Paris, 30 November 2009

PARIS ORLÉANS

French public limited company (Société anonyme) with an Executive Board and
a Supervisory Board and share capital of 63 264 160 €
Registered office : 23 bis, avenue de Messine 75008 PARIS
Paris Registry of Companies (RCS) no. 302 519 228

Half-Year Financial Report and Summary Consolidated Financial Statements for the six months ended 30 September 2009

- Financial Report for the half-year to September 2009
- Summary Consolidated Financial Statements
- Statement by the Persons Responsible for the Half-Year Financial Report
- Statutory Auditors' Report.

For all inquiries: www.paris-orleans.com
To contact the company: +33 1 53 77 65 10 - investors@paris-orleans.com
Paris Orléans is listed on the Eurolist of Euronext Paris - Compartment B
ISIN Code : FR0000031684 - MNEMO : PAOR

PARIS ORLÉANS

Financial report for the half-year to 30 September 2009

The Paris Orléans Executive Board met on 27 November to approve the condensed consolidated financial statements for the six months from 1 April 2009 to 30 September 2009.

1. Activity and highlights of the period

Consolidated net income in the first six months of the 2009/2010 financial year amounted to €48.8 million before minority interests, of which the Group share totalled €13.6 million, compared with €53.1 million and €43.1 million, respectively, in the corresponding period last year.

Net banking income in the first six months of the year totalled €460 million, an increase of €138.1 million over the €321.9 million posted for the corresponding period last year. For the first time, this figure included net banking income of €60.5 million from the Group's continental European investment banking activities (excluding France), which are now fully consolidated. It also included non-recurring income of €68.6 million arising from the reclassification to equity of a subordinated debt.
Revenues from investment banking increased, mainly as a result of higher levels of activity in restructuring advisory services.
Private banking and asset management generated recurring revenues in line with revenues for the first half of 2008/2009.
Operating expenses were affected by the consolidation of the Group's European activities. Nevertheless, in general they remain in line with business levels relative to those of the preceding year.
Loan impairment and counterparty risk provisions have increased over those of the preceding year. They include collective impairment provisions – which were not incurred in the corresponding period last year - of €16.5 million.
The resulting consolidated operating income of €36.2 million shows a sharp increase compared with the first half of 2008/2009.

The banking group maintained liquidity at a high level throughout the period, with its balance sheet ratios consistently and significantly higher than the minimum levels required by the regulatory bodies.

Lending activities were affected by the recent accentuation of the financial crisis. As a result, the Group has continued to reduce its credit market exposures in line with its policy implemented in the previous financial year.

Poor conditions in the financial markets prevented the Group's private equity activities from making any significant disposals or investments during the period.

2. Analysis by activity

- Banking

Fee income, which comprises mainly the operating revenues from investment banking and private banking, amounted to €336.6 million for the period. Fee income from investment banking increased in comparison with the previous year. This increase was due to higher fee income from restructuring advisory services and from loan advisory services, which more than offset weaker M&A revenues.

The interest margin of €33.6 million for the first six months of the year was down by €23 million relative to the corresponding period last year, essentially due to the reduction in the loan book and to lower interest margins.

The Concordia BV sub-group reported net banking income of €463.8 million for the period, and gross operating income of €129.7 million.

As a result of the banking crisis that swept through the financial markets, the Group's corporate and investment banking activities incurred €61.6 million of loan impairment and counterparty risk provisions.

- Private equity

Poor conditions in the financial markets prevented the Group's private equity activities from making any significant disposals or investments during the period. In the preceding year, disposals totalled €69 million, including €57.5 million from the sale of the Group's holdings in its Manufaktura subsidiary.

Investments since 1 April 2009 total €3.8 million, including €2.4 million of additional investment in existing portfolio companies.
The Group has also successfully launched its third-party investment business. Its first European fund, Five Arrows Principal Investments (FAPI), aims to take minority holdings in companies with an enterprise value of between €100 million and €500 million.
This fund has already held its initial closing, for €470 million, of which €200 million was contributed by the Group: €50 million by Paris Orléans, €50 million by Rothschilds Continuation Holdings, and €100 million from bankers within the Group as part of a co-investment plan open to certain executives.

In the first half of 2009/2010, the private equity activities made a negative contribution of €19.7 million to the Group's share of net income, compared with a positive contribution of €54.1 million in the corresponding period last year.

3. Risk management

Detailed comments on the management of risks associated with financial instruments used or held by the Group (particularly credit, market and liquidity risks) are set out in section IV of the notes to the interim consolidated financial statements, to which you are invited to refer.

4. Transactions with related parties

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

GROUPE PARIS-ORLEANS

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2009

Assets

In thousands of euros	*Notes*	**30/09/2009**	31/03/2009
Cash and amounts due from central banks		512 553	744 734
Financial assets at fair value through profit or loss	*1*	39 881	44 804
Hedging derivatives	*2*	9 853	6 024
Available-for-sale financial assets	*3*	2 280 305	2 261 428
Loans and receivables to banks	*4*	1 406 812	1 708 526
Loans and receivables to customers	*5*	1 944 042	2 245 976
Current tax assets		26 510	21 848
Deferred tax assets	*15*	135 336	110 993
Estimated accounts and other assets	*6*	263 397	226 400
Non-current assets held for sale	*16*	48 029	42 520
Investment accounted for by equity method	*7*	110 947	130 607
Investment property		45	47
Tangible fixed assets		166 967	142 355
Intangible fixed assets		172 496	174 044
Goodwill		66 399	66 399
TOTAL ASSETS		**7 183 572**	**7 926 705**

Liabilities and shareholders' equity

In thousands of euros	*Notes*	**30/09/2009**	31/03/2009
Due to central banks		-	-
Financial liabilities at fair value through profit or loss	*1*	88 028	118 458
Hedging derivatives	*2*	33 542	56 348
Due to banks	*8*	713 921	1 570 681
Due to customers	*9*	3 270 660	3 015 936
Debts securities in issue	*10*	952 319	1 070 471
Current tax liabilities		12 035	9 884
Deferred tax liabilities	*15*	53 945	49 796
Estimated accounts and other liabilities	*11*	511 367	541 742
Liabilities related to non-current assets held for sale	*16*	35 148	31 065
Provisions	*12*	182 231	93 137
Subordinated debt	*13*	27 350	159 845
Shareholders' equity		**1 303 026**	**1 209 342**
Shareholders' equity - Group share		**498 900**	**501 115**
Share capital		63 264	63 264
Share premium		491 499	491 499
Unrealised or deferred gains or losses		(119 180)	(156 093)
Available-for-sale financial assets' revaluation reserves		*(28 439)*	*(70 332)*
Cash flow hedge reserves		*(6 619)*	*(8 414)*
Translation reserves		*(84 122)*	*(77 347)*
Consolidated reserves		49 741	55 686
Net income - Group share		13 576	46 759
Minority interests		**804 126**	**708 227**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**7 183 572**	**7 926 705**

GROUPE PARIS-ORLEANS

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

In thousands of euros	*Notes*	**30/09/2009**	30/09/2008
+ Interest income	*17*	90 195	261 000
- Interest expense	*17*	(56 620)	(204 407)
+ Fee income	*18*	336 591	247 587
- Fee expense	*18*	(6 922)	(13 448)
+/- Net gain/(loss) on financial instruments at fair value through profit or loss	*19*	21 778	6 320
+/- Net gain/(loss) on available-for-sale financial assets	*20*	2 739	19 265
+ Other operating income	*21*	75 362	9 433
- Other operating expenses	*21*	(3 121)	(3 872)
Net banking income		**460 002**	**321 878**
- Operating expenses	*22*	(332 713)	(269 221)
- Amortisation, depreciation and impairment of tangible and intangible fixed assets		(8 547)	(9 790)
Gross operating income		**118 742**	**42 867**
- Cost of risk	*23*	(82 509)	(40 374)
Operating income		**36 233**	**2 493**
+/- Net income from companies accounted for by the equity method	*7*	6 062	18 468
+/- Net income/expense from other assets	*24*	1 039	55 564
- Impact of goodwill		-	-
Profit before tax		**43 334**	**76 525**
- Income tax expense	*25*	5 431	(23 362)
+/- Net income for discontinued activities and assets held for sale		-	-
Consolidated net income		**48 765**	**53 163**
MINORITY INTERESTS		**35 189**	**10 035**
NET INCOME - GROUP SHARE		**13 576**	**43 128**

Basic earnings per share - Group share (in Euros)	0,47	1,49
Diluted earnings per share - Group share (in Euros)	0,47	1,49
Basic earnings per share - continuing operations (in Euros)	0,47	1,49
Diluted earnings per share - continuing operations (in Euros)	0,47	1,49

RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' EQUITY

	Capital and associated reserves			Réserves consolidées	Unrealized or deferred capital gains or losses (net of tax)				Net income, Group share	Sharehol-ders' equity, Group share	Sharehol-ders' equity, minority interests	Total consolida-ted sharehol-ders' equity
	Common stock	Capitala-ssociated reserves	Treasury shares	Consolidated reserves	Related to translation differences	Linked to re-evaluation	Changes in value of financial instruments					
In thousands of euros							Available-for-sale Reserve	Hedging Reserve				
SHAREHOLDERS' EQUITY AT 31 MARCH 2008	**63 264**	**491 499**	**(10 273)**	**5 334**	**(38 566)**	**-**	**11 998**	**267**	**109 132**	**632 655**	**823 859**	**1 456 514**
Allocation of profit				109 132					(109 132)			-
SHAREHOLDERS' EQUITY AT 1 APRIL 2008	**63 264**	**491 499**	**(10 273)**	**114 466**	**(38 566)**	**-**	**11 998**	**267**	**-**	**632 655**	**823 859**	**1 456 514**
Increase in common stock	-	-	-	-	-	-	-	-	-	-	-	-
Elimination of treasury shares	-	-	(1 006)	-	-	-	-	-	-	(1 006)	-	(1 006)
Share-based payment transactions	-	-	-	-	-	-	-	-	-	-	-	-
2009 Dividends paid	-	-	-	(16 021)	-	-	-	-	-	(16 021)	(19 354)	(35 375)
Effect of acquisitions and disposals on minority interests	-	-	-	5 403	(14 428)	-	(4 321)	(1 260)	-	(14 605)	19 953	5 348
Sub-total of changes linked to relations with shareholders	**-**	**-**	**(1 006)**	**(10 618)**	**(14 428)**	**-**	**(4 321)**	**(1 260)**	**-**	**(31 632)**	**599**	**(31 033)**
Changes in value of fi nancial instruments and fixed assets having an impact on equity	-	-	-	-	3 956	-	(103 483)	(8 757)	-	(108 284)	(85 224)	(193 508)
Changes in value of financial instruments and fixed assets recognized in income	-	-	-	-	-	-	11 995	-	-	11 995	11 247	23 242
Actuarial gains/ (losses) on defi ned benefit funds				(29 391)	-	-	-	-	-	(29 391)	(25 208)	(54 599)
Interest on undated subordinated debt	-	-	-	-	-	-	-	-	-	-	(12 130)	(12 130)
Net income for the period	-	-	-	-	-	-	-	-	46 759	46 759	29 292	76 051
Change in accounting methods	-	-	-	-	-	-	-	-	-	-	-	-
Change in consolidation scope	-	-	-	(467)	2 308	-	363	207	-	2 411	(1 071)	1 340
Translation differences and other changes	-	-	-	(7 026)	(30 616)	-	13 116	1 129	-	(23 397)	(33 138)	(56 535)
SHAREHOLDERS' EQUITY AT 31 MARCH 2009	**63 264**	**491 499**	**(11 279)**	**66 965**	**(77 347)**	**-**	**(70 332)**	**(8 414)**	**46 759**	**501 114**	**708 227**	**1 209 342**
Allocation of profit				46 759					(46 759)			-
SHAREHOLDERS' EQUITY AT 1 APRIL 2009	**63 264**	**491 499**	**(11 279)**	**113 724**	**(77 347)**	**-**	**(70 332)**	**(8 414)**	**-**	**501 114**	**708 227**	**1 209 342**
Increase in common stock	-	-	-	-	-	-	-	-	-	-	-	-
Elimination of treasury shares	-	-	(561)	-	-	-	-	-	-	(561)	-	(561)
Share-based payment transactions	-	-	-	-	-	-	-	-	-	-	-	-
2010 Dividends paid	-	-	-	(10 183)	-	-	-	-	-	(10 183)	(5 882)	(16 065)
Effect of acquisitions and disposals on minority interests	-	-	-	(280)	-	-	-	-	-	(280)	59 020	58 740
Sub-total of changes linked to relations with shareholders	**-**	**-**	**(561)**	**(10 463)**	**-**	**-**	**-**	**-**	**-**	**(11 024)**	**53 138**	**42 114**
Changes in value of financial instruments and fixed assets having an impact on equity	-	-	-	-	498	-	33 911	2 009	-	36 418	25 482	61 900
Changes in value of financial instruments and fixed assets recognized in reserves	-	-	-	-	-	-	10 921	-	-	10 921	3 313	14 234
Actuarial gains/ (losses) on defined benefit funds				(42 238)	-	-	-	-	-	(42 238)	(28 471)	(70 709)
Interest on undated subordinated debt	-	-	-	-	-	-	-	-	-	-	(7 220)	(7 220)
Net income for the period	-	-	-	-	-	-	-	-	13 576	13 576	35 189	48 765
Change in accounting methods	-	-	-	-	-	-	-	-	-	-	-	-
Change in consolidation scope	-	-	-	(1 357)	(492)	-	22	-	-	(1 827)	25 003	23 176
Share of changes in shareholders' equity of associated companies and joint ventures accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Translation differences and other changes	-	-	-	1 915	(6 782)	-	(2 961)	(214)	-	(8 042)	(10 535)	(18 577)
SHAREHOLDERS' EQUITY AT 30 SEPTEMBER 2009	**63 264**	**491 499**	**(11 840)**	**61 581**	**(84 123)**	**-**	**(28 439)**	**(6 619)**	**13 576**	**498 900**	**804 126**	**1 303 026**

NET INCOME AND EXPENSES DIRECTLY RECOGNISED AS SHAREHOLDERS' EQUITY

In thousands of euros	**30/09/2009**	30/09/2008
Net income for the period	**48 765**	**53 163**
Translation differences	(18 939)	7 451
Remeasurement of available-for-sale financial assets	96 651	(27 443)
Of which, change in value recognised through profit or loss	*13 422*	-
Remeasurement of derivative hedging instruments	4 383	(7 423)
Remeasurement of non-current assets	-	-
Actuarial gains/losses on defined benefit plans	(94 766)	(24 861)
Share of gains or losses on associates recognised directly in equity	885	-
Tax	(2 308)	14 349
Other	(936)	(5 103)
Income and expenses directly recognised as shareholders' equity	**(15 030)**	**(43 030)**
Net Income and expenses directly recognised as shareholders' equity	33 735	10 133
Of which Group share	9 407	23 640
Of which minority interests	24 328	(13 507)

CASH FLOW STATEMENT

In thousands of euros	**30/09/2009**	30/09/2008
Net income	**48 766**	**53 163**
+/- Net amortisation expense on tangible fixed assets and intangible assets	9 437	11 160
- Amortisation of consolidated goodwill and other fixed assets	-	-
+/- Depreciation and net allocation to provisions	20 927	1 456
+/- Net income/loss from companies accounted for by the equity method	(6 062)	(18 468)
+/- Net loss/(gain) from investing activities	54 580	(25 205)
+/- Net loss/(gain) from financing activities	2 047	4 731
- Gain on reclassification to equity of a subordinated debt	(68 625)	-
+/- Other movements	(611)	1 341
Deferred tax expense/(benefit)	(20 008)	(3 234)
Total of non-monetary items included in net income and other adjustments	**40 451**	**24 944**
+/- Interbank transactions	(490 648)	(158 260)
+/- Customers transactions	508 030	260 595
+/- Transactions related to other financial assets and liabilities	(20 401)	(223 432)
+/- Transactions related to other non-financial assets and liabilities	(30 449)	(1 783)
Net decrease/(increase) in cash related to operating assets and liabilities	**(33 468)**	**(122 880)**
Net cash infl ow (outfl ow) related to operating activities (A)	**6 983**	**(97 936)**
+/- Inflow (outflow) related to financial assets and long-term investments	(120 416)	298 677
+/- Inflow (outflow) related to investment property	-	-
+/- Inflow (outflow) related to tangible and intangible fixed assets	(26 677)	(26 410)
Net cash infl ow (outfl ow) related to investment activities (B)	**(147 093)**	**272 267**
+/- Cash flows from/(to) shareholders	(16 928)	(34 491)
+/- Other net cash flows from financing activities	(14 640)	9 149
Net cash inflow (outflow) related to financing activites (C)	**(31 568)**	**(25 342)**
Impact of exchange rates changes on the cash and cash equivalents (D)	**(7)**	**74**
Net inflow (outflow) in cash and cash equivalents (A) + (B) + (C) + (D)	**(171 685)**	**149 063**
Change of scope	-	-
Net cash and cash equivalents at the beginning of the period	**1 147 138**	**461 723**
Cash and amounts due/from central banks	744 730	35 975
Accounts (assets and liabilities), demand deposit and loans with banks	402 408	425 748
Net cash and cash equivalents at the end of the period	**975 453**	**610 786**
Cash and amounts due/from central banks	512 546	62 847
Accounts (assets and liabilities), demand deposit and loans with banks	462 907	547 939
NET INFLOW (OUTFLOW) IN CASH	**(171 685)**	**149 063**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST SEMESTER 2009-2010

THE FIRST PART: Highlights of the financial semester

The first half of the 2009-2010 financial year, which ended on 30 September 2009, was set against the background of the financial crisis and a worldwide recession. Nevertheless, the Group demonstrated its ability to maintain its operating margins at levels that show the solidity of its main business lines.

Revenues from investment banking benefited from higher levels of activity in restructuring advisory services and in equity and loan capital advisory services. For the first time, they include the Group's continental European activities, which had previously been equity accounted as part of the net income from investments in associates.

Private banking and asset management generated recurring revenues in line with revenues for the first half of 2008/2009.

Corporate and investment banking also benefited from net non-recurring income of €68.6 million on a consolidated basis arising from the reclassification to equity of a subordinated debt.

Cost of risk increased by €42 million relative to the first half of 2008/2009, including €16 million for collective impairment provisions.

Net income attributable to equity holders of the parent for the first half of 2009/2010 totalled €13.6 million. The change relative to the first half of 2008/2009 is due mainly to the non-recurring gain of €50.3 million on the disposal of the Lodz (Poland) shopping centre reported last year, and by the recognition of additional minority interests following the full consolidation of Rothschild Europe BV.

There have been no significant events subsequent to 30 September 2009.

THE SECOND PART: Preparation of the financial statements

The consolidated financial statements of the Paris Orléans Group for the six months ended 30 September 2009 are prepared in accordance with the International Financial Reporting Standards ("IFRS") in force on the closing date, as adopted within the European Union by Commission Regulation (EC) No. 1606/2002 and especially in accordance with the IAS 34 standard relating to interim financial information.

They cover the period from 1 April 2009 to 30 September 2009 and, unless stated otherwise, are in thousands of euros (k€). The continental European activities of Rothschild Europe BV, which were previously equity accounted as investments in associates, are now fully consolidated in the Paris Orléans financial statements. To facilitate comparison with the preceding financial year, Rothschild Europe BV's key income statement figures for the first half of 2009-2010 are presented in a note.

The Group applies all the IAS (International Accounting Standards) / IFRS (International Financial and Reporting Standards) as well as their interpretations, as adopted on the closing date for the consolidated financial statements.

The first-time application at 30 September 2009 by Paris Orléans of IFRS 8, which was adopted by Commission Regulation (EC) No. 1358/2007 of 21 November 2007, did not change the segment information presented by the Group.

Revised IAS 1 on the presentation of financial statements, which was adopted by Commission Regulation (EC) No. 1274/2008 of 17 December 2008, required the Group to amend the presentation of the statement of recognised income and expense. In application of the revised standard, net gains and losses recognised directly in equity are now disclosed separately in the financial statements.

The financial statements are prepared under the historical cost convention, with the exception of certain categories of assets and liabilities, in accordance with the rules laid down by IFRS.

These notes to the consolidated financial statements have been prepared taking into account the intelligibility, relevance, reliability, comparability and materiality of the information provided.

The consolidated financial statements were signed by the Executive Board on 27 November 2009.

The Group parent company is Paris Orléans S.A., a French société anonyme with a Executive Board and a Supervisory Board, for which the registered office, at 30 September 2009, was located at the following address: 23 bis, avenue de Messine 75008 Paris (Paris Trade and Companies Registry no. 302 519 228). The company is listed on the Euronext Paris Eurolist market (Compartment B).

THE THIRD PART: Accounting principles and valuation methods

In preparing the financial statements using the group's accounting principles, management has had to make assumptions and estimates that affect the carrying value of certain expenses, income, assets and liabilities.

By their nature, these assessments are subject to risks and uncertainties as to their future outcome. In the context of the crisis affecting the financial markets, with the impairment of financial assets as a key feature of the period under review, management has taken into account the counterparty's financial position and prospects, and multi-criteria valuations based on observable parameters in order to determine whether there are objective indications of impairment.

The main impacts of the estimates affect consolidated goodwill, available-for-sale financial assets, loans and receivables.

At each period end the Paris Orléans group draws conclusions based on its past experience and all other factors relevant to its business.

The accounting principles and methods applied by the Group in preparing its summary interim consolidated financial statements are identical to those used and described in the financial statements for the year ended 31 March 2009. They also apply the provisions of IAS 34 “Interim Financial Reporting”.

THE FOURTH PART: Financial risk management

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

A. Governance

To facilitate risk management within the Paris Orleans Group and its principal subsidiaries, the Executive Committee and the Supervisory Board have delegated certain functions and responsibilities to several committees of which some are at a Group level, and others are at the level of the principal subsidiary, RCH, the legal holding company of the Group banking activities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B. Credit risk

The Group's counterparty-default credit risk arises from its client lending, trading portfolio management and securities portfolio transaction activities.

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

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

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

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

Other group companies map their own credit monitoring to these categories for the purposes of group reporting.

Category 2 exposures have decreased and category 3 exposures have increased since last year as a result of poor economic conditions across all business areas, accompanied by falling asset and commodity prices and weak corporate performance. Property exposures have been included where there is evidence of high LTV ratios, although in most cases these exposures are supported by rental income generated by the underlying property.

Where interest is not being fully paid, a provision is considered. Corporate exposures are included in categories 2 and 3 where there is evidence of significant underperformance which is often accompanied by actual or anticipated breaches of loan covenants.

Available for sale financial assets – debt securities include valuations of synthetic CDOs, which are accounted in Financial liabilities at fair value through profit and loss. At 30 September 2009, the amount was €34,6 million.

The tables below disclose the maximum exposure to credit risk at 30 September 2009 and at 31 March 2009 for financial assets with significant exposure to credit risk, without taking account of collateral held or other credit risk mitigation.

In thousands of euros	Category 1	Category 2	Category 3	Category 4	Category 5	Impairment allowance	**30/09/2009**
Financial assets at fair value through profit and loss (excluding equity)	31 958	-	196	-	-	-	32 154
Hedging derivatives	9 853	-	-	-	-	-	9 853
Loans and receivables to banks	1 406 812	-	-	-	-	-	1 406 812
Loans and receivables to customers	1 469 750	161 862	283 448	135 398	38 905	(145 321)	1 944 042
Available for sale financial assets - debt securities	1 728 563	18 310	26 246	113 662	18 383	(81 838)	1 823 326
Other financial assets	176 520	-	13 859	6 229	4 977	(9 310)	192 275
Sub-total Assets	**4 823 456**	**180 172**	**323 749**	**255 289**	**62 265**	**(236 469)**	**5 408 462**
Commitments and guarantees	304 613	9 298	25 595	-	234	-	339 740
TOTAL	**5 128 069**	**189 470**	**349 344**	**255 289**	**62 499**	**(236 469)**	**5 748 202**

Past due but not impaired assets amount to €90 700k as of 30 September 2009. A detailed report considering their maturity date follows.

In thousands of euros	Category 1	Category 2	Category 3	Categories 4 and 5	Impairment allowance	**31/03/2009**
Financial assets at fair value through profit and loss (excluding equity)	41 661	-	-	-	-	41 661
Hedging derivatives	6 024	-	-	-	-	6 024
Loans and receivables to banks	1 708 526	-	-	-	-	1 708 526
Loans and receivables to customers	1 830 855	264 053	134 465	119 448	(102 845)	2 245 976
Available for sale financial assets - debt securities	1 614 820	65 300	51 582	106 869	(64 276)	1 774 295
Other financial assets	148 666	685	4 658	8 426	(6 102)	156 333
Sub-total Assets	**5 350 552**	**330 038**	**190 705**	**234 743**	**(173 223)**	**5 932 815**
Commitments and guarantees	220 811	14 447	19 108	2 409	-	256 775
TOTAL	**5 571 363**	**344 485**	**209 813**	**237 152**	**(173 223)**	**6 189 590**

Past due but not impaired assets amount to €18 978k as of 31 March 2009.

1. Past due but not impaired assets

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

	30/09/2009					31/03/2009				
	Past due but not impaired					Past due but not impaired				
In thousands of euros	< 3 months	> 3 months < 6 months	> 6 months < 1 year	> 1 year	TOTAL	< 3 months	> 3 months < 6	> 6 months < 1 year	> 1 year	TOTAL
Loans and receivables to customers	60 673	2 222	13 946	-	76 841	8 836	2 100	3 384	-	14 320
Other financial assets	2 512	5 024	952	5 371	13 859	-	2 566	1 647	445	4 658
TOTAL	**63 185**	**7 246**	**14 898**	**5 371**	**90 700**	**8 836**	**4 666**	**5 031**	**445**	**18 978**

The following table present the net accounting value of the financial assets that would have been included in impaired or depreciated assets if the terms of the loans had not been negociated once again during the year:

In thousands of euros	30/09/2009	31/03/2009
Loans and receivables to customers	47 473	30 037
Other financial assets	-	-
TOTAL	**47 473**	**30 037**

2. Collateral

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

Collateral takes various forms.

Property exposures are typically secured by fixed charges on the underlying property, with 85% of the committed property loan book benefiting from first ranking charges (85% as of 31 March 2009). They may also be supported by other security or guarantees. All property is subject to a professional valuation at inception and may be revalued periodically through the life of the loan.

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

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

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

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

	30/09/2009		31/03/2009	
In thousand of euros	Past due but not impaired	Individually impaired	Past due but not impaired	Individually impaired
Property	3 543	6 528	4 725	22 701
Debt and equity securities	-	11 584	-	-
Guarantees and fixed./floating charges	68 041	7 633	-	6 568
Commercial vehicles and other equipment	5 553	26 392	8 217	21 265
TOTAL	**77 137**	**52 137**	**12 942**	**50 534**
FAIR VALUE	**76 841**	**174 303**	**14 320**	**119 448**

3. Credit risk analysis

The Group monitors concentrations of credit risk by geographic location and industrial sector. The tables below show an analysis of credit risk by location and by sector as of 30 September 2009 and 31 March 2009.

a) Credit risk by location

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

In thousands of euros	UK and Channel Islands	Rest of Europe	USA and Canada	Latin America	Australia and Asia	Other	**30/09/2009**
Financial assets at fair value through profit and loss (excluding equity)	3 317	28 782	55	-	-	-	**32 154**
Hedging derivatives	7 289	-	2 564	-	-	-	**9 853**
Loans and receivables to banks	450 000	772 515	141 506	5 435	31 418	5 938	**1 406 812**
Loans and receivables to customers	1 008 602	744 279	45 955	73 525	23 398	48 283	**1 944 042**
Available for sale financial assets – debt securities	504 570	1 064 169	207 623	6 738	40 226	-	**1 823 326**
Other financial assets	26 249	112 183	27 595	1 108	11 580	13 560	**192 275**
Sub-total Assets	**2 000 027**	**2 721 928**	**425 298**	**86 806**	**106 622**	**67 781**	**5 408 462**
Commitments and guarantees	60 133	229 192	37 674	683	3 842	8 216	339 740
TOTAL	**2 060 160**	**2 951 120**	**462 972**	**87 489**	**110 464**	**75 997**	**5 748 202**

In thousands of euros	UK and Channel Islands	Rest of Europe	USA and Canada	Latin America	Australia and Asia	Other	31/03/2009
Financial assets at fair value through profit and loss (excluding equity)	18 233	23 352	68	-	8	-	41 661
Hedging derivatives	6 024	-	-	-	-	-	6 024
Loans and receivables to banks	959 215	571 298	133 975	14 606	26 027	3 405	1 708 526
Loans and receivables to customers	1 183 326	815 021	71 393	88 834	36 213	51 189	2 245 976
Available for sale financial assets – debt securities	330 219	1 164 145	205 210	9 430	65 291	-	1 774 295
Other financial assets	43 893	52 441	28 933	1 410	23 623	6 033	156 333
Sub-total Assets	**2 540 910**	**2 626 257**	**439 579**	**114 280**	**151 162**	**60 627**	**5 932 815**
Commitments and guarantees	80 286	111 499	52 902	1 185	3 481	7 422	256 775
TOTAL	**2 621 196**	**2 737 756**	**492 481**	**115 465**	**154 643**	**68 049**	**6 189 590**

b) Credit risk by sector

The sector is based on *Global Industry Classification Standards* (GICS).

In thousands of euros	**30/09/2009**	31/03/2009
Financial	3 132 056	3 453 335
Real estate	697 692	719 563
Private persons	496 621	529 776
Industrials	304 069	338 744
Materials	221 836	280 905
Consumer discretionary	224 066	232 488
Energy	85 289	145 398
IT and telecoms	121 774	119 871
Consumer staples	92 618	98 064
Utilities	61 747	67 658
Government	42 554	37 167
Healthcare	39 253	28 042
Other	228 627	138 579
TOTAL	**5 748 202**	**6 189 590**

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

In thousands of euros	**30/09/2009**	31/03/2009
Financial sector		
Short term interbank exposures	1 367 248	1 726 790
Treasury marketable securities - investment grade	1 420 012	1 201 179
Other marketable securities	2 631	134 794
Cash/ investment backed lending	95 170	179 554
Finance companies	44 057	39 772
Insurance	-	-
Other	202 938	171 246
TOTAL FINANCIAL SECTOR	**3 132 056**	**3 453 335**

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

In thousands of euros	**30/09/2009**	31/03/2009
Real estate sector		
Senior loans	577 122	585 097
Mezzanine	83 672	97 581
Other	36 898	36 885
TOTAL REAL ESTATE SECTOR	**697 692**	**719 563**

Real estate exposures are supported by income generated by a large number of tenants from a wide variety of industry sectors. Exposures are, broadly, evenly split between the major property types and are located predominantly within the UK. There is minimal exposure to speculative development, and development facilities are provided in respect of pre-sold or pre-let properties or with access to additional security and/or guarantees. As of March 2009, exposures with an element of development financing represented 5,4 % of senior loans (€30,6 million). As of 30 September 2009 nearly all the properties had been fully developped. Exposure is 0,4% (€2,6 million) and there is no speculative development.

C. Market risks

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

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

Limits on market risk exposure in N M Rothschild and Sons Limited (NMR), which is the Group's largest subsidiary, are set by its Executive Committee. Monitoring of market risk limits and determination of trading profits are undertaken daily, independently of the dealing area. Risk limits are complemented by other measures and controls, including stress testing to estimate the losses that could occur when markets behave in unusually volatile ways and with little liquidity. Market risks associated with treasury, leveraged finance loan trading and equity positions are described below with a description of risk management and the levels of risk.

1. Value at risk

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

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

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

NMR

In thousands of euros	**6 months to 30 September 2009**			12 months to 31 March 2009		
	Average	Low	High	Average	Low	High
Interest rate risk	1 095	631	1 437	1 429	990	2 486
Foreign exchange risk	25	5	68	33	3	165
TOTAL VALUE AT RISK	**1 120**	**636**	**1 505**	**1 462**	**993**	**2 651**

RBI

In thousands of euros	**6 months to 30 September 2009**			12 months to 31 March 2009		
	Average	Low	High	Average	Low	High
Interest rate risk	255	119	444	298	123	719
Foreign exchange risk	-	-	-	-	-	-
TOTAL VALUE AT RISK	**255**	**119**	**444**	298	123	719

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

2. Price risk related to equity investments

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

If the price of these equities and of the equities on which derivative instruments are dependent were to fall by 5%, then there would be a post-tax charge to the income statement of €1,7 million (€1 million as at 31 March 2009) and a charge to equity of €27,6 million (€29.6 million as at 31 March 2009).

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

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

In thousands of euros	UK and Channel Islands	Other Europe	US and Canada	Latin America	Autralasia and Asia	Other	**30/09/2009**
Equity investments and securities	11 031	320 410	23 649	1 535	38 910	34 528	**430 063**
Warrants and other equity derivatives	-	(975)	-	-	-	-	**(975)**

In thousands of euros	UK and Channel Islands	Other Europe	US and Canada	Latin America	Autralasia and Asia	Other	31/03/2009
Equity investments and securities	7 960	345 992	14 702	6 344	24 481	19 829	**419 308**
Warrants and other equity derivatives	-	(975)	-	-	-	-	**(975)**

3. Interest rate risk

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

	30/09/2009		31/03/2009	
In thousands of euros	+100 bps	-100 bps	+100 bps	-100 bps
CHF	(1 875)	1 973	(2 528)	2 654
Euro	151	(134)	(49)	32
GBP	1 557	(1 563)	1 304	(1 324)
USD	(27)	22	(87)	73
Other	(7)	(7)	(17)	17
TOTAL	**(201)**	**291**	**(1 377)**	**1 452**

All on-demand and term loans contracted by the Paris Orléans group in the course of its private equity business in France, which amounted to €214,5 million at 30 September 2009, are at variable interest rates. Paris Orleans was to contract a swap which amounted to €34,2 million at a fixed rate in order to cover a part of its future cashflows.

Of the fixed-income securities held by Paris Orléans and its subsidiaries as part of its private equity activities in France, €59.2 million were at fixed rates and €156.5 million at variable rates as at 30 September 2009.

D. Liquidity risk

Management of liquidity risk is of fundamental importance to the operating entities of the Group, to ensure that they can meet their liabilities as they fall due.The Group's strategy for the management of liquidity focuses on the maintenance of a diversified funding base of appropriate duration to the Group's assets.

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

N M Rothschild and Sons Limited ("NMR")

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

NMR's liquidity is measured by classifying cash flows into future time bands using a series of prudent assumptions and calculating the resultant gap, either surplus or deficit, in each period. The net liquidity gap represents the difference between cash inflows and outflows arising in a particular time period. Timing differences in cash flows arise in the ordinary course of the Group's banking and treasury activities as a result of the difference in the maturity profile of assets and liabilities. The analysis identifies the theoretical cash position that would arise on the assumption that all liabilities mature on their adjusted maturity dates and are not replaced, and that assets are repaid only at their contractual maturity date.

In practice, liabilities are extended and new liabilities are taken on as part of the Group's day to day funding activities. The Group manages the maturity profile of assets and liabilities in accordance with its liquidity policy and with regulatory and internal limits.

For regulatory purposes, NMR has measured its liquidity ratio as 31 % as of 30 September 2009 (31 March 2009: 19%). This figure is the cumulative liquidity gap at the 1-month horizon (after certain allowable behavioural adjustments) as a percentage of total deposits. The limit set by the UK's Financial Services Authority's ("FSA") is -5.0%. The ratio is calculated in accordance with FSA guidelines for Liquidity Mismatch reporting.

Rothschild Bank International Limited ("RBI")

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

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

The cumulative liquidity gap in the 8 day to 1 month period, as measured for regulatory purposes, was 185 % as of 30 September 2009 greater than the limit required by the local regulator (31 March 2009: 138% greater).

Rothschild Bank Zurich ("RBZ")

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

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

As of 30 September 2009, liquid assets were 430 % of liquid liabilities, as measured for regulatory purposes (31 March 2009: 306%). The regulatory limit is 100%

Maturity table

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

In thousands of euros	Demand - < 1 month	> 1 month - < 3 months	> 3 months - < 1 year	> 1 year - < 2 years	> 2 years - < 5 years	>5 years	No contractual maturity	30/09/2009
Cash and balances at central banks	512 553	-	-	-	-	-	-	512 553
Financial assets at FVTPL	829	1 094	26 524	3 120	-	587	7 727	39 881
Hedging derivatives	21	-	3 496	4 230	2 106	-	-	9 853
AFS securities	447 992	196 268	417 045	308 379	106 609	484 773	319 239	2 280 305
Loans and advances to banks	1 396 446	6 422	3 516	426	2	-	-	1 406 812
Loans and advances to customers	487 865	81 246	211 978	263 816	630 622	268 515	-	1 944 042
Other financial assets	46 312	70 077	24 317	10 619	6 649	93	34 208	192 275
TOTAL ASSETS	**2 892 018**	**355 107**	**686 876**	**590 590**	**745 988**	**753 968**	**361 174**	**6 385 721**
Financial liabilities at FVTPL	3 193	9 470	36 800	3 530	26 279	7 781	975	88 028
Hedging derivatives	1 532	3	4 995	7 556	13 336	6 120	-	33 542
Deposits by banks and central banks	103 665	132 496	214 021	27 339	145 277	91 123	-	713 921
Due to customers	2 236 502	198 814	139 102	642 544	47 690	6 008	-	3 270 660
Debt securities in issue	1 893	13 733	586 693	350 000	-	-	-	952 319
Subordinated loan capital	-	-	-	-	-	27 350	-	27 350
Other financial liabilities	10 907	593	2 705	-	-	8 808	41	23 054
TOTAL LIABILITIES	**2 357 692**	**355 109**	**984 316**	**1 030 969**	**232 582**	**147 190**	**1 016**	**5 108 874**

E. Fair value of financial instruments

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

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

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

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

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

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

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

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

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

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

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

Carried at amortised cost:

	30/09/2009		31/03/2009	
In thousands of euros	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Loans and receivables to banks	1 406 812	1 406 812	1 708 526	1 708 526
Loans and receivables to customers	1 944 042	1 770 192	2 245 976	1 823 768
TOTAL	**3 350 854**	**3 177 004**	**3 954 502**	**3 532 294**
Financial liabilities				
Due to banks	713 921	713 903	1 570 681	1 563 850
Due to customers	3 270 660	3 270 510	3 015 936	3 015 936
Debt securities in issue	952 319	938 582	1 070 471	1 044 894
Subordinated debt	27 350	21 333	159 845	65 939
TOTAL	**4 964 250**	**4 944 328**	**5 816 933**	**5 690 619**

Carried at fair value:

	30/09/2009				31/03/2009			
	Measured using				Measured using			
In thousands of euros	Valuation determined by prices listed on an active market	Valuation technique based on observable market data	Valuation not based on market data	**TOTAL**	Valuation determined by prices listed on an active market	Valuation technique based on observable market data	Valuation not based on market data	**TOTAL**
Financial assets								
Financial assets at fair value through profit or loss	8 298	31 583	-	39 881	3 143	41 661	-	44 804
Available-for-sale financial assets	1 738 593	525 268	16 444	2 280 305	1 618 123	623 819	19 485	2 261 428
Total	**1 746 891**	**556 851**	**16 444**	**2 320 186**	**1 621 266**	**665 480**	**19 485**	**2 306 232**
Financial liabilities								
Financial liabilities at fair value through profit and loss	-	88 028	-	88 028	-	118 458	-	118 458
Total	**-**	**88 028**	**-**	**88 028**	**-**	**118 458**	**-**	**118 458**

F. Fiduciary activities

The Group provides custody and other fiduciary services to customers. Those assets that are held in a fiduciary capacity are not included in these financial statements. At the balance sheet date, these amounted to approximately €1,511 billion (2009: €2,09 billion).

THE FIFTH PART: Notes to the Balance Sheet

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

In thousands of euros	**30/09/2009**	31/03/2009
Trading instruments	3 646	1 970
Financial assets designated at fair value through profit and loss	4 709	1 173
Derivative financial instruments	31 526	41 661
AT THE END OF THE PERIOD	**39 881**	**44 804**
Of which:		
Financial assets at fair value through profit or loss - Listed	*7 035*	*2 795*
Financial assets at fair value through profit or loss – Unlisted	*32 846*	*42 009*

Trading portfolio	**30/09/2009**	31/03/2009
Public bills & assimilated securities	-	-
Bonds and other debt instruments	628	-
Shares and other equity instruments	3 018	1 970
Other financial instruments	-	-
AT THE END OF THE PERIOD	**3 646**	**1 970**

Financial assets designated at fair value through profit and loss	**30/09/2009**	31/03/2009
Public bills & assimilated securities	-	-
Bonds and other debt instruments	-	-
Shares and other equity instruments	4 709	1 173
Other financial instruments	-	-
AT THE END OF THE PERIOD	**4 709**	**1 173**

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

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

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

Derivative financial instruments

In thousands of euros	Notional principal 30/09/2009	Notional principal 31/03/2009	Positive fair value 30/09/2009	Positive fair value 31/03/2009	Negative fair value 30/09/2009	Negative fair value 31/03/2009
Interest rate contracts						
- Firm	245 289	283 334	3 241	4 948	(12 340)	(9 447)
- Conditional	114 001	114 001	148	84	-	-
Foreign exchange contracts						
- Firm	1 226 095	1 486 715	22 996	31 273	(35 501)	(36 384)
- Conditional	336 762	202 348	1 333	712	(1 348)	(724)
Equity and index instruments						
- Firm	587	-	587	521	-	-
- Conditional	975	975	-	4 123	(975)	(975)
Commodity instruments						
- Firm	-	-	-	-	-	-
- Conditional	-	-	-	-	-	-
Credit derivatives						
- Firm	34 643	107 147	-	-	(34 643)	(70 928)
- Conditional	-	-	-	-	-	-
Other forward financial instruments	-	-	3 221	-	(3 221)	-
AT THE END OF THE PERIOD	**1 958 352**	**2 194 520**	**31 526**	**41 661**	**(88 028)**	**(118 458)**

Note 2 - Hedging derivatives

In thousands of euros	Notional principal 30/09/2009	Notional principal 31/03/2009	Positive fair value 30/09/2009	Positive fair value 31/03/2009	Negative fair value 30/09/2009	Negative fair value 31/03/2009
Interest rate contracts						
- Firm	1 344 901	919 959	9 853	3 007	(32 674)	(53 195)
- Conditional	-	-	-	-	-	-
Foreign exchange contracts						
- Firm	95 431	597 727	-	3 017	(868)	(3 153)
- Conditional	-	-	-	-	-	-
Equity and index instruments						
- Firm	-	-	-	-	-	-
- Conditional	-	-	-	-	-	-
Commodity instruments						
- Firm	-	-	-	-	-	-
- Conditional	-	-	-	-	-	-
Other forward financial instruments	-	-	-	-	-	-
AT THE END OF THE PERIOD	**1 440 332**	**1 517 686**	**9 853**	**6 024**	**(33 542)**	**(56 348)**

Note 3 - Available-for-sale financial assets

In thousands of euros	**30/09/2009**	31/03/2009
AFS securities – fixed income		
Public bills & assimilated securities	317 926	132 455
Bonds & assimilated securities	351 806	370 788
Negotiable debt instruments and assimilated securities	1 241 274	1 380 198
Sub total of fixed income securities	**1 911 006**	**1 883 441**
Of which:		
Listed securities	*1 447 679*	*1 644 708*
Unlisted securities	*463 327*	*238 733*
Accrued interest	28 801	25 788
Sub total	**1 939 807**	**1 909 229**
Impairment	(81 838)	(64 007)
TOTAL OF FIXED INCOME SECURITIES	**1 857 969**	**1 845 222**
Variable income securities		
Affiliates and long term securities	234 627	248 165
Other equities and variable income securities	248 932	222 288
Sub total of variable income securities	**483 559**	**470 453**
Of which:		
Listed securities	*158 074*	*148 699*
Unlisted securities	*325 485*	*321 754*
Impairment	(61 223)	(54 247)
TOTAL OF VARIABLE INCOME SECURITIES	**422 336**	**416 206**
AT THE END OF THE PERIOD	**2 280 305**	**2 261 428**

Loss in value of available-for-sale financial assets

	30/09/2009			31/03/2009		
Chiffres en k€	**Specific provision**	**Collective provision**	**TOTAL**	Specific provision	Collective provision	TOTAL
Loss in value of available-for-sale financial assets	(127 126)	(15 935)	**(143 061)**	(107 263)	(10 991)	**(118 254)**

In its portfolio of debt securities, Paris Orléans has identified a group of assets with similar credit risk characteristics. All observable losses on this portfolio have been provided for on an individual basis and a collective impairment provision of €5 million has been recognised in the period to take account of the deterioration in the economic climate.

Movement in available-for-sale financial assets

In thousands of euros	**30/09/2009**	31/03/2009
AT THE BEGINNING OF THE PERIOD	**2 261 428**	**3 665 980**
Additions	768 117	526 255
Change of scope	-	-
Disposals (sale and redemption)	(769 170)	(1 228 616)
Reclassifications and changes in consolidation scope	(7 722)	(454 139)
Gains/(losses) from changes in fair value	88 843	(208 836)
Impairment	(29 077)	(56 079)
Exchange differences	(32 114)	16 863
AT THE END OF THE PERIOD	**2 280 305**	**2 261 428**

In application of the amendments to IAS 39 and IFRS 7 adopted by the European Commission on 15 October 2008, on 1 July 2008 the Paris Orléans Group transferred from available-for-sale financial assets to loans and receivables those financial assets to which the definition of loans and receivables would apply on the reclassification date. This reclassification had no impact on the income statement for the period.

On the reclassification date and on 30 September 2009, Paris Orléans had the financial capacity to keep the loans concerned to their maturity date or for the foreseeable future.

The reclassified financial assets are shown in the following table *(In thousands of euros)* :

	30/09/2009	31/03/2009
Fair value at 31 March 2008 of the available-for-sale financial assets reclassified as loans and receivables at amortized cost		**417 147**
Changes in fair value of reclassified financial assets between 1 April 2008 and 1 July 2008		15 250
Translation differences and other movements		5 179
Amortized cost at 31 March 2009 of reclassified loans and receivables	**417 175**	**437 576**
Impairment	(7 710)	(10 003)
Disposals, repayments, de-recognition	(10 066)	(19 506)
Additional acquisitions	2 583	
AFS reserve transfer	6 271	
Translation differences and other movements	(15 383)	9 108
Amortized cost at 30 September 2009 of reclassified loans and receivables	**392 870**	**417 175**
Changes in fair value of reclassified financial assets between 1 July 2008 and 30 September 2009	(44 914)	(137 128)
Other movements	1 486	2 578
Fair value at 30 September 2009 of financial assets reclassified as loans and receivables	**349 442**	**282 625**

Changes in fair value of these reclassified financial assets between 1 April 2009 and 30 September 2009 amounted to €92,214 thousand.

Changes in fair value of reclassified financial assets between 1 July 2008 and 30 September 2009, net of tax, would have decreased shareholders' equity by €32,338 thousand if the assets concerned had not been reclassified.

Note 4 - Loans and receivables to banks

In thousands of euros	**30/09/2009**	31/03/2009
Interbank demand deposits & overnight loans	588 268	579 201
Interbank term deposits & loans	811 948	1 125 906
Reverse repos and loans secured by bills	-	-
Subordinated loans - banks	-	-
Total	**1 400 216**	**1 705 107**
Accrued interest	6 596	3 419
Loans and receivables to banks – Gross amount	**1 406 812**	**1 708 526**
Allowance for credit losses on loans and receivables to banks	-	-
AT THE END OF THE PERIOD	**1 406 812**	**1 708 526**

Note 5 - Loans and receivables to customers

Loans and receivables to customers

In thousands of euros	**30/09/2009**	31/03/2009
Overdrafts on current accounts - customers	1 931	12 298
Loans – Customers - retail	430 097	491 394
Corporate loans	1 646 917	1 830 896
Reverse repos and loans secured for bills	-	-
Subordinated loans - customers	-	-
Total	**2 078 945**	**2 334 588**
Accrued interest	9 760	13 570
Loans and receivables to customers – Gross amount	**2 088 705**	**2 348 158**
Allowance for credit losses on loans and receivables to customers	(144 663)	(102 182)
AT THE END OF THE PERIOD	**1 944 042**	**2 245 976**

Allowance for credit losses on loans and receivables

	30/09/2009			31/03/2009		
In thousands of euros	**Specific provision**	**Collective provision**	**TOTAL**	Specific provision	Collective provision	TOTAL
Allowance for credit losses on loans and receivables to customers	(97 267)	(47 396)	**(144 663)**	(67 110)	(35 072)	**(102 182)**

All observable losses on the portfolio of loans and receivables have been provided for on an individual basis and a collective impairment provision of €12.3 million has been recognised in the period to take account of the deterioration in the economic climate.

Loans and advances to customers include finance lease receivables

In thousands of euros	Up to 1 year	Between 1 and 5 years	Over 5 years	**30/09/2009**
Total future receipts	42 294	51 506	734	94 534
Less unrecognised interest income	(7 044)	(11 549)	(128)	(18 721)
Present value of net finance lease assets	35 250	39 957	606	75 813

Note 6 - Other assets & estimated accounts

In thousands of euros	**30/09/2009**	31/03/2009
Guarantee deposits paid	961	553
Settlement accounts on securities transactions	-	-
Other receivable	198 073	167 708
Other assets	**199 034**	**168 261**
Dividends to allocate	-	-
Prepaid expenses	9 047	10 202
Accrued income	55 316	47 937
Estimated accounts	**64 363**	**58 139**
AT THE END OF THE PERIOD	**263 397**	**226 400**

Note 7 - Investments in associates

In thousands of euros	Les Domaines Barons de Rothschild (DBR)	Continuation Investment NV	Centrum Luxem-bourg	Rivoli Participation	Comepar	Partnerships between NMR and Rothschild and Compagnie Banque	Rothschild & Cie Banque	Rothschild Europe BV	Other	TOTAL
At 31/03/2008	**10 381**	**2 456**	**152**	**1 648**	**-**	**5 936**	**71 070**	**34 841**	**14 190**	**140 674**
Of which goodwill	*1 267*	*-*	*-*	*-*	*915*	*-*	*-*	*-*	*-*	*2 182*
Of which allowance for impairment	*-*	*-*	*-*	*-*	*(915)*	*-*	*-*	*-*	*-*	*(915)*
Profit for the period 2008 - 2009	2 484	1 071	-	279	-	1 058	11 404	10 677	(1 306)	25 667
Change in percentage ownership	-		(152)	-	-	-	-	-	-	(152)
Exchange differences on translation	(563)	192	-	-	-	(163)	1 478	(637)	(1 504)	(1 197)
Shareholders'dividends	(529)	(979)	-	(2 144)	-	(9 776)	(11 880)	(19 934)	(158)	(45 400)
Gains (losses) from changes in fair value	-	(980)	-	-	-	-	-	-	(143)	(1 123)
Effect of acquisitions and disposals on minority interests	-	-	-	(58)	-	5 496	-	-	5 893	11 331
Other	91	320		275	-	(3)	(14)	102	36	807
Provisions	-	-	-	-	-	-	-	-	-	-
At 31/03/2009	**11 864**	**2 080**	**-**	**-**	**-**	**2 548**	**72 058**	**25 049**	**17 008**	**130 607**
Of which goodwill	*1 267*	*-*	*-*	*-*	*915*	*-*	*-*	*-*	*-*	*2 182*
Of which allowance for impairment	*-*	*-*	*-*	*-*	*(915)*	*-*	*-*	*-*	*-*	*(915)*
Profit for the period 2008 - 2009	1 574	141	-	-	-	2 417	1 985	-	(55)	6 062
Change in percentage ownership	-	-	-	-	-	-	-	(25 049)	377	(24 672)
Exchange differences on translation	14	(135)	-	-	-	(105)	(1)	-	162	(65)
Shareholders'dividends	-	-	-	-	-	-	-	-	(287)	(287)
Gains (losses) from changes in fair value	-	(8)	-	-	-	-	-	-	124	116
Effect of acquisitions and disposals on minority interests	(865)		-	-	-	-	(2)	-	(3)	(870)
Other	(1)	(20)	-	-	-	-	7	-	70	56
Provisions	-	-	-	-	-	-	-	-	-	-
At 30/09/2009	**12 586**	**2 058**	**-**	**-**	**-**	**4 860**	**74 047**	**-**	**17 396**	**110 947**
Of which goodwill	*1 267*	*-*	*-*	*-*	*915*	*-*	*-*	*-*	*-*	*2 182*
Of which allowance for impairment	*-*	*-*	*-*	*-*	*(915)*	*-*	*-*	*-*	*-*	*(915)*

Note 8 - Due to banks

In thousands of euros	30/09/2009	31/03/2009
Interbank demand deposits & overnight	125 362	178 102
Interbank term deposits & borrowings	367 661	485 863
Borrowings secured by repurchase agreement	214 170	898 559
Others	16	-
Due to banks – Sub total	**707 209**	**1 562 524**
Accrued interest	6 712	8 157
AT THE END OF THE PERIOD	**713 921**	**1 570 681**

Note 9 - Due to customers

In thousands of euros	30/09/2009	31/03/2009
Customer demand	1 433 635	1 275 012
Term deposits - customers	1 829 873	1 736 205
Borrowings secured by bills (customers)	-	-
Others	151	-
Customer deposits – Sub total	**3 263 659**	**3 011 217**
Accrued interest	7 001	4 719
AT THE END OF THE PERIOD	**3 270 660**	**3 015 936**

Note 10 - Debt securities in issue

In thousands of euros	30/09/2009	31/03/2009
Securities with a short term maturity	176 548	292 791
Securities with a medium term maturity	772 973	772 579
Securities with a long term maturity and bonds	-	-
Debt securities in issue – Sub total	**949 521**	**1 065 370**
Accrued interest	2 798	5 101
AT THE END OF THE PERIOD	**952 319**	**1 070 471**

Note 11 - Estimated accounts & other liabilities

In thousands of euros	30/09/2009	31/03/2009
Settlement accounts on securities transactions	2	-
Accounts payable	23 012	21 243
Sundry creditors	125 952	105 847
Other liabilities	**148 966**	**127 090**
Due to employees	296 160	358 793
Accrued expenses and deferred income	66 241	55 859
Estimated accounts	**362 401**	**414 652**
AT THE END OF THE PERIOD	**511 367**	**541 742**

Note 12 - Provisions

In thousands of euros	01/04/2009	Change of scope	Charge	Reversal	Discoun-ting	Exchange rate movement	Other movements	**30/09/2009**
Allowance for counterparty risk	156	-	-	(60)	-	(15)	-	81
Provision for claims or litigation	436	-	-	-	-	(2)	-	434
Reinstatement provisions	10 170	-	-	-	295	125	-	10 590
Vacant property provisions	7 994	-	230	-	-	98	-	8 322
Retirement benefit provisions	74 381	-	-	-	-	-	88 155	162 536
Other provisions	-	35	-	-	-	(4)	237	268
TOTAL OF PROVISIONS	**93 137**	**35**	**230**	**(60)**	**295**	**202**	**88 392**	**182 231**

Note 13 - Subordinated debts

In thousands of euros	**30/09/2009**	31/03/2009
£100,000 Cumulative redeemable preference share	-	110
Floating Rate Subordinated	27 350	30 150
Perpetual Floating Rate Subordinated Notes (€150 million)	-	128 557
Subordinated debt	**27 350**	**158 817**
Accrued interest	-	1 028
AT THE END OF THE PERIOD	**27 350**	**159 845**

Dated subordinated debt

The issue by Dutch subsidiary Rothschilds Continuation Finance B.V. ("RCF B.V.") of variable-interest subordinated debt amounting to USD45 million maturing in 2015 was guaranteed at subordinated level by Rothschilds Continuation Limited ("RCL"), the Group's main holding company in the United Kingdom.

Perpetual subordinated debt

IAS 32 requires the recognition of financial instruments as equity instruments when there is no contractual obligation to reimburse the capital or pay interest. In the case of perpetual subordinated debt instruments, there is no contractual obligation to repay the capital. Moreover, the terms of these instruments authorise the non-payment of interest unless the issuer has paid a dividend in the preceding six months. The payment of dividends on ordinary shares is not enough to justify their classification under debt as long as the Group controls the payment of dividends on ordinary shares. By contrast, perpetual subordinated debt securities issued by the Group and containing discretionary clauses relating to payment of interest qualify as equity instruments and the related interest is recognised in the income statement under minority interests.

The issue by Guernsey-based subsidiary Rothschilds Continuation Finance (CI) Limited of GBP125 million in guaranteed subordinated debt at 9% was guaranteed at subordinated level by RCL. There is no contractual obligation to repay the capital or to pay interest on this debt, which is therefore recognised in equity and included under minority interests.

Rothschilds Continuation Finance BV has issued guaranteed variable-rate perpetual subordinated debt amounting to USD200 million, which is guaranteed at subordinated level by RCL.

A third issue of perpetual subordinated debt was made by the Group via RCF Plc in an amount of €150 million, at a variable rate and guaranteed at subordinated level by NM Rothschild & Sons limited (NMR). The presence of a "linker" (in this case in the form of a legal clause providing for mandatory remuneration attached to preference shares) attached to a perpetual subordinated debt, guaranteeing the payment of interest to the subscriber, means that this debt must be recognised as a liability under IFRS. In May 2009, the linker attached to this subordinated debt was cancelled as the related preference shares had been converted into ordinary shares.

This conversion removed the Group's legal obligation to pay interest on this subordinated debt. The interest on the loan is now payable at the borrower's discretion. This event resulted in the reclassification of the €150 million subordinated debt to minority interests.

On reclassification, the difference between the carrying amount on the reclassification date (€128,6 million) and the fair value on the same date (€59,25 million) of this equity instrument was recognised in the income statement. The fair value of the perpetual subordinated debt was determined based on the market value of the debt estimated by major operators. This estimate was supported by the market data observed for similar instruments issued by similar issuers.

Note 14 - Impairment allowances

Changes in impairment of assets can be analysed as follows:

In thousands of euros	01/04/2009	Charge	Reversal	Exchange rate movement and other movements	**30/09/2009**
Loans and receivables to customers	(102 182)	(54 326)	13 966	(2 121)	(144 663)
Available-for-sale financial assets	(118 254)	(39 364)	8 694	5 863	(143 061)
Other assets	(7 919)	(6 158)	321	(726)	(14 482)
Total	(228 355)	(99 848)	22 981	3 016	(302 206)

Note 15 - Deferred taxes

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

The movement on the deferred tax account is as follows:

In thousands of euros	**30/09/2009**	31/03/2009
Deferred tax assets at the beginning of the period	**110 993**	**80 344**
Deferred tax liabilities at the beginning of the period	**49 796**	**57 109**
Net amount (at the beginning of the period)	**61 197**	**23 235**
Change of scope	2 834	
Recognised in income statement		
Income statement credit	12 276	2 598
Recognised in equity		
Defined benefit pension arrangements	24 057	19 351
Available for sale financial assets	(22 175)	27 173
Cash flow hedges	(726)	1 059
Exchange differences	(1 081)	(14 035)
Other	5 009	1 816
Net amount (at the end of the period)	**81 391**	**61 197**
Deferred tax assets at the end of the period	**135 336**	**110 993**
Deferred tax liabilities at the end of the period	**53 945**	**49 796**

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

In thousands of euros	**30/09/2009**	31/03/2009
Accelerated tax depreciation	12 209	11 294
Deferred profit share arrangements	35 736	46 289
Defined benefit pension liabilities	31 656	10 227
Available-for-sale financial assets	15 660	29 072
Cash flow hedges	244	1 063
Tax losses	29 718	4 726
Provisions	4 198	6 949
Other temporary differences	5 915	1 373
DEFERRED TAX NET ASSETS AT THE END OF THE PERIOD	**135 336**	**110 993**

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

At 30 September 2009, there remain certain residual assets and liabilities relating to the Australian activities that do not form part of the Group's strategic activities and which meet the definition provided in IFRS 5 of assets and liabilities related to non-current assets held for sale.

In thousands of euros	**30/09/2009**	31/03/2009
Loans and receivables to banks	3 726	3 960
Loans and receivables to customers	-	-
Deferred tax assets	582	620
Estimated accounts and other assets	43 721	37 940
Non current assets held for sale at the end of the period	**48 029**	**42 520**
Due to banks	34 998	30 915
Estimated accounts and other liabilities	150	150
Liabilities related to non current assets held for sale at the end of the period	**35 148**	**31 065**

THE SIXTH PART: Notes to the Income statement

Note 17 - Net interest income

Interest income

In thousands of euros	**30/09/2009**	30/09/2008
Interest income - loans to banks	6 996	51 323
Interest income - loans to customers	44 288	99 848
Interest income - instruments available for sale	26 073	71 239
Interest income - derivatives	12 276	37 478
Interest income - other financials assets	562	1 112
TOTAL	**90 195**	**261 000**

Interest expense

In thousands of euros	**30/09/2009**	30/09/2008
Interest expense - loans to banks	(11 845)	(70 691)
Interest expense - loans to customers	(14 147)	(55 587)
Interest expense - debt securities in issue	(11 384)	(38 726)
Interest expense - subordinated borrowings	(273)	(6 000)
Interest expense - derivatives	(15 169)	(31 865)
Interest expense - other financials assets	(3 802)	(1 538)
TOTAL	**(56 620)**	**(204 407)**

Note 18 - Net fee and commission income

Fee and commission income

In thousands of euros	**30/09/2009**	30/09/2008
Fees for advisory work and other services	261 133	166 933
Portfolio and other management fees	50 103	57 153
Banking and credit-related fees and commissions	2 578	5 280
Other fees	22 777	18 221
TOTAL	**336 591**	**247 587**

Fee and commission income to 30 September 2009 includes €60.2 million from the activities of the Rothschild Europe BV sub-group.

Fee and commission expense

In thousands of euros	**30/09/2009**	30/09/2008
Fees for advisory work and other services	(17)	(3 648)
Portfolio and other management fees	(1 277)	(5 736)
Banking and credit-related fees and commissions	(180)	(133)
Other fees	(5 448)	(3 931)
TOTAL	**(6 922)**	**(13 448)**

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

In thousands of euros	**30/09/2009**	30/09/2008
Net income – debt securities and related derivatives – Trading	1 339	(187)
Net income – equities securities and related derivatives – Trading	(2 026)	(585)
Net income – forex operations	3 373	7 608
Net income – financial derivatives instruments	19 026	(549)
Net income – financial instruments designated at fair value through profit and loss	321	29
Net income – hedging derivatives	(255)	4
TOTAL	**21 778**	**6 320**

Note 20 - Net gain/(loss) on available-for-sale financial assets

In thousands of euros	**30/09/2009**	30/09/2008
Gains or losses on sales of long term securities	1 842	294
Impairment losses on long term securities	(2 175)	-
Gains or losses on sales of other available-for-sale financial assets	2 381	3 037
Impairment losses on other available-for-sale financial assets	(10 774)	(3 039)
Available-for-sale dividend income	11 465	18 973
TOTAL	**2 739**	**19 265**

Note 21 - Income from other activities

Income on other activities

In thousands of euros	**30/09/2009**	30/09/2008
Investment property	68 625	-
Income from leasing	5 641	7 828
Other income	1 096	1 605
TOTAL	**75 362**	**9 433**

On the reclassification as minority interests of €150 million of subordinated debt, the difference between the net carrying amount of the extinguished debt (€128.6 million) and the fair value of the capital securities thus created (€59.25 million) was recognised in the income statement in an amount of €68.6 million after taking into account exchange rate movements over the period.

Expense on other activities

In thousands of euros	**30/09/2009**	30/09/2008
Investment property	(2)	(2)
Expenses from leasing	(890)	(3 863)
Other expenses	(2 229)	(7)
TOTAL	**(3 121)**	**(3 872)**

Note 22 - Operating expenses

In thousands of euros	**30/09/2009**	30/09/2008
Staff costs	(269 011)	(208 086)
Administratives expenses	(63 702)	(61 135)
TOTAL	**(332 713)**	**(269 221)**

Operating expenses to 30 September 2009 include €39.1 million relating to the activities of the Rothschild Europe BV sub-group.

Note 23 - Cost of risk

In thousands of euros	Impairment	Impairment written back	Irrecoverable loans	Recovered loans	**30/09/2009**	30/09/2008
Loans and receivables	(54 326)	13 966	(12 736)	-	(53 096)	(4 703)
Fixed debt securities	(23 325)	5 083	(5 044)	-	(23 286)	(34 191)
Other assets	(6 158)	321	(290)	-	(6 127)	(1 480)
TOTAL	**(83 809)**	**19 370**	**(18 070)**	**-**	**(82 509)**	**(40 374)**

Note 24 - Net income/expense from other assets

In thousands of euros	**30/09/2009**	30/09/2008
Gains or losses on sales of tangible or intangible assets	733	134
Gain or loss on sale of subsidiaries	306	55 430
TOTAL	**1 039**	**55 564**

Note 25 - Taxation

The net tax charge can be analysed by current tax charges and deferred tax charges:

Current tax

In thousands of euros	**2009/2010**	2008/2009
Tax charges for the current period	6 603	17 649
Prior year adjustments	(241)	7 779
Overseas tax		
Relief for double taxation		
Prior year losses utilised		
Unrecoverable dividend withholding tax	606	746
Other	(123)	(784)
TOTAL	**6 845**	**25 390**

Defered tax

In thousands of euros	**2009/2010**	2008/2009
Temporary differences	13 520	5 826
Prior year losses utilised	(24 992)	(85)
Changes in tax rates		23
Prior year adjustment	(999)	(8 362)
Other	195	
TOTAL	**(12 276)**	**(2 598)**

Reconciliation of the tax charge

In thousands of euros	Base	IS au taux de 33 1/3 %
Net income	**48 765**	
Restatements		
Income (loss) of companies accounted for by the equity method	(6 062)	
Corporate income tax	(5 431)	
Income of consolidated companies before tax	**37 272**	**12 424**
Consolidation adjustments (deferred tax, fair value adjustments, provisions and reversals of provisions for impairment, other)		(368)
Losses to be carried forward		2 679
Taxation differences (French social contribution, long-term capital gains tax, venture capital companies, US tax)		(1 430)
Permanent differences		(18 498)
Temporary differences and other		(238)
Tax on consolidated companies		**(5 431)**
Effective tax rate		
Net income - Group share	13 576	
Minority interests	35 190	
Corporate income tax	(5 431)	
GROSS INCOME	**43 335**	
EFFECTIVE TAX RATE	***-12,53%***	

In 2008/2009, the effective tax rate was 30,53%.

Note 26 - Commitments given and received

Commitments given

In thousands of euros	**30/09/2009**	30/09/2008
Loan commitments	**170 037**	**253 231**
Given to banks	-	-
Given to customers	170 037	253 231
Guarantee commitments	**880 845**	**1 730 901**
Given to banks	826 723	1 645 334
Given to customers	54 122	85 567
Other commitments	**121 883**	**86 709**
Underwriting commitments	39 115	31 974
Other commitments given	82 768	54 735

Commitments received

In thousands of euros	**30/09/2009**	30/09/2008
Loan commitments	**43 569**	**4 977**
Received from banks	43 569	4 977
Received from customers	-	-
Guarantee commitments	**172 450**	**263 431**
Received from banks	4 407	93 303
Received from customers	168 043	170 128
Other commitments	**10 484**	**10 596**
Other commitments received	10 484	10 596

Note 27 - Related parties

In thousands of euros	30/09/2009 Companies accounted for by the equity method	30/09/2008 Companies accounted for by the equity method
Assets		
Loans and advances to banks	8 507	-
Loans and advances to customers	-	409
Other assets	21 703	40 062
Total	**30 210**	**40 471**
Liabilities		
Due to banks	1 084	-
Due to customers	150	-
Debt securities in issue	-	-
Other liabilities	475	3 754
Total	**1 709**	**3 754**
Loan and guarantee commitments		
Loan commitments given	-	-
Guarantee commitments given	-	-
Loan commitments received	-	-
Guarantee commitments received	-	-
Realised operating income from transactions with related parties		
Interest received	-	282
Interest paid	(8)	(206)
Commissions received	905	-
Commissions paid	(109)	(8)
Other income	(8)	1 310
TOTAL	**780**	**1 378**
Other expenses	(451)	(2 968)
TOTAL	**(451)**	**(2 968)**

Note 28 - Segment information

Segment split by business

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

Segment split by geography

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

Segment split by business

In thousands of euros	Investment & Commercial Banking	Asset management	Private banking and Trust	Private equity	Other	Intersegment eliminations	30/09/2008
Income							
External sales	226 366	10 744	73 644	9 796	-	-	320 550
Inter-segment revenues	15 530	-	1 892	(2 091)	-	(14 003)	1 328
Net banking income	**241 896**	**10 744**	**75 536**	**7 705**	**-**	**(14 003)**	**321 878**
Operating income by segment before non analysed expenses	73 779	5 397	30 189	(2 464)	-	(14 014)	92 887
Expenses not analysed	-	-	-	-	-	-	(90 394)
Operating income							**2 493**
Results of companies accounted for by the equity method before non analysed expenses	12 803	2 671	-	2 994	-		18 468
Net income/expense from other assets	223	-	-	55 341	-	-	55 564
Net gains or losses on other assets	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	(23 362)
Consolidated net income							**53 163**
Other segment information							
Segment assets	7 268 639	15 300	1 678 777	711 272	-	(284 037)	9 389 951
Equity method securities	125 419	15 331	29	16 544	-	-	157 323
TOTAL CONSOLIDATED ASSETS							**9 547 274**
Segment liabilities	6 758 353	21 057	1 152 958	380 006	-	(192 374)	8 120 000
TOTAL CONSOLIDATED LIABILITIES							**8 120 000**

Segment split by geography

In thousands of euros	France	United Kingdom and Channel Islands	Switzerland	North America	Asia and Australia	Other European Countries	30/09/2008
Net banking income	7 876	156 287	74 097	54 462	17 144	12 012	**321 878**
Consolidated assets	635 668	6 726 510	1 659 816	179 663	78 306	267 310	**9 547 274**

Note 29 - Paris Orleans' consolidation scope

Following changes to the management arrangements of Rothschild Europe BV, all the investment banking subsidiaries in continental Europe (excluding France), which had previously been consolidated using the equity method, are now fully consolidated. There have been no other material changes to the Group's consolidation scope at 30 September 2009 compared with 31 March 2009.

PARIS ORLÉANS

Persons responsible for the Half-Year Financial Report

M. Sylvain Hefes, Chairman of the Executive Board

M. Michele Mezzarobba, Member of the Executive Board

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

We hereby declare that, to the best of our knowledge, the summary interim consolidated financial statements for the past six-month period included in the interim financial report have

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

Paris, 27 November 2009

Sylvain Hefes	Michele Mezzarobba
Chairman of the Executive Board	Member of the Executive Board

Paris Orléans
23 bis avenue de Messine
75008 Paris

Tel.: + 33 (0)1 53 77 65 10
Fax: + 33 (0)1 45 63 85 28
www.paris-orleans.com

French Public Limited Company
With an Executive Board and a Supervisory Board and share capital of € 63 264 160
302 519 228 RCS Paris
TVA FR 88 302 519 228

PARIS ORLEANS S.A.

23 bis, avenue de Messine

75008 PARIS

RAPPORT DES COMMISSAIRES AUX COMPTES

SUR L'INFORMATION FINANCIERE SEMESTRIELLE

PERIODE DU 1er AVRIL 2009 AU 30 SEPTEMBRE 2009

CAILLIAU DEDOUIT ET ASSOCIES

Commissaire aux Comptes

Membre de la Compagnie Régionale

de Paris

19, rue Clément Marot

75008 PARIS

KPMG AUDIT

Commissaire aux Comptes

Membre de la Compagnie Régionale

de Versailles

1, cours Valmy

92923 PARIS LA DEFENSE

PARIS ORLEANS S.A.

23 bis, avenue de Messine

75008 PARIS

RAPPORT DES COMMISSAIRES AUX COMPTES
SUR L'INFORMATION FINANCIERE SEMESTRIELLE

PERIODE DU 1er AVRIL 2009 AU 30 SEPTEMBRE 2009

Mesdames, Messieurs les Actionnaires,

En exécution de la mission qui nous a été confiée par votre Assemblée générale et en application de l'article L.451-1-2 III du Code monétaire et financier, nous avons procédé à :

- l'examen limité des comptes semestriels consolidés résumés de la société Paris Orléans S.A., relatifs à la période du 1er avril 2009 au 30 septembre 2009, tels qu'ils sont joints au présent rapport ;
- la vérification des informations données dans le rapport semestriel d'activité.

Ces comptes semestriels consolidés résumés ont été établis sous la responsabilité du Directoire dans un contexte de crise économique et financière caractérisé par une très forte volatilité des marchés financiers et un manque de visibilité sur le futur. Il nous appartient, sur la base de notre examen limité, d'exprimer notre conclusion sur ces comptes.

I. Conclusion sur les comptes

Nous avons effectué notre examen limité selon les normes d'exercice professionnel applicables en France. Un examen limité consiste essentiellement à s'entretenir avec les membres de la direction en charge des aspects comptables et financiers et à mettre en œuvre des procédures analytiques. Ces travaux sont moins étendus que ceux requis pour un audit effectué selon les normes d'exercice professionnel applicables en France. En conséquence, l'assurance que les comptes, pris dans leur ensemble, ne comportent pas d'anomalies significatives obtenue dans le cadre d'un examen limité est une assurance modérée, moins élevée que celle obtenue dans le cadre d'un audit.

Sur la base de notre examen limité, nous n'avons pas relevé d'anomalie significative de nature à remettre en cause la conformité des comptes semestriels consolidés résumés avec la norme IAS 34 – norme du référentiel IFRS tel qu'adopté dans l'Union européenne relative à l'information financière intermédiaire.

Sans remettre en cause la conclusion exprimée ci-dessus, nous attirons votre attention sur la Deuxième partie de l'annexe aux comptes semestriels consolidés résumés, qui expose les effets de l'adoption, par la société PARIS ORLEANS S.A., de la norme IFRS 8 relative aux secteurs opérationnels, adoptée par l'Union européenne en date du 21 novembre 2007.

II. Vérification spécifique

Nous avons également procédé à la vérification des informations données dans le rapport semestriel d'activité commentant les comptes semestriels consolidés résumés sur lesquels a porté notre examen limité.

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

Fait à Paris et Paris-La Défense, le 30 novembre 2009

Les Commissaires aux comptes

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