Montrouge, August 3. 2016

Second quarter and first half-year 2016

Good commercial and financial results

Confirmation of the Group's strong underlying performance

Crédit Agricole Group*: project to simplify Group's structure completed

- Good results boosted by the VISA Europe disposal gain

- Financial robustness confirmed by EBA stress tests

Net income Group share stated: €1,942 million (+29.5% Q2/Q2); underlying: €1,623 million**

Fully-loaded CET 1 ratio: 14.2% (+100 bps / June 15)

* Crédit Agricole S.A. and 100% of the Regional Banks

Crédit Agricole S.A.: growth in underlying NIGS (+13.0% Q2/Q2)

- Buoyant activity in all business lines
- Continued control of operating expenses
- Cost of risk stabilised at low level
- Financial strength further improved

Revenues stated: €4,738 million; underlying: €4,337 million (+0.5% Q2/Q2)**
Operating expenses excl. SRF: €2,806 million (-0.8% Q2/Q2)
Cost of risk stated: -€497 million (-17.4% Q2/Q2)

Net income Group share stated: €1,158 million (+25.8%); underlying: €818 million**
Fully-loaded CET1 ratio: 11.2% (+100 bps / June 15)

** Changes restated for specific items described pages 6 and 22

Crédit Agricole Group

The project to simplify the Group's structure has been implemented in accordance with the terms announced when the 2015 results were published on 17 February last. Settlement and delivery took place today, 3 August 2016.

All the conditions required to complete the operation were met in the past few months. As announced last February, the price initially set based on the balance sheets of the Crédit Agricole Regional Banks at 31 December 2015, i.e. 18.025 billion euros, was adjusted to take account of changes in their IFRS restated consolidated equity between 31 December 2015 and 30 June 2016. This adjustment amounted to 517 million euros and the final price for the CCIs and CCAs transferred by Crédit Agricole S.A. to SACAM Mutualisation, a wholly owned subsidiary of the Regional Banks, was 18.542 billion euros.

The transaction will be accounted for in the third quarter of 2016, giving rise to a gain of about 1,250 million euros for Crédit Agricole S.A.

Crédit Agricole Group's net income Group share was 1,942 million euros in the second quarter of 2016 compared with 1,500 million euros in the second quarter of 2015. This excellent result was boosted by the VISA disposal gain, which amounted to 337 million euros. In the first half of 2016, net income Group share came to 2,760 million euros.

This good quarterly performance was driven by solid business momentum in all business lines, the robustness of our business model in an environment of very low interest rates, and the prudent risk profile of all our business lines, which is reflected in a continued low cost of risk, despite the political and economic environment.

The Regional Banks delivered another solid commercial performance, with a 4.8% growth in on-balance sheet customer assets compared with end-June 2015 driven by demand deposits (+10.7%), and 2.6% growth in life insurance. Momentum in lending was also strong, with 5.0% growth in home loans and 7.3% growth in consumer finance over one year.

Their business revenues were stable, the increase in fees and commissions revenues offsetting the decrease in the net interest margin. Their cost of risk represented 18 basis points over outstandings for the quarter, and impaired loans remained at a very low level (2.5% of gross loans). Overall net income Group share (for 100%, under IFRS) was 780 million euros in the second quarter of 2016, down slightly year-on-year (-3.8%).

Crédit Agricole Group further improved its financial strength, with a fully-loaded Common Equity Tier 1 ratio of 14.2% at end-June 2016, up 100 basis points compared with end-June 2015. This financial robustness was borne out by the stress tests performed under the supervision of the European Banking Authority (EBA) and the ECB, the results of which were published on 29 July last. The impact of the adverse scenario used for the stress tests on the CET1 ratio at end-December 2015 amounted to 300 basis points, giving a fully-loaded CET1 of 10.5%. In the adverse scenario, Crédit Agricole Group would comply with all the applicable requirements as the sum of the minimum regulatory requirement set by the Supervisor in December 2015 (SREP) and the systemic buffer applicable to the Group as of 1 January 2019 (1%) amounts to 10.5%.

The estimated TLAC ratio was 19.5% at 30 June 2016, excluding eligible senior debt. The Group therefore already complies with the minimum requirement for 2019 set at 19.5%, even though this requirement includes eligible senior debt.

The leverage ratio stood at 5.6%.

The Group's liquidity position is strong. The Group's cash balance sheet, at 1,066 billion euros at 30 June 2016, shows a surplus of long term funding sources over long term assets of 104 billion euros, stable compared to June

2015, and in line with our targets. Liquidity reserves including valuation gains and haircuts related to the securities portfolio amounted to 227 billion euros at 30 June 2016. They covered gross short-term debt more than two and a half times over.

During the first half of 2016, the main Crédit Agricole Group issuers raised 24.1 billion euros equivalent of senior and subordinated debt in the market and the branch networks.

In July 2016 the rating agency Moody's upgraded the long term debt of Crédit Agricole S.A. and the 38 rated Regional Banks, by one notch to A1, outlook stable. Short term debt rating is confirmed at P-1. This ratings increase underlines the improvement Group's fundamentals, in particular better asset quality, increased profitability since 2014, and a continuously improving capital position.

Crédit Agricole S.A.

Crédit Agricole S.A.'s Board of Directors, chaired by Dominique Lefebvre, met on 2 August 2016 to examine the financial statements for the second quarter and first half of 2016.

Net income Group share totalled 1,158 million euros in the second quarter of 2016, a 25.8% increase on its second-quarter 2015 level. This figure included the VISA capital gain of 328 million euros. Excluding this gain and the other usual specific items, underlying earnings came to 818 million euros, a 13% increase on the second quarter of 2015.

This healthy performance was the result of the initial recurring revenue benefits of the simplification of the Group's structure, almost stable expenses and a still very moderate cost of credit risk. It also reflected positive trends across all the Group's business lines.

Asset gathering again achieved very strong commercial momentum. By the end of the quarter, Amundi had reached the target of 1,000 billion euros in outstandings set for year-end 2016 solely through organic growth. Retirement savings topped the 264 billion euro mark, and the P&C insurance portfolio exceeded 12 million policies. Consumer finance achieved record production of 10 billion euros in the second quarter. The Large Customers division enjoyed a firm trend in its new production of structured financing, generating a 15% increase in fees and commission on the second quarter of 2015. In retail banking, LCL's loan book rose by 4.5% year-on-year thanks to the strength of lending (+6.9%) to professionals and businesses. In terms of on-balance sheet deposits, demand deposits maintained their brisk upward momentum (+12.1% year-on-year) and accounted for 37% of total on-balance sheet deposits. Cariparma's home loan book rose by 4%, with customer assets increasing by 5.1%.

The main income statement items moved in the right direction. Underlying second-quarter 2016 revenues grew by 0.5% compared with the second quarter of 2015. Most significantly, they advanced by 3.4% compared with the first quarter of 2016 owing to a stronger performance by the Large Customers division and the headway made in Specialised Financial Services and Retail Banking. LCL's and Cariparma's revenues increased by 1.6% and 3.8% respectively in the second quarter of 2016 compared with the first quarter. Expenses, excluding the adjustment to the Single Resolution Fund and the provision for adjusting LCL's network, declined by 0.8% quarter-on-quarter. Lastly, the cost of credit risk again held firm at a low annualised level of 41 basis points of outstandings, down from 48 basis points one year earlier and 41 at end-December 2015. The cost of risk continued to decline significantly in consumer finance (133 basis points, down from 226 basis points in the second quarter of 2015), at Cariparma (108 basis points, vs. 135 basis points) and remained at a low level at LCL (14 basis points vs. 12 previously) and in corporate banking (29 vs. 21 basis points).

In addition to the above trends in the specialised business lines, the Corporate Centre showed a strong improvement, with 67 million euros in the net income Group share in the quarter. Excluding the VISA capital gain, issuer spreads and dividends from the Regional Banks, they stood at -300 million euros.

Crédit Agricole S.A. consolidated on its solvency position at end-June 2016. Its fully-loaded Common Equity Tier 1 ratio stood at 11.2%, an improvement of 100 basis points on its end-June 2015 level. It was at 10.8% at end-March 2016. Pro forma the operation of transfer of the CCI and the CCA to Sacam Mutualisation, the CET1 ratio stood at 11.9%.

Both Crédit Agricole S.A. and the Group had an LCR ratio of over 110% at end-June 2016.

At 30 June 2016, Crédit Agricole S.A. had completed 79% of its 14 billion euro medium- and long-term market funding programme (senior and subordinated debt). It raised the equivalent of 9.5 billion euros in senior debt and 1.5 billion euros in subordinated debt.

Lastly, Crédit Agricole S.A.'s phased-in leverage ratio stood at 4.5%[1] at end-June 2016 as defined in the Delegated Act adopted by the European Commission.

Social and environmental responsibility

Aware of its driving role in the energy transition towards a low-carbon economy, Crédit Agricole continues to implement the various initiatives it has undertaken. It has reviewed its sector policies since 2015, particularly as regards the coal and other fossil fuels industry. It supports its customers in the energy transition by financing renewable energy projects either directly or through green bonds. Crédit Agricole CIB has thus maintained its leading position in euro green bonds, arranging the largest international issue in July 2016 for the Bank of China. The 2.8 billion euros issue will provide finance for projects in renewable energy, pollution prevention and control, clean transport and sustainable water management. Amundi continues to market its Low Carbon index range that can reduce the carbon footprint of a client's portfolio by up to 50%, and has enhanced its investment offering with green bond funds.

In addition, the Group takes an active part in French and international initiatives. Since the beginning of 2016, Crédit Agricole and its French peers have been working with the ACPR (*Autorité de contrôle prudentiel et de résolution*) on developing a bank stress testing approach, designed to measure the resilience of banking activities to risks associated with climate change. In the same vein, with a view to identifying and controlling new risks, in the first quarter of 2016 Crédit Agricole S.A. joined Science Based Targets, a joint initiative of the WWF, the UN Global Compact, the World Resources Institute (WRI) and the Carbon Disclosure Project. Science Based Targets helps companies to set medium and long-term GHG reduction targets consistent with the Paris Agreement on climate change. Crédit Agricole S.A. Group's target is to reduce its direct GHG emissions by 15% in the period 2015-2020.

[1] *15bp reduction between March and December attributable to the non-exemption of exposures arising from the centralisation of CDC deposits, based on our understanding of recent information obtained from the ECB. As defined in the Delegated Act that entered force in January 2015. Subject to ECB authorisation, with an impact of +100 basis points in respect of the exemption of intragroup transactions for Crédit Agricole S.A.*

Financial calendar

8 November 2016	Publication of 2016 third quarter results
15 February 2017	Publication of fourth quarter and full-year 2016 results
11 May 2017	Publication of 2017 first quarter results
24 May 2017	Annual Shareholders' Meeting in Tours
3 August 2017	Publication of second quarter and first half 2017 results
8 November 2017	Publication of 2017 third quarter results

Disclaimer

This presentation may include prospective information on the Group, supplied as information on trends. This data does not represent forecasts within the meaning of European Regulation 809/2004 of 29 April 2004 (chapter 1, article 2, §10). This information was compiled from scenarios based on a number of economic assumptions for a given competitive and regulatory environment. Therefore, these assumptions are by nature subject to random factors that could cause actual results to differ from projections. Likewise, the financial statements are based on estimates, particularly for the calculation of market values and asset impairments. Readers must take all of these risk factors and uncertainties into consideration before making their own judgement.

Applicable standards and comparability

The figures presented for the six-month period ended 30 June 2016 have been prepared in accordance with IFRS as adopted in the European Union and applicable at that date, and with prudential regulations currently in force. This financial information does not constitute a set of financial statements for an interim period as defined by IAS 34 "Interim Financial Reporting" and has not been audited.

Throughout the document, data on 2015 results is presented pro forma: transfer of CACEIS from Asset Gathering to Large Customers, transfer of Insurance Switch from the Corporate centre to Insurance and reclassification of the contribution of the Regional Banks under IFRS5. Within Crédit Agricole S.A., "Retail banking" now covers only LCL and International retail banking.

CRÉDIT AGRICOLE S.A. CONSOLIDATED RESULTS

(in millions of euros)	**Q2-16**	**Q2-16 underlying**	**Change Q2/Q2 underlying**	**H1-16**	**H1-16 underlying**	**Change H1/H1 underlying**
Revenues	**4,738**	**4,337**	**0.5%**	**8,537**	**8,531**	**(1.9%)**
Operating expenses excluding SRF	(2,806)	(2,765)	(0.8%)	(5,781)	(5,740)	(0.4%)
SRF	(43)	(43)	nm	(244)	(244)	+39.5%
Gross operating income	**1,889**	**1,529**	**(0.2%)**	**2,512**	**2,547**	**(7.8%)**
Cost of risk	(497)	(497)	+17.1%	(899)	(899)	(0.2%)
Operating income	**1,392**	**1,032**	**(6.7%)**	**1,613**	**1,648**	**(11.4%)**
Share of net income of equity-accounted entities	121	121	nm	244	244	nm
Net income on other assets	3	3	+6.9%	3	3	nm
Change in value of goodwill	-	-				
Income before tax	**1,516**	**1,156**	**+3.6%**	**1,860**	**1,895**	**(4.3%)**
Tax	(255)	(244)	(4.3%)	(267)	(481)	(12.8%)
Net income from discontinued or held for sale operations	11	11	nm	11	11	nm
Net income	**1,272**	**923**	**+7.2%**	**1,604**	**1,425**	**+1.0%**
Non-controlling interests	114	105	(23.5%)	219	213	(15.6%)
Net income Group share	**1,158**	**818**	**+13%**	**1,385**	**1,212**	**+4.6%**

In the second quarter of 2016, revenues totaled 4,738 million euros in the second quarter 2016; it includes a gain on disposal of VISA shares of 355 million euros and non-received dividends in the first quarter from the Regional Banks for an amount of 30 million euros. Excluding these specific items and usual accounting restatements (issuer spread, DVA running, loan hedges) it amounts to 4,337 million euros. In the second quarter 2015 the net banking income after the same accounting restatements (issuer spread, DVA running, loan hedges) was 4,317 million euros. The underlying net banking income of the second quarter 2016 increased therefore by 0.5 % over one year.

Operating expenses at -2,849 million euros are impacted by an additional contribution of -43 million euros to the Single Resolution Fund (SRF). Excluding this factor and a provision of 41 million euros for adjusting LCL's network, the operating expenses decreased by 0.8% between the second quarters 2015 and 2016.

The cost of risk, which includes a legal provision of 50 million euros, amounted to 497 million euros, down by 17.4% compared to the amount in the second quarter 2015. The only cost of credit risk was 447 million euros, +5.4% above the level of the second quarter 2015.The cost of credit risk on loan outstandings, computed in bps over a rolling four quarter period, stood at 41 bps against 48 bps one year earlier. It stays at a low level in all business lines.

The impaired loans outstanding totaled 15.8 billion euros and represented 3.6% of the gross customer and interbank loans outstanding, percentage equal to the one at end of June 2015.The impaired loans are covered at 52.3% by specific reserves. The coverage ratio, including collective reserves, was 67.9 %.

The share of net income of equity-accounted entities amounted to 121 million euros in the second quarter 2016. It includes 61 million euros in the Large customers division, mainly due to Bank Saudi Fransi, and 51 million euros in the Specialised financial services division, mainly due to joint-ventures in the car finance partnerships. It should be mentioned that no contribution from the Regional Banks was accounted because they were accounted under IFRS5 in relationship with the project to simplify Group's structure.

In all, **net income group share** of Credit Agricole S.A. reached 1,158 million euros in the second quarter 2016. Excluding the gain on disposal of VISA shares and the dividends paid by the Regional Banks and after accounting restatements of issuer spread, DVA running and loan hedges, the profit was 818 million euros, 13% higher than the underlying result of the second quarter 2015 which amounted to 725 million euros.

In order to reconcile stated and underlying amounts and changes in the income statement, the **adjustment items** are as follows for the second quarter:

	Specific items of Q2-16		Specific items of Q2-15	
€m	Impact before tax	Impact on NIGS	Impact before tax	Impact on NIGS
DVA running (LC)	(4)		57	36
Loan hedges (LC)	1	1	25	16
Issuer spreads (Corporate centre)	19	11	229	147
Regional Banks' dividends (Corporate centre)	30	29	-	-
Capital gain on VISA EUROPE (corporate centre)	355	328	-	-
Total impact on revenues	**401**	**366**	**311**	**199**
Network reorganisation cost of LCL (FRB)	(41)	(26)	-	-
Total impact on operating expenses	**(41)**	**(26)**	**-**	**-**
Switch (Corporate centre)	-	-	107	66
Switch (Asset Gathering)	-	-	66	41
Additional provisions for litigation (LC)	-	-	(350)	(342)
Total impact on cost of risk	**-**	**-**	**(177)**	**(235)**
Eurêka	-	-	231	231
Total impact on Net income from discontinued or held-for-sale operations	**-**	**-**	**231**	**231**
Total impact of specific items	**-**	**340**	**-**	**195**

In the first half 2016, the underlying net banking income amounted to 8,531 million euros, down by 1.9% compared to the first half year 2015, the increase of the second quarter having not balanced totally the decrease in the first quarter.

The change in the underlying operating expenses, i.e. excluding the provision of 41 million euros for adjusting LCL's network, is a decrease by 0.4% compared to the first half of 2015. The contribution to the Single Resolution Fund (SRF) amounted to -244 million euros, representing an increase of 39.5% compared to 2015.

The stated cost of risk amounted to -899 million euros in the first half 2016, down by 0.2% compared to the first half 2015.

The stated net income group share for the first half 2016 totaled 1,385 million euros. Several one off items occurred either in the first half 2015 or in the first half 2016, which had significant impacts on the results. Excluding these items, the underlying net income group share for the first half 2016 was up by 4.6% compared to the first half of 2015.

In order to reconcile stated and underlying amounts and changes in the income statement, the **adjustment items** are as follows for the half-year:

€m	Specific items H1-16		Specific items H1-15	
	Impact before tax	Impact on NIGS	Impact before tax	Impact on NIGS
DVA running (LC)	9	6	67	43
Loan hedges (LC)	1	1	21	13
Issuer spreads (Corporate centre)	38	27	199	129
Regional Banks' dividends (Corporate centre)	286	285	-	-
Liability management upfront payment (corporate	(683)	(448)	-	-
Capital gain on VISA EUROPE (corporate centre)	**355**	**328**	**-**	**-**
Total impact on revenues	**6**	**199**	**287**	**185**
Network reorganisation cost of LCL (FRB)	(41)	(26)	-	-
Total impact on operating expenses	**(41)**	**(26)**	**-**	**-**
Switch (Corporate centre)	-	-	107	66
Switch (Asset Gathering)	-	-	66	41
Additional provisions for litigation (LC)	-	-	(350)	(342)
Total impact on cost of risk	**-**	**-**	**(177)**	**(235)**
Eurêka	-	-	-	595
Total impact on Net income from discontinued or h	**-**	**-**	**-**	**595**
Total impact of specific items	**-**	**173**	**-**	**545**

SOLVENCY

At end-June 2016 Crédit Agricole S.A. consolidated on its solvency position: its fully-loaded Common Equity Tier 1 ratio stood at 11.2%, an improvement of 100 basis points on its end-June 2015 level. It was at 10.8% at end-March 2016. On a pro forma basis after the transaction on the CCI/CCA, the CET1 ratio would be at 11.9%.

The phased-in total ratio stood at 18.8% at end-June 2016, the temporary decrease being related to Tier 2 optimisation.

Lastly, Crédit Agricole S.A.'s phased-in leverage ratio stood at 4.5%[1] at end-June 2016 as defined in the Delegated Act adopted by the European Commission.

LIQUIDITY

Crédit Agricole Group's cash balance sheet totalled 1,066 billion euros at end-June 2016, compared with 1,041 billion euros at end-June 2015.

The surplus of long term funding sources over long-term applications of funds was 104 billion euros at 30 June 2016, stable compared to end-June 2015 (103 billion euros).

Liquidity reserves including valuation gains and haircuts related to the securities portfolio amounted to 227 billion euros at 30 June 2016. They covered gross short-term debt more than two and a half time over, versus more than twice over at 30 June 2015. Both the Group and Crédit Agricole S.A. had an LCR ratio exceeding 110% at end-June 2016.

During the first half of 2016, the main Crédit Agricole Group issuers raised 24.1 billion euros of senior and subordinated debt in the market and the branch networks. Crédit Agricole S.A. itself raised 9.5 billion euros equivalent of senior debt and 1.5 billion euros equivalent of subordinated debt of which a US dollar-denominated Additional Tier 1 issue of 1.15 billion euros equivalent that was completed at the beginning of the year. At 30 June 2016, Crédit Agricole S.A. had completed 79% of its medium-to long term market funding programme (senior and subordinated) of 14 billion euros.

[1] Subject to ECB autorisation. Assumption of exemption of intragroup transactions for Crédit Agricole S.A. and of non exemption of exposure linked to the centralisation of CDC deposits, according to our understanding of information obtained from the ECB

RESULTS BY BUSINESS LINE

1. RETAIL BANKING IN FRANCE (LCL)

(in millions of euros)	Q2-16	Q2-16 underlying[1]	Change Q2/Q2 underlying[1]	H1-16	H1-16 underlying[1]	Change H1/H1 underlying[1]
Revenues	**849**	**849**	**(10.1%)**	**1,684**	**1,684**	**(9.7%)**
Operating expenses excluding SRF, transformation plan and network reorganisation cost	(610)	(610)	(2.8%)	(1,252)	(1,252)	(1.5%)
SRF	(3)	(3)	-	(19)	(19)	-
Impact transformation plan	(12)	(12)	-	(24)	(24)	-
Network reorganisation cost	(41)	-	-	(41)	-	-
Gross operating income	**183**	**224**	**(26.8%)**	**348**	**389**	**(31.0%)**
Cost of risk	(53)	(53)	nm	(75)	(75)	17.3%
Income before tax	**130**	**171**	**(40.6%)**	**273**	**314**	**(37.0%)**
Tax	(44)	(58)	(45.7%)	(97)	(111)	(40.2%)
Net income	**86**	**113**	**(37.6%)**	**176**	**203**	**(35.2%)**
Non-controlling interest	4	5	(37.6%)	9	10	(34.7%)
Net income Group Share	**82**	**108**	**(37.6%)**	**167**	**193**	**(35.2%)**

The loan book grew by 4.5% between June 2015 and June 2016, with a hefty rise of 6.9% in lending to professionals and businesses over the same period.

On-balance sheet deposits rose by 7.4% year-on-year on the back of growth in demand deposits, which took them from 35% of the total in the second quarter of 2015 to 37% in the second quarter of 2016.

Insurance products performed very strongly in the second quarter of 2016, especially in property and casualty insurance (multi-risk home, motor and health) and in death and disability insurance (+24% and +67% respectively vs. the second quarter of 2015).

In addition, after contracting for four quarters in a row, loan renegotiations in the second quarter of 2016 (1.4 billion euros) were higher than in the first quarter of 2016. Early repayments of 0.9 billion euros declined slightly over the quarter.

LCL's second-quarter 2016 revenues came to 849 million euros, a decrease of 10.1% on the second quarter of 2015. Restated for the home savings provision and one quarter of BFCAG's earnings[2], LCL's revenues fell 8.3% versus their second-quarter 2015 level.
Revenues rose by 1.6% compared with the first quarter of 2016. This increase was attributable to the improvement in the net interest margin (+3.2% vs. the first quarter of 2016). Even so, the net interest margin was again held back by the unfavourable impact of the exceptional volumes of loan renegotiations and early repayments of home loans.
In line with the guidance given on 9 March 2016, LCL continues to make adjustments to its sales network by regrouping branches, especially in urban areas. A provision of 41 million euros for these network reorganisation was thus recognised under operating expenses in the financial statements for the second quarter of 2016. Restated for this effect, for the SRF and also for the transformation plan, LCL's expenses declined by 1.2% compared with the second quarter of 2015.

[1] Restated for network reorganisation provision in Q2-16
[2] Restated for one quarter of BFCAG's earnings in the comparison with the second quarter of 2015, as this includes six months of BFCAG's 2015 earnings

The cost of risk, which came to 53 million euros in the second quarter of 2016, was stable by comparison with the second quarter of 2015 after restating for the impact of the recovery from a legal file in the second quarter of 2015.

All in all, net income Group share for the second quarter of 2016 totalled 108 million euros excluding the network reorganisation cost, a decline of 37.6% on the second quarter of 2015.

In the first half of 2016, LCL's revenues were 9.7% lower than in the first six months of 2015. Restated for the home savings provision, LCL's first-half 2016 revenues dropped 9.3% below their first-half 2015 level.
The net interest margin, which totalled 920 million euros in the first half, was dragged down by the surge in loan renegotiations and early repayments of home loans in 2015. Fee and commission income declined slightly compared with the first six months of 2015 (763 million euros in the first half of 2016, compared with 772 million euros in the first half of 2015).

Operating expenses in the first half of the year were inflated by the 41 million euros in provisions set aside for network reorganisation. Restated for this effect, the SRF and the transformation plan, LCL's expenses declined by 1.5% compared with the first half of 2015. Expenses incurred under the transformation plan totalled 24 million euros in the first half, a rise of 26.3% over 12 months. The impact of the SRF was 19 million euros in the first half of 2016.

The cost of risk remained low, representing an expense of 75 million euros in the first six months of 2016, compared with 64 million euros in the year-earlier period. At 14 basis points of outstandings (over a rolling period of four quarters), it reflects a level of recurring risk that has stayed consistently low for several quarters (the first-half 2015 figure included a recovery from a legal file).

All in all, net income Group share for the first half of 2016 totalled 193 million euros excluding the provision for network reorganisation, a decrease of 35.2% on the first half of 2015.

The adjustment items permitting to reconcile stated and underlying amounts and changes in the income statement of the second quarter and the first half-year are detailed in the appendix.

2. INTERNATIONAL RETAIL BANKING

Net income Group share for the business line was 130 million euros in the first half of 2016 compared with 91 million euros for the same period of 2015.

(in millions of euros)	**Q2-16**	**Change Q2/Q2**	**H1-16**	**Change H1/H1**
Revenues	**637**	**(8%)**	**1,262**	**(5.7%)**
Operating expenses excluding SRF	(367)	+1.1%	(734)	(0.7%)
SRF	(2)	nm	(10)	nm
Gross operating income	**268**	**(18.5%)**	**518**	**(12.2%)**
Cost of risk	(113)	(24.7%)	(240)	(19.6%)
Income before tax	**155**	**(13.2%)**	**278**	**(4.5%)**
Tax	(48)	(15.5%)	(91)	(12.1%)
Net income	**107**	**(13.4%)**	**187**	**+7.2%**
Non-controlling interest	30	(7.5%)	57	+0.7%
Net income Group Share	**77**	**(15.5%)**	**130**	**+10.4%**

In Italy, Cariparma enjoyed good business momentum in the first half of 2016. Customer assets were up by a substantial 5.1% compared with 30 June 2015, totalling 99.5 billion euros at 30 June 2016. Off-balance sheet customer assets were up 7.3% over one year, to 63.5 billion euros (driven mainly by 6.3% growth in life insurance and mutual funds), despite less favourable market conditions in the first half and an adverse base for comparison due to an excellent performance in the first half of 2015. Over the same period, on-balance sheet deposits increased by 1.5% to 36.0 billion euros at 30 June 2016.
Loans outstanding amounted to 34.5 billion euros at 30 June 2016, an increase of 1.4% over one year, still driven by home loans (up 3.0%) and corporate loans (up 7.9%). During the same period, loans to SME went down by 1.1%.

Cariparma's revenues were 413 million euros in the second quarter of 2016, a year-on-year decrease of 7.9%. The net interest margin was affected by the negative interest rate environment and by stronger competition for the best counterparties. Fee and commission income was also down sharply by 7% year-on-year in the second quarter of 2016, mainly due to an adverse base for comparison.

Operating expenses excluding SRF remained contained at 236 million euros, a year-on-year increase of 0.4%, enabling Cariparma to maintain a satisfactory cost/income ratio of 57.2% (excluding SRF). Cariparma was required to make an additional contribution of 2 million euros to the SRF in the second quarter.

The cost of risk amounted to 82 million euros in the second quarter of 2016 compared with 99 million euros in the second quarter of 2015, a year-on-year decrease of 17.0%. The impaired loans ratio was down slightly to 13.6% and the coverage ratio (including collective reserves) increased to 46.3%. Flows of new non-performing loans continued to decline (-11% year-on-year in the second quarter of 2016).

In all, the year-on-year fall in Cariparma's revenues in the second quarter was partly offset by the sharp decrease in the cost of risk and tight control over operating expenses. Net income Group share therefore came to 43 million euros compared with 54 million euros in the second quarter of 2015.

Cariparma Group's net income, based on the local scope of consolidation, was 70 million euros in the second quarter of 2016 and net income Group share of Crédit Agricole S.A. in Italy amounted to 117 million euros.

In the first half of 2016, revenues came to 811 million euros, a year-on-year decrease of 6.4%. The decline stemmed from a decrease in fee and commission income (-8%) coupled with an adverse base for comparison due to large inflows of customer assets in the first half of 2015.
Operating expenses excluding SRF remained virtually unchanged (up 0.4%) year-on-year in the first half of 2016.
The cost of risk was 167 million euros in the first half of 2016, a decrease of 15.2% year-on-year, driven by an improvement in the Italian economy and the tight risk management processes implemented by Cariparma.
Cariparma's net income Group share amounted to 81 million euros in the first half of 2016 compared with 93 million euros in the first half of 2015, a decrease of 13.5%. Based on the local scope of consolidation, Cariparma's net income Group share amounted to 123 million euros in the first half of 2016 and net income Group share of Crédit Agricole S.A. in Italy amounted to 237 million euros.

The Group's other international entities also delivered strong business momentum. Customer assets stood at 12.3 billion euros at 30 June 2016 (including 11.1 billion euros in on-balance sheet deposits), compared with 13.0 billion euros at 30 June 2015 (including 11.4 billion euros of on-balance sheet deposits). This decrease stemmed mainly from a currency effect. Restated for this effect, customer assets were up 1.2% compared with 30 June 2015. Customer assets were up in Poland and Ukraine, and in Egypt (decrease in expensive resources).
Loans outstanding stood at 10.1 billion euros at 30 June 2016 (versus 10.3 billion euros at 30 June 2015), a year-on-year increase of 3.0% excluding currency effect.
The surplus of deposits over loans amounted to 1.8 billion euros at 30 June 2016.

Revenues of the Group's other international entities decreased to 224 million euros (-8.2%) in the second quarter of 2016, mainly due to adverse currency effects in Egypt, Ukraine and Poland.
Gross operating income fell by 15.5% year-on-year in the second quarter of 2016.
The cost of risk was 31 million euros in the second quarter of 2016, a decrease of 39.5% compared with the second quarter of 2015 (51 million euros).
In all, net income Group share of the Group's other international entities came to 34 million euros in the second quarter of 2016, stable compared with the second quarter of 2015.

In the first half of 2016, net income Group share was 49 million euros with a strong increase of 113.5%. Revenues amounted to 451 million, down slightly compared with the first half of 2015, mainly due to adverse currency effects. Operating expenses were down 4.4% in the first half of 2016. The cost of risk decreased by 28.2% year-on-year in the first half of 2016, to 72 million euros, thanks to an improvement in the economic situation in Morocco and Ukraine in particular. By entity, Egypt remained highly dynamic, with a slight increase in its contribution to 36 million euros. Crédit Agricole Poland contributed 25 million euros, an increase compared with the first half of 2015. Ukraine and Crédit du Maroc both delivered a sharp increase in net income Group share thanks to the improvement in the cost of risk.

3. ASSET GATHERING

This business line encompasses asset management, insurance and wealth management.
Assets under management rose by 22 billion euros compared with end-December 2015, confirming the strong business momentum in this business line. Net inflows for all segments were 21 billion euros, including 17 billion euros for Amundi, 3 billion euros for life insurance and 1 billion euros for wealth management. Apart from this good commercial performance, the business line recorded a positive market and currency effect of 1 billion euros. Total assets under management at 30 June 2016 were 1,418 billion euros, up 1.6% over the first half. Net income Group share for the business line was up 8.9% compared with the first half of 2015 (after restatement of effects of triggering of Switch guarantee in Q2-15) to 794 million euros, including 415 million euros in the second quarter of 2016.

(in millions of euros)	**Q2-16**	**Change Q2/Q2 underlying[1]**	**H1-16**	**Change H1/H1 underlying[1]**
Revenues	**1,165**	**(1.1%)**	**2,343**	**(0.2%)**
Operating expenses	(531)	(1.2%)	(1,124)	+0.2%
Gross operating income	**634**	**(1.0%)**	**1,219**	**(0.6%)**
Cost of risk	(5)	nm	(7)	nm
Operating income	**629**	**+0.3%**	**1,212**	**+0.6%**
Share of net income of equity-accounted entities	6	(7.5%)	13	+1.6%
Net income on other assets	1	nm	1	nm
Pre-tax income	**636**	**(1.2%)**	**1,226**	**+0.1%**
Tax	(179)	(19.4%)	(351)	(17.8%)
Net income	**457**	**+8.2%**	**875**	**+9.6%**
Non-controlling interests	42	+15.1%	81	+17.8%
Net income Group share	**415**	**+7.6%**	**794**	**+8.9%**

In **Asset management**, Amundi's assets under management stood at 1,004 billion euros, already above the target of 1,000 billion euros announced in 2014 for end-2016, thanks to a growth mainly organic over the period. In the first six months of 2016, net inflows remained buoyant despite customer risk aversion, amounting to almost 17 billion euros, including more than 90% in the international markets (of which more than 70% in Asia). Net inflows mainly comprised medium and long-term assets for 17 billion euros[2], equities in particular. Activity was also mainly driven by the Retail segment, despite strong risk aversion. The positive market and currency impacts amounted to 2.4 billion euros in the first half, thereby increasing assets under management to 1,004 billion euros at end-June 2016. Assets under management rose by 1.9% compared with end-December 2015 and by 5.2% over one year.

In the second quarter of 2016, Amundi's net income at 100% (i.e. before share attributable to non-controlling interests) amounted to 145 million euros, an increase of 1.3% quarter-on-quarter. In an environment of falling equity markets and strong volatility, these excellent results were driven by resilient revenues and strict control over costs. Net income Group share was 108 million euros compared with 113 million euros in the second quarter of 2015, affected by the decrease in Crédit Agricole S.A's stake, from 78.6% in the second quarter of 2015 to 74.2% in the second quarter 2016. For the first half of 2016, net income Group share was 200 million euros versus 211 million euros in the same period of 2015 due to the same change in the ownership rate. Revenues were more or less stable, both in the second quarter of 2016 (+0.6% compared with the second quarter of 2015) and in the first half (-1.2% compared with first-half 2015), due to the resilience of management and performance fees. In the second quarter of 2016, operating expenses were contained, with a decrease of 2.7% compared with the second quarter of 2015 and a decrease of 2.2% in the first half of 2016 compared with the first half of 2015. In all, the cost/income ratio improved

[1] After restatement of effects of triggering of Switch guarantee in Q2-2015
[2] Equities, bonds, multi-assets, structured and specialised assets

by 0.5 percentage points to 52.9% compared with the first half of 2015, reflecting an excellent level of operating efficiency.

The **Wealth management** business maintained its assets under management in the first half, despite the challenging market conditions. They amounted to 150.4 billion euros at end-June 2016, down 0.5% compared with end-June 2015. Net income Group share for the first half of 2016 was affected by the wait-and-see position taken by customers in the face of uncertainty in the financial markets. It amounted to 34 million euros, down 28.1% compared with the first half of 2015.

In **Insurance**, premium income[1] was 7.9 billion euros in the second quarter of 2016.

Momentum in the savings/retirement segment remained robust. Premium income was 6.3 billion euros in the second quarter compared with 5.9 billion euros in the second quarter of 2015, an increase of 6.4% driven by business in the international market. Assets managed amounted to 264.2 billion euros at end-June 2016, up 3.4% over one year. Funds in euros amounted to 214.4 billion euros, while unit-linked funds amounted to 49.8 billion euros. The share of unit-linked funds was 21.2% in the quarterly inflows and 18.8% in the stock.

Property & casualty insurance enjoyed above-market growth in France. The farming and small business segment was up sharply (+8.7% versus the second quarter of 2015). The 12 million policy milestone was reached in June 2016. Property & casualty premium income rose by 6% year-on-year to 767 million euros in the second quarter of 2016. The combined ratio[2] remains under control despite recent weather events, standing at 96.6% for the Pacifica scope.

In the Death & disability/health/creditor segment, premium income rose by 12.0% year-on-year in the second quarter of 2016, to 814 million euros. The quarter also saw the launch of an integrated commercial partnership with Amundi in group insurance, rounding out the Group's offering in this area. Creditor insurance grew by 7.4% year-on-year in the second quarter of 2016, with growth in business in both France and the international markets.

In the second quarter of 2016, net income Group share for the Insurance business was 293 million euros, a year-on-year increase of 16.6% restated of the Switch guarantee trigger.[3]

In the first half of 2016, net income Group share for the Insurance business was 560 million euros, an increase of 18.7% compared with the first half of 2015, restated of the effect of the Switch guarantee trigger.[3]

The adjustment items permitting to reconcile stated and underlying amounts and changes in the income statement of the second quarter and the first half-year are detailed in the appendix.

1 Breakdown of IFRS premium income by new business line following transfer of individual health and personal accident from "Death & disability/health/creditor" to "Property & casualty insurance"

2 (Claims+ operating expenses + commissions) / premium income, net of reinsurance.

3 The Switch guarantee trigger had a favourable impact of 66 million euros on the Insurance business line's pro forma cost of risk in the second quarter of 2015

4. SPECIALISED FINANCIAL SERVICES

(in millions of euros)	**Q2-16**	**Change Q2/Q2**	**H1-16**	**Change H1/H1**
Revenues	**659**	**(0.9%)**	**1,306**	**(0.4%)**
Operating expenses excluding SRF	(327)	+2.1%	(676)	+1.0%
SRF	(4)	nm	(13)	(22.4%)
Gross operating income	**328**	**(4.8%)**	**617**	**(1.3%)**
Cost of risk	(158)	(13.9%)	(277)	(28.7%)
Income before tax	**170**	**5.4%**	**340**	**43.4%**
Share of net income of equity-accounted entities	51	+14.2%	97	10.5%
Pre-tax income	(2)	nm	(2)	nm
Tax	**219**	**6.5%**	**435**	**33.9%**
Net income from discontinued or held for sale operations	(48)	(11.2%)	(105)	+17%
Net income	**171**	**12.8%**	**330**	**41.1%**
Non-controlling interests	17	(35.4%)	47	+16.7%
Net income Group share	**154**	**+23.1%**	**283**	**+46.2%**

Specialised financial services delivered net income Group share of 154 million euros in the second quarter of 2016 versus 125 million euros the previous year.

In line with previous quarters, CACF performed well in the second quarter of 2016, with record new lending of 10.3 billion euros. This represents an increase of 17% compared with the second quarter of 2015, driven by all segments and more particularly by FCA Bank (+26% year-on-year) and the Group's branch networks (+19%). The managed loan book therefore stood at 74.2 billion euros at end-June 2016, a record since June 2013 and up 5.7% compared with end-June 2015 thanks to strong business momentum in car finance partnerships (+15.1%) and the French branch networks (+10.8%). The geographical breakdown remained unchanged from previous quarters, with 38% of outstandings in France, 32% in Italy and 30% in other countries.
CACF continues to strengthen its external funding, launching a deposit-taking business in Spain in March 2016 in addition to its existing deposit operations in Germany and Austria enabling a 4.9 billion euros in deposits end June 2016.
On 2 May 2016, CACF announced that its subsidiary FCA Bank had completed the acquisition of FFS AG, Ferrari's captive finance company.

CACF's revenues amounted to 522 million euros in the second quarter of 2016, down slightly by 2.4% compared with the same period of the previous year but up (+ 0.9%) compared to the first quarter of 2016. With operating expenses up slightly by 3.1% year-on-year to 261 million euros, CACF continued to improve its operating efficiency with a gross operating income up 9.3% at 261 million euros compared with the first quarter of 2016. Lastly, the cost of risk continued to fall significantly, by 15.4% year-on-year in the second quarter of 2016, mainly due to a structural improvement in loan book quality. CACF's net income Group share was 117 million euros compared with 92 million euros in the second quarter of 2015.

In the first half of 2016, CACF's revenues were down 1.4% at 1,039 million euros compared with the first half of 2015 due mainly to insurance and loans repayments in Italy. Car finance partnerships contributed well to CACF's profitability, with a 10.7% increase in their equity-accounted contribution.
Operating expenses were 540 million euros, an increase of 0.7% compared with the first half of 2015, restated for the 8 million euros SRF impact in the first quarter of 2016.

The cost of risk was down significantly, mainly due to an improvement in quality of the customer portfolio. The cost of risk in consumer finance was 248 million euros in the first half of 2016, down 30.5% year-on-year. The cost of risk represented 133 basis points of outstandings (over 4 rolling quarters), versus 226 basis points in the first half of 2015.
CACF's net income Group share was 223 million euros, including 9 million euros for the SRF, compared with 145 million euros in the first half of 2015, which included 10 million euros for the SRF.

CAL&F's leasing book continued to grow, reaching 15.2 billion euros at end-June 2016, an increase of 3.1% over one year. Factored receivables increased by 5% compared with the second quarter of 2015, to 17.8 billion euros. Growth was particularly strong in France, with a year-on-year increase of 9.0% to 11.9 billion euros at end-June 2016.

CAL&F's revenues amounted to 137 million euros in the second quarter of 2016, a year-on-year increase of 5.1%. Operating expenses were 70 million euros in the first quarter of 2016, a year-on-year increase of 4.0%, while the cost of risk increased by 4.1% over the same period. CAL&F's net income Group share therefore rose by 12.7% year-on-year to 37 million euros.

In the first half of 2016, CAL&F's revenues amounted to 267 million euros, up 3.8% year-on-year due mainly to the increase in lease finance outstandings in France. Operating expenses were 150 million in the first half of 2016, representing a slight decrease of 0.5%. The cost of risk was 29 million euros compared with 32 million euros in the first half of 2015. In all, CAL&F's net income Group share amounted to 60 million euros for the first half of 2016, including the 5 million euro SRF contribution, compared with 48 million euros in the same period of 2015 including a 6 million euros SRF contribution, representing a year-on-year increase of 25.2%.

5. LARGE CUSTOMERS

Net income Group share for the **Large Customers** business line was 363 million euros in the second quarter of 2016. Restated for loan hedges and the impact of DVA running (-2 million euros), net income Group share was 365 million euros. The second quarter also included an additional contribution of 24 million euros to the Single Resolution Fund (SRF) and a provision for legal risks of 50 million euros.

Net income Group share for the business line comprised a contribution of 219 million euros from Financing activities, 114 million euros from Capital markets and investment banking and 32 million euros from Asset servicing (versus, respectively, 213 million euros, 159 million euros and 26 million euros in the second quarter of 2015).

Total Large Customers

(in millions of euros)	Q2-16	Q2-16 underlying	Change Q2/Q2 Underlying[1]	H1-16	H1-16 underlying	Change H1/H1 underlying[1]
Revenues	**1,326**	**1,329**	**(5.0%)**	**2,546**	**2,536**	**(9.6%)**
o/w Financing activities	*571*	*570*	*(2.8%)*	*1,097*	*1,096*	*(3.7%)*
o/w Capital markets and Investment banking	*554*	*558*	*(10.1%)*	*1,063*	*1,054*	*(18.1%)*
o/w Asset servicing	*201*	*201*	*4.7%*	*386*	*386*	*1.3%*
Operating expenses excluding SRF	(728)	(728)	1.3%	(1,515)	(1,515)	0.8%
SRF	(24)	(24)	nm	(149)	(149)	64.6%
Gross operating income	**574**	**577**	**(15.0%)**	**883**	**873**	**(28.1%)**
Cost of risk	(166)	(166)	nm	(288)	(288)	nm
Operating income	**408**	**411**	**(36.3%)**	**595**	**585**	**(46.8%)**
Share of net income of equity-accounted entities	61	61	nm	123	123	nm
Net income on other assets	1	1	nm	1	1	nm
Income before tax	**470**	**473**	**(21.4%)**	**719**	**709**	**(36.7%)**
Tax	(107)	(108)	(42.6%)	(187)	(184)	(49.9%)
Net gain/(loss) from held-for-sale operations	11	11	nm	11	11	nm
Net income	**374**	**376**	**(8.5%)**	**543**	**536**	**(28.6%)**
Non-controlling interests	11	11	(15.4%)	17	17	(26.1%)
Net income Group share	**363**	**365**	**(8.3%)**	**526**	**519**	**(28.7%)**

After a volatile start to the year, the markets calmed down for a while at the end of March thanks to action taken by the central banks and particularly the ECB, with the extension of its corporate sector purchase programme. Market volatility reappeared in May with uncertainties over global growth and initial fears related to Brexit. These fears intensified in early June causing credit spreads to widen before moving more or less back to their pre-referendum level by the end of June, given the expected length of the Brexit process, with credit spreads narrowing and volatility falling at the end of the period.

[1] *Cf. table with reconciliation between the stated and the underlying results of Large Customers division.*

Against this backdrop, **Corporate and investment banking** revenues amounted to 1,125 million euros in the second quarter of 2016. Restated for loan hedges and DVA running, revenues were 1,128 million euros, an increase of 6.4% excluding the impacts of XVA compared with the second quarter of 2015, which itself was already a good quarter.

Revenues from **Fixed income & Treasury** were 459 million euros in the second quarter of 2016, excluding the impact of DVA running. Excluding XVA effects, revenues increased by 17% year on year. There were some excellent performances in all activities, particularly fixed income (favourable base for comparison in the second quarter of 2015, which was affected by uncertainties over sovereign debt) and credit activities, which made a sharp recovery.
In bond issues, CACIB has moved up one place to world no. 5 and has kept its no. 2 ranking in the global green bond market (28 transactions in the second quarter of 2016).
Investment banking activity was also buoyant in the second quarter of 2016 thanks to some large deals in the rights issue markets. Its revenues amounted to 99 million euros, a year-on-year increase of 16% compared with the second quarter of 2015.
Average VaR, stayed at a low level, despite the volatility of markets, especially at the end of the quarter (average of 11 millions euros during the second quarter of 2016).

Revenues from **structured finance** were stable at 308 million euros compared with an already good second quarter of 2015, thanks to some good performances across all product lines (fee and commission income up and good level of origination).
Commercial banking activities proved resilient in a persistently challenging environment (oil prices down 25% over one year, reduction in syndicated credit volumes in Europe related to Brexit). However CACIB maintained its market shares, remaining number one bookrunner in France and number 5 in West Europe in the syndication market.

Operating expenses amounted to 603 million euros in the second quarter of 2016, including a 24 million euros additional contribution to the Single Resolution Fund (SRF). Restated for this item, operating expenses were stable compared with the second quarter of 2015 (+1.3%).

In the second quarter of 2016, the **cost of risk** was affected by a 50 million euros provision for litigation. Restated for this item, the cost of risk was 116 million euros, stable compared with the first quarter of 2016. The cost of risk to outstandings for Financing activities was 29 basis points in the second quarter of 2016.[1] As a reminder, the second quarter of 2015 included an additional OFAC provision of 350 million euros.

The **share of income from equity-accounted entities** amounted to 61 million euros, reflecting a good performance from Banque Saudi Fransi. As a reminder, the first half of 2015 included a write-down of two equity investments (UBAF and Elipso, a securitisation vehicle for European home loans).

In Asset servicing, **CACEIS** assets remained stable despite the highly adverse market conditions, thanks to its buoyant business momentum. Assets under custody were 2,329 billion euros at 30 June 2016 (versus 2,327 billion euros at 31 December 2015), while assets under administration were 1,494 billion euros at 30 June 2016, an increase of 1.2% since 31 December 2015. In all, CACEIS' contribution to net income Group share was 32 million euros in the second quarter of 2016, a year-on-year increase of 24.1%. This good overall performance was driven mainly by growth in revenues, which were up 4.7% year-on-year as CACEIS benefited from rebilling negative interest rates to its clients.

[1] *Calculated over 4 rolling quarters*

In the first half of 2016, **net income Group share for the Large Customers business line** was 526 million euros and 519 million euros restated for loan hedges and the impact of DVA running (7 million euros). The quarter included a contribution to the Single Resolution Fund (SRF) of 149 million euros and a provision for legal risk of 50 million euros.

Restated net income Group share comprised a contribution of 370 million euros from Financing activities, 101 million euros from Capital markets and investment banking and 48 million euros from Asset servicing (versus, respectively, 399 million euros, 289 million euros and 40 million euros in the first semester of 2015).

While the first half of 2015 had benefited from favourable market conditions (ECB's quantitative easing policy and abolition of the CHF/EUR floor rate), the market environment disrupted **Capital markets and investment banking** activities during the first half of 2016. Revenues were therefore down 18.1% year-on-year in the first half of 2016 to 1,054 million euros, but down 4.2% excluding XVA impacts.

Revenues from **financing activities** were down 3.7% to 1,096 million euros in the first half of 2016 versus 1,138 million euros in the same period of 2015, despite buoyant activity in structured finance, which delivered a good performance in almost all product lines, and in particular aircraft, infrastructure and acquisition finance. Commercial banking remained affected by the unfavourable conditions in 2016, in particular the fall in oil prices between the two comparison periods.

Operating expenses were 1,355 million euros in the first half of 2016, versus 1,286 million euros in the first half of 2015, a year-on-year increase of 5.5%. The increase was mainly due to the contributions to the Single Resolution Fund (SRF), which amounted to 149 million euros in the first half of 2016 compared with 90 million euros for the same period of 2015. Restated for this item, operating expenses were broadly stable year-on-year in the first half of 2016 (+0.8%).

The cost of risk was 288 million euros in the first half of 2016, versus 465 million euros in the first half of 2015, which included an additional OFAC provision of 350 million euros.

The **contribution from equity-accounted entities** was 123 million euros in the first half of 2016, versus 19 million euros in the first half of 2015, which was affected by the write-down of two equity investments (UBAF and Elipso).

In the first half of 2016, **CACEIS** net income Group share was 48 million euros versus 40 million euros in the first half of 2015, a year-on-year increase of 18.1% driven by revenue growth (+1.3%) related to the rebilling of negative interest rates over the period and tight control over costs, which remained stable.

6. CORPORATE CENTRE

(in millions of euros)	Q2-16	Change Q2/Q2	H1-16	Change H1/H1
Revenues	**102**	**nm**	**(604)**	**(21.5%)**
of which capital and liquidity management	*58*	*nm*	*(730)*	*(31.0%)*
of which net costs allocated to equity stakes funding and to debt	*(277)*	*(19.7%)*	*(574)*	*(14.7%)*
of which Switch	*(115)*	*+1.5%*	*(230)*	*+1.3%*
of which VISA Europe	*355*	*ns*	*355*	*nm*
of which issuer spreads	*19*	*(88.8%)*	*38*	*(77.4%)*
of which other	*25*	*(52.7%)*	*89*	*(27.7%)*
Operating expenses excluding SRF and new taxes	(186)	(9.5%)	(397)	(4.8%)
SRF and new taxes	(14)	nm	(72)	(0.1%)
Gross operating income	**(98)**	**(81.8%)**	**(1,073)**	**(14.7%)**
Cost of risk	(2)	nm	(12)	nm
Operating income	**(100)**	**(78.2%)**	**(1,085)**	**(6.9%)**
Share of net income of equity-accounted entities	3	nm	11	nm
Net income on other assets	3	nm	3	nm
Income before tax	**(94)**	**(79.8%)**	**(1,071)**	**(8.7%)**
Tax	171	(32.5%)	564	+10.4%
Net income	**77**	**nm**	**(507)**	**(23.4%)**
Non-controlling interests	10	(52.0%)	8	(83.6%)
Net income Group share	**67**	**nm**	**(515)**	**(27.6%)**
Net income Group share underlying*	**(300)**	**(21.3%)**	**(705)**	**(22.1%)**

*The specific items are the disposal result on the VISA shares, the dividends paid by the Regional Banks and the issuer spreads

In the second quarter of 2016, Corporate Centre revenues were +102 million euros (versus -405 million euros in the second quarter of 2015) due to the gain on disposal of VISA Europe shares for 355 million euros and 30 million euros in dividends received from the Regional Banks in respect of their 2015 earnings. In addition, the balance sheet optimisation transaction carried out in the first quarter of the year led to a 53 million euros reduction in the cost of debt in the second quarter.
As a reminder, the cost of Switch is now -115 million euros per quarter following the reallocation of Switch Insurance to the Asset gathering business line.

Operating expenses, excluding SRF and ECB, SRB and C3S taxes, decreased by 9.5% year-on-year in the second quarter of 2016, to 186 million euros. The additional SRF charge and banking taxes amounted to 14 million euros in the second quarter.

The tax effect was very favourable in the second quarter of 2016 due to the low taxation of the gain on disposal of VISA shares and the dividends received from the Regional Banks. The income tax benefit was down 32.5% year-on-year to 171 million euros.

In all, net income Group share came to 67 million euros in the second quarter and to -300 million euros restated for issuer spreads, the VISA disposal and the Regional Bank dividends.

The first half of 2016 was not at all representative in terms of revenues as it included the cost of the balance sheet optimisation transaction for -683 million euros (first quarter 2016) and the savings generated by it for 53 million euros (second quarter), as well as the gain on disposal of VISA shares for 355 million euros and dividends received from the Regional Banks for 286 million euros. Revenues for the first half of 2016 were therefore -604 million euros, but on a non-comparable basis with the first half of 2015, which recorded revenues of -769 million euros.
As a reminder, the cost of Switch is now -230 million euros per half-year following the reallocation of Switch Insurance to the Asset gathering business line.

Excluding the SRF charge and ECB, SRB and C3S taxes, operating expenses decreased by 4.8% year-on-year in the first half of 2016. These charges and taxes were stable at 72 million euros in 2016.

A tax benefit of +564 million euros was recorded in the first half, although this is not comparable with the first half of 2015 due to the items described above.

In all, net income Group share came to -515 million euros in the first half of 2016 and to -705 million euros restated for issuer spreads, the VISA disposal and the Regional Bank dividends.

CREDIT AGRICOLE GROUP CONSOLIDATED RESULTS

Outstanding customer loans of Crédit Agricole Group amounted to almost 757 billion euros at June 30. 2016. Customer accounts on the balance sheet were almost 674 billion euros.

(in millions of euros)	**Q2-16**	**Q2-16 underlying**	**Change Q2/Q2 underlying**	**H1-16**	**H1-16 underlying**	**Change H1/H1 underlying**
Revenues	**8,266**	**7,895**	**(0.6%)**	**15,425**	**15,705**	**(1.9%)**
Operating expenses excluding SRF	(4,925)	(4,884)	+1.6%	(10,047)	(10,006)	+1.0%
SRF	(44)	(44)	nm	(282)	(282)	+23.1%
Gross operating income	**3,297**	**2,967**	**(5.5%)**	**5,096**	**5,417**	**(7.7%)**
Cost of risk	(754)	(754)	+23.0%	(1,308)	(1,308)	+0.9%
Operating income	**2,543**	**2,213**	**-**	**3,788**	**4,109**	**-**
Share of net income of equity-accounted entities	124	124	nm	250	250	+112.2%
Net income on other assets	3	3	(27.1%)	28	28	nm
Change in value of goodwill	-	-	-	-	-	-
Income before tax	**2,670**	**2,340**	**(7.7%)**	**4,066**	**4,387**	**(6.5%)**
Tax	(655)	(644)	(17.0%)	(1,143)	(1,358)	(13.8%)
Net income from discontinued or held for sale operations	11	11	nm	11	11	nm
Net income	**2,026**	**1,707**	**(2.9%)**	**2,934**	**3,040**	**(1.8%)**
Non-controlling interests	84	84	(23.5%)	174	175	(14.6%)
Net income Group share	**1,942**	**1,623**	**(1.5%)**	**2,760**	**2,865**	**(0.9%)**

In the second quarter of 2016, Crédit Agricole Group recorded revenues of 8,266 million euros, or 7,895 million euros on an underlying basis, down 0.6% compared to the second quarter of 2015.

Operating expenses were impacted in the second quarter of 2016 by an additional contribution to the SRF of -44 million euros. Excluding this item, expenses of Crédit Agricole Group were up 1.6% year-on-year.

The cost of risk of Q2-15 and Q2-16 is impacted by specific items (legal provisions, OFAC provisions, triggering of the Switch) which made the changes non material. It remains relatively law and represented 30 basis points over loans outstanding in the second quarter of 2016[1] compared with 32 basis points in the second quarter of 2015[1].

In all, underlying net income Group share amounted to 1,623 million euros, slightly down compared with the second quarter of 2015 (-1.5%).

In order to reconcile stated and underlying amounts and changes in the income statement, the **adjustment items** are as follows for the quarter:

[1] Calculation on 4 rolling quarters

€m	Specific items of Q2-16		Specific items of Q2-15	
	Impact before tax	Impact on NIGS	Impact before tax	Impact on NIGS
DVA running (LC)	(4)	(3)	57	37
Loan hedges (LC)	1	1	25	16
Issuer spreads (Corporate centre)	19	11	229	149
Capital gain on VISA EUROPE (corporate centre)	355	337	-	-
Total impact on revenues	**371**	**346**	**311**	**202**
Network reorganisation cost of LCL (FRB)	(41)	(27)	-	-
Total impact on operating expenses	**(41)**	**(27)**	**-**	**-**
Additional provisions for litigation (LC)	-	-	(350)	(350)
Total impact on cost of risk	**-**	**-**	**(350)**	**(350)**
Total impact of specific items		**319**		**(148)**

In the first half of 2016, Crédit Agricole Group recorded revenues of 15,425 million euros, or 15,705 million euros on an underlying basis, down 1.9% compared to the first half of 2015.

Excluding the contribution to the SRF, the Group's operating expenses were up slightly, by 1.0% year-on-year, in the first half of 2016. The contribution to the SRF was 282 million euros in the first half of 2016, compared with 225 million euros over the same period in 2015.

In all, underlying net income Group share amounted to 2,865 million euros, down slightly year-on-year (-0.9%).

In order to reconcile stated and underlying amounts and changes in the income statement, the **adjustment items** are as follows for the half-year:

€m	Specific items H1-16		Specific items H1-15	
	Impact before tax	Impact on NIGS	Impact before tax	Impact on NIGS
DVA running (LC)	9	6	67	44
Loan hedges (LC)	1	0	21	13
Issuer spreads (Corporate centre)	38	27	199	131
Liability management upfront payment (corporate centre)	(683)	(448)	-	-
Capital gain on VISA EUROPE (corporate centre)	355	337	-	-
Total impact on revenues	**(280)**	**(78)**	**287**	**188**
Network reorganisation cost of LCL (FRB)	(41)	(27)	-	-
Total impact on operating expenses	**(41)**	**(27)**	**-**	**-**
Additional provisions for litigation (LC)	-	-	(350)	(350)
Total impact on cost of risk	**-**	**-**	**(350)**	**(350)**
Total impact of specific items		**(105)**		**(162)**

CREDIT AGRICOLE - REGIONAL BANKS

(in millions of euros)	**Q2-16**	**Change Q2/Q2**	**H1-16**	**Change H1-16**
Revenues	**3,520**	**(2.5%)**	**7,083**	**(2.3%)**
Operating expenses excluding SRF	(2,088)	+5.2%	(4,187)	+2.9%
SRF	(1)	nm	(38)	(7.0%)
Gross operating income	**1,431**	**(11.9%)**	**2,848**	**(8.6%)**
Cost of risk	(259)	(28.6%)	(407)	(27.7%)
Operating income	**1,172**	**(7.1%)**	**2,441**	**(4.4%)**
Share of net income of equity-accounted entities	2	x6.3	5	nm
Net income on other assets	-	nm	25	nm
Change in value of goodwill	-	nm	-	nm
Income before tax	**1,174**	**(6.9%)**	**2,471**	**(3.2%)**
Tax	(394)	(12.5%)	(864)	(9.1%)
Net income from discontinued or held for sale operations	-	nm	-	nm
Net income	**780**	**(3.7%)**	**1,607**	**+0.4%**
Non-controlling interests	-	nm	1	+66.7%
Net income Group share	**780**	**(3.8%)**	**1,606**	**+0.4%**

In the second quarter of 2016, the Regional Banks saw an acceleration in growth in both lending and customer assets.

Loans outstanding rose by 3.2% year-on-year, to 419 billion euros at 30 June 2016. Growth was particularly buoyant in home loans (+5.0% over one year) and consumer finance (+7.4%). Outstandings on SMEs and small businesses increased by 1.8% over the same period, and farming loans by 2.7%.

Customer assets also continued to grow, with a year-on-year increase of 2.6% to 627 billion euros at end-June 2016. Growth was particularly strong in on-balance sheet deposits (up 4.8% over one year to almost 378 billion euros at end-June 2016), while off-balance sheet assets were down slightly due to market conditions (-0.6% to 249 billion euros). On-balance sheet deposits continued to be driven by demand deposits (+10.7% year-on-year) and home purchase savings plans (+7.8%). Meanwhile, off-balance sheet customer assets continued to be driven by life insurance, which recorded a year-on-year growth in outstandings of 2.6% to almost 180 billion euros at end-June 2016. Outstandings of unit-linked accounts were up by 7.3% between June 2015 and June 2016.

The Regional Banks' revenues amounted to 3,520 million euros in the second quarter of 2016, down 2.5% compared with the second quarter of 2015. Excluding provisions for home purchase savings plans, revenues were stable over the period. The net interest margin excluding non-recurring items (i.e. provisions for home purchase savings plans and early repayment penalties) was down 2.4% year-on-year in the second quarter of 2016. Effective new loans were up again this quarter, at a stable level of margin rate as compared to the first quarter of 2016. Meanwhile, although they remain at a high level this quarter, loan renegociations and early repayments were down again as compared to the second quarter of 2015, by respectively 54% and 25%. Fee and commission income recorded further dynamic growth, of 4.5% year-on-year over the same period, driven mainly by a strong commercial performance in life insurance and death and disability insurance.

Provisions for home purchase savings plans amounted to 8 million euros for the second quarter of 2016 as compared to 42 million euros in the second quarter of 2015.

Operating expenses increased by 5.2% year-on-year excluding the additional SRF impact which amounted to 1 million euros in the second quarter of 2016. This was due mainly to an increase both in variable collective compensation and in technological investments.

In the second quarter of 2016, the Regional Banks' cost of risk represented 18 basis points over loans outstanding (over four rolling quarters). Impaired loans remained at the very low level of 2.5% of gross loans outstanding. As a reminder, the impact of the triggering of the Switch in the second quarter of 2015 was -172 million euros.

In all, the Regional Banks' net income Group share was 780 million euros in the second quarter of 2016, representing a year-on-year decrease of 3.8%.

For the first half of 2016, the Regional Banks' revenues amounted to 7,083 million euros, down 2.3% year-on-year. The net interest margin excluding non-recurring items was down 2.6% year-on-year in the second quarter of 2016 while fees and commissions continued to grow thanks mainly to insurance products at +3.4% year-on-year.
Provisions for home purchase savings plans amounted to 8 million euros for the first half-year of 2016 as compared to 181 million euros in the first half-year of 2015.

Operating expenses increased by 2.9% year-on-year, excluding the SRF impact which amounted to 38 million euros in the first half compared with 52 million euros in the first half of 2015.

In all, the Regional Banks' net income Group share was stable year-on-year in the first half of 2016 at 1,606 million euros (+0.4%).

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Crédit Agricole S.A.'s financial information for the second quarter and first half of 2016 consists of this press release and the attached presentation. All regulated information, including the registration document, is available on the website www.credit-agricole.com/Finance- and Shareholders under "Financial reporting" and is published by Crédit Agricole S.A. pursuant to the provisions of article L. 451-1-2 of the Code Monétaire et Financier and articles 222-1 et seq. of the AMF General Regulation.

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Appendices

RECONCILIATION BETWEEN THE STATED AND THE UNDERLYING RESULTS OF LCL

€m	Q2-16	Specific items of Q2-16 [(1)]	Q2-16 underlying	Q2-15	Specific items of Q2-15	Q2-15 underlying	∆ Q2/Q2	∆ Q2/Q2 underlying
Revenues	**849**	**-**	**849**	**944**	**-**	**944**	**(10.1%)**	**(10.1%)**
Operating expenses	(666)	(41)	(625)	(638)	-	(638)	+4.3%	(2.1%)
Gross operating income	**183**	**(41)**	**224**	**306**	**-**	**306**	**(40.2%)**	**(26.8%)**
Cost of risk	(53)	-	(53)	(16)	-	(16)	x 3,3	x 3,3
Share of net income of equity-accounted entities	-	-	-	-	-	-	nm	nm
Net income on other assets	-	-	-	(1)	-	(1)	nm	nm
Change in value of goodwill	-	-	-	-	-	-	nm	nm
Income before tax	**130**	**(41)**	**171**	**289**	**-**	**289**	**(54.8%)**	**(40.6%)**
Tax	(44)	14	(58)	(107)	-	(107)	(58.9%)	(45.7%)
Net income from discontinued or held-for-sale operations	-	-	-	-	-	-	nm	nm
Net income	**86**	**(27)**	**113**	**182**	**-**	**182**	**(52.4%)**	**(37.6%)**
Non-controlling interests	4	(1)	5	10	-	10	(52.2%)	(37.6%)
Net income Group Share	**82**	**(26)**	**108**	**172**	**-**	**172**	**(52.4%)**	**(37.6%)**

€m	H1-16	Specific items of H1-16 [(1)]	H1-16 underlying	H1-15	Specific items of H1-15	H1-15 underlying	∆ H1/H1	∆ H1/H1 underlying
Revenues	**1,684**	**-**	**1,684**	**1,866**	**-**	**1,866**	**(9.7%)**	**(9.7%)**
Operating expenses	(1,336)	(41)	(1,295)	(1,302)	-	(1,302)	+2.6%	(0.5%)
Gross operating income	**348**	**(41)**	**389**	**564**	**-**	**564**	**(38.2%)**	**(31.0%)**
Cost of risk	(75)	-	(75)	(64)	-	(64)	17.3%	17.3%
Share of net income of equity-accounted entities	-	-	-	-	-	-	nm	nm
Net income on other assets	-	-	-	(1)	-	(1)	nm	nm
Change in value of goodwill	-	-	-	-	-	-	nm	nm
Income before tax	**273**	**(41)**	**314**	**499**	**-**	**499**	**(45.2%)**	**(37.0%)**
Tax	(97)	14	(111)	(185)	-	(185)	(47.8%)	(40.2%)
Net income from discontinued or held-for-sale operations	-	-	-	-	-	-	nm	nm
Net income	**176**	**(27)**	**203**	**314**	**-**	**314**	**(43.7%)**	**(35.2%)**
Non-controlling interests	9	(1)	10	16	-	16	(43.2%)	(34.7%)
Net income Group Share	**167**	**(26)**	**193**	**298**	**-**	**298**	**(43.7%)**	**(35.2%)**

(1) Restated for network reorganisation in Q2-16

RECONCILIATION BETWEEN THE STATED AND THE UNDERLYING RESULTS OF INSURANCE (ASSET GATHERING)

€m	Q2-16	Specific items of Q2-16	Q2-16 underlying	Q2-15	Specific items of Q2-15	Q2-15 underlying	∆ Q2/Q2	∆ Q2/Q2 underlying
Revenues	**1 165**	**-**	**1 165**	**1 177**	**-**	**1 177**	**(1,1%)**	**(1,1%)**
Operating expenses	(531)	-	(531)	(537)	-	(537)	(1,2%)	(1,2%)
Gross operating income	**634**	**-**	**634**	**640**	**-**	**640**	**(1,0%)**	**(1,0%)**
Cost of risk	(5)	-	(5)	52	66	(14)	nm	nm
Share of net income of equity-accounted entities	6	-	6	6	-	6	-7,5%	-7,5%
Net income on other assets	1	-	1	10	-	10	nm	nm
Change in value of goodwill	-	-	-	-	-	-	nm	nm
Income before tax	**636**	**-**	**636**	**708**	**66**	**642**	**(10,5%)**	**(1,2%)**
Tax	(179)	-	(179)	(247)	(25)	(222)	(27,6%)	(19,4%)
Net income from discontinued or held-for-sale operations	-	-	-	1	-	1	nm	nm
Net income	**457**	**-**	**457**	**462**	**41**	**421**	**(1,4%)**	**+8,2%**
Non-controlling interests	42	-	42	35	-	35	+15,1%	+15,1%
Net income Group Share	**415**	**-**	**415**	**427**	**41**	**386**	**(2,8%)**	**+7,6%**

€m	H1-16	Specific items of H1-16	H1-16 underlying	H1-15	Specific items of H1-15 (1)	H1-15 underlying	∆ H1/H1	∆ H1/H1 underlying
Revenues	**2 343**	**-**	**2 343**	**2 347**	**-**	**2 347**	**(0,2%)**	**(0,2%)**
Operating expenses	(1 124)	-	(1 124)	(1 121)	-	(1 121)	+0,2%	+0,2%
Gross operating income	**1 219**	**-**	**1 219**	**1 226**	**-**	**1 226**	**(0,6%)**	**(0,6%)**
Cost of risk	(7)	-	(7)	44	66	(22)	nm	nm
Share of net income of equity-accounted entities	13	-	13	12	-	12	1,6%	1,6%
Net income on other assets	1	-	1	7	-	7	nm	nm
Change in value of goodwill	-	-	-	-	-	-	nm	nm
Income before tax	**1 226**	**-**	**1 226**	**1 289**	**66**	**1 223**	**(5,0%)**	**+0,1%**
Tax	(351)	-	(351)	(452)	(25)	(427)	(22,4%)	(17,8%)
Net income from discontinued or held-for-sale operations	-	-	-	1	-	1	nm	nm
Net income	**875**	**-**	**875**	**838**	**41**	**797**	**+4,3%**	**+9,6%**
Non-controlling interests	81	-	81	68	-	68	+17,8%	+17,8%
Net income Group Share	**794**	**-**	**794**	**770**	**41**	**729**	**+3,1%**	**+8,9%**

RECONCILIATION BETWEEN THE STATED AND THE UNDERLYING RESULTS OF LARGE CUSTOMERS DIVISION

(1) After restatement of effects of triggering of Switch guarantee in Q2-2015

€m	Q2-16	Impact of loan hedges	Impact of DVA running	Q2-16 underlying	Q2-15	Impact of loan hedges	Impact of DVA running	Additional provision OFAC	Q2-15 underlying	∆Q2/Q2 underlying
Revenues	**1,326**	**1**	**(4)**	**1,329**	**1,481**	**25**	**57**	**-**	**1,399**	**(5.0%)**
Operating expenses	(752)	-	-	(752)	(720)	-	-	-	(720)	+4.4%
Gross operating income	**574**	**1**	**(4)**	**577**	**761**	**25**	**57**	**-**	**679**	**(15.0%)**
Cost of risk	(166)	-	-	(166)	(384)	**-**	**-**	**(350)**	(34)	ns
Operating income	**408**	**1**	**(4)**	**411**	**377**	**25**	**57**	**(350)**	**645**	**(36.3%)**
Share of net income of equity-accounted entites	61	-	-	61	(45)	-	-	-	(45)	ns
Net income on other assets	1	-	-	1	-	-	-	-	-	ns
Tax	(107)	-	1	(108)	(217)	(9)	(20)	-	(188)	(42.6%)
Change in value of held-for-sale operations	11	-	-	11	(1)	-	-	-	(1)	ns
Net income	**374**	**1**	**(3)**	**376**	**114**	**16**	**37**	**(350)**	**411**	**(8.5%)**
Non-controlling interests	11	-	-	11	6	-	1	(8)	13	(15.4%)
Net income Group share	**363**	**1**	**(3)**	**365**	**108**	**16**	**36**	**(342)**	**398**	**(8.3%)**

€m	H1-16	Impact of loan hedges	Impact of DVA running	H1-16 underlying	H1-15	Impact of loan hedges	Impact of DVA running	Additional provision OFAC	H1-15 underlying	∆H1/H1 underlying
Revenues	**2,546**	**1**	**9**	**2,536**	**2,895**	**21**	**67**	**-**	**2,807**	**(9.6%)**
Operating expenses	(1,663)	-	-	(1,663)	(1,593)	-	-	-	(1,593)	+4.4%
Gross operating income	**883**	**1**	**9**	**873**	**1,302**	**21**	**67**	**-**	**1,214**	**(28.1%)**
Cost of risk	(288)	-	-	(288)	(465)	**-**	**-**	**(350)**	(115)	ns
Operating income	**595**	**1**	**9**	**585**	**837**	**21**	**67**	**(350)**	**1,099**	**(46.8%)**
Share of net income of equity-accounted entites	123	-	-	123	19	-	-	-	19	ns
Net income on other assets	1	-	-	1	1	-	-	-	1	-
Tax	(187)	-	(3)	(184)	(398)	(8)	(23)	-	(367)	(49.9%)
Change in value of held-for-sale operations	11	-	-	11	(1)	-	-	-	(1)	ns
Net income	**543**	**1**	**6**	**536**	**458**	**13**	**44**	**(350)**	**751**	**(28.6%)**
Non-controlling interests	17	-	-	17	16	-	1	(8)	23	(26.1%)
Net income Group share	**526**	**1**	**6**	**519**	**442**	**13**	**43**	**(342)**	**728**	**(28.7%)**