Update of Shelf-registration document 2005

Financial review at 30 June 2006

CALYON
CORPORATE AND INVESTMENT BANK

Contents

The original French version of this document was registered with the Autorité des Marchés Financiers (AMF) on 05 October 2006, in accordance with Article 212-13 of the AMF's Internal Regulations. It supplements the shelf-registration document filed with the AMF on 31 May 2006 under registration number R.06-078. It may not be used in support of a financial transaction unless accompanied by a transaction circular approved by the AMF.

1. Calyon business review for the half year of 2006

Calyon business review for the half year of 2006

Presentation of the financial statements of Calyon

Changes to accounting principles and methods: application of IAS/IFRS accounting standards

As from 1 January 2005, the consolidated financial statements of Calyon have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as of the closing date.

The IFRS standards applicable to the accounts and financial information for the six months ended on 30 June 2006 include the mandatory IFRS and new IFRIC interpretations which are applicable as of 30 June 2006, as approved by the European Union. These standards are described in Note 1 of the Notes to the Financial Statements for the year ended 31 December 2005 under "Accounting principles and methods" and supplemented by the provisions applicable in 2006 for the first time. They include IAS 34 on interim financial information, the provisions of which are applicable as of 30 June 2006. They also include the provisions of the standards and interpretations arising from the EC regulations of 8 and 15 November 2005, 21 December 2005 and 11 January 2006), which are mandatory. These new provisions are described in Note 1 of the Notes to the Consolidated Financial Statements for the six months to 30 June 2006. They produced no material impact on the accounts over the period.

Consolidation changes

There was no significant change in Calyon's scope of consolidation in the first half of 2006. Entities leaving the scope had a negligible impact on the financial statements. These entities were as follows:

- CL Property Broadwalk
- CL Capital Market PLC
- CL Group Management Ltd
- BFC Holding
- CPR BK
- CL Rouse Limited
- Indosuez Holding UK
- MACO, following the liquidation of its assets.

Details on the scope of consolidation can be found in note 8 to the financial statements.

For the purpose of comparing the half-year financial statements set out on page 6 and following, it should be noted that in the first half of 2005, Calyon acquired LCL's stake in Union de Banques Arabes et Françaises and sold to the Crédit Agricole S.A. group its international retail banking division along with Calyon Holding Due in order to create Nextra.

Calyon consolidated results

Economic and financial environment

World growth remained robust during the first half, despite financial turbulence during the spring.

In the US, growth continued to hover around its potential but showed some volatility. A correction occurred during the second quarter, with annualised GDP growth slipping to 2.5%, thereby tempering the sharp upturn (to 5.3%) seen in the first quarter. This uneven growth is tied closely to erratic consumption patterns, with demand predictably catching up following the depressionary effects of the hurricanes in the summer of 2005. Since February, consumer spending has slowed appreciably as the property market has levelled out and as petrol prices have risen. The consumer price index has tended to accelerate over the past several months in response to surging oil prices, but even so, inflation is not skidding off course. At this stage, a wage-price spiral has not set in. Even so, vigilance is the watchword, with expectations shifting upwards.

The euro zone registered a robust upturn in business since the beginning of the year. In Germany, surveys showed that confidence had reached its highest level in the post-reunification period, although recently, it has waned slightly. Statistics indicate that growth accelerated in the first quarter to 0.7% year-on-year and to 1.7% on an annualised basis, and even more in the second (0.9% year-on-year, 2.4% annualised). Business investment recovered in most euro zone countries. Households are showing greater optimism owing to steadily shrinking unemployment, due mainly to labour market measures and reforms in Germany and France. Household demand trends are encouraging, especially in Germany, where the long-awaited upturn in consumer spending finally materialised. In France, household spending also remained strong. It was stimulated by a fall in the saving rate, increased use of debt and the wealth effect generated by rising property prices. Investment spending is recovering. French exporters are benefiting from the sounder health of the country's main trading partners, and in particular Germany, and are also taking advantage of past depreciation in the euro. In all, France's growth accelerated sharply in the second quarter (1.1% year-on-year, 2.6% on an annualised basis).

Starting in May, the financial markets encountered a period of severe turbulence. The taps that regulate world liquidity are slowly being tightened. The Fed has raised interest rates four more times since the beginning of the year (target: 5.25% in June). The ECB also took advantage of the economic upturn to continue its cycle of monetary normalisation, with two rate hikes since December 2005. Long rates followed the trend, rising by 80 basis points between January and June in the US and by 70 basis points in Europe. Even so, they remained fairly low, at 5.3% in the US and 4.1% in Europe as of the end of June. The markets adjusted to this new situation by questioning the fair valuation of assets in a universe where liquidity is now less abundant and more expensive. This overall reassessment of risk led to corrections in most financial marketplaces, particularly in emerging markets, in most classes of assets. At the moment, these abrupt movements correspond to normalisation of financial conditions, given that past valuations were excessive. Against this backdrop, the dollar also encountered renewed volatility before firming as the end of the US monetary cycle was postponed (euro/USD exchange rate: 1.27 at end-June).

Calyon consolidated income statements

For the purpose of analysing the development in Calyon's operating performance, the first-half 2005 results set out below separate out the capital gain realised when the financial services business was sold to Crédit Agricole S.A. in the second quarter of 2005.

In millions of euros	**H1 2006**	H1 2005	Disposal gain on financial services business	**H1 2005** excl. disposal gain on financial services business	Change 2006/2005	Change at constant scope and exchange rates
Net banking income	**3,103**	**2,408**		**2,408**	**29 %**	**34 %**
Operating expenses	(1,809)	(1,547)		(1,547)	17 %	22 %
Gross operating income*	**1,294**	**861**		**861**	**50 %**	**55 %**
Risk-related costs	(11)	7		7	nm	
Income from equity affiliates	94	54		54	74 %	
Gains or losses on other assets	(13)	170	165	5	nm	
Integration-related costs	0	(45)		(45)	nm	
Income before tax	**1,364**	**1,047**	**165**	**882**	**55 %**	
Tax	(354)	(213)		(213)	66 %	
NET INCOME	**1,010**	**834**	165	**669**	51 %	
NET INCOME - GROUP SHARE	**970**	**789**	165	**624**	55 %	
INCOME BEFORE TAX*	**1,364**	**1,092**	**165**	**927**	47 %	

* In 2005, before integration-related costs
This expense category no longer exists in 2006, as the integration has been complete.

The first half of 2006 was a new phase in Calyon's development. The company generated net income (group share) of 970 million euros, and return on equity was 18.3%, a year-on-year increase of 5.6 percentage points, excluding the impact of gains realised on selling the financial services business.

Net operating income rose by 34% to 3,103 million euros.
Strong market conditions led to revenues in the Capital Markets and Investment Banking business rising twice as fast as those in the Financing business, which were themselves strong. The trend in International Private Banking also remained firm.
However, performance owed just as much to Calyon's well-judged growth model, which is focused on clients and international coverage. The corporate and institutional customer base continued to expand in the first half of 2006. Calyon's global network is benefiting from firm growth in certain areas of the world, along and from the global roll-out of product lines.

Operating expenses rose by 22% at constant scope and exchange rates to 1,809 million euros. They remain under control, as shown by the continuing wide gap between revenue and cost growth.

Gross operating income grew by 50% to 1,294 million euros.

Risk-related costs totalled 11 million euros, much lower than the long-run average. Collective credit-risk provisions were little changed during the period, coming in at 1,150 million euros.

The 74% rise in income from equity affiliates to 94 million euros was due to improved performance at Banque Saudi Fransi, which was boosted by the economic impact of high oil prices.

After a tax charge of 354 million euros, net income was 1,010 million euros. This represents a 51% jump relative to the first half of 2005 (excluding capital gains realised from transactions within the Crédit Agricole S.A. group).

Results by business line

The breakdown by business line based on the nomenclature used by Crédit Agricole S.A. is set out in the notes to the consolidated financial statements at 31 December 2005 (note 8 "Segment reporting" on page 131 of Calyon's 2005 shelf registration document).

The definition of these business lines did not change between the first-half periods of 2005 and 2006.

Financing

In millions of euros	**H1 2006**	H1 2005	Change 2006 / 2005	Change at constant scope and exchange rates
Net banking income	**1,066**	**860**	**24 %**	**21 %**
Operating expenses	(407)	(368)	11 %	7 %
Gross operating income*	**659**	**492**	**34 %**	**32 %**
Risk-related costs	(15)	11	nm	
Income from equity affiliates	91	52	75 %	
Gains or losses on other assets	0	1	nm	
Income before tax*	**735**	**556**	**32 %**	
Tax	(174)	(125)	39 %	
NET INCOME*	**561**	431	30 %	
NET INCOME - GROUP SHARE*	**544**	**405**	**34 %**	

* In 2005, before integration-related costs.
This expense category no longer exists in 2006, as the integration has been complete.

Net banking income rose by 21% at constant scope to 1,066 million euros. This growth was driven by generally firm business trends. This was particularly the case in Calyon's international network, with excellent performance in high-growth areas such as Asia and the Middle East. The structured financing business benefits from Calyon's leading positions in several of its other business lines, and saw robust growth, particularly in trade finance and telecoms and real estate financing. First-half revenues were also boosted by proceeds from a significant debt restructuring.

The increase in operating expenses was limited to 7% at constant scope and exchange rates. This firm grip on expenses led to a 32% rise in gross operating income to 659 million euros. As a result, the cost/income ratio in the Financing business was excellent, falling by 4.6 points year-on-year to 38.2%.

Risk-related costs remained very low at 15 million euros, equal to 0.03% of risk-weighted assets.

The contribution of the Financing business to Calyon's net income rose by 30% to 561 million euros.

Capital Markets and Investment Banking

In millions of euros	**H1 2006**	H1 2005	Change 2006 / 2005	Change at constant scope and exchange rates
Net banking income	**1,795**	**1,213**	**48 %**	**46 %**
Operating expenses	(1,241)	(938)	32 %	31 %
Gross operating income*	**554**	**275**	**x 2**	**97 %**
Risk-related costs	1	(5)	nm	
Income from equity affiliates	0	0	nm	
Gains or losses on other assets	(4)	2	nm	
Income before tax*	**551**	**272**	**x 2**	
Tax	(149)	(69)	x 2.2	
NET INCOME*	**402**	**203**	**98 %**	
NET INCOME - GROUP SHARE*	**385**	**199**	**93 %**	

* In 2005, before integration-related costs.
This expense category no longer exists in 2006, as the integration has been complete.

The Capital Markets and Investment Banking business continued to develop in the first half of 2006, and confirmed its ability to generate strong revenues against a buoyant economic background. Net banking income came in at a record 1,795 million euros, up 48% on the first half of 2005 and 34% higher than in the second half of 2005.

Within capital markets, the interest-rate derivatives business performed exceptionally well, with revenues up 130%. This rate of growth was matched in the credit markets business, with structured product, securitisation and bond activities also seeing strong growth. The equity derivatives business also continued to expand at a rapid pace.

CLSA, CA Cheuvreux and Calyon Financial took advantage of favourable market conditions, particularly in the first quarter of 2006, to generate higher transaction volumes. As a result, brokerage revenues rose by half with respect to the first half of 2005.

The Investment Banking business also saw rapid growth. Primary equity business levels were strong, and Calyon was co-arranger in several IPOs, including Legrand and Ansalso, and in rights issues including Vinci and Swiss Re.

Gross operating income doubled to 554 million euros in the first half of 2006. This was due to a 48% rise in net banking income, while operating expenses increased by only 32%. The cost/income ratio improved by 8.2 points to just under 70%.

Overall, Capital Markets and Investment Banking's net income rose substantially to 402 million euros.

International Private Banking

In millions of euros	**H1 2006**	H1 2005	Change 2006 / 2005
Net banking income	242	204	19 %
Operating expenses	(160)	(151)	6 %
Gross operating income*	82	53	55 %
Risk-related costs	3	1	x 3
Income from equity affiliates	3	2	50 %
Gains or losses on other assets	0	1	nm
Income before tax*	88	57	54 %
Tax	(23)	(14)	64 %
NET INCOME*	65	43	51 %
NET INCOME - GROUP SHARE*	59	39	51 %

* In 2005, before integration-related costs.
This expense category no longer exists in 2006, as the integration has been complete.

Business levels in International Private Banking were firm. Market conditions were fairly strong, although there was some turbulence at the end of the period. Crédit Agricole (Suisse) SA was created by merging Crédit Agricole (Suisse) SA and Crédit Lyonnais (Suisse) SA in early 2005. Following this merger, assets under management rose by 13.9% year-on-year to 50.5 billion euros at 30 June 2006. Net new money was strong at 1.4 billion euros in the first half of 2006.

Overall, this robust commercial performance led to a 19% rise in net banking income to 242 million euros.

With operating expenses increasing only moderately, gross operating income rose by 55% to 82 million euros. The cost/income ratio improved sharply, falling by almost 8 points to 66.1%.

The business line's contribution to Calyon's net income was 59 million euros, up from 39 million euros in the year-earlier period.

Proprietary asset management and other activities

In millions of euros	**H1 2006**	H1 2005	Change 2006 / 2005
Net banking income	**0**	**13**	**nm**
Operating expenses	(1)	(17)	(94 %)
Gross operating income*	**(1)**	**(4)**	(75 %)
Risk-related costs	0	9	nm
Income from equity affiliates	0	0	nm
Gains or losses on other assets	(9)	166	nm
Integration-related costs	0	(45)	nm
Income before tax	**(10)**	**126**	nm
Tax	(8)	4	nm
NET INCOME	**(18)**	**130**	nm
NET INCOME - GROUP SHARE	**(18)**	**130**	nm

* In 2005, before integration-related costs.
This expense category no longer exists in 2006, as the integration has been complete.

This business line did not generate material earnings in the first half of 2006.

Solvency ratios

International solvency ratio

At 30 June 2006, Calyon's international solvency ratio was 11.1%, up from 9.0% at 31 December 2005 and 8.6% at 30 June 2005. The Tier 1 solvency ratio was 9.2%, up from 8.8% at 31 December 2005 and 8.6% at 30 June 2005.

(in millions of euros)	**30/06/2006**	**31/12/2005**
Risks		
Credit risk	120,488	118,351
Market risk	11,647	21,335
Interest-rate risk	*7,826*	*17,149*
Equity risk	*337*	*269*
Foreign-exchange risk	*503*	*301*
Commodity risk	*9*	*18*
Risks calculated by internal model	*2,970*	*3,598*
Total weighted risks (denominator)	**132,134**	**139,686**
Available capital		
Tier 1	12,189	12,280
Tier 2	4,044	1,719
Tier 3	219	175
Deductions	(1,819)	(1,607)
Total available capital	**14,634**	**12,566**
Tier 1 solvency ratio	**9.2 %**	**8.8 %**
Total solvency ratio	**11.1 %**	**9.0 %**

Movements in the main components of the ratio were as follows:

Risk-weighted assets totalled 132.1 billion euros at 30 June 2006, versus 139.7 billion euros at end-2005. This represents a fall of 7.6 billion euros or 5.4%.

- Credit risk-weighted assets rose by 2.1 billion euros during the period, an increase of 1.8%. Market risk-weighted assets totalled 11.6 billion euros, 9.7 billion euros lower than their 31 December 2005 level. This decrease was due in particular to the use of an internal Value at Risk model to measure specific interest-rate risk.

- Core capital (Tier 1) was 12.2 billion euros at 30 June 2006, almost unchanged relative to end-2005. Tier 2 capital rose by almost 2.3 billion euros to 4.0 billion euros, mainly due to issues of redeemable subordinated notes. Tier 3 capital totalled 0.2 billion euros.
  Deductions amounted to 1.8 billion euros, due in particular to the increase in value of entities accounted for under the equity method.

Internal control

Calyon's Control and Audit unit is an integral part of the Crédit Agricole S.A. Group's Audit/Inspection division. It is responsible for carrying out all periodic controls specified by Comité de la Réglementation Bancaire et Financière regulation 97-02 (as amended) across all entities concerned, and ensures that all Calyon units comply with the Group's internal standards. It also analyses the hedging of all types of risks incurred by the Group, and is the final level of control for assessing the effectiveness of the internal control system.

Calyon's Head of Control and Audit reports on the work and investigations carried out by the unit to the head of the Crédit Agricole group's Control and Audit unit and to Calyon's CEO. The Control and Audit unit operates independently of the business units and, in this respect, has no responsibility for or authority over the activities it supervises.

The Control and Audit unit and the local internal audit teams of branches and subsidiaries carry out audits on all aspects of Group entities' activities and operations. Every six months, local audit teams look at the recommendations made by the various internal and external control bodies.

In the first half of 2006, Calyon's Control and Audit unit refocused on periodic controls, in accordance with the aforementioned regulation. The internal control co-ordination team, which previously reported to the Head of Control and Audit in his previous capacity of head of internal control, was integrated within the Risks and Permanent Control department.

Compliance and financial security

There were no significant changes in the duties of the Compliance Department or in its scope of responsibility (in either geographical or business terms) in the first half of 2006.

FIDES programme

Calyon continued implementing its FIDES Enhanced Compliance Programme. The main components of this programme are now up and running within the Calyon group (control over new products and activities, supervision of complex transactions, incident reporting, FIDES training etc.). In addition to FIDES training, the 2006-2007 training programme will aim to focus more on operations and on being more practical for operational staff.

Financial Security

The Financial Security unit has helped simplify Calyon's rules as regards the identification of new customers. It has also continued to validate new KYC (Know Your Customer) forms for France, as well as examining certain new customer relationships and carrying out investigations at the request of sales staff. It has done in-depth work to find and implement a monitoring tool for financial flows and account-keeping. The LAB training programme is progressing as scheduled in 2006.

Compliance

The system for monitoring the "suitability" of capital market products sold by Calyon is now fully operational. A new set of internal rules has come into force, including the use of an automated tool to manage statements of personal transactions by staff regarded as sensitive. Calyon has also taken steps to ensure compliance with the Market Abuse Directive. It will select an automated activity monitoring tool in the autumn of 2006 with a view to worldwide implementation in late 2006/2007.

Risk factors

Risk management organisation

Calyon's risk management was reorganised in the first half of 2006. This was due to the application of Comité de la Réglementation Bancaire et Financière regulation 97-02 (as amended), which requires permanent control to be separated from periodic control (at the Control and Audit level). A Permanent Control Department was set up within the Risk Management and Control Department, which has been renamed the Risk and Permanent Control Department.

The Permanent Control Department now covers both internal control and operational risk management. It also supervises accounting control and IT risk management.

Basel II

Calyon has opted for the International Rating Based Approach (IRBA) in managing credit risk.

In the first half of 2006, the internal validation of the Basel II system entered its initial phase within Calyon. This project involved a number of additional initiatives in order to gain the Commission Bancaire's approval. The main aspects of the project correspond to the priorities identified by Calyon in 2006.

These initiatives mainly concern additional methodology documentation work, ongoing IT developments, the completion of backtesting architecture and tools and enhanced data reliability work.

In addition, more work was done on ensuring that Basel II concepts are fully appropriated by business lines and entities, through training sessions and improvements to loan granting tools that will allow the Basel II system to be used in practice.

Credit risk

At 30 June 2006, the risk exposure of Calyon and its subsidiaries to their 10 largest non-bank counterparties was 18 billion euros (management data, including gross risk amounts before any credit guarantees, securities and excluding market operations).

Breakdown of balance sheet gross outstandings by economic sector (%)

Industry	30.06.2006	31.12.2005
Aerospace	5 %	6 %
Food	4 %	3 %
Automotive	5 %	5 %
Other industries	3 %	4 %
Other transport	2 %	2 %
Wood, paper and packaging	1 %	1 %
Construction	2 %	3 %
Other	19 %	17 %
Energy	18 %	18 %
Property	5 %	5 %
Heavy industry	7 %	6 %
IT and technology	3 %	3 %
Shipping	4 %	4 %
Media and publishing	3 %	3 %
Production and distribution of consumer goods	7 %	7 %
Healthcare and pharmaceuticals	2 %	2 %
Telecoms	8 %	7 %
Tourism, hotels and restaurants	3 %	2 %
Utilities	1 %	1 %

Risk provisioning and coverage

Calyon's credit risk-related costs remained exceptionally low in the first half of 2006, due to ongoing positive economic conditions for companies.

Market risks

Risk management and measurement methods

The Market Risks Department works to improve efficiency and adjust to changes in regulations and Calyon's businesses on a permanent basis. In 2005, it adopted improvement initiatives that have continued into 2006.

The main aims of these initiatives are to:
- harmonise risk measurement methods between the various business lines;
- optimise the process of producing risk, VaR and revenue indicators;
- improve current stress scenarios, produce them more frequently and adopt a more diverse range of assumptions;
- validate the VaR model across the whole scope of activity;
- industrialise the Day One calculation process;
- update valuation policies and limits;
- extend the scope of reporting handled by the intranet set up in 2005 (CADRE) to cover the centralisation of all results.

Value at Risk measurement

VaR (99%, 1-day) figures by product line were as follows:

(in millions of euros)	**30/06/2006**	**31/12/2005**
Treasury	4	3
Currency	2	1
Commodities	5	4
Interest-rate derivatives	6	10
Credits and liquid bonds	5	7
Structured credit	2	4
Equities	10	10
Calyon VaR	**16**	**21**

The difference between Calyon's overall VaR and the sum of each product line's VaR figures is due to VaR that cannot be allocated to a specific product line along with netting gains.

Stress scenario measurement

At 30 June 2006, the following results were obtained using stress scenarios:

(in millions of euros)	Historical stress scenario: **Bond market crash 1994** (1)	Historical stress scenario: **Rise in credit spreads 1998** (2)	Historical stress scenario: **Technology stock crash, 2002** (3)	Hypothetical stress scenario **Economic recovery** (4)	Hypothetical stress scenario **Geopolitical uncertainty** (5)	Adverse stress (6)
Treasury	(19)	11	7	(56)	64	
Currency and commodities	0	58	10	2	29	
Interest-rate derivatives	(165)	135	19	34	110	
Credit and liquid bonds	0	(8)	1	(22)	14	
Structured credit	19	10	(25)	8	(24)	
Equities	(22)	(169)	(39)	43	(185)	
Total	**(187)**	**38**	**(26)**	**9**	**8**	**(212)**

(1) Massive rise in interest rates (reproduces risk factors from 17 February to 2 March 1994).
(2) Sharp increase in issuer spreads.
(3) Substantial downturn in equity markets.
(4) Stress scenario designed to measure the impact of an economic recovery (upturn in equity markets, interest rates, spot USD and oil prices and decline in issuer spreads).
(5) Downturn in equity markets, interest rates, spot USD and oil prices and issuer spreads.
(6) Adverse stress: Ex-post stress (as a function of the type of positions) calculated by sensitivities to main risk factors.

Operational risks

In accordance with principles in force within the Credit Agricole S.A. group, Calyon's Operational Risk Department has a qualitative and quantitative system for identifying, evaluating, preventing and supervising operational risks in accordance with Basel II regulations.

The aim is that this system will be approved by the French Banking Commission as an "advanced measurement approach" (AMA) in early 2007.
To achieve this, and in accordance with the Commission Bancaire's request, the operational risk section of the Basel II system was pre-validated by Calyon's Control and Audit unit between May and July 2006, under the supervision of Crédit Agricole S.A.'s Control and Audit unit.

Risk mapping (the qualitative part of the initiative) was completed in the first half of 2006 within the main head-office business lines, the major international centres and the brokerage and private banking subsidiaries.

In addition, risk mapping was rolled out across the 26 other international centres in the first half of 2006. At 30 June 2006, risk assessment work was at the validation phase in most centres, prior to presentation to the local internal control committee.

Risk measurement and risk-related cost assessment work the qualitative part of the initiative) has also been done across all Calyon group entities. This allows the production of a quarterly operational risk scorecard that highlights key information, movements in operational risk-related costs and the main sources of risk in terms of both activities and risk type.

Asset and liability management

Global interest rate risk
In the first half of 2006, Calyon's full-year risk of loss in the event of an adverse movement of 1% in interest-rate represented less than 1% of its prudential capital. The cumulative, non-discounted risk of loss for the next ten years in the event of an adverse variation of 1% in interest rates represented less than 10% of prudential capital.

Liquidity risk
At end-June 2006, Calyon's liquidity ratio was 133%, as opposed to the regulatory minimum of 100%.

Legal risk

The main ongoing legal procedures involving Calyon group entities are those mentioned in the Calyon shelf registration document filed with the Autorité des Marchés Financiers on 31 May 2006.

Since then, the following developments have taken place:

- Alstom: the class action suit brought by investors against Alstom and its underwriters (including Calyon) has been dismissed by the court.
- Moulinex/Brandt: Calyon is exposed to risks relating to an excessive credit support procedure brought by representatives of Moulinex and Brandt.
- SNGI: the Group has appealed against two recent decisions that went against its interests.

To Calyon's knowledge, in the first half of 2006 there was no exceptional factor or litigation that may have or may recently have had a significant impact on the financial position, activities, income or assets of the Calyon company or group.

Recent trends and outlook

Recent events

Calyon and Pirelli RE set up joint venture to invest in non performing loans in Europe
Excerpt from a press release dated 3 August 2006

Calyon (67%) and Pirelli RE (33%) set up joint venture to invest in non performing loans in Europe: Italy, Germany, and Poland the main markets.

Binding agreement signed for the acquisition of five NPL Portfolios from previous JV Pirelli RE/Morgan Stanley Real Estate Funds (MSREF.

NPLs Under management by the new JV amount to approximately 3 billion euros (gross book value)
Pirelli RE will acquire 53% of credit servicing and 25% of Asset Management NPL, then owning 100% of the two companies dedicated to NPLs servicing and management.

Pirelli RE, a leading player in the Italian real estate market, and Calyon, the Corporate and Investment Bank of the Crédit Agricole Group, have signed a binding agreement to form a joint venture that will invest in non performing loans in Europe. Under the agreement non performing loan portfolios will be acquired, in which Pirelli RE, consistent with its business model, is to hold a 33% interest and Calyon 67%.

The newly signed joint venture, which combines the experience of Pirelli RE in handling non performing loans in Italy with the international financial skills of Calyon, aims to become a leader in Europe, where growth potential is high – especially in Italy, in Germany, considered the biggest market based on the value of NPLs held by its banks (about 300 billion euros by Ernst & Young estimates), and in Poland, where Pirelli RE has already created a platform for real-estate services and investments with Bank Pekao.

It is expected that the operation shall be finalised by the end of November, subject to the approval of the Italian competition and market regulator and the trustees of the existing securitisation arrangements.

Outlook for the second half

Global risk factors in the second half of 2006 remain tied to financial imbalances and uncertainties over commodity price trends in a turbulent geopolitical climate. If oil prices stabilise or dip, balanced world growth could be restored in an ordered, gradual fashion. During the summer, however, geopolitical uncertainties – the Middle East conflict, risk of terrorist attacks – returned to the forefront, making the outlook for 2007 more uncertain.

In the US, consumer spending is expected to continue edging down if the slowdown in the real estate market remains under control, as sharing of value added becomes somewhat more favourable to employees and will serve to pick up the running. The foreign current account deficit is likely to shrink marginally, at best, as business wanes, leaving the US economy dependent on foreign capital inflows. The threat of inflation should gradually dissipate with the underlying price index reaching a ceiling at the end of the year. In government, the second half of the year will be marked by the mid-term elections, which could cause the Bush Administration's priorities to change. Growth in the US looks set to turn in another respectable performance in 2006, at 3.5%.

In the euro zone, economic conditions are expected to continue to strengthen. Employment – the weak link in the recovery – should continue to improve, thereby underpinning more robust, sustainable growth. This brighter employment picture should also serve as a shock absorber in countries where consumption is highly dependent on the real estate market's health, which is expected to deteriorate slightly, especially in Spain and Ireland. Temporary factors will also play a role. In Germany in particular, the "World Cup" effect and the scheduled increase in the VAT on 1 January 2007 should propel consumer spending to the rank of largest contributor to growth during the second half of this year (but with a possible backlash in 2007). Intra-euro zone trade could benefit from this significantly. The rate of growth of investment is set to continue to be around its long-term average (2.8% over the year) but is not likely to accelerate absent tangible needs for new capacity. Aided by a stabilisation of oil prices, inflation should recede at the end of the year while remaining above the ECB's target (2.3% in 2006). In France, in the light of the first-half performance, is forecast to be around 2.3%, i.e. close to its potential, owing to a buoyant European and world economy and thanks to the support of sustainably robust consumer spending.

In the financial markets, after the turbulence in the spring, a return to normalcy should be confirmed even if pockets of volatility could persist or even resurge as a result of erratic geopolitical factors. In the US, in our view, the risk scale will lean towards the side of growth, and the Fed will then opt to maintain the status quo with the cycle culminating at 5.25% in June. In a climate of good domestic economic conditions, the ECB has the cards it needs to accelerate its monetary normalisation cycle and to aim for neutrality as early as year-end (i.e. 3.5% in December 2006 against 3% since the beginning of August).
In the US, now that the string of short rate hikes has come to an end, the market widely expects that the Fed's next move will be to cut rates (in 2007). This has already affected long rates, which dipped during the summer. The US bond market continues extensively to influence European long rates. As a result, these also receded, although economic conditions and the ECB could warrant higher rates than those reached at the end of August (10-year yield: 3.80%). European long rates could firm a bit and stabilise at above 4% at end-2006 as the markets are still anticipating a further rate increase by the ECB.
As for the US dollar, one of its main sources of support would vanish when the Fed rate hike cycle comes to an end. The dollar would then resume on its downtrend, but against all currencies, this time. This would reduce the burden on the euro and an exchange rate of around $1.35 at the end 2006 would be tolerable.
On the equity markets, not all bets will be winners, depending on the class of assets and the financial marketplace. European equities will have solid arguments with persistently sound fundamentals, P/Es below their historical average and a rising euro.

Calyon reaffirms its ambition of consolidating its position among Europe's top ten financing and investment banks, in accordance with its 2006-2008 development plan.

2. Summary consolidated interim financial statements at 30 June 2006

Summary consolidated interim financial statements at 30 June 2006

reviewed by the Board of Directors on 31 August 2006

General framework

Legal presentation

Since the Extraordinary General Meeting of 30 April 2004, the company's name is: **Calyon**. Its trading name is: Calyon Corporate and Investment Bank.

Address and registered offices of the company: 9 quai du Président Paul Doumer, 92920 Paris La Défense cedex France.

Registration number: 304 187 701, Nanterre Trade and Companies Registry.

APE Code: 651 C.

Corporate form

Calyon is a *société anonyme* (joint stock corporation) with a Board of Directors, governed by the statutory and regulatory provisions applicable to credit establishments and joint stock corporations and by its Articles of Association.

Consolidated income statement

in millions of euros	Notes	30.06.2006	31.12.2005	30.06.2005
Interest receivable and similar income	3.1	5,722	10,303	3,950
Interest payable and similar expense	3.1	(6,635)	(10,247)	(5,006)
Fee and commission income	3.2	1,765	2,962	1,326
Fee and commission expense	3.2	(688)	(1,044)	(468)
Net gains (losses) on financial instruments at fair value through profit or loss	3.3	2,691	2,466	2,277
Net gains (losses) on available-for-sale financial assets	3.4	193	288	122
Income related to other activities	3.5	117	300	261
Expenses related to other activities	3.5	(62)	(90)	(54)
Net banking income		**3,103**	**4,938**	**2,408**
General operating expenses	3.6	(1,762)	(3,057)	(1,490)
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	3.7	(47)	(111)	(57)
Gross operating income (1)		**1,294**	**1,770**	**861**
Risk-related costs	3.8	(11)	87	7
Share of net income of affiliates		94	125	54
Net gains (losses) on other assets	3.9	(13)	203	170
Integration-related costs			(86)	(45)
Pre-tax income		**1,364**	**2,099**	**1,047**
Income tax	3.10	(354)	(383)	(213)
Net income		**1,010**	**1,716**	**834**
Minority interests		40	84	45
Net income - Group share		**970**	**1,632**	**789**
Earnings per share		7.99	14.13	7.00
Diluted earnings per share		7.99	14.13	7.00

(1) in 2005, before integration-related costs

Consolidated balance sheet

ASSETS

in millions of euros	Notes	30.06.2006	31.12.2005
Cash, due from central banks and french postal system		2,889	4,890
Financial assets at fair value through profit or loss		348,546	288,302
Derivative hedging instruments		351	493
Financial assets available for sale		24,790	23,147
Due from banks	5.1	48,612	47,085
Loans and advances to customers	5.1	98,189	87,920
Valuation adjustment on portfolios of hedged items		3	1
Held-to-maturity financial assets			
Current tax assets			
Deferred tax assets		708	711
Accruals, prepayments and sundry assets		28,846	26,154
Fixed assets held for sale		2	2
Investments in equity affiliates		556	524
Investment property	5.5	177	200
Property, plant and equipment	5.6	637	616
Intangible assets	5.6	63	57
Goodwill	2.3	1,247	1,214
TOTAL ASSETS		**555,616**	**481,316**

LIABILITIES

in millions of euros	Notes	30.06.2006	31.12.2005
Due to central banks and current accounts with french postal system		203	457
Financial liabilities at fair value through profit or loss		270,392	239,393
Derivative hedging instruments		795	639
Due to banks	5.3	89,151	72,912
Customer accounts	5.3	80,310	71,665
Debt securities in issue	5.4	58,392	47,311
Valuation adjustment on portfolios of hedged items			2
Current tax liabilities		296	135
Deferred tax liabilities		122	216
Accruals, deferred income and sundry liabilities		36,382	30,863
Liabilities associated with fixed assets held for sale			
General reserves for risks and expenses	5.8	1,003	1,169
Subordinated debt	5.4	6,307	4,342
Shareholders' equity		12,263	12,212
Shareholders' equity – Group share		11,584	11,496
Share capital and reserves		7,686	6,678
Consolidated reserves		2,688	2,611
Unrealised or deferred gains or losses		240	575
Net income for the year		970	1,632
Minority interests		679	716
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**555,616**	**481,316**

Changes in shareholders’ equity

in millions of euros	Share capital and reserves			Retained earnings, group share	Unrealised or deferred gains or losses			Net income, group share	Total equity, group share	Minority interests	Total shareholders' equity
	Share capital	Share premiums and other reserves	Elimination of treasury shares		On foreign exchange	Change in fair value of available-for-sale financial assets	Change in fair value of hedging instruments				
Shareholders’ equity at 1 January 2004	1,137	2,464	0	3,601	0	0	0	0	3,601	796	4,397
Capital increase	601	1,237		1,838					1,838		1,838
Capital increase relating to partial transfer of Crédit Lyonnais assets	1,380	2,829		4,209					4,209	129	4,338
Change in treasury shares	2	3		5					5		5
Dividends paid in 2004		(432)		(432)					(432)	(30)	(462)
2004 net income		728		728					728	47	775
Impact of acquisitions/disposals on minority interests										(129)	(129)
Change in goodwill					(79)				(79)	(45)	(124)
Other changes		12		12					12		12
Shareholders’ equity at 31 December 2004 (exc. 32/39 & IFRS 4)	3,120	6,841	0	9,961	(79)	0	0	0	9,882	768	10,650
Impact of adopting IFRS (32/39 and IFRS 4)		(195)		(195)	3	199	125		132	(87)	45
Shareholders’ equity at 1 January 2005	3,120	6,646	0	9,766	(76)	199	125	0	10,014	681	10,695

in millions of euros	Share capital and reserves			Retained earnings, group share	Unrealised or deferred gains or losses			Net income, group share	Total equity, group share Share capital	Minority interests Share premiums and other reserves	Total shareholders' equity Elimination of treasury shares
	Share capital	Share premiums and other reserves	Elimination of treasury shares		On foreign exchange	Change in fair value of available-for-sale financial assets	Change in fair value of hedging instruments				
Shareholders' equity at 1 January 2005	3,120	6,646	0	9,766	(76)	199	125	0	10,014	681	10,695
Capital increase											
Dividends paid in 2005		(489)		(489)					(489)	(32)	(521)
Change in value of available-for-sale securities (IAS 39)						97			97	(1)	96
Cash flow hedges (IAS 39)							(37)		(37)	(1)	(38)
2005 net income		1,632		1,632					1,632	84	1,716
Impact of acquisitions/disposals on minority interests										(61)	(61)
Change in goodwill					309				309	74	383
Other changes		(30)		(30)					(30)	(28)	(58)
Shareholders' equity at 31 December 2005	3,120	7,759	0	10,879	233	296	88	0	11,496	716	12,212
Capital increase	316	692		1,008					1,008		1,008
Dividends paid in 2006		(1,551)		(1,551)					(1,551)	(24)	(1,575)
Change in value of available-for-sale securities (IAS 39)						(31)			(31)		(31)
Cash flow hedges (IAS 39)							(161)		(161)	(1)	(162)
30 June 2006 net income								970	970	40	1,010
Change in goodwill					(185)				(185)	(46)	(231)
Other changes		38		38					38	(6)	32
Shareholders' equity at 30 June 2006	3,436	6,938	0	10,374	48	265	(73)	970	11,584	679	12,263

Cash flow statement

The cash flow statement is presented using the indirect method.

Operating activities show the impact of cash inflows and outflows arising from Calyon's core business activities, including those associated with assets classified as held to maturity.

Tax inflows and outflows are included in full within operating activities.

Investing activities show the impact of cash inflows and outflows associated with purchases and sales of investments in consolidated and non-consolidated companies, property, plant & equipment and intangible assets. This section includes strategic equity interests classified as available for sale.

Financing activities show the impact of cash inflows and outflows associated with shareholders' equity subordinated debt and long-term financing.

Net cash and cash equivalents includes cash, debit and credit balances with central banks and the French postal system, and debit and credit sight balances with banks.

in millions of euros	Half-year 2006	31.12.2005
Pre-tax income	**1,364**	**2,099**
Amortisation and depreciation of property, plant & equipment and intangible assets	49	113
Depreciation and impairment of goodwill and other fixed assets	0	0
Net charge to provisions	(43)	(718)
Share of net income of affiliates	(94)	(125)
Net loss/(gain) on investing activities	0	(221)
Net loss/(gain) on financing activities	189	324
Other movements	233	(295)
Total non-cash items included in pre-tax income and other adjustments	**334**	**(922)**
Change in interbank items	4,244	(3,903)
Change in customer items	5,994	(1,131)
Change in financial assets and liabilities	(19,103)	(14,141)
Change in non-financial assets and liabilities	(3,890)	5,740
Taxes paid	(26)	(253)
Net decrease/(increase) in assets and liabilities used in operating activities	**(12,781)**	**(13,688)**
TOTAL net cash provided by operating activities (A)	**(11,083)**	**(12,511)**
Change in equity investments	**(62)**	**(4,144)**
Change in property, plant & equipment and intangible assets	**(54)**	**(67)**
TOTAL net cash provided/(used) by investing activities (B)	**(116)**	**(4,211)**
Cash received from/(paid) to shareholders	**(560)**	**(294)**
Other cash provided/(used) by financing activities	**1,931**	**(1,134)**
TOTAL net cash provided/(used) by financing activities (C)	**1,371**	**(1,428)**
Effect of exchange rate changes on cash and cash equivalents (D)	**459**	**(829)**
Net increase/(decrease) in cash & cash equivalents (A + B+ C + D)	**(9,369)**	**(18,979)**
Opening cash and cash equivalents	**(6,073)**	**12,906**
Cash, central banks, French postal system (assets & liabilities)	4,433	19,204
Interbank sight balances (assets & liabilities)	(10,506)	(6,298)
Closing cash and cash equivalents	**(15,442)**	**(6,073)**
Cash, central banks, French postal system (assets & liabilities)	2,684	4,433
Interbank sight balances (assets & liabilities)	(18,126)	(10,506)
CHANGE IN NET CASH AND CASH EQUIVALENTS	**(9,369)**	**(18,979)**

Comparative information for the first half of 2005 is not available in a consistent format. As a result, the section below sets out the cash flows relating to the most important transactions with respect to Calyon's financial position (excluding ordinary and forex transactions) in the first half of 2005.

- Acquisition of shares in subsidiaries:

  Acquisition of shares in subsidiaries:
  546 millions euros
  During the first half of 2005, Calyon's main acquisition included 100% interest in Crédit Lyonnais Suisse subsidiary (536 millions euros).

  Disposal of shares in subsidiaries:
  79 millions euros
  Disposals exclusively included disposals of shares in CAIS Luxembourg.

- Property, plant and equipment and intangible assets:

  Acquisition of property, plant and equipment:
  68 millions euros

  Disposal of property, plant and equipment:
  18 millions euros

- Shareholders' equity transactions:

  Dividend payments:
  249 millions euros
  Calyon paid a dividend for cash of 249 millions euros during the first half of 2005.

- Long term financing:

  Redemption of subordinated notes:
  154 millions euros

Notes to the summary consolidated interim financial statements

Note 1 : Accounting principles and methods

The interim consolidated financial statements of Calyon have been prepared in accordance with IAS/IFRS and IFRIC interpretations as adopted by the European Union and applicable at 30 June 2006.

These standards and interpretations are identical to those used to prepare the Group's financial statements for the year ended 31 December 2005 and described therein, supplemented by:

- the provisions of IAS 34 on interim financial reporting, which sets out the principles for recognition and measurement to be applied to interim financial reports and defines the minimum information to be provided;
- the provisions of those standards and interpretations that must be applied in 2006 for the first time. The Group has not applied the provisions of those standards and interpretations that are optional for the period.

These new provisions arise from the regulations of 15 November 2005 (EC 1864/2005), 8 November 2005 (EC 1910/2005), 21 December 2005 (EC 2106/2005) and 11 January 2006 (EC 108/2008). They apply to:

- the revision to IAS 19, Employee Benefits, pertaining to actuarial gains and losses and Group plans (the provisions covering information to be provided will be applied to the 2006 financial statements for the first time);
- the revisions to IAS 39 on financial instruments and pertaining to cash flow hedging for future intra-group transactions and the conditions for using the fair value option;
- the revisions to IAS 39 on financial instruments and of IFRS 4 on insurance contracts and applying to financial guarantee contracts;
- the IFRIC 4 interpretation on conditions for determining whether an agreement contains a lease.

The application of these new provisions had no material impact over the period.

The summary interim financial statements are intended to update the information contained in Calyon' s consolidated accounts for the year ended 31 December 2005 and must be read alongside these accounts. Only the most significant information on changes in the Group's financial condition and performance is reproduced in these interim financial statements.

A number of estimates have been made in preparing the consolidated financial statements. These estimates are based on certain assumptions and involve risks and uncertainties as to their actual future outcome. Accounting estimates requiring the formulation of assumptions are used primarily to measure financial instruments at fair value, pension and other employee benefits, asset impairment, provisions for unrecoverable debts, general reserves for risks and expenses, goodwill impairment, and deferred taxes.

Note 2 : Scope of consolidation – related parties

The scope of consolidation at 30 June 2006 is shown in detail in note 8 to the financial statements.

2.1 Changes in the scope of consolidation over the period

Changes in the scope of consolidation between 31 December 2005 and 30 June 2006 were as follows:

Companies leaving the scope of consolidation

The following companies were deconsolidated in the first half because their activities had become non-significant or were being discontinued:

- CL Property Broadwalk
- CL Capital Market PLC
- CL Group Management Ltd
- BFC Holding
- CPR BK
- CL Rouse Limited
- Indosuez Holding UK
- MACO following the liquidation of its assets

2.2 Main acquisitions during the first half

No significant acquisition transactions concerning Calyon group subsidiaries took place in the first half of 2006.

2.3 Goodwill

in millions of euros	31.12.2005	Additions (Acquisitions)	Decreases (Disposals)	Impairment losses during the period	Translation adjustments	Other movements	30.06.2006
Calyon Egypt SAE	25				(1)		24
CA Suisse SA	292				(2)		290
Crédit Agricole Cheuvreux SA	132						132
Crédit Lyonnais Securities Asia BV	116	76	(27)		(10)	(3)	152
Calyon SA (incl. transfer of Crédit Lyonnais activities)	682						682
CPR Online	9						9
Crédit Agricole Luxembourg	11						11
Gross value	**1,267**	**76**	**(27)**	**0**	**(13)**	**(3)**	**1,300**
Calyon Egypt SAE							0
CA Suisse SA							0
Crédit Agricole Cheuvreux SA							0
Crédit Lyonnais Securities Asia BV							0
Calyon SA (incl. transfer of Crédit Lyonnais activities)	(55)						(55)
CPR Online							0
Crédit Agricole Luxembourg							0
Accumulated impairment losses	**(55)**						**(55)**
Calyon Egypt SAE	25				(1)		24
CA Suisse SA	292				(2)		290
Crédit Agricole Cheuvreux SA	132						132
Crédit Lyonnais Securities Asia BV	116	76	(27)		(10)	(3)	152
Calyon SA (incl. transfer of Crédit Lyonnais activities)	627						627
CPR Online	9						9
Crédit Agricole Luxembourg	11						11
Net value	**1,212**	**76**	**(27)**		**(13)**	**(3)**	**1,245**
Other gross values	2						2
Accumulated impairment losses (other)							
Other net values	2						2
NET BOOK VALUE	**1,214**	**76**	**(27)**	**0**	**(13)**	**(3)**	**1,247**

2.4 Related parties

The Calyon group's related parties comprise companies with the Crédit Agricole S.A. group with which it has a stockholding relationship and/or joint directors.

Relations with Crédit Agricole S.A.

The main on- and off-balance sheet outstanding amounts representing significant transactions between Calyon and Crédit Agricole S.A. are summarised in the table below:

in millions of euros	Outstandings at 30 June 2006
Assets	
Loans and advances	4,054
Liabilities	
Deposits	6,434
Trading derivatives	741
Negotiable debt securities	4,750
Subordinated debts	6,196
Preference shares	433
Financing commitments	
Financing commitments received	2,742
Guarantees received	4,923

The loans and accounts outstanding identify cash relations between Calyon and Crédit Agricole S.A.

The information concerning subordinated debts and preference shares appears in notes 5.4 and 5.9.

Relations among consolidated companies in the Calyon group

A list of Calyon group companies can be found in note 8 to the consolidated financial statements. Transactions and outstandings at the period end between fully consolidated companies are eliminated in full on consolidation. Therefore, the consolidated financial statements are only affected by those transactions between fully consolidated companies and proportionately consolidated companies to the extent of the interests held by other shareholders.

The corresponding sums outstanding in the consolidated balance sheet at 30 June 2006 concern the UBAF group, Altura and Chauray for the following amounts:

- due from banks: 10 million euros
- due to banks: 4 million euros
- subordinated and profit-sharing loans: 18 million euros.

Note 3: Notes to the income statement

3.1 Interest income and expense

in millions of euros	30.06.2006	31.12.2005	30.06.2005
Loans and advances to banks	2,380	2,840	874
Loans and advances to customers	2,190	3,146	1,879
Accrued interest receivable on available-for-sale financial assets	383	700	393
Accrued interest receivable on held-to-maturity financial assets			
Accrued interest receivable on hedging instruments	729	3,324	709
Bonds and other fixed-income securities			
Lease finance	28	28	12
Other interest income	12	265	83
INTEREST INCOME	**5,722**	**10,303**	**3,950**
Deposits by banks	(3,068)	(4,141)	(1,970)
Customers accounts	(1,340)	(1,708)	(829)
Available-for-sale financial assets	(104)	(630)	(370)
Held-to-maturity financial assets			
Debt securities in issue	(1,265)	(2,083)	(1,269)
Subordinated debt	(129)	(207)	(104)
Accrued interest payable on hedging instruments	(711)	(1,472)	(463)
Bonds and other fixed-income securities			
Lease finance	(18)	(6)	(1)
Other interest and similar expense			
INTEREST EXPENSE	**(6,635)**	**(10,247)**	**(5,006)**

3.2 Fee and commission

in millions of euros	30.06.2006 Income	Expense	Net
Interbank transactions	25	(37)	(12)
Customer transactions	390	(195)	195
Securities transactions	532	(90)	442
Foreign exchange transactions	4	(31)	(27)
Financial future and forward instruments and other off-balance sheet transactions	419	(113)	306
Banking and financial services:	395	(222)	173
* Net income from mutual fund management	*6*	*(34)*	*(28)*
* Net revenue from payment systems	*42*	*(19)*	*23*
* Other	*347*	*(169)*	*178*
NET FEE AND COMMISSION	**1,765**	**(688)**	**1,077**

in millions of euros	31.12.2005 Income	Expense	Net
Interbank transactions	41	(103)	(62)
Customer transactions	733	(287)	446
Securities transactions	592	(182)	410
Foreign exchange transactions	13	(13)	-
Financial future and forward instruments and other off-balance sheet transactions	614	(127)	487
Banking and financial services:	969	(332)	637
* Net income from mutual fund management	*239*	*(47)*	*192*
* Net revenue from payment systems	*53*	*(32)*	*21*
* Other	*677*	*(253)*	*424*
NET FEE AND COMMISSION	**2,962**	**(1,044)**	**1,918**

in millions of euros	30.06.2005 Income	Expense	Net
Interbank transactions	60	(34)	26
Customer transactions	312	(132)	180
Securities transactions	233	(97)	136
Foreign exchange transactions	8	(6)	2
Financial future and forward instruments and other off-balance sheet transactions	280	(62)	218
Banking and financial services:	433	(137)	296
* Net income from mutual fund management	*106*	*(22)*	*84*
* Net revenue from payment systems	*27*	*(17)*	*10*
* Other	*300*	*(98)*	*202*
NET FEE AND COMMISSION	**1,326**	**(468)**	**858**

3.3 Net gains (losses) on financial instruments at fair value through profit or loss

in millions of euros	30.06.2006	31.12.2005	30.06.2005
Change in fair value of financial assets at fair value through profit or loss	92	(1,921)	399
Unrealised or realised gains or losses on financial assets/liabilities at fair value through profit or loss	2,023	4,381	1,852
Profit or loss on currency transactions and similar financial instruments	578	8	25
Ineffective portion of fair value hedges	(2)	(16)	1
Ineffective portion of cash flow hedges		14	
NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**2,691**	**2,466**	**2,277**

3.4 Net gains (losses) on available-for-sale financial assets

in millions of euros	30.06.2006	31.12.2005	30.06.2005
Dividends received	35	76	73
Realised gains or losses on available-for-sale financial assets	159	253	63
Impairment losses on variable-income securities		(41)	(14)
Realised gains or losses on loans and advances	(1)		
NET GAINS (LOSSES) ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	**193**	**288**	**122**

3.5 Net income and expenses related to other activities

in millions of euros	30.06.2006	31.12.2005	30.06.2005
Gains or losses on properties not used in operations			
Net income from investment properties	1		
Other net income (expense)	54	210	207
NET INCOME (EXPENSE) ON OTHER ACTIVITIES	**55**	**210**	**207**

3.6 General operating expenses

in millions of euros	30.06.2006	31.12.2005	30.06.2005
Personnel costs	1,265	2,025	969
Taxes other than on income or payroll-related	17	48	23
External services and other expenses	480	984	498
OPERATING EXPENSES	**1,762**	**3,057**	**1,490**

Analysis of personnel costs

in millions of euros	30.06.2006	31.12.2005	30.06.2005
Salaries	949	1,600	728
Other social security expenses	253	330	197
Incentive schemes and profit-sharing	27	39	17
Payroll-related tax	36	56	27
TOTAL PERSONNEL COSTS	**1,265**	**2,025**	**969**

3.7 Depreciation, amortisation and impairment of property, plant and equipment and intangible assets

in millions of euros	30.06.2006	31.12.2005	30.06.2005
Depreciation and amortisation	48	111	57
Impairment provisions	(1)		
TOTAL	**47**	**111**	**57**

This item covers depreciation, amortisation and impairment of intangible assets and property, plant and equipment assigned to the establishment's operations.

3.8 Risk-related costs

in millions of euros	30.06.2006	31.12.2005	30.06.2005
Charges to provisions	**(315)**	**(663)**	**(441)**
Provisions for impairment of loans	(176)	(334)	(160)
Reserves for risks and expenses	(139)	(329)	(281)
Write-back of provisions	**280**	**706**	**405**
Provisions for impairment of loans	244	395	313
Reserves for risks and expenses	36	311	92
Net change in provisions	**(35)**	**43**	**(36)**
Bad debts written off - not provided for	(10)	(46)	(26)
Recoveries on bad debts written off	32	65	36
Other losses	1	25	33
RISK-RELATED COSTS	**(11)**	**87**	**7**

3.9 Net gains (losses) on other assets

in millions of euros	30.06.2006	31.12.2005	30.06.2005
Property, plant and equipment and intangible assets		**1**	**2**
Gains		7	3
Losses		(6)	(1)
Consolidated equity investments	**(13)**	**202**	**168**
Gains	1	282	205
Losses	(14)	(80)	(37)
NET GAINS (LOSSES) ON OTHER ASSETS	**(13)**	**203**	**170**

3.10 Income tax

Tax charge

in millions of euros	30.06.2006	31.12.2005	30.06.2005
Current tax charge	(378)	(252)	(207)
Deferred tax charge	24	(131)	(6)
TAX CHARGE FOR THE PERIOD	**(354)**	**(383)**	**(213)**

Reconciliation of theoretical tax rate and effective tax rate

	Base	Tax rate	Tax charge
Income before tax, goodwill impairment and share of net income of associates	1,270	34,43 %	(437)
Impact of permanent timing differences			(40)
Impact of different rates on foreign subsidiaries			42
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences			74
Impact of tax rate on long-term capital gains			
Impact of other items			7
Effective tax rate and tax charge		(27,87 %)	(354)

Note 4 : Segment reporting

4.1 Information by business line

in millions of euros	Financing	Capital markets and Investment banking	Total Corporate and Investment Banking	Asset management	Interna-tional retail banking	Proprietary asset management & other activities	Total
			30.06.2006				
Net banking income	**1,066**	**1,795**	**2,861**	**242**			**3,103**
Operating expenses	(407)	(1,241)	(1,648)	(160)		(1)	(1,809)
Gross operating income	**659**	**554**	**1,213**	**82**		**(1)**	**1,294**
Risk-related costs	(15)	1	(14)	3			(11)
Share of net income of affiliates	91		91	3			94
Net gains or losses on other assets		(4)	(4)			(9)	(13)
Change in value of goodwill							
Integration-related costs							
Pre-tax income	**735**	**551**	**1,286**	**88**		**(10)**	**1,364**
Corporate income tax	(174)	(149)	(323)	(23)		(8)	(354)
Net gains (losses) on discontinued activities							
NET INCOME	**561**	**402**	**963**	**65**		**(18)**	**1,010**
Minority interests	(17)	(17)	(34)	(6)			(40)
NET INCOME - GROUP SHARE	**544**	**385**	**929**	**59**		**(18)**	**970**

in millions of euros	Financing	Capital markets and Investment banking	Total Corporate and Investment Banking	Asset management	Interna-tional retail banking	Proprietary asset management & other activities	Total
			31.12.2005				
Net banking income	**1,778**	**2,556**	**4,334**	**415**	**175**	**14**	**4,938**
Operating expenses	(753)	(1,972)	(2,725)	(315)	(109)	(19)	**(3,168)**
Gross operating income (1)	**1,025**	**584**	**1,609**	**100**	**66**	**(5)**	**1,770**
Risk-related costs	(12)	(7)	(19)	7	(9)	108	**87**
Share of net income of affiliates	120	-	120	5	-	-	**125**
Net gains or losses on other assets	(6)	20	14	1	-	188	**203**
Change in value of goodwill			-				**-**
Integration-related costs	-	-	-	-	-	(86)	**(86)**
Pre-tax income	**1,127**	**597**	**1,724**	**113**	**57**	**205**	**2,099**
Corporate income tax	(252)	(146)	(398)	(27)	(14)	56	**(383)**
Net gains (losses) on discontinued activities			-				**-**
NET INCOME	**875**	**451**	**1,326**	**86**	**43**	**261**	**1,716**
Minority interests	(39)	(20)	(59)	(8)	(17)		(84)
NET INCOME - GROUP SHARE	**836**	**431**	**1,267**	**78**	**26**	**261**	**1,632**

in millions of euros	Financing	Capital markets and Investment banking	Total Corporate and Investment Banking	Asset management	Interna-tional retail banking	Proprietary asset management & other activities	Total
			30.06.2005				
Net banking income	**860**	**1,213**	**2,073**	**204**	**118**	**13**	**2,408**
Operating expenses	(368)	(938)	(1,306)	(151)	(73)	(17)	**(1,547)**
Gross operating income (1)	**492**	**275**	**767**	**53**	**45**	**(4)**	**861**
Risk-related costs	11	(5)	6	1	(9)	9	**7**
Share of net income of affiliates	52		52	2			**54**
Net gains or losses on other assets	1	2	3	1		166	**170**
Change in value of goodwill							
Integration-related costs						(45)	**(45)**
Pre-tax income	**556**	**272**	**828**	**57**	**36**	**126**	**1,047**
Corporate income tax	(125)	(69)	(194)	(14)	(9)	4	**(213)**
Net gains (losses) on discontinued activities							
NET INCOME	431	203	634	43	27	130	**834**
Minority interests	(26)	(4)	(30)	(4)	(11)		**(45)**
NET INCOME - GROUP SHARE	405	199	604	39	16	130	**789**

(1) before integration-related costs

Note 5 : Notes to the balance sheet at 30 June 2006

5.1 Due from banks and loans and advances to customers

Due from banks

in millions of euros	30.06.2006	31.12.2005
Due from banks		
Loans and advances	30,111	31,447
Pledged securities	7,156	111
Securities bought under repurchase agreements	10,488	14,737
Subordinated loans	22	50
Securities not traded in an active market	119	45
Other loans and advances	35	
TOTAL	**47,931**	**46,390**
Accrued interest	**913**	**961**
Provisions	**(232)**	**(266)**
NET BOOK VALUE	**48,612**	**47,085**

Loans and advances to customers

in millions of euros	30.06.2006	31.12.2005
Customer items		
Bills discounted	9,165	8,260
Other loans	75,589	70,518
Securities bought under repurchase agreements	6,887	3,780
Subordinated loans	342	231
Securities not traded in an active market	2,618	2,503
Short-term advances		33
Current accounts in debit	4,676	3,916
TOTAL	**99,277**	**89,241**
Accrued interest	**686**	**726**
Provisions	**(2,276)**	**(2,552)**
Net book value	**97,687**	**87,415**
Lease finance		
Property leasing	497	503
Equipment leasing, rental contracts with purchase option and similar transactions	1	1
TOTAL	**498**	**504**
Accrued interest	**4**	**2**
Provisions		**(1)**
Net book value	**502**	**505**
TOTAL	**98,189**	**87,920**

Loans and advances to banks and customers : analysis by customer type

in millions of euros	30.06.2006 Gross	o/w doubtful debts	Provisions for doubtful debts	o/w bad debts	Provisions for bad debts	Total
Central government, government agencies and local authorities	6,783	15	(5)	76	(71)	6,707
Financial institutions	63,421	177	(149)	124	(56)	63,216
Personal and small business customers	3,737	24	(11)	221	(79)	3,647
Companies (including insurance companies)	70,407	494	(104)	1 024	(608)	69,695
Other customers	3,358			1	(1)	3,357
TOTAL	**147,706**	**710**	**(269)**	**1 446**	**(815)**	**146,622**
Net accrued interest						1,329
Collective provisions						(1,150)
NET BOOK VALUE						**146,801**

in millions of euros	31.12.2005 Gross	o/w doubtful debts	Provisions for doubtful debts	o/w bad debts	Provisions for bad debts	Total
Central government, government agencies and local authorities	7,018	23	(14)	86	(72)	6,932
Financial institutions	56,338	240	(211)	100	(88)	56,039
Personal and small business customers	4,409	34	(11)	131	(131)	4,267
Companies (including insurance companies)	66,512	828	(313)	899	(545)	65,654
Other customers	1,858	3	(3)	2	(2)	1,853
TOTAL	**136,135**	**1,128**	**(552)**	**1,218**	**(838)**	**134,745**
Net accrued interest						1,379
Collective provisions						(1,119)
NET BOOK VALUE						**135,005**

5.2 Provisions deducted from assets

in millions of euros	**31.12.2005**	Changes in scope	Charges	Write-backs	Translation adjustments	Other movements	**30.06.2006**
Interbank loans	266	2	5	(45)		4	232
Customer loans	2,552	6	234	(359)	(102)	(54)	2,276
Of which collective provisions	1,119		81		(50)		1,150
Lease finance	1			(1)			
Held-to-maturity securities							
Other assets	18		1	(9)		2	11
TOTAL	**2,837**	**8**	**239**	**(414)**	**(102)**	**(48)**	**2,520**

5.3 Due to banks and customer accounts

Due to banks

in millions of euros	30.06.2006	31.12.2005
Deposits	76,949	56,642
Pledged securities	134	4
Securities sold under repurchase agreements	10,773	15,279
TOTAL	**87,856**	**71,925**
Accrued interest	**1,295**	**987**
NET BOOK VALUE	**89,151**	**72,912**

Customer accounts

in millions of euros	30.06.2006	31.12.2005
Current accounts in credit	21,110	22,722
Special savings schemes	4,936	5,421
Other customer accounts	50,270	40,006
Securities sold under repurchase agreements	3,770	3,311
TOTAL	**80,086**	**71,460**
Accrued interest	**224**	**205**
NET BOOK VALUE	**80,310**	**71,665**

5.4 Debt securities in issue and subordinated debt

in millions of euros	30.06.2006	31.12.2005
Debt securities in issue		
Interest-bearing notes	72	74
Negotiable debt securities:	57,211	46,026
Issued in France	*16,991*	*9,097*
Issued in other countries	*40,220*	*36,929*
Bonds	517	819
TOTAL	**57,800**	**46,919**
Accrued interest	**592**	**392**
NET BOOK VALUE	**58,392**	**47,311**
Subordinated debt		
Fixed-term subordinated debt	4,192	2,024
Perpetual subordinated debt	2,043	2,197
TOTAL	**6,235**	**4,221**
Accrued interest	**72**	**121**
BOOK VALUE	**6,307**	**4,342**

5.5 Investment property

in millions of euros	31.12.2005	Changes in scope	Increases (acquisitions)	Decreases (redemptions and disposals)	Translation adjustments	Other movements	**30.06.2006**
Gross value	322	(1)	2		(6)	(98)	**219**
Depreciation and impairment	(122)	1	(2)		5	76	**(42)**
NET BOOK VALUE	**200**				**(1)**	**(22)**	**177**

5.6 Property, plant and equipment and intangible assets (excluding goodwill)

in millions of euros	31.12.2005	Changes in scope	Increases (acquisitions, business combinations)	Decreases (redemptions and disposals)	Translation adjustments	Other movements	Solde **31.12.2005**
Property, plant and equipment							
Gross value	1,120	(2)	48	(21)	(21)	97	1,221
Depreciation and impairment	(504)	2	(40)	14	13	(69)	(584)
NET BOOK VALUE	**616**	**0**	**8**	**(7)**	**(8)**	**28**	**637**
Intangible assets							
Gross value	228		16	(1)	(4)	(2)	237
Amortisation and impairment	(171)		(8)		3	2	(174)
NET BOOK VALUE	**57**	**-**	**8**	**(1)**	**(1)**	**0**	**63**

5.7 Goodwill

Details are given in section 2.3 on scope of consolidation.

5.8 General reserves for risks and expense

in millions of euros	31.12.2005	Changes in scope	Charges	Write-backs, amount used	Write-backs, amounts released	Other movements	Translations adjustments	**30.06.2006**
Financing commitment execution risks	44		5	(4)	(21)	(1)	2	**25**
Operational risks	6							**6**
Employee retirement and similar benefits	257		20	(5)	(4)	(4)	24	**288**
Litigation	544		129	(3)	(62)		(61)	**547**
Equity investments	6							**6**
Restructuring	16							**16**
Synergy-related costs	40						(30)	**10**
Other risks and expenses	256	(4)	29	(35)	(44)	(3)	(94)	**105**
GENERAL RESERVES FOR RISKS AND EXPENSES	**1,169**	(4)	183	(47)	(131)	(8)	(159)	**1,003**

5.9 Shareholders’ equity

Breakdown of share capital at 30 june 2006

Calyon S.A. has share capital of 3,435,953,121 euros. It is divided into 127,257,523 shares with a par value of 27 euros each, fully paid-up.

At 30 June 2006, to Calyon's knowledge, ownership of its capital and voting rights broke down as follows :

Shareholder	Number of shares at **30.06.2006**	% of share capital	% of voting rights
Crédit Agricole S.A.	121,246,753	95,28 %	95,28 %
SACAM Développement **	2,838,193	2,23 %	2,23 %
C.A. Bourse *	2,623,011	2,06 %	2,06 %
Delfinances *	504,652	0,40 %	0,40 %
CPR G *	44,897	0,04 %	0,04 %
Individuals	17	nm	nm
Total	**127,257,523**	**100,00 %**	**100,00 %**

* held by the Crédit Agricole S.A. group
** held by the Crédit Agricole group

Preferred shares

Issuer	Date of issue	Amount of issue in millions of dollars	**30.06.2006** in millions of euros	31.12.2005 in millions of euros
Calyon Preferred Funding LLC	December 1998	230	181	195
Calyon Preferred Funding II LLC	June 2002	320	252	272
Total		**550**	**433**	**467**

Earnings per share

	30.06.2006	**31.12.2005**
Net income used to calculate earnings per share (in millions of euros)	970	1,632
Average number of ordinary shares in issue during the year	121,402,308	115,547,092
Number of potentially dilutive shares	0	0
Weighted average number of ordinary shares used to calculate fully diluted earnings per share	121,402,308	115,547,092
BASIC EARNINGS PER SHARE	7.99	14.13
DILUTED EARNINGS PER SHARE	7.99	14.13

Dividends

Dividend paid in respect of year	Net amount in millions of euros
2003	432
2004	250
2005	1,551

In their shareholders' meeting, Calyon shareholders approved a dividend payment of 13.42 euros per share with respect to 2005, payable in cash or in shares.

Note 6 : Financing and guarantee commitments

Contingent assets, liabilities and commitments

in millions of euros	30.06.2006	31.12.2005
COMMITMENTS GIVEN		
Financing commitments	96,699	**105,947**
Banks (1)	7,395	19,120
Customers	89,304	86,827
Confirmed credit lines	*88,649*	*86,119*
- Confirmed documentary credits	*8,365*	*8,945*
- Other confirmed credit lines	*80,284*	*77,174*
Other	*655*	*708*
Guarantee commitments	**38,698**	**39,296**
Banks	7,282	8,823
Confirmed credit lines	*1,341*	*915*
Other	*5,941*	*7,908*
Customers	31,416	30,473
Guarantees	*19,612*	*18,250*
- Property guarantees	*356*	*2,086*
- Loan repayment guarantees	*7,544*	*6,804*
Other	*3,904*	*3,333*
COMMITMENTS RECEIVED		
Financing commitments	**7,503**	**8,323**
Banks	6,798	7,674
Customers	705	649
Guarantee commitments	**49,979**	**37,305**
Banks	13,050	6,272
Customers	36,929	31,033
Guarantees received from government bodies or similar	*8,566*	*8,804*
Other	*28,363*	*22,229*

(1) Commitments given to banks at 31/12/2005 include repo transactions between the trade date and value date in an amount of 16.622 billion euros.
These transactions are now recognised on-balance sheet

Note 7 : Events subsequent to the end of the interim period

Calyon and Pirelli RE have announced the creation of a joint venture that will invest in the European non-performing loans market.

A press release announcing this event was issued on 3 August 2006, and is included in the Business Review on page 16.

Note 8 : Scope of consolidation at 30 june 2006

Calyon scope of consolidation	(a)	Country	Method	% of voting rights		% of share capital	
				30.06.2006	31.12.2005	**30.06.2006**	31.12.2005
Parent company							
CALYON		France	parent	100	100	100	100
Banks and financial institutions							
Banque Saudi Fransi - BSF		Saudi Arabia	equity	31.11	31.11	31.11	31.11
Calyon Australia Ltd		Australia	full	100.00	100.00	100.00	100.00
Crédit Agricole Egypt S.A.E.		Egypt	full	75.00	75.00	75.00	75.00
Calyon Merchant Bank Asia LTD		Singapore	full	100.00	100.00	100.00	100.00
Cogenec		Monaco	full	99.99	99.99	99.99	99.99
Crédit Agricole Financement		Switzerland	equity	20.00	20.00	20.00	20.00
Crédit Agricole Luxembourg		Luxembourg	full	100.00	100.00	100.00	100.00
Crédit Agricole Suisse		Switzerland	full	100.00	100.00	100.00	100.00
CAI Suisse (Bahamas)		Bahamas	full	100.00	100.00	100.00	100.00
Calyon Turk Bank A.S.		Turkey	full	100.00	99.96	100.00	99.96
Crédit Foncier de Monaco		Monaco	full	77.11	77.11	75.93	75.93
Finanziaria Indosuez International Ltd		Switzerland	full	100.00	100.00	100.00	100.00
Calyon Uruguay S.A.		Uruguay	full	100.00	100.00	100.00	100.00
Calyon Bank Slovakia AS		Slovakia	full	100.00	100.00	100.00	100.00
Calyon Rusbank SA		Russia	full	100.00	100.00	100.00	100.00
Calyon Bank Ukraine		Ukraine	full	100.00	100.00	100.00	100.00
Calyon Bank Czech Republic		Czech Republic	full	100.00	100.00	100.00	100.00
Calyon Bank Hungary Ltd		Hungary	full	100.00	100.00	100.00	100.00
Calyon Bank Polska SA		Poland	full	100.00	100.00	100.00	100.00
Banco Calyon Brasil		Brazil	full	100.00	100.00	100.00	100.00
UBAF (Union de Banques Arabes et Françaises)		France	proportional	47.32	43.93	47.32	43.93
Stockbrokers							
Altura		Spain	proportional	50.00	50.00	35.00	36.41
Calyon Financial Inc		USA	full	100.00	100.00	100.00	100.00
Calyon Financial Pte Singapore		Singapore	full	100.00	100.00	100.00	100.00
Calyon Financial SNC		France	full	100.00	100.00	100.00	100.00
Crédit Agricole Cheuvreux Nordic AB SB		Sweden	full	100.00	100.00	100.00	100.00
Crédit Agricole Cheuvreux S.A.		France	full	100.00	100.00	100.00	100.00
Crédit Agricole Cheuvreux Italia SIM SPA		Italy	full	100.00	100.00	100.00	100.00
Credit Agricole Cheuvreux North America, Inc		USA	full	100.00	100.00	100.00	100.00
Cholet Dupont (groupe)		France	equity	33.40	33.40	33.40	33.40
Crédit Agricole Cheuvreux Espana S.A.		Spain	full	100.00	100.00	100.00	100.00
Crédit Agricole Cheuvreux International Ltd		United-Kingdom	full	100.00	100.00	100.00	100.00
Crédit Agricole Cheuvreux Securities Ltd		Hong-Kong	full	100.00	100.00	100.00	100.00
CAI Derivatives Products PLC		Ireland	full	99.98	99.98	99.98	99.98
Calyon Securities USA Inc.		USA	full	100.00	100.00	100.00	100.00
Crédit Lyonnais Securities (Asia) BV (groupe)		Hong-Kong	full	100.00	100.00	66.42	73.19

Calyon scope of consolidation	(a)	Country	Method	% of voting rights		% of share capital	
				30.06.2006	31.12.2005	**30.06.2006**	31.12.2005
Investment companies							
BFC Holding	ns	France	full		99.55		99.34
Cie Française de l'Asie (CFA)		France	full	100.00	100.00	100.00	100.00
Doumer Finance SAS		France	full	100.00	100.00	100.00	100.00
Fletirec (groupe)		France	full	100.00	100.00	100.00	100.00
Fininvest		France	full	98.27	98.27	98.27	98.27
ICF Cayman Holdings		United-Kingdom	full	100.00	100.00	100.00	100.00
Calyon Air Finance SA		France	full	100.00	100.00	100.00	100.00
Indosuez Holding UK Ltd	ns	United-Kingdom	full		100.00		100.00
CAI BP Holding		France	full	100.00	100.00	100.00	100.00
Calyon North America Holding		USA	full	100.00	100.00	100.00	100.00
IPFO		France	full	100.00	100.00	100.00	100.00
Mescas		France	full	100.00	100.00	100.00	100.00
SAFEC		Switzerland	full	100.00	100.00	100.00	100.00
Crédit Agricole Assets Management Espana Holding		Spain	equity	45.00	45.00	45.00	45.00
Casam Systeïa Global Macro		Ireland	full	97.99	100.00	97.99	100.00
Casam Systeïa Pair Trading		Ireland	full	98.49	100.00	98.49	100.00
Casam Systeïa Event Driven		Ireland	full	98.84	100.00	98.84	100.00
Casam Equity Quant		Ireland	full	99.06	100.00	99.06	100.00
Casam Futures Euro		Ireland	full	98.96	100.00	98.96	100.00
Systeïa Equity Linked Fund		Ireland	full	94.13	100.00	94.13	100.00
Multinational Asset Co. Limited	L	Cayman	proportional		43.93		43.93
European Sovereign Funding SA		France	full	100.00	100.00	100.00	0.00
FCC Masterace		France	full	100.00	100.00	100.00	0.00
Calyon Capital Markets PLC	ns	United-Kingdom	full		100.00		100.00
Crédit Lyonnais Rouse limited	ns	United-Kingdom	full		100.00		100.00
LF Investiments LP		USA	full	100.00	100.00	100.00	100.00
CLASI		USA	full	100.00	100.00	100.00	100.00
Calyon Leasing Corporation		USA	full	100.00	100.00	100.00	100.00
Calyon Global Partners Inc.		USA	full	100.00	100.00	100.00	100.00
Calyon Leasing Japan Company Ltd		Japan	full	100.00	100.00	100.00	100.00
Calyon North America Inc.		USA	full	100.00	100.00	100.00	100.00
Crédit Lyonnais Investments Ltd		United-Kingdom	full	100.00	100.00	100.00	100.00
Calyon Capital Market Asia BV		Netherlands	full	100.00	100.00	100.00	100.00
Calyon Capital Market International		France	full	100.00	100.00	100.00	100.00
Calyon Securities Japan		Japan	full	100.00	100.00	100.00	100.00
Doumer Philemon		France	full	100.00	100.00	100.00	100.00
Korea 21st Century Trust		South Korea	full	100.00	100.00	100.00	100.00
CASAM		France	equity	50.00	50.00	50.00	50.00

Calyon scope of consolidation	(a)	Country	Method	% of voting rights		% of share capital	
				30.06.2006	31.12.2005	**30.06.2006**	31.12.2005
Leasing companies							
Ergifrance		France	full	100.00	100.00	100.00	100.00
Financière Immobilière Calyon		France	full	100.00	100.00	100.00	100.00
Cardinalimmo		France	full	49.61	49.61	49.61	49.61
Other							
CA Brasil DTVM		Brazil	full	100.00	100.00	100.00	100.00
CA Conseil SA		Luxembourg	full	99.99	99.99	99.99	99.99
Calyon Preferred Funding LLC		USA	full	100.00	100.00	100.00	100.00
Calyon Preferred Funding II LLC		USA	full	100.00	100.00	100.00	100.00
Fonds ICF II a		Cayman	full	100.00	100.00	100.00	100.00
Fonds ICF III		Cayman	full	100.00	100.00	100.00	100.00
Fonds Mezzasia		Hong Kong	full	100.00	100.00	82.50	86.60
Fonds Alcor		Hong Kong	full	98.30	98.30	86.83	89.51
Merisma		France	full	100.00	100.00	100.00	100.00
Calixis Finance		France	full	89.80	89.80	89.80	89.80
LSF Italian Finance Company SRL		Italy	full	60.00	60.00	60.00	60.00
Indosuez Holding SCA II		Luxemburg	full	100.00	100.00	100.00	100.00
Indosuez Management Luxembourg II		Luxemburg	full	100.00	100.00	100.00	100.00
Indosuez International Finance		Netherlands	full	100.00	100.00	100.00	100.00
SNC Doumer		France	full	99.94	99.94	99.94	99.94
Chauray Contrôle SAS		France	proportional	34.00	34.00	34.00	34.00
CPR BK	ns	France	full		100.00		100.00
CPR Online		France	full	100.00	100.00	100.00	100.00
SNC Haussmann Anjou		France	full	100.00	100.00	100.00	100.00
Crédit Lyonnais Property Broadwalk	ns	United-Kingdom	full		100.00		100.00
Calyon Finance Guernesey		United-Kingdom	full	99.90	99.90	99.90	99.90
Calyon Financial Products		United-Kingdom	full	99.90	99.90	99.90	99.90
Calyon Capital Market Group Mngt Ltd	ns	United-Kingdom	full		100.00		100.00
Ester Finance		France	full	99.99	99.99	99.99	99.99
Capital Plus		France	full	100.00	100.00	100.00	100.00
CLIM		France	full	100.00	100.00	100.00	100.00
CLINFIM		France	full	100.00	100.00	100.00	100.00
Calyon Global Banking		France	full	100.00	100.00	100.00	100.00
CLIFAP		France	full	100.00	100.00	100.00	100.00
Carr Indosuez Asia SA		France	full	100.00	100.00	100.00	100.00
Calyon Asia Shipfinance Services Ltd		Hong Kong	full	99.99	99.99	99.99	99.99
Calyon Investment Products Limited		Cayman	full	100.00	100.00	100.00	100.00

(a) :
Included (In) the scope of consolidation
Excluded from (Out) the scope of consolidation because the entity is non-significant (ns) or has been merged (M), liquidated (L), spun off (SO), sold or transferred out (S), Change (C) of consolidation method.

Statutory auditors' report on the limited review of the interim consolidated financial statements

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Period from 1 January to 30 June 2006

To the Shareholders,

In our capacity as statutory auditors and in accordance with the requirements of article L 232-7 of French Commercial Law ("Code de Commerce"), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Calyon, for the period January 1 to June 30, 2006;
- the verification of information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

In accordance with professional standards applicable in France, we have also verified the information given in the half-year management report on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine, 29 September 2006

The Statutory Auditors

PriceWaterhouseCoopers Audit		Ernst & Young & Autres
Gérard Hautefeuille	Benoît Catherine	Valérie Meeus

3. General Information

General Information

Person responsible for the shelf-registration document and update

Person responsible for the shelf-registration document and update

Mr Edouard Esparbès, Chief Executive Officer of Calyon

Responsibility statement

I hereby certify that, to my knowledge and after all due diligence, the information contained in this update document is true and accurate and contains no omissions likely to affect the import thereof.

I have obtained a letter from the statutory auditors upon completion of their work in which they state that they have verified the information relating to the financial situation and financial statements provided in this update and read the document as a whole.

Executed in Paris, 05 October 2006

The Chief Executive Officer of Calyon

Edouard Esparbès

Statutory Auditors

Statutory Auditors

Ernst & Young et Autres (corporate name until 30 June 2006: Barbier Frinault et Autres) *Member of the Ernst & Young network* *Member of the Compagnie régionale des Commissaires aux comptes de Versailles* *Company represented by:* Valérie Meeus Registered office: 41 Rue Ibry 92576 Neuilly Sur Seine	PricewaterhouseCoopers Audit *Member of the Compagnie régionale des Commissaires aux comptes de Versailles* *Company represented by:* Gérard Hautefeuille et Benoît Catherine Registered office: 63 Rue de Villiers 92200 Neuilly Sur Seine

Alternate Auditors

PICARLE ET ASSOCIÉS Company represented by: DENIS PICARLE *Member of the Compagnie régionale des Commissaires aux comptes de Versailles* Registered office: Faubourg de l'Arche – 11 allée de l'Arche 92400 Courbevoie	Pierre Coll *Member of the Compagnie régionale des Commissaires aux comptes de Paris* Registered office: 63 Rue de Villiers 92200 Neuilly Sur Seine

Mandates

Barbier Frinault et Autres, whose corporate name became Ernst & Young et Autres on 1 July 2006, was appointed Statutory Auditor for six financial periods by the shareholders' meeting of 10 May 2000.
This mandate was renewed for six financial periods in the shareholders' meeting of 16 May 2006.

Mr Philippe Peuch-Lestrade was appointed Alternate Auditor by the shareholders' meeting of 30 April 2004, for the duration of the mandate of his predecessor, Mr Alain Grosmann, who had been appointed in the meeting of 10 May 2000 and has since resigned.

The mandate of Mr Peuch-Lestrade expired at the end of the shareholders' meeting of 16 May 2006.

As of 2006:
The shareholders' meeting of 16 May 2006 appointed Picarle et Associés as alternate auditors to Barbier Frinault et Autres for a period of six financial periods.

PricewaterhouseCoopers Audit was appointed Statutory Auditor by the shareholders' meeting of 30 April 2004, to replace Cabinet Alain Lainé, which had been appointed in the meeting of 10 May 2000 for six financial periods and has since resigned.
This mandate was renewed for six financial periods in the shareholders' meeting of 16 May 2006.

Mr Pierre Coll was appointed Alternate Auditor by the shareholders' meeting of 30 April 2004 for the duration of the mandate of his predecessor, Mr Olivier Peronnet, who had been appointed by the meeting of 10 May 2000 and has since resigned.

This mandate was renewed for six financial periods in the shareholders' meeting of 16 May 2006.

Cross-reference table

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