GROUPAMA

COMBINED FINANCIAL STATEMENTS
30 JUNE 2014
IFRS

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FINANCIAL STATEMENTS

GROUPAMA
COMBINED BALANCE SHEET (in millions of euros)

ASSETS		30.06.2014	31.12.2013
Goodwill	Note 2	2,189	2,188
Other intangible assets	Note 3	360	404
Intangible assets		**2,548**	**2,592**
Investment property excluding unit-linked items	Note 4	1,310	1,310
Unit-linked investment property	Note 7	108	104
Operating property	Note 5	1,086	1,099
Financial investments excluding unit-linked items	Note 6	74,876	67,609
Unit-linked financial investments	Note 7	5,616	5,212
Derivative instruments and separate embedded derivatives	Note 8	201	280
Insurance business investments		**83,197**	**75,614**
Funds used in banking sector activities and investments of other business activities	Note 9	**3,615**	**3,265**
Investments in associates and joint ventures	Note 10	**1,041**	**1,053**
Share of outward reinsurers and retrocessionaires in liabilities related to insurance policies and financial contracts	Note 11	**8,319**	**8,410**
Other property, plant and equipment		247	251
Deferred acquisition costs		309	294
Deferred profit-sharing assets	Note 12		
Deferred tax assets	Note 13	362	429
Receivables arising from insurance and inward reinsurance operations	Note 14	4,387	2,738
Receivables arising from outward reinsurance operations		178	176
Current tax receivables and other tax receivables		187	297
Other receivables	Note 15	2,384	2,365
Other assets		**8,053**	**6,550**
Assets held for sale and discontinued business activities			
Cash and cash equivalents	Note 16	**1,174**	**1,075**
TOTAL		**107,948**	**98,559**

The notes on pages 14 to 105 are an integral part of the combined financial statements.

GROUPAMA
COMBINED BALANCE SHEET (in millions of euros)

LIABILITIES		30.06.2014	31.12.2013
Capital		32	32
Revaluation reserve	Note 17	1,433	928
Other reserves		6,620	5,824
Foreign exchange adjustments		(415)	(413)
Combined income		140	283
Shareholders' equity (Group share)		**7,810**	**6,654**
Non-controlling interests		14	15
Total shareholders' equity		**7,824**	**6,669**
Provisions for contingencies and charges	Note 18	**606**	**604**
Financial debt	Note 19	**1,493**	**1,941**
Technical liabilities relating to insurance policies	Note 20	**56,790**	**53,530**
Technical liabilities relating to financial contracts	Note 21	**18,017**	**18,688**
Deferred profit-sharing liabilities	Note 12	**2,857**	**328**
Resources from banking sector activities	Note 9	**3,225**	**2,861**
Deferred tax liabilities	Note 13	425	375
Debts to unit holders of consolidated mutual funds		724	539
Operating debts to banking sector companies	Note 16	379	198
Debts arising from insurance or inward reinsurance operations		764	829
Debts arising from outward reinsurance operations		7,394	7,493
Current taxes payable and other tax liabilities		207	281
Derivative instrument liabilities	Note 8	693	543
Other debts	Note 22	6,550	3,682
Other liabilities		**17,136**	**13,939**
Liabilities of business activities to be sold or discontinued			
TOTAL		**107,948**	**98,559**

The notes on pages 14 to 105 are an integral part of the combined financial statements.

GROUPAMA
COMBINED INCOME STATEMENT (in millions of euros)

INCOME STATEMENT		30.06.2014	30.06.2013
Written premiums	Note 23	9,047	9,088
Change in unearned premiums		(2,262)	(2,212)
Earned premiums		**6,785**	**6,876**
Net banking income, net of cost of risk		**95**	**98**
Investment income		1,313	1,335
Investment expenses		(357)	(309)
Capital gains or losses from disposal of investments net of impairment and depreciation write-backs		343	431
Change in fair value of financial instruments recorded at fair value through income		188	(27)
Change in impairment on investments		(5)	(17)
Investment income net of expenses	Note 24	**1,482**	**1,413**
Total income from ordinary business activities		**8,362**	**8,388**
Insurance policy servicing expenses	Note 25	(6,259)	(6,153)
Income from outward reinsurance	Note 26	287	358
Expenses on outward reinsurance	Note 26	(468)	(553)
Net outward reinsurance income and expenses		**(6,441)**	**(6,348)**
Banking operating expenses		(94)	(100)
Policy acquisition costs		(902)	(912)
Administrative costs		(251)	(318)
Other current operating income and expenses		(407)	(379)
Total other current income and expenses		**(8,095)**	**(8,057)**
CURRENT OPERATING INCOME		**267**	**331**
Other operating income and expenses	Note 27	(27)	(63)
OPERATING INCOME		**241**	**268**
Financing expenses	Note 28	(48)	(46)
Share in income of related companies	Note 10	(12)	(16)
Corporate income tax	Note 29	(39)	(19)
NET INCOME FROM CONTINUING BUSINESS ACTIVITIES		**141**	**187**
Net income from discontinued business activities			
OVERALL NET INCOME		**141**	**187**
of which, non-controlling interests		1	0
OF WHICH, NET INCOME (GROUP SHARE)		**140**	**187**

The notes on pages 14 to 105 are an integral part of the combined financial statements.

GROUPAMA
STATEMENT OF NET INCOME AND GAINS (LOSSES) RECOGNISED DIRECTLY IN SHAREHOLDERS' EQUITY
(in millions of euros)

In millions of euros	30.06.2014			30.06.2013		
	Group share	Non-controlling interests	Total	Group share	Non-controlling interests	Total
Net income for fiscal year	**140**	**1**	**141**	**187**		**187**
Gains and losses recognised directly in shareholders' equity						
Items recyclable to income						
Change in foreign exchange adjustments	(2)		(2)	(37)	1	(36)
Change in gross unrealised capital gains and losses on available-for-sale assets	3,199	7	3,206	(1,058)	(7)	(1,065)
Revaluation of hedging derivatives						
Change in shadow accounting	(2,554)	(6)	(2,560)	812	4	816
Change in deferred taxes	(140)		(140)	292	1	293
Other changes	2	(1)	1	(5)	1	(4)
Items not recyclable to income						
Restatement of net actuarial debt from pension commitments (defined-benefit schemes)	(20)		(20)	10		10
Change in deferred taxes	5		5	(3)		(3)
Other changes						
Total gains (losses) recognised directly in shareholders' equity	**490**		**490**	**11**	**0**	**11**
Net income and gains (losses) recognised in shareholders' equity	**630**	**1**	**631**	**198**	**0**	**198**

The statement of net income and gains (losses) recognised directly in shareholders' equity – an integral part of the financial statements – includes, in addition to the net income for the year, the change in the reserve for gross unrealised capital gains (losses) on available-for-sale assets, minus deferred profit-sharing and deferred taxes, as well as the change in the reserve for foreign exchange adjustments and the actuarial gains (losses) on post-employment benefits.

The notes on pages 14 to 105 are an integral part of the combined financial statements.

GROUPAMA
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (in millions of euros)

In millions of euros	Capital	Income (Loss)	Subordinated securities	Consolidated reserves	Revaluation reserves	Foreign exchange adjustment	Shareholders' equity (Group share)	Share of non-controlling interests	Total shareholders' equity
Shareholders' equity as at 31.12.2012	**32**	**(589)**	**999**	**5,438**	**720**	**(320)**	**6,280**	**18**	**6,298**
Allocation of 2012 income (loss)		589		(589)					
Dividends [(1)]				(41)			(41)	(1)	(42)
Change in capital									
Business combinations				(4)			(4)	(4)	(8)
Impact of transactions with Shareholders		**589**		**(634)**			**(45)**	**(5)**	**(50)**
Foreign exchange adjustments						(93)	(93)		(93)
Available-for-sale assets					(203)		(203)	(3)	(206)
Shadow accounting					267		267	1	268
Deferred taxes				(8)	144		136	1	137
Actuarial gains (losses) of post-employment benefits				23			23		23
Other				6			6	1	7
Net income for the period		283					283	2	285
Total income (expenses) recognised over the period		**283**		**21**	**208**	**(93)**	**419**	**2**	**421**
Total changes over the period		**872**		**(613)**	**208**	**(93)**	**374**	**(3)**	**371**
Shareholders' equity as at 31.12.2013	**32**	**283**	**999**	**4,825**	**928**	**(413)**	**6,654**	**15**	**6,669**
Allocation of 2013 income (loss)		(283)		283					
Dividends [(1)]				(23)			(23)	(2)	(25)
Change in capital									
Business combinations									
Other			549				549		549
Impact of transactions with Shareholders		**(283)**	**549**	**260**			**526**	**(2)**	**524**
Foreign exchange adjustments						(2)	(2)		(2)
Available-for-sale assets					3,199		3,199	7	3,206
Shadow accounting					(2,554)		(2,554)	(6)	(2,560)
Deferred taxes				5	(140)		(135)		(135)
Actuarial gains (losses) of post-employment benefits				(20)			(20)		(20)
Other				2			2	(1)	1
Net income for the period		140					140	1	141
Total income (expenses) recognised over the period		**140**		**(13)**	**505**	**(2)**	**630**	**1**	**631**
Total changes over the period		**(143)**	**549**	**247**	**505**	**(2)**	**1,156**	**(1)**	**1,155**
Shareholders' equity as at 30.06.2014	**32**	**140**	**1,548**	**5,072**	**1,433**	**(415)**	**7,810**	**14**	**7,824**

(1) These being dividends that impact the change in shareholders' equity (group share), they are treated as compensation for deeply subordinated securities classified as equity according to IFRS rules.

In millions of euros	Capital	Income (Loss)	Subordinated securities	Consolidated reserves	Revaluation reserves	Foreign exchange adjustment	Shareholders' equity (Group share)	Share of non-controlling interests	Total shareholders' equity
Shareholders' equity as at 31.12.2012	**32**	**(589)**	**999**	**5,438**	**720**	**(320)**	**6,280**	**18**	**6,298**
Allocation of 2012 income (loss)		589		(589)					
Dividends (1)				(20)			(20)	(1)	(21)
Change in capital									
Business combinations								(4)	(4)
Impact of transactions with Shareholders		**589**		**(609)**			**(20)**	**(5)**	**(25)**
Foreign exchange adjustments						(37)	(37)	1	(36)
Available-for-sale assets					(1,058)		(1,058)	(7)	(1,065)
Shadow accounting					812		812	4	816
Deferred taxes				(3)	292		289	1	290
Actuarial gains (losses) of post-employment benefits				10			10		10
Other				(5)			(5)	1	(4)
Net income for the period		187					187		187
Total income (expenses) recognised over the period		**187**		**2**	**46**	**(37)**	**198**		**198**
Total changes over the period		**776**		**(607)**	**46**	**(37)**	**178**	**(5)**	**173**
Shareholders' equity as at 30.06.2013	**32**	**187**	**999**	**4,831**	**766**	**(357)**	**6,458**	**13**	**6,471**

(1) These being dividends that impact the change in shareholders' equity (group share), they are treated as compensation for deeply subordinated securities classified as equity according to IFRS rules.

The notes on pages 14 to 105 are an integral part of the combined financial statements.

GROUPAMA
CASH FLOW STATEMENT (in millions of euros)

CASH FLOW STATEMENT	30.06.2014	30.06.2013
Operating income before taxes	241	268
Capital gains (losses) on the sale of investments	(284)	(87)
Net allocations to depreciation	128	143
Change in deferred acquisition costs	(14)	(2)
Change in impairment	(59)	(315)
Net allocations to technical liabilities related to insurance policies and financial contracts	2,670	2,263
Net allocations to other reserves	(13)	12
Change in fair value of financial instruments and investments recognised at fair value through income (excluding cash and cash equivalents)	(188)	27
Other non-cash items included in operating income	16	23
Correction of elements included in the operating income other than cash flows and reclassification of investment and financing flows	**2,256**	**2,064**
Change in operating receivables and payables	(1,097)	(1,719)
Change in banking operating receivables and payables	(321)	(534)
Change in repo and reverse-repo securities	2,319	(563)
Cash flows from other assets and liabilities	(136)	134
Net tax paid	(75)	(141)
Net cash flows from operating activities	**3,187**	**(491)**
Acquisitions/disposals of subsidiaries and joint ventures, net of cash acquired		(7)
Shareholdings/disposals in related companies	(6)	
Cash flows due to changes in scope of consolidation	**(6)**	**(7)**
Net acquisitions of financial investments (including unit-linked investments) and derivatives	(3,553)	(354)
Net acquisitions of investment property	(12)	14
Net acquisitions and/or issues of investments and derivatives relating to other activities		
Other non-cash items		
Cash flows relating to investment acquisitions and issues	**(3,565)**	**(340)**
Net acquisitions of property, plant and equipment, intangible fixed assets and operating property	(71)	(87)
Cash flows from acquisitions and disposals of property, plant and equipment and intangible fixed assets	**(71)**	**(87)**
Net cash flows from investment activities	**(3,642)**	**(434)**
Membership fees		
Issue of equity instruments *	1,100	
Redemption of equity instruments *	(551)	
Transactions involving own shares		
Dividends paid(1)	(25)	(21)
Cash flows from transactions with shareholders and members	**524**	**(21)**
Cash allocated to financial debt *	(448)	(3)
Interest paid on financial debt	(48)	(46)
Cash flows from group financing	**(496)**	**(49)**
Net cash flows from financing activities	**28**	**(70)**

Cash and cash equivalents at 1 January	**1,239**	**2,068**
Net cash flows from operating activities	3,187	(491)
Net cash flows from investment activities	(3,642)	(434)
Net cash flows from financing activities	28	(70)
Cash flows from sold or discontinued assets and liabilities		
Effect of foreign exchange variation on cash flow	5	(14)
Cash and cash equivalents at 30 June	**817**	**1,059**

(1) They correspond to payment for deeply subordinated securities classified in equity under IFRS.
*see note 17.2 regarding the subordinated debt exchange operation.

The increase in the line item “Change in repo and reverse-repo securities” is offset by the decrease in the line item “Net acquisitions of financial investments”.

CASH FLOW STATEMENT	30.06.2014
Cash and cash equivalents	1,076
Cash, central bank, postal bank and accounts receivable from banking businesses	361
Operating debts to banking sector companies	(198)
Cash and cash equivalents at 1 January 2014	**1,239**
Cash and cash equivalents	1,174
Cash, central bank, postal bank and accounts receivable from banking businesses	22
Operating debts to banking sector companies	(379)
Cash and cash equivalents at 30 June 2014	**817**

The notes on pages 14 to 105 are an integral part of the combined financial statements.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. SIGNIFICANT EVENTS AND POST-BALANCE SHEET EVENTS

Financial rating

On 11 February 2014, the rating agency Fitch upgraded the rating of Groupama SA and its subsidiaries from BBB- to BBB. It also assigned a positive outlook to this rating.

Changes in the strategic securities held by Groupama

Groupama continued to rebalance its asset portfolio under favourable pricing conditions.

Groupama thus sold its entire stake in Compagnie de Saint-Gobain, representing approximately 1.8% of the company's capital, to institutional investors.

Debt refinancing

On 22 May 2014, Groupama entered into an agreement for the issue and placement of perpetual subordinated bonds with institutional investors for a total of €1.1 billion, with an annual coupon of 6.375%. This operation contributes to the active management of Groupama's capital. It aims to extend the maturity of its debt profile and strengthen the group's financial flexibility.

The offer to exchange all its subordinated bonds issued in 2005 and a portion of its deeply subordinated instruments issued in 2007 for the new perpetual subordinated bonds was widely successful with institutional investors holding the two instruments, since the transformation rate reached 91% on the subordinated bonds issued in 2005 and the 55% ceiling set by the group on deeply subordinated instruments issued in 2007.

Institutional investors also showed great interest in the proposed new instrument: the additional bond in euros met with strong demand, with an order book subscribed more than 10 times.

These subordinated bonds are rated BB by the rating agency Fitch, just like other subordinated debts of Groupama SA.

Governance

The Board of Directors of Groupama Centre Manche appointed Marie-Ange Dubost as Chairperson as from 17 June 2014.

In addition, Pascal Loiseau was appointed Chief Executive Officer of the Centre Manche regional mutual, and Michel Penet was appointed Chief Executive Officer of Groupama Méditerranée.

POST-BALANCE SHEET EVENTS

None

2. COMBINATION PRINCIPLES, METHODS AND SCOPE

2.1. EXPLANATORY NOTE

Groupama SA is a French *société anonyme* (public limited company) nearly wholly owned, directly or indirectly, by the Caisses Régionales d'Assurances et de Réassurances Mutuelles Agricoles and the Caisses Spécialisées ("Specialised Mutuals", regional mutuals), which form the Mutual Insurance Division of Groupama. Groupama SA is domiciled in France. Its registered offices are at 8-10, rue d'Astorg, 75008, Paris, France.

The breakdown of share capital as at 30 June 2014 was as follows:

- 90.96% by Groupama Holding;
- 8.99% by Groupama Holding 2;
- 0.05% by the former and current agents and employees of Groupama SA (directly or through collective employee shareholding plans – FCPEs).

Both Groupama Holding and Groupama Holding 2, which are French *sociétés anonymes*, are wholly owned by the regional mutuals.

Groupama SA is a non-life insurance and reinsurance company, the sole reinsurer for the regional mutuals and the holding company for the equity management division of the Groupama Group. Its business activities are:

- to define and implement the operational strategy of the Groupama Group in collaboration with the regional mutuals and in line with the strategies defined by Fédération Nationale Groupama;
- to reinsure the regional mutuals;
- to direct all subsidiaries;
- to establish the reinsurance programme for the entire Group;
- to manage direct insurance business;
- to prepare the consolidated and combined financial statements.

The consolidated financial statements of Groupama SA incorporate the reinsurance ceded by the regional mutuals as well as the activity of the subsidiaries.

The combined financial statements relate to the Groupama group and include all local mutuals, regional mutuals, Groupama SA and its subsidiaries.

For its activities, the company is governed by the French Commercial Code and the French Insurance Code and is supervised by the Prudential Control and Resolution Authority.

Relationships among the various entities of the Group are governed by the following:

- within the Groupama SA division, by capital ties. The subsidiaries included in this division are consolidated in the financial statements. Moreover, in exchange for a certain operational autonomy, each of the subsidiaries is subject to the requirements and obligations defined by the Groupama SA environment, particularly in terms of control;
- in the Mutual Insurance Division:
  - by an internal reinsurance treaty that binds the regional mutuals to Groupama SA;
  - by a security and joint liability agreement between all the regional mutuals and Groupama SA ("Convention defining the security and joint solidarity mechanisms of the Caisses de Reassurance Mutuelle Agricoles that are members of Fédération Nationale Groupama", which was signed on 17 December 2003).

2.2. GENERAL PRESENTATION OF THE COMBINED FINANCIAL STATEMENTS

The combined financial statements as at 30 June 2014 were approved by the Board of Directors, which met on 31 July 2014.

For the purposes of preparing the combined financial statements, the financial statements of each combined entity are prepared consistently in accordance with the International Financial Reporting Standards and the interpretations applicable as at 30 June 2014 as adopted by the European Union, the principal terms of which are applied by Groupama SA as described below.

The standards and interpretations with mandatory application for fiscal years opened on or after 1 January 2014 have been applied for the preparation of the Group's financial statements as at 30 June 2014. Their application had no significant effect on the Group's financial statements as at 30 June 2014. They are listed below and in the related notes:

- IFRS 10: Consolidated financial statements;
- IFRS 11: Joint arrangements;
- IFRS 12: Disclosure of interests in other entities;
- Amended IAS 28: Investments in associates and joint ventures;
- Amendments to IFRS 10, IFRS 11, and IFRS 12: Transition guidance;
- Amendments to IFRS 10, IFRS 12, and IAS 27: Investment entities.
- Amendments to IAS 32: Financial instruments: Presentation – Offsetting financial assets and liabilities;
- Amendments to IAS 36: Recoverable amount disclosures for non-financial assets
- Amendments to IAS 39: Novation of derivatives and continuation of hedge.

The interim financial statements have been prepared in accordance with IAS 34, in condensed form.

IFRIC 21 "Taxes" adopted by the European Union in June 2014 was not applied in advance. An analysis is currently underway to assess its potential impact on the Group's financial statements. At this stage, no significant impact is expected.

The decisions made by the Group are based primarily on the summary of the work of the French Accounting Standards Board working groups on the specific requirements for the implementation of IFRS by insurance entities.

Subsidiaries, joint ventures, and associated entities of the combination scope are consolidated within the scope in accordance with the provisions of IFRS 10, IFRS 11, and IAS 28.

However, no IFRS standard specifically deals with the methods for aggregating the financial statements of entities forming the Mutual Insurance Division (local mutuals and regional mutuals). The Group has therefore adopted the combination rules defined in section VI of Regulation no. 2000-05 of the Accounting Regulatory Committee related to the rules for consolidation and combination of companies governed by the French Insurance Code and provident institutions governed by the French Social Security Code or by the French Rural Code.

This choice was made in accordance with the judgement criteria of article 10 of IAS 8 (on the selection and application of accounting methods in the absence of a standard or an interpretation that is specifically applicable) because of the characteristics of Groupama's Mutual Insurance Division described above.

The Group adopted IFRS for the first time for the preparation of the 2005 financial statements.

In the notes, all amounts are stated in millions of euros unless specified otherwise.

In order to prepare the Group's financial statements in accordance with IFRS, Groupama's management must make assumptions and estimates that have an impact on the amount of assets, liabilities, income, and expenses as well as on the drafting of the related notes.

These estimates and assumptions are reviewed on a regular basis. They are based on past experience and other factors, including future events which can be reasonably expected to occur under the circumstances.

The actual future results of operations for which estimates were necessary may prove to be different and may result in an adjustment to the financial statements.

The judgments made by management pursuant to the application of IFRS primarily concern:

- initial valuation and impairment tests performed on intangible assets, particularly goodwill (Notes 3.1.1 and 3.1.2),
- evaluation of technical reserves (Note 3.12),
- estimate of certain fair values on unlisted assets or real estate assets (Notes 3.2.1 and 3.2.2),
- estimate of certain fair values of illiquid listed assets (Notes 3.2.1),
- recognition of profit-sharing assets (Note 3.12.2.b) and deferred tax assets (Note 3.13),
- calculation of provisions for contingencies and charges and particularly valuation of employee benefits (Note 3.10).

2.3. CONSOLIDATION PRINCIPLES

2.3.1. Combination and consolidation scope and method

A company is included in the combination scope once its combination, or that of the sub-group, which it heads, on a stand-alone basis or with other combined businesses, is material in relation to the combined financial statements of all companies included in the scope of combination. An insurance and banking operational entity controlled by the Group is combined once this entity's shareholders' equity, balance sheet, or earned premiums represent, respectively, €30 million on the combined shareholders' equity or €50 million on the total of the combined balance sheet, or €10 million on the Group's earned premiums.

In accordance with the provisions of IFRS 10 and IAS 28, mutual funds and property investment companies are consolidated either through full consolidation or through the equity method. Control is examined for each mutual fund on a case-by-case basis. However, mutual funds with outstanding funds exceeding €100 million are consolidated once the Group directly or indirectly holds at least 50% of the voting rights. Non-controlling interests pertaining to mutual funds subject to full consolidation are disclosed separately as a special financial liability item in the IFRS balance sheet. Underlying financial assets appear in the Group's insurance business investments.

- **Combining company**

The combining company is responsible for preparing the combined financial statements. Its designation is the subject of a written agreement between all companies of the combination scope, the cohesion of which does not result in any capital tie.

- **Aggregated companies**

Companies related to each other through a combination tie are consolidated through aggregation of financial statements according to rules identical to those for full consolidation.

- **Controlled entities**

Controlled entities are fully consolidated. These entities are consolidated once they are controlled. An entity is controlled when the combining company holds power over this entity, is exposed or is entitled to variable returns because of its ties with this entity, and when it has the ability to exercise its power over this entity in order to have an influence on the amount of returns that it obtains.

An entity ceases to be fully consolidated once the combining company loses control of this entity.

Full consolidation involves:

- integrating in the consolidating company's accounts the items in the financial statements of the consolidated entities, after any restatements;
- eliminating transactions and accounts between the fully consolidated company and the other consolidated companies;
- distributing shareholders' equity and net income among the interests of the consolidating company and the interests of the holders of minority interests.

- **Associates and joint ventures**

Investments in associates in which the Group has a significant influence and investments in joint ventures are accounted for under the equity method.

When the combining company holds, directly or indirectly, 20% or more of the voting rights in an entity, it is assumed to exert significant control, unless it is otherwise demonstrated. Conversely, when the combining entity holds directly or indirectly less than 20% of the voting rights of the company, it is assumed not to exert a significant influence, unless it can be demonstrated that such influence exists.

A joint venture is a partnership in which the parties who exercise joint control over the entity have rights to its net assets.

The combining company has joint control over a partnership when the decisions concerning the relevant activities of the partnership require the unanimous consent of the parties sharing control.

The equity method consists of replacing the carrying amount of the shares held by the Group, the share of shareholders' equity converted at year end, including the net income for the fiscal year in accordance with consolidation rules.

- **Deconsolidation**

When an entity is in run-off (i.e., it has ceased taking on new business) and if the principal balance sheet and income statement totals do not exceed (except in exceptional circumstances) the limits of 0.5% of written premiums, employees, income, 1% of combined shareholders' equity, technical reserves and balance sheet assets, as well as 3% of goodwill (these limits are measured in relation to the Group total), the entity is no longer consolidated.

The securities of such entity are then posted on the basis of their equivalent value, under securities held for sale at the time of deconsolidation. Subsequent changes in values are recorded in accordance with the methodology defined for this type of securities.

2.3.2 Changes in scope of combination

Changes in the scope of combination are described in Note 31 of the notes to the financial statements.

2.3.3. Uniformity of accounting principles

The Groupama SA combined financial statements are presented consistently for the entity formed by the companies included within the scope of combination, taking into account the characteristics inherent in consolidation and the financial reporting objectives required for consolidated financial statements (predominance of substance over form, elimination of local tax accounting entries).

Restatements under the principles of consistency are made when they are material.

2.3.4. Conversion of financial statements of foreign companies

Balance sheet items are translated to euros (the functional and presentation currency of the Group's financial statements) at the official exchange rate on the balance sheet date, with the exception of shareholders' equity, excluding net income, which is translated at historic rates. The Group share of the resulting unrealised foreign exchange adjustment is recorded under "Unrealised foreign exchange adjustments" and the remaining balance is included in "Non-controlling interests".

Transactions on the income statements are translated at the average rate. The Group share of the difference between income translated at the average rate and income translated at the closing rate is recorded under "Unrealised foreign exchange adjustments" and the remaining balance is included in "Non-controlling interests".

2.3.5 Internal transactions between companies combined by Groupama

All transactions within the Group are eliminated.

When these transactions affect combined income, the elimination of profits and losses as well as capital gains and losses is done at 100% then divided between the interests of the combining company and the non-controlling interests in the company having generated the income. When eliminating losses, the Group ensures that the value of the disposed asset is not changed for the long term. The elimination of impacts of internal transactions involving assets brings them down to their value when they entered the combined balance sheet (consolidated historical cost).

Thus, inter-company transactions on the following must be eliminated:

- reciprocal receivables and payables as well as reciprocal income and expenses;
- notes receivable and notes payable are offset but, if the receivable is discounted, the credit facility granted to the Group is substituted for the note payable;
- transactions affecting commitments received and given;
- inward reinsurance, outward reinsurance and retrocessions;
- co-insurance and co-reinsurance operations and pooled management;
- broker and intermediation transactions;
- contractual sharing of premium income of group policies;
- reserves for the write-down of equity interests funded by the Company holding the securities and, if applicable, provisions for contingencies and charges recognised because of losses suffered by exclusively controlled companies;
- transactions on forward financial instruments;
- capital gains and losses from internal transfer of insurance investments;
- intra-Group dividends.

3. ACCOUNTING PRINCIPLES AND VALUATION METHODS USED

3.1. INTANGIBLE ASSETS

3.1.1 Goodwill

Goodwill on first-time consolidation corresponds to the difference between the acquisition cost of the securities of consolidated companies and the Group’s share in restated shareholders’ equity as at the acquisition date. When not assigned to identifiable items on the balance sheet, goodwill is recorded on the balance sheet in a special asset item as an intangible asset.

Residual goodwill results from the price paid above the Group’s share in the fair value of the identifiable assets and liabilities of the acquired company as at the acquisition date, revalued for any intangible assets identified in the acquisition accounting according to revised IFRS 3 (fair value of assets and liabilities acquired). The price paid is the best possible estimate of the price supplements (earn-outs, payment deferrals, etc.).

The residual balance therefore corresponds to the valuation of the share of income expected on future production. This expected performance, which is reflected in the value of future production, results from the combination of intangible items that are not directly measurable. Such assets are assessed based on multiples or forecast future income that served as the valuation base for the price paid on acquisition and are used to establish the value of goodwill stated above.

For combinations prior to 1 January 2010, adjustments of future earn-outs are accounted for as an adjustment cost, and in income for combinations made starting from 1 January 2010.

For business combinations completed on or after 1 January 2010, the costs directly attributable to the acquisition are recorded in expenses as and when they are incurred.

For each acquisition, a decision is made whether to value non-controlling interests at fair value or for their share of the identifiable net assets of the acquired company.

The subsequent acquisition of non-controlling interests does not result in the creation of additional goodwill.

Operations for the acquisition and disposal of non-controlling interests in a controlled company that have no impact on the control exercised over that company are recorded in the Group’s shareholders’ equity.

Goodwill is allocated to the cash-generating units (CGU) of the acquiring company and/or the acquired company which are expected to take advantage of the business combination. A CGU is defined as the smallest group of assets that produces cash flows independently of other assets or groups of assets. With management units, management tools, geographic regions or major business lines, a CGU is created by combining entities of the same level.

Goodwill resulting from the acquisition of a foreign entity outside the eurozone is recorded in the local currency of the acquired entity and translated to euros at the closing rate. Subsequent foreign exchange fluctuations are posted to foreign exchange translation reserves.

For entities acquired during the fiscal year, the Group has twelve months from the acquisition date to assign a final value to the acquired assets and liabilities.

In a business combination achieved in stages, the previously acquired stake in control is revalued at fair value and the resulting adjustment recorded through income.

Residual goodwill is not amortised, but is subject to an impairment test at least once a year on the same date. The Group reviews the goodwill’s book value in case of an unfavourable event occurring between two annual tests. Impairment is recorded when the recoverable amount of the cash generating unit to which the goodwill is allocated is less than its net book value. Recoverable value is defined as fair value less cost of sales, or value in use, whichever is higher.

Fair value, less sales costs, is computed as follows, in accordance with the recommendations of IAS 36 (§25 to 27):

- the sales price shown in a final sales agreement;

- the market value less selling costs if there is an active market;

- otherwise, the best possible information, with reference to comparable transactions.

Value in use corresponds to the current expected value of future cash flows to be generated by the cash generation unit.

Goodwill, recorded at the initial business combination, the value of which is not material or requires disproportionate valuation work in relation to its value, is immediately expensed in the year.

An impairment of goodwill recognised during a previous fiscal year may not be subsequently written back.

If the acquirer's interest in the net fair value of the identifiable assets, liabilities and reserves exceeds the acquisition cost of the company's shares, the identification and valuation of the assets, liabilities and reserves and the valuation of the cost of the combination is reassessed. If, after this revaluation, the share acquired remains greater than the acquisition cost, this excess is immediately recognised in income.

If an entity is taken over, a sale option may be granted to holders of non-controlling interests. The option to sell results in the Group's obligation to buy the securities held by the minority at a specified strike price and at a future date (or period of time) if the minority holder exercises its right. This obligation is reflected in the financial statements by a debt valued at the strike price of this discounted right.

The offset of this debt, equal to the price of the option (value of the share), is recognised in goodwill for put options granted before 1 January 2010 or as a reduction of non-controlling interests and/or shareholders' equity for put options contracted subsequent to this date.

3.1.2 Other intangible assets

Intangible fixed assets are identifiable assets, controlled by the entity because of past events and from which future economic benefits are expected for the entity.

They primarily include values in force and investment contracts, customer relations values and network values and brands, determined during business combinations, as well as software acquired and developed.

Amortisable intangible insurance assets (specifically including values in force and investment contracts, the value of customer relations and the value of the networks) are depreciated as margins are discharged over the lifetime of the policy portfolios. A recoverability test is performed each year, based on experience and anticipated changes in major assumptions, and may result in impairment.

Software acquired and developed has a finite lifetime and is generally amortised on a straight-line basis over that lifetime.

Other intangible assets that do not have a finite lifetime are not amortised but do routinely undergo an impairment.

Start-up costs are expensed rather than capitalised.

3.2 INSURANCE BUSINESS INVESTMENTS

Investments and any impairment thereon are valued in accordance with IFRS based on the asset class of the investments.

3.2.1. Financial assets

Equities, bonds, loans and receivables, derivatives and bank accounts are considered financial assets.

- **Classification**

Financial assets are classified in one of the following four categories:

- There are two types of assets at fair value through income:
  - Investments held for trading, which are investments for which the management intention is to generate income in the short term. If there have been short-term sales in the past, such assets may also be classified in this category,
  - Financial assets designated as optional (held for trading or fair value option), provided they comply with the following criteria:
    - asset/liability matching to avoid any accounting mismatch;
    - hybrid instruments including one or more embedded derivatives;
    - group of financial assets and/or liabilities that are managed and the income of which is valued at fair value.
- Assets held to maturity include fixed-term investments that the Company expressly intends, and is able, to hold until maturity. The Group does not use this category, with the exception of certain perfectly backed portfolios that meet the criteria defined above.
- The category of loans and receivables includes assets with a defined payment or a payment that can be defined, which are not listed for trading on an active market.
- Available-for-sale assets (stated at fair value via shareholders' equity) include by default all other fixed-term financial investments, equities, loans and receivables that are not included in the other categories.

- **Reclassifications**

A financial asset may, under exceptional circumstances, be reclassified outside the category of investments held for trading.

A financial asset classified as available-for-sale may be reclassified outside the category of assets available-for-sale, into:

- The category of investments held to maturity when the intent or capacity of the Company changes or when the entity no longer has a reliable assessment of fair value,
- the category of loans and receivables when the financial asset meets the definition of loans and receivables on the date of the reclassification and when the entity has the intent and the capacity to hold the financial asset for the foreseeable future or until its maturity.

A financial asset classified in the category of investments held to maturity may be reclassified exceptionally as available-for-sale if the entity's intent or capacity has changed.

➢ Initial recognition

The Group recognises its financial assets when it becomes party to the contractual provisions of these assets.

Purchases and sales of financial investments are recorded on the transaction date.

Financial assets are initially recorded at fair value plus; for assets not valued at fair value through income, the transaction costs directly chargeable to the acquisition. However, when immaterial the transaction costs are not included in the acquisition cost of the financial assets.

Repurchase transactions are maintained as assets on the balance sheet.

➢ Fair value valuation methods

The fair value of financial assets is the amount for which an asset could be exchanged between well-informed, consenting parties, acting under normal market conditions.

The fair value of a financial instrument corresponds to its listed stock price on an active market. When the market for this financial instrument is not active, its fair value is valued by valuation techniques using observable market data when available or, when not available, by resorting to assumptions that imply some judgement.

Pursuant to the amendment to IFRS 7 issued by the IASB in March 2009 and IFRS 13, financial instruments (assets and liabilities) valued at fair value are classified according to a three-level hierarchy. These levels depend on whether a valuation model is used and the data sources used to populate the valuation models:

- level 1 corresponds to a price listed in an active market to which the entity may have access on the valuation date,
- level 2 corresponds to the fair value determined on the basis of a valuation model using data directly observable on an active market or data that can be determined from prices observed,
- level 3 corresponds to the fair value determined on the basis of a valuation model using data not observable on a market.

Valuation techniques include the use of recent transactions under conditions of normal competition between informed and consenting parties, if available, reference to the current fair value of another instrument identical in substance, analysis of discounted cash flows, and option valuation models.

➢ Valuation rules

The valuation rules and any impairment must be understood as depending on the classification of the financial instrument in one of the four categories given above.

Assets held for trading and those for which the option to include them in this category has been applied are recorded in the income statement at the closing fair value.

Financial assets held to maturity, unlisted equities for which the fair value cannot be valued reliably, and loans and receivables are recorded at amortised cost or historic cost. The amortised cost is the amount at which the asset was valued at the time of initial recognition, minus repayments of principal, plus or minus the cumulative amortisation of the differences between the initial amount and the amount at maturity (based on the effective interest rate) and corrected for any reserves for impairment.

The differences between the redemption value and the acquisition price are distributed actuarially as expenses (agio) or as income (discount) over the residual life of the securities. When several redemption dates are provided, the residual life is determined on the basis of the final redemption date.

Available-for-sale assets are valued at their fair value, and unrealised capital gains or losses are recorded in a separate line of shareholders' equity.

Investments representing unit-linked policies are valued at fair value through income, as an option.

➢ Reserves for impairment

At each closing date, the Group looks for the existence of objective presumptions of impairment in its investments.

Debt instruments classified as available-for-sale assets

For debt instruments classified as available-for-sale assets, a loss of value is recognised through income in the event of a proven counterparty risk.

Impairments recognised on debt instruments are written back through income in the event of reduction or disappearance of the counterparty risk.

Equity instruments classified as available-for-sale asset

For equity instruments classified as available-for-sale assets, the Group has taken into account the clarifications made by the IFRS interpretations committee (IFRIC) in its July 2009 update on the notion of significant or prolonged decrease in paragraph 61 of IAS 39.

As at 30 June 2014, there is objective evidence of impairment in the following cases:
- the financial investment was already covered by a reserve at the previous published close; or
- a 50% discount is observed as at the closing date; or
- the financial investment has been in a continuous unrealised loss position with respect to its book value over the last 36 months prior to the balance sheet date.

For securities considered strategic securities detailed in the notes, held by the Group for the long term, characterised by the Group's representation on their governance bodies or significant, long-term contractual relations or a significant stake in the capital (in absolute or relative value), without significant influence being exerted, this reference period is 48 months.

Where such objective evidence of impairment is observed then the impairment amount corresponding to the difference between the acquisition cost and the fair value for that fiscal year, less any loss in value previously recognised through income, is automatically booked to income.

These criteria may undergo changes over time, by applying good judgement, in order to take account of changes in the environment in which they were postulated. This should allow for the handling of abnormal circumstances (such as a sharp and abnormal drop in net asset values on the balance sheet date).

In addition, in all other cases in which these thresholds are not reached, the Group identifies securities in its portfolio constantly presenting a significant unrealised capital loss over the last six months based on the volatility of the financial markets. For the thus separated securities the Group then carries out a review, based on its judgement, security by security, and decides whether to post an impairment through income or not.

In the event that the financial management of a line of securities is done in a comprehensive manner at the Group level, even when these securities are held by several entities, the determination of whether objective evidence of impairment exists can be done based on the Group's cost price.

The impairment recorded on a shareholders' equity instrument will only be reversed to income when the asset in question is sold.

Investments valued at amortised cost

For investments valued at amortised cost, the amount of the reserve is equal to the difference between the net book value of the assets and the discounted value of the future cash flows expected, determined on the basis of the original effective interest rate of the financial instrument, and corrected for any reserves. The amount of the loss is included in the net income or loss for the fiscal year. The reserve may be written back through income.

- **Derecognition**

Financial assets are derecognised when the contractual risks expire or the Group transfers the financial asset.

The gains or losses on the sale of financial investments are determined using the FIFO method, with the exception of the securities carried by mutual funds. The method used for mutual funds is the weighted average cost method.

The gains and losses from disposal are recorded on the income statement on the date of realisation and represent the difference between the sale price and the net book value of the asset.

3.2.2. Investment property

The Group has chosen to recognise investment property using the cost method. It is valued using the component approach.

- **Initial recognition**

Lands and property appear on the balance sheet at their acquisition cost. The value of the property includes significant transaction costs directly attributable to the transaction, except in the specific case of investment property representing unit-linked commitments that may be posted, by discretion, to income at fair value.

When a real estate asset includes a portion held to produce rental income and another part used for production or administrative purposes, the asset is treated as investment property only if the latter is immaterial.

At the time of the initial recognition, property is subdivided by components and recorded separately.

The impairment periods applied by the Group for each component depend on the nature of the property under consideration and are as follows:

- building shell (impairment period between 30 and 120 years),
- wind and water tight facilities (impairment period between 30 and 35 years),
- heavy equipment (impairment period between 20 and 25 years),
- secondary equipment, fixtures and fittings (impairment period between 10 and 15 years),
- maintenance (impairment period: 5 years).

- **Valuation**

The cost of the property is the amount at which the property has been recorded at the time of initial recognition, minus cumulative amortisation and corrected for any reserves for impairment. The acquisition cost of the property is dependent either on an outright acquisition, or on the acquisition of a company that owns the property. In the latter case, the cost of the property is equal to its fair value on the date of acquisition of the owner company.

Each component is identified by its duration and depreciation rate.

The residual value of the shell component cannot be measured with sufficient reliability, particularly given the uncertainties about the holding horizon; thus this component is amortised on the basis of the acquisition cost.

Rent payments are recorded using the straight-line method over the term of the lease agreement.

The realisable value of investment properties is determined on the basis of the five-year independent appraisal conducted by an expert approved by domestic regulators (*Autorité de Contrôle Prudentiel et de Résolution*, in France). During each five-year period, the real estate is subject to an annual appraisal certified by the expert.

- **Subsequent expenditure**

Subsequent expenditure must be added to the book value of the property:

- if it is probable that these expenses will allow the asset to generate economic benefits,
- and these expenses can be reliably valued.

- **Reserves for impairment**

On each closing date of its financial statements, the Group determines whether there is evidence of potential loss of value on property recorded at amortised cost. If this is the case, the realisable value of the property is calculated as being the higher of two values: the sale price net of sale costs and the value in use. If the recoverable value is less than the net book value, the Group recognises a loss of value in income for the difference between the two values, and the net book value is adjusted to reflect only the recoverable value.

When the value of the property increases at a later time, the reserve for impairment is written back through income.

- **Derecognition**

Gains or losses from the disposal of property investments are booked in the income statement on the date of realisation and represent the difference between the net sale price and the net book value of the asset.

3.3. DERIVATIVES

3.3.1. General information

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

- its value fluctuates on the basis of the change in a specific variable known as the “underlying asset”,
- it requires a zero or low initial net investment compared with other instruments that react in the same way to market changes,
- it is settled at a future date.

All derivatives are recorded on the balance sheet at their fair value on the original date and during their subsequent revaluation. Changes in fair value are posted to income except for derivatives designated as cash flow hedges and net foreign investments.

3.3.2. Hedging derivatives

The use of hedge accounting is subject to obligations regarding documentation and periodic demonstration of the efficacy of the hedge.

Hedging derivatives are recorded at fair value with changes in the income statement, except for cash flow hedges and hedges of net foreign investments considered as effective, for which the changes in fair value are deferred into equity until the cash flows hedges are recognised in the income statement or when the foreign subsidiary is sold.

For a fair value hedge of an available-for-sale asset, the changes in fair value of the hedged item are recognised in income or loss so that they exactly offset the changes in the hedging derivative.

The ineffective portion of hedges is recognised in the income statement.

3.3.3. Embedded derivatives

Embedded derivatives are components of compound financial instruments that meet the definition of a derivative product.

They are separate from the host contract and recognised as derivatives when the following three conditions are met:

- the economic features and the risks of the embedded derivative are not closely linked to the economic features and risks of the host contract;
- a separate instrument containing the same conditions as the embedded derivative meets the definition of a derivative;
- the hybrid instrument is not valued at fair value with recognition of the changes in the fair value through the income statement.

When one of these conditions is not met, there is no separation.

3.4. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES.

Investments in associates and joint ventures are consolidated using the equity method. At the time of acquisition, the investment is recorded at the acquisition cost and its net book value is subsequently raised or reduced to take into account particularly the income or losses as well as the change in fair value of financial assets in proportion to the investor's stake.

3.5 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED ACTIVITIES

A non-current asset (or a group intended to be sold) is considered to be held for sale if its book value will be mainly recovered through a sale transaction rather than through continued use. In order for this to be the case, the asset (or the group intended to be sold) must be available for immediate sale in its current state, and its sale must be highly probable (within the next 12 months).

Non-current assets (or a group intended to be sold) classified as held for sale are valued at the lower value between the net book value and the fair value minus transfer costs. In case of an unrealised capital loss, impairment is recorded in income. In addition, non-current assets cease to be depreciated once they are reclassified as held-for-sale assets.

A discontinued activity is considered to include any component from which the entity is separated or that is classified as held for sale and is in one of the following situations:
- it constitutes a line of business or a major, separate geographical area; or
- it is part of a single, coordinated plan for disposal of a line of business or a major, separate geographical area; or
- it is a subsidiary acquired exclusively in order to be sold.

The following are presented on a particular line of the income statement:
- net income after taxes from discontinued activities until the transfer date;
- income or loss after taxes resulting from the disposal and measurement at fair value less the costs of the sale of the assets and liabilities constituting the discontinued activities.

3.6 PROPERTY, PLANT AND EQUIPMENT

The Group has chosen to value operating property using the cost method. This property is presented on a line separate from Investment property as assets. The recognition and valuation method is identical to the method described for investment property.

Property plant and equipment other than operating property are initially recorded at acquisition cost, which consists of the purchase price, customs duties, discounts and rebates, direct costs necessary for installation and payment discounts.

The depreciation methods reflect the method of economic consumption.

An impairment test is conducted once there is an indication of a loss of value. The loss of value is reversible and corresponds to the surplus between the book value over the realisable value, which is the higher of net fair value of withdrawal costs and the value in use.

3.7 Operating receivables and payables, other assets and other liabilities

Operating receivables and other assets are recorded at face value, taking into account any transaction costs.

Operating payables and other liabilities are recorded at the fair value of the consideration received in exchange at the origin of the contract, net of transaction costs.

Moreover, non-controlling interests in fully consolidated mutual funds are included in other liabilities. Under IAS 32, a financial instrument that gives the holder the right to return it to the issuer in exchange for cash is a financial liability. The change in this liability is recognised through the income statement.

3.8 Cash and cash equivalents

Cash corresponds to available cash.

Cash equivalents are short-term liquid investments, easily convertible into a known amount of cash and subject to an insignificant risk of changes in value.

3.9 Shareholders' equity

➢ **Revaluation reserve**

The revaluation reserve contains the differences resulting from the revaluation at fair value of balance sheet items, particularly:

- the effects of the revaluation of derivatives assigned to cash flow hedges and net investments in currencies pursuant to IAS 21;
- the effects of the revaluation of financial assets available for sale in accordance with the provisions of IAS 39. These are unrealised gains and losses,
- the cumulative impact of the gain or loss from shadow accounting of investment assets available for sale,
- the cumulative impact of the deferred tax gain or loss generated by the transactions described above.

➢ **Other reserves**

Other reserves consist of the following items:

- Retained earnings,
- Group consolidation reserves,
- Other regulated reserves,
- The impact of changes in accounting methods,
- Equity instruments akin to perpetual subordinated bonds (TSDI) whose features allow recognition in shareholders' equity. Compensation for these instruments is treated like a dividend drawn from shareholders' equity.

- **Foreign exchange adjustments**

Foreign exchange adjustments result from the consolidation process owing to the translation of statutory financial statements of foreign subsidiaries prepared in a currency other than the euro.

- **Non-controlling interests**

Non-controlling interests represent the share in the net assets and net income of a fully consolidated Group company. This share represents the interests that are not held directly by the parent company or indirectly through subsidiaries (concerning the purchase of non-controlling interests and non-controlling interests on consolidated mutual funds, refer to Notes 3.11 and 3.7).

3.10 PROVISIONS FOR CONTINGENCIES AND CHARGES

Provisions for contingencies and charges are liabilities for which the due date or the amount is uncertain. A reserve must be recognised if the following three conditions are met:

- the Company has a current legal or implicit obligation that is the result of a past event,
- it is probable that an outflow of resources representing economic benefits will be necessary to discharge the obligation,
- it is possible to obtain a reliable estimate of the amount of the reserve.

When the impact of the time value of the money is substantial, the amount of the reserves is discounted to the present value of the expected expenditures, which the company believes necessary to discharge the obligation.

- **Personnel benefit**

- **Pension commitment**

The Group's companies have different retirement schemes. The schemes are generally financed by contributions paid to insurance companies or other funds, which are administered and valued on the basis of periodic actuarial calculations. The Group has defined-benefit schemes and defined-contribution schemes. A defined-contribution scheme is a retirement scheme under which the Group pays fixed contributions to an independent entity. In this case, the Group is not bound by any legal or implied obligation forcing it to top up the scheme in the event that the assets are not sufficient to pay, to all employees, the benefits due for services rendered during the current fiscal year and previous fiscal years. Pension schemes that are not defined contribution schemes are defined benefit schemes. This is the case, for example, for a scheme that defines the amount of the pension benefit that will be collected by an employee at retirement, which is generally a function of one or more factors, such as age, seniority and salary.

The liabilities recorded in the balance sheet for defined-benefit schemes and similar schemes correspond to the discounted value of the obligation linked to the defined-benefit schemes at closing, after deducting the closing fair value of the scheme assets.

The actuarial gains and losses resulting from experience-based adjustments and modifications in the actuarial assumptions are recognised directly in equity.

The costs of past services are immediately recognised in income, regardless of whether the rights are ultimately acquired in the event of a change of pension scheme.
With regard to defined-contribution schemes, the Group pays contributions to retirement insurance schemes and is not bound by any other payment commitment. The contributions are booked as expenses related to personnel benefits when they are due. The contributions paid in advance are recorded as assets to the extent that the advance payment results in a reduction of future payments or a cash reimbursement.

3.11 FINANCIAL DEBT

Financial debt includes subordinated liabilities, financial debt represented by securities, and financial debt to banking institutions.

In the absence of a specific IFRIC interpretation, commitments to purchase non-controlling interests are recorded in financial debt at current fair value (strike price of the option). The cross-entry of these debts is recognised either in goodwill for put options granted before 1 January 2010 or as a reduction in shareholders' equity for put options contracted subsequent to this date.

- **Initial recognition**

Financial debt is recognised when the Group becomes party to the contractual provisions of this debt. The amount of the financial debt is then equal to the fair value, adjusted if necessary for the transaction costs directly chargeable to the acquisition or issue of such debt.

- **Valuation rules**

Financial debt is subsequently valued at amortised cost using the effective interest rate method.

- **Derecognition**

Financial debt is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

3.12 TECHNICAL OPERATIONS

3.12.1. Classification and method of recognition

There are two categories of contract issued by the Group's insurance companies:

- insurance contracts and financial contracts with discretionary profit-sharing, which are governed by IFRS 4;
- financial contracts without discretionary profit sharing, which are governed by IAS 39.

- **Insurance policies**

An insurance policy is a contract according to which one party (the insurer) accepts a significant insurance risk of another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. An insurance risk is a risk, other than a financial risk, transferred from the policyholder to the issuer. This risk is significant when an insured event may require an insurer to pay significant additional benefits whatever the scenario, with the exception of scenarios that lack business significance.

The existing accounting practices for insurance policies subject to IFRS 4 continue to be maintained, with the exception of the equalisation reserves as defined by IFRS 4 which have been annulled, provided that the reserves thus established meet the solvency tests stipulated by international standards (see Note 3.12.2.c).

- **Financial contracts**

Contracts that do not meet the definition of insurance policy as described above are classified as financial contracts. Financial contracts are broken down into two categories: financial contracts with and without discretionary profit sharing.

A discretionary profit-sharing clause is defined as the contractual right held by a subscriber to receive an additional payment or another benefit, the amount or maturity of which is fully or partially at the discretion of the insurer and the valuation of which is based either on the performance of a set of contracts or a determined contract, either on the income or loss of the insurer, a fund, or any other entities having issued the contract or on realised and/or unrealised investment returns of a portfolio of specified assets held by the issuer.

The accounting methods for financial contracts with discretionary profit sharing are identical to the methods for insurance policies described above. Financial contracts without discretionary profit sharing are treated using the valuation procedures described in Note 3.12.3.

3.12.2 Insurance policies under IFRS 4

a. Non-life insurance policies

- **Premiums**

Written premiums exclude taxes and are gross of reinsurance and net of cancellations, reductions,
rebates, of the change in premiums still to be written and of the change in premiums to be cancelled.

Written premiums adjusted for the change in reserves for unearned premiums (which are defined below) constitute earned premiums.

- **Insurance policy servicing expenses**

Non-life insurance policy servicing expenses mainly include benefits and expenses paid and the change in reserves for claims and other technical reserves.

Benefits and expenses paid relate to the claims settled net of claims receivable collected for the fiscal year and the periodic payment of annuities. They also include the fees and commissions for the management of claims and payment for services.

- **Technical liabilities related to non-life insurance policies**

  - **Reserves for unearned premiums**

The technical reserves for unearned premiums represent the portion of premiums for the period between the inventory date and the next contract payment date. They are calculated on a pro rata basis.

  - **Reserves for unexpired risks**

The reserves for unexpired risks are intended to cover the portion of the cost of claims and the related management fees that exceeds the fraction of deferred premiums net of deferred acquisition costs.

On the interim balance sheet date, for a given family of risks, the loss experience may present a non-uniform profile for the period, resulting in a technical loss on the fraction of deferred premiums.

To understand the phenomenon, an adequacy test is performed and, in the event of a loss, an additional provision is recognised in the amount of the gap.

The test is conducted based on the last update of the annual forecast for loss experience and costs for this family of risks.

The loss corresponds to the insufficiency of deferred premiums over the period following the interim closing, relative to the projected claims and expenses relating to these premiums. The calculation is performed on the net reinsurance amounts.

❖ **Outstanding claims reserves**

The outstanding claims reserves represent the estimate, net of claims receivable, of the cost of all unpaid claims at the end of the fiscal year, both declared and undeclared. They include a charge for management fees that is determined on the basis of actual expense rates.

For construction risks, in addition to the outstanding claims reserves (declared or not yet declared), separate claims reserves that have not yet appeared are also funded for the ten-year civil liability coverage and the ten-year coverage against structural damage.

Reserves are assessed on the basis of the type of specific risks covered, particularly agricultural and climate risks and risks that are highly seasonal in nature.

❖ **Other technical reserves**

Actuarial reserves for annuities
The actuarial reserves for annuities represent the present value of the Company's payables for annuities and annuity expenses.

Reserve for increasing risks
This reserve is set aside for periodic premium health and disability insurance policies, for which the risk grows with the age of the policyholders.

➢ **Deferred acquisition costs**

In non-life insurance, acquisition costs related to unearned premiums are deferred and recorded in assets on the balance sheet.

b. Life insurance policies and financial contracts with discretionary profit sharing

➢ **Premiums**

Written premiums exclude taxes and are gross of reinsurance and net of cancellations, reductions,
rebates, of the change in premiums still to be written and of the change in premiums to be cancelled.

➢ **Insurance policy servicing expenses**

Servicing expenses for life insurance policies and financial contracts with discretionary profit sharing means:

- all claims once they have been paid to the beneficiary,
- technical interest and profit sharing that may be included in those claims,
- all costs incurred by the insurance company for the management and payment of claims.

They also include the profit sharing and the change in life insurance reserves and other technical reserves.

➢ Technical liabilities related to life insurance policies and financial contracts with discretionary profit sharing

❖ Actuarial reserves

Actuarial reserves represent the difference between the present values of the commitments made by the insurer and the policyholders respectively, taking into account the probability that these commitments will be realised. Actuarial reserves are recognised as liabilities on the balance sheet at their gross underwriting value, before reinsurance and deferred acquisition costs.

No reserve for financial contingencies is recorded when the actuarial reserves have been funded on the basis of discount rates at most equal to the forecast yield rates, prudently estimated, of the assets assigned to represent them.

❖ Profit-sharing reserve

The profit-sharing reserve consists of a reserve for profit-sharing payable and potentially as a reserve for deferred profit sharing.

The reserve for payable profit sharing includes the identifiable amounts, from regulatory or contractual obligations, intended for the policyholders or beneficiaries of contracts in the form of profit sharing and rebates, to the extent that these amounts have not been credited to the policyholder's account or included in "Life technical reserves".

For the portion exceeding the regulatory and contractual minimum, the current contract profit-sharing expense is determined in the interim accounts on the basis of the estimated ratio for the current fiscal year and taking into account the decisions taken or, failing this, recognised at the close of the last fiscal year, between the projected annual contract profit-sharing expense and the projected annual net financial income. This expense is capped in the interim accounts at the amount of the projected annual financial margin.

The reserve for deferred profit sharing includes:

- the reserve for unconditional profit sharing, which is recognised when a difference is recorded between the bases for calculating future rights in the individual company accounts and the consolidated accounts;
- the reserve for conditional profit-sharing, which relates to the difference in liabilities between the individual company and the consolidated financial statements, the payment of which depends on a management decision or the occurrence of an event.

In the particular case of restatement in the consolidated financial statements of the capitalisation reserve, a reserve for deferred profit-sharing is determined when the Asset/Liability Management assumptions demonstrate a probable permanent write-back of the total capitalisation reserve. The Group recognised no deferred profit sharing on the restatement of the capitalisation reserve.

❖ Application of shadow accounting

For participatory contracts, the Group has decided to apply shadow accounting, which is intended to pass on to the value of insurance liabilities, deferred acquisition costs and the intangible assets related to insurance policies, the effects of taking into account the unrealised gains and losses on financial assets valued at fair value. The resulting deferred profit sharing is recognised through the revaluation reserve or the income statement, depending on whether these gains and losses have been recognised in the reserve or in the income statement.

Shadow accounting is applied on the basis of a profit-sharing rate that is estimated and applied to unrealised gains and losses. This rate is obtained by applying the regulatory and contractual conditions for calculating profit sharing observed in the past three years.

In case of an overall unrealised capital loss of the entity's asset portfolio, the Group records a deferred profit-sharing asset limited to the fraction of deferred profit sharing actually recoverable. A recoverability test based on the projected future performance of insurance portfolios is carried out. This test specifically includes unrealised capital gains on assets posted at amortised cost.

- **Other technical reserves**

Overall management expenses reserve

The management expenses reserve is established for all future contract management expenses not covered by mark-ups on premiums or by deductions on investment income provided for by them. This approach is carried out according to the grid of departmental categories.

- **Deferred acquisition costs**

Variable costs directly attributable to the acquisition of life insurance policies are recorded in assets in the consolidated financial statements. These amounts may not under any circumstances be greater than the present value of future income from the policies.

These costs are amortised over the average life of the policies based on the rate of emergence of future margins for each generation of policies; future margins are determined using economic assumptions (profit-sharing rate, future rate of return on assets and lapse rate). Since these acquisition costs are capitalised, the actuarial reserves appearing on the balance sheet are presented as non-zillmerised.

Every year the expected present value of future margins by homogeneous product family is compared with the total of the deferred acquisition costs net of amortisation already recognised in the past. If this value is lower, an extraordinary impairment charge is taken to the income statement.

The Group applies shadow accounting for deferred acquisition costs.

c. Liabilities adequacy test

An adequacy test is performed at each balance sheet date for liabilities under IFRS 4 intended to ensure that insurance liabilities are sufficient with regard to current estimates of future cash flows generated by insurance policies. Future cash flows resulting from policies take into account their related cover and options. If necessary, and for the purposes of this test, the insurance liabilities are reduced by the deferred acquisition costs and the values of business in force recorded at the time of business combinations or transfers of the related policies.

In case of inadequacy, the potential losses are recognised in full through income.

This test is performed at each balance sheet date and for each consolidated entity.

d. Unit-linked policies under IFRS 4

Unit-linked policies under IFRS 4 are either insurance policies containing a significant insurance risk, such as a death risk, or financial contracts with discretionary profit sharing, for which the financial risk is assumed by the policyholder.

The technical reserves for unit-linked policies are valued at the market value of the unit of account at the inventory date.

e. Embedded derivatives in insurance policies and financial contracts with discretionary profit sharing

Embedded derivatives are components of insurance policies that meet the definition of a derivative product.

If the same contract contains a financial component and an insurance component, the financial component is valued separately at fair value when it is not closely tied to the host contract or when the accounting standards do not require recognising all of the rights and obligations associated with the deposit component, in application of the provisions of IFRS 4.
In other cases, the entire contract is treated as an insurance policy.

3.12.3. Financial contracts under IAS 39

Liabilities related to financial contracts without discretionary profit sharing must be recognised on the basis of the principle of deposit accounting. Thus the premiums collected and the benefits are booked on the balance sheet. Management charges and expenses for the contracts are recorded in income. Unearned income is deferred over the estimated life of the contract.

This category primarily includes unit-linked policies and indexed policies that do not meet the definition of insurance policies and financial contracts with discretionary profit sharing. Commitments under these policies are valued at the unit-linked fair value in inventory.

The additional costs directly related to management of the investments of a contract are booked as assets if they can be identified separately and reliably valued, and if it is probable that they will be recovered. This asset, which corresponds to the contractual right acquired by the Group on income resulting from the management of investments, is amortised over the duration of this management and symmetrically with recognition of the corresponding income.

3.12.4. Reinsurance operations

- **Inward reinsurance**

Inward reinsurance is booked treaty by treaty without difference on the basis of an assessment of the business accepted. These operations are classified according to the same rules as those described for insurance policies or financial contracts in Note 3.12.1. In the absence of sufficient information from the outward reinsurer, estimates are made.

An asset deposit is recorded for the amount of the counterparty given to the ceding and retroceding companies.

Securities used as hedges are recorded in the statement of commitments given and received.

- **Outward reinsurance**

Outward reinsurance is recognised in accordance with the terms of the various treaties and according to the same rules as described in Note 3.12.1 on insurance policies and financial contracts. A liabilities deposit is recorded for the amount of the corresponding asset received from outward reinsurers and retrocessionaires.
Securities from reinsurers (outward reinsurers and retrocessionaires) remitted as collateral are recorded in the statement of commitments given and received.

3.13 TAXES

Corporate income tax includes all current and deferred taxes. When a tax is payable or receivable and payment is not subject to the execution of future transactions, such tax is classified as current, even if the payment is spread over several fiscal years. It appears as an asset or liability on the balance sheet as applicable.

Operations carried out by the Group may have positive or negative tax consequences other than those taken into consideration for calculating the payable tax. The result is tax assets or liabilities classified as deferred.

This is particularly the case when, because of completed transactions that are posted in either the individual company statements or only in the consolidated financial statements as restatements and eliminations of inter-company income or losses, differences will appear in the future between the tax income and the accounting income of the Company, or between the tax value and the book value of an asset or liability, for example when transactions performed during a fiscal year are taxable only in the following fiscal year. These differences are classified as timing differences.

All deferred tax liabilities must be recognised; however, deferred tax assets are only recognised if it is likely that taxable income (against which these deductible timing differences can be charged) will be available.

All deferred tax liabilities are recognised. Deferred tax assets are recognised when their recovery is considered as "more probable than improbable", i.e., if it is likely that sufficient taxable income will be available in the future to offset the deductible timing differences. In general, a 3-year horizon is considered to be a reasonable period to assess whether the entity can recover the capitalised deferred tax. However, an impairment charge is booked against the deferred tax assets if their recoverability appears doubtful.

Deferred tax assets and liabilities are computed on the basis of tax rates (and tax regulations), which have been adopted as at the balance sheet date.

Deferred tax assets and liabilities are not discounted to present value.

3.14 SEGMENT REPORTING

A business segment is a component of an entity whose operating profits are regularly examined by the Group's principal operational decision-makers in order to assess the segment's performance and decide on the resources to allocate to it.

The Group is organised into three operational segments: insurance in France, insurance abroad, and banking and financial businesses. The banking and financial activity segment, which is also the subject of specific notes (Notes 9.1, 9.2, and 23.3), has been grouped with the insurance segment in France in order to create an overall operational segment entitled France.

The various activities of each segment are as follows:

- **Life and health insurance.** The life and health insurance business covers the traditional life insurance business as well as personal injury (largely health risks, disability and long-term care);
- **Property and casualty insurance.** Property and casualty insurance covers, by default, all the Group's other insurance businesses.
- **Banking and finance business.** The banking and finance business relates to distribution of banking products, including fund management activities, real estate management, private equity and employee savings;
- **Holding company activity.** This mainly comprises income and expenses arising from managing the Group and holding the shares of the companies included in the Groupama SA scope of consolidation.

3.15 COSTS BY CATEGORY

Management fees and commissions related to insurance business are classified on the basis of their function by applying allocation keys defined as a function of the structure and organisation of each of the insurance entities.
Expenses are classified into the following six purposes:

- acquisition costs;
- administrative costs;
- claims settlement costs;
- investment expenses;
- other technical expenses;
- non-technical expenses.

4. NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SEGMENT REPORTING

NOTE 1.1 – SEGMENT REPORTING BY OPERATING SEGMENT

NOTE 1.1.1 – SEGMENT REPORTING BY OPERATING SEGMENT – BALANCE SHEET

In millions of euros	30.06.2014			31.12.2013		
	France	International	Total	France	International	Total
Intangible assets	894	1,654	2,548	928	1,664	2,592
Insurance business investments	76,667	6,531	83,197	69,446	6,168	75,614
Funds used in banking sector activities and investments of other business activities	3,615		3,615	3,265		3,265
Investments in related companies	868	173	1,041	877	176	1,053
Share of outward reinsurers and retrocessionaires in liabilities related to insurance policies and financial contracts	8,040	278	8,319	8,144	265	8,410
Other assets	7,123	930	8,053	5,607	943	6,650
Assets held for sale and discontinued business activities						
Cash and cash equivalents	820	354	1,174	691	384	1,075
Consolidated total assets	**98,027**	**9,921**	**107,948**	**88,958**	**9,601**	**98,559**
Provisions for contingencies and charges	522	84	606	516	87	604
Financial debt	1,493		1,493	1,941		1,941
Technical liabilities relating to insurance policies	51,622	5,168	56,790	48,450	5,080	53,530
Technical liabilities relating to financial contracts	16,579	1,438	18,017	17,374	1,314	18,688
Deferred profit-sharing liabilities	2,733	123	2,857	281	47	328
Resources from banking sector activities	3,225		3,225	2,861		2,861
Other liabilities	16,778	358	17,136	13,550	388	13,939
Liabilities of business activities to be sold or discontinued						
Total consolidated liabilities excluding shareholders' equity	**92,954**	**7,171**	**100,124**	**84,973**	**6,917**	**91,890**

NOTE 1.1.2 – SEGMENT REPORTING BY OPERATING SEGMENT – INCOME STATEMENT

In millions of euros	30.06.2014			30.06.2013		
	France	Inter-national	Total	France	Inter-national	Total
Earned premiums	5,521	1,264	6,785	5,639	1,238	6,876
Net banking income, net of cost of risk	95		95	98		98
Investment income	1,183	130	1,313	1,201	135	1,335
Investment expenses	(336)	(21)	(357)	(287)	(23)	(309)
Capital gains or losses from disposal of investments net of impairment and depreciation write-backs	306	36	343	414	17	431
Change in fair value of financial instruments recorded at fair value through income	160	28	188	(31)	4	(27)
Change in impairment on investments	(1)	(5)	(5)	(9)	(8)	(17)
Total income from ordinary business activities	**6,930**	**1,432**	**8,362**	**7,026**	**1,362**	**8,388**
Insurance policy servicing expenses	(5,231)	(1,029)	(6,259)	(5,201)	(952)	(6,153)
Income on outward reinsurance	238	49	287	250	108	358
Expenses on outward reinsurance	(399)	(70)	(468)	(407)	(147)	(553)
Banking operating expenses	(94)		(94)	(100)		(100)
Policy acquisition costs	(697)	(205)	(902)	(702)	(210)	(912)
Administrative costs	(173)	(78)	(251)	(239)	(80)	(318)
Other current operating income and expenses	(383)	(25)	(407)	(343)	(35)	(379)
CURRENT OPERATING INCOME	**191**	**76**	**267**	**284**	**47**	**331**
Other operating income and expenses	(18)	(9)	(27)	(46)	(17)	(63)
OPERATING INCOME	**173**	**67**	**241**	**238**	**31**	**268**
Financing expenses	(48)		(48)	(46)		(46)
Share in income of related companies	(15)	3	(12)	(8)	(8)	(16)
Corporate income tax	(22)	(17)	(39)	(7)	(12)	(19)
NET INCOME FROM CONTINUING BUSINESS ACTIVITIES	**88**	**53**	**141**	**177**	**11**	**187**
Net income from discontinued business activities						
OVERALL NET INCOME	**88**	**53**	**141**	**177**	**11**	**187**
of which, non-controlling interests	1		1			
OF WHICH, NET INCOME (GROUP SHARE)	**87**	**53**	**140**	**176**	**11**	**187**

NOTE 1.2 – SEGMENT REPORTING BY BUSINESS

NOTE 1.2.1 – SEGMENT REPORTING BY BUSINESS – INCOME STATEMENT

In millions of euros	30.06.2014									
	France					International				Total
	P&C	Life and health insurance	Banking	Holding	Total	P&C	Life and health insurance	Holding	Total	
Earned premiums	**2,712**	**2,809**			**5,521**	**847**	**417**		**1,264**	**6,785**
Net banking income, net of cost of risk			**95**		**95**					**95**
Investment income	117	1,061		4	1,183	56	72	1	130	1,313
Investment expenses	(52)	(296)		13	(336)	(14)	(6)		(21)	(357)
Capital gains or losses from disposal of investments net of impairment and depreciation write-backs	67	239		1	306	17	19		36	343
Change in fair value of financial instruments recorded at fair value through income	10	219		(68)	160	6	22		28	188
Change in impairment on investments	1	(2)			(1)	(2)	(2)		(5)	(5)
Total income from ordinary business activities	**2,855**	**4,030**	**95**	**(50)**	**6,930**	**909**	**522**	**1**	**1,432**	**8,362**
Insurance policy servicing expenses	(1,795)	(3,436)			(5,231)	(603)	(425)		(1,029)	(6,259)
Income on outward reinsurance	18	219			238	47	2		49	287
Expenses on outward reinsurance	(176)	(223)			(399)	(72)	2		(70)	(468)
Banking operating expenses			(94)		(94)					(94)
Policy acquisition costs	(424)	(273)			(697)	(160)	(45)		(205)	(902)
Administrative costs	(118)	(55)			(173)	(51)	(27)		(78)	(251)
Other current operating income and expenses	(169)	(170)		(43)	(382)	(19)	(5)	(1)	(25)	(407)
CURRENT OPERATING INCOME	**191**	**93**	**2**	**(93)**	**191**	**52**	**25**	**0**	**76**	**267**
Other operating income and expenses	3	(16)		(5)	(18)	(6)	(3)		(9)	(27)
OPERATING INCOME	**193**	**77**	**2**	**(99)**	**173**	**46**	**22**	**0**	**67**	**241**
Financing expenses	(1)			(47)	(48)					(48)
Share in income of related companies	(3)	(12)			(15)	3			3	(12)
Corporate income tax	(74)	(18)		70	(22)	(12)	(5)		(17)	(39)
NET INCOME FROM CONTINUING BUSINESS ACTIVITIES	**116**	**46**	**1**	**(76)**	**88**	**36**	**17**	**0**	**53**	**141**
Net income from discontinued business activities										
TOTAL NET INCOME	**116**	**46**	**1**	**(76)**	**88**	**36**	**17**	**0**	**53**	**141**
of which, non-controlling interests		1			1					1
OF WHICH, NET INCOME (GROUP SHARE)	**116**	**45**	**1**	**(76)**	**87**	**36**	**17**	**0**	**53**	**140**

In millions of euros	30.06.2013									
	France					International				Total
	P&C	Life and health insurance	Banking	Holding	Total	P&C	Life and health insurance	Holding	Total	
Earned premiums	**2,689**	**2,950**			**5,639**	**900**	**337**		**1,238**	**6,876**
Net banking income, net of cost of risk			**98**		**98**					**98**
Investment income	126	1,070		4	1,201	59	75	1	135	1,335
Investment expenses	(48)	(259)		20	(287)	(15)	(7)		(23)	(309)
Capital gains or losses from disposal of investments net of impairment and depreciation write-backs	50	360		4	414	31	(15)		17	431
Change in fair value of financial instruments recorded at fair value through income	3	(28)		(6)	(31)	(3)	7		4	(27)
Change in impairment on investments	(5)	(3)		(1)	(9)	(2)	(5)		(8)	(17)
Total income from ordinary business activities	**2,815**	**4,091**	**98**	**21**	**7,026**	**970**	**392**	**1**	**1,362**	**8,388**
Insurance policy servicing expenses	(1,901)	(3,299)			(5,201)	(637)	(316)		(952)	(6,153)
Income on outward reinsurance	177	73			250	104	4		108	358
Expenses on outward reinsurance	(330)	(76)			(407)	(143)	(4)		(147)	(553)
Banking operating expenses			(100)		(100)					(100)
Policy acquisition costs	(423)	(279)			(702)	(164)	(46)		(210)	(912)
Administrative costs	(114)	(125)			(239)	(52)	(28)		(80)	(318)
Other current operating income and expenses	(164)	(138)	3	(45)	(343)	(29)	(5)	(1)	(35)	(379)
CURRENT OPERATING INCOME	**60**	**247**	**1**	**(24)**	**284**	**50**	**(2)**	**(1)**	**47**	**331**
Other operating income and expenses	(4)	(26)		(16)	(46)	(14)	(2)		(17)	(63)
OPERATING INCOME	**56**	**220**	**1**	**(40)**	**238**	**35**	**(4)**	**(1)**	**31**	**268**
Financing expenses	(1)	(1)		(45)	(46)					(46)
Share in income of related companies	(3)	(5)			(8)	(8)			(8)	(16)
Corporate income tax	(18)	(24)	(2)	37	(7)	(16)	4		(12)	(19)
NET INCOME FROM CONTINUING BUSINESS ACTIVITIES	**34**	**191**	**0**	**(48)**	**177**	**11**	**0**	**(1)**	**11**	**187**
Net income from discontinued business activities										
OVERALL NET INCOME	**34**	**191**	**0**	**(48)**	**177**	**11**	**0**	**(1)**	**11**	**187**
of which, non-controlling interests										
OF WHICH, NET INCOME (GROUP SHARE)	**34**	**190**	**0**	**(48)**	**176**	**11**	**0**	**(1)**	**11**	**187**

NOTE 2 – GOODWILL

In millions of euros	30.06.2014				31.12.2013
	Gross value	Impairment	Foreign exchange adjustment	Net value	Net value
Opening value	**3,047**	**(581)**	**(278)**	**2,188**	**2,240**
Newly consolidated entities					
Eliminations from the scope of consolidation					
Central and Eastern European countries			(6)	(6)	(4)
Turkey			4	4	(46)
United Kingdom			3	3	(2)
Greece					
Other changes during the fiscal year			**1**	**1**	**(52)**
Closing value	**3,047**	**(581)**	**(277)**	**2,189**	**2,188**

The grouping within a single cash-generating unit for all countries of Central and Eastern Europe is explained by common tools and a common platform as well as centralised management bancassurance agreements.

Impairment test:

Goodwill is tested for impairment at least once a year. This test is carried out at the level of the cash-generating unit during each annual close.

The benchmark value in use applied to justify impairment tests corresponds to the current value of future cash flows to be generated by this cash-generating unit.

Consolidated financial statements and notes

- An explicit period based on the Group's operational strategic planning in the early years. This is subject to an iterative discussion process between local management and the Group;
- Beyond the explicit horizon, the cash flow column is completed by a terminal value. This terminal value is based on long-term growth assumptions applied to an updated projection of normative cash flows.

During an interim close, the group conducts certain internal control work to detect any indicator of loss of value.

During the 1st half of 2014, no indicators of loss of value were detected.

NOTE 2.1 – GOODWILL – DETAILS BY CASH-GENERATING UNIT

In millions of euros	30.06.2014			
	Gross value	Impairment	Foreign exchange adjustment	Net value
Central and Eastern European countries	1,026	(502)	(170)	354
Italy	781			781
Turkey	262		(77)	185
United Kingdom	142	(31)	(29)	82
Greece	131	(48)		83
Total International	**2,342**	**(581)**	**(277)**	**1,484**
Groupama Gan Vie	470			470
Gan Assurances	196			196
Financial businesses, property and other insurance companies	39			39
Total France and Overseas	**705**			**705**
Closing value	**3,047**	**(581)**	**(277)**	**2,189**

In millions of euros	31.12.2013			
	Gross value	Impairment	Foreign exchange adjustment	Net value
Central and Eastern European countries	1,026	(502)	(164)	360
Italy	781			781
Turkey	262		(81)	181
United Kingdom	142	(31)	(33)	78
Greece	131	(48)		83
Total International	**2,342**	**(581)**	**(278)**	**1,483**
Groupama Gan Vie	470			470
Gan Assurances	196			196
Financial businesses, property and other insurance companies	39			39
Total France and Overseas	**705**			**705**
Closing value	**3,047**	**(581)**	**(278)**	**2,188**

It should be recalled that in fiscal years 2009 to 2012, the Group devalued goodwill by €581 million for the following cash-generating units:

- Countries of Eastern and Central Europe for a total of €502 million, including: €113 million in 2009 corresponding to start-up risk in the emerging countries of Eastern Europe, where the OTP Bank group is active, €79 million in 2010, €51 million in 2011, and €260 million in 2012.
- Greece: €39 million in 2011 and €9 million in 2012
- United Kingdom: €30 million on the brokerage firm Bollington in 2012.

NOTE 3 – OTHER INTANGIBLE ASSETS

In millions of euros	30.06.2014			31.12.2013		
	Intangible assets related to insurance business	Other intangible assets	Total	Intangible assets related to insurance business	Other intangible assets	Total
Opening gross value	**532**	**1,602**	**2,133**	**557**	**1,521**	**2,078**
Increase		36	36	5	96	101
Decrease		(9)	(9)	(5)	(17)	(22)
Foreign exchange adjustments	1	(2)	(1)	(25)	(2)	(27)
Change in scope					3	3
Closing gross value	**533**	**1,627**	**2,159**	**532**	**1,602**	**2,133**
Opening cumulative amortisation	**(233)**	**(1,356)**	**(1,589)**	**(222)**	**(1,212)**	**(1,434)**
Increase	(9)	(64)	(73)	(31)	(144)	(175)
Decrease		2	2		7	7
Foreign exchange adjustments		1	1	20	1	21
Change in scope					(3)	(3)
Reclassifications					(6)	(6)
Closing cumulative amortisation	**(242)**	**(1,417)**	**(1,659)**	**(233)**	**(1,356)**	**(1,589)**
Opening cumulative long-term impairment	**(136)**	**(3)**	**(139)**	**(65)**	**(9)**	**(74)**
Long-term impairment recognised		(1)	(1)	(75)	(1)	(76)
Long-term impairment write-backs						
Foreign exchange adjustments				4		4
Change in scope						
Reclassifications					6	6
Closing cumulative long-term impairment	**(136)**	**(4)**	**(140)**	**(136)**	**(3)**	**(139)**
Opening net value	**163**	**243**	**405**	**270**	**300**	**570**
Closing net value	**155**	**206**	**360**	**163**	**242**	**404**

The Group's intangible assets can be split into two groups:
- intangible assets related to insurance business
- other intangible assets

Intangible assets related to insurance business

Intangible assets related to insurance business primarily correspond to values in force, values of the distribution networks, values of customer relationships and brands.
Allocations to amortisation of portfolio securities amounted to €9 million as at 30 June 2014, compared with €31 million as at 31 December 2013. Recall that only the portfolio value in Italy is now subject to amortisation. For other countries, these values have been completely amortised or covered by reserves.

Other intangible assets

Other intangible assets consist primarily of software acquired and developed internally.

NOTE 4 – INVESTMENT PROPERTY, EXCLUDING UNIT-LINKED INVESTMENTS

In millions of euros	31.06.2014			31.12.2013		
	Property	SCI units	Total	Property	SCI units	Total
Opening gross value	**1,430**	**232**	**1,662**	**1,465**	**221**	**1,686**
Acquisitions	1	7	8	25	9	34
Change in scope						
Subsequent expenditure						
Assets capitalised in the year	8		8	7		7
Transfer from/to unit-linked property						
Transfer from/to operating property	1	(1)	0	18	15	33
Foreign exchange adjustments				(1)		(1)
Outward reinsurance	(6)	(1)	(7)	(84)	(13)	(97)
Other						
Closing gross value	**1,434**	**237**	**1,671**	**1,430**	**232**	**1,662**
Opening cumulative amortisation	**(335)**		**(335)**	**(329)**		**(329)**
Increase	(13)		(13)	(25)		(25)
Change in scope						
Transfer from/to unit-linked property						
Transfer from/to operating property						
Decrease	4		4	19		19
Other						
Closing cumulative amortisation	**(344)**		**(344)**	**(335)**		**(335)**
Opening cumulative long-term impairment	**(12)**	**(5)**	**(18)**	**(8)**	**(1)**	**(10)**
Long-term impairment recognised				(4)		(4)
Change in scope						
Transfer from/to operating property					(4)	(4)
Long-term impairment write-backs						
Closing cumulative long-term impairment	**(12)**	**(5)**	**(18)**	**(12)**	**(5)**	**(18)**
Opening net value	**1,083**	**227**	**1,310**	**1,128**	**220**	**1,348**
Closing net value	**1,078**	**232**	**1,310**	**1,083**	**227**	**1,310**
Closing fair value of investment property	**2,561**	**405**	**2,966**	**2,567**	**405**	**2,972**
Unrealised capital gains	**1,483**	**173**	**1,656**	**1,484**	**178**	**1,662**

The realisation of unrealised capital gains on property representing life insurance commitments would give rise to rights in favour of policy beneficiaries as well as taxation.

Unrealised gains accruing to the Group, including property operating activities (see Note 5), amounted to €630 million as at 30 June 2014 (net of profit sharing and tax), compared with €635 million as at 31 December 2013.

The table also shows properties under leasing contracts for an amount at the net book value of €37 million as at 30 June 2014, which is stable compared with 31 December 2013. The fair value of this property is estimated at €51 million (i.e., unrealised capital gains of €14 million as at 30 June 2014, identical to 31 December 2013).

As per the fair value hierarchy established in IFRS 13, the fair value of investment property is ranked as Level 2 for an amount of €2,403 million, and Level 3 for an amount of €563 million. The Level 2 investment property comprises mainly property located in Paris, or the Greater Paris region, whose fair value is based on observable data.

NOTE 4.1 – INVESTMENT PROPERTY – BY OPERATING SEGMENT

In millions of euros	30.06.2014						31.12.2013					
	Property			SCI units			Property			SCI units		
	France	International	Total	France	International	Total	France	International	Total	France	International	Total
Gross value	1,379	55	1,434	237		237	1,374	57	1,430	233		233
Cumulative depreciation	(327)	(17)	(344)				(318)	(17)	(335)			
Long-term impairment	(5)	(8)	(12)	(6)		(6)	(4)	(8)	(12)	(6)		(6)
Closing net value	**1,047**	**31**	**1,078**	**232**		**232**	**1,051**	**32**	**1,083**	**227**		**227**
Closing fair value of investment property	**2,507**	**54**	**2,560**	**405**		**405**	**2,511**	**56**	**2,567**	**405**		**405**
Unrealised capital gains	**1,459**	**23**	**1,483**	**173**		**173**	**1,459**	**24**	**1,483**	**178**		**178**

NOTE 4.2 – INVESTMENT PROPERTY BY BUSINESS

NOTE 4.2.1 – INVESTMENT PROPERTY BY BUSINESS – FRANCE

In millions of euros	30.06.2014					
	Property			SCI units		
	Life and health insurance	P&C	Total	Life and health insurance	P&C	Total
Gross value	975	403	1,379	108	129	237
Cumulative depreciation	(211)	(116)	(327)			
Long-term impairment	(2)	(2)	(5)	(1)	(4)	(6)
Closing net value	**762**	**285**	**1,047**	**107**	**125**	**232**
Closing fair value of investment property	**1,875**	**631**	**2,507**	**179**	**226**	**405**
Unrealised capital gains	**1,113**	**346**	**1,459**	**73**	**101**	**173**

In millions of euros	31.12.2013					
	Property			SCI units		
	Life and health insurance	P&C	Total	Life and health insurance	P&C	Total
Gross value	969	404	1,374	101	131	233
Cumulative depreciation	(204)	(115)	(318)			
Long-term impairment	(2)	(2)	(4)	(1)	(4)	(6)
Closing net value	**764**	**287**	**1,051**	**100**	**127**	**227**
Closing fair value of investment property	**1,863**	**648**	**2,511**	**172**	**233**	**405**
Unrealised capital gains	**1,099**	**360**	**1,459**	**72**	**106**	**178**

NOTE 4.2.2 – INVESTMENT PROPERTY BY BUSINESS – INTERNATIONAL

In millions of euros	30.06.2014					
	Property			SCI units		
	Life and health insurance	P&C	Total	Life and health insurance	P&C	Total
Gross value	32	23	55			
Cumulative depreciation	(11)	(6)	(17)			
Long-term impairment	(5)	(3)	(8)			
Closing net value	**16**	**14**	**31**			
Closing fair value of investment property	**28**	**26**	**54**			
Unrealised capital gains	**12**	**12**	**23**			

In millions of euros	31.12.2013					
	Property			SCI units		
	Life and health insurance	P&C	Total	Life and health insurance	P&C	Total
Gross value	33	23	57			
Cumulative depreciation	(11)	(5)	(17)			
Long-term impairment	(5)	(3)	(8)			
Closing net value	**18**	**15**	**32**			
Closing fair value of investment property	**29**	**27**	**56**			
Unrealised capital gains	**12**	**12**	**24**			

NOTE 5 - OPERATING PROPERTY

In millions of euros	30.06.2014			31.12.2013		
	Property	SCI units	Total	Property	SCI units	Total
Opening gross value	**1,356**	**79**	**1,435**	**1,309**	**94**	**1,403**
Acquisitions	4	1	5	71	3	74
Change in scope						
Assets capitalised in the year	3		3	3		3
Transfer from/to investment property	(1)	1	0	(18)	(15)	(33)
Foreign exchange adjustments				(1)		(1)
Outward reinsurance	(6)	(1)	(7)	(8)	(3)	(11)
Other						
Closing gross value	**1,356**	**80**	**1,436**	**1,356**	**79**	**1,435**
Opening cumulative amortisation	**(329)**		**(329)**	**(299)**		**(299)**
Increase	(19)		(19)	(34)		(34)
Change in scope						
Transfer from/to investment property				1		1
Decrease	4		4	3		3
Other						
Closing cumulative amortisation	**(344)**		**(344)**	**(329)**		**(329)**
Opening cumulative long-term impairment	**(4)**	**(2)**	**(6)**	**(4)**	**(6)**	**(10)**
Long-term impairment recognised						
Change in scope						
Transfer from/to investment property					4	4
Long-term impairment write-backs						
Closing cumulative long-term impairment	**(4)**	**(2)**	**(6)**	**(4)**	**(2)**	**(6)**
Opening net value	**1,023**	**77**	**1,100**	**1,006**	**88**	**1,094**
Closing net value	**1,008**	**78**	**1,086**	**1,023**	**77**	**1,100**
Closing fair value of operating property	**1,329**	**121**	**1,450**	**1,326**	**121**	**1,447**
Unrealised capital gains	**321**	**43**	**364**	**303**	**44**	**347**

NOTE 5.1 – OPERATING PROPERTY – BY OPERATING SEGMENT

In millions of euros	30.06.2014						31.12.2013					
	Property			SCI units			Property			SCI units		
	France	International	Total	France	International	Total	France	International	Total	France	International	Total
Gross value	1,240	115	1,356	80		80	1,241	114	1,355	79		79
Cumulative depreciation	(334)	(9)	(343)				(321)	(8)	(329)			
Long-term impairment	(3)		(3)	(3)		(3)	(3)		(4)	(3)		(3)
Closing net value	**903**	**106**	**1,009**	**77**		**77**	**917**	**106**	**1,023**	**76**		**76**
Closing fair value of operating property	**1,224**	**105**	**1,329**	**121**		**121**	**1,221**	**105**	**1,326**	**121**		**121**
Unrealised capital gains	**321**	**(1)**	**320**	**44**		**44**	**304**	**(1)**	**303**	**44**		**44**

NOTE 5.2 – OPERATING PROPERTY BY BUSINESS

NOTE 5.2.1 - OPERATING PROPERTY BY BUSINESS – FRANCE

In millions of euros	30.06.2014					
	Property			SCI units		
	Life and health insurance	P&C	Total	Life and health insurance	P&C	Total
Gross value	682	559	1,240	22	58	80
Cumulative depreciation	(138)	(196)	(334)			
Long-term impairment	(1)	(2)	(3)	(1)	(2)	(3)
Closing net value	**543**	**360**	**903**	**21**	**56**	**77**
Closing fair value of operating property	**660**	**564**	**1,224**	**35**	**86**	**121**
Unrealised capital gains	**117**	**203**	**321**	**14**	**30**	**44**

In millions of euros	31.12.2013					
	Property			SCI units		
	Life and health insurance	P&C	Total	Life and health insurance	P&C	Total
Gross value	663	578	1,241	20	59	79
Cumulative depreciation	(123)	(198)	(321)			
Long-term impairment	(1)	(3)	(3)	(1)	(2)	(3)
Closing net value	**539**	**378**	**917**	**19**	**57**	**76**
Closing fair value of operating property	**650**	**571**	**1,221**	**32**	**88**	**121**
Unrealised capital gains	**111**	**194**	**304**	**13**	**31**	**44**

NOTE 5.2.2 – OPERATING PROPERTY BY BUSINESS – INTERNATIONAL

In millions of euros	30.06.2014					
	Property			SCI units		
	Life and health insurance	P&C	Total	Life and health insurance	P&C	Total
Gross value	49	66	115			
Cumulative depreciation	(4)	(6)	(9)			
Long-term impairment						
Closing net value	**46**	**60**	**106**			
Closing fair value of operating property	**46**	**59**	**105**			
Unrealised capital gains	**1**	**(1)**	**(1)**			

In millions of euros	31.12.2013					
	Property			SCI units		
	Life and health insurance	P&C	Total	Life and health insurance	P&C	Total
Gross value	49	66	114			
Cumulative depreciation	(3)	(5)	(8)			
Long-term impairment						
Closing net value	**45**	**60**	**106**			
Closing fair value of operating property	**46**	**59**	**105**			
Unrealised capital gains	**1**	**(1)**	**(1)**			

NOTE 6 – FINANCIAL INVESTMENTS EXCLUDING UNIT-LINKED ITEMS

In millions of euros	30.06.2014	31.12.2013
	Net value	Net value
Assets valued at fair value	72,860	66,183
Assets valued at amortised cost	2,016	1,426
Total financial investments excluding unit-linked items	**74,876**	**67,609**

Total financial investments (excluding real estate, unit-linked items, and derivatives) as at 30 June 2014 were €74,876 million, marking an increase of €7,267 million versus 31 December 2013. This increase is mainly explained by an increase in bond assets of €2,562 million and cash mutual funds of €4,634 million (including €2,317 million from the increase in the securities repurchase activity).

NOTE 6.1 – INVESTMENTS VALUED AT FAIR VALUE BY OPERATING SEGMENT

In millions of euros	30.06.2014								
	Net amortised cost			Fair value (a)			Gross unrealised capital gains (losses)		
	France	International	Total	France	International	Total	France	International	Total
Available-for-sale assets									
Equities and other variable-income investments	3,260	217	3,477	4,229	244	4,473	969	27	996
Bonds and other fixed-income investments	43,341	4,242	47,583	47,989	4,684	52,673	4,648	442	5,090
Other investments	119		119	119		119			
Total available-for-sale assets	**46,720**	**4,459**	**51,179**	**52,337**	**4,928**	**57,265**	**5,617**	**469**	**6,086**
Trading assets									
Equities and other variable-income investments classified as “trading”	49		49	49		49			
Equities and other variable-income investments classified as “held for trading”	580	235	815	580	235	815			
Bonds and other fixed-income investments classified as “trading”	112		112	112		112			
Bonds and other fixed-income investments classified as “held for trading”	2,326	64	2,390	2,326	64	2,390			
Cash mutual funds classified as “trading”	9,938	27	9,965	9,938	27	9,965			
Cash mutual funds classified as “held for trading”	2,076	186	2,262	2,076	186	2,262			
Other investments classified as “trading”									
Other investments classified as “held for trading”	2		2	2		2			
Total trading assets	**15,083**	**512**	**15,595**	**15,083**	**512**	**15,595**			
Total investments valued at fair value	**61,803**	**4,971**	**66,774**	**67,420**	**5,440**	**72,860**	**5,617**	**469**	**6,086**

(a) For investments valued at fair value, the net value on the balance sheet corresponds to the fair value.

As at 30 June 2014, capital gains that were unrealised but recognised for accounting purposes through equity (revaluation reserves) as available-for-sale investment assets and through income as trading investment assets were €6,086 million and €274 million, respectively, compared with €2,881 million and €185 million as at 31 December 2013.
The increase in unrealised gains is explained in very large part by the decline in bond rates.

The group increased its bond repurchase activity by €2,317 million as at 30 June 2014 to reach €4,092 million. The cash from these repurchase agreements is invested in specific funds held directly.

In millions of euros	31.12.2013								
	Net amortised cost			Fair value (a)			Gross unrealised capital gains (losses)		
	France	International	Total	France	International	Total	France	International	Total
Available-for-sale assets									
Equities and other variable-income investments	4,050	198	4,248	4,821	252	5,073	771	54	825
Bonds and other fixed-income investments	43,996	4,254	48,250	45,841	4,465	50,306	1,845	211	2,056
Other investments	41		41	41		41			
Total available-for-sale assets	**48,087**	**4,452**	**52,539**	**50,703**	**4,717**	**55,420**	**2,616**	**265**	**2,881**
Trading assets									
Equities and other variable-income investments classified as “trading”	37		37	37		37			
Equities and other variable-income investments classified as “held for trading”	683	140	823	683	140	823			
Bonds and other fixed-income investments classified as “trading”	176		176	176		176			
Bonds and other fixed-income investments classified as “held for trading”	2,076	55	2,131	2,076	55	2,131			
Cash mutual funds classified as “trading”	6,503	24	6,527	6,503	24	6,527			
Cash mutual funds classified as “held for trading”	917	150	1,067	917	150	1,067			
Other investments classified as “trading”									
Other investments classified as “held for trading”	2		2	2		2			
Total trading assets	**10,394**	**369**	**10,763**	**10,394**	**369**	**10,763**			
Total investments valued at fair value	**58,481**	**4,821**	**63,302**	**61,097**	**5,086**	**66,183**	**2,616**	**265**	**2,881**

(a) For investments valued at fair value, the net value on the balance sheet corresponds to the fair value.

NOTE 6.2 – INVESTMENTS VALUED AT FAIR VALUE BY BUSINESS

NOTE 6.2.1 – INVESTMENTS VALUED AT FAIR VALUE BY BUSINESS – FRANCE

In millions of euros	30.06.2014											
	Net amortised cost				Fair value [a]				Gross unrealised capital gains (losses)			
	Life and health insurance	P&C	Holding	Total	Life and health insurance	P&C	Holding	Total	Life and health insurance	P&C	Holding	Total
Available-for-sale assets												
Equities and other variable-income investments	2,468	792		3,260	3,073	1,156		4,229	605	364		969
Bonds and other fixed-income investments	39,071	4,270		43,341	43,245	4,744		47,989	4,174	474		4,648
Other investments	30	89		119	30	89		119				
Total available-for-sale assets	**41,569**	**5,151**		**46,720**	**46,348**	**5,989**		**52,337**	**4,779**	**838**		**5,617**
Trading assets												
Equities and other variable-income investments classified as “trading”	8	41		49	8	41		49				
Equities and other variable-income investments classified as “held for trading”	462	118		580	462	118		580				
Bonds and other fixed-income investments classified as “trading”	102	10		112	102	10		112				
Bonds and other fixed-income investments classified as “held for trading”	1,867	459		2,326	1,867	459		2,326				
Cash mutual funds classified as “trading”	7,721	2,216		9,937	7,721	2,216		9,937				
Cash mutual funds classified as “held for trading”	2,076	1		2,077	2,076	1		2,077				
Other investments classified as “trading”												
Other investments classified as “held for trading”	1	1		2	1	1		2				
Total trading assets	**12,237**	**2,846**		**15,083**	**12,237**	**2,846**		**15,083**				
Total investments valued at fair value	**53,806**	**7,997**		**61,803**	**58,585**	**8,835**		**67,420**	**4,779**	**838**		**5,617**

(a) For investments valued at fair value, the net value on the balance sheet corresponds to the fair value.

In millions of euros	31.12.2013											
	Net amortised cost				Fair value [a]				Gross unrealised capital gains (losses)			
	Life and health insurance	P&C	Holding	Total	Life and health insurance	P&C	Holding	Total	Life and health insurance	P&C	Holding	Total
Available-for-sale assets												
Equities and other variable-income investments	3,018	1,032		4,050	3,442	1,379		4,821	424	346		771
Bonds and other fixed-income investments	39,696	4,300		43,996	41,248	4,593		45,841	1,552	293		1,845
Other investments	7	34		41	7	34		41				
Total available-for-sale assets	**42,721**	**5,366**		**48,087**	**44,697**	**6,006**		**50,703**	**1,976**	**640**		**2,616**
Trading assets												
Equities and other variable-income investments classified as “trading”	8	29		37	8	29		37				
Equities and other variable-income investments classified as “held for trading”	556	127		683	556	127		683				
Bonds and other fixed-income investments classified as “trading”	164	12		176	164	12		176				
Bonds and other fixed-income investments classified as “held for trading”	1,629	447		2,076	1,629	447		2,076				
Cash mutual funds classified as “trading”	5,280	1,221	2	6,503	5,280	1,221	2	6,503				
Cash mutual funds classified as “held for trading”	916	1		917	916	1		917				
Other investments classified as “trading”												
Other investments classified as “held for trading”	1	1		2	1	1		2				
Total trading assets	**8,554**	**1,838**	**2**	**10,394**	**8,554**	**1,838**	**2**	**10,394**				
Total investments valued at fair value	**51,275**	**7,204**	**2**	**58,481**	**53,251**	**7,844**	**2**	**61,097**	**1,976**	**640**		**2,616**

(a) For investments valued at fair value, the net value on the balance sheet corresponds to the fair value.

NOTE 6.2.2 – INVESTMENTS VALUED AT FAIR VALUE BY BUSINESS – INTERNATIONAL

In millions of euros	30.06.2014								
	Net amortised cost			Fair value [a]			Gross unrealised capital gains (losses)		
	Life and health insurance	P&C	Total	Life and health insurance	P&C	Total	Life and health insurance	P&C	Total
Available-for-sale assets									
Equities and other variable-income investments	122	95	217	134	110	244	12	15	27
Bonds and other fixed-income investments	2,288	1,954	4,242	2,551	2,133	4,684	263	179	442
Other investments									
Total available-for-sale assets	**2,410**	**2,049**	**4,459**	**2,685**	**2,243**	**4,928**	**275**	**194**	**469**
Trading assets									
Equities and other variable-income investments classified as “trading”									
Equities and other variable-income investments classified as “held for trading”	119	116	235	119	116	235			
Bonds and other fixed-income investments classified as “trading”									
Bonds and other fixed-income investments classified as “held for trading”	37	27	64	37	27	64			
Cash mutual funds classified as “trading”	26	1	27	26	1	27			
Cash mutual funds classified as “held for trading”	109	77	186	109	77	186			
Other investments classified as “trading”									
Other investments classified as “held for trading”									
Total trading assets	**291**	**221**	**512**	**291**	**221**	**512**			
Total investments valued at fair value	**2,701**	**2,270**	**4,971**	**2,976**	**2,464**	**5,440**	**275**	**194**	**469**

(a) For investments valued at fair value, the net value on the balance sheet corresponds to the fair value.

In millions of euros	31.12.2013								
	Net amortised cost			Fair value [a]			Gross unrealised capital gains (losses)		
	Life and health insurance	P&C	Total	Life and health insurance	P&C	Total	Life and health insurance	P&C	Total
Available-for-sale assets									
Equities and other variable-income investments	94	104	198	136	116	252	42	12	54
Bonds and other fixed-income investments	2,277	1,977	4,254	2,396	2,069	4,465	119	92	211
Other investments									
Total available-for-sale assets	**2,371**	**2,081**	**4,452**	**2,532**	**2,185**	**4,717**	**161**	**104**	**265**
Trading assets									
Equities and other variable-income investments classified as “trading”									
Equities and other variable-income investments classified as “held for trading”	69	71	140	69	71	140			
Bonds and other fixed-income investments classified as “trading”									
Bonds and other fixed-income investments classified as “held for trading”	31	24	55	31	24	55			
Cash mutual funds classified as “trading”	23	1	24	23	1	24			
Cash mutual funds classified as “held for trading”	89	61	150	89	61	150			
Other investments classified as “trading”									
Other investments classified as “held for trading”									
Total trading assets	**212**	**157**	**369**	**212**	**157**	**369**			
Total investments valued at fair value	**2,583**	**2,238**	**4,821**	**2,744**	**2,342**	**5,086**	**161**	**104**	**265**

(a) For investments valued at fair value, the net value on the balance sheet corresponds to the fair value.

NOTE 6.3 – INVESTMENTS VALUED AT FAIR VALUE BY TYPE

In millions of euros	30.06.2014								
	Net amortised cost			Fair value [a]			Gross unrealised capital gains (losses)		
	France	International	Total	France	International	Total	France	International	Total
Equities and other variable-income investments									
Available-for-sale assets	3,260	217	3,477	4,229	244	4,473	969	27	996
Assets classified as "trading"	49		49	49		49			
Assets classified as "held for trading"	580	235	815	580	235	815			
Total equities and other variable-income investments	**3,889**	**452**	**4,341**	**4,858**	**479**	**5,337**	**969**	**27**	**996**
Bonds and other fixed-income investments									
Available-for-sale assets	43,341	4,242	47,583	47,989	4,684	52,673	4,648	442	5,090
Assets classified as "trading"	112		112	112		112			
Assets classified as "held for trading"	2,326	64	2,390	2,326	64	2,390			
Total bonds and other fixed-income investments	**45,779**	**4,306**	**50,085**	**50,427**	**4,748**	**55,175**	**4,648**	**442**	**5,090**
Cash mutual funds									
Assets classified as "trading"	9,938	27	9,965	9,938	27	9,965			
Assets classified as "held for trading"	2,076	186	2,262	2,076	186	2,262			
Total cash mutual funds	**12,014**	**213**	**12,227**	**12,014**	**213**	**12,227**			
Other investments									
Available-for-sale assets	119		119	119		119			
Assets classified as "trading"									
Assets classified as "held for trading"	2		2	2		2			
Total other investments	**121**		**121**	**121**		**121**			
Total investments valued at fair value	**61,803**	**4,971**	**66,774**	**67,420**	**5,440**	**72,860**	**5,617**	**469**	**6,086**

(a) For investments valued at fair value, the net value on the balance sheet corresponds to the fair value.

In millions of euros	31.12.2013								
	Net amortised cost			Fair value [a]			Gross unrealised capital gains (losses)		
	France	International	Total	France	International	Total	France	International	Total
Equities and other variable-income investments									
Available-for-sale assets	4,050	198	4,248	4,821	252	5,073	771	54	825
Assets classified as “trading”	37		37	37		37			
Assets classified as “held for trading”	683	140	823	683	140	823			
Total equities and other variable-income investments	**4,770**	**338**	**5,108**	**5,541**	**392**	**5,933**	**771**	**54**	**825**
Bonds and other fixed-income investments									
Available-for-sale assets	43,996	4,254	48,250	45,841	4,465	50,306	1,845	211	2,056
Assets classified as “trading”	176		176	176		176			
Assets classified as “held for trading”	2,076	55	2,131	2,076	55	2,131			
Total bonds and other fixed-income investments	**46,248**	**4,309**	**50,557**	**48,093**	**4,520**	**52,613**	**1,845**	**211**	**2,056**
Cash mutual funds									
Assets classified as “trading”	6,503	24	6,527	6,503	24	6,527			
Assets classified as “held for trading”	917	150	1,067	917	150	1,067			
Total cash mutual funds	**7,420**	**174**	**7,594**	**7,420**	**174**	**7,594**			
Other investments									
Available-for-sale assets	41		41	41		41			
Assets classified as “trading”									
Assets classified as “held for trading”	2		2	2		2			
Total other investments	**43**		**43**	**43**		**43**			
Total investments valued at fair value	**58,481**	**4,821**	**63,302**	**61,097**	**5,086**	**66,183**	**2,616**	**265**	**2,881**

(a) For investments valued at fair value, the net value on the balance sheet corresponds to the fair value.

NOTE 6.4 – INVESTMENTS VALUED AT AMORTISED COST IN NET VALUE

In millions of euros	30.06.2014			31.12.2013		
	France	International	Total	France	International	Total
Loans	171	63	234	151	67	218
Deposits	1,095	37	1,132	924	30	954
Other	650		650	254		254
Total assets valued at amortised cost	**1,916**	**100**	**2,016**	**1,329**	**97**	**1,426**

The increase in “Other” is mainly due to a securities lending transaction. The collateral exchanged is recorded in “Other investments at amortised cost” for a value of €537 million.

NOTE 6.5 – RESERVES FOR IMPAIRMENT OF INVESTMENTS

In millions of euros	30.06.2014			31.12.2013		
	Gross	Reserves	Net	Gross	Reserves	Net
Available-for-sale assets						
Equities and other variable-income investments	4,704	(1,227)	3,477	5,522	(1,274)	4,248
Bonds and other fixed-income investments	47,599	(16)	47,583	48,267	(17)	48,250
Other investments	119		119	41		41
Total available-for-sale assets	**52,422**	**(1,243)**	**51,179**	**53,830**	**(1,291)**	**52,539**
Financial investments valued at amortised cost	2,019	(3)	2,016	1,430	(4)	1,426
Financial investments valued at amortised cost	**2,019**	**(3)**	**2,016**	**1,430**	**(4)**	**1,426**

As at 30 June 2014, total long-term impairment reserves for investments valued at fair value were €1,243 million, compared with €1,291 million as at 31 December 2013. The impairment reserves for available-for-sale financial assets represent 2.37% of their gross value. The change in the total reserve from one year to the next results from a write-back of the reserve for sold securities for €57 million and an allocation of €9 million.

Reserves for impairment of investments were determined in accordance with the rules set out in paragraph 3.2.1 of the accounting principles.

Regarding the sovereign debts of peripheral countries of the eurozone (Ireland, Italy, Spain, and Portugal) and Hungary, the Group has seen that certain issuing countries have had their rating downgraded or even been offered a rescue package from the International Monetary Fund. However, it should be emphasised that to date:

- none of these debts has been subject to default on the payment of interest or principal;
- no insolvency proceedings or financial restructuring has been undertaken nor, given the current state of our knowledge and view of the situation, does this seem likely.

Consequently, the Group believes that there is no proven risk of impairment of these debt securities and therefore that there is no reason to establish a reserve for these securities.

Regarding equities, the reserve for impairment includes an impairment of strategic securities for €999 million.

NOTE 6.6 – SIGNIFICANT INVESTMENTS IN NON-CONSOLIDATED COMPANIES

In millions of euros	30.06.2014				31.12.2013			
	% interest	Acquisition cost net of reserves	Fair value	Revaluation reserve (with PB effect and tax) (1)	% interest	Acquisition cost net of reserves	Fair value	Revaluation reserve (with PB effect and tax) (1)
Veolia Environnement	5.20%	255	429	174	5.20%	245	335	90
Saint Gobain					1.83%	442	407	(35)
French companies		**255**	**429**	**174**		**687**	**742**	**55**
Mediobanca	4.93%	147	321	174	4.93%	147	269	122
OTP Bank	8.30%	261	338	101	8.30%	261	317	79
Foreign companies		**408**	**659**	**275**		**408**	**586**	**201**
Total significant investments in non-consolidated companies		**663**	**1,088**	**449**		**1,095**	**1,328**	**256**

(1) The revaluation reserve takes account of the effects of hedging instruments

The securities presented in this note correspond exclusively to securities considered “strategic securities”, the treatment of which with regard to impairment is indicated in point 3.2.1 of the accounting principles.

As recalled in this point 3.2.1, strategic securities are held by the Group for the long term. They are characterised by the Group’s representation on their governance bodies or significant, lasting contractual relations or a significant stake in the capital (in absolute or relative value), without significant influence being exerted.

Changes during the fiscal year:

During fiscal year 2014, the group pursued its equity derisking policy with the disposal of its Saint Gobain securities.

NOTE 6.7 – DEBT SECURITIES OF PERIPHERAL COUNTRIES OF THE EUROZONE

NOTE 6.7.1 – SOVEREIGN DEBT SECURITIES OF PERIPHERAL COUNTRIES OF THE EUROZONE

In millions of euros	30.06.2014					
In millions of euros	Gross discounted cost price	Reserves for impairment	Net discounted cost price	Fair value	Gross unrealised capital gains (losses)	Unrealised capital gains (losses) net of taxes and profit-sharing
Spain	2,704		2,704	3,050	346	29
Greece						
Ireland	23		23	26	3	1
Italy	7,592		7,592	8,581	989	142
Portugal	282		282	296	14	1
Total	**10,601**		**10,601**	**11,953**	**1,352**	**173**

In millions of euros	31.12.2013					
	Gross discounted cost price	Reserves for impairment	Net discounted cost price	Fair value	Gross unrealised capital gains (losses)	Unrealised capital gains (losses) net of taxes and profit-sharing
Spain	2,697		2,697	2,673	(24)	1
Greece						
Ireland	20		20	22	2	
Italy	7,595		7,595	7,727	132	41
Portugal	447		447	387	(60)	(9)
Total	**10,759**		**10,759**	**10,809**	**50**	**33**

As indicated in Note 6.5, the Group feels that there is no proven risk of impairment on the sovereign debt securities of peripheral countries of the eurozone (Ireland, Italy, Spain, and Portugal) and that, therefore, there is no reason to establish an impairment for these securities. Exposure to sovereign debt securities of peripheral eurozone countries included directly-owned securities and look-through reporting which is required on consolidated mutual funds. Unrealised capital gains on these securities totalled €173 million (net of taxes and profit sharing).

All sovereign debt securities of peripheral eurozone countries are classed as Level 1 using the fair value hierarchy established by IFRS 7; these securities are listed on an active market and their prices can be easily and regularly obtained.

In addition, the exposure level on Hungary is approximately €249 million, mainly held by the Hungarian subsidiary.

The table below shows the change in sovereign debt securities of peripheral countries of the eurozone at fair value held directly.

In millions of euros	30.06.2014					
	Spain	Greece	Ireland	Italy	Portugal	Total
Opening sovereign debt securities	**2,666**	**0**	**22**	**7,424**	**387**	**10,500**
Change in unrealised capital gains or losses	371		1	850	60	1,282
Change in scope						0
Acquisitions	12			342		354
Disposals/Redemptions	(13)			(363)	(156)	(532)
Foreign exchange adjustments						
Closing sovereign debt securities	**3,036**	**0**	**23**	**8,253**	**291**	**11,604**

To date, the consolidated mutual funds hold €349 million in sovereign debt securities of peripheral countries of the eurozone, including €14 million in Spanish sovereign debt, €3 million in Irish sovereign debt, €328 million in Italian sovereign debt, and €4 million in Portuguese sovereign debt.

NOTE 6.7.2 – NON-SOVEREIGN DEBT SECURITIES OF PERIPHERAL COUNTRIES OF THE EUROZONE

In millions of euros	30.06.2014					
	Gross discounted cost price	Reserves for impairment	Net discounted cost price	Fair value	Gross unrealised capital gains (losses)	Unrealised capital gains (losses) net of taxes and profit-sharing
Spain	639		639	723	84	10
Greece						
Ireland	71		71	73	2	1
Italy	722		722	788	66	18
Portugal	28		28	30	2	1
Total	**1,460**		**1,460**	**1,614**	**154**	**30**

In millions of euros	31.12.2013					
	Gross discounted cost price	Reserves for impairment	Net discounted cost price	Fair value	Gross unrealised capital gains (losses)	Unrealised capital gains (losses) net of taxes and profit-sharing
Spain	644		644	692	48	6
Greece						
Ireland	51		51	52	1	1
Italy	921		921	957	36	9
Portugal	40		40	40		
Total	**1,656**		**1,656**	**1,741**	**85**	**16**

The balance sheet value of the Group's investments in bonds issued by companies, banks, local authorities and para-governmental organisations located in peripheral countries of the eurozone (mainly Spain and Italy) was €1,614 million as at 30 June 2014. These securities present an unrealised capital gain net of taxes and profit sharing of €30 million.

Exposure to non-sovereign debt securities of peripheral eurozone countries included directly-owned securities and look-through reporting which is required on consolidated mutual funds.

NOTE 6.8 – HIERARCHY OF FAIR VALUE

Pursuant to the amendment to IFRS 7 issued by the IASB in March 2009, financial instrument (assets and liabilities) valued at fair value are classified according to a three-level hierarchy. These levels depend on whether a valuation model is used and the data sources used to populate the valuation models:

- level 1 corresponds to a price listed in an active market to which the entity may have access on the valuation date,
- level 2 corresponds to the fair value determined on the basis of a valuation model using data directly observable on an active market or data that can be determined from prices observed,
- level 3 corresponds to the fair value determined on the basis of a valuation model using data not observable on a market.

A financial instrument is considered to be listed on an active market if prices are easily and regularly available from a stock exchange, broker, trader, business sector, or price valuation service and if these prices represent real transactions properly carried out on the market under conditions of normal competition.

Determination of whether a market is active is particularly based on indicators such as the significant decrease in the volume of transactions and the level of activity on the market, high dispersion of prices available over time and between the various market participants, or the fact that the prices no longer correspond to sufficiently recent transactions.

in millions of euros	30.06.2014				31.12.2013			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Available-for-sale assets								
Equities and other variable-income investments	4,117	95	261	4,473	4,716	90	266	5,072
Bonds and other fixed-income investments	51,725	705	243	52,673	49,377	736	194	50,307
Other investments	114	3	2	119	36	3	2	41
Total available-for-sale assets	**55,956**	**803**	**506**	**57,265**	**54,129**	**829**	**462**	**55,420**
Trading assets								
Equities and other variable-income investments classified as “trading” or “held for trading”	366		498	864	283		577	860
Bonds and other fixed-income investments classified as “trading” or “held for trading”	2,098	43	361	2,502	2,129	48	130	2,307
Cash mutual funds classified as “trading” or “held for trading”	12,227			12,227	7,593			7,593
Other investments			2	2			2	2
Total trading assets	**14,691**	**43**	**861**	**15,595**	**10,005**	**48**	**709**	**10,762**
Sub-total of financial investments (excluding unit-linked items)	**70,647**	**846**	**1,367**	**72,860**	**64,134**	**877**	**1,171**	**66,182**
Investments in unit-linked policies	3,941	110	1,673	5,724	3,479	106	1,731	5,316
Derivative financial assets and liabilities		(491)	(1)	(492)		(262)	(1)	(263)
Total financial assets and liabilities valued at fair value	**74,588**	**465**	**3,039**	**78,092**	**67,613**	**721**	**2,901**	**71,235**

As these are investments in unit-linked policies, the risk is borne by policyholders.

Derivative instruments posted to assets totalled €201 million and derivative instruments posted to liabilities on the balance sheet totalled €693 million as at 30 June 2014. These instruments are mainly Level 2.

The Level 3 investments comprise:

- for equities, these largely involve shares of private equity funds and unlisted equities. The private equity fund units are valued based on the latest net asset values. The valuation of unlisted equities is based on several methods, such as the discounted cash flow techniques or the restated net asset method.
- for bonds, securities valued based on a model using extrapolated data;
- for investments in unit-linked policies in level 3, structured products not listed on an active market, the remuneration of which is indexed to indices, baskets of shares, or rates.

Beyond the financial assets and liabilities described in the table, the Group recorded fair-value financial contracts without discretionary profit sharing in its technical liabilities. This amount totalled €55 million as at 30 June 2014, compared with €51 million as at 31 December 2013.

In millions of euros	30.06.2014								
	Available-for-sale assets			Trading assets				Investments in unit-linked policies	Derivative assets and liabilities
	Equities	Bonds	Other investments	Equities	Bonds	Cash mutual funds	Other investments		
Level 3 opening amount	**266**	**194**	**2**	**577**	**130**		**2**	**1,731**	**(1)**
Change in unrealised capital gains or losses recognised in:									
- income	(4)			26	5			80	
- gains and losses recognised directly in shareholders' equity	2	(2)							
Transfer to level 3		44			85				
Transfer outside of level 3	(2)			(50)					
Reclassification to loans and receivables									
Change in scope									
Acquisitions	3	8		32	149			25	
Disposals/Redemptions	(4)	(1)		(87)	(8)			(147)	
Foreign exchange adjustments								(16)	
Level 3 closing amount	**261**	**243**	**2**	**498**	**361**		**2**	**1,673**	**(1)**

NOTE 7 - INVESTMENTS REPRESENTING COMMITMENTS IN UNIT-LINKED INVESTMENTS

In millions of euros	30.06.2014			31.12.2013		
	France	International	Total	France	International	Total
Variable-income securities and related securities		4	4		3	3
Bonds	1,323	643	1,966	1,174	648	1,822
Equity mutual fund units	3,367	60	3,427	3,120	69	3,190
Bond and other mutual fund units	75	70	145	71	51	123
Other investments		74	74		74	74
Subtotal of unit-linked financial investments	**4,764**	**852**	**5,616**	**4,366**	**846**	**5,212**
Unit-linked investment property	108		108	104		104
Subtotal of unit-linked investment property	**108**		**108**	**104**		**104**
Total	**4,872**	**852**	**5,724**	**4,470**	**846**	**5,316**

The unit-linked investments are solely connected to the Life and Health Insurance business.

NOTE 8 – ASSET AND LIABILITY DERIVATIVE INSTRUMENTS AND SEPARATE EMBEDDED DERIVATIVES

In millions of euros	30.06.2014					
	France		International		Total	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Swaps	127	(678)	1		128	(678)
Options	116	(53)	1		117	(53)
Foreign currency futures	(44)	38			(44)	38
Other						
Total	**199**	**(693)**	**2**		**201**	**(693)**

In millions of euros	31.12.2013					
	France		International		Total	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Swaps	136	(530)			136	(530)
Options	137	(13)	1		138	(13)
Foreign currency futures	6				6	
Other						
Total	**279**	**(543)**	**1**		**280**	**(543)**

As at 30 June 2014, the following derivative instruments were available to the Group:

- swaps indexed to a variable rate primarily for macro-protection of the bond portfolio against an increase in rates;
- currency or inflation-indexed swaps. This strategy economically involves investing in a fixed-rate bond in euros;
- Currency risk hedging;
- synthetic exposure to the credit risk of private issuers through option strategies;
- and equity risk hedging through index option purchases.

These derivatives are not documented as hedging operations under IAS 39. In accordance with the principles set out in 3.3, these instruments are valued at fair value on the balance sheet with an offset to profit or loss.

Consideration of the counterparty's risk of default in determining the fair value of financial instruments, in accordance with IFRS 13, has no significant impact on the fair value of derivatives because of the collateralisation system put in place by the group.

NOTE 9 – USES AND SOURCES OF FUNDS FOR BANKING SECTOR ACTIVITIES

NOTE 9.1 – USES OF FUNDS FOR BANKING SECTOR ACTIVITIES

In millions of euros	30.06.2014			31.12.2013		
	Gross value	Reserves	Net value	Gross value	Reserves	Net value
Petty cash, central banks and postal accounts	7		7	275		275
Financial assets at fair value through income	104		104	73		73
Hedging derivatives						
Available-for-sale financial assets	675		675	400		400
Loans and receivables from credit institutions	222		222	228		228
Loans and receivables on customers	1,643	(24)	1,620	1,640	(26)	1,613
Revaluation difference of interest rate hedged portfolios	4		4	5		5
Held-to-maturity financial assets	985		985	670		670
Investment property						
Total	**3,639**	**(24)**	**3,615**	**3,291**	**(26)**	**3,265**

NOTE 9.2 – RESOURCES FROM BANKING SECTOR ACTIVITIES

In millions of euros	30.06.2014	31.12.2013
Central banks, postal accounts		
Financial liabilities at fair value through income	28	5
Hedging derivatives	4	5
Debts to credit institutions	485	128
Debts to customers	2,464	2,307
Debts represented by securities	245	415
Revaluation difference of interest rate hedged portfolios		
Total	**3,225**	**2,861**

The structure of uses and resources of banking activities was specifically changed by a combination of several elements:

- Over the 1st half of 2014, the bank's available liquid assets were up because of the resumption of the pension programme for credit institutions (increase in "Debts to credit institutions") and an inflow from customers thanks to the success of the Elancio campaign (increase In "Debts to customers").
  This increase was offset by a lower volume of securities issues, which explains the decrease in "Debts represented by securities".
- At the same time, the group reduced the reinvestment of its cash with the Central bank European because the return on this investment was not attractive, hence a decrease in "Cash, central banks, and postal accounts", and therefore invested its cash in available-for-sale financial assets and held-to-maturity investments.

NOTE 10 – INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

In millions of euros	30.06.2014		31.12.2013	
	Equivalent value	Share of income	Equivalent value	Share of income
Bollington	1			(1)
GÜNES SIGORTA	26		31	(13)
CEGID	72	3	71	3
La Banque Postale IARD	80	(3)	74	(7)
STAR	77	2	76	2
GROUPAMA - AVIC Property Insurance Co.	69	1	70	5
HOLDCO	716	(15)	731	1
Total	**1,041**	**(12)**	**1,053**	**(10)**

NOTE 11 – SHARE OF OUTWARD REINSURERS AND RETROCESSIONAIRES IN LIABILITIES RELATED TO INSURANCE POLICIES AND FINANCIAL CONTRACTS

In millions of euros	30.06.2014			31.12.2013		
	France	International	Total	France	International	Total
Share of reinsurers in non-life insurance reserves						
Reserves for unearned premiums	29	28	57	22	30	52
Outstanding claims reserves	625	243	868	865	224	1,089
Other technical reserves	276	1	277	184	4	188
Total	**930**	**272**	**1,202**	**1,070**	**258**	**1,329**
Share of reinsurers in life insurance reserves						
Life insurance reserves	6,970	3	6,973	6,941	3	6,944
Outstanding claims reserves	121	4	125	114	4	118
Profit-sharing reserves	19		19	19		19
Other technical reserves						
Total	**7,110**	**7**	**7,117**	**7,074**	**7**	**7,081**
Share of reinsurers in financial contract reserves						
Total	**8,040**	**278**	**8,319**	**8,144**	**265**	**8,410**

NOTE 12 – DEFERRED PROFIT SHARING

NOTE 12.1 – DEFERRED PROFIT SHARING LIABILITIES

In millions of euros	30.06.2014			31.12.2013		
	France	International	Total	France	International	Total
Reserve for deferred profit sharing of insurance policies	2,733	12	2,745	281	47	328
Reserve for deferred profit sharing of financial contracts		111	111			
Total	**2,733**	**123**	**2,857**	**281**	**47**	**328**

On the main entities, deferred profit-sharing rates, used in the shadow accounting as at 30 June 2014, remained unchanged in France compared with 31 December 2013.

The significant change in deferred profit-sharing liabilities is mainly explained by the favourable trend of the financial markets.

The deferred profit-sharing rates used in France as at 30 June 2014 were between 78.11% and 90.79%, with 90.79% for Groupama Gan Vie.

NOTE 13 – DEFERRED TAXES

NOTE 13.1 – ANALYSIS OF THE MAJOR COMPONENTS OF DEFERRED TAXES

In millions of euros	30.06.2014	31.12.2013
Deferred taxes resulting from timing differences		
Restatements on AFS & Trading financial instruments (net of deferred profit sharing)	(500)	(390)
Life acquisition costs and overall management expenses reserve	(48)	(49)
Consolidation restatements on technical reserves	(258)	(238)
Other differences on consolidation restatements	125	121
Deferred non-life acquisition costs	(56)	(47)
Tax differences on technical reserves and other provisions for contingencies and charges	492	473
Tax-deferred capital gains	(3)	(3)
Valuation difference on mutual funds	118	96
Foreign exchange hedge	10	10
Other temporary tax differences	22	19
Subtotal of deferred taxes resulting from timing differences	**(99)**	**(8)**
Deferred taxes from stocks of ordinary losses	**36**	**62**
Deferred taxes recorded on the balance sheet	**(63)**	**54**
of which, assets	362	429
of which, liabilities	(425)	(375)

The Group's combined financial statements show overall net deferred tax liabilities of -€63 million. These deferred tax liabilities may be broken down as follows:

- A deferred tax asset of €362 million as at 30 June 2014 compared with €429 million as at 31 December 2013, i.e. a decrease of €67 million.
- A deferred tax liability of €425 million as at 30 June 2014 compared with €375 million as at 31 December 2013, i.e. an increase of €50 million.

Deferred tax assets from ordinary losses amounted to €36 million as at 30 June 2014 versus €62 million as at 31 December 2013. Total deferred taxes were not corrected for the exceptional contribution of 10.7% that applies to taxable income for fiscal years 2013 and 2014 for companies with turnover exceeding €250 million (see 2013 amending finance act). This correction would have an insignificant impact.

As at 31 December 2014, the amount of unrecognised net assets was €101 million, identical to 31 December 2013.

NOTE 14 – RECEIVABLES FROM INSURANCE OR INWARD REINSURANCE TRANSACTIONS

NOTE 14.1 – RECEIVABLES FROM INSURANCE OR INWARD REINSURANCE – BY OPERATING SEGMENT

In millions of euros	30.06.2014							31.12.2013
	France			International			Total	Total
	Gross value	Reserves	Net value	Gross value	Reserves	Net value		
Earned unwritten premiums	871		871	12		12	884	778
Policyholders, intermediaries, and other third parties	2,516	(23)	2,493	419	(74)	346	2,839	1,640
Current accounts — co-insurers and other third parties	56	(1)	56	60	(25)	35	90	86
Current accounts — ceding and retroceding companies	564		564	12	(1)	10	574	235
Total	**4,007**	**(23)**	**3,984**	**503**	**(100)**	**403**	**4,387**	**2,738**

NOTE 15 – OTHER RECEIVABLES

In millions of euros	30.06.2014			31.12.2013
	Gross Values	Reserves	Total	Total
Accrued interest not yet due	730		730	790
Due from employees	13		13	28
Social agencies	13		13	21
Other debtors	1,421	(127)	1,293	1,241
Other receivables	334		334	286
Total	**2,512**	**(127)**	**2,384**	**2,365**

NOTE 15.1 – OTHER RECEIVABLES – BY MATURITY

In millions of euros	30.06.2014				31.12.2013			
	<1 year	1 to 5 years	>5 years	Total	<1 year	1 to 5 years	>5 years	Total
Accrued interest not yet due	730			730	790			790
Due from employees	13			13	28			28
Social agencies	13			13	21			21
Other debtors	1,215	53	26	1,293	1,158	56	27	1,241
Other receivables	334			334	286			286
Total	**2,306**	**53**	**26**	**2,384**	**2,282**	**56**	**27**	**2,365**

NOTE 15.2 – OTHER RECEIVABLES – BY OPERATING SEGMENT

In millions of euros	30.06.2014			31.12.2013		
	France	International	Total	France	International	Total
Accrued interest not yet due	657	73	730	708	82	790
Due from employees	12	1	13	27	1	28
Social agencies	13		13	20		21
Other debtors	1,203	90	1,293	1,183	57	1,241
Other receivables	302	32	334	262	24	286
Total	**2,187**	**197**	**2,384**	**2,200**	**165**	**2,365**

Note 16 – Cash and cash equivalents

Note 16.1 – Cash and cash equivalents applied to balance sheet assets

In millions of euros	30.06.2014	31.12.2013
France	820	691
International	354	384
Total	**1,174**	**1,075**

Cash and cash equivalents primarily represent the balances in the bank accounts of the Group's entities.

Note 16.2 – Cash applied to balance sheet liabilities

In millions of euros	30.06.2014				31.12.2013			
	<1 year	1 to 5 years	>5 years	Total	<1 year	1 to 5 years	>5 years	Total
Operating debts to banking sector companies	379			379	198			198
Total	**379**			**379**	**198**			**198**

In millions of euros	30.06.2014			
	Currencies		Rate	
	Eurozone	Non eurozone	Fixed rate	Variable rate
Operating debts to banking sector companies	379		379	
Total	**379**		**379**	

NOTE 17 – SHAREHOLDERS' EQUITY, NON-CONTROLLING INTERESTS

NOTE 17.1 – SHARE CAPITAL LIMITS FOR INSURANCE COMPANIES

Insurance business operations are governed by regulatory constraints that define minimum share capital in particular. In France, in accordance with the European directive and by virtue of articles R322-5 and R322-44 of the French Insurance Code, French companies subject to State control and incorporated in the form of mutual insurance companies must have start-up funds at least equal to €240,000 or €400,000 depending on the branches operated. French public limited companies must have share capital of at least €480,000 or €800,000 depending on the branches operated.

In addition, in order to ensure the financial stability of insurance companies and protect policyholders, there is a prudential reserve in France under Article R. 334-1 of the French Insurance Code. It requires insurance companies to respect a minimum solvency margin on an ongoing basis relative to its activities (life and non-life). This obligation also exists abroad, according to similar mechanisms. This entire mechanism is reinforced at the level of the consolidated financial statements through the establishment of "adjusted" solvency by taking into account, where applicable, the banking activities engaged in by the insurance group, according to the French accounting and regulatory framework.

NOTE 17.2 – IMPACTS OF TRANSACTIONS WITH MEMBERS

- **Change in the Group's shareholders' equity during the 1st half of 2014**

In May 2014, Groupama SA exchanged at par value a portion of its perpetual debt issued in 2007 (TSS), recognised as an equity instrument, for a nominal amount of €551 million, and a portion of its perpetual subordinated debt (TSDI), recognised in financial debt, issued in 2005 for a nominal amount of €449 million and issued in return a new perpetual subordinated debt for an equivalent nominal amount. This exchange was supplemented by an issue of the same instrument to new investors for a nominal amount of €100 million.

Following these operations, the borrowings classified as equity are detailed as follows:

- A TSDI borrowing, issued in May 2014, for a nominal value of €1,100 million at the fixed interest rate of 6.375% and
- A TSS borrowing, issued in 2007, at the fixed interest rate of 6.298% for a remaining nominal value of €449 million.

- **Accounting treatment of subordinated securities classified as equity instruments**

These borrowings have special characteristics, such as:

- unlimited term,
- the ability to defer or cancel any interest payment to unitholders in a discretionary manner.

Taking into account their characteristics and in application of IAS 32 §16 and 17, these borrowings are considered equity instruments and not financial liabilities. They are therefore recognised under shareholders' equity. Interest costs net of tax are charged directly against shareholders' equity in accordance with IAS 32 § 35 (rather than as an expense in the income statement).

NOTE 17.3 – RESERVES RELATED TO CHANGES IN FAIR VALUE RECORDED IN SHAREHOLDERS' EQUITY

The reconciliation between unrealised capital gains losses on available-for-sale investment assets and the corresponding reserve in shareholders' equity may be broken down as follows:

In millions of euros	30.06.2014	31.12.2013
Gross unrealised capital gains (losses) on available-for-sale assets	6,087	2,881
of which, unrealised gross capital gains (losses) on AFS assets allocated to life and health insurance	5,054	2,136
of which, unrealised gross capital gains (losses) on AFS assets allocated to property and casualty insurance	1,033	745
Shadow accounting	(4,162)	(1,602)
Cash flow hedge and other changes	(60)	(60)
Deferred taxes	(428)	(288)
Share of non-controlling interests	(3)	(2)
Revaluation reserve - Group share	**1,433**	**928**

The deferred tax amount shown in the table above corresponds to the application of a short-term and long-term tax rate on the unrealised gains on financial instruments classified as "available-for-sale assets", and
a short-term tax rate on deferred profit sharing ("shadow accounting"). Under the new rules for long-term capital gains (losses) applicable as at 1 January 2006, the unrealised capital gains on "strategic" equity interests are exempt for the calculation of the deferred tax up to a maximum percentage of costs and expenses (i.e., an effective rate of 4.13%).
"Cash flow hedge and other changes" for -€60 million is broken down as follows:

- -€42 million for the revaluation reserve of the cash flow hedge, which corresponds to the effective portion of the cash flow hedges applied by the Group, which will be recognised in income upon the elimination of the hedged underlying assets;
- -€18 million for the net investment hedge revaluation reserve, which will be recognised in income upon the disposal of the foreign subsidiary.

NOTE 18 – PROVISIONS FOR CONTINGENCIES AND CHARGES

In millions of euros	30.06.2014						
	France			International			Total
	Provisions for pensions and similar obligations	Other contingencies and charges[1]	Total	Provisions for pensions and similar obligations	Other contingencies and charges[1]	Total	
Opening balance	**352**	**164**	**516**	**44**	**44**	**88**	**604**
Changes in the scope of consolidation and changes in accounting methods							
Increases for the year	45	21	66	2	12	14	80
Write-backs for the year	(11)	(49)	(60)	(3)	(15)	(18)	(78)
Foreign exchange variation							
Closing balance	**386**	**136**	**522**	**43**	**41**	**84**	**606**

(1) The details of this item are not provided because this information could cause a serious loss for the Group in view of current litigation.

In millions of euros	31.12.2013						
	France			International			Total
	Reserves for pensions and similar obligations	Other contingent liabilities[1]	Total	Reserves for pensions and similar obligations	Other contingent liabilities[1]	Total	
Opening balance	**355**	**198**	**553**	**44**	**50**	**94**	**647**
Changes in the scope of consolidation and changes in accounting methods					(3)	(3)	(3)
Increases for the year	52	56	108	5	24	29	137
Write-backs for the year	(55)	(90)	(145)	(4)	(26)	(30)	(175)
Foreign exchange variation				(1)	(1)	(2)	(2)
Closing balance	**352**	**164**	**516**	**44**	**44**	**88**	**604**

(1) The details of this item are not provided because this information could cause a serious loss for the Group in view of current litigation.

NOTE 19 – FINANCIAL DEBT

NOTE 19.1 – FINANCIAL DEBT – BY MATURITY

In millions of euros	30.06.2014				31.12.2013			
	<1 year	1 to 5 years	>5 years	Total	<1 year	1 to 5 years	>5 years	Total
Subordinated debt			793	793			1,238	1,238
of which subordinated debt of insurance companies			793	793			1,238	1,238
of which subordinated liabilities of banking companies								
Financial debt represented by securities								
Financial debt with banking-sector companies	652	16	32	700	653	16	34	703
Total	**652**	**16**	**825**	**1,493**	**653**	**16**	**1,272**	**1,941**

The decrease in external debt is mainly due to the exchange at par, in May 2014, of a portion of the subordinated debt issued in 2005 (see note 17.2).

NOTE 19.2 – FINANCIAL DEBT – BY CURRENCY AND RATE

In millions of euros	30.06.2014			
	Currencies		Rate	
	Eurozone	Non eurozone	Fixed rate	Variable rate
Subordinated debt	793		793	
Financial debt represented by securities				
Financial debt with banking-sector companies	700		689	11
Total	**1,493**		**1,482**	**11**

The "Subordinated debt" line comprises several issues of bond loans as follows:

- A fixed-rate perpetual subordinated bond (TSDI) issued by Groupama SA in July 2005 with a balance of €44 million.
  - This bond includes a clause that allows the issuer to redeem the bond early as from the tenth year.
  - Groupama SA has the option of deferring interest payments if the Group's solvency is below 150%.

  At 30 June 2014, this issue was quoted at 100.4% compared with 92.2% at 31 December 2013. This quotation is the result of valuation of a counterparty, as the liquidity of this security is very low.

- A fixed interest loan in the form of subordinated redeemable securities (TSR) issued in October 2009 by Groupama SA for an amount of €750 million.
  The key terms of this bond are as follows:
  - the term of the bond is 30 years,
  - an early redemption option available to Groupama SA that it may exercise as from the tenth year,
  - a clause entitling Groupama SA to defer interest payments as follows, the deferred interest remaining is due to the holders of the securities.
  - Groupama SA has the option of deferring interest payments if the Group's solvency is below 100%.

  At 30 June 2014, this issue was quoted at 113% compared with 104.3% at 31 December 2013.

In view of the specific terms and conditions of each issue pursuant to IAS 32 §16 and 17, these bonds are considered as financial liabilities rather than equity instruments. They are therefore recognised under financial debt. Interest costs net of tax are recognised in the income statement.

The "Financial debt to banking sector companies" line totals €700 million: It mainly corresponds to the use of a syndicated loan for €651 million and a leasing debt for €31 million and other borrowings for €18 million.

NOTE 20 – LIABILITIES RELATED TO INSURANCE POLICIES

NOTE 20.1 – LIABILITIES RELATED TO INSURANCE POLICIES – BY OPERATING SEGMENT

In millions of euros	30.06.2014			31.12.2013		
	France	International	Total	France	International	Total
Gross technical reinsurance reserves						
Life insurance reserves	30,048	1,202	31,250	30,372	1,247	31,619
Outstanding claims reserves	616	55	671	582	61	643
Profit-sharing reserves	1,020	24	1,044	939	21	960
Other technical reserves	7	25	32	7	26	34
Total Life insurance	**31,691**	**1,306**	**32,997**	**31,899**	**1,356**	**33,255**
Reserves for unearned premiums	3,177	716	3,894	986	677	1,663
Outstanding claims reserves	7,870	2,269	10,139	8,058	2,174	10,232
Other technical reserves	3,258	43	3,302	3,080	46	3,125
Total Non-life insurance	**14,306**	**3,029**	**17,335**	**12,123**	**2,897**	**15,021**
Life insurance reserves for unit-linked policies	5,626	833	6,459	4,427	827	5,254
Total	**51,622**	**5,168**	**56,790**	**48,450**	**5,080**	**53,530**

The technical liabilities of insurance policies had increased at 30 June 2014 by +€3,260 million and primarily related to France (+€3,172 million).
The changes are divided mainly between unit-linked technical reserves (+€1,205 million) and reserves for unearned Non-Life insurance premiums (+€2,231 million), because of the receipt of premiums for the fiscal year on 1 January.

The adequacy tests carried out on liabilities as at 30 June 2014 were found to be satisfactory and did not result in the recognition of any additional technical expense.

NOTE 20.2 – LIABILITIES RELATED TO INSURANCE POLICIES BY BUSINESS

NOTE 20.2.1 – LIABILITIES RELATED TO INSURANCE POLICIES BY BUSINESS – FRANCE

In millions of euros	30.06.2014			31.12.2013		
	Life and health insurance	P&C	Total	Life and health insurance	P&C	Total
Gross technical reinsurance reserves						
Life insurance reserves	30,048		30,048	30,371		30,371
Outstanding claims reserves	616		616	582		582
Profit-sharing reserves	1,020		1,020	939		939
Other technical reserves	7		7	7		7
Total Life insurance	**31,691**		**31,691**	**31,899**		**31,899**
Reserves for unearned premiums	799	2,378	3,177	136	850	986
Outstanding claims reserves	895	6,975	7,870	923	7,135	8,058
Other technical reserves	2,558	700	3,258	2,471	608	3,079
Total Non-life insurance	**4,252**	**10,053**	**14,305**	**3,530**	**8,594**	**12,123**
Life insurance reserves for unit-linked policies	5,626		5,626	4,427		4,427
Total gross technical reserves relating to insurance policies	**41,569**	**10,053**	**51,622**	**39,856**	**8,594**	**48,450**

NOTE 20.2.2 – LIABILITIES RELATED TO INSURANCE POLICIES BY BUSINESS – INTERNATIONAL

In millions of euros	30.06.2014			31.12.2013		
	Life and health insurance	P&C	Total	Life and health insurance	P&C	Total
Gross technical reinsurance reserves						
Life insurance reserves	1,202		1,202	1,247		1,247
Outstanding claims reserves	55		55	61		61
Profit-sharing reserves	24		24	21		21
Other technical reserves	25		25	26		26
Total Life insurance	**1,306**		**1,306**	**1,355**		**1,355**
Reserves for unearned premiums	64	652	716	61	616	677
Outstanding claims reserves	80	2,190	2,270	86	2,088	2,174
Other technical reserves	9	34	43	9	37	46
Total Non-life insurance	**153**	**2,876**	**3,029**	**156**	**2,741**	**2,897**
Life insurance reserves for unit-linked policies	833		833	827		827
Total gross technical reserves relating to insurance policies	**2,292**	**2,876**	**5,168**	**2,339**	**2,741**	**5,080**

NOTE 21 – LIABILITIES RELATED TO FINANCIAL CONTRACTS

In millions of euros	30.06.2014	31.12.2013
Reserves on financial contracts with discretionary profit sharing		
Life technical reserves	17,755	18,407
Reserves on unit-linked policies	88	91
Outstanding claims reserves	71	93
Profit-sharing reserves	38	39
Other technical reserves	1	
Total	**17,955**	**18,630**
Reserves on financial contracts without discretionary profit sharing		
Life technical reserve	7	7
Reserves on unit-linked policies	55	51
Outstanding claims reserves		
Profit-sharing reserves		
Other technical reserves		
Total	**62**	**58**
Total	**18,017**	**18,688**

NOTE 21.1 – LIABILITIES RELATED TO FINANCIAL CONTRACTS (EXCLUDING UNIT-LINKED) BY OPERATING SEGMENT

In millions of euros	30.06.2014			31.12.2013		
	France	International	Total	France	International	Total
Reserves on financial contracts - Life	16,368	1,395	17,762	17,137	1,277	18,414
Outstanding claims reserves	65	6	71	88	5	93
Profit-sharing reserves	36	2	38	36	3	39
Other technical reserves		1	1			
Total	**16,469**	**1,404**	**17,874**	**17,261**	**1,285**	**18,546**

NOTE 22 – OTHER DEBTS

NOTE 22.1 – OTHER DEBTS – BY OPERATING SEGMENT

In millions of euros	30.06.2014			31.12.2013		
	France	International	Total	France	International	Total
Employee creditors	278	6	284	287	6	294
Social agencies	240	8	248	221	8	230
Other loans, deposits, and guarantees received	4,696	6	4,702	1,834	11	1,844
Miscellaneous creditors	874	59	932	758	43	801
Other debts	343	40	383	479	34	513
Total	**6,430**	**120**	**6,550**	**3,579**	**102**	**3,682**

The "Other loans, deposits and guarantees received" line item amounted to €4,702 million as at 30 June 2014, compared with €1,844 million as at 31 December 2013, an increase of €2,858 million. This increase mainly comes from debt resulting from the bond repurchase agreement, which amounted to €4,076 million as at 30 June 2014 compared with €1,757 as at 31 December 2013, an increase of €2,319 million.

NOTE 22.2 – OTHER DEBT – BY MATURITY

In millions of euros	30.06.2014				31.12.2013			
	<1 year	1 to 5 years	>5 years	Total	<1 year	1 to 5 years	>5 years	Total
Employee creditors	268		16	284	280	1	13	294
Social agencies	248	1		248	228	1		230
Other loans, deposits, and guarantees received	4,626	14	62	4,702	1,757	15	73	1,844
Miscellaneous creditors	924	7	1	932	795	5	1	801
Other debts	382	1		383	513			513
Total	**6,448**	**23**	**79**	**6,550**	**3,574**	**22**	**87**	**3,682**

NOTE 23 – ANALYSIS OF PREMIUM INCOME

NOTE 23.1 – ANALYSIS OF INSURANCE PREMIUM INCOME BY MAJOR CATEGORY

In millions of euros	30.06.2014			30.06.2013		
	France	International	Total	France	International	Total
Individual retirement savings	970	276	1,246	1,072	184	1,256
Individual protection insurance	444	61	505	442	59	501
Individual health	1,176	33	1,209	1,165	32	1,197
Other	102		102	97		97
Individual life and health insurance	**2,692**	**370**	**3,062**	**2,777**	**275**	**3,052**
Group retirement savings	89	21	110	109	22	131
Group protection scheme	278	29	307	280	31	311
Group health	270	13	283	268	14	282
Other	146		146	172		172
Group life and health insurance	**783**	**63**	**846**	**830**	**67**	**897**
Life and health insurance	**3,475**	**433**	**3,908**	**3,607**	**342**	**3,949**
Motor insurance	1,181	586	1,767	1,189	654	1,843
Other vehicles	88		88	91		91
Home insurance	775	98	873	743	97	840
Retail and professional property and casualty	282	6	288	267	6	273
Construction	157		157	161		161
Private and professional	**2,483**	**690**	**3,173**	**2,451**	**758**	**3,209**
Fleets	338	9	347	338	7	346
Business and local authorities property	362	91	453	365	93	459
Businesses and local authorities	**700**	**100**	**800**	**704**	**101**	**804**
Agricultural risks	464	95	559	451	86	537
Climate risks	153		153	149		149
Tractors and agricultural equipment	248		248	235		235
Agricultural business segments	**865**	**95**	**960**	**835**	**86**	**921**
Other business segments	168	38	206	170	35	205
Property and casualty insurance	**4,216**	**923**	**5,139**	**4,160**	**980**	**5,139**
Total Insurance	**7,691**	**1,356**	**9,047**	**7,766**	**1,322**	**9,088**

NOTE 23.2 – ANALYSIS OF PREMIUM INCOME BY BUSINESS

In millions of euros	30.06.2014					30.06.2013				
	Life and health insurance	P&C	Financial businesses	Total	%share	Life and health insurance	P&C	Financial businesses	Total	%share
France	3,475	4,216	138	7,829	85%	3,606	4,160	129	7,895	86%
Southern Europe	328	762		1,091	12%	241	803		1,044	11%
CEEC	104	161		266	3%	101	177		278	3%
Total	**3,908**	**5,139**	**138**	**9,186**	**100%**	**3,948**	**5,139**	**129**	**9,217**	**100%**

The geographic areas are broken down as follows:
- France;
- Southern Europe: Portugal, Italy, Greece and Turkey;
- Central and Eastern European Countries (CEEC): Bulgaria, Hungary and Romania.

NOTE 23.3 – ANALYSIS OF BANKING ITEMS CONTRIBUTING TO PREMIUM INCOME

In millions of euros	30.06.2014			30.06.2013		
	Groupama Banque	Other companies	Total	Groupama Banque	Other companies	Total
Interest and related income	28		28	29		29
Commissions (income)	31	61	92	30	61	91
Gains on financial instruments at fair value through income	16		16	7		7
Gains on available-for-sale financial assets	(1)		0	1	1	2
Income from other activities		1	1			1
Total	**75**	**63**	**138**	**68**	**62**	**129**

Banking premium income shown in the combined financial statements corresponds to banking income before taking into account refinancing costs.

The increase in Groupama Banque's turnover is particularly related to the growth of income on cash portfolios.

NOTE 24 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES

NOTE 24.1 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES – BY OPERATING SEGMENT

In millions of euros	30.06.2014			30.06.2013		
	France	Inter-national	Total	France	Inter-national	Total
Interest on deposits and financial investments income	1,043	123	1,166	1,058	124	1,182
Gains on foreign exchange transactions	18	5	23	11	8	19
Income from differences on redemption prices to be received (premium-discount)	57	2	59	63	2	65
Income from property	65		66	69	1	70
Other investment income						
Income from investments	**1,183**	**130**	**1,313**	**1,201**	**135**	**1,335**
Interest received from reinsurers	(1)		(1)	(1)		(1)
Losses on foreign exchange transactions	(26)	(5)	(32)	(7)	(9)	(15)
Amortisation of differences in redemption prices (premium-discount)	(106)	(9)	(115)	(81)	(7)	(88)
Impairment and reserves on property	(27)	(1)	(28)	(26)	(1)	(28)
Management expenses	(175)	(5)	(180)	(172)	(5)	(177)
Investment expenses	**(336)**	**(21)**	**(357)**	**(287)**	**(22)**	**(309)**
Held for trading	75	3	78	22	(19)	3
Available-for-sale	231	30	261	383	29	412
Held to maturity						
Other	1	3	4	10	7	16
Capital gains (losses) from sales of investments, net of impairment reversals and write-backs	**306**	**36**	**343**	**414**	**17**	**431**
Held for trading	27	10	37	(43)	(6)	(49)
Derivatives	(194)		(193)	38		39
Adjustments on unit-linked policies	327	17	345	(26)	9	(16)
Change in fair value of financial instruments recorded at fair value by income	**160**	**28**	**188**	**(31)**	**4**	**(27)**
Available-for-sale	(4)	(5)	(9)	(11)	(8)	(19)
Held to maturity						
Receivables and loans	4		4	2		2
Change in impairment losses on financial instruments	**(1)**	**(5)**	**(5)**	**(9)**	**(8)**	**(17)**
Total	**1,313**	**168**	**1,482**	**1,288**	**125**	**1,413**

NOTE 24.2 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES (INCOME BREAKDOWN BY TYPE OF ASSET)

In millions of euros	30.06.2014					30.06.2013				
	Income and expenses	Proceeds of disposal (*)	Change in fair value	Change in reserves	Total	Income and expenses	Proceeds of disposal (*)	Change in fair value	Change in reserves	Total
Property	66	5			71	70	16			86
Equities	73	178			251	115	24			139
Bonds	932	16	28		976	999	293	5		1,297
Equity mutual funds	42	124	37		203	24	55	(3)		76
Mutual funds: Cash and cash equivalents (repurchase transactions)		4			4		3			3
Other cash mutual funds		6	1		7		5			5
Bond mutual funds	50	15	39		104	41	6	(46)		1
Interest on cash deposits	1				1	3				3
Other investment income	149	(5)	(262)	(5)	(123)	83	29	33	(17)	128
Investment income	**1,313**	**343**	**(157)**	**(5)**	**1,494**	**1,335**	**431**	**(11)**	**(17)**	**1,738**
Internal and external management expenses and other investment expenses	(170)				(170)	(159)				(159)
Other investment expenses	(187)				(187)	(150)				(150)
Investment expenses	**(357)**				**(357)**	**(309)**				**(309)**
Investment income, net of expenses	**956**	**343**	**(157)**	**(5)**	**1,137**	**1,026**	**431**	**(11)**	**(17)**	**1,429**
Capital gains on securities representing unit-linked policies			351		351			192		192
Capital losses on securities representing unit-linked policies			(6)		(6)			(208)		(208)
Total investment income net of management expenses	**956**	**343**	**188**	**(5)**	**1,482**	**1,026**	**431**	**(27)**	**(17)**	**1,413**

(*) Net of write-back of impairment and amortisation.

NOTE 24.2.1 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES (INCOME BREAKDOWN BY TYPE OF ASSET) – FRANCE

In millions of euros	30.06.2014					30.06.2013				
	Income and expenses	Proceeds of disposal (*)	Change in fair value	Change in reserves	Total	Income and expenses	Proceeds of disposal (*)	Change in fair value	Change in reserves	Total
Property	65	2			67	70	10			80
Equities	72	175			247	113	43			156
Bonds	819	(7)	25		837	886	286	7		1,179
Equity mutual funds	42	119	29		190	23	55	1		79
Mutual funds: Cash and cash equivalents (repurchase transactions)		4			4		3			3
Other cash mutual funds		6	1		7		5			5
Bond mutual funds	44	15	39		98	36	6	(46)		(4)
Interest on cash deposits						1				1
Other investment income	141	(7)	(262)		(128)	72	7	33	(9)	103
Investment income	**1,183**	**307**	**(168)**		**1,322**	**1,201**	**415**	**(5)**	**(9)**	**1,602**
Internal and external management expenses and other investment expenses	(165)				(165)	(155)				(155)
Other investment expenses	(171)				(171)	(132)				(132)
Investment expenses	**(336)**				**(336)**	**(287)**				**(287)**
Investment income, net of expenses	**847**	**307**	**(168)**		**986**	**914**	**415**	**(5)**	**(9)**	**1,315**
Capital gains on securities representing unit-linked policies			331		331			178		178
Capital losses on securities representing unit-linked policies			(3)		(3)			(204)		(204)
Total investment income net of management expenses	**847**	**307**	**160**		**1,314**	**914**	**415**	**(31)**	**(9)**	**1,289**

(*) Net of write-back of impairment and amortisation.

NOTE 24.2.2 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES (INCOME BREAKDOWN BY TYPE OF ASSET) – INTERNATIONAL

In millions of euros	30.06.2014					30.06.2013				
	Income and expenses	Proceeds of disposal (*)	Change in fair value	Change in reserves	Total	Income and expenses	Proceeds of disposal (*)	Change in fair value	Change in reserves	Total
Property	1	3			4		6			6
Equities	1	3			4	2	(19)			(17)
Bonds	113	23	3		139	114	8	(1)		121
Equity mutual funds		5	8		13	1	(1)	(4)		(4)
Mutual funds: Cash and cash equivalents (repurchase transactions)										
Other cash mutual funds										
Bond mutual funds	6				6	5				5
Interest on cash deposits	1				1	2				2
Other investment income	8	2		(5)	5	10	22		(7)	25
Investment income	**130**	**36**	**11**	**(5)**	**172**	**134**	**16**	**(5)**	**(7)**	**138**
Internal and external management expenses and other investment expenses	(5)				(5)	(5)				(5)
Other investment expenses	(16)				(16)	(18)				(18)
Investment expenses	**(21)**				**(21)**	**(23)**				**(23)**
Investment income, net of expenses	**109**	**36**	**11**	**(5)**	**151**	**111**	**16**	**(5)**	**(7)**	**115**
Capital gains on securities representing unit-linked policies			20		20			14		14
Capital losses on securities representing unit-linked policies			(3)		(3)			(4)		(4)
Total investment income net of management expenses	**109**	**36**	**28**	**(5)**	**168**	**111**	**16**	**5**	**(7)**	**125**

(*) Net of write-back of impairment and amortisation.

NOTE 25 – INSURANCE POLICY SERVICING EXPENSES

NOTE 25.1 – INSURANCE POLICY SERVICING EXPENSES – BY OPERATING SEGMENT

In millions of euros	30.06.2014			30.06.2013		
	France	International	Total	France	International	Total
Claims						
Paid to policyholders	(5,055)	(860)	(5,915)	(5,060)	(981)	(6,041)
Change in technical reserves						
Outstanding claims reserves	157	(55)	102	143	(54)	89
Actuarial reserves	1,182	(21)	1,161	730	68	798
Unit-linked reserves	(595)	(28)	(623)	8	68	76
Profit sharing	(765)	(64)	(829)	(814)	(47)	(861)
Other technical reserves	(155)	(1)	(156)	(208)	(6)	(214)
Total	**(5,231)**	**(1,029)**	**(6,260)**	**(5,201)**	**(952)**	**(6,153)**

Servicing expenses for insurance policies totalled €6,260 million at 30 June 2014, compared with €6,153 million at 30 June 2013.

NOTE 26 – OUTWARD REINSURANCE INCOME (EXPENSES)

NOTE 26.1 – OUTWARD REINSURANCE INCOME (EXPENSES) – BY OPERATING SEGMENT

In millions of euros	30.06.2014			30.06.2013		
	France	Inter-national	Total	France	Inter-national	Total
Acquisition and administrative costs	43	11	54	62	37	98
Claim expenses	321	41	362	179	71	249
Change in technical reserves	23	(4)	19	10		10
Profit sharing	(149)	1	(148)		1	1
Change in equalisation reserve						
Income on outward reinsurance	**238**	**49**	**287**	**250**	**108**	**358**
Outward premiums	(406)	(94)	(500)	(405)	(173)	(579)
Change in unearned premiums	7	24	32	(1)	27	25
Expenses on outward reinsurance	**(399)**	**(70)**	**(468)**	**(407)**	**(147)**	**(553)**
Total	**(161)**	**(20)**	**(181)**	**(157)**	**(38)**	**(195)**

The change in ceded claims costs as well as ceded profit sharing in France compared with the previous fiscal year is the consequence of a new three-year quota-share reinsurance contract in life insurance.

NOTE 27 – OTHER INCOME AND EXPENSES FROM NON-CURRENT OPERATIONS

NOTE 27.1 – OTHER NON-CURRENT OPERATING INCOME AND EXPENSES – BY OPERATING SEGMENT

In millions of euros	30.06.2014			30.06.2013		
	France	International	Total	France	International	Total
Income from non-current operations	39	2	41	17	1	18
Expenses from non-current operations	(57)	(11)	(68)	(64)	(17)	(81)
Total	**(18)**	**(9)**	**(27)**	**(46)**	**(17)**	**(63)**

The balance of other net income and expenses from non-current operations amounted to a loss of €27 million as at 30 June 2014 compared with a loss of €63 million at 30 June 2013.

NOTE 28 – FINANCING EXPENSES

In millions of euros	30.06.2014	30.06.2013
Interest expenses on loans and debts	(48)	(46)
Interest income and expenses — Other		
Total financing expenses	**(48)**	**(46)**

NOTE 29 – BREAKDOWN OF TAX EXPENSES

NOTE 29.1 – BREAKDOWN OF TAX EXPENSES BY OPERATING SEGMENT

In millions of euros	30.06.2014			30.06.2013		
	France	Inter-national	Total	France	Inter-national	Total
Current taxes	(20)	(36)	(57)	(5)	(30)	(35)
Deferred taxes	(2)	19	17	(2)	18	16
Total	**(22)**	**(17)**	**(39)**	**(7)**	**(12)**	**(19)**

The Group underwent a tax audit in 2010. Reserves were set aside for all accepted assessments in 2010. By contrast, assessments relating largely to the level of technical reserves for property and casualty, which was deemed excessive by the tax authorities, as well as the risk of dependence, were not subject to reserves. The Group considers that the reasons for adjustments are highly questionable and has prepared technical arguments for a litigation process.

NOTE 29.2 – RECONCILIATION BETWEEN TOTAL ACCOUNTING TAX EXPENSE AND THEORETICAL TAX EXPENSE CALCULATIONS

In millions of euros	30.06.2014	30.06.2013
Theoretical tax expense	**(62)**	**(71)**
Impact of expenses or income defined as non-deductible or non-taxable	(24)	38
Impact of differences in tax rate	46	12
Tax credit and various charges		
Charges of prior deficits		
Losses for the fiscal year not capitalised		
Deferred tax assets not accounted for		
Other differences		2
Effective tax expense	**(39)**	**(19)**

Overall, income tax corresponded to an expense (deferred tax plus social tax) of €39 million at 30 June 2014, versus an expense of €19 million at 30 June 2013.

The variance between the two years is explained mainly by the change in “non-deductible or non-taxable expenses and income” as well as the impact of rate differences.

This increase incorporates the current tax expense due for the tax consolidation scope of €17 million as at 30 June 2014 versus an expense of €2 million as at 30 June 2013, which involved the 15% long-term tax on disposals and reserves on equity interests.

The reconciliation with the theoretical statutory tax is as follows:

In millions of euros	30.06.2014		30.06.2013	
	Consolidated income before taxes	Theoretical tax rate	Consolidated income (losses) before tax	Theoretical tax rate
France	110	34.43%	183	34.43%
Bulgaria	1	10.00%		10.00%
China	1	25.00%	(2)	25.00%
Greece	1	26.00%	4	26.00%
Hungary	9	19.00%	2	19.00%
Italy	45	33.72%	22	34.32%
Portugal		24.50%		26.50%
Romania	2	16.00%	(4)	16.00%
United Kingdom	4	21.50%	3	23.25%
Slovakia	(1)	19.00%		19.00%
Tunisia	2	30.00%		30.00%
Turkey	7	20.00%	(2)	20.00%
Total	**180**		**206**	

The theoretical tax rate applicable in France remains at 34.43% and has not been corrected for the extraordinary 10.7% contribution that applies to taxable earnings for fiscal years 2013 to 2015 for companies that have turnover exceeding €250 million.

OTHER INFORMATION

NOTE 30 – COMMITMENTS GIVEN AND RECEIVED

NOTE 30.1 – COMMITMENTS GIVEN AND RECEIVED – BANKING BUSINESS

In millions of euros	30.06.2014	31.12.2013
Financing commitments received		
Guarantee commitments received	542	544
Securities commitments receivable	18	
Total commitments received on banking business	**560**	**544**
Commitments received on currency transactions		
Other commitments received		
Total other commitments received on banking business		
Financing commitments given	158	170
Guarantee commitments given	46	49
Commitments on securities to be delivered	15	
Total commitments given on banking business	**219**	**219**
Commitments given on currency transactions		
Commitments given on financial instrument transactions	4	
Other commitments given	977	681
Total other commitments given on banking business	**981**	**681**

Off-balance sheet commitments received on banking business amounted to €560 million. For spot foreign exchange transactions, the position at 30 June 2014 was not significant.

Commitments given totalled €219 million and specifically concerned client commitments.

Other commitments were given for €981million, including €975 million representing the amount of eligible securities used as collateral for a possible drawdown of assets, as part of the refinancing with the ECB. This amount was €681 million as at 31 December 2013.

NOTE 30.2 – COMMITMENTS GIVEN AND RECEIVED – INSURANCE AND REINSURANCE BUSINESSES

In millions of euros	30.06.2014	31.12.2013
Endorsements, securities and guarantees received	152	150
Other commitments received	417	380
Total commitments received, excluding reinsurance	**569**	**530**
Reinsurance commitments received	**433**	**444**
Endorsements, securities and guarantees given	420	379
Other commitments related to stock, assets or income	475	418
Other commitments given	38	28
Total commitments given excluding reinsurance	**933**	**825**
Reinsurance commitments given	**3,116**	**2,898**
Securities belonging to protection institutions		
Other securities held on behalf of third parties		**1**

Endorsements, securities and guarantees received totalled €152 million, largely made up of:

- liability guarantees received on the acquisition of Nuova Tirrena for €50 million.
- various securities received for €86 million.

Other commitments received excluding reinsurance are largely made up of the balance of the credit facility subscribed for €1 billion through a consortium of banks, from which Groupama SA drew €650 million.

Endorsements, securities and guarantees given totalled €420 million, mainly broken down as follows:

- Guarantee valued at €59 million given in conjunction with Gan UK's sale of Minster Insurance Company Limited (MICL). This company was sold during fiscal year 2006,
- Guarantee given as part of the sale of Groupama Insurance for €145 million,
- Guarantee given as part of the sale of a portion of the insurance portfolios of Gan Eurocourtage for €46 million,
- Guarantee given as part of the sale of Groupama Seguros for €81 million,

Other commitments on securities, assets or income consist of subscriptions to venture capital funds ("FCPR"). The remaining €475 million corresponds to the difference between the investment commitment of the subscribers and the total of calls for funds actually received.

Other commitments given amount to €38 million and are mainly made up of commitments on lease rents of the subsidiary Groupama Gan Vie.

Unvalued commitments

Trigger clauses:

Groupama SA:

As part of issues of subordinated securities classified as debt instruments (redeemable subordinated securities and indefinite-term subordinated securities), Groupama SA benefits from trigger clauses:

Groupama SA is entitled to defer payment of interest on the October 2009 TSR of €750 million should the Group solvency margin fall below 100%.

Concerning the TSDI issued in 2005, the remaining nominal value of which totalled €44 million following the exchange in May 2014, Groupama SA has the option to defer the payment of interest in the event that the coverage of the Group's solvency margin is less than 150%. The Group has not used this option and paid the coupon on 28 May 2014 for securities contributed to the exchange and on 6 July 2014 for the remaining balance due.

The trigger is valued as of the closing date prior to the anniversary date (ex-dividend date).

NOTE 31 – LIST OF ENTITIES IN THE SCOPE OF CONSOLIDATION AND MAJOR CHANGES TO THE SCOPE OF CONSOLIDATION

The principal changes in the scope of consolidation are the following:

Inclusion in the scope of consolidation

The G Funds European Convertible Bonds GD D mutual fund entered the consolidation scope.

Eliminations from the scope of consolidation

Fourteen mutual funds were eliminated from the consolidation scope.

Transfer of activity

None.

	Sector of activity	Country	30.06.2014			31.12.2013		
			% control	% interest	Method	% control	% interest	Method
GROUPAMA Méditerranée	Insurance	France	-	-	A	-	-	A
GROUPAMA Centre Manche	Insurance	France	-	-	A	-	-	A
GROUPAMA Grand Est	Insurance	France	-	-	A	-	-	A
GROUPAMA OC	Insurance	France	-	-	A	-	-	A
MISSO	Insurance	France	-	-	A	-	-	A
GROUPAMA Loire Bretagne	Insurance	France	-	-	A	-	-	A
GROUPAMA Paris Val-de-Loire	Insurance	France	-	-	A	-	-	A
GROUPAMA Nord-Est	Insurance	France	-	-	A	-	-	A
CAISSE des producteurs de tabac	Insurance	France	-	-	A	-	-	A
GROUPAMA Rhône-Alpes-Auvergne	Insurance	France	-	-	A	-	-	A
GROUPAMA Centre Atlantique	Insurance	France	-	-	A	-	-	A
GROUPAMA Antilles-Guyane	Insurance	France	-	-	A	-	-	A
GROUPAMA Océan Indien et Pacifique	Insurance	France	-	-	A	-	-	A
CLAMA Méditerranée	Insurance	France	-	-	A	-	-	A
CLAMA Centre Manche	Insurance	France	-	-	A	-	-	A
CLAMA Grand Est	Insurance	France	-	-	A	-	-	A
CLAMA OC	Insurance	France	-	-	A	-	-	A
CLAMA Loire Bretagne	Insurance	France	-	-	A	-	-	A
CLAMA Paris Val-de-Loire	Insurance	France	-	-	A	-	-	A
CLAMA Nord-Est	Insurance	France	-	-	A	-	-	A
CLAMA Rhône-Alpes-Auvergne	Insurance	France	-	-	A	-	-	A
CLAMA Centre Atlantique	Insurance	France	-	-	A	-	-	A
CLAMA Antilles-Guyane	Insurance	France	-	-	A	-	-	A
CLAMA Océan Indien et Pacifique	Insurance	France	-	-	A	-	-	A
GIE GROUPAMA Supports et Services	EIG	France	100.00	99.95	FC	100.00	99.95	FC
GROUPAMA S.A.	Holding	France	99.95	99.95	FC	99.95	99.95	FC
GROUPAMA HOLDING	Holding	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA HOLDING 2	Holding	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA GAN VIE	Insurance	France	100.00	99.95	FC	100.00	99.95	FC
GAN PATRIMOINE	Insurance	France	100.00	99.95	FC	100.00	99.95	FC
CAISSE FRATERNELLE D'EPARGNE	Insurance	France	100.00	99.95	FC	100.00	99.95	FC
CAISSE FRATERNELLE VIE	Insurance	France	99.78	99.73	FC	99.78	99.73	FC
ASSUVIE	Insurance	France	50.00	49.97	FC	50.00	49.97	FC
GAN PREVOYANCE	Insurance	France	100.00	99.95	FC	100.00	99.95	FC
GROUPAMA ASSURANCE CREDIT	Insurance	France	100.00	99.95	FC	100.00	99.95	FC
MUTUAIDE ASSISTANCE	Assistance	France	100.00	99.95	FC	100.00	99.95	FC
GAN ASSURANCES	Insurance	France	100.00	99.95	FC	100.00	99.95	FC
GAN OUTRE MER	Insurance	France	100.00	99.95	FC	100.00	99.95	FC
GROUPAMA PROTECTION JURIDIQUE	Insurance	France	100.00	99.95	FC	100.00	99.95	FC
LA BANQUE POSTALE IARD	Insurance	France	35.00	34.98	EM	35.00	34.98	EM
AMALINE ASSURANCES	Insurance	France	100.00	99.95	FC	100.00	99.95	FC
CEGID	Insurance	France	26.89	26.87	EM	26.89	26.87	EM
GROUPAMA SEGUROS de Vida Portugal	Insurance	Portugal	100.00	99.95	FC	100.00	99.95	FC
GÜNES SIGORTA	Insurance	Turkey	36.00	35.98	EM	36.00	35.98	EM
GROUPAMA SIGORTA	Insurance	Turkey	98.81	98.76	FC	98.81	98.76	FC
GROUPAMA SIGORTA EMEKLILIK	Insurance	Turkey	100.00	99.44	FC	100.00	99.43	FC
GROUPAMA Investment BOSPHORUS	Holding	Turkey	100.00	99.95	FC	100.00	99.95	FC
GROUPAMA POISTOVNA SLOVAQUIE	Insurance	Slovakia	100.00	99.95	FC	100.00	99.95	FC
GROUPAMA ZIVOTNA SLOVAQUIE	Insurance	Slovakia	100.00	99.95	FC	100.00	99.95	FC
STAR	Insurance	Tunisia	35.00	34.98	EM	35.00	34.98	EM
GROUPAMA ZASTRAHOVANE NON LIFE	Insurance	Bulgaria	100.00	99.95	FC	100.00	99.95	FC
GROUPAMA JIVOTOZASTRAHOVANE LIFE	Insurance	Bulgaria	100.00	99.95	FC	100.00	99.95	FC
GROUPAMA GARANCIA BIZTOSITO	Insurance	Hungary	100.00	99.95	FC	100.00	99.95	FC
GROUPAMA PHOENIX Hellenic Asphalistike	Insurance	Greece	100.00	99.95	FC	100.00	99.95	FC
GROUPAMA AVIC PROPERTY INSURANCES CO	Insurance	China	50.00	49.98	EM	50.00	49.98	EM
GUK BROKING SERVICES	Holding	UK	100.00	99.95	FC	100.00	99.95	FC
CAROLE NASH	Brokerage	UK	100.00	89.96	FC	100.00	89.96	FC
BOLLINGTON LIMITED	Brokerage	UK	49.00	48.98	EM	49.00	48.98	EM

	Sector of activity	Country	30.06.2014			31.12.2013		
			% control	% interest	Method	% control	% interest	Method
MASTERCOVER Insurance Services Limited	Brokerage	UK	100.00	99.95	FC	100.00	99.95	FC
COMPUCAR LIMITED	Brokerage	UK	49.00	48.98	EM	49.00	48.98	EM
GROUPAMA ASSICURAZIONI	Insurance	Italy	100.00	99.95	FC	100.00	99.95	FC
GROUPAMA SEGUROS Portugal	Insurance	Portugal	100.00	99.95	FC	100.00	99.95	FC
GROUPAMA ASIGURARI	Insurance	Romania	100.00	99.95	FC	100.00	99.95	FC
GROUPAMA ASSET MANAGEMENT	AM	France	100.00	99.41	FC	100.00	99.41	FC
GROUPAMA BANQUE	Banking	France	99.45	99.41	FC	99.45	99.41	FC
GROUPAMA EPARGNE SALARIALE	AM	France	100.00	99.41	FC	100.00	99.41	FC
GROUPAMA IMMOBILIER	AM	France	100.00	99.41	FC	100.00	99.41	FC
HOLDCO	Real estate	France	24.93	24.92	EM	24.93	24.92	EM
COMPAGNIE FONCIERE PARISIENNE	Real estate	France	99.97	99.93	FC	99.97	99.93	FC
SCI DEFENSE ASTORG	Real estate	France	100.00	99.93	FC	100.00	99.93	FC
GAN FONCIER II	Real estate	France	100.00	99.95	FC	100.00	99.95	FC
IXELLOR	Real estate	France	100.00	99.95	FC	100.00	99.95	FC
79 CHAMPS ELYSÉES	Real estate	France	100.00	99.96	FC	100.00	99.95	FC
RENNES VAUGIRARD	Real estate	France	100.00	99.95	FC	100.00	99.95	FC
SOCIETE FORESTIERE GROUPAMA	Real estate	France	100.00	99.96	FC	100.00	99.96	FC
OPCI OFI GB2	mutual funds	France	100.00	99.93	FC	100.00	99.93	FC
SCI GAN FONCIER	Real estate	France	100.00	98.87	FC	100.00	98.87	FC
VICTOR HUGO VILLIERS	Real estate	France	100.00	98.87	FC	100.00	98.87	FC
1 BIS FOCH	Real estate	France	100.00	98.87	FC	100.00	98.87	FC
SCI TOUR GAN	Real estate	France	100.00	98.87	FC	100.00	98.87	FC
16 MESSINE	Real estate	France	100.00	98.87	FC	100.00	98.87	FC
40 RENE BOULANGER	Real estate	France	100.00	98.87	FC	100.00	98.87	FC
9 MALESHERBES	Real estate	France	100.00	98.87	FC	100.00	98.87	FC
97 VICTOR HUGO	Real estate	France	100.00	98.87	FC	100.00	98.87	FC
44 THEATRE	Real estate	France	100.00	98.87	FC	100.00	98.87	FC
261 RASPAIL	Real estate	France	100.00	99.93	FC	100.00	98.87	FC
5/7 PERCIER (SASU)	Real estate	France	100.00	99.95	FC	100.00	99.95	FC
GAN INVESTISSEMENT FONCIER	Real estate	France	100.00	99.95	FC	100.00	99.95	FC
SCA CHATEAU D'AGASSAC	Real estate	France	100.00	99.99	FC	100.00	99.99	FC
LES FRERES LUMIERE	Real estate	France	100.00	99.95	FC	100.00	99.95	FC
CAP DE FOUSTE (SCI)	Real estate	France	100.00	99.97	FC	100.00	99.97	FC
150 RENNES (SCI)	Real estate	France	100.00	99.95	FC	100.00	99.95	FC
DOMAINE DE NALYS	Real estate	France	100.00	99.97	FC	100.00	99.97	FC
99 MALESHERBES (SCI)	Real estate	France	100.00	99.95	FC	100.00	99.95	FC
3 ROSSINI (SCI)	Real estate	France	100.00	99.95	FC	100.00	99.95	FC
CHAMALIERES EUROPE (SCI)	Real estate	France	100.00	99.95	FC	100.00	99.95	FC
102 MALESHERBES (SCI)	Real estate	France	100.00	99.95	FC	100.00	99.95	FC
PARIS FALGUIERE (SCI)	Real estate	France	100.00	99.95	FC	100.00	99.95	FC
DOMAINE DE FARES	Real estate	France	50.00	49.99	EM	50.00	49.98	EM
12 VICTOIRE (SCI)	Real estate	France	100.00	99.95	FC	100.00	99.95	FC
LABORIE MARCENAT	Real estate	France	74.10	74.07	EM	74.10	74.07	EM
SCIMA GFA	Real estate	France	100.00	99.98	FC	100.00	99.98	FC
38 LE PELETIER (SCI)	Real estate	France	100.00	99.95	FC	100.00	99.95	FC
SCI CHATEAU D'AGASSAC	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
SA SIRAM	Real estate	France	90.07	90.07	FC	90.07	90.07	FC
GROUPAMA PIPACT	Real estate	France	100.00	99.98	FC	100.00	99.98	FC
FRANCE-GAN I D	Mutual fund	France	32.98	32.96	EM	45.71	45.71	EM
ASTORG STRUCTUR GAD D	Mutual fund	France	99.99	99.94	FC	100.00	100.00	FC
GROUPAMA TRESORERIE IC C	Mutual fund	France				20.20	20.20	EM
ASTORG CTT C	Mutual fund	France	100.00	99.95	FC	99.77	99.72	FC
GROUPAMA AAEXA D	Mutual fund	France	100.00	99.95	FC	100.00	99.95	FC
ASTORG EURO SPREAD D	Mutual fund	France	100.00	99.95	FC	100.00	99.95	FC
WASHINGTON EURO NOURRI 10 FCP	Mutual fund	France				99.83	99.78	FC
WASHINGTON EURO NOURRI 9 FCP	Mutual fund	France				100.00	99.95	FC
WASHINGTON EURO NOURRI 8 FCP	Mutual fund	France				100.00	99.95	FC
WASHINGTON EURO NOURRI 7 FCP	Mutual fund	France				100.00	99.95	FC

A: Aggregation FC: Full consolidation EM: Equity method

	Sector of activity	Country	30.06.2014			31.12.2013		
			% control	% interest	Method	% control	% interest	Method
WASHINGTON EURO NOURRI 6 FCP	Mutual fund	France	97.92	97.87	FC	100.00	99.95	FC
WASHINGTON EURO NOURRI 5 FCP	Mutual fund	France				83.33	83.29	FC
WASHINGTON EURO NOURRI 4 FCP	Mutual fund	France				99.62	99.57	FC
WASHINGTON EURO NOURRI 3 FCP	Mutual fund	France				99.62	99.57	FC
WASHINGTON EURO NOURRI 2 FCP	Mutual fund	France				83.33	83.29	FC
WASHINGTON EURO NOURRI 1 FCP	Mutual fund	France				99.89	99.84	FC
WASHINGTON EURO NOURRI 13 FCP	Mutual fund	France	100.00	99.95	FC	100.00	99.95	FC
WASHINGTON EURO NOURRI 14 FCP	Mutual fund	France	99.74	99.69	FC	100.00	99.95	FC
WASHINGTON EURO NOURRI 15 FCP	Mutual fund	France	100.00	99.95	FC	100.00	99.95	FC
GROUPAMA CONVERTIBLES I D	Mutual fund	France	99.58	99.53	FC	99.55	99.50	FC
GROUPAMA ENTREPRISES IC C	Mutual fund	France	29.63	29.62	EM	24.47	24.46	EM
GROUPAMA CREDIT EURO I C	Mutual fund	France	93.38	93.34	FC	84.29	84.25	FC
GROUPAMA CREDIT EURO I D	Mutual fund	France	60.35	60.32	FC	60.35	60.32	FC
WASHINGTON EURO NOURRI 11 FCP	Mutual fund	France				80.00	79.96	FC
WASHINGTON EURO NOURRI 12 FCP	Mutual fund	France				100.00	99.95	FC
WASHINGTON EURO NOURRI 16 FCP	Mutual fund	France	100.00	99.95	FC	100.00	99.95	FC
WASHINGTON EURO NOURRI 17 FCP	Mutual fund	France	100.00	99.95	FC	100.00	99.95	FC
WASHINGTON EURO NOURRI 18 FCP	Mutual fund	France	99.88	99.83	FC	100.00	99.95	FC
GROUPAMA OBLIGATION MONDE I C	Mutual fund	France	75.60	75.56	FC	75.55	75.51	FC
WASHINGTON EURO NOURRI 19 FCP	Mutual fund	France	99.64	99.59	FC	100.00	99.95	FC
WASHINGTON EURO NOURRI 20 FCP	Mutual fund	France	100.00	99.95	FC	100.00	99.95	FC
WASHINGTON EURO NOURRI 21 FCP	Mutual fund	France	100.00	99.95	FC	100.00	99.95	FC
WASHINGTON EURO NOURRI 22 FCP	Mutual fund	France	99.88	99.83	FC	100.00	99.95	FC
WASHINGTON EURO NOURRI 23 FCP	Mutual fund	France	100.00	99.95	FC	100.00	99.95	FC
WASHINGTON EURO NOURRI 24 FCP	Mutual fund	France	100.00	99.95	FC	100.00	99.95	FC
WASHINGTON EURO NOURRI 25 FCP	Mutual fund	France				100.00	99.95	FC
WASHINGTON EURO NOURRI 26 FCP	Mutual fund	France				88.89	88.85	FC
ASTORG STRUCTUR LIFE D	Mutual fund	France	100.00	99.95	FC	100.00	99.95	FC
ASTORG TAUX VARIABLE D	Mutual fund	France	100.00	99.95	FC	100.00	99.95	FC
GROUPAMA EONIA I C	Mutual fund	France	53.14	53.12	FC	48.91	48.89	EM
GROUPAMA FP DETTE EMERGENTE	Mutual fund	France	91.98	91.94	FC	92.03	91.98	FC
ASTORG PENSION C	Mutual fund	France	100.00	99.95	FC	99.77	99.72	FC
ASTORG CASH MA C	Mutual fund	France	99.81	99.77	FC	99.20	99.15	FC
ASTORG CASH MT C	Mutual fund	France	99.56	99.51	FC	94.36	94.31	FC
ASTORG CASH G C	Mutual fund	France	98.92	98.87	FC	84.28	84.24	FC
GROUPAMA CREDIT EURO G D	Mutual fund	France	44.37	44.35	EM	44.37	44.35	EM
GROUPAMA CREDIT EURO LT G D	Mutual fund	France	100.00	99.95	FC	100.00	99.95	FC
GROUPAMA MONETAIRE ETAT G C	Mutual fund	France	72.32	72.29	FC	100.00	99.95	FC
ASTORG THESSALONIQUE 1 D	Mutual fund	France	100.00	99.95	FC	100.00	99.95	FC
ASTORG THESSALONIQUE 2 D	Mutual fund	France	100.00	99.95	FC	100.00	99.95	FC
ASTORG THESSALONIQUE 3 D	Mutual fund	France	100.00	99.95	FC	100.00	99.95	FC
ASTORG THESSALONIQUE 4 D	Mutual fund	France	99.81	99.76	FC	100.00	99.95	FC
ASTORG THESSALONIQUE 5 D	Mutual fund	France	99.56	99.51	FC	100.00	99.95	FC
ASTORG MONETAIRE C	Mutual fund	France	99.87	99.84	FC	99.96	99.91	FC
ASTORG DIV MONDE D	Mutual fund	France	100.00	99.95	FC	100.00	99.95	FC
G FUND - EUROPEAN CONVERTIBLE BONDS GD D	Mutual fund	Luxembourg	100.00	95.95	FC			

A: Aggregation FC: Full consolidation EM: Equity method

Certain real estate entities are consolidated using the equity method under a “simplified” process. This consists of reclassifying on the balance sheet the value of the units and the financing current account in the line item “property investments” and reclassifying in the income statement the dividends or share in the results of the companies on the “Income from property” line item.