



**July 28, 2016**

## **Interim financial report as of June 30, 2016**

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

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## **I – Person responsible**

## **Person responsible for the interim financial report**

Mr. Alain Fradin, Chief Executive Officer

### **Certification of the person responsible for the interim financial report**

I certify that, to the best of my knowledge, the condensed interim financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the company and of all the companies included in the consolidation scope, and that the attached interim management report gives a true and fair view of major events occurring 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 facing those companies during the remaining six months of the year.

Paris, July 28, 2016

Alain Fradin  
Chief Executive Officer

## **II – Interim financial statements**

### **Interim management report as of June 30, 2016**

#### **FIRST HALF OF 2016**

First half of 2016: easing of concerns at the beginning of the year undermined by Brexit

The year 2016 began with concerns over the risk of a severe slowdown in China, which weighed on global activity and oil prices. Central banks responded by easing their monetary policies further (particularly in Japan and the euro zone) or delaying monetary tightening (USA). Activity in the Western economies later took a surprising upturn and efforts made by the Chinese authorities helped to allay investors' doubts. However, the success of the "Leave" vote in the Brexit referendum in late June created a brand new paradigm. It triggered renewed uncertainty regarding the coherence of the European project and prompted the central banks, fearful of its impact on growth and inflation, to take a more cautious approach.

In early January, the rapid drop in the yuan and Chinese foreign exchange reserves, coupled with a weak US manufacturing sector and concerns over banking stability in the euro zone, rekindled fears about global growth. Eager to offset the economic slowdown, the Chinese authorities relied heavily on two tools: budget stimulus and monetary easing. They limited short-term risk by ensuring the transition through public spending; however, debt management is already having a negative impact on consumption, while the support measures are adding somewhat to the imbalances.

The weakness of the Chinese economy caused a collapse of the financial markets at the beginning of the year, which contributed to the drop in oil prices, already impacted by the oversupply, to a low of USD 27 (WTI benchmark) in mid-February. Talk of a production freeze then reversed the trend. The increase to USD 50 per barrel was faster than expected thanks to the convergence of positive structural (drop in US production, change in the position taken by Saudi Arabia, which stopped "flooding the market", tensions in Nigeria) and cyclical factors (fires in Canada affecting production).

In the euro zone, business indicators confirmed an encouraging trend fueled by private consumption, which has been boosted by falling energy costs related to the steep drop in crude oil prices. The economy is also benefiting from extremely favorable monetary conditions, particularly following the additional measures taken by the ECB (decrease in key interest rates and increase in the purchase program). This has favored investment, which is picking up the slack for consumption and exports, sparking a virtuous growth cycle. The euro zone therefore saw a surprising 0.6% increase in its GDP in the first quarter, mainly as a result of the continuing recovery in France and Germany. However, although activity remained strong in May, the uncertainty surrounding Brexit may weaken confidence, undermining the recent positive growth trend in the euro zone.

In France, indicators were generally positive with stronger-than-expected growth in the first quarter. This was mainly due to an increase in corporate investment supported by several factors (competitiveness and employment tax credit or CICE, easing of financial terms, 40% additional depreciation option), as well as a gradual recovery in the real estate sector. In terms of economic policy, after a difficult parliamentary process and numerous concessions, the "El Khomri" labor market reform bill was finally passed. With respect to the budget, although the public deficit objectives were maintained, the Cour des Comptes (France's Court of Auditors) doubts the government's ability to meet its targets in the run-up to the elections. The government's decision in early July not to offset, euro for euro, an array of new expenditures announced in early 2016 has not yet been sanctioned by the financial markets.

As for the peripheral countries of the euro zone, risk has been reduced in Greece thanks to the €7.5 billion in new aid received on June 21. However, that is not the case in Spain where, despite the progress made by the People's Party, new elections held on June 26 failed to produce a clear and stable majority.

In the United States, concerns were also fueled early in the year by a slowdown in industry and growing pessimism on the part of the Fed, which lowered its growth forecast at the beginning of the year. However, there were signs of economic recovery driven by strong consumption and a buoyant real estate market. As a result, conditions in the labor market continued to improve. Disappointing employment figures in May nevertheless encouraged a cautious approach by the Fed which, also affected by the uncertainty surrounding the British referendum, chose to buy time in June.

Despite a rebound in oil and raw material prices and the Fed's more cautious stance, emerging economies are still struggling to regain momentum and find an alternative to debt to generate growth. External imbalances, however, have been partly corrected, reducing their vulnerability to external shocks, even if the underlying factors are not necessarily positive (for example, collapse in domestic demand in Russia). For its part, Brazil continues to feel the effects of its internal political situation and remains in recession.

In the first half of the year, the currency war among central banks also continued. A tacit agreement not to take action appears to have calmed things down. In response to the worsening of the situation in the first quarter, the European Central Bank and the Bank of Japan relaxed their monetary policies, while the US Federal Reserve announced slower than expected monetary tightening in 2016. Although improvements in the various economies during the first half of the year greatly reduced the likelihood of additional measures, the Brexit victory has created a brand new paradigm for central banks, which are now being very cautious. The Japanese central bank has had to deal with a sharp appreciation of the yen since the beginning of the year which it has not managed to control.

## **GROUP ACTIVITY AND RESULTS**

### ***Consolidated statement of financial position***

The main changes in the consolidated statement of financial position were as follows:

- Net loans to customers came to €163.9 billion at June 30, 2016, up 8.7% from June 30, 2015. Equipment loans increased by 24.0% to €37.5 billion and home loans by 5.6% to €70.4 billion.

- Customer deposits totaled €137.0 billion, representing a rise of 7.4% compared to June 30, 2015 driven mainly by current accounts, which saw a 15.5% increase in outstandings.

The loan-to-deposit ratio – the ratio of total net loans to bank deposits expressed as a percentage – was 119.6% at June 30, 2016 compared to 118.2% a year earlier.

Customer funds invested in savings products stood at €255.3 billion (down 0.2% compared to June 30, 2015).

Shareholders' equity, which underpins the group's sound financial position, totaled €13.5 billion.

The estimated CET1 capital ratio at June 30, 2016 was 11.7%. CET1 ("common equity tier 1") prudential capital totaled €11.7 billion. These calculations do not include transitional provisions.

As a direct result of the downgrade of France's ratings, on September 23, 2015 Moody's rating agency lowered CIC's long-term rating from Aa2 with a negative outlook to Aa3 with a stable outlook. This rating, along with those assigned by Standard & Poor's and Fitch Ratings, has not changed:

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

### *Consolidated income statement*

	June 2016	June 2015	Change H1-2016/H1-2015	Dec. 2015
<i>(in € millions)</i>				
Net banking income	2,514	2,542	-1.1%	4,782
Operating expenses	(1,625)	(1,603)	1.4%	(3,005)
Operating income before provisions	889	939	-5.3%	1,777
Income before tax	900	924	-2.6%	1,702
Corporation tax	(270)	(284)	-4.9%	(562)
Net profit/loss on disposals*	46	(24)	N/A	(23)
Net income	676	616	9.7%	1,117
Net income attributable to the group	674	612	10.1%	

\* Since January 1, 2015, Banque Pasche has been accounted for pursuant to IFRS 5 as an entity held for sale. The sale was completed at the end of the second quarter of 2016.

In a difficult market environment, net banking income was stable at end-June 2016 at €2.514 billion compared to €2.542 billion a year earlier. This includes €89 million in compensation

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.

Operating expenses were held in check, rising by 1.4% to €1.625 billion.

Operating income before provisions was down by 5.3%, with the cost/income ratio increasing from 63.1% to 64.6% in a year.

Net provision allocations/reversals for loan losses decreased by 22.1% to €67 million compared to €86 million at the end of first-half 2015 due to the fall in both collective provisions of €17 million and in net provision allocations for loan losses on an individual basis of €2 million.

Annualized net provision allocations/reversals for losses on customer loans as a percentage of gross loan outstandings was 0.09% (0.12% at June 30, 2015) and the overall non-performing loan coverage ratio was 51.3% compared to 48.9% a year earlier.

The share of income of affiliates reached €67 million compared to €70 million a year earlier. In addition, net gains on sales of non-current assets totaled €11 million compared to €1 million at June 30, 2015.

Income before tax therefore fell by 2.6%.

Given a net profit on disposals of €46 million at June 30, 2016, including €66 million in funds reclassified from the translation reserve (exchange gain on the sale of Banque Pasche whose securities were denominated in Swiss francs) – versus a net loss of €24 million a year earlier – and a €14 million decrease in corporation tax, net income rose 9.7% to €676 million.

## **ANALYSIS BY ACTIVITY**

### 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 performed mostly by the network: equipment and real estate leasing, factoring, receivables management, fund management, employee savings plans, insurance and real estate.

**Corporate banking** includes the financing of major corporations and institutional customers, specialized lending, international operations and foreign branches.

**Capital markets activities** include investment in fixed-income instruments, equities and foreign exchange and commercial activities (CM-CIC Market Solutions).

**The private banking** segment develops know-how in financial management and estate planning for families of business owners and private investors in France and abroad.

**Private equity** comprises equity investments, merger-acquisition consulting and financial and stock market engineering.

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

Each consolidated company is included in only one business line, corresponding to its core business, on the basis of the contribution to the group's results. The only exception is CIC,



whose income, expenses and statement of financial position items are subject to an analytical distribution.

## RESULTS BY ACTIVITY

Note: outstandings by business are month-end outstandings.

### *Retail banking*

<i>(in € millions)</i>	June 2016	June 2015	Change H1-2016/H1-2015	Dec. 2015
Net banking income*	1,737	1,754	-1.0%	3,514
Operating expenses	(1,212)	(1,212)	0.0%	(2,254)
Operating income before provisions*	525	542	-3.1%	1,260
Income before tax*	525	533	-1.5%	1,202
Net income attributable to the group	357	334	6.9%	790

\* June 2015: offsetting of €20 million in capital gains on securities realized by CIC EST.

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

In one year, deposits grew by 9.7% to €102.1 billion thanks to an increase in current accounts in credit (+21.5% to €41.8 billion), home savings (+13.5% to €9.7 billion) and passbook accounts (+3.1% to €25.5 billion).

Loan outstandings also rose significantly (+5.3%) to €128.4 billion, with a 5.3% increase in home loans, a 9.6% increase in operating loans and a 5.2% increase in investment loans.

Net banking income from retail banking stood at €1.737 billion (-1.0%), a similar level to that on June 30, 2015. Net fee and commission income rose by 0.7% while the net interest margin and other components of NBI fell by 2.1%.

General operating expenses remained stable at €1.212 billion and included a €25 million contribution to the Single Resolution Fund (SRF), compared to €43 million at June 30, 2015.

Net provision allocations/reversals for loan losses decreased from €79 million at June 30, 2015 to €68 million at June 30, 2016, while income before tax was down 1.5% from €533 million to €525 million over the same period.

### Banking network

At June 30, 2016, the banking network had 4,924,125 customers (+1.7% compared to June 30, 2015).

Loan outstandings increased by 4.7% to €112.4 billion. With the exception of advances to customers, which decreased by 5.5%, all loans increased, particularly home loans (+5.3%) and investment loans (+5.2%).

During the first half of 2016, the amount of loan funds released was €14.7 billion, a similar level to that in the first half of 2015.

Deposits reached €102.1 billion (+9.7% compared to end-June 2015) thanks to an increase in current accounts in credit (+21.5%), home savings (+13.5% to €9.7 billion) and passbook accounts (+3.1% to €25.5 billion).

Customer funds invested in group savings products fell slightly to €57.4 billion compared to €58.0 billion at end-June 2015 despite an increase in life insurance outstandings (2.7%) and employee savings plans (4.1%)

The insurance business continued to grow. The number of property and casualty insurance contracts was 4,642,015 (+8.5% compared to end-June 2015).

Service activities rose by:

- 13.4% in remote banking with 2,142,604 contracts,
- 12.0% in telephony (455,272 contracts),
- 5.5% in electronic payment terminals (131,398 contracts),
- 3.8% in theft protection (89,869 contracts).

In a low interest rate environment, network net banking income was €1.630 billion compared to €1.651 billion<sup>1</sup> a year earlier (-1.3%), with a 3.2% decrease in the net interest margin and other components of NBI. Fee and commission income rose by 1.1% despite a decrease in loan fees related to a high level of home loan renegotiation fees in the first half of 2015. After adjustment for these items, net banking income at June 30, 2016 was 1.9% higher than at June 30, 2015.

General operating expenses totaled €1.132 billion (-0.8% compared to June 30, 2015) and included a contribution to the SRF of €21 million versus €42 million a year earlier.

At €65 million, net provision allocations/reversals for loan losses were down 15.6% as a result of a €12 million decrease in net provision allocations for loan losses on an individual basis.

The branch network's income before tax was €434 million at June 30, 2016, similar to that at June 30, 2015 (€433 million).

### Retail banking support businesses

The retail banking support businesses generated net banking income of €107 million at end-June 2016, compared to €103 million at end-June 2015, and income before tax of €91 million, €67 million of which was the share of income of the Crédit Mutuel-CM11 group's insurance business.

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<sup>1</sup> Net banking income at June 30, 2015: Offsetting of €20 million in capital gains on securities realized by CIC EST.

### **Corporate banking**

	June 2016	June 2015	Change H1-2016/H1-2015	Dec. 2015
<i>(in € millions)</i>				
Net banking income	161	186	-13.4%	366
Operating expenses	(56)	(54)	3.7%	(97)
Operating income before provisions	105	132	-20.5%	269
Income before tax	102	118	-13.6%	246
Net income attributable to the group	69	76	-9.2%	158

Loan outstandings in corporate banking rose 15.0% to €16.7 billion.

Net banking income fell by 13.4% to €161 million (non-recurring transactions in 2015)

General operating expenses rose by 3.7% to €56 million (€54 million at June 30, 2015).

With lower net provision allocations/reversals for loan losses (€3 million compared to €14 million last year), income before tax amounted to €102 million, down 13.6% from June 30, 2015.

### **Capital markets activities**

	June 2016	June 2015	Change H1-2016/H1-2015	Dec. 2015
<i>(in € millions)</i>				
Net banking income	185	262	-29.4%	342
Operating expenses	(107)	(95)	12.6%	(169)
Operating income before provisions	78	167	-53.3%	173
Income before tax	82	170	-51.8%	175
Net income attributable to the group	50	103	-51.5%	93

In a difficult environment, the capital markets activities generated net banking income of €185 million (€262 million at June 30, 2015).

The increase in general operating expenses was due to the allocation to this business of a contribution to the SRF (Single Resolution Fund) which exceeded that of the previous year by €12 million.

There was a net loan loss provision reversal of €4 million compared to a reversal of €3 million at June 30, 2015.

Income before tax fell from €170 million at June 30, 2015 to €82 million at June 30, 2016.

### **Private banking**

	June 2016	June 2015	Change H1-2016/H1-2015	Dec. 2015
<i>(in € millions)</i>				
Net banking income	271	266	1.9%	509
Operating expenses	(178)	(178)	0.0%	(371)
Operating income before provisions	93	88	5.7%	138
Income before tax	102	92	10.9%	143
Net income attributable to the group	66	45	46.7%	79

Private banking deposits increased by 7.6% to €20.2 billion and loan outstandings stood at €12.5 billion (+12.5%). Customer funds invested in group savings products amounted to €84.1 billion (-1.9%).

Net banking income rose to €271 million compared to €266 million at June 30, 2015, mainly as a result of a 20.3% increase in the net interest margin.

General operating expenses remained stable at €178 billion.

Net provision allocations/reversals for loan losses, which were negative (€-4 million at June 30, 2015) became positive by €1 million at June 30, 2016.

Income before tax stood at €102 million (€92 million at June 30, 2015), up 10.9% before taking into account the €20 million net loss of Banque Pasche, which was sold in the second quarter of 2016 (excluding €66 million in funds reclassified from the translation reserve).

### **Private equity**

	June 2016	June 2015	Change H1-2016/H1-2015	Dec. 2015
<i>(in € millions)</i>				
Net banking income	122	118	3.4%	172
Operating expenses	(22)	(20)	10.0%	(41)
Operating income before provisions	100	98	2.0%	131
Income before tax	100	98	2.0%	131
Net income attributable to the group	99	98	1.0%	127

The investment portfolio totaled €1.8 billion, €44 million of which was invested in the first half of 2016. The portfolio comprises 422 investments.

Net banking income rose from €118 million at June 30, 2015 to €122 million at June 30, 2016, while income before tax increased from €98 million to €100 million.

### **Holding company**

	June 2016	June 2015	Change H1-2016/H1-2015	Dec. 2015
<i>(in € millions)</i>				
Net banking income	38	(44)	-186.4%	(121)
Operating expenses	(50)	(44)	13.6%	(73)

Operating income before provisions	(12)	(88)	-86.4%	(194)
Income before tax	(11)	(87)	-87.4%	(195)
Net income attributable to the group	33	(44)	NA	(136)

\* June 2015: allocation of €20 million in capital gains on securities realized by CIC EST.

In the first half of 2016, net banking income for the group's holding company consisted mainly of the following items:

- The €89 million in compensation by Banque Fédérative du Crédit Mutuel (BFCM) for the CIC regional banks, Banque Transatlantique and CIC as sub-participants to BFCM in VISA Europe in connection with VISA Inc.'s acquisition of that company.
- An expense of €28 million related to financing the branch network development plan compared to €34 million at June 30, 2015;
- An expense of €26 million for refinancing activities, a €7 million decrease compared to June 2015.

General operating expenses amounted to €50 million compared to €44 million at end-June 2015. The change was mainly due to the allocation of a €6 million contribution to the SRF at June 30, 2016.

At €12 million, the operating loss before provisions was a significant improvement over the €88 million loss at the end of the first half of 2015.

An expense of €22 million was recorded for corporation tax compared to income of €43 million at June 30, 2015.

In addition, the reclassification of the translation reserve (exchange gain on Banque Pasche whose securities were denominated in Swiss francs) of €66 million in the second quarter of 2016 was recorded as net profit on disposals in the Holding activity.

As a result, net income attributable to the group amounted to €33 million compared to an expense of €44 million at June 30, 2015.

## ACCOUNTING POLICIES

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 as of June 30, 2016. 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: [http://ec.europa.eu/internal\\_market/accounting/ias/index\\_en.htm](http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

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 complement the annual financial statements for the year ended December 31, 2015 presented in the 2015 Registration Document filed with the AMF under number D16.0369.

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.

**New standards and interpretations applicable to annual periods beginning on or after January 1, 2016**

<b>Standard</b>	<b>Name</b>
Amendments to IAS 1	Presentation of Financial Statements
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortization
Amendments to IFRS 11	Accounting for acquisitions of interests in joint operations
Amendments to IAS 19	Defined benefit plans: employee contributions
Annual improvements: Cycle 2010-2012	IFRS 2, 3, 8 and 13, IAS 16, 24 and 38
Annual improvements: Cycle 2012-2014	IFRS 5 and 7, IAS 19 and 34

***Changes in consolidation scope during the first half of 2016:***

- 1. Company removed**
  - Sale of Banque Pasche.
  
- 2. Merger**
  - Absorption of CM-CIC Securities by CIC.

**RELATED PARTIES**

Information on related party transactions occurring during the first six months of the current year appears in Note 39 to the consolidated financial statements for the period ended June 30, 2016.

**PRINCIPAL RISKS AND UNCERTAINTIES FOR THE SECOND HALF OF 2016**

**RISKS**

The nature and level of risks to which the group is exposed relative to the risk factors have not changed significantly compared to the situation described on pages 81 to 94 in the Financial Items section of the 2015 Registration Document and Annual Financial Report, with the exception of credit risk and sovereign risks.

**Credit risk**

As requested by the banking supervisor and the market regulator, sensitive exposures based on the recommendations of the Financial Stability Board are presented in Note 10b to the consolidated financial statements.

### **Sovereign risks**

On 06/28/2016, CIC Group disclosed on its website its net sovereign debt outstandings as of June 30, 2016. These outstandings and detailed information are presented in Note 7a to CIC's consolidated financial statements.

The vote on Thursday, June 23, 2016 in favor of "Brexit" ushered in a period of uncertainty as to the ultimate fate of the negotiations on the United Kingdom's exit from the European Union. However, we expect very low impacts on our income statement given the group's limited presence in Great Britain and moderate risks in the other activities.

## **UNCERTAINTIES**

During the second half of the year, we expect continued growth in the developed economies along with stabilization in the rest of the world.

However, because of the lack of visibility as a result of the "Brexit" victory, growth in the euro zone should be lower than previously projected. Against this uncertain backdrop, the role of the central banks is expected to intensify, further impacting interest rates. In addition, several factors could undermine our scenario:

- an "accident" affecting activity in China, which could trigger new concerns about global growth;
- a growth impasse and a loss of confidence ahead of the elections in the United States;
- rising tensions among Europeans to negotiate the United Kingdom's exit from the EU;
- numerous risks related to the internal political situations in Europe: domino effect of Brexit with the rise of Eurosceptic parties, referendum in Italy on a key aspect of the Matteo Renzi program, risk of Spain being without a government for a long period of time;
- heightened geopolitical risks in the Middle East.

**Condensed consolidated financial statements**



**CONSOLIDATED FINANCIAL STATEMENTS  
AT JUNE 30, 2016**

## FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ASSETS

<i>(in € millions)</i>	Notes	June 30, 2016	December 31, 2015
Cash and due from central banks	4	10,491	7,563
Financial assets at fair value through profit or loss	5	15,678	15,090
Derivatives used for hedging purposes	6	1,017	929
Available-for-sale financial assets	7	15,374	12,460
Loans and receivables due from credit institutions	4	50,994	44,739
Loans and receivables due from customers	8	163,876	157,166
Remeasurement adjustment of interest-rate hedged portfolios	9	597	562
Held-to-maturity financial assets	10	61	60
Current tax assets	11	397	370
Deferred tax assets	12	357	380
Accruals and other assets	13	12,164	11,228
Non-current assets held for sale		-0	116
Investments in associates	14	1,738	1,681
Investment property	15	32	35
Property, plant and equipment and finance leases (lessee accounting)	16	1,345	1,367
Intangible assets	17	196	197
Goodwill	18	33	33
<b>Total assets</b>		<b>274,350</b>	<b>253,976</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY

<i>(in € millions)</i>	Notes	June 30, 2016	December 31, 2015
Due to central banks	19	0	0
Financial liabilities at fair value through profit or loss	20	7,303	6,871
Derivatives used for hedging purposes	6	4,274	3,577
Due to credit institutions	19	79,467	73,780
Due to customers	21	136,979	129,958
Debt represented by a security	22	26,475	18,260
Remeasurement adjustment of interest-rate hedged portfolios	9	(797)	(742)
Current tax liabilities	11	236	217
Deferred tax liabilities	12	271	262
Accruals and other liabilities	23	4,531	7,247
Liabilities related to non-current assets held for sale		0	130
Provisions	24	1,081	1,006
Subordinated debt	25	1,024	277
Shareholders' equity		13,506	13,133
. Shareholders' equity attributable to the group		13,449	13,069
- <i>Subscribed capital</i>		608	608
- <i>Share premiums</i>		1,088	1,088
- <i>Consolidated reserves</i>		10,800	10,015
- <i>Unrealized gains and losses recognized directly in shareholders'</i>	26a	279	247
- <i>Net income for the year</i>		674	1,111
. Non-controlling interests		57	64
<b>Total liabilities and shareholders' equity</b>		<b>274,350</b>	<b>253,976</b>

## CONSOLIDATED INCOME STATEMENT

<i>(in € millions)</i>	Notes	June 30, 2016	June 30, 2015
Interest and similar income	28	3,796	3,911
Interest and similar expense	28	(2,692)	(3,027)
Commission income	29	1,185	1,199
Commission expense	29	(252)	(251)
Net gain/(loss) on financial instruments at fair value through profit or loss	30	355	505
Net gain/(loss) on available-for-sale financial assets	31	40	198
Income from other activities	32	135	63
Expenses from other activities	32	(53)	(56)
<b>Net banking income</b>		<b>2,514</b>	<b>2,542</b>
Payroll costs	33a	(900)	(890)
Other general operating expenses	33c	(658)	(640)
Depreciation and amortization	34	(67)	(73)
<b>Operating income before provisions</b>		<b>889</b>	<b>939</b>
Net provision allocations/reversals for loan losses	35	(67)	(86)
<b>Operating income after provisions</b>		<b>822</b>	<b>853</b>
Share of income/(loss) of associates	14	67	70
Net gain/(loss) on other assets	36	11	1
<b>Income before tax</b>		<b>900</b>	<b>924</b>
Corporate income tax	37	(270)	(284)
Gains/losses after tax on activities held for sale		46	(24)
<b>Net income</b>		<b>676</b>	<b>616</b>
Net income attributable to non-controlling interests		2	4
<b>Net income attributable to the group</b>		<b>674</b>	<b>612</b>
Basic earnings per share (in €)	38	17.83	16.19
Diluted earnings per share (in €)	38	17.83	16.19

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

(in € millions)	June 30, 2016	June 30, 2015
<b>Net income</b>	<b>676</b>	<b>616</b>
Translation adjustments	(95)	69
Remeasurement of available-for-sale financial assets	88	(57)
Remeasurement of hedging derivatives	0	0
Share of unrealized or deferred gains and losses of equity-accounted entities	48	(32)
<b>Total gains and losses recognized directly in shareholders' equity that n</b>	<b>41</b>	<b>(20)</b>
Remeasurement of non-current assets		
Actuarial gains and losses on defined benefit plans	(10)	3
Share of unrealized or deferred gains and losses of equity-accounted entities	(0)	0
<b>Total gains and losses recognized directly in shareholders' equity that n</b>	<b>(10)</b>	<b>3</b>
<b>Net income and gains and losses recognized directly in shareholders' e</b>	<b>707</b>	<b>598</b>
Attributable to the group	705	594
Non-controlling interests	2	4

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

**CIC GROUP**  
**June 30, 2016**

(in € millions)	Shareholders' equity attributable to the group										Non-controlling interests	Total consolidated shareholders' equity
	Capital	Additional paid-in capital	Elimination of treasury stock	Reserves (1)	Gains and losses recognized directly in shareholders' equity				Net income	Total		
					Translation adjustments	AFS assets (2)	Hedging instruments	Actuarial gains and losses				
<b>Balance at Jan. 01, 2015</b>	<b>608</b>	<b>1,088</b>	<b>(55)</b>	<b>9,248</b>	<b>81</b>	<b>185</b>	<b>(1)</b>	<b>(68)</b>	<b>1,116</b>	<b>12,202</b>	<b>64</b>	<b>12,266</b>
Impact of the application of IFRIC 21				9					9	9		9
<b>Balance at Jan. 01, 2015</b>	<b>608</b>	<b>1,088</b>	<b>(55)</b>	<b>9,257</b>	<b>81</b>	<b>185</b>	<b>(1)</b>	<b>(68)</b>	<b>1,116</b>	<b>12,211</b>	<b>64</b>	<b>12,275</b>
Appropriation of prior-year earnings				1,116					(1,116)	0		0
Dividends paid				(302)						(302)	(7)	(309)
Change in investments in subsidiaries without loss of control										0		0
<b>Subtotal: movements arising from stockholder relations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>814</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,116)</b>	<b>(302)</b>	<b>(7)</b>	<b>(309)</b>
Consolidated net income for the period									612	612	4	616
Conversion rate variations					68					68		68
Changes in fair value of AFS assets (2)						(89)				(89)		(89)
Changes in fair value of hedging instruments										0		0
Changes in actuarial gains and losses								3		3		3
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>68</b>	<b>(89)</b>	<b>0</b>	<b>3</b>	<b>612</b>	<b>594</b>	<b>4</b>	<b>598</b>
Other movements				1	1	(1)				1		1
<b>Balance at June 30, 2015</b>	<b>608</b>	<b>1,088</b>	<b>(55)</b>	<b>10,072</b>	<b>150</b>	<b>95</b>	<b>(1)</b>	<b>(65)</b>	<b>612</b>	<b>12,504</b>	<b>61</b>	<b>12,565</b>
<b>Balance at July 1, 2015</b>	<b>608</b>	<b>1,088</b>	<b>(55)</b>	<b>10,072</b>	<b>150</b>	<b>95</b>	<b>(1)</b>	<b>(65)</b>	<b>612</b>	<b>12,504</b>	<b>61</b>	<b>12,565</b>
Consolidated net income for the period									499	499	2	501
Conversion rate variations					11					11		11
Changes in fair value of AFS assets (2)						35				35		35
Changes in fair value of hedging instruments							1			1		1
Changes in actuarial gains and losses								21		21		21
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>35</b>	<b>1</b>	<b>21</b>	<b>499</b>	<b>567</b>	<b>2</b>	<b>569</b>
Other movements				(2)	0	0				(2)	1	(1)
<b>Balance at Dec. 31, 2015</b>	<b>608</b>	<b>1,088</b>	<b>(55)</b>	<b>10,070</b>	<b>161</b>	<b>130</b>	<b>0</b>	<b>(44)</b>	<b>1,111</b>	<b>13,069</b>	<b>64</b>	<b>13,133</b>
<b>Balance at January 1, 2016</b>	<b>608</b>	<b>1,088</b>	<b>(55)</b>	<b>10,070</b>	<b>161</b>	<b>130</b>	<b>0</b>	<b>(44)</b>	<b>1,111</b>	<b>13,069</b>	<b>64</b>	<b>13,133</b>
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)
<b>Subtotal: movements arising from stockholder relations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>790</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,111)</b>	<b>(321)</b>	<b>(9)</b>	<b>(330)</b>
Consolidated net income for the period									674	674	2	676
Conversion rate variations					(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)
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(95)</b>	<b>136</b>	<b>0</b>	<b>(10)</b>	<b>674</b>	<b>705</b>	<b>2</b>	<b>707</b>
Other movements				(5)		1				(4)		(4)
<b>Balance at June 30, 2016</b>	<b>608</b>	<b>1,088</b>	<b>(55)</b>	<b>10,855</b>	<b>66</b>	<b>267</b>	<b>0</b>	<b>(54)</b>	<b>674</b>	<b>13,449</b>	<b>57</b>	<b>13,506</b>

(1) At June 30, 2016, reserves comprised the legal reserve for €61 million, the special long-term capital gains reserve for €287 million, retained earnings for €147 million, other CIC reserves for €5.320 billion and consolidated reserves for €5.040 billion.

(2) AFS: Available for sale

At June 30, 2016, CIC's capital comprised 38,027,493 shares with a par value of €16 each, including 229,741 treasury shares.

## CONSOLIDATED STATEMENT OF CASH FLOWS

1st Half 2016

(in € millions)

Net income	676
Corporate income tax	270
<b>Income before tax</b>	<b>946</b>
+/- Net depreciation/amortization of property, plant equipment and intangible assets	66
- Impairment of goodwill and other non-current assets	
+/- Net additions to/reversals from provisions and impairment losses	-46
+/- Share of net income/loss of equity-accounted entities	-67
+/- Net loss/gain from investment activities	8
+/- Income/expense from financing activities	
+/- Other movements	21
<b>Total non-monetary items included in net income before tax and other adjustments</b>	<b>-18</b>
+/- Cash flows relating to interbank transactions	-1,011
+/- Cash flows relating to customer transactions	16
+/- Cash flows relating to other transactions affecting financial assets and liabilities	5,962
+/- Cash flows relating to other transactions affecting non-financial assets and liabilities	-3,407
- Corporate income tax paid	-259
<b>Net decrease/(increase) in assets and liabilities from operating activities</b>	<b>1,301</b>
<b>Total net cash flows from (used in) operating activities (A)</b>	<b>2,229</b>
+/- Cash flows relating to financial assets and associated companies	13
+/- Cash flows relating to investment property	1
+/- Cash flows relating to property, plant and equipment and intangible assets	-34
<b>Total net cash flows from (used in) investment activities (B)</b>	<b>-20</b>
+/- Cash flows relating to transactions with stockholders (1)	-273
+/- Other net cash flows from financing activities (2)	666
<b>Total net cash flows from (used in) financing activities (C)</b>	<b>393</b>
<b>Impact of movements in exchange rates on cash and cash equivalents (D)</b>	<b>-71</b>
<b>Net increase (decrease) in cash and cash equivalents (A + B + C + D)</b>	<b>2,531</b>
Net cash flows from (used in) operating activities (A)	2,229
Net cash flows from (used in) investment activities (B)	-20
Net cash flows from (used in) financing activities (C)	393
Impact of movements in exchange rates on cash and cash equivalents (D)	-71
<b>Cash and cash equivalents at beginning of period</b>	<b>30,317</b>
Cash and due to/from central banks	7,563
Demand loans and deposits with credit institutions	22,754
<b>Cash and cash equivalents at end of period</b>	<b>32,848</b>
Cash and due to/from central banks	10,491
Demand loans and deposits with credit institutions	22,357
<b>Change in net cash and cash equivalents</b>	<b>2,531</b>

**(1) Cash flows relating to transactions with stockholders include:**

- dividends paid by CIC to its stockholders for €(321) million for fiscal year 2015;
- dividends paid to minority stockholders for €(5) million;
- dividends received from equity-accounted entities for €53 million.

**(2) Other net cash flows from financing activities concern:**

- issues and repayments of subordinated loans for a net amount of €748 million,
- issues and redemptions of bonds for a net amount of €-82 million.

## NOTES TO THE FINANCIAL STATEMENTS

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

### NOTE 1 - Accounting policies

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 as of June 30, 2016. 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: [http://ec.europa.eu/internal\\_market/accounting/ias/index\\_fr.htm](http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm)

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 complement the annual financial statements for the year ended December 31, 2015 presented in the 2015 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.

### New standards and interpretations applicable to annual periods beginning on or after January 1, 2016

Standard	Name
Amendments to IAS 1	Presentation of Financial Statements
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortization
Amendments to IFRS 11	Accounting for acquisitions of interests in joint operations
Amendments to IAS 19	Defined benefit plans: employee contributions
Annual improvements: Cycle 2010-2012	IFRS 2, 3, 8 and 13, IAS 16, 24 and 38
Annual improvements: Cycle 2012-2014	IFRS 5 and 7, IAS 19 and 34

### NOTE 2a - Scope of consolidation

#### Company removed:

- Sale of Banque Pasche

#### Merger:

- Absorption of CM-CIC Securities by CIC

Company	Currency	Country	June 30, 2016			Dec. 31, 2015		
			Control	Interest	Method *	Control	Interest	Method *
Consolidating company: Crédit Industriel et Commercial - CIC								
CIC London (branch)	GBP	United Kingdom	100	100	FC	100	100	FC
CIC New York (branch)	USD	United States	100	100	FC	100	100	FC
CIC Singapore (branch)	USD	Singapore	100	100	FC	100	100	FC
<b>A. Banking network</b>								
<b>Regional banks</b>								
CIC Est		France	(i)	100	100	FC	100	FC
CIC Lyonnaise de Banque		France	(i)	100	100	FC	100	FC
CIC Nord Ouest		France	(i)	100	100	FC	100	FC
CIC Ouest		France	(i)	100	100	FC	100	FC
CIC Sud Ouest		France	(i)	100	100	FC	100	FC
<b>B. Banking network subsidiaries</b>								
CM-CIC Asset Management		France		24	24	EM	24	EM
CM-CIC Bail		France	(i)	99	99	FC	99	FC
CM-CIC Bail Espagne (branch)		Spain		100	99	FC	100	FC
CM-CIC Epargne Salariale		France	(i)	100	100	FC	100	FC
CM-CIC Factor		France	(i)	96	95	FC	96	FC
CM-CIC Lease		France		54	54	FC	54	FC
CM-CIC Leasing Benelux		Belgium		100	99	FC	100	FC
CM-CIC Leasing GMBH		Germany		100	99	FC	100	FC
<b>C. Financing and capital markets</b>								
Cigogne Management		Luxembourg		60	60	FC	60	FC
CM-CIC Securities		France				M	100	FC
Diversified Debt Securities SICAV - SIF		Luxembourg		100	100	FC	100	FC
<b>D. Private banking</b>								
Banque CIC (Switzerland)	CHF	Switzerland		100	100	FC	100	FC
Banque de Luxembourg		Luxembourg		100	100	FC	100	FC
Banque Pasche	CHF	Switzerland				NC	100	FC
Banque Transatlantique		France	(i)	100	100	FC	100	FC
Banque Transatlantique London	GBP	United Kingdom		100	100	FC	100	FC
Banque Transatlantique Belgium		Belgium		100	100	FC	100	FC
Banque Transatlantique Luxembourg		Luxembourg		100	100	FC	100	FC
Banque Transatlantique Singapore	SGD	Singapore		100	100	FC	100	FC
Dubly-Douilhet Gestion		France	(i)	100	100	FC	100	FC
Transatlantique Gestion		France	(i)	100	100	FC	100	FC
<b>E. Private equity</b>								
CM-CIC Capital et Participations		France	(i)	100	100	FC	100	FC
CM-CIC Conseil		France	(i)	100	100	FC	100	FC
CM-CIC Innovation		France		100	100	FC	100	FC
CM-CIC Investissement		France	(i)	100	100	FC	100	FC
CM-CIC Investissement SCR		France		100	100	FC	100	FC
CM-CIC Proximité		France		100	100	FC	100	FC
Sudinnova		France		66	66	FC	66	FC
<b>F. Holding company services and logistics</b>								
Adepi		France	(i)	100	100	FC	100	FC
CIC Participations		France	(i)	100	100	FC	100	FC
Gesteurop		France	(i)	100	100	FC	100	FC
<b>G. Insurance companies</b>								
Groupe des Assurances du Crédit Mutuel (GACM)**		France		21	21	EM	21	EM



\* Method: M = 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 sites and activities in non-cooperative countries and territories (NCCT) included in the list established by the decree of December 21, 2015:

the group has no sites meeting the criteria stipulated by the decree of October 6, 2009.

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

June 30, 2016	Percentage of non-controlling interests in the consolidated financial statements				Financial information on fully consolidated entities (1)			
	Percentage of interest	Net income	Amount in shareholders' equity (2)	Dividends paid to non-controlling interests	Balance sheet total	OCI	Net banking income	Net income
CM-CIC Lease	46%	0	35	(0)	4,356	(0)	12	1
Cigogne Management	40%	2	8	(5)	51	0	10	5
Sudinnova	34%	(0)	2	0	8	0	(0)	(1)
CM-CIC Factor	5%	0	6	0	6,021	(1)	44	1

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

(2) Excluding profit/loss

Dec. 31, 2015	Percentage of non-controlling interests in the consolidated financial statements				Financial information on fully consolidated entities (1)			
	Percentage of interest	Net income	Amount in shareholders' equity (2)	Dividends paid to non-controlling interests	Balance sheet total	OCI	Net banking income	Net income
CM-CIC Lease	46%	2	33	(2)	4,174	(0)	24	5
Cigogne Management	40%	5	8	(5)	50	0	19	13
Sudinnova	34%	(1)	7	0	18	0	(3)	(4)
CM-CIC Factor	5%	0	6	0	6,123	(1)	77	2

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

(2) Excluding profit/loss

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

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", Banque Pasche's business is classified under *Non-current assets held for sale, Liabilities related to non-current assets held for sale and Gains/losses after tax on activities held for sale*.

<b>Banque Pasche's contribution to the consolidated financial statements</b>	<b>June 30, 2016</b>	<b>Dec. 31, 2015</b>
Balance sheet total	0	116
Net banking income	0	0
Shareholders' equity	0	78
Net income	46	(23)

The €46 million in net income at June 30, 2016 includes the reclassification of Banque Pasche's translation reserve for €66 million shown in the Holding activity.

**NOTE 3 - Analysis of income statement items by activity and geographic region****Principles of distribution of activities**

► 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, fund management 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 covers a) financing for major corporations and institutional clients, specialized lending and international operations; and b) capital markets activities involving interest rate instruments, equities and credit ("ITAC"), as well as brokerage services.

► Private banking encompasses all companies specializing in this area, both in France and internationally.

► Private equity, conducted for the group's own account, and financial engineering comprise 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 line, corresponding to its core business, on the basis of the contribution to the group's results. The

**Breakdown of income statement by business**

	June 30, 2016					Total
	Retail banking	Financing and capital markets	Private banking	Private equity	Holding company	
Net banking income	1,737	346	271	122	38	2,514
General operating expenses	(1,212)	(163)	(178)	(22)	(50)	(1,625)
<b>Operating income before provisions</b>	<b>525</b>	<b>183</b>	<b>93</b>	<b>100</b>	<b>(12)</b>	<b>889</b>
Net provision allocations/reversals for loan losses	(68)	1	(1)		1	(67)
Gains on other assets(1)	68		10			78
<b>Income before tax</b>	<b>525</b>	<b>184</b>	<b>102</b>	<b>100</b>	<b>(11)</b>	<b>900</b>
Corporate income tax	(167)	(64)	(16)	(1)	(22)	(270)
Gains/losses after tax / discontinued operations			(20)		66	46
<b>Net income</b>	<b>358</b>	<b>120</b>	<b>66</b>	<b>99</b>	<b>33</b>	<b>676</b>
	June 30, 2015					
	Retail banking	Financing and capital markets	Private banking	Private equity	Holding company	Total
Net banking income	1,754	448	266	118	(44)	2,542
General operating expenses (2)	(1,212)	(149)	(178)	(20)	(44)	(1,603)
<b>Operating income before provisions</b>	<b>542</b>	<b>299</b>	<b>88</b>	<b>98</b>	<b>(88)</b>	<b>939</b>
Net provision allocations/reversals for loan losses	(79)	(11)	4			(86)
Gains on other assets(1)	70				1	71
<b>Income before tax</b>	<b>533</b>	<b>288</b>	<b>92</b>	<b>98</b>	<b>(87)</b>	<b>924</b>
Corporate income tax (2)	(197)	(105)	(23)	(1)	42	(284)
Gains/losses after tax / discontinued operations			(24)			(24)
<b>Net income</b>	<b>336</b>	<b>183</b>	<b>45</b>	<b>97</b>	<b>(45)</b>	<b>616</b>

(1) Including net income of equity-accounted entities and impairment of goodwill

(2) An amount of €20 million related to a capital gain on the disposal of AFS securities was transferred as NBI at June 30, 2015 from the Retail Banking activity to the Holding activity, along with €8 million in related tax.

**Breakdown of income statement by geographic region**

	June 30, 2016				June 30, 2015			
	France	Europe excluding France	Other countries (1)	Total	France	Europe excluding France	Other countries (1)	Total
<b>Net banking income</b>	<b>2,158</b>	<b>236</b>	<b>120</b>	<b>2,514</b>	<b>2,180</b>	<b>242</b>	<b>120</b>	<b>2,542</b>
General operating expenses	(1,435)	(136)	(54)	(1,625)	(1,417)	(136)	(50)	(1,603)
<b>Operating income before provisions</b>	<b>723</b>	<b>100</b>	<b>66</b>	<b>889</b>	<b>763</b>	<b>106</b>	<b>70</b>	<b>939</b>
Net provision allocations/reversals for loan losses	(67)	(4)	4	(67)	(77)	(1)	(8)	(86)
Gains on other assets (2)	68	10	0	78	71	0	0	71
<b>Income before tax</b>	<b>724</b>	<b>106</b>	<b>70</b>	<b>900</b>	<b>757</b>	<b>105</b>	<b>62</b>	<b>924</b>
Corporate income tax	(236)	(12)	(22)	(270)	(239)	(21)	(24)	(284)
Gains/losses after tax / discontinued operations	66	(20)	0	46	0	(24)	0	(24)
<b>Net income</b>	<b>554</b>	<b>74</b>	<b>48</b>	<b>676</b>	<b>518</b>	<b>60</b>	<b>38</b>	<b>616</b>

(1) USA and Singapore

(2) Including net income of equity-accounted entities and impairment of goodwill

**NOTES TO THE STATEMENT OF FINANCIAL POSITION - ASSETS**

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

	June 30, 2016	Dec. 31, 2015
<b>Cash and due from central banks</b>		
Due to central banks	10,150	7,194
<i>of which reserve requirements</i>	1,023	914
Cash	341	369
<b>Total</b>	<b>10,491</b>	<b>7,563</b>
<b>Loans and receivables due from credit institutions</b>		
Current accounts	8,431	9,662
Loans	31,237	26,559
Other receivables	391	722
Securities not listed in an active market	584	913
Repurchase agreements	10,312	6,832
Individually-impaired receivables	0	0
Accrued interest	39	51
Impairment losses	(0)	(0)
<b>Total</b>	<b>50,994</b>	<b>44,739</b>
<i>of which participating loans</i>	164	164

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

	June 30, 2016	Dec. 31, 2015
Financial assets under the fair value through profit or loss option	2,255	2,211
Financial assets held for trading	13,423	12,879
<b>Total</b>	<b>15,678</b>	<b>15,090</b>

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

	June 30, 2016	Dec. 31, 2015
<b>Securities</b>		
Government securities	0	0
Bonds and other fixed-income securities		
- Listed	87	81
- Unlisted	279	294
Equities and other variable-income securities (1)		
- Listed	263	221
- Unlisted	1,626	1,615
Derivatives held for trading	0	0
Other financial assets		
- Repurchase agreements	0	0
- Other loans and term deposits	0	0
<b>Total</b>	<b>2,255</b>	<b>2,211</b>

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

**Note 5b - Financial assets held for trading**

	June 30, 2016	Dec. 31, 2015
<b>Securities</b>		
Government securities	1,355	1,638
Bonds and other fixed-income securities		
- Listed	6,812	6,797
- Unlisted	0	0
Equities and other variable-income securities		
- Listed	1,087	986
- Unlisted	0	0
Trading derivatives	4,169	3,458
<b>Total</b>	<b>13,423</b>	<b>12,879</b>

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

NOTE 5c - Analysis of derivative instruments

	June 30, 2016			Dec. 31, 2015		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
<b>Trading derivatives</b>						
<i>Interest-rate derivatives</i>						
- Swaps	80,985	2,966	3,213	97,540	2,492	2,713
- Other firm contracts	57,099	6	2	15,173	6	2
- Options	38,610	43	38	21,038	39	30
<i>Foreign exchange derivatives</i>						
- Swaps	58,577	96	83	61,339	60	61
- Other firm contracts	384	411	397	117	287	265
- Options	22,864	162	153	23,372	176	165
<i>Other derivatives</i>						
- Swaps	14,011	94	160	13,872	120	187
- Other firm contracts	4,128	32	48	1,876	0	26
- Options	12,599	359	477	8,705	278	254
<b>Subtotal</b>	<b>289,257</b>	<b>4,169</b>	<b>4,571</b>	<b>243,032</b>	<b>3,458</b>	<b>3,703</b>
<b>Hedging derivatives</b>						
<i>Fair value hedges</i>						
- Swaps	64,571	1,017	4,272	61,941	928	3,577
- Other firm contracts	1,082	0	0	0	0	0
- Options	1	(0)	2	1	1	
<i>Cash flow hedges</i>						
- Swaps	0	0	0	0	0	0
- Other firm contracts	0			0		
- Options	0	0		0	0	
<b>Subtotal</b>	<b>65,654</b>	<b>1,017</b>	<b>4,274</b>	<b>61,942</b>	<b>929</b>	<b>3,577</b>
<b>Total</b>	<b>354,911</b>	<b>5,186</b>	<b>8,845</b>	<b>304,974</b>	<b>4,387</b>	<b>7,280</b>

IFRS 13, which concerns fair value measurement, became applicable on January 1, 2013. Regarding OTC derivatives, it modifies the rules for measuring counterparty risk included in their fair value by taking into account the credit value adjustment (CVA) and the debt value adjustment (DVA) - which entails using the entity's own credit risk - and the funding value adjustment (FVA) - which corresponds to the costs or benefits related to the financing of certain derivatives not covered by an offset agreement.

At June 30, 2016, the CVA and FVA were €(46) million and €(15) million, respectively, compared to €(38) million and €(22) million at December 31, 2015.

The DVA was €4 million at June 30, 2016 compared to €3 million at December 31, 2015.

NOTE 5d - Fair value hierarchy

	June 30, 2016			Total
	Level 1	Level 2	Level 3	
<b>Financial assets</b>				
<i>Available for sale (AFS)</i>				
- Government and similar securities	6,528	10	0	6,538
- Bonds and other fixed-income securities	6,152	1,002	1,059	8,213
- Equities, portfolio activity securities and other variable-income securities	20	1	120	141
- Investments and other long-term securities	27	4	218	249
- Investments in subsidiaries and associates	0	6	227	233
<i>Trading / Fair value option</i>				
- Government and similar securities - Held for trading	1,346	9	0	1,355
- Government and similar securities - FVO	0	0	0	0
- Bonds and other fixed-income securities - Held for trading	5,741	914	156	6,811
- Bonds and other fixed-income securities - FVO	61	0	306	367
- Equities and other variable-income securities - Held for trading	1,086	0	1	1,087
- Equities and other variable-income securities - FVO	301	0	1,587	1,888
- Loans and receivables due from credit institutions - FVO	0	0	0	0
- Loans and receivables due from customers - FVO	0	0	0	0
- Derivative instruments and other financial assets - Held for trading	483	3,239	448	4,170
<i>Hedging derivatives</i>	0	994	23	1,017
<b>Total</b>	<b>21,745</b>	<b>6,179</b>	<b>4,145</b>	<b>32,069</b>
<b>Financial liabilities</b>				
<i>Trading / Fair value option</i>				
- Due to credit institutions - FVO	0	24	0	24
- Due to customers - FVO	0	138	0	138
- Debt represented by a security- FVO	0	0	0	0
- Subordinated debt - FVO	0	0	0	0
- Derivative instruments and other financial liabilities - Held for trading	3,150	3,475	516	7,141
<i>Hedging derivatives</i>	0	4,239	35	4,274
<b>Total</b>	<b>3,150</b>	<b>7,876</b>	<b>551</b>	<b>11,577</b>

Trading financial instruments classified as Level 2 or Level 3 instruments mainly comprise securities deemed illiquid and derivatives.

The valuation of all of these instruments involves uncertainties which give rise to value adjustments reflecting the risk premium that a market participant would consider when calculating their price.

In particular, these valuation adjustments enable the integration of risks that are not captured by the model; liquidity risks associated with the instrument or parameter in question; specific risk premiums intended to compensate for additional costs that the active management strategy associated with the model would involve under certain market conditions; and counterparty risk present in the fair value of OTC derivatives. The methods used are subject to change. They include the own counterparty risk present in the fair value of OTC derivatives.

In determining any value adjustments, each risk factor is assessed individually and no diversification effect between risks, parameters or models of a different nature is considered. A portfolio approach is typically used for a given risk factor.

	Dec. 31, 2015			Total
	Level 1	Level 2	Level 3	
<b>Financial assets</b>				
Available for sale (AFS)				
- Government and similar securities	5,153	34	0	5,187
- Bonds and other fixed-income securities	4,066	1,068	1,515	6,649
- Equities, portfolio activity securities and other variable-income securities	31	2	145	178
- Investments and other long-term securities	29	4	204	237
- Investments in subsidiaries and associates	0	6	203	209
Trading / Fair value option				
- Government and similar securities - Held for trading	1,289	349	0	1,638
- Government and similar securities - FVO	0	0	0	0
- Bonds and other fixed-income securities - Held for trading	4,873	1,431	493	6,797
- Bonds and other fixed-income securities - FVO	57	0	318	375
- Equities and other variable-income securities - Held for trading	985	0	1	986
- Equities and other variable-income securities - FVO	220	0	1,616	1,836
- Loans and receivables due from credit institutions - FVO	0	0	0	0
- Loans and receivables due from customers - FVO	0	0	0	0
- Derivative instruments and other financial assets - Held for trading	11	3,033	414	3,458
Hedging derivatives	0	900	29	929
<b>Total</b>	<b>16,714</b>	<b>6,827</b>	<b>4,938</b>	<b>28,479</b>
<b>Financial liabilities</b>				
Trading / Fair value option				
- Due to credit institutions - FVO	0	133	0	133
- Due to customers - FVO	0	0	0	0
- Debt represented by a security- FVO	0	109	0	109
- Subordinated debt - FVO	0	0	0	0
- Derivative instruments and other financial liabilities - Held for trading	2,887	3,255	487	6,629
Hedging derivatives	0	3,526	51	3,577
<b>Total</b>	<b>2,887</b>	<b>7,023</b>	<b>538</b>	<b>10,448</b>

#### NOTE 6 - Hedging derivative instruments

	June 30, 2016		Dec. 31, 2015	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedges	0	0	0	0
- Of which changes in value recognized in shareholders' equity	0	0	0	0
- Of which changes in value recognized in profit or loss				
Fair value hedges	1,017	4,274	929	3,577
<b>Total</b>	<b>1,017</b>	<b>4,274</b>	<b>929</b>	<b>3,577</b>

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 hedged risk, are recorded in income.

Note 7 - Available-for-sale financial assets

	June 30, 2016	Dec. 31, 2015
Government securities	6,491	5,129
<b>Bonds and other fixed-income securities</b>		
- Listed	7,888	6,439
- Unlisted	302	193
<b>Equities and other variable-income securities</b>		
- Listed	67	100
- Unlisted	74	78
<b>Long-term investments</b>		
- Investments in associates		
Listed	2	2
Unlisted	65	64
- Other long-term investments		
Listed	25	26
Unlisted	156	145
- Investments in subsidiaries and associates		
Listed	(0)	0
Unlisted	232	209
- Translation adjustments	0	0
- Loaned securities	0	0
Accrued interest	72	75
<b>Total</b>	<b>15,374</b>	<b>12,460</b>
Of which unrealized capital gains and losses (net of tax) on bonds, other fixed-income securities and government securities	(83)	(141)
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	89	59
Of which impairment of bonds and other fixed-income securities	(21)	(21)
Of which impairment of equities and other variable-income securities and long-term investments	(38)	(56)

**Equity impairment losses:**

Equities were reviewed in order to identify any impairment losses. Impairment is recognized for listed equities in the event of a material (a decrease of at least 50% in its value compared to its acquisition cost) or prolonged (36-month) decline in the stock price to below its cost.

NOTE 7a - Exposure to sovereign risk

**Sovereign exposures**

<b>Net outstandings as of June 30, 2016**</b>	Portugal	Ireland	Spain	Italy
Financial assets at fair value through profit or loss	43		83	421
Available-for-sale assets	112	85	113	693
<b>Total</b>	<b>155</b>	<b>85</b>	<b>196</b>	<b>1,114</b>
<b>Residual contractual term</b>				
< 1 year			57	153
1 to 3 years	90	85	42	483
3 to 5 years			7	200
5 to 10 years	40		59	225
More than 10 years	25		31	53
<b>Total</b>	<b>155</b>	<b>85</b>	<b>196</b>	<b>1,114</b>
<b>Net outstandings as of December 31, 2015**</b>	Portugal	Ireland	Spain	Italy
Financial assets at fair value through profit or loss	42		98	63
Available-for-sale assets	60	85	92	610
<b>Total</b>	<b>102</b>	<b>85</b>	<b>190</b>	<b>673</b>
<b>Residual contractual term</b>				
< 1 year			96	38
1 to 3 years	62		45	373
3 to 5 years	12	85		203
5 to 10 years	18		32	58
More than 10 years	10		17	1
<b>Total</b>	<b>102</b>	<b>85</b>	<b>190</b>	<b>673</b>

\* 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, 2016	Dec. 31, 2015
Performing loans		
- Commercial loans	5,462	5,686
<i>Of which factoring</i>	4,632	4,770
- Other customer loans		
- Housing loans	70,246	69,073
- Other loans and receivables	65,880	62,259
- Repurchase agreements	9,161	7,218
Accrued interest	261	249
Securities not listed in an active market	402	426
Individually-impaired receivables	4,833	4,926
Individual impairment	(2,350)	(2,378)
Collective impairment	(172)	(185)
<b>Subtotal</b>	<b>153,723</b>	<b>147,274</b>
<b>Finance leases (net investment)</b>		
- Equipment	6,026	5,767
- Real estate	3,913	3,913
Individually-impaired receivables	351	350
Individual impairment	(137)	(139)
<b>Subtotal</b>	<b>10,153</b>	<b>9,892</b>
<b>Total</b>	<b>163,876</b>	<b>157,166</b>
Of which participating loans	9	10
Of which subordinated loans	17	16

**Finance lease transactions with customers**

	Start of period	Acquisitions	Disposals	Other	End of period
Gross carrying amount	10,031	762	(484)	(20)	10,289
Impairment of irrecoverable rent	(139)	(12)	15	0	(136)
<b>Net carrying amount</b>	<b>9,892</b>	<b>750</b>	<b>(469)</b>	<b>(20)</b>	<b>10,153</b>

**NOTE 9 - Remeasurement adjustment of interest-rate hedged portfolios**

	June 30, 2016		Dec. 31, 2015		Change in fair value	
	Assets	Liabilities	Assets	Liabilities		
Fair value of interest-rate risk by portfolio	597	(797)	562	(742)	35	(55)

**NOTE 10 - Held-to-maturity financial assets**

	June 30, 2016	Dec. 31, 2015
Government securities	0	0
Bonds and other fixed-income securities	72	71
Accrued interest	(0)	(0)
<b>Total Gross</b>	<b>72</b>	<b>71</b>
Impairment losses	(11)	(11)
<b>Total Net</b>	<b>61</b>	<b>60</b>

**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	(2,702)	(277)	324	(4)	(2,659)
Available-for-sale securities	(77)	(1)	19	(0)	(59)
Held-to-maturity securities	(11)	0	0	0	(11)
<b>Total</b>	<b>(2,790)</b>	<b>(278)</b>	<b>343</b>	<b>(4)</b>	<b>(2,729)</b>

**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 listed securities.

<b>SUMMARY</b>	<b>June 30, 2016</b>	<b>Dec. 31, 2015</b>
RMBS	2,527	3,198
CMBS	191	412
CLO	1,820	1,666
Other ABS	1,718	1,564
RMBS hedged by CDS	0	0
CLO hedged by CDS	14	38
Other ABS hedged by CDS	0	0
ABCP program liquidity lines	218	223
<b>Total</b>	<b>6,488</b>	<b>7,101</b>

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).**

<b>June 30, 2016</b>	<b>RMBS</b>	<b>CMBS</b>	<b>CLO</b>	<b>Other ABS</b>	<b>Total</b>
Trading	267	10	127	32	436
AFS	1,685	181	1,487	1,467	4,820
Loans	575		206	219	1,000
<b>Total</b>	<b>2,527</b>	<b>191</b>	<b>1,820</b>	<b>1,718</b>	<b>6,256</b>
France	3		22	406	431
Spain	79			108	187
United Kingdom	415		65	153	633
Europe excluding France, Spain and the United Kingdom	590	62	593	1,051	2,296
USA	1,436	129	551		2,116
Other	4		589		593
<b>Total</b>	<b>2,527</b>	<b>191</b>	<b>1,820</b>	<b>1,718</b>	<b>6,256</b>
US Agencies	1,034				1,034
AAA	666	140	1,729	955	3,490
AA	276		34	483	793
A	81		32	40	153
BBB	40	51	4	240	335
BB	33		2		35
B or below	397		2		399
Not rated			17		17
<b>Total</b>	<b>2,527</b>	<b>191</b>	<b>1,820</b>	<b>1,718</b>	<b>6,256</b>
Origination 2005 and earlier	175	51			226
Origination 2006-2008	783	129	128	32	1,072
Origination 2009-2011	117			17	134
Origination 2012-2016	1,452	11	1,692	1,669	4,824
<b>Total</b>	<b>2,527</b>	<b>191</b>	<b>1,820</b>	<b>1,718</b>	<b>6,256</b>

Dec. 31, 2015	RMBS	CMBS	CLO	Other ABS	Total
Trading	1,078	70	135	52	1,335
AFS	1,482	342	1,267	1,337	4,428
Loans	638		264	175	1,077
<b>Total</b>	<b>3,198</b>	<b>412</b>	<b>1,666</b>	<b>1,564</b>	<b>6,840</b>
France	9		22	379	410
Spain	85			51	136
United Kingdom	374	19	50	189	632
Europe excluding France, Spain and the United Kingdom	740	60	553	928	2,281
USA	1,983	333	769	17	3,102
Other	7		272		279
<b>Total</b>	<b>3,198</b>	<b>412</b>	<b>1,666</b>	<b>1,564</b>	<b>6,840</b>
US Agencies	1,514				1,514
AAA	800	359	1,625	998	3,782
AA	266			327	593
A	92		16	161	269
BBB	40	53	4	61	158
BB	31		2		33
B or below	455		2	17	474
Not rated			17		17
<b>Total</b>	<b>3,198</b>	<b>412</b>	<b>1,666</b>	<b>1,564</b>	<b>6,840</b>
Origination 2005 and earlier	363	53			416
Origination 2006-2008	812	333	195	50	1,390
Origination 2009-2011	248			37	285
Origination 2012-2015	1,775	26	1,471	1,477	4,749
<b>Total</b>	<b>3,198</b>	<b>412</b>	<b>1,666</b>	<b>1,564</b>	<b>6,840</b>

**NOTE 11 - Current (payable) income tax**

	June 30, 2016	Dec. 31, 2015
Assets	397	370
Liabilities	236	217

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

**NOTE 12 - Deferred income tax**

	June 30, 2016	Dec. 31, 2015
Deferred tax assets (through profit and loss)(1)	315	311
Deferred tax assets (through shareholders' equity)	42	69
Deferred tax liabilities (through profit and loss)	260	254
Deferred tax liabilities (through shareholders' equity)	11	8

(1) of which €32 million concerning CIC New York at June 30, 2016 compared to €31 million at December 31, 2015.

**NOTE 13 - Accruals and other assets**

	June 30, 2016	Dec. 31, 2015
<b>Asset accruals</b>		
Collection accounts	17	15
Currency adjustment accounts	44	1
Revenue accruals	469	317
Other accruals	1,176	2,346
<b>Subtotal</b>	<b>1,706</b>	<b>2,679</b>
<b>Other assets</b>		
Securities settlement accounts	122	63
Security deposits paid	6,913	5,358
Miscellaneous debtors	3,406	3,109
Inventories and similar	3	7
Other	14	12
<b>Subtotal</b>	<b>10,458</b>	<b>8,549</b>
<b>Total</b>	<b>12,164</b>	<b>11,228</b>

Accruals and miscellaneous debtors consist mainly of suspense accounts relating to interbank payment systems.

Accrued expenses and revenue accruals 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 debt and accrued interest.

**NOTE 14 - Interest in equity-accounted entities**

**Share of net assets of equity-accounted entities**

		June 30, 2016				Dec. 31, 2015			
		Share of capital held	Equity accounting	Share of net income	Dividends received	Share of capital held	Equity accounting	Share of net income	Dividends received
ACM Group(1)	Unlisted	20.52%	1,725	66	52	20.52%	1,667	137	50
CM-CIC Asset Management	Unlisted	23.53%	13	1	1	23.53%	14	1	1
<b>Total</b>			<b>1,738</b>	<b>67</b>	<b>53</b>		<b>1,681</b>	<b>138</b>	<b>51</b>

(1) Includes goodwill of €54 million.

**NOTE 15 - Investment property**

	Start of period	Increases	Decreases	Other movements	End of period
Historical cost	58	1	(3)	(0)	56
Depreciation and impairment	(23)	(1)	0	0	(24)
<b>Net amount</b>	<b>35</b>	<b>(0)</b>	<b>(3)</b>	<b>(0)</b>	<b>32</b>

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

NOTE 16 - Property, plant and equipment

	Start of period	Increases	Decreases	Other movements	End of period
<b>Historical cost</b>					
Land used in operations	327	0	(6)	(0)	321
Buildings used in operations	2,565	31	(26)	3	2,573
Other property, plant and equipment	579	26	(24)	(6)	575
<b>Total</b>	<b>3,471</b>	<b>57</b>	<b>(56)</b>	<b>(3)</b>	<b>3,469</b>
<b>Depreciation and impairment</b>					
Land used in operations	0	0	0	0	0
Buildings used in operations	(1,643)	(49)	18	(0)	(1,674)
Other property, plant and equipment	(461)	(10)	21	0	(450)
<b>Total</b>	<b>(2,104)</b>	<b>(59)</b>	<b>39</b>	<b>0</b>	<b>(2,124)</b>
<b>Net amount</b>	<b>1,367</b>	<b>(2)</b>	<b>(17)</b>	<b>(3)</b>	<b>1,345</b>

NOTE 17 - Intangible assets

	Start of period	Increases	Decreases	Other movements	End of period
<b>Historical cost</b>					
Internally developed intangible assets	0	0	0	0	0
Purchased intangible assets	337	7	(7)	(1)	336
- Software	81	6	(0)	(0)	87
- Other	256	1	(7)	(1)	249
<b>Total</b>	<b>337</b>	<b>7</b>	<b>(7)</b>	<b>(1)</b>	<b>336</b>
<b>Depreciation and impairment</b>					
Internally developed intangible assets	0	0	0	0	0
Purchased intangible assets	(140)	(8)	7	1	(140)
- Software	(63)	(5)	0	0	(68)
- Other	(77)	(3)	7	1	(72)
<b>Total</b>	<b>(140)</b>	<b>(8)</b>	<b>7</b>	<b>1</b>	<b>(140)</b>
<b>Net amount</b>	<b>197</b>	<b>(1)</b>	<b>(0)</b>	<b>(0)</b>	<b>196</b>

NOTE 18 - Goodwill

	Start of period	Increases	Decreases	Other movements	End of period
Gross goodwill	36	0	(3)	0	33
Impairment losses	(3)	0	3	(0)	0
<b>Net goodwill</b>	<b>33</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>33</b>

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
<b>Total</b>	<b>33</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33</b>

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

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

	June 30, 2016	Dec. 31, 2015
Due to central banks	0	0
<b>Due to credit institutions</b>		
Current accounts	3,028	1,396
Other liabilities (1)	55,197	58,134
Repurchase agreements	21,147	14,134
Accrued interest	95	116
<b>Total</b>	<b>79,467</b>	<b>73,780</b>

(1) Of which €47.424 billion due to BFCM at June 30, 2016 and €50.067 billion at December 31, 2015.

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

	June 30, 2016	Dec. 31, 2015
Financial liabilities held for trading	7,141	6,628
Financial liabilities under the fair value option through profit or loss	162	243
<b>Total</b>	<b>7,303</b>	<b>6,871</b>

### NOTE 20a - Financial liabilities held for trading

	June 30, 2016	Dec. 31, 2015
Short sales of securities		
- Government securities	0	0
- Bonds and other fixed-income securities	1,480	1,577
- Equities and other variable-income securities	994	1,233
Debt representing securities sold under repurchase agreements		
Trading derivatives	4,571	3,703
Other financial liabilities held for trading	96	115
- Of which liabilities in respect of borrowed securities	96	115
<b>Total</b>	<b>7,141</b>	<b>6,628</b>

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

	June 30, 2016			Dec. 31, 2015		
	Carrying amount	Maturity amount	Variance	Carrying amount	Maturity amount	Variance
Securities issued	0	0	0	110	110	0
Subordinated debt	0	0	0	0	0	0
Interbank borrowings	24	25	(1)	133	133	0
Due to customers	138	138	(0)	0	0	0
<b>Total</b>	<b>162</b>	<b>162</b>	<b>(1)</b>	<b>243</b>	<b>243</b>	<b>0</b>

The valuation of own credit risk is immaterial.

### NOTE 21 - Amounts due to customers

	June 30, 2016	Dec. 31, 2015
Regulated savings accounts		
- Demand	26,737	25,695
- Term	10,921	10,124
Accrued interest on savings accounts	221	3
<b>Subtotal</b>	<b>37,879</b>	<b>35,822</b>
Demand accounts	63,796	57,412
Term deposits and borrowings	32,319	33,797
Repurchase agreements	2,707	2,539
Accrued interest	278	388
<b>Subtotal</b>	<b>99,100</b>	<b>94,136</b>
<b>Total</b>	<b>136,979</b>	<b>129,958</b>

### NOTE 22 - Debt represented by a security

	June 30, 2016	Dec. 31, 2015
Retail certificates of deposit	198	188
Interbank securities and negotiable debt instruments	23,580	15,267
Bonds	2,627	2,725
Accrued interest	70	80
<b>Total</b>	<b>26,475</b>	<b>18,260</b>

**NOTE 23 - Accruals and other liabilities**

	June 30, 2016	Dec. 31, 2015
<b>Liability accruals</b>		
Accounts unavailable due to recovery procedures	91	225
Currency adjustment accounts	35	40
Accrued expenses	650	636
Unearned income	385	390
Other accruals	1,512	4,770
<b>Subtotal</b>	<b>2,673</b>	<b>6,061</b>
<b>Other liabilities</b>		
Securities settlement accounts	97	36
Outstanding amounts payable on securities	43	51
Miscellaneous creditors	1,718	1,099
<b>Subtotal</b>	<b>1,858</b>	<b>1,186</b>
<b>Total</b>	<b>4,531</b>	<b>7,247</b>

Comments are provided in Note 13.

**NOTE 24 - Provisions**

	Start of period	Additions	Reversals (provision used)	Reversals (provision not used)	Other movements	End of period
<b>Provisions for counterparty risks</b>						
On signature commitments	88	19	0	(23)	0	84
Provision for risk on miscellaneous receivables	9	2	(0)	(2)	0	9
On financing and guarantee commitments	2	0	0	0	(0)	2
Other provisions for counterparty risks	9	0	(0)	(0)	(0)	9
<b>Provisions for risks other than counterparty risks</b>						
Provisions for retirement expenses	188	3	(2)	0	15	204
Provisions for claims and litigation	15	2	(1)	(2)	(0)	14
Provision for home savings accounts and plans	45	6	0	(1)	0	50
Provision for taxes	39	8	(0)	(7)	(0)	40
Provisions for miscellaneous contingencies	275	14	(5)	(3)	(3)	278
Other provisions (1)	336	64	0	(9)	(0)	391
<b>Total</b>	<b>1,006</b>	<b>118</b>	<b>(8)</b>	<b>(47)</b>	<b>12</b>	<b>1,081</b>

(1) Other provisions mainly include provisions for French economic interest groups (EIG) totaling €325 million.

**NOTE 24a - Retirement and other employee benefits**

	Start of period	Additions	Reversals	Other movements (1)	End of period
<b>Defined benefit plans and similar commitments not covered by retirement funds</b>					
Retirement bonuses	99	1	(0)	15	115
Top-up payments	38	2	(2)	0	38
Long service awards (other long-term benefits)	36	0	0	(0)	36
<b>Subtotal</b>	<b>173</b>	<b>3</b>	<b>(2)</b>	<b>15</b>	<b>189</b>
<b>Supplementary defined benefit pensions covered by pension funds</b>					
Provision for pension fund shortfalls (2)	15	0	0	(0)	15
<b>Subtotal</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>15</b>
<b>Total</b>	<b>188</b>	<b>3</b>	<b>(2)</b>	<b>15</b>	<b>204</b>

(1) The other movements resulted from the increase in the iBoxx discount rate to 1.35% at June 30, 2016 from 2% at December 31, 2015.

(2) The provisions for pension fund shortfalls relate to entities located abroad.

**NOTE 25 - Subordinated debt**

	June 30, 2016	Dec. 31, 2015
Subordinated debt	287	14
Participating loans	153	153
Perpetual subordinated notes	107	107
Other liabilities	475	0
Accrued interest	2	3
<b>Total</b>	<b>1,024</b>	<b>277</b>

**Subordinated debt representing more than 10% of total subordinated debt as of June 30, 2016**

Issuer	Issue date	Issue amount	Currency	Rate	Maturity	Early repayment option	Early repayment conditions
Participating loan	May 28, 1985	€137m	EUR	a	b		
Other subordinated debt	March 24, 2016	€414m	EUR	3-month Euribor + Margin	March 24, 2026		

a Minimum 85% (TAM+TMO)/2 Maximum 130% (TAM+TMO)/2.

b Non-amortizable, but redeemable at borrower's discretion from May 28, 1997 at 130% of par revalued by 1.5% annually for subsequent years.

**NOTE 26a - Unrealized or deferred gains and losses**

	June 30, 2016	Dec. 31, 2015
<b>Unrealized or deferred gains and losses* relating to:</b>		
Translation adjustments	66	161
Available-for-sale assets:		
- Equities	89	58
- Bonds	(83)	(141)
Actuarial gains and losses on defined benefit plans	(54)	(44)
Derivatives designated as cash flow hedges	0	(0)
Real estate assets (IAS 16)		
Share of unrealized gains and losses of equity-accounted entities	261	213
<b>Total</b>	<b>279</b>	<b>247</b>
<b>Unrealized or deferred gains and losses</b>		
- Attributable to the group	279	247
- Attributable to non-controlling interests	(0)	(0)
<b>Total</b>	<b>279</b>	<b>247</b>

\* 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, 2016	Dec. 31, 2015
<b>Translation adjustments</b>		
Reclassification to profit or loss	(66)	
Other movements	(29)	79
<b>Subtotal</b>	<b>(95)</b>	<b>79</b>
<b>Remeasurement of available-for-sale financial assets</b>		
Reclassification to profit or loss	3	7
Other movements	85	(43)
<b>Subtotal</b>	<b>88</b>	<b>(36)</b>
<b>Remeasurement of hedging derivatives</b>		
Reclassification to profit or loss	0	0
Other movements	0	1
<b>Subtotal</b>	<b>0</b>	<b>1</b>
Remeasurement of non-current assets	0	0
Actuarial gains and losses on defined benefit plans	(10)	24
Share of unrealized or deferred gains and losses of equity-accounted entities	48	(18)
<b>Total</b>	<b>31</b>	<b>50</b>

**Movement in gains and losses recognized directly in shareholders' equity**

	June 30, 2016			Dec. 31, 2015		
	Gross	Tax	Net	Gross	Tax	Net
Translation adjustments	(95)		(95)	79		79
Remeasurement of available-for-sale financial assets	125	(37)	88	(28)	(8)	(36)
Remeasurement of hedging derivatives	1	(1)	0	1	(0)	1
Remeasurement of non-current assets			0			0
Actuarial gains and losses on defined benefit plans	(15)	5	(10)	38	(14)	24
Share of unrealized or deferred gains and losses of equity-accounted entities	48		48	(18)		(18)
<b>Total movements in gains and losses recognized directly in shareholders' equity</b>	<b>64</b>	<b>(33)</b>	<b>31</b>	<b>72</b>	<b>(22)</b>	<b>50</b>



NOTE 27 - Commitments given and received

	June 30, 2016	Dec. 31, 2015
<b>Commitments given</b>		
<b>Financing commitments</b>		
To credit institutions	290	315
To customers	30,015	29,699
<b>Guarantee commitments</b>		
To credit institutions	1,109	1,151
To customers	12,501	12,825
	<b>June 30, 2016</b>	<b>Dec. 31, 2015</b>
<b>Commitments received</b>		
<b>Financing commitments</b>		
From credit institutions	290	6,101
<b>Guarantee commitments</b>		
From credit institutions	38,340	34,873

## NOTES TO THE INCOME STATEMENT

### NOTE 28 - Interest and similar income/expense

	June 30, 2016		June 30, 2015	
	Income	Expense	Income	Expense
Credit institutions & central banks*	186	(270)	250	(451)
Customers	3,319	(1,771)	3,387	(1,835)
- Of which finance leases	1,409	(1,281)	1,359	(1,218)
Financial assets/liabilities under the fair value option through profit or loss	0		0	
Hedging derivatives	182	(512)	170	(628)
Available-for-sale financial assets	108		103	
Held-to-maturity financial assets	1		1	
Debt represented by a security		(138)		(111)
Subordinated debt		(1)		(2)
<b>Total</b>	<b>3,796</b>	<b>(2,692)</b>	<b>3,911</b>	<b>(3,027)</b>

\* In case of negative interest rate, interest remains in its original line item

### NOTE 29 - Fees and commissions

	June 30, 2016		June 30, 2015	
	Income	Expense	Income	Expense
Credit institutions	2	(4)	2	(2)
Customers	439	(6)	437	(5)
Securities	235	(17)	268	(15)
Derivative instruments	2	(2)	1	(4)
Foreign exchange	10	(1)	13	(1)
Financing and guarantee commitments	2	(7)	3	(7)
Services provided	495	(215)	475	(217)
<b>Total</b>	<b>1,185</b>	<b>(252)</b>	<b>1,199</b>	<b>(251)</b>

	June 30, 2016	June 30, 2015
Fees and commissions on financial assets and liabilities not at fair value through profit or loss (including demand accounts)	436	464
Commissions on investment management for third parties	218	244

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

	June 30, 2016	June 30, 2015
Trading instruments	222	355
Instruments designated under the fair value option (1)	134	115
Ineffective portion of hedging instruments	(23)	14
Foreign exchange gains (losses)	22	21
<b>Total changes in fair value</b>	<b>355</b>	<b>505</b>

(1) Of which €130 million from the private equity business at June 30, 2016 compared to €111 million at June 30, 2015.

### NOTE 30a - Ineffective portion of hedging instruments

	June 30, 2016	June 30, 2015
Change in fair value of hedged items	615	(435)
Change in fair value of hedging instruments	(638)	449
<b>Total ineffective portion of hedging instruments</b>	<b>(23)</b>	<b>14</b>

### NOTE 31 - Net gains or losses on available-for-sale financial assets

	June 30, 2016				June 30, 2015			
	Dividends	Realized capital gains (losses)	Impairment	Total	Dividends	Realized capital gains (losses)	Impairment	Total
Government securities, bonds and other fixed-income securities		9	0	9		142	0	142
Equities and other variable-income securities	53	(49)	0	4	0	13	0	13
Long-term investments (1)	28	(19)	18	27	24	(78)	97	43
Other	0	(0)	0	(0)	0	0	0	0
<b>Total</b>	<b>81</b>	<b>(59)</b>	<b>18</b>	<b>40</b>	<b>24</b>	<b>77</b>	<b>97</b>	<b>198</b>

(1) Following the full transfer of assets of the entities that owned BPM securities, a €98 million merger loss and an €89 million reversal of provisions for contingencies and charges were recognized during 2015.

### NOTE 32 - Income/expense from other activities

	June 30, 2016	June 30, 2015
<b>Income from other activities</b>		
Investment property	0	0
Rebilled expenses	12	13
Other income	123	50
<b>Subtotal</b>	<b>135</b>	<b>63</b>
<b>Expenses from other activities</b>		
Investment property	(1)	(1)
Other expenses	(52)	(55)
<b>Subtotal</b>	<b>(53)</b>	<b>(56)</b>
<b>Total</b>	<b>82</b>	<b>7</b>

**NOTE 33 - General operating expenses**

	June 30, 2016	June 30, 2015
Payroll costs	(900)	(890)
Other expenses	(658)	(640)
<b>Total</b>	<b>(1,558)</b>	<b>(1,530)</b>

**NOTE 33a - Payroll costs**

	June 30, 2016	June 30, 2015
Salaries and wages	(538)	(532)
Social security contributions (1)	(224)	(227)
Employee profit-sharing	(58)	(48)
Payroll taxes and similar expenses	(80)	(83)
Other	(0)	0
<b>Total</b>	<b>(900)</b>	<b>(890)</b>

(1) of which an €11 million competitiveness and employment tax credit (crédit d'impôt pour la compétitivité et l'emploi – CICE) at June 30, 2016, the same amount as at June 30, 2015. □  
This amount corresponds to 6% of eligible salaries as of June 30, 2016.

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

	June 30, 2016	June 30, 2015
Banking staff	10,712	10,746
Management	9,171	9,036
<b>Total</b>	<b>19,883</b>	<b>19,782</b>
<b>Analysis by country</b>		
France	18,350	18,256
Rest of the world	1,533	1,526
<b>Total</b>	<b>19,883</b>	<b>19,782</b>

**NOTE 33c - Other general operating expenses**

	June 30, 2016	June 30, 2015
Taxes and duties	(156)	(142)
External services	(513)	(509)
Rebilled expenses	12	12
Other miscellaneous expenses	(1)	(1)
<b>Total</b>	<b>(658)</b>	<b>(640)</b>

The "Taxes and duties" item includes an expense of €51 million for the contribution to the Single Resolution Fund at June 30, 2016 compared to €52 million at June 30, 2015.

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

	June 30, 2016	June 30, 2015
<b>Depreciation and amortization:</b>		
Property, plant and equipment	(59)	(62)
Intangible assets	(8)	(12)
<b>Impairment:</b>		
Property, plant and equipment	0	1
Intangible assets	(0)	(0)
<b>Total</b>	<b>(67)</b>	<b>(73)</b>

**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 previous years	Total	June 30, 2015
Credit institutions	0	2	0	(0)	0	2	17
Customers							
- Finance leases	(3)	4	(1)	(1)	0	(1)	(2)
- Other customer items	(256)	302	(115)	(10)	5	(74)	(97)
<b>Subtotal</b>	<b>(259)</b>	<b>308</b>	<b>(116)</b>	<b>(11)</b>	<b>5</b>	<b>(73)</b>	<b>(82)</b>
Held-to-maturity assets	0	0	0	0	0	0	0
Available-for-sale assets	0	0	(2)	(6)	10	2	(11)
Other, including financing and guarantee commitments	(21)	25	0	(0)	0	4	7
<b>Total</b>	<b>(280)</b>	<b>333</b>	<b>(118)</b>	<b>(17)</b>	<b>15</b>	<b>(67)</b>	<b>(86)</b>

**NOTE 36 - Net gains or losses on other assets**

	June 30, 2016	June 30, 2015
<b>Property, plant and equipment and intangible assets</b>		
Capital losses on disposals	(1)	(2)
Capital gains on disposals	12	3
Capital gains/losses on the disposal of consolidated securities	0	0
<b>Total</b>	<b>11</b>	<b>1</b>

**NOTE 37 - Corporate income tax**

	June 30, 2016	June 30, 2015
Current taxes	(270)	(261)
Deferred tax income and expense	0	(23)
Adjustments in respect of prior years	(0)	(0)
<b>Total</b>	<b>(270)</b>	<b>(284)</b>

Of which a net expense of €236 million in respect of companies located in France and a net expense of €34 million in respect of companies located elsewhere.

NOTE 38 - Earnings per share

	June 30, 2016	June 30, 2015
Net income attributable to the group	674	612
Number of shares at beginning of period	37,797,752	37,797,752
Number of shares at end of period	37,797,752	37,797,752
Weighted average number of shares	37,797,752	37,797,752
<b>Basic earnings per share (in €)</b>	<b>17.83</b>	<b>16.19</b>
Weighted average number of shares that may be issued	0	0
<b>Diluted earnings per share (in €)</b>	<b>17.83</b>	<b>16.19</b>

CIC's capital stock 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, 2016		Dec. 31, 2015	
	Companies consolidated using the equity method	Parent company	Companies consolidated using the equity method	Parent company
<b>Assets</b>				
Loans, advances and securities				
- Loans and receivables due from credit institutions	0	8,619	0	9,471
- Loans and receivables due from customers	782	25	330	28
- Securities	0	51	0	51
Other assets	0	273	2	280
<b>Total</b>	<b>782</b>	<b>8,968</b>	<b>332</b>	<b>9,830</b>
<b>Liabilities</b>				
Deposits				
- Due to credit institutions	0	48,722	0	50,449
- Due to customers	434	128	277	120
Debt represented by a security	544	1,100	738	59
Subordinated debt	0	926	0	162
Other liabilities	18	531	3	646
<b>Total</b>	<b>996</b>	<b>51,407</b>	<b>1,018</b>	<b>51,436</b>
<b>Financing and guarantee commitments</b>				
Financing commitments given				
Guarantee commitments given	0	0	0	0
	0	26	0	30
Financing commitments received				
Guarantee commitments received	0	8	0	5,858
	0	3,250	0	2,957

**Income statement items concerning related party transactions**

	June 30, 2016		June 30, 2015	
	Companies consolidated using the equity method	Parent company	Companies consolidated using the equity method	Parent company
Interest received	0	164	0	176
Interest paid	(5)	(220)	(4)	(227)
Fees and commissions received	211	3	207	3
Fees and commissions paid	0	(64)	0	(62)
Other income (expense)	53	89	52	(3)
General operating expenses	(29)	(187)	(29)	(186)
<b>Total</b>	<b>230</b>	<b>(215)</b>	<b>226</b>	<b>(299)</b>

The parent company is BFCM, the majority stockholder of CIC, of Caisse Fédérale de Crédit Mutuel (CFCM), the entity controlling BFCM, and of all their subsidiaries.

Transactions carried out with the parent company mainly consist of loans and borrowings taken out for the purposes of cash 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 are CM-CIC Asset Management and Groupe des Assurances du Crédit Mutuel.

### **III – Statutory auditors’ report on the limited review of the interim financial statements**



**KPMG Audit**

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Cedex  
France



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La Défense 1



**PriceWaterhouseCoopers  
Audit**

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 2016 interim financial information**

Period from January 1 to June 30, 2016

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 consolidated interim financial statements of CIC for the period from January 1 to June 30, 2016, as appended to this report, and
- verified the information provided in the interim activity report.

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

**I - Conclusions on the financial statements**

We have conducted our limited review according to auditing 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 lead us to believe that the condensed consolidated interim financial statements were not prepared in accordance with IFRS standard IAS 34 on interim financial reporting as adopted in the European Union.



## **II - Specific verification**

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

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

Paris-La Défense, July 28, 2016  
KPMG Audit  
*A department of KPMG S.A.*

Neuilly-sur-Seine, July 28, 2016  
PricewaterhouseCoopers Audit

Arnaud Bourdeille  
*Partner*

Jacques Lévi  
*Partner*

Paris-La Défense, July 28, 2016  
ERNST & YOUNG et Autres

Olivier Durand  
*Partner*

## **IV - Documents available to the public**

### **Documents available to the public**

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

On the AMF's website

### **Persons responsible for the information**

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