FINANCIAL REPORT 2013

oney

Banque Accord

Consolidated financial statements

as at 31 December 2013

ASSETS (in €K)	IFRS-EU 31.12.2013		IFRS-EU 31.12.2012	
Cash, central banks, and post office accounts		7,972		7,392
Held-for-trading financial assets		0		0
Available-for-sale financial assets		0		0
Financial assets at fair value through profit or loss		0		0
Derivatives		313		487
Loans and debts - Credit institutions		88,461		126,560
Demand loans	*41,143*		*84,720*	
Term loans	*47,318*		*41,841*	
Subordinated loan	*0*		*0*	
Loans and debts - Customers		2,095,695		2,077,573
Held-to-maturity financial assets		0		0
Equity securities		709		593
Tangible fixed assets		26,428		10,481
Intangible fixed assets		4,464		4,281
Goodwill		26,443		26,443
Deferred tax assets		32,320		34,637
Current tax assets		4,383		4,806
Other assets and accrual accounts		425,233		411,127
Unpaid subscribed capital		0		0
Non-current and group assets intended for disposal and classified as held for sale (IFRS 5 reclassification)		0		0
TOTAL ASSETS	**2,712,421**		**2,704,379**	

OFF-BALANCE SHEET	31.12.2013		31.12.2012	
COMMITMENTS RECEIVED		**1,166,059**		**1,112,473**
Financing commitments		**1,154,729**		**1,106,575**
received from credit institutions	903,250		855,000	
received from customers	251,479		251,575	
Guarantee commitments		**11,330**		**5,898**
received from credit institutions	9,919		1,684	
received from customers	1,411		4,215	

LIABILITIES & SHAREHOLDERS' EQUITY (in €K)	IFRS-EU 31.12.2013		IFRS-EU 31.12.2012	
Central bank deposits		0		0
Held-for-trading financial liabilities		0		0
Financial liabilities at fair value through profit or loss		0		0
Financial liabilities measured at amortised cost		2,102,119		2,132,135
Debts with credit institutions	*444,835*		*424,213*	
Customer deposits	*399,111*		*403,127*	
Debt securities	*1,220,257*		*1,266,880*	
Subordinated liabilities	*37,917*		*37,916*	
Derivatives		2,253		9,055
Provisions		9,100		9,428
Technical provisions and Insurance debts		14,728		15,130
Technical provisions	*7,364*		*7,565*	
Debts with reinsurers	*7,364*		*7,565*	
Current tax liabilities		11,131		8,289
Deferred tax liabilities		380		1,070
Other liabilities and accrual accounts		178,063		187,667
Group shareholders' equity		390,326		336,739
Subscribed capital and share premium	85,995		84,790	
Subscribed capital	*28,981*		*28,888*	
Share premium	*57,013*		*55,902*	
Other shareholders' equity	0		0	
Revaluation reserves	0		0	
Reserves	250,869		216,845	
Net income	53,463		35,103	
Minority interests		4,322		4,866
Total shareholders' equity		394,647		341,605
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**2,712,421**		**2,704,379**	

OFF-BALANCE SHEET	31.12.2013		31.12.2012	
COMMITMENTS GIVEN		**8,861,813**		**10,001,855**
Financing commitments		**8,830,716**		**9,972,606**
given to credit institutions			0	
given to customers	8,830,716		9,972,606	
Guarantee commitments		**16,754**		**13,877**
given to credit institutions	16,637		13,761	
given to customers	117		117	
Commitments on securities		**14,343**		**15,372**
securities to be received	14,343		15,372	

Income statement (in €K)	IFRS-EU 31.12.2013		IFRS-EU 31.12.2012	
FINANCIAL AND OPERATING INCOME AND EXPENSES				
Interest and similar income		235,592		236,989
Interest and similar income on transactions with credit institutions	1,481		861	
Interest and similar income on transactions with customers	234,099		235,977	
Interest from variable-income securities	12		152	
Interest and similar expenses		24,820		28,585
Interest and similar expenses on transactions with credit institutions	3,199		4,433	
Interest and similar expenses on transactions with customers	7,027		8,444	
Interest and similar expenses on bonds and other fixed-income securities	14,594		15,709	
Net interest margin		***210,772***		***208,405***
Commissions (income)	151,786	0	139,995	0
Commissions (expenses)	41,968	0	36,296	0
Margin on commissions		***109,819***		***103,699***
Net gains or losses on available-for-sale financial assets				
Net gains or losses on financial instruments at fair value through profit and loss		-7,534		-12,598
Gains on financial instruments	909		1,939	
Losses on financial instruments	8,443		14,537	
Net foreign exchange differences		25		-156
Income on other activities		65,142		67,196
Expenses on other activities		5,208		5,013
NET BANKING INCOME		**373,016**		**361,531**
General operating expenses		222,376		215,337
Personnel costs	83,526		79,966	
Other administrative expenses	138,850		135,371	
Allocations to amortisation and depreciation of intangible and tangible fixed assets		9,574		5,936
Allocations to fixed asset depreciation	5,531		4,771	
Allocations net of reversals for provisions	4,042		1,165	
Allocations net of reversals for impairment				
GROSS OPERATING EARNINGS		**141,065**		**140,259**
Cost of risk		83,713		89,591
OPERATING EARNINGS		**57,352**		**50,668**
Share of net earnings of equity-method companies		-593		-697
Gains or losses on capital assets		10,657		0
Change in value of goodwill		0		
TOTAL EARNINGS FROM CONTINUING ACTIVITIES BEFORE TAXES		**67,415**		**49,971**
Tax expense (income) relating to earnings from continuing activities		12,619		13,700
TOTAL EARNINGS FROM CONTINUING OPERATIONS AFTER TAXES				
Income net of taxes from discontinued operations or operations held for sale (IFRS 5 in progress)		0		0
TOTAL EARNINGS		**54,797**		**36,270**
Net earnings, Group share	53,463		35,103	
Interests of minority shareholders	1,334		1,167	
Number of shares	1,449,064		1,444,410	
Net earnings (Group share) per share	36.89		24.30	

Consolidated statement of comprehensive income

(in €K)	31/12/2013			31/12/2012		
	Before taxes	Tax income (expense)	Net of taxes	Before taxes	Tax income (expense)	Net of taxes
Profit or loss for the period (excluding earnings from activities discontinued or being sold)	**67,415**	**(12,619)**	**54,797**	**49,971**	**(13,700)**	**36,270**
Recyclable items						
- Foreign exchange differences resulting from foreign activities	(1,094)		(1,094)	758		758
- Change in fair value of financial instruments (Cash flow hedges)	6,623	(2,517)	4,106	1,165	(420)	744
- Other items	(303)		(303)	(26)		(26)
Items later not recyclable in profit and loss						
- Actuarial profits (losses) from defined-benefit schemes	66	(25)	41	(271)	98	(173)
Other comprehensive income for the period	**5,291**	**(2,542)**	**2,749**	**1,625**	**(322)**	**1,303**
Overall profit or loss for the period	**72,707**	**(15,161)**	**57,546**	**51,596**	**(14,023)**	**37,573**
Attributable to:						
owners of the parent company			58,087			37,464
minority interests			(541)			110
Overall profit or loss for the period			**57,546**			**37,573**

Cash flow statement

In thousands of euros		31/12/2013		31/12/2012	
Net earnings before taxes	**A**		**67,415**		**49,971**
Elimination of non-monetary items:	**B**		9,747		31,456
Amortisation and depreciation of intangible and tangible fixed assets		5,531		4,771	
Allocations net of reversals on outstanding customer debt		10,235		24,857	
Allocations net of reversals on provisions for contingencies and charges		4,046		1,133	
Capital gains or losses		-10,657			
Net earnings from discontinued activities					
Other movements		592		696	
Revenue from operating activities excluding non-monetary items	**A+B**		**77,163**		**81,427**
Increase in assets/decrease in liabilities (-) Decrease in assets/increase in liabilities (+)					
Cash flows generated by operating activities					
Loans and advances to customers	**C**	-25,249		-81,399	
Receivables/payables with credit institutions	**C**	13,851		-22,824	
Debts represented by a security	**C**	-46,623		48,284	
Financial assets and liabilities	**C**	82		3,553	
Non-financial assets and liabilities	**C**	-20,944		2,869	
Taxes paid	**C**	-7,459		-13,825	
Other movements	**C**	-286		-51	
Net cash flows relating to operating activities D=	**A+B+C**		**-9,467**		**18,036**
Cash flows relating to investments					
Flows relating to intangible and tangible investments		-21,792		-9,175	
Flows relating to financial investments and equity interests		-18		-7	
Other movements		13			
Change in scope		10,256		-1,235	
Net cash flows relating to investments	**E**		**-11,541**		**-10,417**
Cash flows relating to financing					
Dividends paid to shareholders		-5,811		-9,049	
Dividends paid to minority shareholders		-1,881		-984	
Capital increase		-2,313		2,105	
Other		-3,270		-4,426	
Net cash flows relating to financing	**F**		**-13,275**		**-12,355**
Net cash flows relating to operating activities	**D**		-9,467		18,036
Net cash flows relating to investments	**E**		-11,541		-10,417
Net cash flows relating to financing	**F**		-13,275		-12,355
Effects of exchange rates variations			-262		441
Net change in cash			**-34,545**		**-4,295**
Cash and cash equivalents, start of period			76,933		81,227
Cash and cash equivalents, end of period			42,388		76,933
Net change in cash			**-34,545**		**-4,295**

Stockholders’ equity bridge table

	Capital et réserves							
	Part du Groupe					Intérêts minoritaires		
En milliers d'euros	Capital	Prime	Réserves	Résultat	**Total**	Réserves	Résultat	**Total**
Situation au 31 décembre 2011	**28 888**	**55 919**	**198 130**	**30 239**	**313 177**	**299**	**1 482**	**1 781**
					0			**0**
Affectation du résultat de l'exercice 2011			30 239	-30 239	**0**	1 482	-1 482	**0**
					0			**0**
Augmentation de capital et émission					**0**			**0**
Impact du Cash flow Hedge			744		**744**			**0**
Réserve de conversion			664		**664**	94		**94**
Autres					**0**			**0**
divers - Stocks options		-18	236		**218**			**0**
divers - Retrocession crédit IS			-3 025		**-3 025**			**0**
divers - Natural Security			-373		**-373**			**0**
divers - Dividendes Auchan			-9 049		**-9 049**			**0**
divers - Géfirus					**0**	2 280		**2 280**
divers - PUT sur mino Hongrie					**0**			**0**
divers - Dividendes Hongrie			-514		**-514**			**0**
divers - Dividendes Pologne					**0**	-471		**-471**
divers - Ecart actuariel IFC			-173		**-173**			**0**
divers			8		**8**	0		**0**
Ecart de conversion sur Immo			-42		**-42**	15		**15**
					0			**0**
Résultat net au 31 décembre 2012				35 103	**35 103**		1 167	**1 167**
					0			**0**
Situation au 31 décembre 2012	**28 888**	**55 902**	**216 846**	**35 103**	**336 739**	**3 699**	**1 167**	**4 866**
					0			**0**
Affectation du résultat de l'exercice 2012			35 103	-35 103	**0**	1 167	-1 167	**0**
					0			**0**
Augmentation de capital et émission	93	1 111			**1 204**			**0**
Impact du Cash flow Hedge			4 106		**4 106**			**0**
Réserve de conversion			-857		**-857**	-541		**-541**
Autres					**0**			**0**
Stocks options			-1 323		**-1 323**			**0**
divers - Retrocession crédit IS			2 883		**2 883**			**0**
divers - Natural Security			-499		**-499**			**0**
divers - Dividendes Auchan			-5 811		**-5 811**			**0**
divers - Augmentation de capital Géfirus					**0**	1 120		**1 120**
divers - PUT sur mino Hongrie			-282		**-282**	-4 107		**-4 107**
divers - Dividendes Hongrie					**0**	-1 240		**-1 240**
divers - Dividendes Pologne					**0**	-641		**-641**
divers - Ecart actuariel IFC			41		**41**			**0**
divers - Ajustement impôts Russie			-590		**-590**	-380		**-380**
divers - Quote-part minoritaires Hongrie			1 217		**1 217**	3 910		**3 910**
divers - Autres			34		**34**			**0**
					0			**0**
Résultat net au 31 décembre 2013				53 463	**53 463**		1 334	**1 334**
					0			**0**
Situation au 31 décembre 2013	**28 981**	**57 013**	**250 869**	**53 463**	**390 326**	**2 987**	**1 334**	**4 322**

BANQUE ACCORD
Public limited company with a board of directors
With a capital of 28,981,280 euros
40 Avenue de Flandre 59170 Croix
Roubaix-Tourcoing Trade and Companies Register B 546 380 197

MANAGEMENT REPORT ON THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2013

I. THE ECONOMIC CLIMATE

The eurozone's unemployment rate amounted to 10.9% of the labour force at the end of November 2013. The situation is particularly critical in Spain and Greece, two countries heavily affected by the crisis, where unemployment affects one out of four labour force participants. In Spain, the unemployment rate climbed to 26.7% at the end of November 2013.

A first since April 2012. The International Monetary Fund has raised its outlook, expressing a slight renewed optimism for the global economy, which has been battered since the 2008 financial crisis. After gaining 3% in 2013, global gross domestic product (GDP) is expected to increase by 3.7% for 2014.

The forecasts for France remain unchanged at +0.9% for 2014 and +1.5% for 2015.

Consumer credit in France continued to decline in 2013 (-1.6%), marking a fifth year of contraction since 2008, according to data from the ASF (*Association française des sociétés financières* – French companies association) published in January 2014. This should cause major credit institutions to rethink their offerings while maintaining risk.

II. HIGHLIGHTS AND ACTIVITY OF THE PERIOD

Refinancing:

- S&P rating maintained:

  In July 2013, rating agency Standard & Poor's confirmed ONEY BANQUE ACCORD's long-term and short-term ratings at A and A-1 respectively. The rating's outlook was revised to negative in December 2012 following the announcement of Groupe Auchan's acquisition of a large group of stores in several Eastern European countries. It also confirmed the Bank's status of "core business" with regard to Groupe Auchan again.

- Liquidity management:

  To cover its liquidity risk, ONEY BANQUE ACCORD has €1,328 M in credit lines (€125 M of which were drawn at 31 December 2013). Of these lines, €1,200 M matures after 31 December 2014.

  ONEY BANQUE ACCORD has access to REPO refinancing of €256 M, implemented by the ECB, via the self-held common securitisation fund "Oneycord Compartiment 1".

- Structure of the refinancing:

  As part of implementing Basel III, ONEY BANQUE ACCORD continued to extend the maturity of its debt.

  In this context, and considering the current market conditions, ONEY BANQUE ACCORD carried out a new €150 M fixed-rate EMTN bond issue on 2 April 2013. The bank's outstanding bond refinancing issues total €850 M as at 31 December 2013.

Change in percentage of interest:

- Change in percentage of interest and Hungarian minority shareholder put options:

  In 2013, the Group changed its accounting methods for minority shareholders from the "Anticipated acquisition method" to the "Present access method". These factors decreased the full consolidation percentage of the subsidiary ONEY Magyar from 100% to 60%.

  In accordance with the provisions set out in IAS 32, the Group has recorded a liability with respect to the put options granted to minority shareholders in subsidiaries that it controls exclusively. This liability is accounted for at the present value of the estimated exercise price of the put options. This liability is offset as a reduction of minority interests underlying the options and, for the balance, as a deduction from the Group's shareholders' equity. The put value is adjusted at the end of each period according to the change in the exercise price of the options; the impact is recognised through equity with the exception of the accretion effect, which is recorded on the income statement.

Activity and highlights

France gained new partners with Darty.com and Le Bon Marché, developed its innovations through in-store electronic signature, flash'N pay, and SellSecure, and worked to improve customer satisfaction, particularly through the return of the Auchan bank card's cash-back offering and the overhaul of its website.

Portugal expanded its range of cards by launching the Jumbo bank card, launched an extended warranty offering, and fully revamped its electronic account statements to improve the customer experience**.**

Spain won a new partner with Toys'R'us and conducted a pilot project on its licence plate recognition payment solution: Automatric. The subsidiary also changed its brand name from Accord to Oney.

Hungary expanded its insurance offering through an Extended Warranty product and developed test partnerships by inserting 10% department store coupons into cardholder account statements.

Poland launched a contactless payment card, PayWave, and carried out numerous commercial operations to support its partners Auchan and Leroy Merlin. The subsidiary also changed its brand name from Accord to Oney.

China developed its partnership with RT Mart in China. Since 2013, 100% of payments by bank card are made using Oney China's payment terminals, and 100% of RT Mart prepaid cards are managed by Oney.

Italy repositioned its activities to focus on the exploitation and management of Auchan and Simply data.

Romania supported Auchan's strong development in the country with the takeover of 20 Real stores.

Ukraine continued to support the development of its partners Auchan and Leroy Merlin.

In 2013, the insurance subsidiary based in **Malta** became the insurer of the Payment Method Cover in France.

Results and key figures for the group:

ONEY BANQUE ACCORD's figures at 31 December 2013 are:

- Net Banking Income of €373.0 M, up by 3.2% compared to December 2012 (€361.5 M at 31 December 2012);
- Cost of risk amounting to €83.7 M in December 2013, down by 6.6% compared to 31 December 2012 (€89.6 M);
- Net income of €54.8 M, up by 51.1% compared to 31 December 2012 (€36.3 M);
- Overall gross outstanding debt for the bank amounting to €2.6 billion (0.9% increase compared to December 2012).
- 260,000 new customers won in the 10 countries where the Bank has a presence (France, Portugal, Spain, Poland, Italy, Hungary, Russia, Romania, China and Ukraine), bringing their number to 7.6 million.

Events after the end of the period:

No events likely to have an impact on the consolidated financial statements as at 31 December 2013 have occurred after the close.

III. OUTLOOK FOR 2014

The main uncertainties for 2014 are:

- The economic and financial environment is still degraded in the eurozone.
- In-store consumer credit is trending downward in Western Europe.
- Regulatory restrictions on the sale of credit and insurance are becoming stronger in the various European countries.
- Increased over-indebtedness in France.

The main projects for 2014 are:

- Business: continued support for our partner brands
- e-banking: deployment of our expertise in several countries.
- Real project: integration of credits and insurance offerings in former REAL stores in Poland, Russia, Romania, and Ukraine.
- Insurance: continued development of insurance products in all countries.
- Innovation developments: products for anti-fraud (Sell Secure), biometric payment (Natural Security), mobile payment and accompanying customers throughout their buying process (Flash'N Pay), and customer recognition by licence plate (Automatric)
- CRM: deployment of our know-how to serve our partner brands.
- Preparation for the transition to Basel III

IV. MAIN RISKS FOR ONEY BANQUE ACCORD

Liquidity risk exposure:

In order to limit its liquidity risk, ONEY BANQUE ACCORD has adopted a cautious refinancing policy:

- Diversification of bank counterparties making it possible to guarantee a satisfactory distribution of financing in accordance with the recommendations of the banking and financing regulatory committee.
- 100% coverage of the average refinancing requirement with resources drawn at more than one year and confirmed bank lines.

ONEY BANQUE ACCORD must comply with the conditions of a single covenant in order to maintain the refinancing lines provided under the Club Deal (confirmed line of syndicated credit totalling €475 M) and confirmed lines (€175 M). The ratio is defined as follows: Total loan portfolio > Net financial debt (i.e. financial debt less the amount of advances to credit institutions and amounts invested with central banks). As at 31 December 2013, this ratio was met.

Interest rate risk exposure:

The financial policy at ONEY BANQUE ACCORD aims to protect the financial margin against future fluctuations of interest rates. It therefore hedges all of the interest rate risks from its outstanding fixed-rate loans.

Interest rate risk on outstanding variable-rate loans is not systematically hedged, since ONEY BANQUE ACCORD is generally able to pass on any rate increases to its customers.

Credit risk exposure:

The cost of risk was down slightly in 2013 compared to 2012. The quality of credit production was constant and controlled, despite an economic environment that remains troublesome.

However, regulatory changes and an increasingly more difficult economic situation fuelled ONEY BANQUE ACCORD's desire to pursue its goal of reducing exposures to credit risk. ONEY BANQUE ACCORD is engaged in an ongoing process of adjusting its decision-making systems, aiming for a structural reduction of the cost of risk.

V. Equity management

In accordance with the banking prudential regulations transposing the European directives relating to "adequate equity of investment companies and credit institutions" into French laws, BANQUE ACCORD is required to comply with the solvency ratio and ratios related to liquidity, division of risks, and balance sheet balancing.

BANQUE ACCORD's equity is managed such that it complies with the prudential equity levels pursuant to regulation 90-02 required by the Banking Commission in order to hedge the weighted risks with respect to credit risks, operating risks, and market risks. In order to ensure that its solvency ratio is met, BANQUE ACCORD projects its shareholders' equity once per year when the plan is established in a global manner and periodically monitors it with each quarterly close.
Since 2008, the level of equity has been monitored throughout the year using internal reporting systems based on Basel II regulations.

The order of 20 February 2007 transposes the CRD (Capital Requirements Directive) European system into French regulations (2006-48-EC and 2006-49 EC). The text defines the "equity requirements applicable to credit institutions and investment companies" and the methods for calculating the solvency ratio starting on 1 January 2008.
In accordance with these provisions, since 2007, BANQUE ACCORD has integrated the impacts associated with switching to the new CRD European directive into the management of equity and risks.
Shareholders' equity is broken down into three categories:

- Hard equity (tier 1), determined from the group's shareholders' equity and restated particularly for unrealised gains and losses,
- Additional equity (tier 2), limited to 100% of the amount of the base shareholders' equity and made up primarily of subordinated debt,
- Tertiary equity accepted for the ratio (tier 3), made up primarily of subordinated debts with shorter maturities.

LEVEL OF PRUDENTIAL SHAREHOLDERS' EQUITY CALCULATED IN ACCORDANCE WITH THE REGULATIONS:

In millions of euros	**2013**	**2012**
Consolidated equity	394.6	341.6
Distributable dividends	-7.3	-10.5
Cash flow hedge reserves and IFC provision discounting net of taxes		5.7
Intangible fixed assets and goodwill	-30.4	-30.7
Impact of insurance companies	-14.8	-12.8

Other equity deductions	-10.6	-6.9
CORE EQUITY (Tier 1)	**331.5**	**286.5**
Subordinated debt (excluding additional deductions)	9.2	16.7
Other equity deductions	-8.9	-5.2
ADDITIONAL EQUITY (Tier 2)	**0.2**	**11.5**
Short-maturity subordinated debt	0	0
TERTIARY EQUITY (Tier 3)	**0**	**0**

Statutory shareholders' equity at the end of December 2013 amounted to €331.7 M compared to €297.9 M in December 2012.
In 2013, as in 2012, BANQUE ACCORD complied with these regulatory requirements.

CONSOLIDATED RATIOS

	December 2013	December 2012	December 2011	December 2010
Ratio/Tier 1	13.8%	12.5%	11.0%	8.8%
Ratio/Tier 2	0.0%	0.5%	1.0%	1.3%
Basel solvency ratio	13.8%	13.0%	12.0%	10.1%
Liquidity ratio	280	239	225	352

The solvency ratio was 14.1% in 2013 before distribution of dividends planned for 2014.

The Board of Directors

Notes to the consolidated financial statements as at 31/12/2013 prepared in accordance with the IFRS accounting standards adopted by the European Union

(Figures in thousands of euros – €K)

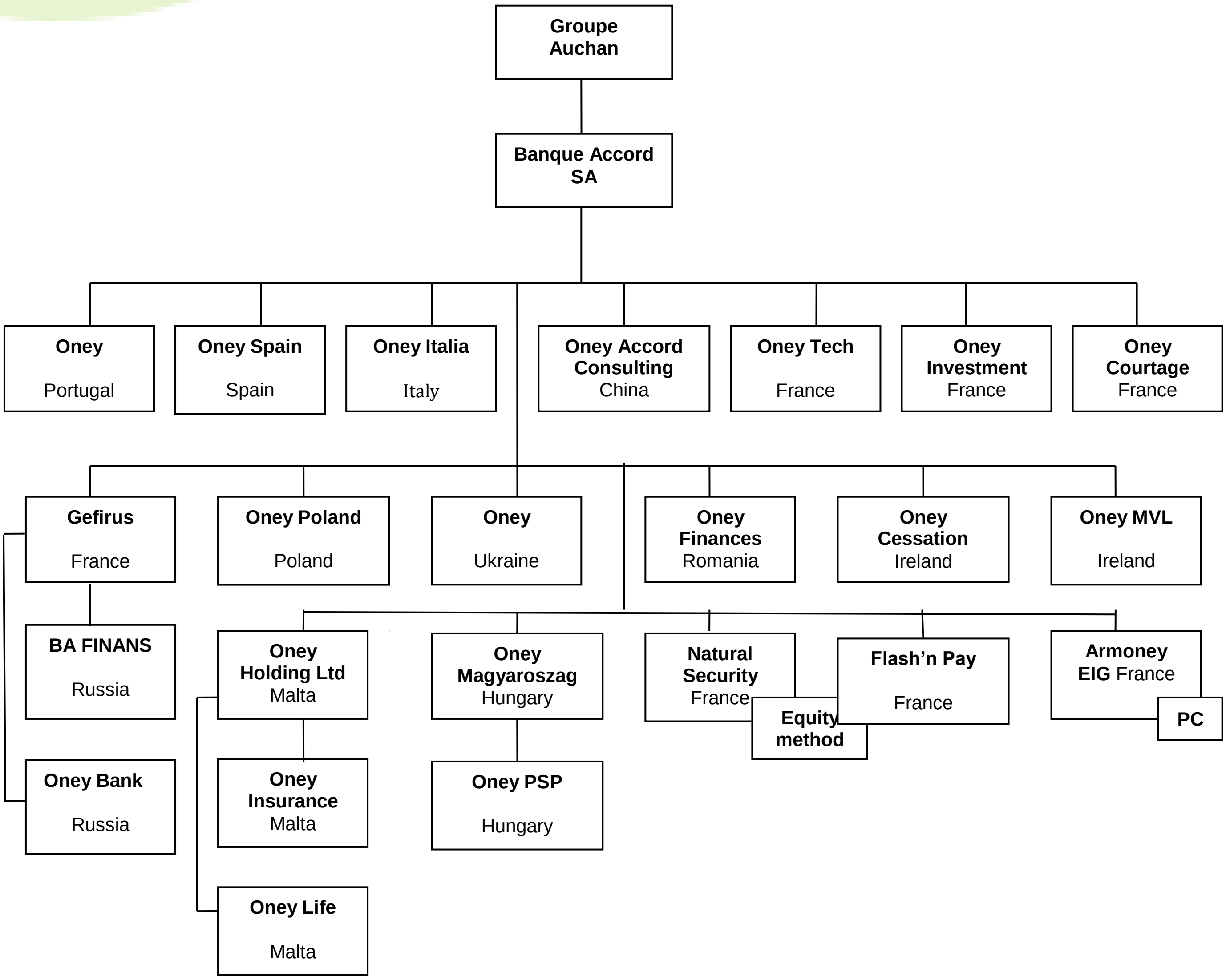
Note 1: Summary description of the group

1.1 Legal information about the bank

BANQUE ACCORD S.A., registered under number 546 380 197 00105, is a public limited company with a Board of Directors, domiciled in France at 40, avenue de Flandre in Croix (59170).
It specialises in all banking operations and operations relating to the banking business, including the receipt and transmission of orders on behalf of third parties, insurance brokerage and representing any and all insurance companies.

It is 97.3% held by Groupe Auchan S.A., a French public limited company with a Board of Directors, whose registered office is located at 40, avenue de Flandre in Croix (59170).

1.2 Simplified organisational chart of the BANQUE ACCORD Group



Note 2: Highlights and main changes in consolidation scope

Key events:

- S&P rating maintained:

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- Cash management:

To cover its liquidity risk, ONEY BANQUE ACCORD has €1,328 M in confirmed banking credit lines (€125 M of which were drawn at 31 December 2013). Of these lines, €1,200 M matures after 31 December 2014.

BANQUE ACCORD has access to REPO refinancing of €256 M, implemented by the ECB, via the self-held common securitisation fund "Oneycord Compartiment 1".

- Structure of the refinancing:

As part of implementing Basel III, ONEY BANQUE ACCORD continued to extend the maturity of its debt.
In this context, and considering the current market conditions, ONEY BANQUE ACCORD carried out a new €150 M fixed-rate EMTN bond issue on 2 April 2013. The bank's outstanding bond refinancing issues total €850 M as at 31 December 2013.

OTHER HIGHLIGHTS:

- Italy: disposal of the 25% interest in Nectar Italia Srl:

The interest held in Nectar Italia Srl, a company specialising in loyalty programme development, was disposed of during the first half of 2013 following the exercise of the put option held by BANQUE ACCORD. This generated earnings of €10.7 M appearing "Gains and losses on disposal of assets".

CHANGES IN SCOPE:

- Additions to the group/Constitution of new companies:

Entry of ONEY BANK (Russia) into the scope after obtaining a banking licence from the Bank of Russia in second quarter 2013.

- Change in percentage of interest:

In 2013, the Group changed its accounting methods for minority shareholder put options from the "Anticipated acquisition method" to the "Present access method". This method changed the full consolidation percentage for the subsidiary ONEY Magyar from 100% to 60%, mainly affecting the breakdown of earnings between the Group share and minority interests.

Natural Security: Capital increase by Natural Security of €3.1 M subscribed for €1.6 M by BANQUE ACCORD. At the end of this capital increase, the percentage of interest held by BANQUE ACCORD in Natural Security increased from 24.84% to 30.07%.

- Removals from scope:

The signing of the transfer of BANQUE ACCORD's interest in Nectar Italia Srl on 20 June 2013 resulted in its removal from the consolidation scope on that date.

EVENTS SUBSEQUENT TO CLOSE:

No events likely to have an impact on the consolidated financial statements as at 31 December 2013 have occurred after the close.

APPROVAL OF THE ACCOUNTS:

The financial statements were approved by the Board of Directors on 3 March 2014 and submitted for approval by the General Meeting of Shareholders to be held on 28 April 2014.

Note 3: Accounting rules and methods

3.1 Declaration of compliance

Pursuant to European Regulation no. 1606/2002, the consolidated financial statements of Banque Accord S.A. as at 31 December 2012 were prepared in accordance with the IAS/IFRS international accounting standards published by the IASB and the IFRIC interpretations as adopted by the European Union (version known as "carve out" therefore using certain exemptions from the application of IAS 39 for the accounting of macro-hedging).

This regulation has since been added to, in particular by Regulation 1725/2003/EC of 29 September 2003 regarding the adoption of international accounting standards and Regulation 2086/2004/EC of 19 November 2004 adopting IAS 39 in an amended form.
The order of the French Ministry of Finance of 20 December 2004 (no. 2004/1382) allows companies to opt for the IAS standard for the preparation of their consolidated financial statements from 1 January 2005 onwards, even if they do not issue securities on a regulated market. Groupe Auchan has opted to apply this standard for all its companies.

The new standards, amendments and interpretations that are required to be applied as from the fiscal year opening on 1 January 2013 are as follows: the amendment to IAS 1 on the presentation of items of other comprehensive income, the amendments to IFRS 1 on severe hyperinflation and government loans, the amendments to IAS 12 (deferred taxes) on the recovery of underlying assets, the amendments to IAS 19 (post-employment benefits), IFRS 13 (fair value measurement), IFRIC 20 (stripping costs), the amendments to IFRS 7 (disclosures) on the offsetting of financial assets and liabilities, as well as the annual improvements of standards for 2009-2011.

Standards, interpretations and amendments to existing standards, which were not compulsorily applicable as at 31 December 2013, have not been adopted.

The financial statements presented here do not adopt the new standards, revisions of existing standards or interpretations approved by the European Union that may be applied early at 1 January 2013: IFRS 10 – Consolidated Financial Statements (replacing IAS 27 and SIC 12), IFRS 11 – Partnerships, IFRS 12 – Disclosure of Interests in Other Entities, consequential amendments to IFRS 10, 11, and 12 on IAS 27 – Separate Financial Statements and IAS 28 – Investments in Associates and Joint Ventures, and the amendment to IAS 32 – Offsetting Financial Assets and Financial Liabilities. The Group will apply these standards as from 1 January 2014 but has not identified any significant impact on its accounts.

3.2 Comparability

The accounting methods applied by the Group to the consolidated financial statements are identical to those used in the consolidated financial statements for the fiscal year ended on 31 December 2012, with the exception of the accounting method for minority put options and the new standards entering into force.

3.3 The use of estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that may affect the book value of some assets and liabilities, income and expenses, as well as the information contained in the notes to the financial statements. Actual values may differ from estimated values.

For the consolidated financial statements of ONEY BANQUE ACCORD, the accounting estimates requiring the formulation of assumptions are used primarily for the following valuations:

- Impairment of debts:

The value of "Customer loans and receivables" is adjusted through impairment related to the receivables when the risk of non-recovery of these debts is proven.
This impairment, calculated on uniform sets of receivables and on a discounted basis, is estimated based on a certain number of factors and assumptions: number of unpaid debts, observed historical recovery rates, status of debts in the collection process, rate of loss, performance of outside litigation agencies, etc.

The recorded impairments reflect Management's best estimates of the future flows from these receivables as at the closing date.

- Provisions:

The valuation of provisions may also be the subject of estimates.
The assessment of the amount of the potential financial impact may be at the discretion of the Management.

- Technical provisions for insurance:

This calculation is based on anticipated losses using models and assumptions based on historical and current market data.

- Financial instruments valued at their fair value:

The fair value of financial instruments is determined using interest rate curves, based on the market's interest rate, observed as at the closing date.

- Future retirement schemes and other employee benefits:

Calculations relating to charges associated with the future provision of pensions and other employee benefits are based on management assumptions relating to discount rates, staff turnover rates and the trend in wages and social security contributions. Where the actual figures differ from those based on the assumptions used, the charge associated with retirement benefits may increase or diminish during future periods.

- Accounting for deferred tax assets:

A deferred tax asset is recorded for all deductible temporary differences, provided that it is deemed likely that a future taxable profit will be available, against which the deductible temporary differences may be offset. The likely probability is estimated according to the methods described in Note 3.12.

3.4 Format and presentation of the financial statements

BANQUE ACCORD uses the formats of the summary documents (balance sheet, income statement, statement of net income and gains/losses directly accounted for in shareholders' equity, statement of changes in equity and cash flow statement) recommended by CNC recommendation no. 2009-R.04 of 2 July 2009, which supersedes and replaces CNC recommendation no. 2004-R.03 of 27 October 2004.

The cash flow statement has been prepared by analysis of flows, using consolidated pre-tax profit as the starting point and using the indirect method.
The corporate purpose of BANQUE ACCORD forms the basis for determining the scope of consolidation with respect to operating activities, investment transactions and financing transactions.
Cash flows relating to the customer credit business and the debts refinancing this business are therefore included in the scope of consolidation linked to operating activities.
The definition of cash and cash equivalents corresponds to that set out in Recommendation no. 2009-R.04, i.e.: Cash, central banks, post office accounts (assets and liabilities), accounts (assets and liabilities) and loans/borrowing to/from credit institutions as they appear in the consolidated balance sheet of ONEY BANQUE ACCORD for the fiscal years in question.

3.5 Scope and method of consolidation

The disclosures in the notes to the consolidated financial statements include all material information relevant to the fair appraisal of the Group's assets and liabilities, its financial position, the risks it assumes and its income.

These consolidated financial statements comprise the financial statements of BANQUE ACCORD and the main French and foreign entities comprising the ONEY BANQUE ACCORD group. The financial statements for foreign subsidiary companies are prepared in accordance with local accounting regulations and have been adjusted and restated to comply with the IFRS accounting principles adopted by ONEY BANQUE ACCORD.

1) Scope of consolidation

Subsidiaries	% of capital held	Type of control	% control	Type of consolidation
ONEY IFIC (Portugal)	100%	Exclusive	100%	Full
Oney Spain (Spain)	100%	Exclusive	100%	Full
ONEY Italia	100%	Exclusive	100%	Full
ONEY MAGYAROSZAG (Hungary)	60%	Exclusive	100%	Full
ONEY PSP (Hungary)	60%	Exclusive	100%	Full
GEFIRUS S.A.S. (France)	60%	Exclusive	100%	Full
BA Finans (Russia)	60%	Exclusive	100%	Full
ONEY BANK (Russia) Created in 2013	60%	Exclusive	100%	Full
Oney Poland (Poland)	60%	Exclusive	100%	Full
ONEY FINANCES (Romania)	100%	Exclusive	100%	Full
ONEY ACCORD Business Consulting (China)	100%	Exclusive	100%	Full
ONEY Courtage (France)	100%	Exclusive	100%	Full
ONEY Holding Limited (Malta)	100%	Exclusive	100%	Full
ONEY Insurance (Malta)	100%	Exclusive	100%	Full
ONEY Life (Malta)	100%	Exclusive	100%	Full
ONEY Cessation (Ireland)	100%	Exclusive	100%	Full
ONEY MVL (Ireland)	100%	Exclusive	100%	Full
ONEY UKRAINE (Ukraine)	100%	Exclusive	100%	Full
ONEY Investment (France)	100%	Exclusive	100%	Full
ONEY Tech (France)	100%	Exclusive	100%	Full
Flash'n Pay (France)	100%	Exclusive	100%	Full
Natural Security (formerly P1G - France)	30.07%	Significant influence	30.07%	Equity method
NECTAR (Italy) Removed 2013	25%	Significant influence	25%	Equity method
Armoney EIG (France)	50%	Joint	50%	Proportional

Special purpose structure (sub-level of BANQUE ACCORD)	% of capital held	Type of control	% control	Type of consolidation
FCT Oneycord 1	100%	Exclusive	100%	Full

2) Concepts of control and consolidation methods

Consolidation methods are determined by the accounting standards IAS 27, IAS 28 and IAS 31, depending on the level of control exercised by BANQUE ACCORD over the entities to be consolidated and regardless of the nature of their business or whether they are a legal entity or not.

<u>Full consolidation</u>
Companies over which Banque Accord has exclusive control are fully consolidated. Banque Accord has exclusive control of a subsidiary when it is able to direct the financial and operating policies of an entity for the purpose of benefiting from its business activities. Exclusive control is assumed to exist when BANQUE ACCORD directly or indirectly holds more than half of an entity's voting rights; it is demonstrated when BANQUE ACCORD has the power to direct the financial and operating policies of the entity under an agreement or to appoint, remove or convene the majority of the members of its Board of Directors or equivalent governing body.

<u>Proportional consolidation</u>
Companies under joint control are proportionally consolidated. The Group has joint control when the strategic financial and operating decisions affecting the company's activity require the unanimous consent of the controlling parties, under a contractual agreement.

Equity method
Companies over whose management and financial policies the Group exercises a significant influence, whether direct or indirect, but which are not controlled by the Group, are consolidated using the equity method. Significant influence is assumed when BANQUE ACCORD holds, directly or indirectly, 20% of the voting rights in an entity.

3) Consolidation of special purpose entities

Consolidation of special purpose entities (structures created to manage an operation or a group of similar operations), especially funds under exclusive control, has been specified under SIC 12.
In accordance with this text, a special purpose entity is consolidated when it is essentially controlled by ONEY BANQUE ACCORD, even if there is no ownership relationship.

The determination of control rises significantly in the light of any of the following circumstances:

- the activities of the special purpose entity are carried out on behalf of ONEY BANQUE ACCORD according to its specific operational requirements in such a way that ONEY BANQUE ACCORD benefits from the activities of the special purpose entity;
- ONEY BANQUE ACCORD has decision-making powers such that it may obtain the majority of the benefits from the activities of the special purpose entity or, by implementing an 'autopilot' mechanism, has delegated these decision-making powers;
- ONEY BANQUE ACCORD has the right to obtain the majority of the benefits from the activities of the special purpose entity and consequently can be exposed to the risks associated with the activities of the special purpose entity; or
- ONEY BANQUE ACCORD bears the majority of the residual risks or risks inherent in the ownership of the special purpose entity in order to obtain benefits from its activities

Securitisation transactions and dedicated funds:
A securitisation operation was carried out in 2009 (creation of FCT Oneycord Compartiment 1 on 22 September 2009).
BANQUE ACCORD holds 100% of this fund. The transferred debts arise from revolving credit. The Compartiment will be topped up throughout its life by new eligible debts as well as by drawing on the debts that have already been securitised.
The total book value of the assets concerned net of their associated liabilities amounts to €630.0 M. In particular, they include outstanding customer loans.
As BANQUE ACCORD reaps the benefits and incurs the risks (particularly credit) of this special purpose entity, FCT Oneycord 1 is fully consolidated.
The FCT Oneycord 1, which was supposed to be normally amortised starting 15 October 2012, was extended by three years, meaning that amortisation will start on 15 October 2015.

3.6 Foreign currency transactions (IAS 21)

The financial statements of companies whose presentation currency is not the euro are converted into euros using the closing rate method. Under this method, all balance sheet items are converted at the exchange rate applicable on the balance sheet date.

All income statement items are converted at the average exchange rate for the period.

The portion of the resulting exchange rate differences, both with respect to balance sheet items and income statement items, that is attributable to shareholders is accounted for in shareholders' equity under "Exchange differences" whilst the portion attributable to third parties is accounted for under "Minority interests". In line with the option offered by IFRS 1, the Group nulled all exchange differences attributable to the Group and to minority interests in the opening balance sheet of 1 January 2004, by means of transfer to consolidated reserves

Goodwill and valuation differences resulting from the consolidation of companies with one activity whose functional currency is not the euro are considered as assets and liabilities of the subsidiary company. They are expressed in the functional currency of the acquired company then converted at the closing rate; the differences resulting from this conversion are accounted for in consolidated shareholders' equity.

In the event of liquidation or disposal of all or part of a holding in a foreign company, the exchange rate difference appearing under shareholders' equity is transferred to the income statement in direct proportion to its significance as part of the total amount.
The foreign currency/euros translation rates for the currencies of the main countries are as follows:

Country	Currencies	Closing rate		Average rate	
		Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012
China…………	Yuan……….	0.119773	0.121644	0.122484	0.123330
Hungary………	Forint……….	0.003367	0.003421	0.003367	0.003456
Poland………	Zloty………...	0.240714	0.245459	0.238270	0.239041
Russia………..	Rouble……..	0.022063	0.024796	0.023626	0.025049
Romania …...	Lei…………..	0.223664	0.224997	0.226275	0.224278
Ukraine	Hryvna……...	0.088063	0.094155	0.092315	0.096192

3.7 Treatment of acquisitions and goodwill (revised IFRS 3)

Goodwill arising in a business combination is valued as the excess of (a) in relation to (b), i.e.:
a) the total of:

i) the transferred consideration valued at fair value at the acquisition date;
ii) the amount of equity interest not giving control in the company; and
iii) in a business combination carried out in stages, the fair value at the date of acquisition of the equity interest previously held by the acquirer in the acquired company.

b) the net balance of the amount, as at the date of acquisition, of the identifiable assets and liabilities assumed, valued in accordance with IFRS 3.

In the event that the acquisition is carried out from a derivative (call, put, etc.), this derivative, in accordance with IAS 39, undergoes a separate valuation and is recorded in the income statement of ONEY BANQUE ACCORD as soon as there is a difference between the exercise price of the put (representing the purchase price of the company) and the fair value of the acquired company. In this case, the fair value of this derivative is included in the determination of goodwill.

Goodwill is booked as an asset for the purchaser if it is positive and is recognised as income if it is negative.

Goodwill is booked in the functional currency of the acquired company and converted at the exchange rate in force on the balance sheet date.

In accordance with Revised IFRS 3 – Business Combinations, when there is an indication of a loss of value, and at least on an annual basis during the second half of each fiscal year, positive goodwill is subject to an impairment test. The methods of performing these tests are described in note 3.11 of the accounting rules and methods.

3.8 Non-current assets held for sale and discontinued operations (IFRS 5)

A non-current asset (or a group held for sale) is considered as held for sale if its book value is recovered mainly through a sale rather than through continued use.

For this to be the case, the asset (or group held for sale) must be available for immediate sale in its present condition, and its sale must be highly likely.

The assets and liabilities in question are isolated on the balance sheet under the items "Non-current assets held for sale" and "Liabilities related to non-current assets held for sale".

These non-current assets (or a group held for sale) classified as held for sale are valued either at their book value or their fair value, whichever is the lower, less the costs of disposal. In the event of an unrealised loss, an impairment is booked on the income statement. Furthermore, they cease to be depreciated upon their decommissioning.

A discontinued operation refers to any component that the Group has disposed of or is classified as held for sale and is in one of the following situations:

- it represents a line of business or a main, distinct geographical region;
- it is part of a single, coordinated plan to dispose of a business line or a main, distinct geographical region; or
- it is a subsidiary acquired exclusively for resale.

The following are presented on a separate line in the income statement:

- net income after tax from discontinued activities until the date of disposal;
- the profit or loss after tax resulting from the disposal or the valuation at fair value less the costs of sale of the assets and liabilities constituting the discontinued operations.

3.9 Financial instruments (IAS 32 and 39, IFRS 7)

Financial assets and liabilities are accounted for in the annual financial statements for 2013 in accordance with the provisions of IAS 39 as adopted by the European Commission on 19 November 2004, supplemented by regulation no. 1751/2005/EC of 25 October 2005 and regulation no. 1864/2005/EC of 15 November 2005 relating to the use of the fair value option.
Fair value is the price that would be received for the sale of an asset or paid during the transfer of a liability in a normal transaction between market participants on the date of the valuation.

3.9.1 Method for determining the fair value of financial instruments

The amendment to IFRS 7 introduces a three-level hierarchy to the determination of fair value.
These levels are as follows:
Level 1:
Use of ratings on various asset markets of the same financial instrument (without modification or repackaging).
Level 2:
Use of valuation techniques having a set of significant parameters based on observable market data.
Use of ratings of similar financial instruments on different stock markets.
Level 3:
Use of valuation techniques having no significant parameters based on observable market data.

3.9.2 Loans and debts

Credits are allocated to the item “Loans and debts with credit institutions” and “Loans and debts with customers”. In accordance with IAS 39, they are initially valued at their fair value and ultimately at the amortised cost according to the effective interest rate method.
This rate includes discounts, income and integrated transaction costs (here, principally all of the commission paid to business providers and partner brands in the context of the production of credit) at the effective interest rate.

3.9.3 Impairment of loans and debts

Impaired debts are those that present an established risk that corresponds to one of the following situations:

- One or more instalments are unpaid;
- When the situation presents characteristics such that regardless of the existence of any unpaid debt, it can be concluded that there is an established risk;
- Legal proceedings are in progress or the debt is being restructured.

At each balance sheet date, ONEY BANQUE ACCORD determines whether there is objective evidence of impairment resulting from one or more events occurring after the initial recognition of the assets where such a loss-generating event (or events) has (have) a significant impact on estimated future cash flows, provided that the loss can be reliably estimated.

ONEY BANQUE ACCORD performs two successive impairment tests:

- An impairment test on packages of debts where there is clear evidence of loss (particularly debts that have been transferred to a debt collection agency for recovery and debts involved in over-indebtedness proceedings).
  In this case, impairment is equal to the difference between the book value of the asset and the present value (at the original loan interest rate) of estimated recoverable future cash flows, taking into account the effect of any guarantees. The impairment loss is booked under "Cost of risk" on the income statement and the value of the financial asset is reduced by the constitution of an impairment. Impairment provisions and reversals are booked under "Cost of risk".

- An impairment test on packages of debts where there is clear evidence of loss but where at this stage, the debts present only a probability of being subject to recovery or proceedings or involved in over-indebtedness proceedings.
  In this case, impairment is determined on the basis of the past likelihood of default, losses in the event of an established default and estimated future outstanding debts. The impairment loss is booked under *"Cost of risk"* on the income statement and the value of the financial asset is reduced by the constitution of an impairment. Impairment provisions and reversals are booked under "Cost of risk".

Furthermore, for restructured loans (with one or more unpaid instalments), ONEY BANQUE ACCORD books the loss arising from any change in the loan terms and conditions on the income statement under "Cost of risk" when the estimated recoverable future cash flows discounted at the original effective interest rate result in an amount that is less than the amortised cost of the debt. The recovery of this discount over time is recorded on the income statement.
In addition, restructured loans for which the last date of the new amortisation plan represents a significant amount of the outstanding debt remaining due as at the date of the restructuring (bullet maturity), which is impaired based on the history of collection of debts with the same characteristics.

3.9.4 Available-for-sale financial assets

The "Available-for-sale financial assets" category includes financial instruments that do not fall under loans and debts categories, held-to-maturity assets, and financial assets and liabilities at fair value through profit and loss.
Securities in this category are initially recognised at their acquisition price, including transaction costs.
On the closing date, they are valued at their market value, and changes in this value are presented in shareholders' equity. At the time of disposal, these unrealised gains or losses previously recognised in shareholders' equity are recognised on the income statement.
Accrued or acquired income on fixed-income securities is recorded in "Interest and similar income". Income from variable-income securities is recorded in "Net gains or losses on available-for-sale financial assets".

3.9.5 Financial liabilities

IAS 39 as adopted by the European Union recognises two categories of financial liabilities:

- Financial liabilities valued by type at fair value through profit or loss. Changes in the fair value of these financial liabilities are accounted for directly in the financial statements. However, note that ONEY BANQUE ACCORD does not use this fair value option on its financial liabilities.

- Other financial liabilities: this category covers all other financial liabilities. These are booked at their original fair value (including transaction costs and income) and are subsequently valued at their amortised cost using the effective interest rate method.

3.9.6 Distinction between debts and shareholders' equity

A debt instrument or a financial liability constitutes a contractual obligation:
- to deliver cash or another financial instrument;

- to exchange instruments under conditions that may potentially be unfavourable.

The amendment to IAS 32 adopted by the EU on 21 January 2009 enables, under certain conditions, financial instruments that were previously constituted as debts to be qualified as equity instruments. These financial instruments are as follows:

- instruments issued by the issuer and redeemable at the request of the holder;
- instruments that create an obligation on the part of the issuer to reimburse the holder on liquidation, based on their share of the net assets.

3.9.7 Derivatives

The Group uses futures or options qualified as derivatives within the scope permitted by IAS 39, to hedge its exposure to market risks (interest rate and exchange rate risks).

Derivatives are recorded on the balance sheet at their fair value, at the start of the transaction. At the end of each financial period, these derivatives are valued at their fair value, regardless of whether they are held for trading or hedging purposes. The fair value is determined using internal valuation tools and compared to the valuations provided by banking counterparties.

The gain or loss arising from revaluation as recorded on the balance sheet is offset by a contra-entry on the income statement (except in the particular instance of cash flow hedges).

Hedge accounting:

The purpose of the fair value hedge is to reduce the risk of changes in fair value associated with a financial asset or liability. It can be implemented if it meets the eligibility criteria set out in the standard, i.e.:

- The hedge relationship is clearly defined and documented on its implementation date;
- The effectiveness of the hedge relationship is demonstrated from the outset and for its full duration.

The purpose of a cash flow hedge is to reduce the risk inherent in the variability of future cash flows of a financial asset or liability.

The revaluation of derivatives is booked as follows:

- Fair value hedge: the gain or loss from revaluation of the derivative is recorded in the income statement on a symmetrical basis with the gain or loss from revaluation of the hedged item up to the amount of the hedged risk and only appears in net profit as the potential inefficient portion of the hedge.

- Cash flow hedge: the revaluation of the derivative appears on the balance sheet to offset a specific equity account, and the inefficient portion of the hedge is, if necessary, recorded on the income statement. Accrued interest on the derivative is recorded on the income statement on a symmetrical basis with the hedged transactions.

In the context of portfolio management by macro-hedging, ONEY BANQUE ACCORD’s approach is to document these hedging relationships based on future Group cash flows relating to assets and liabilities presenting the same interest rate exposure.

The justification for the effectiveness of macro-hedging relationships is done through quarterly comparison between the refinancing stock indexed on the present and forecast Eonia and the portfolio of hedging instruments. The effectiveness of these relationships is measured using prospective and retrospective tests.

The hedging instruments used by BANQUE ACCORD are caps and swaps.
Caps, which are used as cash flow hedges, are also subject to effectiveness tests. This effectiveness test is carried out by separating the intrinsic value of the option from its time value. Changes in time value are systematically recorded on the income statement.

Under IAS 39, these instruments, which are intended to hedge the Group’s exposure to interest rate risk, must be recorded on the balance sheet at their fair value.

Variations in the fair value of these instruments are always recorded on the income statement, except in the case of cash flow hedges.

For derivatives eligible for hedge accounting, recognition as hedging instruments makes it possible to reduce the earnings volatility associated with changes in value of the derivatives concerned.

IAS 39 defines three models for hedge accounting: fair value hedges, future cash flow hedges, and hedges on net investments in foreign operations. Only the first two models are applicable to the ONEY BANQUE ACCORD group.

Most of the derivatives used by the Group are eligible for hedge accounting: Thus:

- For derivatives documented as hedges of assets and liabilities recorded on the balance sheet (fair value hedges), hedge accounting allows the change in the fair value of the derivative to be recorded on the income statement; this is offset by the impact on the income statement of the change in the fair value of the hedged item appearing on the balance sheet, with respect to the hedged risk.

- For derivatives documented as hedges of probable future cash flows, the changes in value of the derivative are recorded in the reserves (Cash Flow Hedge reserves) up to the effective portion of the hedge, while changes in value of the ineffective portion are recorded on the income statement.

For derivatives not documented as instruments eligible for hedge accounting, changes in value are recorded on the income statement.

Embedded derivatives:

An embedded derivative is the component of a hybrid contract that meets the definition of a derivative. Embedded derivatives must be booked separately from the host contract when the following three conditions are fulfilled:

- the hybrid contract is not valued at fair value through profit and loss;
- when separated from the host contract, the embedded element possesses the characteristics of a derivative;
- the characteristics of the derivative are not closely related to those of the host contract.

Trading accounting

In order to meet a refinancing objective indexed to the Eonia, Banque Accord can implement a swap to convert a portion of the debts issued on a Euribor index to the Eonia.
These conversion swaps, also known as basis swaps, have been booked in the trading account. It has not been possible to document a hedging relationship for these instruments.
As a result, changes in the fair value of these financial instruments are recorded directly in the income statement.

3.9.8 Financing commitments

Financing commitments that are not considered as derivatives under IAS 39 do not appear on the balance sheet when they are granted under normal conditions (otherwise, an asset or liability is recorded). Where applicable, they are subject to provisions in accordance with IAS 37.

3.9.9 Guarantee commitments given

A financial guarantee is a contract which requires the issuer to make specific payments to reimburse the holder for a loss incurred due to the failure by a specified debtor to make a payment on the due date according to the original or amended terms and conditions of the debt instrument.
Financial guarantee contracts are initially valued at fair value and subsequently at the greater of:

- the value determined in accordance with the provisions of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” or
- the amount initially booked, less any amortisation recognised under IAS 18 “Revenue from Ordinary Activities”.

3.10 Treatment of fixed assets (IAS 16, 36, 38 and 40)

BANQUE ACCORD applies the component method when accounting for fixed tangible and intangible assets. In accordance with the provisions of IAS 16, the basis for depreciation reflects any residual value of the fixed assets.

The fixed assets are depreciated according to their estimated useful life using either the straight-line method or the declining balance method. The principles adopted are as follows:

Tangible fixed assets:
Fixtures, fittings and security systems: 6 2/3 years to 10 years
Other fixed assets: 3 to 5 years

Intangible fixed assets:
Purchased software is recorded under “Other intangible assets” and is amortised over three years.

Fixed assets are subject to impairment testing whenever there is an indication of loss in value and at least once a year in the case of intangible assets. In the event of a loss in value, an impairment loss is recorded on the income statement under “Depreciation and provisions for depreciation of tangible and intangible assets”; this may be reversed if the conditions that led to its recognition are changed.

Capital gains or losses on disposals of operating assets are recorded under “Net gains or losses on other assets”.

3.11 Impairment of assets (IAS 36)

IAS 36 – *Impairment of assets* – defines the procedures that a company must apply to ensure that the net book value of its assets does not exceed their recoverable amount, i.e. the amount that would be recovered by their use or sale.

The recoverable value of an asset is defined as the higher of the asset’s net selling price and its value in use. The net selling price is the amount that may be obtained from the sale of an asset in a transaction carried out under normal conditions of competition between fully informed and consenting parties, less the costs of disposal. The value in use is the present value of the future cash flows expected to be derived from the continued use of an asset and its disposal at the end of its useful life.

Cash flows after tax are estimated on the basis of 3-year business plans. Beyond this period, cash flows are extrapolated by applying a constant growth rate over a period that corresponds to the estimated useful life of the tangible asset. For tests relating to goodwill, the net income flows are extrapolated over an additional period of 6 years with a terminal value calculated by discounting to infinity the data for the 9th year.

Country	France	Portugal	Spain	Italy	Poland	Hungary	Romania	Russia
“Banking” discount rate	13.18%	18.93%	15.68%	14.88%	14.23%	16.89%	15.85%	14.41%
“Non-Banking” discount rate	8.08%			9.78%				
Growth rate	1%	1%	1%	1%	1%	1%	1%	1%

Flows are discounted at the weighted average cost of capital after tax plus a risk premium specific to each country. The weighted average cost of capital is determined based on the rate of return observed on the stock market in the banking sector for credit institutions and the retail sector for business provider companies for partner banks.

The recoverable amount of tangible and intangible fixed assets is tested whenever there is an indication of loss in value.

This test is also carried out once a year (at the year-end) for assets with an indefinite life, such as goodwill.

Identification of cash-generating units (CGU)
A cash-generating unit is defined as the smallest group of assets generating cash inflows that are largely independent from the cash inflows from other assets or groups of assets. ONEY BANQUE ACCORD has divided all of its activities into cash-generating units. This division is done in a manner consistent with the Group's organisation. It is regularly reviewed in order to take into account events likely to have an effect on the composition of a CGU.

Sensitivity analysis
A 1 point increase in the discount rate on the impairment tests would generate an impairment of €2.6 M of these assets.
A 1 point decrease in the growth rate on the impairment tests would generate an impairment of €0.8 M of these assets.

3.12 Deferred taxes (IAS 12)

This standard requires that deferred taxes be accounted for on all temporary differences observed between the book value of an asset or a liability and its tax base.
No deferred taxes are accounted for in respect of the following items:

- (i) non-deductible goodwill
- (ii) the initial accounting of an asset or a liability in a transaction that is not a business combination and which does not affect either accounting income or taxable income and
- (iii) temporary differences arising from investments in subsidiaries that are not expected to reverse in the foreseeable future.

The tax rates used for calculation of deferred taxes are those anticipated as being applicable when the asset is realised or the liability is settled, in so far as these rates have been fully adopted or adopted to some extent. The effect of any change in the tax rates is accounted for in the profit & loss account with the exception of changes relating to items accounted for directly in shareholders' equity.

Deferred tax assets and liabilities are offset at the level of each taxable entity. They are not discounted.

Tax losses and other temporary differences give rise to the recognition of a deferred tax asset if it is probable that they will be attributed to taxable income or when allocation to deferred tax liabilities is possible.
Two conditions are required for the application of this rule.
1/ The entity must have generated positive taxable income over the last two years (N and N-1);
2/ An analysis of the tax plan for the next 3 years is required to demonstrate that the tax losses that may be carried forward and the deferred tax assets on temporary differences can be recovered within a short period of 3 years, because of current profits.

3.13 Costs of borrowing (IAS 23)

Borrowing costs are recorded as expenses when they are incurred, in accordance with the standard treatment under IAS 23.
Thus the costs relating to the creation of the FCT (*Fond Commun de Titrisation* – French securitised mutual fund), the ultimate purpose of which is to enable provision of securities on REPO to the Central Bank, were attributed to the TIE of the financing obtained.

3.14 Provisions (IAS 37)

Provisions other than those related to credit risks and employee benefits represent liabilities, the term or amount of which is not fixed. Their constitution is dependent upon ONEY BANQUE ACCORD Group having an obligation with regard to a probable third party which will require an outflow of resources in favour of this third party without at least equivalent compensation anticipated from the latter. This obligation may be legal, regulatory, or contractual. These provisions are estimated according to their nature and on the basis of the most probable assumptions.

The amount of the obligation is discounted to determine the amount of the provision, when this discounting represents a significant amount.

3.15 Employee benefits (IAS 19)

Employee benefits are grouped into four categories in accordance with IAS 19:

- short-term benefits such as salaries, social security contributions, bonuses payable in the twelve months following the end of the financial period;

- long-term benefits (long-service awards, bonuses and remunerations payable twelve months or more after the end of the financial period);

- severance pay or retirement benefits;

- benefits after employment, which are themselves divided into following two categories: defined benefit schemes and defined contribution schemes.

Benefits after employment: Commitment relating to retirement, early retirement and retirement benefits – defined benefits schemes

ONEY BANQUE ACCORD contributes to the establishment of pensions for its staff according to the laws and practices applicable in each country.
In accordance with revised IAS 19 – *Employee Benefits* – the Group registers and books all benefits granted to employees. The Group accounts for actuarial gains and losses in other comprehensive income (OCI).

In France, the company finances in advance almost all of the commitment relating to retirement benefits for its employees via an insurance company. In addition, a provision is recorded for the leave bank.

3.16 Share-based payments (IFRS 2)

IFRS 2 – “Share-based payments” – requires that the value of transactions remunerated by payments in shares or similar instruments is accounted for in the company’s profit & loss account and balance sheet. This standard, which applies to schemes introduced after 7 November 2002 and not yet vested as at 1 January 2005, relates to two scenarios:

- transactions for which the payment is based on shares and which are settled in equity instruments;
- transactions for which the payment is based on shares and which are settled in cash.

The valuation method applied to the options is based on the following criteria:

- Determination of the underlying value of the option on the date the option is granted decorrelated from all the conditions set out in the options scheme. This value is determined by application of the binomial model;
- The specific conditions are then taken into consideration by application of a coefficient of probability in the underlying value.

The underlying value of option is the value of a call determined by application of the binomial model based on the following:

- Duration of the option (determined by the option scheme);
- Exercise price of the option;
- Interest rate (the rate applied is that of the 4-year French treasury bond);
- The share price at the time of allocation;
- The volatility of the market sector (when the underlying share is not listed).

The underlying value applied includes the impact of dividends paid during the vesting period.

Rights are accounted for as expenses under the heading "Employee-related expenses". This expense item is offset by an entry recorded as a debt where the shares are acquired by the Group. The expense item is spread over the period during which the members of staff finally exercise their options.
When the underlying value of the option has been overestimated, a reversal is carried out by means of shareholders' equity.

3.17 Minority shareholder put options

ONEY BANQUE ACCORD has granted put options to the minority shareholders of certain fully consolidated subsidiaries of the group. These buyback commitments are optional commitments (sales of put options). The exercise price of these options was established according to a calculation formula agreed when the subsidiary was acquired or set up, based on that subsidiary's projected future business performance.

In accordance with the provisions set out in IAS 32, the Group has recorded a liability with respect to the put options granted to minority shareholders in subsidiaries that it controls exclusively. This liability is accounted for at the present value of the estimated exercise price of the put options.

This liability is offset as a reduction of minority interests underlying the options and, for the balance, as a deduction from the Group's shareholders' equity.
The put value is adjusted at the end of each period according to the change in the most likely exercise price of the options; the impact is recognised through equity with the exception of the accretion effect, which is recorded on the income statement where applicable.

3.18 Own shares

All control shares held by the Group are registered at their acquisition cost as a reduction in shareholders' equity. Profits or losses net of tax resulting from the potential disposal of these control shares are attributed directly to shareholders' equity, such that the potential capital gains or losses resulting from the disposal do not affect the net profit for the fiscal year.

3.19 Insurance activities (IFRS 4)

The two companies (life and non-life) provide creditor insurance in France and Portugal.
50% of all insurance premiums are covered by a reinsurance policy.
The technical provisions of life insurance and non-life insurance contracts are calculated by an external actuary in accordance with the methods defined by local regulations; these comply with IFRS. The technical provisions also take into account a margin of prudence given the historically low number of claims and the economic environment of France and Portugal. They take the form of budgeted expenses to cover claims in the process of settlement, claims incurred but not reported (IBNR) and provisions for unpaid risks. The calculation is based on the expected losses by using models and assumptions based on the history and the data of the current market. The technical provisions for the non-life business are provisions for claims payable.
Insurance companies must comply with the solvency ratio of the country (in this case, Malta) where they are established.

3.20 Related-party transactions

The related parties and sibling parties mentioned in the notes are the parent company Groupe Auchan SA. and the subsidiaries of Groupe Auchan SA. Only significant transactions are reported.

3.21 Income per share

The Group presents a base figure for income per share calculated based on income from operating activities. This information is also broken down from net income.
The base figure for income per share is calculated by dividing the Group share of net income for the fiscal year by the average number of shares comprising the capital in circulation during the fiscal year.

The figure for the average number of shares in circulation during the fiscal year is arrived at by adding the number of shares issued during the fiscal year to the number of shares in circulation at the beginning of the fiscal year.

3.22 Transfer of financial assets (amended IFRS 7)

The amendment to IFRS 7 specifies the disclosure information on:
- transferred financial assets that are not fully derecognised;
- transferred financial assets that are fully derecognised but in which the entity retains a continuing involvement; and
- the seasonality of financial asset transfers in order to emphasise "window dressing" transactions (for derecognised assets).

In 2013, ONEY BANQUE ACCORD disposed of impaired outstanding debt. All of these operations were treated as full disposals. Receivables were unrecognised as at the date of the transfer of ownership.

Note 4: Cash, central banks, and post office accounts

(in thousands of euros)	31/12/2013	31/12/2012	Change
Central Bank.......……………………………………………..	359	0	359
ATMs – In-store finance desks…………..	7,419	7,149	270
Others……….…………………………………………………	193	242	-49
Total	**7,972**	**7,392**	**666**

Note 5: Derivatives

Operations on financial futures pertain to interest rates and totalled €1,941 M compared with €3,906 M at the end of 2012. The portfolio can be classified into a number of groups:

1. Hedging derivatives

- Amortisable fixed-rate debtor swaps are used to hedge against risks associated with fixed-rate loan financing.

2. Trading derivatives

- Interest rate options (CAP – guaranteeing a maximum rate – and possibly FLOOR – guaranteeing a minimum rate) are used to hedge against increased variable-rate loan costs arising from a significant increase in interest rates.

- Cross-currency swaps are used to hedge against risks associated with refinancing subsidiary companies outside the eurozone.

The fair value of these instruments is indicated in the table below:

HEDGING AND TRADING DERIVATIVES (in thousands of euros)	31/12/2013		31/12/2012	
	Assets	Liabilities	Assets	Liabilities
FAIR VALUE HEDGE	**313**	**240**	**487**	**420**
Interest rate instruments:				
Futures………………………………	313	240	487	420
Options………………………..				
CASH FLOW HEDGE		**2,013**		**8,636**
Interest rate instruments:				
Futures………………………………		2,013		8,636
Options………………………..				
Total	**313**	**2,253**	**487**	**9,055**

Note 6: Loans and debts with credit institutions

LOANS AND DEBTS (in thousands of euros)	31/12/2013	31/12/2012	Change
Demand debts with credit institutions:	**41,143**	**84,720**	**-43,577**
Term debts with credit institutions:	**47,318**	**41,841**	**5,477**
Principal………………………………………...............	47,090	41,788	5,032
Accrued interest.......……………………….....................	228	53	175
Subordinated loans:	**0**	**0**	**0**
Principal…………………………………………………....	0	0	0
Accrued interest……………………………………	0	0	0

Due dates

(in thousands of euros)	< = 3 months	3 months < D < = 1 year	1 year < D < = 5 years	> 5 years	31/12/2013
Term debts with credit institutions:	**47,318**				**47,318**
Principal………………………………………...............	47,090				47,090
Accrued interest.......……………………….....................	228				228
Subordinated loans:					
Principal…………………………………………………....					
Accrued interest……………………………………					

(in thousands of euros)	< = 3 months	3 months < D < = 1 year	1 year < D < = 5 years	> 5 years	31/12/2012
Term debts with credit institutions:	**36,179**	**5,662**	**0**	**0**	**41,841**
Principal………………………………………...............	36,126	5,662			41,788
Accrued interest………………………....................	53				53
Subordinated loans:					
Principal…………………………………………………....					
Accrued interest……………………………………					

Note 7: Loans and debts on customers

1. Due dates

LOANS AND DEBTS (in thousands of euros)	< = 3 months	3 months < D < = 1 year	1 year < D < = 5 years	> 5 years	31/12/2013
Customer current account	**324**				**324**
Overall gross outstanding debt:	**560,952**	**672,543**	**1,225,592**	**152,210**	**2,611,297**
Sound outstanding debt:	**473,016**	**505,706**	**862,320**	**76,861**	**1,917,904**
Sound outstanding debt …………………………………………..	463,328	505,706	862,320	76,861	1,908,215
Accrued interest……………………………………	9,689				9,689
Impaired outstanding debt:	**87,936**	**166,837**	**363,271**	**75,349**	**693,393**

LOANS AND DEBTS (in thousands of euros)	< = 3 months	3 months < D < = 1 year	1 year < D < = 5 years	> 5 years	31/12/2012
Customer current account	**339**				**339**
Overall gross outstanding debt:	**902,863**	**601,935**	**987,661**	**94,387**	**2,586,846**
Sound outstanding debt:	**753,812**	**436,169**	**660,649**	**47,955**	**1,898,585**
Sound outstanding debt …………………………………..	744,021	436,169	660,649	47,955	1,888,794
Accrued interest……………………………………	9,791			0	9,791
Impaired outstanding debt:	**149,051**	**165,766**	**327,012**	**46,432**	**688,261**

2. Impaired outstanding debt

(in thousands of euros)		31/12/2013	31/12/2012	Change
Sound debt…………………………………………..	+	1,908,215	1,888,795	19,420
Impaired outstanding debt………………………………	+	693,393	688,260	5,133
Impairment………………………………………………	-	515,926	509,613	6,313
Net outstanding debt:	=	**2,085,683**	**2,067,443**	**18,240**
Accrued interest.......………………………......................	+	9,689	9,791	-102
Debt, end of period:	=	**2,095,371**	**2,077,234**	**18,138**
Ratio of impaired outstanding debt/total debt:		26.55%	26.61%	-0.05%
Hedging rate of impaired outstanding debt:		**74.41%**	**74.04%**	**0.36%**

3. Variation in impairment on customer debts

VARIATION IN IMPAIRMENT (in thousands of euros)	31/12/2013	31/12/2012
Impairment, start of period:	**509,613**	**495,357**
Change in scope		
Allocations…………………………………………………..	34,583	39,072
Reversals……………………………………………………	24,349	14,216
Reclassifications of discount of interest on impaired outstanding debt (1)	-3,793	-11,249
Other reclassifications + exchange differences	-129	648
Impairment, end of period:	**515,926**	**509,613**

(1) Reclassifications of discount of interest are presented in the interest margin.

Note 8: Securities

Interests in companies accounted for using the equity method

As at 31 December 2013, BANQUE ACCORD holds one company accounted for using the equity method: Natural Security (versus 2 companies as at 31 December 2012: disposal of Nectar).

(in thousands of euros)	2013	2012
As at 1 January………………………………………………….	564	379
Capital increase………………………………………………………………	932	1,307
Disposal of securities……………………………………………..		
Dilution/accretion………………………………………………..	118	74
Reclassification of securities under equity method ……………………..	-357	-499
Share in income…………………………	-593	-697
As at 31 December	**663**	**564**

Available-for-sale assets

(in thousands of euros)	% held	2013	2012
Mastercard Int. Inc.	< 1%	46	28
Total		**46**	**28**

Note 9: Tangible and intangible fixed assets

INTANGIBLE FIXED ASSETS (in thousands of euros)	Goodwill	Licences, software	Other	TOTAL
Gross value 01.01.2013:	**26,443**	**18,867**	**0**	**45,310**
Acquisitions for the period…. ……………………………………		2,452		2,452
Disposals and scrapping………………………………………		82		82
Reclassifications/change in scope ….……………………………				
Change in translation difference………………………………		-7		-7
Gross value 31.12.2013:	**26,443**	**21,230**	**0**	**47,672**
Accumulated Amortisation & Depreciation 01.01.2013:		**14,587**	**0**	**14,587**
Allocations to depreciation…………………………………………		2,210		2,210
Reversals of depreciation ………………………………………		22		22
Reclassifications/change in scope…..……………………………		-5		-5
Change in translation difference………………………………		-4		-4
Accumulated Amortisation & Depreciation 31.12.2013:		**16,766**		**16,766**
Net value 31.12.2013:	**26,443**	**4,464**		**30,907**
Net value 31.12.2012:	**26,443**	**4,281**	**0**	**30,723**

Goodwill is made up of:

- goodwill on Oney Portugal (dated 1 July 2000, initially amortised on the basis of a period of 20 years until 31 December 2003, and dated 1 January 2005 following the additional buyback of Oney Portugal securities held by Cofinoga). Its net value as at 31 December 2013 is €18,394 K;
- goodwill on Oney Spain (formerly Accordfin) amounting to €8,049 K dated 3 July 2010 in connection with Santander Consumer Finance's exercise of its put option on the 49% of Accordfin that it held.

TANGIBLE FIXED ASSETS (in thousands of euros)	Office and computer equipment and other	Fixtures and fittings	In progress	Other	TOTAL
Gross value 01.01.2013:	**15,976**	**9,165**	**4,823**	**658**	**30,623**
Acquisitions for the period…. ……………………………………	4,164	842	14,317	17	19,340
Disposals and scrapping………………………………………	571			35	607
Reclassifications/change in scope…..…………………………	4	-4			0
Change in translation difference………………………………	-98	-2		-3	-103
Gross value 31.12.2013:	**19,475**	**9,999**	**19,140**	**637**	**49,251**
Accumulated Amortisation & Depreciation 01.01.2013:	**13,403**	**6,300**		**438**	**20,141**
Allocations to depreciation………………………………………..	2,251	1,019		52	3,321
Disposals and scrapping………………………………………	567			35	602
Reclassifications/change in scope…..…………………………	8	-3		0	5
Change in translation difference………………………………	-38	-1		-2	-41
Accumulated Amortisation & Depreciation 31.12.2013:	**15,055**	**7,315**		**452**	**22,823**
Net value 31.12.2013:	**4,419**	**2,684**	**19,140**	**185**	**26,428**
Net value 31.12.2012:	**2,574**	**2,866**	**4,823**	**220**	**10,481**

The assets under construction figure pertains to the construction of the future OZEA headquarters of the ONEY BANQUE ACCORD group in Croix.

Note 10: Deferred taxes

This table explains the change in net position of deferred taxes (assets – liabilities)

(in thousands of euros)	01/01/2013	Movements recognised in income	Movements recognised in equity	Exchange differences/ Reclassification	31/12/2013
Non-deductible provisions……………………	23,301	587		-15	23,873
Regulated provisions………………………	-403	137			-266
Financial instruments………………………	2,995	139	-2,353		781
Other………………………………………………	7,675	130	-252	-1	7,551
TOTAL:	**33,568**	**993**	**-2,605**	**-16**	**31,940**

Due dates of non-capitalised deferred tax assets

Amount	<1 year	1 to 5 years	> 5 years
26,215		7,101	19,114

Deferred taxes on losses carried forward of €26.2 M were not capitalised, given the uncertainty of their future allocation.

Note 11: Accrual accounts and other assets

(in thousands of euros)	31/12/2013	31/12/2012	Change
Values for collection……………………………………	337,062	339,632	-2,570
Prepaid expenses………………………	3,638	3,260	378
Accrued income……………………………………..	7,627	8,056	-429
Other accrual accounts…………………..	391	2,531	-2,140
Other assets………………………………………………….	76,515	57,648	18,867
Total	**425,233**	**411,127**	**14,107**

Values for collection correspond to debits on customer accounts.

Note 12: Financial liabilities measured at amortised cost

(in thousands of euros)	31/12/2013	31/12/2012	Change
Debts towards credit institutions:	**444,835**	**424,213**	**20,623**
Demand………………………………	6,727	15,178	**-8,451**
Term……………………………………	438,108	409,034	**29,074**
Debts towards customers:	**399,111**	**403,127**	**-4,016**
Demand………………………………	147,601	144,092	3,509
Term……………………………………	251,510	259,035	-7,525
Debt securities (medium-term notes and commercial paper):	**1,220,257**	**1,266,880**	**-46,623**
Bond loans………………………………	851,786	700,950	150,836
Other debt securities (medium-term notes and commercial paper)……………………………...	368,471	565,930	-197,759
Subordinated debt:	**37,917**	**37,916**	**1**

TOTAL	**2,102,119**	**2,132,135**	**-30,016**

Confirmed credit lines not used as at 31 December 2013 granted by banking institutions amounted to €903 million, including €825 million maturing after more than one year.

BOND LOANS

Borrowing company	Nominal interest rate	Effective interest rate	Issue date	Maturity	31/12/2013	31/12/2012
Banque Accord	3-month Euribor + 90bp	3-month Euribor + 90bp	July 2010	July 2014	150,000	150,000
Banque Accord	3-month Euribor + 100bp	3-month Euribor + 100bp	June 2011	July 2016	200,000	200,000
Banque Accord	3-month Euribor + 155bp	3-month Euribor + 155bp	June 2012	December 2016	200,000	200,000
Banque Accord	1.817%	1.817%	December 2012	November 2017	150,000	150,000
Banque Accord	2%	2%	April 2013	October 2018	150,000	
TOTAL					**850,000**	**700,000**

SUBORDINATED DEBT

This item corresponds to six redeemable subordinated securities issued for:

- €15 M in 10-year subordinated notes issued in December 2004 underwritten by Groupe Auchan;
- €18 M in 10-year subordinated notes issued in November 2006 underwritten by Auchan Coordination Service;
- €1,715 M in 10-year subordinated notes issued in December 2004 underwritten by Groupe Santander;
- €0.735 M in 10-year subordinated notes issued in November 2006 underwritten by Groupe Santander;
- €1,470 M in 10-year subordinated notes issued in June 2007 underwritten by Groupe Santander;
- €0,980 M in 10-year subordinated notes issued in December 2008 underwritten by Groupe Santander;

All of the issues may be redeemed early, in full or in part, at the borrower's initiative, subject to prior approval by the French Prudential Control Authority or the Bank of Spain.

(in thousands of euros)	31/12/2013	31/12/2012
Subordinated debt……………………	37,917	37,916

Note 13: Provisions for contingencies and charges

(in thousands of euros)	01/01/2013	Allocations	Reversals	Reclassification	31/12/2013
Employee benefits………………………………	895	265	240	-33	887
Provisions for tax audits………………………	2,492	0	913	0	1,579
Provisions for disputes…………………………	6,041	5,857	923	-4,341	6,634
Sub-total	**9,428**	**6,122**	**2,076**	**-4,374**	**9,100**

Following the disposal of the NECTAR interest, the losses previously booked as a provision for €4,232 K were reversed in 2013 and presented in income from disposals of capital assets.

Note 14: Technical provisions for insurers and debts with reinsurers

(in thousands of euros)	01/01/2013	Allocations	Reversals	Reclassification /Capital	31/12/2013
Technical provisions - life……………………	1,265		1		1,264
Technical provisions - non-life………………	6,300		200		6,100
Total technical provisions	**7,565**		**201**		**7,364**

(in thousands of euros)	01/01/2013	Increase	Decrease	Reclassification	31/12/2013
Share of provisions related to reinsurers………	7,565		201		7,364
Total share of reinsurers	**7,565**		**201**		**7,364**

Note 15: Other liabilities and accrual accounts

(in thousands of euros)	31/12/2013	31/12/2012	Change
Suppliers………………………………………………………………	19,759	3,972	15,787
Personnel expenses………………………………………………………	12,363	11,971	392
Duties and taxes………………………………………………………	2,457	2,192	265
Cash back + shopping vouchers + gift and prepaid cards……………	16,407	15,133	1,274
Other……………………………………………………………………	15,991	19,795	-3,804
Sub-total OTHER LIABILITIES	66,977	53,063	13,914
Values for collection……………………………………	24,927	46,124	-21,197
Deferred income………………………	28,440	25,734	2,706
Accrued expenses………………………………………………	56,583	57,624	-1,041
Other………………………………………………………………………	1,134	5,123	-3,989
Sub-total LIABILITY ACCRUAL ACCOUNTS	111,085	134,605	-23,521
TOTAL OTHER LIABILITIES AND ACCRUAL ACCOUNTS	**178,063**	**187,667**	**-9,607**

Note 16: Shareholders' equity – Group share

16.1 Number of equity shares issued

	31/12/2013	31/12/2012
Start of period………………………………………………	1,444,410	1,444,410
Share issues for cash………………………………………………	4,654	
End of period……………………………………………………	**1,449,064**	**1,444,410**

As at 31 December 2013, share capital totalled €28,981 K and was made up of 1,449,064 fully paid-up ordinary shares of €20 each.

16.2 Own shares

BANQUE ACCORD bought back 172 of its own shares from FCP VALACCORD on 13 September 2013. As part of exercising its options, Banque Accord disposed of 2,551 own shares then bought back 4,238 shares on 4 October 2013.

16.3 Legal reserve

The legal reserve of BANQUE ACCORD S.A. totalled €2,889 K as at 31 December 2013.

16.4 Reserves detailed by type

Exchange reserve

(in thousands of euros)	31/12/2013	31/12/2012
China……………………………………	-163	-117
Hungary……………………………………	-558	-797
Poland……………………………………	-357	-294

Romania………………………………….	-11	-6
Russia…………………………………….	-629	-100
Ukraine…………………………………...	-12	-1
TOTAL……………………………………	**-1,730**	**-1,315**

Cash flow hedge reserve (excl. deferred tax)

(in thousands of euros)	31/12/2013	31/12/2012
Start of period………..………………...	-8,656	-9,821
Change…………………………………….	6,643	1,165
End of period…………………………….	**-2,013**	**-8,656**

16.5 Change in shareholders' equity (Group share)

(in thousands of euros)	Capital	Premium	Self-held securities	Reserves	Unrealised gains and losses	Profit or loss for the fiscal period	Exchange differences	Total Shareholders' Equity
2011 closing position	**28,888**	**55,919**	**-920**	**207,355**	**-6,307**	**30,239**	**-1,998**	**313,177**
Movements								
Allocation				30,239		-30,239		0
Profit or loss for the period						35,103		35,103
Capital increase								
Net unrealised gains and losses from cash flow hedge					744			744
Stock options		-18	232	3				218
Exchange reserve				-42			664	623
IFC net actuarial gains or losses					-173			-173
Auchan dividends				-9,049				-9,049
Hungary dividends				-514				-514
Poland dividends								
Corporate tax credit retrocession				-3,025				-3,025
Natural Security				-373				-373
Other				8				8
2012 closing position	**28,888**	**55,902**	**-688**	**224,604**	**-5,736**	**35,103**	**-1,334**	**336,739**
Movements								
Allocation				35,103		-35,103		0
Profit or loss for the period						53,463		53,463
Capital increase	93	1,111						1,204
Net unrealised gains and losses from cash flow hedge					4,106			4,106
Stock options			-662	-661				-1,323
Exchange reserve				-179			-678	-857
IFC net actuarial gains or losses					41			41
Auchan dividends				-5,811				-5,811
Hungary put option				-282				-282
Poland dividends								
Corporate tax credit retrocession				2,883				2,883
Natural Security				-499				-499
Deferred tax adjustment Russia				-590				-590
Share of minority shareholders Hungary				1,217				1,217

Other				34				34
2013 closing position	**28,981**	**57,013**	**-1,349**	**255,819**	**-1,589**	**53,463**	**-2,012**	**390,326**

16.6 Dividends paid over the last three fiscal years

DIVIDENDS PAID (in euros)	Amount	Dividend per share
Cash dividends paid for fiscal year 2010…………………………………	7,454,802	€5.19
Cash dividends paid for fiscal year 2011…………………………………	9,048,601	€6.28
Cash dividends paid for fiscal year 2012…………………………………	5,810,559	€4.03

Note 17: Minority interests

(in thousands of euros)	
Position at 31 December 2011	**1,781**
Profit or loss for the period………………………………………………	1,167
Capital increase………………………………………………………………	2,280
Poland……………………………………	-471
Other (including translation gains or losses)………………………	110
Position at 31 December 2012	**4,866**
Profit or loss for the period………………………………………………	1,334
Géfirus capital increase …………………………………………	1,120
Hungary minority shareholder put option…………………………………………...	-4,107
Hungary dividends …………………………………………………………	-1,240
Poland dividends ………………………………………………………...	-641
Russia deferred tax adjustment ………………………………………..	-380
Share of Hungarian minority shareholders ……………………………………..…	3,910
Other (including translation gains or losses)………………………	-541
Position at 31 December 2013	**4,322**

As a result of the change in accounting method for minority shareholder put options, the full consolidation percentage for Hungary changed from 100% to 60%. This method resulted in the recognition of an opening share for Hungarian minority shareholders of €3,910 K.
In addition, the Group opted to recognise the debt related to the put option as an offset to the minority shareholders' share of equity for €4,107 K.

Note 18: Off-balance sheet commitments

Commitments received

COMMITMENTS RECEIVED (in thousands of euros)	31/12/2013	31/12/2012
Financing commitments……………………………………………………… *Received from credit institutions and customers*	**1,154,729**	**1,106,575**
Guarantee commitments ……………………………………………………… *Received from credit institutions and customers*	**11,330**	**5,898**
Total	**1,166,059**	**1,112,473**

Commitments given

COMMITMENTS GIVEN (in thousands of euros)	31/12/2013	31/12/2012
Financing commitments…………………………………………… *Given to credit institutions and customers*	**8,830,716**	**9,972,606**
Guarantee commitments ………………………………………………. *Given to credit institutions and customers*	**16,754**	**13,877**
Securities commitments…………………………………………………. *Securities receivable*	**14,343**	**15,372**
Total	**8,861,813**	**10,001,855**

Securities commitments are valued in accordance with the agreements described in the agreements signed with partners and are discounted at each annual close. These are call options that BANQUE ACCORD may choose to exercise or not.

Details of commitments given to customers by geographical region.

In millions of euros	31/12/2013		31/12/2012	
	Assets - 2 years	Global	Assets - 2 years	Global
France	2,603	7,667	2,627	8,710
Europe excl. France	926	1,164	1,099	1,263
Rest of the world				

Commitments to customers, including under the terms of the French Prudential Control Authority for the calculation of the ratios, i.e. excluding customers inactive for more than two years, totalled €5,393 M.

Note 19: Interest income and expenses

(in thousands of euros)	31/12/2013		31/12/2012	
	Expenses	Income	Expenses	Income
Transactions with credit institutions ………………………………………………	3,199	1,481	4,433	861
Transactions with customers………………………………………………	7,027	234,099	8,444	235,977
Transactions involving financial instruments……………………………	14,594	12	15,709	152
Total	**24,820**	**235,592**	**28,585**	**236,989**

Note 20: Commission income and expenses

(in thousands of euros)	31/12/2013		31/12/2012	
	Expenses	Income	Expenses	Income
Transactions with credit institutions ………………………………………………	10,814	7,190	8,217	9,154
Insurance transactions………………………………………………………..	3,401	40,558	3,128	32,230
Transactions with customers…………………………………………………	165	24,391	82	28,543
Financial services – including card fees……………………………	20,820	54,283	18,241	46,672
Other……………………………………………………………………………	6,767	25,364	6,628	23,396
Total	**41,968**	**151,786**	**36,296**	**139,995**

Note 21: Other banking operating income and expenses

(in thousands of euros)	31/12/2013		31/12/2012	
	Expenses	Income	Expenses	Income
Insurance expenses and income………………………………………………	4,008	33,135	3,701	30,214
Operating expenses and income…………………………………………………	1,199	32,007	1,313	36,982
Total	**5,208**	**65,142**	**5,013**	**67,196**

Note 22: Personnel expenses

(in thousands of euros)	31/12/2013	31/12/2012
Wages and salaries……………………………………………………………………	52,091	48,948
Social contributions…………………………………………………………………………	26,897	24,761
Tax expenses…………………………………………………………………………………………	-138	554
Employee profit-sharing and bonus schemes……………………………………………	4,675	5,703
Total	**83,526**	**79,966**

Note 23: Other administrative expenses

(in thousands of euros)	31/12/2013	31/12/2012
Fees……………………………………………………………………………………..	4,430	4,722
Rentals…………………………………………………………………………………...	5,618	5,284
Interim compensation…………………………………………………………………	14,422	11,968
Other………………………………………………………………………………	114,380	113,397
Total	**138,850**	**135,370**

Note 24: Cost of risk

COST OF RISK	31/12/2013		31/12/2012	
	Expenses	Income	Expenses	Income
Impairment on transactions with customers………………………………	34,584	24,349	39,072	14,216
Losses on uncollectible debts covered by impairments………………………	98,934		92,771	
Collection on impaired debts……………………………………………………		25,456		28,037
Total	**133,518**	**49,805**	**131,843**	**42,252**
Balance	**83,713**		**89,591**	

Note 25: Corporate tax

Tax expenses

Tax expense	31/12/2013	31/12/2012
Taxes payable………………………………………………………………………………	13,611	17,545
Change in deferred taxes ………………………………………………………………	-992	-3,845
Total	**12,619**	**13,700**

Tax analysis

	Amount	2013 rate	2012 rate
Income before corp. income tax and equity accounting………..	68,008		
Standard rate…………………………………………….…		38.00%	36.10%
Theoretical corporate tax…………………	25,843		
Permanent differences……………………………………	-3,432	-5.05%	-8.92%
Unrecognised deferred taxes……………………….…	3,090	4.45%	-0.94%
Rate differential……………………………………...	-4,084	-6.01%	-4.23%
Tax credits………………………………… ;…….	-6,556	-9.64%	
Other…………………………………………	-2,242	-3.30%	5.04%
Effective total	**12,619**		
Effective rate		**18.56%**	**27.04%**

Note 26: Other

Workforce

In December 2013, there were 1,977 full-time equivalent employees in the consolidated companies (including all those employed by proportionally-consolidated companies), compared with 2,161 as at 31 December 2012 on a like-for-like basis.

Executive compensation

Total compensation (including directors' fees) paid in 2013 to corporate officers of GROUPE ONEY BANQUE ACCORD entities amounted to €2.0 million.

Expenses relating to post-employment benefits totalled €0.2 million.

Note 27: Employee benefits

According to the rules and practices in each country, Group employees enjoy long-term or post-employment benefits. These additional benefits take the form either of defined-contribution or defined-benefit schemes.

Defined-contribution schemes:

These schemes are characterised by regular contributions to external organisations that provide administrative and financial management. The contributions are recorded as expenses as they are incurred.

Defined-benefit schemes:

For the principal plans, an actuarial valuation is performed annually by independent experts. These schemes involve retirement benefits in France.

Actuarial assumptions	2013	2012
Discount rate as at 1 January	3.50%	4.70%
Discount rate as at 31 December	3.50%	3.50%
Expected rate of return on assets, 1 January	3.50%	4.70%
Expected rate of increase in salaries	2.25%	2.25%

The change in the current value of the obligation with respect to defined-benefit schemes is as follows:

Change in €K	2013	2012
Current value of the obligation as at 1 January	1,553	1,123
Financial cost	59	57
Cost of services rendered during the fiscal year	131	97
Benefits paid	0	0
Actuarial losses (gains)	-6	276
Other		
Current value of the obligation as at 31 December	**1,737**	**1,553**

The change in the fair value of the assets of the defined-benefit schemes is as follows:

Change in €K	2013	2012
Fair value of assets as at 1 January	1,309	1,123
Expected return on assets	46	53
Contributions paid	149	129
Benefits paid		
Actuarial losses (gains)	24	5
Fair value of assets as at 31 December	**1,529**	**1,309**

The net provision recorded on the balance sheet has changed as follows:

Change in €K	2013	2012
Net liability as at 1 January	243	0
Expense recognised	144	101
Contributions paid	-149	-129
Benefits paid by employer		
Actuarial losses (gains) recognised in shareholders' equity	-30	271
Restatement of financial liability		
Net liability as at 31 December	**208**	**243**

The reconciliation of balance sheet data with the actuarial obligation of the defined-benefit schemes is as follows:

Reconciliation of net liability	2013	2012
Current value of the obligation	1,737	1,553
Fair value of assets	1,529	1,309
Net position	208	243
Net liability recognised on the balance sheet	**208**	**243**

Expenses recorded for defined-benefit schemes are broken down as follows:

In €K	2013	2012
Cost of services rendered during the fiscal year	131	97
Financial cost	59	57
Expected return on assets in the scheme	-46	-53
Expense recognised	**144**	**101**

Note 28: Share-based payments

Characteristics of an options plan issued by BANQUE ACCORD

- Options may not be exercised within four years of the date on which they are granted.
- They may be exercised between 23 June and 31 July of the year in which the plan matures.
- The exercise of options is conditional upon actual, continuous presence within the issuing company or one of its subsidiaries. Any contract suspension for any reason other than illness or maternity invalidates the right to options (as does any other condition specific to the issuing company).
- The exercise price takes the form of an ex-coupon price. In all cases, options are deemed exercised following detachment of the coupon.
- The shares subscribed by option recipients are entered into the BANQUE ACCORD share register.

Change in the number of options and the weighted average price for fiscal years 2012 and 2013

	2013		2012	
	Exercise price	Number of options	Exercise price	Number of options
Options at start of fiscal year		20,224		24,390
Options issued during the fiscal year	303.91	0	275.50	363
Options exercised during the fiscal year		6,859		3,494
Options cancelled or lost		1,418		1,035
Options expired				
Options at end of fiscal year	259.48	11,947	259.06	20,224
Options exercisable at end of fiscal year				

Parameters used to calculate the fair value of options

	2013	2012
Intrinsic value of options	+€45.12	-€13.15
Share price	303.91	€275.50
Exercise price	303.91	€275.50
Forecast volatility		45.98%
Term of options	2.5 years	3.5 years
Forecast dividends	1.28%	1.04%
Interest rate applied		0.21%
Type of model	binomial	binomial

Volatility has been established based on an analysis examining the inherent volatility of company shares relative to BANQUE ACCORD’s activity over the 4-year period preceding the grant date.

Impact on the income statement.
The annual impact is €18 K.

Note 29: Sector information

In accordance with IFRS 8, the information presented is based on internal reports used by the General Management for the strategic direction of Banque Accord, the assessment of performance and the allocation of resources to the identified operating sectors.

The operating sectors presented in the internal reports, corresponding to the businesses and geographical regions in which Banque Accord operates, are as follows:

1st level: business lines

Consumer credit
e-banking, Insurance, Savings, Payment Methods

2nd level: geographical regions

France
Europe excl. France: Spain, Portugal, Italy and Malta
Rest of the world: Poland, Hungary, China, Russia, Romania and Ukraine

As part of the sector information by geographical region, the income and expenses as well as the assets and liabilities for the sector are broken down based on the location in which these operations are booked.

1st level

(in thousands of euros)	Credit		Other		Total	
	2013	2012	2013	2012	2013	2012
Sector income:						
External	393,180	388,432	60,511	57,767	453,691	446,199
Internal	0	0			0	0
Depreciation …...	5,479	4,723	52	48	5,531	4,771
Sector expenses………	152,527	150,619	17,434	14,711	164,795	165,330
Provisions…………	4,042	1,165			4,042	1,165
Cost of risk……………	83,713	89,591			83,713	89,591
Sector net earnings……………	152,584	142,334	43,025	43,008	195,609	185,342
Non-sector expenses					128,194	135,371
Tax expenses………………… IFRS 5					12,619	13,700
Net income					54,797	36,270
Sector assets…………	2,553,801	2,581,516	95,407	73,463	2,649,208	2,654,980
Sector liabilities……….	3,047,622	2,314,997	120,443	46,708	3,168,065	2,361,704
Investments……………… …	30,293	14,598	599	163	30,892	14,762

2nd level:

(in thousands of euros)	France		Europe		Rest of the world		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Sector income……..	251,922	259,322	149,105	138,999	52,663	47,879	453,691	446,199
Sector assets…………… …...	2,039,609	2,084,161	545,940	512,743	62,659	58,076	2,649,208	2,654,980
Investments…………………	24,682	10,848	3,179	3,083	3,031	831	30,892	14,762

Note 30: Fair value

Assets and liabilities are booked and valued in accordance with the provisions of IAS 39. The accounting methods used are as follows:

Cash assets, asset and liability accrual accounts and other assets and liabilities

These financial assets and liabilities are valued at their nominal value insofar as it represents a reasonable estimate of their market value given their short-term nature.

Current variable-rate outstanding loans

There is no mark-to-market valuation to be done on the variable-rate outstanding loan portfolios.

Fixed-rate outstanding loans

The fair value of fixed-rate outstanding loans corresponds to the discounted expected future flows on these loans through the amortisation curve (excluding interest).

Financial instruments

BANQUE ACCORD values its financial instruments using a standard method by discounting expected future flows on the financial instrument identified through the zero-coupon curve as at 31 December 2013.

Bond debts

With regard to variable-rate bond debts, the fair value of these debts corresponds to the nominal value.
For fixed-rate bond debt, the fair value at 31 December 2013 corresponds to the discounted flows from the debt with a EURO rate curve.

Debts with credit institutions

These are valued at their nominal value insofar as it represents a reasonable estimate of their market value given their short-term nature.

Market value of assets and liabilities based on market data or valuation techniques:
(The definition is given in note 3.9.1)

In thousands of euros	Market value		
	Level 1	Level 2	Level 3
Asset derivatives		313	
Liability derivatives		2,253	

The impact of the calculation of the CVA/DVA (IFRS 13) amounted to -€4 K at 31 December 2013 (and has not been recognised given its insignificant impact).

Market value of other assets and liabilities

In thousands of euros	2013		2012	
	Market value	Book value	Market value	Book value
Cash, bank, and post office accounts	7,972	7,972	7,392	7,392
Loans and debts on customers	2,033,830	2,095,695	2,077,573	2,077,573
Available-for-sale securities				
Current tax receivables	4,383	4,383	4,806	4,806
Other assets and accrual accounts	425,233	425,233	411,127	411,127
Debts with credit institutions	444,835	444,835	424,213	424,213
Debts with customers	399,111	399,111	403,127	403,127
Debt represented by securities	1,233,418	1,220,257	1,266,880	1,266,880
Subordinated debt	37,917	37,917	37,916	37,916
Current tax payable	11,131	11,131	8,289	8,289
Other liabilities and accrual accounts	178,063	178,063	187,667	187,667

Note 31: Exposure and management of risks

During the normal course of its business activity, the Group is exposed to interest rate, exchange rate and credit risks. It uses derivatives to mitigate interest rate risks.

Market risks are managed centrally at the Group level.

31.1 Counterparty risk on derivatives

By virtue of the nature of its business, ONEY BANQUE ACCORD is consistently in a net borrower position. Counterparty risk therefore mainly concerns off-balance sheet transactions. To cover this risk, ONEY BANQUE ACCORD, through Auchan Coordination Services, deals only with leading banks for its financing and interest rate derivative transactions. Interest rate derivative transactions are conducted only with banking counterparties that are rated at least “A” by Moody’s, Standard and Poor’s, or Fitch.
If, in one country, the sovereign rating is below A and a subsidiary needs to deal with a local bank, it is authorised to do business with a partner whose rating is equivalent to the country rating.

31.2 Interest rate risk

The financial policy at Oney Banque Accord aims to fortify the financial margin against future fluctuations of interest rates. It therefore hedges all of the interest rate risks from its outstanding fixed-rate loans.

As for hedging outstanding variable rate loans and give the possibility of passing on rate increases to customers, ONEY BANQUE ACCORD does not systematically hedging this risk.

Exposure to interest rate risk

The table below principally presents the interest rate risk on financial assets linked to customers. All financial assets are presented.

In millions of euros	12/2013	12/2012
Fixed-rate financial assets	1,167	1,075
Fixed-rate financial liabilities	1,356	1,228
Variable-rate financial assets	1,210	1,137
Variable-rate financial liabilities	749	904

The schedules of financial assets are shown in notes 6 and 7, and the schedules of financial liabilities in note 31.4.

Method used for sensitivity analysis

Assumptions adopted:

- Rate increases applying to variable-rate liabilities would be reflected in variable-rate assets three months later.
- Rate decreases applying to variable-rate liabilities would be reflected in variable-rate assets three months later.
- With the exception of the cash flow hedge reserve, there would be no equity exposure to interest rate risk.
- Only some fixed-rate assets would be hedged using variable-rate liabilities.

Fixed-rate assets and liabilities are scheduled by forecast due date and a variable-rate exposure gap has been determined for a 12-month period. The impacts on earnings have been calculated on the basis of upward and downward interest rate movements of 100 bp.

With regard to impact on equity, the financial instruments used to provide cash flow hedging have been valued individually on the basis of upward and downward movements of 100 bp.
The impact of swaps on equity has been calculated on the basis of the difference between the marked-to-market value on the balance sheet date and the new post-adjustment value.

Sensitivity analysis

Impact on the income statement

On the basis of our financial position at 31 December 2013, a 1% increase in interest rates across all currencies would result in a decrease of €0.37 M in our financial cost.
On the basis of our financial position at 31 December 2013, a 1% decrease in interest rates across all currencies would result in a rise of €0.39 M in our financial cost.

Impact on equity

On the basis of our financial position at 31 December 2013, a 1% increase in interest rates across all currencies would result in an increase of €4.2 M in our shareholders' equity, compared to €19.7 M at 31 December 2012.
On the basis of our financial position at 31 December 2013, a 1% fall in interest rates across all currencies would result in a reduction of €4.3 M in our shareholders' equity, compared to €20.3 M at 31 December 2012.

31.3 Interest rate hedges

Cash flow hedges

Derivatives transactions described as cash flow hedges are swap transactions where BANQUE ACCORD is the fixed-rate borrower and the variable-rate lender. Their purpose is to fix interest rates on part of Banque Accord's forecast variable-rate debt issues, in order to limit the possible volatility of future interest spreads over the next 1 to 5 years. No cash flow hedges cover periods of more than five years.

Derivative-based financial liabilities (in thousands of euros)	Book value	Expected cash flows					
		Total	<3 months	<6 months	< 1 year	1 to 5 years	> 5 years
Interest rate swaps	2,056	2,492	1,005	468	750	269	

Hedging instruments

The following table shows the periods during which BANQUE ACCORD expects cash flows associated with hedging derivatives to occur.

Derivative-based financial assets (in thousands of euros)	Book value	Expected cash flows					
		Total	<3 months	<6 months	< 1 year	1 to 5 years	> 5 years
Interest rate swaps	154	154	154				
Currency exchange swaps	159	351	96	-10	143	122	
Rate options							

Derivative-based financial liabilities (in thousands of euros)	Book value	Expected cash flows					
		Total	<3 months	<6 months	< 1 year	1 to 5 years	> 5 years
Interest rate swaps	197	197	197				
Currency exchange swaps							
Rate options							

The currencies of these transactions are Euro and HUF.

31.4 Liquidity risk

In order to limit its liquidity risk, ONEY BANQUE ACCORD has adopted a cautious refinancing policy:

- Diversification of bank counterparties making it possible to guarantee a satisfactory distribution of financing in accordance with the recommendations of the banking and financing regulatory committee.
- 100% coverage of the average refinancing requirement with resources drawn at more than one year and confirmed bank lines.

ONEY BANQUE ACCORD must comply with the conditions of a single covenant in order to maintain the refinancing lines provided under the Club Deal (confirmed line of syndicated credit totalling €475 M) and confirmed lines (€175 M). The ratio is defined as follows: Total loan portfolio > Net financial debt (i.e. financial debt less the amount of advances to credit institutions and amounts invested with central banks). As at 31 December 2013, this ratio was met.

Liquidity risk exposure

The remaining financial liability contract periods are broken down as follows and include interest payments:

(in thousands of euros)	Book value	Expected cash flows					
		Total	<3 months	<6 months	< 1 year	1 to 5 years	> 5 years
Debts with credit institutions (deposits)	6,727	6,727	6,727				
Debts with credit institutions	438,108	442,270	79,250	575	52,534	309,911	
Demand debts with customers	147,601	147,601	147,601				
Term debts with customers	251,510	260,835	1,781	1,786	3,590	253,678	
Bond loans	851,786	897,780	1,956	2,029	159,317	734,478	
Debts represented by a security	368,471	368,887	235,404	95,339	38,144		
Subordinated debt	37,917	38,837	79	82	16,879	21,797	
Trade payables	19,759	19,759	19,759				
Other debts	158,304	158,304	158,304				
Current tax payable	11,131	11,131	11,131				

Expected cash flows correspond to contractual cash flows.

Original medium-term and long-term credit lines granted and confirmed by banks but not used as at 31 December 2013 and 31 December 2012:

Amount in €K as at 31/12/2013	<1 year	1 to 5 years	> 5 years
903,250	78,250	825,000	

Amount in €K as at 31/12/2012	<1 year	1 to 5 years	> 5 years
855,000	100,000	755,000	

31.5 Currency risk

BANQUE ACCORD is exposed to exchange risk for loans denominated in currencies other than the euro and the value of net assets held by its subsidiaries in foreign currencies.
Cross-currency swap transactions hedge the exchange risk on the refinancing portion of the Hungarian subsidiary ONEY MAGYAROSZAG.

31.6 Management of customer credit risk

1. General points

Credit risk involves consumer credit (personal loans, revolving credit, etc.) granted to individuals.
This risk is spread over a large number of personal customers, each with a limited commitment.
With regard to off-balance sheet commitments, the Group's policy restricts the granting of financial guarantees to subsidiaries and selected partner companies only.

2. Organisation of the Risk network

At ONEY BANQUE ACCORD, credit risk is monitored and managed by the subsidiary and partner risk departments and the Group Risk Department; internal compliance is managed via risk committees.
In France and Portugal, it is monitored and managed by the local risk departments.
In other countries, the bank's partners are responsible for credit risk management (Poland, Hungary, Russia). Granting, risk monitoring, and collection are done on the basis of their processes and their information systems.
In all cases, the credit risk is monitored by the Group Risk Department.

The Risk Committees are responsible for managing credit risk and acting as project manager for those projects having an impact on these risks. They validate risk strategy, methodologies, and performance.

3. The process used to grant loans and credit and to set personal credit limits

The credit granting decision-making systems are based on a statistical evaluation and individual consideration of applications and are applicable to all types of income levels and customers.
They include:

- Credit scoring
- Clearly-stated rules for declining applications
- A system of delegation and powers
- Rules governing the supporting documentation to be supplied
- Anti-fraud controls

Strict compliance with the decisions reached after applying the rules and credit scoring (very few exceptions are made) ensures very precise control of the associated credit risks. The reasons for exceptions and those persons authorised to make them are defined by procedures and are normally checked after they are granted: such exceptions are used mainly to enable personalised management of the process involved in granting larger amounts of credit and the management of targeted customer groups.

4. Granting of guarantees

The Group's policy restricts the granting of financial guarantees to subsidiaries and selected partner companies only.

5. Inside the Group

The financial policy at Oney Banque Accord aims to fortify the financial margin against future fluctuations of interest rates. It therefore hedges all of the interest rate risks from its outstanding fixed-rate loans.

As for hedging outstanding variable rate loans and give the possibility of passing on rate increases to customers, ONEY BANQUE ACCORD does not systematically hedging this risk.

6. Aged balance of unpaid debts

If there is an unpaid debt, customer loans and debts are impaired as bad debt. As an exception, over-indebtedness plans presenting an unpaid instalment are not impaired. These outstanding debts amounted to €2.2 M as at 31 December 2013.

7. Restructured debts

Restructured or rearranged debts (whether internally or following a ruling by the French Consumer Over-indebtedness Commission) totalled €215 M as at 31 December 2013. These outstanding debts are impaired for €151 M as at 31 December 2013.

8. Maximum exposure

The maximum exposure to credit risk is €693 M as at 31 December 2013, compared to €688 M as at 31 December 2012. It is made up of impaired outstanding debt and over-indebtedness plans with an unpaid instalment. The reserve granted to the customer becomes unavailable once there is an unpaid instalment. Accordingly, the reserves on these outstanding debts are not incorporated into the risk base and are not impaired.

31.7 Insurance risk management

There are two main types of insurance risk:

- Those relating to rate setting and adverse claim trends;
- Those relating to the financial markets.

The first of these refers to variances between the assumptions made at the point where the risk is insured and the reality of subsequent claims in terms of frequency, timing, and severity.
For borrower insurance, the types of coverage offered are: death, accidental death, permanent total disability, temporary inability to work, and redundancy. These are products offered on the basis of regular premium payments, with claim payouts capped at the amount of outstanding credit owed by the policyholder at the date of the claim.
For payment method insurance, the types of coverage offered are: fraudulent use of payment methods, aggravated theft of cash, loss or theft of keys and official papers, and non-delivery or improper delivery of online purchases.
For protection reinsurance in Italy, the types of reinsured coverage are: temporary inability to work and loss of employment following an accident.
The offered products provide for limited amounts or single or monthly lump-sum compensation for predefined durations.

The Company also reserves the right to adjust the amounts of premiums (except for reinsurance where it is the insurer who retains the possibility of doing so). This provides protection against any excess costs and the ability to adapt to the current economic climate. Insurance companies operate with “group” policies (except for reinsurance). The diversity of the policyholder portfolio and the individual amounts allocated to each insurance product eliminate the risk of concentration. Lastly, the insurance companies are reinsured for 50% of premium income across all claim types for borrower insurance (95% of turnover).

For the second type of risk, all financial institutions and investment instruments are subject to Board approval prior to any investment of funds, and all counterparties must be rated at least “A” by Standard & Poor’s. These ratings are reviewed regularly.

Note 32: Related-party transactions

In thousands of euros	Assets	Liabilities	Expenses	Income
Parent company				
Transactions with respect to customers			134	
Subordinated debts and related debts		15,004	123	
Other assets/liabilities and accrual accounts	8,017	71		
Operating income and expenses				
Outside services			4,020	
Joint parent				
Subordinated debt and related debt				
Transactions with respect to credit institutions				
Operating income and expenses				
Associated companies				
Other assets and accrual accounts	413			
Transactions with respect to customers			62	
Subordinated debts and related debts				
Other liabilities and accrual accounts		538		
Extraordinary income and expenses			2,366	
Outside services				
Other associated companies				
Other assets and accrual accounts	496			
Transactions with respect to customers	27	1,288,223	19,874	
Subordinated debts and related debts		18,010	111	
Other liabilities and accrual accounts		3,435		
Operating income and expenses			6,913	7,074
Outside services			2,129	
	8,952	**1,325,282**	**35,731**	**7,074**

Note 33: Proposed allocation

The draft resolutions presented to the General Meeting propose the payment of a dividend from reserves and the allocation of earnings to retained losses.
This proposal is awaiting deliberation by the Board and validation by the General Meeting.

Note 34: Documents accessible to the public

In accordance with Article 9 of regulation 91-01 of the Banking Regulatory Committee, this document is available on the website www.banque-accord.com/institutionnel. Any person wishing to obtain further information about the ONEY BANQUE ACCORD group may request the following documents without obligation:

- by post: ONEY / BANQUE ACCORD
Tour Périnor
4/6, rue Jeanne Maillotte
59110 La Madeleine
- by telephone: 03 28 38 58 00

oney

Banque Accord

www.oney-banque-accord.com

Creation and realisation: jbl com & cie - www.jblcom.fr

BANQUE ACCORD S.A.

Rapport des commissaires aux comptes sur les comptes consolidés

(Exercice clos le 31 décembre 2013)

PRICEWATERHOUSECOOPERS AUDIT
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

KPMG AUDIT
Le Belvédère
1, cours Valmy
CS 50034
92923 Paris La Défense Cedex

Rapport des commissaires aux comptes sur les comptes consolidés

(Exercice clos le 31 décembre 2013)

Aux Actionnaires
BANQUE ACCORD S.A.
40, avenue de Flandre
BP139
59964 Croix Cedex

Mesdames, Messieurs,

En exécution de la mission qui nous a été confiée par vos Assemblées Générales, nous vous présentons notre rapport relatif à l'exercice clos le 31 décembre 2013, sur :

- le contrôle des comptes consolidés de la société BANQUE ACCORD S.A., tels qu'ils sont joints au présent rapport ;
- la justification de nos appréciations ;
- la vérification spécifique prévue par la loi.

Les comptes consolidés ont été arrêtés par le Conseil d'Administration. Il nous appartient, sur la base de notre audit, d'exprimer une opinion sur ces comptes.

I - Opinion sur les comptes consolidés

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France ; ces normes requièrent la mise en œuvre de diligences permettant d'obtenir l'assurance raisonnable que les comptes consolidés ne comportent pas d'anomalies significatives. Un audit consiste à vérifier, par sondages ou au moyen d'autres méthodes de sélection, les éléments justifiant des montants et informations figurant dans les comptes consolidés. Il consiste également à apprécier les principes comptables suivis, les estimations significatives retenues et la présentation d'ensemble des comptes. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Nous certifions que les comptes consolidés de l'exercice sont, au regard du référentiel IFRS tel qu'adopté dans l'Union européenne, réguliers et sincères et donnent une image fidèle du patrimoine, de la situation financière, ainsi que du résultat de l'ensemble constitué par les personnes et entités comprises dans la consolidation.

II - Justification des appréciations

En application des dispositions de l'article L.823-9 du Code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les éléments suivants :

- Votre groupe constitue des dépréciations pour couvrir les risques de crédit inhérents à ses activités. Nous avons examiné le dispositif mis en place par la direction pour identifier et évaluer ces risques ainsi que pour déterminer le montant des dépréciations qu'elle estime nécessaires, et nous avons vérifié que les estimations comptables qui en résultent s'appuient sur des méthodes documentées conformes aux principes décrits dans la note 3.9.3. de l'annexe aux états financiers.

- Votre groupe procède systématiquement, à chaque clôture, à un test de dépréciation des écarts d'acquisition et des actifs à durée de vie indéfinie, selon les modalités décrites dans les notes 3.7. et 3.11. de l'annexe aux états financiers. Nous avons examiné les modalités de mise en œuvre de ces tests, ainsi que les principaux paramètres et hypothèses utilisés et nous avons vérifié que les notes de l'annexe donnent une information appropriée.

- Votre groupe enregistre des dettes au titre des engagements de rachat de leur participation consentis à des actionnaires minoritaires de certaines filiales, selon les nouvelles modalités décrites dans les notes 2 « variation de périmètre » et 3.17. de l'annexe aux états financiers. Nos travaux ont consisté à apprécier les données et les hypothèses sur lesquelles se fondent ces estimations, à revoir les calculs effectués par la société et à vérifier le caractère approprié des informations données dans ces notes annexes.

Les appréciations ainsi portées s'inscrivent dans le cadre de notre démarche d'audit des comptes consolidés, pris dans leur ensemble, et ont donc contribué à la formation de notre opinion exprimée dans la première partie de ce rapport.

III - Vérification spécifique

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, à la vérification spécifique prévue par la loi des informations données dans le rapport sur la gestion du groupe.

Nous n'avons pas d'observation à formuler sur leur sincérité et leur concordance avec les comptes consolidés.

Fait à Neuilly-sur-Seine et Paris-La Défense, le 4 avril 2014

Les commissaires aux comptes

PricewaterhouseCoopers Audit	KPMG AUDIT *Département de KPMG S.A.*
Alexandre Decrand *Associé*	**Francis Janssens** *Associé*