

PRESS RELEASE

Thursday, July 28, 2016

## Strong retail banking activity and good earnings resilience

Results for the half year ended June 30, 2016<sup>1</sup>

Net banking Income	€6,760m	➔	Stable net banking income	+1.2%
Operating Income	€2,113m		Growth in net operating income	+1.8%
Net Income	€1,226m	➔	Fall in net income	-7.5%
of which attributable at the owners of the company	€1,097m			-9.8%
CET1 Capital Ratio March 2016	15.0% <sup>2</sup>	➔	A stronger and more solid balance sheet	
<b>Business</b>				
Loans	€315.9bn	➔	Active financing of the economy	+6.8%
Total Savings	€590.43bn	➔	Good growth in savings	+2.8%
of which, bank deposits	€265.0bn			+7.5%
of which, financial insurance savings	€77.9bn			+3.8%
of which, financial savings	€247.5bn			-2.0%

The Crédit Mutuel-CM11 Group posted a 1.8% increase in operating income in the first half of 2016 despite an environment of persistently low interest rates and strong volatility in the financial markets.

With the aim of providing its 23.9 million members and customers with a service suited exactly to their needs, CM11 has continued to expand its retail banking and insurance business and implement its policy of diversification (telephony, remote surveillance, payment instruments, etc.). This resulted in growth of respectively +6.8% and +2.8% in outstanding loans and savings and a substantial increase in insurance contracts (+6.3%).

Net income amounted to €1,226 million thereby strengthening the group's equity (€38.7 billion). At 15.0% at end-March 2016, the Group's CET1 capital adequacy ratio remains far above (+6.63%) the regulatory requirement.

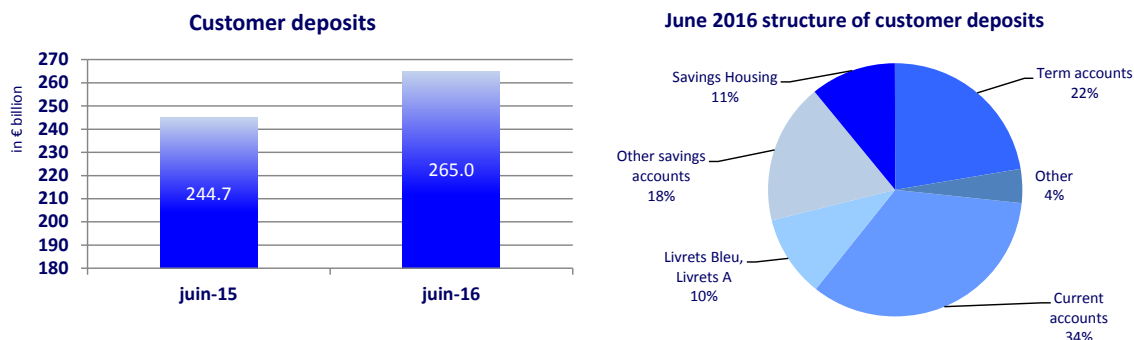
(1) Financial statements unaudited but in the process of undergoing a limited review by the Statutory Auditors. Unless otherwise indicated, percentage changes are calculated at constant scope (additions to the consolidations scope between July 1, 2015 and June 30, 2016, restatement for the difference in the consolidation period of Banif Mais between the two periods and for the change in the consolidation method of Targobank Spain, which is now fully consolidated).

(2) Excluding transitional measures

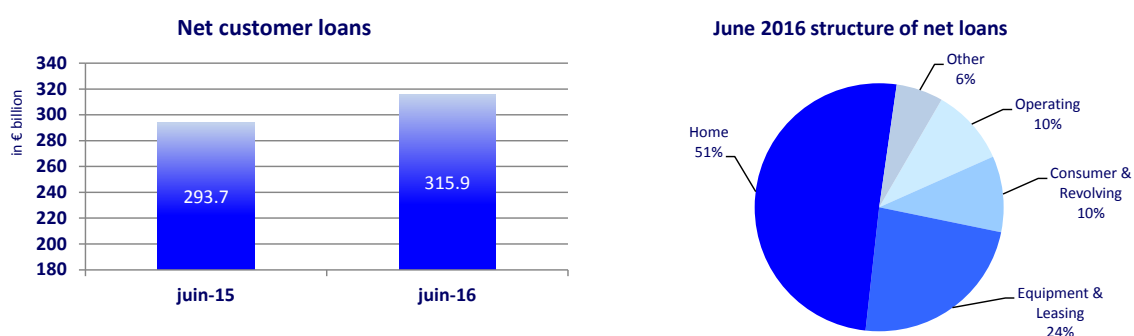
## Business activity

After a record year in 2015, the Group's dynamic business momentum was confirmed in the first half of 2016. The group had close to 24 million customers at June 30 and the CM11 and CIC branch networks continued to expand their business, attracting 114,000 new customers during the period.

Bank deposits grew by 7.5% to more than €265 billion. The €18.3 billion increase in deposits reflected customers' search for liquid and low-risk savings and concerned mainly current accounts (+€12.7 billion or 15.2%) and home savings (+€3.1 billion or 11.6%).



Outstanding loans increased by €20 billion (+6.8%) to nearly €316 billion. This increase reflected in particular a positive trend in housing loans (+€8.5 billion or 5.7%) with loan production returning to normal after a record year in 2015. Demand for investment loans accelerated (€12.7 billion (+24.9% in outstanding loans) and growth in cash facilities (+€1.3 billion or +6.1%) and consumer credit (+€1.7 billion or 5.9%) contributed to the increase in total outstanding loans. At the branch networks and Cofidis scope, loans released in the first half of 2016 amounted to nearly €34 billion. These figures reflect the Crédit Mutuel-CM11 group's longstanding and continuing commitment to supporting the projects of companies and individuals at the regional, national and international levels.

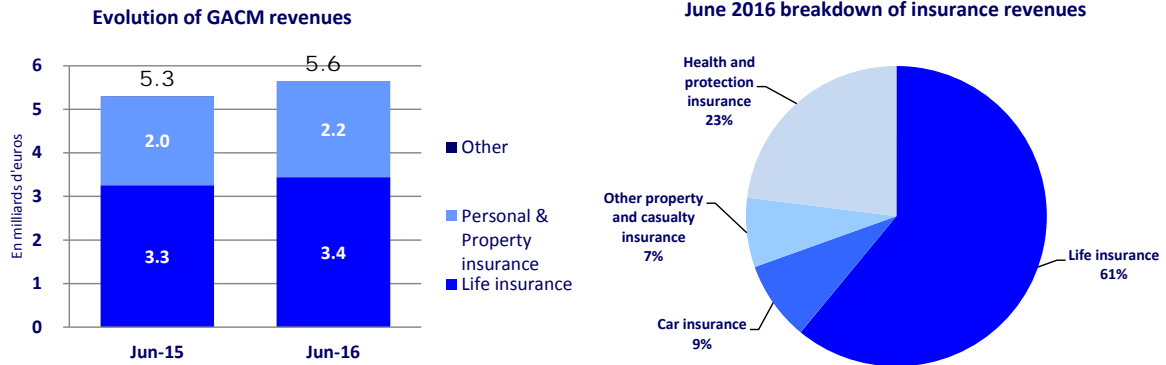


All these trends led to an improvement in the loan-to-deposit ratio, which stood at 119.2% at June 30, 2016 compared with 120% a year earlier.

The Crédit Mutuel-CM11 Group continues to enjoy strong liquidity with an LCR ratio up from 140% at December 31, 2015 to 146% at end-June 2016.

With regard to insurance, the number of policies rose by 6.3% to nearly €28.4 million. Insurance revenue was up by 6.4% to more than €5.6 billion. Premium income from life insurance and insurance-based savings products totaled €3.4 billion, a +5.6% increase. Property and casualty premium income

grew by 14%, boosted by strong production in motor insurance and comprehensive home insurance and by the integration of the Spanish insurance company, AMGEN. Personal insurance grew by 4% thanks to a faster pace of development in retirement and collective health insurance.



In terms of services, the group stands out for its technological expertise in several areas. With 1.541 million customers (up +10.1% over 12 months), mobile telephony is driving growth in contactless payments, thanks in particular to its Fivory mobile app.

Fivory, which is designed to bring together small merchants and major retailers with a solution that combines electronic payments and management of customer loyalty, acquired a new dimension when Auchan Retail France, Oney and Mastercard joined its governance. After having been joined by Total, the legitimacy of the Fivory application has been strengthened by the arrival of these three major players in their respective fields.

## Financial results

<i>(€ millions)</i>	<b>6/30/2016</b>	<b>6/30/2015</b>	change *
<b>Net banking income</b>	<b>6,760</b>	<b>6,603</b>	<b>+1.2%</b>
Operating expenses	(4,288)	(4,111)	+2.5%
<b>Gross operating income</b>	<b>2,472</b>	<b>2,492</b>	<b>-1.1%</b>
Cost of risk	(359)	(408)	-16.0%
<b>Operating income</b>	<b>2,113</b>	<b>2,083</b>	<b>+1.8%</b>
Gains/(losses) on other assets	(288)	60	ns
<b>Income before tax</b>	<b>1,826</b>	<b>2,143</b>	<b>-14.7%</b>
Corporate income tax	(646)	(787)	-18.6%
Net gain/(loss) on discontinued operations	46	(24)	ns
<b>Net income</b>	<b>1,226</b>	<b>1,333</b>	<b>-7.5%</b>
Net income attributable to minority interests	129	124	+3.8%
<b>Net income attributable to the Group</b>	<b>1,097</b>	<b>1,209</b>	<b>-9.8%</b>

\* at constant scope

Crédit Mutuel-CM11 recorded **net banking income** of €6,760 million in the first half of 2016 compared with €6,603 million in the first half of 2015; at constant scope net banking income was up by 1.2%.

This slight increase resulted from a combination of elements, including:

- a slight fall in net banking income from retail banking due to the negative impact on the interest margin of the present low interest rates,
- a drop in revenue from the capital markets and insurance activities due to the downturn in the financial markets since the beginning of the year,
- increases of 1.8% in net banking income from private banking and of 3.2% in net banking income from private equity activities, and
- a capital gain totaling €307.8 million for the Group arising from the acquisition of Visa Europe by Visa Inc.

Crédit Mutuel-CM11 continues to maintain tight control of **general operating expenses**, which increased by 2.5% at constant scope but were up by only 0.3% excluding non-recurrent elements.

Overall net provision allocations/reversals for **loan losses** improved at €359 million, corresponding to a substantial decrease of 16% at constant scope (down by €65 million of which €54 million for provisions on an individual basis and €11 million for collective provisions). The improvement concerned Cofidis and both the Crédit Mutuel and CIC networks.

Total net provision allocations/reversals for customer loan losses as a proportion of total outstanding loans was 0.23% compared with 0.28% in June 2015 and the overall non-performing loan coverage ratio was 64.2% (63% in June 2015).

**Gross operating income** was up by 1.8% but income before tax was down by 14.7% to €1,826 million after recognition of impairment on the Spanish activities.

After corporate income tax amounting to €646 million and net income from activities held for sale of €46 million, including €66 million of recycling of the translation adjustment reserve (final sale of Banque Pasche after disposal of its subsidiaries in previous years), at June 30, 2016 compared with a net loss of €24 million in the first half of 2015, **net income** was down by 7.5% at constant scope. Net income amounted to €1,226 million, compared with €1,333 million in the first half of 2015.

## Financial structure

Shareholders' equity amounted to nearly €38.7 billion at June 30, 2016. Prudential CET1 amounted to €29.3 billion and the CET1 ratio stood at 15.0%<sup>2</sup> as at March 31, 2016.

At March 31, 2016, the leverage ratio in application of the delegated act was 5.5%<sup>1</sup> and the short-term liquidity ratio (LCR) was 146%.

During the first half, the rating agency Moody's confirmed Banque Fédérative du Crédit Mutuel's Aa3 long-term rating, underscoring the stability of its results in recent years, the low risk profile of its activities and its ability to transfer most of its income to equity.

Fitch Ratings also confirmed the A+ rating assigned to the Crédit Mutuel-CM11 Group, highlighting the strength of its bank-insurance model in France.

Accordingly, the group's ratings continue to rank among the highest assigned to French banks.

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

<sup>2</sup> Excluding transitional provisions

## Results by business line

### *Retail banking and insurance, the core business*

#### Retail banking

(€ millions)	6/30/2016	6/30/2015	change *
<b>Net banking income</b>	<b>4,780</b>	<b>4,770</b>	<b>-1.0%</b>
Operating expenses	(3,189)	(3,141)	-0.1%
<b>Gross operating income</b>	<b>1,591</b>	<b>1,629</b>	<b>-2.9%</b>
Cost of risk	(357)	(399)	-14.4%
Gains/(losses) on other assets	(52)	51	ns
<b>Income before tax</b>	<b>1,182</b>	<b>1,280</b>	<b>-7.3%</b>
Corporate income tax	(447)	(499)	-10.2%
<b>Net income</b>	<b>735</b>	<b>781</b>	<b>-5.5%</b>

\* at constant scope

*This business line includes the Crédit Mutuel local mutual banks, the CIC branches, Banque Européenne du Crédit Mutuel, CIC Iberbanco, the Targobank branches in Germany and Spain, Cofidis Participations, Banque Casino and all the specialized businesses whose product marketing is performed by the branch networks: equipment leasing and rentals with purchase options, real estate leasing, vendor credit, factoring, fund management, employee savings and real estate sales.*

Retail banking is CM11-CIC Group's core business and accounts for 67% of net banking income.

Net banking income from retail banking was down by 1.0% to €4,780 million in the six months ended June 30, 2016. Interest income was negatively impacted (-1.9%) by the low interest rate environment, which has intensified, but the negative effect was nonetheless mitigated by an increase in volumes. Fee and commission income increased by 1.4% compared with the first half of 2015 which had been particularly positive, in terms of loan fees in particular.

General operating expenses remained under control, posting a slight decrease of 0.1%.

Net provision allocations/reversals for loan losses were down by 14.4%, with the decrease concentrated on provisions on an individual basis (down by €63 million) reflecting the good quality of loan risks. Collective provisions consisted of a net reversal of €2 million in the first half of 2016 compared with a net reversal of €10 million in the same period in 2015.

In respect of its equity interest in the Spanish Bank Banco Popular, the Crédit Mutuel-CM11 Group recognized its share (3.92%) of the estimated loss of around €2.5 billion recorded by the Spanish bank in the first half of 2016.

All in all, net income was down by 5.5% to €735 million.

## The branch networks

- **Crédit Mutuel branch network**

The number of customers rose by more than 32,000 and now exceeds 6.9 million.

Outstanding loans increased by €5.3 billion to €115.1 billion (+4.8%), mainly driven by growth in housing loans (+5.7%) and investment loans (+25.0%).

Bank deposits rose by €5.2 billion, bringing total deposits to more than €96.1 billion. Deposits in current accounts and home savings accounts recorded the strongest growth, with increases of €2.9 billion (+14.2%) and €1.9 billion (+10.6%), respectively.

Net banking income was down by 4.5% to €1,494 million, which was partly offset by the decreases in general operating expenses (-1.6% or -€18 million) and in net provision allocations/reversals for loan losses (down by 1.09% or €5 million).

Net income dropped by 2.7% to €216 million compared with €223 million in the first half of 2015.

- **CIC branch network**

As at June 30, 2016, CIC had 1,992 branches and 4.9 million customers (1.7% more than at June 30, 2015).

Outstanding loans were up by 4.7% to €112.4 billion. All the main loan categories recorded growth, particularly investment loans (+5.2%) and housing loans (+5.3%). Loans released in the first half of 2016 amounted to €14.7 billion.

Deposits totaled €102.1 billion (+9.7% compared with end-June 2015) as a result of an increase in current accounts in credit (+21.5%) and home savings (+5.6%).

The CIC branch network's net banking income was up by 1.2% to €1,630 million in the first half of 2016.

General operating expenses were down by 0.7% to €1,133 million. Net provision allocations/reversals for loan losses dropped by €12 million to €65 million in the first half of 2016.

Net income was up 10.8% to €277 million.

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

Banque Européenne du Crédit Mutuel operates in the corporate market, the real estate developers market and the real estate companies market. It serves more than 21,000 customers through its 49 branches (including 42 in France).

Loans to customers, all market segments, grew by 12.1% to €12.3 billion during the period. Deposits continued to grow, up by 14.3% to €10.8 billion, thereby further reducing the liquidity gap in the first half of 2016.

Net banking income came to €128 million. Interest income increased by 13.2% thanks to the lower cost of customer deposits and growth in outstanding loans. Fee and commission income was up by 5.5% compared with the first half of 2015.

General operating expenses totaled €48 million and the actual net provision for loan losses on an individual basis was €6.3 million (+2.7%).

At €47.6 million in the period ended June 30, 2016, net income<sup>1</sup> was up by nearly 31% compared with €36.3 million in the first half of 2015.

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<sup>1</sup> Contribution to Crédit Mutuel-CM11 Group's consolidated net income.

- **TARGOBANK Germany**

TARGOBANK Germany's commercial activity was boosted by a series of new initiatives launched at the beginning of the year (new pricing model, change in the risk policy, launch of new products for self-employed workers, higher targets for online and telephone sales, etc.).

Loan production was up by nearly 18.3% compared with the first half of 2015.

This strong business momentum resulted in a 4.5% increase in outstanding loans, up by €495 million to €11.6 billion.

Deposits also continued to grow, mainly due to the increase in current account balances. At June 30, deposits were up by €454 million to €12.5 billion.

In these conditions, income before tax for the first half of 2016<sup>1</sup> came to €211 million, 4.3% more than in the first half of 2015.

The bank has 3.9 million customers and 348 branches.

- **TARGOBANK Spain**

Having completed the migration of its information systems from Banco Popular to those of the Crédit Mutuel-CM11 Group in November 2015, the bank is now adapting to meet the needs of its present environment.

The network currently has 135,000 customers (retail customers for 74%) with €2 billion in deposits and €2.1 billion in outstanding loans.

## **Cofidis Group**

Cofidis recorded good business growth during the period, with loans up by 4.4% compared with June 30, 2015. New financing grew by 23% at the France scope and by 38% at international level, with particularly strong growth in Hungary, Italy and the Czech Republic.

Net banking income increased by 5.5%, attributable in part to a scope effect (the first half of 2015 included only one month of Banif Mais's results compared with six months in 2016) and in part to a slight increase in interest income and good fee and commission income.

General operating expenses amounted to €322 million, due in particular to IT investments at international operations (convergence of Spain and Belgium and takeover of Banif's IT systems in Portugal).

Net provision allocations/reversals for loan losses amounted to €142 million, down by €44 million compared with the first half of 2015, which had featured non-recurring events linked to the migration of Cofidis France's information systems.

Net income<sup>1</sup> totaled €95 million, corresponding to strong growth of nearly 42% at constant scope.

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<sup>1</sup> Contribution to Crédit Mutuel-CM11 Group's consolidated results.



## Insurance

(€ millions)	6/30/2016	6/30/2015	change *
<b>Net banking income</b>	<b>752</b>	<b>797</b>	<b>-8.2%</b>
Operating expenses	(266)	(247)	+1.3%
<b>Gross operating income</b>	<b>486</b>	<b>550</b>	<b>-12.4%</b>
Gains/(losses) on other assets	19	17	+21.7%
<b>Income before tax</b>	<b>505</b>	<b>567</b>	<b>-11.3%</b>
Corporate income tax	(150)	(195)	-23.5%
<b>Net income</b>	<b>355</b>	<b>372</b>	<b>-5.2%</b>

\* at constant scope

Crédit Mutuel created and developed bankinsurance starting in 1971. This longstanding experience now enables the insurance activity, which is carried out through Groupe des Assurances du Crédit Mutuel (GACM), to be fully integrated into Crédit Mutuel-CM11 both commercially and technically.

Despite difficult market conditions (competition, low interest rates, regulatory pressure, etc.), Crédit Mutuel-CM11's insurance business line performed very well in the first half of 2016.

Insurance revenue grew by 6.4% to more than €5.6 billion.

Premium income from property and casualty insurance grew by 14%, boosted by:

- continuing strong growth in auto and multi-risk home insurance, which was up significantly compared with the first half of 2015 when it had already reached a record level,
- the integration, during the second half of 2015, of the Spanish companies AMGEN (formerly RACC Seguros) and Atlantis within the holding company GACM España, a wholly-owned subsidiary of GACM.

Premium income from personal insurance was up by 4%, thanks to:

- an acceleration in the development of accident and health insurance, boosted by the sales drives carried out at the beginning of the year at Crédit Mutuel and in June at CIC and significant production during the Temps Fort Crédit Mutuel campaign,
- growth in collective health insurance following implementation of the national inter-branch agreement ANI (*Accord National Interprofessionnel*).

Premium income from life insurance and insurance-based savings products was up by 5.6% to €3.4 billion. Net inflows were up by 18.5% to €954 million. Although net inflows are mainly in euro, the weight of unit-linked insurance increased significantly both at the level of gross inflows (11.4% at end-June 2016 compared with 9.0% at end-December 2015) and of net inflows (32.2% at end-June 2016 versus 22.8% at end-December 2015).

The networks collected €611 million in fee and commission income (+3.2%)

In terms of claims, GACM policy holders were affected by the natural disasters - storms, hail and flooding - that occurred between May 28 and June 26 2016. During this period, GACM recorded more than 15,000 claims linked to the bad weather for an estimated cost of nearly €68 million.

GACM posted net income<sup>1</sup> of €355 million in the first half of 2016 compared with €372 million in the same period the previous year.

In Belgium, GACM and Nord Europe Assurances (NEA) decided to exchange minority shareholdings in their Belgian subsidiary. ACM therefore transferred its 49% stake in Partners to NEA and, in exchange, acquired 49% of the capital of North Europe Life Belgium (NELB). This share exchange, subject to approval by the National Bank of Belgium, will in the long term enable GACM to consolidate its offer in Belgium and develop bankinsurance through the Beobank and Partners networks.

## **Corporate banking**

(€ millions)	6/30/2016	6/30/2015	change
<b>Net banking income</b>	<b>171</b>	<b>194</b>	<b>-11.7%</b>
Operating expenses	(57)	(58)	-1.4%
<b>Gross operating income</b>	<b>114</b>	<b>136</b>	<b>-16.2%</b>
Cost of risk	(3)	(13)	-74.1%
<b>Income before tax</b>	<b>110</b>	<b>123</b>	<b>-10.2%</b>
Corporate income tax	(36)	(45)	-20.7%
<b>Net income</b>	<b>75</b>	<b>78</b>	<b>-4.2%</b>

*This division covers the financing of large corporate and institutional customers, value-added financing (project and asset, export, etc.), international activities and financing provided by foreign branches. The corporate banking business line provides services to large corporate and institutional customers with a global approach to their requirements. It also supports the action of the Réseaux Entreprises for large corporate customers and helps to develop the international activity and put in place specialized financing.*

This business line includes the financing of large corporate and institutional customers, value-added financing (project, asset, acquisition, etc.), international activities and foreign branches.

At the end of June 2016, this business managed €17.2 billion in outstanding loans (+14.1%) and €5.9 billion in deposits (-12.7%). Savings under management totaled €90.3 billion.

Corporate banking contributed €75 million to Crédit Mutuel-CM11's net income in the first half of 2016 compared with €78 million in the first half of 2015.

<sup>1</sup> Contribution to Crédit Mutuel-CM11 Group's consolidated results.

## Capital markets and refinancing activities

(€ millions)	6/30/2016	6/30/2015	change
<b>Net banking income</b>	<b>217</b>	<b>302</b>	<b>-27.9%</b>
Operating expenses	(116)	(102)	+13.4%
<b>Gross operating income</b>	<b>101</b>	<b>199</b>	<b>-49.1%</b>
Cost of risk	4	2	ns
<b>Income before tax</b>	<b>105</b>	<b>202</b>	<b>-48.0%</b>
Corporate income tax	(39)	(76)	-48.8%
<b>Net income</b>	<b>66</b>	<b>126</b>	<b>-47.4%</b>

*The capital markets activities of BFCM and CIC are combined within a single business division, CM-CIC Marchés, which performs Crédit Mutuel-CM11's refinancing and commercial and investment banking activities from offices in Paris and Strasbourg and branches in New York, London and Singapore. Following the merger of CM-CIC Securities's activities with those within CIC, the merger/absorption of CM-CIC Securities by CIC took effect as from January 1, 2016.*

The purpose of all these activities is to provide investment, hedging, trading and market financing solutions, as well as post-market services, to corporates, institutional investors and asset management companies.

This sector was adversely affected by the very strong volatility recorded in the financial markets since the beginning of the year and its contribution to the Group's consolidated result was €66 million in the first half of 2016 compared with €126 million in the first half of 2015.

## Private banking

(€ millions)	6/30/2016	6/30/2015	change
<b>Net banking income</b>	<b>270</b>	<b>266</b>	<b>+1.8%</b>
Operating expenses	(178)	(178)	-0.2%
<b>Gross operating income</b>	<b>93</b>	<b>87</b>	<b>+5.7%</b>
Cost of risk	(1)	4	ns
Gains/(losses) on other assets	10	0	ns
<b>Income before tax</b>	<b>102</b>	<b>92</b>	<b>+11.2%</b>
Corporate income tax	(16)	(23)	-27.1%
Net gain/(loss) on discontinued operations	(20)	(24)	-17.2%
<b>Net income</b>	<b>66</b>	<b>45</b>	<b>+45.2%</b>

*The companies making up this business line operate both in France through Banque Transatlantique and abroad through the subsidiaries Banque de Luxembourg, Banque CIC Suisse, Banque Transatlantique Luxembourg, Banque Transatlantique Belgium, Banque Transatlantique London and CIC Private Banking in Singapore.*

This business line develops know-how in financial management and estate planning for business owners and their families and private investors.

At end-June 2016, this business line managed €12.5 billion in outstanding loans (+12.5%) and €20.2 billion in deposits (+7.6%), generating nearly €8 billion of surplus funds. Off-balance sheet savings under management totaled €84.1 billion.

Net income amounted to €66 million after taking into account the net loss after tax of Banque Pasche, sold in the second quarter of 2016, of €20 million (excluding the recycling of the translation adjustment reserve of +€66 million).

### **Private equity (CM-CIC Investissement)**

<i>(€ millions)</i>	<b>6/30/2016</b>	<b>6/30/2015</b>	change
<b>Net banking income</b>	<b>122</b>	<b>118</b>	<b>+3.2%</b>
Operating expenses	(22)	(20)	+8.6%
<b>Income before tax</b>	<b>100</b>	<b>98</b>	<b>+2.1%</b>
Corporate income tax	(1)	(1)	ns
<b>Net income</b>	<b>99</b>	<b>96</b>	<b>+2.7%</b>

*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.*

Private equity represents a key division in the Group's commercial strategy by helping to strengthen the equity capital of Crédit Mutuel and CIC's business customers over the medium to long term (seven to eight years).

Investment made in the first half amounted to €44 million and total investment stood at €1.8 billion at end-June, of which 83% invested in unlisted companies. The balance was split between listed companies and funds. These figures reflect the Crédit Mutuel-CM11 group's commitment to supporting business customers over the long term. The value of the portfolio was €2.1 billion at June 30, 2016.

Net income for the period was up by 2.7% to €99 million.

## **Information technology and logistics**

(€ millions)	6/30/2016	6/30/2015	change *
<b>Net banking income</b>	<b>705</b>	<b>697</b>	<b>+1.1%</b>
Operating expenses	(724)	(624)	+14.7%
<b>Gross operating income</b>	<b>(20)</b>	<b>72</b>	<b>ns</b>
Cost of risk	(2)	(3)	-38.0%
Gains/(losses) on other assets	8	0	ns
<b>Income before tax</b>	<b>(13)</b>	<b>70</b>	<b>ns</b>
Corporate income tax	(34)	(38)	-9.3%
<b>Net income</b>	<b>(47)</b>	<b>32</b>	<b>ns</b>

\* at constant scope

*This division comprises the purely logistical entities: intermediary holding companies, operating real estate held in specially designated companies, the Group's IT companies, El Telecom, Euro Protection Surveillance and the media division.*

Revenue for the information technology and logistics division was up by 1.1% to €705 million. It consists of sales margins for the IT, telephony and surveillance companies and revenue from the services provided by CM-CIC Services, the net banking income of the logistics subsidiaries of TARGOBANK Germany and COFIDIS as well as the sales margin for the media division.

General operating expenses were adversely affected by impairment of business goodwill in respect of the media division.

All in all, this division contributed a net loss of €47 million to Crédit Mutuel-CM11's results in the first half of 2016 compared with net income of €32 million in the first half of 2015.

## **In conclusion**

Boosted by its constant efforts to ensure customer satisfaction, its strong sales momentum and mutual organizational structure, the Crédit Mutuel-CM11 Group posted net income of €1.2 billion for the half year ended June 30, 2016. It is continuing its strategy of carefully controlled expansion while looking out for opportunities. This is reflected in its recent acquisition, on July 20, of General Electric's leasing and factoring activities in France and Germany. This acquisition, perfectly in line with the Group's strategy, will enable it to increase its market share in specialized financing for businesses and to strengthen its presence in Germany.

*The financial information for the half year ended June 30, 2016 includes this press release and the specific information based on the recommendations of the Financial Stability Board and on sovereign risk exposures.*

All financial communications are available on the web site: [www.bfcm.creditmutuel.fr](http://www.bfcm.creditmutuel.fr).

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## Groupe Crédit Mutuel- CM11 (\*)

## Key Figures (\*\*)

(in millions of euros)	June 30, 2016	June 30, 2015
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### Activity

Total assets	607,778	560,702
Loans, including lease-financing	315,882	293,740
Savings	590,434	571,879
- of which Customer deposits	265,012	244,736
- of which Financial insurance savings	77,945	75,067
- of which Financial savings	247,476	252,077

### Shareholder's equity

Shareholders' equity <sup>(1)</sup>	38,687	35,956
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Employees, year end <sup>(2)</sup>	67,497	65,398
Number of branches	4,613	4,524
Number of customers (in millions)	23.9	23.7

## Financial results

Consolidated income statement (in millions of euros)	June 30, 2016	June 30, 2015
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Net Banking Income	6,760	6,603
Operating expenses	(4,288)	(4,111)
Gross Operating Income	2,472	2,492
Cost of risk	(359)	(408)
Operating income	2,113	2,083
Gains/(losses) on other assets	(288)	60
Income before tax	1,826	2,143
Corporate income tax	(646)	(787)
Net gains/(losses) on discontinued operations	46	(24)
Net income	1,226	1,333
Net income attributable to the Group	1,097	1,209

(\*) Consolidated results of local cooperative banks of Crédit Mutuel Centre Est Europe, Crédit Mutuel Sud-Est, Crédit Mutuel Ile-de-France, Crédit Mutuel Savoie-Mont Blanc, Crédit Mutuel Midi-Atlantique, Crédit Mutuel Loire-Atlantique et Centre-Ouest, Crédit Mutuel Centre, Crédit Mutuel Normandie, Crédit Mutuel Dauphiné-Vivarais, Crédit Mutuel Méditerranéen and Crédit Mutuel Anjou, their common federal bank, the Banque Fédérative du Crédit Mutuel and its main subsidiaries : ACM, BECM, IT ... including CIC, Targobank Germany, Targobank Spain, Cofidis, CIC Iberbanco.

(\*\*) Figures not approved by the boards.

(1) Including net income for the year before dividend pay-outs.

(2) Employees of entities under group control.