UPDATE to the 2016 REGISTRATION DOCUMENT

INTERIM FINANCIAL REPORT

JUNE 2017

CRÉDIT MUTUEL-CM11 GROUP

2016 Registration Document filed with the French Financial Markets Authority (Autorité des marchés financiers - AMF) on April 28, 2017 under number D.17-0479.

First update to the 2016 Registration Document filed with the AMF on August 2, 2017 under number D.17-0479-A01.

Contents

1. Interim financial report as of June 30, 2017

Management report on the financial position and results in the first half of 2017

The following management report should be read in conjunction with the consolidated financial statements of the Crédit Mutuel-CM11 Group and the BFCM Group included by way of reference in this document (the "Financial statements as of June 30, 2017 of the Crédit Mutuel-CM11 Group" and the "Financial statements as of June 30, 2017 of the BFCM Group", respectively) and in conjunction with the related notes included by way of reference in this update. This update to the Registration Document also serves as the interim financial report of the Crédit Mutuel-CM11 Group and the BFCM Group.

These consolidated financial statements were prepared in accordance with international financial reporting standards as adopted by the European Union.

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, 2017. These standards include IAS 1 to IAS 41, IFRS 1 to IFRS 8 and IFRS 10 to IFRS 13 as well as any related SIC and IFRIC interpretations adopted as of that date. Standards not adopted by the European Union have not been applied. The summary documents are presented in accordance with Recommendation 2013-04 of the Autorité des Normes Comptables (French accounting standards authority). All IAS and IFRS are available on the European Commission's website at:

https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs-financial-statements

These interim financial statements have been prepared in accordance with IAS 34 relating to interim financial reporting, which allows the publication of condensed financial statements. They supplement the financial statements for the year ended December 31, 2016 presented in the 2016 Registration Document. The Group's business is not subject to seasonal or cyclical effects. Estimates and assumptions may have been used in the valuation of statement of financial position items.

There are no new standards and interpretations adopted by the European Union applicable to annual periods beginning on or after January 1, 2017.

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

Standard	*Heading*
IFRS 9	*Financial instruments*
IFRS 15	*Revenue from Contracts with Customers*

Standards and interpretations not yet adopted by the European Union

Standard	*Heading*
IFRS 16	*Leases*
IFRS 17	*Insurance contracts*

1.1 Economic environment in the first half of 2017

Reduction in key political risks

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

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

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

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

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

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

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

Outlook

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

However, several factors could undermine our scenario:

- The Trump administration's inability to introduce reforms, even if economic growth in the US is strong enough to do without them;
- On the other hand, far-reaching protectionist measures on the part of the US administration, which would mainly penalize emerging countries, including China;
- A further drop in inflation rates in the United States or Europe, particularly if oil prices fall more sharply than they have in recent weeks, which would hinder central banks' efforts to normalize their monetary policies.

1.2 Business performance and results of the Crédit Mutuel-CM11 and BFCM Groups

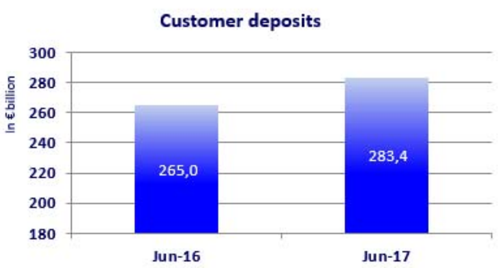
Note: all the changes mentioned are at constant scope and method; see the methodology note on page 19.

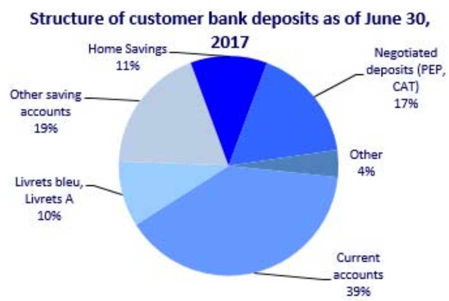
Group business performance

After a year marked by growth in the banking, insurance and services businesses in 2016, the Group's sales activity remained strong during the first half of 2017, benefiting its 23.6 million members-customers.

- **Banking**

Customer deposits stood at €283.4 billion at the end of June 2017, a 6.1% increase driven by current accounts (+11.9%) and passbook accounts (+11.3%).

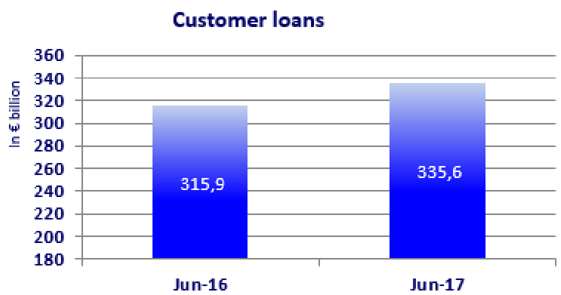


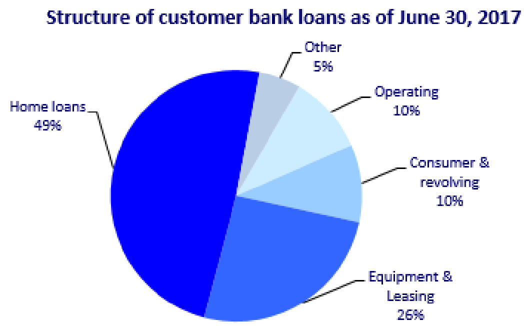


New lending was very strong in the first half of 2017, reflecting the support provided to individuals and companies to finance their projects. At €19.2 billion, new home loans rose significantly by 37.3% compared to the first half of 2016. With renegotiations remaining at a very high level in the first half of the year, loan repurchases partly contributed to this high volume of funds released. New equipment loans also remained strong, increasing by 10.5% compared to the first half of 2016 to €8.9 billion. Overall, the amount of loans released through the banking networks and Cofidis was nearly €40 billion in the first half of 2017.

€335.6 billion in outstanding loans

Outstanding loans grew steadily to €335.6 billion at June 30, 2017, a 3.8% increase since June 30, 2016. The growth rate of home loans (+2.8%) was similar to that at the end of December 2016 and was heavily impacted by the high number of early repayments in a very active competitive environment. Consumer lending was up sharply (+6.9%).





As a result, the loan-to-deposit ratio improved to 118.4% as of June 30, 2017 versus 119.2% a year earlier.

The Liquidity Coverage Ratio was well above the regulatory requirements at 138% at end-June 2017 compared to 140% at December 31, 2016.

- **Insurance**

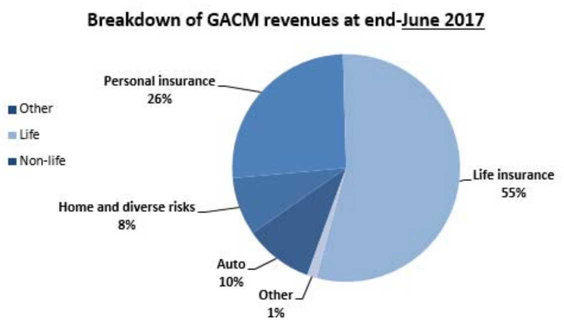
29.2 million insurance contracts

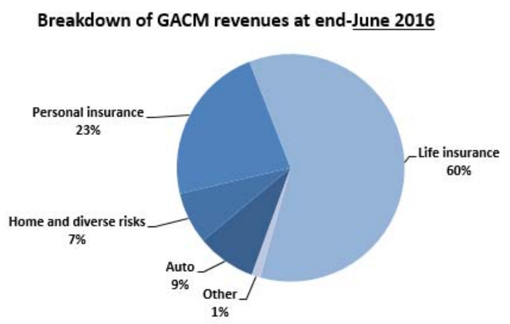
The Crédit Mutuel-CM11 Group's insurance business continued to grow after an already exceptional 2016. Thanks to record sales of property and casualty insurance, the number of contracts in the portfolio is now 29.2 million, up 2.8% compared to June 2016.

Premium income stood at €5.2 billion, an 8.6% decrease as a result of the measures taken by the Group since 2016 to promote unit-linked (UL) policies. The increase in property and casualty insurance (+4.5%) was therefore masked by the decrease in inflows for gross life insurance and insurance-based savings products (-16.9% to €2.9 billion). As a result of the shift in life insurance inflows, based on customers' risk profiles, UL policies accounted for more than 25% of gross inflows at end-June, more than double that of the first half of 2016 (11.4%).

Strong sales of auto and homeowners insurance policies and the decrease in the cancellation rate, which reflect the quality of the contracts and services offered by Groupe des Assurances du Crédit Mutuel (GACM), contributed to the property insurance premium income, which rose by 4.5% to €0.9 billion. An important growth driver in 2017, personal protection insurance posted a record increase in sales. It contributed to the sharp rise in personal insurance revenue (+4.4%), which neared €1.4 billion.

This strong development fueled the growth in underwriting income, which continued to increase at all the branches.





- **Services**

In addition to the banking and insurance businesses, the Group's commercial performance is also reflected in the wide range of services distributed by its networks.

EI Telecom, which offers mobile phone services, now has nearly 1.6 million customers in its portfolio. Its sales and marketing activity has intensified, underpinned by the launch of a 100 GB limited edition plan and its permanent addition to the product range.

Euro Protection Surveillance, which sells remote surveillance solutions, completed 6,500 additional installations in the first half of 2017. The company is the leading remote surveillance operator in France with 434,685 subscriber agreements at June 30, 2017 (+8% in one year).

CM-CIC Bail offers a comprehensive auto solution ranging from vehicle purchase and financing through leasing plans to maintenance agreements. In the first half of 2017, 1,128 vehicles were purchased for individual network customers and, at June 30, 2017, 11,294 signed lease agreements represented a total of €162.2 million in outstanding leases.

In terms of new property sales, **CM-CIC Agence Immobilière** had a net number of 5,358 housing units in contract in the first half of 2017, up 16% from 2016 (+721). In private banking, the real estate advisors at Crédit Mutuel and CIC also helped our customers purchase existing homes.

In the electronic wallet sector, the Group approved the merger of its application, Fivory, with that of BNP Paribas, Wa !, to create a new brand called **Lyf Pay**. This new app, which became available on May 18, offers a range of innovative services, including in-store or Internet payment, as well as customer loyalty programs, coupons offered by merchants, etc. The app can also be used to make payments between friends and donations. After being rolled out in the Strasbourg region, it is currently being implemented throughout the Auchan and Carrefour sales networks.

Group results

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

The Crédit Mutuel-CM11 Group's net income in the first half of 2017 was up 4.7% to €1.316 billion. The following table shows the change in the Group's main income statement items as of June 30, 2017 and June 30, 2016.

(€ millions)	**06/30/2017**	**06/30/2016**	change *
Net banking income	**7,150**	**6,760**	**+3.6%**
Operating expenses	(4,360)	(4,288)	-0.6%
Operating income before provisions	**2,790**	**2,472**	**+10.9%**
Cost of risk	(398)	(359)	+9.2%
Operating income	**2,392**	**2,113**	**+11.1%**
Gains/losses on other assets and associates	(271)	(288)	-5.8%
Net income before tax	**2,121**	**1,826**	**+13.8%**
Corporate income tax	(810)	(646)	+23.7%
Gains/losses after corp. tax on disc. operations	5	46	Ns
Net income (loss)	**1,316**	**1,226**	**+4.7%**
Non-controlling interests	153	129	+17.6%
Net income attributable to owners of the company	**1,163**	**1,097**	**+3.2%**

** at constant scope [1]*

Net banking income

The Crédit Mutuel-CM11 Group's overall net banking income was nearly €7.2 billion in the first half of 2017 compared to €6.8 billion a year earlier, up 3.6% at constant scope. At current scope, the increase was 5.8% including the €159 million in net banking income generated in the first half of 2017 by the factoring and leasing entities acquired from General Electric in France and Germany on July 20, 2016. This one-year increase in net banking income is all the more significant given that the capital gain of €269 million on the sale of shares in Visa Europe had been recorded under the "holding" segment in the

[1] *For details regarding the change at constant scope, see the methodology note.*

first half of 2016. Excluding the change in scope and the Visa capital gain, net banking income therefore increased by 7.9%.

The growth in net banking income at constant scope resulted from a number of factors, including:

- the increase in net banking income from retail bank-insurance thanks to the commissions received by the banking networks and the growth in the net banking income of BECM, Targobank Germany and the specialized subsidiaries such as COFIDIS;
- the continued strong activity and satisfactory underwriting income of the insurance segment whose net banking income increased by 17.3%;
- the good performance of capital markets whose net banking income rose sharply by €87 million to €275 million;
- the nearly 39% increase in the revenues of the private equity segment, demonstrating the vitality of the companies supported by CM-CIC Investissement.

The net banking income of its retail banking and insurance business line, the core business of the Crédit Mutuel-CM11 Group, represents nearly 80% of the Group's total income.

Breakdown of the Crédit Mutuel-CM11 Group's net banking income by activity

(€ millions)	**06/30/2017**	**06/30/2016** restated *	change **
Retail banking	5,026	4,781[1]	+1.8%
Insurance	881	752	+17.3%
Financing and capital markets	463	359	+29.0%
Private banking	262	270	+2.5%
Private equity	169	122	+38.8%
IT, logistics and holding company services	720	825	-12.6%
Interactivity services	*(372)*	*(347)*	*+7.2%*
TOTAL	**7,150**	**6,760**	**+3.6%**

** see methodology note*
*** at constant scope*

The geographic breakdown of the Group's net banking income illustrates the extent to which the banking and insurance business is concentrated in the French domestic market, which accounted for 78% of net banking income from operating activities in the first half of 2017.

The following table shows the Group's net banking income from all activities by region as of June 30, 2017 and June 30, 2016.

(€ millions)	**06/30/2017**	**06/30/2016**	change
France	5,667	5,420	+4.6%
Europe, excluding France	1,381	1,216	+13.6%
Rest of the world	102	124	-17.7%
TOTAL	**7,150**	**6,760**	**+5.8%**

The 13.6% increase in the "Europe excluding France" region resulted from the first-time consolidations of the factoring and leasing entities in Germany acquired from General Electric.

Operating income before provisions

Gross operating income rose by 10.9% to €2.790 billion at June 30, 2017.

The cost/income ratio improved by 2.4 points to 61.0% as of June 30, 2017 compared to 63.4% at end-June 2016.

General operating expenses totaled €4.360 billion at end-June 2017. They remained under control, decreasing by 0.6% over one year at constant scope. This decrease includes a controlled increase in employee expenses (+0.6%). Depreciation and amortization fell sharply (-€98 million) given that the first half of 2016 had been impacted by the impairment of the assets of the media division companies, which are now fully covered by provisions.

Cost of risk

Cost of risk rose by €33 million to €398 million in the first half of 2017. The overall increase in provisioning includes a decrease in provisions on an individual basis (-€18 million), reflecting the high quality of customer risks, and an increase in collective provisions (+€51 million) following a change in the parameters used to calculate them.

By business line, cost of risk on an individual basis rose slightly in retail banking (+1.1%) and fell sharply in the corporate banking businesses (-€22 million).

As in the first half of 2016, the ratio of total cost of risk on customer loans to outstanding loans was 0.23% and the overall non-performing loan coverage ratio was 63.5% (64.2% in June 2016).

The following table summarizes the Group's data on non-performing loans and provisions for impaired loans in the first half of 2017 and 2016:

(€ billions)	**June 30, 2017**	**June 30, 2016**
Gross amount of customer loans	346.4	324.3
Non-performing loans	13.2	13.1
Provisions for loan impairment	8.4	8.4
Ratio of non-performing loans(1) (2)	3.81%	4.03%
Non-performing loan coverage ratio(1)	63.5%	64.2%

(1) non-performing loans/gross amount of customer loans
(2) as the figures were rounded, the ratios indicated may not correspond to division of the rounded outstanding loans recognized

Operating income

Operating income was €2.392 billion at June 30, 2017, an 11.1% increase resulting from the growth in net banking income and the decrease in general operating expenses and despite the increase in cost of risk.

Other income statement items

Share of net income (loss) from associates. The Group's share of net income (loss) from associates represented an expense of €255.7 million as of June 30, 2017. This item includes the share of the loss in the first quarter of Banco Popular (€13.5 million), impairment of the equity-accounted value of BMCE (€50 million) and the net income (€40 million) of the other equity-accounted companies (BMCE, Banque de Tunisie, etc.). It also includes the capital loss of €232 million on the Banco Popular shares, the market value of which is now zero following the closing of this bank on June 7, 2017. This loss resulted from setting the equity-accounted value to zero at June 30, 2017 (€405.6 million) and reversing the impairment (€174 million).

In addition, a provision for risk set up in 2016 in the amount of €90 million was reversed in net banking income in the first half of 2017.

Gains (losses) on other assets: This item includes net income in an insignificant amount of €0.4 million.

Change in value of goodwill. The €15 million decrease at June 30, 2017 resulted from the impairment of a portion of the goodwill of CIC Iberbanco.

Corporation tax. The net tax expense for the Group's companies rose to €810 million at June 30, 2017, in line with the increase in income before tax.

Post-tax gain (loss) on discontinued operations. In accordance with IFRS 5, this item represents the net gain (€5 million at June 30, 2017) on discontinued operations, i.e. CIC's private banking businesses in Singapore and Hong Kong.

Net income (loss)

Net income attributable to the Group increased by 3.2% at constant scope to €1.163 billion at June 30, 2017 compared to €1.097 billion at June 30, 2016.

Results by activity

Description of the business lines

RETAIL BANKING: this business includes the local Crédit Mutuel banks, the CIC network, Banque Européenne du Crédit Mutuel, CIC Iberbanco, the Targobank branches in Germany and Spain, Cofidis Participations, Banque Casino and all the specialized activities whose products are marketed by the networks, such as equipment leasing and leasing with purchase option, real estate leasing, vendor credit, factoring, fund management, employee savings and real estate sales.

INSURANCE: the insurance business line consists of Groupe des Assurances du Crédit Mutuel.

CORPORATE BANKING: with its teams based in France and at its branches (London, New York, Singapore, Hong Kong), the corporate banking business line provides services to large corporate and institutional customers, taking a comprehensive approach to their requirements. It also supports the work of the “corporate” networks on behalf of their major customers and contributes to the development of international business and the implementation of specialized financing (acquisitions, assets and projects).

CAPITAL MARKETS: the Crédit Mutuel-CM11 Group's capital markets activities are recorded on CIC's balance sheet. They include the Investment in fixed-income, equities and credit business line and the commercial activity (CM-CIC Market Solutions) in France and at the New York and Singapore branches.

PRIVATE BANKING: the companies that make up this business line operate both in France through CIC Banque Transatlantique and abroad through the Banque de Luxembourg, Banque CIC Suisse, Banque Transatlantique Luxembourg, Banque Transatlantique Belgium and Banque Transatlantique London subsidiaries and branches. They develop expertise in financial and wealth management for families of business owners and private investors.

PRIVATE EQUITY: this business activity is carried out by CM-CIC Investissement, which has its head office in Paris and offices in Lyon, Nantes, Lille, Bordeaux and Strasbourg, thereby ensuring close ties to customers while gradually entering a phase of international development. It includes equity investments, M&A consulting and financial and capital markets engineering.

IT & LOGISTICS: this division includes purely logistics entities, such as the Group's IT companies, the CM-CIC Services economic interest group, EI Telecom, Euro Protection Surveillance, Lyf Pay and the press division.

HOLDING COMPANY SERVICES: this division includes the Group's custody and central treasury/refinancing activities (since January 2017) and all activities not assigned to another business.

- ***Retail banking***

Retail banking is by far the Group's largest business segment. At June 30, 2017, it accounted for 67% of the Group's net banking income. The following table shows the components of net income from retail banking as of June 30, 2017 and June 30, 2016.

(€ millions)	**06/30/2017**	**Jun. 30, 2016 restated***	change**
Net banking income	**5,026**	**4,781**	**+1.8%**
Operating expenses	(3,303)	(3,187)	+0.1%
Operating income before provisions	**1,723**	**1,594**	**+5.1%**
Cost of risk	(423)	(357)	+16.8%
Gains/losses on other assets and associates	19	(52)	ns
Net income before tax	**1,319**	**1,184**	**+7.8%**
Corporate income tax	(532)	(447)	+16.4%
Net income (loss)	**787**	**737**	**+2.6%**

** see methodology note*

*** at constant scope; see methodology note*

In the first half of 2017, net banking income from retail banking increased slightly by 1.8% over a year. Across the banking networks, the erosion in net interest due to the fall in average loan yields was largely offset by strong growth in commission income (mainly commissions on loans and insurance). The banking network's commission income was up nearly 9% to €1.9 billion, €608 million of which was from insurance, representing close to one-third of the banking networks' total commissions.

General operating expenses were effectively managed, rising slightly by 0.1% despite the increase in bank taxes and, more specifically, the contribution to the Single Resolution Fund. (+€13 million for retail banking alone).

Cost of risk increased by 16.8% as a result of collective provisions (+€56 million). Excluding collective provisions, the increase in cost of risk was limited to 1.1% (+€4 million).

The Crédit Mutuel-CM11 Group took into account its share (3.92%) of the loss in the first quarter on its interest in Spanish bank Banco Popular in the amount of €13.5 million versus €98.8 million in the first half of 2016.

Overall, net income increased by 2.6% to €787 million. Excluding the impact of the results of Banco Popular (-€98.8 million in the first half of 2016 and -€13.5 million in the first half of 2017), now sold to Santander, net income from retail banking was down 4.2%.

- <u>The banking networks</u>
  - **Crédit Mutuel local banks**

The number of customers has increased by nearly 22,000 since the end of 2016 and now exceeds 6.9 million.

Outstanding loans rose by nearly €3 billion over one year to €118.1 billion (+2.6%), driven mainly by home loans (+3%), equipment loans (+1.8%) and consumer loans (1.5%).

Customer deposits increased by €6.8 billion, bringing total deposits to €102.9 billion. Deposits in current accounts and passbook accounts posted the strongest growth, up €4.2 billion (+18.2%) and €3.2 billion (+8.8%), respectively.

Net banking income decreased by 0.1% to €1.493 billion while general operating expenses and cost of risk increased by 1.6% and 19.7%, respectively.

Net income totaled €170 million compared to €216 million a year earlier (-21.4%).

- **CIC banking network**

At June 30, 2017, CIC had 1,954 branches and 5 million customers (+1.9% compared to June 30, 2016).

Lending activity remained strong with a one-year increase in outstanding loans of 4.6% to €117.6 billion. The level of activity for investment loans was particularly high (€32.8 billion, up 7.6%) and growth in home loans (€67.8 billion in outstandings, up 4.1%) continued after a strong first half in which €8.1 billion in new loans was released. Consumer loan outstandings amounted to €5.3 billion (+3.7%).

Deposits totaled €108.2 billion (+6.0% compared to end-June 2016), with a continued high volume of sight deposits.

The CIC network's net banking income stood at €1.691 billion at June 30, 2017, a 3.8% increase thanks to commissions.

General operating expenses amounted to €1.129 billion (-0.3%). Cost of risk (€88 million in the first half of 2017) increased by €23 million, which included an addition of €24 million for collective provisions and a reversal of €1 million for individual provisions.

Net income fell by 1.2% to €273 million.

- **Banque Européenne du Crédit Mutuel (BECM)**

Banque Européenne du Crédit Mutuel operates in France and Germany in the market for corporations, real estate developers and companies. It serves more than 20,000 customers at its 51 sales offices (including 42 in France) and a subsidiary in Monaco.

At end-June 2017, in terms of average monthly capital and for all markets, customer loans grew by 10.2% to €13.5 billion over 12 months, and by 7.0% over the first six months of 2017. Deposits continued to grow by 1.6% to €12.1 billion over a 12-month period. However, they decreased by 9.6% over the first six months of 2017 as a result of measures regulating inflows.

At June 30, 2017, net banking income was up 10.1% to €141.2 million. Net interest increased by 18.1% as a result of the decrease in the cost of customer deposits and growth in outstanding loans. Commission income was €30.5 million, down 10.6% compared to the first half of 2016 due to a smaller share of commissions on electronic payments.

General operating expenses rose by 7.5% to €52.2 million, mainly as a result of the increase in taxes on financial institutions. Cost of risk totaled €5.7 million, up 22.8%. However, they represent a moderate annual average rate of 0.13% of loans.

Net income was €51.9 million at June 30, 2017 compared to €47.6 million at June 30, 2016, up sharply by 9.2%.

- **Targobank Germany**

In the first half of 2017, the growth in Targobank Germany's commercial activity that began in early 2016 continued thanks to the new "Targobank 2020" medium-term plan.

During the first six months of the year, personal loan production was €1.8 billion, up 14% compared to the first half of 2016.

All the distribution channels saw growth, including distance selling, which posted a particularly significant increase (+34.8% for online sales and +45.6% for telephone sales).

At June 30, 2017, outstanding loans (consumer loans for the most part) amounted to €12.7 billion, a 9.2% increase compared to June 30, 2016.

Deposit volumes continued to grow despite low interest rates. At end-June 2017, deposits totaled €14.1 billion as a result of €828 million in inflows since January 1. Customers continued to show a preference for short-term deposits.

The beginning of 2017 also saw an upturn in the wealth management activity. Savings totaled €11 billion at June 30, 2017, an increase of €461 million (+4%) compared to the end of 2016.

Net banking income was bolstered by the new "Plus-Depot" price offering launched in 2016 (+€1.1 million over the first six months of the year).

In the first half of 2017, income before tax was €222 million, more than 5% higher than in the first half of 2016.

- **Targobank Spain**

In June 2017, the Crédit Mutuel-CM11 Group became Targobank Spain's sole shareholder by purchasing 48.98% of its capital from Banco Popular.

Changes continue to be made at the bank. After developing a three-year business plan, it has begun to make changes at various levels, including the organization and specialization of its network to adapt its services to the various markets, workflows and work methods, computer applications and adaptations to regulatory changes. All these measures are designed to reflect the current environment. Their goal is to move toward maximum effectiveness in terms of production and service provided to its 135,000 customers (74% of whom are individuals).

These changes are being made in parallel with the development of the commercial activity of the bank, which had €2.1 billion in outstanding loans and €1.9 billion in deposits at June 30, 2017.

In the first half of 2017, the bank had a net loss of €61 million.

➢ <u>COFIDIS Group</u>

The Cofidis Participations Group's net banking income rose by 2.5% to €618 million, an increase of €14.8 million between the first half of 2016 and the first half of 2017.

Interest income leveled off as a result of the reduction in usury rates (France, Portugal and Hungary), strong competitive pressure with a race for low promotional rates that is impacting the amounts billed to future generations, and a shift in portfolios in the current economic environment toward less profitable products (personal loans, repurchases, auto loans and banking partnership).

These factors were offset by a 6% annual increase in outstanding loans, better risk control and therefore a higher share of fee-generating loans, and strategic adjustments of the Group's entities enabling them to optimize customer billing.

Apart from this steady interest income, net banking income was positively impacted by a further drop in financial expenses (-29% during the first half of 2017 compared to the first half of 2016) and by an increase in commission income, particularly from borrower's insurance.

General operating expenses were down 0.7%. This decrease resulted from maintaining the amount of marketing investments at a time when new financing rose by 8.6%, reflecting an improvement in sales productivity, and from the reduction in non-marketing operating expenses.

Cost of risk improved with an 18 base point reduction compared to June 2016, falling from 2.5% of average outstandings in June 2016 to 2.3% in June 2017.

The growth in net banking income together with a higher volume of business and outstanding loans and cost and risk control led to a contribution to the Group's net income of €105 million at the end of June 2017, a 10.2% increase.

- ***Insurance***

As of June 30, 2017, the insurance business accounted for 12% of the Group's net banking income. The following table shows the components of net income from the insurance business as of June 30, 2017 and June 30, 2016, as presented in the Group's consolidated financial statements.

(€ millions)	**06/30/2017**	**06/30/2016**	change
Net banking income	**881**	**752**	**+17.3%**
Operating expenses	(278)	(266)	+4.5%
Operating income before provisions	**604**	**486**	**+24.3%**
Gains/losses on other assets and associates	7	19	-63.3%
Net income before tax	**611**	**505**	**+20.9%**
Corporate income tax	(194)	(150)	+29.3%
Net income (loss)	**417**	**355**	**+17.4%**

Insurance premium income was down 8.6% to nearly €5.2 billion.

Following the lead of the market, gross inflows from life insurance and insurance-based savings products fell by 16.9% to €2.9 billion. This decline comes at a time when interest rates remain very low, which is driving insurance companies to slow down collections on euro-denominated funds and promote unit-linked (UL) policies. For GACM, the share of unit-linked policies in its gross inflows was therefore 25.7% in the first half of 2017 compared to 11.4% in June 2016.

The growth in property insurance premiums outperformed the market, reaching 4.5% (2.5% for the market at the end of May 2017). It was bolstered by a record number of new auto and comprehensive homeowners policies and by strong growth in comprehensive business policies.

Personal insurance premiums rose by 4.4% thanks to record sales of personal protection policies, an important growth driver in 2017. The "accident insurance" product was therefore redesigned. The network was also given a new sales support tool that allows appropriate products to be offered based on an analysis of policyholders' needs. Promotional campaigns supported the customer relationship managers' efforts in this business segment.

The networks collected €644 million in commissions, a 5.3% increase.

GACM ended the first half of 2017 with net income[2] of €417 million compared to €355 million a year earlier.

Unlike the first half of 2016 which was impacted by a decrease in technical interest rates and bad weather in May and June, net income in the first half of 2017 reflects the Group's strong sales performance, stable interest rates and the absence of major events.

- ***Corporate banking and capital markets***

As of June 30, 2017, financing and capital markets accounted for 6% of the Group's net banking income. The following table shows the components of net income from financing and capital markets as of June 30, 2017 and June 30, 2016.

(€ millions)	**06/30/2017**	**06/30/2016 restated ***	change
Net banking income	**463**	**359**	**+29.0%**
Operating expenses	(172)	(157)	+9.3%
Operating income before provisions	**291**	**201**	**+44.3%**
Cost of risk	27	(0)	ns
Net income before tax	**318**	**202**	**+57.7%**
Corporate income tax	(105)	(68)	+53.7%
Net income (loss)	**213**	**134**	**+59.7%**

** see methodology note*

<u>*Corporate banking*</u>

(€ millions)	**06/30/2017**	**06/30/2016**	change
Net banking income	**188**	**171**	**+10.1%**
Operating expenses	(61)	(57)	+6.1%
Operating income before provisions	**127**	**114**	**+12.1%**
Cost of risk	22	(3)	ns
Net income before tax	**149**	**110**	**+34.9%**
Corporate income tax	(46)	(36)	+28.4%
Net income (loss)	**103**	**75**	**+38.0%**

Net banking income from corporate banking was €188 million at June 30, 2017 compared to €171 million at June 30, 2016 thanks to a high level of activity in all segments (large accounts, specialized financing, branches).

[2] Contribution to the Crédit Mutuel-CM11 Group's consolidated net income

Despite the increase in general operating expenses to €61 million, gross operating income rose by 12.1% to €127 million.

Cost of risk had a net reversal of €22 million (+€12 million for individual provisions and +€10 million for collective provisions) compared to -€3 million at June 30, 2016.

The tax expense increased in accordance with the increase in income before tax and net income from corporate banking was up 38% to €103 million at June 30, 2017 compared to €75 million at June 30, 2016.

Capital markets activities

(€ millions)	06/30/2017	Jun. 30, 2016 restated*	change
Net banking income	**275**	**188**	**+46.2%**
Operating expenses	(111)	(100)	+11.2%
Operating income before provisions	**163**	**88**	**+86.1%**
Cost of risk	6	4	+60.4%
Net income before tax	**169**	**91**	**+85.1%**
Corporate income tax	(59)	(33)	+81.4%
Net income (loss)	**110**	**59**	**+87.2%**

** see methodology note*

Net banking income from capital markets totaled €275 million in the first half of 2017 compared to €188 million at end-June 2016 thanks to the good performance of the financial markets since the beginning of the year.

Gross operating income was €163 million at June 30, 2017 compared to €88 million at June 30, 2016.

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

Income before tax from capital markets activities was therefore €169 million versus €91 million at June 30, 2016.

After-tax, net income came to €110 million compared to €59 million at June 30, 2016, an improvement of €51 million.

- ***Private banking***

At June 30, 2017, the private banking business line accounted for 3.5% of the Group's net banking income. The following table shows the components of net income from private banking:

(€ millions)	06/30/2017	06/30/2016	change at constant method
Net banking income	**262**	**270**	**+2.5%**
Operating expenses	(171)	(178)	+5.3%
Operating income before provisions	**92**	**93**	**-2.4%**
Cost of risk	0	(1)	ns
Gains/losses on other assets and associates	0	10	ns
Net income before tax	**92**	**102**	**-10.9%**
Corporate income tax	(21)	(16)	+25.2%
Gains/losses after corp. tax on disc. operations	5	(20)	ns
Net income (loss)	**76**	**66**	**+15.5%**

Net banking income rose by 2.5% to €262 million thanks to an increase in commissions.

The following table provides indicators of the performance of the private banking business line at June 30, 2017.

(€ billions)	June 30, 2017	change over 12 months
Deposits	20.5	+1.4%
Loans	13.5	+8.3%
Managed savings	93.9	+11.7%

These outstandings include the outstandings at June 30, 2017 of the private banking activity of the Singapore and Hong Kong branches (€2.4 billion in loans, €0.8 billion in deposits and €2.8 billion in off-balance sheet savings products).

General operating expenses totaled €171 million at June 30, 2017 compared to €178 million in the first half of 2016.

The contribution to the Group's net income was €76 million at end-June 30, 2017 compared to €66 million in the first half of 2016.

These results do not include those of the CIC Private Banking branches, which are accounted for under CIC's banks since they mainly serve business executive clients. Income before tax of the CIC Private Banking branches was €48 million, up 9.8% compared to June 2016.

- ***Private equity***

At June 30, 2017, 2% of the Group's net banking income was generated by the private equity business line. The following table shows the components of income from this business line:

(in € millions)	**06/30/2017**	**06/30/2016**	change
Net banking income	**169**	**122**	**+38.8%**
Operating expenses	(25)	(22)	+12.4%
Net income before tax	**144**	**100**	**+44.7%**
Corporate income tax	2	(1)	ns
Net income (loss)	**146**	**99**	**+47.4%**

The following table shows the breakdown of investments and funds managed by this business segment.

(€ millions)	**June 30, 2017**
Total investments made by the Group during the half-year period	372
Total capital invested by the Group*	2,154
Value of the Group's portfolio, excluding funds managed for third parties	2,393
Funds managed for third parties	201

* Of which 85% invested in unlisted companies, with the balance invested in funds and listed companies.

The investments made in the first half of 2017 amounted to €372 million compared to €44 million during the same period in 2016, which reflects the high level of activity. The total amount invested at end-June 2017 was €2.1 billion, including 85% in unlisted companies. The balance was shared between listed companies and funds. The value of the portfolio was €2.4 billion.

The quality of the investments made is reflected in a nearly 39% increase in net banking income to €169 million over a year, and the contribution to the Group's results was €144 million at end-June 2017 compared to €99 million at end-June 2016.

- ***Logistics and holding company services***

(€ millions)	**06/30/2017**	**06/30/2016** *restated **	change
Net banking income	**720**	**824**	**-12.6%**
Operating expenses	(783)	(825)	-5.0%
Operating income before provisions	**(63)**	**(1)**	**ns**
Cost of risk	(2)	(1)	ns
Gains/losses on other assets and associates	(297)	(265)	+12.3%
Net income before tax	**(363)**	**(267)**	**+36.1%**
Corporate income tax	40	36	+11.0%
Gains/losses after corp. tax on disc. operations	0	66	**ns**
Net income (loss)	**(323)**	**(165)**	**ns**

** see methodology note*

Net banking income from logistics and holding company services was €720 million at June 30, 2017 compared to €824 million at June 30, 2016. These figures reflect the following factors:

- Net banking income from the Group's "IT and logistics" activities was €787 million at June 30, 2017 (+11.7%). This change was mainly due to the improvement in the sales margins posted by Euro Information and its subsidiaries.
- The Group's holding company services generated negative net banking income of €67 million at June 30, 2017 compared to positive NBI of €120 million at June 30, 2016. This change was mainly due to the exceptional Visa capital gain recorded in the first half of 2016.

General operating expenses totaled €783 million at June 30, 2017 compared to €825 million at June 30, 2016 since, unlike the first half of 2016, the first half of 2017 was not significantly impacted by the impairment of the assets of the media division companies.

After recognition of the capital loss (€232 million) on the Banco Popular shares, the market value of which is now zero following the closing of this bank on June 7, 2017, the net income of the logistics and holding company activities was -€323 million.

Methodology descriptions

1/ **Adjusted results at June 30, 2016**: minor changes were made to segment reporting starting at the beginning of 2017 because the custody (retail banking) and central treasury (capital markets) activities were grouped together and assigned to the "holding" activity. Adjusted results are therefore presented for these three businesses (retail banking, capital markets and holding company services) at June 30, 2016.

Retail banking

(€ millions)	06/30/2017	a 06/30/2016 published	b 06/30/2016 custody	(a-b) 06/30/2016 *restated**
Net banking income	**5,026**	**4,780**	(0.3)	**4,781**
Operating expenses	(3,303)	(3,189)	(2.2)	(3,187)
Operating income before provisions	**1,723**	**1,591**	(2.4)	**1,594**
Cost of risk	(423)	(357)		(357)
Gains/losses on other assets and associates	19	(52)		(52)
Net income before tax	**1,319**	**1,182**	(2.4)	**1,184**
Corporate income tax	(532)	(447)	0.3	(447)
Net income (loss)	**787**	**735**	(2.1)	**737**

* Reassignment in 2017 of the custody activity, previously classified under retail banking, to holding company services

Corporate banking and capital markets

(€ millions)	06/30/2017	a 06/30/2016 published	b 06/30/2016 treasury	(a-b) 06/30/2016 *restated**
Net banking income	**463**	**388**	29.3	**359**
Operating expenses	(172)	(173)	(15.6)	(157)
Operating income before provisions	**291**	**215**	13.7	**201**
Cost of risk	27	0		0
Net income before tax	**318**	**215**	13.7	**202**
Corporate income tax	(105)	(74)	(6.3)	(68)
Net income (loss)	**213**	**141**	7.3	**134**

* Reassignment in 2017 of the central treasury activity, previously classified under capital markets, to holding company services

Private banking

(€ millions)	06/30/2017	a 06/30/2016 published	b 06/30/2016 PB Singapore and Hong Kong	(a-b) 06/30/2016 *restated **
Net banking income	**262**	**270**	14.4	**256**
Operating expenses	(171)	(178)	(15.6)	162
Operating income before provisions	**92**	**93**	(1.3)	**94**
Cost of risk	0	(1)		(1)
Gains/losses on other assets and associates	0	10		10
Net income before tax	**92**	**102**	(1.3)	**103**
Corporate income tax	(21)	(16)		(16)
Net gain/(loss) on discontinued operations	5	(20)	(1.3)	(21)
Net income (loss)	**76**	**66**	0.0	**66**

* Restatement of the interim income statement balances of the Singapore and Hong Kong Private Banking activity, whose net contribution in 06/2017 was classified on a single line: "Net gain/(loss) on discontinued operations"

a b c (a + b + c)

Logistics and holding company services

(€ millions)	06/30/2017	06/30/2016 published	06/30/2016 custody	06/30/2016 treasury	06/30/2016 *restated **
Net banking income	**720**	**795**	(0.3)	29.3	**824**
Operating expenses	(783)	(807)	(2.2)	(15.6)	(825)
Operating income before provisions	**(63)**	**(12)**	(2.4)	13.7	**(1)**
Cost of risk	(2)	(1)			(1)
Gains/losses on other assets and associates	(297)	(265)			(265)
Net income before tax	**(363)**	**(278)**	(2.4)	13.7	**(267)**
Corporate income tax	40	42	0.3	(6.3)	36
Net gain/(loss) on discontinued operations	0	66			66
Net income (loss)	**(323)**	**(170)**	(2.1)	7.3	**(165)**

* Reassignment in 2017 of the custody activity, previously classified under retail banking, to holding company services

* Reassignment in 2017 of central treasury, previously classified under capital markets, to holding company services

2/ **Changes at constant scope** to the income statement are calculated after offsetting:

- in 2017, the first-time consolidations between July 1, 2016 and June 30, 2017, i.e. the factoring and leasing entities acquired on July 20, 2016 from General Electric Capital in France and Germany (retail banking segment);
- in 2016, the contribution of CIC's private banking activities in Hong Kong and Singapore following the change in the accounting classification method used for these activities at June 30, 2017; in fact, since the announcement of the sale of these activities by CIC to Indosuez Wealth Management, their contribution has been recognized in the income statement on the line "Net gain/loss on discontinued operations".

For customer deposits and outstanding loans, the changes are calculated at constant method, i.e. after adding back, in 2017, the contribution of CIC's private banking activities in Hong Kong and Singapore following the change in the accounting classification method used for these activities at June 30, 2017; in fact, since the announcement of the sale of these activities by CIC to Indosuez Wealth Management, their contribution has been recognized in the financial statements on a line entitled "assets/liabilities held for sale".

These items are detailed below under the different intermediary balances:

	June 30, 2017 (€ millions)			June 30, 2016 (€ millions)			**changes 2017 / 2016**	
	published	chg. in scp. to be offset	**at constant scp.**	published	chg. in meth. to be offset	**at constant meth.**	gross	**at constant scp. and meth.**
Net banking income	**7,150**	**159**	**6,990**	**6,760**	**14**	**6,745**	**+5.8%**	**+3.6%**
Operating expenses	(4,360)	(112)	(4,248)	(4,288)	(16)	(4,272)	+1.7%	-0.6%
Operating income before provisions	**2,790**	**47**	**2,742**	**2,472**	**(1)**	**2,473**	**+12.8%**	**+10.9%**
Cost of risk	(398)	(6)	(392)	(359)	0	(359)	+10.9%	+9.2%
Operating income	**2,392**	**42**	**2,350**	**2,113**	**(1)**	**2,115**	**+13.2%**	**+11.1%**
Gains/losses on other assets and associates	(271)	0	(271)	(288)	0	(288)	-5.8%	-5.8%
Net income before tax	**2,121**	**42**	**2,079**	**1,826**	**(1)**	**1,827**	**+16.2%**	**+13.8%**
Corporate income tax	(810)	(10)	(800)	(646)	0	(646)	+25.3%	+23.7%
Net gains/losses on disc. operations	5	0	5	46	0	46	-90.0%	ns
Net income (loss)	**1,316**	**31**	**1,284**	**1,226**	**(1)**	**1,227**	**+7.3%**	**+4.7%**
Non-controlling interests	153	1	152	129	0	129	+18.6%	+17.6%
Net income attributable to owners of the company	**1,163**	**30**	**1,133**	**1,097**	**(1)**	**1,098**	**+6.0%**	**+3.2%**

And for customer outstandings:

	outstandings at June 30, 2017 (€ millions)				June 30, 2016 (€ millions)	changes June 2017 /June 2016	
	published (1)	Private banking Singapore (2)	"ex-General Electric" subsidiaries (3)	**adjusted outstandings** **(4) = (1) + (2) - (3)**	published (5)	gross (1) / (5)	**at constant scp. (4) / (5)**
Customer loans	**335,615**	**2,363**	**10,101**	**327,877**	**315,882**	**+6.2%**	**+3.8%**
Total savings	**627,178**	**3,589**	**3,080**	**627,687**	**590,433**	**+6.2%**	**+6.3%**
o/w customer deposits	283,400	771	3,080	281,091	265,012	+6.9%	+6.1%
o/w insurance-based savings	80,648	0	0	80,648	77,945	+3.5%	+3.5%
o/w banking financial savings	263,130	2,818	0	265,948	247,476	+6.3%	+7.5%

Alternative performance indicators – article 223-1 of the General Regulations of the AMF / ESMA guidelines (ESMA/20151415)

Heading	Definition / calculation method	Justification for use of ratios
cost/income ratio	calculated on the basis of consolidated income statement balances: ratio of general operating expenses (sum of "general operating expenses" and "allocations/reversals to and from depreciation, amortization and impairment of property, equipment and intangible assets in the consolidated income statement) and "net banking income in IFRS"	measurement of the bank's operational efficiency
Cost of risk in relation to customer loan outstandings (expressed as a % or in basis points)	Cost of risk, as set out in Note 31 of the notes to the consolidated financial statements, in relation to gross loan outstandings at the end of the year (loans and receivables due from customers excluding individual and collective write-downs)	Used to assess the level of risk as a percentage of loan commitments in the balance sheet
Total cost of risk	"cost of risk" line item in the consolidated publishable income statement; as opposed to individual cost of risk (definition in this table)	measures the risk level
Individual cost of risk	Total cost of risk excluding collective provisions (see definition in this table)	measures the risk level calculated on an individual basis
customer loans	"loans and receivables due from customers" line item under assets in the consolidated balance sheet	measures customers' activity in terms of credit
Customer deposits; bank deposits	"Amounts due to customers" line item under liabilities in the consolidated balance sheet	measures customers' activity in terms of statement of financial position sources of funds
Insurance-based savings	Life insurance policies held by our customers - management data (insurance company)	measures customers' activity in terms of life insurance
Banking financial savings	Off-balance sheet savings held by our customers or in custody (securities accounts, UCITS, etc.) - management data (group entities)	measures customers' activity in terms of off-statement of financial position sources of funds (excluding life insurance)
Total savings	Sum of bank deposits, insurance-based savings and banking financial savings	measures customers' activity in terms of savings
Operating expenses; general expenses, management expenses	Sum of "general operating expenses" and "allocations/reversals to and from depreciation, amortization and impairment of property, equipment and intangible assets"	measures the level of operating expenses
Interest margin; net interest revenue; net interest income	calculated on the basis of consolidated income statement balances: Difference between interest received and interest paid: - interest received = the "interest income" line item in the consolidated publishable income statement - interest paid = the "interest expense" line item in the consolidated publishable income statement	representative measure of profitability
New loans	The amount of new loans released for customers - source management data, sum of the individual data of entities in the "retail banking" segment - banking network" + COFIDIS	measures customers' activity in terms of new loans

Collective provisions	application of IAS 39 which provides for a collective examination of the loans in addition to individual examination and the creation where necessary of a corresponding collective provision (IAS 39 §58 to 65 and application guidelines §AG84 to 92)	measures the level of collective provisions
Loan-to-deposit ratio; cost/income ratio	Ratio calculated on the basis of consolidated income statement balances: Ratio expressed as a percentage between total customer loans ("loans and receivables due from customers" line item under assets in the consolidated balance sheet) and customer deposits ("amounts due to customers" line item under liabilities in the consolidated balance sheet)	Measurement of level of dependence on external refinancing
overall non-performing loan coverage ratio	Calculated as the ratio of provisions recorded for credit risk (including collective provisions) to gross outstandings identified as in default within the meaning of the regulations; Calculated on the basis of Note 8a of the consolidated financial statements: "individual impairment" + "collective impairment" / "individually impaired receivables"	This coverage ratio measures the maximum residual risk related to outstandings in default ("non-performing")

IAP, reconciliation with the accounts:

Cost/income ratio		06/30/2017	06/30/2016
General operating expenses	Note 29	(4,360)	(4,288)
Net banking income	income statement	7,150	6,760
Cost/income ratio		61.0%	63.4%

Cost of risk as a percentage of outstanding loans		06/30/2017	06/30/2016
Cost of risk	Note 30	(393)	(367)
Gross receivables + finance leases	Note 8a	346,360	324,268
Cost of risk as a percentage of outstanding loans		0.23%	0.23%

Net interest		06/30/2017	06/30/2016
Interest income	income statement	7,295	7,741
Interest expense		(4,410)	(4,839)
Net interest		2,885	2,902

Loan-to-deposit ratio		06/30/2017	06/30/2016
Loans and receivables due from customers	assets	335,615	315,882
Due to customers	liabilities	283,400	265,012
Loan-to-deposit ratio		118.4%	119.2%

Overall non-performing loan coverage ratio		06/30/2017	06/30/2016
Individual and collective impairment provisions	Note 8a	8,382	8,386
Individually impaired receivables	Note 8a	13,207	13,068
Overall non-performing loan coverage ratio		63.5%	64.2%

BFCM Group results

The factors impacting the BFCM Group's results in the first half of 2017 were the same as those for the Crédit Mutuel-CM11 Group. The following table shows the BFCM Group's key figures for the first half of 2017 and the first half of 2016.

(€ millions)	06/30/2017	06/30/2016	change *
Net banking income	**5,359**	**5,005**	**+4.2%**
Operating expenses	(3,067)	(3,016)	-1.5%
Operating income before provisions	**2,292**	**1,989**	**+12.8%**
Cost of risk	(344)	(315)	+7.2%
Operating income	**1,948**	**1,674**	**+13.8%**
Gains/losses on other assets and associates	(258)	(280)	-8.0%
Net income before tax	**1,690**	**1,394**	**+18.2%**
Corporate income tax	(687)	(499)	+35.5%
Gains/losses after corp. tax on disc. operations	5	46	ns
Net income (loss)	**1,009**	**941**	**+3.9%**
Non-controlling interests	192	166	+15.2%
Net income attributable to owners of the company	**816**	**775**	**+1.4%**

** at constant scope*

Net banking income

The BFCM Group's net banking income totaled €5.359 billion at June 30, 2017 compared to €5.005 billion at June 30, 2016, up 4.2%. The main factors that contributed to the increase in the BFCM Group's net banking income between the first half of 2016 and the first half of 2017 are described below and are the same as those for the Crédit Mutuel-CM11 Group:

- the increase in net banking income from retail banking thanks to the commissions received by the banking networks and the growth in the net banking income of BECM, Targobank Germany and the specialized subsidiaries such as COFIDIS;
- the continued strong activity and satisfactory underwriting income of the insurance segment whose net banking income increased by 18.7%;
- the good performance of capital markets whose net banking income rose sharply by €87 million to €275 million;
- the nearly 39% increase in the revenues of the private equity segment, demonstrating the vitality of the companies supported by CM-CIC Investissement.

Retail banking accounted for the greatest proportion of BFCM Group's earnings, followed by insurance and financing & capital market activities. The table below shows the breakdown of net banking income by activity. An analysis of the Crédit Mutuel-CM11 Group's results by business segment is presented starting on page 13 of this document.

Breakdown of the BFCM Group's net banking income by activity

(€ millions)	**06/30/2017**	**06/30/2016** restated *	change **
Retail banking	3,530	3,284	+2.6%
Insurance	852	717	+18.7%
Financing and capital markets	463	359	+29.0%
Private banking	262	270	+2.5%
Private equity	169	122	+38.8%
IT, logistics and holding company services	117	291	-59.8%
Interactivity services	*(34)*	*(38)*	*-11.9%*
TOTAL	**5,359**	**5,005**	**+4.2%**

** see methodology note ** at constant scope*

The BFCM Group's net banking income at June 30, 2017 rose by 4.2% compared to June 30, 2016.

Retail banking accounted for 66% of the BFCM Group's net banking income, posting 2.6% growth in NBI to €3.530 billion thanks to the increase in the banking network's net interest (+1.3%) and commission income (+5.8%).

Net insurance income (€852 million) rose by 18.7%. Unlike the first half of 2016 which was impacted by a decrease in technical interest rates and bad weather in May and June, net income in the first half of 2017 reflects the strong sales performance of Groupe des Assurances du Crédit Mutuel, stable interest rates and the absence of major events.

Since the net banking income of the financing and capital markets, private banking and private equity business lines are the same in the consolidation scope of both the Crédit Mutuel-CM11 and BFCM Groups, the comments below also apply to this section.

The decrease in the net banking income of logistics and holding company services reflects the base effect of the recognition of the Visa capital gain in the first half of 2016.

France accounted for nearly 72% of the BFCM Group's net banking income (excluding logistics and holding company services) at June 30, 2017, up 1.5% compared to June 30, 2016. The following table shows the breakdown of the BFCM Group's net banking income by geographic region at June 30, 2017 and June 30, 2016.

(€ millions)	**06/30/2017**	**06/30/2016**
France	3,877	3,665
Europe, excluding France	1,381	1,216
Rest of the world	102	124
TOTAL	**5,359**	**5,005**

Operating income before provisions

The BFCM Group's gross operating income was €2.292 billion at June 30, 2017 compared to €1.989 billion at June 30, 2016, up sharply by 12.8%. General operating expenses totaled €3.067 billion at June 30, 2017 versus €3.016 billion at June 30, 2016, a decrease of 1.5%. The BFCM Group's cost/income ratio improved from 60.3% at June 30, 2016 to 57.2% at June 30, 2017.

Retail banking's gross operating income increased by 8.2% from €1.199 billion at June 30, 2016 to €1.347 billion at June 30, 2017. At June 30, 2017, retail banking's cost/income ratio improved by 1.7% to 61.8% compared to 63.5% at June 30, 2016, which reflects the same changes analyzed above for the Crédit Mutuel-CM11 Group's retail banking activities.

Cost of risk

The BFCM Group's cost of risk totaled €344 million at June 30, 2017 compared to €315 million at June 30, 2016, an increase of 7.2%. The reasons for this increase are generally the same as those indicated for the Crédit Mutuel-CM11 Group.

Operating income

The BFCM Group's operating income was €1.948 billion at June 30, 2017 compared to €1.674 billion at June 30, 2016, an increase of 13.8%. This increase reflects the improvement in net banking income and the decrease in general operating expenses, despite the increase in cost of risk.

Other income statement items

Share of net income (loss) from associates. The Group’s share of net income (loss) from associates represented an expense of €241.8 million as of June 30, 2017. This item includes the share of the loss in the first quarter of Banco Popular (€13.5 million), impairment of the equity-accounted value of BMCE (€50 million) and the net income (€53.5 million) of the other equity-accounted companies (BMCE, Banque de Tunisie, etc.). It also includes the capital loss of €232 million on the Banco Popular shares, the market value of which is now zero following the closing of this bank on June 7, 2017. This loss resulted from setting the equity-accounted value to zero at June 30, 2017 (€405.6 million) and reversing the impairment (€174 million).

In addition, a provision for risk set up in 2016 in the amount of €90 million was reversed in net banking income in the first half of 2017.

Gains (losses) on other assets: This item includes net income in an insignificant amount of €0.9 million.

Change in value of goodwill. The €15 million decrease at June 30, 2017 resulted from the impairment of a portion of the goodwill of CIC Iberbanco.

Corporation tax. The net tax expense for the Group's companies rose to €687 million at June 30, 2017, in line with the increase in income before tax.

Post-tax gain (loss) on discontinued operations. In accordance with IFRS 5, this item represents the net gain (€5 million at June 30, 2017) on discontinued operations, i.e. CIC's private banking businesses in Singapore and Hong Kong.

Net income (loss)

Net income attributable to owners of the BFCM Group was €816 million as of June 30, 2017 compared to €775 million in the first half of 2016.

Transactions with Crédit Mutuel-CIC Group entities

At June 30, 2017, outstanding loans to Crédit Mutuel-CM11 Group entities not part of the BFCM Group amounted to €30 billion (€39.8 billion at June 30, 2016).

Transactions with Crédit Mutuel-CM11 Group entities not part of the BFCM Group (mainly the Local Banks and the Caisse Fédérale de Crédit Mutuel) accounted for €257 million of the BFCM Group's gross operating income. At June 30, 2016, transactions with Crédit Mutuel-CM11 Group entities generated €301 million in gross operating income.

Net interest income from these transactions totaled €305 million at June 30, 2017 compared to €369 million at June 30, 2016.

Net fee and commission income was €23 million at June 30, 2017 versus €16 million at June 30, 2016.

The net expense from other activities recognized by these entities was -€2 million at June 30, 2017 compared to -€29 million at June 30, 2016.

1.3 The Crédit Mutuel-CM11 Group's financial position at June 30, 2017

The following analyses pertain to the Crédit Mutuel-CM11 Group's financial position at June 30, 2017 and December 31, 2016.

The Crédit Mutuel-CM11 Group's total assets increased by 2.4% at June 30, 2017 relative to December 31, 2016.

Assets

The Group's consolidated assets rose by 2.4% from €609.8 billion at December 31, 2016 to €624.2 billion at June 30, 2017. This increase in total assets was due to growth in loans and receivables due from credit institutions (+€3 billion or 8.1%), loans and receivables due from customers (+€5.7 billion or 1.7%), available-for-sale financial assets (+€3.4 billion or 12.4%) and cash and amounts due from central banks (+€2.6 billion or 4.3%).

Financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss include financial instruments held for trading (including derivatives) and certain financial assets designated by the Group at fair value through profit or loss as of their acquisition date (including securities in the private equity business). These assets are remeasured at fair value at each closing.

The total amount of financial assets at fair value through profit or loss was €31.3 billion at June 30, 2017, up 12.4% from €27.9 billion at December 31, 2016. As of June 30, 2017, financial assets at fair value through profit or loss represented 5% of the Group's total assets.

Loans and receivables due from credit institutions. Loans and receivables due from credit institutions consist of sight deposits, interbank loans and reverse repurchase agreements. Loans and receivables due from credit institutions totaled €40.7 billion at June 30, 2017 compared to €37.7 billion at December 31, 2016, an 8.1% increase that was mainly due to the increase in resale/repurchase agreements.

Loans and receivables due from customers. Loans and receivables due from customers totaled €335.6 billion at June 30, 2017, a 1.7% increase from €330 billion as of December 31, 2016. "Non-current assets held for sale" include €2.4 billion in receivables due from customers related to CIC's private banking activity in Hong Kong and Singapore.

Available-for-sale financial assets. Available-for-sale financial assets include fixed- and variable-income securities that may not be classified as financial assets at fair value through profit or loss or as financial assets held to maturity. These assets are remeasured based on their market or comparable value at each closing, and the change in value is recognized directly in equity.

Available-for-sale financial assets remained stable at €106.2 billion as of June 30, 2017 (€107.1 billion at December 31, 2016).

Held-to-maturity financial assets. Held-to-maturity financial assets are securities with fixed or determinable payments and fixed maturities which the Group intends and is able to hold to maturity. They are recognized on the statement of financial position at amortized cost based on the effective interest rate method and are broken down into two categories: negotiable certificates of deposit and bonds. Held-to-maturity financial assets totaled €11.4 billion as of June 30, 2017, down 2.4% from €11.7 billion at December 31, 2016.

Liabilities (excluding shareholders' equity)

The Group's consolidated liabilities excluding shareholders' equity totaled €583.6 billion at June 30, 2017 compared to €570.2 billion at December 31, 2016. These liabilities include €7.3 billion in subordinated debt as of June 30, 2017, an increase of €546 million compared to December 31, 2016. The increase in liabilities excluding shareholders' equity in the first half of 2016 was mainly due to the €7.2 billion increase in amounts due to customers (mainly deposits) (+2.6%), the increase in accruals and the €1.4 billion increase in technical provisions on insurance policies (+1.5%).

Financial liabilities at fair value through profit or loss. The total amount of financial liabilities at fair value through profit or loss was €12.2 billion at June 30, 2017, up 2.2%.

Amounts due to credit institutions. Amounts due to credit institutions totaled €47.3 billion at June 30, 2016, down 3.8% compared to €49.2 billion at December 31, 2016.

Amounts due to customers. Amounts due to customers consist mainly of sight deposits, term accounts, regulated savings accounts and repurchase agreements. Amounts due to customers totaled €283.4 billion at June 30, 2017 compared to €276.2 billion at December 31, 2016, a 2.6% increase mainly related to sight deposits.

Debt securities. Debt securities consist of negotiable certificates of deposit and bond issues. Debt securities fell 1.4% to €110.9 billion as of June 30, 2017. The Group's debt issues are presented in the section "Liquidity and refinancing."

Technical provisions on insurance policies. Technical provisions on insurance policies were up 1.5% to €94.8 billion at June 30, 2017.

Consolidated shareholders' equity

Consolidated shareholders' equity attributable to owners of the company was €37.7 billion at June 30, 2017, up 3.4% from €36.5 billion at December 31, 2016.

The changes in fair value of available-for-sale securities had a positive impact of €144 million on consolidated shareholders' equity attributable to owners of the company at June 30, 2017.

Non-controlling interests totaled €2.893 billion at June 30, 2017 compared to €3.113 billion at December 31, 2016.

Liquidity and refinancing

The Crédit Mutuel-CM11 Group has a strong liquidity position thanks to a deposit-centered policy of refinancing the Group's retail banking activity. In addition, BFCM regularly issues bonds on medium- and long-term financial markets, at least 15% of which have been issued outside the euro zone since 2013.

At June 30, 2017, the Group's market funding totaled €130.8 billion, with medium and long-term resources accounting for 63% and money market resources for 37%.

Money market resources amounted to €48.6 billion, up by €2.9 billion from the middle of 2016 (€45.7 billion). These funds are well diversified and initially raised in EUR (58%), USD (12%) and GBP (27%).

With respect to the €13.2 billion in medium and long-term wholesale funding maturities throughout 2017 and the €13 billion annual issue target, €8.84 billion had already been raised on the markets as of June 30.

Most of this was raised as BFCM senior debt through the EMTN program, namely:

- €1.25 billion in a 5-year issue in January,
- €1.25 billion in a 10-year issue in May,
- a total of €440 million in two 8-year issues in CHF in February and June,
- €400 million in a 3-year issue in GBP in June.

A 10-year €500 million BFCM subordinated debt issue took place in March.

An 8-year €750 million covered bonds issue (Crédit Mutuel-CIC Home Loan SFH) took place on February 9.

The remaining €4.2 billion was divided into EMTN (nearly €1 billion) and NEU MTN (formerly BMTN medium-term notes) (€3.2 billion) private placements.

The Group's liquidity structure remains comfortably secure: as of June 30, 2017, €103.1 billion in liquid, ECB-eligible assets covered €58.2 billion in wholesale funding maturities over the next 12 months (177% coverage).

European sovereign debt exposure

The following table shows the Group's exposure to the most fragile sovereign debt as of June 30, 2017:

(€ millions)	**06/30/2017**
Portugal	97
Ireland	145
Total exposure on Portugal and Ireland*	**242**
Italy	1,188
Spain	600
Total exposure on Italy and Spain*	**1,788**

* sovereign exposures in the banking portfolio

At June 30, 2017, all the Portuguese and Irish sovereign debt securities held by the Group represented approximately 0.6% of shareholders' equity. Additional information regarding the Group's European sovereign debt exposure is provided in Note 7b to the Crédit Mutuel-CM11 Group's financial statements for the first half of 2017.

Capital adequacy ratios

At June 30, 2017, shareholders' equity was €40.6 billion (€39.6 billion at end-December 2016).

As of March 31, 2017, the Group's Common Equity Tier 1 (CET1) ratio excluding transitional measures improved significantly to 15.7% (15% at end-December 2016) mainly as a result of a decrease in weighted risks with the raising of the corporate floor and the LGD floor on large accounts and banks. The overall solvency ratio was 19%, up 100 basis points relative to end-2016.

As of March 31, 2017, the leverage ratio in accordance with the delegated act was 5.4% (excluding transitional measures) and the short-term liquidity ratio (LCR) was 138% at end-June 2017.

2. Crédit Mutuel-CM11 Group’s consolidated financial statements at June 30, 2017

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

Consolidated statement of financial position (IFRS) - Assets

in € millions	Jun. 30, 2017	Dec. 31, 2016	Notes
Cash and amounts due from central banks	63,645	61,044	**4a**
Financial assets at fair value through profit or loss	31,303	27,862	**5a, 5c**
Hedging derivative instruments	3,279	4,126	**6a, 5c, 6c**
Available-for-sale financial assets	106,214	107,089	**7a, 5c**
Loans and receivables due from credit institutions	40,729	37,694	**4a**
Loans and receivables due from customers	335,615	329,958	**8a**
Remeasurement adjustment on interest-risk hedged investments	498	604	**6b**
Held-to-maturity financial assets	11,378	11,657	**9**
Current tax assets	1,548	1,590	**12a**
Deferred tax assets	1,264	1,293	**12b**
Accruals and other assets	14,992	15,120	**13a**
Non-current assets held for sale	2,394	0	**3e**
Investments in associates	1,686	1,973	**14**
Investment property	1,880	1,961	**15**
Property and equipment	2,976	2,942	**16a**
Intangible assets	679	686	**16b**
Goodwill	4,118	4,157	**17**
Total assets	**624,201**	**609,756**	

Consolidated statement of financial position (IFRS) - Liabilities and shareholders' equity

in € millions	Jun. 30, 2017	Dec. 31, 2016	Notes
Central banks	608	0	**4b**
Financial liabilities at fair value through profit or loss	12,239	11,971	**5b, 5c**
Hedging derivative instruments	4,007	4,913	**6a,5c,6c**
Due to credit institutions	47,316	49,209	**4b**
Due to customers	283,400	276,194	**8b**
Debt securities	110,909	112,458	**18**
Remeasurement adjustment on interest-risk hedged investments	-824	-1,165	**6b**
Current tax liabilities	956	764	**12a**
Deferred tax liabilities	1,328	1,268	**12b**
Accruals and other liabilities	16,573	11,616	**13b**
Liabilities associated with non -current assets held for sale	2,390	0	**3e**
Technical reserves of insurance companies	94,837	93,396	**19**
Provisions	2,610	2,835	**20**
Subordinated debt	7,256	6,710	**21**
Shareholders' equity	**40,595**	**39,587**	
Shareholders’ equity attributable to the Group	**37,703**	**36,474**	
Subscribed capital and issue premiums	6,014	5,941	**22a**
Consolidated reserves	29,085	26,828	**22a**
Gains and losses recognized directly in equity	1,440	1,296	**22b**
Net income for the year	1,163	2,410	**22a**
Shareholders' equity attributable to minority interests	**2,893**	**3,113**	
Total liabilities and shareholders' equity	**624,201**	**609,756**	

CONSOLIDATED INCOME STATEMENT (IFRS)

in € millions	Jun. 30, 2017	Jun. 30, 2016	Notes
Interest income	7,295	7,741	**24**
Interest expense	-4,410	-4,839	**24**
Fee and commission income	2,427	2,109	**25**
Fee and commission expense	-622	-523	**25**
Net gain (loss) on financial instruments at fair value through profit or loss	539	375	**26**
Net gain (loss) on available-for-sale financial assets	139	363	**27**
Income from other activities	7,982	7,546	**28**
Expenses on other activities	-6,200	-6,012	**28**
Net banking income	**7,150**	**6,760**	
Operating expenses	-4,129	-3,962	**29a,29b**
Depreciation, amortization and impairment of non-current assets	-230	-326	**29c**
Gross operating income	**2,790**	**2,472**	
Cost of risk	-398	-359	**30**
Operating income	**2,392**	**2,113**	
Share of net income (loss) of associates	-256	-111	**14**
Gains (losses) on other assets	0	11	**31**
Change in value of goodwill	-15	-187	**32**
Net income before tax	**2,121**	**1,826**	
Corporate income tax	-810	-646	**33**
Gains and losses after corporate tax on discontinued operations	5	46	**3c**
Net income	**1,316**	**1,226**	
Net income attributable to minority interests	153	129	
Net income attributable to the Group	**1,163**	**1,097**	

Net income and gains and losses recognized directly in shareholders' equity

in € millions	Jun. 30, 2017	Jun. 30, 2016	Notes
Net income	**1,316**	**1,226**	
Translation adjustments	-68	-95	
Remeasurement of available-for-sale financial assets	107	116	
Remeasurement of hedging derivative instruments	24	-2	
Share of unrealized or deferred gains and losses of associates	13	-9	
Total gains and losses recognized directly in equity that may be recycled to profit or loss	**78**	**10**	
- Actuarial gains and losses on defined benefit plans	61	-91	
Total gains and losses recognized directly in equity that may not be recycled to profit or loss	**61**	**-91**	**22c,22d**
Net income and gains and losses recognized directly in shareholders'	**1,454**	**1,145**	
attributable to the Group	*1,307*	*989*	
attributable to minority interests	*147*	*155*	

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

€ million	Capital stock	Issue premiums	Reserves (1)	Gains and losses recognized directly in equity				Net income attributable to the Group	Shareholders' equity attributable to	Minority interests	Total consolidated shareholders'
				Translation adjustments	Available-for-sale assets	Hedging derivative instruments	Actuarial gains and losses				
Shareholders' equity at December 31, 2015	**5,820**	**0**	**24,691**	**143**	**1,616**	**-22**	**-194**	**2,254**	**34,308**	**2,824**	**37,132**
Appropriation of earnings from previous year			2,254					-2,254	0		0
Capital increase	73								73		73
Distribution of dividends			-102						-102	-76	-177
Change in investments in subsidiaries not resulting in loss of control									0		0
Sub-total: movements arising from shareholder relations	**73**	**0**	**2,152**	**0**	**0**	**0**	**0**	**-2,254**	**-29**	**-76**	**-105**
Consolidated net income for the year								1,097	1,097	129	1,226
Change in fair value of available-for-sale financial assets and derivative instruments					80	-3			78	37	115
Change in actuarial gains and losses							-86		-86	-5	-91
Translation adjustments				-99					-99	-6	-105
Sub-total	**0**	**0**	**0**	**-99**	**80**	**-3**	**-86**	**1,097**	**989**	**155**	**1,145**
Impact of acquisitions and disposals on minority interests									0	165	165
Other movements	0	0	-35	0	0	0	0	0	-35	-14	-49
Shareholders' equity at June 30, 2016	**5,893**	**0**	**26,808**	**44**	**1,696**	**-25**	**-281**	**1,097**	**35,233**	**3,054**	**38,287**
Appropriation of earnings from previous year			0					0	0		0
Capital increase	47								47		47
Distribution of dividends			0						0	0	0
Change in investments in subsidiaries not resulting in loss of control									0	15	15
Sub-total: movements arising from shareholder relations	**47**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**47**	**14**	**61**
Consolidated net income for the year								1,313	1,313	85	1,398
Change in fair value of available-for-sale financial assets and derivative instruments					-164	4			-160	-5	-165
Change in actuarial gains and losses							-20		-20	1	-19
Translation adjustments				40					40	2	42
Sub-total	**0**	**0**	**0**	**40**	**-164**	**4**	**-20**	**1,313**	**1,173**	**83**	**1,256**
Impact of acquisitions and disposals on minority interests			0						0	10	10
Other movements			20			0			20	-49	-29
Shareholders' equity at December 31, 2016	**5,941**	**0**	**26,828**	**84**	**1,532**	**-21**	**-300**	**2,410**	**36,474**	**3,113**	**39,587**
Appropriation of earnings from previous year			2,410					-2,410	0		0
Capital increase	74								74		74
Distribution of dividends			-68						-68	-58	-127
Change in investments in subsidiaries not resulting in loss of control			-56						-56	-313	-369
Sub-total: movements arising from shareholder relations	**74**	**0**	**2,286**	**0**	**0**	**0**	**0**	**-2,410**	**-50**	**-371**	**-422**
Consolidated net income for the year								1,163	1,163	153	1,316
Change in fair value of available-for-sale financial assets and derivative instruments					150	25			174	-4	170
Change in actuarial gains and losses							57		57	4	61
Translation adjustments				-87					-87	-5	-92
Sub-total	**0**	**0**	**0**	**-87**	**150**	**25**	**57**	**1,163**	**1,307**	**147**	**1,455**
Impact of acquisitions and disposals on minority interests									0		0
Other movements		0	-28						-28	4	-24
Shareholders' equity at June 30, 2017	**6,014**	**0**	**29,085**	**-3**	**1,682**	**4**	**-243**	**1,163**	**37,703**	**2,893**	**40,595**

(1) Reserves as of June 30, 2017 include the legal reserve of €325 million, regulatory reserves for a total of €4,773 million and other reserves amounting to €23,987 million.

CONSOLIDATED STATEMENT OF CASH FLOWS

in € millions	1st Half 2017	1st Half 2016
Net income	1,316	1,226
Corporate income tax	810	646
Income before corporate income tax	**2,125**	**1,872**
+/- Net depreciation/amortization expense on property, equipment and intangible assets	231	344
- Impairment of goodwill and other non-current assets	15	186
+/- Net additions to/reversals from provisions and impairment losses	-146	83
+/- Share of net income/loss of associates	256	111
+/- Net loss/gain from investing activities	1	-282
+/- Income/expense from financing activities	0	0
+/- Other movements	-396	3,097
= Total non-monetary items included in income before tax and other adjustments	**-39**	**3,539**
+/- Cash flows relating to interbank transactions	-4,543	-644
+/- Cash flows relating to customer transactions	554	-1,593
+/- Cash flows relating to other transactions affecting financial assets and liabilities	2,116	5,705
+/- Cash flows relating to other transactions affecting non-financial assets and liabilities	3,950	-2,141
- Corporate income tax paid	-547	-618
= Net decrease/increase in assets and liabilities from operating activities	**1,530**	**710**
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	**3,616**	**6,121**
+/- Cash flows relating to financial assets and investments in non-consolidated companies	50	1,225
+/- Cash flows relating to investment property	3	2
+/- Cash flows relating to property, equipment and intangible assets	-180	-170
NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	**-127**	**1,058**
+/- Cash flows relating to transactions with shareholders	-53	-104
+/- Other cash flows relating to financing activities	-628	127
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	**-682**	**23**
IMPACT OF MOVEMENTS IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	**-116**	**-71**
Net increase (decrease) in cash and cash equivalents	**2,692**	**7,130**
Net cash flows from (used in) operating activities	3,616	6,121
Net cash flows from (used in) investing activities	-127	1,058
Net cash flows from (used in) financing activities	-682	23
Impact of movements in exchange rates on cash and cash equivalents	-116	-71
Cash and cash equivalents at beginning of year	**55,630**	**38,712**
Cash accounts and accounts with central banks and post office banks	61,044	11,078
Demand loans and deposits - credit institutions	-5,415	27,634
Cash and cash equivalents at end of year	**58,321**	**45,842**
Cash accounts and accounts with central banks and post office banks	63,037	13,811
Demand loans and deposits - credit institutions	-4,716	32,032
CHANGE IN CASH AND CASH EQUIVALENTS	**2,692**	**7,130**

Notes to the consolidated financial statements

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

NOTE 1 - Accounting policies, valuation methods and presentation

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, 2017. These standards include IAS 1 to IAS 41, IFRS 1 to IFRS 8 and IFRS 10 to IFRS 13 as well as any related SIC and IFRIC interpretations adopted as of that date. Standards not adopted by the European Union have not been applied. The summary documents are presented in accordance with Recommendation 2013-04 of the Autorité des Normes Comptables (French accounting standards authority). All IAS and IFRS are available on the European Commission's website at:

https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs-financial-statements

These interim financial statements have been prepared in accordance with IAS 34 relating to interim financial reporting, which allows the publication of condensed financial statements. They supplement the financial statements for the year ended December 31, 2016 presented in the 2016 Registration Document. The Group's business is not subject to seasonal or cyclical effects. Estimates and assumptions may have been used in the valuation of statement of financial position items.

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

IFRS 9 – Financial Instruments

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

- classification and measurement of financial instruments (Phase 1),
- impairment of credit risks on financial assets (Phase 2), and
- hedge accounting, excluding macro-hedging (Phase 3).

Its application will become mandatory on January 1, 2018. Classification and measurement, as well as the new impairment model under IFRS 9, are applicable retrospectively by adjusting the opening balance sheet on the date of first-time adoption. There is no requirement to restate fiscal periods presented as comparative statements. The Group will therefore present its 2018 financial statements without a comparative statement for 2017 in the IFRS 9 format. An explanation of the portfolios' transition between the two standards and the impacts on shareholders' equity will be included in the notes.

In the second quarter of 2015, the Group launched an initiative that is currently in the project stage; it brings together the various departments concerned (finance, risk, IT, etc.) and is structured around the "national consolidation" steering committee coordinated by the Confédération's Financial Management Department. Several working groups have been established for the project, based on the different phases and instruments (credit, securities and derivatives), with the work on impairment models under the responsibility of the CNCM Risks Department. The necessary IT developments and modifications began in 2016 and are continuing in 2017.

Following the vote by the ARC on June 29, it is very likely that the IFRS 4 amendment will be extended to banking and insurance services. Given that the Group's insurance divisions meet the criteria specified in the amendment, and to avoid any competitive distortion with traditional insurers, the Group decided to defer the application of IFRS 9 for these entities until 2021. However, they continue to be fully involved in the project.

Information by phase is presented below.

Phase 1 - Classification and measurement

According to IFRS 9, the classification and measurement of financial assets will depend on the business model and contractual characteristics of the instruments, which could result in a different classification and measurement for certain financial assets than under IAS 39.

Loans, receivables and debt securities acquired will be classified:

- at amortized cost, if the business model involves holding the instrument in order to collect contractual cash flows, and if the cash flows are solely payments of principal and interest on the principal amount outstanding (analysis carried out via the solely payments of principal and interest (SPPI) test),

- at fair value through equity, if the business model is to hold the instrument in order to collect contractual cash flows and to sell the assets when opportunities arise, and if the cash flows are solely payments of principal and interest. If these instruments are sold, the unrealized gains or losses previously recognized in equity will be recognized in profit or loss, as is currently the case under IAS 39, if they are classified as available-for-sale (AFS) assets;

- at fair value through profit or loss, if they are not eligible for the two previous categories or if the Group decides to exercise its option to classify them as such, in order to reduce accounting mismatches.

Equity instruments acquired (mainly shares) will be classified:

- at fair value through profit or loss; or

- using the fair value through equity option. If these instruments are sold, the unrealized gains or losses previously recognized in equity will not be recycled to profit or loss, contrary to current practice when instruments are classified as available for sale (AFS). Only dividends will be recognized in profit or loss.

Note that:

- derivatives embedded in financial assets will no longer be able to be recognized separately from the host contract;

- the provisions of IAS 39 related to the derecognition of assets are replicated in IFRS 9 without amendment,

- the same holds true for the provisions relating to financial liabilities, with the exception of the recognition of changes in fair value, resulting from the own credit risk of liabilities designated under the fair value through profit or loss option. They will have to be recognized as unrealized or deferred gains or losses in equity, and not in profit or loss. The Group is marginally affected by the own credit risk issue.

The operational work conducted within the Group since the beginning of 2017 sought to:

- update the instrument mapping, with respect to both interest rates and the different contractual clauses;

- finalize the SPPI tests, and

- continue the work of documenting the various instruments, at the national and regional level, as regards both the characteristics of the instruments and the business models.

At this stage, it is primarily units of UCITS and real estate funds (OPCIs) and certain convertible or structured bonds that will be reclassified at fair value through profit or loss; the impact of these reclassifications will be moderate.

Crédit Mutuel has chosen not to issue "Group" principles regarding:

- the use of the fair value through equity option for equity instruments,

- the classification at amortized cost, or at fair value through equity, of debt instruments included in the liquidity portfolio; each Group will classify its instruments according to its own business model.

Phase 2 – Impairment

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

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

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

Accordingly, the new impairment model under IFRS 9 will apply to all debt instruments measured at amortized cost or at fair value through equity, which will be divided into three categories:

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

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

- Status 3: category comprising credit-impaired financial assets for which there is an objective indication of impairment related to an event that has occurred since the loan was granted. This category is equivalent to the scope of outstandings currently impaired individually under IAS 39.

Significant increase in credit risk will be assessed by:

- taking all reasonable and supportable information into account; and

- comparing the default risk on the financial instrument on the reporting date with the default risk on the initial recognition date.

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

The operational work conducted within the Group since the beginning of 2017 sought mainly to:

- clarify the boundary between statuses 1 and 2:

- the Group will rely on models developed for prudential purposes and on the measurement of the 12-month default risk (represented by a default rate or score), as authorized under the standard;

- these quantitative data will be combined with qualitative criteria such as payments that are more than 30 days past due/late, the concept of restructured loans, etc.;

- less complex methods will be used for the entities or small portfolios, classified prudentially under the standardized approach and that do not have rating systems;

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

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

Phase 3 - Hedge accounting

IFRS 9 allows entities to choose, on first-time adoption, to apply the new hedge accounting provisions or to maintain the provisions of IAS 39.

Crédit Mutuel Group has decided to maintain the current provisions. Additional information will be included in the notes, however, on risk management and the effects of hedge accounting on the financial statements, in accordance with revised IFRS 7.

Furthermore, the provisions in IAS 39 for the fair value hedge of interest rate risk on a portfolio of financial assets or liabilities, as adopted in the European Union, will continue to apply.

IFRS 15 – Revenue from Contracts with Customers

This standard will replace several standards and interpretations on revenue recognition (including IAS 18 *Revenue* and IAS 11 *Construction Contracts*). It does not, however, affect revenue from leases, insurance policies or financial instruments.

Recognition of revenue from contracts should reflect the transfer of control of an asset (or service) to a customer, for the amount to which the seller expects to be entitled. To that end, the standard has developed a five-step model to determine when and for what amount the revenue from ordinary activities should be recognized:

- identify the contract with a customer,
- identify the performance obligations in the contract,
- determine the transaction price,
- allocate the transaction price to the performance obligations, and
- recognize revenue when the entity satisfies a performance obligation.

Application of the standard is mandatory for annual reporting periods starting from January 1, 2018 onwards.

An analysis of the standard and an initial identification of its potential impacts were completed in 2016. This work was done by a dedicated Confédération Nationale du Crédit Mutuel working group, in which the different CM groups and, where applicable, certain subsidiaries participated. The main business lines/products analyzed were the packaged banking offerings, asset management (performance fees), telephony, and the IT activities. At this stage, the impacts are expected to be limited.

Standards and interpretations not yet adopted by the European Union:

These are mainly:

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

- IFRS 17 on insurance contracts

IFRS 16 – Leases

This standard will replace IAS 17 and the interpretations relating to lease recognition. According to IFRS 16, the definition of leases involves, first, the identification of an asset and, second, the lessee's control of the right to use this asset.

From the lessor's standpoint, the expected impact should be limited, as the provisions adopted remain substantially unchanged from the current IAS 17.

The lessee will have to recognize the following for any operating lease:

- in fixed assets: an asset representing the right to use the leased asset,
- in liabilities, a liability representing the obligation to make lease payments for the term of the lease, and
- in the income statement, the expense related to the straight-line depreciation of the asset, separately from the interest expense calculated actuarially, on the financial liability.

As a reminder, according to IAS 17 currently in force, no amount is recorded on the balance sheet and the cost of leases is included in operating expenses.

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

IFRS 17 - Insurance Contracts

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

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

NOTE 2 - Breakdown of the income statement by activity and geographic region

The Group's activities are as follows:

• Retail banking brings together the Crédit Mutuel-CM11 bank network, CIC's regional banks, Targobank Germany and Spain, Cofidis, Banco Popular Espanol, Banque Marocaine du Commerce Exterieur, Banque de Tunisie and all specialist activities the products of which are sold by the network: equipment and real estate leasing, factoring, collective investment management, employee savings plans and real estate.

• The Insurance business line comprises the Assurances du Crédit Mutuel Group.

• Corporate banking and capital markets covers:

a) financing for major corporations and institutional clients, specialized lending, international operations and foreign branches;

b) capital markets activities in general, spanning customer and own account transactions involving interest rate instruments, foreign exchange and equities, including 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 make up a business unit.

• IT, Logistics and holding company include all activities that cannot be attributed to another business line (holding) and units that provide solely logistical support: intermediate holding companies, as well as specific entities holding real estate used for operations and IT entities.

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 exceptions are CIC and BFCM because of their presence across several business lines. As such, their income, expenses and statement of financial position items are subject to an analytical distribution. The breakdown of the statement of financial position items is done in the same way.

2a - Breakdown of the income statement items by business line

1 st Half 2017	Retail banking	Insurance	Corporate banking and capital markets	Private banking	Private equity	IT, Logistics and holding company	Intra Group transactions	Total
Net banking income (expense)	5,026	882	463	262	169	720	-372	7,150
General operating expenses	-3,303	-278	-172	-171	-25	-784	372	-4,360
Gross operating income	1,723	604	291	92	144	-63	0	2,790
Net additions to/reversals from provisions for loan losses	-423		27	0		-2		-398
Net gain (loss) on disposal of other assets *	19	7				-297		-271
Net income before tax	1,319	611	318	92	144	-363	0	2,121
Corporate income tax	-532	-194	-105	-21	2	40		-810
Gains and losses net of tax on abandoned assets				5				5
Net income	**787**	**417**	**213**	**76**	**146**	**-323**	**0**	**1,316**
Net income attributable to minority interests								153
Net income attributable to the Group								**1,163**

1 st Half 2016 restated**	Retail banking	Insurance	Corporate banking and capital markets	Private banking	Private equity	IT, Logistics and holding company	Intra Group transactions	Total
Net banking income (expense)	4,780	752	359	270	122	824	-348	6,759
General operating expenses	-3,187	-266	-158	-178	-22	-825	348	-4,288
Gross operating income	1,594	486	202	93	100	-1	0	2,472
Net additions to/reversals from provisions for loan losses	-357			-1		-1		-359
Net gain (loss) on disposal of other assets *	-52	19		10		-265		-288
Net income before tax	1,184	505	202	102	100	-267	0	1,825
Corporate income tax	-447	-150	-68	-16	-1	36		-646
Gains and losses net of tax on abandoned assets				-20		66		46
Net income	**737**	**355**	**133**	**66**	**99**	**-165**	**0**	**1,226**
Net income attributable to minority interests								129
Net income attributable to the Group								**1,097**

** including net income of associates and impairment losses on goodwill*

***minor changes were made to segment reporting starting at the beginning of 2017 because the custody (retail banking) and central treasury (capital markets) activities were grouped together and assigned to the "holding" activity. Adjusted results are therefore presented for these three businesses (retail banking, capital markets and holding company services) at June 30, 2016*

2b - Breakdown of the income statement items by geographic region

	1 st Half 2017				1 st Half 2016			
	France	Europe, excluding France	Rest of the world*	Total	France	Europe, excluding France	Rest of the world*	Total
Net banking income**	5,667	1,381	102	7,150	5,420	1,216	124	6,760
General operating expenses	-3,508	-807	-45	-4,360	-3,451	-780	-57	-4,288
Gross operating income	2,160	574	56	2,790	1,969	436	67	2,472
Net additions to/reversals from provisions for loan losses	-238	-172	13	-398	-229	-134	4	-359
Net gain (loss) on disposal of other assets***	-303	-8	40	-271	-268	-81	61	-288
Net income before tax	1,619	393	109	2,121	1,472	222	132	1,826
Net income	962	263	90	1,316	992	124	110	1,226
Net income attributable to the Group	843	234	86	**1,163**	899	95	103	1,097

** USA, Singapore, Hong-Kong (in 2017), Saint Martin, Tunisia and Morocco*

*** In 1st half 2017, 21.9% of net banking income (excluding the logistics and holding business line) came from foreign operations.*

**** Including net income of associates and impairment losses on goodwill.*

NOTE 3 - Consolidation scope

3a - Scope of consolidation

Pursuant to the opinion issued by the Banking Commission, the Group's parent company comprises the companies included in the scope of globalization. It is made up of the following entities:
- Fédération du Crédit Mutuel Centre Est Europe (FCMCEE),
- Fédération du Crédit Mutuel du Sud-Est (FCMSE),
- Fédération du Crédit Mutuel d'Ile-de-France (FCMIDF),
- Fédération du Crédit Mutuel de Savoie-Mont Blanc (FCMSMB),
- Fédération du Crédit Mutuel Midi-Atlantique (FCMMA),
- Fédération du Crédit Mutuel Loire-Atlantique Centre Ouest (FCMLACO),
- Fédération du Crédit Mutuel Centre (FCMC)
- Fédération du Crédit Mutuel Dauphiné-Vivarais (FCMDV),
- Fédération du Crédit Mutuel Méditerranée (FCMM),
- la Fédération du Crédit Mutuel Normandie (FCMN),
- Fédération du Crédit Mutuel Anjou (FCMA)
- Caisse Fédérale de Crédit Mutuel (CF de CM),
- Caisse Régionale du Crédit Mutuel Sud-Est (CRCMSE),
- Caisse Régionale du Crédit Mutuel Ile-de-France (CRCMIDF),
- Caisse Régionale du Crédit Mutuel de Savoie-Mont Blanc (CRCMSMB),
- Caisse Régionale du Crédit Mutuel Midi-Atlantique (CRCMMA),
- Caisse Régionale du Crédit Loire-Atlantique Centre Ouest (CRCMLACO),
- Caisse Régionale du Crédit Mutuel Centre (CRCMC),
- Caisse Régionale du Crédit Mutuel Dauphiné-Vivarais (CRCMDV),
- Caisse Régionale du Crédit Mutuel Méditerranée (CRCMM),
- Caisse Régionale du Crédit Mutuel Normandie (CRCMN),
- Caisse Régionale du Crédit Mutuel Anjou (CRMA)
- the Caisses de Crédit Mutuel in the Fédération du Crédit Mutuel Centre Est Europe,
- the Caisses de Crédit Mutuel in the Fédération du Crédit Mutuel Sud-Est,
- the Caisses de Crédit Mutuel in the Fédération du Crédit Mutuel Ile-de-France,
- the Caisses de Crédit Mutuel in the Fédération du Crédit Mutuel de Savoie-Mont Blanc,
- the Caisses de Crédit Mutuel in the Fédération du Crédit Mutuel Midi-Atlantique,
- the Caisses de Crédit Mutuel in the Fédération du Crédit Mutuel Loire-Atlantique Centre Ouest,
- the Caisses de Crédit Mutuel in the Fédération du Crédit Mutuel Centre,
- the Caisses de Crédit Mutuel in the Fédération du Crédit Mutuel Dauphiné-Vivarais,
- the Caisses de Crédit Mutuel in the Fédération du Crédit Mutuel Méditerranée,
- the Caisses de Crédit Mutuel in the Fédération du Crédit Mutuel Normandie,
- the Caisses de Crédit Mutuel in the Fédération du Crédit Mutuel Anjou.

The changes in the consolidation scope (vs December 31, 2016) are :
- Additions : CIC Hong-Kong (branch of CIC), Mutuelles Investissement, CM-CIC Caution Habitat SA
- Mergers, absorptions : CM-CIC Proximité with CM-CIC Investissement SCR, CM Akquisitions with BFCM
- Removals : Banco Popular Espanol
- Change in consolidation method : Lyf SAS (formely Fivory SAS) : from Full Consolidation (FC) to Equity Method (EM)

In addition, over the first half of 2017, the Group completed a complementary buy-out of Cofidis Participation shares, thereby increasing its stake to 71%, as well as the totality of Targobank Spain shares for € 65 million.

	Country	June 30, 2017			Dec. 31, 2016		
		Percent control	Percent interest	Method *	Percent control	Percent interest	Method *
A. Banking network							
Banque Européenne du Crédit Mutuel (BECM)	France	100	98	FC	100	98	FC
BECM Francfort (branch of BECM)	Germany	100	98	FC	100	98	FC
BECM Saint Martin (branch of BECM)	Saint Martin	100	98	FC	100	98	FC
Caisse Agricole du Crédit Mutuel	France	100	100	FC	100	100	FC
CIC Est	France	100	93	FC	100	93	FC
CIC Iberbanco	France	100	98	FC	100	98	FC
CIC Lyonnaise de Banque (LB)	France	100	93	FC	100	93	FC
CIC Nord Ouest	France	100	93	FC	100	93	FC
CIC Ouest	France	100	93	FC	100	93	FC
CIC Sud Ouest	France	100	93	FC	100	93	FC
Crédit Industriel et Commercial (CIC)	France	95	93	FC	95	93	FC
CIC Hong-Kong (branch of CIC)	Hong-Kong	100	93	FC			
CIC Londres (branch of CIC)	United Kingdom	100	93	FC	100	93	FC
CIC New York (branch of CIC)	USA	100	93	FC	100	93	FC
CIC Singapour (branch of CIC)	Singapore	100	93	FC	100	93	FC
Targobank AG & Co. KGaA	Germany	100	98	FC	100	98	FC
Targobank Espagne	Spain	100	98	FC	51	50	FC
B. Banking network - subsidiaries							
Bancas	France	50	49	EM	50	49	EM
Banco Popular Español	Spain			NC	4	4	EM
Banque de Tunisie	Tunisia	34	33	EM	34	33	EM
Banque du Groupe Casino	France	50	49	EM	50	49	EM
Banque Européenne du Crédit Mutuel Monaco	Monaco	100	98	FC	100	98	FC
Banque Marocaine du Commerce Extérieur (BMCE)	Morocco	26	26	EM	26	26	EM
Caisse Centrale du Crédit Mutuel	France	53	53	EM	53	53	EM
Cartes et crédits à la consommation	France	100	98	FC	100	98	FC
CM-CIC Asset Management	France	90	91	FC	90	91	FC
CM-CIC Bail	France	100	94	FC	100	94	FC
CM-CIC Bail Espagne (branch of CM-CIC Bail)	Spain	100	94	FC	100	94	FC
CM-CIC Caution Habitat SA	France	100	98	FC			
CM-CIC Epargne salariale	France	100	93	FC	100	93	FC
CM-CIC Factor	France	95	92	FC	95	92	FC
CM-CIC Gestion	France	100	91	FC	100	91	FC
CM-CIC Home Loan SFH	France	100	98	FC	100	98	FC
CM-CIC Lease	France	100	96	FC	100	96	FC
CM-CIC Leasing Benelux	Belgium	100	94	FC	100	94	FC
CM-CIC Leasing GmbH	Germany	100	94	FC	100	94	FC
CM-CIC Leasing Solutions SAS	France	100	98	FC	100	98	FC
Cofacredit	France	64	63	FC	64	63	FC
Cofidis Belgique	Belgium	100	69	FC	100	54	FC
Cofidis France	France	100	69	FC	100	54	FC
Cofidis Espagne (branch of Cofidis France)	Spain	100	69	FC	100	54	FC
Cofidis Hongrie (branch of Cofidis France)	Hungary	100	69	FC	100	54	FC
Cofidis Portugal (branch of Cofidis France)	Portugal	100	69	FC	100	54	FC
Cofidis SA Pologne (branch of Cofidis France)	Poland	100	69	FC	100	54	FC
Cofidis SA Slovaquie (branch of Cofidis France)	Slovakia	100	69	FC	100	54	FC
Cofidis Italie	Italy	100	69	FC	100	54	FC
Cofidis République Tchèque	Czech Republic	100	69	FC	100	54	FC
Cofidis Slovaquie	Slovakia	100	69	FC	100	54	FC
Creatis	France	100	69	FC	100	54	FC
Factofrance	France	100	98	FC	100	98	FC
FCT CM-CIC Home loans	France	100	98	FC	100	98	FC
LYF SA (formely Fivory)	France	87	85	FC	89	87	FC
Monabanq	France	100	69	FC	100	54	FC
SCI La Tréflière	France	100	99	FC	100	99	FC
Targo Commercial Finance AG	Germany	100	98	FC	100	98	FC
Targo Factoring GmbH	Germany	100	98	FC	100	98	FC
Targo Finanzberatung GmbH	Germany	100	98	FC	100	98	FC
Targo Leasing GmbH	Germany	100	98	FC	100	98	FC
C. Financing and capital markets							
Banque Fédérative du Crédit Mutuel (BFCM)	France	98	98	FC	98	98	FC
Cigogne Management	Luxembourg	100	95	FC	100	95	FC
Diversified Debt Securities SICAV - SIF	Luxembourg	100	93	FC	100	93	FC
Ventadour Investissement	France	100	98	FC	100	98	FC
D. Private banking							
Banque de Luxembourg	Luxembourg	100	93	FC	100	93	FC
Banque Transatlantique (BT)	France	100	93	FC	100	93	FC
Banque Transatlantique Londres (branch of BT)	United Kingdom	100	93	FC	100	93	FC
Banque Transatlantique Belgium	Belgium	100	93	FC	100	93	FC
Banque Transatlantique Luxembourg	Luxembourg	100	93	FC	100	93	FC
CIC Suisse	Switzerland	100	93	FC	100	93	FC
Dubly-Douilhet Gestion	France	100	93	FC	100	93	FC
Transatlantique Gestion	France	100	93	FC	100	93	FC
E. Private equity							
CM-CIC Capital et Participations	France	100	93	FC	100	93	FC
CM-CIC Conseil	France	100	93	FC	100	93	FC
CM-CIC Innovation	France	100	93	FC	100	93	FC
CM-CIC Investissement	France	100	93	FC	100	93	FC
CM-CIC Investissement SCR	France	100	93	FC	100	93	FC
CM-CIC Proximité	France			ME	100	93	FC
F. IT, Logistics and holding company							
Actimut	France	100	100	FC	100	100	FC
Adepi	France	100	93	FC	100	93	FC
CIC Participations	France	100	93	FC	100	93	FC
CM Akquisitions	Germany			FU	100	98	FC
CM-CIC Services	France	100	100	FC	100	100	FC
CMCP - Crédit Mutuel Cartes de Paiement	France	59	61	FC	59	61	FC
Cofidis Participations	France	71	69	FC	55	54	FC
Euro Automatic Cash	Spain	50	40	EM	50	40	EM

	Country	June 30, 2017			Dec. 31, 2016		
		Percent control	Percent interest	Method *	Percent control	Percent interest	Method *
Euro-Information	France	80	79	FC	80	79	FC
Euro-Information Développement	France	100	79	FC	100	79	FC
EIP	France	100	100	FC	100	100	FC
EI Telecom	France	95	75	FC	95	75	FC
Euro Protection Surveillance	France	100	84	FC	100	84	FC
Lyf SAS (formely Fivory SAS)	France	43	34	EM	83	66	FC
Gesteurop	France	100	93	FC	100	93	FC
Groupe Républicain Lorrain Communication (GRLC)	France	100	98	FC	100	98	FC
Heller GmbH	Germany	100	98	FC	100	98	FC
L'Est Républicain	France	92	90	FC	92	90	FC
Mutuelles Investissement	France	100	98	FC			
SAP Alsace	France	99	97	FC	99	97	FC
Société Civile de Gestion des Parts dans l'Alsace (SCGPA)	France	100	99	FC	100	99	FC
Société d'Investissements Médias (SIM)	France	100	98	FC	100	98	FC
Société de Presse Investissement (SPI)	France	100	98	FC	100	98	FC
Targo Deutschland GmbH	Germany	100	98	FC	100	98	FC
Targo Dienstleistungs GmbH	Germany	100	98	FC	100	98	FC
Targo IT Consulting GmbH	Germany	100	98	FC	100	98	FC
Targo IT Consulting GmbH Singapour (branch of Targo IT consulting GmbH)	Singapore	100	98	FC	100	98	FC
Targo Management AG	Germany	100	98	FC	100	98	FC
Targo Realty Services GmbH	Germany	100	98	FC	100	98	FC
G. Insurance companies							
ACM GIE	France	100	86	FC	100	86	FC
ACM IARD	France	96	83	FC	96	83	FC
ACM Nord IARD	France	49	42	EM	49	42	EM
ACM RE	Luxembourg	100	86	FC	100	86	FC
ACM Services	France	100	86	FC	100	86	FC
ACM Vie SA	France	100	86	FC	100	86	FC
ACM Vie, Société d'Assurance Mutuelle	France	100	100	FC	100	100	FC
Agrupació AMCI d'Assegurances i Reassegurances S.A.	Spain	95	82	FC	95	82	FC
Agrupación pensiones, entidad gestora de fondos de pensiones,S.A. (ex Agrupació Bankpyme Pensiones)	Spain	100	82	FC	100	82	FC
Agrupació serveis administratius	Spain	100	82	FC	100	82	FC
AMDIF	Spain	100	82	FC	100	82	FC
Amgen Seguros Generales Compañía de Seguros y Reaseguros SA	Spain	100	86	FC	100	86	FC
AMSYR	Spain	100	82	FC	100	82	FC
Asesoramiento en Seguros y Previsión Atlantis SL	Spain	80	69	FC	80	69	FC
Asistencia Avançada Barcelona	Spain	100	82	FC	100	82	FC
ASTREE Assurances	Tunisia	30	26	EM	30	26	EM
Atlantis Asesores SL	Spain	80	69	FC	80	69	FC
Atlantis Correduría de Seguros y Consultoría Actuarial SA	Spain	60	52	FC	60	52	FC
Atlantis Vida, Compañía de Seguros y Reaseguros SA	Spain	88	77	FC	88	77	FC
GACM España	Spain	100	86	FC	100	86	FC
Groupe des Assurances du Crédit Mutuel (GACM)	France	88	86	FC	88	86	FC
ICM Life	Luxembourg	100	86	FC	100	86	FC
Margem-Mediação Seguros, Lda	Portugal	100	69	FC	100	54	FC
MTRL	France	100	100	FC	100	100	FC
NELB (North Europe Life Belgium)	Belgium	49	42	EM	49	42	EM
Partners	Belgium	51	44	FC	51	44	FC
Procourtage	France	100	86	FC	100	86	FC
Royale Marocaine d'Assurance (formely RMA Watanya)	Morocco	22	19	EM	22	19	EM
Serenis Assurances	France	100	86	FC	100	86	FC
Voy Mediación	Spain	90	76	FC	90	76	FC
H. Other companies							
Affiches d'Alsace Lorraine	France	100	98	FC	100	98	FC
Alsacienne de Portage des DNA	France	100	98	FC	100	98	FC
CM-CIC Immobilier	France	100	98	FC	100	98	FC
Distripub	France	100	97	FC	100	97	FC
Documents AP	France	100	98	FC	100	98	FC
Est Bourgogne Médias	France	100	98	FC	100	98	FC
Foncière Massena	France	100	86	FC	100	86	FC
France Régie	France	100	98	FC	100	98	FC
GEIE Synergie	France	100	69	FC	100	54	FC
Groupe Dauphiné Media	France	100	98	FC	100	98	FC
Groupe Progrès	France	100	98	FC	100	98	FC
Groupe Républicain Lorrain Imprimeries (GRLI)	France	100	98	FC	100	98	FC
Jean Bozzi Communication	France	100	98	FC	100	98	FC
Journal de la Haute Marne	France	50	45	EM	50	45	EM
La Liberté de l'Est	France	97	88	FC	97	88	FC
La Tribune	France	100	98	FC	100	98	FC
Le Dauphiné Libéré	France	100	98	FC	100	98	FC
Le Républicain Lorrain	France	100	98	FC	100	98	FC
Les Dernières Nouvelles d'Alsace	France	100	98	FC	100	98	FC
Lumedia	Luxembourg	50	49	EM	50	49	EM
Mediaportage	France	100	97	FC	100	97	FC
Presse Diffusion	France	100	98	FC	100	98	FC
Publiprint Province n°1	France	100	98	FC	100	98	FC
Quanta	Germany	100	98	FC	100	98	FC
Républicain Lorrain Communication	France	100	98	FC	100	98	FC
Républicain Lorrain - TV news	France	100	98	FC	100	98	FC
SCI ACM	France	100	86	FC	100	86	FC
SCI Le Progrès Confluence	France	100	98	FC	100	98	FC
Société d'Edition de l'Hebdomadaire du Louhannais et du Jura (SEHLJ)	France	100	98	FC	100	98	FC

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

3b - Fully-consolidated entities with significant minority interests

June 30, 2017	Share of minority interests in the consolidated financial statements				Financial information related to fully-consolidated entities*			
	Percentage owned	Net income	Amount in shareholders'	Dividends paid to minority	Total assets	OCI reserves	Net banking income	Net income
Euro Information	21%	11	195	-1	1,243	91	548	49
Groupe des Assurances du Crédit Mutuel (GACM)	14%	62	1,191	-36	98,469	1,132	853	406
Cofidis Belgique	31%	1	217	0	818	-2	50	2
Cofidis France	31%	9	333	0	8,119	-4	269	36

* Amounts before elimination of accounts and intercompany transactions

Dec. 31, 2016	Share of minority interests in the consolidated financial statements				Financial information related to fully-consolidated entities*			
	Percentage owned	Net income	Amount in shareholders'	Dividends paid to minority	Total assets	OCI reserves	Net banking income	Net income
Euro Information	21%	20	181	-1	1,250	89	1,023	91
Groupe des Assurances du Crédit Mutuel (GACM)	14%	105	1,140	-39	97,658	1,206	1,427	688
Targobank Espagne	50%	-72	165	0	2,511	0	62	-144
Cofidis Belgique	46%	3	323	0	835	-2	95	6
Cofidis France	46%	21	436	0	7,928	-4	545	54

* Amounts before elimination of accounts and intercompany transactions

3c - Non-current assets held for sale and discontinued operations

Pursuant to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the Private Banking activity of the Singapore branch, the sale of which was announced in the first half of 2017, was classified under the headings Non-current assets held for sale, Liabilities associated with non-current assets held for sale and Post-tax gain/(loss) on activities held for sale

Breakdown of *Non-current assets held for sale*	June 30, 2017	Dec. 31, 2016
Financial assets	31	
Loans and receivables due from customers	2,363	
Total	2,394	0

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

NOTE 4 - Cash and amounts due from central banks

4a - Loans and receivables due from credit institutions

	June 30, 2017	Dec. 31, 2016
Cash and amounts due from central banks		
Due from central banks	62,520	59,873
including reserve requirements	2,436	2,317
Cash	1,124	1,172
TOTAL	**63,645**	**61,044**
Loans and receivables due from credit institutions		
Crédit Mutuel network accounts(1)	19,517	18,897
Other current accounts	2,368	2,391
Loans	3,777	4,248
Other receivables	2,610	2,442
Securities not listed in an active market	338	486
Resale agreements	12,005	9,050
Accrued interest	116	180
TOTAL	**40,729**	**37,694**

(1) mainly outstanding CDC (Caisse des Dépôts et Consignations) repayments relating to LEP, LDD and Livret bleu passbook savings accounts.

4b - Amounts due to credit institutions

	June 30, 2017	Dec. 31, 2016
Due to central banks	608	0
Due to credit institutions		
Other current accounts	2,707	2,944
Borrowings	13,332	16,026
Other debt	1,993	4,315
Resale agreements	29,239	25,862
Accrued interest	46	62
TOTAL	**47,925**	**49,209**

The Group participated in TLTRO II (Targeted Longer-Term Refinancing Operation) offered by the ECB in the amount of €9.994 billion at June 30, 2017. TLTRO II includes a 0.4% interest rate reduction during the term of the operation (four years) provided that banks sufficiently improve their lending to the economy. Given the increase in our eligible loans at June 30, 2017, the Group has "reasonable assurance" that the increase objective will be achieved and has therefore recognized the interest accrued from the subsidy during the previous period.

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

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

	June 30, 2017			Dec. 31, 2016		
	Held for trading	Fair value option	Total	Held for trading	Fair value option	Total
Securities	9,449	18,160	27,609	7,812	15,702	23,514
- Government securities	1,461	1	1,461	865	1	866
- Bonds and other fixed-income securities	6,504	1,910	8,414	6,280	1,885	8,165
. Quoted	*6,504*	*1,459*	*7,963*	*6,280*	*1,492*	*7,772*
. Not quoted	*0*	*451*	*451*	*0*	*393*	*393*
- Equities and other variable-income securities	1,484	16,250	17,734	666	13,817	14,483
. Quoted	*1,484*	*13,554*	*15,038*	*666*	*11,669*	*12,335*
. Not quoted	*0*	*2,696*	*2,696*	*0*	*2,148*	*2,148*
. Trading derivative instruments	3,629	0	3,629	4,294	0	4,294
. Other financial assets		65	65		54	54
TOTAL	**13,077**	**18,226**	**31,303**	**12,106**	**15,756**	**27,862**

5b - Financial liabilities at fair value through profit or loss

	June 30, 2017	Dec. 31, 2016
Financial liabilities held for trading	7,049	6,403
Financial liabilities at fair value by option through profit or loss	5,189	5,568
TOTAL	**12,239**	**11,971**

Financial liabilities held for trading

	June 30, 2017	Dec. 31, 2016
Short selling of securities	2,833	1,840
- Bonds and other fixed-income securities	1,324	864
- Equities and other variable-income securities	1,508	975
. Trading derivative instruments	3,788	4,488
. Other financial liabilities held for trading	428	75
TOTAL	**7,049**	**6,403**

Financial liabilities at fair value by option through profit or loss

	June 30, 2017			Dec. 31, 2016		
	Carrying amount	Maturity amount	Variance	Carrying amount	Maturity amount	Variance
. Interbank liabilities	5,189	5,189	0	5,497	5,497	0
. Due to customers	0	0	0	71	71	0
TOTAL	**5,189**	**5,189**	**0**	**5,568**	**5,568**	**0**

Own credit risk is deemed immaterial.

5c - Fair value hierarchy of financial instruments at fair value

June 30, 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Available-for-sale (AFS)	100,248	2,921	3,046	106,214
- Government and similar securities - AFS	15,743	2	0	15,745
- Bonds and other fixed-income securities - AFS	72,505	1,474	1,085	75,064
- Equities and other variable-income securities - AFS	10,494	1,019	234	11,747
- Investments in non-consolidated companies and other LT investments - AFS	1,505	420	1,184	3,110
- Investments in associates - AFS	0	6	543	549
Held for trading / Fair value option (FVO)	22,791	5,723	2,790	31,303
- Government and similar securities - Held for trading	1,170	289	3	1,461
- Government and similar securities - FVO	1	0	0	1
- Bonds and other fixed-income securities - Held for trading	5,273	891	341	6,504
- Bonds and other fixed-income securities - FVO	1,178	367	365	1,910
- Equities and other variable-income securities - Held for trading	1,484	0	0	1,484
- Equities and other variable-income securities - FVO	13,503	949	1,799	16,250
- Loans and receivables due from credit institutions - FVO	0	65	0	65
- Loans and receivables due from customers - FVO	0	0	0	0
- Derivative instruments and other financial assets - Held for trading	183	3,162	284	3,629
Hedging derivative instruments	0	3,261	18	3,279
Total	**123,038**	**11,904**	**5,854**	**140,797**
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Held for trading / Fair value option (FVO)	3,465	8,412	362	12,239
- Due to credit institutions - FVO	0	5,189	0	5,189
- Due to customers - FVO	0	0	0	0
- Derivative instruments and other financial liabilities - Held for trading	3,465	3,222	362	7,049
Hedging derivative instruments	0	3,999	8	4,007
Total	**3,465**	**12,411**	**370**	**16,246**

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Available-for-sale (AFS)	101,168	2,858	3,063	107,089
- Government and similar securities - AFS	15,754	61	0	15,815
- Bonds and other fixed-income securities - AFS	74,248	1,441	1,109	76,798
- Equities and other variable-income securities - AFS	9,836	940	256	11,031
- Investments in non-consolidated companies and other LT investments - AFS	1,330	410	1,172	2,911
- Investments in associates - AFS	1	6	527	534
Held for trading / Fair value option (FVO)	19,723	5,291	2,848	27,862
- Government and similar securities - Held for trading	750	115	0	865
- Government and similar securities - FVO	1	0	0	1
- Bonds and other fixed-income securities - Held for trading	5,231	779	270	6,280
- Bonds and other fixed-income securities - FVO	1,213	369	302	1,885
- Equities and other variable-income securities - Held for trading	666	0	0	666
- Equities and other variable-income securities - FVO	11,386	873	1,558	13,817
- Loans and receivables due from credit institutions - FVO	0	54	0	54
- Loans and receivables due from customers - FVO	0	0	0	0
- Derivative instruments and other financial assets - Held for trading	476	3,101	718	4,294
Hedging derivative instruments	0	4,078	48	4,126
Total	**120,891**	**12,226**	**5,959**	**139,076**
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Held for trading / Fair value option (FVO)	2,388	8,769	814	11,971
- Due to credit institutions - FVO	0	5,497	0	5,497
- Due to customers - FVO	0	71	0	71
- Derivative instruments and other financial liabilities - Held for trading	2,388	3,200	814	6,403
Hedging derivative instruments	0	4,898	14	4,913
Total	**2,388**	**13,667**	**828**	**16,883**

There are three levels of fair value of financial instruments, as defined by IFRS 7:
- Level 1 instruments: measured using stock market prices. In the case of capital markets activities, these include debt securities with prices quoted by at least four contributors and derivative instruments quoted on a regulated market.
- Level 2 instruments: measured using valuation techniques based primarily on observable inputs. In the case of capital markets activities, these comprise debt securities with prices quoted by two to three contributors and derivative instruments traded over the counter, which are not included in Level 3.
- Level 3 instruments: measured using valuation techniques based primarily on unobservable inputs. These involve unquoted equities, and, in the case of capital markets activities, debt securities quoted by a single contributor and derivative instruments valued using primarily unobservable parameters.

Level 2 and 3 instruments held in the trading portfolio mainly comprise securities deemed to have poor liquidity and derivatives.
The uncertainties inherent in measuring all of these instruments result in measurement adjustments reflecting the risk premium taken into account by market operators when setting the price.
These measurement adjustments enable the inclusion, in particular, of risks that would not be built into the model, liquidity risks associated with the instrument or parameter in question, specific risk premiums intended to offset certain additional costs inherent in the dynamic management strategy associated with the model in certain market conditions, and the counterparty risk associated with the fair value of over-the-counter derivatives. The methods used may change over time. The latter includes proprietary counterparty risk associated with the fair value of over-the-counter derivatives.

In determining measurement adjustments, each risk factor is considered individually; the diversification effect between different risks, parameters and models is not taken into account. In general, a portfolio approach is used for any given risk factor.

NOTE 6 - Hedging

6a - Hedging derivative instruments

	June 30, 2017		Dec. 31, 2016	
	Assets	Liabilities	Assets	Liabilities
. Fair value hedges (change in value recognized through profit or loss)	3,279	4,007	4,126	4,913
TOTAL	**3,279**	**4,007**	**4,126**	**4,913**

Fair value hedging is the hedging of exposure against a change in the fair value of a financial instrument attributable to a specific risk. The portion attributable to the hedged risk of changes in the fair value of the hedge and of the hedged items is recognized through profit or loss.

6b - Remeasurement adjustment on interest-risk hedged investments

	Fair value June 30, 2017	Fair value Dec. 31, 2016	Change in fair value
Fair value of interest-risk by investment category			
. financial assets	498	604	-106
. financial liabilities	-824	-1,165	340

6c - Analysis of derivative instruments

	June 30, 2017			Dec. 31, 2016		
	Notional	**Assets**	**Liabilities**	**Notional**	**Assets**	**Liabilities**
Trading derivative instruments						
Interest-rate derivative instruments						
Swaps	78,430	2,381	2,261	81,130	2,735	2,729
Other forward contracts	205,296	2	3	111,153	5	1
Options and conditional transactions	23,455	90	224	20,561	71	198
Foreign exchange derivative instruments						
Swaps	100,137	56	82	95,821	73	69
Other forward contracts	8,537	655	626	7,140	622	576
Options and conditional transactions	26,044	111	122	24,989	200	191
Derivative instruments other than interest-rate and foreign exchange						
Swaps	14,466	106	139	12,733	76	129
Other forward contracts	4,252	23	97	1,157	14	63
Options and conditional transactions	8,530	204	235	11,784	499	531
Sub-total	**469,148**	**3,629**	**3,788**	**366,468**	**4,294**	**4,488**
Hedging derivative instruments						
Fair value hedges						
Swaps	84,411	3,282	4,007	106,439	4,126	4,913
Other forward contracts	33,502	0	0	15,782	0	0
Options and conditional transactions	2	(4)	0	2	(0)	0
Sub-total	**117,915**	**3,279**	**4,007**	**122,223**	**4,126**	**4,913**
TOTAL	**587,062**	**6,908**	**7,795**	**488,691**	**8,420**	**9,401**

The CVA (credit valuation adjustment) and the DVA (debt valuation adjustment) entail limiting own credit risk and, at June 30, 2017, totaled -€26 million (-€41 million at December 31, 2016) and €2millions (€3 millions as at December 31, 2016), respectively. The FVA (funding valuation adjustment), which corresponds to the costs or benefits related to financing certain derivatives not hedged by a netting agreement, totaled -€10 million at June 30, 2017 (-€14 million at December 31, 2016).
The exposures required to calculate the CVA, DVA and FVA are determined using Monte Carlo simulations.
The interest rate distribution model used for mature economies is a two-factor linear Gaussian model. This model is used for economies where the market prices of option derivatives provide a sufficient level of information on the market. For secondary economies, the interest rate distribution model used is a one-factor Hull-White model. This model is used for economies where there is no information on the market. The foreign exchange model is a specific one-factor log-normal model. The credit model is an intensity model.
All OTC derivative transactions are taken into account for the CVA, while only collateralized deals are included for the DVA and only non-collateralized deals for the FVA; the collateral bears interest at a rate equivalent to that used to build the related discount curves.
For the CVAs/DVAs, the credit spread is a market spread (CDS) for counterparties whose CDS is listed and liquid; for other counterparties, the spread resulting from historical probabilities of default is recalibrated to market levels as required by prudential and accounting regulators.
The spread used to calculate the FVA is determined from prices of BFCM issues on the secondary market.
One scope (equities, fixed-income products and non-vanilla credit, etc.), whose weight ranges from 10% to 15%, is not considered in the calculation; an extrapolation factor calibrated every month is used to estimate an additional provision for these transactions

Note 7 - Available-for-sale financial assets

7a - Available-for-sale financial assets

	June 30, 2017	Dec. 31, 2016
. Government securities	15,636	15,703
. Bonds and other fixed-income securities	74,982	76,677
- Listed	74,306	76,044
- Unlisted	676	633
. Equities and other variable-income securities	11,747	11,031
- Listed	11,521	10,780
- Unlisted	226	251
. Long-term investments	3,652	3,437
- Investments in non-consolidated companies	2,796	2,595
- Other long-term investments	313	316
- Investments in associates	543	527
- Securities lent	0	0
- Current account advances related to non-performing SCI	0	0
. Accrued interest	197	240
TOTAL	**106,214**	**107,089**
Including unrealized gains (losses) on bonds, other fixed-income securities and government securities recognized directly in equity	*976*	*969*
Including unrealized gains (losses) on equities, other variable-income securities and long-term investments recognized directly in equity	*1,247*	*1,084*
Including impairment of bonds and other fixed-income securities	*-41*	*-38*
Including impairment of equities and other variable-income securities and long-term investments	*-1,567*	*-1,610*

7b - Exposure to sovereign risk

Countries benefiting from aid packages

*Net exposure**	**June 30, 2017**		**Dec. 31, 2016**	
	Portugal	**Ireland**	**Portugal**	**Ireland**
Financial assets at fair value through profit or loss	22		31	
Available-for-sale financial assets	59	161	68	162
Held-to-maturity financial assets				
TOTAL	**81**	**161**	**99**	**162**

** Net exposure amounts are shown net of any insurance policyholder profit-sharing portion.*

Residual contractual maturity	**Portugal**	**Ireland**	**Portugal**	**Ireland**
< 1 year	63	40	14	30
1 to 3 years		5	50	90
3 to 5 years	2	90		5
5 to 10 years	6	27	22	37
> 10 years	10		13	
Total	**81**	**161**	**99**	**162**

Other sovereign risk exposures in the banking portfolio

*Net exposure **	**June 30, 2017**		**Dec. 31, 2016**	
	Spain	**Italy**	**Spain**	**Italy**
Financial assets at fair value through profit or loss	53	346	35	353
Available-for-sale financial assets	548	842	427	1,028
Held-to-maturity financial assets				
TOTAL	**600**	**1,188**	**462**	**1,381**

** Net exposure amounts are shown net of any insurance policyholder profit-sharing portion.*

Residual contractual maturity	**Spain**	**Italy**	**Spain**	**Italy**
< 1 year	517	896	419	810
1 to 3 years	6	183	8	384
3 to 5 years	34	11	6	49
5 to 10 years	3	80		129
> 10 years	40	18	29	9
Total	**600**	**1,188**	**462**	**1,381**

NOTE 8 - Customers

8a - Loans and receivables due from customers

	June 30, 2017	Dec. 31, 2016
Performing loans	317,659	312,164
. Commercial loans	12,515	13,042
. Other customer loans	304,273	298,188
- Home loans	163,808	161,287
- Other loans and receivables, including repurchase agreements	140,465	136,901
. Accrued interest	586	594
. Securities not listed in an active market	285	340
Insurance and reinsurance receivables	293	264
Individually impaired receivables	12,754	13,006
Gross receivables	**330,705**	**325,434**
Individual impairment	-7,647	-7,781
Collective impairment	-521	-479
SUB-TOTAL I	**322,537**	**317,175**
Finance leases (net investment)	13,292	13,015
. Furniture and movable equipment	8,765	8,540
. Real estate	4,073	4,008
. Individually impaired receivables	453	467
Impairment provisions	-214	-232
SUB-TOTAL II	**13,078**	**12,783**
TOTAL	**335,615**	**329,958**
of which non-voting loan stock	*8*	*9*
of which subordinated notes	*15*	*15*

Finance leases with customers

	Dec. 31, 2016	Acquisition	Sale	Other	June 30, 2017
Gross carrying amount	13,015	829	-553	1	13,292
Impairment of irrecoverable rent	-232	-64	82	0	-214
Net carrying amount	12,783	765	-471	1	13,078

8b - Amounts due to customers

	June 30, 2017	Dec. 31, 2016
. Regulated savings accounts	116,982	113,483
- demand	79,642	77,183
- term	37,341	36,300
. Accrued interest	643	41
Sub-total	**117,625**	**113,523**
. Current accounts	112,923	106,948
. Term deposits and borrowings	49,607	53,514
. Resale agreements	2,638	1,575
. Accrued interest	404	548
. Insurance and reinsurance payables	202	86
Sub-total	**165,775**	**162,671**
TOTAL	**283,400**	**276,194**

NOTE 9 - Held-to-maturity financial assets

	June 30, 2017	Dec. 31, 2016
Securities	11,398	11,667
- Government securities	10	0
- Bonds and other fixed-income securities	11,388	11,667
. Quoted	8,734	8,693
. Not quoted	2,654	2,975
. Conversion	0	0
. Accrued interest	0	1
GROSS TOTAL	**11,399**	**11,668**
of which impaired assets	*28*	*20*
Impairment provisions	-20	-11
NET TOTAL	**11,378**	**11,657**

NOTE 10 - Movements in impairment provisions

	Dec. 31, 2016	Additions	Reversals	Other	June 30, 2017
Loans and receivables due from customers	-8,491	-898	992	15	-8,382
Available-for-sale securities	-1,648	-71	109	2	-1,608
Held-to-maturity securities	-11	-9	0	0	-20
TOTAL	-10,150	**-979**	**1,102**	**17**	**-10,010**

At June 30, 2017, provisions on loans and receivables due from customers totalled €8,382 million (€8,491 million at end-2016), of which €521 million in collective provisions. Individual provisions relate mainly to ordinary accounts in debit for €787million (€790million at end-2016) and to provisions on commercial receivables and other receivables (including home loans) for €6,859 million (€7,004 million at end- 2016).

NOTE 11 - Exposures affected by the financial crisis

In accordance with the request by the banking supervisor and market regulator, significant exposures are presented below based on the recommendations of the FSB.
The trading and AFS portfolios are carried at market value established on the basis of external inputs obtained from regulated markets, major brokers or, where no price was available, on the basis of comparable listed securities.

Summary	Carrying amount June 30, 2017	Carrying amount Dec. 31, 2016
RMBS	1,995	2,797
CMBS	56	51
CLO	2,032	2,075
Other ABS	1,798	1,640
Sub-total	**5,880**	*6,564*
CLO hedged by CDS	0	5
Liquidity facilities for ABCP programs	185	185
TOTAL	**6,065**	**6,754**

Unless otherwise stated, securities are not covered by CDS.

Exposures at 06/30/2017	RMBS	CMBS	CLO	Other ABS	Total
Trading	292	5	77	83	458
AFS	1,282	50	1,821	1,490	4,643
Loans	421		133	225	779
TOTAL	**1,995**	**56**	**2,032**	**1,798**	**5,880**
France	211		95	400	705
Spain	93		-	200	294
United Kingdom	206		19	185	410
Europe excluding France, Spain and United Kingdom	401	56	452	1,005	1,914
USA	1,053		777	-	1,829
Rest of the world	31		689	9	728
TOTAL	**1,995**	**56**	**2,032**	**1,798**	**5,880**
US Agencies	706		-	-	706
AAA	672		1,933	1,016	3,622
AA	195		64	550	809
A	67		19	6	93
BBB	4	56	4	226	289
BB	20				20
B or below	330				330
Not rated	-		11		11
TOTAL	**1,995**	**56**	**2,032**	**1,798**	**5,880**
Originating 2005 or before	130	56			186
Originating 2006-2008	518		20	32	569
Originating 2009-2011	91				91
Originating 2012-2015	1,256		2,012	1,767	5,034
TOTAL	**1,995**	**56**	**2,032**	**1,798**	**5,880**

Exposures at 12/31/2016	RMBS	CMBS	CLO	Other ABS	Total
Trading	762		113	47	921
AFS	1,500	51	1,814	1,367	4,733
Loans	535		148	226	910
TOTAL	**2,797**	**51**	**2,075**	**1,640**	**6,564**
France	130		58	413	600
Spain	72			116	188
United Kingdom	295		85	162	541
Europe excluding France, Spain and United Kingdom	449	51	436	950	1,887
USA	1,850		894	0	2,744
Rest of the world	1		602		603
TOTAL	**2,797**	**51**	**2,075**	**1,640**	**6,564**
US Agencies	1,451		-	-	1,451
AAA	686		1,990	972	3,649
AA	157		48	425	630
A	62		22	13	96
BBB	31	51	4	230	316
BB	31				31
B or below	380			0	380
Not rated	-		11		11
TOTAL	**2,797**	**51**	**2,075**	**1,640**	**6,564**
Originating 2005 or before	150	51	-	-	201
Originating 2006-2008	650	-	46	32	727
Originating 2009-2011	136	-	-	-	136
Originating 2012-2014	1,862	-	2,030	1,608	5,500
TOTAL	**2,797**	**51**	**2,075**	**1,640**	**6,564**

NOTE 12 - Corporate income tax

12a - Current income tax

	June 30, 2017	Dec. 31, 2016
Asset (through income statement)	1,548	1,590
Liability (through income statement)	956	764

12b - Deferred income tax

	June 30, 2017	Dec. 31, 2016
Asset (through income statement)	1,097	1,115
Asset (through shareholders' equity)	167	178
Liability (through income statement)	657	598
Liability (through shareholders' equity)	672	670

NOTE 13 - Accruals, other assets and other liabilities

13a - Accruals and other assets

	June 30, 2017	Dec. 31, 2016
Accruals - assets		
Collection accounts	158	397
Currency adjustment accounts	26	967
Accrued income	658	531
Other accruals	3,275	2,081
Sub-total	**4,117**	**3,977**
Other assets		
Securities settlement accounts	466	122
Guarantee deposits paid	5,954	6,112
Miscellaneous receivables	3,970	4,414
Inventories	25	26
Other	37	37
Sub-total	**10,453**	**10,712**
Other insurance assets		
Technical reserves - reinsurers' share	307	320
Other expenses	116	112
Sub-total	**422**	**432**
TOTAL	**14,992**	**15,120**

13b - Accruals and other liabilities

	June 30, 2017	Dec. 31, 2016
Accruals - liabilities		
Accounts unavailable due to collection procedures	136	266
Currency adjustment accounts	334	15
Accrued expenses	1,331	1,302
Deferred income	1,402	1,412
Other accruals	7,173	2,179
Sub-total	**10,376**	**5,173**
Other liabilities		
Securities settlement accounts	899	270
Outstanding amounts payable on securities	289	231
Other payables	4,807	5,742
Sub-total	**5,995**	**6,242**
Other insurance liabilities		
Deposits and guarantees received	202	201
Sub-total	**202**	**201**
TOTAL	**16,573**	**11,616**

NOTE 14 - Investments in associates

Equity value and share of net income (loss)

		Country	Percent interest	Investment value	Share of net income (loss)	Dividends received	Investments in joint ventures
				June 30, 2017			
Entities over which significant influence is exercised							
ACM Nord Iard	Unlisted	France	49.00%	34	4	8	NC*
ASTREE Assurances	Listed	Tunisia	30.00%	16	1	1	27
Banco Popular Español	Listed	Spain	0.00%	0	-246	0	0
Banque de Tunisie	Listed	Tunisia	34.00%	163	8	8	178
Banque Marocaine du Commerce Extérieur (BMCE)	Listed	Morocco	26.00%	981	-20	18	931
Caisse Centrale du Crédit Mutuel	Unlisted	France	52.00%	271	3	0	NC*
Euro Automatic Cash	Unlisted	Spain	50.00%	43	4	0	NC*
LYF SAS (ex Fivory SAS)	Unlisted	France	43.00%	3	-5	0	NC*
NELB (North Europe Life Belgium)	Unlisted	Belgium	49.00%	22	1	0	NC*
Royale Marocaine d'Assurance (ex RMA Watanya)	Unlisted	Morocco	22.02%	111	1	9	NC*
Other	Unlisted			2	0	0	NC*
TOTAL (1)				**1,644**	**-250**	**44**	
Joint ventures							
Bancas	Unlisted	France	50.00%	1	0	0	NC*
Banque du groupe Casino	Unlisted	France	50.00%	41	-6	0	NC*
TOTAL (2)				**42**	**-6**	**0**	
TOTAL (1) + (2)				**1,686**	**-256**	**44**	

** NC: not communicated*

				Dec. 31, 2016			
		Country	Percent interest	Investment value	Share of net income (loss)	Dividends received	Investments in joint ventures
Entities over which significant influence is exercised							
ACM Nord Iard	Unlisted	France	49.00%	39	7	9	NC*
ASTREE Assurances	Listed	Tunisia	30.00%	18	2	1	18
Banco Popular Español	Listed	Spain	3.95%	245	-262	4	152
Banque de Tunisie	Listed	Tunisia	34.00%	173	14	6	198
Banque Marocaine du Commerce Extérieur (BMCE)	Listed	Morocco	26.21%	1,039	52	19	984
Caisse Centrale du Crédit Mutuel	Unlisted	France	52.84%	248	2	1	NC*
Euro Automatic Cash	Unlisted	Spain	50.00%	39	13	14	NC*
NELB (North Europe Life Belgium)	Unlisted	Belgium	49.00%	21	3	0	NC*
Royale Marocaine d'Assurance (ex RMA Watanya)	Unlisted	Morocco	22.02%	102	33	10	NC*
Other	Unlisted			2	1	0	NC*
TOTAL (1)				**1,925**	**-134**	**63**	
Joint ventures							
Bancas	Unlisted	France	50.00%	1	0	0	NC*
Banque du groupe Casino	Unlisted	France	50.00%	47	-2	0	NC*
TOTAL (2)				**48**	**-2**	**0**	
TOTAL (1) + (2)				**1,973**	**-136**	**63**	

** NC: not communicated*

Banco Popular Español (BPE)

As a reminder, at December 31, 2016 BPE was consolidated as an associate in light of the significant influence relationship between it and the Group: Crédit Mutuel- CIC is represented on BPE's Board of Directors, the two Groups have a banking joint venture, and there are numerous cross-commercial agreements on the Franco-Spanish retail and corporate markets.
As a result of significant liquidity constraints, on June 6, 2017 the European Central Bank decided that Banco Popular was likely to fail and informed the Single Resolution Board accordingly.
The Single Resolution Board and the Spanish resolution authority (FROB) decided that the sale of Banco Popular to Banco Santander would serve the public interest by protecting all its depositors and ensuring its financial stability.
The resolution plan took effect on June 7, 2017 and the Single Resolution Board transferred all of Banco Popular's shares and capital instruments to Banco Santander for one euro.
The Crédit Mutuel-CM11 Group, which owned 3.95% of Banco Popular shares, recognized a capital loss net of impairment of €232 million already booked in net income (loss) of associates in its consolidated financial statements at June 30, 2017. This capital loss resulted from setting the equity-accounted value to zero at June 30, 2017 (€405.6 million) and reversing the impairment (€174 million).

Banque Marocaine du Commerce Extérieur (BMCE)

The investment in BMCE underwent an impairment test on June 30, 2017, which resulted in the recognition of a €50 million impairment provision.

NOTE 15 - Investment property

	Dec. 31, 2016	Additions	Disposals	Other movements	June 30, 2017
Historical cost	2,324	17	-1	-124	2,215
Accumulated depreciation and impairment provisions	-363	-19	1	46	-335
Net amount	**1,961**	**-2**	**-1**	**-78**	**1,880**

NOTE 16 - Property, equipment and intangible assets

16a - Property and equipment

	Dec. 31, 2016	Additions	Disposals	Other movements	June 30, 2017
Historical cost					
Land used in operations	516	1	-1	29	546
Buildings used in operations	4,780	57	-22	75	4,890
Other property and equipment	2,602	144	-91	16	2,670
TOTAL	**7,898**	**202**	**-114**	**120**	**8,107**
Accumulated depreciation and impairment provisions					
Land used in operations	-5	-1	0	0	-6
Buildings used in operations	-2,927	-95	18	-22	-3,026
Other property and equipment	-2,024	-94	40	-19	-2,098
TOTAL	**-4,957**	**-190**	**58**	**-42**	**-5,130**
TOTAL - Net amount	**2,942**	**12**	**-56**	**78**	**2,976**
Including buildings under finance leases					
Land used in operations	7				7
Buildings used in operations	111		-2		109
Total	**118**	**0**	**-2**	**0**	**116**

16 b - Intangible assets

	Dec. 31, 2016	Additions	Disposals	Other movements	June 30, 2017
Historical cost					
. Internally developed intangible assets	16	0	-16	0	0
. Purchased intangible assets	1,893	42	-19	-3	1,913
- software	497	10	-10	0	497
- other	1,396	32	-9	-2	1,416
TOTAL	**1,909**	**42**	**-35**	**-2**	**1,913**
Accumulated depreciation and impairment provisions					
. Internally developed intangible assets					
. Purchased intangible assets	-1,223	-43	27	5	-1,234
- software	-481	-9	26	0	-464
- other	-741	-34	0	4	-770
TOTAL	**-1,223**	**-43**	**27**	**5**	**-1,234**
Net amount	**686**	**0**	**-9**	**2**	**679**

NOTE 17 - Goodwill

	Dec. 31, 2016	Additions	Disposals	Impairment losses/reversals	Other movements*	June 30, 2017
Goodwill, gross	4,632		0	0	-24	4,608
Impairment provisions	-475	0	0	-15	0	-490
Goodwill, net	**4,157**	**0**	**0**	**-15**	**-24**	**4,118**

Subsidiaries	Goodwill as of Dec. 31, 2016	Additions	Disposals	Impairment losses/reversals	Other movements*	Goodwill as of June 30, 2017
Targobank Germany	2781					2,781
Crédit Industriel et Commercial (CIC)	497					497
Cofidis Participations	457					457
El Telecom	78					78
Amgen Seguros Generales Compañía de Seguros y Reaseguros SA (formely Royal Automobile Club de Catalogne)	53					53
CM-CIC Investissement SCR	21					21
CIC Iberbanco	15			-15		0
Banque de Luxembourg	13					13
Cofidis Italie	9					9
Banque Transatlantique	6					6
Transatlantique Gestion	5					5
Factofrance SAS	80				-12	68
Heller Gmbh et Targo Leasing GmbH	75				-12	63
Other	66					66
TOTAL	**4,157**	**0**	**0**	**-15**	**-24**	**4,118**

* Other changes correspond to the write-downs of goodwill following the adjustment of the purchase price of the entities concerned.

NOTE 18 - Debt securities

	June 30, 2017	Dec. 31, 2016
Retail certificates of deposit	581	744
Interbank instruments and money market securities	56,641	61,111
Bonds	53,024	49,175
Accrued interest	662	1,428
TOTAL	**110,909**	**112,458**

NOTE 19 - Technical reserves of insurance companies

	June 30, 2017	Dec. 31, 2016
Life	82,393	82,239
Non-life	3,233	3,139
Unit of account	8,870	7,724
Other expenses	341	295
TOTAL	**94,837**	**93,396**
Of which deferred profit-sharing - liability	*12,585*	*12,026*
Reinsurers' share of technical reserves	**307**	**320**
TOTAL - Net technical reserves	**94,530**	**93,076**

NOTE 20 - Provisions

	Dec. 31, 2016	Additions	Reversals - provisions used	Reversals - provisions not used	Other movements	June 30, 2017
Provisions for risks	**333**	**69**	**-19**	**-48**	**0**	**335**
Signature commitments	133	28	-1	-32	0	128
Financing and guarantee commitments	3	0	0	0	0	3
Provision for taxes	36	2	-1	-6	0	31
Provisions for claims and litigation	97	37	-17	-9	34	142
Provision for risks on miscellaneous receivables	64	2	0	-1	-34	31
Other provisions	**1,125**	**134**	**-177**	**-80**	**-9**	**993**
Provisions for home savings accounts and plans	162	19	0	0	0	181
Provisions for miscellaneous contingencies	547	78	-158	-75	52	444
Other provisions (1)	416	37	-19	-5	-61	368
Provision for retirement benefits	**1,377**	**20**	**-12**	**-1**	**-101**	**1,283**
Retirement benefits - defined benefit and equivalent, excluding pension funds						
Retirement bonuses (2)	1,002	16	-7	-1	-99	911
Supplementary retirement benefits	217	3	-5	-1	-1	213
Long service awards (other long-term benefits)	128	0	-1	0	0	127
Sub-total recognized	1,346	20	-12	-1	-100	1,252
Supplementary retirement benefit - defined benefit, provided by Group's pension funds						
Provision for pension fund shortfalls (3)	31	0	0	0	0	31
Sub-total recognized	31	0	0	0	0	31
TOTAL	**2,835**	**223**	**-209**	**-129**	**-110**	**2,610**

(1) Other provisions include provisions set aside in respect of economic interest groupings (EIG) totaling €342 million.

(2) Other changes consist of changes in the discount rate, estimated based on the iBoxx index , held 1.64% at June 30, 2017 against 1.2% at 31 December 2016.

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

NOTE 21 - Subordinated debt

	June 30, 2017	Dec. 31, 2016
Subordinated debt	6,113	5,611
Non-voting loan stock	24	24
Perpetual subordinated loan stock	1,013	1,014
Accrued interest	106	61
TOTAL	**7,256**	**6,710**

Main subordinated debt issues

(in € millions)	Type	Issue date	Amount issued	Amount as of June 30, 2017(1)	Rate	Maturity
Banque Fédérative du Crédit Mutuel	Subordinated note	Dec. 6, 2011	€1,000m	€1,000m	5.30	Dec. 6, 2018
Banque Fédérative du Crédit Mutuel	Subordinated note	Oct. 22, 2010	€1,000m	€913m	4.00	Oct. 22, 2020
Banque Fédérative du Crédit Mutuel	Subordinated note	May 21, 2014	€1,000m	€1,000m	3.00	May 21, 2024
Banque Fédérative du Crédit Mutuel	Subordinated note	Sept. 11,2015	€1,000m	€1,000m	3.00	Sept. 11,2025
Banque Fédérative du Crédit Mutuel	Subordinated note	March 24,2016	€1,000m	€1,000m	2.475	March 24,2026
Banque Fédérative du Crédit Mutuel	Subordinated note	Nov. 4,2016	€700m	€700m	1.875	Nov. 4,2026
Banque Fédérative du Crédit Mutuel	Subordinated note	March 31,2017	€500m	€500m	2.625	March 31,2027
CIC	Non-voting loan stock	May 28, 1985	€137m	€10m	(2)	(3)
Banque Fédérative du Crédit Mutuel	Deeply subordinated note	Dec. 15, 2004	€750m	€737m	(4)	No fixed maturity
Banque Fédérative du Crédit Mutuel	Deeply subordinated note	Feb. 25, 2005	€250m	€250m	(5)	No fixed maturity

(1) Amounts net of intra-Group balances.
(2) Minimum 85% (TAM+TMO)/2 Maximum 130% (TAM+TMO)/2.
(3) Non amortizable, but redeemable at borrower's discretion with effect from May 28, 1997 at 130% of par revalued by 1.5% annually for subsequent years.
(4) 10-year CMS ISDA CIC + 10 basis points.
(5) 10-year CMS ISDA + 10 basis points.

NOTE 22 - Shareholders' equity

22a - Shareholders' equity (excluding unrealized or deferred gains and losses) attributable to the Group

	June 30, 2017	Dec. 31, 2016
. Capital stock and issue premiums	6,014	5,941
- Capital stock	6,014	5,941
. Consolidated reserves	29,085	26,828
- Regulated reserves	8	8
- Other reserves (including effects related to first-time application of standards)	28,942	26,690
- Retained earnings	136	129
. Net income for the year	1,163	2,410
TOTAL	**36,263**	**35,178**

The share capital of Caisses de Crédit Mutuel comprises:
- non-transferable A units,
- tradable B units,
- priority interest P units.

B units may only be subscribed by members with a minimum of one A unit. The articles of association of local Caisses limit subscription to B units by the same member to €50,000 (except in the case of reinvestment of the dividend in B units). Pursuant to the law of September 10, 1947, the capital may be no lower, after restatement of contributions, than one quarter of its highest previous level.
The purchasing system for B units differs according to whether they were subscribed before or after December 31, 1988:
- units subscribed up to December 31, 1988 may be redeemed at the member's request for January 1 each year. Redemption, which is subject to compliance with measures governing a capital decrease, requires a minimum notice period of three months.
- units subscribed from January 1, 1989 may be redeemed at the member's request with a notice period of five years, except in the case of marriage, death or unemployment. These transactions must also comply with measures governing a capital decrease.
The Caisse may, by resolution of the board of directors and with the agreement of the supervisory board, redeem all or some of the units in this category under the same conditions.
Priority interest P units are issued by Caisse Régionale du Crédit Mutuel de Normandie, Caisse Régionale du Crédit Mutuel Midi-Atlantique and by the Caisse de Crédit Mutuel "Cautionnement Mutuel de l'Habitat", a mutual loan guarantee company that has been issuing priority interest share capital units since 1999, with subscription reserved for distributors of secured loans outside the Crédit Mutuel-CM11 group.

At June 30, 2017, the capital of the Crédit Mutuel Caisses comprised:
- €195.3 million in A units
- €5,806.0 million in B units
- €13.0 million in P units

22b - Unrealized or deferred gains and losses

	June 30, 2017	Dec. 31, 2016
Unrealized or deferred gains and losses relating to:*		
. Available-for-sale financial assets		
- equities	1,093	973
- bonds	758	769
. Hedging derivative instruments (cash flow hedges)	5	-19
. Actuarial gains and losses	-251	-312
. Translation adjustments	28	95
. Share of unrealized or deferred gains and losses of associates	1	-13
TOTAL	**1,633**	**1,495**
Attributable to the Group	*1,440*	*1,296*
Attributable to minority interests	*193*	*199*

** Net of tax.*

22c - Recycling of gains and losses recognized directly in equity

	Changes 1st half 2017	Changes 1st half 2016
Translation adjustments		
- Reclassification in income		-66
- Other movements	-68	3
- Translation adjustment	*-68*	*-63*
Remeasurement of available-for-sale financial assets		
- Reclassification in income	0	-205
- Other movements	107	154
Remeasurement of available-for-sale financial assets	*107*	*-51*
Remeasurement of hedging derivative instruments		
- Other movements	24	1
Remeasurement of hedging derivatives	*24*	*1*
- Share of unrealized or deferred gains and losses of associates	13	1
Share of unrealized or deferred gains and losses of associates	*13*	*1*
TOTAL - Recyclable gains and losses	*78*	*-113*
- Actuarial gains and losses on defined benefit plans	61	-110
TOTAL - Non-recyclable gains and losses	**61**	**-110**
Total gains and losses recognized directly in shareholders' equity	**139**	**-223**

22d - Tax on components of gains and losses recognized directly in equity

	Changes 1st half 2017			Changes 1st half 2016		
	Gross amount	Corporate income tax	Net amount	Gross amount	Corporate income tax	Net amount
Translation adjustments	-68		-68	-63		-63
Remeasurement of available-for-sale financial assets	164	-56	107	-78	27	-51
Remeasurement of hedging derivatives	37	-13	24	2	-1	1
Actuarial gains and losses on defined benefit plans	93	-32	61	-167	58	-110
Share of unrealized or deferred gains and losses of associates	13		13	1		1
Total gains and losses recognized directly in shareholders' equity	**240**	**-101**	**139**	**-307**	**84**	**-223**

NOTE 23 - Commitments given and received

Commitments and guarantees given	June 30, 2017	Dec. 31, 2016
Financing commitments		
Commitments given to credit institutions	1,385	1,316
Commitments given to customers	59,581	56,784
Guarantee commitments		
Guarantees given on behalf of credit institutions	3,089	2,591
Guarantees given on behalf of customers	15,168	15,676
Commitments on securities		
Other commitments given	1,829	102
Commitments given by the Insurance business line	1,624	1,468

Commitments and guarantees received	June 30, 2017	Dec. 31, 2016
Financing commitments		
Commitments received from credit institutions	18,219	17,664
Commitments received from customers	0	56
Guarantee commitments		
Commitments received from credit institutions	42,475	41,009
Commitments received from customers	18,898	18,471
Commitments on securities		
Other commitments received	1,906	753
Commitments received by the Insurance business line	4,664	4,913

Securities sold under repurchase agreements	June 30, 2017	Dec. 31, 2016
Amounts received under resale agreements	28,182	33,255
Related liabilities	37,066	32,934

Assets given as collateral for liabilities	June 30, 2017	Dec. 31, 2016
Security deposits on market transactions	5,954	6,112
Total	**5,954**	**5,599**

For the purposes of its refinancing activities, the Group enters into repurchase agreements in respect of debt securities and/or equity securities. These agreements result in the transfer of the ownership of securities that the transferee may in turn lend. Coupons and dividends are the property of the borrower. These transactions are subject to margin calls and the Group is exposed to the non-return of securities.

NOTE 24 - Interest income, interest expense and equivalent

	1 st Half, 2017		1 st Half, 2016	
	Income	Expense	Income	Expense
. Credit institutions and central banks	167	-170	324	-265
. Customers	6,035	-2,389	6,168	-2,512
- of which finance leases and operating leases	1,526	-1,348	1,408	-1,281
. Hedging derivative instruments	816	-979	866	-1,083
. Available-for-sale financial assets	225		272	
. Held-to-maturity financial assets	51		111	
. Debt securities		-865		-971
. Subordinated debt		-6		-8
TOTAL	**7,295**	**-4,410**	**7,741**	**-4,839**

NOTE 25 - Fees and commissions

	1 st Half, 2017		1 st Half, 2016	
	Income	Expense	Income	Expense
Credit institutions	4	-4	6	-6
Customers	896	-15	750	-15
Securities	422	-22	371	-24
of which funds managed for third parties	*296*		*269*	
Derivative instruments	1	-2	2	-2
Foreign exchange	10	-1	11	-1
Financing and guarantee commitments	53	-8	64	-5
Services provided	1,039	-571	906	-470
TOTAL	**2,427**	**-622**	**2,109**	**-523**

NOTE 26 - Net gain (loss) on financial instruments at fair value through profit or loss

	1 st Half 2017	1 st Half 2016
Trading derivative instruments	273	261
Instruments designated under the fair value option(1)	265	134
Ineffective portion of hedging instruments	-45	-46
. Fair value hedges	-45	-46
. Change in fair value of hedged items	-68	-290
. Change in fair value of hedging items	22	244
Foreign exchange gains (losses)	47	27
Total changes in fair value	**539**	**375**

(1) of which €165 million relating to the Private equity business line in the first half of 2017 vs €130 million as of June 30, 2016

NOTE 27 - Net gain (loss) on available-for-sale financial assets

	1 st Half 2017			
	Dividends	Realized gains (losses)	Impairment losses	Total
. Government securities, bonds and other fixed-income securities		94	0	94
. Equities and other variable-income securities	13	-10	11	14
. Long-term investments	35	0	-4	32
. Other expenses	0	0	0	0
TOTAL	**48**	**84**	**7**	**139**

	1 st Half 2016			
	Dividends	Realized gains (losses)	Impairment losses	Total
. Government securities, bonds and other fixed-income securities		30	0	30
. Equities and other variable-income securities	61	-49	-2	9
. Long-term investments (1)	35	271	17	323
. Other expenses	0	0	0	0
TOTAL	**96**	**252**	**15**	**363**

(1) includes income from the sale of Visa shares

NOTE 28 - Other income and expense

	1 st Half 2017	1 st Half 2016
Income from other activities		
. Insurance contracts	6,943	6,648
. Rebilled expenses	20	19
. Other income	1,019	878
Sub-total	**7,982**	**7,546**
Expenses on other activities		
. Insurance contracts	-5,698	-5,562
. Investment property	-20	-18
- depreciation, amortization and impairment charges (based on the accounting method selected)	-20	-18
. Other expenses	-483	-432
Sub-total	**-6,200**	**-6,012**
Other income and expense, net	**1,782**	**1,534**

Net income from the Insurance business line

	1 st Half 2017	1 st Half 2016
Earned premiums	4,982	5,465
Claims and benefits expenses	-3,992	-3,666
Movements in provisions	-1,712	-1,895
Other technical and non-technical income and expense	42	33
Net investment income	1,926	1,149
Total	**1,245**	**1,086**

NOTE 29 - General operating expenses

	1 st Half 2017	1 st Half 2016
Payroll costs	-2,486	-2,422
Other operating expenses	-1,874	-1,865
TOTAL	**-4,360**	**-4,288**

29a - Payroll costs

	1 st Half 2017	1 st Half 2016
Salaries and wages	-1,588	-1,538
Social security contributions(1)	-560	-552
Employee benefits - short-term	-1	-1
Incentive bonuses and profit-sharing	-154	-146
Payroll taxes	-184	-185
Other expenses	1	0
TOTAL	**-2,486**	**-2,422**

(1) The CICE tax credit for competitiveness and employment is recognized as a credit to payroll costs and amounted to €35 million in 1st half 2017

Number of employees

Average number of employees	1 st Half 2017	1 st Half 2016
Banking staff	40,386	39,755
Management	24,525	23,632
TOTAL	**64,911**	**63,387**
Analysis by country		
France	51,652	50,452
Rest of the world	13,259	12,935
TOTAL	**64,911**	**63,387**

	1 st Half 2017	1 st Half 2016
*Number of employees at end of year**	**69,250**	**67,497**

** The number of employees at end of June 30, 2017 corresponds to the total number of employees in all entities controlled by the Group as of June 30. In contrast, the consolidated average number of employees (full-time equivalent, or FTE) is limited to the scope of financial consolidation (full consolidation).*

29b - Other operating expenses

	1 st Half 2017	1 st Half 2016
Taxes and duties (1)	-345	-305
External services	-1,244	-1,188
Other miscellaneous expenses (transportation, travel, etc.)	-55	-46
TOTAL	**-1,643**	**-1,540**

(1) of which €111 million for the contribution to the Single Resolution Fund to 30 June 2017 against 85 million at June 30, 2016.

29c - Depreciation, amortization and impairment of property, equipment and intangible assets

	1 st Half 2017	1 st Half 2016
Depreciation and amortization	-222	-235
- property and equipment	-189	-184
- intangible assets	-33	-51
Impairment losses	-9	-91
- property and equipment	-1	0
- intangible assets	-8	-91
TOTAL	**-230**	**-326**

NOTE 30 - Cost of risk

1 st Half 2017	Additions	Reversals	Loan losses covered by provisions	Loan losses not covered by provisions	Recoveries on loans written off in previous years	TOTAL
Credit institutions	0	8	0	0	2	10
Customers	-879	922	-382	-150	97	-393
. Finance leases	-57	63	-12	-1	1	-5
. Other customer items	-822	858	-371	-149	96	-388
Sub-total	**-879**	**930**	**-382**	**-150**	**99**	**-383**
Held-to-maturity financial assets	-9	0	0	0	0	-9
Available-for-sale financial assets	-3	5	-1	-7	8	1
Other	-39	40	-8	-1	0	-8
TOTAL	**-930**	**975**	**-392**	**-158**	**107**	**-398**

1 st Half 2016	Additions	Reversals	Loan losses covered by provisions	Loan losses not covered by provisions	Recoveries on loans written off in previous years	TOTAL
Credit institutions	0	2	0	0	0	2
Customers	-737	785	-242	-247	75	-367
. Finance leases	-3	4	-1	-1	0	0
. Other customer items	-734	780	-241	-246	74	-366
Sub-total	**-737**	**787**	**-242**	**-247**	**75**	**-364**
Held-to-maturity financial assets	0	0	0	0	0	0
Available-for-sale financial assets	-1	1	-2	-6	9	1
Other	-32	40	-2	-1	0	5
TOTAL	**-771**	**828**	**-246**	**-254**	**84**	**-359**

NOTE 31 - Gains (losses) on other assets

	1 st Half 2017	1 st Half 2016
Property, equipment and intangible assets	0	11
. Losses on disposals	-6	-3
. Gains on disposals	6	13
Gain (loss) on consolidated securities sold	0	0
TOTAL	**0**	**11**

NOTE 32 - Change in value of goodwill

	1 st Half 2017	1 st Half 2016
Impairment of goodwill	-15	-187
TOTAL	**-15**	**-187**

NOTE 33 - Corporate income tax

Breakdown of income tax expense

	1 st Half 2017	1 st Half 2016
Current taxes	-764	-675
Deferred taxes	-47	29
Adjustments in respect of prior years	1	-1
TOTAL	**-810**	**-646**

NOTE 34 - Related party transactions

Statement of financial position items concerning related party transactions

	1 st Half 2017		Dec. 31, 2016	
	Companies consolidated using the equity method	Other entities in the Confédération Nationale	Companies consolidated using the equity method	Other entities in the Confédération Nationale
Assets				
Loans, advances and securities				
Loans and receivables due from credit institutions	2,765	4,119	2,642	4,021
Loans and receivables due from customers	0	9	0	16
Securities	0	314	0	316
Other assets	4	36	4	30
TOTAL	2,769	4,478	2,646	4,382
Liabilities				
Deposits				
Due to credit institutions	1,198	1,054	921	1,179
Due to customers	16	1,521	10	1,537
Debt securities	0	436	0	555
Other liabilities	0	73	0	64
TOTAL	1,214	3,084	931	3,336
Financing and guarantee commitments				
Financing commitments given	440	3	390	10
Guarantee commitments given	29	99	29	88
Guarantee commitments received	0	537	0	543

Income statement items concerning related party transactions

	1 st Half 2017		1 st Half 2016	
	Companies consolidated using the equity method	Other entities in the Confédération Nationale	Companies consolidated using the equity method	Other entities in the Confédération Nationale
Interest received	-1	15	6	26
Interest paid	0	-10	-2	-11
Fees and commissions received	3	5	3	8
Fees and commissions paid	0	0	0	0
Other income (expense)	34	-5	39	-25
General operating expenses	5	-7	5	-6
TOTAL	41	-2	50	-9

"Other entities in the Confédération Nationale" correspond to the other Crédit Mutuel regional federations that do not belong to the Caisse Fédérale de Crédit Mutuel.

3. Statutory Auditors' Review Report on the Half-yearly Financial Information

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

PricewaterhouseCoopers France
63, rue de Villiers
92200 Neuilly-sur-Seine
S.A.R.L. au capital de € 86.000
(Limited liability company with a capital of € 86.000)

Statutory Auditor
Member of the Versailles
regional institute of accountants

ERNST & YOUNG et Autres
1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1, France
S.A.S. à capital variable
(*Simplified stock company with variable capital*)

Statutory Auditor
Member of the Versailles
regional institute of accountants

Crédit Mutuel-CM11 Group
For the period from January 1 to June 30, 2017

Statutory Auditors' Review Report on the Half-yearly Financial Information

Ladies and Gentlemen,

In compliance with the assignment entrusted to us by your Shareholders' Meeting and in accordance with the requirements of article L.451-1-2 III of the French monetary and financial code ("code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Crédit Mutuel-CM11 Group, for the period from January 1 to June 30, 2017,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the board of directors. Our role is to express a conclusion on these financial statements based on our review.

1. Opinion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, August 1, 2017

The Statutory Auditors

French original signed by

PricewaterhouseCoopers France	ERNST & YOUNG et Autres	
Jacques Lévi	Olivier Durand	Hassan Baaj

4. BFCM Group's consolidated financial statements at June 30, 2017

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

Consolidated statement of financial position (IFRS) - Assets

in € millions	Jun. 30, 2017	Dec. 31, 2016	Notes
Cash and amounts due from central banks	62,518	59,950	4a
Financial assets at fair value through profit or loss	30,081	26,927	5a, 5c
Hedging derivative instruments	3,797	4,856	6a, 5c, 6c
Available-for-sale financial assets	95,718	96,597	7a, 5c
Loans and receivables due from credit institutions	53,763	53,138	4a
Loans and receivables due from customers	217,611	213,329	8a
Remeasurement adjustment on interest-risk hedged investments	498	604	6b
Held-to-maturity financial assets	9,817	10,101	9
Current tax assets	636	797	12a
Deferred tax assets	937	947	12b
Accruals and other assets	13,882	13,666	13a
Non-current assets held for sale	2,394	0	3c
Investments in associates	1,731	2,028	14
Investment property	1,821	1,903	15
Property and equipment	1,890	1,846	16a
Intangible assets	548	566	16b
Goodwill	4,049	4,088	17
Total assets	**501,690**	**491,344**	

Consolidated statement of financial position (IFRS) - Liabilities and shareholders' equity

in € millions	Jun. 30, 2017	Dec. 31, 2016	Notes
Central banks	608	0	4b
Financial liabilities at fair value through profit or loss	11,520	11,279	5b, 5c
Hedging derivative instruments	4,036	4,930	6a,5c,6c
Due to credit institutions	54,538	55,474	4b
Due to customers	181,299	178,256	8b
Debt securities	110,867	112,304	19
Remeasurement adjustment on interest-risk hedged investments	-411	-573	6b
Current tax liabilities	540	456	12a
Deferred tax liabilities	1,226	1,163	12b
Accruals and other liabilities	14,889	9,995	13b
Liabilities associated with non -current assets held for sale	2,390	0	3e
Technical reserves of insurance companies	82,842	81,547	19
Provisions	2,012	2,235	20
Subordinated debt	7,914	7,360	21
Shareholders' equity	**27,420**	**26,918**	
Shareholders' equity attributable to the Group	**23,570**	**22,826**	
Subscribed capital and issue premiums	6,197	6,197	22a
Consolidated reserves	15,449	14,006	22a
Gains and losses recognized directly in equity	1,108	968	22b
Net income for the year	816	1,655	22a
Shareholders' equity attributable to minority interests	**3,850**	**4,092**	
Total liabilities and shareholders' equity	**501,690**	**491,344**	

CONSOLIDATED INCOME STATEMENT (IFRS)

in € millions	Jun. 30, 2017	Jun. 30, 2016	Notes
Interest income	6,037	6,345	**24**
Interest expense	-3,865	-4,253	**24**
Fee and commission income	1,860	1,612	**25**
Fee and commission expense	-569	-464	**25**
Net gain (loss) on financial instruments at fair value through profit or loss	528	368	**26**
Net gain (loss) on available-for-sale financial assets	135	360	**27**
Income from other activities	6,743	6,473	**28**
Expenses on other activities	-5,510	-5,435	**28**
Net banking income	**5,359**	**5,005**	
Operating expenses	-2,958	-2,806	**29a, 29b**
Depreciation, amortization and impairment of non-current assets	-108	-209	**29c**
Gross operating income	**2,292**	**1,989**	
Cost of risk	-344	-315	**30**
Operating income	**1,948**	**1,674**	
Share of net income (loss) of associates	-242	-104	**14**
Gains (losses) on other assets	-1	11	**31**
Change in value of goodwill	-15	-187	**32**
Net income before tax	**1,690**	**1,394**	
Corporate income tax	-687	-499	**33**
Gains and losses after corporate tax on discontinued operations	5	46	**3c**
Net income	**1,009**	**941**	
Net income attributable to minority interests	192	166	
Net income attributable to the Group	**816**	**775**	
Earnings per share (€)*	**24.17**	**22.94**	**34**

** basic and diluted earnings per share were identical*

Net income and gains and losses recognized directly in shareholders' equity

in € millions	Jun. 30, 2017	Jun. 30, 2016	Notes
Net income	**1,009**	**941**	
Translation adjustments	-68	-95	
Remeasurement of available-for-sale financial assets	109	57	
Remeasurement of hedging derivative instruments	24	-2	
Share of unrealized or deferred gains and losses of associates	0	-5	
Total gains and losses recognized directly in equity that may be recycled to profit or loss	**67**	**-45**	
- Actuarial gains and losses on defined benefit plans	53	-77	
Total gains and losses recognized directly in equity that may not be recycled to profit or loss	**53**	**-77**	**22c,22d**
Net income and gains and losses recognized directly in shareholders' equity	**1,128**	**819**	
attributable to the Group	*956*	*588*	
attributable to minority interests	*172*	*231*	

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

€ million	Capital stock	Issue premiums	Reserves (1)	Gains and losses recognized directly in equity				Net income attributable to the Group	Shareholders' equity attributable to	Minority interests	Total consolidated shareholders'
				Translation adjustments	Available-for-sale assets	Hedging derivative instruments	Actuarial gains and losses				
Shareholders' equity at December 31, 2015	**1,689**	**4,509**	**12,631**	**143**	**1,322**	**-22**	**-157**	**1,542**	**21,657**	**3,738**	**25,395**
Appropriation of earnings from previous year			1,542					-1,542	0		0
Capital increase									0		0
Distribution of dividends			-140						-140	-119	-259
Change in investments in subsidiaries not resulting in loss of control									0		0
Sub-total: movements arising from shareholder relations	**0**	**0**	**1,402**	**0**	**0**	**0**	**0**	**-1,542**	**-140**	**-119**	**-259**
Consolidated net income for the year								775	775	166	941
Change in fair value of available-for-sale financial assets and derivative instruments					-9	-3			-12	72	60
Change in actuarial gains and losses							-75		-75	-2	-77
Translation adjustments				-99					-99	-6	-105
Sub-total	**0**	**0**	**0**	**-99**	**-9**	**-3**	**-75**	**775**	**588**	**231**	**819**
Impact of acquisitions and disposals on minority interests			0						0	165	165
Other movements			-43						-43	-8	-51
Shareholders' equity at June 30, 2016	**1,689**	**4,509**	**13,990**	**43**	**1,313**	**-25**	**-232**	**775**	**22,062**	**4,007**	**26,069**
Appropriation of earnings from previous year			0					0	0		0
Capital increase	0								0		0
Distribution of dividends			0						0	-3	-3
Change in investments in subsidiaries not resulting in loss of control									0	15	15
Sub-total: movements arising from shareholder relations	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**12**	**12**
Consolidated net income for the year								880	880	122	1,002
Change in fair value of available-for-sale financial assets and derivative instruments					-151	4			-147	-17	-165
Change in actuarial gains and losses							-25		-25	0	-25
Translation adjustments				41					41	2	43
Sub-total	**0**	**0**	**0**	**41**	**-151**	**4**	**-25**	**880**	**748**	**106**	**855**
Impact of acquisitions and disposals on minority interests			0						0	10	10
Other movements			15			0			15	-43	-27
Shareholders' equity at December 31, 2016	**1,689**	**4,509**	**14,006**	**84**	**1,162**	**-21**	**-256**	**1,655**	**22,825**	**4,092**	**26,918**
Appropriation of earnings from previous year			1,655					-1,655	0		0
Capital increase	0								0		0
Distribution of dividends			-130						-130	-102	-232
Change in investments in subsidiaries not resulting in loss of control			-57						-57	-312	-369
Sub-total: movements arising from shareholder relations	**0**	**0**	**1,467**	**0**	**0**	**0**	**0**	**-1,655**	**-187**	**-414**	**-601**
Consolidated net income for the year								816	816	192	1,009
Change in fair value of available-for-sale financial assets and derivative instruments					152	25			177	-18	159
Change in actuarial gains and losses							51		51	2	52
Translation adjustments				-88					-88	-4	-92
Sub-total	**0**	**0**	**0**	**-88**	**152**	**25**	**51**	**816**	**956**	**172**	**1,128**
Impact of acquisitions and disposals on minority interests									0	0	0
Other movements	0	0	-24	0	0	0	0	0	-24	0	-25
Shareholders' equity at June 30, 2017	**1,689**	**4,509**	**15,449**	**-4**	**1,314**	**4**	**-206**	**816**	**23,570**	**3,850**	**27,420**

(1) Reserves as of June 30, 2017 include the legal reserve of €169 million, regulatory reserves for a total of €2,806 million and other reserves amounting to €12,473 million.

CONSOLIDATED STATEMENT OF CASH FLOWS

in € millions	1st Half 2017	1st Half 2016
Net income	1,009	941
Corporate income tax	687	499
Income before corporate income tax	**1,695**	**1,440**
+/- Net depreciation/amortization expense on property, equipment and intangible assets	112	228
- Impairment of goodwill and other non-current assets	15	186
+/- Net additions to/reversals from provisions and impairment losses	-133	63
+/- Share of net income/loss of associates	242	104
+/- Net loss/gain from investing activities	1	-282
+/- Income/expense from financing activities	0	0
+/- Other movements	-849	2,600
= Total non-monetary items included in income before tax and other adjustments	**-612**	**2,898**
+/- Cash flows relating to interbank transactions	-2,144	1,015
+/- Cash flows relating to customer transactions	-1,841	-2,894
+/- Cash flows relating to other transactions affecting financial assets and liabilities	2,529	6,146
+/- Cash flows relating to other transactions affecting non-financial assets and liabilities	3,481	-1,937
- Corporate income tax paid	-415	-420
= Net decrease/increase in assets and liabilities from operating activities	**1,610**	**1,910**
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	**2,693**	**6,249**
+/- Cash flows relating to financial assets and investments in non-consolidated companies	26	1,126
+/- Cash flows relating to investment property	1	27
+/- Cash flows relating to property, equipment and intangible assets	-58	-50
NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	**-31**	**1,104**
+/- Cash flows relating to transactions with shareholders	-232	-259
+/- Other cash flows relating to financing activities	-628	127
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	**-861**	**-133**
IMPACT OF MOVEMENTS IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	**-116**	**-71**
Net increase (decrease) in cash and cash equivalents	**1,685**	**7,149**
Net cash flows from (used in) operating activities	2,693	6,249
Net cash flows from (used in) investing activities	-31	1,104
Net cash flows from (used in) financing activities	-861	-133
Impact of movements in exchange rates on cash and cash equivalents	-116	-71
Cash and cash equivalents at beginning of year	**47,301**	**31,226**
Cash accounts and accounts with central banks and post office banks	59,950	9,853
Demand loans and deposits - credit institutions	-12,649	21,373
Cash and cash equivalents at end of year	**48,986**	**38,374**
Cash accounts and accounts with central banks and post office banks	61,910	12,773
Demand loans and deposits - credit institutions	-12,924	25,601
CHANGE IN CASH AND CASH EQUIVALENTS	**1,685**	**7,149**

Notes to the consolidated financial statements

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

NOTE 1 - Accounting policies, valuation methods and presentation

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, 2017. These standards include IAS 1 to IAS 41, IFRS 1 to IFRS 8 and IFRS 10 to IFRS 13 as well as any related SIC and IFRIC interpretations adopted as of that date. Standards not adopted by the European Union have not been applied. The summary documents are presented in accordance with Recommendation 2013-04 of the Autorité des Normes Comptables (French accounting standards authority). All IAS and IFRS are available on the European Commission's website at:

https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs-financial-statements

These interim financial statements have been prepared in accordance with IAS 34 relating to interim financial reporting, which allows the publication of condensed financial statements. They supplement the financial statements for the year ended December 31, 2016 presented in the 2016 Registration Document. The Group's business is not subject to seasonal or cyclical effects. Estimates and assumptions may have been used in the valuation of statement of financial position items.

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

IFRS 9 – Financial Instruments

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

- classification and measurement of financial instruments (Phase 1),
- impairment of credit risks on financial assets (Phase 2), and
- hedge accounting, excluding macro-hedging (Phase 3).

Its application will become mandatory on January 1, 2018. Classification and measurement, as well as the new impairment model under IFRS 9, are applicable retrospectively by adjusting the opening balance sheet on the date of first-time adoption. There is no requirement to restate fiscal periods presented as comparative statements. The Group will therefore present its 2018 financial statements without a comparative statement for 2017 in the IFRS 9 format. An explanation of the portfolios' transition between the two standards and the impacts on shareholders' equity will be included in the notes.

In the second quarter of 2015, the Group launched an initiative that is currently in the project stage; it brings together the various departments concerned (finance, risk, IT, etc.) and is structured around the "national consolidation" steering committee coordinated by the Confédération's Financial Management Department. Several working groups have been established for the project, based on the different phases and instruments (credit, securities and derivatives), with the work on impairment models under the responsibility of the CNCM Risks Department. The necessary IT developments and modifications began in 2016 and are continuing in 2017.

Following the vote by the ARC on June 29, it is very likely that the IFRS 4 amendment will be extended to banking and insurance services. Given that the Group's insurance divisions meet the criteria specified in the amendment, and to avoid any competitive distortion with traditional insurers, the Group decided to defer the application of IFRS 9 for these entities until 2021. However, they continue to be fully involved in the project.

Information by phase is presented below.

Phase 1 - Classification and measurement

According to IFRS 9, the classification and measurement of financial assets will depend on the business model and contractual characteristics of the instruments, which could result in a different classification and measurement for certain financial assets than under IAS 39.

Loans, receivables and debt securities acquired will be classified:

- at amortized cost, if the business model involves holding the instrument in order to collect contractual cash flows, and if the cash flows are solely payments of principal and interest on the principal amount outstanding (analysis carried out via the solely payments of principal and interest (SPPI) test),

- at fair value through equity, if the business model is to hold the instrument in order to collect contractual cash flows and to sell the assets when opportunities arise, and if the cash flows are solely payments of principal and interest. If these instruments are sold, the unrealized gains or losses previously recognized in equity will be recognized in profit or loss, as is currently the case under IAS 39, if they are classified as available-for-sale (AFS) assets;

- at fair value through profit or loss, if they are not eligible for the two previous categories or if the Group decides to exercise its option to classify them as such, in order to reduce accounting mismatches.

Equity instruments acquired (mainly shares) will be classified:

- at fair value through profit or loss; or

- using the fair value through equity option. If these instruments are sold, the unrealized gains or losses previously recognized in equity will not be recycled to profit or loss, contrary to current practice when instruments are classified as available for sale (AFS). Only dividends will be recognized in profit or loss.

Note that:

- derivatives embedded in financial assets will no longer be able to be recognized separately from the host contract;

- the provisions of IAS 39 related to the derecognition of assets are replicated in IFRS 9 without amendment,

- the same holds true for the provisions relating to financial liabilities, with the exception of the recognition of changes in fair value, resulting from the own credit risk of liabilities designated under the fair value through profit or loss option. They will have to be recognized as unrealized or deferred gains or losses in equity, and not in profit or loss. The Group is marginally affected by the own credit risk issue.

The operational work conducted within the Group since the beginning of 2017 sought to:

- update the instrument mapping, with respect to both interest rates and the different contractual clauses;

- finalize the SPPI tests, and

- continue the work of documenting the various instruments, at the national and regional level, as regards both the characteristics of the instruments and the business models.

At this stage, it is primarily units of UCITS and real estate funds (OPCIs) and certain convertible or structured bonds that will be reclassified at fair value through profit or loss; the impact of these reclassifications will be moderate.

Crédit Mutuel has chosen not to issue "Group" principles regarding:

- the use of the fair value through equity option for equity instruments,

- the classification at amortized cost, or at fair value through equity, of debt instruments included in the liquidity portfolio; each Group will classify its instruments according to its own business model.

Phase 2 – Impairment

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

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

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

Accordingly, the new impairment model under IFRS 9 will apply to all debt instruments measured at amortized cost or at fair value through equity, which will be divided into three categories:

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

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

- Status 3: category comprising credit-impaired financial assets for which there is an objective indication of impairment related to an event that has occurred since the loan was granted. This category is equivalent to the scope of outstandings currently impaired individually under IAS 39.

Significant increase in credit risk will be assessed by:

- taking all reasonable and supportable information into account; and

- comparing the default risk on the financial instrument on the reporting date with the default risk on the initial recognition date.

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

The operational work conducted within the Group since the beginning of 2017 sought mainly to:

- clarify the boundary between statuses 1 and 2:

- the Group will rely on models developed for prudential purposes and on the measurement of the 12-month default risk (represented by a default rate or score), as authorized under the standard;

- these quantitative data will be combined with qualitative criteria such as payments that are more than 30 days past due/late, the concept of restructured loans, etc.;

- less complex methods will be used for the entities or small portfolios, classified prudentially under the standardized approach and that do not have rating systems;

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

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

Phase 3 - Hedge accounting

IFRS 9 allows entities to choose, on first-time adoption, to apply the new hedge accounting provisions or to maintain the provisions of IAS 39.

Crédit Mutuel Group has decided to maintain the current provisions. Additional information will be included in the notes, however, on risk management and the effects of hedge accounting on the financial statements, in accordance with revised IFRS 7.

Furthermore, the provisions in IAS 39 for the fair value hedge of interest rate risk on a portfolio of financial assets or liabilities, as adopted in the European Union, will continue to apply.

IFRS 15 – Revenue from Contracts with Customers

This standard will replace several standards and interpretations on revenue recognition (including IAS 18 *Revenue* and IAS 11 *Construction Contracts*). It does not, however, affect revenue from leases, insurance policies or financial instruments.

Recognition of revenue from contracts should reflect the transfer of control of an asset (or service) to a customer, for the amount to which the seller expects to be entitled. To that end, the standard has developed a five-step model to determine when and for what amount the revenue from ordinary activities should be recognized:

- identify the contract with a customer,

- identify the performance obligations in the contract,

- determine the transaction price,

- allocate the transaction price to the performance obligations, and

- recognize revenue when the entity satisfies a performance obligation.

Application of the standard is mandatory for annual reporting periods starting from January 1, 2018 onwards.

An analysis of the standard and an initial identification of its potential impacts were completed in 2016. This work was done by a dedicated Confédération Nationale du Crédit Mutuel working group, in which the different CM groups and, where applicable, certain subsidiaries participated. The main business lines/products analyzed were the packaged banking offerings, asset management (performance fees), telephony, and the IT activities. At this stage, the impacts are expected to be limited.

Standards and interpretations not yet adopted by the European Union:

These are mainly:

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

- IFRS 17 on insurance contracts

IFRS 16 – Leases

This standard will replace IAS 17 and the interpretations relating to lease recognition. According to IFRS 16, the definition of leases involves, first, the identification of an asset and, second, the lessee's control of the right to use this asset.

From the lessor's standpoint, the expected impact should be limited, as the provisions adopted remain substantially unchanged from the current IAS 17.

The lessee will have to recognize the following for any operating lease:

- in fixed assets: an asset representing the right to use the leased asset,

- in liabilities, a liability representing the obligation to make lease payments for the term of the lease, and

- in the income statement, the expense related to the straight-line depreciation of the asset, separately from the interest expense calculated actuarially, on the financial liability.

As a reminder, according to IAS 17 currently in force, no amount is recorded on the balance sheet and the cost of leases is included in operating expenses.

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

IFRS 17 - Insurance Contracts

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

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

NOTE 2 - Breakdown of the income statement by activity and geographic region

The Group's activities are as follows:

• Retail banking brings together the Crédit Mutuel-CM11 bank network, CIC's regional banks, Targobank Germany and Spain, Cofidis, Banco Popular Espanol, Banque Marocaine du Commerce Exterieur, Banque de Tunisie and all specialist activities the products of which are sold by the network: equipment and real estate leasing, factoring, collective investment management, employee savings plans and real estate.

• The Insurance business line comprises the Assurances du Crédit Mutuel Group.

• Corporate banking and capital markets covers:

a) financing for major corporations and institutional clients, specialized lending, international operations and foreign branches;

b) capital markets activities in general, spanning customer and own account transactions involving interest rate instruments, foreign exchange and equities, including 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 make up a business unit.

• IT, Logistics and holding company include all activities that cannot be attributed to another business line (holding) and units that provide solely logistical support: intermediate holding companies, as well as specific entities holding real estate used for operations and IT entities.

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 exceptions are CIC and BFCM because of their presence across several business lines. As such, their income, expenses and statement of financial position items are subject to an analytical distribution. The breakdown of the statement of financial position items is done in the same way.

2a - Breakdown of the income statement items by business line

1st Half 2017	Retail banking	Insurance	Corporate banking and capital markets	Private banking	Private equity	IT, Logistics and holding company	Intra Group transactions	Total
Net banking income (expense)	3,530	852	463	262	169	117	-34	5,359
General operating expenses	-2,183	-263	-172	-171	-25	-287	34	-3,067
Gross operating income	1,347	588	291	92	144	-170	0	2,292
Net additions to/reversals from provisions for loan losses	-373		27			2		-344
Net gain (loss) on disposal of other assets *	16	7				-281		-258
Net income before tax	990	595	318	92	144	-449		1,690
Corporate income tax	-376	-187	-105	-21	2	1		-687
Gains and losses net of tax on abandoned assets				5				5
Net income	**613**	**408**	**213**	**76**	**146**	**-448**		**1,008**
Net income attributable to minority interests								192
Net income attributable to the Group								**816**

** including net income of associates and impairment losses on goodwill*

1st Half 2016 restated **	Retail banking	Insurance	Corporate banking and capital markets	Private banking	Private equity	IT, Logistics and holding company	Intra Group transactions	Total
Net banking income (expense)	3,284	717	359	270	122	291	-38	5,005
General operating expenses	-2,085	-252	-158	-178	-22	-360	38	-3,016
Gross operating income	1,199	466	202	93	100	-70	0	1,989
Net additions to/reversals from provisions for loan losses	-316			-1		1		-315
Net gain (loss) on disposal of other assets *	-53	19		10		-257		-280
Net income before tax	831	485	202	102	100	-326		1,393
Corporate income tax	-311	-145	-69	-16	-1	43		-499
Gains and losses net of tax on abandoned assets				-20		66		46
Net income	**519**	**341**	**133**	**66**	**99**	**-217**		**941**
Net income attributable to minority interests								166
Net income attributable to the Group								**774**

** including net income of associates and impairment losses on goodwill*

***minor changes were made to segment reporting starting at the beginning of 2017 because the custody (retail banking) and central treasury (capital markets) activities were grouped together and assigned to the "holding" activity. Adjusted results are therefore presented for these three businesses (retail banking, capital markets and holding company services) at June 30, 2016.*

2b - Breakdown of the income statement items by geographic region

	1st Half 2017				1st Half 2016			
	France	Europe, excluding France	Rest of the world*	Total	France	Europe, excluding France	Rest of the world*	Total
Net banking income**	3,877	1,381	102	5,359	3,665	1,216	124	5,005
General operating expenses	-2,215	-807	-45	-3,067	-2,179	-780	-57	-3,016
Gross operating income	1,662	574	56	2,292	1,486	436	67	1,989
Net additions to/reversals from provisions for loan losses	-184	-172	13	-344	-185	-134	4	-315
Net gain (loss) on disposal of other assets***	-285	-12	40	-258	-253	-89	61	-280
Net income before tax	1,192	389	109	1,690	1,048	214	132	1,394
Net income	659	259	90	1,009	715	116	110	941
Net income attributable to the Group	499	231	86	816	584	89	102	**775**

** USA, Singapore, Hong-Kong (in 2017), Saint Martin, Tunisia and Morocco*

*** In 1st half 2017, 28.2% of net banking income (excluding the logistics and holding business line) came from foreign operations.*

**** Including net income of associates and impairment losses on goodwill.*

NOTE 3 - Consolidation scope

3a - Scope of consolidation

The Group's parent company is Banque Fédérative du Crédit Mutuel

The changes in the consolidation scope (vs December 31, 2016) are :

- Additions : CIC Hong-Kong (branch of CIC), Mutuelles Investissement, CM-CIC Caution Habitat SA

- Mergers, absorptions : CM-CIC Proximité with CM-CIC Investissement SCR, CM Akquisitions with BFCM

- Removals : Banco Popular Espanol

- Change in consolidation method : Lyf SAS (formely Fivory SAS) : from Full Consolidation (FC) to Equity Method (EM)

In addition, over the first half of 2017, the Group completed a complementary buy-out of Cofidis Participation shares, thereby increasing its stake to 71%, as well as the totality of Targobank Spain shares for € 65 million.

	Country	June 30, 2017			Dec. 31, 2016		
		Percent control	Percent interest	Method *	Percent control	Percent interest	Method *
A. Banking network							
Banque Européenne du Crédit Mutuel (BECM)	France	96	96	FC	96	96	FC
BECM Francfort (branch of BECM)	Germany	100	96	FC	100	96	FC
BECM Saint Martin (branch of BECM)	Saint Martin	100	96	FC	100	96	FC
CIC Est	France	100	94	FC	100	94	FC
CIC Iberbanco	France	100	100	FC	100	100	FC
CIC Lyonnaise de Banque (LB)	France	100	94	FC	100	94	FC
CIC Nord Ouest	France	100	94	FC	100	94	FC
CIC Ouest	France	100	94	FC	100	94	FC
CIC Sud Ouest	France	100	94	FC	100	94	FC
Crédit Industriel et Commercial (CIC)	France	94	94	FC	94	94	FC
CIC Hong-Kong (branch of CIC)	Hong-Kong	100	94	FC			
CIC Londres (branch of CIC)	United Kingdom	100	94	FC	100	94	FC
CIC New York (branch of CIC)	USA	100	94	FC	100	94	FC
CIC Singapour (branch of CIC)	Singapore	100	94	FC	100	94	FC
Targobank AG & Co. KGaA	Germany	100	100	FC	100	100	FC
Targobank Espagne	Spain	100	100	FC	51	51	FC
B. Banking network - subsidiaries							
Bancas	France	50	50	EM	50	50	EM
Banco Popular Español	Spain			NC	4	4	EM
Banque de Tunisie	Tunisia	34	34	EM	34	34	EM
Banque du Groupe Casino	France	50	50	EM	50	50	EM
Banque Européenne du Crédit Mutuel Monaco	Monaco	100	96	FC	100	96	FC
Banque Marocaine du Commerce Extérieur (BMCE)	Morocco	26	26	EM	26	26	EM
Cartes et crédits à la consommation	France	100	100	FC	100	100	FC
CM-CIC Asset Management	France	74	73	FC	74	73	FC
CM-CIC Bail	France	99	93	FC	99	93	FC
CM-CIC Bail Espagne (branch of CM-CIC Bail)	Spain	100	93	FC	100	93	FC
CM-CIC Caution Habitat SA	France	100	100	FC			
CM-CIC Epargne salariale	France	100	94	FC	100	94	FC
CM-CIC Factor	France	96	89	FC	96	89	FC
CM-CIC Gestion	France	100	73	FC	100	73	FC
CM-CIC Home Loan SFH	France	100	100	FC	100	100	FC
CM-CIC Lease	France	100	97	FC	100	97	FC
CM-CIC Leasing Benelux	Belgium	100	93	FC	100	93	FC
CM-CIC Leasing GmbH	Germany	100	93	FC	100	93	FC
CM-CIC Leasing Solutions SAS	France	100	100	FC	100	100	FC
Cofacredit	France	64	64	FC	64	64	FC
Cofidis Belgique	Belgium	100	71	FC	100	55	FC
Cofidis France	France	100	71	FC	100	55	FC
Cofidis Espagne (branch of Cofidis France)	Spain	100	71	FC	100	55	FC
Cofidis Hongrie (branch of Cofidis France)	Hungary	100	71	FC	100	55	FC
Cofidis Portugal (branch of Cofidis France)	Portugal	100	71	FC	100	55	FC
Cofidis SA Pologne (branch of Cofidis France)	Poland	100	71	FC	100	55	FC
Cofidis SA Slovaquie (branch of Cofidis France)	Slovakia	100	71	FC	100	55	FC
Cofidis Italie	Italy	100	71	FC	100	55	FC
Cofidis République Tchèque	Czech Republic	100	71	FC	100	55	FC
Cofidis Slovaquie	Slovakia	100	71	FC	100	55	FC
Creatis	France	100	71	FC	100	55	FC
Factofrance	France	100	100	FC	100	100	FC
FCT CM-CIC Home loans	France	100	100	FC	100	100	FC
LYF SA (formely Fivory)	France	87	87	FC	89	89	FC
Monabanq	France	100	71	FC	100	55	FC
SCI La Tréflière	France	46	46	EM	46	46	EM
Targo Commercial Finance AG	Germany	100	100	FC	100	100	FC
Targo Factoring GmbH	Germany	100	100	FC	100	100	FC
Targo Finanzberatung GmbH	Germany	100	100	FC	100	100	FC
Targo Leasing GmbH	Germany	100	100	FC	100	100	FC
C. Corporate banking and capital markets							
Cigogne Management	Luxembourg	100	96	FC	100	96	FC
Diversified Debt Securities SICAV - SIF	Luxembourg	100	94	FC	100	94	FC
Ventadour Investissement	France	100	100	FC	100	100	FC
D. Private banking							
Banque de Luxembourg	Luxembourg	100	94	FC	100	94	FC
Banque Transatlantique (BT)	France	100	94	FC	100	94	FC
Banque Transatlantique Londres (succursale de BT)	United Kingdom	100	94	FC	100	94	FC
Banque Transatlantique Belgium	Belgium	100	94	FC	100	94	FC
Banque Transatlantique Luxembourg	Luxembourg	100	94	FC	100	94	FC

	Country	June 30, 2017			Dec. 31, 2016		
		Percent control	Percent interest	Method *	Percent control	Percent interest	Method *
CIC Suisse	Switzerland	100	94	FC	100	94	FC
Dubly-Douilhet Gestion	France	100	94	FC	100	94	FC
Transatlantique Gestion	France	100	94	FC	100	94	FC
E. Private equity							
CM-CIC Capital et Participations	France	100	94	FC	100	94	FC
CM-CIC Conseil	France	100	94	FC	100	94	FC
CM-CIC Innovation	France	100	94	FC	100	94	FC
CM-CIC Investissement	France	100	94	FC	100	94	FC
CM-CIC Investissement SCR	France	100	94	FC	100	94	FC
CM-CIC Proximité	France			MER	100	94	FC
F. IT, Logistics and holding company							
Adepi	France	100	94	FC	100	94	FC
CIC Participations	France	100	94	FC	100	94	FC
CM Akquisitions	Germany			MER	100	100	FC
CMCP - Crédit Mutuel Cartes de Paiement	France	45	45	EM	45	45	EM
Cofidis Participations	France	71	71	FC	55	55	FC
Euro-Information	France	26	26	EM	26	26	EM
Euro Protection Surveillance	France	25	25	EM	25	25	EM
Gesteurop	France	100	94	FC	100	94	FC
Groupe Républicain Lorrain Communication (GRLC)	France	100	100	FC	100	100	FC
Heller Gmbh	Germany	100	100	FC	100	100	FC
L'Est Républicain	France	92	92	FC	92	92	FC
Mutuelles Investissement	France	90	90	FC			
SAP Alsace	France	99	97	FC	99	97	FC
Société Civile de Gestion des Parts dans l'Alsace (SCGPA)	France	50	50	FC	50	50	FC
Société de Presse Investissement (SPI)	France	100	100	FC	100	100	FC
Société d'Investissements Medias (SIM)	France	100	100	FC	100	100	FC
Targo Deutschland GmbH	Germany	100	100	FC	100	100	FC
Targo Dienstleistungs GmbH	Germany	100	100	FC	100	100	FC
Targo IT Consulting GmbH	Germany	100	100	FC	100	100	FC
Targo IT Consulting GmbH Singapour (branch of Targo IT consulting GmbH)	Singapore	100	100	FC	100	100	FC
Targo Management AG	Germany	100	100	FC	100	100	FC
Targo Realty Services GmbH	Germany	100	100	FC	100	100	FC
G. Insurance companies							
ACM GIE	France	100	72	FC	100	72	FC
ACM IARD	France	96	69	FC	96	69	FC
ACM Nord IARD	France	49	35	EM	49	35	EM
ACM RE	Luxembourg	100	72	FC	100	72	FC
ACM Services	France	100	72	FC	100	72	FC
ACM Vie SA	France	100	72	FC	100	72	FC
Agrupació AMCI d'Assegurances i Reassegurances S.A.	Spain	95	69	FC	95	69	FC
Agrupación pensiones, entidad gestora de fondos de pensiones,S.A. (formely Agrupació Bankpyme Pensiones)	Spain	100	69	FC	100	69	FC
Agrupació Serveis Administratius	Spain	100	69	FC	100	69	FC
AMDIF	Spain	100	69	FC	100	69	FC
Amgen Seguros Generales Compañía de Seguros y Reaseguros SA	Spain	100	72	FC	100	72	FC
AMSYR	Spain	100	69	FC	100	69	FC
Asesoramiento en Seguros y Previsión Atlantis SL	Spain	80	58	FC	80	58	FC
Asistencia Avançada Barcelona	Spain	100	69	FC	100	69	FC
ASTREE Assurances	Tunisia	30	22	EM	30	22	EM
Atlantis Asesores SL	Spain	80	58	FC	80	58	FC
Atlantis Correduría de Seguros y Consultoría Actuarial SA	Spain	60	43	FC	60	43	FC
Atlantis Vida, Compañía de Seguros y Reaseguros SA	Spain	88	65	FC	88	65	FC
GACM España	Spain	100	72	FC	100	72	FC
Groupe des Assurances du Crédit Mutuel (GACM)	France	73	72	FC	73	72	FC
ICM Life	Luxembourg	100	72	FC	100	72	FC
Margem-Mediação Seguros, Lda	Portugal	100	71	FC	100	55	FC
NELB (North Europe Life Belgium)	Belgium	49	35	EM	49	35	EM
Partners	Belgium	51	37	FC	51	37	FC
Procourtage	France	100	72	FC	100	72	FC
Royale Marocaine d'Assurance (formely RMA Watanya)	Morocco	22	16	EM	22	16	EM
Serenis Assurances	France	100	72	FC	100	72	FC
Voy Mediación	Spain	90	64	FC	90	64	FC
H. Other companies							
Affiches D'Alsace Lorraine	France	100	100	FC	100	100	FC
Alsacienne de Portage des DNA	France	100	100	FC	100	100	FC
CM-CIC Immobilier	France	100	100	FC	100	100	FC
Distripub	France	100	97	FC	100	97	FC
Documents AP	France	100	100	FC	100	100	FC
Est Bourgogne Médias	France	100	100	FC	100	100	FC
Foncière Massena	France	100	72	FC	100	72	FC
France Régie	France	100	100	FC	100	100	FC
GEIE Synergie	France	100	71	FC	100	55	FC
Groupe Dauphiné Media	France	100	100	FC	100	100	FC
Groupe Progrès	France	100	100	FC	100	100	FC
Groupe Républicain Lorrain Imprimeries (GRLI)	France	100	100	FC	100	100	FC
Jean Bozzi Communication	France	100	100	FC	100	100	FC
Journal de la Haute Marne	France	50	46	EM	50	46	EM
La Liberté de l'Est	France	97	89	FC	97	89	FC
La Tribune	France	100	100	FC	100	100	FC
Le Dauphiné Libéré	France	100	100	FC	100	100	FC
Le Républicain Lorrain	France	100	100	FC	100	100	FC
Les Dernières Nouvelles d'Alsace	France	100	100	FC	100	100	FC
Lumedia	Luxembourg	50	50	EM	50	50	EM
Mediaportage	France	100	97	FC	100	97	FC
Presse Diffusion	France	100	100	FC	100	100	FC
Publiprint province n°1	France	100	100	FC	100	100	FC
Quanta	Germany	100	100	FC	100	100	FC
Républicain Lorrain Communication	France	100	100	FC	100	100	FC
Républicain Lorrain - Tv News	France	100	100	FC	100	100	FC
SCI ACM	France	87	62	FC	87	62	FC
SCI Le Progrès Confluence	France	100	100	FC	100	100	FC
Société d'Edition de l'Hebdomadaire du Louhannais et du Jura (SEHLJ)	France	100	100	FC	100	100	FC

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

3b - Fully-consolidated entities with significant minority interests

June 30, 2017	Share of minority interests in the consolidated financial statements				Financial information related to fully-consolidated entities*			
	Percentage owned	Net income	Amount in shareholders' equity	Dividends paid to minority shareholders	Total assets	OCI reserves	Net banking income	Net income
Groupe des Assurances du Crédit Mutuel (GACM)	28%	120	2,404	-78	98,535	1,132	852	403
Cofidis Belgique	29%	1	208	0	818	-2	50	2
Cofidis France	29%	9	319	0	8,119	-4	269	36

* Amounts before elimination of accounts and intercompany transactions

Dec. 31, 2016	Share of minority interests in the consolidated financial statements				Financial information related to fully-consolidated entities*			
	Percentage owned	Net income	Amount in shareholders' equity	Dividends paid to minority shareholders	Total assets	OCI reserves	Net banking income	Net income
Groupe des Assurances du Crédit Mutuel (GACM)	28%	203	2,307	-81	97,698	1,206	1,421	684
Cofidis Belgique	45%	3	316	0	835	-2	95	6
Cofidis France	45%	20	427	0	7,928	-4	545	54

* Amounts before elimination of accounts and intercompany transactions

3c - Non-current assets held for sale and discontinued operations

Pursuant to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the Private Banking activity of the Singapore branch, the sale of which was announced in the first half of 2017, was classified under the headings Non-current assets held for sale, Liabilities associated with non-current assets held for sale and Post-tax gain/(loss) on activities held for sale.

Breakdown of *Non-current assets held for sale*	30.06.2017	31.12.2016
Financial assets	31	
Loans and receivables due from customers	2,363	
Total	2,394	

Breakdown of *Liabilities associated with non-current assets held for sale*	30.06.2017	31.12.2016
Financial liabilities	8	
Due to credit institutions	1,611	
Due to customers	770	
Total	2,389	

NOTE 4 - Cash and amounts due from central banks

4a - Loans and receivables due from credit institutions

	June 30, 2017	Dec. 31, 2016
Cash and amounts due from central banks		
Due from central banks	61,795	59,206
including reserve requirements	1,753	1,678
Cash	723	744
TOTAL	**62,518**	**59,950**
Loans and receivables due from credit institutions		
Crédit Mutuel network accounts(1)	4,463	4,123
Other current accounts	2,356	2,380
Loans	33,528	36,404
Other receivables	1,082	671
Securities not listed in an active market	338	486
Resale agreements	11,805	8,850
Accrued interest	192	224
TOTAL	**53,763**	**53,138**

(1) mainly outstanding CDC (Caisse des Dépôts et Consignations) repayments relating to LEP, LDD and Livret bleu passbook savings accounts.

4b - Amounts due to credit institutions

	June 30, 2017	Dec. 31, 2016
Due to central banks	**608**	0
Due to credit institutions		
Other current accounts	12,447	11,721
Borrowings	12,571	15,292
Other debt	336	2,646
Resale agreements	29,141	25,761
Accrued interest	43	55
TOTAL	**55,146**	**55,475**

The Group participated in TLTRO II (Targeted Longer-Term Refinancing Operation) offered by the ECB in the amount of €9.994 billion at June 30, 2017. TLTRO II includes a 0.4% interest rate reduction during the term of the operation (four years) provided that banks sufficiently improve their lending to the economy. Given the increase in our eligible loans at June 30, 2017, the Group has "reasonable assurance" that the increase objective will be achieved and has therefore recognized the interest accrued from the subsidy during the previous period.

NOTE 5 - Financial assets and liabilities

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

	June 30, 2017			Dec. 31, 2016		
	Held for trading	Fair value option	Total	Held for trading	Fair value option	Total
Securities	9,449	16,912	26,361	7,812	14,734	22,546
- Government securities	1,461	1	1,461	865	1	866
- Bonds and other fixed-income securities	6,504	1,825	8,329	6,280	1,774	8,055
. Quoted	*6,504*	*1,374*	*7,878*	*6,280*	*1,381*	*7,662*
. Not quoted	*0*	*451*	*451*	*0*	*393*	*393*
- Equities and other variable-income securities	1,484	15,087	16,571	666	12,959	13,626
. Quoted	*1,484*	*12,463*	*13,947*	*666*	*10,867*	*11,533*
. Not quoted	*0*	*2,624*	*2,624*	*0*	*2,092*	*2,092*
. Trading derivative instruments	3,654	0	3,654	4,327	0	4,327
. Other financial assets		65	65		54	54
TOTAL	**13,103**	**16,978**	**30,081**	**12,139**	**14,788**	**26,927**

5b - Financial liabilities at fair value through profit or loss

	June 30, 2017	Dec. 31, 2016
Financial liabilities held for trading	7,059	6,419
Financial liabilities at fair value by option through profit or loss	4,461	4,859
TOTAL	**11,520**	**11,279**

Financial liabilities held for trading

	June 30, 2017	Dec. 31, 2016
Short selling of securities	2,833	1,840
- Bonds and other fixed-income securities	1,324	864
- Equities and other variable-income securities	1,508	975
. Trading derivative instruments	3,798	4,505
. Other financial liabilities held for trading	428	75
TOTAL	**7,059**	**6,419**

Financial liabilities at fair value by option through profit or loss

	June 30, 2017			Dec. 31, 2016		
	Carrying amount	Maturity amount	Variance	Carrying amount	Maturity amount	Variance
. Interbank liabilities	4,461	4,461	0	4,789	4,789	0
. Due to customers	0	0	0	71	71	0
TOTAL	**4,461**	**4,461**	**-0**	**4,859**	**4,860**	**-1**

Own credit risk is deemed immaterial.

5c - Fair value hierarchy of financial instruments at fair value

June 30, 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Available-for-sale (AFS)	90,180	2,785	2,753	95,718
- Government and similar securities - AFS	15,743	2	0	15,745
- Bonds and other fixed-income securities - AFS	64,114	1,474	1,085	66,673
- Equities and other variable-income securities - AFS	9,001	883	233	10,118
- Investments in non-consolidated companies and other LT investments - AFS	1,305	420	1,005	2,730
- Investments in associates - AFS	17	6	430	453
Held for trading / Fair value option (FVO)	21,657	5,629	2,794	30,081
- Government and similar securities - Held for trading	1,170	289	3	1,461
- Government and similar securities - FVO	1	0	0	1
- Bonds and other fixed-income securities - Held for trading	5,273	891	341	6,504
- Bonds and other fixed-income securities - FVO	1,134	327	365	1,825
- Equities and other variable-income securities - Held for trading	1,484	0	0	1,484
- Equities and other variable-income securities - FVO	12,414	875	1,799	15,087
- Loans and receivables due from credit institutions - FVO	0	65	0	65
- Loans and receivables due from customers - FVO	0	0	0	0
- Derivative instruments and other financial assets - Held for trading	183	3,183	288	3,654
Hedging derivative instruments	0	3,776	20	3,797
TOTAL	**111,837**	**12,191**	**5,567**	**129,595**
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Held for trading / Fair value option (FVO)	3,465	7,685	370	11,520
- Due to credit institutions - FVO	0	4,461	0	4,461
- Due to customers - FVO	0	0	0	0
- Derivative instruments and other financial liabilities - Held for trading	3,465	3,224	370	7,059
Hedging derivative instruments	0	4,024	13	4,036
TOTAL	**3,465**	**11,708**	**383**	**15,556**

NOTE 6 - Hedging

6a - Hedging derivative instruments

	June 30, 2017		Dec. 31, 2016	
	Assets	Liabilities	Assets	Liabilities
. Fair value hedges (change in value recognized through profit or loss)	3,796	4,036	4,856	4,930
TOTAL	**3,797**	**4,036**	**4,856**	**4,930**

Fair value hedging is the hedging of exposure against a change in the fair value of a financial instrument attributable to a specific risk. The portion attributable to the hedged risk of changes in the fair value of the hedge and of the hedged items is recognized through profit or loss.

6b - Remeasurement adjustment on interest-risk hedged investments

	Fair value June 30, 2017	Fair value Dec. 31, 2016	Change in fair value
Fair value of interest-risk by investment category			
. financial assets	498	604	-106
. financial liabilities	-411	-573	162

6c - Analysis of derivative instruments

	June 30, 2017			Dec. 31, 2016		
	Notional	Assets	Liabilities	Notional	Assets	Liabilities
Trading derivative instruments						
Interest-rate derivative instruments						
Swaps	78,863	2,406	2,269	81,652	2,766	2,745
Other forward contracts	205,296	2	3	111,153	5	1
Options and conditional transactions	23,451	90	225	21,466	73	197
Foreign exchange derivative instruments						
Swaps	100,137	56	82	95,821	73	69
Other forward contracts	8,537	655	626	7,140	622	576
Options and conditional transactions	26,044	111	122	24,989	200	191
Derivative instruments other than interest-rate and foreign exchange						
Swaps	14,466	106	139	12,733	76	129
Other forward contracts	4,252	23	97	1,157	14	63
Options and conditional transactions	8,530	204	235	11,784	499	531
Sub-total	**469,577**	**3,654**	**3,798**	**367,895**	**4,327**	**4,505**
Hedging derivative instruments						
Fair value hedges						
Swaps	98,440	3,800	4,036	120,403	4,856	4,930
Other forward contracts	33,502	0	0	15,782	0	0
Options and conditional transactions	0	(4)	0	0	(0)	0
Sub-total	**131,942**	**3,797**	**4,036**	**136,185**	**4,856**	**4,930**
TOTAL	**601,518**	**7,451**	**7,834**	**504,080**	**9,183**	**9,434**

The CVA (credit valuation adjustment) and the DVA (debt valuation adjustment) entail limiting own credit risk and, at June 30, 2017, totaled -€26 million (-€41 million at December 31, 2016) and €2million (€3 million at December 31, 2016), respectively. The FVA (funding valuation adjustment), which corresponds to the costs or benefits related to financing certain derivatives not hedged by a netting agreement, totaled -€10 million at June 30, 2017 (-€14 million at December 31, 2016).
The exposures required to calculate the CVA, DVA and FVA are determined using Monte Carlo simulations.
The interest rate distribution model used for mature economies is a two-factor linear Gaussian model. This model is used for economies where the market prices of option derivatives provide a sufficient level of information on the market. For secondary economies, the interest rate distribution model used is a one-factor Hull-White model. This model is used for economies where there is no information on the market. The foreign exchange model is a specific one-factor log-normal model. The credit model is an intensity model.
All OTC derivative transactions are taken into account for the CVA, while only collateralized deals are included for the DVA and only non-collateralized deals for the FVA; the collateral bears interest at a rate equivalent to that used to build the related discount curves.
For the CVAs/DVAs, the credit spread is a market spread (CDS) for counterparties whose CDS is listed and liquid; for other counterparties, the spread resulting from historical probabilities of default is recalibrated to market levels as required by prudential and accounting regulators.
The spread used to calculate the FVA is determined from prices of BFCM issues on the secondary market.
One scope (equities, fixed-income products and non-vanilla credit, etc.), whose weight ranges from 10% to 15%, is not considered in the calculation; an extrapolation factor calibrated every month is used to estimate an additional provision for these transactions

Note 7 - Available-for-sale financial assets

7a - Available-for-sale financial assets

	June 30, 2017	Dec. 31, 2016
. Government securities	15,636	15,703
. Bonds and other fixed-income securities	66,591	68,289
- Listed	65,936	67,676
- Unlisted	655	613
. Equities and other variable-income securities	10,117	9,471
- Listed	9,929	9,257
- Unlisted	189	214
. Long-term investments	3,161	2,880
- Investments in non-consolidated companies	2,472	2,205
- Other long-term investments	258	261
- Investments in associates	431	414
. Accrued interest	213	254
TOTAL	**95,718**	**96,597**
Including unrealized gains (losses) on bonds, other fixed-income securities and government securities recognized directly in equity	*753*	*703*
Including unrealized gains (losses) on equities, other variable-income securities and long-term investments recognized directly in equity	*988*	*849*
Including impairment of bonds and other fixed-income securities	*-41*	*-37*
Including impairment of equities and other variable-income securities and long-term investments	*-1,292*	*-1,314*

7b - Exposure to sovereign risk

Countries benefiting from aid packages

*Net exposure**	June 30, 2017		Dec. 31, 2016	
	Portugal	Ireland	Portugal	Ireland
Financial assets at fair value through profit or loss	22		31	
Available-for-sale financial assets	59	160	68	161
Held-to-maturity financial assets				
TOTAL	**81**	**160**	**99**	**161**

** Net exposure amounts are shown net of any insurance policyholder profit-sharing portion.*

Residual contractual maturity	Portugal	Ireland	Portugal	Ireland
< 1 year	63	40	14	30
1 to 3 years		4	50	89
3 to 5 years	2	90		5
5 to 10 years	6	27	22	37
> 10 years	10		13	
Total	**81**	**160**	**99**	**161**

Other sovereign risk exposures in the banking portfolio

*Net exposure **	June 30, 2017		Dec. 31, 2016	
	Spain	Italy	Spain	Italy
Financial assets at fair value through profit or loss	53	346	35	353
Available-for-sale financial assets	548	842	427	1,028
Held-to-maturity financial assets				
TOTAL	**600**	**1,188**	**462**	**1,381**

** Net exposure amounts are shown net of any insurance policyholder profit-sharing portion.*

Residual contractual maturity	Spain	Italy	Spain	Italy
< 1 year	517	896	419	810
1 to 3 years	6	183	8	384
3 to 5 years	34	11	6	49
5 to 10 years	3	80		129
> 10 years	40	18	29	9
TOTAL	**600**	**1,188**	**462**	**1,381**

NOTE 8 - Customers

8a - Loans and receivables due from customers

	June 30, 2017	Dec. 31, 2016
Performing loans	200,771	196,645
. Commercial loans	12,475	13,001
. Other customer loans	187,629	182,919
- Home loans	74,298	72,834
- Other loans and receivables, including repurchase agreements	113,331	110,085
. Accrued interest	382	384
. Securities not listed in an active market	285	340
Insurance and reinsurance receivables	285	257
Individually impaired receivables	10,494	10,751
Gross receivables	**211,550**	**207,652**
Individual impairment	-6,609	-6,725
Collective impairment	-427	-403
SUB-TOTAL I	**204,514**	**200,524**
Finance leases (net investment)	13,311	13,037
. Furniture and movable equipment	8,765	8,540
. Real estate	4,092	4,030
. Individually impaired receivables	453	467
Impairment provisions	-214	-232
SUB-TOTAL II	**13,097**	**12,805**
TOTAL	**217,611**	**213,329**
of which non-voting loan stock	*7*	*8*
of which subordinated notes	*15*	*15*

Finance leases with customers

	Dec. 31, 2016	Acquisition	Sale	Other	June 30, 2017
Gross carrying amount	13,037	829	-553	-2	13,311
Impairment of irrecoverable rent	-232	-64	82	0	-214
Net carrying amount	12,805	765	-471	-2	13,097

8b - Amounts due to customers

	June 30, 2017	Dec. 31, 2016
. Regulated savings accounts	52,158	51,216
- demand	38,431	37,960
- term	13,728	13,256
. Accrued interest	224	1
Sub-total	**52,382**	**51,217**
. Current accounts	85,990	82,180
. Term deposits and borrowings	39,917	42,894
. Resale agreements	2,638	1,575
. Accrued interest	180	300
. Insurance and reinsurance payables	193	90
Sub-total	**128,917**	**127,039**
TOTAL	**181,299**	**178,256**

NOTE 9 - Held-to-maturity financial assets

	June 30, 2017	Dec. 31, 2016
Securities	9,837	10,112
- Government securities	10	0
- Bonds and other fixed-income securities	9,827	10,112
. Quoted	7,502	7,414
. Not quoted	2,325	2,698
. Accrued interest	0	1
GROSS TOTAL	**9,837**	**10,112**
of which impaired assets	*28*	*20*
Impairment provisions	-20	-11
NET TOTAL	**9,817**	**10,101**

NOTE 10 - Movements in impairment provisions

	Dec. 31, 2016	Additions	Reversals	Other	June 30, 2017
Loans and receivables due from customers	-7,360	-776	872	14	-7,250
Available-for-sale securities	-1,351	-71	87	2	-1,333
Held-to-maturity securities	-11	-9	0	0	-20
TOTAL	**-8,722**	**-856**	**960**	**16**	**-8,602**

At June 30, 2017, provisions on loans and receivables due from customers totalled €7,250 million (€7,360 million at end-2016), of which 427 million in collective provisions. Individual provisions relate mainly to ordinary accounts in debit for €634million (€632million at end-2016) and to provisions on commercial receivables and other receivables (including home loans) for €5,975 million (€6,093 million at end- 2016).

NOTE 11 - Exposures affected by the financial crisis

In accordance with the request by the banking supervisor and market regulator, significant exposures are presented below based on the recommendations of the FSB.
The trading and AFS portfolios are carried at market value established on the basis of external inputs obtained from regulated markets, major brokers or, where no price was available, on the basis of comparable listed securities.

Summary	Carrying amount June 30, 2017	Carrying amount Dec. 31, 2016
RMBS	1,995	2,797
CMBS	56	51
CLO	2,032	2,075
Other ABS	1,798	1,640
Sub-total	**5,880**	6,564
RMBS hedged by CDS	0	0
CLO hedged by CDS	0	5
Liquidity facilities for ABCP programs	185	185
TOTAL	**6,065**	6,754

Unless otherwise stated, securities are not covered by CDS.

Exposures at 06/30/2017	RMBS	CMBS	CLO	Other ABS	Total
Trading	292	5	77	83	458
AFS	1,282	50	1,821	1,490	4,643
Loans	421		133	225	779
TOTAL	**1,995**	**56**	**2,032**	**1,798**	**5,880**
France	211		95	400	705
Spain	93		-	200	294
United Kingdom	206		19	185	410
Europe excluding France, Spain and United Kingdom	401	56	452	1,005	1,914
USA	1,053		777	-	1,829
Rest of the world	31		689	9	728
TOTAL	**1,995**	**56**	**2,032**	**1,798**	**5,880**
US Agencies	706		-	-	706
AAA	672		1,933	1,016	3,622
AA	195		64	550	809
A	67		19	6	93
BBB	4	56	4	226	289
BB	20				20
B or below	330				330
Not rated	-		11		11
TOTAL	**1,995**	**56**	**2,032**	**1,798**	**5,880**
Originating 2005 or before	130	56			186
Originating 2006-2008	518		20	32	569
Originating 2009-2011	91				91
Originating 2012-2015	1,256		2,012	1,767	5,034
TOTAL	**1,995**	**56**	**2,032**	**1,798**	**5,880**

Exposures at 12/31/2016	RMBS	CMBS	CLO	Other ABS	Total
Trading	762		113	47	921
AFS	1,500	51	1814	1,367	4,733
Loans	535		148	226	910
TOTAL	**2,797**	**51**	**2,075**	**1,640**	**6,564**
France	130		58	413	600
Spain	72			116	188
United Kingdom	295		85	162	541
Europe excluding France, Spain and United Kingdom	449	51	436	950	1,887
USA	1,850		894	0	2,744
Rest of the world	1		602		603
TOTAL	**2,797**	**51**	**2,075**	**1,640**	**6,564**
US Agencies	1,451		0	0	1,451
AAA	686		1990	972	3,649
AA	157		48	425	630
A	62		22	13	96
BBB	31	51	4	230	316
BB	31				31
B or below	380			0	380
Not rated	0		11		11
TOTAL	**2,797**	**51**	**2,075**	**1,640**	**6,564**
Originating 2005 or before	150	51	0	0	201
Originating 2006-2008	650	0	46	32	727
Originating 2009-2011	136	0	0	0	136
Originating 2012-2014	1,862	0	2,030	1,608	5,500
TOTAL	**2,797**	**51**	**2,075**	**1,640**	**6,564**

NOTE 12 - Corporate income tax

12a - Current income tax

	June 30, 2017	Dec. 31, 2016
Asset (through income statement)	636	797
Liability (through income statement)	540	456

12b - Deferred income tax

	June 30, 2017	Dec. 31, 2016
Asset (through income statement)	774	770
Asset (through shareholders' equity)	163	178
Liability (through income statement)	614	556
Liability (through shareholders' equity)	612	608

NOTE 13 - Accruals, other assets and other liabilities

13a - Accruals and other assets

	June 30, 2017	Dec. 31, 2016
Accruals - assets		
Collection accounts	68	115
Currency adjustment accounts	26	967
Accrued income	550	469
Other accruals	3,016	1,519
Sub-total	**3,660**	**3,070**
Other assets		
Securities settlement accounts	464	120
Guarantee deposits paid	5,933	6,091
Miscellaneous receivables	3,375	3,924
Inventories	11	13
Other	16	15
Sub-total	**9,800**	**10,164**
Other insurance assets		
Technical reserves - reinsurers' share	306	319
Other expenses	116	113
Sub-total	**423**	**432**
Total	**13,882**	**13,666**

13b - Accruals and other liabilities

	June 30, 2017	Dec. 31, 2016
Accruals - liabilities		
Accounts unavailable due to collection procedures	135	265
Currency adjustment accounts	334	15
Accrued expenses	851	830
Deferred income	666	657
Other accruals	6,815	1,940
Sub-total	**8,800**	**3,707**
Other liabilities		
Securities settlement accounts	899	270
Outstanding amounts payable on securities	289	231
Other payables	4,700	5,588
Sub-total	**5,888**	**6,088**
Other insurance liabilities		
Deposits and guarantees received	201	200
Sub-total	**201**	**200**
Total	**14,889**	**9,995**

NOTE 14 - Investments in associates

Equity value and share of net income (loss)

				June 30, 2017			
		Country	Percent interest	Investment value	Share of net income (loss)	Dividends received	Investments in joint ventures
Entities over which significant influence is exercised							
ACM Nord IARD	Unlisted	France	49.00%	34	4	8	NC*
ASTREE Assurances	Listed	Tunisia	30.00%	16	1	1	27
Banco Popular Español	Unlisted	Spain	0.00%	0	-246	0	0
Banque de Tunisie	Listed	Tunisia	34.00%	163	8	8	178
Banque Marocaine du Commerce Extérieur (BMCE)	Listed	Morocco	26.21%	981	-20	18	931
CMCP - Crédit Mutuel Cartes de Paiement	Unlisted	France	45.05%	1	0	0	NC*
Euro-Information	Unlisted	France	26.36%	325	12	1	NC*
Euro Protection Surveillance	Unlisted	France	25.00%	25	3	0	NC*
NELB (North Europe Life Belgium)	Unlisted	Belgium	49.00%	22	1	0	NC*
Royale Marocaine d'Assurance (formely RMA Watanya)	Unlisted	Morocco	22.02%	111	1	9	NC*
SCI La Tréflière	Unlisted	France	46.09%	10	0	0	NC*
Autres participations	Unlisted			2	0	0	NC*
TOTAL (1)				**1,689**	**-236**	**45**	
Joint ventures							
Bancas	Unlisted	France	50.00%	1	0	0	NC*
Banque du groupe Casino	Unlisted	France	50.00%	41	-6	0	NC*
TOTAL (2)				**42**	**-6**	**0**	
TOTAL (1) + (2)				**1,731**	**-242**	**45**	

** NC: not communicated*

				Dec. 31, 2016			
		Country	Percent interest	Investment value	Share of net income (loss)	Dividends received	Investments in joint ventures
Entities over which significant influence is exercised							
ACM Nord IARD	Unlisted	France	49.00%	39	7	9	NC*
ASTREE Assurances	Listed	Tunisia	30.00%	18	2	1	18
Banco Popular Español	Listed	Spain	3.95%	245	-262	4	152
Banque de Tunisie	Listed	Tunisia	34.00%	173	14	6	198
Banque Marocaine du Commerce Extérieur (BMCE)	Listed	Morocco	26.21%	1,039	52	19	984
CMCP - Crédit Mutuel Cartes de Paiement	Unlisted	France	45.05%	1	0	0	NC*
Euro-Information	Unlisted	France	26.36%	308	24	1	NC*
Euro Protection Surveillance	Unlisted	France	25.00%	22	6	0	NC*
NELB (North Europe Life Belgium)	Unlisted	Belgium	49.00%	21	3	0	NC*
Royale Marocaine d'Assurance (formely RMA Watanya)	Unlisted	Morocco	22.02%	102	33	10	NC*
SCI La Tréflière	Unlisted	France	46.09%	10	0	0	NC*
Autres participations	Unlisted			2	1	0	NC*
TOTAL (1)				**1,981**	**-120**	**49**	
Joint ventures							
Bancas	Non Coté	France	50.00%	1	0	0	NC*
Banque du groupe Casino	Non Coté	France	50.00%	47	-2	0	NC*
TOTAL (2)				**48**	**-2**	**0**	
TOTAL (1) + (2)				**2,028**	**-122**	**49**	

** NC: not communicated*

Banco Popular Español (BPE)

As a reminder, at December 31, 2016 BPE was consolidated as an associate in light of the significant influence relationship between it and the Group: Crédit Mutuel - CIC is represented on BPE's Board of Directors, the two Groups have a banking joint venture, and there are numerous cross-commercial agreements on the Franco-Spanish retail and corporate markets.
As a result of significant liquidity constraints, on June 6, 2017 the European Central Bank decided that Banco Popular was likely to fail and informed the Single Resolution Board accordingly.
The Single Resolution Board and the Spanish resolution authority (FROB) decided that the sale of Banco Popular to Banco Santander would serve the public interest by protecting all its depositors and ensuring its financial stability.
The resolution plan took effect on June 7, 2017 and the Single Resolution Board transferred all of Banco Popular's shares and capital instruments to Banco Santander for one euro.
The Crédit Mutuel-CM11 Group, which owned 3.95% of Banco Popular shares, recognized a capital loss net of impairment of €232 million already booked in net income (loss) of associates in its consolidated financial statements at June 30, 2017. This capital loss resulted from setting the equity-accounted value to zero at June 30, 2017 (€405.6 million) and reversing the impairment (€174 million).

Banque Marocaine du Commerce Extérieur (BMCE)

The investment in BMCE underwent an impairment test on June 30, 2017, which resulted in the recognition of a €50 million impairment provision.

NOTE 15 - Investment property

	Dec. 31, 2016	Additions	Disposals	Other movements	June 30, 2017
Historical cost	2,228	15	-1	-124	2,118
Accumulated depreciation and impairment provisions	-325	-15	0	42	-297
Net amount	**1,903**	**0**	**0**	**-82**	**1,821**

NOTE 16 - Property, equipment and intangible assets

16a - Property and equipment

	Dec. 31, 2016	Additions	Disposals	Other movements	June 30, 2017
Historical cost					
Land used in operations	438	1	0	29	468
Buildings used in operations	2,988	33	-15	75	3,082
Other property and equipment	1,217	35	-33	16	1,235
TOTAL	**4,643**	**69**	**-48**	**121**	**4,784**
Accumulated depreciation and impairment provisions					
Land used in operations	-5	-1	0	0	-6
Buildings used in operations	-1,874	-55	11	-21	-1,939
Other property and equipment	-918	-27	14	-19	-950
TOTAL	**-2,797**	**-83**	**26**	**-40**	**-2,894**
TOTAL - Net amount	**1,846**	**-14**	**-23**	**81**	**1,890**

16 b - Intangible assets

	Dec. 31, 2016	Additions	Disposals	Other movements	June 30, 2017
Historical cost					
. Internally developed intangible assets	16	0	-16	0	0
. Purchased intangible assets	1,428	15	-13	-2	1,428
- software	497	10	-10	0	497
- other	931	5	-3	-1	931
TOTAL	**1,444**	**15**	**-29**	**-2**	**1,428**
Accumulated depreciation and impairment provisions					
. Purchased intangible assets	-878	-30	26	2	-880
- software	-481	-9	26	0	-464
- other	-396	-22	0	2	-416
TOTAL	**-878**	**-30**	**26**	**2**	**-880**
Net amount	**566**	**-16**	**-3**	**0**	**548**

NOTE 17 - Goodwill

	Dec. 31, 2016	Additions	Disposals	Impairment losses/reversals	Other movements*	June 30, 2017
Goodwill, gross	4,563	0	0		-24	4,539
Impairment provisions	-475	0		-15	0	-490
Goodwill, net	**4,088**	**0**	**0**	**-15**	**-24**	**4,049**

Subsidiaries	Goodwill at Dec. 31, 2016	Additions	Disposals	Impairment losses/reversals	Other movements*	Goodwill at June 30, 2017
Targobank Allemagne	2781					2,781
Crédit Industriel et Commercial (CIC)	506					506
Cofidis Participations	457					457
Amgen Seguros Generales Compañia de Seguros y Reaseguros SA	53					53
CM-CIC Investissement SCR	21					21
CIC Iberbanco	15			-15		0
Banque de Luxembourg	13					13
Cofidis Italie	9					9
Banque Transatlantique	6					6
Transatlantique Gestion	5					5
Factofrance SAS	80				-12	68
Heller Gmbh et Targo Leasing GmbH	75				-12	63
Other	66					66
TOTAL	**4,088**	**0**	**0**	**-15**	**-24**	**4,049**

** Other changes correspond to the write-downs of goodwill following the adjustment of the purchase price of the entities concerned.*

NOTE 18 - Debt securities

	June 30, 2017	Dec. 31, 2016
Retail certificates of deposit	140	211
Interbank instruments and money market securities	56,770	61,262
Bonds	53,294	49,406
Accrued interest	662	1,424
TOTAL	**110,867**	**112,304**

NOTE 19 - Technical reserves of insurance companies

	June 30, 2017	Dec. 31, 2016
Life	70,646	70,569
Non-life	3,232	3,138
Unit of account	8,624	7,545
Other expenses	341	294
TOTAL	**82,842**	**81,547**
Of which deferred profit-sharing - liability	**10,402**	**9,956**
Reinsurers' share of technical reserves	**306**	**319**
TOTAL - Net technical reserves	**82,536**	**81,228**

NOTE 20 - Provisions

	Dec. 31, 2016	Additions	Reversals - provisions used	Reversals - provisions not used	Other movements	June 30, 2017
Provisions for risks	**305**	**64**	**-16**	**-40**	**-3**	**309**
Signature commitments	119	24	0	-28	-1	114
Financing and guarantee commitments	1	0	0	0	0	1
On country risks	0	0	0	0	0	0
Provision for taxes	38	2	-1	-6	0	33
Provisions for claims and litigation	86	36	-14	-6	30	132
Provision for risks on miscellaneous receivables	61	2	-1	0	-32	29
Other provisions	**986**	**115**	**-177**	**-73**	**-11**	**840**
Provisions for home savings accounts and plans	55	4	0	0	0	59
Provisions for miscellaneous contingencies	515	74	-158	-68	51	414
Other provisions (1)	416	37	-19	-5	-62	367
Provision for retirement benefits	**944**	**19**	**-12**	**-11**	**-77**	**863**
Retirement benefits - defined benefit and equivalent, excluding pension funds						
Retirement bonuses (2)	701	16	-7	-11	-75	624
Supplementary retirement benefits	159	3	-5	-1	-1	156
Long service awards (other long-term benefits)	53	0	-1	0	0	52
Sub-total recognized	913	19	-12	-11	-76	832
Supplementary retirement benefit - defined benefit, provided by Group's pension funds						
Provision for pension fund shortfalls (3)	31	0	0	0	0	31
Sub-total recognized	31	0	0	0	0	31
TOTAL	**2,235**	**198**	**-205**	**-125**	**-91**	**2,012**

(1) Other provisions include provisions set aside in respect of economic interest groupings (EIG) totaling €342 million.

(2) Other changes consist of changes in the discount rate, estimated based on the iBoxx index , held 1.64% at June 30, 2017 against 1.2% at 31 December 2016.

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

NOTE 21 - Subordinated debt

	June 30, 2017	Dec. 31, 2016
Subordinated debt	6,113	5,611
Non-voting loan stock	24	24
Perpetual subordinated loan stock	1,661	1,661
Other debt	0	0
Accrued interest	117	64
TOTAL	**7,914**	**7,360**

Main subordinated debt issues

en M€	Type	Issue date	Amount issued	Amount as of June 30, 2017	Rate	Maturity
Banque Fédérative du Crédit Mutuel	Subordinated Note	Dec. 6, 2011	€1,000m	€1,000m	5.30	Dec. 6, 2018
Banque Fédérative du Crédit Mutuel	Subordinated Note	Oct. 22, 2010	€1,000m	€911m	4.00	Oct. 22, 2020
Banque Fédérative du Crédit Mutuel	Subordinated Note	May 21, 2014	€1,000m	€1,000m	3.00	May 21, 2024
Banque Fédérative du Crédit Mutuel	Subordinated Note	Sept. 11,2015	€1,000m	€1,000m	3.00	Sept. 11,2025
Banque Fédérative du Crédit Mutuel	Subordinated Note	Mar. 24, 2016	€1,000m	€1,000m	2.48	Mar. 24, 2026
Banque Fédérative du Crédit Mutuel	Subordinated Note	Nov. 04, 2016	€700m	€700m	1.88	Nov. 04, 2026
Banque Fédérative du Crédit Mutuel	Subordinated Note	Mar. 31, 2017	€500m	€500m	2.63	Mar. 31, 2027
CIC	Non-voting loan stock	May 28, 1985	€137m	€10m	(2)	(3)
Banque Fédérative du Crédit Mutuel	Debt	Dec. 28, 2005	€500m	€500m	(4)	No fixed maturity
Banque Fédérative du Crédit Mutuel	Deeply subordinated note	Dec. 15, 2004	€750m	€737m	(5)	No fixed maturity
Banque Fédérative du Crédit Mutuel	Deeply subordinated note	Feb. 25, 2005	€250m	€250m	(6)	No fixed maturity
Banque Fédérative du Crédit Mutuel	Deeply subordinated note	Oct. 17, 2008	€147m	€147m	(7)	No fixed maturity

(1) Amounts net of intra-Group balances.
(2) Minimum 85% (TAM+TMO)/2 Maximum 130% (TAM+TMO)/2.
(3) Non amortizable, but redeemable at borrower's discretion with effect from May 28, 1997 at 130% of par revalued by 1.5% annually for subsequent years.
(4) 1-year Euribor + 0.3 basis points.
(5) 10-year CMS ISDA CIC + 10 basis points.
(6) 10-year CMS ISDA + 10 basis points.
(7) 3-months Euribor + 665 basis points.

NOTE 22 - Shareholders' equity

22a - Shareholders' equity (excluding unrealized or deferred gains and losses) attributable to the Group

	June 30, 2017	Dec. 31, 2016
. Capital stock and issue premiums	6,197	6,197
- Capital stock	1,689	1,689
- Issue premiums	4,509	4,509
. Consolidated reserves	15,449	14,006
- Regulated reserves	8	8
- Other reserves (including effects related to first-time application of standards)	15,440	13,997
- Retained earnings	0	1
. Net income for the year	816	1,655
TOTAL	**22,462**	**21,857**

22b - Unrealized or deferred gains and losses

	June 30, 2017	Dec. 31, 2016
Unrealized or deferred gains and losses relating to:*		
. Available-for-sale financial assets		
- equities	905	799
- bonds	690	687
. Hedging derivative instruments (cash flow hedges)	5	-19
. Actuarial gains and losses	-211	-264
. Translation adjustments	28	95
. Share of unrealized or deferred gains and losses of associates	17	17
TOTAL	**1,434**	**1,315**
Attributable to the Group	*1,108*	*968*
Attributable to minority interests	*326*	*347*

** Net of tax.*

22c - Recycling of gains and losses recognized directly in equity

	Changes 1st half 2017	Changes 1st half 2016
Translation adjustments		
- Reclassification in income	0	-66
- Other movements	-68	3
- Translation adjustment	*-68*	*-63*
Remeasurement of available-for-sale financial assets		
- Reclassification in income	0	-213
- Other movements	109	104
Remeasurement of available-for-sale financial assets	*109*	*-108*
Remeasurement of hedging derivative instruments		
- Other movements	24	1
Remeasurement of hedging derivatives	*24*	*1*
- Share of unrealized or deferred gains and losses of associates	0	3
Share of unrealized or deferred gains and losses of associates	*0*	*3*
TOTAL - Recyclable gains and losses	**67**	**-168**
- Actuarial gains and losses on defined benefit plans	53	-102
TOTAL - Non-recyclable gains and losses	**53**	**-102**
Total gains and losses recognized directly in shareholders' equity	**119**	**-270**

22d - Tax on components of gains and losses recognized directly in equity

	Changes 1st half 2017			Changes 1st half 2016		
	Gross amount	Corporate income tax	Net amount	Gross amount	Corporate income tax	Net amount
Translation adjustments	-68		-68	-63		-63
Remeasurement of available-for-sale financial assets	167	-57	109	-165	57	-108
Remeasurement of hedging derivatives	37	-13	24	2	-1	1
Actuarial gains and losses on defined benefit plans	80	-28	53	-155	53	-102
Share of unrealized or deferred gains and losses of associates	0		0	3		3
Total gains and losses recognized directly in shareholders' equity	**217**	**-98**	**119**	**-379**	**110**	**-270**

NOTE 23 - Commitments given and received

Commitments and guarantees given	June 30, 2017	Dec. 31, 2016
Financing commitments		
Commitments given to credit institutions	1,385	1,316
Commitments given to customers	44,929	43,180
Guarantee commitments		
Guarantees given on behalf of credit institutions	3,059	2,560
Guarantees given on behalf of customers	14,697	15,191
Commitments on securities		
Other commitments given	1,816	89
Commitments given by the Insurance business line	1,477	1,379

Commitments and guarantees received	June 30, 2017	Dec. 31, 2016
Financing commitments		
Commitments received from credit institutions	18,219	17,664
Engagements reçus de la clientèle	0	56
Guarantee commitments		
Commitments received from credit institutions	40,431	38,745
Commitments received from customers	11,643	11,437
Commitments on securities		
Other commitments received	1,893	740
Commitments received by the Insurance business line	4,463	4,713

NOTE 24 - Interest income, interest expense and equivalent

	1st Half 2017		1st Half 2016	
	Income	Expense	Income	Expense
. Credit institutions and central banks	264	-176	444	-270
. Customers	4,529	-1,827	4,481	-1,914
- of which finance leases and operating leases	1,527	-1,348	1,409	-1,281
. Hedging derivative instruments	968	-984	1,037	-1,085
. Available-for-sale financial assets	225		272	
. Held-to-maturity financial assets	51		111	
. Debt securities		-864		-968
. Subordinated debt		-14		-16
TOTAL	**6,037**	**-3,865**	**6,345**	**-4,253**

NOTE 25 - Fees and commissions

	1st Half 2017		1st Half 2016	
	Income	Expense	Income	Expense
Credit institutions	2	-3	3	-5
Customers	604	-7	512	-8
Securities	396	-32	347	-33
of which funds managed for third parties	*284*		*257*	
Derivative instruments	1	-2	2	-2
Foreign exchange	9	-1	10	-1
Financing and guarantee commitments	35	-10	52	-6
Services provided	812	-513	686	-409
TOTAL	**1,860**	**-569**	**1,612**	**-464**

NOTE 26 - Net gain (loss) on financial instruments at fair value through profit or loss

	1st Half 2017	1st Half 2016
Trading derivative instruments	270	260
Instruments designated under the fair value option(1)	265	134
Ineffective portion of hedging instruments	-46	-46
. Fair value hedges	-46	-46
. Change in fair value of hedged items	107	-288
. Change in fair value of hedging items	-153	243
Foreign exchange gains (losses)	40	20
Total changes in fair value	**528**	**368**

(1) of which €165 million relating to the Private equity business line vs €130 million as of June 30, 2016

NOTE 27 - Net gain (loss) on available-for-sale financial assets

	1st Half 2017			
	Dividends	Realized gains (losses)	Impairment losses	Total
. Government securities, bonds and other fixed-income securities		94	0	94
. Equities and other variable-income securities	13	-12	11	11
. Long-term investments	34	0	-4	30
. Other expenses	0	0	0	0
TOTAL	**47**	**82**	**6**	**135**

	1st Half 2016			
	Dividends	Realized gains (losses)	Impairment losses	Total
. Government securities, bonds and other fixed-income securities		30	-	30
. Equities and other variable-income securities	61	- 49	- 2	9
. Long-term investments (1)	33	271	17	321
. Other expenses	-	- 0	-	- 0
TOTAL	**93**	**252**	**15**	**360**

(1) includes income from the sale of Visa shares

NOTE 28 - Other income and expense

	1st Half 2017	1st Half 2016
Income from other activities		
. Insurance contracts	6,228	5,991
. Investment property	0	1
- Reversals of depreciation, amortization and impairment charges	0	0
. Rebilled expenses	14	12
. Other income	500	468
Sub-total	**6,743**	**6,473**
Expenses on other activities		
. Insurance contracts	-5,224	-5,132
. Investment property	-19	-17
- depreciation, amortization and impairment charges (based on the accounting method selected)	-19	-17
. Other expenses	-267	-285
Sub-total	**-5,510**	**-5,435**
Other income and expense, net	**1,233**	**1,038**

Net income from the Insurance business line

	1st Half 2017	1st Half 2016
Earned premiums	4,765	5,252
Claims and benefits expenses	-3,684	-3,400
Movements in provisions	-1,546	-1,732
Other technical and non-technical income and expense	41	32
Net investment income	1,428	706
TOTAL	**1,004**	**859**

NOTE 29 - General operating expenses

	1st Half 2017	1st Half 2016
Payroll costs	-1,596	-1,547
Other operating expenses	-1,470	-1,469
TOTAL	**-3,067**	**-3,016**

29a - Payroll costs

	1st Half 2017	1st Half 2016
Salaries and wages	-1,049	-1,020
Social security contributions (1)	-367	-351
Employee benefits - short-term	-1	-1
Incentive bonuses and profit-sharing	-80	-74
Payroll taxes	-101	-101
Other expenses	1	0
TOTAL	**-1,596**	**-1,547**

(1) The CICE tax credit for competitiveness and employment is recognized as a credit to payroll costs and amounted to €19 million in 1st half 2017

Number of employees

Average number of employees	1st Half 2017	1st Half 2016
Banking staff	26,533	25,914
Management	15,602	14,939
TOTAL	**42,135**	**40,853**
Analysis by country		
France	28,876	27,918
Rest of the world	13,259	12,935
TOTAL	**42,135**	**40,853**

	1st Half 2017	1er sem 2016
*Number of employees at end of year**	**45,276**	**43,757**

** The number of employees at end of June 30, 2017 corresponds to the total number of employees in all entities controlled by the Group as of June 30. In contrast, the consolidated average number of employees (full-time equivalent, or FTE) is limited to the scope of financial consolidation (full consolidation).*

29b - Other operating expenses

	1st Half 2017	1st Half 2016
Taxes and duties (1)	-270	-233
External services	-1,104	-1,034
Other miscellaneous expenses (transportation, travel, etc.)	12	8
TOTAL	**-1,362**	**-1,260**

(1) of which €87 million for the contribution to the Single Resolution Fund to 30 June 2017 against 63 million at June 30, 2016.

29c - Depreciation, amortization and impairment of property, equipment and intangible assets

	1st Half 2017	1st Half 2016
Depreciation and amortization	-100	-119
- property and equipment	-80	-82
- intangible assets	-19	-37
Impairment losses	-9	-90
- property and equipment	-1	0
- intangible assets	-8	-90
TOTAL	**-108**	**-209**

NOTE 30 - Cost of risk

1st Half 2017	Additions	Reversals	Loan losses covered by provisions	Loan losses not covered by provisions	Recoveries on loans written off in previous years	TOTAL
Credit institutions	0	8	0	0	2	10
Customers	-761	809	-342	-143	95	-342
. Finance leases	-57	63	-12	-1	1	-5
. Other customer items	-704	745	-330	-142	94	-337
Sub-total	**-761**	**817**	**-342**	**-143**	**97**	**-332**
Available-for-sale financial assets	-3	0	-1	-7	8	-3
Other	-35	36	0	-1	0	0
TOTAL	**-808**	**853**	**-343**	**-150**	**105**	**-344**

1st Half 2016	Additions	Reversals	Loan losses covered by provisions	Loan losses not covered by provisions	Recoveries on loans written off in previous years	TOTAL
Credit institutions	0	2	0	0	0	2
Customers	-623	668	-201	-240	72	-324
. Finance leases	-3	4	-1	-1	0	0
. Other customer items	-621	663	-200	-239	72	-324
Sub-total	**-623**	**670**	**-201**	**-240**	**72**	**-321**
Held-to-maturity financial assets	0	0	0	0	0	0
Available-for-sale financial assets	-1	0	-2	-6	9	1
Other	-28	34	0	-1	0	6
TOTAL	**-652**	**704**	**-202**	**-247**	**82**	**-315**

NOTE 31 - Gains (losses) on other assets

	1st Half 2017	1st Half 2016
Property, equipment and intangible assets	-1	11
. Losses on disposals	-3	-1
. Gains on disposals	2	12
Gain (loss) on consolidated securities sold	0	0
TOTAL	**-1**	**11**

NOTE 32 - Change in value of goodwill

	1st Half 2017	1st Half 2016
Impairment of goodwill	-15	-187
TOTAL	**-15**	**-187**

NOTE 33 - Corporate income tax

Breakdown of income tax expense

	1st Half 2017	1st Half 2016
Current taxes	-664	-541
Deferred taxes	-24	42
Adjustments in respect of prior years	1	-1
TOTAL	**-687**	**-499**

NOTE 34 - Earnings per share

	1st Half 2017	1st Half 2016
Net income attributable to the Group	816	775
Number of stock units at beginning of year	33,770,590	33,770,590
Number of stock units at end of year	33,770,590	33,770,590
Weighted average number of stock units	33,770,590	33,770,590
Basic earnings per share	24.17	22.94
Additional weighted average number of stock units assuming full dilution	0	0
Diluted earnings per share	24.17	22.94

NOTE 35 - Related party transactions

Statement of financial position items concerning related party transactions

	June 30, 2017			Dec. 31, 2016		
	Companies consolidated using the equity method	Other entities in the Confédération Nationale	Parent companies - Crédit Mutuel-CM11 Group	Companies consolidated using the equity method	Other entities in the Confédération Nationale	Parent companies - Crédit Mutuel-CM11 Group
Assets						
Loans, advances and securities						
Loans and receivables due from credit institutions	1,115	2,545	29,989	958	2,206	32,427
Loans and receivables due from customers	26	9	0	28	16	0
Securities	117	149	543	61	148	763
Other assets	4	27	0	6	24	3
TOTAL	1,262	2,731	30,532	1,053	2,395	33,193
Liabilities						
Deposits						
Due to credit institutions	186	701	9,822	74	642	8,902
Due to customers	435	1,521	25	471	1,537	25
Debt securities	0	446	0	0	555	0
Other liabilities	35	73	756	41	64	781
TOTAL	656	2,742	10,602	586	2,799	9,708
Financing and guarantee commitments						
Financing commitments given	440	3	0	390	10	0
Guarantee commitments given	13	15	14	13	13	0
Guarantee commitments received	0	537	1,607	0	543	1,445

Income statement items concerning related party transactions

	1st Half 2017			1st Half 2016		
	Companies consolidated using the equity method	Other entities in the Confédération Nationale	Parent companies - Crédit Mutuel-CM11 Group	Companies consolidated using the equity method	Other entities in the Confédération Nationale	Parent companies - Crédit Mutuel-CM11 Group
Interest received	7	5	327	7	14	391
Interest paid	0	-10	-22	0	-11	-23
Fees and commissions received	9	0	2	8	0	2
Fees and commissions paid	-9	0	-25	-12	0	-18
Other income (expense)	17	9	-2	18	-8	-29
General operating expenses	-196	0	-23	-191	0	-23
TOTAL	-173	5	257	-171	-5	301

"Other entities in the Confédération Nationale" correspond to the other Crédit Mutuel regional federations that do not belong to the Caisse Fédérale de Crédit Mutuel.

Relations with parent companies are mainly loans and borrowings in the context of cash management.

5. Statutory Auditors' Review Report on the Half-yearly Financial Information

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

PricewaterhouseCoopers France
63, rue de Villiers
92200 Neuilly-sur-Seine
S.A.R.L. au capital de € 86.000
(Limited liability company with a capital of € 86.000)

Statutory Auditor
Member of the Versailles
regional institute of accountants

ERNST & YOUNG et Autres
1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1, France
S.A.S. à capital variable
(*Simplified stock company with variable capital*)

Statutory Auditor
Member of the Versailles
regional institute of accountants

Banque Fédérative du Crédit Mutuel - BFCM
For the period from January 1 to June 30, 2017

Statutory Auditors' Review Report on the Half-yearly Financial Information

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting and in accordance with the requirements of article L.451-1-2 III of the French monetary and financial code ("code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of BFCM Group, for the period from January 1 to June 30, 2017,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the board of directors. Our role is to express a conclusion on these financial statements based on our review.

1. Opinion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, August 1, 2017

The Statutory Auditors

French original signed by

PricewaterhouseCoopers France	ERNST & YOUNG et Autres
Jacques Lévi	Olivier Durand Hassan Baaj

6. Additional Information Regarding Pillar 3 of the Basel Agreements at December 31, 2016 - Crédit Mutuel-CM11 Group

The "Original maturity" dates of the tier 2 (T2) capital instruments detailed on pages 213 to 219 of the Crédit Mutuel-CM11 Group's 2016 Registration Document are modified as follows:

1	Issuer	5/ Banque Fédérative du Crédit Mutuel
2	Unique Identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	FR0011138742
3	Governing law of the instrument	French
13	Original maturity date	06/12/2018

1	Issuer	6/ Banque Fédérative du Crédit Mutuel
2	Unique Identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS0548803757
3	Governing law of the instrument	English unless subordination
13	Original maturity date	10/22/2020

1	Issuer	7/ Banque Fédérative du Crédit Mutuel
2	Unique Identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS1069549761
3	Governing law of the instrument	English unless subordination
13	Original maturity date	05/21/2024

1	Issuer	8/ Banque Fédérative du Crédit Mutuel
2	Unique Identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS1288858548
3	Governing law of the instrument	English unless subordination
13	Original maturity date	11/09/2025

1	Issuer	9/ Banque Fédérative du Crédit Mutuel
2	Unique Identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS1385945131
3	Governing law of the instrument	English unless subordination
13	Original maturity date	03/24/2026

1	Issuer	10/ Banque Fédérative du Crédit Mutuel
2	Unique Identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS1512677003
3	Governing law of the instrument	English unless subordination
13	Original maturity date	04/11/2026

In addition to the information provided on page 221 in paragraph "IV.3.3 – Reconciliation of the financial balance sheet/regulatory balance sheet/shareholders' equity" of the Crédit Mutuel-CM11 Group's 2016 Registration Document, the following table presents a detailed breakdown of the Group's capital:

Equity held in the ratio's numerator	CET1	AT1	AT2
Capital attributable to owners of the company			
Paid-in capital	5,927		
(-) Indirect holdings in CET1 instruments	0		
Share premiums	0		
Prior retained earnings	27,924		
Gain or loss (attributable to owners of the company)	2,410		
(-) Non-qualifying share of interim or year-end profits	-68		
Capital - Non-controlling interests			
Qualifying non-controlling interests	1,177	0	0
Accumulated other comprehensive income	202		
of which equity instruments	412		
of which debt instruments	5		
of which cash flow hedge reserve	-32		
General banking risks reserve (solo entity under French standards)	0		
Balance sheet items included in the capital calculation			
(-) Gross amount of other intangible assets including deferred tax liabilities on intangible ass	-486		
(-) Goodwill in intangible assets	-4,859		
(-) Deferred tax assets that rely on future profits and do not arise from temporary differences net of related tax liabilities	-6		
(-) Deductible deferred tax assets that rely on future profits and arise from temporary differe	0		
Subordinated debt			5,211
(-) Securitization positions that may be weighted at 1.250%	-386		
(-) Instruments of relevant entities where the institution does not have a significant investme	0	0	0
(-) Instruments of relevant entities where the institution has a significant investment	0	0	0
Other adjustments			
Prudential filter: cash flow hedge reserve	32		
Prudential filter: value adjustments due to requirements for prudent valuation	-53		
Prudential filter: cumulative gains and losses on liabilities measured at fair value due to changes in own credit standing	0		
Prudential filter: FV gains and losses arising from own credit risk related to derivative liabili	-4		
Transitional adjustments due to grandfather clauses on capital instruments	0	1,299	55
Transitional adjustments due to grandfathering clauses on additional non-controlling interests	335	0	46
Transitional adjustments on gains and losses on capital instruments	-165		
Transitional adjustments on gains and losses on debt instruments	-2		
Other transitional adjustments	-34	0	91
Under the internal ratings-based approach, negative difference between provisions and expected losses	-716		
Under the internal ratings-based approach, positive difference between provisions and expected losses			96
Credit risk adjustments (standardized approach)			237
TOTAL	31,227	1,299	5,737

The units of the tables presented on page 245 in paragraph "IV.8.6 – Exposure by type of securitization" of the Crédit Mutuel-CM11 Group's 2016 Registration Document are modified as follows:

		2016		
EAD (€ billion)	**Banking portfolio**		**Trading portfolio**	**Correlation portfolio**
Credit quality	Standadized approach	Internal ratings based-approach	Internal ratings based-approach	Internal ratings based-approach
Investor				
Traditional securitization	0.2	5.7	0.9	
Synthetic securitization				0.9
Traditional resecuritization				
Synthetic resecuritization				
Sponsor		0.0		
Total	**0.2**	**5.7**	**0.9**	**0.9**

		2016		
EAD (€ billion)	**Banking portfolio**		**Trading portfolio**	**Correlation portfolio**
Credit quality	Standadized approach	Internal ratings based-approach	Internal ratings based-approach	Internal ratings based-approach
E1	0.1	4.2	0.9	
E2		0.8	0.0	
E3		0.0		
E4		0.0		
E5		0.0	0.0	
E6	0.1	0.0		
E7		0.1	0.0	
E8		0.2		
E9		0.0		
E10	0.0	0.0		
E11		0.0	0.0	
Positions weighted at 1,250%	0.0	0.4	0.0	
Total	**0.2**	**5.7**	**0.9**	**0.9 ***

* the securitization of the correlation portfolio is calculated using the method of the regulatory formula and can not therefore be entered by credit quality step

7. Governance

BFCM's Board of Directors

At its meeting on April 6, 2017, the Board of Directors:

- reappointed Hervé Brochard, Jean Louis Girodot, Damien Lievens, Gérard Oliger, Michel Vieux and Nicolas Théry as members of the Board of Directors for a three-year term.
- reappointed Robert Laval and Fernand Lutz as non-voting directors for a three-year term.
- appointed Philippe Tuffreau as non-voting director for a three-year term to replace Bernard Flouriot.

On July 27, 2017, the Board of Directors reappointed Marie-Hélène Dumont and Alain Tessier as non-voting directors for a three-year term, i.e. until July 27, 2020.

Summary table of the composition of the Board of Directors

Corporate officer	Representative	Position	Since	Until
THERY Nicolas		Board Chairman	11/14/2014	05/3/2020
HUMBERT Jacques		Vice-President	05/3/2006	06/30/2018
BOISSON Jean-Louis		Board Member	05/3/2006	06/30/2018
BONTOUX Gérard		Board Member	05/6/2009	06/30/2018
BROCHARD Hervé		Board Member	05/10/2013	05/3/2020
CORGINI Maurice		Board Member	05/3/2006	06/30/2018
CORMORECHE Gérard		Board Member	05/10/2007	06/30/2019
GIRODOT Jean-Louis		Board Member	05/7/2008	05/3/2020
GRAD Etienne		Board Member	12/17/2010	06/30/2019
LIEVENS Damien		Board Member	07/30/2015	05/3/2020
LUCAS Michel		Board Member	05/10/2007	06/30/2019
MARTIN Jean-Paul		Board Member	05/10/2007	06/30/2019
MIARA Lucien		Board Member	05/13/2015	06/30/2018
OLIGER Gerard		Board Member	05/7/2008	05/3/2020
ROCIPON Daniel		Board Member	02/25/2016	05/3/2018
TETEDOIE Alain		Board Member	05/10/2007	06/30/2018
VIEUX Michel		Board Member	05/11/2011	05/3/2020
Caisse Fédérale du Crédit Mutuel Maine-Anjou, Basse-Normandie	LEROYER Daniel	Board Member	11/18/2011	06/30/2018

Non-voting members:

BAZILLE Jean Louis, BLANC Yves, BOKARIUS Michel, BRUTUS Aimée, COURTOIS Claude, DANGUEL Roger, DIACQUENOD Gérard, DUMONT Marie-Hélène, GROC Monique, LAVAL Robert, LUTZ Fernand, PUPEL Alain, TESSIER Alain, TRINQUET Dominique, TRUFFREAU Philippe.

Executive management of BFCM and Caisse Fédérale du Crédit Mutuel

On April 6, 2017, the boards of directors of Caisse Fédérale du Crédit Mutuel and Banque Fédérative du Crédit Mutuel appointed Daniel Baal as the Chief Executive Officer and executive directors as of June 1, 2017, thereby replacing Alain Fradin.

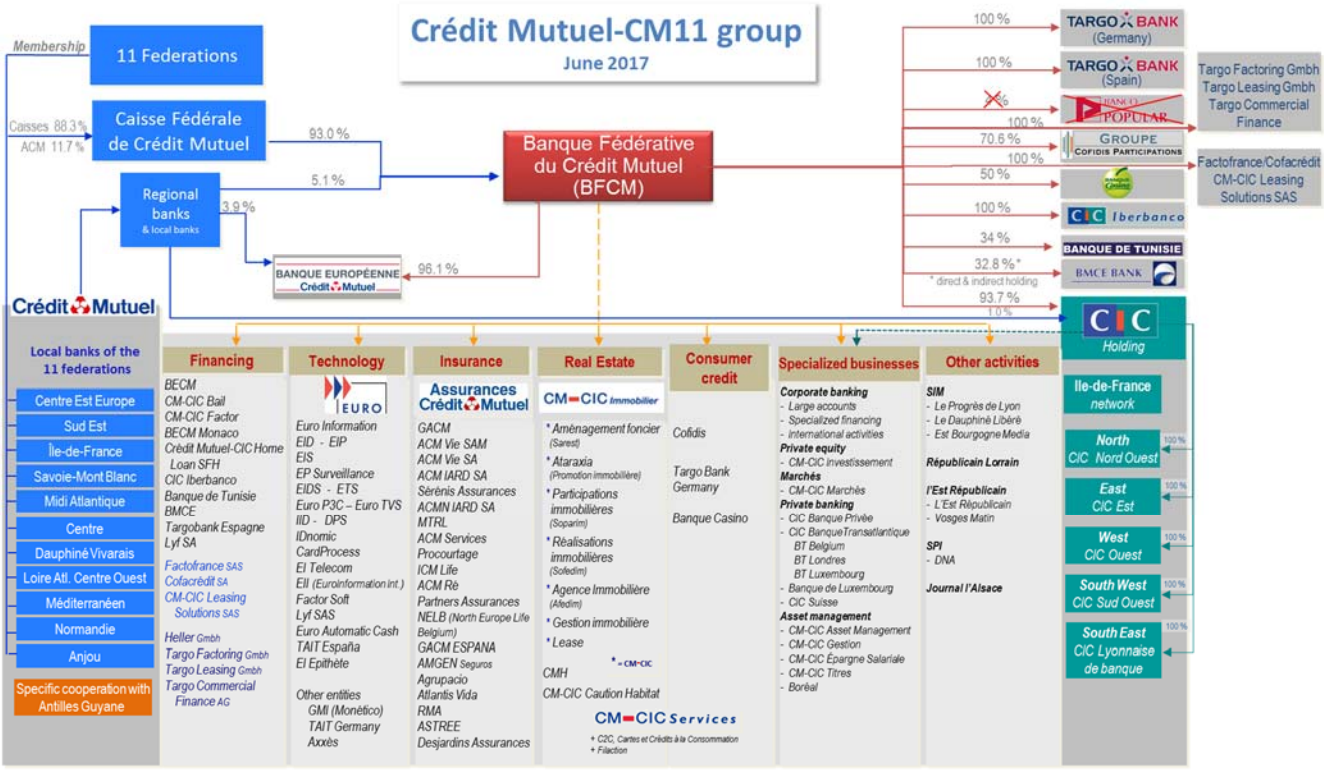
Mr. Daniel Baal, Chairman of the Board of Directors
Born December 27, 1957 in Strasbourg (67)
Work address:
Caisse Fédérale de Crédit Mutuel
34, rue du Wacken – 67000 Strasbourg

Other functions inside the group:

Position	Legal name of entity
Chief Executive Officer	Fédération Centre Est Europe
	Caisse Fédérale de Crédit Mutuel
	Banque Fédérative du Crédit Mutuel
	Crédit Industriel et Commercial
Chairman or Vice-President of the Board of Directors or Supervisory Board	CIC Sud-Ouest
	CIC Ouest
	Cofidis
	Cofidis Participations
	Euro Information Production
	Targo Deutschland GmbH
	Targo Management AG
	Targobank AG
Member of the Executive Board	GACM
Vice-President of the Supervisory body	Banque de Luxembourg

8. Information regarding the Crédit Mutuel-CM11 Group and BFCM – Recent events and outlook

8.1 Presentation of the group



New developments since December 31, 2016.

1) After acquiring all of the shares of Targo Deutschland Gmbh from CM Akquisitions Gmbh (CMA) in 2016, Banque Fédérative du Crédit Mutuel (BFCM) absorbed CMA. The cross-border merger was definitively filed with the trade and companies registrar of Düsseldorf on March 15, 2017 and the related notary's certificate validated the merger in France effective as of March 22, 2017. The merger/absorption by BFCM of CMA entailed the universal transmission of the assets of the absorbed company (CMA) to the absorbing company (BFCM); all of CMA's assets and liabilities were therefore transferred to BFCM via a merger operation that involved the dissolution of CMA without liquidation.

2) On March 30, 2017, BFCM acquired 16% of the share capital of Cofidis Participations, bringing its stake to 70.63%. This operation followed the exercise of reciprocal put and call options decided in 2008.

3) On June 2, 2017, BFCM became Targobank Spain's sole shareholder by acquiring 48.98% of its capital from Banco Popular. This acquisition was completed following approval of the operation by the competent bodies of Banco Popular and BFCM and completion of the formalities with the Bank of Spain (Banco de España) and the supervisory bodies, in accordance with prevailing legislation. BFCM, which already held 51.02% of Targobank Spain's capital stock, is now the sole shareholder. This operation is a follow-up to the acquisition of a controlling interest several months ago. It reflects the Crédit Mutuel-CM11 Group's commitment to further expand its core banking, insurance and services businesses in the Spanish retail and corporate market.

4) As a reminder, at December 31, 2016 Banco Popular Español (BPE) was consolidated as an associate in light of the significant influence relationship between it and the Group: Crédit Mutuel-CM11 is represented on BPE's Board of Directors, the two Groups have a banking joint venture, and there are numerous cross-commercial agreements on the Franco-Spanish retail and corporate markets.
As a result of significant liquidity constraints, on June 6, 2017 the European Central Bank decided that BPE was likely to fail and informed the Single Resolution Board accordingly. The Single Resolution Board and the Spanish resolution authority (FROB) decided that the sale of BPE to Banco Santander would serve the public interest by protecting all its depositors and ensuring its financial stability. The resolution plan took effect on June 7, 2017 and the Single Resolution Board transferred all of BPE's shares and capital instruments to Banco Santander for one euro.
The Crédit Mutuel-CM11 Group, which owned 3.95% of BPE shares, recognized a capital loss net of impairment of €232 million already booked in net income (loss) of associates in its consolidated financial statements at June 30, 2017. This €232 million capital loss resulted from setting the equity-accounted value to zero at June 30, 2017 (€405.6 million) and reversing the impairment (€174 million).

Expected developments after the June 30, 2017 closing.

1) On June 6, 2017, Banque Fédérative du Crédit Mutuel (BFCM) and Mutuelles Investissement, a company whose share capital is owned by BFCM (90%) and by Assurances du Crédit Mutuel Vie (10%), announced their intention to file a simplified tender offer for the shares of CIC with the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) in the near future.

   The proposed tender offer concerns all the CIC shares not yet held, directly or indirectly, by BFCM at a price of €390 per share, i.e. 6.86% of CIC's capital. The proposed price represents (i) a 78.1% premium over the closing price on June 2, 2017, and (ii) a 91.6% premium over the average price over the last three months, and gives the shareholders an attractive liquidity opportunity.

   If the conditions are met upon completion of the offer, BFCM and Mutuelles Investissement intend to ask the AMF to implement a squeeze-out procedure, which would simplify the Group's structure.

   After a preliminary review of the main terms of the offer, CIC's Board of Directors met on June 6, 2017 and:

   • unanimously approved the proposed tender offer;

   • decided to set up an ad hoc committee consisting of two directors, which will be responsible for monitoring the work of the independent expert (appointed below);

   • appointed, at the recommendation of the members of the ad hoc committee, the firm Finexsi, represented by Olivier Peronnet and Lucas Robin, as independent expert.

   Based on this expert's report and the opinion of the ad hoc committee, on June 28, 2017 CIC's Board of Directors issued its reasoned opinion on the proposed tender offer. That same day, CIC's draft response document was filed with the AMF. It contains Finexsi's report on the financial terms of the simplified tender offer.

   On July 18, 2017, the AMF declared that the offer was compliant. The offer document of the BFCM and Mutuelles Investissement co-initiators (AMF approval No. 17-362 of July 18, 2017) and CIC's response document (AMF approval No. 17-363 of July 18, 2017) were published and the information mentioned in Article 231-28 of the AMF General Regulation (information regarding the legal, financial and accounting characteristics, in particular, of the co-initiators and CIC) were filed and published (press releases published on July 19, 2017).

The tender offer was open from July 20 to August 2.

The publication by the AMF of the result of the offer is scheduled for August 7, 2017 and, where applicable, the squeeze-out procedure and delisting are scheduled for August 11, 2017.

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

2) On June 6, 2017, CIC announced that it has entered into exclusive discussions with Indosuez Wealth Management to sell its private banking activities in Singapore and Hong Kong. Combining the CIC private banking activities in Singapore and Hong Kong with those of Indosuez Wealth Management would offer CIC's clients, staff and partners in this area opportunities to develop and grow under the control of a strong financial institution. The operation would bring together two successful private banking businesses with very similar cultures and values to strengthen their presence in Asia. It would enable CIC's Private Banking platform in Asia, its staff and its clients to build on the existing momentum to grow to the next level of development and broaden its range of services.

CIC remains fully committed to Asia and would focus on the development and growth of its core Corporate Banking, Structured Finance and Institutional businesses in the Asia Pacific region.

CIC will continue to promote its corporate and institutional businesses by building on the many opportunities identified in the Asia Pacific region and focus on its promising growth prospects. For that purpose, its branches in Asia will continue to benefit from the strength of the Crédit Mutuel-CM11 Group. The transaction is expected to be finalized by the end of the year and is subject both to the necessary regulatory approvals and to customary employee consultation procedures in France.

On July 13, 2017, CIC signed an agreement with Indosuez Wealth Management to sell its private banking activities in Singapore and Hong Kong.

Finalization of the operation, which remains subject to the necessary regulatory approvals being obtained, is expected by the end of the year.

8.2 Distribution of BFCM's capital as of June 30, 2017

Raison sociale détentrice	% held	number of shares	nominal amount held (€)
Caisse Fédérale de Crédit Mutuel	92.98%	31,401,572	1,570,078,600
CRCM Midi Atlantique	0.07%	24,484	1,224,200
CCM Sud Est (ex CFCM)	0.18%	61,535	3,076,750
CRCM Savoie Mont-Blanc	0.00%	20	1,000
CRCM Méditéranéen	0.22%	74,560	3,728,000
Fédération du Crédit Mutuel Centre Est Europe	0.00%	81	4,050
CRCM Loire Atlantique Centre Ouest	2.20%	741,949	37,097,450
CRCM Ile de France	0.43%	146,411	7,320,550
CRCM de Normandie	0.37%	123,806	6,190,300
CRCM du Centre	0.91%	308,726	15,436,300
CRCM Dauphiné Vivarais	0.01%	2,470	123,500
Personnes physiques	0.00%	42	2,100
CRCM Anjou	0.52%	176,001	8,800,050
CFCM Maine Anjou Basse-Normandie	1.36%	459,722	22,986,100
CFCM Océan	0.51%	172,116	8,605,800
CFCM Nord Europe	0.00%	1	50
CFCM Antilles Guyanne	0.01%	3,111	155,550
CCM Anjou	0.00%	390	19,500
CCM Centre Est Europe	0.17%	59,066	2,953,300
CCM Centre	0.00%	1,030	51,500
CCM Dauphiné Vivarais	0.00%	551	27,550
CCM Ile de France	0.01%	1,890	94,500
CCM Loire Atlantique Centre Ouest	0.00%	1,480	74,000
CCM Méditéranéen	0.00%	1,340	67,000
CCM Midi Atlantique	0.00%	1,172	58,600
CCM Normandie	0.00%	870	43,500
CCM Savoie Mont-Blanc	0.00%	490	24,500
CCM Sud Est	0.02%	5,704	285,200
	100.00%	33,770,590	1,688,529,500

CRCM : Caisse Régionale de Crédit Mutuel / CCM : Caisses de Crédit Mutuel / CFCM : Caisse Fédérale de Crédit Mutuel

Changes in the distribution of capital stock during the half-year period:

Caisse Fédérale de Crédit Mutuel sold 20 BFCM shares to two local banks.

CRCM Sud Est sold 10 BFCM shares to a local bank.

8.3 Main risks and uncertainties for the second half of 2017

The main risks and uncertainties related to the macroeconomic environment are presented on pages 6 and 7 in the section entitled “2017 Outlook”.

8.4 Recent events specific to the Crédit Mutuel-CM11 Group and BFCM that have a material impact on the assessment of its solvency

On June 6, 2017, Banque Fédérative du Crédit Mutuel (BFCM) and Mutuelles Investissement, a company whose share capital is owned by BFCM (90%) and by Assurances du Crédit Mutuel Vie (10%), announced their intention to file a simplified tender offer for the shares of CIC with the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) in the near future.

The proposed tender offer concerns all the CIC shares not yet held, directly or indirectly, by BFCM at a price of €390 per share, i.e. 6.86% of CIC's capital. The proposed price represents (i) a 78.1% premium over the closing price on June 2, 2017, and (ii) a 91.6% premium over the average price over the last three months, and gives the shareholders an attractive liquidity opportunity.

If the conditions are met upon completion of the offer, BFCM and Mutuelles Investissement intend to ask the AMF to implement a squeeze-out procedure, which would simplify the Group's structure.

After a preliminary review of the main terms of the offer, CIC's Board of Directors met on June 6, 2017 and:

• unanimously approved the proposed tender offer;

• decided to set up an ad hoc committee consisting of two directors, which will be responsible for monitoring the work of the independent expert (appointed below);

• appointed, at the recommendation of the members of the ad hoc committee, the firm Finexsi, represented by Olivier Peronnet and Lucas Robin, as independent expert.

Based on this expert's report and the opinion of the ad hoc committee, on June 28, 2017 CIC’s Board of Directors issued its reasoned opinion on the proposed tender offer. That same day, CIC’s draft response document was filed with the AMF. It contains Finexsi’s report on the financial terms of the simplified tender offer.

On July 18, 2017, the AMF declared that the offer was compliant. The offer document of the BFCM and Mutuelles Investissement co-initiators (AMF approval No. 17-362 of July 18, 2017) and CIC's response document (AMF approval No. 17-363 of July 18, 2017) were published and the information mentioned in Article 231-28 of the AMF General Regulation (information regarding the legal, financial and accounting characteristics, in particular, of the co-initiators and CIC) were filed and published (press releases published on July 19, 2017).

The tender offer was open from July 20 to August 2.

The publication by the AMF of the result of the offer is scheduled for August 7, 2017 and, where applicable, the squeeze-out procedure and delisting are scheduled for August 11, 2017.

The impact of the tender offer on CIC's shares was simulated based on the calculations of the CET1 ratio at March 31, 2017. It resulted in a 0.2 point decrease in the ratio.

Overall, after the impact of the tender offer on CIC's shares, the simulated CET1 ratio on March 31, 2017 was 15.5% and remained significantly higher than the CET1 ratio on December 31, 2016 (15.1%).

9. Documents available to the public – Person responsible for the information

Documents available to the public

During the period of validity of the registration document, the following documents (or copies thereof) may be consulted:

By accessing BFCM's website (corporate site)

http://www.bfcm.creditmutuel.fr

- Historical financial information on BFCM and the Crédit Mutuel-CM11 Group for each of the two fiscal years preceding publication of the Registration Document.
- The 2016 Registration Document and those of the two previous fiscal years.

In document form

- The issuer's articles of incorporation and bylaws.
- All reports, mail and other documents, historical financial information, assessments and declarations compiled by an expert at the issuer's request, a part of which is included or referred to in the registration document.
- Historical financial information on BFCM's subsidiaries for each of the two fiscal years preceding publication of the registration document.

By mailing a written request to:

Banque Fédérative du Crédit Mutuel
Département Juridique
34 Rue du Wacken BP 412
67002 Strasbourg Cedex

Person responsible for the information

Mr. Marc Bauer

Deputy Chief Operating Officer of BFCM and Chief Financial Officer of the Crédit Mutuel-CM11 Group

Telephone: +33 (0)3 88 14 68 03

E-mail: marc.bauer@creditmutuel.fr

Statutory auditors

In addition to the information presented on page 479 of the 2016 Registration Document, Mr. Hassan Baaj represents **Ernst & Young et Autres**, along with Mr. Olivier Durand.

Mr. Jacques Lévi represents **PricewaterhouseCoopers France**.

10. Certification statement by the person responsible for updating the Registration Document and for the interim financial report

Mr. Daniel Baal, Chief Executive Officer of Caisse Fédérale de Crédit Mutuel.

Having taken all reasonable measures, I hereby certify that the information contained in this update to the Registration Document is, to the best of my knowledge, accurate and does not contain any omissions that could alter its impact.

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

I obtained an audit completion letter from the statutory auditors, Ernst & Young et Autres and PricewaterhouseCoopers France, in which they state that they have verified the information regarding the financial position and the financial statements provided in this update and have read the entire Registration Document and its update.

Executed in Strasbourg, August 2, 2017

11. Cross reference table

Registration Document cross-reference table Chapters of Annex XI of European Regulation No. 809/2004	2016 Registration Document filed on April 28, 2017 under number D.17-0479	Update filed on August 2, 2017 under number D.17-0479-A01
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