



Update of
shelf-registration
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2006

Financial review at
30 June 2007

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Review of operations for the first half of 2007

Presentation of Calyon's financial statements

Changes to accounting principles and methods: Application of IAS/IFRS accounting standards

The condensed interim consolidated financial statements of the Calyon Group have been prepared in accordance with IAS/IFRS and IFRIC interpretations as endorsed by the European Union and applicable at 30 June 2007.

These standards and interpretations are the same as those as applied to the year ended 31 December 2006, supplemented by the provisions applied in 2007 for the first time. They are described in Note 1 of the Notes to the Interim Consolidated Financial Statements for the six months to 30 June 2007 and had no material impact over the period.

Changes in accounting methods

As from 1 January 2007, in the interests of comparability with market practices, the difference between the acquisition cost and the share of net assets resulting from the increase in the percentage ownership interest in an entity that is already under exclusive control, is now recognised as a deduction from "Consolidated reserves (Group share)".

Symmetrically, in the event that the Group's percentage ownership interest in an entity that remains under its exclusive control declines, the difference between the selling price and the carrying amount of the minority interests sold is also recognised directly under "Consolidated reserves (Group share)".

The impact of these changes is described in Note 1 of the Notes to the interim consolidated financial statements for the six months to 30 June 2007.

Changes in scope of consolidation

The changes in Calyon's scope of consolidation during the first half of 2007 are described below. They had no material impact on the financial statements.

Additions during the first half of 2007

- Calyon Algérie SPA
- Indosuez Finance Ltd
- Calliope SRL
- Calyon Miami
- Aguadana

Removals in the first half of 2007

- Indosuez International Finance
- CL Uruguay SA
- Ergifrance
- Calyon Investment Products Limited
- CASAM Systeia Pair Trading

Details of the scope of consolidation are presented in Note 8 to the financial statements.

Calyon's activity and results

Economic and financial environment

During the first part of the year, world growth remained surprisingly strong despite a clear slowdown in the US economy, another surge in oil prices and increasingly skittish financial markets.

In the US, growth has slowed sharply over the past year and is now far below its potential. During the first quarter, the economy went through a bad patch, with annualised GDP growth sinking to 0.6% over the first three months. This was followed by a "technical" rebound to 3.4%, but this is not an indicator of future momentum. Residential investment is still a major obstacle to growth and productive investment remains cautious. While consumer spending remains surprisingly firm, it is showing signs of slackening as petrol prices rise and the property market continues to turn down. Judging by the fact that unemployment has remained stable at around 4.5% since last autumn, the job market gives a clearer picture of the US economy's state of health. The other reassuring indicator in the economic picture is that underlying inflation has moderated considerably since the beginning of the year. In June, it returned to the Fed's presumed comfort zone. Even so, caution remains the watchword, with certain indicators still pointing to a risk of inflation.

In the euro zone, growth remained brisk in the first quarter of 2007 at 0.7% quarter-on-quarter, before slowing to 0.3% QoQ in the second quarter. Domestic demand continues to drive the economy, with persistently healthy capital spending. Consumer spending, however, has stagnated. Within the region, the first quarter's robust growth was fuelled mainly by the strength of the German economy. Moreover, the business recovery's positive effects on the labour market intensified. Job creation picked up and the unemployment rate fell to a record low of 7% in May. The European economy has so far managed to weather the plethora of negative shocks -- increase in the VAT rate in Germany, a soaring euro and the slowdown in the US economy. In France, growth also remained healthy in the first quarter at 0.5% before dipping to 0.3% in the second. Consumer spending remains buoyant, capital spending is stable but foreign trade continued to act as a drain. In all, the French economy expanded by 1.3% over the first six months of 2007.

On the monetary policy side, the Fed has not changed its key rate since August 2006, and the Fed funds rate remains at 5.25%. The ECB continued to normalise its monetary policy. It increased the refinancing rate from 3.5% at the end of 2006 to 4% in June 2007. Long rates initially tracked this trend. They advanced by 60 basis points between January and June in the USA and by 70 basis points in Europe, before turning down in mid-August to 4.65% in the US and to 4.3% in Europe, following the flight to quality sparked by turbulence in the financial markets during the summer. The dollar stopped its downward slide this summer, as the greenback benefited from its status as a safe haven in times of turmoil. It has risen to around 1.35 to the euro after sinking to a low of 1.38 in mid-July.

Calyon consolidated results

	H1 2007	H1 2006	Change 2007/2006	Change at constant scope and exchange rates
<i>In millions of euros</i>				
Net banking income	3,438	3,103	11%	14%
Operating expenses	(2,006)	(1,809)	11%	13%
Gross operating income	1,432	1,294	11%	16%
Risk-related costs	15	(11)	nm	
Income from equity affiliates	78	94	(17%)	
Net gains (losses) on other assets	0	(13)	nm	
Pre-tax income	1,525	1,364	12%	
Tax	(404)	(354)	14%	
NET INCOME	1,121	1,010	11%	
Net income (Group share)	1,070	970	10%	

The first half of 2007 was a turbulent period, with the fallout from the US mortgage market turmoil affecting various components of the credit market, coupled with volatile equity markets, higher prices of raw materials (especially oil) and the depreciation in the dollar, which lost 6% against the euro between 30 June 2006 and 30 June 2007.

Calyon showed resilience in this difficult climate, owing to a good balance among its businesses, its solid positions in Europe and world-wide, and the good geographical diversification of its revenues.

Despite the unfavourable effects of deterioration in the US mortgage market, net banking income was €3,438 million in the first half, a handsome 14% rise at constant exchange rates by comparison with the first half of 2006.

The rise in expenses was slightly lower in the first half at 13%, reflecting an increase in variable compensation paid to individuals in capital markets and investment banking owing to growth in these activities and continued investments in staffing and information systems.

GOI rose by 16% at constant exchange rates to €1,432 million and the cost/income ratio was maintained at 58.3%.

Risk-related costs remained low. They reflect an increase in collective provisions, which amounted to €1,190 million at 30 June 2007.

Net income of equity associates was almost entirely made up of the contribution of Banque Saudi Fransi and was adversely affected by the dollar's depreciation.

After income tax of €404 million and minority interests of €51 million, net income (Group share) was €1,070 million, up 10% on the first half of 2006.

Results by business line

The organisation of Calyon's business lines is described on page 130 of Calyon's 2006 shelf-registration document, in Note 6 ("Segment reporting") to the consolidated financial statements for the year ended 31 December 2006.

Financing

	H1 2007	H1 2006	Change 2007/2006	Change at constant scope and exchange rates
<i>In millions of euros</i>				
Net banking income	1,192	1,066	12%	15%
Operating expenses	(465)	(407)	14%	17%
Gross operating income	727	659	10%	15%
Risk-related costs	7	(15)	nm	
Income from equity affiliates	70	91	(23%)	
Net gains (losses) on other assets	0	0	nm	
Pre-tax income	804	735	9%	
Tax	(205)	(174)	18%	
NET INCOME	599	561	7%	
NET INCOME (GROUP SHARE)	582	544	7%	

In a climate of persistently firm demand and continuous pressure on margins, the financing business managed to maintain the return on risk-weighted assets owing to good momentum in syndication, which was ranked eighth in the EMEA region and third in Asia (excluding Japan) by IFR/Thomson.

In structured finance, which generated 60% of revenues in Financing activities, project finance (world No. 2 mandated lead arranger according to Thomson Financial) and aircraft and ship finance boosted their net banking income appreciably.

In commercial banking, business was again driven by the international network.

Overall, net banking income advanced by 15% at constant exchange rates to €1,192 million.

Gross operating income was €727 million, up 15% at constant exchange rates.

As a result, Financing activities retained a highly satisfactory level of operational efficiency with the cost/income ratio confined to less than 40%.

Risk-related costs declined appreciably (by €7 million), reflecting the absence of deterioration in the loan portfolio.

Net income (Group share) was €582 million compared with €544 million in the same year-ago period.

Capital markets and investment banking

	H1 2007	H1 2006	Change 2007/2006	Change at constant scope and exchange rates
<i>In millions of euros</i>				
Net banking income	1,978	1,795	10%	14%
Operating expenses	(1,366)	(1,241)	10%	13%
Gross operating income	612	554	10%	16%
Risk-related costs	6	1	nm	
Income from equity affiliates	3	0	nm	
Net gains (losses) on other assets	0	(4)	nm	
Pre-tax income	621	551	13%	
Tax	(174)	(149)	17%	
NET INCOME	447	402	11%	
NET INCOME (GROUP SHARE)	421	385	9%	

In a patchy business climate, during the first half of 2007, Capital markets and investment banking delivered revenues of €1,978 million, a rise of 14% at constant exchange rates.

In Capital market activities, net banking income was high owing to excellent momentum in fixed-income derivatives, equity derivatives, foreign exchange and treasury operations. The performance of the Credit & CDO markets was adversely affected by deterioration in the US mortgage market.

The Brokerage division had its best six months ever, with revenues up 22% year-on-year. CA Cheuvreux is ranked the No. 2 brokerage in European small caps and among the Top 5 in research in European countries (source: Thomson Excell). CLSA is ranked first in Asia research by Greenwich Surveys.

Likewise, Investment banking delivered a solid performance in both advisory services and primary equities.

Operating expenses were €1,366 million, up 13% at constant exchange rates.

Gross operating income advanced by 16% to €612 million and the cost/income ratio remained stable at 69%.

Net income (Group share) was €421 million, up 9% on the first half of 2006.

International private banking

	H1 2007	H1 2006	Change 2007/2006	Change at constant scope and exchange rates
<i>In millions of euros</i>				
Net banking income	276	242	14%	17%
Operating expenses	(165)	(160)	3%	4%
Gross operating income	111	82	35%	43%
Risk-related costs	2	3	(33%)	
Income from equity affiliates	5	3	67%	
Net gains (losses) on other assets	0	0	nm	
Pre-tax income	118	88	34%	
Tax	(32)	(23)	39%	
NET INCOME	86	65	32%	
NET INCOME (GROUP SHARE)	78	59	32%	

The first half was excellent for International private banking, with robust business expansion reflecting growth in assets under management, driven by a high level of new inflows. Growth in revenues from brokerage activities and from the sale of structured products continued to run high.

Net banking income jumped 17% at constant exchange rates year-on-year to €276 million in the first half of 2007.

This solid performance, coupled with tightly controlled costs, which rose by only 4% at constant exchange rates, generated gross operating income of €111 million - an impressive 43% surge at constant exchange rates.

The cost/income ratio improved appreciably, contracting by more than 6 percentage points to 59.8%.

Calyon's contribution to net income (Group share) was €78 million against €59 million in the same year-ago period.

Proprietary asset management and other activities

	H1 2007	H1 2006	Change 2007/2006
<i>In millions of euros</i>			
Net banking income	(8)	0	nm
Operating expenses	(10)	(1)	nm
Gross operating income	(18)	(1)	nm
Risk-related costs	0	0	nm
Income from equity affiliates	0	0	nm
Net gains (losses) on other assets	0	(9)	nm
Integration-related costs		0	nm
Pre-tax income	(18)	(10)	80%
Tax	(7)	(8)	13%
NET INCOME	(11)	(18)	(39%)
NET INCOME (GROUP SHARE)	(11)	(18)	(39%)

This business line did not register any material items during the first half of 2007.

Prudential ratios

At 30 June 2007, the European solvency ratio was 10.2% compared with 11.4% at 31 December 2006. The Tier 1 solvency ratio was 8.9% against 9.6% at 31 December 2006.

European solvency ratio

	30.06.2007	31.12.2006
<i>In millions of euros</i>		
Risk		
Credit risk	133,691	113,715
Market risk	7,997	12,072
Interest rate risk	2,726	8,406
Equity risk	417	351
Foreign exchange risk	460	273
Commodity risk		12
Risks calculated by internal model	4,394	3,030
Total weighted risks (denominator)	141,688	125,787
Available capital		
Tier 1	12,598	12,080
Tier 2	3,811	4,115
Tier 3	301	258
Deductions	(2,256)	(2,165)
Total available capital	14,455	14,288
Tier 1 solvency ratio	8.9%	9.6%
Total solvency ratio	10.2%	11.4%

Changes in the various components of this ratio are analysed below:

- Risk-weighted assets amounted to €141.7 billion at 30 June 2007 compared with €125.8 billion at 31 December 2006, an increase of €15.9 billion or 12.6%.

Credit-risk weighted assets were €20 billion (17.6%) higher over the period. At the same time, market risk weighted assets were €7.9 billion, down €4 billion from their 31 December 2006 level. This decline reflects the latest impact from validation of the internal *Value at Risk* model for measuring specific interest rate risk for credit market activities included in the scope of consolidation.

- Tier 1 capital was €12.6 billion at 30 June 2007, up €0.5 billion on 31 December 2006. Tier 2 capital contracted by €0.3 billion to €3.8 billion, primarily because one of the redeemable subordinated note issues had reached maturity. Tier 3 capital remained stable at €0.3 billion.

Deductions from capital came to €2.3 billion against €2.2 billion at 31 December 2006. This increase was due to the rise in the value of equity-accounted institutions.

Risk management at Calyon: risk factors, oversight and risk exposure

Compliance and financial security

The main change during the period is that, since April 2007, the Head of the Financial Security Function reports up the line to Calyon's Head of Compliance, and also reports to the Head of Crédit Agricole S.A.'s Financial Security function.

FIDES programme

Calyon's FIDES system audited by the Banking Commission during a mission carried out between January and May 2007. The overall assessment is positive; the main recommendations apply to strengthening the control and supervision duties of the central Compliance team.

Compliance

Calyon's Compliance function, which is organised around three business lines - Commercial banking, Capital markets, Investment banking - continued its various works to issue recommendations, advise, oversee and train sales and support staff.

Staffing adjustments were made to optimise performance of Compliance team duties, primarily with an increase in staff within the Capital markets Compliance team.

Preparation and implementation of the provisions of the Market in Financial Instruments Directive (MIFID) continued. This required dedicating substantial resources and personnel, with about 100 people assigned to this task within Calyon.

Calyon's Regulatory Watch function, which was created within the Compliance Department in January 2006, was transferred to the Central Legal Department to conform with the organisation defined within Crédit Agricole S.A.

Financial security

In October 2006, Calyon set up a world "customer" database called KIWIS. This data base is now fully operational and is accessible to all Calyon units, except the Private Banking units. It is now the only database used for customer identification.

As part of the Money Laundering Prevention system, the implementation of automated monitoring and profiling of customer transactions and accounts was launched operationally at the beginning of 2007. Initially, this system will be dedicated to monitoring customers with accounts. It will gradually be extended to the foreign units that need it primarily to meet the requirements of their local regulatory authority.

Risk factors

Basle II

During the first half of 2007, Calyon continued to implement the reform under the oversight of the Risk Management and Permanent Control Department in cooperation with all Calyon business lines and support functions. The work is organised into assignments covering banking and IT systems.

During the first half, the Banking Commission carried out a mission to certify the Crédit Agricole Group's system.

For Calyon, this mission gave rise to the formalisation of a plan comprising various facets, several of which are well underway:

- improvements in methodology: some of these have been launched and most of them are scheduled to be completed by the end of 2007, including adding parameters, broadening historical information, transitioning certain parameters to the internal model;
- continued work on IT projects to implement the changes in methodology described above and to scale up certain processes, which are to be phased in over 2007 and 2008;
- deployment of the IRB (Internal Rating Based) Approach across all Calyon Group entities by 2010.

Calyon continues to work on its target to secure approval to use the IRB approach to calculate its capital funds in 2008.

Credit risk

Analysis of Calyon loan portfolio commitments by sector (%)

Sector	Exposure at 30.06.2007	% 30.06.2007	Exposure at 31.12.2006	% 31.12.2006
Energy	59,033	16%	49,144	17%
Other	52,410	14%	47,915	16%
Heavy industry	31,926	9%	22,154	8%
Production and distribution of consumer goods	28,933	8%	20,049	7%
Telecom	27,973	7%	22,096	8%
Property	22,512	6%	16,497	6%
Media/Publishing	16,253	4%	10,668	4%
Automotive	16,094	4%	15,329	5%
Aerospace & Defence	14,386	4%	13,176	4%
Maritime	13,486	4%	12,295	4%
Agribusiness	12,365	3%	9,700	3%
Other industries	11,731	3%	9,097	3%
IT systems & Technologies	10,964	3%	8,728	3%
Tourism/Hotels/Food Service	10,117	3%	7,458	3%
Healthcare/Pharmaceuticals	9,028	2%	6,107	2%
Other Transport	8,300	2%	6,085	2%
Construction	7,188	2%	6,845	2%
Wood/Paper/Packaging	6,059	2%	4,394	1%
Utilities	4,265	1%	2,929	1%
Other	2,101	1%	2,825	1%
TOTAL	365,124	100%	293,491	100%

Source: Risk Management and Permanent Control Division

Scope: Gross on- and off-balance sheet outstanding loans to industrial and commercial companies and potential future risk, including securities transactions and derivatives. Potential risk consists of the additional coefficient on future risk of market transactions and undrawn confirmed credit facilities.

The Energy sector (gas, oil, electricity), which includes the upstream and downstream segments as well as production and trading, retains a dominant position, accounting for 16% of the total. This position is in keeping with or, given prevailing oil prices, even appreciably below the sector's weight in the economy. Commitments apply to the oil majors (integrated groups), major European electric utilities and specialised wholesalers in the form of transaction finance. Calyon is also active in financing independent electricity producers, mainly via project finance. The aggregate level of Energy sector exposure is therefore mitigated by a diversification effect owing to the variety of business segments, fields and countries in which customers operate. High energy prices also continue to produce a significant impact on the size of the portfolio.

Commitments included under "Other" do not belong to a uniform category, by definition. The bulk of these consist of securitisations (€26.8 billion at 30 June 2007). These securitisations on behalf of customers apply to a broad variety of receivables with low unit values. Nearly all the securitisation vehicles hold solid ratings from outside agencies. Holdings in groups with diversified business activities - which cannot be classified in a given sector - constitute the second category of commitments within this sub-portfolio.

The heavy industry portfolio (9% of total exposure) has increased due to the rapid expansion experienced by operators in this sector, which are benefiting from robust world growth (chemicals, steel, building materials). The sector is seeing an increase in acquisitions. The majors in these industries increasingly are undergoing increasing globalisation.

Consumer goods companies (8% of total exposure) mainly consist of leading French retailers with extensive operations outside France, and few manufacturers.

The Telecom portfolio (7% of total exposure) remains focused on incumbent operators and leaders in mobile in countries where this segment is the main focus for growth in the sector (emerging countries). It is always closely monitored in a climate of rapid technological change, as are the commercial positions of the different classes of operators.

Property (6% of total exposure) holds a fairly stable share of the portfolio. The bulk of holdings in the portfolio are European, and more particularly French. The United States accounts for less than 15% with most of the exposure concentrated on commercial property.

We have a cautious approach to the automotive sector, which now accounts for only 4% of total exposure. Risks associated with automotive component makers are low.

In the shipping and aircraft sectors (4% of exposure each at 30 June 2007), Calyon mainly provides financing secured by assets, structured finance or loans to leading companies.

No other sector accounts for more than 4% of total exposure.

Market risks

Value at Risk measurement

VaR is the central plank of the risk measurement system.

Calyon has set a global limit on risk, expressed in VaR, for all of its capital market activities.

At 29 June 2007, VaR stood at €23 million.

The table below shows changes in VaR, which is monitored by business line for Calyon's capital market activities, as a function of the main risk factors:

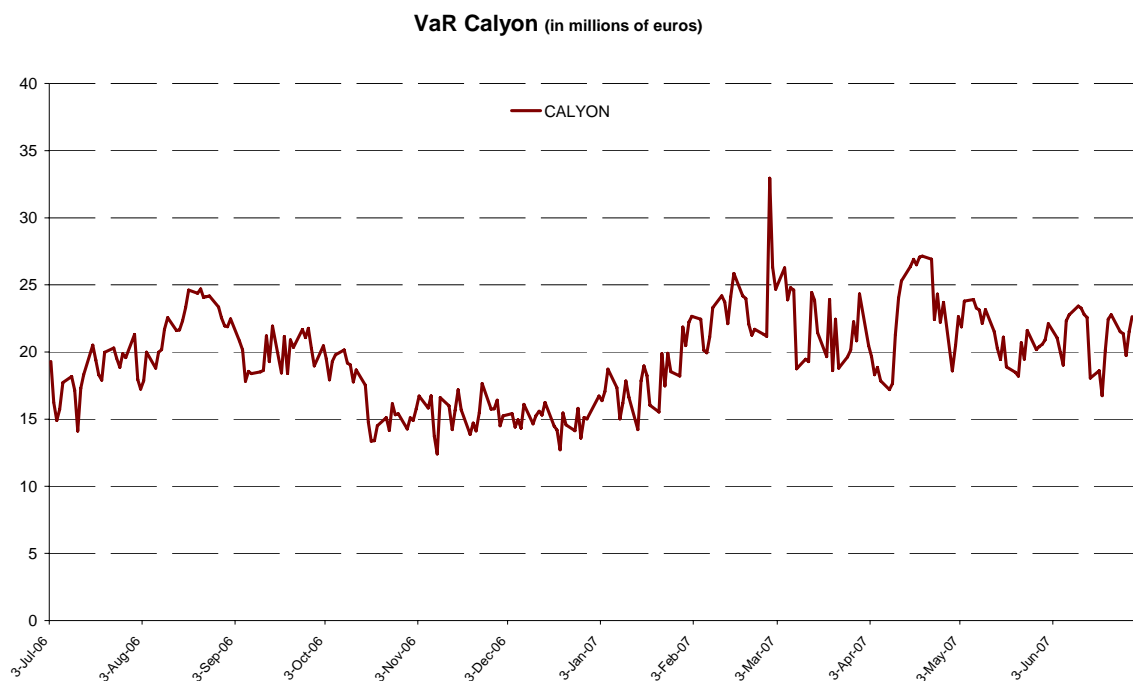
In millions of euros	29 June 2007	Minimum	Maximum	Average	29 Dec. 2007
Interest rate	8	5	13	9	9
Credit	18	6	18	12	11
Currency	3	1	5	2	2
Equity	18	9	23	15	8
Commodity	1	1	3	2	3
Calyon VaR	23	14	33	21	15

The difference between Calyon's total VaR and the sum of the individual VaRs is due to gains on settlement.

At 29 June 2007:

- Credit VaR amounted to €18 million; it is calculated for the scope of the credit market businesses;
- Equity VaR was €18 million; its scope encompasses the equity derivatives and brokerage businesses (primarily CLSA and Cheuvreux);
- Interest rate VaR was €8 million; it applies to the cash management and interest rate derivatives businesses;
- foreign exchange VaR was €3 million; it relates to the cash management and currency options businesses;
- Commodities VaR was €1 billion.

During the 12 months from 29 June 2006 until 29 June 2007, average VaR was €20 million and maximum VaR was €33 million. The significant level of netting reflects healthy risk diversification. The change in VaR for capital market activities is broken down as follows year-on-year:



Risks related to the US mortgage market

Calyon has no direct exposure to the US mortgage market.

Its indirect exposure through financing of residential home builders or financial relationships with specialised financial institutions is extremely limited.

Only the cash CDO business is indirectly exposed to subprime loans. Calyon developed this business, which involves engineering/distribution of credit derivatives on behalf of its customers, several years ago. The structuring of these CDOs involves securitising ABS portfolios. The different tranches that make up these CDOs, which have specific risk attributes (equity, mezzanine, super-senior tranches), are to be sold to institutional investors seeking instruments with such attributes.

As part of this cash CDO activity, Calyon has a portfolio of ABS that are in the structuring phase, as well as CDO tranches not yet sold.

No new ABS CDO derivatives transactions initiated since the US mortgage crisis began in February 2007.

Transactions underway are actively managed with the finalisation/placement of several of these, the resale of ABS in the securitisation phase and the purchase of protection.

At 30 June 2007, Calyon's exposure to these businesses was as follows:

- the underlying subprime loans outstanding of the ABS portfolio amounted to €586 million (out of a total of €1.9 billion) and have been conservatively valued;
- the only CDO tranches with significant credit risk that Calyon has retained are mezzanine tranches; Calyon holds no equity tranches and its super-senior tranches (€4.4 billion outstanding) do not present any credit risk (AAA rating confirmed after the turmoil began, resilience to high-stress scenarios);
- only a limited amount of CDO mezzanine tranches have been retained (€280 million); a conservative impairment and provision policy has been applied to them: 68% were covered at end-June, resulting in a net exposure of €91 million.

Operational risk

In accordance with the principles applied within the Crédit Agricole S.A. Group, the Permanent Control Department within the Risk Management and Control Division has set up a qualitative and quantitative system for identification, assessment, prevention and monitoring of operational risks, in compliance with the Basle II reform. The purpose of this system is to use the advanced measurement approach to measure operational risk.

At the same time, a quarterly operational risk scorecard is produced, highlighting key sources of risk.

During the first half of 2007, the operational risk management system was reviewed by the Office of the General Secretary of the Banking Commission; this mission identified a number of additional actions that are to be undertaken before the end of the year.

Asset and liability management

Global interest rate risk

Calyon uses the gap method to measure its overall interest rate risk. This consists of determining maturity schedules for interest rates for all assets, liabilities and hedging derivatives at fixed, adjustable and inflation-linked interest rates, until the adjustment date for adjustable-rate items, until the contractual date for fixed-rate items and using model-based conventions for items without a contractual maturity.

Calyon's exposure to interest-rate risk in its customer transactions is limited through interest-rate matching carried out on customer assets by its market teams, and due to the low level of non-remunerated deposits.

At the end of the first half of 2007, Calyon's loss exposure over the current financial year in the event of an adverse 1% change in interest rates amounted to less than 0.1% of prudential capital. The cumulative, discounted risk of loss for the next ten years in the event of an adverse variation of 1% in interest rates represents less than 0.5% of prudential capital.

Liquidity risk

At 30 June 2007, Calyon's liquidity ratio was 115%, compared with the 100% minimum laid down by regulations.

Legal risk

The main legal proceedings underway that involved Calyon Group entities are those described in the 2006 shelf- registration document (Management Report - Legal Risks - page 71).

During the first half of 2007, the OTOR and HIGH RISK OPOORTUNITY cases were terminated when the opposing parties dropped their claims.

To Calyon's knowledge, during the first half of 2007, there has been no exceptional event or litigation that is likely in the future or has in the recent past had a significant effect on the financial position, activity, results or assets of the Calyon company and group.

Recent trends and outlook

Recent events

Société Générale and Calyon sign a merger agreement between Fimat and Calyon Financial and announce the creation of Newedge

Extract from press release dated 8 August 2007

Société Générale and Calyon signed the final agreement relative to the merger of the brokerage activities currently carried out by their respective subsidiaries, Fimat and Calyon Financial.

The operational launch of the new entity is scheduled for early 2008, subject to the approval of the supervisory authorities.

The resulting entity, Newedge, will be controlled 50/50 by Société Générale and Calyon and will have bank status. It will be headquartered in Paris, and is expected to have a combined staff of around 3,000 located in the world's main financial centres.

In a fast-growing market, Newedge will rank as a world leader in execution, in particular electronic execution, as well as in clearing derivative products traded in over 70 organized markets in the USA, Europe and Asia-Pacific.

On a pro forma basis as at 31 December, 2006, the combined entity handled more than 1.3 billion contracts, with sales of over one billion euros.

In addition to its core business as a Futures Commission Merchant (FCM), the new entity will continue to offer a range of complementary execution services on OTC markets and on all the spot markets, including money market instruments, bonds, equities, FX and tangible commodities.

A leading player in brokerage, Newedge will combine the specific know-how (risk management, cross margining, financing, etc) of the two entities and provide an innovative and comprehensive prime brokerage offering, an alternative to the services proposed by investment banks to their institutional customers.

Generating diversified revenue streams from banks, brokers, firms and management companies including hedge funds, the new entity will thus meet the increasing demands of a broader customer base, with a wider spectrum of products and access to increasingly substantial sources of liquidity.

Senior management appointments at Calyon

At its meeting of 28 August 2007, the Board of Directors appointed the following members, effective as of 1 October 2007:

- Marc Litzler, Chief Executive Officer,
- Jérôme Grivet and Alain Massiera, Deputy Chief Executive Officers.

They were appointed for a term of office expiring during the fourth quarter of 2010.

Outlook

Since the summer, the markets have been going through a period of turbulence, against a backdrop of a generalised upturn in the price of risk. The eye of the storm is in the USA, where there are concerns over turmoil in the real estate market and even more over the extent of difficulties in the subprime segment (loans to high-risk customers). The problems encountered by some French financial sector companies such as Bear Stearns and IKB that own securities backed by these loans have exacerbated the uncertainties. Owing to the contagion effect, investors have withdrawn from their highest-risk positions thereby triggering a correction in several markets (equities, emerging bonds, commodities, unwinding of carry trades, etc.). At this time, and despite its suddenness, the correction is viewed as something of a blessing and can be likened more to a return to normalcy, given the valuation levels attained by certain classes of high-risk assets.

Doubts over the extent of banks' exposure to such high-risk assets also created liquidity problems in the money market, leading to concerns over a generalised and indiscriminating credit crunch. To forestall this possibility, the central banks injected substantial liquidity, and to ensure that funding would be available at reasonable cost, on 18 August, the Fed even lowered its discount rate by 50 basis points to 5.75%. The strength of the financial system is still the best defence against the risk of a systemic crisis.

At this stage, this turmoil does not call into question our macroeconomic scenario, which forecasts a middle-of-cycle slowdown in the USA, coupled with good resilience in other regions, especially Europe. Conversely, the air pocket will probably prove to be somewhat more pronounced than initially anticipated, especially in the third quarter, as consumers and businesses are adopting a cautious stance in the prevailing climate of financial turbulence.

In the US, growth is expected to remain modest, at 1.9% in 2007. The negative contribution from residential investment should ease very gradually, but households are likely to take a more cautious approach to consumer spending in response to relatively tighter credit conditions, to erosion in the value of their property, and to a somewhat softer job market. Even so, consumers' persistently solid purchasing power could prevent the saving rate from rising too sharply. The improvement in the current deficit will probably remain timid but US economic growth is being restored to a sounder footing. Owing to the sharp slowdown in economic activity, underlying inflation is likely to remain in the Fed's presumed comfort zone, at just under 2% year-on-year.

In the euro zone, growth is expected to dip temporarily then gradually to return to its potential (around 2.5% in 2007). Based on available information (production capacity utilisation rates are at their peak and corporate profitability is high), it would appear that the investment cycle is not yet over. Even so, its momentum is expected to slow in the second half owing to increased uncertainties. Continued improvement in the labour market should underpin the increase in purchasing power, thereby in turn stimulating consumer spending. Conversely, there appears to be little room for exports to grow following their exceptional performance in 2006. As competitiveness will continue to be adversely affected by the euro's strength and the world economy is not quite so healthy, some moderation is to be expected. Despite the upturn in oil prices, inflation should remain close to the ECB's tolerance threshold (2% on average in 2007), with some volatility at year-end. In France, anticipated growth is around 1.8% in 2007, owing to persistently robust household demand.

Most of the uncertainty appears to revolve around the central banks. If the markets calm down soon and the de facto impact on the economic realm turns out to be limited, then easing monetary policy would not be justified: the Fed will probably maintain the status quo for a long time, while the ECB could ratchet up rates another notch before the end of the year to throttle any risk of inflation in the medium term. In substance, this was our scenario before the turmoil.

However, if the Fed sees risks to growth, as suggested by its 17 August press release and the most recent statements from certain Fed officials, it is likely to act quickly and lower its guard as early as September. In this case, the ECB would have to pass at the next meeting (on 6 September) even if it maintained an upward bias to warn the markets that it might tighten the screws once calm has been restored. At the moment, we think this is the most likely scenario. At the moment, we think this is the most likely scenario.

Even so - and while this highly unlikely to materialise - we cannot rule out a blacker scenario, in which the turmoil would increase and the central banks would take concerted action to increase the money supply to restore confidence and give the markets some breathing room.

In any case, the period of uncertainty that we are now entering should be beneficial for blue chips. Long rates are not likely to tighten up in the near future, even though there could be some normalisation (around 4.8% in the USA and 4.4% in Europe by the end of the year) if the financial markets settle down. The dollar will continue to serve as a safe haven and is expected to stay in the 1.30-1.35 range, close to its current level. The currencies involved in carry trades will undergo some adjustment, with the financing currencies (Japanese yen, Swiss franc) moving up and the investment currencies (Australian dollar, New Zealand dollar, etc.) moving down as investors continue to unwind their positions. Emerging and credit spreads will remain under pressure, against a background of re-appreciation in risk coupled with more discriminating selection. The Western stock exchanges were adversely affected by the upturn in risk aversion and underwent fairly violent corrections. It would appear that if market conditions normalise rapidly and if world economic growth shows resilience, the equity markets could rebound. Businesses remain financially healthy and valuation levels are returning to attractive levels.

For Calyon

Since 30 June, the ongoing turmoil in the US mortgage market has continued to affect the cash CDO businesses.

Even so, Corporate and investment banking revenues benefited from good resilience by the other capital market activities and brokerage as well as from the positive effects of cover secured under the active asset and liability management programme.

In all, in July and August, results for Corporate and investment banking are expected to be comparable to those seen in July and August 2006.

2. Condensed interim consolidated financial statements for the six months to 30 June 2007

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Interim consolidated financial statements for the six months to 30 June 2007

approved by the Board of Directors at its meeting of 28 August 2007

General framework

Legal presentation of Calyon

Since the extraordinary general meeting of 30 April 2004, the company's name has been Calyon. Its trading name is Calyon Corporate and Investment Bank.

Address and registered office of the company: 9 quai du Président Paul Doumer, 92920 Paris La Défense Cedex France.

Registration number: 304 187 701, Nanterre Trade and Companies Registry.

APE code: 651 C.

Calyon is a *société anonyme* (joint stock corporation) with a Board of Directors, governed by the laws and regulations applicable to credit institutions and joint stock corporations and by its Articles of Association.

Income statement

In millions of euros	Notes	30.06.2007	31.12.2006	30.06.2006
Interest receivable and similar income	3.1	7,750	11,729	5,722
Interest payable and similar expense	3.1	(9,128)	(13,689)	(6,635)
Fee and commission income	3.2	1,839	3,173	1,765
Fee and commission expense	3.2	(734)	(1,249)	(688)
Nets gains (losses) on financial instruments at fair value through profit or loss	3.3	3,274	5,390	2,691
Net gains (losses) on available-for-sale financial assets	3.4	322	297	193
Income related to other activities	3.5	161	297	117
Expenses related to other activities	3.5	(46)	(86)	(62)
Net banking income		3,438	5,862	3,103
General operating expenses	3.6	(1,951)	(3,468)	(1,762)
Depreciation, amortisation and provisions for impairment of intangible assets and property, plant and equipment	3.7	(55)	(106)	(47)
Gross operating income		1,432	2,288	1,294
Risk-related costs	3.8	15	9	(11)
Net operating income		1,447	2,297	1,283
Share of net income of affiliates		78	166	94
Net gains (losses) on other assets	3.9		5*	(13)
Change in value of goodwill				
Pre-tax income		1,525	2,468	1,364
Income tax	3.10	(404)	(620)	(354)
After-tax income from discontinued or held-for-sale operations				
Net income		1,121	1,848	1,010
Minority interests		51	77	40
Net income - Group share		1,070	1,771	970
Earnings per share		8.08	14.59	7.99
Diluted earnings per share		8.08	14.59	7.99

* Including €33 million of net gains on other assets in the second half of 2006 relating to minority interests (see note 1)

Consolidated balance sheets

ASSETS

In millions of euros	Notes	30.06.2007	31.12.2006
Cash, due from central banks and French postal system		1,538	1,787
Financial assets at fair value through profit or loss	5.1	397,122	359,535
Derivative hedging instruments		465	344
Available-for-sale financial assets	5.2	20,385	24,551
Due from banks	5.3	58,863	59,519
Loans and advances to customers	5.3	115,629	101,942
Valuation adjustment on portfolios of hedged items		9	3
Held-to-maturity financial assets			
Current tax assets		43	31
Deferred tax assets		689	743
Accruals, prepayments, and sundry assets		54,219	37,053
Non-current assets held for sale		77	
Investments in equity affiliates		718	668
Investment property	5.7	3	16
Property, plant & equipment	5.8	681	646
Intangibles	5.8	121	82
Goodwill	2.3	1,065	1,250*
TOTAL ASSETS		651,627	588,170

* Including €179 million as at 31 December 2006 relating to minority interests (see Note 1).

LIABILITIES AND SHAREHOLDERS' EQUITY

In millions of euros	Notes	30.06.2007	31.12.2006
Due to central banks and current accounts with French postal system		473	80
Financial liabilities at fair value through profit or loss	5.1	317,967	302,991
Derivative hedging instruments		1,559	188
Due to banks	5.5	101,354	78,810
Customer accounts	5.5	91,560	84,035
Debt securities in issue	5.6	65,577	62,830
Valuation adjustment on portfolios of hedged items			
Current tax liabilities		322	438
Deferred tax liabilities		186	191
Accruals, deferred income and sundry liabilities		53,251	38,175
Liabilities associated with fixed assets held for sale			
General reserves	5.10	890	920
Subordinated debt	5.6	5,875	6,277
Shareholders' equity	5.11	12,613	13,235
Shareholders' equity - Group share		11,810	12,396
Share capital and reserves		8,263	7,686
Consolidated reserves		2,305	2,569*
Unrealised or deferred gains or losses		172	370
Net income for the year		1,070	1,771
Minority interests		803	839
TOTAL LIABILITIES		651,627	588,170

*Including €179 million as at 31 December 2006 relating to minority interests (see Note 1).

Changes in shareholders' equity

In millions of euros	Share capital and reserves			Consolidated reserves - Group share	Unrealised or deferred gains or losses			Net income - Group share	Total shareholders' equity - Group share	Shareholders' equity - Minority interests	Total consolidated shareholders' equity
	Capital	share premiums & other consolidated reserves	Elimination of shares held in treasury		On foreign exchange	Change in fair value of available-for-sale assets	Change in fair value of hedging derivatives				
Shareholders' equity at 1 January 2006	3,120	7,759	0	10,879	233	296	88	0	11,496	716	12,212
Capital increase	316	692		1,008					1,008		1,008
Dividends paid in 2006		(1,551)		(1,551)					(1,551)	(24)	(1,575)
Change in value of held-for-sale securities (IAS 39)						(31)			(31)		(31)
Cash flow hedges (IAS 39)							(161)		(161)	(1)	(162)
Net income for the six months to 30 June 2006								970	970	40	1,010
Share of change in equity of associates accounted for under the equity method		(11)		(11)					(11)		(11)
Change in currency translation adjustment					(174)				(174)	(46)	(220)
Other changes		38		38					38	(6)	32
Shareholders' equity at 30 June 2006	3,436	6,927	0	10,363	59	265	(73)	970	11,584	679	12,263
Capital increase											
Dividends paid in 2006										(32)	(32)
Change in value of held-for-sale securities (IAS 39)						131			131	1	132
Cash flow hedges (IAS 39)							23		23	(1)	22
Net income for the second half of 2006								801	801	37	838
Impact of acquisitions/ Disposals on minority interest										157	157
Share of change in equity of associates accounted for under the equity method		(21)		(21)					(21)		(21)
Change in currency translation adjustment					(48)				(48)	(4)	(52)
Other changes		(74)		(74)					(74)	2	(72)
Shareholders' equity at 31 December 2006	3,436	6,832	0	10,268	11	396	(50)	1,771	12,396	839	13,235
Change in accounting method ⁽¹⁾		(179)		(179)					(179)		(179)
Appropriation of 2006 net income		1,771		1,771				(1,771)			
Shareholders' equity at 31 December 2006	3,436	8,424	0	11,860	11	396	(50)	0	12,217	839	13,056
Capital increase	279	561		840					840	3	843
Dividends paid in 2007		(2,049)		(2,049)					(2,049)	(65)	(2,114)
Change in value of held-for-sale securities (IAS 39)						(66)			(66)		(66)
Cash flow hedges (IAS 39)							(114)		(114)	(1)	(115)
Net income for the six months to 30 June 2007								1,070	1,070	51	1,121
Share of change in equity of associates accounted for under the equity method		(18)		(18)					(18)		(18)
Change in currency translation adjustment					(18)				(18)	(12)	(30)
Other changes		(52)		(52)					(52)	(12)	(64)
Shareholders' equity at 30 June 2007	3,715	6,866	0	10,581	(7)	330	(164)	1,070	11,810	803	12,613

(1) Change in accounting method for treatment of changes in minority interests (see Note 1)

Cash flow statement

The cash flow statement is presented using the indirect method.

Operating activities are Calyon's revenue generating activities, including assets included in the portfolio of held-to-maturity investments.

Tax inflows and outflows are included in full within operating activities.

Investing activities show the impact of cash inflows and outflows associated with purchases and sales of investments in consolidated and non-consolidated companies, property, plant and equipment and intangible assets. This section includes strategic equity interests classified as "Available-for-sale financial assets".

Financing activities show the impact of cash inflows and outflows associated with shareholders' equity and long-term financing.

Net cash and cash equivalents include cash, debit and credit balances with central banks and the French postal system, and debit and credit sight balances with banks.

	30.06.2007	30.06.2006	31.12.2006
In millions of euros			
Income before tax	1,525	1,364	2,468
Amortisation and depreciation of property, plant & equipment and intangible assets	55	49	109
Depreciation and impairment of goodwill and other fixed assets	0	0	0
Net impairment charges	(194)	(43)	(118)
Share of net income of affiliates	(78)	(94)	(166)
Net loss/(gain) on investing activities	(20)	0	(7)
Net loss/(gain) on financing activities	175	189	1,467
Other movements	562	233	1119
Total non-cash items included in pre-tax income and other adjustments	500	334	2,404
Change in interbank items	20,115	4,244	(16,545)
Change in customer items	(7,401)	5,994	(942)
Change in financial assets and liabilities	(14,478)	(19,103)	3788
Change in non-financial assets and liabilities	(2,248)	(3,890)	(3,380)
Tax	(462)	(26)	(107)
Net decrease/(increase) in assets and liabilities used in operating activities	(4,474)	(12,781)	(17,186)
Total net cash provided by operating activities (A)	(2,449)	(11,083)	(12,314)
Change in equity investments (1)	170	(62)	45
Change in property, plant & equipment and intangible assets	(129)	(54)	(145)
Total net cash provided/(used) by investing activities (B)	41	(116)	(100)
Cash received from/(paid to) shareholders (2)	(1,223)	(560)	(543)
Other cash provided/(used) by financing activities (3)	(387)	1,931	297
Total net cash provided/(used) by financing activities (C)	(1,610)	1,371	(246)
Effect of exchange rate changes on cash and cash equivalents (D)	355	459	1,064
Net increase/(decrease) in cash & cash equivalents (A + B + C + D)	(3,663)	(9,369)	(11,596)
Opening cash and cash equivalent	(17,669)	(6,073)	(6,073)
Cash, central banks, French postal system (assets & liabilities)	1,705	4,433	4,433
Interbank sight balances (assets & liabilities)	(19,374)	(10,506)	(10,506)
Closing cash and cash equivalents	(21,332)	(15,442)	(17,669)
Cash, central banks, French postal system (assets & liabilities)	1,065	2,684	1,705
Interbank sight balances (assets & liabilities)	(22,397)	(18,126)	(19,374)
CHANGE IN NET CASH AND CASH EQUIVALENTS	(3,663)	(9,369)	(11,596)

(1) This line item shows the net effects on cash of acquisitions and disposals of investments in non-consolidated companies. During the first half of 2007, the net impact of acquisitions on Calyon's cash came to €170 million, primarily resulting from the following transactions:

- * +€104 million from the disposal of CLSA shares by CCMA BV
- * +€44 million from the disposal of Euronext shares
- * +€20 million from the disposal of Bolsas y Mercados shares
- * -€10 millions from the acquisition of Crédit Lyonnais Titres Restruct

(2) Cash received from/ (paid to) shareholders includes the €2,049 million of dividends paid by Calyon to its shareholders, less €839 million from the capital increase, for a net cash payout of €1,210 million.

(3) During the first half of 2007, net redemptions of new subordinated debt issues amounted to €152 million.

Notes to the interim condensed consolidated financial statements for the six months to 30 June 2007

Note 1: Accounting principles and methods

The condensed interim consolidated financial statements of the Calyon Group have been prepared in accordance with IAS/IFRS and IFRIC interpretations as endorsed by the European Union and applicable at 30 June 2007.

These standards and interpretations are the same as those as applied to the Calyon Group's financial statements for the year ended 31 December 2006, supplemented by:

- the information required by the provisions of IAS 34 on interim financial information, which defines the minimum disclosures and identifies the measurement and recognition principles required for an interim financial report;
- as required by the provisions of those standards and interpretations that must be applied in 2007 for the first time.

These new provisions arise from regulations dated 8 September 2006 (EC 1329/2006) and of 1 June 2007 (EC 610/2007). They relate to:

- The IFRIC 8 interpretation clarifying the scope of IFRS 2, Share-based payments;
- IFRIC 9, Reassessment of embedded derivatives;
- IFRIC 10, Interim financial reporting and impairment.

The application of these new provisions had no material impact over the period.

IFRS 7 on disclosure of information on financial instruments is also applicable as from 1 January 2007. However, in accordance with IAS 34, this information is required to be provided only for complete financial statements. It has therefore not been included in the condensed interim financial statements for the six months to 30 June 2007, insofar as these are presented in condensed form.

When the application of standards and interpretations to the period is optional, these have not been adopted by the Group, unless otherwise indicated.

This applies to:

- IFRIC 11 arising from the regulation of 1 June 2007 (EC 611/2007) on treatment of treasury shares and intragroup transactions under IFRS 2 on share-based payments. This interpretation will be applied on 1 January 2008 for the first time.
- Furthermore, as IFRIC 11 has clarified the conditions for applying an existing standard that the Calyon Group already applies (IFRS 2), the effects of this clarification have been taken into account as from 1 January 2007. The cost of stock option plans that are unwound by Crédit Agricole S.A. equity instruments is now included in the accounts of the Calyon Group entities that are the employers of the plan beneficiaries. The impact in the first half is a €10 million charge to personnel costs, symmetrically offset by an increase in "Consolidated reserves - Group share".

The condensed interim financial statements are intended to update the information provided in the Calyon Group's consolidated financial statements for the year ended 31 December 2006 and must be read in conjunction therewith. Only the most significant information on trends in the Group's financial condition and performance is reproduced in these half-year accounts.

A certain number of estimates have been made by management to draw up the consolidated financial statements. These estimates are based on certain assumptions and involve risks and uncertainties as to their actual achievement in the future. Accounting estimates that require formulating assumptions are used primarily for measuring financial instruments at fair value, pension plans and other employee benefits, permanent declines in the value of equity interests, impairment, write-offs of bad debts, provisions, goodwill impairment and deferred tax assets.

Changes in accounting methods:

As from 1 January 2007, in the interests of comparability with market practices, the difference between the acquisition cost and the share of net assets resulting from the increase in the percentage ownership interest in an entity that is already under exclusive control is now recognised as a deduction from "Consolidated reserves - Group share".

Symmetrically, in the event that the Group's percentage ownership interest in an entity that remains under its exclusive control declines, the difference between the selling price and the carrying amount of the minority interests sold is also recognised directly under "Consolidated reserves - Group share".

The effect of this change of method as at 1 January 2007 is shown in the statement of changes in shareholders' equity. It reduces the Group's share of net assets by €179 million with a symmetrical adjustment to goodwill on the balance sheet as of 1 January 2007.

If this change of method had been applied in 2006, net income on disposal of fixed assets would have been reduced by €33 million in the second half of 2006 with a symmetrical adjustment to consolidated reserves.

Note 2: Scope of consolidation

The scope of consolidation at 30 June 2007 is shown in detail in Note 8 of the Notes to the financial statements.

2.1 Changes in the scope of consolidation over the period

The main changes in the scope of consolidation between 31 December 2006 and 30 June 2007 were as follows:

Removals in the first half of 2007

The following companies whose activities became insignificant were deconsolidated in the first half of 2007

- Ergifrance
- Calyon Investment Products Limited
- Indosuez International Finance BV
- CL Uruguay SA

In addition, as Calyon has divested these funds, CASAM Systema Pair Trading was deconsolidated as of 1 January 2007.

Additions during the first half of 2007

The following entities entered the scope of consolidation in the first half of 2007:

- Aguadana S.L.
- Calliope SRL
- Indosuez Finance Ltd
- Calyon Algérie SPA

In addition, Calyon created a branch office in Miami, which acquired the private banking business of CL Miami.

2.2 Main acquisitions during the first half

There were no material transactions during the first half of 2007.

2.3 Goodwill

	31.12.2006	Increases (Acquisitions)	Decreases (disposals)	Impairment losses over the period	Translation adjustments	Other movements	30.06.2007
<i>In millions of euros</i>							
Gross value	1,305		(2)		(6)	(177)	1,120
Accumulated impairment losses	(55)						(55)
NET BOOK VALUE	1,250	0	(2)		(6)	(177)	1,065
Corporate and investment banking							
Crédit Agricole Cheuvreux S.A.	132						132
Crédit Lyonnais Securities Asia BV	181				(1)	(179)*	1
Calyon SA (incl. transfer of Credit Lyonnais activities)	682						682
CPR Online	9						9
International private banking							
CA Suisse S.A.	286				(5)		281
Crédit Agricole Luxembourg	10						10
CA Brasil DTVM	2						2
Private Bank in Spain	3		(2)			2	3
GROSS VALUE	1,305	0	(2)		(6)	(177)	1,120
Calyon SA (incl. transfer of Credit Lyonnais activities)	(55)						(55)
ACCUMULATED IMPAIRMENT LOSSES	(55)						(55)
Corporate and investment banking							
Crédit Agricole Cheuvreux S.A.	132						132
Crédit Lyonnais Securities Asia BV	181				(1)	(179)	1
Calyon SA (incl. transfer of Credit Lyonnais activities)	627						627
CPR Online	9						9
International private banking							
CA Suisse S.A.	286				(5)		281
Crédit Agricole Luxembourg	10						10
CA Brasil DTVM	2						2
Private Bank in Spain	3		(2)			2	3
NET BOOK VALUE	1,250	0	(2)		(6)	(177)	1,065

* Changes in minority interests (see Note 1).

2.4 Related parties

The main transactions entered into by related parties as of 30 June 2007 are described below. These relate to on-and off-balance sheet sums outstanding between Credit Agricole S.A. and Calyon Group companies that are consolidated on the proportional method.

Relations with Crédit Agricole S.A.

On-and off-balance sheet sums outstanding representing transactions between Calyon and Credit Agricole S.A. are summarised in the following table.

In millions of euros	Outstandings at 30 June 2007
Assets	
Loans and advances	4,632
Trading derivatives outstandings	7,966
Liabilities	
Loans and advances	8,457
Trading derivatives outstandings	8,259
Subordinated debt	5,746
Preferred shares	407
Financing commitments given	
Financing commitments received	1,511
Guarantees received	2

The loans and accounts outstandings identify cash relations between Calyon and Credit Agricole S.A.

Trading derivatives outstandings mainly represent Crédit Agricole group interest-rate hedging transactions arranged by Calyon in the market.

Information on subordinated debt and preference shares appears in Note 5.6 and Note 5.11, respectively.

Relations among consolidated companies of the Calyon Group

The list of companies included within the Calyon Group appears in Note 8. As transactions and outstanding balances between fully consolidated companies at the end of the period have been totally eliminated in the consolidation, only those transactions between fully consolidated companies and companies consolidated on the proportional method up to the amount of the share of third parties affiliated with the group in such companies affect the Calyon Group's consolidated financial statements.

The corresponding sums outstanding in the consolidated balance sheet at 30 June 2007 concern the UBAF group, Altura and Chauray for the following amounts:

- due from banks: €14 million
- Due to banks: Nil

Note 3: Notes to the income statement

3.1 Interest income and expense

In millions of euros	30.06.2007	31.12.2006	30.06.2006
Interbank transactions	3,577	4,697	2,380
Customer transactions	3,181	4,919	2,190
Accrued interest receivable on available-for-sale financial assets	410	822	383
Accrued interest receivable on hedging instruments	552	1,208	729
Lease finance	30	65	28
Other interest and similar income		18	12
INTEREST INCOME	7,750	11,729	5,722
Interbank transactions	(4,887)	(6,184)	(3,068)
Customer transactions	(1,696)	(2,829)	(1,340)
Available-for-sale financial assets	(15)	(190)	(104)
Debt securities in issue	(1,754)	(2,779)	(1,265)
Subordinated debt	(160)	(289)	(129)
Accrued interest receivable on hedging instruments	(598)	(1,374)	(711)
Lease finance	(18)	(44)	(18)
Other interest and similar income			
INTEREST EXPENSE	(9,128)	(13,689)	(6,635)

3.2 Net fee and commission income

In millions of euros	30.06.2007		
	Income	Expense	Net
Interbank transactions	28	(30)	(2)
Customer transactions	209	(28)	181
Securities transactions (including brokerage)	768	(307)	461
Foreign exchange transactions	11	(19)	(8)
Financial future and forward instruments and other off-balance sheet transactions (including brokerage)	577	(258)	319
Banking and financial services:	246	(92)	154
* Net revenue from mutual fund management	6	(9)	(3)
* Net revenue from payment systems	36	(21)	15
* Other	204	(62)	142
NET FEE AND COMMISSION INCOME	1,839	(734)	1,105

In millions of euros	31.12.2006		
	Income	Expense	Net
Interbank transactions	29	(134)	(105)
Customer transactions	500	(27)	473
Securities transactions (including brokerage)	1,159	(286)	873
Foreign exchange transactions	7	(20)	(13)
Financial future and forward instruments and other off-balance sheet transactions (including brokerage)	863	(340)	523
Banking and financial services:	615	(442)	173
* Net revenue from mutual fund management	11	(59)	(48)
* Net revenue from payment systems	84	(41)	43
* Other	520	(342)	178
NET FEE AND COMMISSION INCOME	3,173	(1,249)	1,924

In millions of euros	30.06.2006		
	Income	Expense	Net
Interbank transactions	25	(37)	(12)
Customer transactions	390	(195)	195
Securities transactions	532	(90)	442
Foreign exchange transactions	4	(31)	(27)
Financial future and forward instruments and other off-balance sheet transactions	419	(113)	306
Banking and financial services:	395	(222)	173
* Net revenue from mutual fund management	6	(34)	(28)
* Net revenue from payment systems	42	(19)	23
* Other	347	(169)	178
NET FEE AND COMMISSION INCOME	1,765	(688)	1,077

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

In millions of euros	30.06.2007	31.12.2006	30.06.2006
Dividends received	118	126	92
Unrealised or realised gains or losses on financial assets/liabilities at fair value through profit or loss	1,779	4,490	2,023
Profit or loss on currency transactions and similar financial instruments	1,374	771	578
Ineffective portion of fair value hedges	3	3	(2)
Ineffective portion of cash flow hedges			
NETS GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	3,274	5,390	2,691

3.4 Net gains (losses) on available-for-sale financial assets

In millions of euros	30.06.2007	31.12.2006	30.06.2006
Dividends received	40	59	35
Realised gains or losses on available-for-sale financial assets	305	214	158
Impairment losses on securities (variable-income securities)	(23)	24	
NET GAINS (LOSSES) ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	322	297	193

3.5 Net income and expenses related to other activities

In millions of euros	30.06.2007	31.12.2006	30.06.2006
Net income from investment properties	2	86	1
Other net income (expense)	113	125	54
NET INCOME (EXPENSE) FROM OTHER ACTIVITIES	115	211	55

3.6 General operating expenses

In millions of euros	30.06.2007	31.12.2006	30.06.2006
Personnel costs	(1,352)	(2,435)	(1,265)
Taxes other than income or payroll-related	(42)	(42)	(17)
External services and other expenses	(557)	(991)	(480)
OPERATING EXPENSES	(1,951)	(3,468)	(1,762)

Analysis of personnel costs

In millions of euros	30.06.2007	31.12.2006	30.06.2006
Salaries (1)	(1,060)	(1,845)	(949)
Other social security expenses	(244)	(474)	(253)
Incentive schemes and profit-sharing	(29)	(52)	(27)
Payroll-related tax	(19)	(64)	(36)
TOTAL PERSONNEL COSTS	(1,352)	(2,435)	(1,265)

(1) Including a €10 million charge for stock option plans in the first half of 2007.

3.7 Depreciation, amortisation and impairment of property, plant and equipment and intangible assets

In millions of euros	30.06.2007	31.12.2006	30.06.2006
Depreciation and amortisation	(55)	(107)	(48)
Net impairment charges		1	1
DEPRECIATION, AMORTISATION AND IMPAIRMENT	(55)	(106)	(47)

This item covers depreciation, amortisation and impairment of intangible assets and property, plant and equipment used by the company in its operations.

3.8 Risk-related costs

In millions of euros	30.06.2007	31.12.2006	30.06.2006
Provisions and impairment	(146)	(391)	(315)
Counterparty risks	(122)	(282)	(176)
Risks and expenses	(24)	(109)	(139)
Write-back of provisions and impairment	150	384	280
Counterparty risks	142	348	244
Risks and expenses	8	36	36
NET CHANGE IN PROVISIONS AND IMPAIRMENT	4	(7)	(35)
Bad debts written off - not provided for	(4)	(21)	(10)
Recoveries on bad debts written off	15	38	32
Other losses		(1)	1
RISK-RELATED COSTS	15	9	(11)

3.9 Net income on other assets

In millions of euros	30.06.2007	31.12.2006	30.06.2006
Property, plant and equipment and intangible assets used in operations	0	0	
Gains		1	
Losses		(1)	
Consolidated equity investments	0	5	(13)
Gains		35*	1
Losses		(30)	(14)
NET GAINS (LOSSES) ON OTHER ASSETS	0	5	(13)

* Including €33 million of net gains on other assets in the second half of 2006 relating to minority interests (see note 1)

3.10 Income tax

Tax charge

In millions of euros	30.06.2007	31.12.2006	30.06.2006
Current tax charge	(311)	(652)	(378)
Deferred tax charge	(93)	32	24
TAX CHARGE FOR THE PERIOD	(404)	(620)	(354)

Reconciliation of theoretical tax rate and effective tax rate

	Base	Tax rate	Tax charge
Income before tax, goodwill impairment and share of net income of associates	1,447	34.43%	(498)
Impact of permanent timing differences		0.62%	(9)
Impact of different tax rates on foreign subsidiaries		(6.01%)	87
Impact of losses for the year, utilisation of tax loss carryforwards and timing differences		(0.55%)	8
Impact of reduced-rate taxation			
Impact of other items		(0.55%)	8
EFFECTIVE TAX RATE AND TAX CHARGE		27.93%	(404)

Note 4: Segment reporting

Analysis by business line

Transactions between the business lines are effected at arm's length.

	30.06.2007					Total
	Financing	Capital markets and investment banking	Total Corporate and investment banking	International private banking	Proprietary asset management and other activities	
<i>In millions of euros</i>						
Net banking income	1,192	1,978	3,170	276	(8)	3,438
Operating expenses	(465)	(1,366)	(1,831)	(165)	(10)	(2,006)
Gross operating income	727	612	1,339	111	(18)	1,432
Risk-related costs	7	6	13	2		15
Operating income	734	618	1,352	113	(18)	1,447
Share of net income of affiliates	70	3	73	5		78
Net gains (losses) on other assets						
Change in value of goodwill						
Pre-tax income	804	621	1,425	118	(18)	1,525
Income tax	(205)	(174)	(379)	(32)	7	(404)
Gain/(loss) on discontinued operations						
NET INCOME FOR THE PERIOD	599	447	1,046	86	(11)	1,121
Minority interests	17	26	43	8		51
NET INCOME - GROUP SHARE	582	421	1,003	78	(11)	1,070

	31.12.2006					
	Financing	Capital markets and investment banking	Total Corporate and investment banking	International private banking	Proprietary asset management and other activities	Total
<i>In millions of euros</i>						
Net banking income	2,091	3,306	5,397	474	(9)	5,862
Operating expenses	(843)	(2,406)	(3,249)	(322)	(3)	(3,574)
Gross operating income	1,248	900	2,148	152	(12)	2,288
Risk-related costs	5		5	4		9
Operating income	1,253	900	2,153	156	(12)	2,297
Share of net income of affiliates	158	1	159	7		166
Net gains (losses) on other assets (1)	(5)		(5)	20	(10)	5
Pre-tax income	1,406	901	2,307	183	(22)	2,468
Income tax	(337)	(243)	(580)	(42)	2	(620)
NET INCOME FOR THE PERIOD	1,069	658	1,727	141	(20)	1,848
Minority interests	38	28	66	11		77
NET INCOME - GROUP SHARE	1,031	630	1,661	130	(20)	1,771

(1) Including €33 million (International private banking: €20 million - Corporate and investment banking: €13 million) relating to minority interests (see Note 1).

	30.06.2006					
	Financing activities	Capital markets and investment banking	Total Financing activities	Asset management	Proprietary asset management and other activities	Total
<i>In millions of euros</i>						
Net banking income	1,066	1,795	2,861	242		3,103
Operating expenses	(407)	(1,241)	(1,648)	(160)	(1)	(1,809)
Gross operating income	659	554	1,213	82	(1)	1,294
Risk-related costs	(15)	1	(14)	3		(11)
Operating income	644	555	1,199	85	(1)	1,283
Share of net income of affiliates	91		91	3		94
Net gains (losses) on other assets (1)		(4)	(4)		(9)	(13)
Pre-tax income	735	551	1,286	88	(10)	1,364
Income tax	(174)	(149)	(323)	(23)	(8)	(354)
Gain/(loss) on discontinued operations						
NET INCOME FOR THE PERIOD	561	402	963	65	(18)	1,010
Minority interests	17	17	34	6		40
NET INCOME - GROUP SHARE	544	385	929	59	(18)	970

(1) Minority interests had no impact on the income statement at 30 June 2006 (see note 1).

Note 5: Notes to the balance sheet as at 30 June 2007

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

Financial assets at fair value through profit or loss

In millions of euros	30.06.2007	31.12.2006
Financial assets held for trading	397,061	359,497
Financial assets designated as at fair value	61	38
FAIR VALUE ON BALANCE SHEET	397,122	359,535
Of which: lent securities	6,618	4,729

Financial assets held for trading

In millions of euros	30.06.2007	31.12.2006
Securities bought under repurchase agreements	103,481	99,057
Financial liabilities held for trading	147,282	128,671
Treasury bills and similar items	41,757	27,568
Bonds and other fixed-income securities (1)	69,122	66,506
Equities and other variable-income securities	36,403	34,597
Derivative financial instruments	146,298	131,769
FAIR VALUE ON BALANCE SHEET	397,061	359,497

(1) Including mutual funds.

Financial assets designated as at fair value

In millions of euros	30.06.2007	31.12.2006
Financial liabilities held for trading		
Equities and other variable-income securities	61	38
FAIR VALUE ON BALANCE SHEET	61	38

Financial liabilities held for trading

In millions of euros	30.06.2007	31.12.2006
Securities sold short	30,364	38,040
Pledged securities	303	
Securities sold under repurchase agreements	114,352	110,087
Debt securities in issue	28,683	28,073
Customer accounts	607	
Derivative financial instruments	143,658	126,791
FAIR VALUE ON BALANCE SHEET	317,967	302,991

5.2 Unrealised gains and losses on financial assets available for sale

In millions of euros	30.06.2007			31.12.2006
	Fair value	Unrealised gains	Unrealised losses	Fair value
Treasury bills and similar items	10,069	1	49	12,376
Bonds and other fixed-income securities	8,639	130		10,002
Equities and other variable-income securities	710	280	57	710
Non-consolidated investments	819	179	29	1,303
Available-for-sale receivables	3		2	3
Accrued interest	145			157
Value on balance sheet of available-for-sale financial assets	20,385	590	137	24,551
Deferred tax		(121)	(18)	
UNREALISED GAINS AND LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS (AFTER TAX)	20,385	469	119	24,551

5.3 Due from banks and loans and advances to customers

Due from banks

In millions of euros	30.06.2007	31.12.2006
Loans and advances	29,358	28,603
Pledged securities	236	20
Securities bought under repurchase agreements	29,068	29,870
Subordinated loans		4
Securities not traded in an active market	48	56
Other loans and interest	11	9
Total	58,721	58,562
Accrued interest	231	1,153
Impairment	(89)	(196)
NET BOOK VALUE	58,863	59,519

Loans and advances to customers

In millions of euros	30.06.2007	31.12.2006
Bills discounted	8,649	8,264
Other loans and advances to customers	89,011	74,045
Securities bought under repurchase agreements	9,971	12,876
Subordinated loans	440	440
Securities not traded in an active market	2,395	2,624
Short-term advances		
Debit balances on customer current accounts	5,823	4,463
Total	116,289	102,712
Accrued interest	686	793
Impairment	(1,798)	(2,039)
Net book value	115,177	101,466
Lease finance		
Property lease finance	449	472
Equipment leases, rental contracts with purchase option and similar transactions		1
Total	449	473
Accrued interest	3	3
Impairment		
Net book value	452	476
TOTAL NET BOOK VALUE	115,629	101,942

Due from banks and loans and advances to customers by customer type

The breakdown of information by borrower category now follows the naming conventions and correspondence rules defined in the new reporting regulations for consolidated financial statements. The customer categories are changed as follows:

Former borrower category	New borrower category
"Central government, government agencies and local authorities"	"Government and non-financial institutions"
"Financial Institutions"	"Credit institutions"
"Personal and small business customers"	"Retail customers"
"Corporate customers and other"	"Large corporate customers"

The only change in equivalency identified relates to the former customer designation "Financial Institutions", which consisted of "Credit institutions" and "Other financial institutions"; the latter are now included under "Large corporate customers". The impact of this change on these items in 2006 is shown in the corresponding table.

In millions of euros	30.06.2007					Total
	Gross outstandings	of which doubtful debts	Impairment on doubtful debts	of which bad debts	Impairment on bad debts	
Central government and non-financial institutions	10,788			72	(71)	10,717
Banks	58,721	4	(4)	44	(44)	58,674
Large corporate customers	100,821	122	(37)	493	(333)	100,451
Retail customers	5,129	8	(1)	973	(46)	5,083
TOTAL	175,458	134	(42)	1,582	(494)	174,924
Net accrued interest						758
Collective provisions						(1,190)
NET BOOK VALUE						174,492

In millions of euros	31.12.2006					Total
	Gross outstandings	of which doubtful debts	Impairment on doubtful debts	of which bad debts	Impairment on bad debts	
Central government and non-financial institutions	3,743			101	(91)	3,653
Banks (1)	58,532	9	(3)	146	(146)	58,413
Large corporate customers (1)	95,937	347	(108)	1,315	(418)	95,411
Retail customers	3,505	24	(14)	117	(85)	3,406
TOTAL	161,747	380	(125)	1,679	(740)	160,882
Net accrued interest						1,704
Collective provisions						(1,125)
NET BOOK VALUE						161,461
(1) of which: reclassification of "Other financial institutions"	22,797			39	(38)	22,835

5.4 Impairment deducted from assets

In millions of euros	31.12.2006	Change scope	Charges	Write-backs and amount used	Translation adjustments	Other movements	30.06.2007
Available-for-sale financial assets	786	343	23	(193)	(5)	47	1,001
Interbank loans	196		4	(106)	(4)	(1)	89
Customer loans	2,039	(1)	153	(385)	(27)	19	1,798
of which collective provisions	1,125		81		(16)		1,190
Lease finance							
Held-to-maturity securities							
Other assets	131			(4)			127
ASSET IMPAIRMENT	3,152	342	180	(688)	(36)	65	3,015

5.5 Due to banks and customer accounts

Due to banks

In millions of euros	30.06.2007	31.12.2006
Loans and advances	72,381	59,298
Pledged securities	1,058	347
Securities sold under repurchase agreements	27,506	17,180
Total	100,945	76,825
Accrued interest	409	1,985
BOOK VALUE	101,354	78,810

Customer accounts

In millions of euros	30.06.2007	31.12.2006
Current accounts in credit	21,220	19,823
Other customer accounts	64,127	60,736
Securities sold under repurchase agreements	4,688	3,200
TOTAL	90,035	83,759
Accrued interest	1,525	276
BOOK VALUE	91,560	84,035

5.6 Debt securities in issue and subordinated debt

In millions of euros	30.06.2007	31.12.2006
Debt securities in issue		
Interest-bearing notes	44	46
Negotiable debt securities:	64,386	61,490
. Issued in France	17,135	19,130
. Issued in other countries	47,251	42,360
Bonds	546	610
Other debt securities in issue	8	8
TOTAL	64,984	62,154
Accrued interest	593	676
BOOK VALUE	65,577	62,830
Subordinated debt		
Fixed-term subordinated debt	3,922	4,129
Perpetual subordinated debt	1,888	2,020
TOTAL	5,810	6,149
Accrued interest	65	128
BOOK VALUE	5,875	6,277

At 30 June 2007, outstanding deeply subordinated notes amounted to €1,877 million.

During the first half of 2007, net redemptions of new subordinated debt issues amounted to €152 million.

5.7 Investment property

In millions of euros	31.12.2006	Changes in scope of consolidation	Increases (Acquisitions)	Decreases (redemptions and disposals)	Translation adjustments	Other movements	30.06.2007
Gross value	34			(11)		(18)	5
Depreciation and impairment	(18)			3		13	(2)
NET BOOK VALUE	16			(8)		(5)	3

Including rented investment property

5.8 Property, plant & equipment and intangible assets (excluding goodwill)

In millions of euros	31.12.2006	Changes in scope of consolidation	Increases (acquisitions, business combinations)	Decreases (redemptions and disposals)	Translation adjustments	Other movements	30.06.2007
Property, plant & equipment used in operations							
Gross value	1,230	(2)	82	(13)	(11)	1	1,287
Accrued interest (1)							
Depreciation, amortisation & impairment	(584)	1	(44)	14	5	2	(606)
NET BOOK VALUE	646	(1)	38	1	(6)	3	681
Intangibles							
Gross value	256	2	46	(5)	(1)	14	312
Depreciation, amortisation & impairment	(174)	(1)	(11)	5	1	(11)	(191)
NET BOOK VALUE	82	1	35	0	0	3	121

(1) Accrued rents on assets let to third parties

5.9 Goodwill

An analysis of this item is provided in note 2.3, under "Scope of consolidation".

5.10 Reserves

In millions of euros	31.12.2006	Changes in scope	Charges	Write-backs, amount used	Write-backs, amount released	Translation adjustments	Other movements	30.06.2007
Financial commitment execution risks	26		2		(5)		(1)	22
Operational risks								
Employee retirement and similar benefits	305	1	31	(5)	(7)	(4)	4	325
Litigation	478	(16)	25	(32)	(7)	(1)		447
Equity investments								
Restructuring								
Other risks	111	(2)	2	(2)	(13)			96
RESERVES	920	(17)	60	(39)	(32)	(5)	3	890

5.11 Shareholders' equity

Analysis of share capital as at 30 June 2007

At 30 June 2007, ownership of Calyon's capital and voting rights was as follows

Shareholders	Number of shares 30.06.2007	% of share capital	% of voting rights
Crédit Agricole S.A.	131,083,950	95.28%	95.28%
SACAM Développement **	3,068,465	2.23%	2.23%
C.A. Bourse *	2,776,832	2.02%	2.02%
Delfinances *	604,589	0.44%	0.44%
CPR G *	48,539	0.03%	0.03%
Individuals	17	0.00%	0.00%
Total	137,582,392	100.00%	100.00%

*Held by the Crédit Agricole S.A. Group.

** Held by the Crédit Agricole Group.

The par value of the shares is 27 euros each. These shares are fully paid-up.

To the best of the company's knowledge, no other shareholders directly or indirectly, individually or collectively, control 5% or more of the share capital or voting rights.

Preferred shares

Issuer list	Date of issue	Amount of issue in millions of dollars	Amount of issue in millions of euros	30.06.2007 In millions of euros	31.12.2006 In millions of euros
Calyon Preferred Funding LLC	Dec-98	230		170	175
Calyon Preferred Funding II LLC	June-02	320		237	243
Total		550		407	418

Earnings per share

	30.06.2007	31.12.2006
Net income used to calculate earnings per share (in millions of euros)	1,070	1,771
Average number of ordinary shares in issue during the year	132,419,957	121,402,307
Number of potentially dilutive shares		
Weighted average number of ordinary shares used to calculate fully diluted earnings per share	132,419,957	121,402,307
BASE EARNINGS PER SHARE	8.08	14.59
DILUTED EARNINGS PER SHARE	8.08	14.59

Dividends

At the Annual General Meeting, Calyon S.A. shareholders approved payment of a net dividend per share of €16.10 in respect of 2006.

	2006	2005	2004
Net dividend per share (in euros)	16.1	13.42	2.16
Total dividend global (in millions of euros)	2,049	1,551	250

Dividends paid during the year

The amount of dividends paid can be found in the statement of changes in shareholders' equity. It totalled €2,049 million.

Note 6: Financing and guarantee commitments

Contingent assets, liabilities and commitments

In millions of euros	30.06.2007	31.12.2006
COMMITMENTS GIVEN	169,294	165,340
Financing commitments given	128,014	124,751
Banks	24,046	31,091
Customers	103,968	93,660
<i>Confirmed credit lines</i>	<i>103,087</i>	<i>92,844</i>
- Confirmed documentary credits	8,368	7,499
- Other confirmed credit lines	94,719	85,345
<i>Other</i>	<i>881</i>	<i>816</i>
Guarantee commitments	41,280	40,589
Banks	5,164	5,043
<i>Confirmed credit lines</i>	<i>1,517</i>	<i>1,971</i>
<i>Other</i>	<i>3,647</i>	<i>3,072</i>
Customers	36,116	35,546
<i>Property guarantees</i>	<i>2,268</i>	<i>1,801</i>
<i>Loan repayment guarantees</i>	<i>9,333</i>	<i>7,047</i>
<i>Other</i>	<i>24,515</i>	<i>26,698</i>
COMMITMENTS RECEIVED	77,211	56,281
Financing commitments given	8,354	5,771
Banks	7,442	4,959
Customers	912	812
Guarantee commitments	68,857	50,510
Banks	8,756	11,533
Customers	60,101	38,977
<i>Guarantees received from government bodies or similar</i>	<i>11,759</i>	<i>7,994</i>
<i>Other</i>	<i>48,342</i>	<i>30,983</i>

Note 7: Subsequent events

Société Générale and Calyon sign a merger agreement between Fimat and Calyon Financial and announce the creation of Newedge

Extract from press release dated 8 August 2007

Société Générale and Calyon signed the final agreement relative to the merger of the brokerage activities currently carried out by their respective subsidiaries, Fimat and Calyon Financial.

The operational launch of the new entity is scheduled for early 2008, subject to the approval of supervisory authorities.

The resulting entity, Newedge, will be controlled 50/50 by Société Générale and Calyon and will have bank status.

Note 8: Scope of consolidation at 30 June 2007

Calyon scope of consolidation	(a)	Country	Method	% control		% interest	
				30.06.2007	31.12.2006	30.06.2007	31.12.2006
Parent company							
CALYON		France	Parent	100.00	100.00	100.00	100.00
Banks and financial institutions							
Banque Saudi Fransi - BSF		Saudi Arabia	equity	31.11	31.11	31.11	31.11
Calyon Australia Ltd		Australia	full	100.00	100.00	100.00	100.00
CAI Merchant Bank Asia LTD		Singapore	full	100.00	100.00	100.00	100.00
Cogenec		Monaco	full	99.99	99.99	99.99	99.99
Crédit Agricole Financement		Switzerland	equity	20.00	20.00	20.00	20.00
Crédit Agricole Luxembourg		Luxembourg	full	100.00	100.00	100.00	100.00
Crédit Agricole Suisse		Switzerland	full	100.00	100.00	100.00	100.00
Crédit Agricole Suisse (Bahamas)		Bahamas	full	100.00	100.00	100.00	100.00
Calyon Turk Bank A.S.		Turkey	full	100.00	100.00	100.00	100.00
Credit Foncier de Monaco		Monaco	full	70.13	70.12	68.94	68.94
Finanziaria Indosuez International Ltd		Switzerland	full	100.00	100.00	100.00	100.00
Calyon Uruguay S.A.	Out	Uruguay	full		100.00		100.00
Calyon Bank Slovakia AS		Slovakia	full	100.00	100.00	100.00	100.00
Calyon Rusbank SA		Russia	full	100.00	100.00	100.00	100.00
Calyon Bank Ukraine		Ukraine	full	100.00	100.00	100.00	100.00
Calyon Bank Hungary Ltd		Hungary	full	100.00	100.00	100.00	100.00
Calyon Bank Polska SA		Poland	full	100.00	100.00	100.00	100.00
Banco Calyon Brasil		Brazil	full	100.00	100.00	100.00	100.00
Calyon Algérie	In	Algeria	full	99.98		99.98	
UBAF (Union de Banques Arabes et Françaises)		France	proportional	47.32	47.32	47.32	47.32
Stockbrokers							
Altura		Spain	proportional	50.00	50.00	35.00	35.00
Calyon Financial Inc		USA	full	100.00	100.00	100.00	100.00
Calyon Financial Pte Singapore		Singapore	full	100.00	100.00	100.00	100.00
Calyon Financial SNC		France	full	100.00	100.00	100.00	100.00
Crédit Agricole Cheuvreux Nordic AB SB		Sweden	full	100.00	100.00	100.00	100.00
Crédit Agricole Cheuvreux S.A.		France	full	100.00	100.00	100.00	100.00
Crédit Agricole Cheuvreux Italia SIM SPA		Italy	full	100.00	100.00	100.00	100.00
Credit Agricole Cheuvreux North America, Inc		USA	full	100.00	100.00	100.00	100.00
Cholet Dupont (group)		France	equity	33.40	33.40	33.40	33.40
Crédit Agricole Cheuvreux Espana S.A.		Spain	full	100.00	100.00	100.00	100.00
Crédit Agricole Cheuvreux International Ltd		United Kingdom	full	100.00	100.00	100.00	100.00
Crédit Agricole Cheuvreux Securities Ltd		Hong Kong	full	100.00	100.00	100.00	100.00
CAI Derivatives Products PLC		Ireland	full	99.98	99.98	99.98	99.98
Calyon Financial Canada		Canada	full	100.00	100.00	100.00	100.00
Calyon Securities USA Inc.		USA	full	100.00	100.00	100.00	100.00
CLSA BV (group)		Hong Kong	full	100.00	100.00	67.83	77.74
Calyon Financial Hong Kong		Hong Kong	full	100.00	100.00	100.00	100.00

Calyon scope of consolidation	(a)	Country	Method	% of control		% of interest	
				30.06.2007	31.12.2006	30.06.2007	31.12.2006
Investment companies							
Cie Française de l'Asie (CFA)		France	full	100.00	100.00	100.00	100.00
Doumer Finance SAS		France	full	100.00	100.00	100.00	100.00
Fletirec (group)		France	full	100.00	100.00	100.00	100.00
Fininvest		France	full	98.27	98.27	98.27	98.27
ICF Cayman Holdings		United Kingdom	full	100.00	100.00	100.00	100.00
Calyon Air Finance SA		France	full	100.00	100.00	100.00	100.00
CAI BP Holding		France	full	100.00	100.00	100.00	100.00
Calyon North America Holding		USA	full	100.00	100.00	100.00	100.00
IPFO		France	full	100.00	100.00	100.00	100.00
Mescas		France	full	100.00	100.00	100.00	100.00
SAFEC		Switzerland	full	100.00	100.00	100.00	100.00
Crédit Agricole Assets Management Espana Holding		Spain	equity	45.00	45.00	45.00	45.00
Casam Systeia Global Macro		Ireland	full	98.41	99.60	98.41	99.60
CASAM Systeia Pair Trading	L	Ireland	full		99.57		99.57
Casam Systeia Event Driven		Ireland	full	99.57	99.63	99.57	99.63
Casam Systeia Equity Quant		Ireland	full	95.90	96.90	95.90	96.90
Casam Systeia Futures Euro		Ireland	full	96.91	97.22	96.91	97.22
European Sovereign Funding SA		France	full	100.00	100.00	100.00	100.00
FCC Masterace		France	full	100.00	100.00	100.00	100.00
Calyon Investments		United Kingdom	full	100.00	100.00	100.00	100.00
LF Investments LP		USA	full	99.00	100.00	99.00	100.00
CLASI		USA	full	100.00	100.00	100.00	100.00
Calyon Leasing Corporation		USA	full	100.00	100.00	100.00	100.00
Calyon Global Partners Inc.		USA	full	100.00	100.00	100.00	100.00
Credit Lyonnais Leasing Japan Company Ltd		Japan	full	100.00	100.00	100.00	100.00
Calyon North America Inc.		USA	full	100.00	100.00	100.00	100.00
Calyon Holdings		United Kingdom	full	100.00	100.00	100.00	100.00
Calyon Capital Market Asia BV		Netherlands	full	100.00	100.00	100.00	100.00
Calyon Capital Market International		France	full	100.00	100.00	100.00	100.00
Calyon Securities Japan		Japan	full	100.00	100.00	100.00	100.00
Doumer Philemon		France	full	100.00	100.00	100.00	100.00
Korea 21 st Century Trust		South Korea	full	100.00	100.00	100.00	100.00
CASAM		France	equity	50.00	50.00	50.00	50.00
Casam Americas LLC		USA	equity	50.00	50.00	50.00	50.00
Lyra Capital LLC		USA	equity	50.00	50.00	50.00	50.00
Casam Advisers LLC		USA	equity	50.00	50.00	50.00	50.00
Alternative Investment and Research Technologies		USA	equity	50.00	50.00	50.00	50.00
Lyra Partners LLC		USA	equity	50.00	50.00	50.00	50.00
Casam Cayman Ltd		USA	equity	50.00	50.00	50.00	50.00
Casam US Holding Inc		USA	equity	50.00	50.00	50.00	50.00

Calyon scope of consolidation	(a)	Country	Method	% of control		% of interest	
				30.06.2007	31.12.2006	30.06.2007	31.12.2006
Leasing companies							
Ergifrance	Out	France	full		100.00		100.00
Financière Immobilière Calyon		France	full	100.00	100.00	100.00	100.00
Cardinalimmo		France	full	49.61	49.61	49.61	49.61
Other							
CA Brasil DTVM		Brazil	full	100.00	100.00	100.00	100.00
CA Conseil SA		Luxembourg	full	99.99	99.99	99.99	99.99
Calyon Preferred Funding LLC		USA	full	100.00	100.00	100.00	100.00
Calyon Preferred Funding II LLC		USA	full	100.00	100.00	100.00	100.00
Fonds Mezzasia		Hong Kong	full	78.44	100.00	69.29	88.87
Fonds Alcor		Hong Kong	full	99.05	99.05	91.33	93.62
Merisma		France	full	100.00	100.00	100.00	100.00
Calixis Finance		France	full	89.80	89.90	89.80	89.90
LSF Italian Finance Company SRL		Italy	full	90.00	60.00	67.00	60.00
Sagrantino Italy srl (ex Minerva)		Italy	full	90.00	90.00	67.00	90.00
Sagrantino		Netherlands	full	100.00	100.00	67.00	67.00
European NPL S.A.		Luxembourg	full	67.00	67.00	67.00	67.00
DGAD International SARL		Luxembourg	full	100.00	100.00	100.00	100.00
Calliope SRL	In	Italy	full	100.00		67.00	
Indosuez Holding SCA II		Luxembourg	full	100.00	100.00	100.00	100.00
Indosuez Management Luxembourg II		Luxembourg	full	100.00	100.00	100.00	100.00
Indosuez International Finance BV	Out	Netherlands	full		100.00		100.00
SNC Doumer		France	full	99.94	99.94	99.94	99.94
Chauray Contrôle SAS		France	proportional	34.00	34.00	34.00	34.00
CPR Online		France	full	100.00	100.00	100.00	100.00
SNC Haussmann Anjou		France	full	100.00	100.00	100.00	100.00
Indosuez Levante S.A.		Spain	full	100.00	100.00	100.00	100.00
Indosuez Norte SL		Spain	full	95.00	95.00	95.00	95.00
Aguadana	In	Spain	full	100.00		100.00	
Calyon Finance Guernesey		United Kingdom	full	99.90	99.90	99.90	99.90
Calyon Financial Products		United Kingdom	full	99.90	99.90	99.90	99.90
Indosuez Financial Limited	In	United Kingdom	full	100.00		100.00	
Ester Finance		France	full	99.99	99.99	99.99	99.99
Capital Plus		France	full	100.00	100.00	100.00	100.00
CLINFIM		France	full	100.00	100.00	100.00	100.00
Calyon Global Banking		France	full	100.00	100.00	100.00	100.00
CLIFAP		France	full	100.00	100.00	100.00	100.00
Carr Indosuez Asia SA		France	full	100.00	100.00	100.00	100.00
Calyon Asia Shipfinance Service Ltd		Hong Kong	full	99.99	99.99	99.99	99.99
Calyon Investment Products Limited	Out	Cayman	full		100.00		100.00
Aylesbury		Netherlands	full	100.00	100.00	100.00	100.00
Bletchley Investments Limited		Netherlands	full	82.22	82.22	100.00	82.22

(a):

Included (In) the scope of consolidation.

Excluded from (Out) of the scope of consolidation because the entity is non-significant (ns) or has been merged (M), liquidated (L), spun off (SO), sold or transferred out (S).

Change (C) of consolidation method.

Statutory auditors' report on interim financial information for the first half of 2007

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

From 1 January to 30 June 2007

To the Shareholders:

In our capacity as Statutory Auditors and in compliance with Article L. 232-7 of the Code de Commerce:

- we carried out a partial audit of the interim financial condensed consolidated financial statements of Calyon for the six months from 1 January to 30 June 2007, as appended to this report; and
- we reviewed the information provided in the first-half management report.

These condensed consolidated interim financial statements have been prepared under the Board of Directors' responsibility. Our role is to express an opinion on these consolidated financial statements, based on our limited audit.

We conducted our partial audit in accordance with French auditing standards. A partial audit of the interim accounts is confined to obtaining the information we deemed necessary, primarily from the persons responsible for financial and accounting matters, and to conducting analyses and all other procedures that we deem appropriate. An audit of this type does not include performing all the examinations required for a full audit in accordance with the professional auditing standards applicable in France. It therefore does not provide assurance that all material items that might have been identified under a full audit have been identified, and we are therefore not expressing an audit opinion.

Based on our partial audit, we have identified no material misstatements that raise questions over the consistency of the condensed interim consolidated financial statements with standard IAS 34, an International Financial Reporting Standard (IFRS) as endorsed by the European Union pertaining to interim financial information.

Without calling the opinion expressed above into question, we draw your attention to Note 1, which describes changes in the accounting policies and principles applied by the Group.

In accordance with professional standards applicable in France, we have also verified the information given in the Group management report containing comments on the condensed interim consolidated financial statements on which we conducted our partial audit.

We have no comments to report with respect to the fairness of their presentation and consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine, 30 August 2007

The Statutory Auditors

PriceWaterhouseCoopers Audit

Ernst & Young & Autres

G rard Hautefeuille

Val rie Meeus

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General information

Person responsible for the shelf-registration document and updates

Person responsible for the shelf-registration document and updates

Edouard Esparbès, Chief Executive Officer of Calyon

Responsibility statement

I hereby certify that, to my knowledge and after all due diligence, the information contained in this update to the shelf-registration document is true and accurate and contains no omissions likely to affect the import thereof.

I have obtained a letter from the statutory auditors upon completion of their work in which they state that they have verified the information relating to the financial situation and financial statements provided in this update and read the document as a whole.

The historical financial information contained in this update is covered by a report prepared by the Statutory Auditors appearing on page 53, which contains an observation on the change in accounting method described in Note 1 to the Notes to the financial statements.

To the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a fair view of the assets and financial position of the company and the group of companies included in the consolidation for the first six months of the financial year and of the results for the period then ended, and the interim review of business operations accurately depicts important events that arose during that period, their effect on the interim financial statements and the main related party transactions, as well as a description of the main risks and uncertainties anticipated for the second half of the financial year.

Executed in Paris, 31 August 2007

The Chief Executive Officer of Calyon

Edouard Esparbès

Statutory Auditors

Statutory Auditors

<p>Ernst & Young et Autres</p> <p>Member of the Ernst & Young network Member of the Versailles regional association of statutory auditors</p> <p>Company represented by: Valérie Meeus Head office: 41 Rue Ibry 92576 Neuilly sur Seine</p>	<p>PricewaterhouseCoopers Audit</p> <p>Member of the PricewaterhouseCoopers network Member of the Versailles regional association of statutory auditors</p> <p>Company represented by: Gérard Hautefeuille Head office: 63 Rue de Villiers 92200 Neuilly sur Seine</p>
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Alternate auditors

<p>PICARLE ET ASSOCIES</p> <p>Member of the Versailles regional association of statutory auditors</p> <p>Company represented by: Denis Picarle Head office: Faubourg de l'Arche - 11 allée de l'Arche 92400 Courbevoie</p>	<p>Pierre Coll</p> <p>Member of the Paris regional association of statutory auditors</p> <p>63 Rue de Villiers 92200 Neuilly Sur Seine</p>
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Mandates

Length of statutory auditors' mandates	
<p>Ernst & Young et Autres (until 30 June 2006 known as Barbier Frinault et Autres) was appointed Statutory Auditor for six financial years by the General Meeting of Shareholders of 10 May 2000. This mandate was renewed for a period of six years at the General Meeting of Shareholders of 16 May 2006.</p>	<p>PricewaterhouseCoopers Audit was appointed Statutory Auditor by the General Meeting of Shareholders of 30 April 2004, to replace Cabinet Alain Lainé, which had been appointed at the Meeting of 10 May 2000 for six financial years and has since resigned. This mandate was renewed for a period of six years at the General Meeting of Shareholders of 16 May 2006.</p>
Length of alternate auditors' mandates	
<p>The General Meeting of Shareholders of 16 May 2006 appointed Picarle et Associés as alternate auditors to Barbier Frinault et Autres for a period of six years to replace Mr Peuch-Lestrade whose mandate expired at the end of the 16 May 2006 Meeting.</p>	<p>Mr Pierre Coll was appointed Alternate Auditor to PricewaterhouseCoopers Audit by the General Meeting of Shareholders of 30 April 2004 for the duration of the mandate of his predecessor, Mr Olivier Peronnet, who had been appointed by the Meeting of 10 May 2000 and has since resigned. This mandate was renewed for a period of six years at the General Meeting of Shareholders of 16 May 2006.</p>

Cross-reference table

To facilitate consultation of the registration document, the following table indicates the page references corresponding to the main information headings required by regulation EC 809/2004 enacting the terms of the “Prospectus” Directive.

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This update contains the financial report for the first half:

- Responsibility Statement: page 56
- Management report: pages 6 to 22
- Consolidated financial statements: pages 23 to 52
- Auditors' report: page 53



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