT ACTIVITIES								
Treasury notes and similar securities	3,496.5	-	-	3,496.5	2,586.4	-	-	2,586.4
o/w related receivables				*21.0*				*7.9*
o/w write-downs				*-*				*-*
Bonds and other debt securities	-	5,035.7	-	5,035.7	-	4,236.3	-	4,236.3
o/w related receivables				*14.2*				*9.2*
o/w write-downs				*-0.4*				*-14.3*
Shares and other equity instruments [2]	-	12.8	5.4	18.2	-	18.8	5.3	24.1
o/w related receivables				*-*				*-*
o/w impairment				*-0.4*				*-3.3*
SUB-TOTAL CURRENT ASSETS	**3,496.5**	**5,048.5**	**5.4**	**8,550.4**	**2,586.4**	**4,255.1**	**5.3**	**6,846.8**
Long-term investment securities	-	3.1	220.1	223.2	-	1.4	217.4	218.8
o/w related receivables				*-*				*-*
o/w impairment				*-2.9*				*-2.9*
SUB-TOTAL	**-**	**3.1**	**220.1**	**223.2**	**-**	**1.4**	**217.4**	**218.8**
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	**3,496.5**	**5,051.6**	**225.5**	**8,773.6**	**2,586.4**	**4,256.5**	**222.7**	**7,065.6**
o/w loaned securities	-	-	-	-	-	-	-	-

(1) *Amounts restated relative to the financial statements published in 2013, following the entry into force of IFRS 11, with retrospective application (see Note 2).*
(2) *Including UCITS.*

Activity in available-for-sale financial assets

(in EUR million)	First-Half 2014
Balance at January 1	**11,363.0**
Acquisitions	3,123.2
Disposals/redemptions/mergers	-1,560.9
Reclassifications and changes in scope	-4,241.9
Gains and losses on changes in fair value booked to equity	111.9
Change in write-downs on fixed-income securities booked to profit or loss	3.0
Change in impairment of equity instruments booked to profit or loss	20.6
Change in related receivables	-45.0
Foreign exchange differences	-0.3
BALANCE AT JUNE 30	**8,773.6**

Change in inventory of available-for-sale assets whose valuation is Level 3 (based on unobservable inputs)

(in EUR million)	Bonds and other debt securities	Shares and other equity securities	Long-term investment securities	Total
Balance at January 1, 2014	**-**	**5.3**	**217.4**	**222.7**
Acquisitions		0.1	3.0	3.1
Disposals/redemptions			-2.4	-2.4
Gains and losses for the period booked to equity			2.1	2.1
Change in write-downs on fixed-income securities booked to profit or loss				-
Impairment of equity instruments booked through profit or loss				-
Change in related receivables				-
Foreign exchange differences				-
Changes in scope and other changes				-
BALANCE AT JUNE 30, 2014	**-**	**5.4**	**220.1**	**225.5**

NOTE 5 Due from banks

(in EUR million)	30/06/2014	31/12/2013 [(1)]
Current accounts	569.7	500.6
Overnight deposits and loans and others	1,203.7	1,801.7
Loans secured by overnight notes	-	-
Related receivables	0.1	0.4
TOTAL - DEMAND AND OVERNIGHTS	**1,773.5**	**2,302.7**
Term deposits and loans [(2)]	2,779.9	2,192.6
Loans secured by notes and securities	-	-
Securities received under term repurchase agreements	-	-
Subordinated loans and participating securities	99.3	101.6
Related receivables	15.9	29.8
TOTAL - TERM RECEIVABLES	**2,895.1**	**2,324.0**
GROSS TOTAL	**4,668.6**	**4,626.7**
WRITE-DOWNS	**-**	**-0.5**
NET TOTAL	**4,668.6**	**4,626.2**
Fair value of amounts due from banks	4,668.7	4,626.2

It should also be noted that, of the total amount due from banks at June 30, 2014, €2,596.1 million represented transactions with Societe Generale Group (€2,549.4 million at December 31, 2013).

(1) Amounts restated relative to the financial statements published in 2013, following the entry into force of IFRS 11, with retrospective application (see Note 2).
(2) At June 30, 2014, individual loans with a probable risk of loss amounted to €0 million versus €0.5 million at December 31, 2013.

NOTE 6 Customer loans

(in EUR million)	30/06/2014	31/12/2013
Trade loans	526.0	541.5
Related receivables	0.4	0.5
TOTAL – TRADE RECEIVABLES	**526.4**	**542.0**
Other customer loans		
Short-term loans	1,979.9	2,018.8
Export loans	58.5	56.6
Equipment loans	6,381.1	6,394.7
Housing loans	18,896.6	18,666.5
Other loans	4,461.0	4,476.2
Related receivables	49.9	52.1
TOTAL - OTHER CUSTOMER LOANS	**31,827.0**	**31,664.9**
Overdrafts	2,319.6	2,081.4
Related receivables	24.7	23.8
TOTAL - OVERDRAFTS	**2,344.3**	**2,105.2**
GROSS TOTAL (1)	**34,697.7**	**34,312.1**
Write-downs on individually impaired loans	-1,227.6	-1,162.4
Write-downs on groups of homogeneous assets	-123.0	-122.0
WRITE-DOWNS	**-1,350.6**	**-1,284.4**
NET TOTAL	**33,347.1**	**33,027.7**
Securities purchased under resale agreements (including related receivables)	-	-
TOTAL - CUSTOMER LOANS	**33,347.1**	**33,027.7**
Fair value of customer loans	33,940.9	33,580.7

(1) *At June 30, 2014, individual loans with a probable risk of loss amounted to €2,373.0 million versus €2,267.4 million at December 31, 2013.*

The provisioning ratio for doubtful and disputed loans net of guarantees received is 71.6%. The guarantees taken into account do not include guarantees on finance lease outstandings.

Breakdown of other customer loans

(in EUR million)	30/06/2014	31/12/2013
Non-financial customers	31,775.9	31,611.9
Business customers	*13,110.2*	*13,175.0*
Individual customers	*17,412.3*	*17,185.9*
Local authorities	*12.7*	*12.6*
Professional customers	*1,119.3*	*1,108.2*
Governments and central administrations	*2.0*	*2.3*
Others	*119.4*	*127.9*
Financial customers	1.2	0.9
TOTAL - BREAKDOWN OF OTHER CUSTOMER LOANS	**31,777.1**	**31,612.8**
Related receivables	49.9	52.1
TOTAL - OTHER CUSTOMER LOANS	**31,827.0**	**31,664.9**

NOTE 7 Goodwill

(in EUR million)	
Gross value at 31/12/2013	508.0
Acquisitions and other increases	-
Disposals and other decreases	-
GROSS VALUE AT 30/06/2014	**508.0**
Impairment of goodwill at 31/12/2013	-
Impairment losses	-
IMPAIRMENT OF GOODWILL AT 30/06/2014	**-**
Net value at 31/12/2013	508.0
NET VALUE AT 30/06/2014	**508.0**

Main sources of net goodwill at June 30, 2014

(in EUR million)	
Banque Courtois	10.2
Banque Laydernier	12.8
Banque Kolb	22.3
Banque Tarneaud	3.3
Société Marseillaise de Crédit	454.2
Fortis branches	5.2
NET VALUE AT 30/06/2014	**508.0**

NOTE 8 Due to banks

(in EUR million)	30/06/2014	31/12/2013 [1]
Current accounts	222.5	221.0
Overnight deposits and borrowings	154.2	93.4
Borrowings secured by overnight notes	-	-
Securities loaned under overnight repurchase agreements	-	-
Related payables	0.1	0.1
TOTAL DEMAND DEPOSITS	**376.8**	**314.5**
Term deposits and borrowings	1,176.7	1,001.6
Borrowings secured by notes and securities	-	-
Securities sold under term repurchase agreements	-	-
Related payables	4.9	6.1
TOTAL TERM DEPOSITS	**1,181.6**	**1,007.7**
Revaluation of hedged items	60.4	63.4
TOTAL	**1,618.8**	**1,385.6**
Fair value of payables due to banks	1,618.8	1,385.6

It should also be noted that, at June 30, 2014, €990.8 million of the total amount due to banks represented transactions with Societe Generale Group (€771 million euros at December 31, 2013).

(1) *Amounts restated relative to the financial statements published in 2013, following the entry into force of IFRS 11, with retrospective application (see Note 2).*

NOTE 9 Transactions with customers

(in EUR million)	30/06/2014	31/12/2013 [1]
Demand special savings accounts	9,586.8	9,289.5
Term special savings accounts	2,085.7	2,013.0
Demand and overnight accounts	15,853.5	15,755.5
Companies and individual entrepreneurs	*9,304.4*	*9,449.9*
Individual customers	*5,741.1*	*5,563.8*
Financial customers	*4.8*	*10.6*
Others	*803.2* [2]	*731.2*
Term accounts	3,132.5	3,060.9
Companies and individual entrepreneurs	*2,864.2*	*2,768.5*
Individual customers	*115.6*	*135.5*
Financial customers	-	-
Others	*152.7* [3]	*156.9*
Borrowings secured by notes and securities	-	-
Securities sold under overnight repurchase agreements	15.5	42.5
Securities sold under term repurchase agreements	135.5	93.5
Related payables	143.2	58.3
Guarantee deposits	1.6	1.6
TOTAL	**30,954.2**	**30,314.8**
Fair value of customer deposits	30,954.6	30,314.8

(1) Amounts restated relative to the financial statements published in 2013, following the entry into force of IFRS 11, with retrospective application (see Note 2).
(2) Of which €164.9 million associated with governments and central administrations.
(3) o/w €8.2 million associated with governments and central administrations.

NOTE 10 Debt securities

(in EUR million)	30/06/2014	31/12/2013 [1]
Savings certificates	7.7	8.0
Interbank and negotiable debt securities	9,270.4	8,333.4
Bonds	2,187.9	2,022.5
Related payables	32.5	31.8
SUB-TOTAL	**11,498.5**	**10,395.7**
Revaluation of hedged items	-	-
TOTAL	**11,498.5**	**10,395.7**
o/w variable-rate debt	*9,760.6*	*9,644.3*
Fair value of debt securities	11,214.5	10,447.2

(1) Amounts restated relative to the financial statements published in 2013, following the entry into force of IFRS 11, with retrospective application (see Note 2).

NOTE 11 Provisions and impairments

Impairments

(in EUR million)	Notes	Asset impairments at 31/12/2013 [(1)]	Allocations	Write-backs available	Write-backs used	Others	Asset impairments at 30/06/2014
Banks	5	0.5	-	-0.5	-	-	-
Loans to customers	6	1,162.4	218.7	-127.7	-25.8	-	1,227.6
Lease financing and similar agreements		79.0	43.4	-41.3	-0.8	0.1	80.4
Provisions for homogeneous assets	6	124.7	5.5	-4.8	-	-	125.4
Available-for-sale assets	4	20.5	-	-4	-12.8		3.7
Held-to-maturity assets		1.0	-	-0.2	-	-	0.8
Fixed assets		1.3	0.2	-0.3	-	-	1.2
Others		0.9	0.3	-0.3	-	-	0.9
TOTAL IMPAIRMENTS		**1,390.3**	**268.1**	**-179.1**	**-39.4**	**0.1**	**1,440.0**

(1) *Amounts restated relative to the financial statements published in 2013, following the entry into force of IFRS 11, with retrospective application (see Note 2).*

Provisions

(in EUR million)	Asset impairments at 31/12/2013 [(2)]	Allocations	Write-backs available	Write-backs used	Discounting effect	Others	Asset impairments at 30/06/2014
Provisions for employee benefits	117.0	6.3	-0.4	-14.5	3.0	-0.1	111.3
Provisions for property risks [(3)]	0.3	-	-	-	-	-	0.3
Provisions for disputes	10.7	1.9	-0.3	-0.4	-	-	11.9
Provisions for off-balance sheet commitments with credit institutions	-	-	-	-	-	-	-
Provisions for off-balance sheet commitments with customers	17.9	8.5	-5.5	-	-	-	20.9
Tax provisions	-	-	-	-	-	-	-
Other provisions [(4)]	17.1	0.2	-0.1	-0.4	-	1.1 [(5)]	17.9 [(6)]
TOTAL PROVISIONS	**163.0**	**16.9**	**-6.3**	**-15.3**	**3.0**	**1.0**	**162.3**

(2) *Amounts restated relative to the financial statements published in 2013, following the entry into force of IFRS 11, with retrospective application (see Note 2).*
(3) *Provisions for property risks cover termination losses relative to investments in property programmes.*
(4) *The other provisions have no effect on the cost of risk.*
(5) *Of which net allocation in respect of the home savings provision: +€1.2 million.*
(6) *Home savings provisions totalled €16.5 million at June 30, 2014 versus €15.3 million at December 31, 2013.*

NOTE 12 Interest income and expense

(in EUR million)	First-Half 2014	2013 [1]	First-Half 2013 [1]
Transactions with banks	11.0	69.0	36.9
Transactions with customers	619.7	1,275.6	638.9
Transactions in financial instruments	202.2	318.9	183.3
Available-for-sale financial assets	*33.0*	*58.0*	*12.2*
Held-to-maturity financial assets	*0.1*	*0.1*	*0.1*
Securities lending	-	-	-
Hedging derivatives	*169.1*	*260.8*	*171.0*
Finance leases	39.7	86.5	44.7
Real estate lease financing agreements	*10.3*	*21.0*	*10.9*
Non-real estate lease financing agreements	*29.4*	*65.5*	*33.8*
Other interest and similar income	-	-	-
TOTAL INTEREST INCOME	**872.6**	**1,750.0**	**903.8**
Transactions with banks	-7.7	-79.2	-44.6
Transactions with customers	-107.3	-226.8	-117.3
Transactions in financial instruments	-189.4	-317.5	-185.3
Debt securities	*-52.5*	*-113.5*	*-43.0*
Subordinated and convertible debt	*-9.7*	*-19.5*	*-9.7*
Securities borrowing	-	-	-
Hedging derivatives	*-127.2*	*-184.5*	*-132.6*
Other interest and similar expenses	-	-	-
TOTAL INTEREST EXPENSES	**-304.4**	**-623.5**	**-347.2**
TOTAL INTEREST AND SIMILAR INCOME	**568.2**	**1,126.5**	**556.6**
o/w interest income related to impaired financial assets	*14.5*	*27.1*	*13.1*

(1) Amounts restated relative to the financial statements published in 2013, following the entry into force of IFRS 11, with retrospective application (see Note 2).

(in EUR million)	First-Half 2014	2013 [1]	First-Half 2013 [1]
NET INCOME (EXPENSE) FROM			
Transactions with banks	3.3	-10.2	-7.7
Transactions with customers	512.4	1,048.8	521.6
Short-term loans	*57.6*	*121.5*	*61.2*
Export loans	*0.5*	*1.1*	*0.6*
Equipment loans	*81.3*	*170.7*	*86.5*
Housing loans	*355.7*	*722.1*	*361.2*
Others	*17.3*	*33.4*	*12.1*
Transactions in financial instruments	12.8	1.4	-2.0
Finance leases	39.7	86.5	44.7
Others	-	-	-
TOTAL INTEREST AND SIMILAR INCOME	**568.2**	**1,126.5**	**556.6**

(1) Amounts restated relative to the financial statements published in 2013, following the entry into force of IFRS 11, with retrospective application (see Note 2).

NOTE 13 Fee income and expense

(in EUR million)	First-Half 2014	2013 [1]	First-Half 2013 [1]
FEE INCOME			
Transactions with banks	1.8	6.3	3.7
Transactions with customers	140.4	297.0	148.1
Securities transactions	5.9	7.9	3.4
Foreign exchange and financial derivatives transactions	1.0	2.1	1.1
Financing and guarantee commitments	14.1	33.4	14.9
Services	269.1	551.1	273.5
Others	-	-	-
SUB-TOTAL	**432.3**	**897.8**	**444.7**
FEE EXPENSE			
Transactions with banks	-0.3	-0.5	-0.2
Securities transactions	-2.4	-3.0	-1.7
Foreign exchange and financial derivative transactions	-0.1	-0.3	-0.1
Financing and guarantee commitments	-0.5	-2.1	-0.2
Others	-36.5	-101.0	-59.4
SUB-TOTAL	**-39.8**	**-106.9**	**-61.6**
TOTAL NET FEES AND COMMISSIONS	**392.5**	**790.9**	**383.1**

(1) Amounts restated relative to the financial statements published in 2013, following the entry into force of IFRS 11, with retrospective application (see Note 2).

NOTE 14 Net gains and losses on financial instruments at fair value through profit or loss

(in EUR million)	First-Half 2014	2013 [1]	First-Half 2013 [1]
Net gain/loss on non-derivative financial assets held for trading	0.3	4.4	4.0
Net gain/loss on financial assets measured using fair value option	-0.2	0.2	0.1
Net gain/loss on non-derivative financial liabilities held for trading	-	-	-
Net gain/loss on financial liabilities measured using fair value option [2]	-33.3	-66.0	-32.3
Gain/loss on derivative financial instruments held for trading	10.3 [3]	8.9	1.4
Net gain/loss on fair value hedging derivatives	271.1 [3]	-238.7	-174.9
Revaluation of hedged items attributable to hedged risks	-266.2	227.1	146.3
Ineffective portion of cash flow hedge	-	-	-
Net gain/loss on foreign exchange transactions	8.4	18.5	9.0
TOTAL [3]	**-9.6**	**-45.6**	**-46.4**

(1) Amounts restated relative to the financial statements published in 2013, following the entry into force of IFRS 11, with retrospective application (see Note 2).

(2) Including an expense of -€7.2 million related to the Group's credit spread on the revaluation of the Group's financial liabilities at June 30, 2014 (versus an expense of -€43.5 billion at December 31, 2013).

(3) The effects of counterparty risk in the fair value of financial derivatives (Credit Value Adjustment - CVA) and own credit risk in the valuation of financial derivatives (Debit Value Adjustment - DVA) were, respectively:
- *€0.1 million and €3.3 million in H1 2014;*
- *-€20.2 million and €9.4 million in 2013;*
- *-€38.8 million and €9.5 million in H1 2013.*

Net income on financial assets and liabilities at fair value through profit or loss is determined using valuation techniques based on observable inputs, where available, or using valuation techniques not based on market data.

At June 30, 2014, this margin was subject to a negative impact of -€0.2 million due to the change in fair value of instruments initially measured using valuation inputs not based on market data (versus -€0.2 million at December 31, 2013).

NOTE 15 Net gains or losses on available-for-sale financial assets

(in EUR million)	First-Half 2014	2013 (1)	First-Half 2013 (1)
CURRENT ACTIVITIES			
Gains on sale	2.0	4.1	3.7
Losses on sale	-	-	-
Impairment losses on equity instruments	-	-	-
Deferred or non-deferred profit sharing on available-for-sale assets of insurance subsidiaries	-	-	-
SUB-TOTAL	**2.0**	**4.1**	**3.7**
LONG-TERM EQUITY INVESTMENTS			
Gains on sale	1.4	-	-
Losses on sale	-	-	-
Impairment losses on equity instruments	-	-0.5	-
SUB-TOTAL	**1.4**	**-0.5**	**0.0**
TOTAL	**3.4**	**3.6**	**3.7**

(1) *Amounts restated relative to the financial statements published in 2013, following the entry into force of IFRS 11, with retrospective application (see Note 2).*

NOTE 16 Personnel expenses

A- Personnel expenses

(in EUR million)	First-Half 2014	2013 (1)	First-Half 2013 (1)
Employee compensation	-211.2	-424.8	-214.6
Social security charges and payroll taxes	-85.3	-169.0	-87.2
Net retirement expenses - defined contribution plans	-32.9	-70.5	-32.3
Net retirement expenses - defined benefit plans	-0.2	-2.5	-0.9
Employee profit-sharing and incentives	-28.4	-66.5	-30.5
TOTAL	**-358.0**	**-733.3**	**-365.5**
o/w net expenses in respect of share-based payment plans	*0.9*	*-11.7*	*-6.1*

(1) *Amounts restated relative to the financial statements published in 2013, following the entry into force of IFRS 11, with retrospective application (see Note 2).*

B- Share-based payment plans

Description of new plans implemented in the first half of 2014

Share-based compensation plans for Crédit du Nord Group employees for the period ended June 30, 2014 are briefly described below.

Free share award

Issuer: Societe Generale	2014
Type of plan	Free share award
Date of shareholders' authorisation	22/05/2012
Board of Directors' decision	13/03/2014
Number of shares awarded	79,302
Settlement	Societe Generale shares
Vesting period (1)	13/03/2014 - 31/03/2016
Performance-based (2)	yes
Conditions linked to departure from Group	lost
Conditions linked to dismissal	lost
Conditions linked to retirement	maintained
In event of death	maintained 6 months
Share price at grant date (in euros)	44.99
Shares lost at June 30, 2014	-
Shares remaining at June 30, 2014	79,302
Number of shares subscribed for at June 30, 2014	79,302
Price of reserved shares (in euros)	15.48
Value of reserved shares (in millions of euros)	1.2
First authorised date for selling the shares	01/04/2018
Lock-in period	2 years
Fair value (% of the share price at grant date)	84%
Valuation method used	Arbitrage

(1) In accordance with the French decree published in November 3, 2009, pertaining to the compensation for employees whose activities are liable to affect banks' and investment banks' exposure to risk, the expense related to equity instruments allocated to employees operating on the financial markets is recognised in earnings for the vesting period of these rights, i.e. from January 1 of the year preceding the allocation of the plan.

(2) The conditions are based on the following performance indicators: Societe Generale Group's consolidated net income.

Information on other equity plans

Allocation of SG shares with a discount

Global Employee Stock Ownership Plan

Under Societe Generale Group's employee shareholding policy, on April 17, 2014, Societe Generale offered the members of the Societe Generale Group company savings plan the opportunity to subscribe for a reserved capital increase at a share price of €35.85, with a discount of 20% to the average price of the Societe Generale share for the 20 last quoted market prices prior to the offering date.

The employees of Crédit du Nord Group subscribed for 436,433 shares. There is no expense to the Group for this plan. The valuation model used, which complies with the recommendations of the French National Accounting Board on the accounting treatment of company savings plans, compares the gain that employees would have obtained if they had been able to sell the shares immediately with the notional cost that the 5-year holding period represents to the employee. As the average closing price of Societe Generale shares observed over the 2014 subscription period (from May 16 to 30) was less than the per-employee acquisition cost of the instrument, this model resulted in a unit value of zero.

NOTE 17 Cost of risk

(in EUR million)	First-Half 2014	2013	First-Half 2013
COUNTERPARTY RISK			
Net allocation for impairment	-95.0	-194.9	-100.9
Losses not covered by provisions	-10.2	-8.7	-3.0
Amounts recovered on amortised receivables	5.1	6.7	4.4
SUB-TOTAL	**-100.1**	**-196.9**	**-99.5**
OTHER RISKS			
Net allowance for other provisions for contingent liability items	-1.6	0.8	-1.2
Losses not covered by provisions	-0.8	-1.7	-1.1
SUB-TOTAL	**-2.4**	**-0.9**	**-2.3**
TOTAL	**-102.5**	**-197.8**	**-101.8**

NOTE 18 Income tax

(in EUR million)	First-Half 2014	2013 [1]	First-Half 2013 [1]
Current income	-91.3	-217.9	-91.4
Deferred tax	1.3	37.5	19.3
TOTAL TAXES [1]	**-90.0**	**-180.4**	**-72.1**

(1) Reconciliation of the difference between the Group's normative tax rate and its effective tax rate can be broken down as follows:

(in EUR million)	First-Half 2014	2013 [1]	First-Half 2013 [1]
Earnings before tax, excluding income from companies accounted for by the equity method	**254.0**	**529.4**	**202.0**
Normal tax rate applicable to French companies (including the 3.3% social security contribution)	**34.43%**	**34.43%**	**34.43%**
Permanent differences	1.14%	-0.67%	2.33%
Differential on exempt items or items taxed at a reduced rate	-	0.01%	-
Tax differential on profits taxed outside France	-0.14%	0.31%	-1.07%
Effect of non-deductible losses for the period and of the use of tax loss carry-forwards	-	-	-
Group effective tax rate	**35.43%**	**34.08%**	**35.69%**

(2) *Amounts restated relative to the financial statements published in 2013, following the entry into force of IFRS 11, with retrospective application (see Note 2).*

In France, standard corporate income tax is 33.33%. In addition, companies pay a Social Security Solidarity Contribution of 3.3% (after a deduction from taxable income of €0.76 million), introduced in 2000, in addition to an Exceptional Contribution of 10.7% instituted for fiscal years 2013 and 2014 (versus 5% for 2011 and 2012), on all profitable companies generating revenue of more than €250 million.

Long-term capital gains on equity investments are tax-exempt, subject to taxation of a share for fees and expenses. As from December 31, 2012, in accordance with the 2013 Finance Act, this share of fees and expenses stands at 12% of the gross capital gain versus 10% of the net capital gain previously.

In addition, under the regime of parent companies and subsidiaries, dividends received from companies in which the equity investment is at least 5% are tax-exempt, subject to taxation at the standard rate of 5% for a share of fees and expenses.

The standard tax rate applicable to French companies to determine their deferred tax is 34.43% and the reduced rate is 4.13% given the type of transactions involved.

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

Period from January 1 to June 30, 2014

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and it 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-yearly management report.
This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general 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 Crédit du Nord, for the period from January 1 to June 30, 2014;
- the verification of the information presented in the half-yearly 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.

Without qualifying our conclusion, we draw your attention to note 1 "Accounting principles - Accounting principles and methods" and to note 2 "Changes in consolidation scope – Normative changes" which set out the consequences of the initial application of IFRS 11 "Joint Arrangements".

II- Specific variation

We have also verified the information presented in the half-yearly 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 its consistency with the condensed half-yearly consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, August 28, 2014

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES	ERNST & YOUNG et Autres
Jean-Marc MICKELER	Bernard HELLER

6 Capital adequacy ratio information under Pillar 3

The Basel 3 capital adequacy ratio was 11.1% at June 30, 2014 (with a Basel 3 Core Tier 1 ratio of 8.8%).

As a result, equity, Group share, stood at €2,543.9 million at June 30, 2014 (compared to €2,763.0 million at December 31, 2013). After taking account of prudential deductions, prudential Basel 3 Core Tier 1 capital came out at €1,511.8 million and Basel 3 risk-weighted assets stood at €17,111.8 million.

Risk-weighted assets can be broken down as follows by type of risk:

- credit risk exposure of €15,760.7 million, accounting for 92.1% of risk-weighted assets at June 30, 2014;
- market risk exposure of €103.4 million, accounting for 0.6% of risk-weighted assets at June 30, 2014;
- operational risk exposure of €1,247.7 million, accounting for 7.3% of risk-weighted assets at June 30, 2014.

Prudential capital, risk-weighted assets and capital adequacy ratios

(in EUR million)	30/06/2014 [1] Basel 3	31/12/2013 Basel 2
Consolidated equity, Group share (IFRS)	2,543.9	2,763.0
Non-controlling interests, after estimated dividend payout	-	21.5
Intangible assets	-135.5	-142.4
Goodwill	-508.0	-508.0
Theoretical dividends	-175.4	-411.7
Other regulatory adjustments	-213.2	-108.6
TOTAL TIER 1 CAPITAL	**1,511.8**	**1,613.8**
Basel 2 deductions [2]	-	-113.5
Additional Tier 1 capital	-81.7	-
TOTAL TIER 1 CAPITAL	**1,430.1**	**1,500.3**
Tier 2 capital	469.1	542.4
Basel 2 deductions [2]	-	-113.5
TOTAL TIER 2 CAPITAL	**469.1**	**428.9**
TOTAL REGULATORY CAPITAL (TIER 1 + TIER 2)	**1,899.2**	**1,929.2**
Credit risk-weighted assets	15,760.7	16,433.1
Market risk-weighted assets	103.4	1.1
Operational risk-weighted assets	1,247.7	1,181.3
TOTAL GROSS OUTSTANDINGS	**17,111.8**	**17,615.5**
CAPITAL ADEQUACY RATIOS		
CORE TIER 1 RATIO	8.8%	-
TIER 1 RATIO	8.4%	8.5%
OVERALL CAPITAL ADEQUACY RATIO	11.1%	11.0%

(1) All published capital adequacy ratios are determined according to CRR/CRD4 rules, with the benefit of the phase-in measures, unless otherwise indicated.
(2) 50% of Basel 2 deductions in respect of December 31, 2013 are applied to Tier 1 capital and 50% to Tier 2 capital.

7 Cross Reference

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2. Cross Reference table for the Interim Financial Report

In accordance with Article 212-13 of the General Regulations of the *Autorité des Marchés Financiers* (French Securities Regulator), the present update includes information from the interim financial statements described in Article 222-4 of the General Regulations of the Autorité des Marchés Financiers:

Registration Document filed with the Autorité des Marchés Financiers on April 28, 2014 under number D.14-0420

AUTORITÉ
DES MARCHÉS FINANCIERS

AMF

This update to the Registration Document was filed with the Autorité des Marchés Financiers (AMF) on August 29, 2014 under number D. 14-0420-A01. It may be used to support a financial transaction if accompanied by an information documented approved by the AMF. This document was established by the issuer and is binding upon its signatory.

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