JULY 26, 2018
PRESS RELEASE

Crédit Mutuel Groupe CM11

THE CRÉDIT MUTUEL CM11 GROUP[1]

SIGNIFICANT GROWTH IN NET INCOME IN THE FIRST HALF OF 2018 AS THE GROUP'S TRANSFORMATION IS RAMPED-UP

RESULTS AT JUNE 30, 2018[2]

SIGNIFICANT GROWTH IN NET INCOME (AT CONSTANT SCOPE)	**€1.548 BN**	**+14.9%**
SUSTAINED SALES GROWTH	**LOANS**	€358.3 bn **+6.8 %**
	TOTAL SAVINGS	€587.1 bn **+3.6 %**
	INSURANCE AND SERVICES:	
	Number of insurance policies	31.3 m **+3.3%**
	Number of mobile phone customers	1.826 bn **+211,000**
	Number of remote surveillance subscribers	461,000 **+7%**
STRONGER FINANCIAL POSITION	CET1 ratio at March 31, 2018 (excluding transitional provisions[3])	16.3%
	Shareholders' equity	€42.5 bn **+€1.9 bn**

NUMBER OF CUSTOMERS		
24.7 MILLION CUSTOMERS	**+4.7%**	**+1.1 MILLION CUSTOMERS**

[1] The Crédit Mutuel CM11 Group refers to the consolidated scope of the 11 federations of Crédit Mutuel local cooperative banks: Centre Est Europe, Sud-Est, Ile-de-France, Savoie-Mont Blanc, Midi-Atlantique, Loire-Atlantique et Centre-Ouest, Centre, Normandie, Dauphiné-Vivarais, Méditerranée and Anjou, their common federal savings bank (Caisse Fédérale de Crédit Mutuel), Banque Fédérative du Crédit Mutuel (BFCM), and its main subsidiaries, including CIC, the ACMs, Targobank, Cofidis, BECM, CIC Iberbanco, Euro Information, etc.
[2] Financial statements unaudited – the limited review is being conducted by the statutory auditors.
[3] Including IFRS 9 impact.

THE CRÉDIT MUTUEL CM11 GROUP

STRONG SALES GROWTH REFLECTED IN THE GROUP'S EARNINGS AND PERFORMANCE.

THE "2018 CUSTOMER MEMBER PRIORITY" PLAN HAS BEEN SUCCESSFULLY IMPLEMENTED. A TRANSFORMATION THAT WILL CONTINUE AND BE RAMPED UP WITH THE LAUNCH OF THE NEW 2019-2023 STRATEGIC PLAN AT THE END OF THE YEAR.

A FEDERAL ALLIANCE WITH STRONG RESULTS

The group's income stood at €1.548 billion, up 14.9% compared to the first half of 2017. It was driven by the performance of the retail bankinsurance activities (outstanding loans +4.8%, savings +3.6%, of which bank deposits +5.1%), low net additions to/reversals from provisions for loan losses and well-controlled operating expenses. The group also confirmed its excellent financial strength. Its shareholders' equity amounted to €42.5 billion (€41 billion at December 31, 2017) and its ratios (CET1 ratio of 16.3%, including the impact of the new IFRS 9, and overall capital adequacy ratio of 19.3%) were well above the European Central Bank's requirements. The soundness of the Crédit Mutuel CM11 Group was evidenced by the ratings maintained by the agencies.

DIGITAL TOOLS FOR AN AUGMENTED RELATIONSHIP

Launched in 2015, the 2018 Customer Member Priority Plan accelerated the group's digital transformation. The human and financial investments made it possible to:

- develop new Internet and mobile app functionality;
- improve the effectiveness of remote advisors, who can interact with customers and track their activity via the apps;
- implement new tools to streamline the advisor's work;
- design products that meet customers' new requirements of independence, simplicity and immediacy, coupled with maximum security and the opportunity to benefit from the advisor's expertise every step of the way.

INNOVATION TO BETTER SERVE CUSTOMERS AND MEMBERS

The first half-year results illustrate the group's ability to innovate, and to standardize and decentralize its solutions to best meet the needs of its customers and regions. In May 2018, Crédit Mutuel announced that it was scaling up its partnership with IBM to make the cognitive solutions (Watson) available to all businesses where they can potentially drive growth.

2018 CUSTOMER MEMBER PRIORITY: MISSION ACCOMPLISHED

250 projects in line with new practices to meet customers' needs; **100,000 man-days** invested **Complementarity of the human factor and digital technology** for a fluid and personalized relationship.

FACILITATE CUSTOMERS' INDEPENDENCE INNOVATIVE PRODUCTS AND SERVICES

The **Avantoo** and **CIC mobile** products and **three photos auto quotes** paved the way for new mobile functionality and applications (consumer credit, property and personal insurance, payment between friends on a mobile device with Lyf Pay, etc.) enhanced by the development of personalized remote advice (visio).

WATSON: COGNITIVE INTELLIGENCE FOR ADVISORS AND CUSTOMERS

Already used to optimize email processing, Watson provides assistance to 20,000 advisors and broadens their expertise. Five solutions have already been rolled out: email analyzer, virtual assistants (property and casualty insurance, savings, healthcare, personal protection) and three will be implemented at the end of the year.

FURTHER DIVERSIFICATION: AN APPROPRIATE RESPONSE TO CUSTOMERS' NEW PRACTICES AND BEHAVIORS

The results in the first half of 2018 show that diversification is well underway: after insurance, electronic payments, mobile phone service, remote surveillance, real estate and auto, in June 2018 the group introduced electric power-assisted bicycle leasing with purchase option in Paris, Lyon and Strasbourg. Implementation on a national scale is planned for 2019 under the Crédit Mutuel and CIC brands. In the insurance segment, a new health insurance product with extended coverage that takes into account such issues as prevention and well-being was introduced. In terms of mobile phone service, an Internet package that includes a landline, a TV package and very high-speed contents will be launched in the near future. It will also include installation at the customer's home by a technician.

HELPING EMPLOYEES WITH THE TRANSFORMATION - NEXT-GENERATION TRAINING

The group announced that it is enhancing the support provided to employees to help them adopt new practices more quickly and facilitate interactivity between advisors and customers. The training policy aims to increase the expertise of all employees, elected directors and members and promote internal mobility.

In the first half of 2018, Crédit Mutuel launched the #FiersdetravaillerauCréditMutuel campaign, a first step towards strengthening the employer brand. It will be followed by a similar campaign at CIC in the second half of the year.

TOWARDS THE NEW 2019-2023 STRATEGIC PLAN: ENSEMBLE#NOUVEAUMONDE

From November 6, 2018 to February 5, 2019, more than 30 launch events will be organized within the regions by the federations, regional banks and subsidiaries. These launches will mark the start of the new 2019-2023 Strategic Plan, which will define the framework for the transformation undertaken by the Crédit Mutuel CM11 Group. It is a strategy that focuses on the human factor and technological innovation. The work carried out by elected directors and employees will be validated at the next Chambre Syndicale et Interfédérale and published in the fall of 2018.

INSURANCE AT THE HEART OF THE GROUP'S STRATEGY : SUCCESSFUL MERGER OF NORD EUROPE ASSURANCE (NEA) INTO GROUPE DES ASSURANCES DU CRÉDIT MUTUEL

This new group has:

- €11.5 billion in annual premium income
- €130 billion in total assets
- €11 billion in capital
- 11 million policyholders

MEDIA DIVISION: TOWARDS AN ENHANCED DIGITAL STRATEGY: "DIGITAL FIRST" PLAN

The media division successfully completed its industrial restructuring with the transfer on June 26 of the printing of the L'Alsace newspaper to DNA's printing shop, which followed the transfer on March 27 of the Républicain Lorrain to L'Est Républicain in Nancy. An investment of more than €3 million was made to update the existing rotary presses. At the same time, the transformation of all copywriting based on a "Digital first" approach began, along with an unprecedented training plan for 1,700 employees.

TWO PRIORITIES: TRAINING AND INTERNAL PROMOTION

- More than 5% of payroll dedicated to training
- Agreement on mobility
- Encouragement of initiatives that promote employment: occupational integration, equal opportunity

FINANCIAL RESULTS

in € millions	1st half 2018	1st half 2017	Change[(1)]
Net banking income	**7,083**	**7,150**	**-2.2%**
Operating expenses	(4,424)	(4,360)	+0.8%
Gross operating income	**2,659**	**2,790**	**-6.8%**
Net additions to/reversals from provisions for loan losses	(349)	(398)	-12.3%
Operating income	**2,310**	**2,392**	**-5.9%**
Net gains/(losses) on other assets and associates	68	(271)	ns
Income before tax	**2,378**	**2,121**	**+9.1%**
Corporate income tax	(830)	(810)	-0.3%
Net gains/(losses) on discontinued operations	0	5	ns
Net income(loss)	**1,548**	**1,316**	**+14.9%**
Non-controlling interests	154	153	+0.6%
Net income attributable to owners of the company	**1,395**	**1,163**	**+16.8%**

(1) At constant scope - see methodology notes

• NET BANKING INCOME

In the first half of 2018, the Crédit Mutuel CM11 Group's net banking income stood at €7.083 billion compared to €7.150 billion in the first half of 2017. This decrease was mainly due to the weaker performance of capital markets activities in a difficult market context compared to the favorable environment in the first half of 2017 and to a reversal of a provision for non-recurring risk in the first half of 2017.

Net banking income from retail banking was up 2.7% over one year to €5.162 billion, i.e. 69% of total NBI, which represents strong performance in a still low interest-rate environment.

The performance of the insurance segment in the first half of 2018 was in line with that of 2017. At €988 million, net insurance income benefited from the transfer of the activity of Nord Europe Assurances, which merged into Groupe des Assurances du Crédit Mutuel effective January 1, 2018. At constant scope, net insurance income was up 1.5%.

• OPERATING EXPENSES

The group's operating expenses amounted to €4.424 billion in the first half of 2018, an increase of 0.8%. Excluding the contribution to the Single Resolution Fund (SRF), which increased by 24% to €138 million between the two periods, operating expenses remained stable (+0.2%).

Retail banking's cost/income ratio was 64.1%, an improvement of 160 basis points.

Gross operating income totaled €2.7 billion compared to €2.8 billion in the first half of 2017.

• NET ADDITIONS TO/REVERSALS FROM PROVISIONS FOR LOAN LOSSES

Net additions to/reversals from provisions for loan losses totaled €349 million in the first half of 2018, down by €49 million compared to the first half of 2017, and stood at 19 basis points (versus 23 points in the first half of 2017). The Crédit Mutuel and CIC networks saw the most significant decrease.

The ratio of non-performing loans to gross loans decreased from 3.81% at June 30, 2017 to 3.14% at June 30, 2018, and the overall coverage ratio was 70% at June 30, 2018 compared to 63.5% a year earlier. This increase in the coverage ratio was mainly due to the provision for performing loans related to IFRS 9.

• INCOME BEFORE TAX
Income before tax rose by 9.1% over one year to €2.4 billion in the first half of 2018.

"Net gains/(losses) on other assets and associates" showed a gain of €68 million in the first half of 2018, which mainly included the group's share in the profit of associates, compared to a loss of €271 million in 2017 due mainly to the impact of the resolution of Banco Popular.

• NET INCOME (LOSS)
At €1.548 billion, net income was up 14.9% compared to the first half of 2017 thanks to the strong performance of the retail bankinsurance activities, low net additions to/reversals from provisions for loan losses and well-controlled general operating expenses despite the sharp increase in regulatory contributions.

FINANCIAL STRUCTURE

At June 30, 2018, the Crédit Mutuel CM11 Group's shareholders' equity totaled €42.5 billion (€40.6 billion at June 30, 2017).

The group's risk-weighted assets (RWA) stood at €201.2 billion at March 31, 2018 (compared to €198.9 billion at end-June 2017, up 1.1%). At €178.7 billion, credit risk-weighted assets represented 89% of the total. CET1 capital[1] rose by 1.1% to €32.3 billion at end-March 2018.

At March 31, 2018, the *Common Equity Tier 1* (CET1) ratio was 16.1%[1], stable compared to June 30, 2017. The Tier 1 ratio was also 16.1%[1] at end-March 2018 and the overall capital adequacy ratio was 19.3%[1].

Including net income for the first quarter of 2018, the CET1 ratio was 16.3%[1] at December 31, 2017. This slight decrease resulted from the implementation of IFRS 9, which had an impact of 15 basis points.

These ratios are higher than the European Central Bank's requirements established at the time of the 2018 *Supervisory.*

Review and Evaluation Process (SREP). The CET1 capital requirement[1] with which the group must comply on a consolidated basis was set at 8.50% (including 1.50% for the Pillar 2 *requirement* and 2.50% for the conservation buffer) and the requirement related to the overall ratio at 12%. The amount in excess of the SREP requirements is therefore 760 basis points for CET1 and 730 for the overall ratio.

The leverage ratio[1] was 5.8% at March 31, 2018 (5.9% at end-December 2017).

• RATING[2]
The Crédit Mutuel CM11 Group's ratings at the end of June 2018 are shown in the following table. They compare favorably to those of other French and European companies.

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

[1] Excluding transitional provisions.
[2] Standard & Poor's: ratings for the Crédit Mutuel Group; Moody's and Fitch: ratings for the Crédit Mutuel CM11 Group.

SIGNIFICANT EVENTS

On June 27, 2018, the competent supervisory authorities, particularly the ACPR, approved the merger of Nord Europe Assurances (NEA) and its subsidiaries with Groupe des Assurances du Crédit Mutuel (GACM). This operation gives GACM access to a new distribution network in France, that of the Fédération du Crédit Mutuel Nord Europe, for life, personal protection and property and casualty insurance policies. The merger allows GACM to expand its presence in Belgium via NELB for life insurance and Partners for property and casualty insurance. It will also help to simplify the insurance entities within the Crédit Mutuel Group. The new group will have more than €11 billion in premiums, more than 11 million policyholders and more than €130 billion in total assets.

BUSINESSES AND MAIN SUBSIDIARIES OF THE CRÉDIT MUTUEL CM11 GROUP

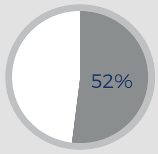
Crédit Mutuel CM11 Group

Contribution of the operational businesses to net income in the first half of 2018

Retail banking

Bankinsurance networks

- Regulatory scope Crédit Mutuel CM11 (mutualist sector)
  - Caisse Fédérale de Crédit Mutuel
  - 1,350 local Crédit Mutuel banks
- CIC
  - CIC Ile-de-France
  - Regional banks
- Banque Européenne du Crédit Mutuel
- CIC Iberbanco
- TARGOBANK in Germany
- TARGOBANK in Spain

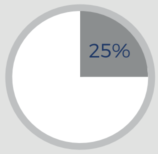


BUSINESS SUBSIDIARIES

- Cofidis Participations Group
- Banque Casino
- CM-CIC Factor
- Factofrance / Targo Factoring
- CM-CIC Bail
- CM-CIC Lease
- CM-CIC Leasing Solutions / Targo Leasing
- CM-CIC Asset Management
- CM-CIC Epargne Salariale
- CM-CIC Immobilier
- CM-CIC Home Loan SFH

INSURANCE

- Groupe des Assurances du Crédit Mutuel



Specialized businesses

PRIVATE BANKING

- Banque de Luxembourg
- Banque Transatlantique France, Luxembourg, Belgium
- CIC Suisse

CORPORATE BANKING

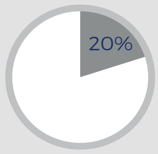
- BFCM-CIC large accounts
- CIC specialized financing
- CIC activités international activities foreign branches

CAPITAL MARKETS

- CM- CIC Marchés

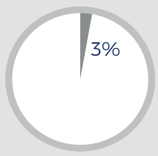
PRIVATE EQUITY

- CM-CIC Investissement



IT, logistics and media

- Euro Information
- EI Telecom
- Euro Protection Surveillance
- CCS
- CM-CIC Titres
- LYFPAY (percentage held 46%)
- Media



RESULTS BY BUSINESS LINE

RETAIL BANKINSURANCE,

THE CORE BUSINESS

RETAIL BANKING

in € millions	1st half 2018	1st half* 2017	Change
Net banking income	**5,162**	**5,026**	**+2.7%**
Operating expenses	(3,309)	(3,303)	+0.2%
Gross operating income	**1,853**	**1,723**	**+7.5%**
Net additions to/reversals from provisions for loan losses	(369)	(423)	-12.9%
Operating income	**1,484**	**1,300**	**+14.2%**
Net gains/(losses) on other assets and associates	4	(8)	ns
Income before tax	**1,488**	**1,292**	**+15.1%**
Corporate income tax	(524)	(532)	-1.6%
Net income(loss)	**964**	**760**	**+26.8%**

* Restated - see methodology notes

This business encompasses the Crédit Mutuel local cooperative banks, the CIC network, Banque Européenne du Crédit Mutuel, CIC Iberbanco, Targobank in Germany and Spain, the Cofidis Participations Group, Banque Casino and all the specialized businesses whose products are marketed by the branch networks: equipment leasing and leasing with purchase option, real estate leasing, factoring, asset management, employee savings and real estate sales.

The retail banking networks continued to post strong sales growth in support of customers, members and corporates against a backdrop of economic recovery in Europe.

In the first half of 2018, retail banking generated net banking income of €5.162 billion, up 2.7% reflecting the increase in net interest, with the negative interest rate effect on loans offset by an increase in volumes and a positive interest rate effect on deposits. Commission income remained stable relative to the first half of 2018, while renegotiation and prepayment fees decreased significantly.

Operating expenses were tightly controlled, up 0.2% compared to the first half of 2017. Gross operating income rose by 7.5% to €1.853 billion and retail banking's cost/income ratio improved by 160 basis points to 64.1%.

Net additions to/reversals from provisions for loan losses fell by 12.9% to a low level of €369 million.

Income before tax increased by 15.1% to €1.488 billion.

THE BRANCH NETWORKS

• CRÉDIT MUTUEL BANKINSURANCE BRANCH NETWORK

The number of customers – 87% of whom are individuals – reached 7 million at end-June 2018, growing by nearly 37,000 since the end of December 2017; over one year, the most significant increase was in the business customer and corporate segments (up 2.6% and 1.9% respectively).

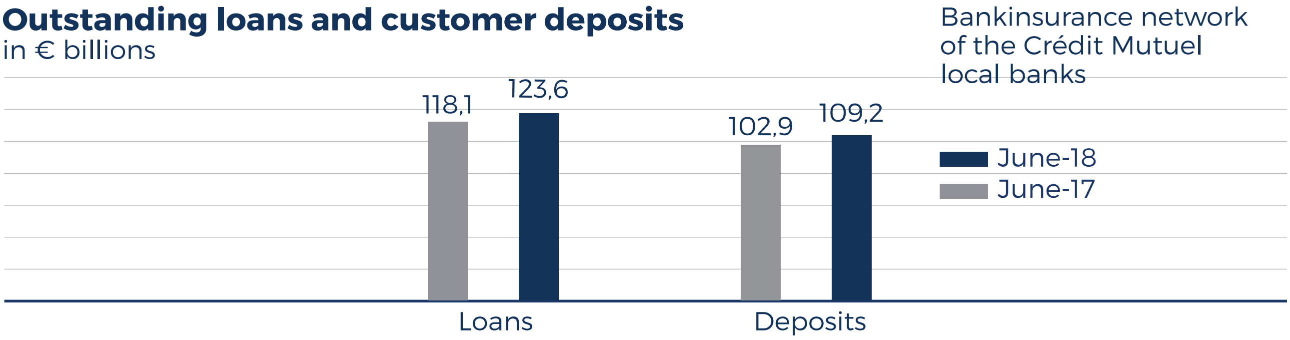
Outstanding loans totaled €123.6 billion at end-June 2018, a 4.6% increase over one year. The highest growth was posted by home loans (up 5.2% to €94.3 billion), followed by investment loans to business customers and companies (up 4% to €20.1 billion).

Customer deposits (€109.2 billion) grew by 6.1% thanks to high inflows of demand deposits which increased by 11.9% over one year.

In an environment of persistently low interest rates, net banking income rose by 2.6% to €1.531 billion, despite the significant decrease in loan renegotiation and prepayment fees following a reduction in the volume of these transactions compared to the first half of 2017.

The modest increase in operating expenses (+0.7%) and the sharp decrease in net additions to/reversals from provisions for loan losses (-38.9%) contributed to a 15.5% increase in income before tax over one year.

Outstanding loans and customer deposits
in € billions



• CIC BANKINSURANCE NETWORK

Of a total of 5.1 million customers (1.5% increase over one year), 16% are business customers and companies. The number of customers has increased by nearly 50,000 since end-December 2017.

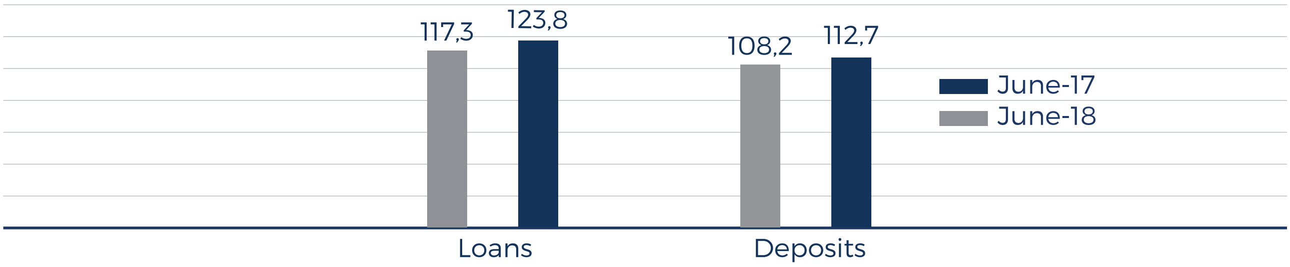
Outstanding loans rose by 5.6% to €123.8 billion, driven by investment loans (+8.7%) and home loans (+5%). Demand for credit remained high, with investment loans released over one year up 12%.

Savings stood at €172.8 billion at end-June 2018, including €112.7 billion in deposits (+4.2% over one year).

Net banking income rose by 2.1% to €1.728 billion thanks to an increase in net interest and commission income. With well-controlled operating expenses (-0.5%) and the decrease in net additions to/reversals from provisions for loan losses (-44.3%), income before tax was up by 17.7% over one year to €555 million.

Outstanding loans and customer deposits
in € billions

Bankinsurance network of CIC



• BANQUE EUROPÉENNE DU CRÉDIT MUTUEL (BECM)

Banque Européenne du Crédit Mutuel operates in the corporate and real estate companies market in France and Germany, and in the real estate development market in France. Serving more than 21,000 customers, its sales network consists of 51 branches (including 42 in France) and a subsidiary in Monaco.

At end-June 2018, in terms of average monthly capital and for all markets, customer loans grew by 5% to €14.2 billion over 12 months. Deposits increased by 1.6% over one year to €12.3 billion.

At June 30, 2018, net banking income was up 4.8% at €148 million. Net interest increased by 7.1% as a result of the decrease in the cost of customer deposits and growth in outstanding loans. Commission income was €29 million, down 5% compared to the first half of 2017 due to lower commission income on electronic payments.

General operating expenses totaled €52.7 million (+1.1%). The cost/income ratio fell by an additional 130 basis points to 35.6%.

Net additions to/reversals from provisions for loan losses totaled €12.3 million, including €2.6 million in net additions to provisions for unverified risk. They represent a moderate annual average rate of 0.17% of customer loans.

Income before tax held steady at €83 million at June 30, 2018.

• TARGOBANK IN GERMANY

The continued growth in market share in the personal loans segment (8.8% market share versus 8.3% in the first half of 2017) contributed to a 14% increase in new lending to €2.290 billion compared to the first half of 2017.

Customer deposits also rose, totaling €15.4 billion at June 30, 2018, up 5% since the beginning of the period and 9.3% over 12 months.

In the corporate market, the factoring and lease financing activities also increased compared to the previous year. The volume of invoices processed rose by 10% to €25.9 billion and the lease financing portfolio grew by 8% on average compared to the first half of 2018, thanks to a 19% increase in new business to €254 million.

The volume of outstanding loans stood at €14.2 billion at June 30, 2018, up by nearly 12% over 12 months.
At €777 million, net banking income was 1.5% higher than in the first half of 2017.

Targobank Germany's income before tax[1] in the first half of 2018 was €244 million, including €214 million for the retail business and €30 million for the corporate business.

[1] Contribution to consolidated income before tax.

• COFIDIS PARTICIPATIONS GROUP
Sales activity at Cofidis was very strong in the first half of 2018 in terms of products sold both directly and via partners. New lending increased by 15% compared to the previous period.

The rates offered to customers continued to decline as a result of the competitive low interest rate environment and the development of the auto loan business.

Outstandings also increased significantly, up by nearly 6% over one year. Personal loan outstandings, purchases of receivables and auto loans experienced the highest growth.

Net banking income rose by €22 million, spurred by the growth in sales activity and still favorable refinancing terms in the markets.

Operating expenses were controlled, increasing by €12 million compared to 2017 as a result of IT migrations at two subsidiaries (those in Italy and Portugal).

Net additions to/reversals from provisions for loan losses rose by €17 million compared to the first half of 2017. Two factors contributed to this rise: increased risk on the Spanish subsidiary related to the reduced effectiveness of the collection process on several occasions and the implementation of IFRS 9 as of January 1, 2018, which entails setting up provisions for performing loans.

Income before tax was €150 million, down slightly compared to the first half of 2017.

INSURANCE

in € millions	1st half 2018	1st half 2017 pro forma	Change
Net banking income	**988**	**973**	**+1.5%**
Operating expenses	(306)	(306)	+0.0%
Gross operating income	**682**	**668**	**+2.2%**
Net gains/(losses) on other assets and associates	13	2	ns
Income before tax	**695**	**670**	**+3.8%**
Corporate income tax	(235)	(216)	+8.5%
Net income (loss)	**460**	**453**	**+1.5%**

Crédit Mutuel's insurance business, carried out through Groupe des Assurances du Crédit Mutuel (GACM), is fully integrated into the Crédit Mutuel CM11 Group at both the sales and technical levels. GACM crossed a new threshold in 2018 with the merger with Nord Europe Assurances (NEA) and its subsidiaries, the insurance companies of Crédit Mutuel Nord Europe.

The 2017 data (and changes) are presented on a pro forma basis, i.e. by including NEA.

Insurance premium income therefore increased by 7.1% to €6.1 billion.
After a year of decline, gross inflows from life insurance and insurance-based savings products grew steadily by

8.0% to €3.5 billion. With interest rates still at very low levels, the promotion of unit-linked (UL) policies continued. For GACM, the share of unit-linked policies in its gross inflows was therefore 30.8% in the first half of 2018 compared to 28.6% at end-June 2017, higher than that of the market (28.8% at the end of May 2018).

Property insurance premiums rose by 5.3%, outperforming the market once again (+2.2% at end-May 2018). These excellent results were driven by record sales of new auto, multi-risk home and multi-risk business insurance policies and a downward trend in cancellation rates.

Personal insurance premiums rose by 5.3% thanks to the efforts made in terms of personal protection insurance in 2017 and the launch of the new individual healthcare line in April 2018.

The networks collected €743 million in commissions, a 5.6% increase.

GACM ended the first half of 2018 with net income[1] of €460 million compared to €453 million pro forma a year earlier, up 1.5%.

This income reflects the group's sales performance and its strong underwriting income, with the exception of the home insurance branch, which was affected by many weather events throughout the first half of the year (total expense of €87 million for GACM). The management centers once again focused all their efforts on processing the more than 52,000 claims filed by policyholders related to the natural events during the half-year period (versus nearly 30,000 at end-June 2017).

THE SPECIALIZED BUSINESSES

Private banking, corporate banking, capital markets and private equity round out the group’s bankinsurance offering. These four businesses account for 11% of the net[2] banking income and 20% of the net income (loss) of the group’s operational activities[3].

PRIVATE BANKING

in € millions	1st half 2018	1st half 2017	Change*
Net banking income	**250**	**262**	**-4.9%**
Operating expenses	(179)	(171)	+4.7%
Gross operating income	**71**	**92**	**-22.8%**
Net additions to/reversals from provisions for loan losses	(5)	0	ns
Operating income	**65**	**92**	**-29.0%**
Net gains/(losses) on other assets and associates	8	0	ns
Income before tax	**73**	**92**	**-20.3%**
Corporate income tax	(16)	(21)	-21.1%
Net gains/(losses) on discontinued operations	**0**	**5**	**ns**
Net income (loss)	**57**	**76**	**-20.1%**

* At constant scope - see methodology notes

The companies that make up this business line operate both in France through CIC Banque Transatlantique

[1] Contribution to the Crédit Mutuel CM11 Group’s consolidated net income.
[2] Excluding inter-company activities.
[3] Excluding holding company services.

and abroad through the Banque de Luxembourg, Banque CIC Suisse, Banque Transatlantique Luxembourg, Banque Transatlantique Belgium and Banque Transatlantique London subsidiaries and branches.

Private banking deposits rose by 5.4% over one year to nearly €21 billion, with loans following a similar trend, up 8.1% to €12.4 billion.

Customer funds invested in group savings products amounted to €95.1 billion (+4.4 %).

Net banking income was €250 million compared to €263 million for the period ended June 30, 2017, down 4.9% with a 12.1% drop in commission income, which did not include all the income of the asset management subsidiaries.

Operating expenses totaled €179 million (+4.7%).
Net additions to/reversals from provisions for loan losses totaled €5 million.

Income before tax amounted to €73 million compared to €92 million at end-June 2017.

It should be noted that net income in the first half of 2017 included, under "Net gains/(losses) on discontinued operations", the gain on the disposal of the private banking business in Singapore and Hong Kong, which was sold in late 2017.

These results do not include those of the CIC Banque Privée branches in France, which are integrated into the CIC banks. Recurring income before tax of the CIC Private Banking branches was €43 million.

CORPORATE BANKING

in € millions	1st half 2018	1st half 2017	Change
Net banking income	**186**	**188**	**-1.0%**
Operating expenses	(61)	(61)	-0.3%
Gross operating income	**126**	**127**	**-1.3%**
Net additions to/reversals from provisions for loan losses	29	22	ns
Income before tax	**155**	**149**	**+4.2%**
Corporate income tax	(53)	(46)	+15.7%
Net income (loss)	**102**	**103**	**-1.0%**

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

Net corporate banking customer loan outstandings stood at €18.6 billion, up 9.6%.

Net banking income fell slightly by 1% to €186 million due to a drop in the specialized financing activity (overall decrease in margins and commissions). Net banking income in the first half of 2018 was also affected by the decrease in the dollar against the euro.

Operating expenses fell slightly by 0.3% to €61 million, which included the increase in the contribution to the Single Resolution Fund.

As regards net additions to/reversals from provisions for loan losses, there was a net reversal of €29 million compared to €22 million a year earlier.

Income before tax stood at €155 million, up 4.2% compared to the first half of 2017.

CAPITAL MARKETS

in € millions	1st half 2018	1st half 2017	Change
Net banking income	**154**	**275**	**-43.8%**
Operating expenses	(121)	(111)	+8.8%
Gross operating income	**33**	**163**	**-79.7%**
Net additions to/reversals from provisions for loan losses	2	6	ns
Income before tax	**35**	**169**	**-79.5%**
Corporate income tax	(16)	(59)	-72.7%
Net income (loss)	**19**	**110**	**-83.1%**

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

Capital markets generated income of €154 million compared to €275 million in the first half of 2017, when high volumes were recorded in a more favorable market environment.

Increased volatility and numerous uncertainties resulting, in particular, from political risk in Italy and US protectionist measures helped drive down the income of the "investment" activity in France of CM-CIC Marchés, which nevertheless generated income in line with its budget.

Operating expenses were up by 8.8% as a result of a significant increase in the contribution to the Single Resolution Fund, which rose from €9 million at end-June 2017 to €21 million in 2018.

Income before tax in the first half of the year was €35 million.

PRIVATE EQUITY

in € millions	1st half 2018	1st half 2017	Change
Net banking income	**221**	**169**	**+30.8%**
Operating expenses	(24)	(25)	-3.7%
Income before tax	**196**	**144**	**+36.0%**
Corporate income tax	0	2	ns
Net income (loss)	**196**	**146**	**+34.7%**

This activity is carried out by CM-CIC Investissement, which has its head office in Paris and offices in Lyon, Nantes, Lille, Bordeaux and Strasbourg, thereby ensuring close ties to customers while gradually entering a phase of international development.

The group's proprietary investment portfolio totaled €2.3 billion at the end of June 2018, including €153 million invested in 2018 and €354 million divested by all the entities of the private equity division since the beginning of the year. The portfolio consists of 339 non-fund holdings, the vast majority of which are in companies that are customers of the group's networks. Funds managed on behalf of third parties totaled €174 million.

The strong performance of the private equity business in 2017 continued in the first half of 2018, with net banking income of €221 million compared to €169 million a year earlier.

Income before tax was €196 million versus €144 million the previous year (+36%).

IT, LOGISTICS AND MEDIA

in € millions	1st half 2018	1st half 2017	Change
Net banking income	**814**	**787**	**+3.4%**
Operating expenses	(713)	(664)	+7.4%
Gross operating income	**101**	**123**	**-17.9%**
Net additions to/reversals from provisions for loan losses	(4)	(4)	+2.9%
Operating income	**97**	**119**	**-18.6%**
Net gains/(losses) on other assets and associates	(1)	(1)	ns
Income before tax	**96**	**119**	**-19.5%**
Corporate income tax	(42)	(49)	-13.9%
Net income (loss)	**53**	**70**	**-23.4%**

This division comprises the group's IT companies, the logistics entities and the media business.

Net banking income from the IT, logistics and media activity rose by 3.4% to €814 million and consisted of the gross margins of the IT, mobile phone and surveillance companies, revenue from the services provided by CCS and the logistics subsidiaries of Targobank in Germany and Cofidis, and the gross margin of the media activity.

The 7.4% increase in operating expenses included the IT work completed to improve the customer experience and develop new services and reflected the decrease in the costs related to the current restructuring of the media division.

The trend observed in 2017 in the media segment was confirmed in the first half of 2018 with a half-year loss of €20 million which, however, was an improvement of €7 million compared to the same period the previous year.

The overall income before tax of the "IT, logistics and media" segment was €96 million in the first half of 2018 compared to €119 million in the first half of 2017, which included a non-recurring item related to the reversal of a provision at one of the IT entities.

The limited review is being conducted by the statutory auditors.
All financial communications are available at: www.bfcm.creditmutuel.fr and are published by Crédit Mutuel in accordance with the provisions of Article L. 451-1-2 of the French Monetary and Financial Code and Articles 222-1 et seq. of the General Regulation of the French Financial Markets Authority (Autorité des Marchés Financiers - AMF).

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CLOSE-UP LOOK CIC

CIC AT JUNE 30, 2018

TAKING INITIATIVE TO BUILD THE FUTURE

For more than 150 years, CIC has built its unique identity on **a sense of initiative, an ability to innovative, a willingness to be challenged, an enterprising spirit and a focus on simplicity at its six regional banks.**

As the main subsidiary of the Crédit Mutuel CM11 Group, CIC is structured around five businesses - retail banking, corporate banking, capital markets, private banking and private equity: a demanding entrepreneurial profile that spells success. Supported by 20,000 well-trained, committed employees, it has a financial balance sheet that confirms its development strategy to provide multiple services: banking, insurance, mobile phone service and remote surveillance.

A local bank, CIC relies on a physical network of six regional banks and nearly 2,000 branches. In 2018, CIC chose to focus on proximity by streamlining the organization of the regional hierarchical structures to allow the local branches to respond to customers more quickly. **A digital bank,** it offers innovative, high-tech products. It gives its five million customers access to the best technology to complement the human factor. **A people-focused digital bank**, it provides various ways to welcome new customers, such as branches, social networks, collaborative platforms, etc.

A people-oriented bank that places customers at the heart of the relationship, it strives to support its customers wherever they are and in real time by offering high-quality, tailored, competitive products and by combining flexible tools, easy access to information and excellent service at each of its businesses.

A business-oriented bank – it is the bank of one in three companies –, it provides concrete, innovative solutions to projects thanks to the expertise of its dedicated account managers, their local presence and close ties to customers and a relationship of mutual, long-term trust It offers them the best of online customer relations and ensures banking security.

CIC also demonstrates its commitment in a rapidly changing world. It makes the employment and training of young people a top priority, spends 6.2% of its payroll on training, supports the energy transition and endeavors to manage risks in a responsible world, such as by implementing sector policies.

NET INCOME: €779 m +7.9%

SALES ACTIVITY

Loans	€181.8 bn	+8.5%
Total savings	€355.7 bn	+4.1%
Number of insurance policies	5,233,000	+5.5%

CUSTOMERS BY MARKET

Number of customers (banking network)	5,092,000	+1.5%
individuals	4,105,000	+1.1%
associations	117,000	+6.5%
business customers	735,000	+2.8%
corporates	136,000	+2.2%

FINANCIAL STRUCTURE

CET1 ratio at March 31, 2018 (excluding transitional provisions)	13.9%
Shareholders' equity	€14.7 bn

CIC's involvement in the local business sector and regional economies reflects these principles, which define its vision of the world and of today's and tomorrow's challenges. CIC is there to help them think about this future and – like its parent company – be a human and digital bank already firmly rooted in the 21st century.

Because the future is in the hands of those who are willing to take initiative. ■

20 YEARS AND COUNTING

In 1998, CIC joined Crédit Mutuel. Although these banks have two long and different stories, they also have common interests, such as customer focus, local presence, a strong entrepreneurial spirit based on pragmatism, and complementarity that is evident in both the location of the branches and in know-how. Twenty years later, thanks to successful co-development efforts, CIC's name recognition has increased by 20 points, the number of its customers has doubled, its capital has increased fivefold and its net income is 16 times higher. It has added new services, such as mobile phone, remote surveillance and real estate, enjoys access to the group's IT resources and, for its employees, now has a common social framework.

ADDITIONAL INFORMATION

- CRÉDIT MUTUEL CM11 GROUP: KEY FIGURES
- METHODOLOGY NOTES
- ALTERNATIVE PERFORMANCE INDICATORS (API)

CRÉDIT MUTUEL CM11 GROUP

KEY FIGURES [1]

in € millions	June 30, 2018	June 30, 2017
Financial structure and activity		
Total assets	662,343	624,201
Shareholders' equity (including net income for the period before dividend pay-outs)	42,522	40,595
Customer loans (including lease financing)	358,347	335,615
Total savings	587,131	627,178
- of which customer deposits	297,891	283,400
- of which insurance-based savings	94,748	80,648
- of which financial savings (customer funds invested in savings products)	194,493	263,130
Key figures		
Employees, end of period (group-controlled entities)	69,618	69,250
Number of points of sale	4,472	4,535
Number of customers (in millions)	24.7	23.6
Key ratios		
Retail banking cost/income ratio	64.1%	65.7%
Net additions to/reversals from provisions for loan losses/gross operating income	13.1%	14.3%
Net income (loss)/average assets	0.48%	0.43%
Loans/deposits	120.3%	118.4%
Leverage ratio - delegated act - excluding transitional provisions - March 31, 2018	5.8%	5.7%
CET1 ratio - excluding transitional provisions - March 31, 2018	16.1%	16.1%
Financial results		

in € millions	1st half 2018	1st half 2017
Net banking income	**7,083**	**7,150**
Operating expenses	(4,424)	(4,360)
Gross operating income	**2,659**	**2,790**
Net additions to/reversals from provisions for loan losses	(349)	(398)
Operating income	**2,310**	**2,392**
Net gains/(losses) on other assets and associates	68	(271)
Income before tax	**2,378**	**2,121**
Corporate income tax	(830)	(810)
Net gains/(losses) on discontinued operations	0	5
Net income (loss)	**1,548**	**1,316**
Non-controlling interests	154	153
Net income attributable to owners of the company	**1,395**	**1,163**

(1) Consolidated results of the local cooperative banks of Crédit Mutuel Centre Est Europe, Sud-Est, Ile-de-France, Savoie-Mont Blanc, Midi-Atlantique, Loire-Atlantique et Centre-Ouest, Centre, Normandie, Dauphiné-Vivarais, Méditerranéen and Anjou, of their common federal savings bank, of Banque Fédérative du Crédit Mutuel, and its main subsidiaries: GACM, BECM, IT, CIC, Targobank Germany, Targobank Spain, Cofidis, CIC Iberbanco, etc.
Figures not approved by the boards

METHODOLOGY NOTES

1/ Changes at constant scope are calculated by offsetting the impact of the first-time consolidation at January 1, 2018 of the NEA entities merged into GACM and the impact of the deconsolidation in 2017 of CIC's private banking activity in Singapore and Hong Kong.

This information is detailed below for the various interim income statement balances:

in € millions	1st half 2018			1st half 2017			Changes	
	published	chg. in scope	at con. scope	published	chg. in scope	at con. scope	Gross	at con. scope
Net banking income	**7,083**		**7,083**	**7,150**	**92**	**7,242**	**-0.9%**	**-2.2%**
Operating expenses	(4,424)		(4,424)	(4,360)	(28)	(4,388)	+1.5%	+0.8%
Gross operating income	**2,659**	**0**	**2,659**	**2,790**	**64**	**2,854**	**-4.7%**	**-6.8%**
Net additions to/reversals from provisions for loan losses	(349)		(349)	(398)		(398)	-12.3%	-12.3%
Operating income	**2,310**	**0**	**2,310**	**2,392**	**64**	**2,456**	**-3.4%**	**-5.9%**
Net gains/(losses) on other assets and associates	68		68	(271)	(5)	(276)	ns	ns
Income before tax	**2,378**	**0**	**2,378**	**2,121**	**59**	**2,180**	**+12.1%**	**+9.1%**
Corporate income tax	(830)		(830)	(810)	(23)	(833)	+2.5%	-0.3%
Net gains/(losses) on discontinued operations	0		0	5	5	0	ns	ns
Net income (loss)	**1,548**	**0**	**1,548**	**1,316**	**41**	**1,347**	**+17.7%**	**+14.9%**
Non-controlling interests	154		154	153		153	+0.6%	+0.6%
Net income attributable to owners of the company	**1,395**	**0**	**1,395**	**1,163**	**41**	**1,194**	**+19.8%**	**+16.8%**

2/ The results of entities in which the group has non-controlling interests were moved from the retail banking business to the holding company services business in order to present under retail banking the results of the networks and subsidiaries over which the group has full management influence.

ALTERNATIVE PERFORMANCE INDICATORS (API)
– ARTICLE 223-1 OF THE AMF'S GENERAL REGULATION / ESMA GUIDELINES (ESMA/20151415)

Name	Definition/calculation method	For ratios, justification of use
Cost/income ratio	Ratio calculated from items in the consolidated income statement: ratio of general operating expenses (sum of items "general operating expenses" and "allocations to/reversals of depreciation, amortization and provisions for property, plant and equipment and intangible assets" in the consolidated income statement) and "IFRS net banking income"	For ratios, justification of use measure of the bank's operational efficiency
Total net additions to/reversals from provisions for customer loan losses as a percentage of outstanding loans (expressed in % or basis points)	Net additions to/reversals from provisions for customer loan losses from Note 31 to the consolidated financial statements as a percentage of gross outstanding loans at the end of the period	Used to assess the risk level as a percentage of the balance-sheet credit commitments
Net additions to/reversals from provisions for loan losses	Item "net additions to/reversals from provisions for customer loan losses" in the publishable consolidated income statement; by comparison with the individual net additions to/reversals from provisions for loan losses (definition in this table)	Measures the risk level
Customer loans	Item "loans and receivables due from customers" on the assets side of the consolidated balance sheet	Measure of customer activity in terms of loans
Customer deposits; bank deposits	Item "amounts due to customers" on the liabilities side of the consolidated balance sheet	Measure of customer activity in terms of balance sheet deposits
Insurance-based savings	Life insurance products held by our customers - management data (insurance company)	Measure of customer activity in terms of life insurance
Bank savings products	Off-balance sheet savings products held by our customers or under custody (securities accounts, mutual funds, etc.) - management data (group entities)	Representative measure of activity in terms of off-balance sheet funds (excluding life insurance)
Total savings	Sum of bank deposits, insurance-based savings and bank savings products	Measure of customer activity in terms of savings
Operating expenses; general operating expenses; administrative expenses	Sum of lines "general operating expenses" and "allocations to/reversals of depreciation, amortization and provisions for property, plant and equipment and intangible assets"	Measures the level of operating expenses
Net interest; net interest revenue; net interest income	Calculated from items in the consolidated income statement: difference between interest received and interest paid: - interest received = item "interest and similar income" in the publishable consolidated income statement - interest paid = item "interest and similar expenses" in the publishable consolidated income statement	Representative measure of profitability

New lending	Amount of new loans released to customers - source management data, sum of individual data from entities of the “retail banking - branch network” segment + COFIDIS	Measure of customer activity in terms of new loans
Loan-to-deposit ratio;	Ratio calculated from items in the consolidated balance sheet: ratio expressed as a percentage of total customer loans (item “loans and receivables due from customers” on the assets side of the consolidated balance sheet) to customer deposits (item “amounts due to customers” on the liabilities side of the consolidated balance sheet)	Measure of dependence on external refinancing
Overall coverage ratio	Determined by calculating the ratio of provisions for credit risk to the gross outstandings identified as in default in accordance with regulations	This coverage ratio measures the maximum residual risk associated with outstanding loans in default ("non-performing")
Non-performing loan ratio	Ratio of individually impaired receivables to gross customer outstanding loans	Indicator of asset quality

ALTERNATIVE PERFORMANCE INDICATORS (API), RECONCILIATION WITH THE FINANCIAL STATEMENTS

in € millions

Retail banking cost/income ratio	1st half 2018	1st half 2017
Retail banking general operating expenses	(3,309)	(3,303)
Retail banking Net banking income	5,162	5,026
Retail banking cost/income ratio	**64.1%**	**65.7%**

Net additions to/reversals from provisions for loan losses/gross operating income		1st half 2018
Net additions to/reversals from provisions for loan losses	(349)	(398)
Gross operating income	2,659	2,790
Net additions to/reversals from provisions for loan losses/gross operating income	**13.1%**	**14.3%**

Net income (loss)/average assets	June 30, 2018	June 30, 2017
Net income (loss)	1,548	1,316
Average assets	643,272	615,989
Net income (loss)/average assets	**0.48%**	**0.43%**

Loans/deposits	June 30, 2018	June 30, 2017
Net customer loans	358,347	335,615
Customer deposits	297,891	283,400
Loans/deposits	**120.3%**	**118.4%**

Total net additions to/reversals from provisions for customer loan losses as a percentage of outstanding		
Net additions to/reversals from provisions for loan losses	(352)	(393)
Gross customer loans	366,394	343,997
Total net additions to/reversals from provisions for customer loan losses as a percentage of outstanding loans*	**0.19%**	**0.23%**

* Annualized

Overall coverage ratio	June 30, 2018	June 30, 2017
Provisions	8,047	8,382
Gross non-performing loans	11,490	13,207
Overall coverage ratio	**70.0%**	**63.5%**

Non-performing loan ratio	June 30, 2018	June 30, 2017
Gross non-performing loans	11,490	13,207
Gross customer loans	366,394	343,997
Non-performing loan ratio	**3.14%**	**3.84%**

PARIS, JULY 26, 2018

PRESS RELEASE

CIC AT JUNE 30, 2018

SALES GROWTH AND FINANCIAL STRENGTH

RESULTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018[1]			CHANGES AT CONSTANT SCOPE	
NET INCOME	**€779 m**	▶	INCREASED PROFITABILITY	**+7.9%**
ACTIVITY				
NET CUSTOMER LOANS[2]	**€181.8 bn**	▶	SUSTAINED ACTIVITY	**+8.6%**
CUSTOMER DEPOSITS	**€150.7 bn**	▶	SUSTAINED ACTIVITY	**+4.1%**
CUSTOMER FUNDS INVESTED IN GROUP SAVINGS PRODUCTS[3]	**€205 bn**			**+4.1%**
CET1 RATIO MARCH 2018 (EXCLUDING TRANSITIONAL PROVISIONS)	**13.9%**	▶	A SOLID FINANCIAL STRUCTURE	

CIC's results in the first half of the year were marked by strong operational performance and sustained sales activity. Net income rose by 7.9% to €779 million, customer loans by 8.6% to €181.8 billion, customer deposits by 4.1% to €150.7 billion and customer funds invested in group savings products by 4.1% to €205 billion). CIC's growth momentum continued, supported by a network of nearly 2,000 branches, a multi-services offering (banking, insurance, mobile phone service, remote surveillance, auto, etc.) and by both a physical and digital strategy focused on the satisfaction of its five million customers.

A people-oriented bank that places customers at the heart of the relationship, CIC is also the bank of choice for business owners. Thanks to its expertise, its involvement in regional economies, its local presence and close ties to customers and its diversified, innovative and customized products and services, it is the bank of nearly one in three companies in France.

1 Financial statements unaudited but subject to a limited review.
2 Please refer to the methodology notes.
3 Outstandings of the operational activities.

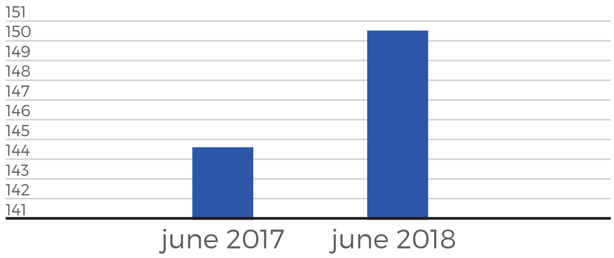
In 2018, CIC chose to focus on proximity by streamlining the organization of the regional hierarchical structures to allow the local branches to respond to customers more quickly.

2018 is also an anniversary year. In 1998, CIC joined Crédit Mutuel. Twenty years later, thanks to successful co-development efforts, CIC's name recognition has increased by 20 points, the number of its customers has doubled, its capital has increased fivefold and its net income is 16 times higher.

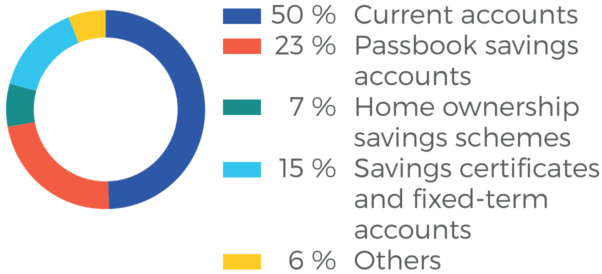
CONTINUED SALES GROWTH AND SUPPORT FOR THE ECONOMY[4]

Bank deposits totaled €150.7 billion, representing a rise of 4.1% from June 30, 2017, driven mainly by current accounts and passbook accounts in credit, which saw a 12.5% and 5.0% increase in outstandings, respectively.

Change in customer bank deposits
in EUR billions

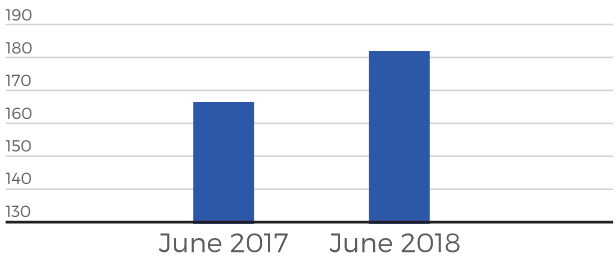


Breakdown of bank deposits at 30 June 2018

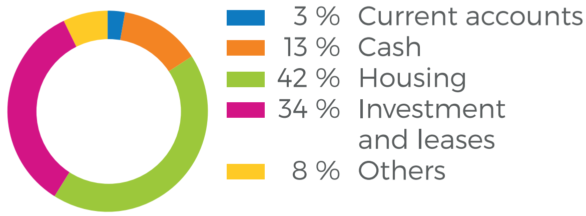


Total loan outstandings reached €181.8 billion, up 8.6% from June 30, 2017. Equipment loans grew by 15.3% to €51.5 billion and home loans by 5.4% to €75.8 billion.

Change in customer net loans
in EUR billions



Breakdown of net loans at 30 June 2018



The loan-to-deposit ratio – the ratio of total net customer loans to customer deposits expressed as a percentage – was 120.7% at June 30, 2018 compared to 115.8% a year earlier.

4 All the changes indicated are at constant scope. Please refer to the methodology note at the end of this press release.

GROWTH IN FINANCIAL RESULTS

(in € millions)	June 2018	June 2017	Change 1H18/1H17
Net banking income	**2,602**	**2,654**	**-2.0%**
Operating expenses	(1,635)	(1,635)	0.0%
Operating income before provisions	**967**	**1,019**	**-5.1%**
Net provision allocations/reversals for loan losses	(27)	(61)	-55.7%
Net gains/(losses) on assets and equity-accounted affiliates	86	78	10.3%
Income before tax	**1,026**	**1,036**	**-1.0%**
Corporate income tax	(247)	(319)	-22.6%
Net profit/(loss) on divested activities	0	5	n.s.
Net income	**779**	**722**	**7.9%**
Net income attributable to the group	**774**	**715**	**8.3%**

Net banking income was €2.602 billion at June 30, 2018, down 2.0% compared to the first half of 2017. This decrease was mainly due to the weaker performance of capital markets activities in a difficult market context compared to the favorable environment in the first half of 2017.

At €1.635 billion, operating expenses held steady compared to the first half of 2017.

Operating income before provisions fell by 5.1% with a cost/income ratio of 62.8% versus 61.6% at June 30, 2017.

Net provision allocations/reversals for loan losses[5] were down 55.7% to €27 million compared to €61 million at the end of the first half of 2017. Actual net provisioning for known risks decreased by €13 million, primarily in retail banking. The application of IFRS 9 resulted in an €11 million reversal of a provision for unverified risk compared to an allocation of €10 million at June 30, 2017 for collective provisions.

The ratio of non-performing loans to gross loans decreased from 3.0% at June 30, 2017 to 2.7% at June 30, 2018, and the overall coverage ratio was 58.9% at June 30, 2018 compared to 50.0% a year earlier.

The share of income of equity-accounted affiliates was €78 million compared to €81 million in the first half of 2017. In addition, net gains on disposals of non-current assets totaled €8 million (compared to a loss of €3 million for the period ended June 30, 2017).

Income before tax was €1.026 billion compared to €1.036 billion in the first half of 2017 (-1.0%).

With a €72 million decrease in corporate income tax, the increase in net income was 7.9%.

NB: The €5 million net gain on disposal at June 30, 2017 related to the private banking activities in Singapore and Hong Kong, the sale of which to Indosuez Wealth Management was finalized in early December 2017.

5 Figures for the first half of 2018 calculated under IFRS 9, figures for the first half of 2017 calculated under IAS 39.

A SOLID FINANCIAL STRUCTURE

LIQUIDITY AND REFINANCING[6]

Banque Fédérative du Crédit Mutuel (BFCM), CIC's parent company, raises the necessary market funds on behalf of the Crédit Mutuel CM11 Group and monitors liquidity. Like all other group entities, CIC is part of this mechanism, which ensures that its own liquidity and refinancing needs are covered.

CAPITAL ADEQUACY

The CET1 capital ratio at March 31, 2018 was 13.9% (14.2% without the impact of the application of IFRS 9). CET1 ("common equity tier 1") prudential capital totaled €13.1 billion. These calculations are without transitional provisions.

RATINGS

During the half-year period, the ratings of Standard & Poor's and Moody's were confirmed. The ratings assigned by Fitch Ratings remained the same.

CIC's ratings are as follows[7]:

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

RESULTS BY BUSINESS LINE

RETAIL BANKINSURANCE, CIC'S CORE BUSINESS

(in € millions)	June 2018	June 2017	Change 1H18/1H17
Net banking income	1,840	1,805	1.9%
Operating expenses	(1,201)	(1,208)	-0.6%
Operating income before provisions	639	597	7.0%
Net provision allocations/reversals for loan losses	(51)	(91)	-44.0%
Net gains/(losses) on assets and equity-accounted affiliates	78	79	-1.3%
Income before tax	666	585	+13.8%
Corporate income tax	(210)	(200)	5.0%
Net income	456	385	18.4%

6 Please refer to the Crédit Mutuel CM11 Group press release for more information.
7 Standard & Poor's: ratings for the Crédit Mutuel Group; Moody's and Fitch: ratings for the Crédit Mutuel CM11 Group.

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

In one year, deposits[8] grew by 4.2% to €112.7 billion thanks to an increase in current accounts in credit (11.2% to €55.9 billion), passbook accounts (6.9% to €29.9 billion) and home savings (4.8% to €11.0 billion).
Loan outstandings rose by 5.7% to €141.9 billion, with a 5.0% increase in home loans, a 6.5% increase in investment loans and a 9.9% increase in operating loans.

Net banking income from retail bankinsurance was €1.840 billion. It increased by 1.9% during the first half of 2018 thanks to a 2.2% rise in net fee and commission income and net interest of 1.9%, while the other components of net banking income were virtually unchanged.

At €1.201 billion (-0.6%), general operating expenses were similar to those at June 30, 2017.

Net provision allocations/reversals for loan losses fell from €91 million at June 30, 2017 to €51 million at June 30, 2018, with a €21 million decrease in actual net provisioning for known risks compared to June 30, 2017 and no provision for unverified risk versus an allocation of €19 million at June 30, 2017.

Income before tax increased by 13.8% to €666 million.

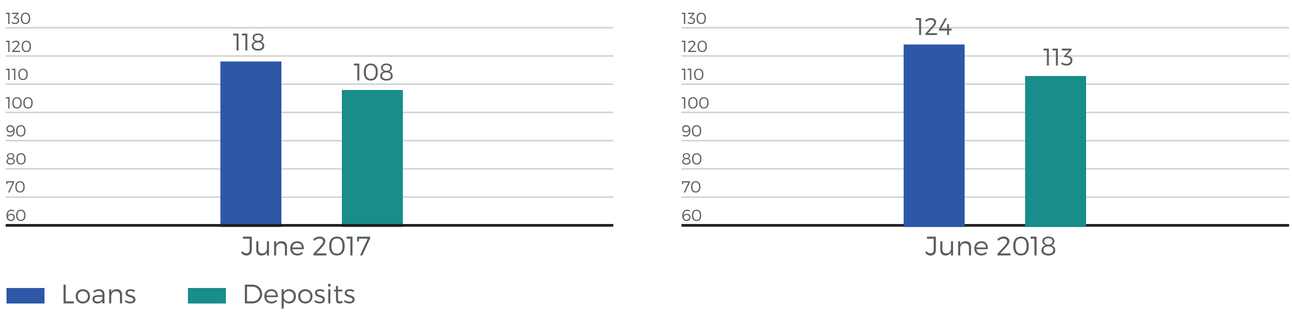
THE BANKING NETWORK

At June 30, 2018, the banking network had 5,092,825 customers (+1.5% compared to June 30, 2017).

Loan outstandings increased by 5.6% to €124.1 billion. With the exception of current accounts in debit and other loans, which decreased by 4.8%, all loans increased, particularly home loans (+5.0%). Investment loans also increased significantly by 8.7% and operating loans rose by 7.4%.

Deposits amounted to €112.7 billion (+4.2% compared to end-June 2017) as a result of an increase in current accounts in credit (11.2%), passbook accounts (6.9%) and home savings (4.8%).

Loans and deposits of banking network customers



Customer funds invested in group savings products rose by 2.5% to €60.0 billion compared to €58.6 billion at end-June 2017 thanks to an increase in life insurance products (2.5%), safekeeping (5.7%) and employee savings (8.5%).

8 The deposits and changes in deposits indicated by business line are savings under management.

EXCELLENT GROWTH IN INSURANCE AND SERVICES

The insurance business continued to grow. The number of property and casualty insurance policies was 5,232,806 (+5.5% compared to end-June 2017).

Service activities rose by:
- 10.8% in remote banking with 2,607,655 contracts,
- 7.7% in mobile phone service (499,420 contracts),
- 4.1% in electronic payment terminals (143,339 contracts),
- 3.8% in theft protection (101,125 contracts).

The network's net banking income rose by 2.3% to €1.730 billion compared to €1.691 billion a year earlier. Net interest increased by 3.2% given the positive effect of the reversal of the home savings provision. Commission income also grew by 1.6% despite a sharp decrease in loan fees (after the number and amount of renegotiation and early repayment requests returned to normal).

At €1.123 billion, general operating expenses were tightly controlled, falling by 0.5% compared to June 30, 2017.

Operating income before provisions therefore increased by 8.0% to €607 million.

Net provision allocations/reversals for loan losses fell by €40 million to €48 million, with changes in known risk and unverified risk each contributing to one-half of this decrease.

The banking network recorded income before tax of €559 million at June 30, 2018 compared to €472 million at June 30, 2017, an increase of 18.4%.

The retail bankinsurance support businesses generated net banking income of €110 million at end-June 2018 compared to €114 million at end-June 2017. Income before tax was €107 million compared to €113 million at the end of the first half of 2017 after taking into account the share of income of the Crédit Mutuel CM11 Group's insurance business, which was €77 million compared to €80 million a year earlier.

PRIVATE BANKING

(in € millions)	June 2018	June 2017	Change 1H18/1H17
Net banking income	250	263	-4.9%
Operating expenses	(179)	(171)	4.7%
Operating income before provisions	71	92	-22.8%
Net provision allocations/reversals for loan losses	(6)	1	n.a.
Gains/(losses) on other assets & equity-accounted affiliates	8	(1)	n.a.
Income before tax	73	92	-20.7%
Corporate income tax	(16)	(21)	-23.8%
Net profit/(loss) on divested activities	0	5	n.a.
Net income	57	76	-25.0%

The companies that make up this business line operate both in France through CIC Banque Transatlantique and abroad through the Banque de Luxembourg, Banque CIC Suisse, Banque Transatlantique Luxembourg, Banque Transatlantique Belgium and Banque Transatlantique London subsidiaries.

Based on a comparable scope of consolidation (excluding the private banking activity in Singapore and Hong

Kong), private banking deposits increased over the year by 5.4% to €20.8 billion and customer funds invested in group savings products rose by 4.4% to €95.1 billion. Loan outstandings increased by 8.1% to €12.4 billion.

Net banking income was €250 million compared to €263 million at June 30, 2017, down 4.9% with a 12.1% drop in commission income, which did not include all the income of the asset management subsidiaries.

General operating expenses stood at €179 million (+4.7%).

With regard to net provision allocations/reversals for loan losses, there was an allocation of €6 million compared to a reversal of €1 million at June 30, 2017.

Income before tax amounted to €73 million compared to €92 million at end-June 2017.

It should be noted that net income in the first half of 2017 included a net gain of €5 million on the disposal of the

private banking business in Singapore and Hong Kong, which was sold in late 2017.

These results do not include those of the CIC Banque Privée branches, which are integrated into the CIC banks. Income before tax of the CIC Banque Privée branches was €43 million at June 30, 2018.

CORPORATE BANKING

(in € millions)	June-18	June-17	Change 1H18/1H17	June-17 restated*	Change* 1H18/1H17
Net banking income	173	175	-1.1%	183	-5.5%
Operating expenses	(58)	(58)	0.0%	(58)	0.0%
Operating income before provisions	115	117	-1.7%	125	-8.0%
Net provision allocations/reversals for loan losses	29	21	n.a.	21	38.1%
Income before tax	144	138	4.3%	146	-1.4%
Corporate income tax	(49)	(46)	6.5%	(49)	0.0%
Net income	95	92	3.3%	97	-2.1%

* Reassignment in June 2017 of the banking subsidiaries' activity, previously classified under corporate banking, to holding company services.

The corporate banking business line provides services to large corporate and institutional customers with a holistic approach to their requirements. It also supports the corporate networks' work on behalf of their major customers and contributes to the development of international business and the implementation of specialized financing.

The results in the first half of 2018 were affected by the decrease in the dollar against the euro.

Loan outstandings in corporate banking rose by 9.6% to €18.6 billion at June 30, 2018 at constant scope.

In the first half of 2018, net banking income was €173 million (€175 million at June 30, 2017), with a drop in commission income from specialized financing.

General operating expenses held steady at €58 million despite a contribution to the Single Resolution Fund (SRF) that was €3 million more than last year.

Operating income before provisions came to €115 million versus €117 million in the first half of 2017.

In terms of net provision allocations/reversals for loan losses, there was a net reversal of €29 million compared to a net reversal of €21 million at June 30, 2017.

Income before tax therefore stood at €144 million, up 4.3% compared to June 30, 2017.

CAPITAL MARKETS

(in € millions)	June 2018	June 2017	Change 1H18/1H17
Net banking income	154	275	-44.0%
Operating expenses	(121)	(112)	8.0%
Operating income before provisions	33	163	-79.8%
Net provision allocations/reversals for loan losses	2	6	-66.7%
Income before tax	35	169	-79.3%
Corporate income tax	(16)	(59)	-72.9%
Net income	19	110	-82.7%

In contrast to favorable conditions in the first half of 2017, the capital markets environment was more complex during the first six months of the year (increased volatility, uncertainties regarding political risk in Italy, US protectionist measures), which helped drive down the income of the "investment" activity in France of CM-CIC Marchés, which nevertheless generated income in line with its budget.

Net banking income was down 44.0% after allocation of income resulting from commercial transactions to the activities and entities that monitor customers.

General operating expenses rose by 8.0% as a result of a €12 million increase in the contribution to the SRF.

With regard to net provision allocations/reversals for loan losses, there was a reversal of €2 million at June 30, 2018 compared to a reversal of €6 million at June 30, 2017.

Income before tax amounted to €35 million versus €169 million the previous year.

PRIVATE EQUITY

(in € millions)	June 2018	June 2017	Change 1H18/1H17
Net banking income	221	169	30.8%
Operating expenses	(24)	(25)	-4.0%
Operating income before provisions	197	144	36.8%
Income before tax	196	144	36.1%
Corporate income tax	0	2	-100.0%
Net income	196	146	34.2%

This activity is carried out by CM-CIC Investissement, which has its head office in Paris and offices in Lyon, Nantes, Lille, Bordeaux and Strasbourg, thereby ensuring close ties to customers while gradually entering a phase of international development.

The group's proprietary investment portfolio totaled €2.3 billion at June 30, 2018, including 89% in unlisted companies. The portfolio consists of 339 non-fund holdings, the vast majority of which are in companies that are group customers. Since the beginning of the year, more than €153 million have been invested by all the entities of the private equity division, with divestments totaling €354 million. Funds managed on behalf of third parties totaled €174 million.

As a result of capital gains on disposals, net banking income increased by 30.8% to €221 million at June 30, 2018 compared to €169 million at June 30, 2017.

General operating expenses decreased from €25 million to €24 million.

Income before tax grew by 36.1% to €196 million.

All financial communications are available at:

www.cic.fr/banques/institutionnel/actionnaires-et-investisseurs under the heading "Regulated Information" and are published by CIC in accordance with the provisions of Article L. 451-1-2 of the French Monetary and Financial Code and Articles 222-1 et seq. of the General Regulation of the French Financial Markets Authority (Autorité des Marchés Financiers - AMF).
The press releases and documents related to this operation are available on the websites of CIC: www.cic.fr, the AMF: www.amf-france.org and BFCM: www.bfcm.creditmutuel.fr.

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CIC

KEY FIGURES

in € millions	June 30, 2018	June 30, 2017
ACTIVITY		
Total assets	292,790	284,772
Net customer loans (1) and (2)	181,833	167,584
Customer deposits (2)	150,674	144,664
Savings under management and custody (3)	205,027	197,015
Number of property and casualty insurance policies	5,232,806	4,958,356
SHAREHOLDERS' EQUITY		
Attributable to the group	14,617	14,445
Non-controlling interests	51	59
Total	14,668	14,504
Employees, end of period (4)	19,552	19,947
Number of customers (5)	5,092,825	5,016,102
Individuals	4,105,078	4,058,537
Corporates and self-employed professionals	987,747	957,565

RESULTS

Consolidated income statement	June 30, 2018	June 30, 2017
ACTIVITY		
Net banking income	2,602	2,654
Administrative expenses	(1,635)	(1,635)
Operating income before provisions	967	1,019
Net provision allocations/reversals for loan losses	(27)	(61)
Operating income after provisions	940	958
Net gains/(losses) on other assets	8	(3)
Share of income/(loss) of equity-accounted affiliates	78	81
Income before tax	1,026	1,036
Corporate income tax	(247)	(319)
Net profit/(loss) on discontinued activities	0	5
Net income	779	722
Non-controlling interests	(5)	(7)
Net income attributable to the group	774	715

(1) Including lease financing.
(2) Please refer to the methodology notes.
(3) Month-end outstandings of customers of the operational activities, including financial securities issued.
(4) Full-time equivalent.
(5) Banking network. Restated 2017 figures.

METHODOLOGY NOTES

1/ Application of IFRS 9 in 2018:

Outstandings were restated in order to measure changes in them:

	June 2018	June 2017	Chg. June 2018 /June 2017
Net customer loans	181,833	167,584	8.5%
Of which IFRS 9 impact	-321		
Of which collective provisions		-163	
Total loans excluding IFRS 9 impact and collective provision	**182,154**	**167,747**	**8.6%**

	June 2018	June 2017	Chg. June 2018 /June 2017
Net customer deposits	150,674	144,664	4.2%
Of which IFRS 9 impact	9		
Total deposits excluding IFRS 9 impact	**150,665**	**144,664**	**4.1%**

2/ Restated results at June 30, 2017: minor changes were made to segment reporting starting in the third quarter of 2017 because the banking subsidiaries' activity (corporate banking) was assigned to the "holding company services" business. Restated results and outstandings are therefore presented for the corporate banking segment at June 30, 2017:

(in € millions)	June-18	June-17	Change 1H18/1H17	June-17 restatements	June-17 restated*	Change* 1H18/1H17
Net banking income	173	175	-1.1%	8	183	-5.5%
Operating expenses	(58)	(58)	0.0%	0	(58)	0.0%
Operating income before provisions	115	117	-1.7%	8	125	-8.0%
Net provision allocations/ reversals for loan losses	29	21	n.a.	0	21	38.1%
Income before tax	144	138	4.3%	8	146	-1.4%
Corporate income tax	(49)	(46)	6.5%	(3)	(49)	0.0%
Net income	95	92	3.3%	5	97	-2.1%

(in € millions)	June-18	June-17	June-17 restatements	June-17 restated	Change 1H18/1H17	Change* 1H18/1H17
Customer loans	18,553	17,417	-494	16,923	6.5%	9.6%

* Reassignment in June 2017 of the banking subsidiaries' activity, previously classified under corporate banking, to holding company services.

ALTERNATIVE PERFORMANCE INDICATORS (API)
– ARTICLE 223-1 OF THE AMF'S GENERAL REGULATION / ESMA GUIDELINES (ESMA/20151415)

Name	Definition/calculation method	For ratios, justification of use
Cost/income ratio	Ratio calculated from items in the consolidated income statement: ratio of general operating expenses (sum of items “general operating expenses” and “allocations to/reversals of depreciation, amortization and provisions for property, plant and equipment and intangible assets” of the consolidated income statement) to “IFRS net banking income”	Measure of the bank’s operational efficiency
Net provision allocations/reversals for loan losses	Item “net provision allocations/reversals for loan losses” of the publishable consolidated income statement	Measures the risk level
Customer loans	Item “loans and receivables due from customers” on the assets side of the consolidated balance sheet	Measure of customer activity in terms of loans
Customer deposits; bank deposits	Item “amounts due to customers" on the liabilities side of the consolidated balance sheet	Measure of customer activity in terms of balance sheet deposits
Savings; customer funds invested in group savings products	Off-balance sheet savings held by our customers or under custody (securities accounts, mutual funds, etc.) - and life insurance products held by our customers - management data	Representative measure of activity in terms of off-balance sheet funds
Operating expenses; general operating expenses; administrative expenses	Sum of lines “general operating expenses” and "allocations to/reversals of depreciation, amortization and provisions for property, plant and equipment and intangible assets"	Measures the level of operating expenses
Net interest; net interest revenue; net interest income	Calculated from items in the consolidated income statement: Difference between interest received and interest paid: - interest received = item "interest and similar income" of the publishable consolidated income statement - interest paid = item "interest and similar expenses" of the publishable consolidated income statement	Representative measure of profitability
Net provision allocations/reversals for loan losses with unverified risk	Application of IFRS 9 (IAS 39 for June 2017). Impairment is recorded for all financial assets for which there is no individual objective evidence of impairment.	Measures the level of unverified risk
Net loans / customer deposits ratio	Ratio calculated from items in the consolidated balance sheet: ratio expressed as a percentage of total customer loans (item “loans and receivables due from customers” on the assets side of the consolidated balance sheet) to customer deposits (item “amounts due to customers” on the liabilities side of the consolidated balance sheet)	Measure of dependence on external refinancing

Non-performing customer loan ratio	Ratio of non-performing customer loans to gross customer outstanding loans	Measures the share of non-performing loans in customer loans
Overall coverage ratio	Determined by calculating the ratio of provisions for credit risk to the gross outstandings identified as in default in accordance with regulations.	This coverage ratio measures the maximum residual risk associated withoutstanding loans in default ("non-performing")

ALTERNATIVE PERFORMANCE INDICATORS, RECONCILIATION WITH THE FINANCIAL STATEMENTS

Net loans/customer deposits ratio		June-18	June-17
Loans and advances due from customers	Assets	181,833	167,584
Amounts due to customers	Liabilities	150,674	144,664
Net loans/customer deposits ratio		**120.7%**	**115.8%**

General operating expenses		June-18	June-17
General operating expenses	Note 33	-1,576	-1,570
Allocations to/reversals of provisions for depreciation, amortization and impairment of property, plant and equipment and intangible assets	Note 34	-59	-65
General operating expenses		**-1,635**	**-1,635**

Cost/income ratio		June-18	June-17
- General operating expenses	Notes 33 and 34	1,635	1,635
Net banking income	Income statement	2,602	2,654
Cost/income ratio		**62.8%**	**61.6%**

Net provision allocations/reversals for customer loan losses		June-18	June-17
Actual net provisioning for known risks		-38	-51
Net provision allocations/reversals for loan losses with unverified risk	June 2017: IAS 39, June 2018: IFRS 9	11	-10
Net provision allocations/reversals for loan losses	**Note 35**	**-27**	**-61**

Non-performing customer loan ratio		June-18	June-17
Non-performing customer loans	Note 8	4,898	5,150
Customer loans - impairment	Note 8	181,833	167,366
Non-performing customer loan ratio		**2.7%**	**3.1%**

Overall non-performing loan coverage		June-18	June-17
- Asset impairment excluding country risk and IFRS 9 prov.	Note 8	2,885	2,576
Non-performing loans	Note 8	4,898	5,150
Overall non-performing loan coverage ratio		**58.9%**	**50.0%**