



UPDATE TO THE 2013 REGISTRATION DOCUMENT AND HALF-YEAR FINANCIAL REPORT FILED WITH THE AMF ON 4 AUGUST 2014

Registration document filed with the Autorité des Marchés Financiers



The English language version of this report is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is accurate presentation of the original. However, in all matters of interpretation, views or opinion expressed in the original language version of the document in French take precedence over the translation.

UPDATES OF THE REGISTRATION DOCUMENT BY CHAPTER

I Interim financial report	1
I.1 La Banque Postale Group	1
I.2 Business environment and highlights.....	3
I.2.1 Economic and financial environment	3
I.2.2 La Banque Postale Group: Highlights during the first half of 2014	3
I.3 Results of the first half of 2014	4
I.4 Ratings	11
I.5 Risk factors and uncertainties	11
I.6 Related-party disclosures	11
II Corporate governance.....	12
III Risk management	13
III.1 Counterparty risk.....	13
III.2 Liquidity risk	14
III.3 Market risk.....	15
III.4 Global interest rate risk.....	16
III.5 Prudential ratios	17
III.6 Statement of changes in sovereign exposure to PIIGS.....	18
III.7 Legal risks	19
IV Financial information as at 30 june 2014.....	21
V Additional Information.....	70
V.1 Articles of association	70
V.2 Material changes.....	70
V.3 Availability of the Registration Document to the public.....	70
V.4 Outlook.....	70
VI Persons responsible for auditing the financial statements.....	71
VII Statement by the person responsible for updating the Registration Document	72
VII Correlation table for the update of the Registration Document	73
IX Interim financial report correlation table	78

I Interim financial report

I.1 La Banque Postale Group

La Banque Postale, a Limited Company with Executive and Supervisory Boards, is the Parent Company of the La Banque Postale Group.

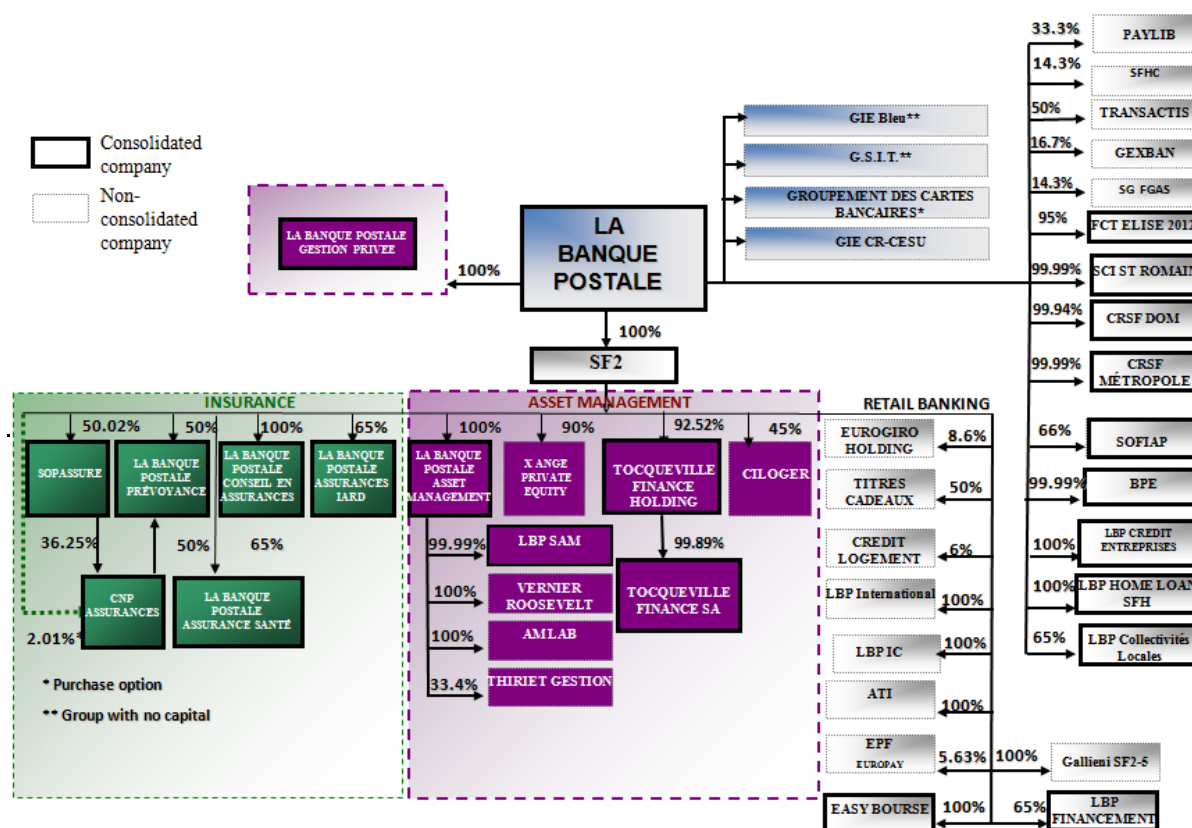
As the successor to La Poste Financial Services, it has assumed the Group's values of trust, accessibility and local presence in this respect, which have endowed it with an unusual and unique positioning on the French market since its foundation. This policy has resulted in a consistent strategy based on low service tariffs, access for all customers and a simple product range focused on the basics.

The La Banque Postale Group employs more than 3,600 staff directly, who are spread throughout France. Moreover, the 16,300 employees working in La Poste's Financial Services (including 12,900 in the Financial Centres) have been placed under the responsibility of the Chairman of La Banque Postale's Executive Board, in his capacity of Deputy CEO of La Poste responsible for Financial Services. This organisational structure primarily relies on 23 Financial Centres (19 in Metropolitan France, four in the French overseas territories) and six national Financial Centres with specific expertise, as well as a dedicated IT department. It also relies on 41 subsidiaries and strategic investments.

The La Banque Postale Group's business is focused on the retail banking business in France, and specifically on retail customers. It is organised around three business segments:

- Retail banking in France, its core business, mainly focused on individual customers, and was extended to companies in 2011 and to local authorities in 2012;
- Insurance (life, contingency, general and health);
- Asset Management (asset management and private wealth management companies).

Organisational chart as at 30 June 2014:



I.2 Business environment and highlights

I.2.1 Economic and financial environment

More moderate global growth than before the crisis, gradual recovery in the eurozone

- As a trend, global growth is more moderate than before the crisis (around 3% at an annualised rate), and is therefore not putting any pressure on commodity prices. In the eurozone, the economic recovery has been slow, and inflation has fallen to a low level.

Lower interest rates

- In the eurozone, the slow recovery, low inflation and further monetary support measures adopted by the ECB in early June triggered fresh falls in interest rates, including on bonds issued by the lowest-rated member states. The yield on ten-year French government bonds has once again fallen below 2%. Interbank rates, which began climbing early in the year due to a reduction in excess bank liquidity, also fell in late June, with EONIA below 0.05% and 3-month Euribor easing towards 0.2%.

Savings and credit markets in France: muted flows

- The flow of French financial investments remained weak in the first half of 2014 despite a persistently high savings rate.
- After a rebound in 2013 attributable to loan redemptions triggered by very low interest rates early in the year, production of new home loans slowed in the first half as a result of a moderate correction in the real estate market (fewer transactions, lower prices).

I.2.2 La Banque Postale Group: Highlights during the first half of 2014

- As part of its growth momentum in the retail market, and notably in home loans, La Banque Postale acquired 66% of SOFIAP, a credit subsidiary dedicated to SNCF employees, jointly owned with SNCF.
- La Banque Postale has expanded its range of products, targeting high net worth customers with the launch of three new premium life insurance contracts: Cachemire 2 and Cachemire Patrimoine, offered in partnership with CNP, as well as Satinium, a management mandate contract.
- A civic-minded bank, La Banque Postale continued rolling out “L’Appui”, a mechanism designed to provide guidance with banking and on budgets. The quality of this service has been recognised by the government, “L’Appui” having been selected among 15 government-backed initiatives under the “La France s’engage” plan.
- La Banque Postale continued to reinforce its financial structure during the first half of 2014, issuing €750 million in subordinated Tier 2 capital on 11 April 2014, maturing in 12 years. The issue attracted close to €3 billion in orders from more than 150 investors. This success confirms institutional investors’ interest and confidence in La Banque Postale as an issuer.

I.3 Results of the first half of 2014

Consolidated interim 2014 results

La Banque Postale Prévoyance was previously proportionally consolidated. Following the analysis conducted on this entity held by the Group and CNP Assurances, the links existing between *La Banque Postale* and its subsidiary, as well as the subsidiary's increasing autonomy, led to the conclusion, in accordance with the principles laid down in IFRS 10, that the Group enjoys control and should therefore fully consolidate the subsidiary from 1 January 2013.

Consolidated results (in € millions)	H1 2014	H1 2013 ¹	%
<i>Main lines of the consolidated income statement</i>			
Net banking income	2,854	2,786	2.4%
Operating expenses	2,317	2,297	0.9%
Gross operating income	537	489	9.8%
Cost of risk	72	78	(7.4)%
Operating income	465	411	13.0%
CNP at equity	114	111	3.0%
Earnings before tax	579	531	9.1%
Taxes and non-controlling interests	(199)	(166)	20.1%
Net Income, Group Share	380	365	4.2%
<i>Operating ratio</i>	<i>81.5%</i>	<i>82.7%</i>	

La Banque Postale's **net income Group share** for the first half of 2014 amounted to €380 million, an increase of 4.2% compared with 2013.

This result reflects robust growth across all business lines and further improvement in the Group's profitability.

Gross operating income amounted to €537 million, an increase of 9.8% compared with the first half of 2013.

This sharp increase was attributable to:

- growth in **net banking income** to €2,854 million (+2.4%). Excluding non-recurring items and on a comparable basis², it grew by 3.1%, driven by strong sales momentum, particularly pronounced in retail banking.

- tight control of **operating expenses** in the context of the development of new activities and continued investment. Operating expenses amounted to €2,317 million, an increase of 0.9% compared with the first half of 2013.

¹ Pro forma the full consolidation of LBPP in 2013

² Change in scope of consolidation and non-recurring item: BPE, SOFIAP, SCI Tertiaire Saint Romain, home savings allowance.

On a comparable basis³, expenses were virtually unchanged (+0.3%), reflecting the Group's efforts to improve its operational efficiency.

The **operating ratio** was accordingly 81.5%, an improvement of 1.2 percentage points year-on-year.

Efforts carried out on risk management in support of the strong growth in lending resulted in a 7.4% decline in cost of risk to €72 million during the first half. This kept it at a low level of 24 basis points of outstanding loans, compared with 31 basis points at end-June 2013.

Gross operating income increased by 13.0% to €465 million.

The **equity-accounted share of the results of CNP** totalled €114 million in the first half of 2014, an increase of 3.0% year-on-year.

Financial structure

The fully loaded⁴ **Common Equity Tier 1 ratio** was **11.0%** at 30 June 2014, down 20 basis points compared with 31 December 2013 due to growth in lending. The Group maintains its target **fully loaded Common Equity Tier 1 ratio of 9.5%** under the standard method with the Danish compromise.

The overall capital-adequacy ratio was 13.6% at 30 June 2014, compared with 12.8% at 31 December 2013.

La Banque Postale's liquidity position remains highly favourable:

- The loan-to-deposit ratio was 72%⁵, compared with 67% at end-2013, the increase resulting from the gradual rebalancing of the balance sheet stemming from growth in lending.
- The LCR⁶ was 163% at end-June 2014.

³ Change in scope of consolidation: BPE, SOFIAP, SCI Tert St Romain

⁴ CRD IV-CRR, with application of the Danish compromise. The phased-in CRD IV-CRR ratio was 9.8% at 30 June 2014.

⁵ The Group's loan-to-deposit ratio is the ratio between loans and deposits, defined by precise rules, excluding savings deposits centralised with the CDC.

⁶ Estimated ratio at 30 June 2014

Activity and results by business line

Retail banking

In the first half of 2014, the income generated by the Group's retail banking business line was its main growth driver, contributing 81% of its operating income.

Retail banking (in € millions)	H1 2014	H1 2013	%
Net banking income	2,678	2,628	1.9%
Operating expenses	2,234	2,228	0.3%
Gross operating income	444	400	11.0%
Cost of risk	67	74	(8.7)%
Operating income	377	327	15.4%

COMMERCIAL RESULTS FOR RETAIL CUSTOMERS

Increase in savings and demand deposits

Demand deposits held by La Banque Postale's retail customers grew by 4.3% to €46.1 billion.

Deposits in Livret A and LDD savings accounts were stable after two years of strong growth attributable to the increase in the ceiling on those products. At end-June 2014, they totalled **€71.9 billion** (+0.1%). After net outflows in the first half of 2013, home savings recorded inflows of €112 million in the six months to 30 June 2014.

Life insurance assets **grew by 3.0% to €120.1 billion** during the first half, marking a recovery in inflows to more than €100 million, mainly as a result of the successful marketing of **Cachemire 2, Cachemire Patrimoine and Satinium** contracts, which recorded gross inflows of €1.5 billion. Assets also benefit from positive market trends and the good performance of management mandates. Unit-linked products also continued to grow as a proportion of gross inflows, from 7.4% in the six months to end-June 2013 to 10.5%⁷ in the six months to end-June 2014.

Assets held by retail customers in UCITS were virtually stable (-0.5%) at €14.6 billion.

Increased penetration of retail customers

The customer equipment rate improved significantly over the period.

⁷ CNP Assurances scope

The number of payment cards totalled more than 7.7 million at 30 June 2014, an increase of 1.7%⁸.

The bank recorded the opening of more than 417,000 new accounts in the first half of 2014.

Increased lending in a sluggish market

Outstanding loans to retail customers increased by 8.3% compared with the first half of 2013 to €56.9 billion. Excluding SOFIAP home loans, the increase was 5.4%.

In the first half of 2014, **nearly €4 billion in home loans were granted**, compared with €4.1 billion in the first half of 2013.

This growth stemmed from an appropriate pricing policy, combined with firm margins, and the momentum created by La Banque Postale's commitment to social home ownership schemes.

In accordance with the strategy implemented since the launch of its home loan activity, this growth was achieved by following a prudent loan-granting policy, with the portfolio maintaining its low risk (2 basis points of outstanding loans at 30 June 2014).

Home loan outstandings increased by 7.8% to €52.4 billion. Excluding SOFIAP, the increase was 4.7%.

The amount of consumer loans granted grew by 12% compared with 30 June 2013. The high level of new loans (more than €1 billion) was attributable to the quality of the bank's offer, developed since 2010, and very good sales momentum in the branch network.

Outstanding loans accordingly increased by 22.6% compared with 30 June 2013 to €3.7 billion.

COMMERCIAL RESULTS FOR BUSINESS CUSTOMERS

Demand deposits held by La Banque Postale's business customers increased by 23% compared with the first half of 2013 to €3.7 billion.

The funding of the local public sector, launched in late 2012, continued its rapid growth, with over **€1.9 billion in loans granted**.

At the same time, La Banque Postale continued its growth in the corporate, SME and self-employed professional markets, with **outstanding loans growing** by nearly 68% compared with the first half of 2013 to €2.3 billion.

⁸ At end-May 2014

Financial results of the retail banking business line

The first half of 2014 was marked by strong growth in the financial results of the retail banking business line, driven by sales momentum.

Net banking income for the retail banking business line rose by 1.9% to €2,678 million. On a comparable basis and excluding non-recurring items⁹, the increase was 2.6%.

Net banking income generated by commission-bearing transactions increased by 4.7% in the first half of 2014 to €1,014 million, reflecting the growth of payment commissions resulting from the strong increase in customer equipment.

The net interest margin amounted to €1,731 million in the six months to 30 June 2014, an increase of 1.1%. Excluding the home savings allowance, the increase was 3.1%. This growth was attributable chiefly to the increase in demand deposits, the growth of home loans and firm margins.

Operating expenses remained under control in retail banking, edging up by 0.3% to €2,234 million, reflecting investments made by the bank to develop business financing activities and new acquisitions. On a comparable basis¹⁰, expenses were down 0.3%.

Expenses related to agreements and services between La Banque Postale and La Poste fell by 1.5% to €1.6 billion, due mainly to a decline in expenses billed by La Poste for services rendered at Post Office counters and agreements relating to financial services.

The cost of risk of the retail banking business line was €67 million, down 11.6% on a comparable basis¹¹ compared with the first half of 2013, particularly on overdrafts.

The cost of risk for retail banking as a proportion of commercial banking loans remained low at 20 basis points.

In this context, the gross operating income of retail banking increased by 15.4% to €377 million. Excluding non-recurring items and on a comparable basis¹², it increased by 25.6%.

⁹ Change in scope of consolidation and non-recurring item: BPE, SOFIAP, SCI Tert St Romain, home savings allowance.

¹⁰ Change in scope of consolidation: BPE, SOFIAP, SCI Tert St Romain

¹¹ Change in scope of consolidation: BPE, SOFIAP

¹² Change in scope of consolidation and non-recurring item: BPE, SOFIAP, SCI Tert St Romain, home savings allowance.

Asset management

Asset management (in € millions)	H1 2014	H1 2013	%
Net Banking Income	75.7	66.6	13.6%
Operating expenses	(37.1)	(31.0)	19.7%
Gross operating income	38.6	35.7	8.2%

The asset management division delivered a strong performance, with NBI up 13.6% year-on-year at €75.7 million in the six months to 30 June 2014.

Assets under management in the division's subsidiaries grew by 6.3% to €154.6 billion.

In a context of market appreciation and thanks to inflows received from institutional clients, assets under management at La Banque Postale Asset Management totalled more than €147.4 billion at 30 June 2014, an increase of 4% compared with 30 June 2013 despite outflows recorded on certain asset classes (notably money market UCITS).

La Banque Postale Gestion Privée recorded a good sales performance combined with good management. Driven by growth in the offer of life insurance management mandates, and notably by Satinium, a new product launched in January 2014, gross inflows exceeded €605 million.

Tocqueville Finance recorded NBI up 12% at €8.5 million. The half-year marked the resumption of net inflows in the amount of €61 million, with assets under management appreciating by 20% compared with the first half of 2013.

The division's operating expenses increased by €6.1 million to €37.1 million, reflecting growth in activity at La Banque Postale Gestion Privée and La Banque Postale Asset Management.

Gross operating income accordingly increased by 8.2% to €38.6 million.

Insurance

Insurance (in € millions)	H1 2014	H1 2013 ¹³	%
Net banking income	100.6	91.4	10.0%
Operating expenses	(46.4)	(38.2)	21.4%
Gross operating income	54.1	53.2	1.8%

The insurance division recorded a net increase in its business results due to the success of offers in property and casualty insurance, and in health and contingency insurance.

The division's NBI was up 10.0% at €100.6 million.

The NBI of La Banque Postale Assurances IARD grew by €6 million to €18.4 million, with the portfolio reaching over 1 million contracts.

The NBI of La Banque Postale Assurance Santé amounted to €3.8 million in the first half of 2014, on a portfolio of more than 70,000 contracts, with more than 37,000 new contracts during the half-year.

La Banque Postale Prévoyance recorded over 200,000 new contracts and posted growth of nearly 3.3% in net banking income. In individual contingency insurance, revenue was €157 million, an increase of 9.6% compared with the same period in 2013 due to the growth of the stock, and notably general insurance contracts¹⁴.

The revenue of La Banque Postale Conseil en Assurance totalled €23 million, driven by the success of means of payment insurance. The portfolio included more than 12.9 million contracts.

The operating expenses of the insurance business line increased by 21.4% to €46.4 million due to the growth of the workforce and resources accompanying the rise of property and casualty and contingency insurance.

The gross operating income of the insurance business line accordingly amounted to €54.1 million, an increase of 1.8% compared with the first half of 2013.

The equity-accounted share of the profit of CNP Assurances amounted to €114 million, an increase of 3.0% compared with the first half of 2013.

¹³ Pro forma the full consolidation of LBPP in 2013

¹⁴ Life insurance contracts

1.4 Ratings

	Standard & Poor's	Fitch
Long-term rating	A	A+
Outlook	Stable	Negative
Date updated	12 November 2013	22 July 2014
Short-term rating	A-1	F1+

I.5 Risk factors and uncertainties

There has been no significant change to the risk factors and uncertainties described in Chapter 4 of the 2013 Registration Document.

I.6 Related-party disclosures

The parties related to La Banque Postale include the main directors of the La Poste Group and the companies consolidated by that Group, wholly or jointly controlled subsidiaries and companies on which the Group has a significant influence. There has been no significant change to this information as described in chapter 5 of the 2013 Registration Document.

II Corporate governance

Composition of the Executive Board:

- Rémy Weber, Chairman of the Executive Board
- Marc Batave, General Secretary

Composition of the Supervisory Board:

- Philippe Wahl, Chairman of the Supervisory Board;
- Marc-André Feffer, Vice-Chairman of the Supervisory Board;
- Nathalie Andrieux;
- Sylvain de Forges;
- Yves Brassart;
- Bernard Haurie;
- Jean-Robert Larange;
- Georges Lefebvre;
- Steeve Maigne;
- Christiane Marcellier;
- Maryvonne Michelet;
- Françoise Paget Bitsch;
- Didier Ribadeau Dumas;
- Hélène Wolff.

III Risk management

III.1 Counterparty risk

La Banque Postale is primarily exposed to counterparty risk as part of its transactions in the derivatives market.

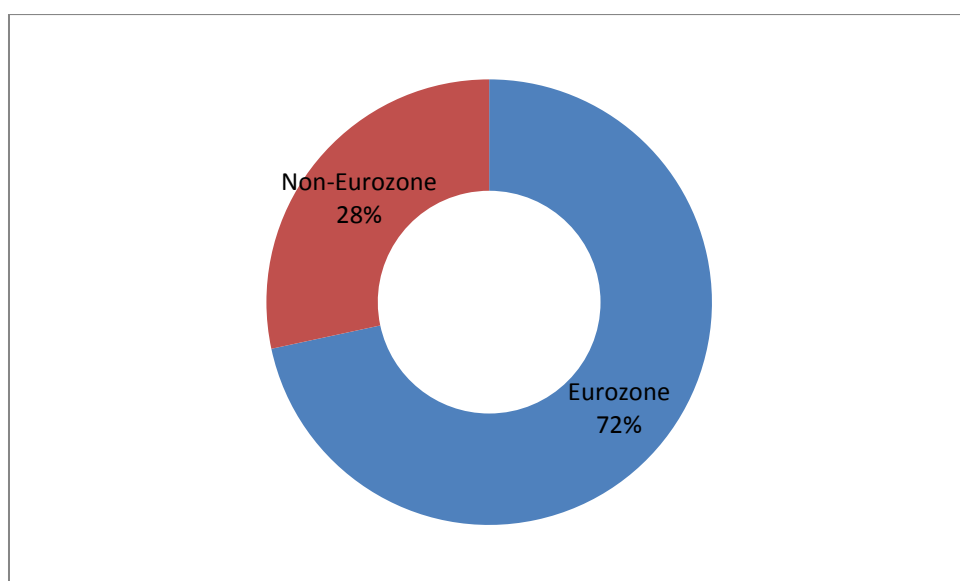
The risk is limited by the fact that La Banque Postale only deals with top financial institutions with whom it has signed netting and collateral agreements. Furthermore, most of the instruments involved are "plain vanilla swaps".

At the end of the first half of 2014, net exposure to these counterparties, after taking any existing collateral, was €67 million. Almost all counterparties are at least A- rated.

In € millions

Geographical zone	31/12/2011	30/06/2012	31/12/2012	30/06/2013	31/12/2013	30/06/2014
Eurozone	1.2	66.6	22.6	18.2	19	48
Non-Eurozone	2.9	29.9	3	11.4	0.7	19
Total	4.1	96.5	25.6	29.6	19.7	67

Breakdown of amounts outstanding at 30/06/2014



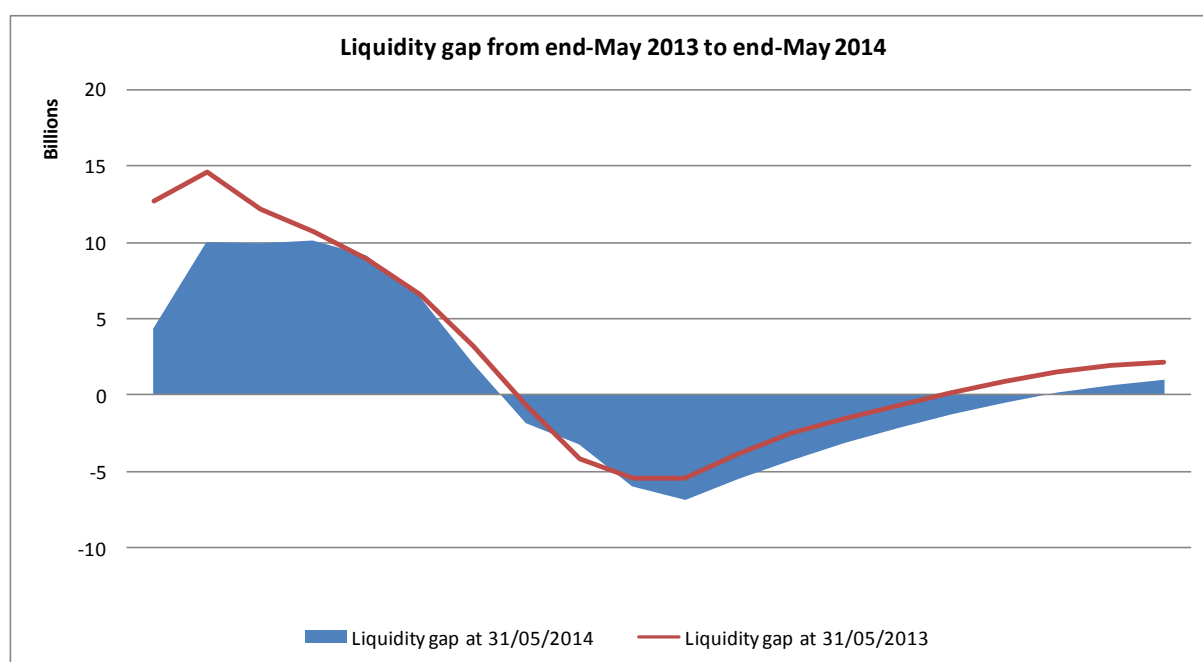
III.2 Liquidity risk

Structural liquidity risk is measured through the medium-to-long-term liquidity gap, which corresponds to stressed static outflows of liabilities (through outflow agreements) and assets.

A positive gap for a given maturity means that the Bank has more inflows than outflows with this maturity date.

This excess liquidity with maturities of less than five years embodies the excess liquidity of La Banque Postale, enhanced by the quality of its financial assets.

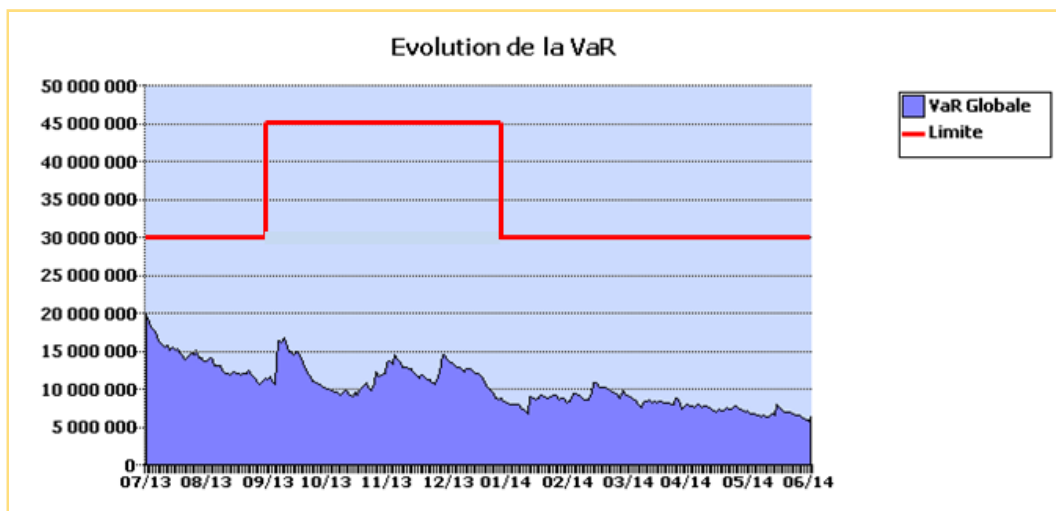
La Banque Postale's liquidity gaps, as measured at 31 May 2014 and 31 May 2013, were as follows:



III.3 Market risk

The Bank applies a Value at Risk indicator (one-day, 99%) to all its marked-to-market positions as a cautionary measure. The limit of the indicator is reviewed by the Risk Committee on a monthly basis.

La Banque Postale's VaR indicator covers not only the transaction portfolio (impact on fair value profit and loss), but also covers positions recognised as assets available for sale (impact on equity capital).



In September 2013, La Banque Postale transferred a portfolio of Portuguese and Spanish securities from its investment portfolio to its market portfolio in order to actively manage these positions. At the same time, market risk limits (indicated by the red line) were increased by the Executive Board so that this additional exposure could be taken into account. To date, the Portuguese position has been resold. The exposure in the form of Spanish securities will now be managed by the trading room within the scope of its usual activity of delegated interest rate and credit management. There is therefore no further need to use the transitional limit system. The Group Risk Department notified the business lines of this development on January 9th 2014.

Data in € million

	31/12/2010	31/12/2011	31/12/2012	30/06/2013	31/12/2013	30/06/2014
Global VaR	9.3	17	8.3	20.6	11.6	6.3
VaR of trading portfolio transactions	9.6	2.4	2	5.1	2.4	2.7

Contributions of Risk Factors to global VaR

	31/12/2010	31/12/2011	31/12/2012	30/06/2013	31/12/2013	30/06/2014
Interest rates	6.0	10.6	1.9	17.0	7.3	3.3
Credit spread	2.2	3.0	5.0	(1.9)	1.4	0.4
Exchange rate	(0.2)	(0.1)	0.2	(0.9)	0.7	0.4
Equity markets	1.4	3.4	1.2	6.4	2.3	2.2
Volatility	0.0	0.0	0.0	0.0	(0.1)	0.0
TOTAL	9.4	17.0	8.3	20.6	11.6	6.3

Statistics for the first half of 2014

	Average	Minimum	Maximum
Global VaR	8.1	5.7	10.9
VaR of trading portfolio transactions	2.5	1.5	3.8

In terms of market risk management, La Banque Postale is primarily exposed to interest rate risk and credit spread risk. Equity market risk is lower. Exchange rate risk, mainly the risk linked to international mandates and financial activities, is moderate, as is commodity risk.

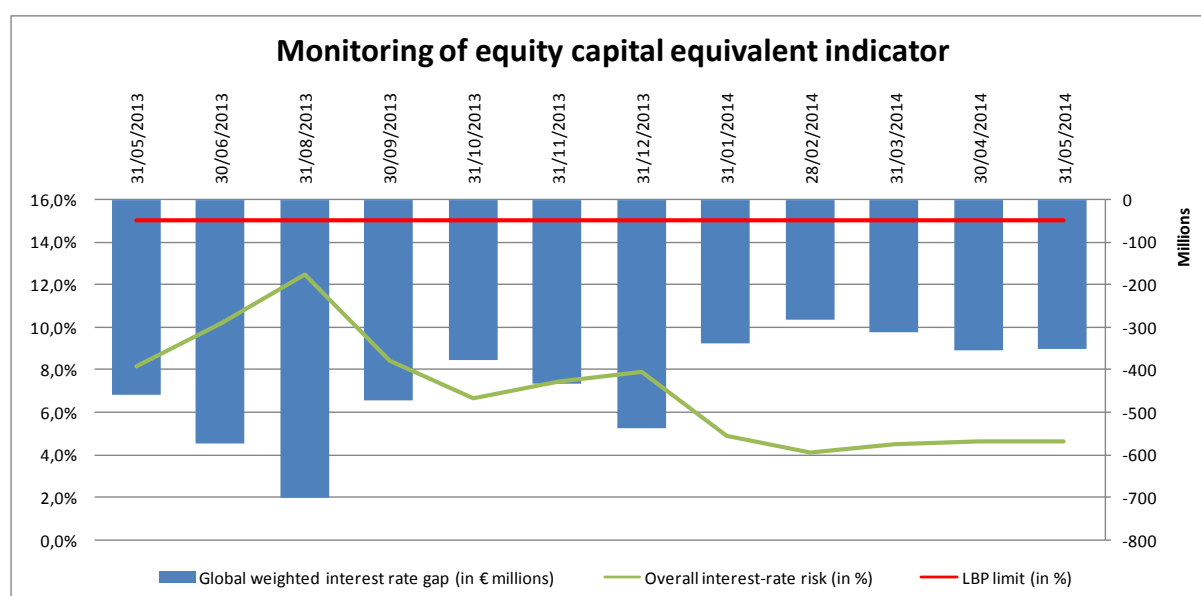
La Banque Postale's global VaR is moderate and on a downward trend, in a context of relatively quiet markets.

III.4 Global interest rate risk

At the end of May 2014, sensitivity to a 200bp drop in rates is estimated at a negative 4.60% in equity capital equivalent (€352 million).

The 15% limit (in equity capital equivalent) is respected.

This sensitivity reflects the moderate conversion rate policy of La Banque Postale.



III.5 Prudential ratios

Implementation of CRD IV and CRR

A major step in financial regulation reform was taken on 1 January 2014 with the entry into force of CRD IV, following its adoption in June 2013, together with the related regulation (CRR).

- CRR covers equity, liquidity, leverage ratio, major risks and counterparty risk aspects: this single rule book is immediately applicable to institutions of all member states.
- CRD IV incorporates the existing framework governing access to banking activity and its exercise, the definition of competent authorities, the supervisory framework, etc.

The European texts notably modify minimum capital-adequacy ratios defined in terms of percentages of capital to be held in proportion to risk-weighted assets. The new minimum requirements for the three levels of regulatory ratios lift the minimum *Common Equity Tier 1 (CET 1)* from 2% to 4.5%, the minimum Tier 1 ratio (*T1*), including 1.5% of additional T1 capital (AT1), from 4% to 6%, and the total equity ratio, including 2% of Tier 2 capital (T2), to at least 8%.

At 30 June 2014, La Banque Postale's prudential ratios were well above these minimum requirements:

	Jun.-14 CRR	Dec.-13 CRR
Total risk-weighted assets (in € millions)	60,613	56,975
RWAs: credit risk	50,600	47,650
RWAs: market risk	1,513	825
RWAs: operational risk	8,500	8,500
Common Equity Tier 1 capital amounts	5,931	5,726
Tier 1 capital amounts	6,731	6,526
Prudential capital amounts	8,231	7,276
Common Equity Tier 1 ratio	9.8%	10.1%
Tier 1 ratio	11.1%	11.5%
Overall capital-adequacy ratio	13.6%	12.8%

Ratios published under the CRR/CRD IV rules published on 26 June 2013

The fully loaded¹⁵ **Common Equity Tier 1 ratio** was **11.0%** at 30 June 2014, down 20 basis points compared with 31 December 2013 due to growth in lending. The overall capital-adequacy ratio was **13.6% at 30 June 2014**, compared with **12.8% at 31 December 2013**.

La Banque Postale Group is a financial conglomerate within the meaning of Directive 2002/87/EC. As such, the additional coverage ratio requirements in terms of capital adequacy applicable to groups belonging to financial conglomerates, calculated at 30 June 2014, amounted to **145%**¹⁶, giving the Group a **surplus of €3.3 billion**.

¹⁵ CRD IV-CRR, with application of the Danish compromise. The phased-in CRD IV-CRR ratio was 9.8% at 30 June 2014.

¹⁶ Estimated ratio

III.6 Statement of changes in sovereign exposure to PIIGS

Change in direct exposure*

(€ '000s)	Dec. 2013 Restated Nominal	Impairment charges	Maturity	Disposals	Acquisitions ²	Transfer ⁽³⁾	June 2014 Nominal value	Dec. 2013 Restated carrying amount	Carrying amount as at June 2014
Greece	-						-	-	-
Ireland	2,000						2,000	2,234	2,175
Italy	104,813			- 35,500	35,300		104,613	109,781	117,384
Portugal	-						-	-	-
Spain	715,822			- 154,050			561,772	753,291	605,111
Total financial assets available for sale	822,635	-	-	- 189,550	35,300	-	668,385	865,306	724,670
Greece	-						-	-	-
Ireland	-						-	-	-
Italy	1,161,618						1,161,618	1,195,490	1,198,697
Portugal	-						-	-	-
Spain	431,000						431,000	433,108	441,663
Total financial assets held to maturity	1,592,618	-	-	-	-	-	1,592,618	1,628,598	1,640,360
Greece	-						-	-	-
Ireland	-						-	-	-
Italy	-						-	-	-
Portugal	-						-	-	-
Spain	-						-	-	-
Total loans and receivables	-	-	-	-	-	-	-	-	-
Greece	-						-	-	-
Ireland	-						-	-	-
Italy	1,514				93,728		95,242	1,512	96,675
Portugal	-						-	-	-
Spain	-						-	-	-
Total financial assets at fair value through profit or loss	1,514	-	-	-	93,728	-	95,242	1,512	96,675

(1) Direct exposure: net book value (including impairment) of exposure on the Bank's own account.

(2) Direct and indirect exposure: direct exposure to which should be added indirect exposure in the form of guarantees provided to the Group's UCITS.

III.7 Legal risks

Legal risk is one of the risk categories covered by CRBF Regulation 97-02. It concerns banking activities, insurance activities and financial services.

The Legal Department has two roles in terms of controlling legal risk. On the one hand, to provide advice to the Bank departments so they can assess the legal risk involved in their business activities and, on the other, to defend the Bank's interests.

The Legal Department also contributes to the work performed by the Bank's various committees:

- within the Regulatory Oversight Committee, the Legal Department defines, disseminates and implements the policy positions concerning the laws and regulations which affect the Bank's business activities;
- the Legal Department reviews, and issues opinions on the cases put forward at the Risks Committee, the Operational Risks Committee, and the New Product Committee;
- within the Disputes & Provisions Committee, the Legal Department discusses the litigations under way and the provisions to be booked for them;
- the Legal Department is involved in the reviews performed on audit and internal control tasks via the Internal Control Coordination Committee;
- Within the framework of National Watch-list Committees and special business and litigation committees concerning corporate markets and local authorities, the Legal Department acts as counsel and discusses cases of litigation and provisioning related to these markets.

Concerning interchange fees, the situation is as follows:

- Cheque Image Exchange (EIC) commissions.

On 20 September 2010, the French Competition Authority imposed a fine of €384.9 million for anti competitive practices for Cheque Image Exchange commissions on 11 retail banks and the Bank of France. The share of the fine assigned to La Banque Postale amounted to €32.9 million.

On 23 February 2012, the Court of Appeal of Paris annulled the Authority's decision, deeming that no collusion had been established. The amount of the fine was returned to La Banque Postale.

On 23 March 2012, the President of the Competition Authority lodged an appeal before the French Supreme Court (Cour de Cassation). The proceedings are ongoing.

Following the favourable ruling by the Competition Authority on 5 July 2012 regarding interchange fees on direct debits, a study is being conducted to rule on the subject of “R” SEPA fees.

To the Company's knowledge, there is no other governmental, court or arbitration proceedings, including any proceedings that are pending or threatened, likely to have or having had any significant effect on the Company and/or Group's Financial position or profitability over the last 12 months.

IV Financial information as at 30 june 2014

Consolidated income statement for the six months to 30 June 2014

(€ '000s)	Notes	30/06/2014	30/06/2013 Restated	30/06/2013
Interest and similar income	3.1	2,697,486	2,919,571	2,917,812
Interest and similar expense	3.1	(1,178,658)	(1,309,612)	(1,309,612)
Commissions (income)	3.2	1,153,902	1,091,133	1,115,640
Commissions (expense)	3.2	(127,088)	(114,994)	(112,198)
Net gains or losses on financial instruments at fair value through profit and loss	3.3	15,062	10,128	8,190
Net gains and losses on assets available for sale	3.4	219,707	111,934	102,661
Income from other activities	3.5	486,607	362,178	244,967
Expense from other activities	3.5	(412,743)	(284,019)	(207,891)
NET BANKING INCOME		2,854,275	2,786,319	2,759,568
General operating expense	3.6	(2,213,580)	(2,203,457)	(2,194,835)
Net depreciation, amortisation and impairments of tangible and intangible non-current assets		(103,765)	(93,775)	(93,707)
GROSS OPERATING INCOME		536,930	489,087	471,026
Cost of risk	3.7	(71,905)	(77,638)	(77,642)
OPERATING INCOME		465,025	411,449	393,384
Share of income from associates		114,065	110,770	110,770
Net gains and losses on other assets		(145)	(365)	(365)
Changes in value of goodwill		285	8,745	8,745
PRE-TAX INCOME		579,230	530,600	512,535
Income tax	3.8	(183,252)	(149,876)	(143,356)
NET PROFIT		395,978	380,724	369,179
Non-controlling interests		15,775	15,875	4,330
NET INCOME, GROUP SHARE		380,203	364,850	364,850
<i>BASIC EARNINGS PER ORDINARY SHARE (in euros)</i>		<i>12.81</i>	<i>13.17</i>	<i>13.17</i>
<i>DILUTED EARNINGS PER ORDINARY SHARE (in euros) (1)</i>		<i>10.98</i>	<i>13.17</i>	<i>13.17</i>

(1) Diluted earnings per ordinary share in the six months to 30 June 2013 do not reflect the issuance of perpetual debt securities convertible into shares at the end of December 2013, as the securities in question had not yet been issued by that date.

Consolidated balance sheet as at 30 June 2014

(€ '000s)	Notes	30/06/2014	31.12.13 Restated	31.12.13
ASSETS				
Cash and central banks		1,276,480	1,569,984	1,569,984
Financial assets at fair value through profit and loss	2.1	9,237,953	5,380,954	5,366,693
Hedging derivatives		704,595	221,270	221,270
Financial assets available for sale	2.2	12,167,222	12,792,699	12,024,562
Loans & receivables - credit institutions	2.3	87,000,181	82,893,845	82,893,836
Loans and receivables - customers	2.4	63,143,907	59,212,206	59,212,535
Revaluation differences on interest rate risk hedged portfolios		208,060	130,357	130,357
Financial assets held to maturity	2.5	29,555,917	32,265,882	32,265,882
Current tax assets		142,374	138,972	138,972
Deferred tax assets		134,431	112,693	113,033
Accruals and other assets	2.6	2,737,710	2,753,713	2,672,761
Non-current assets held for sale		0	0	0
Deferred profit-sharing		0	0	0
Investments in associates	2.9	2,701,899	2,528,838	2,528,838
Investment properties		0	0	0
Property, plant and equipment		683,328	712,372	711,775
Intangible assets		319,760	327,538	327,471
Goodwill	2.10	53,655	53,655	53,655
TOTAL		210,067,473	201,094,978	200,231,623
LIABILITIES				
Central banks		0	0	0
Financial liabilities at fair value through profit and loss	2.1	231,719	117,821	117,821
Hedging derivatives		389,694	371,550	371,550
Due to credit institutions	2.11	17,497,658	14,757,451	14,756,992
Due to customers	2.12	168,166,206	166,885,651	166,885,651
Debt securities		7,097,982	4,300,424	4,300,424
Revaluation differences on interest rate risk hedged portfolios		310,446	8,636	8,636
Current tax liabilities		23,996	15,375	14,186
Deferred tax liabilities		53,077	34,237	22,084
Debts linked to non-current assets held for sale		0	0	0
Accruals and other liabilities	2.13	4,156,160	3,689,241	3,632,809
Underwriting reserves of insurance and shadow companies	2.14	1,659,380	1,493,518	817,490
Provisions	2.15	665,751	678,119	677,598
Subordinated debt	2.16	2,434,056	1,629,315	1,629,315
SHAREHOLDERS' EQUITY, ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT		7,254,654	7,017,318	7,017,318
Linked equity capital and reserves		4,674,828	4,622,262	4,622,262
Consolidated reserves		1,465,564	1,244,903	1,222,790
Gains and losses recognised directly in equity		734,059	571,018	593,131
Profit (loss) for the period		380,203	579,136	579,136
NON CONTROLLING INTERESTS		126,694	96,322	(20,251)
CONSOLIDATED EQUITY		7,381,347	7,113,640	6,997,067
TOTAL		210,067,473	201,094,978	200,231,623

Statement of net profit and gains and losses recognised directly in equity

	30/06/2014	30/06/2013 Restated	30/06/2013
NET INCOME, GROUP SHARE	380,203	364,850	364,850
Items recyclable in profit or loss			
Exchange rate differences	0	0	0
Revaluation of financial assets available for sale			
<i>Change in revaluation reserve</i>	68,873	12,468	12,468
<i>Reclassification to profit or loss</i>	(53,191)	(43,479)	(43,479)
<i>Deferred tax**</i>	(12,322)	8,894	8,894
Revaluation of hedging derivatives			
<i>Change in reserve</i>	(3,337)	(21,569)	(21,569)
<i>Recycling to profit or loss</i>	0	0	0
<i>Deferred tax**</i>	(1,848)	5,803	5,803
Item of the share in gains and losses from associates recognised directly in equity*	165,036	(45,353)	(45,353)
Items not recyclable in profit or loss			
Actuarial differences under defined benefit schemes	0	(2,438)	(2,438)
Other changes			
Deferred tax**	(137)		
Item of the share in gains and losses from associates recognised directly in equity*	270		
TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY NET OF TAX, GROUP SHARE	163,344	(85,674)	(85,674)
Net profit and gains and losses recognised directly in equity, attributable to the owners of the parent	543,547	279,176	279,176
Net profit and gains and losses recognised directly in equity, non-controlling interests	26,621	13,058	1,513
NET PROFIT AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	570,168	292,234	280,689

* Amounts shown net of deferred tax

** Impact of change in the tax rate from 34.4% to 38%

Statement of changes in equity capital

	Capital (1)	Issue premium	Legal reserves, retained earnings and other reserves	Consolidated reserves	Legal reserves, retained earnings and other reserves Gains or losses, net of tax, recognised directly in equity Profit (loss) for the period attributable to the owners of the parent		Profit (loss) for the period attributable to the owners of the parent	Equity attributable to the owners of the parent	Equity, non controlling interests	Total consolidated equity
					Actuarial differences	Translation reserves, change in fair value of financial instruments (2) and (3)				
IFRS equity capital as at December 31st 2012	3,185,735	16,719	1,135,624	919,908		584,661	574,024	6,416,671	(20,322)	6,396,349
Impact of changes in accounting policies or correction of mistakes (6)			2,596		(2,596)			0		0
Effect of the application of IFRS 10 (4)				22,113		(22,113)		0	98,605	98,605
IFRS equity capital as at 1 January 2013	3,185,735	16,719	1,138,220	942,021	(2,596)	562,548	574,024	6,416,671	78,283	6,494,954
Allocation of 2012 net profit			311,772	262,252			(574,024)	0		0
Dividend 2015 paid for 2012 net profit			(258,183)					(258,183)	(3,283)	(261,466)
Sub-total of movements linked to relations with shareholders	0	0	53,589	262,252	0	0	(574,024)	(258,183)	(3,283)	(261,466)
Changes in gains and losses recognised directly in equity					(2,438)	(37,883)		(40,321)	(131)	(40,452)
Restated results as at 30 June 2013							364,850	364,850	13,189	378,039
Sub-total	0	0	0	0	(2,438)	(37,883)	364,850	324,529	13,057	337,587
Share in changes in the equity of associates consolidated using the equity method				(5,631)		(45,353)		(50,985)		(50,985)
Other changes (4)			(66)	(26,834)	2,405		0	(24,495)	29	(24,466)
Restated IFRS equity capital as at 30 June 2013	3,185,735	16,719	1,191,743	1,171,808	(2,629)	479,312	364,850	6,407,537	88,086	6,495,624
Capital increase	228,000							228,000		
Sub-total of movements linked to relations with shareholders	228,000	0	0	0	0	0	0	228,000	0	228,000
Changes in gains and losses recognised directly in equity					2,572	70,974		73,546	48	73,594
Restated results for the second half of 2013							214,286	214,286	7,841	222,127
Sub-total	0	0	0	0	2,572	70,974	214,286	287,832	7,889	295,721
Share in changes in the equity of associates consolidated using the equity method				14,841	(11,846)	35,040		38,036		38,036
Other changes (4)			66	58,252	(2,405)			55,913	346	56,259
Restated IFRS equity capital as at 31 December 2013	3,413,735	16,719	1,191,809	1,244,901	(14,308)	585,326	579,136	7,017,318	96,322	7,113,640
Impact of changes in accounting policies or correction of mistakes								0		0
IFRS equity capital as at 1 January 2014	3,413,735	16,719	1,191,809	1,244,901	(14,308)	585,326	579,136	7,017,318	96,322	7,113,639
Capital increase								0		0
Elimination of treasury shares								0		0
Issuance of preference shares								0		0
Equity component of hybrid instruments								0		0
Share-based payments								0		0
Allocation of 2013 net profit	0	0	313,197	265,938	0	0	(579,136)	0	0	0
Dividend 2014 paid in respect of 2013 net profit	0	0	(260,631)	0	0	0	0	(260,631)	(12,023)	(272,654)
Sub-total of movements linked to relations with shareholders	0	0	52,566	265,938	0	0	(579,136)	(260,632)	(12,023)	(272,654)
Changes in gains and losses recognised directly in equity	0	0	0	0	(137)	(1,825)	0	(1,962)	10,847	8,884
Results as at 30 June 2014							380,203	380,203	15,775	395,978
Sub-total	0	0	0	0	(137)	(1,825)	380,203	378,241	26,621	404,862
Impact of acquisitions and disposals of non-controlling interests (5)								0		0
Share of changes in the equity of associates consolidated using the equity method	0	0	0	475	(32)	165,035	0	165,477	0	165,477
Other variations (5)	0	0	0	(45,752)	0	1	0	(45,751)	15,773	(29,978)
IFRS equity capital as at 30 June 2014	3,413,735	16,719	1,244,374	1,465,564	(14,477)	748,536	380,203	7,254,654	126,694	7,381,347

(1) As at 30 June 2014, the share capital of La Banque Postale consisted of 29,684,650 shares with a par value of €115 each.

(2) Gains and losses recognised directly in equity include translation reserves; said reserves come from the foreign subsidiaries consolidated by the CNP Assurances Group.

(3) As at 30 June 2014, gains or losses recognised directly in equity primarily included €571 million in net unrealised gains on assets available for sale recorded by the CNP Assurances Group, compared with €420 million as at 31 December 2013.

(4) Other movements mainly concern the shift from proportionate consolidation to full consolidation for La Banque Postale Prévoyance pursuant to IFRS 10 and 11.

(5) Other changes observed during the first half of 2014 reflect change in the value of put options held by non-controlling interests in the negative amount of €46 million.

(6) The impact of changes in methodology on 1 January 2013, in the amount of €2,596 thousand, results from the reclassification of actuarial differences relating to end-of-career payments under "Gains and losses recognised directly in equity capital" pursuant to IAS 19 Revised.

First half 2014 cash flow statement

The cash flow statement is presented according to the indirect method model.

Investment activities represent cash flows relating to acquisitions and disposals of holdings in consolidated companies, and property, plant and equipment and intangible assets.

Financing activities represent changes linked to structural financial transactions involving equity capital, subordinated debt and acquisitions of non-controlling interests.

Operating activities include those cash flows that fall outside the two previous categories. More specifically, securities relating to strategic investments included in the “Financial assets available for sale” and “Financial assets held to maturity” categories are classified in operating activities.

The concept of net cash includes cash, receivables and payables to central banks, as well as instant-access deposits (assets and liabilities) held by credit institutions.

	30/06/2014	30/06/2013
Profit (loss) before tax	579,230	512,535
+/- Net depreciation and amortisation of tangible and intangible non-current assets	103,767	94,196
- Changes in goodwill and impairment of other non-current assets	(286)	(8,744)
+/- Net provisions and impairment charges	147,996	114,819
+/- Share of income from associates	(114,065)	(110,770)
+/- Net losses or gains on investment activities	145	355
+/- Net losses or gains on financing activities	0	0
+/- Other movements	373,413	442,728
= Total non-cash items included in net pre-tax profit and other adjustments	510,970	532,584
+/- Cash flows relating to transactions with credit institutions	(2,236,532)	(4,130,891)
+/- Cash flows relating to customer transactions	(2,010,189)	894,265
+/- Cash flows relating to other transactions that have an impact on financial assets or liabilities	2,236,307	780,213
+/- Cash flows relating to other transactions that have an impact on non-financial assets or liabilities	341,680	(528,939)
- Taxes paid	(198,120)	(122,522)
= Net increase/decrease in assets and liabilities from operating activities	(1,866,854)	(3,107,875)
TOTAL NET CASH FLOWS GENERATED BY OPERATING ACTIVITIES (A)	(776,654)	(2,062,757)
+/- Flows linked to financial assets and investments	106,846	1,141,797
+/- Flows linked to investment properties		
+/- Cash flows linked to tangible and intangible non-current assets	(66,470)	(60,801)
TOTAL NET CASH FLOWS GENERATED BY INVESTMENT ACTIVITIES (B)	40,376	1,080,996
+/- Cash flows from or to shareholders	(252,354)	(261,466)
+/- Other net cash flows from financing activities	738,603	(28,714)
TOTAL NET CASH FLOWS GENERATED BY FINANCING ACTIVITIES (C)	486,249	(290,180)
IMPACT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS (D)	0	0
Net increase (decrease) in cash and cash equivalents (A+B+C+D)	- 250,029	(1,271,941)
Net cash flows generated by operating activities (A)	(776,654)	(2,062,757)
Net cash flows generated by investment activities (B)	40,376	1,080,996
Net cash flows generated by financing activities (C)	486,249	(290,180)
Impact of changes in exchange rates on cash and cash equivalents (D)	0	0
Opening cash and cash equivalents	1,606,909	2,900,320
Cash and central banks (assets and liabilities)	1,569,984	2,725,691
Current accounts (assets and liabilities) and overnight loans with credit institutions	36,925	174,629
Closing cash and cash equivalents	1,356,880	1,628,379
Cash and central banks (assets and liabilities)	1,276,480	1,353,702
Current accounts (assets and liabilities) and overnight loans with credit institutions	80,400	274,677
CHANGE IN NET CASH	(250,029)	(1,271,941)

The cash impact of the change in the consolidation method of LBP Prévoyance is €10,736 thousand at 30 June 2013 and €(312) thousand at 1 January 2013. This impact is not restated in opening cash or cash at 30 June 2013 as shown above.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

LEGAL AND FINANCIAL FRAMEWORK

1 Highlights of the period

1.1 Bond issue

On 23 April 2014, La Banque Postale issued a €750 million bond maturing in 12 years. This was La Banque Postale's third issue of Tier II securities. The first, in the amount of €500 million, was made in November 2006 and redeemed in 2011. The second, in the amount of €750 million, was made in November 2010.

The issue, made in the form of redeemable subordinated notes (Lower Tier II), was subscribed primarily by European institutional investors. It can be converted into senior debt in the event of regulatory disqualification. It was also the object of a fair value hedge.

1.2 European Banking Supervision – Asset quality review (AQR)

Preparatory work for the transition to European banking supervision began in the first quarter of 2014, notably via a self-assessment questionnaire on accounting policies and principles. This questionnaire was reviewed in depth by French Prudential Supervisory Authority teams.

Following this process, the ECB will issue recommendations to institutions. Provisional recommendations as they currently stand do not have an impact on the Group's financial statements.

The work also involved a review of the portfolio of commitments and guarantees using sampling techniques and the ECB's proprietary model for measuring the coverage of customer assets. At this stage, the review of the impairment of retail banking assets has not led the Group to change the overall amount of provisions recognised in its financial statements.

1.3 Changes in scope of consolidation

On 20 May 2014, La Banque Postale acquired **SOFIAP (Société Financière pour l'Accession à la Propriété)** from Crédit Immobilier de France and SNCF. This company is now owned jointly by La Banque Postale and SNCF (66% and 34% respectively). SOFIAP has total assets of less than €2 billion, generates annual net banking income of approximately €21.5 million¹⁷ and employs nearly 115 people in its headquarters and a small number of branches. It has 24,000 customers, predominantly SNCF employees. The acquisition is part of La Banque Postale's growth drive in the retail market, including home loans and social home ownership schemes.

The summarised initial balance sheet for SOFIAP in La Banque Postale Group's scope of consolidation is presented below:

IFRS assets – temporary situation in May 2014	(€ '000s)
Cash and central banks	1
Hedging derivatives	18
Financial assets available for sale	24
Loans and receivables to credit institutions	10,928
Loans and receivables to customers	1,502,319
Revaluation differences on interest rate risk hedged portfolios	70,785
Current tax assets	10,512
Deferred tax assets	6,512
Accruals and other assets	12,217
Intangible assets, property, plant and equipment, and investment properties	1,958
TOTAL ASSETS	1,615,274

IFRS liabilities – temporary situation in May 2014	(€ '000s)
Hedging derivatives	70,785
Due to credit institutions	1,421,340
Due to customers	1,007
Revaluation differences on interest rate risk hedged portfolios	18
Deferred tax liabilities	2,038
Accruals and other liabilities	27,244
Provisions	1,247
SHAREHOLDERS' EQUITY, ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT	91,595
TOTAL LIABILITIES	1,615,274

Since the analyses and valuations required for the initial measurement at fair value of assets, liabilities, off-balance sheet items and contingent liabilities had not been entirely completed, the acquisition price was allocated provisionally and may be adjusted during the measurement period, i.e. a maximum of 12 months starting from the acquisition date, in accordance with IFRS 3 § 45.

¹⁷ Net banking income of approximately €21.5 million as per the financial statements under French GAAP for the year ended 31 December 2013

1.4 Application of IFRS 10 and 11

The application of IFRS 10 and 11 did not have a material impact on the consolidated financial statements. The changes relate to two entities, La Banque Postale Prévoyance and Sopassure.

La Banque Postale Prévoyance was previously proportionally consolidated. Following the analysis conducted on this entity held by the Group and CNP Assurances, the links existing between La Banque Postale and its subsidiary, as well as the subsidiary's increasing autonomy, led to the conclusion, in accordance with the principles laid down in IFRS 10, that the Group enjoys control and should therefore fully consolidate the subsidiary from 1 January 2013.

Consolidation in the Group's financial statements and the preparation of pro-forma statements were carried out pursuant to IFRS 3R, i.e. with the preparation of an opening balance sheet.

Financial statements of La Banque Postale Prévoyance

IFRS assets	Dec. 2013 (€k)	Dec. 2012 (€k)
Financial assets at fair value through profit and loss	28,523	47,771
Financial assets available for sale	1,536,273	1,376,456
Loans and receivables to credit institutions	20,536	2,877
Accruals and other assets	182,650	176,541
Intangible assets, property, plant and equipment, and investment properties	1,328	1,391
TOTAL ASSETS	1,769,310	1,605,036

IFRS liabilities	Dec. 2013 (€k)	Dec. 2012 (€k)
Due to credit institutions	917	626
Accruals and other liabilities	182,147	159,937
Underwriting reserves of insurance and shadow companies	1,352,057	1,216,578
Provisions	1,042	2,522
ASSETS AVAILABLE FOR SALE RECLASSIFIED UNDER LOANS AND RECEIVABLES:	233,147	225,373
TOTAL LIABILITIES	1,769,310	1,605,036

1.5 Finalisation of BPE's opening balance sheet

La Banque Postale Group restated the initial consolidated balance sheet prepared from BPE's IFRS financial statements in the context of the harmonisation of the entity's accounting policies with those applied by the Group and by applying the acquisition method, as required by IFRS 3R.

The main restatements represent a total negative amount of €1.01 million before tax, and primarily concerned:

- Impairments in respect of credit risk on outstanding loans to customers, reflecting both the adjustment of methods used to determine risk exposure and, in some cases, the level of hedging: €(4.6) million;
- The measurement of loan portfolios, fixed-rate debt and hedging instruments at their market value or its equivalent on the acquisition date and the implementation of hedging documentation for said transactions: €(6.2) million;
- The recognition of intangible assets resulting from certain activities generating commissions: €6.0 million;
- The recognition of deferred taxes on temporary differences and differences between French GAAP and IFRS: €3.7 million.

Equity on the opening balance sheet totalled €113 million, and final negative goodwill was €0.3 million.

The table below shows BPE's balance sheet before and after these adjustments:

	02/04/2013	
	Before (French GAAP)	After (IFRS)
Assets (in €m)		
Financial instruments	-	3,673
Loans and receivables – credit institutions	358,536	358,536
Loans and receivables to customers	2,490,260	2,564,916
Revaluation differences on portfolios	-	-
Tangible and intangible assets	16,900	16,900
Goodwill	-	-
Other assets	35,126	24,598
Total	2,900,821	2,968,622
Liabilities (in €m)		
Financial instruments	-	-
Due to credit institutions	2,005,960	2,071,219
Due to customers	755,847	755,847
Revaluation differences on portfolios	-	3,629
Accruals	21,837	21,837
Provisions	3,112	3,112
ASSETS AVAILABLE FOR SALE RECLASSIFIED UNDER LOANS AND RECEIVABLES:	114,065	112,979
Total	2,900,821	2,968,622

1.6 Other highlights

1.6.1 Exposure to euro zone countries with a support plan

La Banque Postale Group continued its close scrutiny of its exposure to euro zone countries that have benefited from a support plan. Total exposure to Spain, Portugal, Ireland and Italy now represents €2.6 billion, as opposed to €2.8 billion at end-December 2013.

1.7 CNP Assurances highlights

1.7.1 Issuance of subordinated debt in the amount of €500 million

On 27 May 2014, CNP Assurances finalised the issuance of €500 million in subordinated debt maturing on 5 June 2045, with a first optional redemption date of 5 June 2025.

The issue will bear interest at a fixed rate of 4.25% for 11 years. The coupon will then be reattached every five years in accordance with the new interest rate conditions.

The issue was structured so to be treated as capital by regulators and by rating agency Standard & Poor's, with contractual terms allowing it to be classified as a financial liability under IFRS.

The proceeds of the subordinated notes will be used to refinance pending bond maturities.

2 Post-balance sheet events

2.1 Significant events for CNP Assurances after the close of the consolidated interim financial statements

Signature of a strategic long-term partnership with Banco Santander

On 10 July 2014, CNP Assurances announced that it had signed an exclusive long-term distribution agreement with Santander Consumer Finance (Group Banco Santander) and had acquired 51% of its life and non-life insurance subsidiaries.

The partnership covers all insurance products; personal risk insurance and borrower insurance will be developed as a priority. It covers 10 European countries in which Santander Consumer Finance holds key positions: Germany, Poland, Italy, Spain, Austria, Portugal, Norway, Sweden, Denmark and Finland.

The amount of the transaction was €290 million, and may be adjusted upwards or downwards depending on the financial performance in the coming years.

The transaction will be funded from existing resources and should be completed by the end of 2014, subject to regulatory approval.

NOTE 1 MAIN RULES FOR MEASURING AND PRESENTING THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

1.1 Regulatory framework

Regulation (EC) No. 1606/2002 of 19 July 2002 requires companies whose debt securities are listed on a regulated market to apply the benchmark guidelines drawn up by the International Accounting Standards Board (IASB). Accordingly La Banque Postale Group has since 1 January 2007 prepared its consolidated financial statements under International Financial Reporting Standards (IFRS) as approved by the European Union. More specifically, the Group has chosen to apply the provisions of Commission Regulation (EC) No. 2086/2004 by adopting IAS 39, with the exception of certain provisions. This European regulation therefore allows certain macro-hedging transactions performed as part of asset and liability management (including customer demand deposits) to be treated as fair value hedges.

The full guidelines for the standards adopted within the European Union can be consulted on the European Commission's website, at the following address:

http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

Statement of compliance

The summary interim financial statements have been drawn up in compliance with IAS 34 - Interim financial information. The statements include a selection of notes explaining material events and transactions with a view to understanding the changes that have occurred in the Group's financial position and performance since the last annual consolidated financial statements for the period to 31 December 2013. The summary interim financial statements do not include all the information required for the full annual financial statements, which are prepared under IFRS. They must be read together with the Group's financial statements for the year ended 31 December 2013.

These summary consolidated financial statements were prepared under the responsibility of the Executive Board meeting on 28 July 2014.

Main accounting policies

The accounting policies used by the Group in the summary consolidated interim financial statements are identical to those used in the consolidated financial statements for the year ended 31 December 2013, with the exception of the points described below (note 1.2).

Presentation of the financial statements

In the absence of a model imposed by IFRS guidelines, the Group has used the summary statement format suggested in Recommendation No. 2013 04 of 7 November 2013 issued by the French National Accounting Authority.

The consolidated financial statements are presented in thousands of euros.

1.2 Standards and interpretations applied by the Group from 1 January 2014

With respect to the consolidated financial statements for the year ended 31 December 2013, the Group has applied the following standards and interpretations mandatory within the European Union from 1 January 2014:

Standards or Interpretations	Date of adoption by the EU
IFRS 10 - Consolidated financial statements	December 11st 2012
IFRS 11 - Joint arrangements	December 11st 2012
IFRS 12 - Disclosure of interests in other entities	December 11st 2012
IAS 27R - Separate financial statements	December 11st 2012
IAS 28R - Investments in associates and joint ventures	December 11st 2012
Amendments to IFRS 10, IFRS 11 and IFRS 12 - Transition guidance	April 4th 2013
Amendments to IAS 32 - Offsetting financial assets and liabilities	December 13th 2012
Amendments to IFRS 10, IFRS 11 and IAS 27 - Investment entities	November 20th 2013
Amendments to IAS 39 - Novation of derivatives and continuation of hedge accounting	December 19th 2013
Amendments to IAS 36 - Recoverable amount disclosures for non-financial assets	December 19th 2013

Application of IFRS 10, 11 and 12 on consolidation and joint arrangements

The analysis of the impact of IFRS 10 and IFRS 11 on the Group's consolidated financial statements is described below and in section 1.5.

The Group applied IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements" for the first time on 1 January 2014, with retrospective application in accordance with the transitional arrangements. In addition, the application of IFRS 12 "Disclosure of Interests in Other Entities" from 1 January 2014 led to the inclusion of additional financial information in the consolidated financial statements.

- IFRS 10 "Consolidated Financial Statements" defines the notion of control and lays down requirements as regards the presentation of consolidated financial statements, replacing IAS 27 and SIC 12 "Consolidation of Special Purpose Entities". Control is now assessed

on the basis of the following three criteria: i) power, ii) exposure to variable returns and iii) the link between power and said returns;

- IFRS 11 “Joint Arrangements” deals with aspects of accounting for jointly controlled entities, replacing IAS 31 “Interests in Joint Ventures”. The new standard notably removes the possibility of using the proportionate consolidation method. Partnerships are now qualified as joint ventures or joint operations based on analysis of the Group’s rights and obligations within the partnership:
 - ✓ joint ventures, giving the right to only part of the net assets of the entity, are consolidated by the equity method,
 - ✓ joint operations, giving the partners direct rights to the entity’s assets and obligations in respect of its liabilities, are recognised in proportion to the share of assets, liabilities, income and expenses controlled by each partner;
- IFRS 12 “Disclosure of Interests in Other Entities” sets out the information to be provided in the consolidated financial statements in respect of shareholdings in subsidiaries, joint arrangements, associates and unconsolidated structured entities.

The required disclosures will be made as at 31 December 2014 insofar as the relevant securities represent an immaterial amount for the bank;

- IAS 27R “Separate Financial Statements”, dealing with accounting for investments and disclosures in respect of investments in separate financial statements, and IAS 28R “Investments in Associates and Joint Ventures”, defining the notion of significant influence, had no impact on the Group’s consolidated financial statements.

➤ Application of the amendments to IAS 32 and IAS 39 dealing with procedures for offsetting financial assets and financial liabilities

Amendments to IAS 32 and IAS 39 deal respectively with the conditions in which an entity must offset its assets and liabilities and maintain hedging relationships in the event of change in the counterparty. These amendments notably take EMIR into account.

These amendments have no impact on the Group’s consolidated financial statements as at 30 June 2014.

- The amendment to IAS 36, with mandatory application from 1 January 2014, had no impact on the consolidated financial statements as at 30 June 2014.

1.3 Standards and interpretations not yet applied

The IASB and IFRIC have issued standards and interpretations that were not mandatory as at 30 June 2014. Standards or interpretations published by the IASB but not yet adopted by the European Union will be mandatory only once they have been adopted.

Standards or Interpretations	Date of adoption by the European Union	Date of entry into force	Application as at 30 June 2014
IFRIC 21 “Levies”	13 June 2014	Effective for fiscal years open as of 17 June 2014	possible

As at 30 June 2014, the Group had not elected to apply any standards or interpretations early.

IFRIC 21 “Levies” sets out the conditions governing the recognition of levies based on their obligating event.

The Group is currently reviewing the potential impact of this interpretation on its financial statements.

1.4 Judgements and estimates

The preparation of the interim consolidated financial statements requires Management to exercise its judgment, to make the best possible estimates, and to make assumptions that have an impact on the adoption of accounting policies and on the amounts of the assets and liabilities and the income and expenses. The actual amounts may subsequently prove to be different from the estimated amounts.

As part of the preparation of the summary consolidated interim financial statements, the significant judgements made by Management in applying the Group's accounting policies and the main grounds for uncertainty related to those estimates are identical to those that affected the consolidated financial statements for the period to 31 December 2013.

1.5 Impact of the application of new standards IFRS 10 and IFRS 11

The comprehensive review of the scope of consolidation on the basis of the new definition of control under IFRS 10 (see 1.4 above) and analysis of joint operations only brought to light an impact on entities previously consolidated by the proportionate method, namely La Banque Postale Prévoyance and Sopassure.

- La Banque Postale Prévoyance has been fully consolidated since 1 January 2013. This entity is a company with traditional governance in which voting rights exercised within a shareholders' agreement make it impossible to determine who has effective control.

However, an analysis of the facts and circumstances conducted on the running of the company demonstrated:

- a) La Banque Postale's control over the company's relevant activities;
- b) La Banque Postale's ability to influence the company's returns; and
- c) La Banque Postale's significant exposure to the variability of returns.

- Sopassure, which meets the definition of "jointly controlled company", is recognised in proportion to the share of assets, liabilities and results held.

The shareholders' agreement established between La Banque Postale and its partner sets out the conditions of implementation of the partnership. It materialises, through the mode of operation of the holding company's governance bodies, the direct rights of each partner on the interest in CNP Assurances, Sopassure's main asset.

The analysis of this notion of control as regards the Group's various entities did not lead to the consolidation or deconsolidation of entities, structured or not.

In accordance with the terms of transition, the data contained in the consolidated financial statements at 31 December 2013 and 30 June 2013 have been restated to reflect the new scope of consolidation.

These adjustments did not have a material impact on the “consolidated net profit”.

Reconciliation of the published data to the restated data is as follows:

	Notes	31.12.2013 Published accounts	Impact of IFRS 10 and 11	31.12.2013 Restated accounts
ASSETS				
Cash and central banks		1,569,984	0	1,569,984
Financial assets at fair value through profit and loss	2.1	5,366,693	14,261	5,380,954
Hedging derivatives		221,270	0	221,270
Financial assets available for sale	2.2	12,024,562	768,137	12,792,699
Loans & receivables - credit institutions	2.3	82,893,836	9	82,893,845
Loans and receivables - customers	2.4	59,212,535	(329)	59,212,206
Revaluation differences on interest rate risk hedged portfolios		130,357	0	130,357
Financial assets held to maturity	2.5	32,265,882	0	32,265,882
Current tax assets		138,972	0	138,972
Deferred tax assets		113,033	(340)	112,693
Accruals and other assets	2.6	2,672,761	80,952	2,753,713
Non-current assets held for sale		0	0	0
Deferred profit-sharing		0	0	0
Investments in associates	2.9	2,528,838	0	2,528,838
Investment properties		0	0	0
Property, plant and equipment		711,775	597	712,372
Intangible assets		327,471	67	327,538
Goodwill	2.10	53,655	0	53,655
TOTAL		200,231,623	863,354	201,094,978
LIABILITIES				
Central banks		0	0	0
Financial liabilities at fair value through profit and loss	2.1	117,821	0	117,821
Hedging derivatives		371,550	0	371,550
Due to credit institutions	2.11	14,756,992	457	14,757,451
Due to customers	2.12	166,885,651	0	166,885,651
Debt securities		4,300,424	0	4,300,424
Revaluation differences on interest rate risk hedged portfolios		8,636	0	8,636
Current tax liabilities		14,186	1,188	15,375
Deferred tax liabilities		22,084	12,153	34,237
Debts linked to non-current assets held for sale		0	0	0
Accruals and other liabilities	2.13	3,632,809	56,432	3,689,241
Underwriting reserves of insurance companies	2.14	817,490	676,029	1,493,518
Provisions	2.15	677,598	521	678,120
Subordinated debt	2.16	1,629,315	0	1,629,315
SHAREHOLDERS' EQUITY, ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT		7,017,318	0	7,017,318
Linked equity capital and reserves		4,622,262	0	4,622,262
Consolidated reserves		1,222,790	22,113	1,244,903
Gains and losses recognised directly in equity		593,131	(22,113)	571,018
Profit (loss) for the period		579,136	0	579,136
NON CONTROLLING INTERESTS		(20,251)	116,573	96,322
CONSOLIDATED EQUITY		6,997,067	116,573	7,113,640
TOTAL		200,231,623	863,354	201,094,978

	Notes	31.12.2013 Published accounts	Impact of IFRS 10 and 11	31.12.2013 Restated accounts
Interest and similar income	3.1	2,917,812	1,760	2,919,571
Interest and similar expense	3.1	(1,309,612)	0	(1,309,612)
Commissions (income)	3.2	1,115,640	(24,507)	1,091,133
Commissions (expense)	3.2	(112,198)	(2,796)	(114,994)
Net gains or losses on financial instruments at fair value through profit and loss	3.3	8,190	1,938	10,128
Net gains and losses on assets available for sale	3.4	102,661	9,273	111,934
Income from other activities	3.5	244,967	117,211	362,178
Expense from other activities	3.5	(207,891)	(76,128)	(284,019)
NET BANKING INCOME		2,759,568	26,751	2,786,319
General operating expense	3.6	(2,194,835)	(8,622)	(2,203,457)
Net depreciation, amortisation and impairments of tangible and intangible non-current assets		(93,707)	(68)	(93,775)
GROSS OPERATING INCOME		471,026	18,061	489,087
Cost of risk	3.7	(77,642)	4	(77,638)
OPERATING INCOME		393,384	18,065	411,449
Share of income from associates		110,770	0	110,770
Net gains and losses on other assets		(365)	0	(365)
Changes in value of goodwill		8,745	0	8,745
PRE-TAX INCOME		512,535	18,065	530,599
Income tax	3.8	(143,356)	(6,520)	(149,876)
NET PROFIT		369,179	11,545	380,723
Non-controlling interests		4,330	11,545	15,875
NET INCOME, GROUP SHARE		364,850	0	364,850

NOTE 2 NOTES TO THE BALANCE SHEET

2.1 Financial assets and liabilities at fair value through profit or loss

Assets and liabilities at fair value through profit and loss

(€ '000s)	30/06/2014			31/12/2013 Restated		
	Transaction	Fair value option	TOTAL	Transaction	Fair value option	TOTAL
Government paper and similar securities	128,200	0	128,200	104,912	0	104,912
Bonds and other fixed-income securities	8,862,931	0	8,862,931	5,097,025	0	5,097,025
Equities and other variable-income securities	51,925	0	51,925	51,253	0	51,253
Financial assets at fair value through profit and loss	9,043,056	0	9,043,056	5,253,190	0	5,253,190
Debt securities	0	0	0	0	5,761	5,761
Financial liabilities at fair value through profit and loss	0	0	0	0	5,761	5,761

Derivatives held for transaction purposes

(€ '000s)	30/06/2014		31/12/2013 Restated	
	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives	187,012	189,481	117,972	73,432
Exchange rate derivatives	1,002	1,420	2,823	6,266
Other derivative instruments	6,883	40,818	6,969	32,362
Trading derivatives at fair value through profit or loss	194,897	231,719	127,764	112,060

(€ '000s)	30/06/2014		31/12/2013 Restated	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Conditional transactions	6,883	40,818	6,969	32,362
Interest rate options	6,883	40,818	6,969	32,362
Other derivatives	188,014	190,901	120,795	79,698
Exchange rate contracts	1,002	1,420	2,823	6,266
Interest rate swaps	187,012	189,481	117,972	73,432

2.2 Financial assets available for sale

(€ '000s)	30/06/2014	31/12/2013 Restated
Government paper and similar securities	1,303,335	2,085,503
Bonds and other fixed-income securities	9,505,850	9,404,675
Equities and other variable-income securities	1,231,736	1,175,889
Non-consolidated equity investments	126,301	126,632
Financial assets available for sale	12,167,222	12,792,699
Including net unrealised gains and losses on fixed-income securities recorded in reserves	81,776	69,095
Including net unrealised gains and losses on floating-rate securities recorded in reserves	57,260	57,386

Details of non-consolidated equity investments

(€ '000s)	30/06/2014					31/12/2013 Restated
	Book value of securities	Related advances & receivables	Impairment charges	Net Value	% interest held	Net value of securities
Crédit Logement	97,598	0	0	97,598	6%	97,598
AM Lab	5,387	0	0	5,387	100%	5,387
Thiriet Gestion	2,349	0	0	2,349	33%	3,006
Ciloger	3,055	0	0	3,055	45%	3,055
Oséo	3,924	0	0	3,924	0.15%	3,924
Transactis	2,474	0	0	2,474	50%	2,474
Titres Cadeaux	2,200	0	0	2,200	50%	2,200
Europay	1,339	0	0	1,339	6%	1,339
Xange Private Equity	1,237	0	0	1,237	90%	1,237
Vernier Roosevelt	1,134	0	0	1,134	100%	1,134
Other	6,317	0	(713)	5,604		5,278
Total equity investments and consolidatable advances	127,014	0	(713)	126,301		126,632

Non-consolidated equity investments not listed on an active market and for which fair value cannot be assessed on a reliable basis are valued at cost. These investments amounted to €22,182 thousand as at 30 June 2014, compared with €22,515 thousand as at 31 December 2013.

2.3 Loans and receivables to credit institutions

(€ '000s)	30/06/2014	31/12/2013 Restated
Current accounts in debit	396,548	135,576
Deposits and loans	82,070,896	78,571,738
Securities received under repurchase agreements	2,094,894	1,653,526
Home loans	190,875	190,673
Impairment charges	(4)	(3)
Accounts and loans - credit institutions	84,753,209	80,551,510
Securities equivalent to loans and receivables	2,246,972	2,342,335
Securities equivalent to loans and receivables	2,246,972	2,342,335
Loans and receivables to credit institutions	87,000,181	82,893,845

Securities equivalent to loans and receivables are non-derivative financial assets with fixed or determinable payments that are not traded on an active market. As at 30 June 2014, there were no longer any securities from the "Assets available for sale" category, reclassified as at 1 July 2008 under the October 2008 amendment to IAS 39, under "Loans and receivables to credit institutions".

Deposits on Livret A, Livret de Développement Durable and Livret d'Epargne Populaire savings accounts centralised in the Caisse des Dépôts et Consignations and shown on the "Accounts and Loans" line amounted to €79,466 million as at 30 June 2014, compared with €76,667 million as at 31 December 2013.

2.4 Loans and receivables to customers

(€ '000s)	30/06/2014	31/12/2013 Restated
Current accounts in debit - customers (1)	856,546	814,298
Commercial receivables	51,727	37,035
Short-term credit facilities	3,706,156	3,403,979
Home loans	52,517,062	49,984,437
Corporate loans	1,625,899	1,187,548
Loans to local authorities	2,577,065	2,185,078
Other customer loans	63,881	56,979
Securities received under repurchase agreements	455,742	349,938
Impairment charges	(346,715)	(309,861)
Loans and receivables to customers	61,507,363	57,709,431
Capital lease transactions	667,624	561,643
Impairment charges	(1,382)	(624)
Capital lease transactions	666,242	561,019
Securities equivalent to loans and receivables	970,302	941,756
Impairment charges	0	0
Securities equivalent to loans and receivables	970,302	941,756
Loans and receivables to customers	63,143,907	59,212,206

(1) Deferred payment cards are included in Current accounts in debit.

Securities equivalent to loans and receivables are non-derivative financial assets with fixed or determinable payments that are not traded on an active market. Securities included in the "Assets available for sale" category, following reclassifications carried out as at 1 July 2008 and authorised by the October 2008 amendment to IAS 39, now represent only €4.6 million.

2.5 Financial assets held to maturity

(€ '000s)	30/06/2014	31/12/2013 Restated
Government paper and similar securities	27,108,046	28,888,877
Bonds and other fixed-income securities	2,447,871	3,377,005
Financial assets held to maturity	29,555,917	32,265,882

2.6 Accruals and other assets

(€ '000s)	30/06/2014	31/12/2013 Restated
Prepaid expenses and income receivable	306,487	313,087
Collection accounts	23,120	93,105
Other accruals	1,279,885	1,053,357
Accruals	1,609,492	1,459,549
Sundry debtors	786,382	1,051,892
Securities transaction settlement accounts	5,663	10,231
Impairment charges	(18,984)	(15,812)
Sundry assets	773,061	1,046,311
Insurance companies' share of underwriting reserves	3,014	2,611
Other insurance assets	352,143	245,242
Other insurance assets and reinsurance companies' share of underwriting reserves	355,157	247,853
Accruals and other assets	2,737,710	2,753,713

2.7 Additional information on sovereign exposure

Sovereign exposure has been identified in accordance with the scope defined by the European Banking Authority (EBA), i.e. by selecting exposure to regional authorities, central government and companies benefiting from a government guarantee.

The exposure shown below summarises the exposure for subsidiaries in which La Banque Postale owns an interest of 50% or more.

The information regarding CNP's exposure is specifically shown in the Highlights section and in the financial information issued by that company.

Sovereign exposure in 2014

La Banque Postale has no exposure to Cyprus, Hungary or Egypt.

(€ '000s)	Total Bank Portfolio	Assets at fair value through p&I	Total direct exposure (1)	Off-balance sheet	Total direct and indirect exposure (2)	Exposure (%)
Greece	0	0	0		0	0.0%
Ireland	2,175	0	2,175		2,175	0.0%
Italy	1,316,081	96,675	1,412,756	66,573	1,479,329	4.7%
Portugal	0	0	0	76,354	76,354	0.2%
Spain	1,046,774	0	1,046,774		1,046,774	3.3%
Total PIIGs	2,365,030	96,675	2,461,705	142,927	2,604,632	8.2%
Germany	2,621,454	0	2,621,454		2,621,454	8.3%
Austria	25,391	0	25,391		25,391	0.1%
Belgium	1,591,921	39,789	1,631,710	19,459	1,651,169	5.2%
France	22,317,812	267,524	22,585,336	39,198	22,624,534	71.4%
Great Britain	0	0	0		0	0.0%
Luxembourg	18,058	0	18,058		18,058	0.1%
Netherlands	30,546	0	30,546		30,546	0.1%
Poland	0	0	0		0	0.0%
Slovakia	1,121	0	1,121		1,121	0.0%
Slovenia	5,955	0	5,955		5,955	0.0%
Switzerland	0	0	0		0	0.0%
Supra-national	1,170,893	0	1,170,893		1,170,893	3.7%
Total Europe	27,783,151	307,313	28,090,464	58,657	28,149,121	88.9%
Rest of the world	922,439	0	922,439		922,439	2.9%
Total	31,070,620	403,988	31,474,608	201,584	31,676,192	100%

(2) Direct exposure: net book value (including impairment) of exposure on the Bank's own account.

(2) Direct and indirect exposure: direct exposure to which should be added indirect exposure in the form of guarantees provided to the Group's UCITS.

Sovereign exposure in 2013 (restated)

(€ '000s)	Total bank portfolio	Assets at fair value through profit and loss	Total direct exposure (1)	Off balance sheet	Total direct and indirect exposure (2)	Exposure (%)
Greece	0	0	0	0	0	0.0%
Ireland	2,234	0	2,234	94,951	97,185	0.3%
Italy	1,305,271	1,512	1,306,783	191,837	1,498,620	4.3%
Portugal	0	0	0	36,496	36,496	0.1%
Spain	1,186,399	0	1,186,399	0	1,186,399	3.4%
Total PIIGs	2,493,904	1,512	2,495,416	323,284	2,818,700	8.1%
Germany	2,966,749		2,966,749		2,966,749	8.6%
Austria	24,713	0	24,713	0	24,713	0.1%
Belgium	1,628,798	13,517	1,642,315	20,071	1,662,386	4.8%
France	24,695,892	141,728	24,837,620	20,889	24,858,509	71.7%
Luxembourg	46,262		46,262		46,262	0.1%
Poland	21,878		21,878		21,878	0.1%
Slovakia	1,143		1,143		1,143	0.0%
Slovenia	5,119		5,119		5,119	0.0%
Switzerland	5,720		5,720		5,720	0.0%
Supra-national	1,387,018		1,387,018		1,387,018	4.0%
Total Europe	30,783,292	155,245	30,938,537	40,960	30,979,497	89.3%
Rest of the world	888,590		888,590		888,590	2.6%
Total	34,165,786	156,757	34,322,543	364,244	34,686,787	100.0%

- (1) Direct exposure: net book value (including impairment) of exposure on the Bank's own account.
(2) Direct and indirect exposure: direct exposure to which should be added indirect exposure in the form of guarantees provided to the Group's UCITS.

Change in sovereign exposure to PIIGS in 2014

(€ '000s)	Dec. 2013 Restated Nominal	Impairment charges	Maturity	Disposals	Acquisitions(2)	Transfer(3)	June 2014 Nominal value	Dec. 2013 Restated carrying amount	Carrying amount as at June 2014
Greece	-						-	-	-
Ireland	2,000						2,000	2,234	2,175
Italy	104,813			- 35,500	35,300		104,613	109,781	117,384
Portugal	-						-	-	-
Spain	715,822			- 154,050			561,772	753,291	605,111
Total financial assets available for sale	822,635	-	-	- 189,550	35,300	-	668,385	865,306	724,670
Greece	-						-	-	-
Ireland	-						-	-	-
Italy	1,161,618						1,161,618	1,195,490	1,198,697
Portugal	-						-	-	-
Spain	431,000						431,000	433,108	441,663
Total financial assets held to maturity	1,592,618	-	-	-	-	-	1,592,618	1,628,598	1,640,360
Greece	-						-	-	-
Ireland	-						-	-	-
Italy	-						-	-	-
Portugal	-						-	-	-
Spain	-						-	-	-
Total loans and receivables	-	-	-	-	-	-	-	-	-
Greece	-						-	-	-
Ireland	-						-	-	-
Italy	1,514				93,728		95,242	1,512	96,675
Portugal	-						-	-	-
Spain	-						-	-	-
Total financial assets at fair value through profit or loss	1,514	-	-	-	93,728	-	95,242	1,512	96,675

Focus on sovereign exposure in several European Union countries as at 30 June 2014

Identification by category:

	Bank Portfolio ⁽¹⁾				Assets at fair value through profit and loss	Balance Sheet total after impairments	Off-balance sheet ⁽²⁾	Balance sheet and off balance sheet total
(€ '000s)	Loans and receivables	Assets available for sale	Assets held to maturity	Total Bank Portfolio				
GREECE				-		-		-
IRELAND		2,175		2,175		2,175		2,175
ITALY		117,384	1,198,697	1,316,081	96,675	1,412,756	66,573	1,479,329
PORTUGAL				-		-	76,354	76,354
SPAIN		605,111	441,663	1,046,774		1,046,774		1,046,774
Total	-	724,670	1,640,360	2,365,030	96,675	2,461,705	142,927	2,604,632

As the exposure of the Insurance sector is not material, it is not shown separately from the banking exposure portfolio.

(1) The values shown are expressed according to the next book value on the balance sheet

(2) The off-balance sheet amounts correspond to indirect exposure through the guarantees granted to some of the Group's UCITS.

Breakdown of unrealised gains and losses recorded in reserves:

(€ '000s)	Assets available for sale	Unrealised gains and losses recorded in reserves	Fair value ranking
GREECE	-	-	
IRELAND	2,175	146	N1
ITALY	117,384	7,361	N1
PORTUGAL	-	-	
SPAIN	605,111	31,147	N1
Total	724,670	38,654	

Impact of impairment charges:

(€ '000s)	Balance sheet and off balance sheet total	of which impairments	Total before impairments
GREECE	-	-	-
IRELAND	2,175	-	2,175
ITALY	1,479,329	-	1,479,329
PORTUGAL	76,354	-	76,354
SPAIN	1,046,774	-	1,046,774
Total	2,604,632	-	2,604,632

Breakdown by maturity:

(€ '000s)	Years remaining							
	Balance sheet and off balance sheet total	1	2	3	4	5	<=10	>=10
GREECE	-							
IRELAND	2,175		2,175					
ITALY	1,479,329	846,281	10,529	192,111	271,599	62,349	83,157	13,303
PORTUGAL	76,354		76,354					
SPAIN	1,046,774	10,430	543,483	288,613	198,133			6,115
Total	2,604,632	856,711	632,541	480,724	469,732	62,349	83,157	19,418

2.8 Non-sovereign exposure in several European Union countries as at 30 June 2014

(€ '000s)	Banks	Corporates	Public	Securitisation	Total
Greece		830	-	-	830
Ireland	105,199	115,139	-	-	220,338
Italy	154,734	258,251	-	-	412,985
Portugal			-	-	-
Spain	723,416	95,337	-	-	818,753
Total financial assets available for sale	983,349	469,557	0	0	1,452,906
Greece	-	-	-	-	-
Ireland	-	-	-	-	-
Italy	-	-	-	-	-
Portugal	-	-	-	-	-
Spain	-	-	-	-	-
Total financial assets held to maturity	0	0	0	0	0
Greece	-	-	-	-	-
Ireland	-	-	-	-	-
Italy	-	-	-	-	-
Portugal	-	-	-	-	-
Spain	-	-	-	-	-
Total loans and receivables	0	0	0	0	0
Greece			-	-	-
Ireland		27,888	-	-	27,888
Italy	630,669	71,451	-	-	702,120
Portugal			-	-	-
Spain	350,900	137,994	-	-	488,894
Total financial assets at fair value through profit or loss	981,569	237,333	0	0	1,218,902
TOTAL	1,964,918	706,890	0	0	2,671,808

2.9 Investments in associates

(€ '000s)	30/06/2014		31/12/2013 Restated	
	Equity value	Of which profit	Equity value	Of which profit
CNP Assurances Group	2,701,899	114,065	2,528,838	199,549
Investments in associates	2,701,899	114,065	2,528,838	199,549

The data published by the CNP Assurances Group show a balance sheet total of €386,075.4 million, revenues of €15,657 million and a net profit, Group share of €601 million as at 30 June 2014. The market value of CNP Assurances was €10,409 million as at 30 June 2014. Lastly, the MCEV (Market Consistent Embedded Value) calculated and published by CNP remains markedly higher than its value in the Group's financial statements, as accounted for via the equity method.

2.10 Goodwill

Movements during the period:

(€ '000s)	30/06/2014	31/12/2013 Restated
Net value at 1 January	53,655	53,655
Goodwill arising on investments	-	-
Disposals	-	-
Impairments during the period	-	-
Other movements	-	-
Net amount at 30 June 2014	53,655	53,655

Breakdown of goodwill:

(€ '000s)	30/06/2014	31/12/2013 Restated
Tocqueville Finance Group	27,498	27,498
La Banque Postale Asset Management	24,810	24,810
La Banque Postale Prévoyance	1,347	1,347
Easybourse	4,722	4,722
Total goodwill (gross)	58,377	58,377
Impairment of goodwill	(4,722)	(4,722)
Total goodwill (net)	53,655	53,655

2.11 Payables – credit institutions

(€ '000s)	30/06/2014	31/12/2013 Restated
Current accounts in credit	268,728	81,834
Accounts and loans	1,518,324	2,567,135
Securities assigned under repo agreements	15,679,774	12,079,850
Other amounts payable	30,832	28,631
Due to credit institutions	17,497,658	14,757,450

2.12 Amounts owed to customers

(€ '000s)	30/06/2014	31/12/2013 Restated
Livret A accounts	64,500,711	64,314,403
Home loan savings schemes and accounts	27,395,825	26,986,467
Other special accounts	22,183,247	22,565,595
Special scheme savings accounts	114,079,783	113,866,465
Current accounts in credit - customers	49,810,793	47,672,485
Securities loaned	3,333,546	4,008,066
Term accounts	699,937	847,801
Customer financial borrowings	1,295	259,927
Other amounts payable	240,852	230,907
Due to customers	54,086,423	53,019,186
Customer transactions	168,166,206	166,885,651

2.13 Accruals and other liabilities

(€ '000s)	30/06/2014	31/12/2013 Restated
Expenses payable and advances	365,915	356,827
Other accruals	1,339,687	1,261,797
Accruals	1,705,602	1,618,624
Securities-related payables	509,509	439,762
Guarantee deposits received	874,197	477,560
Sundry payables	905,664	1,031,152
Securities transaction settlement accounts	9,200	10,572
Sundry liabilities	2,298,570	1,959,046
Other insurance liabilities	151,988	111,571
Other insurance liabilities	151,988	111,571
Accruals and other liabilities	4,156,160	3,689,241

2.14 Underwriting reserves of insurance and shadow companies

(€ '000s)	31/12/2013	Impact of full consolidation of LBP Prévoyance	Provisions	Reversals	Other	30/06/2014
Life insurance technical reserves	318,065	318,065	664,360	(635,885)	0	664,605
Non-life insurance technical reserves	261,047	194,849	354,915	(297,779)	(91,919)	421,113
Equalisation reserves	31,593	31,593	13,826	(16,887)	(46,298)	13,826
Other provisions	178,557	103,294	333,677	(280,630)	138,217	473,114
Technical reserves	789,261	674,800	1,366,778	(1,231,181)	0	1,572,658

(€ '000s)	30/06/2014	31/12/2013 Restated
"Shadow accounting" insurance accounts	86,722	56,457
Shadow	86,722	56,457

These are reserves built up by La Banque Postale Prévoyance.

2.14 Provisions

(€ '000s)	31/12/2013 Restated	Provisions	Reversals	Unused reversals	Other	30/06/2014
Provisions for employee benefits	13,087	764	0	0	373	14,224
Provisions for risk on home loan savings accounts	308,608	30,080	0	0	0	338,688
Provisions for employee litigation and expenses	6,577	2,253	(3,251)	(73)	2	5,508
Provisions for signed commitments(1)	119,112	0	(75,920)	0	0	43,192
Other provisions	230,735	42,843	(10,128)	(183)	872	264,139
Provisions	678,119	75,940	(89,299)	(256)	1,247	665,751

(1) This provision records the guarantee granted to two Group funds with a capital guarantee at maturity, and which were affected by the restructuring of Greek debt. The first of these funds matured in January 2014, with no impact on net profit.

The "Others" column corresponds to the entry of SOFIAP into the scope of consolidation.

2.16 Subordinated debt

(€ '000s)	30/06/2014	31/12/2013 Restated
Subordinated debt(1)	2,434,056	1,629,315
Total	2,434,056	1,629,315

(€ '000s)	Date of issue	Maturity date	Rate	Currency of origin	30/06/2014
Long-term subordinated debt(2)	30/11/2010	30/11/2020	4.375%	EUR	750,000
Long-term subordinated debt (3)	23/04/2014	23/04/2026	2.750%	EUR	750,000
Perpetual subordinated debt (4)	13/12/2013		8.000%	EUR	800,000
Total					2,300,000

(1) Carrying amount including hedging effect and accrued interest.

(2) The issue includes a mechanism for conversion to senior debt with a 30 basis point reduction in the coupon in the event that the instrument is disqualified by the regulatory authorities.

(3) See 1 Highlights of the period.

(4) Issue of perpetual debt convertible into shares and repayable in the event of tax, accounting or regulatory change or changes before the first call date. This debt is admitted by regulation in core equity capital (Tier 1). Coupons are payable annually.

NOTE 3 NOTES TO THE PROFIT AND LOSS STATEMENT

3.1 Interest income and expense and similar items

(€ '000s)	30/06/2014		30/06/2013 Restated	
	Income	Expense	Income	Expense
Interest and similar income on cash and inter-bank transactions	881,242	(12,198)	1,120,177	(12,913)
Interest and similar income on customer transactions	1,070,319	(921,100)	1,022,474	(1,144,408)
Interest on hedged transactions	133,966	(197,205)	82,844	(129,825)
Interest on assets available for sale and held to maturity	611,959	0	694,076	0
Interest on debt represented by a security	0	(48,155)	0	(22,466)
Interest income and expense	2,697,486	(1,178,658)	2,919,571	(1,309,612)
Net interest income and expense	1,518,828		1,609,959	

Interest income received in respect of the centralisation of deposits on Livret A, LDD and LEP savings accounts amounted to €736 million in the six months to 30 June 2014, compared with €962 million in the six months to 30 June 2013.

3.2 Commissions

(€ '000s)	30/06/2014		30/06/2013 Restated	
	Income	Expense	Income	Expense
Commissions on cash and inter-bank transactions	10,221	(1,058)	1,227	(570)
Commissions on customer transactions	691,283	(27,754)	670,156	(26,603)
Commissions on financial services supplied	275,716	(83,665)	252,743	(78,672)
Commissions on securities transactions	122,137	(1,934)	121,471	(1,302)
Commissions on insurance services supplied	37,870	(12,336)	32,486	(7,328)
Commissions on financial instruments	0	(318)	0	(485)
Other commissions	16,675	(23)	13,050	(34)
Commission income and expense	1,153,902	(127,088)	1,091,133	(114,994)
Net commissions	1,026,814		976,139	

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

(€ '000s)	30/06/2014	30/06/2013 Restated
Net income from financial instrument held for trading (excluding derivatives)	26,576	16,181
Net income from trading derivatives	(17,578)	8,918
Net income from the revaluation of hedged items and hedge derivatives	5,377	(18,695)
Net income from financial assets designated at fair value through profit and loss	747	3,876
Net income from financial liabilities designated at fair value through profit and loss	(60)	(152)
Net gains and losses on financial instruments at fair value through profit and loss	15,062	10,128

3.4 Net gains and losses on assets available for sale

(€ '000s)	30/06/2014	30/06/2013 Restated
Gains on disposals of fixed-income securities	183,614	108,654
Losses on disposals of fixed-income securities	(3,279)	(25,665)
Dividends and similar income	39,926	27,037
Gains on disposals of floating-rate securities	3,488	2,976
Losses on disposals of floating-rate securities and loss of value	(4,040)	(1,493)
Net gains and losses on disposals of loans and receivables	(2)	425
Net gains and losses on assets available for sale	219,707	111,934

3.5 Total income and expense from other activities

(€ '000s)	30/06/2014		30/06/2013 Restated	
	Income	Expense	Income	Expense
Income paid-out, re-invoiced expenses and transfers of expenses	13,807	0	17,836	0
Other sundry operating income and expenses	122,131	(144,890)	48,566	(80,636)
Insurance income and expense	342,140	(239,474)	286,966	(196,024)
Provisions and other operating expenses	8,529	(28,379)	8,811	(7,359)
Income and expenses from other activities	486,607	(412,743)	362,179	(284,019)
Net income and expense from other activities	73,864		78,160	

3.6 Other general operating expense

(€ '000s)	30/06/2014	30/06/2013 Restated
Employee benefits expense	(209,863)	(189,059)
Taxes and duties	(46,664)	(42,845)
External services	(1,886,127)	(1,901,694)
Other expense	(70,926)	(69,859)
Other general operating expenses	(2,003,717)	(2,014,398)
General operating expense	(2,213,580)	(2,203,457)

Subcontracting expenses mainly include expenses of €1,585 million relating to the service agreements between La Poste and La Banque Postale in the six months to 30 June 2014. These expenses came to €1,610 million in the six months to 30 June 2013.

The competitiveness and employment tax credit of La Banque Postale SA and its subsidiaries amounted to €1.08 million in the six months to 30 June 2014. It is recognised in "Payroll expenses".

The competitiveness and employment tax credit for the financial services personnel of La Poste was recorded under the grouping of charges for service agreements between La Banque Postale and La Poste, thus reducing the expenditure on external services item. The amount of the CICE for financial services personnel and for the banking advisory line was €36 million, compared with €24 million in the six months to June 2013.

3.7 Cost of risk

(€ '000s)	30/06/2014	30/06/2013 Restated
Impairments on customer accounts	(243,459)	(220,988)
Reversals of impairment on customer accounts	217,571	192,057
Losses on unrecoverable impaired receivables(1)	(107,661)	(36,250)
Losses on unrecoverable non-impaired receivables	(13,804)	(14,014)
Recovery of amortised receivables	2,747	2,478
Impairment on past-due financial assets	0	0
Write-back of impairment on past-due financial assets	0	8
Other impairment charges and/or reversals (1)	72,701	(929)
Cost of risk	(71,905)	(77,638)

(1) As at 30 June 2014, the first capital guarantee fund maturing in January 2014 had no impact on the result (see 2.15 Provisions)

3.8 Income tax and deferred taxes

(€ '000s)	30/06/2014	30/06/2013 Restated
Current tax	(205,941)	(156,753)
Deferred tax	22,689	6,877
Income tax	(183,252)	(149,876)

Deferred taxes were recorded at the 38% rate for temporary differences materialising in 2015. The rate is 34.43% for temporary differences materialising after 2014.

Breakdown of the tax charge:

(€ '000s)	30/06/2014		30/06/2013 Restated	
Net profit, Group share	380,203		364,850	
Non-controlling interests	15,775		15,875	
Share of income from equity associates	(114,065)		(110,771)	
Goodwill	(285)		(8,745)	
Income tax expense	183,252		(149,876)	
Accounting result before tax	464,880	38.00%	411,084	36.10%
Theoretical income tax expense	(176,654)		(148,401)	
Impact of permanent timing differences	(11,144)	-2.40%	(4,905)	-1.19%
Impact of tax rates	12,214	2.63%	9,560	2.33%
Impact of dividend taxation	(3,824)	-0.82%	(2,573)	-0.63%
Other impacts	(3,843)	-0.83%	(3,557)	-0.87%
Recognised income tax expense	(183,252)	-39.42%	(149,876)	-36.46%

NOTE 4 COMMITMENTS GIVEN AND RECEIVED

Contractual value of commitments given and received:

(€ '000s)	30/06/2014	31/12/2013 Restated
FINANCING COMMITMENTS		
To credit institutions	200,561	304,659
To customers	20,062,509	20,196,611
Total financing commitments given	20,263,070	20,501,270
From credit institutions	3,863,209	3,316,501
From customers	200,154	970,001
Total financing commitments received	4,063,363	4,286,502
GUARANTEES		
To credit institutions	395,491	412,168
To customers(1)	2,989,934	3,277,865
Total guarantees given	3,385,425	3,690,033
From credit institutions	29,767,571	29,516,173
From customers	8,758,080	8,542,797
Total guarantees received	38,525,651	38,058,970
COMMITMENTS ON SECURITIES		
Deliverable securities	2,472,058	2,074,800
Total commitments given on securities	2,472,058	2,074,800
Securities receivable	472,324	236,029
Total commitments received on securities	472,324	236,029
OTHER COMMITMENTS		
Other commitments given	6,756,429	5,029,107
Total other commitments given	6,756,429	5,029,107

(1) Including the capital and performance guarantees granted to holders of UCITS units issued by Group entities.

NOTE 5 FAIR VALUE OF BALANCE SHEET ITEMS

5.1 Fair value of balance sheet items recognised at amortised cost

The table below shows the fair value of balance sheet items recognised at amortised cost.

	30/06/2014		31/12/2013 Restated	
(€ '000s)	Carrying amount	Fair value	Carrying amount	Fair value
<u>ASSETS</u>				
Loans and receivables - credit institutions	87,000,181	87,240,464	82,893,845	83,102,114
Loans and receivables to customers	63,143,907	66,576,143	59,212,206	61,640,876
Financial assets held to maturity	29,555,917	33,341,407	32,265,882	34,591,517
<u>LIABILITIES</u>				
Due to credit institutions	17,497,658	17,849,487	14,757,450	14,840,476
Due to customers	168,166,206	168,188,983	166,885,651	166,905,122
Debt securities	7,097,982	7,365,731	4,300,424	4,307,334
Subordinated debt	2,434,056	2,546,114	1,629,315	1,677,450

Fair value of loans

The scope selected includes all loans drawn on La Banque Postale and shown in its balance sheet. Loans granted but not yet drawn are not taken into account, the assumption being that their rate having just been set, their value is unlikely to have varied from the nominal amount.

The main assumptions underlying the determination of fair value are as follows for the loans marketed by the bank:

- The fair value of overnight overdrafts is presumed to correspond to the book value because of their low duration (obligation on the customer to become creditor again in less than one month);
- The fair value of loans is determined on the basis of internal models, which consist in discounting future recoverable capital and interest flows over the residual term that are discounted based on the rate of internal disposals.

Fair value of deposits

The main underlying assumptions for the calculation are as follows:

- For deposits on which the interest rate is regulated, Livret B, Livret Jeune, Plan d'Epargne Populaire and term deposit accounts, fair value is assumed to be the carrying amount of the amount outstanding;
- The fair value of demand deposits is assumed to correspond to their carrying amount, net of the fair cost value of the swaps used to hedge demand deposits (via the carve-out option).

Held or issued debt instruments

The fair value of listed financial instruments corresponds to the closing price. The fair value of unlisted financial instruments is determined by discounting future cash flows at current market rates on the reporting date.

All these instruments are considered Level 2, the most significant parameters in terms of the market value of these instruments are considered as being indirectly observable.

5.2 Ranking of the financial assets and liabilities recognised on the balance sheet by fair value

Three levels of financial instruments are shown in Note 5.2, based on the decreasing level of observability of the prices and parameters used for their measurement:

- Level 1: Instruments valued according to the (non-adjusted) prices quoted for identical assets or liabilities on an active market.
This level primarily includes listed shares and derivatives on organised markets (futures, options, etc.);
- Level 2: Instruments valued according to data other than the prices listed under Level 1 and that can be observed for the asset and liability in question, either directly (prices) or indirectly (derivative price data).
This level includes instruments valued using techniques that involve observable parameters and standard models, or instruments valued on the basis of similar instruments listed on an active market. This category includes interest rate swaps, caps, floors, etc.;
- Level 3: Instruments valued using data that are not based on observable market data (non observable data).
This category mainly includes unlisted investment securities.

The market value of unlisted investment securities classified as securities available for sale is determined on the basis of certain criteria such as net asset value, forecast returns and the net present value of future cash flows. Non-consolidated equity investments whose fair value cannot be assessed on a reliable basis are valued at cost.

The price quoted for an asset held or a liability to be issued is usually the bid price, and it is the offer price for a liability held or an asset to be acquired.

Financial assets

(€ '000s)	30/06/2014			31/12/2013 Restated		
	Value determined using listed prices on an active market (Level 1)	Valuation technique using observable data (Level 2)	Valuation technique using non observable data (Level 3)	Value determined using listed prices on an active market (Level 1)	Valuation technique using observable data (Level 2)	Valuation technique using non observable data (Level 3)
Government paper and similar securities	128,200	0	0	104,912	0	0
Bonds and other fixed-income securities	2,083,644	6,779,286	0	1,719,006	3,378,019	0
Equities and other variable-income securities	51,925	0	0	51,253	0	0
Financial assets at fair value through profit and loss	2,263,769	6,779,286	0	1,875,171	3,378,019	0
Equities and other variable-income securities	0	0	0	0	0	0
Financial assets designated at fair value through profit and loss	0	0	0			
Interest rate derivatives	0	187,012	0	0	117,972	0
Exchange rate derivatives	0	1,002	0	0	2,823	0
Equity and equity-index derivatives	0	6,883	0	0	6,969	0
Transaction derivatives	0	194,897	0	0	127,764	0
Interest rate derivatives	0	615,767	0	0	128,963	0
Fair value hedging derivatives	0	615,767	0	0	128,963	0
Interest rate derivatives	0	88,828	0	0	92,307	0
Cash flow hedge derivatives	0	88,828	0	0	92,307	0
Government paper and similar securities	1,267,392	35,943	0	2,049,446	36,057	0
Bonds and other fixed-income securities	9,052,563	453,287	0	9,283,448	121,227	0
Equities and other variable-income securities	797,691	323,866	110,179	1,175,889	0	0
Non-consolidated equity investments	0	0	126,301	0	0	126,632
Financial assets available for sale	11,117,647	813,096	236,480	12,508,783	157,284	126,632

Transfers from Level 1 to Level 2: €674.8 million (after the refining of the fair value ranking procedure) and €10.1 million (switch of a fixed income security to the mark-to-model method).

Transfers from Level 1 to Level 3: €97.3 million (after the refining of the fair value ranking procedure).

Financial liabilities

(€ '000s)	30/06/2014			31/12/2013 Restated		
	Value determined using listed prices on an active market (Level 1)	Valuation technique using observable data (Level 2)	Valuation technique using non observable data (Level 3)	Value determined using listed prices on an active market (Level 1)	Valuation technique using observable data (Level 2)	Valuation technique using non observable data (Level 3)
Debt securities	0	0	0	0	5,761	0
Financial liabilities designated at fair value through profit and loss	0	0	0	0	5,761	0
Interest rate derivatives	0	189,481	0	0	73,432	0
Exchange rate derivatives	0	1,420	0	0	6,266	0
Other derivative instruments	0	23,132	0	0	20,373	0
Equity and equity-index derivatives	0	17,686	0	0	11,989	0
Transaction derivatives	0	231,719	0	0	112,060	0
Interest rate derivatives	0	389,694	0	0	371,549	0
Fair value hedging derivatives	0	389,694	0	0	371,549	0

Transfers from Level 1 to Level 2: none

Transfers from Level 2 to Level 1: none

Measurement of the fair value assigned to Level 3: reconciliation of opening and closing balances

(€ '000s)	30/06/2014					
	Financial assets at fair value through profit and loss	Financial assets designated at fair value through profit and loss	Transaction derivatives	Hedging derivatives	Financial assets available for sale	Total
OPENING					126,632	126,632
Total gains and losses recorded in profit and loss						0
Total gains and losses recorded in equity					(657)	(657)
Purchases					12,885	12,885
Sales						0
Issues					300	300
Redemptions						0
Transfer to or outside Level 3					97,294	97,294
Transfer within "Level 3"						0
Other movements					26	26
CLOSING					236,480	236,480
Total gains and losses recorded in profit or loss for assets held as at 30/06/2014						

Level 3 available-for-sale financial assets valued at fair value are non-consolidated equity investments with no market price, as are variable-income securities (primarily venture capital funds and innovation UCITS).

Measurement of the fair value assigned to Level 3: profits and losses for the period recognised in profit or loss

None

NOTE 6 SEGMENT INFORMATION

The La Banque Postale Group is structured around the following divisions:

- **Retail Banking**, which includes the activities of La Banque Postale, the CRSF Métropole, CRSF Dom and Tertiaire Saint Romain Limited Property Investment Partnerships that own the business premises of La Banque Postale, La Banque Postale Financement, Easybourse, La Banque Postale Crédit aux Entreprises, La Banque Postale Collectivités Locales, La Banque Postale Home Loan SFH, BPE, and SOFIAP as well as the SF2 holding company and FCT Elise 2012;

- **Insurance**, which consists of the CNP Assurances Group, LBP Prévoyance, La Banque Postale Assurance Santé, La Banque Postale Assurances IARD, LBP Conseil en Assurances and Sopassure;

- **Asset management**, which includes the La Banque Postale Asset Management Group, La Banque Postale Structured Asset Management, Tocqueville Finance Holding, Tocqueville Finance SA and La Banque Postale Gestion Privée.

Except for the foreign subsidiaries of CNP Assurances, the Group conducts its activities in France.

Inter-segment and intra-segment transactions are performed under commercial market conditions.

6.1 Breakdown of results by business segment

Net profit by business segment in the six months to 30 June 2014 (excluding the remuneration cost of equity capital for each segment)

(€ '000s)	Retail banking	Insurance	Asset management	Total
NET BANKING INCOME	2,678,042	100,574	75,659	2,854,275
General operating expense	(2,132,917)	(44,838)	(35,825)	(2,213,580)
Net depreciation, amortisation and impairments of tangible and intangible non-current assets	(100,945)	(1,590)	(1,230)	(103,765)
GROSS OPERATING INCOME	444,180	54,146	38,604	536,930
Cost of risk	(67,178)	(4,727)	0	(71,905)
OPERATING INCOME	377,002	49,419	38,604	465,025
Share of net income of associates	0	114,065	0	114,065
Gains and losses on other assets	(145)	0	0	(145)
Goodwill	285	0	0	285
PRE-TAX PROFIT	377,142	163,484	38,604	579,230
Income tax	(146,654)	(23,552)	(13,046)	(183,252)
CONSOLIDATED NET INCOME	230,488	139,932	25,558	395,978
Non-controlling interests	6,729	8,877	168	15,775
NET INCOME, GROUP SHARE	223,759	131,054	25,390	380,203

Net profit restated by business segment at 30 June 2013 (excluding the remuneration cost of equity capital for each segment)

(€ '000s)	Retail banking	Insurance	Asset management	Total
NET BANKING INCOME	2,628,350	91,377	66,593	2,786,319
General operating expense	(2,136,485)	(36,882)	(30,090)	(2,203,457)
Net depreciation, amortisation and impairments of tangible and intangible non-current assets	(91,615)	(1,325)	(835)	(93,775)
GROSS OPERATING INCOME	400,250	53,170	35,668	489,087
Cost of risk	(73,586)	(4,071)	19	(77,638)
OPERATING INCOME	326,664	49,099	35,687	411,449
Share of net income of associates	0	110,770	0	110,770
Gains and losses on other assets	(365)	0	0	(365)
Goodwill	639	8,106	0	8,745
PRE-TAX PROFIT	326,938	167,975	35,687	530,600
Income tax	(116,842)	(21,996)	(11,038)	(149,876)
CONSOLIDATED NET INCOME	210,096	145,979	24,649	380,724
Non-controlling interests	4,419	8,532	2,924	15,875
NET INCOME, GROUP SHARE	205,677	137,447	21,725	364,850

NOTE 7 SCOPE OF CONSOLIDATION

COMPANIES	Nationality	Method (1)	Movements	% Control 30/06/2014	% Interest 30/06/2014	Method 31/12/2013 Restated	% Control 31/12/2013 Restated	% Interest 31/12/2013 Restated
Retail banking								
LA BANQUE POSTALE	French	Parent	-	100.00	100.00	Parent	100.00	100.00
SCI CRSF DOM (2)	French	Full	-	99.94	99.94	Full	99.94	99.94
SCI CRSF METROPOLE (2)	French	Full	-	99.99	99.99	Full	99.99	99.99
SCI TERTIAIRE SAINT ROMAIN (2)	French	Full	-	100.00	100.00	Full	100.00	100.00
SF2	French	Full	-	100.00	100.00	Full	100.00	100.00
LA BANQUE POSTALE FINANCEMENT	French	Full	-	65.00	65.00	Full	65.00	65.00
LA BANQUE POSTALE CREDIT ENTREPRISES	French	Full	-	100.00	100.00	Full	100.00	100.00
EASYBOURSE	French	Full	-	100.00	100.00	Full	100.00	100.00
FCT ELISE 2012	French	Full	-	95.00	95.00	Full	95.00	95.00
BPE	French	Full	-	99.99	99.99	Full	99.99	99.99
LA BANQUE POSTALE COLLECTIVITES LOCALES	French	Full	-	65.00	65.00	Full	65.00	65.00
LA BANQUE POSTALE HOME LOAN SFH	French	Full	-	100.00	100.00	Full	100.00	100.00
SOFIAP	French	Full	Acquisition	66.00	66.00	-	-	-
Insurance								
CNP ASSURANCES GROUP	French	Equi.	-	36.25	20.15	Equi.	36.25	20.15
LA BANQUE POSTALE PREVOYANCE	French	Full	-	50.00	50.00	Full	50.00	50.00
LA BANQUE POSTALE CONSEIL EN ASSURANCES	French	Full	-	100.00	100.00	Full	100.00	100.00
SOPASSURE	French	Join	-	50.02	50.02	Join	50.02	50.02
LA BANQUE POSTALE ASSURANCES IARD	French	Full	-	65.00	65.00	Full	65.00	65.00
LA BANQUE POSTALE ASSURANCES SANTÉ	French	Full	-	65.00	65.00	Full	65.00	65.00
Asset management								
LA BANQUE POSTALE GESTION PRIVEE	French	Full	-	100.00	100.00	Full	100.00	100.00
LA BANQUE POSTALE ASSET MANAGEMENT	French	Full	-	100.00	100.00	Full	100.00	100.00
LA BANQUE POSTALE STRUCTURED ASSET MANAGEMENT	French	Full	-	100.00	100.00	Full	100.00	100.00
OFC FINANCE	French	NCI	FTA	-	-	Full	100.00	100.00
TOCQUEVILLE FINANCE HOLDING	French	Full	-	92.52	92.52	Full	92.52	92.52
TOCQUEVILLE FINANCE SA	French	Full	-	99.89	92.42	Full	99.89	92.42

(1) Consolidation methods

Full: Full consolidation

Equi: Equity method

Join: Joint control recognised in proportion to the share of assets, liabilities and results held

NCI: Not consolidated

(2) Limited Property Investment Partnerships that own the bank's business premises

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

La Banque Postale S.A.

Registered office: 115, rue de Sèvres - 75275 Paris Cedex 06

Share capital: €3,413,734,750

Statutory Auditor's report on interim 2014 financial information

Period from 1 January 2014 to 30 June 2014

To the Shareholders,

Under the terms of the assignment entrusted to us by your General Meeting, and in accordance with Article L. 451-1-2 III of the French Monetary and Financial Code, we have:

- performed a limited review of the consolidated summary financial statements of La Banque Postale SA for the period from 1 January 2014 to 30 June 2014, as appended to this report;
- checked the information provided in the interim business report.

These summary consolidated interim financial statements have been prepared under the responsibility of the Executive Board. It is our responsibility, based on our limited review, to express an opinion on these financial statements.

I - Conclusion on the financial statements

We have carried out our limited review in accordance with the professional standards applicable in France. A limited review mainly consists in meeting the members of the Management Team responsible for accounting and financial issues and implementing analytical procedures. This work is less extensive than that required for an audit performed in accordance with the professional standards applicable in France. As a result the assurance that the financial statements, taken as a whole, do not include any significant misstatements that is obtained as part of a limited review is a moderate assurance, which is not as certain as the assurance obtained as part of an audit.

Based on our limited review, we did not observe any material misstatements of a nature that would call into question the compliance of the summary consolidated financial statements with IAS 34 - the IFRS standard for interim financial information as adopted by the European Union.

Without qualifying the opinion expressed above, we draw your attention to Notes 1.2 – “Standards and interpretations applied by the Group from 1 January 2014” and 1.5 – “Impact of the application of new standards IFRS 10 and IFRS 11”, which set out the impact of the implementation of these new standards on the Group’s accounts.

II - Specific verification

We also verified the information provided in the interim business report on the summary consolidated financial statements that were the subject of our limited review. We have no comments to make on the fair presentation of that information or on its consistency with the consolidated financial statements.

Paris La Défense, 30 juillet 2014

Neuilly-sur-Seine, 30 juillet 2014

KPMG Audit
A division of KPMG S.A

PricewaterhouseCoopers Audit

Isabelle Goalec
Associate

Agnès Hussherr
Associate

V Additional Information

V.1 Articles of association

No amendments have been made to the articles of association since 13 December 2013. The articles of association are available in chapter 8 of the 2013 Registration Document.

V.2 Material changes

There have been no significant changes in the Group's financial or commercial position since the close of the last financial year for which audited financial statements have been published, and specifically since the signing of the Statutory Auditors' report on the consolidated financial statements on 20 February 2014.

V.3 Availability of the Registration Document to the public

All documents made available to the public under statutory conditions may be consulted at the registered office of La Banque Postale at 115 rue de Sèvres, 75275 Paris Cedex 06. The Registration Documents of La Banque Postale are also available online at www.labanquepostale.fr.

V.4 Outlook

The second half of 2014 will see the establishment of the École de la Banque et du Réseau (*Bank and Network School*). The School will be responsible for increasing the skills of postal workers. It will cover all business lines, offering certificate, diploma and qualifying courses. The initial class is scheduled to be created in autumn 2014 to train the first groups of account managers specialising in self-employed professionals.

In the second half of 2014, La Banque Postale will make particular efforts to assist self-employed professionals, with the goal of growing this market by capitalising on their proximity to the post office network.

On 18 July 2014, La Banque Postale and the La Poste Network finalised the merger of their business management lines. The new organisation will support and accelerate the bank's current sales momentum in the retail market and promote its future development among self-employed professionals. This shift in the Group's organisation is fully consistent with the "La Poste 2020: Winning the Future" strategic plan.

Lastly, La Banque Postale will gradually roll out its mobile contactless payment range, based on NFC technology, from September.

VI Persons responsible for auditing the financial statements

PricewaterhouseCoopers Audit

63 rue de Villiers

92208 Neuilly-sur-Seine Cedex

KPMG Audit

Département de KPMG S.A.

1 cours Valmy

92923 Paris La Défense Cedex

PricewaterhouseCoopers Audit (642010045 RCS Nanterre) and **KPMG Audit** (775726417 RCS Nanterre) are registered as statutory auditors, are members of the Versailles Regional Chamber of Statutory Auditors and are subject to the authority of the High Council of Statutory Auditors.

VII Statement by the person responsible for updating the Registration Document

Rémy Weber, Chairman of the Executive Board

I hereby certify that I have taken all reasonable steps to ensure that the information contained in this updated registration document is, to my knowledge, consistent with reality and does not contain any omission likely to affect its import.

I certify that, to my knowledge, the summary consolidated financial statements for the half-year just ended have been drawn up in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profits and losses of the Company and of all companies included in the scope of consolidation and that the interim business report that consists of the sections of this update listed in the correlation table in Section VIII herein provides a true picture of the significant events that occurred during the first six months of the financial year, their impact on the financial statements and the main related party transactions, together with a description of the main risks and uncertainties for the remaining six months of the year.

I have received a letter from the statutory auditors, KPMG Audit and PricewaterhouseCoopers Audit, stating that they have completed their assignment, and in which they mention that they have verified the information on the financial position and financial statements provided in this update and have read the Registration Document and this update from beginning to end.

Paris, 1 August 2014

The Chairman of the Executive Board

Remy Weber

VII Correlation table for the update of the Registration Document

Correlation table (Annex I to Commission Regulation (EC) No. 8009/2004)		Headings in Annex I to Commission Regulation (EC) No. 8009/2004
Updated Registration Document	Page	
Persons responsible	71	1
Statutory auditors	70	2
Selected financial information		3
Historical financial information		3.1
Interim financial information	21-66	3.2
Risk factors	13-20	4
Information about the issuer		5
History and development of the issuer	1	5.1
Investments	42-45	5.2
Business overview		6
Main activities	1	6.1
Main markets	-	6.2
Exceptional events	-	6.3
Potential dependency	-	6.4
Key elements of any statement made by the issuer regarding its competitive position	-	6.5
Organisational chart		7

Summary description	2	7.1
List of major subsidiaries	2; 42	7.2
Property, plant and equipment		8
Major existing or planned tangible fixed asset	22	8.1
Environmental issue that may affect the use of the tangible fixed assets	-	8.2
Review of the financial position and results		9
Financial position	1-11	9.1
Operating income	1-11	9.2
Cash and equity capital		10
Issuer's equity capital	24	10.1
Origin and amount of cash flows	26	10.2
Borrowing conditions and financial structure	21-66	10.3
Information regarding any restriction on the use of capital that has had or may have a material impact on the issuer's operations	NA La Banque Postale is not exposed to any covenants	10.4
Expected source of financing	-	10.5
Research and development, patents and licences	-	11
Information about trends	67	12

Profit forecasts or estimates		None	13
Administrative, supervisory management, and general management bodies			14
Administrative and management bodies		-	14.1
Conflict of interest at the level of the administrative and management bodies		-	14.2
Remuneration and benefits			
Remuneration amount paid and benefits in kind		-	15.1
Total amounts provisioned or recorded for the purpose of paying pension and retirement, or other benefits		-	15.2
Operation of the management bodies			16
Current mandate end-date		-	16.1
Service agreements binding the members of the administrative bodies		-	16.2
Information on the audit committee and the remuneration committee		-	16.3
Current corporate governance rules in the issuer's country of origin		-	16.4
Employees			17
	Number of employees	1	17.1
Profit sharing and stock options		-	17.2
Agreement providing for employee participation in the issuer's capital		-	17.3
Major shareholders			18

Shareholders with over 5% of the equity capital	-	18.1
Existence of voting rights	-	18.2
Control of the issuer	-	18.3
Agreement known to the issuer, where the implementation could subsequently result in its control changing hands	-	18.4
Transaction with related parties	-	19
Financial information on the issuer's assets, financial position, and results		20
Historical financial information	21-66	20.1
Pro forma financial information	NA	20.2
Financial statements	21-66	20.3
Verification of the annual financial information	-	20.4
Date of the latest information available	30 June 2014	20.5
Interim and other financial information	21-66	20.6
Dividend distribution policy	-	20.7
Legal and arbitration proceedings	19-20	20.8
Significant change in the issuer's financial or trading position	69	20.9
Additional information		21

Share capital	-	21.1
Deeds of incorporation and articles of association	69	21.2
Material contracts	-	22
Information from third parties, expert statements, and declarations of interest		23
Procedures for drawing up employee-related and environmental information	-	23.1
Documents on display	69	24
Information on investments	49	25
Significant events that have occurred between the year-end and the date on which the management report was drawn up (Paragraph 2 of Article L. 232-1 of the French Commercial Code)	69	
Tables featuring key financial data for the past five years	-	
Information on non-financial employee-related and environmental data	-	
Management report		
Review of the results, financial position, risks, and list of delegations of authority relating to increasing the share capital of the Parent Company and of the consolidated entity	1-11	
Required information liable to have an effect in the event of a public offer (Article L. 225 100-3 of the French Commercial Code)	-	
Expenses not deductible for tax purposes	-	
Statutory Auditors' fees	-	
Information regarding share buybacks (Paragraph 2 of Article L. 225-211 of the French Commercial Code)	-	
Chairman's report on the work performed by the Supervisory Board and on internal control procedures	-	
Equity investments made over the year (Article L. 233-6)	-	
Significant events that have occurred between the year-end and the date on which the management report was drawn up (Paragraph 2 of Article L. 232-1 of the French Commercial Code)	69	
Tables featuring key financial data for the past five years	-	

Information on non-financial employee-related and environmental data	-	
--	---	--

IX Interim financial report correlation table

“In accordance with Article 212-13 of the General Regulation of the AMF, this update includes information from the interim financial report referred to in Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-4 of the General Regulation of the Autorité des marchés financiers.”

INTERIM FINANCIAL REPORT	Page No.
STATEMENT BY THE PERSON RESPONSIBLE FOR THE DOCUMENT	71
BUSINESS REPORT	1-11
• The main events that occurred during the first six months of the financial year	3
• Main risks and uncertainties	13-20
• Main related-party transactions	-
CONSOLIDATED FINANCIAL STATEMENTS	22-66
STATUTORY AUDITORS' REPORT ON THE 2013 FIRST HALF FINANCIAL INFORMATION	67-68