

CREDIT AGRICOLE CIB FINANCIAL PRODUCTS (GUERNSEY) LIMITED

(Incorporated in Guernsey)

Half year Financial Statements

June 30, 2017

CREDIT AGRICOLE CIB FINANCIAL PRODUCTS (GUERNSEY) LIMITED
Financial Statements for the period ended June 30th, 2017

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CREDIT AGRICOLE CIB FINANCIAL PRODUCTS (GUERNSEY) LIMITED
Financial Statements for the period ended June 30th, 2017

OFFICERS

BOARD OF DIRECTORS

E. Bapt, Director

B.Plaut, Director

R.H. Fearis, Director

D.M. Piesing, Director

D.E. Hearse, Director

J.F. Wilkes-Green, Director

SECRETARY

Praxis Secretaries Limited

REGISTERED OFFICE

Sarnia House

Le Truchot

St Peter Port

Guernsey

GY1 4NA

INDEPENDENT AUDITOR

PricewaterhouseCoopers CI LLP

P O Box 321

Royal Bank Place

1 Glategny Esplanade

St Peter Port

Guernsey

GY1 4ND

CREDIT AGRICOLE CIB FINANCIAL PRODUCTS (GUERNSEY) LIMITED
Financial Statements for the period ended June 30th, 2017

DIRECTORS' REPORT

The Directors present their report and the non-audited financial statements for the year ended June 30th, 2017.

ACTIVITIES

Credit Agricole CIB Financial Products (Guernsey) Limited's ('the Company') sole activity consists of issuing Notes or Warrants with returns linked to underlying equity, index and funds. The Notes or Warrants are issued by the Company on the Luxembourg Stock Exchange. They are systematically bought by Credit Agricole CIB and funds raised by the Company are systematically loaned back to Credit Agricole CIB (at market floating rate plus a spread and a margin used to cover general operating expenses of the Company).

In addition, derivatives, such as swaps and options, are systematically entered into by the Company with Credit Agricole CIB in order to economically hedge the Notes, Warrants and loans. As a consequence, the Company bears no net financial or market risk.

RESULTS AND DIVIDENDS

The statement of comprehensive income for the year is set out on page 6.

The Directors do not recommend a dividend for the period ended in June 30th, 2017 (nil for the year ended December, 31st, 2016).

DIRECTORS

The present membership of the Board is set out on page 3.

STATEMENT BY THE RESPONSIBLE PERSON

In connection with the Law of January, 11 2008 of Grand Duchy of Luxembourg on transparency requirements for issuers of securities, I, the undersigned **Benoît PLAUT** confirm that, to the best of my knowledge, the financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of Credit Agricole CIB Financial Products (Guernsey) Limited and that the management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that it faces.

Approved by the Board of Directors and signed on behalf of the Board on August 1st, 2017 by:

Benoît PLAUT



STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by The Companies (Guernsey) Law, 2008 to prepare financial statements for each financial year which give a true and fair view, in accordance with applicable Guernsey law, of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements ; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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STATEMENT OF COMPREHENSIVE INCOME – unaudited

Net gains / (losses) on financial instruments at fair value through profit or loss	Note 12	30/06/2017	30/06/2016
		K'EUR	K'EUR
- Term loans and time deposits		471	562
- Index swaps		(1 937)	(4 332)
- Euro Medium Term Notes		1 566	3 928
- Options		706	(1 632)
- Warrants		(706)	1 632
General operating expenses (*)		(100)	(158)
NET INCOME AND COMPREHENSIVE INCOME FOR THE YEAR		-	-

The above results for the period all relate to continuing activities.

No other comprehensive income / loss has been recognized at period of June 30th, 2017 or in 2016.

(*) General operating expenses consist mainly of operational and accounting items.

Detail of General operating expenses :

	30/06/2017	30/06/2016
	K'EUR	K'EUR
- Fees of the expenses of audit	(14)	(14)
- Other fees	(7)	(3)
- Accounting, finance Cost	(66)	(65)
- Costs of IT structure	(8)	(16)
- Fees of publication	(5)	(60)
Total General operating expenses	(100)	(158)
<u>Including related-party :</u>		
- Accounting, finance Cost	(66)	(65)
- Costs of IT structure	(8)	(16)
Total of third party	(74)	(81)

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STATEMENT OF FINANCIAL POSITION – unaudited

	Note	30/06/2017	31/12/2016
ASSETS		K'EUR	K'EUR
Due from banks		29	-
Financial assets designated at fair value through profit or loss	Note 4	118 609	147 888
Financial assets held for trading	Note 5	24 431	42 684
Accruals and other assets	Note 9	91	205
TOTAL ASSETS		143 160	190 777
LIABILITIES AND EQUITY SHAREHOLDERS' FUNDS			
CAPITAL AND RESERVES			
Called up share capital	Note 6	15	15
Retained earnings		17	17
Net income/deficit for current year		-	-
EQUITY SHAREHOLDERS' FUNDS		32	32
Due to banks		-	129
Financial liabilities designated at fair value through profit or loss	Note 7	138 580	184 397
Financial liabilities held for trading	Note 8	4 459	6 078
Accruals and other liabilities	Note 10	89	141
		143 128	190 745
TOTAL LIABILITIES AND EQUITY SHAREHOLDERS' FUNDS		143 160	190 777

All assets and the company's liabilities are classified as current assets and liabilities, in accordance with paragraph 66 of IAS 1.

These financial statements were approved by the Board of Directors and signed on behalf of the Board of Directors on August 1st, 2017 by:

Benoît PLAUT

CREDIT AGRICOLE CIB FINANCIAL PRODUCTS (GUERNSEY) LIMITED
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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY - unaudited

	Share capital	Retained earnings & net income	Total Equity
	K'EUR	K'EUR	K'EUR
Equity at December, 31 2015	15	16	31
2016 net income	-	-	-
Equity at December, 31 2016	15	17	32
June 30th, 2017 net income	-	-	-
Equity at June, 30 2017	15	17	32

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STATEMENT OF CASH FLOWS – unaudited

	30/06/2017 K'EUR	30/06/2016 K'EUR
<u>Profit issued on the exercise :</u>		
Interest flows provided from Term Loans	(511)	(1 035)
Interest flows paid to EMTN	7 261	14 664
Interest flows paid to warrants	985	(813)
Other financial instruments :	(7 836)	(12 816)
<i>SWAID</i>	(6 742)	(12 371)
<i>bi currencies SWAID</i>	(109)	(1 258)
<i>Options</i>	(985)	813
<u>Instruments settled on the year: redemption value</u>		
EMTN	(53 962)	(112 269)
Term loans and time deposits :	30 103	86 247
Index swap	13 672	26 022
Options	13 338	(807)
Warrants	(3 050)	807
<u>Variation of other creditors and debtors</u>	158	(176)
<i>Accrued expense</i>	45	177
<i>Accrued income</i>	113	(353)
TOTAL NET CASH PROVIDED / (USED) BY OPERATING ACTIVITIES	158	(176)
Opening cash and cash equivalents	(129)	(147)
Net gain/(losses) on cash and central banks (assets and liabilities)	-	-
Net gain/(losses) on interbank sight balances (assets and liabilities)	(129)	(147)
Closing cash and cash equivalents	29	(323)
Net gain/(losses) on cash and central banks (assets and liabilities)	-	-
Net gain/(losses) on interbank sight balances (assets and liabilities)	29	(323)
CHANGE IN NET CASH AND CASH EQUIVALENTS	158	(176)

CREDIT AGRICOLE CIB FINANCIAL PRODUCTS (GUERNSEY) LIMITED

Financial Statements for the period ended June 30th, 2017

NOTES TO THE FINANCIAL STATEMENTS – unaudited

1. ORGANISATION AND DESCRIPTION OF THE COMPANY

Credit Agricole CIB Financial Products (Guernsey) Limited ('the Company') is incorporated in Guernsey and is a wholly-owned subsidiary of Credit Agricole CIB (after the universal transfer of capital of Calyon Capital Market International SA), in turn a wholly-owned subsidiary of Credit Agricole S.A (the 'Ultimate Parent Company') incorporated in France.

The Company's only activity consists of issuing Notes or Warrants with returns linked to underlying equity, index and funds. The Notes or Warrants are issued on the Luxembourg Stock Exchange. They are systematically bought by Credit Agricole CIB and funds raised by the Company systematically loaned back to Credit Agricole CIB (at market floating rate plus a spread and a margin used to cover general operating expenses of the Company).

In addition, derivatives, such as swaps and options, are systematically entered into by the Company with Credit Agricole CIB in order to economically hedge the Notes, Warrants and loans. As a consequence, the Company bears no net market risk and no credit risk other than the Credit Agricole CIB risk.

Credit Agricole CIB has issued an unconditional guarantee under which it guarantees the prompt payment when due of all obligations and liabilities of the Company.

Since January, 2014, the Company out-sourced to BNPP Arbitrage the management of equity derivatives related activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for preparation

The Financial Statements were prepared in accordance with IAS/IFRS standards and IFRIC interpretations applicable at June, 30 2017 as adopted by the European Union.

The standards and interpretations were completed by the provisions of those standards IFRS such as endorsed by the European Union at June 30th, 2017 which application of which was compulsory for the first time on the period. These standards are listed in the reference document of the Parent company. They are not applicable to the Company and therefore have no impact on the financial statements.

The standards and interpretations are identical to those used and described in the Company's Financial Statements at December 31st, 2016.

Moreover, it is mentioned that when the early application of standards and interpretations is optional over, the option is not applied by the Company, unless otherwise indicated.

Furthermore, standards and interpretations that have been published by the IASB but not been adopted yet by the European Union, will become mandatory only as from the date of such adoption. Therefore, the Company has not applied these non-EU adopted standards for the period ended in June 30th, 2017..

IFRS 9 Financial Instruments issued by the IASB will replace IAS 39 Financial Instruments. It sets new principles of classification and measurement of financial instruments, impairment of credit risk and hedge accounting, excluding macro hedging.

IFRS 9 will become effective into force on a mandatory basis for fiscal years beginning on or after January 1st, 2018.

The board's assessments of the impact of IFRS 9 is ongoing. However, concerning the application of the paragraph depreciation of IFRS 9, the Company does not expect significant impacts on the amount of the depreciations on the credits and the instruments of debt estimated at the weakened cost or at the just value by recyclable equity, on the commitments of loans and on the financial guarantees which are not accounted in the just value, as well as on the claims resulting from rental agreements and commercial claims.

NOTES TO THE FINANCIAL STATEMENTS – unaudited

2.2 Use of estimates

Estimates have been made by management when preparing the financial statements. These estimates are based on certain assumptions and involve risks and uncertainties as to their actual achievement in the future. Accounting estimates based on subjective assumptions are principally used to value financial instruments measured at fair value.

Estimates and valuation models are identical to those used by BNPP Arbitrage. There are defined and monitored using the same control methods.

The valuation of the financial instruments is produced by management information systems and controlled by a team attached to the Risk Department who are independent of the investing and market operators.

These valuations are based upon:

- Prices or parameters that independent and/or validated by the Market Risk Department using available data sources (market data providers, market consensus, broker data, etc.).
- Models validated by the quantitative teams of the Market Risk Department.

The methodologies and valuation models of financial instruments incorporate all the factors that market participants use to calculate a price.

2.3 Currency used in financial statements

The financial statements are presented in thousands of Euro (K'Euro).

2.4 Foreign currency translation

The functional currency of the Company is the Euro and the financial statements are presented in Euro as it most faithfully represents the economic effect of the transactions of the Company.

Transactions denominated in foreign currency are translated into Euro at the rates ruling at the transaction date. Monetary assets and liabilities denominated in foreign currency at the year end date are translated at the rates ruling at that date. Exchange gains or losses arising from this conversion are recognized in the statement of comprehensive income.

2.5 Net gains/(losses) on interbank sight balances (assets and liabilities)

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly investments with original maturities of three months or less.

NOTES TO THE FINANCIAL STATEMENTS – unaudited

2.6 Financial instruments

Determination of the fair value of financial instruments:

The fair value of financial instruments is determined by maximizing the use of observable input data and based on the IFRS 13 hierarchy.

As per IFRS 13, fair value is the price which would be received to sell an asset or paid for transfer a liability in an orderly transaction between market participants on the principal markets or on the most advantageous market at the measurement date.

Fair value applies to each financial asset or liability individually. By exception, it can be measured per portfolio, when the risk management and monitoring strategy so allows and when appropriate documentation exists. Therefore, some fair value parameters are calculated on a net basis when a group of financial assets and liabilities is managed on the basis of its net exposure to market or risks.

The Company does not deal with group of financial assets and liabilities. Every instrument is evaluated individually. Paragraph 48 of IFRS 7 does not apply to the entity.

Fair value hierarchy:

The standard classifies the fair values into three levels according to the observable character of input data used for their measurement :

Level 1: fair values corresponding to (non-adjusted) prices on active markets.

Level 1 are financial instruments which are directly quoted on an active market to which the entity has access as of the valuation date.

A market is considered active when prices are easily and regularly available from a financial market, a broker, a broker dealer, a price assessment service or a regulatory agency and when these prices represent real transactions performed regularly at arm's length in the market. When the closing quoted price is not available, the Company will particularly refer to the most recent transaction prices of the instrument.

Level 2: fair values assessed based on data directly or indirectly observable, other than those of level 1.

These inputs are directly observable (prices) or indirectly observable (data derived from prices) and generally meet the following characteristics: they are not specific to the entity, they are publicly available / accessible and they are based on market consensus.

These include financial instruments traded over-the-counter which are assessed based on valuation models using observable market data, i.e. data which can be obtained from several sources, independent from internal sources, on a regular basis.

NOTES TO THE FINANCIAL STATEMENTS – unaudited

Level 3: fair values for which a significant number of the parameters used for their measurement does not meet the observable nature criteria

The fair value of certain complex market instruments not traded on active markets or able to be priced against observable market data rests on valuation techniques using assumptions which are not supported by data observable on the market for the same or similar financial instruments.

These products are reported as level 3. For the most part these are complex interest rate and equity derivative products whose assessment requires, for example, correlation or volatility parameters which are not directly comparable to market data.

Levels 2 and 3 financial instrument valuation methodologies and models factor in all the data that market participants use to calculate a price.

In 2017, there was no significant change in the techniques used for the valuation of the financial instruments held by the Company.

Financial assets are instruments classified as financial assets designated at fair value through profit or loss:

- On one hand, as a result of a genuine intention to trade them,
- On the other hand as these instruments were designated as at fair value by the Company at inception.

The portfolio of financial liabilities designated at fair value through profit or loss is made up i.e. of the financial liabilities corresponding to the issue of Notes or Warrants whose classification results from an assignment by option.

The management objective of these issuances is not short-term repurchase to generate profit on price variations as part of a transaction activity.

This accounting allocation adjustment within the meaning of IAS 8 (pursuant to the application of the option permitted by IAS 39) reflects the desire to opt for fair value measurement through profit or loss for these issuances. The issuances are hedged by financial instruments managed within transaction portfolios and the fair value measurement through profit or loss of the issuances allows the processing of all related transactions to be matched aligned.

This allocation adjustment had no impact on the results or the presentation of the financial statements. Moreover, in accordance with the requirements of IFRS 7 applicable to liabilities measured at fair value through profit or loss upon initial recognition, the Company has always communicates the impact of its own risk on the measurement of these issuances.

In accordance with IAS 39, the Company values its structured issuances, recognized at fair value, by taking as a reference the issuer spread that specialist participants agree to receive to acquire new Company issuances.

Financial assets or liabilities designated at fair value through profit or loss classified as held for trading are i) assets or liabilities acquired or generated by the Company primarily for purposes of making a profit from short-term price fluctuations or an arbitrage margin or ii) derivatives.

NOTES TO THE FINANCIAL STATEMENTS – unaudited

Issued securities that are classified as financial liabilities designated at fair value through profit or loss are recognized at fair value at inception, excluding transaction costs attributable directly to their acquisition (which are booked directly to profit or loss). They are carried at fair value and changes in fair value are taken to profit or loss.

Term loans are designated as at fair value through profit or loss upon initial recognition because it reduces a measurement inconsistency ('accounting mismatch') that would otherwise arise from measuring assets and liabilities on a different basis.

Interest income / expenses on financial instruments are presented combined with the fair value of such instruments in the statement of comprehensive income. The breakdown is disclosed in Note 12 and the Statement of Cash Flows.

Financial instruments are recognized at trade date.

Derecognition of financial instruments:

A financial asset is fully or partially derecognized if:

- The contractual rights to the cash flows from the financial asset expire or are transferred or are deemed to have expired or been transferred because they belong de facto to one or more beneficiaries;
- Substantially all the risks and rewards of ownership in the financial asset are transferred.

In this case, any rights and obligations created or retained at the time of transfer are recognised separately as assets and liabilities.

If the contractual rights to the cash flows are transferred but some of the risks and rewards of ownership, as well as control, are retained, the financial assets are recognized to the extent of the entity's continuing involvement in the asset.

A financial liability is fully or partially derecognized only when this liability is settled.

2.7 Dividends

Dividends on ordinary shares are recognized in equity in the period in which they are approved by the Company's shareholders.

NOTES TO THE FINANCIAL STATEMENTS – unaudited

3. RISK MANAGEMENT

The Management regards the monitoring and controlling of risk as a fundamental part of the management process and accordingly involves its most senior staff in developing risk policy and in monitoring its application. The evaluation of the risks inherent in our activities and the development of policies and procedures to control them are carried out by the Board of Directors or senior management.

3.1 Credit risk

Credit risk is the risk that a customer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. As described in Note 1, the only unhedged risk is credit risk. However, since all loans and derivatives are concluded exclusively with Credit Agricole CIB, this risk is limited to the parent company.

On the liabilities side of the balance sheet, the risk consists of a credit risk of the issuer, which is included in the fair value of the issued products.

In addition, Credit Agricole CIB Financial Product (Guernsey) Limited receives an unconditional guarantee from its parent company. As a result, the entity has the same credit risk as Crédit Agricole CIB.

As a result, the credit risk impact on the valuation of the assets and the credit risk impact on the issuer directly offset each other.

3.2 Interest rate risk

Exposure to interest rate risk is the risk that arises when there is an imbalance between rate and non-rate sensitive assets, liabilities and off balance sheet items. As described in Note 1, the Company hedges all risks other than credit risk (including interest rate risk) through transactions with Crédit Agricole CIB and therefore bears no interest rate risk.

3.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in realized assets or otherwise raising funds to meet commitments. The Company perfectly hedges the issue of debt securities through the loans to the parent company which match in all respects the issued debt.

CREDIT AGRICOLE CIB FINANCIAL PRODUCTS (GUERNSEY) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS – unaudited

The table below shows the liquidity gap by maturity as of June 30th, 2017. This gap is appreciated of the contractual maturity of every contract

	Nominal redeemable within three months	Nominal redeemable after three months but within six months	Nominal redeemable after six months but within one year	Nominal redeemable after one year but within five years	Nominal redeemable after five years	Other funds / valuation adjustment	Total
Assets	K'EUR	K'EUR	K'EUR	K'EUR	K'EUR	K'EUR	K'EUR
Due from banks	-	-	-	-	-	29	29
Financial assets designated at fair value through profit or loss	5 114	17 707	19 168	45 175	31 445	-	118 609
Financial assets held for trading	776	5 150	2 196	6 722	9 587	-	24 431
Accruals and other assets	-	-	-	-	-	91	91
Total Assets	5 890	22 857	21 364	51 897	41 032	120	143 160
Liabilities							
Equity shareholders' funds	-	-	-	-	-	32	32
Financial liabilities designated at fair value through profit or loss	5 234	22 821	20 308	51 312	38 905	-	138 580
Financial liabilities held for trading	541	34	1 081	634	2 169	-	4 459
Accruals and other liabilities	115	2	(25)	(49)	(42)	88	89
Total Liabilities	5 890	22 857	21 364	51 897	41 032	120	143 160
Liquidity gap	-	-	-	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS – unaudited

The table below shows the liquidity gap by maturity as of December 31st, 2017. This gap is appreciated of the contractual maturity of every contract

	Nominal redeemable within three months	Nominal redeemable after three months but within six months	Nominal redeemable after six months but within one year	Nominal redeemable after one year but within five years	Nominal redeemable after five years	Other funds / valuation adjustment	Total
Assets	K'EUR	K'EUR	K'EUR	K'EUR	K'EUR	K'EUR	K'EUR
Financial assets designated at fair value through profit or loss	8 449	18 874	23 302	65 972	31 292	-	147 888
Financial assets held for trading	14 217	2 136	5 449	9 650	11 231	-	42 684
Accruals and other assets	-	-	-	-	-	205	205
Total Assets	22 666	21 010	28 751	75 622	42 523	205	190 777
Liabilities							
Equity shareholders' funds	-	-	-	-	-	32	32
Due to banks	-	-	-	-	-	129	129
Financial liabilities designated at fair value through profit or loss	21 897	19 582	28 667	73 705	40 545	-	184 397
Financial liabilities held for trading	554	1 423	81	1 998	2 022	-	6 078
Accruals and other liabilities	215	5	3	(81)	(44)	44	141
Total Liabilities	22 666	21 010	28 751	75 622	42 523	205	190 777
Liquidity gap	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS – unaudited

3.4 Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's foreign exchange exposure arises from issuing debt in currencies other than Euro. As described in Note 1, the Company transacts only with Crédit Agricole CIB and bears no market foreign exchange risk.

CREDIT AGRICOLE CIB FINANCIAL PRODUCTS (GUERNSEY) LIMITED
Financial Statements for the period ended June 30th, 2017

NOTES TO THE FINANCIAL STATEMENTS – unaudited

The table below shows the Company's exposure to currencies as of June 30th, 2017 (in thousands of Euro) :

	EUR	GBP	JPY	SEK	USD	Total
Assets						
Due from banks	31	(2)	-	-	-	29
Financial assets designated at fair value through profit or loss	117 828	-	781	-	-	118 609
Financial assets held for trading	23 760	-	130	541	-	24 431
Accruals and other assets	89	2	-	-	-	91
Total Assets	141 708	-	911	541	-	143 160
Liabilities						
Equity shareholders' funds	32	-	-	-	-	32
Financial liabilities designated at fair value through profit or loss	137 759	-	821	-	-	138 580
Financial liabilities held for trading	3 828	-	90	541	-	4 459
Accruals and other liabilities	89	-	-	-	-	89
Total Liabilities	141 708	-	911	541	-	143 159

**Negative amounts are due to netting of foreign exchange exposure.*

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NOTES TO THE FINANCIAL STATEMENTS – unaudited

The table below shows the Company's exposure to currencies as of december 31st, 2016 (in thousands of Euro)

	EUR	GBP	JPY	SEK	USD	Total
Assets						
Financial assets designated at fair value through profit or loss	146 737	-	781	-	370	147 888
Financial assets held for trading	41 904	-	138	273	370	42 684
Accruals and other assets	192	3	-	10	-	205
Total Assets	188 833	3	919	283	740	190 777
Liabilities						
Equity shareholders' funds	32	-	-	-	-	32
Due to banks	117	3	-	9	-	129
Financial liabilities designated at fair value through profit or loss	183 196	-	820	382	-	184 397
Financial liabilities held for trading	5 445	-	99	272	262	6 078
Accruals and other liabilities	43	-	-	(380)	478	141
Total Liabilities	188 833	3	919	283	740	190 777

**Negative amounts are due to netting of foreign exchange exposure.*

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NOTES TO THE FINANCIAL STATEMENTS – unaudited

4. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	30/06/2017	31/12/2016
	K'EUR	K'EUR
Term loans designated at fair value through profit or loss		
- Fair Value	118 496	147 756
- Accrued Interest	113	132
	<u>118 609</u>	<u>147 888</u>

5. FINANCIAL ASSETS HELD FOR TRADING

	30/06/2017	31/12/2016
	K'EUR	K'EUR
Financial Assets held for trading		
- Options	947	12 593
- Interest Rate Swaps	23 484	30 091
	<u>24 431</u>	<u>42 684</u>

Credit Agricole CIB, the Parent Company, is the only counterparty for all the financial instruments held for trading. There is no collateral agreement nor netting arrangement between the Company and the Parent Company. The potential impact of netting arrangements on its financial position is then nil.

6. CALLED UP SHARE CAPITAL

	30/06/2017	31/12/2016
	K'EUR	K'EUR
Authorised, called up, issued and fully paid 100,000 ordinary shares of Eur 0.1525 each	<u>15</u>	<u>15</u>

7. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	30/06/2017	31/12/2016
	K'EUR	K'EUR
Financial liabilities designated at fair value through Profit or Loss		
- Euro Medium Term Notes	138 580	184 397
	<u>138 580</u>	<u>184 397</u>

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NOTES TO THE FINANCIAL STATEMENTS – unaudited

8. FINANCIAL LIABILITIES HELD FOR TRADING

	30/06/2017	31/12/2016
	K'EUR	K'EUR
Financial liabilities held for trading		
- Warrants	947	2 314
- Index Swaps	3 512	3 764
	4 459	6 078

Credit Agricole CIB, the Parent Company, is the only counterparty for all the index swaps held for trading. There is no collateral agreement nor netting arrangement between the Company and the Parent Company. The potential impact of netting arrangements on its financial position is therefore nil.

9. ACCRUALS AND OTHER ASSETS

	30/06/2017	31/12/2016
	K'EUR	K'EUR
Accrued income	91	205
	91	205

10. ACCRUALS AND OTHER LIABILITIES

	30/06/2017	31/12/2016
	K'EUR	KEUR
Accrued expense	89	43
Foreign currency positions	-	97
Accruals and other liabilities	-	1
	89	141

The foreign currency positions included in note 10 mainly include the FX spot position revaluations held with Credit Agricole CIB.

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11. TAXATION

The Company is liable to pay tax in Guernsey at 0% in line with standard corporate rate of tax in Guernsey. The Company is not liable for taxation in any other jurisdiction including France.

12. NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS THROUGH PROFIT OR LOSS

	30/06/2017			30/06/2016		
	Accrued & Realized	Fair value	Total	Accrued & Realized	Fair value	Total
	K'EUR			K'EUR		
- Term loans and time deposits	510	(39)	471	1 193	(631)	562
- Index swaps	6 840	(8 777)	(1 937)	13 630	(17 962)	(4 332)
- Euro Medium Term Notes	(7 250)	8 816	1 566	(14 665)	18 592	3 928
- Options	985	(279)	706	(813)	(819)	(1 632)
- Warrants	(985)	279	(706)	813	819	1 632
Total	100	-	100	158	-	158

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13. ISSUED SECURITIES REPORT

30/06/2017										
	NOMINAL AMOUNT		QUANTITY				PRODUCT TYPE			
	K'currency	CVEUR	Initial Stock	Matured	New Issue	Final Stock	Stock	Index	Fund	Final Stock
EUR	118 989	118 989	29	(8)	-	21	3	15	3	21
JPY	100 000	780	1	-	-	1	-	1	-	1
SEK	-	-	1	(1)	-	-	-	-	-	-
Total		119 769	31	(9)	-	22	3	16	3	22

31/12/2016										
	NOMINAL AMOUNT		QUANTITY				PRODUCT TYPE			
	K'currency	CVEUR	Initial Stock	Matured	New Issue	Final Stock	Stock	Index	Fund	Final Stock
EUR	157 830	157 830	63	(34)	-	29	3	20	6	29
JPY	100 000	811	2	(1)	-	1	-	1	-	1
SEK	2 600	272	27	(26)	0	1	-	0	1	1
USD	-	-	3	(3)	-	-	-	-	-	-
Total		158 913	95	(64)	-	31	3	21	7	31

This amount does not include premium, accrued interest and delta fair value adjustments.

The information disclosed above represents the outstanding nominal amount of issued notes as of June, 30th, 2017 and December 31st, 2016.

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14. CHARACTERISTICS OF THE ISSUANCES AND WARRANTS

Isin Code	Description of the Isin Code	Maturity date	Currency	Amount K'currency	Amount K'CVEUR	Product type
GG00B716M659	"LOT 5" Certificate Telecom Cap gar DEC2017	29/12/2017	EUR	2 157	2 157	ACTION
GG00B77D1309	"LOT 5" Certificate GASI 106-123 6Y 3% 31/12/2017	29/12/2017	EUR	1 502	1 502	ACTION
GG00B751DK76	"LOT 8"Certificate Intesa SanPaolo 110-123 310118	30/01/2018	EUR	2 170	2 170	ACTION
				5 829	5 829	

Isin Code	Description of the Isin Code	Maturity date	Currency	Amount K'currency	Amount K'CVEUR	Product type
FR0010508200	"LOT 7" MAGNUM CLICK COUPON BKT 7% EUR 08/2017	10/08/2017	EUR	2 000	2 000	BASKET INDICES
XS0317478641	"LOT 7" EMTN 3IND BULL BOND 6.25% EUR 08/17	30/08/2017	EUR	2 000	2 000	BASKET INDICES
XS0228945951	"LOT 2"EMTN BIN XS5E 4.75% 0817	12/09/2017	EUR	1 000	1 000	INDICE
XS0237703854	"LOT 5" EMTN ZC+CaIII Moyenne SX5E	13/12/2017	EUR	14 000	14 000	INDICE
FR0010587204	"LOT 1" BULL BOND SX5E EUR 03/18	01/03/2018	EUR	10 000	10 000	INDICE
GG00B7322C78	"LOT 5" Certificate SP500 cap gar 010318	01/03/2018	EUR	1 591	1 591	INDICE
XS0365291995	"LOT 1" EMTN MAXIMUM INCOME BKT EUR 2018	27/06/2018	EUR	5 250	5 250	BASKET INDICES
FR0010333211	"LOT FIP" Restructure - Multi Alpha Protected EUR 0616	02/07/2018	EUR	13 500	13 500	INDICE
XS0372644665	"LOT 7" PN MAXIMUM INCOME II BKT EUR 06/18	11/07/2018	EUR	730	730	BASKET INDICES
FR0010948422	"LOT 4" Bull Bond 8Y KG	01/10/2018	EUR	5 000	5 000	INDICE
XS0543347537	"LOT 4" Contacter TFS ; 8y SX5E & CMS non KG Note	01/10/2018	EUR	920	920	BASKET INDICES
XS0359998175	"LOT 1" Bull Bond 10Y AND 8M C&R EUR 12/18	21/12/2018	EUR	5 000	5 000	BASKET INDICES
FR0010985853	"LOT 4" EMTN Reload & Lock-in 2018	28/12/2018	EUR	2 000	2 000	INDICE
FR0010572602	"LOT FIP" Restructuration EMTN GFS SX5E 05/19	31/05/2019	EUR	5 000	5 000	INDICE
XS0355893099	"LOT 1" EMTN Bull Bond SX5E NKY 5.25% EUR 04/23	04/04/2023	EUR	30 000	30 000	BASKET INDICES
				97 991	97 991	

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Isin Code	Description of the Isin Code	Maturity date	Currency	Amount K'currency	Amount K'CVEUR	Product type
XS0280158790	FIP**EMTN BKT FUND AUVENTAS III 105% EUR 05/19	10/05/2019	EUR	5 950	5 950	FONDS
XS0259803798	"HEDGED LOT9" BULL BOND SX5E SPX NKY EUR 100% 0616	04/07/2019	EUR	1 000	1 000	FONDS
FR0010804658	"HEDGED LOT9" EUro Serenite 10 ans	30/09/2019	EUR	8 220	8 220	FONDS
				15 170	15 170	

Total EUR 118 989 118 989

Isin Code	Description of the Isin Code	Maturity date	Currency	Amount K'currency	Amount K'CVEUR	Product type
XS0299462563	"LOT 12" ENMAN Digital	21/05/2037	JPY	100 000	780	INDICE
				100 000	780	

Total JPY 100 000 780

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15. COMMITMENTS GIVEN

The Company has no Commitments as of June 30th, 2017 and December 31st, 2016.

16. NOTIONAL OF DERIVATIVE INSTRUMENTS

	30/06/2017	31/12/2016
	K'EUR	K'EUR
Share and index call/put warrants	1 290	5 122
Share and index call/put on options	1 290	15 122
Index swap	117 966	145 741

17. RELATED PARTY TRANSACTIONS

As described in Note 1, all the transactions are entered into by the Company with Credit Agricole CIB. In addition, the Euro Medium Term Notes issued by Credit Agricole CIB Financial Products (Guernsey) Limited are guaranteed by Credit Agricole CIB.

Credit Agricole CIB is the sole counterparty for all financial assets disclosed in Notes 4 and 5. Euro Medium Term Notes can be held by Credit Agricole CIB or in the secondary market. Excluding the Euro Medium Term Notes and warrants, Credit Agricole CIB is the sole counterparty for all financial liabilities disclosed in Note 7 and Note 8.

As described in Note 1, under an agreement between Credit Agricole CIB Financial Products (Guernsey) Limited and Credit Agricole CIB, the funds raised for issuances are lent to Credit Agricole CIB at an interest rate based on the rates of the loans, plus a margin.

18. GEOGRAPHICAL ANALYSIS OF BUSINESS LINE INFORMATION

All the Euro Medium Term Notes issued by Credit Agricole CIB Financial Products (Guernsey) Limited are purchased initially by Credit Agricole CIB in France and thereafter they may be sold by Credit Agricole CIB on the secondary market.

Credit Agricole CIB Financial Products (Guernsey) Limited hedges all its positions by purchasing derivatives from Credit Agricole CIB.

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19. FAIR VALUE OF FINANCIAL INSTRUMENTS

Valuation process

The valuation of the Company's financial instruments is based on the valuation process at BNPP Arbitrage.

	30/06/2017			31/12/2016		
	K'EUR			K'EUR		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets designated at fair value through profit or loss	-	118 609	-	-	147 888	-
Financial assets held for trading	-	22 585	1 846	-	38 888	3 796

	30/06/2017			31/12/2016		
	K'EUR			K'EUR		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial liabilities designated at fair value through profit or loss	-	122 591	15 989	-	165 850	18 547
Financial liabilities held for trading	-	3 304	1 155	-	2 986	3 092

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Reconciliation of movements in level 3 financial instruments :

<u>Variation of level flows 3:</u>	30/06/2017	31/12/2016	Variation	Outcomes	Transfer out level 3	Latent gains and Losses of period	Variation in Flow
	K'EUR	K'EUR	K'EUR	K'EUR	K'EUR	K'EUR	K'EUR
<u>Financial assets valued at fair value</u>							
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-	-
Financial assets held for trading	1 846	3 796	(1 950)	(1 369)	(642)	61	(1 950)
<u>Financial liabilities valued at fair value</u>							
Financial liabilities designated at fair value through profit or loss	15 989	18 547	(2 558)	(1 935)	(381)	(242)	(2 558)
Financial liabilities held for trading	1 155	3 092	(1 937)	(1 366)	(534)	(37)	(1 937)

NOTES TO THE FINANCIAL STATEMENTS - unaudited

The main instruments recognized in Level 2 are as follows:

- (i) Financial liabilities designated at fair value through P&L:

Debts issued and recognized at fair value on option are classified in Level 2 when their embedded derivative is considered as falling under Level 2.

- (ii) The main OTC derivatives classified in level 2 are those whose valuation involves factors considered as observable and whose valuation technique does not generate a significant exposure to a risk of model :

- Linear derivatives;
- Non-linear plain vanilla products such as options on equities. These products are valued using models commonly used by the market based on directly observable parameters (price of shares) or on parameters which can be determined from the price of products observable on the market (volatility).

The main instruments recognized in Level 3 are as follows:

Level 3 includes the products which do not meet the criteria permitting their classification in levels 1 and 2 and therefore, mainly, those products which involve a high model risk or products whose valuation require the use of significant non observable parameters.

Consequently, Level 3 includes particularly:

- (i) Financial liabilities designated at fair value through P&L:

Debts issued and recognized at fair value on option are classified in Level 3 when their embedded derivative is considered as falling under Level 3.

- (ii) OTC derivatives:

These are products which are not observable because of the underlying asset.

Some products whose pool is for the most part classified in Level 2 are considered as coming under Level 3 because of the underlying currency or of their maturity. An observability grid defines for each instrument / currency pair, the maximum maturity considered as observable. Such observable nature depends on the liquidity of the parameter and on the availability of observable sources permitting its measurement.

The following come under Level 3 exposures to non-linear products (equity or indices) of long maturity on major currencies / indices.

- Exposures on interest rates or swaps with a very long maturity
- Exposures on non-linear products (interest rate, currency or equity) with a long maturity on major currencies / indices. Included in the category are vanilla options, but also simple exotic derivatives such as cancellable swaps.
- Non – linear exposures on emerging currencies
- Complex derivatives (products whose underlying is the difference between two interest rates, option type, binary option or exotic products, multi-underlying products, generating exposures to correlations, regardless of the underlying assets (interest rates, equities, credit, currency, inflation)).

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Analysis of the sensitivity of financial instruments valued according to a level 3 valuation models

As issuances classified in the category of financial liabilities at fair value on option are perfectly covered by derivatives, the sensitivity calculated on the net positions of financial instruments measured based on a level 3 valuation level is not significant.

The fair values of the Notes include the effect of the issuer's credit risk. Also, the fair values of loans concluded with the parent company takes into account the counterparty risk of Crédit Agricole CIB. These two effects offset one another.

At June 30th, 2017, the impact on income of revaluation differences relative to the issuer risk is a 20 K'EUR profit.

For all products, the table below shows the valuation techniques and the main unobservable inputs with their value interval.

Category	Balance asset valuation in €		Main product types comprising Level 3	Valuation technique used	Valuation technique used	Unobservable data interval
	Asset	Liabilities				
Funds derivatives	417 125,79	-417 125,79	vanilla contract	Modélisation Monte Carlo	volatilité des fonds (mutual funds)	100%
	302 827,09	0,00	vanilla contract	Modélisation Monte Carlo	volatilité des fonds (mutual funds)	100%
	529 857,98	-529 854,98	asian contract	Modélisation Monte Carlo	volatilité des fonds (mutual funds)	100%
Custom index derivatives	91 530,67	-14 212,64	stellar vanilla contract	Modélisation Monte Carlo	Indice BNPP construit selon des méthodes internes	100%
	504 624,22	-193 498,46	double asian contract	Modélisation Monte Carlo	Indice BNPP construit selon des méthodes internes	100%
Total	1 845 965,75	-1 154 691,87				

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20. TRANSFERS OF FINANCIAL ASSETS

As of June 30th, 2017, there is neither transferred financial asset which is not derecognized nor continuing involvement in a transferred asset.

21. POST-BALANCE SHEET EVENTS

Since the balance sheet date, there have been no major events affecting the financial statements of the Company. The Directors do not recommend a dividend for the period ended as of June 30th, 2017.

22. SEGMENTED INFORMATION

The only area of operational activity of the Company is to issue Notes or Warrants whose flows are indexed to an underlying share or index funds.