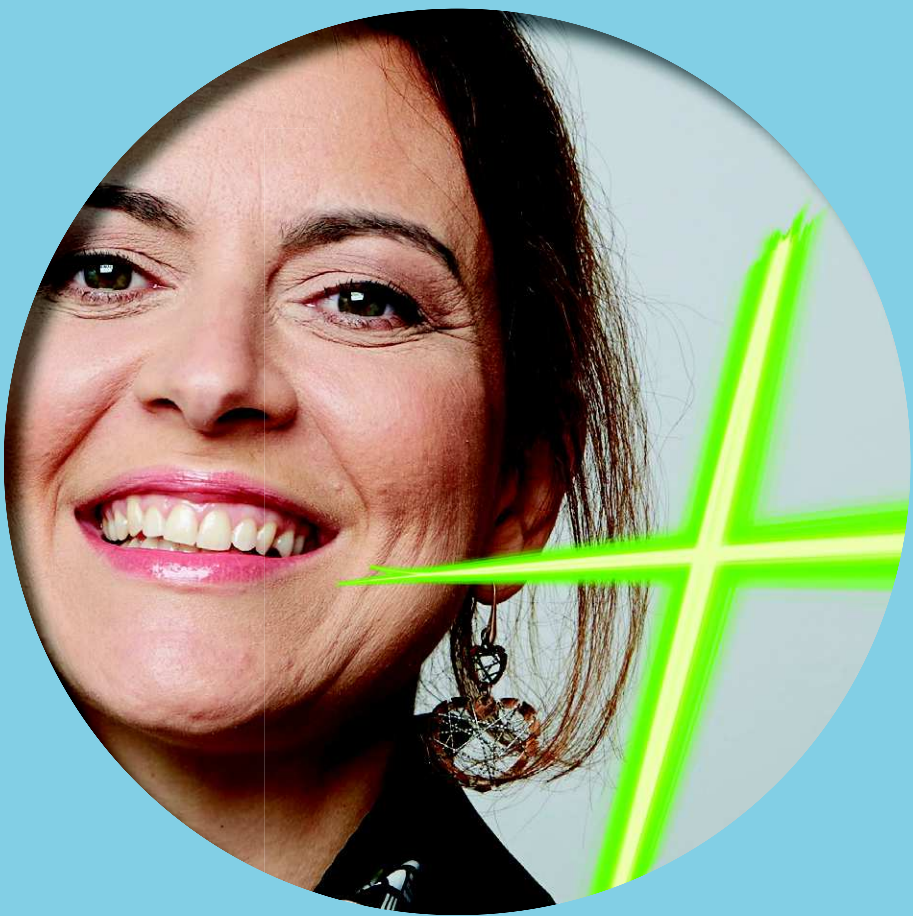
FINANCIAL REPORT 2016
VIVEZ L'EXPÉRIENCE ONEY



ONEY BANK
Limited company (*société anonyme*) with a board of directors
With a share capital of €50,601,985
40 avenue de Flandre, 59170 Croix
Lille Métropole trade and companies register B 546 380 197

MANAGEMENT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2016

I. THE ECONOMIC CLIMATE

The unemployment rate in the eurozone continues to decline. In November 2016, it stood at 9.8 % across the 19 countries of the eurozone. France was slightly below the average for the single currency with an unemployment rate of 9.5%.

The International Monetary Fund (IMF) expects growth of 3.4% this year and 3.6% in 2017. These new forecasts are much more optimistic than in 2016 when the financial institution had forecast 3.1% in 2016 and 3.4% in 2017. They are based on the assumption that Donald Trump's new policy will accelerate the growth of the United States and have global spin-offs. Nevertheless, the IMF remains cautious and warns that the risks upwards and downwards on these forecasts are greater than usual. Forecasts would be altered by threats of trade retaliation against some countries formulated by the new US president or a more pronounced slowdown in growth in China as well as a rise in geopolitical tensions related to terrorist threats.

In the eurozone as a whole, the annual growth rate of outstanding household consumption credit continued in November 2016, reaching 3.4%, according to data published by the Banque de France in January 2017.

II. HIGHLIGHTS AND ACTIVITY OF THE PERIOD

Refinancing:

- S&P rating:

  In April 2016 Standard & Poor's lowered the long-term rating of the ONEY group from A- to BBB+ with a stable outlook. The short-term rating is confirmed at A-2. It also reaffirmed the Bank’s core business status with regard to Auchan Holding.

- Liquidity management:

  To guarantee its liquidity risk, Oney Bank has €1.135 billion of confirmed bank credit facilities (including €280 million used as of 31 December 2016), of which €1.015 billion has a residual maturity of more than one year.

  Oney Bank has access to the exceptional liquidity measures put in place by the European Central Bank (ECB) via the repo mobilisation of securities issued by the self-held ‘Oneycord Compartment 1’ common securitisation fund. At 31/12/2016 Oney Bank uses its entire drawing capacity, or €445 million.

- Structure of the refinancing:

  As part of implementing Basel III, Oney Bank continued to extend the maturity of its debt.

  On 10 May 2016, Oney Bank repaid a €200 million EMTN maturity. This maturity was renewed in intragroup in the form of 4 borrowings of €50 million with a maturity of 6 and 7 years. Oney Bank has total intra-group borrowings for €400 million from Auchan Coordination Services:

  The bank’s outstanding bond refinancing totalled €350 million as at 31 December 2016.

Visa transaction

Oney Bank SA has held a Visa Europe security since 2010. Following the decision made by European banks holding Visa Europe at the end of 2015, Visa Inc. bought Visa Europe on 21 June 2016.
Oney Bank was remunerated by the contribution of its share to the transaction to the extent of its relative share in the flows and transactions processed with Visa Europe. The remuneration consists of a cash payment, preference shares convertible into Visa shares and a deferred payment. The result

for this operation is recognized in the statements of 31 December 2016 for a net amount of €15.6 million.

Activity and highlights

- Banque Accord SA changed its name on 1 July 2016 and became ONEY BANK SA. Oney is now the group's unique and international brand.
- Oney's innovations are international. FacilyPay is now marketed in Spain as well as the in-store electronic signature deployed at Alcampo, Leroy Merlin and Decathlon.
- On 1 September, Oney Tech acquired FIA-NET, thus becoming the French leader in anti-fraud solutions.
- New partnerships have been signed: Darty, Fnac, IDTGV.com, MisterGoodDeal, FioulMarket.fr and Allobébé in France and Worten, Audicost and Multiopticas in Spain.
- Oney's DataSharing expertise has grown and the dedicated business has grown.
- Oney Portugal was merged at the end of December 2016 into Oney Bank SA and became a branch of Oney Bank.

The innovative subsidiaries experienced strong development in 2016:

- Automatric realized a *Proof of Concept* with a car manufacturer for the connected car in Spain, and began its diversification of use (with the payment of car parks in particular). Two new partnerships have been signed: Frii and Petroprix.
- OneyTech has developed through new partnerships (HTM Group and Darty Group), through the acquisition of FIA-NET and the launch of new innovations around security.
- FlashNPay was sold to Fivory for the launch of mobile payment at Auchan in 2017.

2016 was also marked by the strengthening of our core business:

- Customer relations: developments on CRM tools were carried out in Portugal and Hungary in order to be able to increasingly customize the offers addressed to our customers online and in-store.
- Insurance: a new insurance platform was launched in Poland in order to unify the sales process and develop the offer; in Russia, new pension scheme offers were designed for Auchan customers; in Ukraine, the Group developed civil liability insurance, and in Romania, it launched an extended warranty for Auchan’s range of household appliances.
- Credit: new products have been launched, such as the purchase of credit and personal loans in Hungary and the re-use of one-click FacilyPay in France.
- Payment: a new card was launched in Hungary for Auchan.

Results and key figures for the group:

ONEY BANK's key figures at 31 December 2016 are:

- Net banking income of €406.5 million, up 5.0 % compared to December 2015 (€387 million).
- Cost of risk amounting to €57.3 million in December 2016, down 14.4% compared to 31 December 2015 (€66.9 million).
- Net income of €82.3 million, up by 17.7% compared with 31 December 2015 (€69.9 million).
- Overall gross outstanding debt for the bank amounting to €2.8 billion (up 2.9% compared with December 2015).
- Net recruitment of 774,590 new customers in the 11 countries where the Bank has a presence (France, Portugal, Spain, Poland, Italy, Hungary, Russia, Malta, Romania, China and Ukraine), bringing their number to 8.9 million.

Events after the end of the period:

No events likely to have an impact on the consolidated financial statements as at 31 December 2016 have occurred after the close.

III. OUTLOOK FOR 2017

The main uncertainties for the rest of financial year 2017 are:

- Stiffer regulatory restrictions on the sale of credit and insurance in the various European countries.

- Latent economic and financial tensions in the eurozone and internationally.

- Financial power of new players.

- A very competitive context for personal lending and cash loans.

The main ongoing projects in 2017 are:

- A deliberate policy of digital transformation of our activities.

- New insurance and partnership products.

- Reliance on external growth.

IV. MAIN RISKS TO WHICH ONEY BANK IS SUBJECT

Liquidity risk exposure:

To limit its liquidity risk, Oney Bank has adopted a cautious refinancing policy:

- Diversification of financing methods and 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 Bank is subject to the Basel III liquidity coverage ratio (LCR). In this respect, it has at all times had, since 30 September 2015, high-quality liquid assets (HQLA) enabling it to cope with net cash outflows at 30 days in a stressed scenario. Since 1 January 2016, in accordance with the regulations in force, a cover minimum of 70% of net cash outflows at 30 days has been observed.

Oney Bank must comply with the conditions of a single covenant in order to maintain the refinancing lines provided under the Club Deal (confirmed syndicated line of credit totalling €500 million) and certain confirmed lines. The ratio is defined as follows: Total outstanding credit > Net financial debt net, i.e. debt to credit institutions plus debt represented by a security and minus credit balances in bank accounts (cash, central banks, and post office accounts), placements and receivables on credit institutions, and the gross value of HQLA.

Interest rate risk exposure:

Oney Bank's financial policy aims to protect the financial margin against future fluctuations in 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 hedged as the opportunity arises since Oney Bank is generally able to pass on any rate increases to its customers.

Credit risk exposure:

The cost of risk has been significantly down for a number of periods. Despite the ongoing uncertainty of the economic context, lending remains high-quality and under control.

With the implementation of highly effective action plans on lending and risk management systems, Oney Bank has thus exceeded its objectives for reducing credit 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 law, Oney Bank is required to comply with the solvency ratio and ratios related to liquidity, division of risks and balance sheet balancing.

Oney Bank's equity is managed to respect the prudential equity levels required by European regulations in order to hedge the weighted risks for credit risks, operating risks and market risks. In order to ensure that its solvency ratio is met, Oney Bank projects its equity once a year when the plan is established in a global manner and periodically monitors it with each quarterly close.
Until 31 December 2013, the level of equity was monitored throughout the year using internal reporting systems based on Basel II regulations.
Since 2014, it is based on Basel III regulations.

The order of 26 June 2013 transposes the CRD (Capital Requirements Directive) European system into French regulations (575/2013 and 2013/36/EU). 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 2014.

In accordance with these provisions, since 2014, Oney Bank has integrated the impacts associated with switching to the new CRD European directive into the management of equity and risks.
Equity is broken down into two categories:

- "Tier 1" core equity made up of two parts:
  - Common Equity Tier 1 ("CET 1"), corresponding to the group's share of equity and restated particularly for unrealised gains and losses,
  - Additional Tier 1 ("AT1"), corresponding to perpetual debt instruments,
- "Tier 2", corresponding to subordinated debts.

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

In millions of euros	**31/12/2016**	**31/12/2015**
Shareholders' equity, group share	558.2	501.9
Distributable dividends	-16.0	-16.0
Cash flow hedge reserves	+1.8	+1.6
IRBA	-20.2	-19.4
Intangible fixed assets and goodwill	-41.4	-34.6
Deferred taxes related to tax losses	-9.1	-10.8
Adjustments related to the transitional period	14.9	11.6
TIER 1 EQUITY	**488.2**	**434.3**
Subordinated debt (excluding additional deductions)	0.5	0.7
Adjustments related to the transitional period	-0.5	-0.7
TIER 2 EQUITY	**0.0**	**0.0**

Statutory shareholders' equity at the end of December 2016 came to €488.2 million, against €434.3 million in December 2015.
In 2016, as in 2015, Oney Bank complied with these regulatory requirements.

CONSOLIDATED RATIOS

	Basel III December 2016	**Basel III December 2015**	**Basel III December 2014**	**Basel III (pro-forma) December 2013**
Ratio/Tier 1	16.3%	15.2%	13.6%	12.9%
Ratio/Tier 2	0.0%	0.0%	0.1%	0.3%
Basel solvency ratio	16.3%*	15.2%	13.7%	13.3%
Liquidity ratio		368%	449%	280%
LCR Ratio	93.8%	91.5%		

* The solvency ratio is 16.3 % in 2016 after distribution of dividends planned for 2017. It is 16.8 % in 2016 before distribution of dividends planned for 2017.

The Board of Directors

Consolidated financial statements

at 31 December 2016

ASSETS (in € thousands)	IFRS-EU 31/12/2016		IFRS-EU 31/12/2015	
Cash, central banks, and post office accounts		301,887		258,442
Held-for-trading financial assets		0		0
Available-for-sale financial assets		3,185		13,829
Financial assets at fair value through profit or loss		0		0
Derivatives		211		7,833
Loans and debts - Credit institutions		124,440		136,394
Demand loans	*84,781*		*92,822*	
Term loans	*39,659*		*43,572*	
Subordinated loan	*0*		*0*	
Loans and debts - Customers		2,349,151		2,195,993
Held-to-maturity financial assets		0		0
Securities under equity method		7,352		4,042
Tangible fixed assets		43,351		41,273
Intangible fixed assets		13,213		6,331
Goodwill		26,443		26,443
Deferred tax assets		37,816		40,605
Current tax assets		9,902		9,859
Other assets and accrual accounts		363,270		387,922
Unpaid subscribed capital		0		0
Non-current and group assets intended for disposal and classified as held for sale (IFRS 5 restatement)				0
TOTAL ASSETS	**3,280,222**		**3,128,967**	

OFF BALANCE SHEET	31.12.2016		31.12.2015	
COMMITMENTS GIVEN		**6,583,215**		**6,403,660**
Financing commitments		**6,548,909**		**6,389,282**
given to credit institutions				
given to customers	6,548,909		6,389,282	
Guarantee commitments		**34,306**		**14,378**
given to credit institutions	34,189		14,261	
given to customers	117		117	

LIABILITIES & SHAREHOLDERS' EQUITY (in €K)	IFRS-EU 31/12/2016		IFRS-EU 31/12/2015	
Central bank deposits				0
Held-for-trading financial liabilities				0
Financial liabilities at fair value through profit or loss				0
Financial liabilities measured at amortised cost		2,441,490		2,374,845
Debts with credit institutions	*856,024*		*826,084*	
Customer deposits	*518,022*		*327,065*	
Debt securities	*1,064,993*		*1,200,498*	
Subordinated liabilities	*2,451*		*21,199*	
Derivatives		8,075		2,451
Provisions		10,999		13,888
Technical provisions and Insurance debts		15,307		13,574
Technical provisions	*15,307*		*8,272*	
Debts with reinsurers	*0*		*5,302*	
Current tax liabilities		15,464		15,911
Deferred tax liabilities		43		21
Other liabilities and accrual accounts		227,141		203,684
Group shareholders' equity		558,212		501,868
Subscribed capital and share premium	106,341		86,495	
Subscribed capital	50,602		29,021	
Share premium	55,739		57,475	
Other shareholders' equity				
Revaluation reserves	0		0	
Reserves	371,319		346,847	
Net earnings	80,552		68,525	
Minority interests		3,492		2,725
Total shareholders' equity		561,704		504,592
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**3,280,222**		**3,128,967**	

OFF BALANCE SHEET	31/12/2016		31/12/2015	
COMMITMENTS RECEIVED		**1,123,922**		**1,429,053**
Financing commitments		**1,106,193**		**1,408,288**
received from credit institutions	855,000		857,000	
received from customers	251,193		551,288	
Guarantee commitments		**6,381**		**6,775**
received from credit institutions	6,381		6,663	
received from customers	0		111	
Commitments on securities		**11,348**		**13,990**
securities to be received	11,348		13,990	

Income statement (in €K)	IFRS-EU 31/12/2016		IFRS-EU 31/12/2015	
FINANCIAL AND OPERATING INCOME AND EXPENSES				
Interest and similar income		232,338		235,237
Interest and similar income on transactions with credit institutions	1,406		2,442	
Interest and similar income on transactions with customers	230,919		232,789	
Interest from variable-income securities	13		6	
Interest and similar expenses		17,584		22,123
Interest and similar expenses on transactions with credit institutions	4,802		5,622	
Interest and similar expenses on transactions with customers	2,821		4,401	
Interest and similar expenses on bonds and other fixed-income securities	9,961		12,100	
Net interest margin		***214,755***		***213,114***
Commissions (income)	121,433		149,768	
Commissions (expenses)	38,397		37,591	
Margin on commissions		***83,035***		***112,178***
Net gains or losses on available-for-sale financial assets		16,274		
Net gains or losses on financial instruments at fair value through profit and loss		-5,253		-6,320
Gains on financial instruments	8,101		7,153	
Losses on financial instruments	13,354		13,472	
Net foreign exchange differences		-294		-21
Income from other activities		110,872		72,735
Expenses from other activities		12,908		4,655
NET BANKING INCOME		**406,482**		**387,031**
General operating expenses		243,392		241,381
Personnel costs	104,540		100,083	
Other administrative expenses	138,852		141,298	
Allocations to amortisation and depreciation of intangible and tangible fixed assets		1,728		9,713
Allocations to fixed asset depreciation	7,650		8,097	
Allocations net of reversals for provisions	-5,921		1,616	
Allocations net of reversals for impairment	0		0	
GROSS OPERATING EARNINGS		**161,361**		**135,938**
Cost of risk		57,310		66,919
OPERATING EARNINGS		**104,051**		**69,019**
Share of net earnings of equity-method companies		-1,412		-95
Gains or losses on capital assets		-166		14,143
Change in value of goodwill		2,441		0
TOTAL EARNINGS FROM CONTINUING ACTIVITIES BEFORE TAXES		**104,914**		**83,067**
Tax expense (income) relating to earnings from continuing activities		22,639		13,183
TOTAL EARNINGS FROM CONTINUING ACTIVITIES AFTER TAXES				
Earnings net of taxes from operations discontinued or held for sale				0
TOTAL EARNINGS		**82,275**		**69,883**
Net earnings, Group share	80,552		68,525	
Interests of minority shareholders	1,723		1,358	
Number of shares	1,445,771		1,451,034	
Net earnings (Group share) per share	55.72		47.22	

Consolidated statement of comprehensive income

(in €K)	31/12/2016			31/12/2015		
	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)	**104,914**	**(22,639)**	**82,275**	**83,067**	**(13,183)**	**69,883**
Recyclable items						
- Foreign exchange differences resulting from foreign activities	1,415		1,415	(743)		(743)
- Change in fair value of financial instruments (Cash flow hedges)	(310)	107	(204)	(306)	105	(201)
- Change in fair value of available-for-sale securities	(12,934)	502	(12,432)	13,762	(777)	12,985
- Other items	(80)		(80)	390		390
Items later not recyclable in profit and loss						
- Actuarial profits (losses) from defined-benefit schemes	(150)	52	(99)	493	(170)	323
Other comprehensive income for the period	**(12,060)**	**661**	**(11,399)**	**13,595**	**(841)**	**12,754**
Overall profit or loss for the period	**92,854**	**(21,978)**	**70,876**	**96,662**	**(14,024)**	**82,637**
Attributable to:						
owners of the parent company			68,605			81,450
minority interests			2,271			1,188
Overall profit or loss for the period			**70,876**			**82,637**

Cash flow statement

In thousands of euros		31/12/2016		31/12/2015	
Net earnings before taxes	**A**		**104,914**		**83,067**
Elimination of non-monetary items:	**B**		-75,413		-7,714
Amortisation and depreciation of intangible and tangible fixed assets		5,209		8,097	
Allocations net of reversals on outstanding customer debt		-76,553		-4,014	
Allocations net of reversals on provisions for contingencies and charges		-5,637		2,253	
Capital gains or losses		166		-14,143	
Net earnings from discontinued activities					
Other movements		1,403		92	
Revenue from operating activities excluding non-monetary items	**A+B**		**29,502**		**75,352**
Increase in assets/decrease in liabilities (-)					
Decrease in assets/increase in liabilities (+)					
Cash flows generated by operating activities					
Loans and advances to customers	**C**	-72,655		-35,493	
Receivables/payables with credit institutions	**C**	221,086		123,205	
Debts represented by a security	**C**	-137,438		133,937	
Financial assets and liabilities	**C**	12,759		-40	
Non-financial assets and liabilities	**C**	49,042		38,032	
Taxes paid	**C**	-19,159		-19,878	
Other movements	**C**	-59		19	
Net cash flows relating to operating activities	**D=A+B+C**		**83,077**		**315,133**
Cash flows relating to investments					
Flows relating to intangible and tangible investments		-16,854		-6,712	
Flows relating to financial investments and equity interests		-4,136		47	
Other movements		87		10	
Change in scope		4,718		-1,323	
Net cash flows relating to investments	**E**		**-16,185**		**-7,978**
Cash flows relating to financing					
Dividends paid to shareholders		-12,026		-8,256	
Dividends paid to minority shareholders		-1,392		-2,002	
Capital increase		-298		230	
Other		-19,018		-343	
Net cash flows relating to financing	**F**		**-32,734**		**-10,371**
Net cash flows relating to operating activities	**D**		83,077		315,133
Net cash flows relating to investments	**E**		-16,185		-7,978
Net cash flows relating to financing	**F**		-32,734		-10,371
Effects of exchange rate variations			100		-151
Net change in cash			**34,258**		**296,633**
Cash and cash equivalents, start of period			379,441		82,807
Cash and cash equivalents, end of period			413,698		379,441
Net change in cash			**34,258**		**296,633**

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 2014	**29 003**	**57 262**	**294 052**	**48 953**	**429 270**	**907**	**2 098**	**3 004**
					-			**-**
Affectation du résultat de l'exercice 2014			48 953	- 48 953	**-**	2 098	- 2 098	**-**
					-			**-**
Augmentation de capital et émission	17	213			**230**			**-**
Impact du Cash flow Hedge			- 201		**- 201**			**-**
Réserve de conversion			- 418		**- 418**	- 325		**- 325**
Autres					**-**			**-**
Stocks options			- 679		**- 679**			**-**
divers - Retrocession crédit IS			-		**-**			**-**
divers - Natural Security			65		**65**	603		**603**
divers - Dividendes Auchan			- 8 256		**- 8 256**			**-**
divers - Géfirus					**-**			**-**
divers - PUT sur mino Hongrie					**-**	- 68		**- 68**
divers - Dividendes Hongrie					**-**	- 1 554		**- 1 554**
divers - Dividendes Pologne					**-**	- 448		**- 448**
divers - Ecart actuariel IFC			323		**323**			**-**
divers - Titres disponibles à la vente			12 985		**12 985**			**-**
divers - Autres			23		**23**	154		**154**
					-			**-**
Résultat net au 31 décembre 2015				68 525	**68 525**		1 358	**1 358**
					-			**-**
Situation au 31 décembre 2015	**29 021**	**57 475**	**346 847**	**68 525**	**501 868**	**1 366**	**1 358**	**2 725**
					-			**-**
Affectation du résultat de l'exercice 2015			68 525	- 68 525	**-**	1 358	- 1 358	**-**
					-			**-**
Augmentation de capital et émission	21 581	- 1 736	- 21 766		**- 1 920**			**-**
Impact du Cash flow Hedge			- 204		**- 204**			**-**
Réserve de conversion			891		**891**	525		**525**
Autres					**-**			**-**
Stocks options			1 777		**1 777**			**-**
divers - Retrocession crédit IS					**-**			**-**
divers - Natural Security			-		**-**	-		**-**
divers - Dividendes Auchan			- 12 026		**- 12 026**			**-**
divers - Géfirus					**-**			**-**
divers - PUT sur mino Hongrie					**-**	- 111		**- 111**
divers - Dividendes Hongrie					**-**	- 1 392		**- 1 392**
divers - Dividendes Pologne					**-**	-		**-**
divers - Ecart actuariel IFC			- 99		**- 99**			**-**
divers - Titres disponibles à la vente			- 12 432		**- 12 432**			**-**
divers - Autres			- 196		**- 196**	23		**23**
					-			**-**
Résultat net au 31 décembre 2015				80 552	**80 552**		1 723	**1 723**
					-			**-**
Situation au 31 décembre 2016	**50 602**	**55 739**	**371 319**	**80 552**	**558 212**	**1 769**	**1 723**	**3 492**

Notes to the consolidated financial statements as at 31/12/2016 prepared in accordance with the IFRS accounting standards adopted by the European Union

(Figures in thousands or millions of euros)

Note 1: Summary description of the group

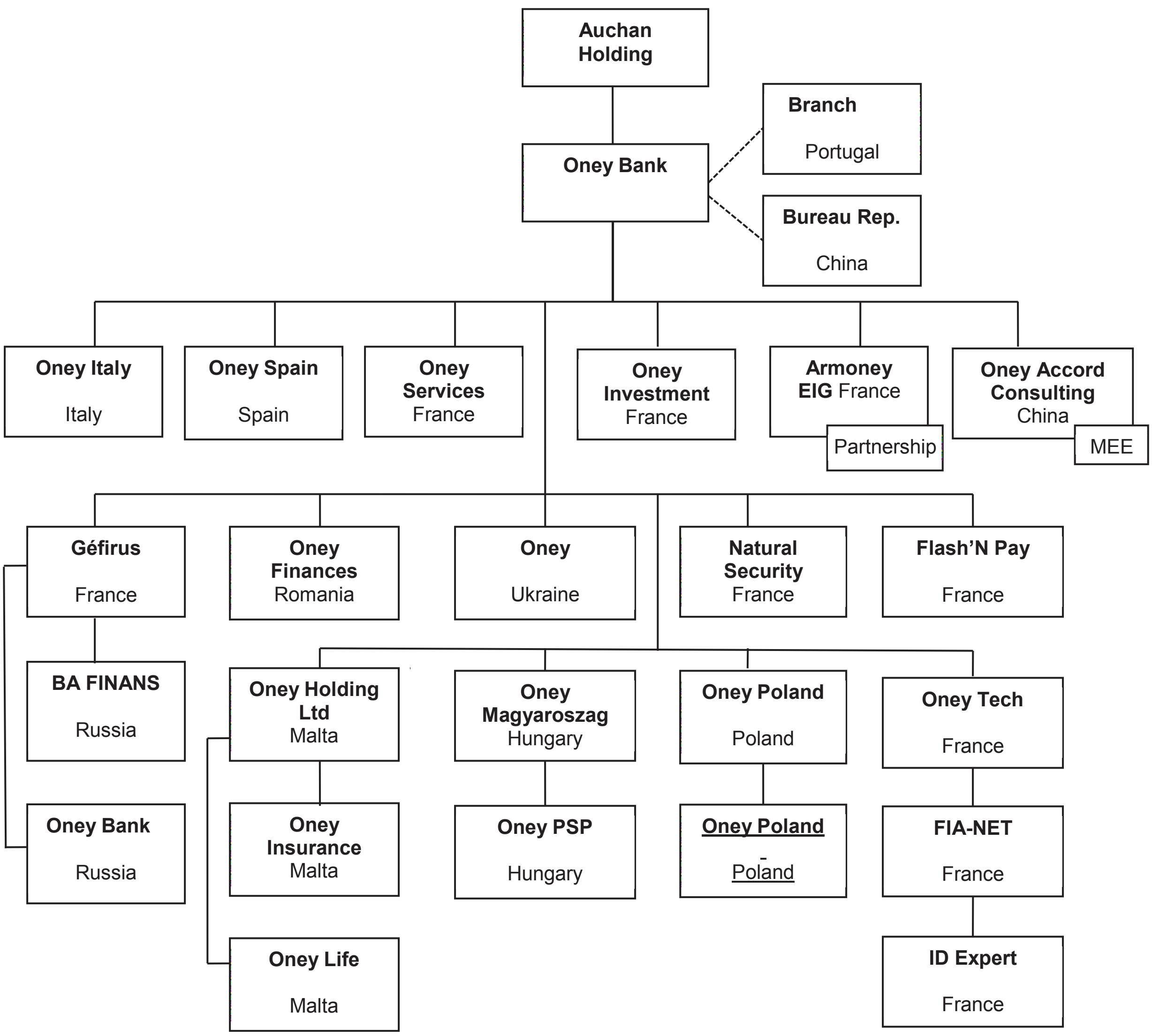
1.1 Legal presentation of the entity

Oney Bank 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, 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 96.6 % held by Auchan Holding, a public limited company with board of directors whose registered office is located at 40 avenue de Flandre, Croix (59170).

** At the Extraordinary General Meeting held on 18 December 2015, the shareholders of Banque Accord approved the change in the company's name. The company becomes Oney Bank SA with the authorisation of the French Prudential Control and Resolution Authority received on 17 February 2016.*

1.2 Simplified organisational chart of the ONEY BANK Group



Note 2: Highlights and main changes in consolidation scope

HIGHLIGHTS:

- S&P rating:

In April 2016 Standard & Poor's lowered the long-term rating of the Oney group from A- to BBB+ with a stable outlook. The short-term rating is confirmed at A-2. It also reaffirmed the Bank's core business status with regard to Auchan Holding.

- Visa transaction:

The offer by VISA Inc. (which led to an OCI revaluation of VISA Europe as of 31 December 2015 was approved by the European competition authorities on 3 June.
The terms of the redemption were revised by VISA Inc. as follows: a cash portion for €12.25 billion, a portion of VISA Inc. preference shares for €5 billion and a cash portion deferred payment for €1.12 billion, or for Oney Bank:
- An immediate payment in cash of €14.4 million,
- 5,217 preference shares convertible at the latest within 12 years on the basis of a rate of conversion determined annually and which will integrate the settlement of disputes incurred by VISA Inc.,
- A deferred payment in 3 years of €1.24 million.

At 31 December 2016, Oney Bank recorded the sale of its VISA Europe share, generating a capital gain of €15.6 million after tax. At 31/12/2015, this share was revalued by equity for €13 million, and recycled by profit and loss in 2016.
Oney Bank, in determining the fair value of the preferred stock and the deferred payment receivable that are included in the gains on disposal, maintained a discount for illiquidity and legal risks related to the conversion factor.

- TLTRO II transaction:

Oney Bank subscribed to TLTRO II in June 2016 for €355 million at the adjustable rate of 0%, which can be reduced retroactively to -0.40% based on the evolution of outstanding loans at the end of January 2018.
Considering this rate as non-market and with reasonable assurance of the enhanced rate, Oney Bank recorded the proceeds related to the potential rate decrease as a government subsidy (IAS 20). At 31/12/2016, Oney Bank therefore recognised a receivable of €5.7 million in the balance sheet and a refinancing income of €0.7 million per result.

CHANGES IN SCOPE:

- Additions to scope/Constitution of new companies:

In Poland, the creation of Oney Services, wholly-owned by Oney Poland. This subsidiary is intended to collect insurance commissions to comply with the new Polish Insurance Agent Act.
In France, 100% acquisition of Fia-Net and its subsidiary ID Expert by Oney Tech. Fia-Net is the French leader in the market for reliable and anti-fraud solutions in the field of e-commerce.
As part of the acquisition of Fia-Net, a badwill of €2.4 million was recognised in the consolidated financial statements and recorded in the income statement on the change in the value of goodwill.
In Portugal, the creation of a branch of Oney Bank. The Portuguese subsidiary Oney IFIC was merged into Oney Bank at the end of December 2016.

- Change in percentage of interest:

No changes in percentage of interest occurred for 2016.

- Exits from scope:

Exit of Joias on 1 January 2016.

EVENTS SUBSEQUENT TO CLOSE:

No events likely to have an impact on the consolidated financial statements as at 31 December 2016 have occurred after the close.

APPROVAL OF THE FINANCIAL STATEMENTS:

The financial statements were approved by the Board of Directors on 1 March 2017 and submitted for approval by the Ordinary General Meeting to be held on 17 May 2017.

Note 3: Accounting rules and methods

3.1 Declaration of compliance

Pursuant to European Regulation No. 1606/2002, the consolidated financial statements of the Oney Banque Accord group as at 31 December 2016 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 (carve-out version therefore using certain exemptions from the application of IAS 39 for the accounting of macro-hedging).

This regulation has been supplemented, particularly by the regulation of 29 September 2003 (EC No. 1725/2003) on the application of international accounting standards and by the regulation of 19 November 2004 (EC No. 2086/2004) permitting the adoption of standard 39 in an amended format.

The new standards, amendments, and interpretations (in addition to the 2010-2012 and 2012-2014 annual improvements of the standards) that must be applied for financial years opened on or after 1 January 2016 are:

Standards, Amendments or Interpretations	Date of publication by the European Union
Amendment to IAS 19 Personnel benefits Defined benefit plans: accuracy of accounting for employee contributions related to services rendered but not dependent on years of service	1 January 2016
Amendment to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture Evaluation of a biological asset according to IAS 41 if it does not correspond to a producing plant	1 January 2016
Amendment to IFRS 11 Partnerships Accounting for the acquisition of interests in a joint venture under IFRS 3 if the assets acquired constitute a "business" within the meaning of IFRS 3 and not a simple group of assets	1 January 2016
Amendment to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets Clarifications on income-based amortisation method (prohibited under IAS 16 and acceptable under IAS 38)	1 January 2016
Amendment to IAS 1 Presentation of Financial Statements Objective of improving the presentation of information	1 January 2016
Amendment to IAS 27 Individual Financial Statements Authorisation to use the equity method in the individual financial statements	1 January 2016

The standards, amendments to existing standards and interpretations adopted by the European Union but without mandatory application on or before 1 January 2016, were not anticipated.

Furthermore, the financial statements presented here do not adopt the new standards, revisions of existing standards or interpretations published by the IASB but not adopted by the European Union as at the closing date of the financial statements.

Standards, Amendments or Interpretations not adopted by the EU	Summary of the standard	Impact on the group
IFRS 9 Financial Instruments	On 24 July 2014, the IASB published the final version of “IFRS 9 - Financial Instruments”. The effective date of IFRS 9 will be 1 January 2018. It was adopted by the European Union on 22 November 2016 and published in the Official Gazette of the European Union on 29 November 2016. The purpose of IFRS 9 is to overhaul IAS 39. IFRS 9 - Phase 1 defines the new rules for classification and measurement of financial assets and liabilities. It is supplemented by the impairment methodology for credit risk of financial assets (IFRS 9 - Phase 2) as well as hedge accounting (IFRS 9 -	The Oney Group has organised itself to implement this standard on time, by combining the accounting, risk and IT functions and all the countries concerned. Since 2015, the Group has undertaken work to diagnose the main issues under IFRS 9. The analyses

	Phase 3 see below). Financial assets will be classified into three categories (amortised cost, fair value through profit or loss, and fair value through equity) depending on the characteristics of their contractual flows and how the entity manages its financial instruments (business model). Debt instruments (loans, receivables, or debt securities) will be recorded at the amortised cost, provided that they are held in order to collect contractual cash flows from them and they present standard characteristics (the cash flows must correspond only to repayments of principal and interest on the principal). Otherwise, these financial instruments will be measured at fair value through profit or loss. Equity instruments will be recorded at fair value through profit or loss except in case of an irrevocable option for a measurement at fair value through equity (provided that these instruments are not held for trading purposes and classified as such in financial assets at fair value through profit or loss) without subsequent restatement in profit or loss. Embedded derivatives will no longer be recognised separately from host contracts when the host contracts are financial assets in such a way that the entire hybrid instrument must be recorded at fair value through profit or loss. The rules for classification and measurement of financial liabilities contained in IAS 39 are incorporated into IFRS 9 without any modification, with the exception of financial liabilities that the entity chooses to measure in fair value through profit or loss (fair value option) for which the revaluation differences related to changes in own credit risk will be recorded among gains and losses recognised directly in shareholders' equity without subsequent restatement in profit or loss. The provisions of IAS 39 relating to the derecognition of financial assets and liabilities are incorporated into IFRS 9 without any modification. IFRS 9 introduces a new impairment model that requires the recognition of Expected Credit Losses ("ECLs") on loans and debt instruments measured at amortised cost or fair value through equity recyclable loans, loan commitments and financial collateral arrangements that are not recorded at fair value, and receivables from commercial leases and commercial receivables. This new approach aims to anticipate the early recognition of expected credit losses, whereas in the provisioning model of IAS 39, it is conditional on the recognition of an objective loss event. The ECL is defined as the expected weighted value of the loss of credit (in principal and interest) discounted. It corresponds to the present value of the difference between contractual and expected cash flows (including principal and interest).	focused on changes induced by: - New criteria for the classification and the valuation of financial assets; - The overhaul of the credit risk depreciation model, which makes it possible to switch from a provisioning of proven credit losses to a provisioning of expected credit losses (ECL). This new ECL approach aims to anticipate as soon as possible the accounting for the expected credit losses without waiting for an objective event of proven loss. It is based on the use of a wide range of information, including historical loss data, cyclical and structural adjustments, and projections of losses based on reasonable scenarios. At this stage of the project's progress, the Group has finalized the drafting of the new IFRS 9 impairment model, which requires the recognition of expected credit losses at 12 months from the date of their entry in the balance sheet. The Group is entering the operational application phase with a view to deploying the first developments in the architecture of information systems from the first half of 2017. A description of the new Group impairment model is provided in note 3.3.
IFRS 15 – Revenue from Contracts with Customers	On 28 April 2015, the IASB approved the publication of an exposure draft proposing to defer by one year application of the revenue standard initially planned at 1 January 2017 to 1 January 2018. This standard will apply retrospectively. The objective of this standard prepared by the IASB and the FASB is to cause recognition of income from contracts with customers to converge. The standard will improve financial disclosure on revenue and its recognition in financial statements worldwide. Both accounting standard-setters have identified five stages for recognising revenue:	The Oney Group is currently evaluating the potential impact of the application of this new standard on its consolidated financial statements as it does not apply to financial instruments (IFRS 9), insurance contracts (IFRS 4) and lease agreements (IAS 17).

	• Identify the contract(s) with a customer, • Identify the performance obligations in the contract, • Determine the transaction price, • Allocate the transaction price to the performance obligations in the contract, • Recognise revenue when (or as) the entity satisfies a performance obligation.	
IFRS 16 Lease agreements	The new standard will be mandatory for annual periods beginning on or after 1 January 2019, with retroactive effect and subject to adoption by the EU. IFRS 16, which mainly concerns lessees, removes the distinction between operating leases and finance leases of IAS 17 and provides for the recognition of all leases on the balance sheet of asset leasing companies, a right to use the leased asset during the term of the contract in return for a debt in respect of the obligation to pay the rent.	The Oney Group is currently evaluating the potential impact of the application of this new standard on its consolidated financial statements. The group does not have any finance leasing activity.

3.2 Comparability and change of method

- 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 period ended on 31 December 2015, with the exception of the new standards, amendments and interpretation of mandatory application.

- Change of method:

No change in accounting policy since 1 January 2016 applicable to the Oney Group.

3.3 The use of estimates

The preparation of financial statements according to IFRS requires making estimates and assumptions that may affect the book value of certain assets and liabilities, income, and expenses, as well as the information given in the related notes. Actual values may be different to estimated values.

For the Oney Group's consolidated financial statements, the accounting estimates requiring the formulation of assumptions are used primarily for the following valuations:

- Impairment of receivables:

The value of “Loans and trade receivables” is adjusted through impairment related to the receivables when the risk of non-collection of these receivables is proven.
This impairment, calculated on homogeneous sets of receivables and on a discounted basis, is estimated according to a number of factors and assumptions: number of unpaid debts, historically observed collection rates, status of receivables in the collection process, rate of loss, performance of outside litigation agencies, etc.
Recorded impairments reflect the management’s best estimates, as at the closing date, of the future flows of these receivables.

Presentation of the work relating to the application of the new impairment model as of 1 January 2018:

IFRS 9 replaces IAS 39's proven loss model with a single model of future-oriented depreciation based on expected losses. This new model applies to loans, off-balance sheet commitments and debt securities.
According to the standard, the Oney Group classifies assets into three categories: high performing assets, underperforming assets and non-performing assets.

- The shift from a performing to an underperforming asset is justified by a significant deterioration in credit quality. The Oney Group has defined this degradation by an unpaid situation lasting less than 90 days in progress or having occurred in previous months. A return to the performing asset class occurs when the probability of default falls below a certain level compared to the original probability of default.
- The classification as a non-performing asset is justified by the default of the asset. The concept of default at Oney includes at least one of the following three reasons: the existence of one or more unpaid debts for at least three months, the existence of a contentious procedure, a situation with characteristics that

irrespective of the existence of any unpaid position, one may conclude the existence of a proven risk (e.g. an over-indebtedness file).

The expected loss is assessed using the following model: the PD/EAD (Probability of Default/Exposure at Time of Default) duo by the LGD (Loss Given Default).

The expected loss of the asset will be based on a PD calculated over 12 months for the performing assets and over the total lifetime for the underperforming assets. The determination of the lifetime PD/EAD is carried out using ageing matrices based on PD/EAD at 12 months.

The provisioning system, based on a PD and an LGD, converges towards the Basel advanced model but maintains strong specificities, such as taking into account depreciation in the EAD, the use of a contract rate as a discount rate, the calculation of a lifetime PD for underperforming assets, the absence of margins of prudence, and the inclusion of forward-looking data to assess the default.

Concerning this last point, the work concerning the taking into account of prospective elements has not yet revealed convincing results. They will continue during 2017.

A calculation of the impact of the first application of IFRS 9, based on the consolidated financial statements as at 31/12/2015, would show a deterioration between 5% and 15% of the consolidated shareholders' equity. This estimate will not necessarily correspond exactly to the impacts observed during the actual transition of the new standard.

- Provisions:

The valuation of provisions can also be the subject of estimates.

The assessment of the amount of the potential financial impact incorporates Management’s discretion.

- Technical insurance provisions:

The calculation is based on the expected losses by using models and assumptions based on the history and the data of the current market.

- 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 fringe benefits:

Calculations related to charges associated with future retirement benefits and fringe benefits are established based on Management’s assumptions about the discount rate, staff rotation rate, or changes in salaries and fringe benefits. If the actual figures differ from the assumptions used, the charge associated with the retirement benefits may increase or decrease during future fiscal years.

- Accounting for deferred tax debits:

A deferred tax debit is recorded for all deductible temporary differences, provided that it is deemed likely that a taxable profit, to which these deductible temporary differences can be charged, will be available. The likelihood is assessed in accordance with the methods set out in Note 3.12.

- Goodwill:

Impairment tests carried out on goodwill are based on three-year budget assumptions and parameters (discount rate, growth rate at infinity) that require estimates.

3.4 Format and presentation of the financial statements

The Oney Group uses the formats of the summary documents (balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement) recommended by ANC recommendation No. 2013-04 of 07 November 2013, which supersedes and replaces ANC recommendation No. 2009-R.04 of 02 July 2009.

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 Oney Bank SA 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 the Oney Group for the periods 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 Oney Bank SA and the French and foreign entities comprising the Oney 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 Group.

1) Scope of consolidation

The scope of consolidation includes 23 companies (and one representative office in China and one branch in Portugal) as at 31 December 2016:

- 21 controlled companies,
- 1 company in partnership,
- 1 company under significant influence.

The consolidation scope as at 31 December 2016 is as follows:

Subsidiaries	% of capital held	Type of control	% control
Oney Spain (Spain)	100%	Controlled	100%
Oney Italy	100%	Controlled	100%
Oney Magyaroszag (Hungary)	60%	Controlled	100%
Oney PSP (Hungary)	60%	Controlled	100%
Géfirus (France)	60%	Controlled	100%
BA Finans (Russia)	60%	Controlled	100%
Oney Bank (Russia)	60%	Controlled	100%
ONEY Poland (Poland)	60%	Controlled	100%
ONEY Services (Poland)	60%	Controlled	100%
Oney Finances (Romania)	100%	Controlled	100%
Oney Accord Business Consulting (China)	49%	Significant influence	49%
Oney Services (formerly Oney Courtage – France)	100%	Controlled	100%
Oney Holding Limited (Malta)	100%	Controlled	100%
Oney Insurance (Malta)	100%	Controlled	100%
Oney Life (Malta)	100%	Controlled	100%
Oney Ukraine (Ukraine)	100%	Controlled	100%
Oney Investment (France)	100%	Controlled	100%
Oney Tech (France)	100%	Controlled	100%
FIA-NET (France)	100%	Controlled	100%

ID Expert (France)	100%	Controlled	100%
Flash'n Pay (France)	100%	Controlled	100%
Natural Security (France)	48.15%	Controlled	100%
Armoney EIG (France)	50%	Joint	50%

Special-purpose structure	% of capital held	Type of control	% control
FCT Oneycord 1	100%	Controlled	100%

As a reminder, a securitisation transaction had been carried out on 22 September 2009.
FCT Oneycord 1, which should ordinarily have been begun to be amortised as from 15 October 2012, has been extended for three years, with amortisation beginning on 15 October 2015.
In 2015 and since, Oney Bank SA has been restructuring FCT Oneycord compartment 1 (new prospectus, new rating). Its lifetime has been extended to September 2019.
This fund is wholly owned by Oney Bank SA. The transferred debts arise from revolving credit. The compartment will be topped up throughout its life by new eligible debts as well as by drawing on the debts that have already been securitised.
FCT Oneycord 1 is controlled.
For more details on this securitisation operation and the indication of the book value of the assets concerned and the associated liabilities, it is possible to refer to Note 7.4 Transferred assets not derecognised or derecognised with continuing involvement.

2) Concepts of control and consolidation methods

The consolidation methods are determined respectively by IFRS 10, IFRS 11 and amended IAS 28.

IFRS 10 replaces IAS 27 and SIC 12 and defines a framework for common analysis of control based on three cumulative criteria:

(1) holding of power over the relevant activities of the entity covered,

(2) exposure or holding of rights to variable returns and

(3) ability to exercise power to influence the amount of the returns.

IFRS 11 replaces IAS 31 and SIC 13. This standard sets out the methods for exercising joint control through two forms of partnership, joint activity and joint venture.

In joint activities, the joint participants have rights over the assets and obligations in respect of the entity's liabilities and must recognise the assets, liabilities, income and expenses related to their interests in the joint activity.

On the other hand, joint ventures in which joint venturers share rights over the net assets are no longer consolidated by the proportional method but instead accounted for using the equity method in accordance with amended IAS 28.

In accordance with international standards, all the controlled entities, under joint control or under significant influence, are consolidated.

Controlled entities:
Control exists over an entity if the Oney Group is exposed or entitled to variable returns resulting from its involvement in the entity and if the power that it holds over this entity enables it to influence these returns. To assess the concept of power, only substantive (voting or contractual) rights are examined. Rights are substantive when their holder has the ability, in practice, to exercise them and when decisions are taken concerning the entity's relevant activities.

Control of a subsidiary governed by voting rights is established when the voting rights held confer on Oney Bank the current ability to direct the subsidiary's relevant activities. Oney Bank generally controls the subsidiary when it holds, directly or indirectly through subsidiaries, more than half of an entity's existing or potential voting rights unless it can be clearly shown that this holding does not make it possible to direct the relevant activities. Control also exists when Oney Bank holds half or less than half of an entity's voting rights, including potential voting rights, but in practice has the ability alone to direct the relevant activities on account in particular of the existence of contractual agreements, of the relative magnitude of the voting rights held as regards the dispersion of the voting rights held by the other investors or other facts and circumstances.

Partnerships and joint ventures – Share of assets, liabilities, expenses and income:
Joint control is exercised when control over an economic activity is contractually shared. Decisions affected the entity's relevant activities require the unanimity of the parties sharing control.

Entities under significant influence – Accounting under the equity method:
Significant influence results from the power to participate in a venture's financial and operational policies without controlling it. Oney Bank is presumed to have significant influence when it holds, directly or indirectly through subsidiaries, 20% or more of the voting rights in an entity.

3) Consolidation of special purpose entities

Control of a structured entity is not assessed on the basis of the percentage of the voting rights, which by its nature has no effect on the entity's returns. Analysis of control takes account not only of contractual agreements but also of the involvement and decisions of Oney Bank when the entity is created, the agreements concluded on creation and the risks incurred by Oney Bank, the rights resulting from agreements that confer on the investor the power to direct the relevant activities solely when particular circumstances come about and other facts or circumstances that indicate that the investor is capable of directing the entity's relevant activities. When there is a management mandate, it is necessary to determine whether the manager acts as agent (delegated power) or principal (on his own behalf). Thus when decisions related to the entity's relevant activities need to be taken, the indicators to be analysed to define whether an entity acts as agent or principal are not only the extent o f decision-making power related to the delegation of power to the manager over the entity and the remunerations to which the contractual agreements give entitlement but also the substantive rights capable of affecting the decision-maker's capacity held by the other parties involved in the entity and exposure to the variability of the returns derived from other interests held in the entity.

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		Annual average rate	
		Dec. 2016	Dec. 2015	Dec. 2016	Dec. 2015
China	Yuan	0.136608	0.141627	0.136053	0.143376
Hungary	Forint	0.003228	0.003165	0.003211	0.003227
Poland	Zloty	0.226742	0.234527	0.229212	0.239078
Russia	Rouble	0.015552	0.012396	0.013479	0.014712
Romania	Lei	0.220313	0.221043	0.222672	0.224947
Ukraine	Hryvna	0.035347	0.038292	0.035374	0.041203

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 as revised.

In the event that the acquisition is carried out from a derivative (call, put,[1] etc.), this derivative, in accordance with IAS 39, undergoes a separate valuation and is recorded in the income statement of Oney Group 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 – positive goodwill is subject, if there is evidence of impairment, to an annual impairment test during the second half of each period. 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 (revised IAS 32, IAS 39 and IFRS 7)

Financial assets and liabilities are accounted for in the consolidated financial statements 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.
At the time of their initial recognition, financial assets and liabilities are measured at their fair value by including transaction costs (with the exception of financial instruments recognised at fair value through profit and loss). After the

[1] Method for recognising put options on minority interests set out in note 17.

initial recognition, financial assets and liabilities are measured depending on their classification either at their fair value or at their amortised cost using the effective interest rate method.

Fair value is defined under IFRS 13 as being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The effective interest rate is the rate that exactly discounts future payments or receipts of cash over the projected lifetime of the financial instrument or, as the case may be, over a shorter period so as to obtain the net book value of the financial asset or liability.

For derivatives, fair value includes:

- The value adjustment related to the quality of the counterparty (Credit Value Adjustment – CVA), which aims to include in the valuation of derivatives the credit risk associated with the counterparty (risk of non-payment of sums owed in the event of default).
- The value adjustment related to our institution's specific credit risk (Debt Value Adjustment – DVA), which aims to include our own credit risk in the valuation of derivatives.

3.9.1 Method for determining the fair value of financial instruments

The fair value hierarchy of financial assets and liabilities, introduced by the IFRS 7 amendment, is broken down in accordance with the general criteria of observability of entry data used in the measurement, in accordance with the principles defined by IFRS 13.
These levels are as follows:

- Level 1:
  Level 1 of the hierarchy applies to the fair value of financial assets and liabilities listed on an active market.
- Level 2:
  Level 2 of the hierarchy applies to the fair value of financial assets and liabilities for which there is observable data. This includes in particular parameters linked to interest rate risk or credit risk parameters when credit risk can be remeasured from price listings of Credit Default Swaps (CDS). Financial assets and liabilities with a demand component for which fair value corresponds to the non-adjusted amortised costs are also entered in level 2 of the hierarchy.
- Level 3:
  Level 3 of the hierarchy indicates the fair value of financial assets and liabilities for which there is no observable data or for which certain parameters can be remeasured from internal models that use historical 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.
The effective interest 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).

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, the Oney Group 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.

The Oney Group 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 overindebtedness 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), the Oney Group 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.
Furthermore, receivables that are the object of a restructuring and for which the last due date of the new amortisation plan represent a significant amount of the outstandings remaining due on the date of the restructuring (final due date), with this restructuring is the object of an impairment based on the history of recovery of receivables 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 come under the loans and receivables categories, assets held to maturity and financial assets and liabilities at fair value through profit and loss.
Securities classified in this category are initially recognised at their acquisition price, including transaction costs.
On the balance sheet date, they are measured at their market value and any changes in market value are classified in shareholders' equity. When they are sold, these unrealised gains or losses previously recognised in shareholders' equity are recognised in the income statement.
Income accrued or acquired on fixed-income securities is recognised under 'Interest and similar income'. Income on variable-rate securities is recognised under 'Net gains or losses on available-for-sale financial assets'.

An impairment must be recognised when there is objective evidence of impairment resulting from one or more events after acquisition of the securities.
Constituting objective evidence of loss is a lasting or significant decline in the value of the security for equity investments, or the emergence of a significant deterioration in credit risk materialised by a risk of non-recovery for debt investments.
For equity investments, the Oney group uses quantitative criteria like evidence of potential impairment. These quantitative criteria are based mainly on a loss of the equity instrument of at least 30% of its value over a period of 6 consecutive months. The Oney Group also considers factors such as financial difficulties of the issuer, short-term prospects etc.
Beyond these criteria, the Oney Group recognised an impairment in the event of a decline in value greater than 50% or observed for more than three years.
This impairment is recognised by a transfer to profit and loss of the amount of the cumulative loss leaving shareholders' equity, with the possibility, if the value of the securities subsequently improves, of taking back from profit and loss the loss previously transferred to profit and loss when circumstances justify this for debt instruments.

3.9.5 Financial liabilities

IAS 39 recognises two categories of financial liability:

- 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 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 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 or restructuring of the FCT (*fonds commun de titrisation*, securitised mutual fund), the ultimate purpose of which is to enable provision of securities on repo to the European Central Bank, were attributed to the TIE of the financing obtained.
Likewise, the commission expenses incurred in putting in place financings and confirmed banking lines are included at the instrument's effective interest rate over the projected lifetime of the instrument.

3.9.7 Distinction between debts and shareholders' equity

The distinction between debt and equity instrument is based on an analysis of the substance of the contractual terms.

A debt instrument constitutes a contractual obligation:
- to deliver cash or another asset;
- to exchange instruments under conditions that may potentially be unfavourable.

An equity instrument is a contract that offers discretionary remuneration highlighting residual interest in an enterprise after deduction of all its financial liabilities (net assets) and which is not categorised as a debt instrument.

3.9.8 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). However, derivatives used to hedge exchange rate risk do not follow the recognition of hedging within the meaning of IAS 39.

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 hedging:** 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 hedging:** The revaluation of the derivative appears on the balance sheet as compensation for 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 Bank'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 the Oney group are caps and swaps.
Caps, which are used as cash flow hedges, are also subject to effectiveness tests. The effectiveness test is done by distinguishing the intrinsic value of the option and the 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 (cash flow hedging), recognition as hedging instruments makes it possible to reduce the earnings volatility associated with changes in value of the derivatives concerned.

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.

Non-hedging derivative financial instruments

In order to meet a refinancing objective indexed to the Eonia, the Oney Group 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 recognised at fair value through profit or loss. It has not been possible to document a hedging relationship for these instruments.

3.9.9 Derecognition of assets

A financial asset (or group of financial assets) is derecognised in whole or in part:
- when the contractual rights to the related cash flows expire;
- or are transferred or considered as such because they are de facto owned by one or more beneficiaries and where substantially all of the risks and rewards of that financial asset are transferred.

In this case, all rights and obligations created or retained at the time of the transfer are recognised separately as assets and liabilities.

3.9.10 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.

3.9.11 Guarantee commitments

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)

The Oney Group 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:

Buildings:	8 to 40 years
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 its recoverable amount, i.e. the amount to 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 three-year business plans approved by Management. 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 related to goodwill, net income flows are extrapolated over an additional period of six years with a terminal value calculated by discounting data for the ninth year to infinity.

Country	France	Portugal	Spain	Italy	Poland	Hungary	Romania	Russia	Ukraine	China
Banking discount rate	7.95%	12.45%	9.55%	9.45%	9.56%	12.90%	11.10%	12.72%	20.95%	10.48%
Non-banking discount rate	7.41%			8.91%	9.02%		10.56%	12.18%	20.41%	9.94%
Growth rate to infinity	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%

Flows are discounted at the discount rate plus a risk premium specific to each country. The discount rate is determined on the basis of the rate of return observed on the equity market of the banking sector for credit institutions and the retail sector for companies providing business to banking partners.

The level of regulatory equity retained within the framework of the analysis is 8.625%.

The recoverable amount of tangible and intangible fixed assets is tested whenever there is an indication of loss in value on any balance sheet date.

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 (CGUs)
A cash generating unit is defined as the smallest group of assets generating cash inflows largely independent of the cash inflows generated by other assets or groups of assets. The Oney Group has divided all its activities into cash generating units. This division is operated in keeping with the organisation of the Group. This division is regularly reviewed to take account of events likely to affect the composition of a CGU.

Analysis of sensitivity of goodwill
On Oney Spain, Oney Portugal and Oney China (the only entities in the Group for which there is goodwill), an increase in the discount rate of 100 basis points would reduce the value by €31.5 million but would not bring about an impairment of these assets.

On Oney Spain, Oney Portugal and Oney China a decrease in the discount rate to infinity of 100 basis points would reduce the value by €19.4 million but would not bring about an impairment of these assets.

On Oney Spain and Oney Portugal, the increase in the level of regulatory capital of 50 basis points would reduce the value by €3.1 million but would not result in any depreciation 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 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 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. These provisions are estimated according to their nature and on the basis of the most probable assumptions.
The amount of this obligation is discounted to determine the amount of the provision, when this discounting represents a significant amount.

3.14 Employee benefits (revised IAS 19)

Employee benefits are grouped into four categories in accordance with revised 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;

- post-employment benefits, themselves classified into two categories described below: defined-benefit schemes and defined-contribution schemes.

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

ONEY BANK 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 recognises actuarial losses and gains in other comprehensive income (OCI).

3.15 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);
- Strike 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.

3.16 Minority shareholder put options

The Oney Group has granted put options to the minority shareholders of certain of the group’s controlled subsidiaries. These buyback commitments are optional commitments (sales of put options). The strike 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 revised 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 strike 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 value of the debt in respect of the put option is adjusted at the end of each period depending on the change in the likeliest exercise price of the options.

3.17 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 financial year.

3.18 Insurance activities (IFRS 4)

The two companies (life and non-life) mainly provide creditor insurance, affinity insurance and retirement insurance in France, Portugal, Spain, Poland and Italy.
The technical provisions of life insurance and non-life insurance contracts are calculated by an external actuary in accordance with the methods defined by regulations; these comply with IFRS. Technical provisions also take account of a prudence factor as regards the historically weak loss ratio and the economic environment of the countries concerned. 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 provision for unearned premiums is intended to recognise, for all outstanding contracts, the portion of premiums issued and premiums outstanding to be issued relating to the period between the inventory date and the date of the next premium maturity or, failing that, the term of the contract.
The insurance companies must comply with the solvency ratio of Malta where they are based. As a member of the EU, Malta follows the solvency 2 regulations in force within Europe.

3.19 Related party transactions

The related parties and sister parties mentioned in the notes are the parent company Auchan Holding and the subsidiaries of Auchan Holding. Only significant transactions are reported.

3.20 Income per share

The Oney 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 period by the average number of shares comprising the capital in circulation during the period.
The figure for the average number of shares in circulation during the period is arrived at by adding the number of shares issued during the period to the number of shares in circulation at the beginning of the period.
Given the number of options still in play at 31/12/2016, the diluted earnings per share would not be different from the earnings per share.

3.21 Transfer of financial assets (amended IFRS 7)

The amendment to IFRS 7 sets out the information to be disclosed on:

- transferred financial assets that are not derecognised in their entirety;
- transferred financial assets that are derecognised in their entirety but in which the entity has a continuing involvement; and
- seasonality of transfers of financial assets to highlight window dressing transactions (for derecognised assets).

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

(in thousands of euros)	31/12/2016	31/12/2015	Change
Central bank	292,184	246,859	45,325
Cash dispensers – Financial spaces	8,931	11,344	-2,413
Others	772	240	532
Total	**301,887**	**258,442**	**43,445**

The Oney Group has since 1 October 2015 set up, within the framework of the Basel III regulations and the short-term liquidity ratio, a portfolio of very high-quality assets via deposits in current accounts with central banks.

Note 5: Derivatives

Operations on financial futures pertain to interest rates and totalled €777 million against €1.513 billion at the end of 2015. 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. Accounting non-hedging derivative instruments
   - 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 set out in the table below:

HEDGING AND TRADING DERIVATIVE INSTRUMENTS (in thousands of euros)	31/12/2016		31/12/2015	
	Assets	Liabilities	Assets	Liabilities
NON-HEDGING DERIVATIVE INSTRUMENTS	**41**	**5,180**	**7,644**	**45**
Interest rate instruments:				
Firm instruments	41	5,180	7,644	45
Conditional instruments				
FAIR VALUE HEDGE	**170**	**2**	**170**	**0**
Interest rate instruments:				
Firm instruments	170	2	170	0
Conditional instruments				

CASH FLOW HEDGE	**0**	**2,894**	**19**	**2,406**
Interest rate instruments:				
Firm instruments	0	2,894	19	2,406
Conditional instruments				
Total	**211**	**8,075**	**7,833**	**2,451**

Note 6: Loans and debts with credit institutions

LOANS AND DEBTS (in thousands of euros)	31/12/2016	31/12/2015	Change
Demand debts with credit institutions:	**84,781**	**92,822**	**-8,041**
Term debts with credit institutions:	**39,659**	**43,572**	**-3,912**
Principal	39,571	43,455	-3,884
Related debts	88	116	-28
Subordinated loans:	**0**	**0**	**0**
Principal	0	0	0
Related debts	0	0	0

Due dates

(in thousands of euros)	< = 3 months	3 months < D < = 1 year	1 year < D < = 5 years	> 5 years	31/12/2016
Term debts with credit institutions:	**39,009**	**650**			**39,659**
Principal	38,921	650			39,571
Related debts	88				88
Subordinated loans:					
Principal					
Related debts					

(in thousands of euros)	< = 3 months	3 months < D < = 1 year	1 year < D < = 5 years	> 5 years	31/12/2015
Term debts with credit institutions:	**43,572**				**43,572**
Principal	43,455				43,455
Related debts	116				116
Subordinated loans:					
Principal					
Related debts					

Note 7: Loans and debts due from 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	31/12/2016
Customer current account					**0**
Overall gross outstanding debt:	**662,722**	**638,991**	**1,245,640**	**238,565**	**2,785,918**
Sound outstanding debt:	**577,830**	**530,409**	**972,354**	**128,184**	**2,208,777**

Sound outstanding debt	571,703	530,409	972,354	128,184	2,202,650
Related debts	6,127				6,127
Impaired outstanding debt:	**84,892**	**108,582**	**273,286**	**110,381**	**577,141**

LOANS AND DEBTS (in thousands of euros)	< = 3 months	3 months < D < = 1 year	1 year < D < = 5 years	> 5 years	31/12/2015
Customer current account	**0**				**0**
Overall gross outstanding debt:	**619,759**	**672,430**	**1,268,082**	**148,260**	**2,708,531**
Sound outstanding debt:	**533,991**	**506,875**	**919,934**	**87,038**	**2,047,838**
Sound outstanding debt	525,551	506,875	919,934	87,038	2,039,398
Related debts	8,440				8,440
Impaired outstanding debt:	**85,768**	**165,555**	**348,148**	**61,222**	**660,693**

2. Impaired outstanding debts

(in thousands of euros)		31/12/2016	31/12/2015	Change
Sound outstanding debt	+	2,202,651	2,039,398	163,253
Impaired outstanding debt	+	577,141	660,694	-83,553
Impairments	-	436,768	512,538	-75,770
Net debt:	**=**	**2,343,024**	**2,187,553**	**155,471**
Related debts	+	6,127	8,440	-2,312
Debt, end of period:	**=**	**2,349,151**	**2,195,993**	**153,158**
Proportion of impaired debt/total debt:		20.72%	24.39%	-3.68%
Hedging rate of impaired outstanding debt:		**75.68%**	**77.58%**	**-1.90%**

3. Variation in impairment on customer debts

CHANGE IN IMPAIRMENT (in thousands of euros)	31/12/2016	31/12/2015
Impairment, start of period:	**512,538**	**520,696**
Change in scope		
Allocations	13,891	19,837
Reversals	85,750	23,850
Reversal of discount on impaired outstanding debt	-4,722	-3,726
Other restatements + translation differences	811	-418
Impairment, end of period:	**436,768**	**512,538**

(1) Discount reversals are presented in 2015 in the interest margin.

4. Transferred assets not derecognised or derecognised with continuing involvement

- Transferred assets not derecognised correspond to customer outstandings within the FCT Oneycord compartment 1. As at 31 December 2016, the amount of the assets concerned, net of associated liabilities, totals €736 million versus €728 million as at 31 December 2015 and continues to be recognised on the group's balance sheet in "Loans and debts due from customers".

- The amount of assets derecognised with continuing involvement corresponds to disposals of impaired outstanding debt for which the Oney Group continues the collection activity. As at 31 December 2016, the amount of outstandings derecognised with continuing involvement is €8.6 million compared with €13.7 million as at 31 December 2015.

Note 8: Own

Available-for-sale securities

These securities recorded in the 'Available-for-sale financial assets' portfolio are variable-income securities representing a fraction of the capital of the companies that issued them.

(in thousands of euros)	% held	2016	2015
MasterCard Int. Inc.	< 1%		0
Visa Europe	< 1%	0	13,075
Visa Inc.	< 1%	793	687
VISA pref shares	< 1%	1,284	
Swift	< 1%	62	62
Fivory	< 1%	854	
Phoceis	< 1%	186	
Membership of FDG and Résolution	< 1%	5	5
Total		**3,185**	**13,829**

Holdings/joint ventures accounted for using the equity method

As of 31 December 2016, the Group Oney holds an interest in an equity affiliate Oney China.

(in thousands of euros)	2016	2015
As at 1 January	4,042	217
Capital increase	4,905	
Disposal of securities	18	
Dilution/relution/others	-30	95
Goodwill (including exchange rate effect)	-136	3,825
Share in income	-1,412	-95
As at 31 December	**7,352**	**4,042**

Significant joint ventures are presented in the table below.

31/12/2016	Equity value	Dividends paid	Share of net income
Oney China	7,352		-1,412

31/12/2015	Equity value	Dividends paid	Share of net income
Oney China	4,024		
Joias	18		3

Summary financial data on significant joint ventures is presented below:

Income statement:

31/12/2016	Revenue or net banking income	Gross operating income	Taxes	Net income
Oney China	10,124	-1,412	0	-1,412

31/12/2015	Revenue or net banking income	Gross operating income	Taxes	Net income
Oney China	6,532	-1,865	0	-1,866
Joias	1,022	12	6	6

Balance sheet:

31/12/2016	Total assets	Of which cash	Total liabilities	Equity
Oney China	16,658	11,387	9,184	7,474

31/12/2015	Total assets	Of which cash	Total liabilities	Equity
Oney China	7,114	3,054	6,708	406
Joias	392	170	356	36

Partnerships

- **Armoney EIG:**

Armoney was created on 11 June 2010 in the form of an economic interest grouping with a supervisory board and management board between Crédit Mutuel Arkéa and Oney Bank SA. Each member has one share with no nominal value. This partnership comes in the context of SEPA and as part of implementing the directive on payment services. Its aim is to facilitate and develop its members' economic activity in means of payment and electronic money. Its main establishment is situated at 118 avenue des Champs-Elysées, 75008 Paris.

Note 9: Tangible and intangible fixed assets

INTANGIBLE FIXED ASSETS (in thousands of euros)	Goodwill	Other	TOTAL
Gross value 01.01.2016	26,443	26,581	53,023
Gross value 31/12/2016	**26,443**	**38,037**	**64,480**
Cumulative depreciation and impairments 01/01/2016	0	19,993	19,993
Cumulative depreciation and impairments 31/12/2016	**0**	**24,824**	**24,824**
Net value 31/12/2016	26,443	13,213	39,656
Net value 31/12/2015	**26,443**	**6,331**	**32,774**

Goodwill consists 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 purchase of further Oney Portugal securities held by Cofinoga). Its net value at 31 December 2016 was €18,394 K;
- goodwill on Oney Spain (formerly Accordfin) of €8,049 K dated 3 July 2010 in connection with Santander Consumer Finance's exercise of its put on the 49% of Accordfin that it held.

TANGIBLE FIXED ASSETS (in thousands of euros)	Land	Buildings	Office, computer equipment and others	Fixtures and fittings	In progress	Other	TOTAL
Gross value 01.01.2016:	**2,899**	**22,879**	**18,777**	**17,794**	**1,227**	**664**	**64,240**
Acquisitions for the period	3,578		2,997	252	0	146	6,972
Disposals and scrapping			970	49	0	0	1,018
Restatements/change in scope		257	1,315	907	-744	24	1,759
Change in translation difference			-5	-4	-1	2	-7
Gross value 31/12/2016:	**6,477**	**23,137**	**22,113**	**18,900**	**482**	**836**	**71,945**
Cumulative depreciation and impairments 01/01/2016:		**1,002**	**15,179**	**6,256**		**529**	**22,966**
Allocations to depreciation		758	2,063	1,823		88	4,732
Disposals and scrapping							
Restatements*/change in scope			750	33			783
Change in translation difference			1,279	410			1,688
Cumulative depreciation and impairments 31/12/2016:		**1,760**	**17,763**	**8,452**		**618**	**28,594**
Net value 31/12/2016:	6,477	21,377	4,350	10,448	482	217	**43,351**
Net value 31/12/2015:	**2,899**	**21,877**	**3,598**	**11,538**	**1,227**	**135**	**41,273**

Note 10: Deferred taxes

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

(in thousands of euros)	01/01/2016	Movements recognised in earnings	Movements recognised in equity	Exchange differences/ Restatement	31/12/2016
Non-deductible provisions	22,365	154		-37	22,481
Regulated provisions	-208	-440			-648
Financial instruments	816	72	89		977
Others	17,612	-3,305	537	120	14,964
TOTAL:	**40,584**	**-3,520**	**626**	**83**	**37,774**

The deferred tax amount has been revalued at a rate of 28.92% on provisions that will reverse as of 1 January 2019. An additional charge of deferred taxes was recognised for €1.3 million at 31/12/2016.
The 'Others' heading includes a deferred taxes amount capitalised on a loss for €9.2 million at 31/12/2016.

Due dates of non-capitalised deferred tax assets

Amount	< 1 year	1 to 5 years	> 5 years
12,616	0	10,877	1,740

Non-capitalised deferred taxes concern entities in Italy, Spain, Romania and Ukraine.

These deferred taxes include a deferred tax on losses carried forward of €12.6 million that was not capitalised given the uncertainty of its future allocation.

Note 11: Accrual accounts and other assets

(in thousands of euros)	31/12/2016	31/12/2015	Change
Values for collection	294,153	304,965	-10,812
Prepaid expenses	6,489	5,830	658
Accrued income	5,785	17,070	-11,285
Other accrual accounts	556	7947	-7,391
Other assets	56,288	52,109	4,179
Total	**363,270**	**387,922**	**-24,652**

Values for collection correspond to debits on customer accounts.

Note 12: Financial liabilities measured at amortised cost

(in thousands of euros)	31/12/2016	31/12/2015	Change
Debts to credit institutions:	**856,024**	**826,084**	**29,940**
Demand loans	8,036	8,188	-152
Term loans	847,988	817,896	**30,092**
Debts to customers:	**518,022**	**327,065**	**190,957**
Demand loans	117,798	126,859	-9,060
Term loans	400,224	200,206	200,017
Debts represented by a security:	**1,064,993**	**1,200,498**	**-135,505**
Bond loans	350,849	701,309	-350,460
Other debts represented by a security (medium-term notes, commercial paper)	714,144	499,189	214,955
Subordinated debt:	**2,451**	**21,199**	**-18,748**
TOTAL	2,441,490	2,374,845	66,644

Confirmed credit lines not used as at 31 December 2016 granted by banking institutions amount to €855 million, including €855 million maturing after more than one year.

Breakdown of bond loans

Borrowing company	Nominal interest rate	Effective interest rate	Issue date	Maturity	31/12/2016	31/12/2015	Listing market
Oney Bank SA	E3M + 100bp	E3M + 100bp	June 2011	June 2016		200,000	Luxembourg
Oney Bank SA	E3M + 155bp	E3M + 155bp	June 2012	December 2016		200,000	Luxembourg

Oney Bank SA	1.817 %	1.817 %	December 2012	November 2017	150,000	150,000	Luxembourg
Oney Bank SA	2 %	2 %	April 2013	October 2018	150,000	150,000	Luxembourg
Oney Bank SA	E3M + 60bp	E3M + 60bp	October 2016	October 2020	50,000		Luxembourg
TOTAL					**350,000**	**700,000**	

The bond issues were subscribed by Auchan Coordination Services, with the exception of the last line of €50 million.

Details of subordinated debts

This corresponds to two redeemable subordinated securities issued for:

€1.470 million in 10-year subordinated notes issued in June 2007 and underwritten by Santander Group;
€0.980 million in 10-year subordinated notes issued in December 2008 and underwritten by Santander Group;

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 and Resolution Authority or the Bank of Spain.

Offsetting financial assets and financial liabilities

In accordance with IAS 32, Oney Bank offsets a financial asset and liability and has a net balance if and only if Oney Bank has a legally enforceable right to offset the amounts recognised and intends to settle the net amount or realize assets and liabilities simultaneously.

Financial instruments provided/received as collateral

The Oney Group has 5,364 class A bonds (corresponding to a fraction of the securitised loan portfolio) provided as collateral to the European Central Bank for a total nominal amount of €536.4 million as part of TLTRO and TLTRO II refinancing operations.

Note 13: Provisions for risks and charges

(in thousands of euros)	01/01/2016	Allocations	Reversals	Capital / Exchange / Entry into Scope	31/12/2016
Employee benefits	2,517	349	64	147	2,948
Provisions for tax inspections	0	0	0	0	0
Provisions for disputes	11,371	901	6,822	2,600	8,050
Subtotal	**13,888**	**1,250**	**6,886**	**2,747**	**10,999**

Note 14: Technical provisions for insurers and debts with reinsurers

(in thousands of euros)	01/01/2016	Allocations	Reversals	Restatement /Equity	31/12/2016
Technical provisions – life	1,200	1,147			2,347
Technical provisions – non-life	7,072	5,888			12,959
Total technical provisions	**8,272**	**7,034**			**15,307**

(in thousands of euros)	01/01/2016	Increase	Decrease	Restatement/Equity	31/12/2016
Share of provisions related to reinsurers	5,302		5,302		
Total share related to reinsurers	**5,302**		**5,302**		

Oney Malta terminated all the reinsurance contracts that existed on 31/12/2015.

Note 15: Other liabilities and accrual accounts

(in thousands of euros)	31/12/2016	31/12/2015	Change
Suppliers	5,381	4,589	793
Personnel expenses	16,908	14,226	2,682
Duties and taxes	3,263	2,216	1,047
Cash back, shopping vouchers, gift and prepaid cards	26,449	22,826	3,624
Others	17,333	17,584	-251
Subtotal OTHER LIABILITIES	69,335	61,441	7,894
Values for collection	39,345	22,829	16,515
Deferred income	43,962	35,663	8,299
Accrued expenses	67,296	64,147	3,149
Others	7,204	19,605	-12,401
SUBTOTAL LIABILITY ACCRUAL ACCOUNTS	157,806	142,244	15,563
TOTAL OTHER LIABILITIES AND ACCRUAL ACCOUNTS	**227,141**	**203,684**	**23,457**

Note 16: Shareholders' equity – Group share

16.1 Number of equity shares issued

	31/12/2016	31/12/2015
Start of period	1,451,034	1,450,160
Share issues for cash		874
Reduction of capital by cancellation of shares	-5,263	
End of period	**1,445, 771**	**1,451,034**

On 22 February 2016, the capital of Oney Bank SA was increased by €21.766 million by an increase in the par value of the shares; bringing the capital from €29.021 million to €50.786 million, by directly incorporating such an amount from the reserve account.
On 14 October 2016, the capital of Oney Bank SA was reduced by €184,000, from €50.786 million to €50,602 million, by cancelling the unallocated treasury shares.

As at 31 December 2016, share capital totalled €50,602,000 and was made up of 1,445,771 fully paid-up €35 ordinary shares.
Subscription options have been granted and are reserved for employees and/or officers of the Company and/or employees of subsidiaries in which at least 10% of the capital or voting rights are held directly or indirectly by the Company. The number of options is 1,137.

16.2 Own shares

In 2016, when exercising options, Oney Bank sold 368 of its own shares, increased capital bought back 1,137 shares and then cancelled 5,263 shares.

16.3 Legal reserve

The legal reserve of Oney Bank S.A. totals €5.079 million as at 31 December 2016.

16.4 Reserves detailed by type

Translation reserve

(in thousands of euros)	31/12/2016	31/12/2015
China	178	28
Hungary	-801	-883

Poland	9	-384
Romania	8	-11
Russia	-2,231	-2,757
Ukraine	-101	-63
TOTAL	**-2,939**	**-4,070**

Cash flow hedge reserve (excluding deferred tax)

(in thousands of euros)	31/12/2016	31/12/2015
Start of period	-2,406	-2,100
Change	-310	-306
End of period	**-2,717**	**-2,406**

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	Translation gains or losses	Total Shareholders' Equity
2014 closing position	**29,003**	**57,262**	**-1,420**	**301,957**	**-2,526**	**48,953**	**-3,959**	**429,270**
Movements								
Allocation				48,953		-48,953		0
Profit or loss for the period						68,525		68,525
Capital increase	17	213						230
Net unrealised gains and losses from cash flow hedge					-201			-201
Stock options			-491	-189				-679
Translation reserve				235			-418	-183
IFC net actuarial gains or losses					323			323
Auchan dividends				-8,256				-8,256
PUT Hungary								
Poland dividends								
Corporate income tax credit retrocession								
Reserve on available-for-sale securities					12,985			12,985
Other				-147				-147
2015 closing position	**29,021**	**57,475**	**-1,911**	**342,553**	**10,582**	**68,525**	**-4,377**	**501,868**
Movements								
Allocation				68,525		-68,525		0
Profit or loss for the period						80,552		80,552
Capital increase	21,581	-1,736		-21,766				-1,920
Net unrealised gains and losses from cash flow hedge					-204			-204
Stock options			1,449	328				1,777
Translation reserve							891	891
IFC net actuarial gains or losses					-99			-99
Auchan dividends				-12,026				-12,026
PUT Hungary								
Poland dividends								
Corporate income tax credit retrocession								
Reserve on available-for-sale securities					-12,432			-12,432
Other				-196				-196

2016 closing position	**50,602**	**55,739**	**-461**	**377,420**	**2,152**	**80,552**	**-3,487**	**558,212**

16.6 Dividends paid for the last three periods

DIVIDENDS PAID (in euros)	Amount	Dividend per share
Cash dividends paid for 2013	7,266,444	+€5.03
Cash dividends paid for 2014	8,256,216	+€5.71
Cash dividends paid for 2015	12,025, 753	+€8.32

Note 17: Minority interests

(in thousands of euros)	
Position at 31 December 2014	**3,004**
Profit or loss for the period	1,358
Put option on minority interests – Hungary	-68
Dividends – Hungary	-1,554
Dividends – Poland	-448
Natural Security	603
Others (including translation gains or losses)	-171
Position at 31 December 2015	**2,725**
Profit or loss for the period	1,723
Put option on minority interests – Hungary	-111
Dividends – Hungary	-1,392
Dividends – Poland	
Natural Security	
Others (including translation gains or losses)	548
Position at 31 December 2016	**3,492**

As a reminder, the Group opted to recognise the debt related to the Hungarian put option through the minority share of equity.
As at 31 December 2016, the share of Hungarian minority interests amounts to €4.395 million for a debt related to the put of €4.395 million.
Information relating to significant minority interests pertains to Hungary. On the balance sheet, total outstanding credit net of impairment is €36.1 million, and liabilities excluding equity total €27.1 million. On the income statement, NBI is €10.5 million, cost of risk is €0.2 million, and net income is €3.5 million.

Note 18: Off-balance sheet commitments

Commitments received

COMMITMENTS RECEIVED (in thousands of euros)	31/12/2016	31/12/2015
Financing commitments	**1,106, 193**	**1,408,288**
Received from credit institutions and customers		
Guarantee commitments	**6,381**	**6,775**
Received from credit institutions and customers		
Securities commitments	**11,348**	**13,990**
Securities to be received		
Total	**1,123, 922**	**1,429,053**

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

Commitments given

COMMITMENTS GIVEN (in thousands of euros)	31/12/2016	31/12/2015
Financing commitments	**6,548,909**	**6,389,282**
Given to credit institutions and customers		
Guarantee commitments	**34,306**	**14,378**
Given to credit institutions and customers		
Total	**6,583,215**	**6,403,660**

Breakdown of commitments given to customers by geographical region

In millions of euros	31/12/2016		31/12/2015	
	Assets – 2 years	Global	Assets – 2 years	Global
France	2,039	5,152	2,028	5,102
Europe excluding France	1,375	1,397	1,269	1,287
Rest of the world				

Commitments to customers, including under the terms of the French Prudential Control and Resolution Authority for calculating ratios, i.e. excluding customers inactive for more than two years, totalled €3.414 billion.

Note 19: Interest income and expenses

(in thousands of euros)	31/12/2016		31/12/2015	
	Expenses	Income	Expenses	Income
Transactions with credit institutions	4,802	1,406	5,622	2,442
Transactions with customers	2,821	230,919	4,401	232,789
Transactions involving financial instruments	9,961	13	12,100	6
Total	**17,584**	**232,338**	**22,123**	**235,237**

Note 20: Commission income and expenses

(in thousands of euros)	31/12/2016		31/12/2015	
	Expenses	Income	Expenses	Income
Transactions with credit institutions	9,055	6,728	10,172	6,505
Insurance transactions	4,889	17,993	4,773	44,757
Transactions with customers	20	24,408	24	24,436
Financial services – including card fees	19,034	52,173	17,539	52,553
Others	5,399	20,131	5,082	21,518
Total	**38,397**	**121,433**	**37,591**	**149,768**

Note 21: Other banking operating income and expenses

(in thousands of euros)	31/12/2016		31/12/2015	
	Expenses	Income	Expenses	Income
Insurance expenses and income	10,376	71,620	4,385	37,110
Operating expenses and income	2,532	39,253	270	35,625
Total	**12,908**	**110,872**	**4,655**	**72,735**

Note 22: Personnel expenses

(in thousands of euros)	31/12/2016	31/12/2015
Wages and salaries	62,508	61,638
Social security contributions	33,199	31,070
Tax expenses	-453	-522
Employee profit-sharing and bonus schemes	9,285	7,898
Total	**104,540**	**100,083**

Note 23: Other administrative expenses

(in thousands of euros)	31/12/2016	31/12/2015
Taxes	4,050	3,276
Rentals	4,407	3,881
Interim compensation	14,493	14,485
Others	115,902	119,657
Total	**138,852**	**141,298**

Note 24: Cost of risk

COST OF RISK	31/12/2016		31/12/2015	
	Expenses	Income	Expenses	Income
Depreciation on transactions with customers	13,891	90,444	19,837	23,850
Depreciation on other receivables and financial fixed assets	0	0	0	0
Losses on unrecoverable debts	154,213		85,449	
Collection on written-off receivables		20,350		14,517
Total	**168,104**	**110,794**	**105,286**	**38,368**
	57,310		**66,919**	

Note 25: Corporate tax

Tax expenses

Tax expense	31/12/2016	31/12/2015
Taxes payable	19,119	17,983
Deferred tax liabilities	3,520	-4,800
Total	**22,639**	**13,183**

Tax analysis

	Amount	2016 rate	2015 rate
Earnings before corporate tax and equity method	106,326		
Standard rate		34.43%	38.00%
Theoretical corporate tax	36,608		
Permanent differences	-5,747	-5.41%	-6.54%
Unrecognised deferred taxes	206	0.19%	-7.15%
Rate differential	-2,845	-2.68%	-5.03%
Tax credits	-6,857	-6.45%	-7.43%
Impact of rate changes at opening	-		2.73%
Others	1,274	1.94%	1.25%
Effective total	**22,639**		
Effective rate		**21.29%**	**15.87%**

Note 26: Other

Workforce

In December 2016, there were 2,522 full-time equivalent employees in the consolidated companies (including all those employed by 100% jointly controlled companies), against 2,335 as at 31 December 2015 on a like-for-like basis.

Executive compensation

The 10 highest remunerations paid in 2016 to directors of the Oney Group entities came to €2.5 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	2016	2015
Discount rate as at 1 January	2.50%	2.00%
Discount rate as at 31 December	1.80%	2.50%
Expected rate of increase in salaries	2.00%	2.00%

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

Change in € thousands	2016	2015
Current value of the obligation as at 1 January	3,276	3,363
Financial cost	88	73
Cost of services rendered during the period	275	300
Benefits paid		
Actuarial losses (gains)	55	-460
Other	72	
Present value of the obligation as at 31 December	**3,767**	**3,276**

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

Change in € thousands	2016	2015
Fair value of assets as at 1 January	1,646	1,581
Expected return on assets	30	32
Contributions paid		
Benefits paid		
Actuarial losses (gains)	-23	34
Fair value of assets as at 31 December	**1,653**	**1,646**

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

Change in € thousands	2016	2015
Net liability as at 1 January	1,630	1,782
Expense recognised	333	342
Contributions paid		
Benefits paid by employer		
Actuarial losses (gains) recognised in Shareholders' equity	150	-493
Restatement of financial liability		
Net liability as at 31 December	**2,114**	**1,630**

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

Reconciliation of net liability	2016	2015
Present value of obligation	3,767	3,276
Fair value of assets	1,653	1,646
Net situation	2,114	1,630
Net liability recognised in the balance sheet	**2,114**	**1,630**

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

In € thousands	2016	2015
Cost of services rendered during the period	275	300
Financial cost	88	73
Expected return on assets in the scheme	-30	-32
Expense recognised	**333**	**342**

Sensitivity to assumptions:

The reduction of the discount rate by 50 basis points would increase the value of the bond by 8% (impact on other comprehensive income).

Note 28: Share-based payments

Characteristics of an options plan issued by Oney Bank

- Options may not be exercised within four years of the date on which they are granted.
- They may be exercised over a period from 18 June to 25 August in the year when the plan expires.
- The exercise of options is conditional upon actual, continuous presence with 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 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 Oney Bank share register.

Change in the number of options and the weighted average price for fiscal years 2015 and 2016

	2016		2015	
	Exercise price	Number of options	Exercise price	Number of options
Options at start of period		5,422		5,983
Options issued during period	405.75	1,173	364.85	
Options exercised during period		5,054		85
Options cancelled or lost				646
Options expired				
Options at end of period		1,541		5,422
Options exercisable at end of period				

Parameters used to calculate the fair value of options

	2016	2015
Intrinsic value of options	+€+133.86	+€101.39
Share price	405.75	364.85
Exercise price	405.75	364.85
Expected volatility		
Option life	2 years	0.5 years
Expected dividends		
Interest rate applied		
Type of model	binomial	binomial

Volatility has been established based on an analysis examining the inherent price volatility of company shares relative to Oney Bank SA's activity over the four-year period preceding the grant date.

Impact on the income statement

The annual impact is €32,000.

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 the Oney group, 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 the Oney group operates, are as follows:

Level 1: Business lines

Consumer credit

Electronic Money, Insurance, Savings, Payment Methods

Level 2: Geographical regions

France

Europe excluding France: Spain, Portugal, Italy, and Malta

Rest of the world: Poland, Hungary, 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.

Level 1

(in thousands of euros)	Credit		Other		Total	
	2016	2015	2016	2015	2016	2015
Sector income:						
External	417,492	400,148	71,738	65,003	489,229	465,151
Internal	0	0			0	0
Depreciation	7,140	7,694	508	403	7,650	8,097
Sector expenses	158,912	156,139	29,788	22,158	188,700	178,297
Provisions	-5,921	1,616			-5,921	1,616
Cost of risk	57,310	66,919			57,310	66,919
Sector net income	200,051	167,780	41,440	42,443	241,491	210,222
Non-sector expenses					136,577	127,155
Tax expenses					22,639	13,183
IFRS 5						
Net earnings					82,275	69,883
Sector assets	3,107,725	2,938,511	74,931	88,423	3,182,657	3,026,933
Sector liabilities	3,989,043	3,681,746	111,515	103,945	4,100,558	3,785,691
Investments	54,529	45,481	2,035	2,124	56,565	47,604

Level 2:

(in thousands of euros)	France		Europe		Rest of the world		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Sector income	268,796	254,029	174,323	157,399	46,109	53,723	489,229	465,151
Sector assets …...	2,387,026	2,296,960	703,357	660,899	92,274	69,075	3,182,657	3,026,933
Investments	50,292	42,439	5,331	4,249	942	916	56,565	47,604

Note 30: Fair value

Assets and liabilities are booked and valued in accordance with the provisions of IAS 39. In a number of cases, the market values are close to the book value. This is particularly so for:

- variable-rate assets or liabilities, for which changes in interest have no significant influence on the fair value, because the rates of these instruments frequently adjust to the market rate;
- short-term assets and liabilities, for which we consider the redemption value to be close to the market value.

The accounting methods used are as follows:

Cash assets, asset and liability accrual accounts and other assets and liabilities
For these short-term assets and liabilities, the redemption value is close to the market value.

Variable-rate loans and trade receivables
For these financial assets for which changes in interest have no significant influence on the fair value, the redemption value is close to the market value.

Fixed-rate loans and trade receivables
The fair value of outstanding fixed-rate credit corresponds to the discounting of anticipated future flows from outstandings through the amortisation curve (excluding interest).

Financial instruments
The Oney group 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 2016.
Debts represented by a security
With regard to debts represented by a variable-rate security, for which changes in interest have no significant influence on the fair value, the redemption value is close to the market value.

For debts represented by a fixed-rate security, the fair value as at 31 December 2016 of this debt corresponds to the discounting of flows from the debt with a EURO rate curve.

Receivables and debts with credit institutions
These are variable-rate receivables or debts. Changes in interest have no significant influence on the fair value. In fact, the redemption value is close to the market value.

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		211	
Liability derivatives		8,075	
Cash, bank and post office accounts	301,887		
Loans and debts due from customers			2,299,725
Current tax receivables			9,902
Other assets and accrual accounts			363,270
Debts with credit institutions			856,024
Debts with customers			518,022
Debts represented by securities			1,086,613
Subordinated debt			2,451
Current tax payable			15,464
Other liabilities and accrual accounts			227,141

The impact of the calculation of the CVA/DVA (IFRS 13) amounts to €1.1 K as at 31 December 2016.

In thousands of euros	Market value		
	Level 1	Level 2	Level 3
Available-for-sale financial assets	793	1,284	1,107

Market value of other assets and liabilities

In thousands of euros	2016		2015	
	Market value	Book value	Market value	Book value
Cash, bank and post office accounts	301,887	301,887	258,442	258,442
Loans and debts due from customers	2,299,725	2,349,151	2,083,934	2,195,993
Available-for-sale securities	3,185	3,185	13,824	13,824
Current tax receivables	9,902	9,902	9,859	9,859
Other assets and accrual accounts	363,270	363,270	387,922	387,922
Debts with credit institutions	856,024	856,024	826,084	826,084
Debts with customers	518,022	518,022	327,065	327,065
Debts represented by securities	1,086,613	1,064,993	1,214,990	1,200,498
Subordinated debt	2,451	2,451	21,199	21,199
Current tax payable	15,464	15,464	15,911	15,911
Other liabilities and accrual accounts	227,141	227,141	203,684	203,684

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, the Oney group is consistently in a net borrower position. Counterparty risk therefore mainly concerns off balance sheet transactions. To cover this risk, the Oney group, 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 rated at least A by Moody's, Standard & Poor's or Fitch with the Oney Group.
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 the Oney group 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 the Oney group is generally able to pass on any rate increases to its customers.

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	12/2016	12/2015
Fixed-rate financial assets	1,644	1,466
Fixed-rate financial liabilities	1,237	1,691
Variable-rate financial assets	1,135	1,146
Variable-rate financial liabilities	1,213	686

The schedules of financial assets are shown in notes 6 and 7, and the schedules of financial liabilities in note 31.3.

Sensitivity analysis method used
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 calculated for a twelve-month period. The impacts on earnings have been calculated on the basis of upward and downward interest rate movements of 100 basis points.

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 basis points.
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 2016, a 1% increase in interest rates across all currencies would result in a decrease of €3.57 million in our financial cost.
On the basis of our financial position at 31 December 2016, a 1% decrease in interest rates across all currencies would result in an increase of €3.57 million in our financial cost.

Impact on equity
On the basis of our financial position at 31 December 2016, a 1% increase in interest rates across all currencies would result in an increase in shareholders' equity of €5.87 million, against €11.38 million at 31 December 2015.
On the basis of our financial position at 31 December 2016, a 1% decrease in interest rates across all currencies would result in a decrease in shareholders' equity of €6.06 million, against €11.81 million at 31 December 2015.

31.3 Interest rate hedges

Cash flow hedges

Derivatives transactions described as cash flow hedges are swap transactions where the Oney group 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 and thus to limit the possible volatility of future interest spreads over the next one to five years. No cash flow hedges cover periods of more than five years.

At 31/12/2016

Derivative-based financial liabilities	**Book value**	**Expected cash flows**					
(in thousands of euros)		**Total**	**< 3 months**	**< 6 months**	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate swaps	2,894	2,877	409	499	756	1,213	

At 31/12/2015

Derivative-based financial liabilities	**Book value**	**Expected cash flows**					
(in thousands of euros)		**Total**	**< 3 months**	**< 6 months**	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate swaps	2,406	2,565	385	425	806	950	0

Hedging instruments

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

At 31/12/2016

Derivative-based financial assets	**Book value**	**Expected cash flows**					
(in thousands of euros)		**Total**	**< 3 months**	**< 6 months**	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate swaps	170	0					
Currency exchange swaps	41	65	17	9	27	12	
Rate options							

Derivative-based financial liabilities	**Book value**	**Expected cash flows**					
(in thousands of euros)		**Total**	**< 3 months**	**< 6 months**	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate swaps	2	0					
Currency exchange swaps	5,180	8,473	1,290	1,574	1,952	3,658	
Rate options							

At 31/12/2015

Derivative-based financial assets	**Book value**	**Expected cash flows**					
(in thousands of euros)		**Total**	**< 3 months**	**< 6 months**	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate swaps	170	3	1	0	1	1	
Currency exchange swaps	7,644	130	39	-13	45	59	
Rate options							

Derivative-based financial liabilities	**Book value**	**Expected cash flows**					
(in thousands of euros)		**Total**	**< 3 months**	**< 6 months**	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate swaps	45	45	45				
Currency exchange swaps							
Rate options							

The currencies of these transactions are EUR and HUF.

31.4 Liquidity risk

To limit its liquidity risk, the Oney group 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.

The Oney Group must comply with the conditions of a single covenant in order to maintain the refinancing lines provided under the Club Deal (confirmed syndicated line of credit totalling €500 million) and certain confirmed lines. The ratio is defined as follows: Total outstanding credit > Net financial debt (net financial debt refers to debt to credit institutions plus debt represented by a security and minus credit balances in bank accounts (cash, central banks, and post office accounts), placements and receivables on credit institutions, and the gross value of HQLA held for the purposes of compliance with the Basel III liquidity requirements). As at 31 December 2016, this ratio was met.

Liquidity risk exposure

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

At 31/12/2016

(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)	8,036	8,036	8,036				
Debts with credit institutions	847,988	850,519	190,361	20,682	121,396	518,080	0
Demand debts with customers	117,798	117,798	117,798				
Term debts with customers	400,224	420,926	755	855	1,657	213,806	203,852
Bond loans	350,849	359,601	37	36	155,803	203,725	0
Debts represented by a security	714,144	714,163	148,993	160,930	284,108	120,132	0
Subordinated debt	2,451	2,472	5	1,475	4	989	0
Trade payables	5,381	5,381	5,381				
Other debts	221,760	221,760	202,307	1,816	10,335	7,302	
Tax liabilities	15,506	15,506	13,807	1,680	0	20	

At 31/12/2015

(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)	8,188	8,188	8,188				
Debts with credit institutions	817,896	823,184	81,183	6,634	23,776	711,592	0
Demand debts with customers	126,859	126,859	126,859				
Term debts with customers	200,206	210,060	489	426	855	107,466	100,824
Bond loans	701,309	718,163	1,174	201,152	207,111	308,726	0
Debts represented by a security	499,189	499,342	160,059	139,157	170,095	30,030	0
Subordinated debt	21,199	21,289	21	20	18,769	2,479	0
Trade payables	4,589	4,589	4,589				
Other debts	199,096	199,095	178,850	12,683	7,562	0	
Current tax payable	15,932	15,932	12,358	3,554	20		

Expected cash flows correspond to contractual cash flows.

Medium- and long-term credit lines granted and confirmed by banks but not used as at 31 December 2016 and 31 December 2015.

Amount in € thousands to 31/12/2016	< 1 year	1 to 5 years	> 5 years
855,000		855,000	

Amount in € thousands to 31/12/2015	< 1 year	1 to 5 years	> 5 years
857,000	102,000	755,000	

31.5 Currency risk

The Oney group 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 and the Russian subsidiary Oney Bank.

31.6 Management of customer credit risk

1. General points

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

2. Structure of the Risk function

At the Oney group, 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, Spain and Portugal, it is monitored and managed by the local risk departments.
In the other countries (Poland, Hungary, Russia), the partners are responsible for managing credit risk. Granting of credit, monitoring of risk and debt recovery are carried out based on their processes and IT systems.
In all cases, 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 the risk strategy, methodologies and especially performance.

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

The credit decision-making systems are based on a statistical approach plus a case-by-case review. They are adapted to the different types of product and client.
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 a very precise control of the associated credit risks. The grounds for dispensation and the persons authorised to establish them are defined by procedures and controlled subsequently; these dispensations aim, in particular, to manage the granting of loans to selected clients or of large amounts of credit in a more personalised manner.

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 the Oney group 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 the Oney group is generally able to pass on any rate increases to its customers.

6. Aged balance of unpaid debts

If there is an unpaid debt, customer loans and debts are impaired as bad debt. By exception, over-indebtedness plans presenting an unpaid debt are not impaired. These outstanding debts amounted to €2.05 million as at 31 December 2016.

7. Restructured debts

Restructured or rearranged debts (whether internally or following a ruling by the French Consumer Overindebtedness Commission) totalled €175.2 million as at 31 December 2016. These outstanding debts are impaired to €119.8 million as at 31 December 2016.

8. Maximum exposure

The maximum level of exposure to credit risk is estimated at €577 million as at 31 December 2016 compared with €661 million as at 31 December 2015. This is made up of impaired outstanding debts and over-indebtedness plans with an unpaid debt. The reserve granted to the customer becomes unavailable as soon as an unpaid debt exists. Consequently, the reserves relating to these outstanding debts are not included in the risk base and are not provisioned.

31.7 Insurance risk management

There are two main types of insurance risk:
- risks relating to rate setting and adverse claim trends;
- risks 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 products are 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, theft by mugging, loss or theft of keys and official papers and non-delivery or non-conforming delivery of online purchases.
For warranty extension products, the warranties offered mostly concern breakdowns.
For protection reinsurance in Italy, the reinsured types of covered offered are temporary inability to work and loss of employment following an accident.
The offered products provide for limited or lump-sum amounts of one-off payments or monthly amounts for predefined durations.

The Company also reserves the right to adjust the amounts of premiums (except for reinsurance, where it is the insurer that retains the ability to do so). This provides protection against any excess costs and the ability to adapt to the current economic climate. The insurance companies operate under "group" contracts. The diversity of the policyholder portfolio and the individual amounts allocated to each insurance product eliminate the risk of concentration.

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 unless an express decision is made by the Board of Directors. These ratings are reviewed regularly.

31.8 Exposure to sovereign risk

As at 31 December 2016, the Oney Group has no exposure to sovereign risk.

Note 32: Related party transactions

At 31/12/2016

In thousands of euros	Assets	Liabilities	Expenses	Income
Parent company				
Transactions with respect to customers				
Subordinated debts and related debts				
Other assets/liabilities and accrual accounts	8,719	735		
Operating income and expenses				
Outside services			1,575	
Joint parent				
Subordinated debt and related debt				
Transactions with respect to credit institutions				
Operating income and expenses				
Associated companies				
Other assets and accrual accounts	1,785			
Transactions with respect to customers				18
Subordinated debts and related debts				
Other liabilities and accrual accounts				
Extraordinary income and expenses				1,788
Outside services				445
Other related companies				
Other assets and accrual accounts	1,527			
Transactions with respect to customers		993,025	13,654	564
Subordinated debts and related debts				
Other liabilities and accrual accounts		2,268		
Operating income and expenses			3,072	12,946
Outside services			2,980	-7
TOTAL	**12,030**	**996,028**	**21,281**	**15,754**

At 31/12/2015

In thousands of euros	Assets	Liabilities	Expenses	Income
Parent company				
Transactions with respect to customers			1	42
Subordinated debts and related debts				
Other assets/liabilities and accrual accounts	9,301	399		
Operating income and expenses				
Outside services			1,337	
Joint parent				
Subordinated debt and related debt				
Transactions with respect to credit institutions				
Operating income and expenses				
Associated companies				
Other assets and accrual accounts	1,396			
Transactions with respect to customers				
Subordinated debts and related debts				
Other liabilities and accrual accounts		206		
Extraordinary income and expenses			2,601	939
Outside services				315
Other related companies				
Other assets and accrual accounts	11,101			
Transactions with respect to customers	19	1,164,645	15,965	478
Subordinated debts and related debts		18,005	73	
Other liabilities and accrual accounts		2,435		
Operating income and expenses			6,280	15,929
Outside services			3,152	110
TOTAL	**21,816**	**1,185,690**	**29,409**	**17,813**

Note 33: Proposed allocation

The draft resolutions submitted to the General Meeting propose the payment of a dividend out of reserves and the allocation of income to the accumulated deficit.

Note 34: Documents accessible to the public

In accordance with regulation no. 2014-07, this document is available at http://www.oney-banque-accord.com. Any person wishing to obtain further information about the Oney group may request the following documents without obligation:

- by post: ONEY BANK
OZEA
34 avenue de Flandre
59170 Croix
- by telephone: 03 28 38 58 00

PricewaterhouseCoopers Audit

KPMG S.A.
Siège social
Tour EQHO
2 Avenue Gambetta
CS 60055
92066 Paris la Défense Cedex
France

63 rue de Villiers
92200 Neuilly-sur-Seine
France

Oney Bank S.A. (ex Banque Accord S.A.)

Statutory auditors' report on the consolidated financial statements

Year ended 31 December 2016
Oney Bank S.A. (ex Banque Accord S.A.)
40, avenue de Flandre - 59170 Croix
This report contains 4 pages
Reference :

PricewaterhouseCoopers Audit

KPMG S.A.
Siège social
Tour EQHO
2 Avenue Gambetta
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92066 Paris la Défense Cedex
France

63 rue de Villiers
92200 Neuilly-sur-Seine
France

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and is provided solely for the convenience of English-speaking users.
The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.
This report also includes information relating to the specific verification of information given in the Group's management report.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Oney Bank S.A. (ex Banque Accord S.A.)

Registered office: 40, avenue de Flandre - 59170 Croix
Share capital: €.50,601,985

Statutory auditors' report on the consolidated financial statements

Year ended 31 December 2016

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended 31 December 2016, on:

- the audit of the accompanying consolidated financial statements of Oney Bank S.A. (Ex Banque Accord S.A.);
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

1 Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2016 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

2 Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code *(Code de commerce),* we bring to your attention the following matters.

- Your group calculates and books some depreciations in order to cover the credit risks inherent to its activities.

  We have examined the process put in place by management to identify and evaluate these risks and to determine the amount of impairments that it considers necessary. We also have verified that the resulting accounting estimates are based on the method disclosed in the note 3.9.3 of the consolidated financial statements.

- At least once a year, your group carries out an impairment test on goodwill and assets with indefinite useful lives in accordance with the methods disclosed in notes 3.7 and 3.11 of the consolidated financial statements.

  We reviewed the procedures for implementing these tests and the key parameters and assumptions used, and verified that the disclosures provide appropriate information.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3 Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, on the 24 avril 2017

The statutory auditors	The statutory auditors
French original signed by	French original signed by
Chritophe Coquelin *Partner*	Alexandre Decrand *Partner*