



# CRÉDIT AGRICOLE S.A.

Montrouge, 4 August 2015

Second quarter and first half of 2015

**Strong commercial performance in all business lines**  
**Solid results in a still challenging economic context**  
**Strength of financial structure confirmed**

## Crédit Agricole Group\*

**Q2-15 Net income Group share: 1,500 million euros (vs. 785 million euros in Q2-14)**

**H1-15 Net income Group share: 2,728 million euros (vs. 2,037 million euros in H1-14)**

**Fully-loaded CET 1 ratio: 13.2% (+90 bp/June 14)**

\*Crédit Agricole S.A. and Regional Banks at 100%

## Crédit Agricole S.A.

**Revenues from business lines: +5.7%\* Q2/Q2**

**GOI of business lines: +6.8%\* Q2/Q2**

**Cost of risk of business lines: -27.6%\* Q2/Q2**

### *Impact of specific items*

- Triggering of the Switch: +80 million euros in NIGS
- Additional provisions for litigation: -350 million euros
- Issuer spread/DVA/CPM: +200 million euros in NIGS

**Net income Group share: 920 million euros**

**Underlying net income Group share: 982 million euros**

**Fully-loaded CET 1 ratio: 10.2% (+30 bp/June 14)**

\*restated for specific items

## Crédit Agricole Group

Crédit Agricole Group's net income Group share totalled 1,500 million euros in the second quarter of 2015. This represented a sharp increase on the second quarter of 2014, which was impacted by the impairment on the stake in the Portuguese bank BES. In the first half of 2015, net income Group share came to 2,728 million euros, up 33.9% on the corresponding period of 2014.

For Jean-Marie Sander, Chairman of Crédit Agricole S.A., these are good results. All the Crédit Agricole Group business lines are delivering excellent commercial results which confirms the relevance of the choices made in the medium term plan announced last year.

For Philippe Brassac, CEO of Crédit Agricole S.A., these solid results are thanks to the hard work done by Jean-Paul Chifflet and his team. They are a strong base from which the new management, under Philippe Brassac and Xavier Musca, will be able to build on in order to continue the development of Crédit Agricole and ensure the bank's values reflect purpose, strength and sustained performance.

These healthy results reflected a strong business performance in all business lines.

In retail banking, the Regional Banks opened 230,000 net new sight deposits since end of June 2014 while LCL opened some 70,000 since the beginning of the year. Outstanding loans distributed via the Group's 9,000 branches in France came to 500 billion euros, up 2.2% year-on-year, with home loans providing the driving force. The same trend was evident at Italian subsidiary Cariparma. On-balance sheet customer assets also increased at a rapid pace (+4.0%), particularly demand deposits (+13.2% at the Regional Banks and LCL and +11% at Caripama).

In the savings management/insurance/private banking business line, net inflows came to 53 billion euros in the first half of 2015, with all customer segments – retail and institutional, French and international – making a positive contribution to this performance. Numerous innovative new offerings were introduced for high net worth individuals, and the roll-out of collective health and death & disability insurance was continued for business customers and professionals.

The financing business lines (excluding networks) also performed well, with production of consumer loans (8.7 billion euros in the second quarter of 2015) up 13.7% compared with the second quarter of 2014 and car finance partnership outstandings up 10% year-on-year. Crédit Agricole CIB remained the world number one in aircraft finance and was named "Best Infrastructure House" at the Euromoney Awards for Excellence 2015. It also worked on a number of transactions with Group entities.

The Regional Banks posted net income Group share of 811 million euros in the second quarter, after the impact of the triggering of the Switch (-107 million euros after tax) as explained below. Their upbeat commercial activity was reflected in the increase in their revenues, which rose 1.9% (or 2.6% excluding the charge to reserves for home purchase savings schemes). Fees and commission income rose 4.7% thanks to insurance, and the interest margin (+1.4% excluding home purchase savings schemes) was underpinned by the high level of early repayment penalties. Operating expenses were stable (+0.4%) and the cost of risk arising from impaired loans declined by 2.9%. Over the first half, the Regional Banks' net income Group share totalled 1,601 million euros.

Crédit Agricole Group's financial structure remained robust in the second quarter of 2015.

Crédit Agricole Group's liquidity position was stable. At 30 June 2015, the Group's cash balance sheet totalled 1,041 billion euros; the surplus of long-term funding sources over long-term applications of funds was 103 billion euros. Liquidity reserves amounted to 247 billion euros at 30 June 2015 and covered gross short-term debt more than twice over. The LCR ratio of the Group and of Crédit Agricole S.A. exceeded 110% at end-June 2015.

During the first half of 2015, the main Crédit Agricole Group issuers raised the equivalent of 18.8 billion euros in senior debt and Tier 2 in the market and the branch networks, Crédit Agricole S.A. having issued 8 billion euros out of the 10 billion planned in its medium-to long-term market funding programme for the year.

With a Basel 3 fully-loaded Common Equity Tier 1 ratio of 13.2% at 30 June 2015, up 90 basis points compared with end-June 2014, Crédit Agricole Group ranks among the most highly capitalised banks in Europe. The Group is well positioned in terms of MREL and TLAC ratios, with a 10 basis point improvement in the quarter of its MREL ratio excluding eligible senior debt to 7.8%<sup>1</sup>, due to the strict management of the balance sheet size, and with a stable TLAC ratio of 19.1% excluding senior debt.

The leverage ratio under the Delegated Act adopted by the European Commission stood at 5.4%, up from 5.2% at year-end 2014.

### **Crédit Agricole S.A.**

Crédit Agricole S.A.'s Board of Directors, chaired by Jean-Marie Sander, met on 3 August 2015 to examine the financial statements for the second quarter and first half of 2015.

Net income Group share totalled 920 million euros in the second quarter of 2015, far higher than in the second quarter of 2014, when it was impacted by the impairment on the stake in the Portuguese bank BES. Excluding the specific items recorded in the quarter, underlying net income Group share came to 982 million euros. Considering solely the business lines restated for specific items, net income Group share grew by 6.2%.

This very healthy level of earnings reflects excellent commercial performances in all the business lines. For example, the business lines' net revenues restated for specific items was up 5.7% year-on-year in the second quarter, with savings management and insurance, together with corporate and investment banking, driving the increase. Growth in business lines' operating expenses remained under control amid a backdrop of brisk activity: +2.7% excluding currency effects.

This performance was also supported by a further decrease in the cost of risk related to impaired loans, which dropped to 39 basis points of outstandings in second quarter of 2015 on an annualised basis, i.e. an improvement of 13 basis points compared with the second quarter of 2014. The same trend was evident in most business lines: LCL (6 basis points versus 23 in the second quarter of 2014), Consumer finance (184 basis points versus 256), mainly due to the continued fall in Agos' cost of risk (amounting to -71 million euros, down 52% compared with the second quarter of 2014) and Corporate and investment banking (-34 million euros).

However, the cost of risk was affected by two significant items.

The Switch guarantee, which is intended to cover the prudential requirement arising from Crédit Agricole S.A.'s equity stakes in the Regional Banks and in Crédit Agricole Assurances, was triggered for the first time in the second quarter of 2015. The triggering takes place when a quarterly decline is observed in the sum of the equity-accounted values of the two equity stakes referred to above. The positive results of 554 million euros recorded by the Regional Banks and Crédit Agricole Assurances in the second quarter of 2015 did not fully offset the decline in the value of the unrealised capital gains on the AFS securities portfolio used in the calculation of the CET1 ratio. The decline of 761 million euros was caused by the extremely rapid rise in sovereign interest rates and fall in equities. The triggering of the Switch gave rise to a provision of 173 million euros in the cost of risk recorded by the Regional Banks and the same amount of positive cost of risk for Crédit Agricole S.A. The impact on Crédit Agricole S.A.'s second-quarter net income Group share was +80 million euros after tax and the negative impact on the Regional Banks' contribution.

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<sup>1</sup> Calculation based on Crédit Agricole S.A.'s current understanding of draft regulatory texts

In addition, there was a development during the second quarter of 2015 in a case mentioned for several years in the legal risks section of the registration document.

United States laws and regulations require adherence to economic sanctions put in place by the Office of Foreign Assets Control (OFAC) on certain foreign countries, individuals and entities. The Department of Justice, the office of the District Attorney of New York County (DANY) and other American governmental authorities would like to know how certain financial institutions made payments denominated in US dollars involving countries, individuals or entities that had been sanctioned. Crédit Agricole CIB Group and Crédit Agricole S.A. conducted an internal review of payments denominated in US dollars involving countries, individuals or entities that could have been subject to such sanctions and are cooperating with the US authorities as part of such requests. The findings of this review are shared with the US authorities at meetings during which the bank presents its arguments.

Discussions with the US authorities continued in the second quarter of 2015 and are now at a very advanced stage. These discussions are still ongoing and are likely to lead to a global settlement in autumn 2015. As a result, an additional provision amounting to 350 million euros was set aside in the Group's financial statements.

Net income Group share for the first half of 2015 came to 1,704 million euros, double the figure in the same period of 2014. Considering solely the business lines restated for the special items, net income Group share grew by 14.9%.

Crédit Agricole S.A. consolidated its solvency position at end-June 2015. The fully-loaded Common Equity Tier 1 ratio stood at 10.2%, an improvement of 30 basis points on its end-June 2014 level. Crédit Agricole S.A.'s leverage ratio was 4.3% under the Delegated Act adopted by the European Commission.

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Regarding the organisation of its Group, Crédit Agricole restates that, as announced to the market in September 2013 in the framework of its periodic strategic review process, it has launched reflections on this matter. These reflections have been shared with the regulatory authorities, in particular with the services of the European Central Bank. These exchanges have highlighted constraints which have not been lifted at this date. As a result, no transaction which might substantially affect the scope of Crédit Agricole S.A., as those to which external sources to the Group may have referred, can be implemented at this stage.

Crédit Agricole underlines that, in keeping with its history and its cooperative and mutualist culture, any evolution of its organisation must comply with the Group's vision ensuring a more collective operating and developing mode, in the interest of all stakeholders. In line with this objective, the Group shall carry on its reflections on its organisation.

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## Social and environmental responsibility

With preparations for COP 21 Paris Climate Conference in full swing, Crédit Agricole S.A. announced at its Annual Shareholders' Meeting on 20 May 2015 that it would no longer finance coal mine projects or business plans in which coal mining forms the key activity. Concurrently, Crédit Agricole CIB published corresponding changes to its coal, mining and metals sector policies.

In the same vein, the Group continues to pursue its initiatives for clients participating in the energy transition (both energy efficiency and renewable energies). A pioneer of Green Bonds since 2012, Crédit Agricole CIB is now the world number two, with market share of 14%. With the backing of the Regional Banks, Crédit Agricole Leasing & Factoring and Crédit Agricole CIB, the Crédit Agricole Group is the number one provider among the banks of funding for renewable energies in France. It is also a global leader, having provided finance for 20 GW in installed capacity around the world by year-end 2014, equivalent to the annual consumption of 10 million French homes.

The Group also helps its clients to curb their fossil fuel and coal risks by offering them suitable products. Since June, Amundi has marketed a Low Carbon index range that can reduce the carbon footprint of the client's portfolio by up to 50%. The Group has introduced ESG (environment, social, governance) analytical frameworks at several entities. These frameworks are already operational at Crédit Agricole CIB and Amundi.

### Financial calendar

5 November 2015	Publication of third quarter 2015 results
17 February 2016	Publication of fourth quarter and full-year 2015 results
11 May 2016	Publication of first quarter 2016 results
19 May 2016	Annual Shareholders' Meeting in Paris
3 August 2016	Publication of second quarter and first half 2016 results
8 November 2016	Publication of third quarter 2016 results

*In the whole document excluding solvency elements, figures for 2014 have been restated for methodological changes in tax accounting following the introduction of IFRIC 21.*

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 on 30 June 2015 have been prepared in accordance with IFRS as adopted for use in the European Union and applicable at that date. 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.

## CREDIT AGRICOLE S.A. CONSOLIDATED RESULTS

(in millions of euros)	Q2-15	Change Q2/Q2	H1-15	Change H1/H1
Revenues	4,628	+18.1%	8,987	+12.7%
Operating expenses excl. SRF	(2,786)	+4.0%	(5,764)	+3.3%
SRF	-	-	(175)	-
<b>Gross operating income</b>	<b>1,842</b>	<b>+48.8%</b>	<b>3,048</b>	<b>+27.4%</b>
Cost of risk	(601)	+12.4%	(1,078)	(4.2%)
<b>Operating income</b>	<b>1,241</b>	<b>+76.4%</b>	<b>1,970</b>	<b>+55.3%</b>
Share of net income of equity-accounted entities	238	nm	714	x9.5
Net income on other assets	3	nm	1	nm
<b>Income before tax</b>	<b>1,482</b>	<b>x4.5</b>	<b>2,685</b>	<b>+98.6%</b>
Tax	(429)	x2.8	(717)	x2.2
Net income from discontinued or held for sale operations	(1)	nm	(18)	nm
<b>Net income</b>	<b>1,052</b>	<b>x5.8</b>	<b>1,950</b>	<b>+87.6%</b>
Non-controlling interests	132	+28.2%	246	+24.1%
<b>Net income Group share</b>	<b>920</b>	<b>x11.9</b>	<b>1,704</b>	<b>x2.0</b>

In the second quarter of 2015, revenues came to 4,628 million euros, up 18.1% on the second quarter of 2014. Restated for the own debt revaluation, DVA running and loan hedges, they came to 4,317 million euros. In the second quarter of 2014 restated for the own debt revaluation, DVA running, loan hedges, impact of Day One FVA and revaluation of the Bank of Italy securities, they totalled 4,348 million euros.

Operating expenses increased by 4.0% to 2,786 million euros between the second quarter of 2014 and second quarter of 2015. Excluding currency effects, business lines' operating expenses grew by 2.7%.

The cost of risk totalled 601 million euros. Two specific items were recorded in the quarter: an additional provision for litigation of 350 million euros and the triggering for the first time of the Switch guarantees, which resulted in a positive impact on the cost of risk of 173 million euros in Crédit Agricole S.A.'s financial statements for the quarter. Restated for these two items, it declined by 20.6% reflecting the fall in the cost of risk in almost all business lines and at Agos in particular. Again restated for these specific items, it amounted to 39 basis points of outstandings on an annualised basis, a 13 basis point improvement over the second quarter of 2014.

Impaired loans outstanding<sup>1</sup> stood at 15.2 billion euros, representing 3.6% of gross customer and interbank loans outstanding compared with 4.0% at 30 June 2014. The ratio of impaired loans to specific reserves was 55.1%. Including collective reserves, the impaired loan coverage ratio was 72.9% compared with 71.1% at 30 June 2014.

<sup>1</sup> Excluding Crédit Agricole internal transactions, accrued interest and finance leases

The share of net income from equity-accounted entities amounted to 238 million euros in the quarter, including contributions of 230 million euros from the Regional Banks, 45 million euros from Specialised financial services, mainly relating to car finance partnerships, and negative 45 million euros from Corporate and investment banking. The latter was the product of the firm performance by Banque Saudi Fransi, which contributed 65 million euros, and 110 million euros in impairment losses reflecting the deterioration in the underlying economic outlook of two investments, UBAF and Elipso (holding European mortgage-backed portfolios).

In all, Crédit Agricole S.A.'s net income Group share came to 920 million euros in the second quarter of 2015. Restated for the own debt revaluation, DVA running, loan hedges, the additional provision for litigation arising from the impact of the triggering of the Switch guarantees, net income Group share was 982 million euros versus 1,062 million euros in the second quarter of 2014, restated for the own debt revaluation, DVA running, loan hedges, Day One FVA, revaluation of the Bank of Italy securities and the impact of BES.

**In the first half of 2015**, revenues came to 8,987 million euros, up 12.7% on the first half of 2014. Restated for the own debt revaluation, DVA running and loan hedges, they came to 8,700 million euros. In the first half of 2014 restated for the own debt revaluation, DVA running, loan hedges, impact of Day One FVA and revaluation of the Bank of Italy securities, they totalled 8,357 million euros.

Operating expenses were 5,939 million euros. They reflected the first contribution to the Single Resolution Fund of 175 million euros in the first quarter of 2015. Restated for this item, operating expenses increased by 3.3% between the first half of 2014 and first half of 2015. Excluding currency effects, business lines' operating expenses grew by 1.3%.

The cost of risk totalled 1,078 million euros. Two specific items were recorded in the first half: an additional provision for litigation of 350 million euros and the triggering for the first time of the Switch guarantees, which resulted in a positive impact on the cost of risk of 173 million euros. Restated for these two items, it declined by 19.8% reflecting the fall in the cost of risk in almost all business lines and at Agos in particular. Again restated for the specific items, it amounted to 42 basis points of outstandings on an annualised basis in the first half, a 13 basis point improvement compared with the first half of 2014.

Impaired loans outstanding<sup>1</sup> stood at 15.2 billion euros at 30 June 2015, representing 3.6% of gross customer and interbank loans outstanding compared with 4.0% at 30 June 2014. The ratio of impaired loans covered by specific reserves was 55.1%. Including collective reserves, the impaired loan coverage ratio was 72.9% compared with 71.1% at 30 June 2014.

The share of net income from equity-accounted entities amounted to 714 million euros in the first half, including contributions of 593 million euros from the Regional Banks, 88 million euros from Specialised financial services, mainly relating to the car finance partnerships, and 19 million euros from Corporate and investment banking. The latter was the product of a firm performance by Banque Saudi Fransi, which contributed 127 million euros, and 110 million euros in impairment losses reflecting the deterioration in the underlying economic outlook of two investments, UBAF and Elipso (holding European mortgage-backed portfolios).

In all, Crédit Agricole S.A.'s net income Group share stood at 1,704 million euros in the first half of 2015. Restated for the own debt revaluation, DVA running, loan hedges, the contribution to the Single Resolution Fund, the additional provision for litigation and the impact of the triggering of the Switch, net income Group share totalled 1,963 million euros versus 1,812 million euros in the first half of 2014, restated for the own debt revaluation, DVA running, loan hedges, Day One FVA, revaluation of the Bank of Italy securities and the impact of BES.

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<sup>1</sup> Excluding internal Crédit Agricole transactions, accrued interest and finance leases



## **SOLVENCY**

At end-June 2015, Crédit Agricole S.A.'s financial strength is demonstrated by its 10.2% fully-loaded CET1 ratio, stable compared to the 31 March 2015.

The quarter is marked by the triggering of the Switch guarantees. The purpose of these guarantees is to cover the regulatory requirement associated with Crédit Agricole S.A.'s equity interests in the Regional Banks (CCI/CCA) and in Crédit Agricole Assurances (CAA). The equity-accounted value covered is 23.9 billion euros. The Switch guarantees are triggered when a decline in the total equity-accounted value of the equity interests in the Regional Banks and in Crédit Agricole Assurances is recognised in a given quarter. The triggering of the Switch guarantees in the second quarter 2015 was due to the fall in AFS reserves, essentially for CAA, against a sudden, steep rise in sovereign interest rates and a decline in equity prices (-761 million euros), not entirely offset by the positive results of the Regional Banks and CAA (+554 million euros). The triggering of the Switch guarantees resulted in a 173 million euros provision booked in cost of risk in the accounts of the Regional Banks. At the same time, Crédit Agricole S.A. recognised a matching amount of positive cost of risk in the Corporate Centre. Overall, Crédit Agricole S.A. booked a 80 million euros profit in net income Group share in the second quarter 2015. Pursuant to the clawback provision, any subsequent increase in the total equity-accounted value would benefit the Regional Banks, until the equity-accounted value returns to its level prior to the decline.

Over the quarter, Crédit Agricole S.A. demonstrated its significant and recurring capacity to generate capital, with an increase of 24 basis points coming from the attributable result for the second quarter before the triggering of the Switch. The triggering of the Switch accounted for an additional 3 basis points, while the distribution was estimated at -7 basis points, with an assumption of 50% pay out and scrip dividend at 100% for the majority shareholder. Finally, capital was strengthened by the external scrip dividend on 2014 result which brings an additional 8 basis points of CET1 ratio. Conversely, the ratio decreased due to the large short-term impact of interest rate rise, generating a 25 basis points fall in AFS unrealised gains, of which -15 basis points on the insurance portfolio. Through the Switch mechanism, the fall in AFS unrealised gains was offset by CAA and the Regional Banks' results and the triggering of the 80 million euros impact of Switch on net income Group share. The stock of AFS unrealised gains in the CET1 ratio at 30 June 2015 was therefore brought down to circa 95 bps. Risk weighted assets were kept under control in the second quarter of 2015, with business lines' risk weighted assets declining by -1.2 billion euros.

The phased-in total ratio amounted to 19.2% at 30/06/2015, after the call of 2.3 billion euros of Tier 1 and Tier 2 issues in the quarter.

The leverage ratio of Crédit Agricole S.A. under the Delegated Act adopted by the European Commission was 4.3%<sup>1</sup> compared to 4.2% at end 2014.

The conglomerate ratio was 236% at 30 June 2015.

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<sup>1</sup> Subject to ECB authorisation, with an impact of +100 basis points related to the non-weighting of intragroup operations for Crédit Agricole S.A.

## LIQUIDITY

Crédit Agricole Group's cash balance sheet totalled 1,041 billion euros at end-June 2015, compared with 1,042 billion euros at end-March 2015 and 1,021 billion euros at end-June 2014.

The surplus of long term funding sources over long term applications of funds was of 103 billion euros at 30 June 2015, versus 104 billion euros at 31 March 2015 and 71 billion euros at 30 June 2014. It thus remained stable quarter-on-quarter in 2015 and increased by 32 billion euros between 30 June 2014 and 30 June 2015.

Liquidity reserves including valuation gains and haircuts related to the securities portfolio amounted to 247 billion euros at 30 June 2015, covering 213% of gross short-term debt versus 218% at 31 March 2015 and 176% at 30 June 2014. HQLA securities after valuation gains and haircuts represented 156% of short term debt not deposited with Central Banks. Both the Group and Crédit Agricole S.A.'s LCR ratio exceeded 110% at end-June 2015.

During the first half of 2015, the main Crédit Agricole Group issuers raised 18.8 billion euros of senior debt and Tier 2 in the market and the branch networks. Crédit Agricole S.A. itself raised the equivalent of 4.3 billion euros of senior debt (in EUR, USD, JPY and CHF) and 3.7 billion euros of Tier 2 (in EUR, USD and JPY) over the period. At 30 June 2015, Crédit Agricole S.A. had completed 80% of its medium- to long-term market funding programme (senior and subordinated) of 10 billion euros (excluding branch networks).

## RESULTS BY BUSINESS LINE

### 1. FRENCH RETAIL BANKING

#### 1.1. CREDIT AGRICOLE REGIONAL BANKS

<i>(in millions of euros)</i>	Q2-15	Change Q2/Q2*	H1-15	Change H1/H1*
<b>Net income accounted for at equity (at ~ 25%)</b>	<b>223</b>	<b>+4.2%</b>	<b>421</b>	<b>0,0%</b>
Change in share of reserves	7	+89.0%	172	+12.9%
<b>Share of net income of equity-accounted entities</b>	<b>230</b>	<b>+5.6%</b>	<b>593</b>	<b>+3.3%</b>

\* Excluding the triggering of the Switch guarantees

In the second quarter of 2015, the Regional Banks continued to implement their strategy of achieving balanced growth in all their areas of business.

Customer assets continued to grow, with a year-on-year increase of 2.6% in outstandings to 610 billion euros at end-June 2015. Growth was driven by on-balance sheet deposits, up 3.9% year-on-year to 360 billion euros at end-June 2015, as well as off-balance sheet customer assets, up 0.9% to 250 billion euros. The increase in on-balance sheet deposits stemmed mainly from demand deposits (up 13.2%), which benefited from maturing term deposits and accounts (down 7.4%) and ongoing reinvestments in securities. Home purchase savings schemes were also highly attractive for savers, increasing by 8.5% over one year. Meanwhile, off-balance sheet customer assets continued to be driven by life insurance, with year-on-year growth of 4.0% at end-June 2015.

Loans outstanding rose by 1.6% year-on-year, to 406 billion euros at end-June 2015. Growth stemmed mainly from home loans (up 3.0%) while consumer finance showed an improvement with outstandings up 2.2%.

The loan-to-deposit ratio was 114% at end-June 2015, stable compared with end-June 2014.

**In the second quarter of 2015**, the Regional Banks' revenues (restated for intragroup transactions) amounted to 3,513 million euros, up 1.9% on the second quarter of 2014. This figure includes -42 million euros in provisions for home purchase savings schemes versus -16 million in the second quarter of 2014. Fee and commission income rose sharply in the second quarter, by 4.7%<sup>1</sup> year-on-year, driven by the strong momentum in life insurance (insurance fee and commission income up 5.4% year-on-year) and by banking services (up 5.1%<sup>1</sup>). The interest margin increased by 1.4%<sup>1</sup> year-on-year excluding home purchase savings schemes, supported by dividends received from subsidiaries and the persistently high level of early repayment penalties (up by 73 million euros between the second quarters of 2014 and 2015).

Operating expenses were stable compared with the second quarter of 2014 (+0.4%).

The Regional Banks' cost of risk was 366 million euros in the second quarter of 2015, including a 173 million provision for the triggering of the Switch guarantees mechanism. The second quarter 2015 fall in the total value of Crédit Agricole S.A.'s equity-accounted investments in the Regional Banks (CCIs and CCAs) and in Crédit Agricole Assurances led to a call on the guarantee by Crédit Agricole S.A. in accordance with the provisions of the agreement. Excluding the triggering of the Switch guarantees, the cost of risk continued to improve, decreasing by 2.9% over one year to 19 basis points of outstandings. The impaired loans ratio at end-June 2015 was down slightly compared with end-December 2014, to 2.5%, while the coverage ratio, including collective reserves, remained above 100%.

<sup>1</sup> Restated for the reclassification from net interest margin to fee and commission income of gains and losses on foreign currency purchases and sales (around 25 million euros a year).

Operating income therefore came to 1,257 million euros in the second quarter of 2015, up 4.7% on the second quarter of 2014, excluding the triggering of the Switch.

In all, the Regional Banks' contribution to Crédit Agricole S.A.'s net income Group share was 230 million euros in the second quarter of 2015 representing a year-on-year increase of 5.6% excluding the triggering of the Switch.

**In the first half of 2015**, the Regional Banks' revenues (restated for intragroup transactions) came to 6,985 million euros, virtually stable compared with the first half of 2014 (down 0.2%). This figure includes provisions for home purchase savings schemes for -181 million euros compared with -1 million in the first half of 2014. Fee and commission income rose sharply by 6.3%<sup>1</sup> year-on-year in the first half of 2015, driven by the strong momentum in life insurance (insurance fee and commission up 10.1% year-on-year following the annual fee-sharing adjustment at the beginning of the year) and by banking services (up 6.1%<sup>1</sup>). The interest margin continued to be adversely affected by the cost of regulated savings but benefited from a high level of early repayment penalties (up by 110 million euros between the first half of 2014 and the first half of 2015) and from high dividends received from subsidiaries. It remained virtually stable year-on-year in the first half at -0.8%<sup>1</sup> excluding provisions for home purchase savings schemes.

Operating expenses were stable (up 0.1% year-on-year) excluding the SRF impact which amounted to -46 million euros in the first half of 2015.

The Regional Banks' cost of risk was 562 million euros in the first half of 2015, including a 173 million provision for the triggering of the Switch guarantees mechanism. The second quarter 2015 fall in the total value of Crédit Agricole S.A.'s equity-accounted investments in the Regional Banks (CCIs and CCAs) and in Crédit Agricole Assurances led to a call on the guarantee by Crédit Agricole S.A. in accordance with the provisions of the agreement. Excluding the triggering of the Switch guarantees, the cost of risk continued to improve, decreasing by 23.2% over one year, representing a fall of 7 basis points of outstandings to 20 basis points. The impaired loans ratio was down slightly compared with end-December 2014, to 2.5%, while the coverage ratio, including collective reserves, remained above 100%.

Operating income excluding the SRF impact therefore amounted to 2,530 million euros in the first half of 2015, up 3.9% on the first half of 2014 excluding the triggering of the Switch.

In all, the Regional Banks' contribution to Crédit Agricole S.A.'s net income Group share was 593 million euros in the first half of 2015 representing a year-on-year increase of 3.3% excluding the triggering of the Switch. As a reminder, the first half of each year includes the change in share of reserves in the Regional Banks, which amounted to 172 million euros in the first half of 2015 (up 12.9% year-on-year).

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<sup>1</sup> Restated for the reclassification from the net interest margin to fee and commission income of gains and losses on foreign currency purchases and sales (around 25 million euros a year)

## 1.2. - LCL

As of the second quarter of 2015, LCL's scope of consolidation includes Banque Française Commerciale Antilles Guyane (BFCAG) both in terms of activity (customer deposits and loans) and results (six months of BFCAG's results were consolidated by LCL in the second quarter of 2015).

(in millions of euros)	Q2-15	Change Q2/Q2*	H1-15	Change H1/H1*
<b>Revenues</b>	<b>944</b>	<b>(1.4%)</b>	<b>1,866</b>	<b>(2.5%)</b>
Operating expenses excl. SRF, transformation plan and BFCAG	(608)	(2.1%)	(1,252)	(1.5%)
SRF impact	-	-	(12)	-
Transformation plan impact	(11)	+32.6%	(19)	+55.3%
BFCAG impact	(19)	-	(19)	-
<b>Gross operating income</b>	<b>306</b>	<b>(0.7%)</b>	<b>564</b>	<b>(7.7%)</b>
Cost of risk	(16)	(71.5%)	(64)	(49.1%)
<b>Operating income</b>	<b>290</b>	<b>+15.0%</b>	<b>500</b>	<b>+3.1%</b>
<b>Income before tax</b>	<b>289</b>	<b>+14.7%</b>	<b>499</b>	<b>+2.9%</b>
Tax	(107)	+19.4%	(185)	+6.6%
<b>Net income</b>	<b>182</b>	<b>+12.0%</b>	<b>314</b>	<b>+0.8%</b>
Non-controlling interests	10	+12.5%	16	+1.3%
<b>Net income Group share</b>	<b>172</b>	<b>+13.6%</b>	<b>298</b>	<b>+1.5%</b>

\*Changes excluding BFCAG

The second quarter of 2015 was in line with previous quarters, with strong momentum in deposits, buoyant growth in lending and a low cost of risk.

Customer assets amounted to 172.1 billion euros at end-June 2015, an increase of 4.2% compared with the previous year. Growth was driven mainly by on-balance sheet deposits (up 5.4% year-on-year) and in particular a significant increase in demand deposits (up 13.2% over the same period). Meanwhile, off-balance sheet assets increased by 2.9% over one year and continued to be driven by strong life insurance inflows (up 4.3% over one year).

Loans outstanding amounted to 94.1 billion euros at end-June 2015, up 4.8% over one year. Growth continued to be driven by home loans, which increased by 6.7% year-on-year to 60.8 billion euros. In parallel, there has been an upturn in the small business segment for five consecutive quarters, reflected in a 5.7% increase in this segment over one year. Over the same period, consumer finance outstandings increased by 2.5% to 6.7 billion euros at end-June 2015.

The loan-to-deposit ratio was 111% at end-June 2015, virtually stable versus end-March 2015 (110%).

In the second quarter of 2015, LCL's revenues were stable compared with the second quarter of 2014 excluding BFCAG and the absence of the Crédit Logement dividend (+0.6%). The net interest margin continued to be adversely affected by the cost of regulated savings — a negative impact of about -45 million euros over one year — but was still largely upheld early repayment penalties. New lending margins remained good and LCL was the first French bank to raise its mortgage rates without any impact on volume growth. This quarter, no dividends were received from Crédit Logement, compared with 12 million euros in the second quarter of 2014. Lastly, LCL booked a 9 million euros reversal of reserves for home purchase savings schemes compared with a charge of 2 million euros in the second quarter of 2014.

Operating expenses excluding the transformation plan and the consolidation of BFCAG decreased by 2.1% year-on-year in the second quarter of 2015. Expenses related to the transformation plan amounted to 11 million euros, a year-on-year increase of almost one third, in line with projections. The integration of BFCAG accounted for 19 million euros in the second quarter of 2015, representing two quarters of expenses for BFCAG. LCL's cost/income ratio excluding BFCAG and the transformation plan improved by 0.6 percentage points year-on-year to 65.9% in the second quarter of 2015.

At 16 million euros in the second quarter (down by 71.5% year-on-year excluding BFCAG) i.e. six basis points to outstanding loans, the cost of risk was exceptionally low. This not only reflects a continuation of the low level of risk seen for the past several quarters but also, in the second quarter of 2015, a recovery due to a litigation settlement. The impaired loans ratio continued to fall to 2.2% at end-June 2015, while the coverage ratio (including collective reserves) was 72.1%.

In all, net income Group share was 172 million euros, an increase of 13.6% compared with the second quarter of 2014, excluding BFCAG.

## 2. INTERNATIONAL RETAIL BANKING

**Net income Group share** for the business line was 91 million euros in the second quarter of 2015 compared with a loss of 602 million euros in the second quarter of 2014.

(in millions of euros)	Q2-15	Change Q2/Q2	H1-15	Change H1/H1
<b>Revenues</b>	<b>693</b>	<b>+3.8%</b>	<b>1,337</b>	<b>(1.6%)</b>
Operating expenses before SRF	(365)	+2.3%	(740)	(0.1%)
SRF	-	-	(8)	-
<b>Gross operating income</b>	<b>328</b>	<b>+5.6%</b>	<b>589</b>	<b>(4.7%)</b>
Cost of risk	(149)	+6.0%	(298)	(25.4%)
<b>Operating income</b>	<b>179</b>	<b>+5.2%</b>	<b>291</b>	<b>+33.2%</b>
Equity affiliates	2	nm	3	nm
Net income on other assets	-	nm	-	nm
<b>Income before tax</b>	<b>181</b>	<b>nm</b>	<b>294</b>	<b>nm</b>
Tax	(57)	+20.4%	(103)	+59.1%
Net income from discontinued or held for sale operations	(1)	nm	(17)	nm
<b>Net income</b>	<b>123</b>	<b>nm</b>	<b>174</b>	<b>nm</b>
Non-controlling interests	32	+34.7%	56	+53.7%
<b>Net income Group share</b>	<b>91</b>	<b>nm</b>	<b>118</b>	<b>nm</b>

**In Italy**, Cariparma enjoyed continued strong business momentum in the second quarter of 2015. Customer assets amounted to 94.7 billion euros at end-June 2015, a year-on-year increase of 5.4%. This growth partially stemmed from increased cross selling between the Group's various Italian entities. Off-balance sheet customer assets rose by 9.4% year-on-year, driven by an increase of 4.2 billion euros (or 20.3%) in life insurance and mutual fund assets

compared with end-June 2014. On-balance sheet deposits remained stable to the benefit of off-balance sheet customer assets, in an environment of low interest rates. Customer loans outstanding amounted to 34.0 billion euros at end-June 2015, a year-on-year increase of 2.3%, driven by 6.4% growth in home loans and a recovery in loans to enterprises, which grew by 3.6%.

**In the second quarter of 2015**, revenues came to 449 million euros, an increase of 7.9% compared with the second quarter of 2014. Growth was driven by fee and commission income (up 14.3%) thanks to strong momentum in off-balance sheet savings, and by an increase in the net interest margin (up 1.2%).

Operating expenses increased by 1.4% year-on-year. The cost/income ratio improved by 3.2 percentage points year-on-year in the second quarter of 2015 to 52.5%, driven by strong revenues coupled with good cost discipline.

The cost of risk was 99 million euros in the second quarter of 2015, a decrease of 3.4% year-on-year, driven by an improvement in the Italian economy and the tight risk management implemented by Cariparma. The ratio of impaired loans to total outstandings was 13.2%, with a coverage ratio of 45.1% (including collective reserves), which has increased over the quarter.

In all, Cariparma's net income Group share was 54 million euros in the second quarter of 2015, compared with 41 million euros in the second quarter of 2014. Based on the local scope of consolidation, Cariparma's net income Group share amounted to 87 million euros in the second quarter of 2015.

**In the first half of 2015**, revenues came to 867 million euros a year-on-year increase of 7.1%<sup>1</sup>. Growth was driven by both fee and commission income (up 11.6%) thanks to strong momentum in off-balance sheet savings, and by an increase in the net interest margin (up 1.7%).

Operating expenses excluding the SRF impact remained virtually unchanged (up 0.5%) year-on-year in the first half of 2015. The cost/income ratio improved by 4.1 percentage points year-on-year to 53.0%<sup>1</sup>, driven by strong revenues coupled with good cost discipline.

The cost of risk was 198 million euros in the first half of 2015, a decrease of 5.8%<sup>1</sup> year-on-year, driven by an improvement in the Italian economy and the tight risk management implemented by Cariparma. The ratio of impaired loans to total outstandings was 13.2%, with a coverage ratio of 45.1% (including collective reserves), which has increased over the half-year.

Cariparma's net income Group share amounted to 93 million euros compared with 49 million euros in the first half of 2014, an increase of 44.5%<sup>1</sup>. Based on the local scope of consolidation, Cariparma's net income Group share amounted to 141 million euros in the first half of 2015.

**The Group's other international retail banks** also delivered strong business momentum. Customer assets amounted to 13.0 billion euros at end-June 2015, a year-on-year increase of 11.2%. On-balance sheet deposits amounted to 11.4 billion euros at end-June 2015, a year-on-year increase of 9.2%. Off-balance sheet assets were particularly strong, with growth of 28.2% to 1.6 billion euros.

Loans outstanding stood at 10.3 billion euros at end-June 2015, a year-on-year increase of 5.0% driven by strong momentum in Poland and Egypt.

The surplus of on-balance sheet deposits over loans amounted to 1.8 billion euros at end-June 2015, thanks to surpluses in Egypt, Morocco and Ukraine. In Poland, the deficit was limited.

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<sup>1</sup> Excluding items accounted for by Cariparma in its local accounts at 31/12/2013 and by Crédit Agricole S.A. in Q1-14 (+80 million euros in revenues of which +92 million euros for revaluation of Bank of Italy securities and -109 million euros in cost of risk) as well as income tax linked to these items.

**In the second quarter of 2015**, net income Group share therefore came to 37 million euros, driven by a twofold increase in the contribution from Egypt to 16 million euros, benefitting from solid business performance, and a stable contribution from Poland at 15 million euros, despite the adverse impact of lower interest rates on revenues. CA Ukraine turned in a positive contribution of 4 million euros despite the difficult environment, which had an adverse impact on the cost of risk. Crédit du Maroc continued to make a positive contribution despite an increase in the cost of risk on a limited number of corporate files.

As a reminder, the second quarter of 2014 included a net negative impact of -708 million euros in the share of income from equity-accounted entities due to BES.

**In the first half of 2015**, net income Group share was 25 million euros and 41 million euros excluding the reclassification of Crédit Agricole Albania into IFRS 5. Revenues amounted to 470 million, stable compared with the first half of 2014, driven mainly by good business momentum in Egypt. Operating costs remained controlled, with a cost/income ratio of 59.9% for the first half of 2015. The cost of risk increased by 23.7% year-on-year in the first half, to 100 million euros. It was adversely impacted by the situation in Morocco and Ukraine, but remained at the same level as the second half of 2014. By entity, Egypt remained highly dynamic, with a strong increase in its contribution to 30 million euros. Crédit Agricole Poland contributed 20 million euros, a year-on-year decline due to the new levies booked during the first half and the adverse impact of lower interest rates on revenues. Ukraine delivered a positive contribution despite the difficult environment, which had an adverse impact on the cost of risk. The contribution from Crédit du Maroc decreased, while remaining positive, due to an increase in the cost of risk on a limited number of corporate files.



### 3. SAVINGS MANAGEMENT AND INSURANCE

This business line encompasses asset management, insurance, private banking and asset servicing.

Assets under management rose by 92.8 billion euros compared with end-December 2014, with net inflows of 53.0 billion euros for all segments, including 46.6 billion euros for Amundi, 3.8 billion euros for life insurance and 2.6 billion euros for Private Banking. In addition to solid business performances, the business line benefited from a positive market and currency effect of 34.5 billion euros and a scope effect of 5.3 billion euros in savings management. Total assets under management were 1,361 billion euros at 30 June 2015, up 7.3% over the semester. Net income Group share for the business line was 859 million euros in the first half of 2015, including 457 million for the second quarter, an increase of 16.7% compared with the second quarter of 2014.

(in millions of euros)	Q2-15	Change Q2/Q2	H1-15	Change H1/H1
Revenues	1,442	+12.5%	2,873	+11.3%
Operating expenses	(682)	+9.8%	(1,428)	+8.8%
<b>Gross operating income</b>	<b>760</b>	<b>+15.1%</b>	<b>1,445</b>	<b>+13.9%</b>
Cost of risk	(14)	(65.0%)	(22)	(50.2%)
<b>Operating income</b>	<b>746</b>	<b>+20.2%</b>	<b>1,423</b>	<b>+16.2%</b>
Equity affiliates	6	x2	12	+62.3%
Net income on other assets	10	+59.7%	7	+12.9%
<b>Income before tax</b>	<b>762</b>	<b>+21.1%</b>	<b>1,442</b>	<b>+16.5%</b>
Tax	(266)	+29.9%	(508)	+21.8%
Net income from discontinued or held for sale operations	1	-	1	-
<b>Net income</b>	<b>497</b>	<b>+17.0%</b>	<b>935</b>	<b>+13.9%</b>
Non-controlling interests	40	+20.1%	76	+11.9%
<b>Net income Group share</b>	<b>457</b>	<b>+16.7%</b>	<b>859</b>	<b>+14.1%</b>

In **Asset management**, Amundi's assets under management stood at 954 billion euros. Net new inflows amounted to 22.6 billion euros during the second quarter. For the first six months of the year, net new inflows amounted to 46.6 billion euros, half of which came from outside France, in particular the rest of Europe and Asia, half of which went into long-term assets (27.6 billion euros), mainly bonds, diversified and ETF instruments, and half into cash (19.0 billion euros). Activity was driven by all customer segments. The retail customer segment was particularly buoyant with 24.7 billion euros of net new inflows, confirming the positive trend from the French networks. The positive market and currency impacts amounted to 24.6 billion euros during the first semester, thereby increasing assets under management to 954.0 billion euros at end-June 2015. Assets under management rose by 8.7% compared with end-December 2014 and by 14.4% over one year.

Amundi delivered strong earnings growth in the second quarter of 2015, with net income of 144 million euros and net income Group share of 113 million euros. Its contribution amounted to 211 million euros for the first half of 2015, a year-on-year increase of 28.1%. Revenues increased by 13.4% year-on-year in the second quarter of 2015 and by 15.2% in the first half, driven by growth in assets under management coupled with good margins. Operating expenses were up 14.8% year-on-year in the second quarter and up 10.9% excluding currency impacts and on a like-for-like basis. Expenses were up 11.1% year-on-year in the first half and up 7.9% excluding currency impacts and on a like-for-like basis. This performance mainly reflects Amundi's strengthened international position. In all, the cost/income ratio remained highly competitive at 53.4%, a 1.8 percentage point improvement compared with the first half of 2014.

In asset servicing, **CACEIS** continued its marketing efforts, resulting in a further rise in assets under custody. They amounted to 2,412 billion euros, up 2.6% on end-June 2014. Owing to solid business development, funds under administration increased to 1,467 billion euros, a progression of 10.1% year-on-year.

Net income Group share therefore came to 26 million euros for the second quarter and 41 million euros for the first half, an increase of 29.8% and 12.3% respectively, driven by revenue growth of 3.6% in the second quarter and 5.6% in the first half.

In **Private Banking**, assets under management rose by 6.9% compared with end-December 2014 to 151.2 billion euros at end-June 2015, due mainly to net new inflows of 2.6 billion euros in the first half of 2015.

Net income Group share came to 21 million euros in the second quarter of 2015 compared with 5 million euros in the same period of 2014, which was adversely affected by additional provisions for legal matters. Net income Group share came to 46 million euros in the first half, up 63.8% on the first half of 2014.

In **Insurance**, premium income was 7.8 billion euros in the second quarter of 2015 and 16.6 billion euros in the first half. Net new inflows into savings / retirement and death & disability insurance amounted to 4.5 billion euros in the first half of 2015, including 2.8 billion euros in France.

Momentum in the savings / retirement segment remained robust. Premium income was 6.3 billion euros in the second quarter compared with 5.7 billion euros in the second quarter of 2014, an increase of 10.1%. Assets managed amounted to 255.5 billion euros at end-June 2015, up 5.6% over one year. Funds in euros amounted to 205.6 billion euros, up 4.6% year-on-year, while unit-linked funds rose by 9.7% to 49.9 billion euros over the same period. The share of unit-linked funds was 27% in the quarterly inflows and 19.5% in the stock, up 0.7 of a percentage point over one year.

In the death & disability / health / creditor segment, premium income rose by 2.0% year-on-year in the second quarter of 2015 to 881 million euros, driven by a good performance in home loans in France and Italy. The second quarter also saw the roll-out of a group insurance business (health and death & disability) for the corporate segment and the launch of a group death & disability offering for the small business market.

Property & casualty insurance continued to enjoy sustained new business growth both in the retail market and the farming and small business market. Premium income rose by 4.9% year-on-year to 570 million euros in the second quarter of 2015. The combined ratio, defined as the ratio of (claims + operating expenses) to premium income, net of reinsurance, remained under control. It was 95.9% for the Pacifica scope.

In all, net income Group share for the Insurance business was 297 million euros in the second quarter, a year-on-year increase of 8.5%. In the first half, net income Group share was 561 million euros, an increase of 7.1% compared with the first half of 2014.

#### 4. SPECIALISED FINANCIAL SERVICES

(in millions of euros)	Q2-15	Change Q2/Q2	H1-15	Change H1/H1
<b>Revenues</b>	<b>665</b>	<b>(1.7%)</b>	<b>1,311</b>	<b>(3.8%)</b>
Operating expenses excl. SRF	(320)	0.2%	(669)	(1.8%)
Impact SRF	-	-	(17)	-
<b>Gross operating income</b>	<b>345</b>	<b>(3.5%)</b>	<b>625</b>	<b>(8.4%)</b>
Cost of risk	(183)	(29.9%)	(388)	(28.6%)
<b>Operating income</b>	<b>162</b>	<b>+68.0%</b>	<b>237</b>	<b>+70.3%</b>
Share of net income of equity-accounted entities	45	20.7%	88	28.7%
<b>Income before tax</b>	<b>207</b>	<b>+54.8%</b>	<b>325</b>	<b>+57.0%</b>
Tax	(55)	x 2.2	(90)	x 2.2
Net income from discontinued or held for sale operations			(1)	nm
<b>Net income</b>	<b>152</b>	<b>+62.3%</b>	<b>234</b>	<b>+49.2%</b>
Non-controlling interests	27	x 3.6	41	x 4.1
<b>Net income Group share</b>	<b>125</b>	<b>+45.2%</b>	<b>193</b>	<b>+31.6%</b>

**Specialised Financial Services** includes Crédit Agricole Consumer Finance in France and its subsidiaries or partnerships abroad, and Crédit Agricole Leasing & Factoring.

Net income Group share for the business line was 125 million euros in the second quarter of 2015 compared with 86 million euros in the second quarter of 2014. Net income Group share for the first half was 193 million euros including a -16 million euro charge for the SRF.

In **consumer finance**, total origination rose by 13.7% compared with the second quarter of 2014, driven mainly by the Crédit Agricole Group banking networks, car finance partnerships and Creditplus in Germany, with increases of 20%, 21% and 32% respectively. The managed loan book increased to more than 70 billion euros at end-June for the first time since the fourth quarter of 2013.

Over one year, restated for assets sold by Agos in the fourth quarter of 2014, the managed loan book grew by 3.1%. The geographical breakdown remained unchanged from previous quarters, with 38% of outstandings in France, 32% in Italy and 30% in other countries. In addition, CACF continue to diversify its external funding, whose rate is up to 63% at the end of June and notably driven by 4.1 billion euros of savings deposits, 7.4 billion euros of securitisation, including 0.8 billion euros for Agos loans in the second quarter, and €4.9bn of EMTN issues including 1.3 billion in the quarter (FCA Bank).

**In the second quarter of 2015**, CACF's revenues were up 3% quarter-on-quarter and virtually stable at -0.3% year-on-year. Car finance partnerships also contributed to CACF's profitability, with a 25% increase in their equity-accounted contribution.

Operating expenses rose by 2.0% year-on-year in the second quarter, to 253 million euros.

The cost of risk was down significantly, mainly due to the improvement at Agos. The cost of risk in consumer finance was 168 million euros in the second quarter of 2015, down 32.3% year-on-year, due mainly to the Italian subsidiary. The cost of risk represented 184 basis points of outstandings (annualised), versus 256 basis points in the second quarter of 2014. Agos' cost of risk was 71 million euros in the second quarter of 2015, a year-on-year decrease of

52.2%. Its impaired loans ratio was 10.7% at end-June 2015 (versus 12.6% at end-June 2014), and its coverage ratio was 100.4% including collective reserves.

In all, CACF's net income Group share was 92 million euros compared with 60 million euros in the second quarter of 2014.

**In the first half of 2015**, CACF's revenues were down 3.3% compared with the first half of 2014 in relation with the decline in consolidated outstandings. Car finance partnerships contributed to CACF's profitability, with a 34% increase in their equity-accounted contribution.

Operating expenses were stable in the first half of 2015 at 536 million euros excluding the 11 million euros SRF impact.

The cost of risk was down significantly, mainly due to the improvement at Agos. The cost of risk in consumer finance was 356 million euros in the first half of 2015, down 30.5% year-on-year, due mainly to Agos. The cost of risk represented 198 basis points of outstandings (annualised), versus 275 basis points in the first half of 2014. Agos' cost of risk was 175 million euros in the first half of 2015, a year-on-year decrease of 43.7%. Its impaired loans ratio was 10.7% at end-June 2015 (versus 12.6% at end-June 2014), and its coverage ratio was 100.4% including collective reserves. In all, CACF's net income Group share was 145 million euros, including 10 million euros for the SRF, compared with 103 million euros in the second quarter of 2014.

**Leasing and factoring** business remained buoyant. New leasing business rose by 15.1% year-on-year in the second quarter. Following the sale of CAL Hellas in Greece (0.4 billion euros of outstandings) in the fourth quarter of 2014, outstandings were stable in the second quarter of 2015 at 14.8 billion euros. Factored receivables increased by 7% year-on-year in the second quarter of 2015, to 17.0 billion euros.

**In the second quarter of 2015**, CAL&F's revenues amounted to 131 million euros, down by 3.0% year-on-year (excluding CAL Hellas) due to the decline in lease finance outstandings in France (disposal of portfolios). Operating expenses for the second quarter were down 6.1% to 67 million euros. The cost of risk remained low at 15 million euros. In all, CAL&F's net income Group share was 33 million euros in the second quarter of 2015.

**In the first half of 2015**, CAL&F's revenues amounted to 258 million euros, down by 3.7% year-on-year (excluding CAL Hellas) due mainly to the decline in lease finance outstandings in France (disposal of portfolios). Operating expenses were 150 million in the first half of 2015 excluding the 6 million euro SRF impact, a decrease of 7.6%. The cost of risk was 32 million euros compared with 30 million euros in the first half of 2014. In all, CAL&F's net income Group share amounted to 48 million euros for the first half of 2015, including the 6 million euro SRF contribution, compared with 44 million euros in the same period of 2014.

## 5. CORPORATE AND INVESTMENT BANKING

In the second quarter of 2015, Corporate and investment banking delivered net income Group share of 82 million euros. Restated for loan hedges (+16 million euros) and the impact of DVA running (+36 million euros) and excluding the impact of the additional provision for litigation for an amount of -350 million euros in cost of risk, net income Group share was 372 million euros in the second quarter of 2015, a year-on-year decrease of 8.3%. Financing activities contributed 213 million euros to restated net income Group share (compared with 242 million euros in the second quarter of 2014) while Capital markets and investment banking contributed 159 million euros (compared with 164 million euros in the second quarter of 2014).

In the first half of 2015, Corporate and investment banking delivered net income Group share of 402 million euros. Restated for loan hedges (+13 million euros) and the impact of DVA running (+43 million euros) and excluding the impact of the additional provision for litigation for an amount of -350 million euros in cost of risk, net income Group share was 688 million euros in the first half of 2015, including a 77 million euros contribution to the Single Resolution fund (SRF). Financing activities contributed 399 million euros to restated net income Group share (compared with 421 million euros in the first half of 2014) while Capital markets and investment banking contributed 289 million euros (compared with 247 million euros in the first half of 2014).

Discontinuing activities are now included in Capital markets and investment banking or Financing activities, while SFS (Structured and Financial Solutions) has been transferred from Financing activities to Capital markets and investment banking at 1 January 2015. In addition, within Financing activities, Global Commodities Finance was transferred to Commercial Banking's structured finance business at 30 June 2015 with retroactive effect from 1 January 2015, in the context of the creation of the International Trade and Transaction Banking business line. 2014 data have been restated accordingly.

### Total Corporate and investment banking

((in millions of euros)	Q2-15	Q2-15*	H1 -15	H1-15*	Change Q2*/Q2**
Revenues	1,289	1,207	2,514	2,426	+7.8%
<i>o/w Financing activities</i>	611	586	1,159	1,138	+2.4%
<i>o/w Capital markets and investment banking</i>	678	621	1,355	1,288	+13.4%
Operating expenses excl. SRF	(578)	(578)	(1,209)	(1,209)	+7.8%
Impact SRF	3	3	(77)	(77)	-
<b>Gross operating income</b>	<b>714</b>	<b>632</b>	<b>1,228</b>	<b>1,140</b>	<b>+8.3%</b>
Cost of risk	(384)	(34)	(465)	(115)	(32.3%)
<b>Operating income</b>	<b>330</b>	<b>598</b>	<b>763</b>	<b>1,025</b>	<b>+12.1%</b>
Share of net income of equity-accounted entities	(45)	(45)	19	19	nm
Net income on other assets	-	-	1	1	nm
<b>Income before tax</b>	<b>285</b>	<b>553</b>	<b>783</b>	<b>1,045</b>	<b>(4.3%)</b>
Tax	(201)	(172)	(372)	(341)	(0.6%)
Net income from discontinued or held for sale operations	(1)	(1)	(1)	(1)	nm
<b>Net income</b>	<b>83</b>	<b>380</b>	<b>410</b>	<b>703</b>	<b>(8.1%)</b>
Non-controlling interests	1	8	8	15	+3.6%
<b>Net income Group share</b>	<b>82</b>	<b>372</b>	<b>402</b>	<b>688</b>	<b>(8.3%)</b>

\* Restated for loan hedges and the impacts of DVA running in revenues and for the additional provision for litigation in cost of risk in 2015; restated for loan hedges, DVA running, FVA Day1 and evolution in the CVA/DVA methodology in Q2-14

**Corporate and investment banking** delivered revenues of 1,289 million euros in the second quarter of 2015, a year-on-year increase of 7.8%<sup>1</sup> driven by strong business momentum and a positive currency impact.

**Financing activities** reported revenues of 611 million euros and 586 million euros excluding loan hedges in the second quarter of 2015, up 2.4% year-on-year in the second quarter of 2015, and stable at constant exchange rates and excluding two specific items booked in the second quarter of 2014 (recovery against an exposure and impairment of a portfolio of loans).

Structured finance progressed by 14.6% year-on-year in the second quarter of 2015, reflecting a good level of activity, particularly in Energy and Infrastructure, as well as a positive currency impact.

Crédit Agricole CIB remained world number one place in aircraft financing (source: Air Finance Database). It has risen from number 5 to number one bookrunner for European leveraged finance in Western Europe (source: Thomson Financial). Crédit Agricole CIB was also awarded Best Infrastructure House by Euromoney in the Awards for Excellence 2015.

Commercial Banking's revenues fell by 8.2% year-on-year in the second quarter, due to a less favourable economic environment. The fall in oil prices had an adverse impact on commodities financing while very low interest rates prompted borrowers to turn to bond financing.

Due to its good distribution capacity, the Bank confirmed its good position in syndication activities. Crédit Agricole CIB remains the leader in syndication in France, has risen from eighth to third place in Latin America. It also moved up from sixth to third place in corporate loan syndication in EMEA (source: Thomson Financial).

Revenue from **Capital markets and investment banking** amounted to 678 million euros in the second quarter of 2015. Excluding DVA impact, revenues were 621 million euros, a year-on-year increase of 13.4% compared with the second quarter of 2014, in a difficult market environment.

Fixed Income revenues were 535 million euros in the second quarter, down compared with a good first quarter but an increase compared with previous quarters, driven by a good performance in Forex, Interest Rate Derivatives and Treasury. This performance was weakened by a downturn in sovereigns and the primary bond market in an unstable market environment (tension in the sovereign market and situation in Greece). Investment banking had a good quarter with revenues of 86 million euros, compared with a high second quarter of 2014, particularly in the M&A market.

Crédit Agricole CIB improved its positions in the debt issuance rankings at 30 June 2015. It is now world number one bookrunner for agency euro bond issues, moved up from world number seven to world number three in sovereign, agency and supranational euro bond issues and is world number five all euro bond issues combined (source: Thomson Financial). In addition, Crédit Agricole CIB kept its place in the Top Three (second place) for green bond issues (source: CACIB).

VaR stood at 13 million euros at end-June 2015 compared with 10 million euros at end-March 2015 and 4 million euros at 30 June 2014, a year-on-year increase due to the turbulent market environment, but nonetheless moderate.

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<sup>1</sup> Revenues restated for loan hedges and impact of DVA running, and restated for FVA Day1 and changes in CVA/DVA methodology in Q2-14

**Operating expenses for Corporate and investment banking** amounted to 578 million euros in the second quarter of 2015 excluding the SRF, an increase of 7.8% relative to the second quarter of 2014 but stable at constant exchange rates (+0.1%).

The **cost of risk** remained very low, with a charge of 34 million euros in the second quarter 2015, plus an additional provision for litigation of 350 million euros.

**The share of income from equity-accounted entities** was -45 million euros in the second quarter of 2015, compared with +46 million euros the previous year. These results include a good performance from Banque Saudi Fransi (contribution of +65 million euros in the second quarter of 2015), offset by -110 million euros in impairment of two equity investments, reflecting a deterioration in the underlying economic outlook of the relevant companies concerned, UBAF and Elipso (structure carrying portfolios of European mortgage loans).

**In the first half 2015**, the economic and financial environment remained highly volatile for the major corporate and investment banks. After a first quarter that benefited from a resurgence in volatility due to Quantitative Easing, among other things, the second quarter was more strained, with the beginnings of an upward movement in interest rates as of end-April, which continued as Greece's debt position once again took centre stage. In these circumstances, after an excellent first quarter, the Corporate and Investment Bank maintained the trend with revenues up 15.3% excluding DVA impact and loan hedges and up 7.1% at constant exchange rates compared with the first half of 2014.

Restated for a specific exposure in the first half of 2014, which generated a non-recurring gain of 92 million euros, and the impairment of a portfolio of loans for 62 million euros (booked in discontinuing activities in 2014), Financing activities delivered 2% growth in revenues at constant exchange rates, supported by structured finance.

Capital markets and investment banking took advantage of the turbulent market conditions, with revenue growth of 18% at constant exchange rates.

**Operating expenses** increased by 13.5%, including the first contribution in 2015 to the Single Resolution Fund (SRF) for 77 million euros. Excluding that item, operating expenses remained controlled, with an increase of 0.2% year-on-year at constant exchange rates.

Excluding the additional provision for litigation, the **cost of risk** remained low at 115 million euros in the first half of 2015.

**The share of income from equity-accounted entities** reflected a good performance from Banque Saudi Fransi, offset by the impairment of two equity investments, reflecting a deterioration in the underlying economic outlook of the companies concerned (UBAF and Elipso).

## 6. CORPORATE CENTRE

In the second quarter of 2015, Banque Française Commerciale Antilles Guyane (BFCAG) was transferred from the Corporate Centre to LCL.

(in millions of euros)	Q2-15	Change Q2/Q2	H1-15	Change H1/H1
<b>Revenues</b>	<b>(405)</b>	<b>(29.3%)</b>	<b>(914)</b>	<b>(19.5%)</b>
<i>o/w capital and liquidity management*</i>	(628)	+33.6%	(1,204)	+10.9%
<i>o/w net costs allocated to equity stakes funding and to debt</i>	(345)**	(11.3%)	(673)**	(15.2%)
<i>o/w Switch</i>	(186)	-	(372)	-
<i>o/w issuer spreads</i>	229	nm	199	nm
<i>o/w other</i>	(6)	nm	91	(61.4%)
Operating expenses excl. SRF and new taxes ***	(206)	(4.8%)	(417)	(3.0%)
Impact SRF and new taxes ***	-	-	(72)	-
<b>Gross operating income</b>	<b>(611)</b>	<b>(22.6%)</b>	<b>(1,403)</b>	<b>(10.4%)</b>
Cost of risk	145	x11.3	159	+69.9%
<b>Operating income</b>	<b>(466)</b>	<b>(40.1%)</b>	<b>(1,244)</b>	<b>(15.5%)</b>
Share of net income of equity-accounted entities	-	nm	(1)	nm
Net income on other assets	(6)	x12.8	(6)	nm
<b>Income before tax</b>	<b>(472)</b>	<b>(39.3%)</b>	<b>(1,251)</b>	<b>(12.7%)</b>
Tax	257	(20.3%)	541	(7.4%)
<b>Net income</b>	<b>(215)</b>	<b>(52.8%)</b>	<b>(710)</b>	<b>(16.4%)</b>
Non-controlling interests	22	(7.1%)	49	(13.9%)
<b>Net income Group share</b>	<b>(237)</b>	<b>(50.5%)</b>	<b>(759)</b>	<b>(16.2%)</b>
<b>Net income Group share excl. issuer spreads</b>	<b>(385)</b>	<b>+18.7%</b>	<b>(888)</b>	<b>+23.3%</b>
<b>Net income Group share excl. issuer spreads , SRF and new taxes***</b>			<b>(825)</b>	<b>+14.6%</b>

\*Cost of capital, rate, liquidity and debt management as central body and treasurer

\*\*2014 restated for the review of allocation of funding costs by funding type (liquidity, capital, debt)

\*\*\*In Q1-15, SRF (-€46m), new ECB and SRB levies (-€4m) and newly due C3S tax (-€22m)

In the second quarter of 2015, Corporate Centre revenues amounted to -405 million euros compared with -573 million euros in the second quarter of 2014. They include +229 million euros for issuer spreads compared with -239 million euros in the second quarter of 2014.

The cost of Crédit Agricole S.A.'s capital, rate, liquidity and debt management as central body and treasurer increased by 33.6% year-on-year in the second quarter of 2015. This increase is mainly due to a low cost of debt base in the second quarter of 2014 and the integration of significant favourable impacts related to the unwinding of ALM positions. The cost of debt related to equity investments and debt based on the new allocation rules improved by 11.3% year-on-year, while the cost of Switch remained stable at -186 million euros.



Operating expenses decreased by 4.8% year-on-year in the second quarter of 2015, mainly reflecting the absence of regulatory charges this year (versus stress tests and AQR in 2014) but also the exit of costs related to BFCAG.

The cost of risk amounted to +145 million euros in the second quarter of 2015, including a positive 173 million euros impact related to the triggering of the Switch guarantees mechanism.

The change in fair value of Crédit Agricole S.A. bonds exchangeable for Eurazeo shares generated a virtually nil impact in the second quarter of 2015 (+1 million euros), compared with a positive impact of 23 million euros in the same period of 2014.

In all, Corporate Centre net income Group share amounted to -237 million euros compared with -480 million euros in the second quarter of 2014. Restated for issuer spreads, net income Group share was -385 million euros.

## CONSOLIDATED RESULTS OF CREDIT AGRICOLE GROUP

Group customer loans outstanding amounted to almost 730 billion euros at end-June 2015. In terms of funding, customer deposits on the balance sheet amounted to almost 643 billion euros.

<i>(in millions of euros)</i>	Q2-15	Change Q2/Q2	H1-15*	Change H1/H1
<b>Revenues</b>	<b>8,257</b>	<b>+9.0%</b>	<b>16,292</b>	<b>+6.0%</b>
Operating expenses excluding SRF	(4,806)	+2.8%	(9,907)	+2.3%
SRF impact	-	-	(229)	-
<b>Gross operating income</b>	<b>3,451</b>	<b>+18.9%</b>	<b>6,156</b>	<b>+8.3%</b>
Cost of risk	(963)	+30.1%	(1,646)	(0.1%)
<b>Operating income</b>	<b>2,488</b>	<b>+15.1%</b>	<b>4,510</b>	<b>+11.7%</b>
Share of net income of equity-accounted entities	5	nm	118	nm
Net income on other assets	5	+65.5%	1	(61.5%)
Change in value of goodwill	-	nm	-	nm
<b>Income before tax</b>	<b>2,498</b>	<b>+62.0%</b>	<b>4,629</b>	<b>+31.7%</b>
Tax	(886)	+30.7%	(1,676)	+27.5%
Net income from discontinued or held for sale operations	(1)	(52.2%)	(18)	nm
<b>Net income</b>	<b>1,611</b>	<b>+87.0%</b>	<b>2,935</b>	<b>+33.1%</b>
Non-controlling interests	111	+42.8%	207	+23.1%
<b>Net income Group share</b>	<b>1,500</b>	<b>+91.4%</b>	<b>2,728</b>	<b>+34.0%</b>

*\*Restated for the impact of IFRIC 21 on accounting for levies*

In the second quarter of 2015, Crédit Agricole Group reported revenues of 8,257 million euros, an increase of 9.0% compared with the second quarter of 2014. Items not related to business activities (issuer spreads recognised in the Corporate Centre, DVA running and loan hedges in Corporate and investment banking) amounted to +287 million euros compared with -430 million euros in the second quarter of 2014.

Operating expenses in the second quarter of 2015 were up 2.8% year-on-year.

The cost of risk was impacted in the second quarter of 2015 by additional provisions for litigation for 350 million euros. Excluding this item, the recurring cost of risk decreased by 26.1% year-on-year to 613 million euros, representing 30 basis points of outstandings compared with 37 basis points in the second quarter of 2014. The decline was particularly marked in French retail banking (LCL) and Consumer finance, particularly at Agos.

In all, net income Group share was 1,500 million euros compared with 789 million euros in the second quarter of 2014, a year-on-year increase of 91.4%. Excluding the impact of specific items not related to business activities, net income Group share amounted to 1,647 million euros in the second quarter. As a reminder, the second quarter of 2014 included a net impact of -708 million euros related to the impairment of BES shares: excluding this impact, net income Group share was stable year-on-year.

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Crédit Agricole S.A.'s financial information for the second quarter and first half of 2015 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](http://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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