July 28, 2017

Update to the 2016 Registration Document

Interim financial statements as of June 30, 2017

The financial statements are unaudited but were subjected to a limited review

2016 Registration Document filed on April 19, 2017 with the French Financial Markets Authority (Autorité des marchés financiers - AMF) under number D. 17-0398.
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Swift CMCIFRPP – Tel. +33 (0)1 45 96 96 96 – www.cic.fr - Paris Trade and Companies Register no. 542 016 381 – ORIAS no. 07 25 723 (www.orias.fr)
A bank governed by Articles L. 511-1 et seq. of the French Monetary and Financial Code for transactions carried out in its capacity as insurance broker

AUTORITÉ
DES MARCHÉS FINANCIERS

This update to the 2016 Registration Document was filed with the French Financial Markets Authority (Autorité des Marchés Financiers - AMF) on July 28, 2017, pursuant to Article 212-13 of its General Regulations. It may be used in support of a financial transaction if accompanied by a memorandum approved by the AMF. This document was prepared by the issuer and is binding on its signatories.

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1. Interim management report as of June 30, 2017

FIRST HALF OF 2017

First half of 2017: reduction in key political risks

While the inauguration of Donald Trump had sparked a great deal of hope in the United States and a great deal of concern in the rest of the world, the first half of the year ended with a number of reassuring developments. Strong international growth and the easing of key political risks allowed the Fed to continue its monetary tightening, while the other major central banks adopted a slightly less accommodating tone. The emerging countries, for their part, benefited from Donald Trump's more rational approach and from the simultaneous reduction in protectionist risks.

In the euro zone, political risk was particularly high at the beginning of the year due to the busy election calendar (elections in the Netherlands and France in particular) and the rise of extremist Europhobe parties. This led to a spread between the sovereign yields of France and the peripheral countries and those of Germany. In Italy, the risk of early elections was averted thanks to the stabilization of that country's banking system, and concerns about Greece were also eased, at least for a while, with the payment of €8.5 billion in new aid in June. All these parameters, combined with an improved economic outlook in the euro zone – further drop in the unemployment rate and growth in consumption, which supports inflation dynamics and raises expectations of a gradual normalization of the ECB's accommodating monetary policy – drove the euro up sharply, particularly against the dollar.

In France, Emmanuel Macron’s win in the presidential elections and then in the legislative elections went a long way toward reducing political risk within the euro zone. With a clear majority in the National Assembly, the new government will be able to implement the reforms announced during the campaign: a more flexible labor market, a stronger European Union and budgetary consolidation. All these factors bode well for French growth, which already has good momentum.

The British economy held up particularly well over this period, with stable growth at 2.1% in the first quarter. Retail sales and real estate prices, however, took a downturn, the first victims of the depreciation of the pound sterling which negatively impacted households’ purchasing power, while corporate investment was stalled by the uncertainties surrounding Brexit. The Bank of England was therefore forced to extend its accommodating monetary policy in a context of difficult negotiations with the European Union made worse by Theresa May’s loss of an absolute majority in the early legislative elections in June.

With the failed reform of Obamacare, the reforms announced by the Trump administration seemed less of a sure bet beginning in March, triggering another drop in US and European sovereign yields and an overall depreciation of the dollar against the major currencies. Donald Trump, who is kept in check by Congress, took a more measured tone, including towards the emerging countries, enabling them to better digest the monetary tightening implemented by the Fed, which raised key interest rates for a second time in March.

A distinction must be made between the good performance of the Chinese economy (despite the downgrade of its sovereign rating by Moody's), still run by the government ahead of the 19th Congress of the Communist Party this autumn, and the difficulties in India following the withdrawal from circulation of certain bank notes, which has dragged down household consumption. However, there is no comparison between those problems and the situation in Brazil. In fact, Brazil must contend with a prolonged recession against a backdrop of political turmoil linked to a corruption scandal now involving President Michel Temer and a further drop in commodity prices during the first half of the year, much like Russia, which was particularly hard-hit by a repeated weakening of oil prices.

Despite the nine-month extension (until the end of March 2018) of the agreement to reduce production signed in November 2016 by the main oil-producing countries (including OPEC and Russia), the Brent price has fallen by more than 15% since the beginning of the year. With no sufficient increase in global demand and a continued rise in non-OPEC production, particularly in the United States, Libya and Nigeria, worldwide inventories of crude oil remained virtually the same as before the agreement, fueling skepticism among investors as to the rebalancing of the market.

RECENT EVENT RELATED TO CIC’S ACTIVITY

CIC group – July 28, 2017

Press release of June 16, 2017:

Crédit Industriel et Commercial (CIC) enters into exclusive discussions with Indosuez Wealth Management to sell its private banking activities in Singapore and Hong Kong.

CIC today announced that it has entered into exclusive discussions with Indosuez Wealth Management to sell its private banking activities in Singapore and Hong Kong.
Combining the CIC private banking activities in Singapore and Hong Kong with those of Indosuez Wealth Management would offer CIC's clients, staff and partners in this area opportunities to develop and grow under the control of a strong financial institution.
The transaction would bring together two successful private banking businesses with very similar cultures and values to strengthen their presence in Asia. The transaction would enable CIC's Private Banking platform in Asia, its staff and its clients to build on the existing momentum to grow to the next level of development and broaden its range of services.
CIC remains fully committed to Asia and would focus on the development and growth of its core Corporate Banking, Structured Finance and Institutional businesses in the Asia Pacific region.
CIC will continue to promote its Corporate and Institutional businesses by building on the many opportunities identified in the Asia Pacific region and focus on its promising growth prospects. For that purpose, its branches in Asia will continue to benefit from the strength of the Crédit Mutuel-CM11 group.
The transaction is expected to be finalized by the end of the year and is subject both to the necessary regulatory approvals and to customary employee consultation procedures in France.

Press release of July 13, 2017:

Crédit Industriel et Commercial (CIC) signs an agreement with Indosuez Wealth Management to sell its private banking activities in Singapore and Hong Kong.

Following the announcement on June 16 that it had entered into exclusive discussions with Indosuez Wealth Management, CIC has announced the signing of an agreement with the company to sell its private banking activities in Singapore and Hong Kong.

The transaction, which is subject to the necessary regulatory approvals first being obtained, is expected to be finalized by the end of the year.

GROUP ACTIVITY AND RESULTS

Preliminary note:

At June 30, 2017, the private banking activity of the Singapore and Hong Kong branches is accounted for under IFRS 5 as an entity held for sale. A transfer agreement with Indosuez Wealth Management was signed in July 2017. Finalization of the operation remains subject to the necessary regulatory approvals being obtained.
At June 30, 2016, Banque Pasche was also accounted for under IFRS 5 as an entity held for sale. It was sold at the end of the second quarter of 2016.

All the changes indicated are at constant scope.
Changes at constant scope to outstandings and the income statement are calculated after offsetting, in 2016, the contribution of CIC's private banking activities in Hong Kong and Singapore.

Analysis of the consolidated statement of financial position

(in € millions)	June-17 published	June-16 published	June-16 change in scope adjustment	June 2016 restated*	Gross H1 2017/H1 2016 change	H1 2017/H1 2016 change at constant scope
Loans and receivables due from customers	167,584	163,876	2,538	161,338	2.3%	3.9%
Due to customers	144,664	136,979	939	136,040	5.6%	6.3%
Customer funds invested in savings products	269,027	255,270	2,385	252,885	5.4%	6.4%
Loans/deposits ratio	115.8%	119.6%		118.6%		

The main changes in the consolidated statement of financial position items were as follows:
• Net outstanding loans to customers totaled €167.6 billion, a 3.9% increase compared to June 30, 2016. Equipment loans grew by 19.8% to €44.7 billion and home loans by 5.2% to €71.9 billion. Total outstandings grew by 3.7% after taking into account those of the private banking activity of the Singapore and Hong Kong branches held for sale at June 30, 2017.
• Bank deposits totaled €144.7 billion, representing a rise of 6.3% from June 30, 2016, driven mainly by passbook accounts and current accounts in credit, which saw an 18.4% and 8.5% increase in outstandings, respectively.

The "loans-to-deposits" ratio – the ratio of total net loans to bank deposits expressed as a percentage – was 115.8% at June 30, 2017 compared to 119.6% (118.6% at constant scope) a year earlier.

Customer funds invested in savings products[1] reached €269.0 billion, 6.4% higher than at June 30, 2016.

Shareholders' equity, a source of financial strength, totaled €14.5 billion.

[1] *Outstandings under management.*

The estimated CET1 capital ratio at June 30, 2017 was 14.0% and estimated CET1 ("common equity tier 1") prudential capital totaled €13.1 billion. The estimated leverage ratio at June 30, 2017 was 4.4%. These calculations are without transitional provisions.

During the first half of the year, the ratings agency Moody's confirmed CIC's Aa3 long-term rating. The other ratings assigned by Standard & Poor's and Fitch Ratings remained the same.
CIC's ratings are as follows[2]:

	Standard & Poor's	Moody's	Fitch Ratings
Short term	A-1	P-1	F1
Long term	A	Aa3	A+
Outlook	stable	stable	stable

Analysis of the consolidated income statement

(in € millions)	June-17 published	June-16 published	June-16 change in scope adjustment	June 2016 restated*	Gross H1 2017/H1 2016 change	H1 2017/H1 2016 change at constant scope *
Net banking income	2,654	2,514	15	2,499	5.6%	6.2%
Operating expenses	(1,635)	(1,625)	(16)	(1,609)	0.6%	1.6%
Operating income before provisions	1,019	889	(1)	890	14.6%	14.5%
Net provision allocations/reversals for loan losses	(61)	(67)		(67)	-9.0%	-9.0%
Net gains on disposals of other assets & investments in associates	78	78		78	0.0%	0.0%
Income before tax	1,036	900	(1)	901	15.1%	15.0%
Corporate income tax	(319)	(270)		(270)	18.1%	18.1%
Net profit on discontinued operations	5	46	1	45	-89.1%	N/A
Net income	722	676	0	676	6.8%	6.8%
Net income attributable to the group	715	674	0	674	6.1%	6.1%

** Please refer to the introduction on the previous page for details of the change at constant scope*

Net banking income was €2.654 billion at June 30, 2017, up 6.2% compared to the first half of 2016. This increase is all the more significant given that net banking income at June 30, 2016 included compensation of €89 million for the CIC regional banks, Banque Transatlantique and CIC as sub-participants to Banque Fédérative du Crédit Mutuel (BFCM) in VISA Europe in connection with VISA Inc.'s acquisition of that company.
This increase was due in particular to the strong performance of retail banking, corporate banking, capital markets and private equity.
Operating expenses totaled €1.635 billion, up 1.6% compared to the first half of 2016, with a contribution to the Single Resolution Fund that increased by €17 million.

[2] *Standard & Poor's: ratings for the Crédit Mutuel group; Moody's and Fitch: ratings for the Crédit Mutuel-CM11 group.*

Operating income before provisions rose by 14.5% with a cost/income ratio that improved over one year from 64.4% to 61.6% at constant scope.

Net additions to/reversals from provisions for loan losses were down 9% to €61 million compared to €67 million at the end of the first half of 2016. Net additions to/reversals from provisions for loan losses on an individual basis decreased by €26 million, primarily in corporate banking. Collective provisions grew by €20 million, mainly in retail banking. Annualized net additions to/reversals from provisions for losses on customer loans as a percentage of gross loan outstandings stood 0.08% (0.09% at June 30, 2016) and the overall non-performing loan coverage ratio was 50.0% compared to 51.3% a year earlier.

The share of income of affiliates was €81 million compared to €67 million in the first half of 2016. In addition, net gains on disposals of non-current assets totaled €-3 million (€11 million at June 30, 2016).

Income before tax was €1.036 billion compared to €900 million in the first half of 2016, up 15.0%.

With a net profit on activities held for sale down by €41 million and an increase of €49 million in corporation tax, the increase in net income was 6.8%.

BUSINESS PERFORMANCE

Description of business lines

Retail banking includes, on the one hand, the branch network consisting of the regional banks and the CIC network in Ile-de-France and, on the other, the specialized activities whose product marketing is mainly performed by the network: equipment and real estate leasing, factoring, receivables management, fund management, employee savings plans, insurance and real estate.

Corporate banking includes financing for major corporations and institutional clients, specialized lending, international operations and foreign branches.

Capital markets activities include the Investment in fixed-income, equity and foreign exchange activities business line and the commercial trading business line (CM-CIC Market Solutions).

Private banking offers a broad range of finance and private asset management expertise to entrepreneurs and private investors, both in France and abroad.

Private equity includes equity investments, M&A consulting and financial and capital markets engineering.

Holding company services include all unallocated activities.

Each consolidated company is included in only one business segment, corresponding to its core business in terms of contribution to the group’s results, with the exception of CIC, whose individual accounts are allocated on a cost accounting basis.

RESULTS BY BUSINESS SEGMENT

Methodology notes:
– Adjusted results at June 30, 2016: minor changes were made to segment reporting starting at the beginning of 2017 because the group treasury activity (capital markets) was assigned to the "holding" activity. Adjusted results are therefore presented for the capital markets and holding company services activities at June 30, 2016.
– Outstandings by business line are outstandings under management.

Retail banking

(in € millions)	Jun-17	Jun-16	H1 2017/H1 2016 change
Net banking income	1,805	1,737	3.9%
Operating expenses	(1,208)	(1,212)	-0.3%
Operating income before provisions	597	525	13.7%
Net provision allocations/reversals for loan losses	(91)	(68)	33.8%
Net gains on disposals of other assets & investments in associates	79	68	16.2%
Income before tax	585	525	11.4%
Net income attributable to the group	382	357	7.0%

Retail banking encompasses the CIC banking network and all the specialist subsidiaries whose products are distributed mainly through this network: equipment leasing and leasing with purchase options, real-estate leasing, factoring, receivables management, fund management, employee savings plans and insurance.

In one year, deposits increased by 6.0% to €108.2 billion thanks to an increase in current accounts in credit (+20.2% to €50.3 billion), passbook accounts (+9.5% to €28.0 billion) and home savings (+7.7% to €10.5 billion).

Loan outstandings also rose by 4.5%, to €134.2 billion, with a 4.1% increase in home loans and a 9.9% increase in investment loans.

Net banking income from retail banking was €1.805 billion. It increased by 3.9% during the first half of 2017 thanks to an 11.3% rise in net fee and commission income, while the net interest margin and other components of net banking income decreased by 1.6%.

General operating expenses were down 0.3% to €1.208 billion.

Net additions to/reversals from provisions for loan losses rose from €68 million at June 30, 2016 to €91 million at June 30, 2017 as a result of the increase in the collective provision, which recorded an addition of €19 million at June 30, 2017 compared to a reversal of €5 million at June 30, 2016.

Gains and losses on other assets and the Group’s share of net income (loss) of associates rose by €9 million.

Income before tax increased by 11.4% to €585 million.

Banking network

At June 30, 2017, the branch network had 5,017,795 customers (+1.9% compared to June 30, 2016).

Loan outstandings increased by 4.6% to €117.6 billion. With the exception of operating loans, which decreased by 2.8%, all loans increased, particularly home loans (+4.1%) and investment loans (+7.7%). Consumer loans rose by 3.8%.
During the first half of 2017, the amount of loan funds released was €17.0 billion, up 15.9% compared to the first half of 2016. This growth was mainly due to the 38.5% increase in the amounts released for home loans.

Deposits amounted to €108.2 billion (+6.0% compared to end-June 2016) thanks to an increase in current accounts in credit (+20.2%), passbook accounts (+9.5% to €28.0 billion) and home savings (+7.7% to €10.5 billion).

Customer funds invested in savings products totaled €58.6 billion compared to €57.4 billion at end-June 2016, up 2.1%, thanks to an increase in life insurance products (+2.7%), safekeeping (+5.7%) and employee savings (+10.4%).

The insurance business continued to grow. The number of property and casualty insurance contracts was 4,958,356 (up 6.8% compared to end-June 2016).

Service activities rose by:

- 9.8% in remote banking with 2,352,750 contracts,
- 8.4% in theft protection (97,436 contracts),
- 4.8% in electronic payment terminals (137,717 contracts),
- 1.8% in mobile phone service (463,554 contracts).

Despite low interest rates and the negative impact of renegotiations of home loans, the net banking income of the branch network rose by 3.7% to €1.691 billion from €1.630 billion a year earlier. The 0.5% decrease in the net interest margin and other components of net banking income was offset by the 8.5% increase in fee and commission income.

At €1.129 billion, general operating expenses were kept under control, decreasing by 0.3% compared to June 30, 2016.

Gross operating income therefore increased by 12.9% to €562 million.

Net additions to/reversals from provisions for loan losses totaled €88 million, up €23 million as a result of an increase in collective provisions (+€24 million).

The branch network recorded income before tax of €472 million at June 30, 2017 compared to €434 million at June 30, 2016, an increase of 8.8%.

Retail banking's support businesses

The retail banking support businesses generated net banking income of €114 million at end-June 2017 compared to €107 million at end-June 2016. Income before tax was €113 million compared to €91 million at the end of the first half of 2016, an increase of €22 million. Nearly two-thirds of this increase resulted from the rise in the share of net income of the Crédit Mutuel-CM11 group's insurance business, which was €80 million compared to €66 million a year earlier.

Financing

(in € millions)	Jun-17	Jun-16	H1 2017/H1 2016 change
Net banking income	175	161	8.7%
Operating expenses	(58)	(56)	3.6%
Operating income before provisions	117	105	11.4%
Net provision allocations/reversals for loan losses	21	(3)	N.A.
Income before tax	138	102	35.3%
Net income attributable to the group	92	69	33.3%

Loan outstandings in corporate banking rose by 4.3% to €17.4 billion at June 30, 2017.

In the first half of 2017, net banking income was €175 million, up 8.7% compared to the first half of 2016 thanks to a €7 million increase in both the net interest margin and fee and commission income.

The 3.6% increase in general operating expenses was mainly due to the €2 million increase in the Single Resolution Fund (SRF) tax charged to this business line compared to last year.

Operating income before provisions was €117 million, up 11.4% compared to the first half of 2016.

There was a net loan loss provision reversal of €21 million compared to an addition of €3 million at June 30, 2016.

Income before tax therefore stood at €138 million, up 35.3% compared to June 30, 2016.

Capital markets activities

(in € millions)	Jun-17	Jun-16	H1 2017/H1 2016 change	June-16 Cash	June 2016 restated*	H1 2017/H1 2016 change
Net banking income	275	185	48.6%	(3)	188	46.3%
Operating expenses	(112)	(107)	4.7%	(7)	(100)	12.0%
Operating income before provisions	163	78	109.0%	(10)	88	85.2%
Net provision allocations/reversals for loan losses	6	4	50.0%		4	50.0%
Income before tax	169	82	106.1%	(10)	92	83.7%
Net income attributable to the group	106	50	112.0%	(8)	58	82.8%

* Reclassification in 2017 of the Group Treasury activity from capital markets operations to the Holding company services business line.

Capital markets benefited from a more favorable environment in the first half of 2017 compared to the first half of 2016. Net banking income and general operating expenses grew by 46.3% and 12.0%, respectively.

There was a net loan loss provision reversal of €6 million at June 30, 2017 compared to a reversal of €4 million at June 30, 2016.

Income before tax amounted to €169 million versus €92 million the previous year.

Private banking

(in € millions)	Jun-17	Jun-16	H1 2017/H1 2016 change	Jun-16 BP Singapore and Hong Kong	June 2016 restated*	H1 2017/H1 2016 change**
Net banking income	263	271	-3.0%	15	256	2.7%
Operating expenses	(171)	(178)	-3.9%	(16)	(162)	5.6%
Operating income before provisions	92	93	-1.1%	(1)	94	-2.1%
Net provision allocations/reversals for loan losses	1	(1)	N/A		(1)	N/A
Net gains/(losses) on disposals of other assets & investments in associates	-1	10	N.A.		10	N.A.
Income before tax	92	102	-9.8%	(1)	103	-10.7%
Net profit/(loss) on discontinued operations	5	(20)	N.A.	1	(21)	N.A.
Net income attributable to the group	76	66	15.2%	0	66	15.2%

** Reclassification of Singapore and Hong Kong private banking activities

Private banking deposits[3] increased over the year by 1.4% to €20.4 billion at June 30, 2017. Customer funds invested in savings products[3] totaled €93.9 billion, up +11.7%.

Net banking income[4] was €263 million compared to €271 million at June 30, 2016, up 2.7% as a result of a 2.5% and 4.8% increase in the net interest margin and fee and commission income, respectively.

General operating expenses totaled €171 million (+5.6%).

[3] Outstandings under management include the outstandings at June 30, 2017 of the private banking activity of the Singapore and Hong Kong branches (€0.8 billion in deposits and €2.8 billion in customer funds invested in savings products compared to €0.9 billion in deposits and €2.4 billion in customer funds invested in savings products at June 30, 2016).
[4] The changes in the figures for private banking shown below are at constant scope.

There was a net loan loss provision reversal of €1 million compared to an addition of €1 million at June 30, 2016.

Income before tax came to €92 million (€102 million at June 30, 2016 including a €10 million capital gain on the sale of a building), down 9.8% before taking into account at June 30, 2017:

– the net income of the private banking activity of the Singapore and Hong Kong branches (+€5 million); and
– the net loss of Banque Pasche, which was sold in the second quarter of 2016 (€-20 million excluding the €66 million reclassification from the translation reserve).

Private equity

(in € millions)	Jun-17	Jun-16	H1 2017/H1 2016 change
Net banking income	169	122	38.5%
Operating expenses	(25)	(22)	13.6%
Operating income before provisions	144	100	44.0%
Net provision allocations/reversals for loan losses			
Income before tax	144	100	44.0%
Net income attributable to the group	146	99	47.5%

Activity was strong during the first half of 2017, with €371.9 million invested by all the entities of the private equity division since the beginning of the year. The total amount invested at June 30, 2017 was €2.2 billion, including 85% in unlisted companies.

Net banking income rose by 38.5% to €169 million at June 30, 2017 compared to €122 million at June 30, 2016.

General operating expenses increased from €22 million to €25 million.

Income before tax grew by 44.0% to €144 million.

Holding company services

(in € millions)	Jun-17	Jun-16	H1 2017/H1 2016 change	June-16 Cash	June 2016 restated*	H1 2017/H1 2016 change
Net banking income	(33)	38	-186.8%	(3)	35	-194.3%
Operating expenses	(61)	(50)	22.0%	(7)	(57)	7.0%
Operating income before provisions	(94)	(12)	683.3%	(10)	(22)	327.3%
Net provision allocations/reversals for loan losses	2	1	100.0%		1	100.0%
Net gains/(losses) on disposals of other assets & investments in associates	0	0				
Income before tax	(92)	(11)	736.4%	(10)	(21)	338.1%
Net profit/(loss) on discontinued operations	0	66	-100.0%		66	-100.0%
Net income attributable to the group	(87)	33	-363.6%	(8)	25	-448.0%

In the first half of 2017, the net banking income of the Group's holding company services mainly consisted of:

- A €29 million expense for the refinancing activities, €3 million less than in June 2016;
- A €22 million expense to finance the branch network development plan compared to €28 million at June 30, 2016;
- €9 million in income recorded by the Group treasury activity versus an expense of €3 million in the first half of 2016;
- €8 million in dividends (€1 million a year earlier).

At June 30, 2016, the net banking income of holding company services also included compensation of €89 million from BFCM for the CIC regional banks, Banque Transatlantique and CIC as sub-participants to Banque Fédérative du Crédit Mutuel (BFCM) in VISA Europe in connection with VISA Inc.'s acquisition of that company.

General operating expenses totaled €61 million versus €57 million[5] at end-June 2016, mainly as a result of the €8 million increase in the SRF tax charged to this entity.

The loss before tax was therefore €92 million compared to a loss of €215 million[5] at the end of the first half of 2016.

Corporation tax generated €5 million in income compared to an expense of €20 million at June 30, 2016.

In addition, at June 30, 2016 the €66 million reclassification from the translation reserve (exchange gain on Banque Pasche whose shares were held in Swiss francs) was recognized in net profit on activities held for sale in the holding company services activity.

As a result, net income attributable to owners of the company was -€87 million compared to income of €25 million[5] at June 30, 2016.

[5] *Including Group treasury activity.*

ALTERNATIVE PERFORMANCE INDICATORS

Article 223-1 of the General Regulations of the French financial markets authority (*Autorité des Marchés Financiers* - AMF)

Name	Definition/calculation method	For the ratios, justification of use
Operating ratio	Ratio calculated from items in the consolidated income statement: ratio of general operating expenses (sum of the "general operating expenses" and "allocations/reversals of depreciation, amortization and provisions for property, plant and equipment and intangible assets" items in the consolidated income statement) to "IFRS net banking income"	Measure of the bank's operational efficiency
The ratio of annualized net additions to/reversals from provisions for losses on customer loans to outstanding loans (expressed as percentage or basis points).	The ratio of net additions to/reversals from provisions for losses on customer loans from Note 35 to the consolidated financial statements multiplied by 2 to gross outstanding loans at the end of the period (loans and receivables due from customers excluding individual and collective provisions)	Allows the level of risk to be assessed as a percentage of the statement of financial position credit commitments
Net provision allocations/reversals for loan losses	"Net additions to/reversals from provisions for loan losses" item in the publishable consolidated income statement;	Measures the risk level
Net additions to/reversals from provisions for loan losses calculated on an individual basis	Total net additions to/reversals from provisions for loan losses excluding collective provisions (see definition in this table)	Measures the risk level calculated on an individual basis
Customer loans	"Loans and receivables due from customers" item on the asset side of the consolidated statement of financial position	Measures customers' activity in terms of credit
Customer deposits; bank deposits	"Due to customers" item on the liabilities side of the consolidated statement of financial position	Measures customers' activity in terms of statement of financial position sources of funds
Savings; customer funds invested in savings products	Off-statement of financial position savings products held by our customers or under custody (securities accounts, mutual funds, etc.) - and life insurance products held by our customers - management data	Measures customers' activity in terms of off-statement of financial position sources of funds
Operating expenses, general operating expenses, management fees	Sum of lines "General operating expenses" and "Allocations/reversals of depreciation, amortization and provisions for property, plant and equipment and intangible assets"	Measures the level of operation

Interest margin, net interest revenue, net interest income	Calculated from items in the consolidated income statement: Difference between the interest received and the interest paid: - interest received = "interest income" item in the publishable consolidated income statement - interest paid = "interest expense" item in the publishable consolidated income statement	Representative measure of profitability
New lending	Amount of new loans released to customers - source administrative data, sum of the individual data of the branch network entities	Measures customer activity in terms of new loans
Collective provisions	Application of IAS 39 which provides for a collective examination of loans, in addition to the individual examination, and, if applicable, the creation of a corresponding collective provision (IAS 39 paragraphs 58-65 and application guidance AG 84-92)	Measures the level of collective provisions
Net loans/customer deposits ratio	Ratio calculated from items in the consolidated statement of financial position: ratio expressed as a percentage between total customer loans (“loans and receivables due from customers” item on the asset side of the consolidated statement of financial position) and customer deposits (“due to customers” item on the liabilities side of the consolidated statement of financial position)	Measures the dependency on external refinancing
Overall non-performing loan coverage ratio	Determined by calculating the ratio of provisions for credit risk (including collective provisions) to the gross outstandings identified as in default within the meaning of the regulations; calculation using Note 8 of the consolidated financial statements: “individual impairment” + “collective impairment”/“individually-impaired receivables”	This coverage rate measures the maximum residual risk associated with loans in default (“non-performing loans")

Alternative performance indicators: reconciliation with the financial statements

Net loans/customer deposits ratio		Jun-17	Jun-16
Loans and receivables due from customers	Assets	167,584	163,876
Due to customers	Liabilities	144,664	136,979
Net loans/customer deposits ratio		115.8%	119.6%

General operating expenses		Jun-17	Jun-16
General operating expenses	Note 33	-1,570	-1,558
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	Note 34	-65	-67
General operating expenses		-1,635	-1,625

Operating ratio		Jun-17	Jun-16
- General operating expenses	Notes 33 and 34 Income statement	1,635	1,625
Net banking income		2,654	2,514
Operating ratio		61.6%	64.6%

Net additions to/reversals from provisions for customer loan losses		Jun-17	Jun-16
Net additions to/reversals from provisions for customer loan losses calculated on an individual basis		-56	-81
Collective provisions	IAS 39	-10	10
Net additions to/reversals from provisions for customer loan losses	Note 35:	-66	-71

Annualized net additions to/reversals from provisions for customer loan losses as a percentage of total outstanding loans		Jun-17	Jun-16
- Net additions to/reversals from provisions for customer loan losses x 2		132	142
Gross receivables + finance leases - repurchase agreements	Note 8	160,928	157,373
Overall annualized net additions to/reversals from provisions for customer loan losses as a percentage of outstanding loans excluding repurchase agreements		0.08%	0.09%

Overall non-performing loan coverage ratio		Jun-17	Jun-16
- Individual and collective impairment provisions	Note 8	2,576	2,659
Individually-impaired receivables	Note 8	5,150	5,184
Overall non-performing loan coverage ratio		50.0%	51.3%

ACCOUNTING PRINCIPLES AND METHODS

Pursuant to regulation (EC) 1606/2002 on the application of international accounting standards and regulation (EC) 1126/2008 on the adoption of said standards, the consolidated financial statements have been drawn up in accordance with IFRS as adopted by the European Union at June 30, 2017. These standards include IAS 1 to IAS 41, IFRS 1 to IFRS 8 and IFRS 10 to IFRS 13 as well as any related SIC and IFRIC interpretations adopted as of that date. Standards not adopted by the European Union have not been applied. The financial statements are presented in accordance with CNC recommendation 2009-R.04. All IAS and IFRS are available on the European Commission's website at: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs-financial-statements

These interim financial statements have been prepared in accordance with IAS 34 relating to interim financial reporting, which allows the publication of condensed financial statements. They supplement the financial statements for the year ended December 31, 2016 presented in the 2016 Registration Document filed with the AMF under no. D. 17-0398.

The Group's business is not subject to seasonal or cyclical effects. Estimates and assumptions may have been used in the valuation of statement of financial position items.

Standards and interpretations not yet applied

Standards and interpretations adopted by the European Union and not yet applied

- **IFRS 9 – Financial Instruments**

IFRS 9 is to replace IAS 39 Financial Instruments: Recognition and Measurement. It defines new rules concerning:

- classification and measurement of financial instruments (phase 1),
- impairment provisions for credit losses on financial assets (phase 2), and
- hedge accounting, excluding macro-hedging (phase 3).

Its application will become mandatory as of January 1, 2018. The classification and measurement provisions, as well as the new IFRS 9 impairment model, are to be applied retrospectively by adjusting the opening balance sheet on the date of first application. There is no obligation to restate the financial years shown by way of comparison. The group will, therefore, present its 2018 financial statements without adjusting the comparative figures to comply with the IFRS 9 format: the explanation for the transition of the portfolios from IAS 39 to IFRS 9 and the impacts on equity will be provided in the notes to the financial statements.

The group launched the project in project mode in the second quarter of 2015. It brings together the various departments concerned (finance, risk, IT, etc.) and is structured around the "National consolidation" steering committee coordinated by the Financial Management Department of Confédération Nationale du Crédit Mutuel (CNCM), the ultimate consolidating entity of the Crédit Mutuel group, which includes CIC. The project is organized into working groups, to cover the various phases and instruments (loans, securities and derivatives); the CNCM Risk department has overall responsibility for the work on the impairment models. Work began in 2016 on the changes that will need to be made to the IT systems. This work is continuing in 2017.

The IFRS 4 amendment was extended to bankinsurers following the vote by the ARC on June 29. Given that the group's insurance divisions meet the criteria specified in the amendment, and to avoid any competitive distortion with traditional insurers, the group decided to defer the application of IFRS 9 for these entities until 2021. However, they continue to be fully involved in the project.

Information for each phase is presented below.

- ***Phase 1 - Classification and measurement***

Under IFRS 9, the classification and measurement of financial assets will depend on the business model and the contractual characteristics of the instruments, which could result in the classification and/or measurement of certain financial assets being different from that under IAS 39.

Loans, receivables and debt securities acquired will be classified:
– at amortized cost, if the objective of the business model is to hold the financial asset to collect the contractual cash flows, and if the cash flows consist solely of payments of principal and interest on the principal amount outstanding (analysis carried out via the solely payments of principal and interest (SPPI) test),
– at fair value through other comprehensive income, if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, depending on the circumstances, and if the cash flows are solely payments of principal and interest on the principal amount outstanding. If such instruments are sold, the unrealized gains or losses previously recognized in other comprehensive income will be recognized in profit or loss, as is currently the case under IAS 39 when an instrument is classified as available for sale (AFS),
– at fair value through profit or loss, if they are not eligible to be classified within the two aforementioned categories or if the group chooses to classify them as such, in order to reduce an accounting mismatch.

Equity instruments acquired (shares, in particular) will be classified:
– at fair value through profit or loss, or
– at fair value through other comprehensive income. In the event of the sale of such instruments, the unrealized gains or losses previously recognized in other comprehensive income will not be recycled to profit or loss, contrary to current practice when instruments are classified as available for sale (AFS). Only dividends will be recognized in profit or loss.

It should be noted that:
– embedded derivatives in financial assets may no longer be recognized separately from the host contract,
– the provisions of IAS 39 related to the derecognition of assets are replicated in IFRS 9 without amendment,
– the same will apply to the provisions relating to financial liabilities, except the recognition of changes in fair value, resulting from the credit risk specific to the liabilities for which the entity has elected for recognition at fair value through profit or loss. These changes are no longer to be recognized in profit in loss: instead, they are to be recognized in unrealized or deferred gains and losses within other comprehensive income. The issue of specific credit risk has very little impact on the group.

The aim of the operational work carried out within the group since the beginning of 2017 was to:

– update the mapping of the instruments, as regards both the rates and the various contractual provisions,

– finalize the SPPI tests, and

– continue the work of documenting the various instruments, as regards both the characteristics of the instruments and the business models.

At this stage, the main reclassifications into the fair value through profit or loss category will be units in UCITS or UCIs and certain convertible or structured bonds: these reclassifications will have only a modest impact.

- ***Phase 2 – Impairment***

The section of IFRS 9 relating to credit risk impairment responds to the criticisms raised concerning the incurred credit loss model under IAS 39, i.e. that it causes accounting for credit losses to be delayed and the amounts of the credit losses recognized to be too low. IFRS 9 allows provisioning for incurred credit losses to be replaced by provisioning for expected credit losses. Impairment provisions will be recognized, as regards financial assets for which there are no objective indications of losses on an individual basis, based not only on past losses observed but also on reasonable and justifiable cash flow forecasts. This more forward-looking approach to credit risk is already taken into account, in part, when collective provisions are currently recognized on portfolios of financial assets with similar characteristics, pursuant to IAS 39.

Therefore, the new impairment model introduced by IFRS 9 will apply to all debt instruments measured at amortized cost or at fair value through other comprehensive income. Such instruments will be divided into three categories:

– Status 1: loss allowance provided for on the basis of the 12-month expected credit losses (resulting from the default risks over the following 12 months) as from initial recognition of the financial assets, provided that the credit risk has not increased significantly since initial recognition,

– Status 2: loss allowance provided for on the basis of the lifetime expected credit losses (resulting from the default risks over the entire residual life of the instrument) if the credit risk has increased significantly since initial recognition, and

– Status 3: category comprising credit-impaired financial assets for which there is an objective indication of impairment related to an event that has occurred since the loan was granted. This category is the same as the scope of the loans currently provided for on an individual basis under IAS 39.

The assessment as to whether there has been a significant increase in the credit risk will be carried out by:

– taking into account all reasonable and justifiable information, and

– comparing the risk of default on the financial instrument as of the reporting date with the risk of default as of the initial recognition date.

For the group, this involves measuring the risk at the level of the borrower, with the change in the risk assessed on a contract-by-contract basis.

The primary aim of the operational work carried out within the group since the beginning of 2017 was to:

– clarify the boundary between statuses 1 and 2:
  - the group will use the models developed for prudential purposes and the assessment of the 12-month default risk (represented by a rating or default rate), as authorized by the standard.

- as well as this quantitative data, it will use qualitative criteria such as installments that are unpaid or overdue by more than 30 days, the concept of restructured loans, etc.
- less complex methods will be used for those entities or small portfolios that are classified for prudential purposes under the standardized approach and do not have a rating system.

– define the method used to calculate probabilities of default and the method for taking forward-looking information into account in the parameters.

At this stage, the group believes that the level of impairment, under IFRS 9, of statuses 1 and 2 will be significantly higher than the collective provisions currently recognized under IAS 39. Since measures are currently being taken to increase the reliability of the entire process, the group chooses not to disclose information on the quantified impacts at June 30, 2017.

➢ ***Phase 3 – Hedge accounting***

IFRS 9 allows entities to choose, on first-time application, whether to apply the new provisions concerning hedge accounting or to retain those of IAS 39.
The group has elected to continue to apply the current provisions. Additional information will, however, be disclosed in the notes to the financial statements on risk management and the effects of hedge accounting on the financial statements, in accordance with revised IFRS 7.
It should be noted in addition that the provisions stipulated in IAS 39 concerning the fair value hedge of interest rate risk associated with a portfolio of financial assets or financial liabilities, as adopted by the European Union, will continue to apply.

➢ **IFRS 15 – Revenue from Contracts with Customers**

This standard will replace several standards and interpretations relating to revenue recognition (in particular IAS 18 - Revenue and IAS 11 - Construction Contracts). It will not, however, affect revenue from leases, insurance contracts or financial instruments.

The recognition of revenue from contracts must reflect the transfer of control of the good (or service) to a customer, for the amount to which the vendor expects to be entitled. To this end, the standard has developed a five-stage model enabling the entity to determine when and in what amount the revenue from its ordinary activities must be recognized:

- Identify the contract(s) with a customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contract, and
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Application of the standard will become mandatory for accounting periods beginning on or after January 1, 2018.

An analysis of the standard and an initial identification of its potential effects were carried out in 2016.
The main business lines/products to be analyzed were the packaged banking services, asset management (performance fees), telephony and IT activities.

At this stage, the impacts are expected to be limited.

Standards and interpretations not yet adopted by the European Union

The following are of particular note:
– IFRS 16 - Leases, first-time application of which is scheduled for January 1, 2019, subject to its adoption by the European Union,
– the amendments to IFRS 4 linked to IFRS 9 (scheduled application date: January 1, 2018): see previous note on IFRS 9.
– IFRS 17 on insurance contracts

- **IFRS 16 – Leases**

IFRS 16 will replace IAS 17 and the interpretations relating to lease accounting.
Pursuant to IFRS 16, for a contract to qualify as a lease, there must be both the identification of an asset and control by the lessee of the right to use said asset.
From the lessor's point of view, the impact is expected to be limited since the provisions adopted remain substantially the same as those of the current IAS 17.
From the lessee's point of view, in respect of all operating leases, the following must be recognized:
– in property, plant and equipment: an asset representing the right to use the leased asset ("right-of-use asset"),
– in liabilities, a liability representing the obligation to make lease payments throughout the lease term, and
– in the income statement, the expense related to the straight-line depreciation of the asset, separately from the interest expense calculated on an actuarial basis, on the financial liability.

By way of reminder, under IAS 17, the standard currently in force, no amount is recognized in the balance sheet and lease costs are recognized as operating expenses.
The group continues the work of analyzing this standard, particularly as regards the various options available (first-time application, separation of components, discount rate, etc.) and identifying its leases. It is expected to have the greatest impact on real property, and less so on the other areas (IT, vehicle fleet, etc.).

- **IFRS 17 – Insurance Contracts**

Starting in 2021, IFRS 17 will replace IFRS 4, which allows insurance companies to maintain their local accounting policies for their liabilities, which makes it difficult to compare the financial statements of entities in this sector.
The aim of IFRS 17 is to harmonize the recognition of the various types of insurance contracts and to base their valuation on a prospective assessment of insurers' commitments. This requires greater use of complex models and concepts similar to those of Solvency II. Significant changes must also be made to financial reporting.

Changes in consolidation scope during the first half of 2017:

1. **Newly-consolidated branch**
   - Hong Kong branch.

2. **Merger**
   - Merger of CM-CIC Proximité with CM-CIC Investissement SCR.

RELATED PARTIES

Information on related-party transactions during the first six months of this year is provided in Note 39 to the consolidated financial statements at June 30, 2017.

PRINCIPAL RISKS AND UNCERTAINTIES FOR THE SECOND HALF OF 2017

RISKS

The nature and level of risks to which the Group is exposed relative to the risk factors did not undergo any major changes compared to the situation described in pages 85 to 157 in the Financial Items section of the 2016 Registration Document and Annual Financial Report, with the exception of credit risk and sovereign risks.

Credit risk
In accordance with the request of the market supervisor and regulator, the sensitive exposures based on the recommendations of the Financial Stability Board are presented in Note 10b to the consolidated financial statements.

Sovereign risks
Outstandings and detailed information are presented in Note 7a to CIC's consolidated financial statements.

UNCERTAINTIES

During the second half of the year, we expect continued improvement in global growth, driven mainly by the United States (with possible reforms by the Trump administration which would be a plus) and by Europe. Despite uncertainties surrounding the Brexit negotiations, the easing of political risk in the euro zone (along with a strengthened Franco-German alliance) will allow the ECB to continue to gradually tighten its monetary policy, which will support the upward movement in global sovereign yields.

However, several factors could undermine our scenario:
– The Trump administration's inability to introduce reforms, even if economic growth in the US is strong enough to do without them;
– On the other hand, far-reaching protectionist measures on the part of the US administration, which would mainly penalize emerging countries, including China;

– A further drop in inflation rates in the United States or Europe, particularly if oil prices fall more sharply than they have in recent weeks, which would hinder central banks' efforts to normalize their monetary policies.

2. Condensed consolidated financial statements

Crédit Industriel et Commercial

CONSOLIDATED FINANCIAL STATEMENTS

AT JUNE 30, 2017

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – ASSETS

(in € millions)	Notes	June 30, 2017	December 31, 2016
Cash and amounts due from central banks	4	36,177	36,814
Financial assets at fair value through profit or loss	5	15,278	14,037
Derivatives used for hedging purposes	6	631	827
Available-for-sale financial assets	7	12,688	13,632
Loans and receivables due from credit institutions	4	34,750	22,458
Loans and receivables due from customers	8	167,584	166,063
Remeasurement adjustment on interest-rate risk hedged portfolios	9	414	486
Held-to-maturity financial assets	10	64	63
Current tax assets	11	453	485
Deferred tax assets	12	317	379
Accruals and other assets	13	10,706	10,744
Non-current assets held for sale	2c	2,394	0
Investments in associates	14	1,755	1,744
Investment property	15	32	32
Property and equipment and finance leases (lessee accounting)	16	1,309	1,333
Intangible assets	17	187	186
Goodwill	18	33	33
Total assets		**284,772**	**269,316**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY

(in € millions)	**Notes**	**June 30, 2017**	**December 31, 2016**
Due to central banks	**19**	0	0
Financial liabilities at fair value through profit or loss	**20**	6,780	6,167
Derivatives used for hedging purposes	**6**	2,665	3,300
Due to credit institutions	**19**	80,363	76,162
Due to customers	**21**	144,664	138,772
Debt securities	**22**	21,292	23,638
Remeasurement adjustment on interest-rate risk hedged portfolios	**9**	(429)	(607)
Current tax liabilities	**11**	267	238
Deferred tax liabilities	**12**	258	270
Accruals and other liabilities	**23**	9,184	4,523
Liabilities associated with non-current assets held for sale	**2c**	2,389	0
Provisions	**24**	1,023	1,092
Subordinated debt	**25**	1,812	1,644
Equity		14,504	14,117
. Shareholders' equity attributable to the group		14,445	14,055
- Subscribed capital		*608*	*608*
- Share premiums		*1,088*	*1,088*
- Consolidated reserves		*11,763*	*10,752*
- Unrealized gains and losses recognized directly in shareholders' equity	**26a**	*271*	*255*
- Net income for the year		*715*	*1,352*
. Non-controlling interests		59	62
Total liabilities and equity		**284,772**	**269,316**

CONSOLIDATED INCOME STATEMENT

(in € millions)	Notes	June 30, 2017	June 30, 2016
Interest and similar income	28	3,659	3,796
Interest and similar expense	28	(2,639)	(2,692)
Commission income	29	1,345	1,185
Commission expense	29	(310)	(252)
Net gains/(losses) on financial instruments at fair value through profit or loss	30	486	355
Net gains/(losses) on available-for-sale financial assets	31	99	40
Income from other activities	32	51	135
Expenses on other activities	32	(37)	(53)
Net banking income		**2,654**	**2,514**
Payroll costs	33a	(892)	(900)
Other general operating expenses	33c	(678)	(658)
Depreciation and amortization	34	(65)	(67)
Operating income before provisions		**1,019**	**889**
Net provision allocations/reversals for loan losses	35	(61)	(67)
Operating income after provisions		**958**	**822**
Share of income/(loss) of associates	14	81	67
Net gains/(losses) on disposals of other assets	36	(3)	11
Income before tax		**1,036**	**900**
Corporate income tax	37	(319)	(270)
Post-tax gains/(losses) on activities held for sale		5	46
Net income		**722**	**676**
Net income attributable to non-controlling interests		7	2
Net income attributable to the group		**715**	**674**
Basic earnings per share (in €)	38	18.91	17.83
Diluted earnings per share (in €)	38	18.91	17.83

NET INCOME AND GAINS AND LOSSES RECOGNIZED DIRECTLY IN SHAREHOLDERS' EQUITY

in € millions	June 30, 2017	June 30, 2016
Net income	**722**	**676**
Translation adjustments	(68)	(95)
Remeasurement of available-for-sale financial assets	91	88
Remeasurement of hedging derivatives	1	0
Share of unrealized or deferred gains and losses of associates	(15)	48
Total gains and losses recognized directly in shareholder's equity that may be recycled to profit or loss	**9**	**41**
Remeasurement of non-current assets		
Actuarial gains and losses on defined benefit plans	7	(10)
Share of unrealized or deferred gains and losses of associates	0	(0)
Total gains and losses recognized directly in shareholder's equity that may not be recycled to profit or loss	**7**	**(10)**
Net income and gains and losses recognized directly in shareholders' equity	**738**	**707**
Attributable to the group	731	705
Non-controlling interests	7	2

The items relating to gains and losses recognized directly in shareholders' equity are presented net of tax.

CIC Group June 30, 2017												
in € millions	Shareholders' equity attributable to the group										Non-controlling interests	Total consolidated equity
	Capital	Additional paid-in capital	Elimination of treasury shares	Reserves (1)	Gains and losses recognized directly in shareholders' equity				Net income	Total		
					Translation adjustments	AFS assets (2)	Hedging instruments	Actuarial gains and losses				
Balance at Jan. 1, 2016	608	1,088	(55)	10,070	161	130	0	(44)	1,111	13,069	64	13,133
Appropriation of prior year earnings				1,111					(1,111)	0		0
Dividends paid				(321)						(321)	(5)	(326)
Change in investments in subsidiaries without loss of control										0	(4)	(4)
Sub-total: movements arising from shareholder relations	0	0	0	790	0	0	0	0	(1,111)	(321)	(9)	(330)
Consolidated net income for the period									674	674	2	676
Translation adjustments					(95)					(95)		(95)
Changes in fair value of AFS assets (2)						136				136		136
Changes in fair value of hedging instruments										0		0
Changes in actuarial gains and losses								(10)		(10)		(10)
Sub-total	0	0	0	0	(95)	136	0	(10)	674	705	2	707
Other movements				(5)		1				(4)		(4)
Balance at June 30, 2016	608	1,088	(55)	10,855	66	267	0	(54)	674	13,449	57	13,506
Balance at July 1, 2016	608	1,088	(55)	10,855	66	267	0	(54)	674	13,449	57	13,506
Acquisitions of additional equity investments or partial disposals of equity investments										0	(2)	(2)
Sub-total: movements arising from shareholder relations	0	0	0	0	0	0	0	0	0	0	(2)	(2)
Consolidated net income for the period									678	678	7	685
Translation adjustments					32					32		32
Changes in fair value of AFS assets (2)						(51)				(51)		(51)
Changes in fair value of hedging instruments										0		0
Changes in actuarial gains and losses								(2)		(2)		(2)
Sub-total	0	0	0	0	32	(51)	0	(2)	678	657	7	664
Other movements				(48)	(1)	(2)				(51)		(51)
Balance at Dec. 31, 2016	608	1,088	(55)	10,807	97	214	0	(56)	1,352	14,055	62	14,117
Balance at Jan. 1, 2017	608	1,088	(55)	10,807	97	214	0	(56)	1,352	14,055	62	14,117
Appropriation of prior year earnings				1,352					(1,352)	0		0
Dividends paid				(340)						(340)	(10)	(350)
Acquisitions of additional equity investments or partial disposals of equity investments										0		0
Sub-total: movements arising from shareholder relations	0	0	0	1,012	0	0	0	0	(1,352)	(340)	(10)	(350)
Consolidated net income for the period									715	715	7	722
Translation adjustments					(68)					(68)		(68)
Changes in fair value of AFS assets (2)						76				76		76
Changes in fair value of hedging instruments							1			1		1
Changes in actuarial gains and losses								7		7		7
Sub-total	0	0	0	0	(68)	76	1	7	715	731	7	738
Effects of acquisitions and disposals on non-controlling interests										0		0
Other movements (3)				(1)	1			(1)		(1)		(1)
Balance at June 30, 2017	608	1,088	(55)	11,818	30	290	1	(50)	715	14,445	59	14,504

(1) At June 30, 2017 reserves comprised the legal reserve for €61 million, the special long-term capital gains reserve for €287 million, retained earnings for €188 million, other CIC reserves for €5,820 million and post-acquisition retained earnings for €5,462 million.

(2) AFS: Available for sale

CONSOLIDATED STATEMENT OF CASH FLOWS	First half 2017	First half 2016
in € millions		
Net income	722	676
Corporate income tax	319	270
Income before tax	**1,041**	**946**
+/- Net depreciation/amortization expense on property and equipment and intangible assets	65	66
- Impairment of goodwill and other non-current assets	1	
+/- Net additions to provisions and impairment	-64	-46
+/- Share of income/loss of associates	-81	-67
+/- Net loss/gain from investing activities	2	8
+/- (Income)/expense from financing activities		
+/- Other movements	-71	21
Non-monetary items included in income before tax and other adjustments	**-148**	**-18**
+/- Cash flows relating to interbank transactions	-9,298	-1,011
+/- Cash flows relating to customer transactions	3,723	16
+/- Cash flows relating to other transactions affecting financial assets or liabilities	-2,883	5,962
+/- Cash flows relating to other transactions affecting non-financial assets or liabilities	4,672	-3,407
- Taxes paid	-265	-259
Net decrease/(increase) in assets and liabilities from operating activities	**-4,051**	**1,301**
Cash flows from (used in) operating activities (A)	**-3,158**	**2,229**
+/- Cash flows relating to financial assets and investments	-88	13
+/- Cash flows relating to investment property	-1	1
+/- Cash flows relating to property and equipment and intangible assets	-44	-34
Cash flows from (used in) investing activities (B)	**-133**	**-20**
+/- Cash flows relating to transactions with shareholders (1)	-297	-273
+/- Other net cash flows relating to financing activities (2)	1,483	666
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)	**1,186**	**393**
Impact of movements in exchange rates on cash and cash equivalents (D)	**-117**	**-71**
Net increase/(decrease) in cash and cash equivalents (A + B + C + D)	**-2,222**	**2,531**
Net cash flows from (used in) operating activities (A)	-3,158	2,229
Net cash flows from (used in) investing activities (B)	-133	-20
Net cash flows from (used in) financing activities (C)	1,186	393
Impact of movements in exchange rates on cash and cash equivalents (D)	-117	-71
Cash and cash equivalents at beginning of year	**35,273**	**30,317**
Cash accounts and accounts with central banks	36,813	7,563
Demand loans and deposits – credit institutions	-1,540	22,754
Cash and cash equivalents at end of year	**33,051**	**32,848**
Cash accounts and accounts with central banks	36,177	10,491
Demand loans and deposits – credit institutions	-3,126	22,357
Change in cash and cash equivalents	**-2,222**	**2,531**

(1) Cash flow relating to transactions with shareholders included:
- dividends paid by CIC to its shareholders for €(340) million for fiscal year 2016;
- dividends paid to non-controlling shareholders for €(5) million;
- dividends received from associates for €53 million.

(2) Other net cash flows relating to financing activities comprised:
- the issue of subordinated loans representing a net amount of €169 million.
- the issue and redemption of bonds representing a net amount of €1,314 million.

NOTE 1 - Accounting principles and methods

Pursuant to regulation (EC) 1606/2002 on the application of international accounting standards and regulation (EC) 1126/2008 on the adoption of said standards, the consolidated financial statements have been drawn up in accordance with IFRS as adopted by the European Union at June 30, 2017. These standards include IAS 1 to IAS 41, IFRS 1 to IFRS 8 and IFRS 10 to IFRS 13 as well as any related SIC and IFRIC interpretations adopted as of that date. Standards not adopted by the European Union have not been applied. The financial statements are presented in accordance with CNC recommendation 2009-R.04. All IAS and IFRS are available on the European Commission's website at: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs-financial-statements

These interim financial statements have been prepared in accordance with IAS 34 relating to interim financial reporting, which allows the publication of condensed financial statements. They supplement the financial statements for the year ended December 31, 2016 presented in the 2016 Registration Document.

The Group's business is not subject to seasonal or cyclical effects. Estimates and assumptions may have been used in the valuation of statement of financial position items.

Standards and interpretations not yet applied

Standards and interpretations adopted by the European Union and not yet applied

- **IFRS 9 – Financial Instruments**

IFRS 9 is to replace IAS 39 Financial Instruments: Recognition and Measurement. It defines new rules concerning:

- classification and measurement of financial instruments (phase 1),
- impairment provisions for credit losses on financial assets (phase 2), and
- hedge accounting, excluding macro-hedging (phase 3).

Its application will become mandatory as of January 1, 2018. The classification and measurement provisions, as well as the new IFRS 9 impairment model, are to be applied retrospectively by adjusting the opening balance sheet on the date of first application. There is no obligation to restate the financial years shown by way of comparison. The group will, therefore, present its 2018 financial statements without adjusting the comparative figures to comply with the IFRS 9 format: the explanation for the transition of the portfolios from IAS 39 to IFRS 9 and the impacts on equity will be provided in the notes to the financial statements.

The group launched the project in project mode in the second quarter of 2015. It brings together the various departments concerned (finance, risk, IT, etc.) and is structured around the "National consolidation" steering committee coordinated by the Financial Management Department of Confédération Nationale du Crédit Mutuel (CNCM), the ultimate consolidating entity of the Crédit Mutuel group, which includes CIC. The project is organized into working groups, to cover the various phases and instruments (loans, securities and derivatives); the CNCM Risk department has overall responsibility for the work on the impairment models. Work began in 2016 on the changes that will need to be made to the IT systems. This work is continuing in 2017.

The IFRS 4 amendment was extended to bankinsurers following the vote by the ARC on June 29. Given that the group's insurance divisions meet the criteria specified in the amendment, and to avoid any competitive distortion with traditional insurers, the group decided to defer the application of IFRS 9 for these entities until 2021. However, they continue to be fully involved in the project.

Information for each phase is presented below.

- *Phase 1 - Classification and measurement*

Under IFRS 9, the classification and measurement of financial assets will depend on the business model and the contractual characteristics of the instruments, which could result in the classification and/or measurement of certain financial assets being different from that under IAS 39.

Loans, receivables and debt securities acquired will be classified:

- at amortized cost, if the objective of the business model is to hold the financial asset to collect the contractual cash flows, and if the cash flows consist solely of payments of principal and interest on the principal amount outstanding (analysis carried out via the solely payments of principal and interest (SPPI) test),
- at fair value through other comprehensive income, if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, depending on the circumstances, and if the cash flows are solely payments of principal and interest on the principal amount outstanding. If such instruments are sold, the unrealized gains or losses previously recognized in other comprehensive income will be recognized in profit or loss, as is currently the case under IAS 39 when an instrument is classified as available for sale (AFS),
- at fair value through profit or loss, if they are not eligible to be classified within the two aforementioned categories or if the group chooses to classify them as such, in order to reduce an accounting mismatch.

Equity instruments acquired (shares, in particular) will be classified:

- at fair value through profit or loss, or
- at fair value through other comprehensive income. In the event of the sale of such instruments, the unrealized gains or losses previously recognized in other comprehensive income will not be recycled to profit or loss, contrary to current practice when instruments are classified as available for sale (AFS). Only dividends will be recognized in profit or loss.

It should be noted that:

- embedded derivatives in financial assets may no longer be recognized separately from the host contract,
- the provisions of IAS 39 related to the derecognition of assets are replicated in IFRS 9 without amendment,
- the same will apply to the provisions relating to financial liabilities, except the recognition of changes in fair value, resulting from the credit risk specific to the liabilities for which the entity has elected for recognition at fair value through profit or loss. These changes are no longer to be recognized in profit in loss: instead, they are to be recognized in unrealized or deferred gains and losses within other comprehensive income. The issue of specific credit risk has very little impact on the group.

The aim of the operational work carried out within the group since the beginning of 2017 was to:

- update the mapping of the instruments, as regards both the rates and the various contractual provisions,
- finalize the SPPI tests, and
- continue the work of documenting the various instruments, as regards both the characteristics of the instruments and the business models.

At this stage, the main reclassifications into the fair value through profit or loss category will be units in UCITS or UCIs and certain convertible or structured bonds: these reclassifications will have only a modest impact.

➢ *Phase 2 – Impairment*

The section of IFRS 9 relating to credit risk impairment responds to the criticisms raised concerning the incurred credit loss model under IAS 39, i.e. that it causes accounting for credit losses to be delayed and the amounts of the credit losses recognized to be too low.

IFRS 9 allows provisioning for incurred credit losses to be replaced by provisioning for expected credit losses. Impairment provisions will be recognized, as regards financial assets for which there are no objective indications of losses on an individual basis, based not only on past losses observed but also on reasonable and justifiable cash flow forecasts.

This more forward-looking approach to credit risk is already taken into account, in part, when collective provisions are currently recognized on portfolios of financial assets with similar characteristics, pursuant to IAS 39.

Therefore, the new impairment model introduced by IFRS 9 will apply to all debt instruments measured at amortized cost or at fair value through other comprehensive income. Such instruments will be divided into three categories:

– Status 1: loss allowance provided for on the basis of the 12-month expected credit losses (resulting from the default risks over the following 12 months) as from initial recognition of the financial assets, provided that the credit risk has not increased significantly since initial recognition,

– Status 2: loss allowance provided for on the basis of the lifetime expected credit losses (resulting from the default risks over the entire residual life of the instrument) if the credit risk has increased significantly since initial recognition, and
– Status 3: category comprising credit-impaired financial assets for which there is an objective indication of impairment related to an event that has occurred since the loan was granted. This category is the same as the scope of the loans currently provided for on an individual basis under IAS 39.

The assessment as to whether there has been a significant increase in the credit risk will be carried out by:

- taking into account all reasonable and justifiable information, and
- comparing the risk of default on the financial instrument as of the reporting date with the risk of default as of the initial recognition date.

For the group, this involves measuring the risk at the level of the borrower, with the change in the risk assessed on a contract-by-contract basis.

The primary aim of the operational work carried out within the group since the beginning of 2017 was to:

- clarify the boundary between statuses 1 and 2:
    - the group will use the models developed for prudential purposes and the assessment of the 12-month default risk (represented by a rating or default rate), as authorized by the standard.
    - as well as this quantitative data, it will use qualitative criteria such as installments that are unpaid or overdue by more than 30 days, the concept of restructured loans, etc.
    - less complex methods will be used for those entities or small portfolios that are classified for prudential purposes under the standardized approach and do not have a rating system.
- define the method used to calculate probabilities of default and the method for taking forward-looking information into account in the parameters.

At this stage, the group believes that the level of impairment, under IFRS 9, of statuses 1 and 2 will be significantly higher than the collective provisions currently recognized under IAS 39. Since measures are currently being taken to increase the reliability of the entire process, the group chooses not to disclose information on the quantified impacts at June 30, 2017.

- *Phase 3 – Hedge accounting*

IFRS 9 allows entities to choose, on first-time application, whether to apply the new provisions concerning hedge accounting or to retain those of IAS 39.

The group has elected to continue to apply the current provisions. Additional information will, however, be disclosed in the notes to the financial statements on risk management and the effects of hedge accounting on the financial statements, in accordance with revised IFRS 7.

It should be noted in addition that the provisions stipulated in IAS 39 concerning the fair value hedge of interest rate risk associated with a portfolio of financial assets or financial liabilities, as adopted by the European Union, will continue to apply.

- **IFRS 15 – Revenue from Contracts with Customers**

This standard will replace several standards and interpretations relating to revenue recognition (in particular IAS 18 - Revenue and IAS 11 - Construction Contracts). It will not, however, affect revenue from leases, insurance contracts or financial instruments.

The recognition of revenue from contracts must reflect the transfer of control of the good (or service) to a customer, for the amount to which the vendor expects to be entitled. To this end, the standard has developed a five-stage model enabling the entity to determine when and in what amount the revenue from its ordinary activities must be recognized:

- Identify the contract(s) with a customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contract, and
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Application of the standard will become mandatory for accounting periods beginning on or after January 1, 2018.

An analysis of the standard and an initial identification of its potential effects were carried out in 2016.

The main business lines/products to be analyzed were the packaged banking services, asset management (performance fees), telephony and IT activities.

At this stage, the impacts are expected to be limited.

Standards and interpretations not yet adopted by the European Union

The following are of particular note:

- IFRS 16 - Leases, first-time application of which is scheduled for January 1, 2019, subject to its adoption by the European Union,
- the amendments to IFRS 4 linked to IFRS 9 (scheduled application date: January 1, 2018): see previous note on IFRS 9.
- IFRS 17 on insurance contracts

- **IFRS 16 – Leases**

IFRS 16 will replace IAS 17 and the interpretations relating to lease accounting.

Pursuant to IFRS 16, for a contract to qualify as a lease, there must be both the identification of an asset and control by the lessee of the right to use said asset.

From the lessor's point of view, the impact is expected to be limited since the provisions adopted remain substantially the same as those of the current IAS 17.

From the lessee's point of view, in respect of all operating leases, the following must be recognized:

- in property, plant and equipment: an asset representing the right to use the leased asset ("right-of-use asset"),
- in liabilities, a liability representing the obligation to make lease payments throughout the lease term, and
- in the income statement, the expense related to the straight-line depreciation of the asset, separately from the interest expense calculated on an actuarial basis, on the financial liability.

By way of reminder, under IAS 17, the standard currently in force, no amount is recognized in the balance sheet and lease costs are recognized as operating expenses.

The group continues the work of analyzing this standard, particularly as regards the various options available (first-time application, separation of components, discount rate, etc.) and identifying its leases. It is expected to have the greatest impact on real property, and less so on the other areas (IT, vehicle fleet, etc.).

IFRS 17 – Insurance Contracts

Starting in 2021, IFRS 17 will replace IFRS 4, which allows insurance companies to maintain their local accounting policies for their liabilities, which makes it difficult to compare the financial statements of entities in this sector.

The aim of IFRS 17 is to harmonize the recognition of the various types of insurance contracts and to base their valuation on a prospective assessment of insurers' commitments. This requires greater use of complex models and concepts similar to those of Solvency II. Significant changes must also be made to financial reporting.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements are presented in millions of euros.

NOTE 2a – Consolidation scope

Newly-consolidated company:
- CIC Hong Kong (branch)

Merger:
- Absorption of CM-CIC Proximité by CM-CIC Investissement SCR

Company	Currency	Country		June 30, 2017			Dec. 31, 2016		
				Percentage		Method	Percentage		Method
				Voting rights	Interest	*	Voting rights	Interest	*
Consolidating company: Crédit Industriel et Commercial - CIC									
CIC Hong Kong (branch)	USD	Hong Kong		100	100	FC			
CIC Londres (branch)	GBP	United Kingdom		100	100	FC	100	100	FC
CIC New York (branch)	USD	United States		100	100	FC	100	100	FC
CIC Singapour (branch)	USD	Singapore		100	100	FC	100	100	FC
A. Banking network									
Regional banks									
CIC Est		France	(i)	100	100	FC	100	100	FC
CIC Lyonnaise de Banque		France	(i)	100	100	FC	100	100	FC
CIC Nord Ouest		France	(i)	100	100	FC	100	100	FC
CIC Ouest		France	(i)	100	100	FC	100	100	FC
CIC Sud Ouest		France	(i)	100	100	FC	100	100	FC
B. Banking network subsidiaries									
CM-CIC Asset Management		France		24	24	EM	24	24	EM
CM-CIC Bail		France	(i)	99	99	FC	99	99	FC
CM-CIC Bail Espagne (branch)		Spain		100	99	FC	100	99	FC
CM-CIC Épargne Salariale		France	(i)	100	100	FC	100	100	FC
CM-CIC Factor		France	(i)	96	95	FC	96	95	FC
CM-CIC Lease		France		54	54	FC	54	54	FC
CM-CIC Leasing Benelux		Belgium		100	99	FC	100	99	FC
CM-CIC Leasing GMBH		Germany		100	99	FC	100	99	FC
C. Financing and capital markets									
Cigogne Management		Luxembourg		60	60	FC	60	60	FC
Diversified Debt Securities SICAV - SIF		Luxembourg		100	100	FC	100	100	FC
D. Private banking									
Banque CIC (Suisse)	CHF	Switzerland		100	100	FC	100	100	FC
Banque de Luxembourg		Luxembourg		100	100	FC	100	100	FC
Banque Transatlantique		France	(i)	100	100	FC	100	100	FC
Banque Transatlantique Londres (branch)	GBP	United Kingdom		100	100	FC	100	100	FC
Banque Transatlantique Belgium		Belgium		100	100	FC	100	100	FC
Banque Transatlantique Luxembourg		Luxembourg		100	100	FC	100	100	FC
Dubly-Douilhet Gestion		France	(i)	100	100	FC	100	100	FC
Transatlantique Gestion		France	(i)	100	100	FC	100	100	FC
E. Private equity									
CM-CIC Capital et Participations		France	(i)	100	100	FC	100	100	FC
CM-CIC Conseil		France	(i)	100	100	FC	100	100	FC
CM-CIC Innovation		France		100	100	FC	100	100	FC
CM-CIC Investissement		France	(i)	100	100	FC	100	100	FC
CM-CIC Investissement SCR		France		100	100	FC	100	100	FC
CM-CIC Proximité		France				MER	100	100	FC
F. HQ, holding company services and logistics									
Adepi		France	(i)	100	100	FC	100	100	FC
CIC Participations		France	(i)	100	100	FC	100	100	FC
Gesteurop		France	(i)	100	100	FC	100	100	FC
G. Insurance company									
Groupe des Assurances du Crédit Mutuel (GACM)**		France		21	21	EM	21	21	EM

* Method: MER = merger; FC = full consolidation; EM = equity method; NC = not consolidated

** Based on the consolidated financial statements

(i) = Members of the tax consolidation group set up by CIC

Information on the group's presence and activities in non-cooperative countries or territories included in the list established by the decree dated December 21, 2015: The Group does not have a presence that meets the criteria defined by the order dated October 6, 2009.

NOTE 2b - Fully consolidated entities with significant non-controlling interests

June 30, 2017	Percentage of non-controlling interests in the consolidated financial statements				Financial information about fully-consolidated entities (1)			
	Percentage of interest	Net income	Amount in shareholders' equity (2)	Dividends paid to non-controlling interests	Total assets	OCI	Net banking income	Net income
CM-CIC Lease	46%	3	34	(5)	4,435	0	20	7
Cigogne Management	40%	4	8	(4)	68	0	16	10
CM-CIC Factor	5%	0	7	0	6,124	(1)	44	4

(1) Amounts before elimination of intra-group accounts and transactions

(2) Excluding net income

Dec. 31, 2016	Percentage of non-controlling interests in the consolidated financial statements				Financial information about fully-consolidated entities (1)			
	Percentage of interest	Net income	Amount in shareholders' equity (2)	Dividends paid to non-controlling interests	Total assets	OCI	Net banking income	Net income
CM-CIC Lease	46%	4	35	(0)	4,401	0	29	8
Cigogne Management	40%	5	8	(5)	53	0	21	12
CM-CIC Factor	5%	0	6	0	6,773	(1)	86	4

(1) Amounts before elimination of intra-group accounts and transactions

(2) Excluding net income

NOTE 2c - Non-current assets held for sale and discontinued operations

Pursuant to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the Singapore branch's private banking business is classified within Non-current assets held for sale, Liabilities associated with non-current assets held for sale and Post-tax gains/(losses) on activities held for sale. The disposal of this business was announced in the first half 2017.

Breakdown of *Non-current assets held for sale*	**June 30, 2017**	**Dec. 31, 2016**
Financial assets	31	
Customer loans	2,363	
Total	**2,394**	**0**

Breakdown of *Liabilities associated with non-current assets held for sale*	**June 30, 2017**	**Dec. 31, 2016**
Financial liabilities	8	
Due to credit institutions	1,611	
Due to customers	770	
Total	**2,389**	**0**

NOTE 3 - Analysis of income statement by business segment and geographic area

Business segment analysis principles

► Retail banking includes a) the branch network consisting of the regional banks and the CIC network in Ile-de-France and b) the specialized activities whose product marketing is performed by the network: equipment and real estate leasing, factoring, collective investment for third parties, employee savings plans and real estate. The insurance business – which is accounted for using the equity method – is included in this business segment.

► Financing and capital markets comprises a) credit facilities for large corporate and institutional customers, specialized financing and international operations; and b) capital markets operations, which comprise investments in activities involving fixed-income instruments, equities and loans ("ITAC") as well as brokerage services.

► Private banking comprises all companies engaged primarily in wealth management, both within and outside France.

► Private equity conducts proprietary transactions and includes financial engineering services via dedicated entities. The entire portfolio is accounted for under the fair value option.

► The holding company includes all activities not assigned to another business.

Each consolidated company is included in only one business segment, corresponding to its core business in terms of contribution to the group's results, with the exception of CIC, whose individual accounts are allocated on a cost accounting basis.

Analysis of income statement by business segment

June 30, 2017	Retail banking	Financing and capital markets	Private banking	Private equity	Holding company	Total
Net banking income/(expense)	1,805	450	263	169	(33)	**2,654**
General operating expenses	(1,208)	(170)	(171)	(25)	(61)	**(1,635)**
Operating income before provisions	**597**	**280**	**92**	**144**	**(94)**	**1,019**
Net provision allocations/reversals for loan losses	(91)	27	1		2	**(61)**
Gains on other assets (1)	79		(1)			**78**
Income before tax	**585**	**307**	**92**	**144**	**(92)**	**1,036**
Corporate income tax	(200)	(105)	(21)	2	5	**(319)**
Post-tax gains/(losses) on discontinued operations			5			**5**
Net income	**385**	**202**	**76**	**146**	**(87)**	**722**

June 30, 2016	Retail banking	Financing and capital markets	Private banking	Private equity	Holding company	Total
Net banking income/(expense)	1,737	349	271	122	35	**2,514**
General operating expenses	(1,212)	(156)	(178)	(22)	(57)	**(1,625)**
Operating income before provisions	**525**	**193**	**93**	**100**	**(22)**	**889**
Net provision allocations/reversals for loan losses	(68)	1	(1)		1	**(67)**
Gains on other assets (1)	68		10			**78**
Income before tax	**525**	**194**	**102**	**100**	**(21)**	**900**
Corporate income tax	(167)	(66)	(16)	(1)	(20)	**(270)**
Post-tax gains/(losses) on discontinued operations			(20)		66	**46**
Net income	**358**	**128**	**66**	**99**	**25**	**676**

(1) Including net income from associates (companies accounted for using the equity method) and impairment losses on goodwill

* Following the reclassification of the Group Treasury activity from capital market operations to the Holding company services business line.

Breakdown of income statement items by geographic area

	June 30, 2017				June 30, 2016			
	France	Europe excluding France	Other countries (1)	**Total**	France	Europe excluding France	Other countries (1)	**Total**
Net banking income/(expense)	**2,307**	**250**	**97**	**2,654**	**2,158**	**236**	**120**	**2,514**
General operating expenses	(1,447)	(147)	(41)	**(1,635)**	(1,435)	(136)	(54)	**(1,625)**
Operating income before provisions	**860**	**103**	**56**	**1,019**	**723**	**100**	**66**	**889**
Net provision allocations/reversals for loan losses	(79)	5	13	**(61)**	(67)	(4)	4	**(67)**
Gains on other assets (2)	78	(0)	0	**78**	68	10	0	**78**
Income before tax	**859**	**108**	**69**	**1,036**	**724**	**106**	**70**	**900**
Corporate income tax	(276)	(20)	(23)	**(319)**	(236)	(12)	(22)	(270)
Post-tax gains/(losses) on discontinued operations	0	0	5	**5**	66	(20)	0	46
Net income	**583**	**88**	**51**	**722**	**554**	**74**	**48**	**676**

(1) USA and Singapore

(2) Including net income from associates (companies accounted for using the equity method) and impairment losses on goodwill

NOTES TO THE STATEMENT OF FINANCIAL POSITION - ASSETS

NOTE 4 - Cash, amounts due from central banks and loans and receivables due from credit institutions

	June 30, 2017	Dec. 31, 2016
Cash and amounts due from central banks		
Due to central banks	35,865	36,454
of which reserve requirements	*1,135*	*1,055*
Cash	312	360
Total	**36,177**	**36,814**
Loans and receivables due from credit institutions		
Current accounts	6,781	6,828
Loans	16,538	6,477
Other receivables	527	570
Securities not quoted on an active market	350	462
Repurchase agreements	10,515	8,076
Individually-impaired receivables	0	0
Accrued interest	39	45
Impairment provisions	(0)	(0)
Total	**34,750**	**22,458**
Including non-voting loan stock	164	164

NOTE 5 - Financial assets at fair value through profit or loss

	June 30, 2017	Dec. 31, 2016
Financial assets under the fair value through profit or loss option	2,547	2,313
Financial assets held for trading	12,731	11,724
Total	**15,278**	**14,037**

NOTE 5a - Financial assets under the fair value through profit or loss option

	June 30, 2017	Dec. 31, 2016
Securities		
Government securities	0	0
Bonds and other fixed-income securities		
- Quoted	91	87
- Not quoted	325	264
Equities and other variable-income securities (1)		
- Quoted	353	362
- Not quoted	1,778	1,600
Other financial assets		
- Repurchase agreements	0	0
- Other loans and term deposits	(0)	0
Total	**2,547**	**2,313**

(1) Securities relating to the private equity business are measured at fair value through profit or loss and represent almost all of this item.

NOTE 5b - Financial assets held for trading

	June 30, 2017	Dec. 31, 2016
Securities		
Government securities	1,461	865
Bonds and other fixed-income securities		
- Quoted	6,475	6,241
- Not quoted	0	0
Equities and other variable-income securities		
- Quoted	1,484	666
- Not quoted	0	0
Derivatives held for trading	3,311	3,952
Total	**12,731**	**11,724**

Financial assets held for trading relate to financial assets held in connection with capital markets activities.

NOTE 5c - Analysis of derivative instruments

	June 30, 2017			Dec. 31, 2016		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Derivatives held for trading						
Interest rate derivatives						
- Swaps	67,602	2,181	2,162	67,368	2,485	2,629
- Futures and forward contracts	123,387	2	3	53,867	5	1
- Options	23,371	43	84	21,486	32	21
Foreign exchange derivatives						
- Swaps	65,762	56	82	58,582	73	70
- Futures and forward contracts	8,516	587	595	7,121	572	547
- Options	26,044	111	122	24,989	199	191
Other derivatives						
- Swaps	14,466	104	139	12,733	73	129
- Futures and forward contracts	4,252	23	97	1,157	14	63
- Options	8,530	204	235	11,784	499	531
Sub-total	**341,930**	**3,311**	**3,519**	**259,087**	**3,952**	**4,182**
Derivatives used for hedging purposes						
Derivatives designated as fair value hedges						
- Swaps	49,368	635	2,664	65,238	827	3,299
- Futures and forward contracts	389	0	0	477	0	0
- Options	0	(4)	1	0	(0)	1
Derivatives designated as cash flow hedges						
- Swaps	0	0	0	0	0	0
- Futures and forward contracts	0			0		
- Options	0	0		0	0	
Sub-total	**49,757**	**631**	**2,665**	**65,715**	**827**	**3,300**
Total	**391,687**	**3,942**	**6,184**	**324,802**	**4,779**	**7,482**

As of June 30, 2017, the CVA and FVA were expenses totaling €25 million and €10 million respectively, compared with expenses of €39 million and €14 million as of December 31, 2016.

The DVA totaled €2 million as of June 30, 2017, compared with €3 million as of December 31, 2016.

The exposures needed to calculate the CVA, DVA and FVA adjustments are determined using Monte Carlo simulations.

The interest rate diffusion model used for mature economies is a linear Gaussian model with two factors. This model is used for economies that have a sufficient level of information on the market via market prices of options. For secondary economies, the interest rate diffusion model used is a Hull and White model with one factor. This model is used for those economies for which there is no information on the market. The exchange rate model is a model with a specific factor of a log-normal type. The credit model is an intensity model.

All of the OTC derivative transactions are taken into account for the CVA, whilst only collateralized deals are taken into account for the DVA and only the non-collateralized deals are taken into account for the FVA: the collateral is remunerated at a rate equivalent to that used to construct the associated discounting curves.
For the CVA/DVA, the credit spread is a market spread (CDS) for those counterparties whose CDS is listed and liquid; for the other counterparties, the spread resulting from historical default probabilities is adjusted in accordance with market levels as required by the prudential and accounting regulators.

The spread used to calculate the FVA is deducted from the quotations on the secondary market of BFCM's issues.

A scope (equity, fixed income products and non-vanilla credit, etc.) whose weight is between 10% and 15% is not taken into account in the calculation: a grossing-up factor calibrated each month enables an additional provision to be calculated in respect of these transactions.

NOTE 5d - Fair value hierarchy

	June 30, 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Available for sale (AFS)				
- Government securities and similar instruments	4,848	2	0	4,850
- Bonds and other fixed-income securities	4,833	1,244	1,085	7,162
- Equities, portfolio activity securities and other variable-income securities	3	0	163	166
- Investments and other long-term securities	27	4	221	252
- Investments in subsidiaries and associates	0	6	252	258
Trading / Fair value by option				
- Government securities and similar instruments - Trading	1,169	289	3	1,461
- Government securities and similar instruments - Fair value by option	0	0	0	0
- Bonds and other fixed-income securities - Trading	5,273	862	340	6,475
- Bonds and other fixed-income securities - Fair value by option	51	0	365	416
- Equities and other variable-income securities - Trading	1,484	0	0	1,484
- Equities and other variable-income securities - Fair value by option	333	0	1,798	2,131
- Loans and receivables due from credit institutions - Fair value by option	0	0	0	0
- Loans and receivables due from customers - Fair value by option	0	0	0	0
- Derivatives and other financial assets - Trading	181	2,889	241	3,311
Derivatives used for hedging purposes	0	611	20	631
Total	**18,202**	**5,907**	**4,488**	**28,597**

Financial liabilities				
Trading / Fair value by option				
- Due to credit institutions - Fair value by option	0	0	0	0
- Due to customers - Fair value by option	0	0	0	0
- Debt securities - Fair value by option	0	0	0	0
- Subordinated debt - Fair value by option	0	0	0	0
- Derivatives and other financial liabilities – Trading	3,465	3,026	288	6,780
Derivatives used for hedging purposes	0	2,653	13	2,665
Total	**3,465**	**5,679**	**301**	**9,445**

The instruments in the trading portfolio classified within level 2 or 3 comprise mainly securities judged to be illiquid and derivatives.

There are uncertainties surrounding the measurement of all these instruments, which result in value adjustments reflecting the risk premium that a market participant would incorporate when establishing the price.
Said valuation adjustments facilitate the inclusion, in particular, of risks not taken into account by the model, of liquidity risks associated with the instrument or parameter concerned, and specific risk premiums designed to offset certain additional costs that would result from the dynamic management strategy associated with the model under certain market conditions and the counterparty risk present in the fair value of over-the-counter derivatives. The methods used may change. The latter include the own counterparty risk present in the fair value of over-the-counter derivatives.
When value adjustments are calculated, each risk factor is considered individually and no diversification effect between risks, parameters or models of a different nature is taken into account. A portfolio approach is most often adopted for a given risk factor.

	Dec. 31, 2016			
	Level 1	Level 2	Level 3	Total
Financial assets				
Available for sale (AFS)				
- Government securities and similar instruments	5,323	1	0	5,324
- Bonds and other fixed-income securities	5,291	1,220	1,108	7,619
- Equities, portfolio activity securities and other variable-income securities	21	0	181	202
- Investments and other long-term securities	28	4	216	248
- Investments in subsidiaries and associates	0	6	233	239
Trading / Fair value by option				
- Government securities and similar instruments - Trading	750	115	0	865
- Government securities and similar instruments - Fair value by option	0	0	0	0
- Bonds and other fixed-income securities - Trading	5,231	739	270	6,240
- Bonds and other fixed-income securities - Fair value by option	49	0	302	351
- Equities and other variable-income securities - Trading	666	0	0	666
- Equities and other variable-income securities - Fair value by option	406	0	1,556	1,962
- Loans and receivables due from credit institutions - Fair value by option	0	0	0	0
- Loans and receivables due from customers - Fair value by option	0	0	0	0
- Derivatives and other financial assets - Trading	473	2,959	521	3,953
Derivatives used for hedging purposes	0	800	27	827
Total	**18,238**	**5,844**	**4,414**	**28,496**

Financial liabilities				
Trading / Fair value by option				
- Due to credit institutions - Fair value by option	0	0	0	0
- Due to customers - Fair value by option	0	71	0	71
- Debt securities - Fair value by option	0	0	0	0
- Subordinated debt - Fair value by option	0	0	0	0
- Derivatives and other financial liabilities – Trading	2,388	3,076	632	6,096
Derivatives used for hedging purposes	0	3,283	17	3,300
Total	**2,388**	**6,430**	**649**	**9,467**

NOTE 6 - Hedging derivative instruments

	June 30, 2017		Dec. 31, 2016	
	Assets	Liabilities	Assets	Liabilities
Derivatives designated as cash flow hedges	0	0	0	0
- Of which, changes in value recognized in equity	*0*	*0*	*0*	*0*
- Of which, changes in value recognized in income				
Derivatives designated as fair value hedges	631	2,665	827	3,300
Total	**631**	**2,665**	**827**	**3,300**

A fair value hedge is a hedge of the exposure to changes in the fair value of a financial instrument attributable to a specific risk. Changes in the fair value of the hedging instrument and the hedged item, for the portion attributable to the risk being hedged, are taken to income.

NOTE 7 - Available-for-sale financial assets

	June 30, 2017	Dec. 31, 2016
Government securities	4,820	5,268
Bonds and other fixed-income securities		
- Quoted	6,811	7,304
- Not quoted	332	293
Equities and other variable-income securities		
- Quoted	64	73
- Not quoted	102	130
Long-term investments		
- Investments in non-consolidated companies		
Quoted	1	2
Not quoted	66	61
- Other long-term investments		
Quoted	26	26
Not quoted	159	158
- Investments in subsidiaries and associates		
Quoted	0	0
Not quoted	258	232
- Translation adjustments	0	0
- Loaned securities	0	0
Accrued interest	49	85
Total	**12,688**	**13,632**
Of which unrealized capital gains and losses (net of tax) on bonds, other fixed-income securities and government securities recognized directly in shareholders' equity	(49)	(108)
Of which unrealized capital gains and losses (net of tax) on equities, other variable-income securities and long-term investments recognized directly in shareholders' equity	106	74
Of which, impairment of bonds and other fixed-income securities	(20)	(14)
Of which, impairment of equities and other variable-income securities and of long-term investments	(123)	(60)

Impairment of equities:

Equity holdings were reviewed in order to identify any impairment losses. Impairment provisions are raised for quoted equities in the event of a significant (a decrease of at least 50% in its value compared with its acquisition cost) or prolonged (36-month) decline of the share price to below its cost.

NOTE 7a - Exposures to sovereign risk

Sovereign exposures

Net outstandings as of June 30, 2017 */**	**Portugal**	**Ireland**	**Spain**	**Italy**
Financial assets at fair value through profit or loss	22		53	346
Available-for-sale financial assets	59	85	37	342
Total	**81**	**85**	**90**	**688**
Residual contractual term				
Less than 1 year	63		41	396
1 to 3 years		85	6	183
3 to 5 years	2			11
5 to 10 years	6		3	80
More than 10 years	10		40	18
Total	**81**	**85**	**90**	**688**

Net outstandings as of December 31, 2016 */**	**Portugal**	**Ireland**	**Spain**	**Italy**
Financial assets at fair value through profit or loss	31		35	353
Available-for-sale financial assets	68	85	39	665
Total	**99**	**85**	**74**	**1,018**
Residual contractual term				
Less than 1 year	14		39	456
1 to 3 years	50	85		375
3 to 5 years			6	49
5 to 10 years	22			129
More than 10 years	13		29	9
Total	**99**	**85**	**74**	**1,018**

* Capital markets activities are shown at market value and other businesses at par value.

** Outstandings are shown net of credit default swaps used to purchase protection.

NOTE 8 - Loans and receivables due from customers

	June 30, 2017	Dec. 31, 2016
Performing loans		
- Commercial loans	4,997	5,499
Of which, factoring accounts	*4,164*	*4,512*
- Other loans and receivables		
- Home loans	71,844	70,495
- Other loans and receivables	68,019	69,395
- Repurchase agreements	9,231	7,314
Accrued interest	233	239
Securities not quoted on an active market	285	340
Individually-impaired receivables	4,823	4,948
Individual impairment	(2,283)	(2,345)
Collective impairment	(163)	(155)
Sub-total	**156,986**	**155,730**
Finance leases (net investment)		
- Equipment	6,347	6,150
- Real estate	4,054	3,985
Individually-impaired receivables	327	341
Individual impairment	(130)	(143)
Sub-total	**10,598**	**10,333**
Total	**167,584**	**166,063**
Including non-voting loan stock	7	8
Including subordinated loans	15	15

Finance lease transactions with customers

	Start of period	Acquisitions	Disposals	Other	End of period
Gross	10,475	692	(439)	(0)	10,729
Impairment of non-recoverable lease payments	(142)	(9)	22	0	(130)
Net	**10,333**	**683**	**(417)**	**(0)**	**10,599**

NOTE 9 - Remeasurement adjustment on interest-rate risk hedged portfolios

	June 30, 2017		Dec. 31, 2016		Change in fair value	
	Assets	Liabilities	Assets	Liabilities		
Fair value of portfolio interest rate risk	414	(429)	486	(607)	(72)	178

NOTE 10 - Held-to-maturity financial assets

	June 30, 2017	Dec. 31, 2016
Government securities	0	0
Bonds and other fixed-income securities	78	74
Accrued interest	(0)	(0)
Total Gross	**78**	**74**
Impairment losses	(14)	(11)
Total Net	**64**	**63**

NOTE 10a - Change in impairment losses

	Start of period	Additions	Reversals	Other	End of period
Loans and receivables due from credit institutions	(0)	0	0	(0)	(0)
Loans and receivables due from customers	(2,643)	(301)	361	7	(2,576)
Available-for-sale securities	(74)	(69)	1	(1)	(143)
Held-to-maturity securities	(11)	(3)	0	(0)	(14)
Total	**(2,728)**	**(373)**	**362**	**6**	**(2,733)**

NOTE 10b - Details of securitization outstandings

As requested by the banking supervisor and the market regulator, sensitive exposures based on the Financial Stability Board's recommendations are presented below.
The trading and AFS portfolios were measured at market price based on external data obtained from regulated markets and major brokers or, where no price was available, on comparable quoted securities.

Summary	June 30, 2017	Dec. 31, 2016
RMBS	1,995	2,798
CMBS	56	51
CLO	2,031	2,075
Other ABS	1,798	1,640
RMBS hedged by CDS	0	0
CLO hedged by CDS	0	5
Other ABS hedged by CDS	0	0
ABCP program liquidity lines	185	185
Total	**6,065**	**6,754**

Unless otherwise indicated, securities are not hedged by CDS.

Exposures: Residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS), collateralized loan obligations (CLO) and other asset-backed securities (ABS)

June 30, 2017	RMBS	CMBS	CLO	Other ABS	Total
Trading	292	6	77	83	458
AFS	1,282	50	1,821	1,490	4,643
Loans	421		133	225	779
Total	**1,995**	**56**	**2,031**	**1,798**	**5,880**
France	211		95	400	706
Spain	93			200	293
United Kingdom	206		19	185	410
Europe excluding France, Spain and the United Kingdom	401	56	452	1,005	1,914
USA	1,053		776		1,829
Other	31		689	8	728
Total	**1,995**	**56**	**2,031**	**1,798**	**5,880**
US agencies	706				706
AAA	673		1,933	1,016	3,622
AA	195		64	550	809
A	67		19	6	92
BBB	4	56	4	226	290
BB	20				20
B or below	330				330
Not rated			11		11
Total	**1,995**	**56**	**2,031**	**1,798**	**5,880**
Origination 2005 and earlier	130	56			186
Origination 2006-2008	518		20	32	570
Origination 2009-2011	91				91
Origination 2012-2017	1,256		2,011	1,766	5,033
Total	**1,995**	**56**	**2,031**	**1,798**	**5,880**

Dec. 31, 2016	RMBS	CMBS	CLO	Other ABS	Total
Trading	762		113	47	922
AFS	1,501	51	1,814	1,367	4,733
Loans	535		148	226	909
Total	**2,798**	**51**	**2,075**	**1,640**	**6,564**
France	130		58	412	600
Spain	72			116	188
United Kingdom	295		85	162	542
Europe excluding France, Spain and the United Kingdom	450	51	436	950	1,887
USA	1,850		894		2,744
Other	1		602		603
Total	**2,798**	**51**	**2,075**	**1,640**	**6,564**
US agencies	1,451				1,451
AAA	686		1,990	972	3,648
AA	157		48	425	630
A	62		22	13	97
BBB	31	51	4	230	316
BB	31				31
B or below	380				380
Not rated			11		11
Total	**2,798**	**51**	**2,075**	**1,640**	**6,564**
Origination 2005 and earlier	150	51			201
Origination 2006-2008	650		45	32	727
Origination 2009-2011	136				136
Origination 2012-2016	1,862		2,030	1,608	5,500
Total	**2,798**	**51**	**2,075**	**1,640**	**6,564**

NOTE 11 - Current (payable) income tax

	June 30, 2017	Dec. 31, 2016
Assets	453	485
Liabilities	267	238

Current income tax expense is calculated based on the tax rules and tax rates applicable in each country where the group has operations for the period in which the related revenue was earned.

NOTE 12 - Deferred income tax

	June 30, 2017	Dec. 31, 2016
Deferred tax assets (through profit and loss) (1)	284	321
Deferred tax assets (through shareholders' equity)	33	58
Deferred tax liabilities (through profit and loss)	249	257
Deferred tax liabilities (through shareholders' equity)	9	13

NOTE 13 - Accruals and other assets

	June 30, 2017	Dec. 31, 2016
Accruals		
Collection accounts	20	48
Currency adjustment accounts	23	109
Accrued income	409	356
Other accruals	2,386	1,100
Sub-total	**2,838**	**1,613**
Other assets		
Securities settlement accounts	110	106
Security deposits paid	4,868	5,557
Miscellaneous receivables	2,875	3,450
Inventories and similar	3	5
Other	12	13
Sub-total	**7,868**	**9,131**
Total	**10,706**	**10,744**

Accruals and miscellaneous receivables consist mainly of suspense accounts relating to interbank payment systems.
Accrued expenses and accrued income consist of payroll costs and general operating expenses, but do not include accrued interest not yet due on loans and borrowings, which is recognized as related accrued interest.

NOTE 14 - Interest in associates

Share of net assets of associates

		June 30, 2017				Dec. 31, 2016			
		Share of capital held	Equity accounting value (1)	Share of net income/(loss)	Dividends received	Share of capital held	Equity accounting value (1)	Share of net income/(loss)	Dividends received
ACM Group	Not quoted	20.52%	1,742	80	52	20.52%	1,730	135	52
CM-CIC Asset Management	Not quoted	23.53%	14	1	1	23.53%	14	1	1
Total			**1,756**	**81**	**53**		**1,744**	**136**	**53**

(1) Comprises goodwill of €54 million for the ACM Group

NOTE 15 - Investment property

	Start of period	Increases	Decreases	Other movements	End of period
Historical cost	56	1	0	1	58
Depreciation and impairment	(24)	(1)	0	(1)	(26)
Net amount	**32**	**0**	**0**	**(0)**	**32**

The fair value of investment property carried at cost is comparable to its carrying amount.

NOTE 16 - Property and equipment

-	Start of period	Increases	Decreases	Other movements	End of period
Historical cost					
Land used in operations	320	1	(0)	(0)	321
Buildings used in operations	2,607	32	(15)	(0)	2,624
Other property and equipment	560	19	(21)	(0)	558
Total	**3,487**	**52**	**(36)**	**(0)**	**3,503**
Depreciation and impairment					
Land used in operations	0	0	0	0	0
Buildings used in operations	(1,703)	(47)	11	(0)	(1,739)
Other property and equipment	(451)	(11)	6	1	(455)
Total	**(2,154)**	**(58)**	**17**	**1**	**(2,194)**
Net amount	**1,333**	**(6)**	**(19)**	**1**	**1,309**

NOTE 17 - Intangible assets

-	Start of period	Increases	Decreases	Other movements	End of period
Historical cost					
Internally developed intangible assets	0	0	0	0	0
Purchased intangible assets	324	10	(1)	(2)	331
- Software	*76*	*8*	*(0)*	*0*	*84*
- Other	*248*	*2*	*(1)*	*(2)*	*247*
Total	**324**	**10**	**(1)**	**(2)**	**331**
Depreciation and impairment					
Internally developed intangible assets	*0*	*0*	*0*	*0*	*0*
Purchased intangible assets	(138)	(7)	0	1	(144)
- Software	*(58)*	*(5)*	*0*	*0*	*(63)*
- Other	*(80)*	*(2)*	*0*	*1*	*(81)*
Total	**(138)**	**(7)**	**0**	**1**	**(144)**
Net amount	**186**	**3**	**(1)**	**(1)**	**187**

NOTE 18 – Goodwill

-	Start of period	Increases	Decreases	Other movements	End of period
Gross goodwill	33	0	0	0	33
Impairment losses	0	0	0	0	0
Net goodwill	**33**	**0**	**0**	**0**	**33**

Goodwill is tested for impairment on an annual basis.

-	Start of period	Increases	Decreases	Other movements	End of period
Banque Transatlantique	6				6
Transatlantique Gestion	6				6
CM-CIC Investissement SCR	21				21
Total	**33**	**0**	**0**	**0**	**33**

NOTES TO THE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY

NOTE 19 - Due to central banks – Due to credit institutions

	June 30, 2017	Dec. 31, 2016
Due to central banks	0	0
Due to credit institutions		
Current accounts	4,612	4,015
Other liabilities (1)	56,929	55,943
Repurchase agreements	18,737	16,106
Accrued interest	85	98
Total	**80,363**	**76,162**

(1) Including €50,046 million due to BFCM as of June 30, 2017 and €47,404 million as of December 31, 2016.

NOTE 20 - Financial liabilities at fair value through profit or loss

	June 30, 2017	Dec. 31, 2016
Financial liabilities held for trading	6,780	6,096
Financial liabilities accounted for under the fair value option	0	71
Total	**6,780**	**6,167**

NOTE 20a - Financial liabilities held for trading

	June 30, 2017	Dec. 31, 2016
Short sales of securities		
- Government securities	0	0
- Bonds and other fixed-income securities	1,324	864
- Equities and other variable-income securities	1,509	975
Debts in respect of securities sold under repurchase agreements		
Derivatives held for trading	3,519	4,182
Other financial liabilities held for trading	428	75
- Of which, debts in respect of borrowed securities	428	75
Total	**6,780**	**6,096**

NOTE 20b - Financial liabilities under the fair value option through profit or loss

	June 30, 2017			Dec. 31, 2016		
	Carrying amount	Amount due on maturity	Difference	Carrying amount	Amount due on maturity	Difference
Securities issued	0	0	0	0	0	0
Subordinated debt	0	0	0	0	0	0
Interbank borrowings	0	0	0	0	0	0
Due to customers	0	0	0	71	71	0
Total	**0**	**0**	0	**71**	**71**	0

NOTE 21 - Amounts due to customers

	June 30, 2017	Dec. 31, 2016
Regulated savings accounts		
- Demand	31,639	29,803
- Term	11,816	11,391
Accrued interest	218	1
Sub-total	**43,673**	**41,195**
Current accounts	69,828	65,354
Term deposits and borrowings	28,364	30,393
Repurchase agreements	2,638	1,575
Accrued interest	161	255
Sub-total	**100,991**	**97,577**
Total	**144,664**	**138,772**

NOTE 22 - Debt securities

	June 30, 2017	Dec. 31, 2016
Retail certificates of deposit	139	200
Interbank instruments and money market securities	17,213	20,729
Bonds	3,870	2,612
Accrued interest	70	97
Total	**21,292**	**23,638**

NOTE 23 - Accruals and other liabilities

	June 30, 2017	Dec. 31, 2016
Accruals		
Accounts unavailable due to recovery procedures	127	256
Currency adjustment accounts	63	14
Accrued expenses	631	654
Deferred income	381	390
Other accruals	5,799	1,553
Sub-total	**7,001**	**2,867**
Other liabilities		
Securities settlement accounts	261	92
Outstanding amounts payable on securities	289	231
Miscellaneous creditors	1,633	1,333
Sub-total	**2,183**	**1,656**
Total	**9,184**	**4,523**

Further details of accruals and other liabilities are provided in Note 13.

NOTE 24 - Provisions

	Start of period	Additions	Reversals (utilized provisions)	Reversals (surplus provisions)	Other movements	End of period
Provisions for counterparty risks						
On signature commitments	95	15	0	(24)	(0)	86
Provision for risk on miscellaneous receivables	8	2	(1)	(0)	(1)	8
On financing and guarantee commitments	0	0	0	0	0	0
Other provisions for counterparty risks	0	(0)	(0)	0	(0)	0
Other provisions						
Provisions for retirement costs	204	3	(2)	(1)	(11)	193
Provisions for claims and litigations	14	1	(0)	(2)	1	14
Provision for home savings accounts and plans	54	4	0	(0)	(0)	58
Provision for taxes	37	2	(0)	(6)	(0)	33
Provisions for miscellaneous contingencies	285	4	(6)	(68)	49	264
Other provisions (1)	395	37	0	(4)	(61)	367
Total	**1,092**	**68**	**(9)**	**(105)**	**(23)**	**1,023**

(1) Other provisions mainly include provisions for French economic interest groups (EIG) totaling €342 million.

Note 24a - Retirement and other employee benefits

	Start of period	Additions	Reversals	Other movements (1)	End of period
Defined benefit plans not covered by retirement funds					
Retirement bonuses	97	1	(0)	(11)	87
Top-up payments	38	2	(3)	(0)	37
Obligations for long-service awards (other long-term benefits)	38	0	0	0	38
Sub-total	**173**	**3**	**(3)**	**(11)**	**162**
Supplementary defined benefit pensions covered by pension funds					
Provision for pension fund shortfalls (2)	31	0	0	(0)	31
Sub-total	**31**	**0**	**0**	**(0)**	**31**
Total	**204**	**3**	**(3)**	**(11)**	**193**

(1) The other movements resulted from the change in the discount rate.
(2) The provisions for pension fund shortfalls relate to the group's foreign entities.

NOTE 25 - Subordinated debt

	June 30, 2017	Dec. 31, 2016
Subordinated debt	0	287
Non-voting loan stock	153	153
Perpetual subordinated loan stock	26	26
Other liabilities	1,630	1,175
Accrued interest	3	3
Total	**1,812**	**1,644**

Subordinated debt representing more than 10% of total subordinated debt at June 30, 2017:

Main subordinated debt issues	Issue date	Issue amount	Currency	Rate	Maturity	Early redemption feature	Early redemption conditions
Non-voting loan stock	28.05.1985	€137m	EUR	a	b		
Subordinated notes	03.24.2016	€414m	EUR	3-month Euribor + Margin	03.24.2026		
Subordinated notes	11.04.2016	€700m	EUR	3-month Euribor + Margin	11.04.2026		

a Minimum 85% (TAM+TMO)/2 Maximum 130% (TAM+TMO)/2
b Non-amortizable and repayable at borrower's discretion as from May 28, 1997 at 130% of the face value incremented at the rate of 1.5% for each subsequent year

NOTE 26a - Unrealized or deferred gains and losses

	June 30, 2017	Dec. 31, 2016
Unrealized or deferred gains and losses* relating to:		
Translation adjustments	30	97
Available-for-sale financial assets:		
- Equities	105	74
- Bonds	(49)	(108)
Actuarial gains and losses on defined benefit plans	(48)	(56)
Derivatives designated as cash flow hedges	0	0
Real estate assets (IAS 16)		
Share of unrealized gains and losses of associates	233	248
Total	**271**	**255**
Unrealized or deferred gains and losses		
Attributable to owners of the company	271	255
Non-controlling interests	(0)	(0)
Total	**271**	**255**

* Balances net of tax.

NOTE 26b - Additional information on movements in unrealized or deferred gains and losses

Movement in gains and losses recognized directly in shareholders' equity

	June 30, 2017	Dec. 31, 2016
Translation adjustments		
Reclassification in income	0	(66)
Other movements	(68)	3
Sub-total	**(68)**	**(63)**
Remeasurement of available-for-sale financial assets		
Reclassification in income	0	5
Other movements	91	43
Sub-total	**91**	**48**
Remeasurement of hedging derivatives		
Reclassification in income	0	0
Other movements	1	(0)
Sub-total	**1**	**(0)**
Remeasurement of non-current assets	0	0
Actuarial gains and losses on defined benefit plans	7	(12)
Share of unrealized or deferred gains and losses of associates	(15)	35
Total	**16**	**8**

Movement in gains and losses recognized directly in shareholders' equity

	June 30, 2017			Dec. 31, 2016		
	Gross	**Tax**	**Net**	**Gross**	**Tax**	**Net**
Translation adjustments	(68)		**(68)**	(63)		**(63)**
Remeasurement of available-for-sale financial assets	110	(19)	**91**	69	(21)	**48**
Remeasurement of hedging derivatives	1	(0)	**1**	(0)	0	**(0)**
Remeasurement of non-current assets			**0**			**0**
Actuarial gains and losses on defined benefit plans	10	(3)	**7**	(16)	4	**(12)**
Share of unrealized or deferred gains and losses of associates	(15)		**(15)**	35		**35**
Total movements in gains and losses recognized directly in shareholders' equity	**38**	**(22)**	**16**	**25**	**(17)**	**8**

NOTE 27 - Commitments given and received

	June 30, 2017	Dec. 31, 2016
Commitments given		
Financing commitments		
To credit institutions	337	300
To customers	33,251	30,976
Guarantees received		
To credit institutions	1,075	725
To customers	12,147	12,653
	June 30, 2017	**Dec. 31, 2016**
Commitments received		
Financing commitments		
From credit institutions	169	251
Guarantee commitments		
From credit institutions	41,881	40,528

NOTES TO THE INCOME STATEMENT

NOTE 28 - Interest and similar income/expense

	June 30, 2017		June 30, 2016	
	Income	Expense	Income	Expense
Credit institutions and central banks*	136	(258)	186	(270)
Customers	3,226	(1,722)	3,319	(1,771)
- Of which, finance leases	*1,459*	*(1,336)*	*1,409*	*(1,281)*
Financial assets/liabilities accounted for under the fair value option	0		0	
Derivatives used for hedging purposes	207	(517)	182	(512)
Available-for-sale financial assets	89		108	
Held-to-maturity financial assets	1		1	
Debt securities		(142)		(138)
Subordinated debt		(0)		(1)
Total	**3,659**	**(2,639)**	**3,796**	**(2,692)**

NOTE 29 - Fees and commissions

	June 30, 2017		June 30, 2016	
	Income	Expense	Income	Expense
Credit institutions	1	(2)	2	(4)
Customers	495	(6)	439	(6)
Securities	269	(14)	235	(17)
Derivatives	1	(2)	2	(2)
Currency transactions	8	(0)	10	(1)
Financing and guarantee commitments	2	(11)	2	(7)
Services provided	569	(275)	495	(215)
Total	**1,345**	**(310)**	**1,185**	**(252)**

	June 30, 2017	June 30, 2016
Commissions on financial assets and liabilities not carried at fair value through profit or loss (including demand accounts)	497	436
Commissions for management services provided to third parties	249	218

NOTE 30 - Net gains/(losses) on financial instruments at fair value through profit or loss

	June 30, 2017	June 30, 2016
Trading instruments	222	222
Instruments accounted for under the fair value option (1)	238	134
Ineffective portion of hedges	5	(23)
Foreign exchange gains	20	22
Total changes in fair value	**486**	**355**

(1) Of which €165 million from the private equity business at June 30, 2017 compared to €130 million at June 30, 2016.

NOTE 30a - Ineffective portion of hedging instruments

	June 30, 2017	June 30, 2016
Change in fair value of hedged items	(530)	615
Change in fair value of hedging instruments	535	(638)
TOTAL INEFFECTIVE PORTION OF HEDGES	**5**	**(23)**

NOTE 31 - Net gains/(losses) on available-for-sale financial assets

	June 30, 2017				June 30, 2016			
	Dividends	Realized gains and losses	Impairment	Total	Dividends	Realized gains and losses	Impairment	Total
Government securities, bonds and other fixed-income securities		72	0	72		9	0	9
Equities and other variable-income securities	3	0	(0)	3	53	(49)	0	4
Long-term investments (1)	28	(0)	(4)	24	28	(19)	18	27
Other	0	(0)	0	(0)	0	(0)	0	(0)
Total	**31**	**72**	**(4)**	**99**	**81**	**(59)**	**18**	**40**

NOTE 32 - Income/expenses from other activities

	June 30, 2017	June 30, 2016
Income from other activities		
Investment property	0	0
Rebilled expenses	14	12
Other income (1)	37	123
Sub-total	**51**	**135**
Expenses on other activities		
Investment property	(1)	(1)
Other expenses	(36)	(52)
Sub-total	**(37)**	**(53)**
Total	**14**	**82**

(1) Including €89 million received in respect of VISA compensation recognized in the first half of 2016

NOTE 33 - General operating expenses

	June 30, 2017	June 30, 2016
Payroll costs	(892)	(900)
Other expenses	(678)	(658)
Total	**(1,570)**	**(1,558)**

NOTE 33a - Payroll costs

	June 30, 2017	June 30, 2016
Wages and salaries	(532)	(538)
Social security contributions (1)	(224)	(224)
Employee profit-sharing and incentive bonuses	(59)	(58)
Payroll-based taxes	(77)	(80)
Other	0	(0)
Total	**(892)**	**(900)**

(1) Including income in respect of the Tax Credit for Competitiveness and Employment (*Crédit d'impôt pour la compétitivité et l'emploi* – CICE) totaling €12 million for the six months ended June 30, 2017, compared with €11 million for the six months ended June 30, 2016. This amount corresponds to 7% of the salaries eligible for this measure as of June 30, 2017.

NOTE 33b - Average number of employees (full-time equivalent)

	June 30, 2017	June 30, 2016
Banking staff	10,679	10,712
Managerial staff	9,292	9,171
Total	**19,971**	**19,883**
Analysis by country		
France	18,387	18,350
Rest of the world	1,584	1,533
Total	**19,971**	**19,883**

NOTE 33c - Other general operating expenses

	June 30, 2017	June 30, 2016
Other taxes and duties	(168)	(156)
External services	(524)	(513)
Rebilled expenses	15	12
Other miscellaneous expenses	(1)	(1)
Total	**(678)**	**(658)**

"Other taxes and duties" comprises a charge of €68 million in respect of the contribution to the Single Resolution Fund for the six months ended June 30, 2017. The corresponding charge for the six months ended June 30, 2016 was €51 million.

NOTE 34 - Depreciation, amortization and impairment of property, plant and equipment and intangible assets

	June 30, 2017	June 30, 2016
Depreciation and amortization		
Property and equipment	(57)	(59)
Intangible assets	(7)	(8)
Impairment		
Property and equipment	(1)	0
Intangible assets	(0)	(0)
Total	**(65)**	**(67)**

NOTE 35 - Net provision allocations/reversals for loan losses

	Additions	Reversals	Loan losses covered by provisions	Loan losses not covered by provisions	Recovery of loans written off in prior years	Total	June 30, 2016
Credit institutions	0	8	0	(0)	2	10	2
Customers							
- Finance leases	(2)	3	(2)	(1)	0	(2)	(1)
- Other customer items	(284)	330	(111)	(14)	8	(71)	(74)
Sub-total	**(286)**	**341**	**(113)**	**(15)**	**10**	**(63)**	**(73)**
Held-to-maturity financial assets	(3)	0	0	0	0	(3)	0
Available-for-sale financial assets	(2)	0	(1)	(7)	8	(2)	2
Other, including financing and guarantee commitments	(17)	24	0	(0)	0	7	4
Total	**(308)**	**365**	**(114)**	**(22)**	**18**	**(61)**	**(67)**

NOTE 36 - Net gains/(losses) on disposals of other assets

	June 30, 2017	June 30, 2016
Property and equipment and intangible assets		
Losses on disposals	(3)	(1)
Gains on disposals	(0)	12
Gains/(losses) on disposals of shares in consolidated entities	0	0
Total	**(3)**	**11**

NOTE 37 - Corporate income tax

	June 30, 2017	June 30, 2016
Current taxes	(294)	(270)
Deferred tax income and expense	(26)	0
Adjustments in respect of prior years	1	(0)
Total	**(319)**	**(270)**

Including a charge of €276 million in respect of companies located in France and a charge of €43 million for companies located elsewhere.

NOTE 38 - Earnings per share

	June 30, 2017	June 30, 2016
Net income attributable to the group	715	674
Number of shares at beginning of year	37,797,752	37,797,752
Number of shares at end of year	37,797,752	37,797,752
Weighted average number of shares	37,797,752	37,797,752
Basic earnings per share (in €)	**18.91**	**17.83**
Additional weighted average number of shares assuming full dilution	0	0
Diluted earnings per share (in €)	**18.91**	**17.83**

CIC's share capital amounts to €608,439,888, made up of 38,027,493 shares with a par value of €16 each, including 229,741 treasury shares.

NOTE 39 - Related party transactions

	June 30, 2017		Dec. 31, 2016	
	Associates (companies accounted for using the equity method)	Parent company	Associates (companies accounted for using the equity method)	Parent company
Assets				
Loans, advances and securities				
- Loans and receivables due from credit institutions	0	17,558	0	7,990
- Loans and receivables due from customers	812	94	1,311	47
- Securities transactions	0	0	0	51
Other assets	4	127	3	184
Total	**816**	**17,779**	**1,314**	**8,272**
Liabilities				
Deposits				
- Due to credit institutions	0	53,081	0	49,456
- Due to customers	294	154	293	167
Debt securities	247	1,424	544	1,535
Subordinated debt	0	1,759	0	1,593
Other liabilities	25	333	15	400
Total	**566**	**56,751**	**852**	**53,151**
Financing and guarantee commitments				
Financing commitments given	0	0	0	0
Guarantee commitments given	0	27	0	22
Financing commitments received	0	0	0	39
Guarantee commitments received	0	3,304	0	3,503

Income statement items concerning related party transactions

	June 30, 2017		June 30, 2016	
	Associates (companies accounted for using the equity method)	Parent company	Associates (companies accounted for using the equity method)	Parent company
Interest income	0	146	0	164
Interest expense	(6)	(222)	(5)	(220)
Commission income	225	4	211	3
Commission expense	0	(46)	0	(64)
Other income and expenses	53	36	53	89
General operating expenses	(30)	(196)	(29)	(187)
Total	**243**	**(278)**	**230**	**(215)**

The parent company is BFCM, the majority shareholder of CIC, and Caisse Fédérale de Crédit Mutuel (CFCM), the entity controlling BFCM, and all their subsidiaries.
Transactions carried out with the parent company mainly cover loans and borrowings taken out for the purposes of treasury management, as BFCM is the group's refinancing vehicle, as well as IT services billed with the Euro Information entities.
Companies accounted for using the equity method comprise CM-CIC Asset Management and the Assurances du Crédit Mutuel group.

3. Statutory auditors' report on the limited review of the interim financial statements

KPMG S.A.
Tour EQHO
2, Avenue Gambetta
CS 60055
92066 Paris La Défense Cedex

Ernst & Young et Autres
1/2, Place des Saisons
92400 Courbevoie, Paris-La Défense 1
French simplified joint stock company with
variable share capital

PricewaterhouseCoopers Audit
63, Rue de Villiers
92208 Neuilly-sur-Seine

Crédit Industriel et Commercial - CIC

Statutory Auditors' report on the interim financial information

Period from January 1, 2017 to June 30, 2017
Crédit Industriel et Commercial - CIC
6, avenue de Provence - 75009 Paris
This report contains one page
Reference:

KPMG S.A.
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2, Avenue Gambetta
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Ernst & Young et Autres
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63, Rue de Villiers
92208 Neuilly-sur-Seine

Crédit Industriel et Commercial - CIC

Headquarters: 6, avenue de Provence - 75009 Paris
Share capital: €.608,439,888

Statutory Auditors' report on the interim financial information

Period from January 1, 2017 to June 30, 2017

To the shareholders,

In fulfillment of the assignment entrusted to us by your shareholders' meetings and pursuant to Article L. 451-1-2 III of the French Monetary and Financial Code, we have:

- conducted a limited review of the condensed interim consolidated financial statements of Crédit Industriel et Commercial - CIC for the period from January 1 to June 30, 2017, as appended to this report;
- verified the information provided in the interim management report.

These condensed interim consolidated financial statements were prepared under the responsibility of your Board of Directors. Our role is to report our conclusions on these financial statements on the basis of our limited review.

I – Conclusions on the financial statements

We have conducted our limited review according to accounting standards applicable in France. A limited review primarily entails speaking with the members of management in charge of accounting and financial matters and applying analytical procedures. This review is less extensive than that required for an audit conducted according to auditing standards applicable in France. Therefore, the assurance obtained through a limited review that the financial statements as a whole are free of material misstatements is moderate and not as high as the assurance obtained through an audit.

Based on our limited review, we have not identified any material misstatements that would lead us to question the compliance of the condensed interim consolidated financial statements with IAS 34, a standard that is part of the IFRS as adopted in the European Union regarding interim financial reporting.

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II – Specific verification

We have also verified the information provided in the interim management report regarding the condensed interim consolidated financial statements covered by our limited review.

We have no comments regarding the fairness of this information and its consistency with the condensed interim consolidated financial statements.

Paris-La Défense, July 28, 2017

KPMG S.A.

Arnaud Bourdeille
Partner

Neuilly-sur-Seine, July 28, 2017

PricewaterhouseCoopers Audit

Jacques Lévi
Partner

Paris-La Défense, July 28, 2017

Ernst & Young et Autres

Olivier Durand
Partner

Hassan Baaj
Partner

4. Information about the issuer

Simplified tender offer:
On June 6, 2017, Banque Fédérative du Crédit Mutuel (BFCM) and Mutuelles Investissement, a company whose share capital is owned by BFCM (90%) and by Assurances du Crédit Mutuel Vie (10%), announced their intention to file a simplified tender offer for the shares of CIC with the French Financial Markets Authority (Autorité des Marchés Financiers – AMF). The offer was filed with the AMF on June 8, 2017.
The proposed tender offer concerns all the CIC shares not yet held, directly or indirectly, by BFCM at a price of €390 per share, i.e. 6.86% of CIC's capital. The proposed price represents (i) a 78.1% premium over the closing price on June 2, 2017, and (ii) a 91.6% premium over the average price over the last three months, and gives the shareholders an attractive liquidity opportunity.
If the conditions are met upon completion of the offer, BFCM and Mutuelles Investissement intend to ask the AMF to implement a squeeze-out procedure, which would simplify the group's structure.
After a preliminary review of the main terms of the offer, CIC's Board of Directors met on June 6, 2017 and:

- unanimously approved the proposed tender offer;
- decided to set up an ad hoc committee consisting of two directors, which will be responsible for monitoring the work of the independent expert (appointed below);
- appointed, at the recommendation of the members of the ad hoc committee, the firm Finexsi, represented by Olivier Peronnet and Lucas Robin, as independent expert.

Based on this expert's report and the opinion of the ad hoc committee, on June 28, 2017 the Board of Directors issued its reasoned opinion on the proposed tender offer.
That same day, CIC’s draft response document was filed with the AMF. It contains Finexsi’s report on the financial terms of the simplified tender offer.
On July 18, 2017, the AMF declared that the offer was compliant. The offer document of the BFCM and Mutuelles Investissement co-initiators (AMF approval No. 17-362 of July 18, 2017) and CIC's response document (AMF approval No. 17-363 of July 18, 2017) were published and the information mentioned in Article 231-28 of the AMF General Regulation (information regarding the legal, financial and accounting characteristics, in particular, of the co-initiators and CIC) were filed and published (press releases published on July 19, 2017).
The tender offer was open from July 20 to August 2.
The publication by the AMF of the result of the offer is scheduled for August 7, 2017 and, where applicable, the squeeze-out procedure and delisting are scheduled for August 11, 2017.

The press releases and documents related to this operation are available on the websites of CIC: www.cic.fr, the AMF : www.amf-france.org and BFCM: www.bfcm.creditmutuel.fr.

5. Presentation of CIC

5.1.Business lines

Please refer to the paragraph entitled "Recent event related to CIC's activity” in section 1.

5.2.Share capital

The share capital remained unchanged at €608,439,888.

Names of natural or legal persons able to exert control over CIC, either individually, jointly or in concert:

BFCM’s business covers the following areas:

- as the company that acts as the holding company of the Crédit Mutuel-CM11 group, it holds the equity interests in banking and finance, insurance, real estate and technology;
- financial management, treasury and refinancing services for the group;
- lending, financial structuring, cash management and trading room for a customer base of major corporates and institutional investors.

At June 30, 2017, with total consolidated assets of €624.2 billion, the Crédit Mutuel-CM11 group held €627.2 billion in savings in custody or under management, of which €283.4 billion in deposits, €263.1 billion in bank savings products and €80.6 billion in insurance savings products. Total lending stood at €335.6 billion.

Shareholders’ equity totaled €40.6 billion.

5.3.Market for the company's stock

Shares:

Liquidity agreement:
The Ordinary Shareholders' Meeting of May 24, 2017 renewed the authorization granted to the Board of Directors to buy back the company’s shares until December 31, 2018 under the conditions described in the eighth resolution.

Following the simplified tender offer proposed by Banque Fédérative du Crédit Mutuel (BFCM) and Mutuelles Investissement, the liquidity agreement between CIC and Rothschild & Cie Banque was terminated on June 12, 2017.
As of that date, the liquidity account included:

- 1,970 shares,
- €3,431,713.80.

Market data – CIC shares:

	Number of shares traded	Monthly volumes € millions	Highest & lowest prices	
			Low €	High
January 2017	19,883	3,424	169.70	175.00
February 2017	9,536	1,687	171.00	183.60
March 2017	16,423	2,952	175.55	185.50
April 2017	22,434	4,373	185.40	203.80
May 2017	20,823	4,568	199.50	238.00
June 2017	77,440	29,606	217.00	390.00

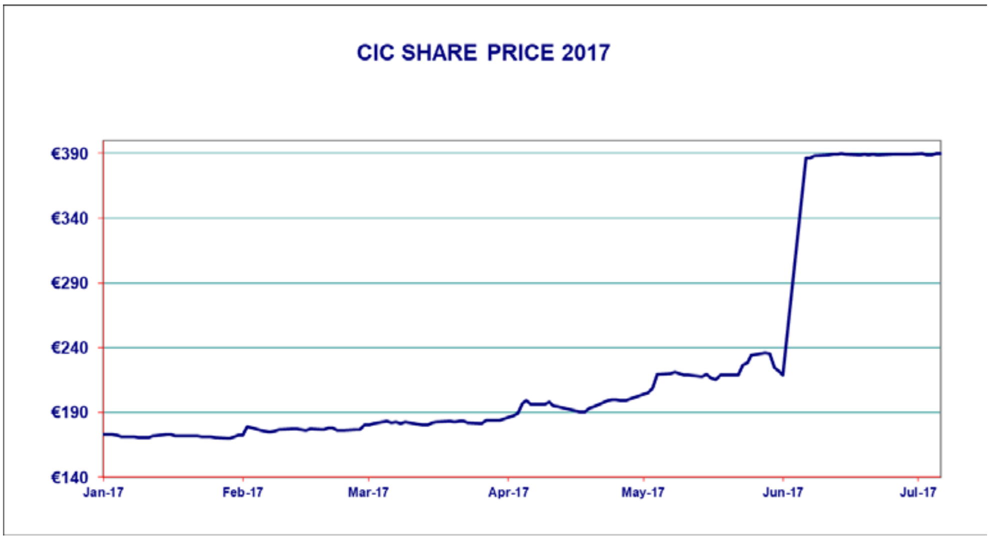
Share performance in the first half of 2017:

The listing of CIC shares was suspended at 9 A.M. on June 5, 2017 in anticipation of the publication of the June 6, 2017 press release described in section 4 and resumed at 9 A.M. on June 7.

From the beginning of the year until June 5, the day before the announcement of the simplified tender offer by BFCM and Mutuelles Investissement, the share price generally increased, up from €173.05 on January 2, 2017 to €219.00 on June 2, 2017 (+26.6%). The lowest closing price was recorded on January 30 at €170.10.

Since the share was relisted on June 7, the price has risen quickly, reaching the highest closing price of €390.00 on June 15. The price then fluctuated between €388.65 and €389.60 (closing price on June 30, 2017).

In the first half of 2017, 166,539 shares were traded on the Paris stock exchange, for an amount of €46.61 million, all platforms combined.



5.4. Legal and arbitration proceedings

In the case concerning check image transfer fees, the French antitrust authority had appealed the decision of the Paris Court of Appeal canceling the fines levied against the banks. The ruling by the Cour de Cassation (highest court of appeal) was handed down on April 14, 2015. Without reviewing the legal arguments of the banks, the Cour de Cassation reversed the Court of Appeal’s decision on procedural grounds, namely that after having rejected the arguments of the antitrust authority, the Court of Appeal had concluded that there was no reason to examine the arguments put forth by two consumer associations in support of the position of the competition authority. Following this reversal, in September 2015, the case was once again remanded to the Paris Court of Appeal. The Court's decision, which was originally scheduled to be handed down on May 11, 2017, was postponed until September 28, 2017.

There are no other pending or threatened government, judicial or arbitration proceedings, including any proceeding of which the company is aware, that may have or has had, during the past 12 months, material impacts on the financial position or profitability of the company and/or group.

6. Corporate governance - Board of Directors

6.1. Composition of the Board of Directors as of June 30, 2017

Members appointed by the Shareholders’ Meeting:

- Mr. Nicolas Théry, Chairman of the Board of Directors;
- Banque Fédérative du Crédit Mutuel represented by Mrs. Catherine Allonas Barthe;
- Caisse Centrale du Crédit Mutuel, represented by Mr. Luc Cortot;
- Mr. Éric Charpentier;
- Mr. Maurice Corgini;
- Mr. Jean-François Jouffray;
- Mr. Daniel Leroyer.

Member elected by employees:

- Mr. William Paillet.

Non-voting board members:

- Mr. Luc Chambaud;
- Mr. Gérard Cormorèche;
- Mr. Jacques Humbert;
- Mr. Damien Lievens;
- Mr. Lucien Miara;
- Mr. Guy Cormier.

The following also attend board meetings:

- Daniel Baal, Chief Executive Officer;
- Philippe Vidal, Deputy Chief Operating Officer;
- René Dangel, Deputy Chief Operating Officer;

- Claude Koestner, Deputy Chief Operating Officer;
- Joseph Arenas, Company Secretary;
- Gérard Fubiani, CIC works council representative.

6.2. Changes during the first half of 2017

The Ordinary Shareholders' Meeting on May 24, 2017 resolved:
- to renew the term of office of BFCM expiring at the end of this Shareholders' Meeting for a period of six years, i.e. until the conclusion of the Shareholders' Meeting called to approve the financial statements for fiscal year 2022 (ninth resolution);
- not to renew the terms of office as members of the Board of Directors of Mrs. Catherine Allonas Barthe and Mr. Michel Lucas expiring at the end of this Shareholders' Meeting (tenth resolution).

6.3. Other corporate officers: General management

At its meeting on May 24, 2017, chaired by Nicolas Théry, the Board of Directors of CIC:

- Noted the resignation of Mrs. Monique Leroux, the appointment by BFCM of Mrs. Catherine Allonas Barthe as permanent representative and the appointment of Messrs. Humbert and Cormier as non-voting members;
- Appointed Mr. Daniel Baal as Chief Executive Officer as of June 1, 2017 to succeed Alain Fradin who retired.

At the proposal of Mr. Daniel Baal, René Dangel and Claude Koestner were named Deputy Chief Operating Officers.

Philippe Vidal, already a Deputy Chief Operating Officer, remains an effective manager (“dirigeant effectif”) alongside Daniel Baal.

6.4. Board of Directors - Information concerning the members of the Board of Directors and Executive Management as of June 30, 2017

Summary table, group management

	Date of first appointment	Date of expiry of current term of office	Main position held within the company	Main positions held outside the company (1)
Board of Directors				
Nicolas Théry	December 11, 2014	AGM ratifying the financial statements for 2018	Chairman of the board	Chairman of Caisse Fédérale de Crédit Mutuel, of BFCM and of Confédération Nationale du Crédit Mutuel
Maurice Corgini	May 19, 2011	AGM ratifying the financial statements for 2020	director	Director, CM Centre Est Europe
Luc Cortot (representing CCCM)	November 12, 2014	AGM ratifying the financial statements for 2018	director	Chief executive officer, CM Océan,
Jean-François Jouffray	February 27, 2014	AGM ratifying the financial statements for 2020	director	Vice-chairman, CM Ile-de-France
Catherine Allonas Barthe (representing BFCM)	24.05.2017	AGM ratifying the financial statements for 2022	director	Chief Executive Officer of ACM Vie SAM
Daniel Leroyer	May 19, 2011	AGM ratifying the financial statements for 2018	director	Chairman, CM Maine-Anjou, Basse Normandie
Éric Charpentier	May 27, 2015	AGM ratifying the financial statements for 2020	director	Chief executive officer, CM Nord-Europe
William Paillet	October 26, 2011		director representing employees	Employee, CIC Est
General management				
Daniel Baal	24.05.2017	Unlimited duration	Chief Executive Officer	Chief Executive Officer of BFCM

– CM: Crédit Mutuel. BFCM: Banque Fédérative du Crédit Mutuel. CCCM: Caisse Centrale du Crédit Mutuel.

(1) The other positions and functions are listed below.

Key executives' terms of office - Board of Directors

The terms of office shown on pages 46 to 51 of the 2017 Registration Document remain unchanged, except for Catherine Allonas Barthe and Michel Lucas whose terms of office were not renewed and Monique Leroux who resigned.

Key executives' terms of office - Executive Management

Daniel Baal
Chief Executive Officer
    Crédit Industriel et Commercial
    Banque Fédérative du Crédit Mutuel
Chairman of the Board of Directors or Supervisory Board
    CIC Sud Ouest
    CIC Ouest
    Cofidis
    Cofidis Participations
    Euro Information Production
    Targo Deutschland GmbH
    Targo Management AG
    Targobank AG
Members of the executive board
    GACM
Vice-Chairman of the Supervisory Board
    Banque de Luxembourg

7. Legal information - Shareholders

7.1. Shareholders' extraordinary general meeting of May 24, 2017

All the resolutions on which the Extraordinary Shareholders' Meeting of May 24, 2017 voted were approved by the shareholders, except for that related to a capital increase reserved for employees (eighth resolution).

First resolution - Amendments to the bylaws: removal of the appointment of an alternate statutory auditor.

The first resolution on which the Extraordinary Shareholders' Meeting of May 24, 2017 voted was approved by the shareholders:
"The Shareholders' Meeting, voting in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and in accordance with the law, resolves to remove the requirement to appoint an alternate statutory auditor. It resolves to amend the bylaws as follows:
TITLE: STATUTORY AUDITOR
Article 17 – appointment - mission
Former wording

The shareholders' ordinary general meeting appoints, at the times and under the conditions stipulated by the laws in force, the statutory auditors in charge of fulfilling the mission defined by the law. It also appoints alternate statutory auditors.
New wording
The shareholders' ordinary general meeting appoints, at the times and under the conditions stipulated by the laws in force, the statutory auditors in charge of fulfilling the mission defined by the law."

7.2. Shareholders' ordinary general meeting of May 24, 2017

All the resolutions on which the Ordinary Shareholders' Meeting of May 24, 2017 voted was approved by the shareholders.

8. Documents available to the public

Documents available to the public

On the cic.fr website in section "shareholders and investors"

On the AMF website.

Anyone who wishes to obtain further information about CIC may, without making any commitment, request documents:
• by mail: CIC – External relations – 88-90 rue Cardinet, 75017 Paris
• by email: frederic.monot@cic.fr
The documents of incorporation, bylaws, minutes of Shareholders' Meetings and reports may be consulted at CIC's registered office: 6, avenue de Provence, 75009 Paris (Corporate Secretary's office).

Persons responsible for information

Hervé Bressan – Chief Financial Officer
Telephone: +33 (0)1 53 48 70 21
herve.bressan@cic.fr

Frédéric Monot – Head of Communications
Telephone: +33 (0)1 53 48 79 57
frederic.monot@cic.fr

9. Persons responsible for the update to the Registration Document and for the interim financial statements – Certification

Person responsible for the update to the Registration Document and for the interim financial report – Certification

Mr. Daniel Baal, Chief Executive Officer

Having taken all reasonable measures to this effect, I hereby certify that, to the best of my knowledge, the information contained in this update is consistent with the facts and does not contain such omissions as may adversely affect its scope.

I certify that, to the best of my knowledge, the condensed consolidated interim financial statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the assets and liabilities, financial position and income of the company and of all the companies included in the consolidation scope, and that the interim management report provides a true and fair view of the significant events that occurred during the first six months of the year, their impact on the financial statements, the main related party transactions and a description of the main risks and uncertainties for the remaining six months of the year.

I obtained a statement from the statutory auditors at the end of their assignment, in which they indicate that they verified the information related to the financial position and the financial statements presented in this update and read the entire update.

Paris, July 28, 2017

Daniel Baal
Chief Executive Officer

10. Statutory auditor

The statutory auditors – PricewaterhouseCoopers Audit, Ernst & Young et Autres and KPMG SA – are members of the French Regional Institute of Chartered Accountants of Versailles.

Principal statutory auditors
Name: PricewaterhouseCoopers Audit
Address: 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex
Represented by Jacques Lévi
First term of office began on: May 25, 1988
Length of current term of office: six years from May 24, 2012
This term of office expires at the close of the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2017.

Name: Ernst & Young et Autres
Address: Tour First – 1, place des Saisons, 92400 Courbevoie
Represented by Hassan Baaj and Olivier Durand
First term of office began on: May 26, 1999
Length of current term of office: six years from May 24, 2017
This term of office expires at the close of the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2022.

Name: KPMG SA
Address: Tour Eqho - 2 avenue Gambetta,
Represented by Arnaud Bourdeille
First term of office began on: May 25, 2016
Length of current term of office: six years from May 25, 2016
This term of office expires at the close of the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2021.

Alternate statutory auditors
Etienne Boris, KPMG Audit FS 1.

The first resolution on which the Extraordinary Shareholders' Meeting of May 24, 2017 voted was approved by the shareholders:

"The Shareholders' Meeting, voting in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and in accordance with the law, resolves to remove the requirement to appoint an alternate statutory auditor. It resolves to amend the bylaws as follows:
TITLE: STATUTORY AUDITOR
Article 17 – appointment - mission
Former wording
The shareholders' ordinary general meeting appoints, at the times and under the conditions stipulated by the laws in force, the statutory auditors in charge of fulfilling the mission defined by the law. It also appoints alternate statutory auditors.
New wording

The shareholders' ordinary general meeting appoints, at the times and under the conditions stipulated by the laws in force, the statutory auditors in charge of fulfilling the mission defined by the law.”

The eleventh resolution on which the Ordinary Shareholders' Meeting of May 24, 2017 voted was approved by the shareholders:
“The terms of office of one primary statutory auditor and one alternate statutory auditor expire during this Shareholders' Meeting.
The persons concerned are:
• Ernst & Young et Autres, primary statutory auditor;
• Picarle et Associés, alternate statutory auditor.
It is proposed that the shareholders’ general meeting renew the term of office of the primary statutory auditor for a period of six fiscal years, i.e. until the conclusion of the shareholders ordinary general meeting called to approve the financial statements for fiscal year 2022.
Given the amendment to the bylaws voted by the shareholders' extraordinary general meeting today, there is no longer a need to renew the term of the alternate statutory auditor.”

11. Cross-reference table

Annex 1 of EU regulation no. 809/2004		Update of July 27, 2017	Registration document filed on April 19, 2017
1	**Persons responsible**	**72**	**325**
2	**Statutory auditors**	**73-74**	**325**
3	**Selected financial information**		
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3.2	Selected financial information for interim periods	6-18	NA
4	**Risk factors**	**24**	**85-157**
5	**Information about the issuer**		
5.1	History and development of the issuer	6 / 63	32-33
5.2	Investments	50	191 / 198 / 250-251
6	**Business overview**		
6.1	Principal activities	4-25	11-28 / 75-84 / 320
6.2	Principal markets		6
6.3	Exceptional events	6 / 63	75 / 165 / 219
6.4	Level of dependency on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes		321
6.5	Basis for any statements made by the issuer regarding its competitive position		6-7 / 12-28
7	**Organizational structure**		
7.1	Brief description of the group		8-9
7.2	List of significant subsidiaries	40	178-180
8	**Property, plant and equipment**		
8.1	Existing or planned material tangible fixed assets	50	199 / 236
8.2	Environmental issues that may affect the issuer's utilization of the tangible fixed assets		284-290
9	**Operating and financial review**		
9.1	Financial condition	28-29	158-159 / 220-221
9.2	Operating income after provisions	7-18 / 30	75-80 / 160 / 219 / 222
10	**Capital resources**		
10.1	Information concerning the issuer's capital resources	32	162-163
10.2	Sources and amounts of and a narrative description of the issuer's cash flows	33	164
10.3	Information on the borrowing requirements and funding structure of the issuer		101-104 / 111-157
10.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, the issuer's operations	7-8	75 / 111-157
10.5	Information regarding the anticipated sources of funds needed to fulfill the commitments referred to in items 5.2 and 8.1		NA
11	**Research and development, patents and licenses**		**NA**
12	**Trend information**	**24**	**84**
13	**Profit forecasts or estimates**		**NA**
14	**Administrative, management, and supervisory bodies and senior management**		
14.1	Information concerning members of the administrative and management bodies	66-69	45-51
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15	**Compensation and benefits**		
15.1	Amount of compensation paid and benefits in-kind		52-55 / 57-58
15.2	Total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits	52	52-55 / 202-203 / 217 / 238 / 249
16	**Operation of administrative and management bodies**		
16.1	Date of expiration of current terms of office	67-68	45-51
16.2	Service contracts between members of the administrative, management or supervisory bodies or any of its subsidiaries		44
16.3	Information about the issuer's audit committee and compensation committee		52-58 / 60-63 / 65 / 67
16.4	Statement as to whether or not the issuer complies with its country of incorporation's corporate governance regime		52 / 56
17	**Employees**		
17.1	Number of employees		264
17.2	Directors' ownership interests and stock options		52-54
17.3	Arrangements for involving the employees in the capital of the issuer		34-35

Annex 1 of EU regulation no. 809/2004		Update of July 27, 2017	Registration document filed on April 19, 2017
18	**Major shareholders**		
18.1	Shareholders holding more than 5% of the share capital or voting rights	63-64	34-35
18.2	Any differences in voting rights of the abovementioned shareholders		36 / 308
18.3	Control of the issuer	64	34-35
18.4	Any arrangements known to the issuer the operation of which may at a subsequent date result in a change in control of the issuer	NA	NA
19	**Related party transactions**	**58**	**217**
20	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**		
20.1	Historical financial information		7 / 158-217/ 220-257
20.2	Pro forma financial information		NA
20.3	Financial statements		158-217 / 220-257
20.4	Auditing of historical annual financial information		218 / 258
20.5	Age of latest financial information		158-217 / 220-257
20.6	Interim and other financial information	28-62	NA
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21	**Additional information**		
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22	**Material contracts**		**321**
23	**Third party information and statements by experts and declarations of any interest**	**NA**	**NA**
24	**Documents available to the public**	**70**	**324**
25	**Information on holdings**	**40 / 50**	**178-182 / 191 / 198/ 234 / 250-257**

Pursuant to Article 212-13 of the General Regulations of the French Financial Markets Authority (Autorité des Marchés Financiers – AMF), this update includes information from the interim financial statements referred to in Article L. 451-1-2 of the French Monetary and Financial Code.

Interim financial statements	**Update of July 27, 2017**
1 Interim management report	
- Significant events occurring during the first six months of the reporting period and their impact on the interim financial statements	4-25
- Description of the main risks and uncertainties for the remaining six months of the reporting period	24
- Main related-party transactions	58
2 Financial statements as of June 30, 2016	28-58
3 Declaration by the person responsible for the document	72
4 Statutory Auditors' report on the interim financial statements	61-62