Paris, 30 November 2010

Half-Year Financial Report and Summary Consolidated Financial Statements for the six months ended 30 September 2010

- Financial report for the half-year to September 2010
- Summary Consolidated Financial Statements
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Paris Orléans is a French public limited company (Société anonyme) with a Management Board and a Supervisory Board and share capital of €64,747,030 - Paris Registry of Companies (RCS) no. 302 519 228 - Registered office: 23 bis, avenue de Messine 75008 PARIS - www.paris-orleans.com

Paris Orléans is listed on the Eurolist of Euronext Paris - Compartment B
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Financial report for the half-year to 30 September 2010 and condensed interim consolidated financial statements

The Supervisory Board of Paris Orléans, chaired by Mr Eric de Rothschild, met on 30 November 2010 to examine the consolidated financial statements for the half-year from 1 April to 30 September 2010 as approved by the Executive Board.

1. Activity and highlights of the period

Net banking income for the first half ended 30 September 2010 came to €423.3 million compared with €460 million for the first half of the previous financial year, which included income of €68.7 million arising from the reclassification under equity of a subordinated debt. Excluding the impact of this reclassified debt, net banking income increased by €32 million.

Revenues from investment banking increased slightly, particularly in the United Kingdom and United States. Growth in merger and acquisitions business offset the slowdown in financing and debt restructuring advisory activities.

Private banking and asset management revenues grew slightly compared with the first half of the previous financial year, thanks to the efforts made to attract new assets.

As in the previous financial year, the corporate banking business in the UK continued to downsize its portfolio. This was accompanied by a significant decrease in impairment provisions. Loan impairment and counterparty risk provisions dropped from €82.5 million to €9.1 million over the first half.

As a result, the Group posted operating income of €58.2 million, up sharply compared with €36.2 million in the first half of the previous financial year.

Consolidated net income came to €49 million. After minority interests, the share of net income attributable to equity holders of the parent came to €19.6 million compared with €13.6 million for the first half of the previous financial year.

Lastly, in October 2010, Paris Orléans decided to sell its 23.5% equity stake in DBR, generating a capital gain of nearly €18 million, which will be recognised in the Group’s second-half results.

2. Analysis by activity

- Banking

In line with the strategy adopted two years ago, the Group continued to reduce its exposure to the credit market, resulting in a further contraction in the interest margin.

Fee income, which comprises mainly the revenues from investment banking and private banking, was up by nearly 10% compared with the same period the previous year. Fee income grew strongly in the United States and United Kingdom and declined slightly in the rest of Europe. Revenues from the mergers and acquisitions activity, which continues to be the Group's main business, grew by €59 million or 46% thereby offsetting the slowdown in debt restructuring activities.

Net banking income from the banking activity came to €407 million for the period.

Impairment decreased very significantly compared with the same period the previous year and write-backs of provisions recorded previously meant that the cost of risk was nil for the banking activities in the first half. This resulted in operating income of €55.4 million from the banking activity.

After income tax and minority interests, net income attributable to equity holders of the parent from banking activities came to €15.2 million in the first half.

- Private equity

Despite the still-uncertain financial climate, Paris Orléans' proprietary private equity business was more buoyant in the first half with disposals totalling €16 million during the period compared with €3 million in the first half of the previous financial year. Capital gains on these disposals came to €7.2 million.

Including the net interest income from the mezzanine debt structuring business, the private equity activity contributed €16.3 million to net banking income for the period.

Operating income amounted to €2.8 million thanks to the significant decrease in operating expenses and in loan impairment and counterparty risk provisions.

After taking into account the share of earnings from equity associates and the impact of minority interests, net income attributable to equity holders of the parent from the private equity activity came to €4.4 million in the first half.

- Risk management

The management of risks associated with financial instruments used or held by the Group is described in detail in section IV of the notes to the condensed interim consolidated financial statements, to which you are invited to refer.

- Transactions with related parties

Transactions with related parties during the period are detailed in Note 27 of the notes to the interim consolidated financial statements.

Consolidated balance sheet as at 30 September 2010

Assets

In thousands of euros	Notes	30/09/2010	31/03/2010
Cash and amounts due from central banks		709 485	1 147 577
Financial assets at fair value through profit or loss	1	80 708	53 519
Hedging derivatives	2	16 069	14 922
Available-for-sale financial assets	3	2 136 666	2 116 971
Loans and receivables to banks	4	1 641 026	1 574 676
Loans and receivables to customers	5	1 724 375	1 786 732
Current tax assets		15 657	20 006
Deferred tax assets	15	138 324	127 622
Other assets	6	342 935	245 222
Non-current assets held for sale	16	74 523	55 076
Investments accounted for by equity method	7	121 429	128 768
Investment property		42	44
Tangible fixed assets		250 969	210 425
Intangible fixed assets		168 817	170 388
Goodwill		66 361	66 413
TOTAL ASSETS		**7 487 386**	**7 718 362**

Consolidated balance sheet as at 30 September 2010

Liabilities and shareholders’ equity

In thousands of euros	Notes	30/09/2010	31/03/2010
Due to central banks		88	437
Financial liabilities at fair value through profit or loss	1	94 258	70 348
Hedging derivatives	2	38 380	36 312
Due to banks	8	665 302	736 892
Due to customers	9	3 947 699	3 960 074
Debt securities in issue	10	518 512	529 465
Current tax liabilities		9 780	16 895
Deferred tax liabilities	15	56 854	54 369
Other liabilities, accruals and deferred income	11	453 293	671 292
Liabilities related to non-current assets held for sale	16	45 552	40 113
Provisions	12	209 099	168 462
Subordinated debt	13	28 720	29 645
Shareholders’ equity		**1 419 849**	**1 404 058**
Shareholders’ equity - Group share		**534 819**	**538 445**
Share capital		63 890	63 890
Share premium		496 822	496 822
Income and expenses directly recognised as shareholders' equity		(78 960)	(84 249)
Available-for-sale financial assets' revaluation reserves		*(3 567)*	*(7 339)*
Cash flow hedge reserves		*(14 784)*	*(9 542)*
Translation reserves		*(60 609)*	*(67 369)*
Consolidated reserves		33 496	36 327
Net income - Group share		19 571	25 655
Minority interests		**885 030**	**865 613**
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY		**7 487 386**	**7 718 362**

Consolidated income statement as at 30 September 2010

In thousands of euros		Notes	30/09/2010	30/09/2009	31/03/2010
+	Interest income	17	80 132	90 195	164 030
-	Interest expense	17	(50 258)	(56 620)	(101 335)
+	Fee income	18	364 726	336 591	700 478
-	Fee expense	18	(4 176)	(6 922)	(10 706)
+/-	Net gains/(losses) on financial instruments at fair value through profit or loss	19	13 614	21 778	35 531
+/-	Net gains/(losses) on available-for-sale financial assets	20	14 629	2 739	6 571
+	Other operating income	21	7 518	75 362	82 687
-	Other operating expenses	21	(2 889)	(3 121)	(5 577)
Net banking income			**423 296**	**460 002**	**871 679**
-	Operating expenses	22	(347 854)	(332 713)	(675 109)
-	Amortisation, depreciation and impairment of tangible and intangible fixed assets		(8 111)	(8 547)	(16 217)
Gross operating income			**67 331**	**118 742**	**180 353**
-	Impairment of debt and provisions for counterparty risk	23	(9 134)	(82 509)	(104 315)
Operating income			**58 197**	**36 233**	**76 038**
+/-	Net income from companies accounted for by the equity method	7	3 730	6 062	15 636
+/-	Net income/expense from other assets	24	(5)	1 039	(1 926)
-	Impact of goodwill		-	-	-
Profit before tax			**61 922**	**43 334**	**89 748**
-	Income tax expense	25	(12 968)	5 431	1 171
+/-	Net income for discontinued activities and assets held for sale		-	-	-
Consolidated net income			**48 954**	**48 765**	**90 919**
Minority interests			**29 383**	**35 189**	**65 264**
NET INCOME - GROUP SHARE			**19 571**	**13 576**	**25 655**

In euros	30/09/2010	30/09/2009	31/03/2010
Basic earnings per share - Group share	0,67	0,47	0,88
Diluted earnings per share - Group share	0,67	0,47	0,88
Basic earnings per share - continuing operations	0,67	0,47	0,88
Diluted earnings per share - continuing operations	0,67	0,47	0,88

Consolidated statement of comprehensive income

In thousands of euros	30/09/2010	30/09/2009	31/03/2010
Consolidated net income	**48 954**	**48 765**	**90 919**
Translation differences	32 342	(18 939)	40 139
Revaluation of available-for-sale financial assets	(1 909)	96 651	135 710
of which (gains) / losses transferred to income	*(2 406)*	*13 422*	*6 877*
Cash flow hedge derivatives revaluation	(9 305)	4 383	(1 294)
Actuarial gains/losses on defined benefit pension funds	(39 086)	(94 766)	(92 810)
Gains and losses recognised directly in equity for companies accounted for by the equity method	3 716	885	640
Tax	7 694	(2 308)	(10 921)
Other	(1 823)	(936)	(165)
Total gains and losses recognised directly in equity	**(8 371)**	**(15 030)**	**71 299**
TOTAL COMPREHENSIVE INCOME	**40 583**	**33 735**	**162 218**
attributable to equity shareholders	6 872	9 407	59 914
attributable to minority interests	33 711	24 328	102 304

Reconciliation of movements in consolidated shareholders' equity and Minority Interest

In thousands of euros	Capital and associated reserves			Consolidated reserves	Unrealised or deferred capital gains or losses (net of tax)				Net income, Group share	Shareholders' equity, Group share	Shareholders' equity, minority interests	Total shareholders' equity
							Changes in value of financial instruments					
	Common stock	Capital associated reserves	Treasury shares		Related to translation differences	Linked to re-evaluation	Available-for-sale Reserve	Hedging Reserve				
Shareholders' equity at 31 March 2009	**63 264**	**491 499**	**(11 279)**	**66 965**	**(77 347)**	**-**	**(70 332)**	**(8 414)**	**46 759**	**501 114**	**708 227**	**1 209 342**
Allocation of profit	-	-	-	46 759	-	-	-	-	(46 759)	-	-	-
Shareholders' equity at 31 March 2009	**63 264**	**491 499**	**(11 279)**	**113 724**	**(77 347)**	**-**	**(70 332)**	**(8 414)**	**-**	**501 114**	**708 227**	**1 209 342**
Increase in common stock	626	5 323	-	-	-	-	-	-	-	5 949	-	5 949
Elimination of treasury shares	-	-	(892)	-	-	-	-	-	-	(892)	-	(892)
Share-based payment transactions	-	-	-		-	-	-	-	-	-	-	-
2010 Dividends paid	-	-	-	(10 761)	-	-	-	-	-	(10 761)	(18 784)	(29 545)
Sub-total of changes linked to relations with shareholders	**626**	**5 323**	**(892)**	**(10 761)**	**-**	**-**	**-**	**-**	**-**	**(5 704)**	**(18 784)**	**(24 488)**
Changes in value of fi nancial instruments having an impact on equity	-	-	-	-	-	-	64 535	(1 133)	-	63 402	35 602	99 004
Changes in value of financial instruments recognised in income	-	-	-	-	-	-	2 204	-	-	2 204	(1 052)	1 152
Actuarial gains/ (losses) on defined benefit funds	-	-	-	(39 981)		-	-	-	-	(39 981)	(29 455)	(69 436)
Interest on undated subordinated debt	-	-	-	-	-	-	-	-	-	-	(14 603)	(14 603)
Net income for the period	-	-	-	-	-	-	-	-	26 655	25 655	65 264	90 919
Change in accounting methods	-	-	-	-	-	-	-	-	-	-	-	-
Effect of acquisitions and disposals on minority interests	-	-	-	(326)	-	-	-	-	-	(326)	59 938	59 612
Change in consolidation scope	-	-	-	(4 387)	555	-	713	196	-	(2 923)	22 359	19 436
Translation differences and other changes	-	-	-	(9 771)	9 423	-	(4 459)	(191)	-	(4 998)	38 117	33 119
Shareholders' equity at 31 March 2010	**63 890**	**496 822**	**(12 171)**	**48 498**	**(67 370)**	**-**	**(7 339)**	**(9 542)**	**25 655**	**538 445**	**865 613**	**1 404 058**
Allocation of profit	-	-	-	25 655	-	-	-	-	(25 655)	-	-	-
Shareholders' equity at 1 April 2010	**63 890**	**496 822**	**(12 171)**	**74 153**	**(67 370)**	**-**	**(7 339)**	**(9 542)**	**-**	**538 445**	**865 613**	**1 404 058**
Increase in common stock	-	-	-	-	-	-	-	-	-	-	-	-
Elimination of treasury shares	-	-	(274)	-	-	-	-	-	-	(274)	-	(274)
Share-based payment transactions	-	-	-	-	-	-	-	-	-	-	-	-
2011 Dividends paid	-	-	-	(10 497)	-	-	-	-	-	(10 497)	(7 065)	(17 562)
Sub-total of changes linked to relations with shareholders	**63 890**	**496 822**	**(12 445)**	**63 656**	**(67 369)**	**-**	**(7 339)**	**(9 542)**	**-**	**527 673**	**858 548**	**1 386 221**
Changes in value of financial instruments and fixed assets having an impact on equity	-	-	-	-	-	-	5 343	(4 996)	-	347	(8 937)	(8 590)
Changes in value of financial instruments and fixed assets recognized in income	-	-	-	-	-	-	(2 698)	-	-	(2 698)	140	(2 558)
Actuarial gains/ (losses) on defined benefit funds	-	-	-	(18 019)	-	-	-	-	-	(18 019)	(13 573)	(31 592)
Interest on undated subordinated debt	-	-	-	-	-	-	-	-	-	-	(7 228)	(7 228)
Net income for the period	-	-	-	-	-	-	-	-	19 571	19 571	29 383	48 954
Change in accounting methods	-	-	-	-	-	-	-	-	-	-	-	-
Effect of acquisitions and disposals on minority interests	-	-	-	(5)	-	-	-	-	-	(5)	980	975
Change in consolidation scope	-	-	-	-	-	-	-	-	-	-	-	-
Translation differences and other changes	-	-	-	309	6 760	-	1 127	(246)	-	7 950	25 717	33 667
SHAREHOLDERS'EQUITY AT 30 SEPTEMBER 2010	**63 890**	**496 822**	**(12 445)**	**45 941**	**(60 609)**	**-**	**(3 567)**	**(14 784)**	**19 571**	**534 819**	**885 030**	**1 419 849**

Cash flow statement

In thousands of euros	30/09/2010	30/09/2009	31/03/2010
Consolidated net income	**48 954**	**48 766**	**90 919**
+/- Depreciation and amortisation expense on tangible fixed assets and intangible assets	9 058	9 437	18 052
- Amortisation of consolidated goodwill and other fixed assets	-	-	-
+/- Depreciation and net allocation to provisions	9 484	20 927	33 562
+/- Net income/loss from companies accounted for by the equity method	(3 730)	(6 062)	(15 637)
+/- Net loss/(gain) from investing activities	(5 768)	54 580	57 437
+/- Net loss/(gain) from financing activities	2 063	2 047	3 953
- Gain on reclassification to equity of subordinated debt	-	(68 625)	(68 698)
+/- Other movements	800	(611)	(79)
Deferred tax (expense)/benefit	(17 798)	(20 008)	(13 534)
Total Non-monetary items included in consolidated net income and other adjustments	**43 063**	**40 451**	**105 975**
+/- Interbank transactions	(392 679)	(490 648)	(615 918)
+/- Customers transactions	48 714	508 030	1 348 140
+/- Transactions related to other financial assets and liabilities	(2 931)	(20 401)	(18 736)
+/- Transactions related to other non-financial assets and liabilities	(347 529)	(30 449)	76 370
- Tax paid	4 388		8 376
Net decrease/(increase) in cash related to operating assets and liabilities	**(690 037)**	**(33 468)**	**798 232**
Net cash inflow (outflow) related to operating activities (A)	**(646 974)**	**6 983**	**904 207**
+/- Inflow (outflow) related to financial assets and long-term investments	**23 317**	**(120 416)**	**(295 145)**
+/- Inflow (outflow) related to investment property	**-**	**-**	**-**
+/- Inflow (outflow) related to tangible and intangible fixed assets	**(40 415)**	**(26 677)**	**(71 880)**
Net cash inflow (outflow) related to investment activities (B)	**(17 098)**	**(147 093)**	**(367 025)**
+/- Cash flows from/(to) shareholders	**(18 277)**	**(16 928)**	**(29 587)**
+/- Other net cash flows from financing activities	**(3 187)**	**(14 640)**	**(21 075)**
Net cash inflow (outflow) related to financing activites (C)	**(21 464)**	**(31 568)**	**(50 662)**
Impact of exchange rates changes on the cash and cash equivalents (D)	**-**	**(7)**	**-**
NET INFLOW (OUTFLOW) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C) + (D)	**(685 536)**	**(171 685)**	**486 520**
Change of scope	-	-	-
Net cash and cash equivalents at the beginning of the period	**1 633 658**	**1 147 138**	**1 147 138**
Cash and amounts due/from central banks	1 147 573	744 730	744 730
Accounts (assets and liabilities), demand deposit and loans with banks	486 085	402 408	402 408
Net cash and cash equivalents at the end of the period	**948 122**	**975 453**	**1 633 658**
Cash and amounts due/from central banks	709 484	512 546	1 147 573
Accounts (assets and liabilities), demand deposits and loans with banks	238 638	462 907	486 085
NET INFLOW (OUTFLOW) IN CASH	**(685 536)**	**(171 685)**	**486 520**

Notes to the consolidated financial statements

I. Highlights of the financial year

Results for the first half of the 2010-2011 financial year (six months to 30 September 2010) reveal positive trends in the Group’s main business lines, despite a still-uncertain financial climate.

Net banking income for the first half ended 30 September 2010 amounted to €423.3 million compared with €460 million for the first half of the previous financial year, which included income of €68.7 million arising from the reclassification to equity of a subordinated debt. Excluding the impact of this reclassified debt, net banking income was up by €32,0 million, or 8.17%.

Revenues from investment banking increased, driven by a more buoyant market, especially in the United Kingdom and United States.

Revenues from private banking and asset management grew slightly, owing to an increase in net new assets.

As in the previous financial year, the corporate banking business in the UK continued to downsize its portfolio, which has depressed its profit margins.

Operating expenses rose slightly, as a result of the increased revenues generated by the investment banking business.

Impairment of debt and provisions for counterparty risk fell sharply in the first half, due to a more favourable economic climate and the cautious policy adopted by the Paris Orléans Group in previous years.

As a result, the Group posted operating income of €58.2 million, representing a sharp increase compared with the first half of the previous financial year, which had included non-recurring income of €68.7 million arising from the reclassification of a subordinated debt.

Consolidated net income attributable to equity holders of the parent amounted to €19.6 million, compared with €13.6 million for the first half of the previous financial year.
In October 2010, Paris Orléans decided to sell its 23.5% equity stake in DBR, having supported the expansion of this company since the mid-1980s. This transaction generated a capital gain of approximately €18 million, which will be recognised in the Group’s second-half results. The carrying value of the investment has been reclassified in non-current assets held for sale.

There have been no other significant events subsequent to 30 September 2010.

II. Preparation of the financial statements

The consolidated financial statements of Paris Orléans Group for the six months ended 30 September 2010 are presented in accordance with the IFRS standards in force at the reporting date, as adopted in the European Union by EC Regulation No. 1606/2002 especially IAS 34 concerning half year information.
The statements cover the period from 1st April 2010 to 30 September 2010 and, unless otherwise indicated, are established in thousands of euros (€k).

The Group applies all the IAS (International Accounting Standards) / IFRS (International Financial and Reporting Standards) and their interpretations adopted at the date of closing the consolidated accounts. With the exception of certain categories of assets and liabilities in accordance with the rules established by the IFRS, the historical cost convention is the valuation basis used in the consolidated accounts.

The notes were drawn up taking into account the intelligibility, relevance, reliability, comparability and materiality of the information provided.

The consolidated accounts were approved by the Management Board on 23 November 2010.

The Group's parent company is Paris Orléans S.A., a public limited company with a Management Board and Supervisory Board whose head office is located at 30 September 2010 at the following address: 23 bis, avenue de Messine 75008 Paris (Paris Corporate and Trade Register (RCS) No. 302 519 228). The company is listed on the Eurolist market of Euronext Paris (B compartment).

III. Accounting principles and valuation methods

When applying the accounting principles for the purpose of preparing the consolidated financial statements of the Group, Management makes assumptions and estimates that may have an impact on figures booked in the income statement, and on the valuation of assets and liabilities in the balance sheet.

By nature, valuations based on estimates include, especially in the context of the financial crisis, risks and uncertainties relating to their occurrence in the future. Management considers the financial situation, outlook and multicriteria valuation of the counterpart, in order to have observable parameters with which it determines the existence of objective signs of impairment.

The impact of estimates and assumptions are material to goodwill, available-for-sale financial assets, loan and receivables, bonus accruals, deferred tax assets and cost of risk.

At each closing , the Group draws its conclusion from past experiences and all factors relevant to its business.

Accounting principles and valuation methods applied by the Group for the half year consolidated financial statement are the same as which one used and desclosed in the financial statement as at 31 March 2010. Except for the addition of IAS 34, which concern the Interim Financial Reporting.

IV. Financial risk management

In accordance with IFRS 7 “Financial instruments: Disclosures”, the risk relating to financial instruments and the way in which these are managed by the Group are described below:

A. Governance

To facilitate risk management within the Paris Orléans Group and its principal subsidiaries, the Executive Committee and the Supervisory Board have delegated certain functions and responsibilities carried out by several committees of which some are at a Group level, and others are at the main operational subsidiary level, that is RCH, the legal holding banking activities subsidiary.

Group Committees:	***RCH Committees:***
Group Audit Committee	Group Management Committee
Group Risk Committee	Banking Management Committee
Group Compliance Committee	Global Investment Banking Committee
	Private Banking and Trust Executive Board
	Global Assets and Liabilities Committee
	Group Remuneration and Nominations Committee

The terms of reference and membership of these committees are regularly reviewed.

As a financial holding company, Paris Orleans, with the support of the group risk director of the RCH Group, ensures that the systems implemented in group companies are consistent with each other so that exposure to risk can be measured, monitored and controlled on a consolidated basis.

The legal director of Paris Orleans, with the compliance director of the RCH subgroup, monitors compliance with laws and regulations of activities on a consolidated basis.

Responsibility for monitoring risks rests with individual businesses supported by separately constituted committees, which approve policies, set limits, monitor exceptions and make recommendations on operational, liquidity, credit and market risk decisions. Liquidity in group banking entities is also monitored at RCH level within prudent limits set at individual company level.

The risks faced by the Group’s principal operating subsidiaries can be categorised as follows:

Credit Risk arises from the potential failure of counterparties and customers to meet their obligations. This risk is managed and mitigated through loan documentation, credit policies, including credit approval, and monitoring and review processes which are independent of the relationship managers.

Market Risk arises from changes in the market value of assets and liabilities. Financial instruments, including derivatives,are used to provide clients with solutions to meet their commercial objectives. Financial instruments are also used to manage the Group’s exposure to market risk arising from movements in exchange rates, interest rates and volatility levels. Market risk from trading activities is subject to appropriate limits and is measured and monitored independently of traders.

Liquidity Risk arises from the funding of our lending and trading activities. Liquidity is measured by classifying assets, liabilities and other cashflows into future time bands using a series of prudent assumptions and calculating the resultant surplus or deficit in each period.

Operational Risk, which is inherent in all business activities, is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Key to the management of operational risk is the maintenance of a strong framework of internal controls.

Independent external audits of operating subsidiaries are carried out annually in regards to the subsidiaries timeline and those audits are supported by testing of the internal control framework by the internal auditors of RCH who report their findings to the audit committees of the companies concerned and to RCH/PO audit committee.

The use of financial instruments is fundamental to the Group's banking and treasury activities. The Group provides a range of lending products to its clients and funds these activities by means of deposit taking, medium term note issuance and other borrowings.

The Group invests in debt securities in order to profit from the interest margin over its cost of funds and to provide a portfolio of liquid assets to assist in the management of liquidity risk and to hedge forecast cash flows. The Group uses derivative financial instruments to meet clients' requirements, for proprietary trading and to manage its exposure to interest rate and currency risk. Further information on derivative contracts and the Group's hedging strategies is set out in notes 1 and 2.

The key risks arising from the Group's activities involving financial instruments are as follows:

- Credit risk;
- Market risk;
- Liquidity risk.

B. Credit risk

Credit risk arises from all exposures to clients and counterparties relating to the Group's lending, trading and investment activities.

Limits on credit risk are set in Paris Orléans for private equity activities by the Executive board and in NMR, which is the Group's largest subsidiary, by the Group Management Committee and by the Credit Committee of NMR. The Credit Committee reviews concentrations and makes recommendations on certain credit decisions to the Executive Committee of NMR. Credit risk limits are set, where appropriate, in respect of exposures to individual clients or counterparties, to industry sectors and to countries.

Exposure to credit risk is managed by detailed analysis of client and counterparty creditworthiness prior to entering into an exposure, and by continued monitoring thereafter. A significant proportion of the Group's lending exposures is secured on property or other assets; the Group monitors the value of any collateral obtained. The Group also uses netting agreements to restrict credit exposure to counterparties. For internal monitoring purposes, credit exposure on loans and debt securities is measured as the principal amount outstanding plus accrued interest. Credit exposure on derivatives is measured as the current replacement value plus an allowance for the potential change in replacement value.

The Paris Orléans' executive board and NMR Credit Committee review credit exposures on loans and debt securities on a quarterly basis and for this purpose they are classified as follows:

Category 1	Exposures where the payment of interest or principal is not in doubt and which are not part of catogeries 2 to 5. They are in compliance with the terms of their loan agreements.
Category 2	Exposures where the payment of interest or principal is not in doubt, but which require closer observation than usual due to some deterioration in the position of the client, for example: poor trading results; difficult conditions in the client's market sector; competitive or regulatory threats; or the potential impact from currency or other factors.
Category 3	Exposures where there has been further deterioration in the position of the client. Although the exposure is not considered to be impaired, the relationship requires close monitoring by the front office team.
of which past due but not impaired financial assets	A financial asset is considered to be past due when the counterparty has failed to make a payment when contractually due. Financial assets that are past due but not impaired are exposures in respect of which it is not considered necessary to provide against despite non-payment of the contractual obligations.
Category 4	Exposures that are considered to be impaired and which carry a provision against part of the loan (unless collateral exists which exceeds the exposure's carrying value). At least some recovery is expected to be made.
Category 5	Exposures that are considered to be impaired and which carry a full provision. No significant recovery of value is expected

Available for sale financial assets – debt securities include valuations of synthetic CDOs, which are accounted in Financial liabilities at fair value through profit and loss. At 30 September 2010, the amount was € 18,9million.

The tables below disclose the maximum exposure to credit risk at 30 September 2010 and at 31 March 2010 for financial assets with significant exposure to credit risk, without taking account of collateral held or other credit risk mitigation.

In thousands of euros	Category 1	Category 2	Category 3 (1)	Category 4	Category 5	Impairment allowance	30/09/2010
Financial assets at fair value through profit and loss (excluding equity)	63 654	-	44	-	-	-	63 698
Hedging derivatives	16 069	-	-	-	-	-	16 069
Loans and receivables to banks	1 641 026	-	-	-	-	-	1 641 026
Loans and receivables to customers	1 338 065	159 851	200 668	127 005	14 961	(116 175)	1 724 375
Available for sale financial assets - debt securities	1 584 177	28 176	25 502	120 818	22 620	(103 109)	1 678 184
Other financial assets	150 611	276	17 161	2 476	6 716	(8 181)	169 059
Sub-total Assets	**4 793 602**	**188 303**	**243 375**	**250 299**	**44 297**	**(227 465)**	**5 292 411**
Commitments and guarantees	211 219	4 888	7 861	47	-	-	224 015
TOTAL	**5 004 821**	**193 191**	**251 236**	**250 346**	**44 297**	**(227 465)**	**5 516 426**

(1) Past due but not impaired assets amount to €65,100k as of 30 Septembe 2010. A detailed report considering their maturity date follows.

In thousands of euros	Category 1	Category 2	Category 3 (1)	Category 4	Categories 5	Impairment allowance	31/03/2010
Financial assets at fair value through profit and loss (excluding equity)	44 188	-	129	-	-	-	44 317
Hedging derivatives	14 922	-	-	-	-	-	14 922
Loans and receivables to banks	1 574 677	-	-	-	-	-	1 574 677
Loans and receivables to customers	1 383 317	164 319	217 582	119 672	36 392	(134 550)	1 786 732
Available for sale financial assets - debt securities	1 564 719	34 129	22 491	129 344	14 123	(99 497)	1 665 309
Other financial assets	154 627	1 147	19 795	4 035	5 320	(7 516)	177 408
Sub-total Assets	**4 736 450**	**199 595**	**259 997**	**253 051**	**55 835**	**(241 563)**	**5 263 365**
Commitments and guarantees	266 991	4 332	11 682	1 680	-	-	284 685
TOTAL	**5 003 441**	**203 927**	**271 679**	**254 731**	**55 835**	**(241 563)**	**5 548 050**

(1) Past due but not impaired assets amount to €75,851k as of 31 March 2010. A detailed report considering their maturity date follows.

1. Past due but not impaired assets

The table below analyses amounts past due but not impaired by how far they are past their due date:

In thousands of euros	30/09/2010					31/03/2010				
	Past due but not impaired					Past due but not impaired				
	< 90 days months	> 90 days <180 days	> 180 days < 1 year	> 1 year	TOTAL	< 90 days months	> 90 days <180 days	> 180 days < 1 year	> 1 year	TOTAL
Loans and receivables to banks	-	-	-	-	-	-	-	-	-	-
Loans and receivables to customers	4 352	5 431	8 365	29 872	48 020	15 956	1 566	38 534	-	56 056
Other financial assets	1 591	2 151	7 256	6 082	17 080	52	10 290	4 455	4 998	19 795
TOTAL	**5 943**	**7 582**	**15 621**	**35 954**	**65 100**	**16 008**	**11 856**	**42 989**	**4 998**	**75 851**

The table below presents the carrying value of financial assets which would have been classed as past due or impaired if the terms of the loans had not been renegotiated:

In thousands of euros	30/09/2010	31/03/2010
Loans and advances to customers	164 589	121 842
Debt securities	-	-
TOTAL	**164 589**	**121 842**

2. Collateral

The Group holds collateral against loans to customers and debt securities. Estimates of the fair value of collateral are made when a loan is approved, and are updated when a loan is individually assessed for impairment.

Collateral takes various forms.

Property exposures are typically secured by fixed charges on the underlying property, with 78% of the committed property loan book benefiting from first ranking charges (80% at 31 March 2010). They may also be supported by other security or guarantees. All property is subject to a professional valuation at inception and may be revalued periodically through the life of the loan.

Leveraged finance exposures are typically secured by fixed and floating charges over material assets of the borrower. The value of this security will vary over time and is dependent on the types of asset secured, the jurisdiction of the borrowers and the ability to dispose of the company as a going concern.

Exposures in the natural resources sector are almost all secured. Security may take the form of corporate debentures, fixed charges on assets or charges on the cash flows arising out of commodity finance and export proceeds.

Asset finance exposures are secured on assets including invoices, plant and equipment, stock and property.

The table below gives an estimate of the fair value of collateral held by the Group as security against its loans to customers that are individually impaired and past due but not impaired.

In thousand of euros	30/09/2010		31/03/2010	
	Past due but not impaired	Individually impaired	Past due but not impaired	Individually impaired
Tangible assets Collateral	31 285	57 554	13 280	34 809
Financial assets Collateral	16 496	18 760	43 591	7 508
TOTAL	**47 781**	**76 314**	**56 871**	**42 317**
Net value of loans	**48 020**	**75 762**	**56 056**	**70 076**

3. Credit risk analysis

The Group monitors concentrations of credit risk by geographic location and industry sector. The tables below show an analysis of credit risk by location and by sector as of 30 September 2010 and 31 March 2010.

a) Credit risk by location

Location for loans and advances is measured by reference to the location of the borrower. Debt securities are recorded based on the location of the issuer of the security.

In thousands of euros	France	UK and Channel Islands	Switzerland	Rest of Europe	Americas	Australia and Asia	Other	30/09/2010
Financial assets at fair value through profit and loss (excluding equity)	7 994	13 976	40 386	1 339	3	-	-	**63 698**
Hedging derivatives	1 320	9 597	-	5 152	-	-	-	**16 069**
Loans and receivables to banks	225 078	610 127	146 723	457 239	158 657	26 830	16 372	**1 641 026**
Loans and receivables to customers	66 008	985 942	269 750	272 601	109 871	16 102	4 101	**1 724 375**
Available for sale financial assets – debt securities	145 498	384 496	608 479	440 592	87 832	10 073	1 214	**1 678 184**
Other financial assets	17 412	34 524	16 258	42 867	36 682	16 892	4 424	**169 059**
Sub-total Assets	**463 310**	**2 038 662**	**1 081 596**	**1 219 790**	**393 045**	**69 897**	**26 111**	**5 292 411**
Commitments and guarantees	42 500	32 104	5 901	123 484	13 912	4 710	1 404	224 015
TOTAL	**505 810**	**2 070 766**	**1 087 497**	**1 343 274**	**406 957**	**74 607**	**27 515**	**5 516 426**

In thousands of euros	France	UK and Channel Islands	Switzerland	Rest of Europe	Americas	Australia and Asia	Other	31/03/2010
Financial assets at fair value through profit and loss (excluding equity)	1 580	6 780	33 665	2 265	27	-	-	44 317
Hedging derivatives	1 831	6 829	-	6 262	-	-	-	14 922
Loans and receivables to banks	122 549	388 984	139 782	644 741	234 602	28 918	15 101	1 574 677
Loans and receivables to customers	93 632	938 507	250 994	336 471	145 597	14 765	6 766	1 786 732
Available for sale financial assets – debt securities	181 784	385 561	421 618	469 403	171 261	35 682	-	1 665 309
Other financial assets	18 860	42 431	18 184	43 329	27 773	20 929	5 902	177 408
Sub-total Assets	**420 236**	**1 769 092**	**864 243**	**1 502 471**	**579 260**	**100 294**	**27 769**	**5 263 365**
Commitments and guarantees	95 094	39 634	49 655	79 556	15 246	4 085	1 415	284 685
TOTAL	**515 330**	**1 808 726**	**913 898**	**1 582 027**	**594 506**	**104 379**	**29 184**	**5 548 050**

b) Credit risk by sector

The sector is based on Global Industry Classification Standards.

In thousands of euros	30/09/2010	31/03/2010
Financial	**2 596 489**	2 579 781
Government	**888 004**	691 064
Real estate	**596 333**	633 991
Private persons	**446 738**	511 752
Industrials	**252 089**	255 482
Consumer discretionary	**182 882**	209 838
Materials	**157 785**	184 337
IT and telecoms	**113 443**	122 193
Consumer staples	**61 035**	86 734
Utilities	**80 969**	77 417
Energy	**44 839**	52 578
Healthcare	**22 600**	21 204
Other	**73 220**	121 679
TOTAL	**5 516 426**	**5 548 050**

The "government" exposure above predominantly consists of UK and Swiss government securities.

Financial and real estate sector exposures may be analysed as follows:

In thousands of euros	30/09/2010	31/03/2010
Financial sector		
Short term interbank exposures	1 713 455	1 656 601
Treasury marketable securities - investment grade	490 754	624 839
Cash/ investment backed lending	152 487	44 371
Finance companies	23 810	25 611
Other marketable securities	-	1 918
Other	215 983	226 441
TOTAL FINANCIAL SECTOR	**2 596 489**	**2 579 781**

Short term interbank lending and marketable securities are held for liquidity management purposes.

In thousands of euros	30/09/2010	31/03/2010
Real estate sector		
Senior loans	457 243	499 307
Mezzanine	119 887	110 893
Other	19 203	23 791
TOTAL REAL ESTATE SECTOR	**596 333**	**633 991**

Real estate exposures are supported by income generated by a large number of tenants from a wide variety of industry sectors. Exposures are, broadly, evenly split between the major property types and are located predominantly within the UK. There is minimal exposure to speculative development, and development facilities are provided in respect of pre-sold or pre-let properties or with access to additional security and/or guarantees. In September 2010, exposures with an element of development financing represented 6.7 % of senior loans (€30.8 million) compared with 5.9% (€29.7 million) as at 31 March 2010.

C. Market risk

Market risk arises as a result of the Group's activities in interest rate, currency and equity and debt markets and comprises interest rate, foreign exchange and equity and debt position risk.

During the year, exposure to market risk has continued to be small in relation to capital, as trading activities have been focused on servicing client requirements rather than on proprietary risk-taking.

Limits on market risk exposure in NMR, which is the Group's largest subsidiary, are set by its Executive Committee, using the method of value at risk described below. Monitoring of market risk limits and determination of trading profits are undertaken independently of the dealing area. Although the "Value at risk" is the main item of the monitoring and of the market risk communication, the value at risk is complemented by other measures and controls, including stress testing to estimate the losses that could occur when markets behave in unusually volatile ways and with little liquidity. Figures associated to value at risk are described below.

1. Value at risk

Value at risk measures the potential losses that could be incurred on positions at risk from changes in interest rates and market prices over a given period of time and with a given confidence interval.

Market risk in treasury activities arises from interest rate and foreign exchange positions. Foreign exchange and interest rate contracts are used for trading and for hedging purposes. Risk is monitored daily using a sensitivity-based value at risk approach, which determines the effect of changes in market price factors, including currency prices, interest rates and volatilities, on positions. Shifts in market price factors and correlations are calculated weekly, or more frequently in turbulent markets, using the industry standard of 99% probability over a ten day holding period for all risks except currency position risk, which is measured using a 99% probability over a one day holding period.

The market risk figures below are derived from weekly figures and arise from NMR and RBI, which are the only Group entities to use a Value at Risk calculation in their internal management reporting.

NMR

In thousands of euros	6 months to 30 September 2010			12 months to 31 March 2010		
	Average	Low	High	Average	Low	High
Interest rate risk	409	307	584	1 008	402	1 878
Foreign exchange risk	27	6	91	21	2	73
TOTAL VALUE AT RISK	**436**	**313**	**675**	**1 029**	**404**	**1 951**

RBI

In thousands of euros	6 months to 30 September 2010			12 months to 31 March 2010		
	Average	Low	High	Average	Low	High
Interest rate risk	310	90	734	303	97	732
Foreign exchange risk	-	-	-	-	-	-
TOTAL VALUE AT RISK	**310**	**90**	**734**	**303**	**97**	**732**

The main assumption used in the calculation is that price factors are normally distributed. This is a common assumption in value at risk calculations but is known to be tenuous, particularly for interest rates and volatilities, and is one of the reasons for use of a high probability over a long holding period.

2. Price risk related to equity investments

The Group has exposure to equity price risk through holdings of equity investments and warrants on equity investments. Each of these positions is individually approved by senior management and is monitored on an individual basis.

If the price of these equities and of the equities on which derivative instruments are dependent were to fall by 5%, then there would be a post-tax charge to the income statement of €0.3 million (€ 0,9 million as at 31 March 2010) and a charge to equity of € 20.4 million (€27,8 million as at 31 March 2010).

The Group, moreover, is exposed through its investments to the risks affecting the companies in which it invests.

The table below shows the Group's equity price risk in relation to these instruments by location:

In thousands of euros	France	UK and Channel Islands	Switzerland	Rest of Europe	Americas	Australia and Asia	Other	30/09/2010
Equity investments and securities	181 541	17 668	136 775	60 819	30 931	30 241	22 562	**480 538**
Warrants and other equity derivatives	2 157	-	-	-	-	-	-	**2 157**

In thousands of euros	France	UK and Channel Islands	Switzerland	Rest of Europe	Americas	Australia and Asia	Other	31/03/2010
Equity investments and securities	121 787	10 775	140 074	74 807	29 859	25 065	33 306	**435 673**
Warrants and other equity derivatives	(240)	-	-	-	-	-	-	**(240)**

3. Interest rate risk

The table below summarises the Group's exposure to interest rate risk. It shows the impact on the fair value of interest-bearing assets and liabilities, and of interest-bearing derivatives, if base interest rates in each currency shown moved up or down by 100 basis points. The table includes all interest rate risk arising from financial instruments including that within the treasury and banking businesses. The Group also holds £125 million, $200 million and €150 million of subordinated guaranteed notes for which there is no contractual obligation to repay principal or to pay interest. These notes, which are treated as equity in the Group's accounts, are not considered to be financial instruments and are not included in this note.

	30/09/2010		31/03/2010	
In thousands of euro	**+100 bps**	**-100 bps**	**+100 bps**	**-100 bps**
USD	391	(395)	(257)	264
Euro	20	(2)	(404)	434
GBP	(3 625)	3 692	(1 491)	1 498
CHF	(2 142)	2 208	(1 734)	1 810
Other	(31)	29	(22)	(29)
TOTAL	**(5 387)**	**5 532**	**(3 908)**	**3 977**

At 30 September 2010, of all on-demand and term loans contracted by the Paris Orléans group in the course of its private equity business, a total of €165.2 million was at variable interest rates and €48.5 million at floating rates.

At 30 September 2010, of the fixed income securities held by the Paris Orléans group in the context of its private equity business, a total of €38.5 million was at fixed rates and €132.7 million at floating rates.

D. Liquidity risk

Management of liquidity risk is of fundamental importance to the operating entities of the Group, to ensure that they can meet their liabilities as they fall due.

The liquidity of the Group’s three main banking groups is managed independently of each other. This is briefly summarised below.

1. N M Rothschild and Sons Limited (“NMR”)

NMR's liquidity is measured by classifying cash flows into future time bands using a series of prudent assumptions and calculating the resultant gap, either surplus or deficit, in each period. The net liquidity gap represents the difference between cash inflows and outflows arising in a particular time period on the assumption that all liabilities mature on their adjusted maturity dates and are not replaced, and that assets are repaid only at their contractual maturity dates.

NMR's liquidity is monitored daily independently of the front office Treasury staff responsible for day-to-day liquidity management, and is subject to oversight by the Group Assets and Liabilities Committee (ALCO) which sets cash flow mismatch limits for various periods. NMR is also subject to liquidity guidelines set by the Financial Services Authority.

The mismatch limits are generally calculated using the contractual maturity of financial assets and liabilities except for the following:
– marketable debt securities are included in the demand time band (at an appropriate discount), reflecting the fact that these assets are traded in liquid markets and can readily be converted to cash;
– certain classes of customer deposits are included in a time band longer than their contractual maturity, as historical data for these types of deposit show that the deposits are not typically repaid on their contractual maturity dates. This “behavioural adjustment” has been agreed with the FSA for liquidity monitoring and reporting and is subject to regular review; and
– 15 per cent of undrawn loan commitments are included as a cash outflow in the “demand” time band in accordance with the FSA’s mismatch liquidity guidelines.

For regulatory purposes, NMR has measured its liquidity ratio as 39,9% as of 30 September 2010 (31 March 2010: 41,5%). This figure is the cumulative liquidity gap at the 1-month horizon (after certain allowable behavioural adjustments) as a percentage of total deposits. The limit set by the UK's Financial Services Authority's (“FSA”) is -5.0%. The ratio is calculated in accordance with FSA guidelines for Liquidity Mismatch reporting.

2. Rothschild Bank International Limited ("RBI")

RBI uses a similar liquidity gap analysis approach as NMR in measuring its liquidity position.

Liquidity is monitored daily independently of the front office, and is subject to oversight by the Treasury Committee, which recommends policies and procedures for the management of liquidity risk and sets deficit limits for each period.

The cumulative liquidity gap in the 8 day to 1 month period, as measured for regulatory purposes, was as of 30 September 2010 245% greater than the limit required by the local regulator (31 March 2010: 231%).

3. Rothschild Bank Zurich ("RBZ")

RBZ maintains liquidity facilities in the form of overdraft lines at correspondent banks and secured finance facilities with clearing institutions for the exceptional event that counterparties or clients do not meet their payment obligations punctually. Compliance with the liquidity rules as set out in the Banking Ordinance is constantly monitored.

RBZ is well capitalised and not dependent on long term funding from external banks. RBZ's excess cash are mainly placed short term (up to 30 days). Therefore, external bank borrowings are only used to cover short term peaks.

As of 30 September 2010, liquid assets were 302% of liquid liabilities, as measured for regulatory purposes (31 March 2010: 319%). The regulatory limit is 100%.

Contractual Maturity

The following table shows the Group's financial assets and liabilities, analysed by remaining contractual maturity at the balance sheet date.

In thousands of euros	Demand - 1m	1m - 3m	3m - 1y	1y - 2y	2y - 5y	>5 yr	No contractual maturity	30/09/2010
Cash and balances at central banks	709 485	-	-	-	-	-	-	**709 485**
Financial assets at FVTPL	8 615	1 510	51 253	-	3 051	7 383	8 896	**80 708**
Hedging derivatives	-	-	10 991	1 007	4 071	-	-	**16 069**
AFS securities	318 411	409 575	340 755	188 849	102 856	380 352	395 868	**2 136 666**
Loans and advances to banks	1 526 652	94 757	13 621	5 941	55	-	-	**1 641 026**
Loans and advances to customers	303 360	62 467	402 596	292 283	482 973	180 696	-	**1 724 375**
Other financial assets	94 932	25 372	29 296	7 548	357	184	11 370	**169 059**
TOTAL ASSETS	**2 961 455**	**593 681**	**848 512**	**495 628**	**593 363**	**568 615**	**416 134**	**6 477 388**
Financial liabilities at FVTPL	1 991	9 073	55 296	10 107	13 966	2 850	975	**94 258**
Hedging derivatives	509	58	5 149	8 104	6 414	18 146	-	**38 380**
Deposits by banks and central bank	150 948	81 945	114 954	5 564	169 428	142 550	-	**665 389**
Due to customers	2 570 150	147 007	849 550	32 869	321 425	26 698	-	**3 947 699**
Debt securities in issue	-	2 053	446 459	70 000	-	-	-	**518 512**
Subordinated loan capital	-	-	-	-	28 720	-	-	**28 720**
Other financial liabilities	8 483	3 984	4 605	553	2 285	4 568	17	**24 495**
TOTAL LIABILITIES INCLUDING COMMITMENTS	**2 732 081**	**244 120**	**1 476 013**	**127 197**	**542 238**	**194 812**	**992**	**5 317 453**

E. Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. For financial instruments carried at fair value, market prices or rates are used to determine fair value where an active market exists (such as a recognised exchange), as it is the best evidence of the fair value of a financial instrument. Market prices are not, however, available for certain financial assets and liabilities held or issued by the Group. Where no active market price or rate is available, fair values are estimated using present value or other valuation techniques, using inputs based on market conditions existing at the balance sheet date. The valuation may be derived from quotations received from various sources. Where the market is illiquid, the quotations may not be supported by prices from actual market transactions.

Valuation techniques are generally applied to over the counter derivative transactions and unlisted debt and equity securities, trading portfolio assets and liabilities. The most frequently applied pricing models and valuation techniques include discounted cash flow techniques and option valuation models. The values derived from applying these techniques are significantly affected by the choice of valuation model used and the assumptions made concerning factors such as the amounts and timing of future cash flows, discount rates, volatility, and credit quality.

The methods adopted to determine the fair value of each type of financial asset or liability are summarised below:

* Cash and balances at central banks, loans and advances to banks and deposits by banks. Fair value of these instruments is materially the same as their carrying value due to the short term nature of the financial asset or liability.

* Derivative financial instruments and available-for-sale financial assets are carried in the balance sheet at fair value, usually determined using market prices or valuations provided by third parties. Debt securities or unlisted equity securities for which no price is available are valued by discounting expected future cash flows at market interest rates adjusted for appropriate credit spreads.

* Within debt securities, a portfolio of a small number of asset backed securities has been difficult to price due to a lack of liquidity in the market. The fair value of these securities is based on external estimates together with values ascribed to them in repo transactions. As a result of the global credit crunch, there are few underlying transactions against which to calibrate these valuations and quoted prices are significantly below par value although the assets are not considered to be impaired. Nonetheless, where there is a quoted market price, it has been used to determine fair value at the balance sheet date.

* Loans and advances to customers have been reviewed and their terms and pricing compared to recent similar transactions. Where a material difference in terms and/or pricing has been observed, or where there is any other indication that the fair value of the asset differs materially from its carrying value, the disclosed fair value has been adjusted accordingly.

* Repurchase agreements and amounts due to customers. The fair value of these instruments is determined by discounting the future cash flows at market interest rates adjusted for the appropriate credit spread.

* Debt securities in issue and subordinated liabilities: fair value is determined using quoted market prices where available, or by discounting the future cash flows at market interest rates adjusted for the appropriate credit spread.

* Other financial assets and liabilities: fair value is considered to be the same as carrying value for these assets.

The fair value of each class of financial asset and liability is shown below.

Carried at amortised cost

	30/09/2010		31/03/2010	
In thousands of euros	**Carrying value**	**Fair value**	**Fair value**	**Fair value**
Financial assets				
Loans and receivables to banks	1 641 026	1 641 025	1 574 677	1 574 677
Loans and receivables to customers	1 724 375	1 390 718	1 786 732	1 601 455
TOTAL	**3 365 401**	**3 031 743**	**3 361 409**	**3 176 132**
Financial liabilities				
Due to banks and central bank	665 389	667 850	737 330	737 220
Due to customers	3 947 699	3 958 218	3 960 074	3 966 016
Debt securities in issue	518 512	512 858	529 465	518 821
Subordinated debt	28 720	24 371	29 645	23 716
TOTAL	**5 160 320**	**5 163 297**	**5 256 514**	**5 245 773**

Carried at fair value:

In thousands of euros	30/09/2010 Carrying value equal to fair value	30/09/2010 Measured using Level 1	Level 2	Level 3	31/03/2010 Carrying value equal to fair value	31/03/2010 Measured using Level 1	Level 2	Level 3
Financial assets								
Financial assets - trading	61 045	43 919	17 126	-	46 739	36 312	10 427	-
Financial assets at fair value through profit or loss	19 664	4 886	14 778	-	6 948	5 344	1 604	-
Available-for-sale financial assets	2 136 666	1 596 780	532 754	7 132	2 116 621	1 564 055	544 921	7 645
TOTAL	**2 217 375**	**1 645 585**	**564 658**	**7 132**	**2 170 308**	**1 605 711**	**556 952**	**7 645**
Financial liabilities								
Financial liabilities at fair value through profit and loss	94 258	-	94 258	-	70 348	-	70 348	-
TOTAL	**94 258**	**-**	**94 258**	**-**	**70 348**	**-**	**70 348**	**-**

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from market data to a significant extent). An example would be an instrument valued using a price: earnings multiple of a comparable quoted company.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). An example would be a discounted cash flow on an instrument with uncertain cash flows.

Assets measured at fair value based on Level 3 as of 30 September 2010

There were no significant transfers between assets valued at level 1 and at level 2 in the period.
The following table presents the movement in assets valued using level 3 valuation methods in the period:

In thousands of euros	Available-for-sale financial assets
Opening balance	**7 645**
Total gains and (losses)	20
In profit and loss	-
Purchases	62
Settlements	(801)
Transfers into/ (out of) level 3	-
Exchange	12
Others	194
Closing balance	**7 132**

V. Notes to the Balance Sheet

Note 1 - Financial assets and liabilities at fair value through profit or loss

In thousands of euro	30/09/2010	31/03/2010
Trading instruments	4 721	2 912
Financial assets designated at fair value through profit or loss	19 664	6 948
Derivative financial instruments	56 323	43 659
AT THE END OF THE PERIOD	**80 708**	**53 519**
of which financial assets at fair value through profit or loss - Listed	*6 549*	*7 472*
of which financial assets at fair value through profit or loss – Unlisted	*74 159*	*46 047*

Trading portfolio

	30/09/2010	31/03/2010
Public bills ans similar securities	-	-
Bonds	696	-
Equities	4 025	2 912
Other financial instruments	-	-
AT THE END OF THE PERIOD	**4 721**	**2 912**

Financial assets designated at fair value through profit and loss

	30/09/2010	31/03/2010
Public bills and similar securities	15	-
Bonds	-	83
Equities	12 779	5 555
Other financial instruments	6 870	1 310
AT THE END OF THE PERIOD	**19 664**	**6 948**

A derivative is a financial instrument, the value of which is derived from another financial instrument, an index or some other variable (the “underlying”). Typically the underlying is an interest rate, a currency exchange rate or the price of a debt or equity security. Derivatives require little or no net investment or a lower investment than a non-derivative financial instrument to obtain the same sensitivity to changes in the underlying.

Derivative instruments are carried at fair value, shown in the balance sheet as separate totals of positive replacement values (assets) and negative replacement values (liabilities). Positive replacement values represent the cost to the Group of replacing all transactions with a fair value in the Group’s favour if the counterparties default. Negative replacement values represent the cost to the Group’s counterparties of replacing all their transactions with the Group with a fair value in the counterparties’ favour if the Group were to default. Positive and negative replacement values on different transactions are only netted if there is legal right of set-off, the transactions are with the same counterparty and the cash flows will be settled on a net basis. Changes in replacement values of derivative instruments are recognised in trading income unless they qualify as hedges for accounting purposes.

Derivatives may be transacted for trading or hedging purposes. Trading involves taking positions with the intention of profiting from changes in market variables such as interest rates. The Group also enters into derivative transactions for the purpose of hedging exposures in the non-trading book. The accounting treatment of hedge transactions depends on the nature of the hedging relationship and whether the hedge qualifies as such for accounting purposes. Derivative transactions that qualify as hedges for accounting purposes are either fair value or cash flow hedges. Further information relating to hedging derivatives is provided in note 2.

Trading derivative financial instruments

In thousands of euros	30/09/2010			31/03/2010		
	Notional principal	**Positive fair value**	**Negative fair value**	**Notional principal**	**Positive fair value**	**Negative fair value**
Interest rate contracts						
- Firm	161 313	3 044	(9 511)	198 104	3 227	(7 402)
- Conditional	14 000	51	-	14 000	84	-
Foreign exchange contracts						
- Firm	1 992 410	50 087	(61 917)	1 605 857	36 628	(34 961)
- Conditional	451 330	2 935	(2 935)	380 289	2 905	(2 899)
Equity instruments						
- Firm	-	206	-	-	206	-
- Conditional	983	-	(983)	983	529	(983)
Commodity instruments						
- Firm	-	-	-	-	-	-
- Conditional	-	-	-	-	-	-
Credit derivatives						
- Firm	43 715	-	(18 912)	51 717	-	(24 103)
- Conditional	-	-	-	-	-	-
Other instruments	-	-	-	-	80	-
AT THE END OF THE PERIOD	**2 663 751**	**56 323**	**(94 258)**	**2 250 950**	**43 659**	**(70 348)**

Note 2 - Hedging derivatives

In thousands of euros	30/09/2010			31/03/2010		
	Notional principal	**Positive fair value**	**Negative fair value**	**Notional principal**	**Positive fair value**	**Negative fair value**
Interest rate contracts						
- Firm	1 669 555	12 964	(38 380)	1 584 355	14 922	(34 196)
- Conditional	-	-	-	-	-	-
Foreign exchange contracts						
- Firm	41 089	3 105	-	96 676	-	(2 116)
- Conditional	-	-	-	-	-	-
Equity instruments						
- Firm	-	-	-	-	-	-
- Conditional	-	-	-	-	-	-
Commodity instruments						
- Firm	-	-	-	-	-	-
- Conditional	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-
AT THE END OF THE PERIOD	**1 710 644**	**16 069**	**(38 380)**	**1 681 031**	**14 922**	**(36 312)**

Note 3 - Available-for-sale financial assets

Chiffres en k€	30/09/2010	31/03/2010
AFS debt securities		
Public bills and similar securities	828 480	622 113
Bonds and similar securities	381 122	437 671
Notes and other securities	548 816	691 930
Sub total	**1 758 418**	**1 751 714**
of which listed securities	*1 525 204*	*1 510 016*
of which unlisted securities	*233 214*	*241 698*
Accrued interest	41 787	37 196
Sub total	**1 800 205**	**1 788 910**
Impairment	(103 109)	(99 498)
TOTAL OF AFS DEBT SECURITIES	**1 697 096**	**1 689 412**
AFS equity securities		
Affiliates and long term securities	227 482	239 798
Other equities	272 558	245 091
Equities and other variable income securities	**500 040**	**484 888**
of which listed securities	*131 815*	*127 854*
of which unlisted securities	*368 225*	*357 034*
Impairment	(60 470)	(57 329)
TOTAL OF AFS EQUITY SECURITIES	**439 570**	**427 559**
AT THE END OF THE PERIOD	**2 136 666**	**2 116 971**

Movements in available-for-sale financial assets

In thousands of euros	30/09/2010	31/03/2010
AT THE BEGINNING OF THE PERIOD	**2 116 971**	**2 261 428**
Additions	2 491 031	3 879 894
Disposals (sale and redemption)	(2 522 950)	(4 111 228)
Reclassifications and changes in consolidation scope	16	(22 806)
Gains/(losses) from changes in fair value	(6 449)	120 423
Impairment	(8 837)	(50 332)
Exchange differences	66 884	39 592
AT THE END OF THE PERIOD	**2 136 666**	**2 116 971**

In application of the amendments to IAS 39 and IFRS 7 adopted by the European Commission on 15 October 2008, on 1 July 2008 the Group transferred from available-for-sale financial assets to Loans and receivables those financial assets to which the definition of loans and receivables would apply on the reclassification date. This reclassification was recognised any change in the income statement.

On the reclassification date and on 30 September 2010, Paris Orléans had the financial capacity to keep the loans concerned to their maturity date or for the foreseeable future.

The reclassified financial assets are shown in the following table in thousands of euros:

Fair value at 31 March 2008 of the available-for-sale financial assets to be reclassified as loans and receivables	**417 147**
Changes in fair value of these assets between 1 April 2008 and 1 July 2008	15 250
Translation differences and other movements	5 179
Amortised cost at 1 July 2008 of reclassified loans and receivables	**437 576**
Impairment	(17 250)
Disposals (sale and redemption)	(192 847)
Translation differences and other movements	50 935
Amortised cost at 30 September 2010 of reclassified loans and receivables	**278 414**

Fair value at 1 April 2009 of financial assets reclassified as loans and receivables	**282 625**
Disposals (sale and redemption)	(109 493)
Changes in fair value of reclassified financial assets between 1 April 2009 and 30 September 2010	77 097
Other movements	5 918
Fair value at 30 September 2010 of financial assets reclassified as loans and receivables	**256 147**

After the transfer to loans and receivables, those financial assets contributed the following amounts, after associated funding costs, to profit before tax

In thousands of euros	**30/09/2010**	**30/09/2009**
Income interests	1 813	7 632
Impairment	(412)	(7 710)
Other gains and losses	(147)	-
TOTAL	**1 254**	**(78)**

Note 4 - Loans and receivables to banks

In thousands of euros	30/09/2010	31/03/2010
Interbank demand deposits and overnight loans	485 812	619 255
Interbank term deposits and loans	1 149 849	947 719
Reverse repos and loans secured by bills	-	-
Subordinated loans - banks	-	-
Total	**1 635 661**	**1 566 974**
Accrued interest	5 365	7 702
Loans and receivables to banks - Gross amount	**1 641 026**	**1 574 676**
Allowance for credit losses and receivables to bank	-	-
AT THE END OF THE PERIOD	**1 641 026**	**1 574 676**

Note 5 - Loans and receivables to customers

In thousands of euros	30/09/2010	31/03/2010
Overdrafts on current accounts - customers	2 768	3 417
Loans to customers - retail	387 716	446 415
Loans to customers - corporate	1 440 915	1 467 081
Reverse repos and loans secured for bills	-	-
Subordinated loans - customers	-	-
Total	**1 831 399**	**1 916 913**
Accrued interest	9 151	4 370
Loans and receivables to customers – Gross amount	**1 840 550**	**1 921 283**
Allowance for credit losses on loans and receivables to customers	(116 175)	(134 551)
AT THE END OF THE PERIOD	**1 724 375**	**1 786 732**

Allowance for credit losses on loans and receivables

	30/09/2010			31/03/2010		
In thousands of euros	Specific provision	Collective provision	TOTAL	Specific provision	Collective provision	TOTAL
Allowance for credit losses on loans and receivables to customers	(66 204)	(49 971)	**(116 175)**	(85 989)	(48 562)	(134 551)

Loans and advances to customers include finance lease receivables:

In thousands of euros	Total future receipts	Less unrecognised interest income	Present value of net finance lease assets
Up to 1 year	48 161	(8 247)	39 914
Between 1 and 5 years	76 705	(13 295)	63 410
Over 5 years	1 003	(151)	852
TOTAL AT 30 SEPTEMBER 2010	**125 869**	**(21 693)**	**104 176**

Note 6 - Other assets

In thousands of euros	30/09/2010	31/03/2010
Guarantee deposits paid	1 111	914
Settlement accounts on securities transactions	-	-
Other receivable	155 224	50 465
Other assets	**156 335**	**51 379**
Dividends to allocate	630	-
Prepaid expenses	10 550	9 836
Accrued income	175 420	184 007
Estimated accounts	**186 600**	**193 843**
AT THE END OF THE PERIOD	**342 935**	**245 222**

Note 7 - Investments accounted for by equity method

In thousands of euros	Les Domaines Barons de Rothschild (D.B.R.)	Continuation Investment NV	Rivoli Participation	Comepar	JRAC Proprietary Investments LP	Partnerships between CBV and Rothschild & Compagnie Banque	Rothschild & Cie Banque	Rothschild Europe BV	Rothschild Capital Management	Other	**TOTAL**
At 31/03/2009	**11 864**	**2 080**	**-**	**-**	**-**	**2 548**	**72 058**	**25 049**	**-**	**17 008**	**130 607**
Of which goodwill	*1 267*	-	-	*915*	-	-	-	-	-	-	*2 182*
Of which allowance for impairment	-	-	-	*(915)*	-	-	-	-	-	-	*(915)*
Profit for the period 2009 - 2010	2 087	322	-	-	(1 128)	5 714	7 784	-	-	857	15 636
Change in percentage ownership	-	-	-	-	16 958	-	-	(25 049)	-	399	(7 692)
Exchange differences on translation	-	135	-	-	(342)	52	200	-	-	(142)	(97)
Shareholders' dividends	(32)	-	-	-	(76)	(713)	(8 067)	-	-	(563)	(9 451)
Gains (losses) from changes in fair value	-	40	-	-	-	-	-	-	-	190	230
Effect of acquisitions and disposals on minority interests	(896)	-	-	-	-	-	-	-	-	-	(896)
Other	(9)	19	-	-	-	2	8	-	-	411	431
Provisions	-	-	-	-	-	-	-	-	-	-	-
At 31/03/2010	**13 014**	**2 596**	**-**	**-**	**15 412**	**7 603**	**71 983**	**-**	**-**	**18 160**	**128 768**
Of which goodwill	*1 267*	-	-	*915*	-	-	-	-	-	-	*2 182*
Of which allowance for impairment	-	-	-	*(915)*	-	-	-	-	-	-	*(915)*
Profit for the period 2010 - 2011	1 779	6	169	-	805	(3 163)	3 505	-	63	566	3 730
Change in percentage ownership	-	-	-	-	3 477	-	-	-	381	-	3 858
Exchange differences on translation	635	(51)		-	(335)	209	2 279	-	-	801	3 538
Shareholders' dividends	-	-	-	-	(711)	-	-	-	(14)	-	(725)
Gains (losses) from changes in fair value	-	(128)	-	-	-	-	-	-	-	14	(114)
Effect of acquisitions and disposals on minority interests	-	-	-	-	-	-	-	-	-	-	-
Reclassification to assets held for sale	(15 487)	-	-	-	-	-	-	-	-	-	(15 487)
Other	59	(12)	9	-	3	-	(2 422)	-	2	222	(2 139)
Provisions	-	-	-	-	-	-	-	-	-	-	-
At 30/09/2010	**-**	**2 411**	**178**	**-**	**18 651**	**4 649**	**75 345**	**-**	**432**	**19 763**	**121 429**
Of which goodwill	-	-	-	*915*	-	-	-	-	-	-	*915*
Of which allowance for impairment	-	-	-	*(915)*	-	-	-	-	-	-	*(915)*

Note 8 - Due to banks

In thousands of euros	30/09/2010	31/03/2010
Interbank demand deposits and overnight	247 110	132 748
Interbank term deposits and borrowings	291 587	361 807
Borrowings secured by repurchase agreement	122 651	233 893
Due to banks – Sub total	**661 348**	**728 448**
Accrued interest	3 954	8 444
AT THE END OF THE PERIOD	**665 302**	**736 892**

Note 9 - Due to customers

In thousands of euros	30/09/2010	31/03/2010
Customer demand	1 970 118	1 762 298
Term deposits - customers	1 966 682	2 185 037
Borrowings secured by bills (customers)	-	-
Customer deposits – Sub total	**3 936 800**	**3 947 335**
Accrued interest	10 899	12 739
AT THE END OF THE PERIOD	**3 947 699**	**3 960 074**

Note 10 - Debt securities in issue

In thousands of euros	30/09/2010	31/03/2010
Securities with a short term maturity	100 000	100 000
Securities with a medium term maturity	417 718	424 708
Securities with a long term maturity and bonds	-	-
Debt securities in issue – Sub total	**517 718**	**524 708**
Accrued interest	794	4 757
AT THE END OF THE PERIOD	**518 512**	**529 465**

Note 11 - Other liabilities, accruals and deferred income

In thousands of euros	30/09/2010	31/03/2010
Settlement accounts on securities transactions	2 674	3 518
Accounts payable	20 822	39 008
Sundry creditors	125 239	123 441
Other liabilities	**148 735**	**165 967**
Due to employees	239 187	439 157
Other accrued expenses and deferred income	65 371	66 168
Estimated accounts	**304 558**	**505 325**
AT THE END OF THE PERIOD	**453 293**	**671 292**

Note 12 - Provisions

In thousands of euros	Balance at 01/04/2010	Charge	Reversal	Change of method	Discounting	Exchange rate movement	Other movements	Balance at 30/09/2010
Allowance for counterparty risk	83	-	-	-	-	4	(2)	85
Provision for claims or litigation	458	1 386	-	-	-	26	-	1 870
Reinstatement provisions	11 162	-	-	-	324	343	-	11 829
Vacant property provisions	8 773	251	-	-	-	271	-	9 295
Allowance for counterparty risk	-	-	-	-	-	-	-	-
Retirement benefit provisions	147 915	-	-	-	-	-	38 105	186 020
Other provision	71	-	-	-	-	3	(74)	-
TOTAL OF PROVISIONS	**168 462**	**1 637**	**-**	**-**	**324**	**647**	**38 029**	**209 099**

The provision for vacant property relates to costs incurred on some buildings rented by the Group and which remain empty during part of the lease. These leases expire in 2018.

Reinstatement provisions correspond to the present value of renovating some buildings leased by the Group. These leases expire in 2011 and 2018.

Note 13 - Subordinated debt

In thousands of euros	30/09/2010	31/03/2010
Perpetual Floating Rate Subordinated Notes - 2015 (US$40 million)	28 672	29 602
Subordinated debt	**28 672**	**29 602**
Accrued interest	48	43
AT THE END OF THE PERIOD	**28 720**	**29 645**

Note 14 - Impairments

Changes in the impairment of assets can be analysed as follows:

In thousands of euros	01/04/2010	Charge	Reversal	Written off	Exchange rate movement and other movements	30/09/2010
Loans and receivables to customers	(134 551)	(4 397)	1 301	26 120	(4 648)	(116 175)
Available-for-sale financial assets	(156 827)	(14 111)	4 993	2 913	(547)	(163 579)
Other assets	(10 720)	(2 294)	2 038	5	(491)	(11 462)
TOTAL	**(302 098)**	**(20 802)**	**8 332**	**29 038**	**(5 686)**	**(291 216)**

Note 15 - Deferred tax

Deferred taxes are calculated on all temporary differences under the liability method.

The movement on the deferred tax account is as follows:

In thousands of euros	30/09/2010	31/03/2010
Deferred tax assets at the beginning of the period	**127 622**	**110 993**
Deferred tax liabilities at the beginning of the period	**54 369**	**49 796**
Net amount (at the beginning of the period)	**73 253**	**61 197**
Recognised in income statement		
Income statement credit	(1 648)	(5 303)
Recognised in equity		
Defined benefit pension arrangements	7 515	23 336
Available for sale financial assets	764	(14 409)
Cash flow hedges	273	(923)
Impact of scope changes	(1 058)	2 834
Derecognition of joint venture	474	-
Payments/(Refunds)	(184)	(161)
Exchange differences	2 544	3 579
Other	(463)	3 103
NET AMOUNT (AT THE END OF THE PERIOD)	**81 470**	**73 253**
DEFERRED TAX ASSETS AT THE END OF THE PERIOD	**138 324**	**127 622**
DEFERRED TAX LIABILITIES AT THE END OF THE PERIOD	**56 854**	**54 369**

Deferred tax net assets and liabilities are attributable to the following items:

In thousands of euros	30/09/2010	31/03/2010
Accelerated tax depreciation	11 732	12 136
Deferred profit share arrangements	40 865	52 325
Defined benefit pension liabilities	39 874	31 497
Available-for-sale financial assets	20 182	20 857
Cash flow hedges	-	593
Losses carried forward	14 294	5 723
Provisions	2 883	2 503
Other temporary differences	8 494	1 988
DEFERRED TAX NET ASSETS AT THE END OF THE PERIOD	**138 324**	**127 622**

As at 30 September 2010, the Group's main banking subsidiary NMR recognised deferred tax assets corresponding to tax losses. At the end of the financial year, the Paris Orléans assessed the recovery of these deficits as probable. Estimated profit projections were established for this subsidiary in September 2010, based on the most recent revenue projections; these showed that NMR's operations should generate sufficient taxable profits to absorb its carried forward over a period of five or six years.

In thousands of euros	30/09/2010	31/03/2010
Defined benefit pension liabilities	-	-
Available-for-sale financial assets	19 947	21 159
Other temporary differences	36 907	33 210
DEFERRED TAX NET LIABILITIES AT THE END OF THE PERIOD	**56 854**	**54 369**

Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to set off and the balance relates to income tax levied by the same tax authority on the same taxable entity. There must also be the intention and the will to settle on a net basis or to realise the assets and liabilities simultaneously.

The deferred tax charge/(credit) in the income statement comprises the following temporary differences:

In thousands of euros	30/09/2010	31/03/2010
Accelerated tax depreciation	796	(244)
Defined benefit pension liabilities	(125)	(6 005)
Allowances for loan losses	84	4 386
Tax losses carried forward	(7 975)	2 216
Due to staff cost	12 404	6 558
Deferred profit share arrangements	-	(13 767)
Available-for-sale financial assets	(758)	(596)
Other temporary differences	(2 779)	12 755
INCOME TAX EXPENSES OF THE PERIOD	**1 647**	**5 303**

Note 16 - Non current assets held for sale and liabilities related to non current assets held for sale

In thousands of euros	30/09/2010	31/03/2010
Loans and receivables to banks	4 507	4 121
Deferred tax assets	1 708	612
Estimated accounts and other assets	52 820	50 343
Investments accounted for by equity method	15 488	-
NON CURRENT ASSETS HELD FOR SALE AT THE END OF THE PERIOD	**74 523**	**55 076**
Due to banks	45 539	39 950
Estimated accounts and other liabilities	13	163
LIABILITIES RELATED TO NON CURRENT ASSETS HELD FOR SALE AT THE END OF THE PERIOD	**45 552**	**40 113**

VI. Notes to the Income statement

Note 17 - Net interest income

Interest income

In thousands of euros	30/09/2010	30/09/2009
Interest income - loans to banks	7 248	6 996
Interest income - loans to customers	39 458	44 288
Interest income - instruments available for sale	17 241	26 073
Interest income - derivatives	15 484	12 276
Interest income - other financials assets	701	562
TOTAL	**80 132**	**90 195**

Interest expense

In thousands of euros	30/09/2010	30/09/2009
Interest expense - loans to banks	(6 597)	(11 845)
Interest expense - loans to customers	(22 228)	(14 147)
Interest expense - debt securities in issue	(5 710)	(11 384)
Interest expense - subordinated borrowings	(125)	(273)
Interest expense - derivatives	(14 439)	(15 169)
Interest expense - other financials assets	(1 159)	(3 802)
TOTAL	**(50 258)**	**(56 620)**

Note 18 - Net fee

Fee and commission income

In thousands of euros	30/09/2010	30/09/2009
Produits de commissions sur prestations de conseil et de services	281 154	261 133
Produits de commissions sur gestion d'actifs et activité de portefeuille	62 397	50 103
Produits de commissions sur opérations de crédit	1 594	2 578
Autres produits de commissions	19 581	22 777
TOTAL	**364 726**	**336 591**

Fee and commission expense

In thousands of euros	30/09/2010	30/09/2009
Fees for advisory work and other services	(795)	(17)
Portfolio and other management fees	(1 230)	(1 277)
Banking and credit-related fees and commissions	(91)	(180)
Other fees	(2 060)	(5 448)
TOTAL	**(4 176)**	**(6 922)**

Note 19 - Net gains/(losses) on financial instruments at fair value through profit and loss

In thousands of euros	30/09/2010	30/09/2009
Net income – debt securities and related derivatives – Trading	124	1 339
Net income – equities securities and related derivatives – Trading	(97)	(2 026)
Net income – forex operations	9 105	3 373
Net income – other trading operations	5 306	19 026
Net income – financial instruments designated at fair value through profit and loss	(802)	321
Net income – hedging derivatives	(22)	(255)
TOTAL	**13 614**	**21 778**

Note 20 - Net gains/(losses) on available-for-sale financial assets

In thousands of euros	30/09/2010	30/09/2009
Gains or losses on sales of long term securities	3 362	1 842
Impairment losses on long term securities	25	(2 175)
Gains or losses on sales of other available-for-sale financial assets	3 887	2 381
Impairment losses on other available-for-sale financial assets	(6 234)	(10 774)
Available-for-sale dividend income	13 589	11 465
TOTAL	**14 629**	**2 739**

Note 21 - Net income from other activities

Income from other activities

In thousands of euros	30/09/2010	30/09/2009
Gains on extingnishment of subordinated debt	191	68 625
Income from leasing	5 752	5 641
Other income	1 575	1 096
TOTAL	**7 518**	**75 362**

Expense on other activities

In thousands of euros	30/09/2010	30/09/2009
Investment property	(2)	(2)
Expenses from assets used to generate lease income	(947)	(890)
Other expenses	(1 940)	(2 229)
TOTAL	**(2 889)**	**(3 121)**

Note 22 - Operating expenses

In thousands of euros	30/09/2010	30/09/2009
Staff costs	(279 736)	(269 011)
Administrative expenses	(68 118)	(63 702)
TOTAL	**(347 854)**	**(332 713)**

Note 23 - Impairment of debt and provisions for counterparty risk

In thousands of euros	Impairment	Impairment written back	Irrecoverable loans	Recovered loans	30/09/2010	30/09/2009
Loans and receivables	(4 397)	27 421	(26 120)	2 078	(1 018)	(53 096)
Debt securities	(7 877)	4 856	(2 913)	-	(5 934)	(23 286)
Other	(3 596)	2 045	(631)	-	(2 182)	(6 127)
TOTAL	**(15 870)**	**34 322**	**(29 664)**	**2 078**	**(9 134)**	**(82 509)**

Note 24 - Net income/expense from other assets

In thousands of euros	30/09/2010	30/09/2009
Gains or losses on sales of tangible or intangible assets	21	733
Gain or loss on sale of subsidiaries	(26)	306
TOTAL	**(5)**	**1 039**

Note 25 - Income tax expense

The net tax charge can be broken down into current tax charges and deferred tax charges:

Current tax

In thousands of euros	30/09/2010	30/09/2009
Tax charges for the current period	10 849	6 603
Prior year adjustments	484	(241)
Overseas tax	-	-
Relief for double taxation	-	-
Prior year losses utilised	-	-
Unrecoverable dividend withholding tax	188	606
Other	(201)	(123)
TOTAL	**11 320**	**6 845**

Deferred tax

In thousands of euros	30/09/2010	30/09/2009
Temporary differences	3 188	13 520
Prior year losses utilised	-	(24 992)
Changes in tax rates	1 703	-
Prior year adjustment	(2 720)	(999)
Other	(523)	195
Total	**1 648**	**(12 276)**

Reconciliation of the tax charge

In thousands of euros	Base	Tax at 33 1/3 %
Net income	**48 954**	
Reconciling items		
Income (loss) of companies accounted for by the equity method	(3 730)	
Corporate income tax	12 968	
Income of consolidated companies before tax	**58 192**	**19 395**
Consolidation adjustments (deferred tax, fair value adjustments, provisions and reversals of provisions for impairment, other)		291
Losses to be carried forward		887
Taxation differences (French social contribution, long-term capital gains tax, venture capital companies, US tax)		(1 397)
Permanent differences		(1 297)
Temporary differences and other		(4 911)
Tax on consolidated companies		**12 968**
Effective tax rate		
Net income - Group share	19 571	
Minority interests	29 383	
Corporate income tax	12 968	
GROSS INCOME	**61 922**	
EFFECTIVE TAX RATE	**20,94%**	

In 2010, the effective tax rate was -1,30%

Note 26 - Commitments given and received

Commitments given

In thousands of euros	30/09/2010	31/03/2010
Loan commitments	**115 432**	**128 026**
Given to banks	-	-
Given to customers	115 432	128 026
Guarantee commitments	**431 260**	**806 700**
Given to banks	391 504	771 260
Given to customers	39 756	35 440
Other commitments	**167 955**	**120 060**
Underwriting commitments	92 181	36 483
Other commitments given	75 774	83 577

Commitments received

In thousands of euros	30/09/2010	31/03/2010
Loan commitments	**69 997**	**81 545**
Received from banks	69 997	81 545
Received from customers	-	-
Guarantee commitments	**168 309**	**186 643**
Received from banks	-	-
Received from customers	168 309	186 643
Other commitments	**10 456**	**10 456**
Other commitments received	10 456	10 456

Note 27 - Related parties

In thousands of euros	30/09/2010		31/03/2010	
	Companies accounted for by the equity method	Other related parties	Companies accounted for by the equity method	Other related parties
Assets				
Loans and advances to banks	23	-	15	-
Loans and advances to customers	-	-	-	-
Other assets	2 303	27 222	1 790	19 891
TOTAL	**2 326**	**27 222**	**1 805**	**19 891**
Liabilities				
Due to banks	-	-	-	-
Due to customers	11 867	250	16 549	-
Debt securities in issue	-	-	-	-
Other liabilities	1 323	223	2 710	102
TOTAL	**13 190**	**473**	**19 259**	**102**
Loan and guarantee commitments				
Loan commitments given	-	-	-	-
Guarantee commitments given	-	-	-	-
Loan commitments received	-	-	-	-
Guarantee commitments received	-	-	-	-
Realised operating income from transactions with related parties				
Interest received	-	-	-	-
Interest paid	(19)	(1)	-	-
Commissions received	913	-	-	-
Commissions paid	-	-	-	-
Other income	13	3	31	7
TOTAL	**907**	**2**	**31**	**7**
Other expenses	(971)	-	(1 055)	(430)
TOTAL	**(971)**	**-**	**(1 055)**	**(430)**

Note 28 - Segmented information

Segmental split by business

In thousands of euros	Investment & Commercial Banking	Private Banking & Trust	Private equity	Intersegment eliminations	Total 30/09/2010
Income					
External sales	316 914	83 641	22 741	-	423 296
Intersegment revenues	15 606	592	(2 647)	(13 551)	-
Net banking income	**332 520**	**84 233**	**20 094**	**(13 551)**	**423 296**
Operating income by segment before non analysed expenses	172 311	29 152	3 136	(12 243)	192 356
Expenses not analysed	-	-	-	-	(134 159)
Operating income					**58 197**
Results of companies accounted for by the equity method	233	906	2 591	-	3 730
Net gains or losses on other assets	1 579	(1 600)	16	-	(5)
Taxes	-	-	-	-	(12 968)
Consolidated net income					**48 954**
Other segment information					
Segment assets	4 369 154	2 660 297	594 873	(258 367)	7 365 957
Equity method securities	12 096	88 674	20 659	-	121 429
TOTAL CONSOLIDATED ASSETS	**4 381 250**	**2 748 971**	**615 532**	**(258 367)**	**7 487 386**
Segment liabilities	3 700 318	2 186 460	293 809	(113 050)	6 067 537
TOTAL CONSOLIDATED LIABILITIES	**3 700 318**	**2 186 460**	**293 809**	**(113 050)**	**6 067 537**

Segmental split by geography

In thousands of euros	France	United Kingdom and Channel Islands	Switzerland	Americas	Asia and Australia	Other	Intersegment eliminations	Total 30/09/2010
Net banking income	18 752	158 766	72 905	87 726	28 744	56 403	-	**423 296**
SEGMENT ASSETS	314 532	4 001 504	3 478 644	323 509	126 387	350 351	(1 107 541)	**7 487 386**

Segmental split by business

In thousands of euros	**Investment & Commercial Banking**	**Private Banking & Trust**	**Private equity**	**Intersegment eliminations**	**Total 30/09/2009**
Income					
External sales	385 868	76 033	(1 899)	-	460 002
Intersegment revenues	11 706	631	2 032	(14 369)	-
Net banking income	**397 574**	**76 664**	**133**	**(14 369)**	**460 002**
Operating income by segment before non analysed expenses	194 668	24 830	(31 878)	(14 370)	173 250
Expenses not analysed	-	-	-	-	(137 017)
Operating income					**36 233**
Results of companies accounted for by the equity method	3 513	834	1 715	-	6 062
Net gains or losses on other assets	26	707	306	-	1 039
Taxes					5 431
Consolidated net income					**48 765**
Other segment information					
Segment assets	4 687 051	2 061 146	591 915	(267 486)	7 072 625
Equity method securities	59 796	37 616	13 535	-	110 947
TOTAL ACTIFS CONSOLIDES	**4 746 847**	**2 098 762**	**605 450**	**(267 486)**	**7 183 572**
Passifs sectoriels	4 142 318	1 591 861	289 479	(143 111)	5 880 547
TOTAL PASSIFS CONSOLIDES	**4 142 318**	**1 591 861**	**289 479**	**(143 111)**	**5 880 547**

Segmental split by geography

In thousands of euros	**France**	**United Kingdom and Channel Islands**	**Switzerland**	**Americas**	**Asia and Australia**	**Other**	**Intersegment eliminations**	**Total 30/09/2009**
Net banking income	9 872	234 644	68 925	70 331	17 924	58 306	-	**460 002**
SEGMENT ASSETS	536 884	4 270 505	2 682 342	186 294	96 671	404 358	(993 482)	**7 183 572**

Note 29 - Consolidation scope

There have been no material changes to the Group’s consolidation scope at 30 September 2010 compared with 31 March 2010.

PARIS ORLÉANS

Persons responsible for the Half-Year Financial Report

M. Sylvain Héfès, Chairman of the Executive Board
M. Michele Mezzarobba, Member of the Executive Board

Statement by the Person Responsible for the Half-Year Financial Report

We hereby declare that, to the best of our knowledge, the summary interim consolidated financial statements for the past six-month period included in the interim financial report have been prepared under generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position and results of the Company and the companies in the consolidated group, and that the interim management report includes a fair review of the material events that occurred in the first six months of the financial year and their impact on the interim accounts, a description of the main related-party transactions and a discussion of the principal risks and uncertainties for the remaining six months of the year."

Paris, 30 November 2010

M. Sylvain Héfès,
Président du Directoire

M. Michele Mezzarobba,
Membre du Directoire

Paris Orléans is a French public limited company (Société anonyme) with a Management Board and a Supervisory Board and share capital of €64,747,030 - Paris Registry of Companies (RCS) no. 302 519 228 - Registered office: 23 bis, avenue de Messine 75008 PARIS - www.paris-orleans.com

Paris Orléans is listed on the Eurolist of Euronext Paris - Compartment B
ISIN Code : FR0000031684 - MNEMO : PAOR

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PARIS ORLEANS S.A.

23 bis, avenue de Messine

75008 PARIS

STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED ON SEPTEMBER 30TH, 2010

CAILLIAU DEDOUIT ET ASSOCIES

Statutory Auditor

Membres des Compagnies Régionales de Paris

19, rue Clément Marot
75008 PARIS

KPMG AUDIT

Statutory Auditor

Membre de la Compagnie Régionale de Versailles

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STATUTORY AUDITORS' REVIEW REPORT
ON THE HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED ON SEPTEMBER 30TH, 2010

To the shareholders,

Following our appointment as statutory auditors by your Annual General Meeting and in accordance with article L.451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Paris Orléans S.A. for the six-month period ended September 30th 2010,
- the verification of the information contained in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Executive Board, in a context of a deteriorated economical environment and of an extreme volatility of the financial markets. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

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

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

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

2. Specific verification

We have also verified the information given in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matter to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense and Paris, November 30th, 2010

The Statutory Auditors

Cailliau Dedouit et Associés	KPMG Audit *Département de KPMG S.A.*
Stéphane LIPSKI *Partner*	Fabrice ODENT *Partner*