CRÉDIT IMMOBILIER DE FRANCE
CIF EUROMORTGAGE

CIF EUROMORTGAGE
"The Company"
French corporation (société anonyme)
Capital stock: €100,000,000
26-28 Rue de Madrid, 75008 Paris, France
Corporate and Commercial Registry n° 434 970 364 RCS Paris

ANNUAL REPORT

AT AND FOR THE YEAR ENDED 31 DECEMBER 2015

CRÉDIT IMMOBILIER DE FRANCE
CIF EUROMORTGAGE

REPORT OF THE BOARD OF DIRECTORS
TO THE ANNUAL SHAREHOLDERS' MEETING
ON 31 MAY 2016

FINANCIAL STATEMENTS
AT AND FOR THE YEAR ENDED 31 DECEMBER 2015

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I. PRESENTATION OF THE CREDIT IMMOBILIER DE FRANCE GROUP

SUMMARY: THE COMPANY IN ORDERLY RESOLUTION

Crédit Immobilier de France is a banking network that has been in orderly resolution since late-November 2013.

In its decision dated 27 November 2013 the European Commission approved the orderly resolution plan (”the Plan”), under which Crédit Immobilier de France ceased all new loan originations and the Republic of France granted it a permanent State guarantee. That same day, the Republic of France and the CIF Group signed the protocol specifying the terms and conditions of the State guarantee.

The Plan includes measures intended to prevent any distortion of competition. As Crédit Immobilier de France has been barred from originating loans, its sole activity now consists in managing its residual assets and liabilities for extinction no later than 2035.

Under the terms of the European Commission’s decision, the shareholders shall assume the costs of the orderly resolution, and the Group will preserve its earnings in order to maintain a capital adequacy ratio of no less than 12% throughout the orderly resolution period. Accordingly, the special shareholders’ meeting of Crédit Immobilier de France Développement (CIFD) on 6 November 2013 approved the creation of a preferred share reserved for the Republic of France and issued it on 28 November 2013. This share allows the State, as preferred shareholder, to receive a preferred dividend taken from CIFD’s funds available for distribution if it receives no payment of commissions in remuneration for the State guarantee; the payment of commissions may be deferred if such payment would cause the capital adequacy ratio to fall below 12%.

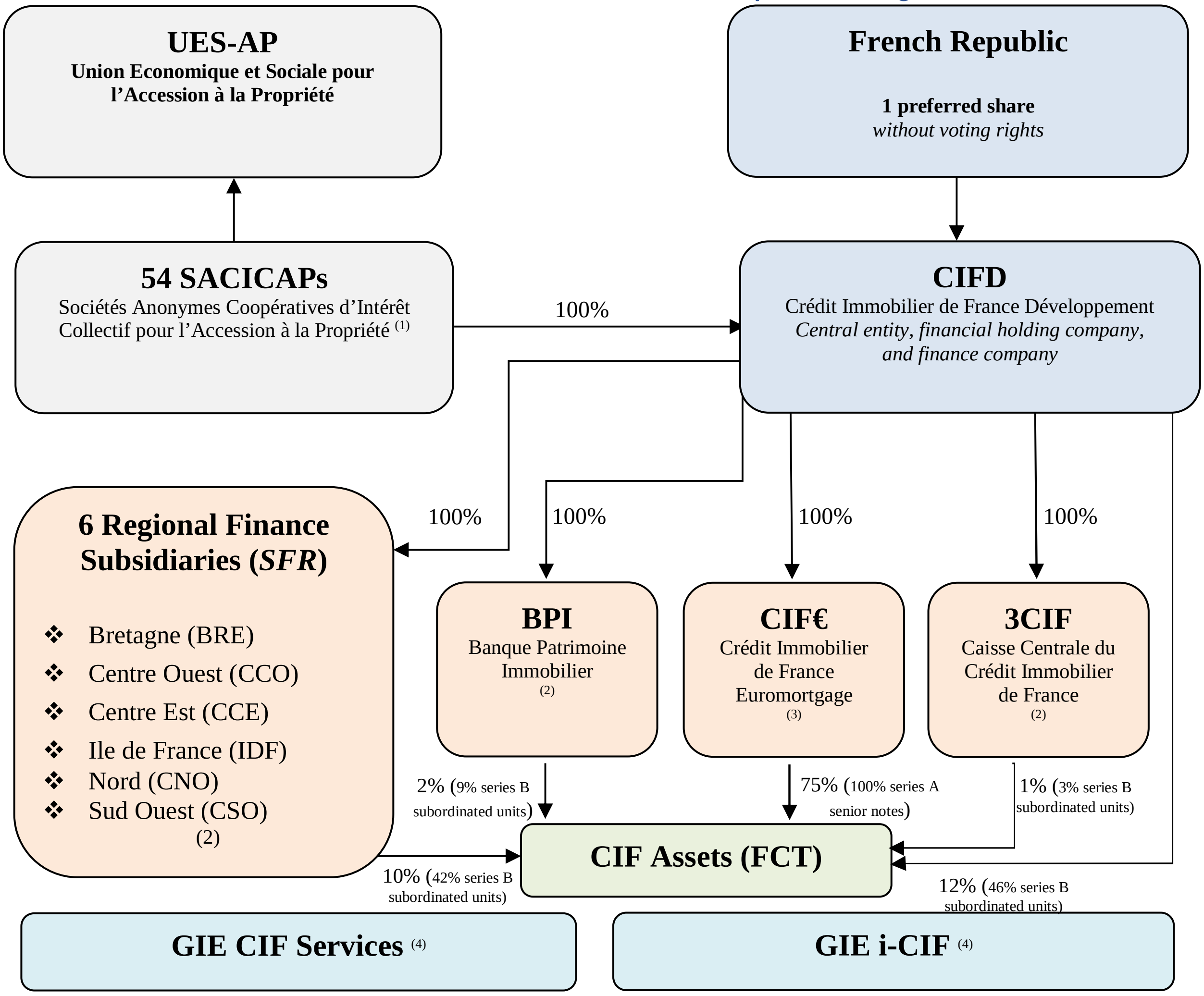
Under the terms of the protocol establishing the permanent State guarantee, responsibility for implementing and monitoring the Plan falls, on the one hand, to a monitoring committee whose members are representatives of France’s Treasury Department, corporate officers of CIFD, and a government commissioner, and on the other hand, to an independent expert designated in accordance with conditions set by the Republic of France and the European Commission. On 27 January 2014 the European Commission approved the appointment of the firm of Duff & Phelps as independent expert.

Furthermore, the Plan requires that the Crédit Immobilier de France Group simplify its organization and centralize its corporate governance. As part of simplification efforts, the shareholders of the financial subsidiaries swapped their shares for CIFD shares on 10 December 2014. Following the share swaps and buybacks, CIFD owned virtually all the shares of the Group’s financial subsidiaries. Three financial subsidiaries were merged with the parent company in 2015 and six more are scheduled to be merged in 2016.

CIFD is the central entity (“*organe central*”) and financial holding company of the Crédit Immobilier de France network as construed under Section L.511-30 and 517-1 of France’s Monetary and Financial Code (CMF). Since 1 January 2008 the Group has comprised the financial operating subsidiaries (SFRs), Banque Patrimoine et Immobilier–BPI, Caisse Centrale du Crédit Immobilier de France (3CIF), and CIF Euromortgage.

GROUP ORGANIZATION CHART

As of 31 December 2015 the Crédit Immobilier de France Group has been organized as follows:



(1) Direct or indirect ownership
(2) 100% Series B subordinated units
(3) 100% Series A senior bonds
(4) consortium created by Group entities (CIFD, 3CIF, BPI, and six "SFR" financial operating subsidiaries)

II. THE FRENCH STATE GUARANTEE AUTHORIZED UNDER SECTION 108 OF THE APPROPRIATION LAW FOR 2013

A. CONDITIONS OF THE GUARANTEE

This guarantee comprises two parts. One part (the "securities guarantee" or "external guarantee") is intended to cover the Group's liquidity needs while the Plan is executed, and the other (the "deposit guarantee" or "internal guarantee") is intended to secure the cash deposits that CIF Euromortgage and CIF Assets make with 3CIF, thereby preserving the Group from having to raise additional liquidity from external sources.

These two components—the securities guarantee and the deposit guarantee—are explicit guarantees as construed by financial analysts.

1°. Securities Guarantee (External Guarantee)

3CIF has been authorized to issue up to €16 billion of financial securities benefiting from the guarantee of the Republic of France. The term "financial securities", in this case, refers to all unsecured debt instruments maturing in 3 months to 5 years. The State guarantee is an independent unconditional irrevocable guarantee as construed under Section 2321 of France's Civil Code. It covers all securities benefiting from the State guarantee issued by 3CIF on or after 28 February 2013, date of the initial protocol between the Republic of France and the Crédit Immobilier de France Group, and maturing no later than 31 December 2035.

The guarantee may be invoked individually by any of the beneficiaries, by the representative of the class of beneficiaries (or other entity authorized by law or by the offering circular to enforce the guarantee on behalf of the beneficiaries), or by the Banque de France. Requests for enforcement of the guarantee must be filed in writing, in a format that conforms exactly to the sample appended to the 3CIF offering circular, signed by a person duly authorized by the securityholder or representative of the class of beneficiaries (or other entity authorized by law or by the offering circular to enforce the guarantee on behalf of the beneficiaries), or by the Banque de France, and submitted to the guarantor on a business day. Any request submitted by a securityholder must be accompanied by a recent document issued by the custodian certifying that the requesting party is the holder of the securities concerned. Requests for enforcement of the guarantee that do not satisfy these requirements will not be honored.

It is expressly stipulated that beneficiaries wishing to enforce the guarantee must submit their requests within forty-five business days of the contractual maturity date of the security.

The guarantee may only be invoked by or for holders of securities issued no later than 30 September 2035. If the guarantee is revoked in application of the protocol, revocation will not alter the rights of any securityholder to file (or have filed on his or her behalf) a request for payment provided that the securities were issued no later than the date at which revocation takes effect.

The guarantee does not cover any prior issues of 3CIF outstanding at 28 February 2013. However, as the guarantee has been calculated to enable the Crédit Immobilier de France Group to honor all of its financial commitments, and in particular its debt obligations as they mature, even non-guaranteed securities enjoy a high degree of creditworthiness.

2°. Deposit Guarantee (Internal Guarantee)

For the purposes of managing their cash holdings and covering their interest-rate exposures, CIF Euromortgage and CIF Assets have regularly invested their cash with 3CIF and, in addition, executed various hedging transactions with it. These investments and transactions could only be maintained within the Group if 3CIF had sufficiently high ratings, but that is no longer the case following the Moody's downgrade on 31 August 2012. The State guarantee has restored 3CIF's ratings and it can once again handle these investments and transactions for Group companies.

The deposit guarantee is also an independent unconditional irrevocable guarantee covering the claims of CIF Euromortgage and CIF Assets against 3CIF, corresponding to their cash investments and hedging transactions, up to a maximum amount of €12 billion.

CIF Euromortgage's State-guaranteed claims against 3CIF result from:

- CIF Euromortgage's investments of cash with 3CIF in the form of securities and instruments issued by 3CIF, or deposits taken by 3CIF, including those made by means of guaranteed loans or repurchase agreements
- interest-rate hedging contracts between CIF Euromortgage and 3CIF, including any claims resulting from CIF Euromortgage's deposits with 3CIF (as swap counterparty) of any funds initially given as collateral by 3CIF to CIF Euromortgage in respect of its obligations under the terms of the hedging contract.

CIF Assets's State-guaranteed claims against 3CIF result from:

- CIF Assets's investments of cash with 3CIF, including:
    - the general reserve created to shelter investors from the risk of loss and to cover the fund's short-term liquidity needs
    - the special collection reserve created to protect investors against the risk of a temporary interruption in the fund's collections on the loan portfolio in the event of default by a company responsible for collection and pending its replacement by another collector
    - cash derived from the management of receivables, which accumulates prior to every due date for principal and interest payments on the securities, and
- interest-rate swaps between the two entities, including claims related to collateral posted by 3CIF in respect of swap contracts.

The deposit guarantee covers all existing and future payables due to CIF Assets and CIF Euromortgage by 3CIF on or after 28 February 2013, the date of its initial signature. The State, as guarantor, agrees not to oppose or to invoke, to the extent authorized by law, any exception or objection of any nature whatsoever in opposition to beneficiaries.

Similarly, all provisions of the guaranty shall remain in full force irrespective of changes in the financial, legal, or other conditions of 3CIF or of the guarantor. In particular, the guarantee shall remain in full force in the event that 3CIF requests the appointment of an attorney ad hoc or a mediator (or in the event that 3CIF is requested to do so) or enters into a mutual agreement with its creditors, or if 3CIF becomes subject to any legal proceedings referred to in Book VI of France's Commercial Code.

This guarantee shall expire on 31 December 2035.

B. CREATION OF A MONITORING COMMITTEE

As stipulated in the Protocol, a monitoring committee has been set up. Its members are representatives of the Republic of France designated by the Treasury Department. Corporate officers of CIFD also serve on the committee in a nonvoting capacity. This committee is responsible for ensuring 4 with the Group's orderly resolution plan and the conditions attached to the State guarantee; authorizing decisions concerning funding, financial commitments, and material asset sales; and paying the fees of legal and financial counsels.

C. COMMITMENTS GIVEN BY CREDIT IMMOBILIER DE FRANCE

The Crédit Immobilier de France Group is assuming a certain number of obligations in exchange for the State guarantee, with effect as of the signature date of the protocol: ceasing all loan origination activity in application of the orderly resolution plan; pledging as security to the Republic of France the shares that CIFD holds in the financial operating subsidiaries, 3CIF, and CIF Euromortgage; and obtaining the consent of the monitoring committee prior to undertaking certain measures.

The protocol stipulates that CIFD shall recommend that its shareholders liquidate the Group as soon as possible following the repayment of the last loan or the liquidation (via a forgiveness of debt or a disposal) of the last corresponding receivable.

1°. Payment of the Guarantee

Crédit Immobilier de France agrees to remunerate the Republic of France as follows:

- a charge for the implementation of the guarantee, equal to €5 million, payable in full by CIFD and due on 28 November 2013. CIFD paid this amount by offsetting it against the price of a preferred share purchased by the Republic of France.
- a basic commission of 5 basis points on the amount of securities and deposits guaranteed, as stipulated in the provisional Plan
- an additional commission of 145 basis points on the average amount of guaranteed securities outstanding per year (external guarantee) and 148 basis points on the average balance of guaranteed deposits per year (internal guarantee). These additional commissions are payable if no restrictive event of payment occurs, if their payment does not cause the Group's consolidated capital adequacy ratio (as calculated at 31 December of the last completed fiscal year) to fall below 12%, or if their payment does not jeopardize any other ratio calculated on the basis of shareholders' equity. The payment of these additional commissions shall be made in connection with the Republic of France's purchase of the CIFD preferred share.

A restrictive event of payment ("Restrictive Event of Payment") is defined as the written notification by the Prudential and Resolution Supervisory Authority ("ACPR", France's banking industry supervisor) or any authority supervising CIFD (under the control of the Independent Expert) prohibiting the payment by CIFD of any preferred dividend and/or any supplementary distribution or limiting the payment of any preferred dividend, justified by the present or anticipated financial situation of CIFD.

2°. Attribution of a Preferred Share to the Republic of France, Distributions to Shareholders

The preferred share confers the right to a preferred dividend to be taken from the funds that CIFD is allowed to distribute. The amount of the preferred dividend due in respect of a given completed fiscal year shall be determined according to (i) the average amount of guaranteed securities outstanding during the year to which will be applied a rate of 145 basis points, and (ii) the average balance of guaranteed intra-Group deposits during the year to which will be applied a rate of 148 basis points, less (iii) the charge paid by CIFD to the Republic of France under the additional commission for the fiscal year concerned, in accordance with the terms of the Protocol relating to the implementation of the guarantees, and (iv) interest on the sum of the amounts (i), (ii), and (iii), above, charged at the average 12-month Euribor rate for the period commencing at the date the Annual Shareholders' Meeting approves the financial statements for the fiscal year concerned and ending at the date of payment in full of the amount concerned.

Preferred distributions may not be made in full if the following conditions are not satisfied at the date when the Annual Shareholders' Meeting approves the dividend:

1. the existence of sufficient funds for the payment of the preferred dividend and, if applicable, prior preferred dividends in arrears
2. the absence of a Restrictive Event of Payment (including any event that would arise specifically as a result of distributing the preferred dividend) on the understanding that this condition must also have been satisfied at the date that the preferred dividend was declared
3. prior notification of the independent expert, appointed by CIFD under conditions approved by the Republic of France and the European Commission, whose mission is to ensure that the Plan is executed
4. maintenance of a Category 1 Common Equity Tier 1 capital ratio (as construed under Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013) on a consolidated basis (as calculated for CIFD at 31 December of the last completed fiscal year) of 12% or more (without

prejudice to the conditions stipulated in §5, *infra*) following the payment of the preferred dividend, and

5. maintenance of any other common equity ratio on a consolidated basis applicable to CIFD that may be imposed upon it by applicable regulations or by any competent supervisory authority.

If the conditions stipulated in §1, 2, 4, and/or 5 *supra* are not satisfied, payment will be made of the highest fractional amount of the preferred dividend that allows for the satisfaction of all the conditions stated above. Should one or more preferred dividends not be paid in full, the unpaid amount shall be maintained as a senior claim against the liquidation surplus.

Subject to, and within the limits of, the conditions set forth below, the Annual Shareholders' Meeting may distribute the remainder of distributable amounts as of the fiscal year ending 31 December 2017. The supplementary distribution will be paid in full to the holders of ordinary shares in proportion to their ownership interest in the share capital of CIFD, on condition that the distribution ceiling (as defined below) is not exceeded.

After the complete payment of any preferred distributions in arrears to the preferred shareholder, and the repayment of the par value of the shares, the liquidation surplus will be distributed among the ordinary shareholders in proportion to their ownership interest in the Company's share capital provided that the distribution ceiling is not exceeded as a result of this distribution.

The preferred shareholder shall preempt the other shareholders in receiving all distributions that have been approved by CIFD but would exceed the aggregate distribution ceiling if they were paid to the other shareholders. The excess of the aggregate distribution ceiling means: all distributions made by CIFD to its shareholders (other than to the preferred shareholder) as of 28 February 2013 (calculated at a value date of 31 December 2013 and discounted *prorata temporis* at an annual rate of 8%) in connection with any supplementary distributions, liquidation surplus, repayment of the Company's capital stock, repurchase by CIFD of its own capital shares, and any other sums paid by CIFD to its shareholders, including any dividends (other than to the preferred shareholder) in excess of €650 million.

CIFD may not change its appropriation of net income, nor make any other distributions of any kind other than preferred dividends, including buying back its own shares, without the express written consent of the preferred shareholder.

III. CIF EUROMORTGAGE—SOCIÉTÉ DE CRÉDIT FONCIER (SCFS) CREDIT INSTITUTION LICENSED AS FINANCIAL COMPANIES — ACTIVITY IN 2015

1) REAL ESTATE FINANCING COMPANIES ENSURE INVESTOR SECURITY

Sociétés de credit foncier ("SCF", or real estate financing companies), France's issuers of covered bonds, are governed by Sections L.513-2 *et seq.* of France's Monetary and Financial Code ("CMF"), which waives certain aspects of company law in order to ensure the protection of holders of covered bonds and other secured debt that they issue. Legislation governing real estate financing companies has been strengthened several times, most recently by Decree 2014-526 of 23 May 2014, the Order of 26 May 2014, and Instructions 2014-I-16 and 2014-I-17.

The exclusive, limited purpose of SCFs is to:

- issue or purchase loans that are secured either by a first mortgage or lien, or by a joint guarantee issued by a credit institution or insurance company that has capital stock of at least €12 million and does not belong to the same consolidating entity as the SCF; loans guaranteed by a joint guarantee must be issued exclusively to finance real estate purchases and they may not exceed 35% of an SCF's total assets
- issue or purchase loans granted to public-sector entities

- purchase, in amounts not to exceed 10% of their secured debt, securities issued by securitization vehicles or mortgage-backed securities (including residential mortgage-backed securities, or RMBSs) issued by entities governed by the laws of a European Union or European Economic Area member state, or of the United States of America, Switzerland, Japan, Canada, Australia, or New Zealand, provided that at least 90% of the vehicle's assets comprise loans with the same characteristics as those that the SCF is authorized to grant or purchase directly
- purchase mortgage promissory notes backed by loans referred to under CMF § L.513-3 and that are issued in line with the conditions specified in CMF § L.313-42 *et seq.*; mortgage promissory notes may not account for more than 10% of an SCF's assets
- and optionally, hold cash and replacement securities corresponding to a maximum of 15% of the amount of covered bonds and other secured debt on their balance sheet.

In order to finance its asset pool, the SCF issues covered bonds conferring preferred creditor status under CMF § L.513-11, or other securities whether or not they confer preferred creditor status. By virtue of this status, all the assets of an SCF are held, first and foremost, to redeem the company's covered bonds and any other secured debt it may issue. Preferred creditor status is also enjoyed by counterparties that have entered into forward instruments transactions with an SCF for the purpose of hedging their assets and liabilities. Holders of this secured debt have an absolute senior interest with respect to all other creditors.

Under CMF § L.513-11, preferred creditor status is upheld even in the event of forced or voluntary bankruptcy of the issuer, and the company's other creditors have no rights whatsoever to its assets until the claims of preferred creditors have been satisfied in full. Moreover, the court-ordered liquidation of an SCF does not constitute an event of default in respect of secured debt, which remains repayable according to the schedule specified in the issuing agreement.

SCFs are required to comply with a certain number of risk management and control rules, which, in their particular case, are considerably more stringent than those that apply to other credit institutions. In order to fulfill its obligations toward preferred creditors, the SCF must ensure that its total assets, weighted in accordance with applicable regulations, constantly exceed the amount of the secured debt it has issued. For this purpose, it calculates a coverage ratio, which must be greater than or equal to 105% (as of 23 May 2014). Based on an annual plan approved by its Supervisory Board or Board of Directors and submitted to the ACPR, it estimates the level of coverage required for secured debt to maturity, taking into account the available pool of eligible assets and conservative forecasts for covered bonds. The coverage ratio is determined on the basis of accounting data and is reported and published at regular intervals. In order to control SCFs' exposure to other units of their corporate group, the Order of 26 May 2014 limited the weighting of those exposures in the numerator of the coverage ratio. In addition, SCFs must ensure that their cash needs are constantly covered over a moving period of 180 days, that their assets and liabilities are matched in terms of interest rates and maturities, and that the average remaining life of their assets, up to amounts required to ensure a coverage ratio of 105%, does not exceed that of their secured debt outstanding by more than 18 months. They must manage their assets in compliance with regulations governing secured loans, mortgage promissory notes, and replacement securities.

As credit institutions, SCFs are subject to the Decree of 3 November 2014. Accordingly, they must set up systems for monitoring transactions and internal procedures, handling accounting processes and data processing, and risk management and monitoring.

Internal control is backed up by external control procedures conducted under the mandatory supervision of an ACPR-approved "specific controller". To ensure independence, the specific controller may not be an employee of either of the SCF's independent auditors, of the company that controls the SCF, or of any company directly or indirectly controlled by a company that controls the SCF. The specific controller's mission is to ensure that the SCF adheres to the rules pertaining to qualifying assets, and that it complies with the coverage ratio requirement and various regulatory limitations. He certifies the documentation submitted to the ACPR and issues an annual report on the execution of his assignment. Every quarter, the specific controller ensures that the company's covered bond issuance program and any individual covered bond issues exceeding €500 million satisfy the coverage ratio requirement. The specific controller attends all shareholders' meetings and is empowered to report any material mismatches, or any other serious issues, to the SCF's management and to the bank supervisory authorities.

SCFs operate under the constant supervision of the ACPR, which monitors their compliance with obligations and can sanction lapses on their part.

As credit institutions, SCFs must issue periodic financial information. However, SCFs also have the obligation to file various reports with the ACPR. The Order of 26 May 2014 and Instructions 2014-I-16 and 2014-I-17 have tightened reporting requirements by making it mandatory for SCFs to publish financial information on a quarterly basis.

2) CIF EUROMORTGAGE AND ITS ROLE OF RAISING FUNDS FOR CREDIT IMMOBILIER DE FRANCE

A- STRUCTURE

From 2001 to 2012 CIF Euromortgage was the principal unit in the Crédit Immobilier de France group's medium- and long-term financing organization. Its sole purpose was to raise low-cost funds, which the financial operating subsidiaries lent to homebuyers. This activity was organized around the securitization of Crédit Immobilier de France's residential mortgage portfolios by CIF Assets, followed by the sale of the mortgage-backed senior bonds to CIF Euromortgage.

CIF Euromortgage was founded as a French corporation governed by a Management Board and a Supervisory Board, with capital stock of €50 million. In January 2002 its capital stock was increased to €100 million, fully paid-up, and it was wholly-owned by Crédit Immobilier de France Développement (CIFD), except for the qualifying shares then held by the members of the Supervisory Board (one share per member) in accordance with the Company's Articles of Incorporation. At 31 December 2014 the Company changed its governance organization, with a Board of Directors replacing the Management Board and Supervisory Board.

With their AA/Aa2 ratings from Fitch and Moody's as of 31 December 2015, CIF Euromortgage's covered bonds enhanced Crédit Immobilier de France's financial competitiveness for over a decade.

B—SECURITIZATION OF CRÉDIT IMMOBILIER DE FRANCE'S MORTGAGE LOANS

1°—France's Regulations Governing Securitization

The "FCT" is a securitization vehicle set up for the joint ownership of pools of receivables. As it is not a separate legal entity, it is exempt from the bankruptcy provisions of Book VI of France's Commercial Code. Its operations and its investment and financing strategy are defined in rules drawn up jointly by the management company, which manages the FCT and represents it in its dealings with third parties, and by the custodian—generally a bank—which holds the vehicle's assets and unallocated cash.

FCTs are structured to issue two types of securities: senior bonds that are sheltered from risk of default on the underlying assets and are generally rated AAA, and subordinated units that are directly exposed to default risk. To limit the exposure of senior unitholders, a guarantee fund may also be set up to absorb all or part of the losses generated by defaults on the underlying assets. The proportion of senior and subordinated units is determined on the basis of various stress scenarios, to ensure that senior bonds are protected as effectively as possible and receive the highest possible rating.

2°—The Securitization of Mortgages Issued by Crédit Immobilier de France

For more than 10 years, home loans issued by the financial operating subsidiaries were securitized by CIF Assets, the Crédit Immobilier de France Group's captive securitization vehicle.

CIF Assets was organized as a multi-series securitization vehicle on 27 April 2001 by 3CIF (the custodian) and Paris Titrisation (the management company). The first and only sub-vehicle to date, CIF Assets 2001-1, was also created in April 2001 for the sole purpose of purchasing residential mortgages from Crédit Immobilier de France’s financial operating subsidiaries.

CIF Assets purchased residential mortgages from the financial operating subsidiaries on a half-yearly basis, and then on a quarterly basis as of late 2011. As the Group has ceased originating loans, CIF Assets has not conducted any reloads since 23 January 2013.

CIF Assets is currently managed by Eurotitrisation, and 3CIF continues to serve as its custodian.

The securitized home loans issued by Crédit Immobilier de France, which conform to CIFD’s group-wide risk policy and are managed by the financial operating subsidiaries, are largely homogeneous. By continuously monitoring their loan portfolios, the financial operating subsidiaries can identify in real time any event that could affect borrowers’ ability to honor their obligations or compromise the value of collateral.

C—Acquisition of Senior Debt Instruments by CIF Euromortgage

In keeping with its role within the Crédit Immobilier de France Group, CIF Euromortgage regularly purchased the senior bonds issued by CIF Assets until its final reloading on January 2013. Initially, it also created a portfolio of European RMBSs, which it sold to 3CIF in April 2014. CIF Euromortgage has not purchased residential mortgages outright and therefore has no direct, immediate exposure to default risks on its balance sheet, other than under exceptional circumstances. Thanks to the mechanisms set up by the securitization vehicle to minimize and manage the default risk on mortgage loans—overcollateralization at the time of purchase, creation of a guarantee fund, allocation of losses to subordinated units after payouts by the guarantee fund—CIF Euromortgage’s covered bonds have extremely low exposure to default risk. At the level of Crédit Immobilier de France’s FCT, credit losses on residential mortgages are charged against the excess spread paid to the financial operating subsidiaries, then deducted from the guarantee fund, and lastly allocated to the subordinated units so that—as determined by stress tests performed at the vehicles’ inception and regularly updated since then—the senior bonds are not at risk.

To date, CIF Euromortgage has never incurred any losses on its investment portfolio.

Through securitization, CIF Euromortgage’s investors benefit from two levels of overcollateralization: the legal obligation to overcollateralize inherent in the coverage ratio, and overcollateralization at the level of each securitization vehicle, whose securities are held by CIF Euromortgage, as described above.

3) BUSINESS REVIEW

I. FUNDING

A. Covered Bonds and Other Secured Debt Instruments

1°. Issues in 2015

Now that 3CIF has taken responsibility for satisfying all of the Group’s funding needs, and as CIF Assets has not been reloaded since January 2013, CIF Euromortgage did not issue any new covered bonds or other secured debt in 2015.

All prior fixed-rate issues were swapped for a floating rate corresponding to a margin over 3-month Euribor.

2°. Redemption of Bonds that Matured

CIF Euromortgage redeemed nine covered bond issues that matured in 2015, for a combined face value of €2.23 billion. The cost of this debt was 10bp over 3-month Euribor.

Bond Issues that Matured in 2015

ISIN	Issue date	Maturity	Amount (EUR)	Coupon (%)
ERCB58EUR317	07/07/2011	07/07/2015	5,000,000	Fixed-rate
XS0374964723	08/07/2008	08/07/2015	70,400,000	3-month STIBOR
CH0022681271	06/10/2005	06/10/2015	161,850,000	Fixed-rate
FR0010242685	20/10/2005	20/10/2015	1,500,000,000	Fixed-rate
FR0010242685	28/08/2008	20/10/2015	100,000,000	Fixed-rate
FR0010242685	11/05/2009	20/10/2015	30,000,000	Fixed-rate
FR0010242685	09/07/2010	20/10/2015	120,000,000	Fixed-rate
FR0010782110	30/07/2009	30/10/2015	66,000,000	Fixed-rate
FR0010573550	17/01/2008	30/11/2015	176,991,150	Fixed-rate
Total			**2,230,241,150**	

In H2 2015 CIF Euromortgage also redeemed €300 million in "internal" covered bonds initially sold to 3CIF. These early redemptions reduced the total cost of CIF Euromortgage's debt and decreased the amount of cash on which it had to remunerate the Republic of France for the State guarantee.

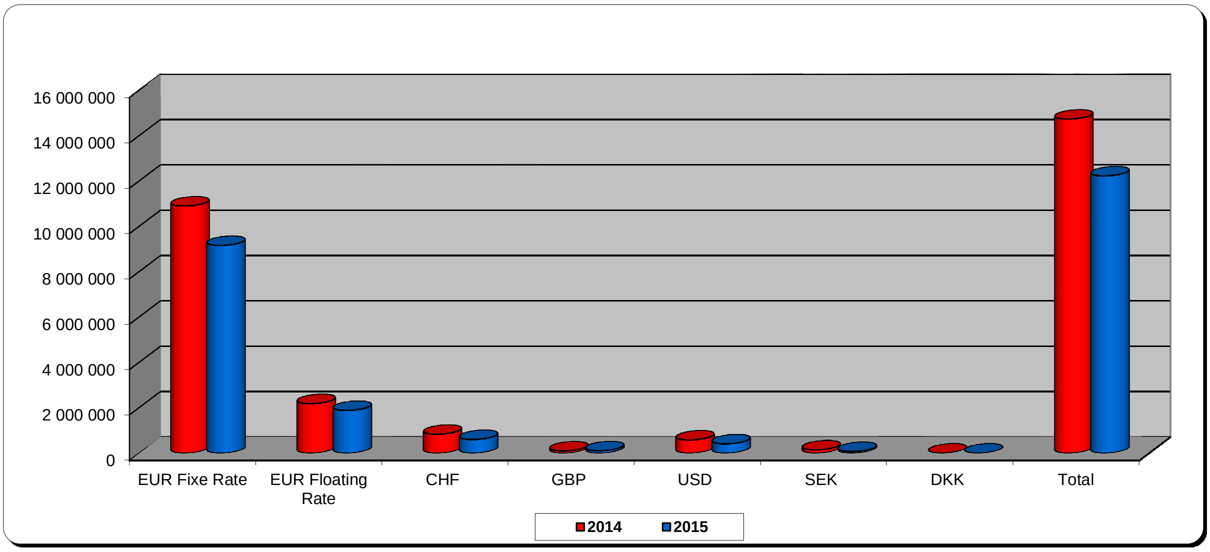
3°. Secured Debt Outstanding at 31 December 2015

Following the redemptions mentioned above, CIF Euromortgage's secured debt outstanding amounted to €12.23 billion at 31 December 2015, compared with €14.69 billion at 31 December 2014.

At year-end 2015 the cost of CIF Euromortgage's debt, after swaps, was 56bp over 3-month Euribor, compared with 49bp over 3-month Euribor at 31 December 2014.

Changes in CIF Euromortgage's debt outstanding at 31 December 2015, according to interest rate and currency (but before hedging), is shown below:

Changes in Debt According to Interest Rate and Currency, at 31 December 2015



Euro-Denominated Public Issues Outstanding at 31 December 2015

ISIN	Issue date	Maturity	Coupon (%)	Interest rate	Amount outstanding at 31/12/15
FR0011011379	03/02/2011	03/02/2016	3.25	Fixed-rate	1,000,000,000
FR0010385906	25/10/2006	25/10/2016	4	Fixed-rate	1,000,000,000
FR0010385906	30/07/2008	25/10/2016	4	Fixed-rate	100,000,000
FR0010385906	14/04/2009	25/10/2016	4	Fixed-rate	10,000,000
FR0010385906	11/05/2009	25/10/2016	4	Fixed-rate	140,000,000
FR0010385906	12/05/2009	25/10/2016	4	Fixed-rate	125,000,000
FR0010385906	07/08/2009	25/10/2016	4	Fixed-rate	250,000,000
FR0010385906	22/01/2009	20/12/2016	4	Fixed-rate	310,000,000
FR0010385906	09/02/2009	20/12/2016	4	Fixed-rate	70,000,000
FR0010385906	10/02/2009	20/12/2016	4	Fixed-rate	10,000,000
FR0010814319	23/10/2009	23/10/2019	3.75	Fixed-rate	1,250,000,000
FR0010814319	30/07/2010	23/10/2019	3.75	Fixed-rate	475,000,000
FR0010910620	17/06/2010	17/06/2020	3.5	Fixed-rate	700,000,000
FR0010910620	28/12/2010	17/06/2020	3.5	Fixed-rate	220,000,000
FR0011053255	30/05/2011	19/01/2022	4.125	Fixed-rate	1,000,000,000
FR0011053255	30/05/2011	19/01/2022	4.125	Fixed-rate	1,000,000,000
Total					**6,660,000,000**

Euro-Denominated Private Placements Outstanding at 31 December 2015

ISIN	Issue date	Maturity	Coupon (%)	Interest rate	Amount outstanding at 31/12/15
XS0435588461	30/06/09	01/07/16		Structured	15,000,000
XS0438895244	15/07/09	15/07/16		Structured	15,000,000
FR0010348706	16/08/06	16/08/16		Structured	20,000,000
FR0010348706	16/08/06	16/08/16		Structured	120,000,000
FR0010163402	11/02/05	11/02/17		Structured	60,000,000
XS0193219671	14/06/04	14/06/19		Structured	50,000,000
FR0010085803	14/06/04	14/06/19		Structured	50,000,000
FR0010115857	01/10/04	30/12/19		Structured	55,800,000
FR0010165720	14/02/05	14/02/20		Structured	50,000,000
FR0010190090	29/04/05	29/04/20		Structured	75,000,000
FR0010199968	08/06/05	08/06/20		Structured	100,000,000
FR0010910620	28/12/10	17/06/20	3.5	Fixed-rate	50,000,000
FR0010203216	27/06/05	27/06/20		Structured	10,000,000
FR0011243328	27/04/12	27/06/20		Structured	20,000,000
FR0010915777	28/06/10	27/0920		3-month Euribor	10,000,000
FR0011131861	14/10/11	14/10/20	3.13	Fixed-rate	8,000,000
FR0010410035	27/12/06	27/12/20		Structured	20,000,000
FR0011059377	01/06/11	01/06/21		Structured	35,000,000
FR0010340133	21/06/06	21/06/21		Structured	100,000,000
FR0010955351	13/10/10	10/07/21		Fixed-rate	6,000,000
FR0010347666	10/07/06	10/07/21		Structured	25,000,000
FR0010347666	10/07/06	10/07/21		Structured	79,000,000
FR0010172023	15/03/05	15/03/22		Structured	50,000,000
FR0010970822	03/12/10	03/12/30		Structured	10,000,000
Total					**1,033,800,000**

Euro-denominated private placements consisted mainly of structured bonds paying interest based on the performance of a basket of stock market indexes (Nikkei 225, Eurostoxx 50, and S&P 500). Private placements enable CIF Euromortgage to raise funds at a significantly lower cost than that incurred in public offerings. Interest on the issues is systematically converted to Euribor using swaps.

Foreign-Currency-Denominated Private Placements Outstanding at 31 December 2015

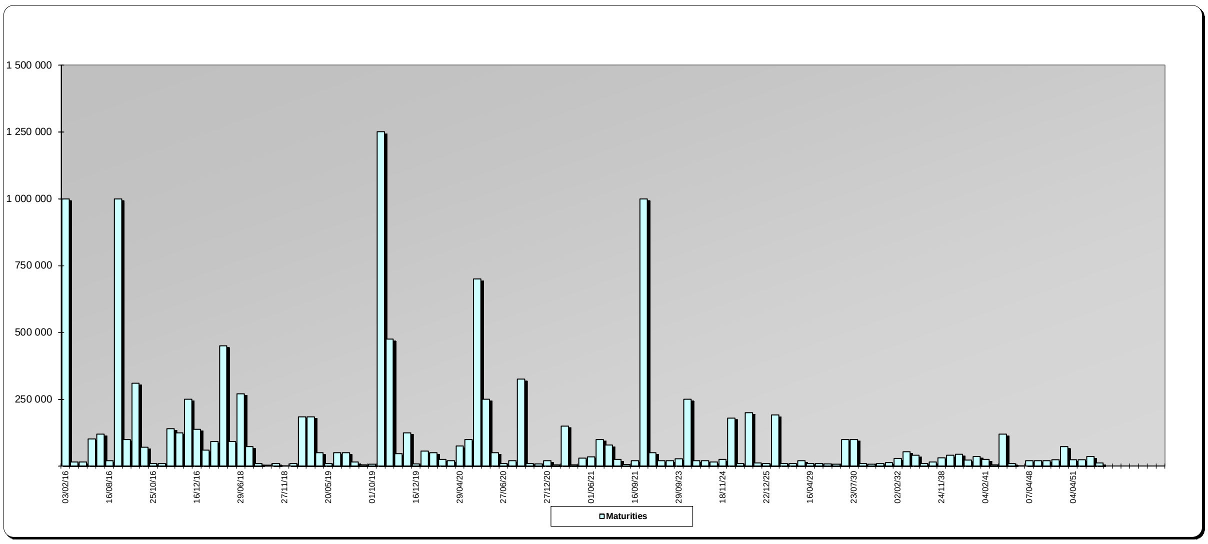
ISIN	Issue date	Maturity	Coupon (%)	Interest rate	Currency	Foreign currency amount	Amount outstanding at 31/12/15
FR0010348540	18/07/2006	18/07/2016	5.04	Fixed-rate	GBP	75,000,000	102,186,797
FR0010573683	22/01/2008	16/12/2016	4.125	Fixed-rate	USD	150,000,000	137,779,002
CH0107198191	24/11/2009	24/03/2017	2.28	Fixed-rate	CHF	100,000,000	92,293,493
FR0010771394	29/06/2009	29/03/2018	3.22	Fixed-rate	CHF	100,000,000	92,293,493
FR0010574095	24/01/2008	29/06/2018	4.25	Fixed-rate	USD	295,000,000	270,965,372
XS0374966181	08/07/2008	08/07/2018	0.115	Fixed-rate	SEK	667,000,000	72,582,839
CH0115108109	30/07/2010	30/01/2019	2	Fixed-rate	CHF	200,000,000	184,586,987
CH0109736824	25/02/2010	05/03/2019	2.375	Fixed-rate	CHF	200,000,000	184,586,987
CH0102656219	01/07/2009	01/11/2019	3.48	Fixed-rate	CHF	50,000,000	46,146,747
Total							**1,183,421,717**

Foreign-currency issues are hedged using cross-currency swaps for euro-denominated debt whose interest rate is based on 3-month Euribor.

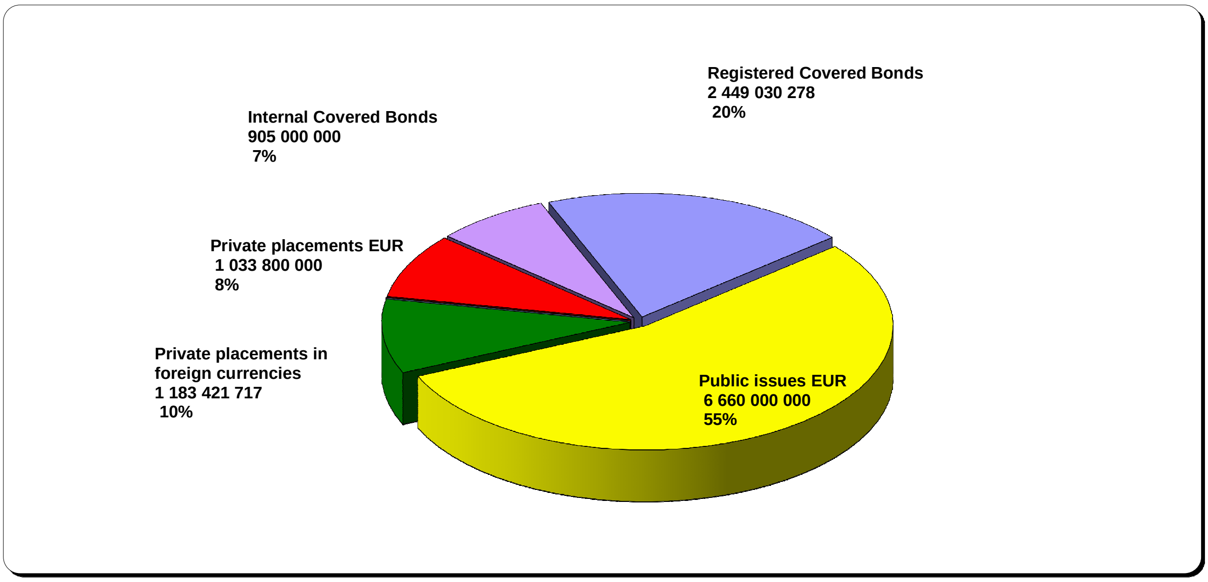
At 31 December 2015, CIF Euromortgage's debt securities included €2.44 billion of registered covered bonds, which are German debt securities that confer privileged creditor status.

The maturity schedule of CIF Euromortgage's secured debt outstanding at 31 December 2015 is shown below:

Maturity Schedule of CIF Euromortgage's Secured Debt Outstanding at 31 December 2015



Analysis of CIF Euromortgage's Debt Outstanding at 31 December 2015



The above analysis shows that most of CIF Euromortgage's debt outstanding is in the form of publicly issued covered bonds, and that German-law registered covered bonds also represent a substantial portion of the total.

The following amounts of debt will mature in the years 2016 to 2018 alone:

Year	Amount (€ billions)	Cost
2016	3.40	55bp over 3-month Euribor
2017	0.60	58bp over 3-month Euribor
2018	0.50	24bp over 3-month Euribor

B. Subordinated Loans and Other Loans

Since the time it was founded, CIF Euromortgage has received seven undated subordinated loans from its parent company, CIFD, for a total of €570 million. These loans may not be called and are repayable at CIF Euromortgage's sole discretion. If CIF Euromortgage has no distributable income for a given year, it is entitled to defer interest payments until the first due date immediately following the shareholders' meeting that acknowledges the existence of distributable income.

CIF Euromortgage has also obtained eight unsubordinated loans from CIFD, totaling €1.35 billion, repayable in October 2029.

Following the decline in secured debt outstanding starting in 2013, there was no longer a need to continue to hold the total amount of those loans, and CIF Euromortgage made several repayments in the second half of 2013 and in 2014. At 31 December 2014, only €330 million in subordinated loans and €1.10 billion in unsubordinated loans remained outstanding. Since then, CIF Euromortgage has made no changes to the total amount of its secured debt outstanding, which stood at €1.43 billion in unsecured debt remained outstanding at 31 December 2015.

All of these unsecured borrowings are contractually excluded from preferred creditor status under CMF § L.513-11. Consequently, they increase CIF Euromortgage's coverage ratio and finance the portion of the Company's assets not eligible for repo funding that cannot be financed by covered bonds.

C. Shareholders' Equity

CIF Euromortgage has share capital of €100 million, represented by 2 million common shares with a par value of €50. Including reserves, retained earnings, and net income in 2015, its shareholders' equity at 31 December 2015 amounted to €133.99 million.

D. Other Funds

Throughout 2015, CIF Euromortgage maintained a large amount of cash collateral posted by counterparties to cover forward financial transactions. These cash holdings totaled €1.75 billion at 31 December 2015 versus €2.07 billion at 31 December 2014.

Under the terms of CMF § L.513-10, cash collateral posted by counterparties to cover forward financial transactions used by CIF Euromortgage to hedge asset and liability items, as well as to manage or hedge the overall risk on its assets, even after positions have been offset, has preferred creditor status.

II. ASSETS

A. Debt Securities Held to Maturity

At 31 December 2015 CIF Euromortgage's portfolio of debt securities held to maturity amounted to €12.7 billion compared with €15.3 billion at 31 December 2014. It comprised €11.37 billion of CIF Assets senior bonds and €1.34 billion of mortgage promissory notes backed by home loans issued by the operating subsidiaries of Crédit Immobilier de France.

1°. FCT Securities and RMBSs

CIF Euromortgage's FCT security/RMBS portfolio consists exclusively of senior bonds issued by CIF Assets, the securitization vehicle (FCT) that holds the Group's receivables.

All FCT securities and RMBSs held by CIF Euromortgage are backed by receivables guaranteed by a first mortgage or lien, or, within the limitations imposed on SCFs by applicable regulations, the guarantee of a credit institution or insurance company.

In accordance with CIF Euromortgage's in-house regulations, CIF Assets demonstrated that its Senior Bonds it had received a rating of AAA by at least two rating agencies at the time they were acquired by the Company. CIF Assets has maintained that rating, which has not been challenged.

CIF Euromortgage no longer holds any external RMBSs. The Guideline of the European Central Bank of 26 November 2012, amending Guideline ECB/2011/14 on monetary policy instruments and procedures of the Eurosystem, states that covered bonds, whose cover pool contains asset-backed securities originated by an entity that is not a member of the same consolidated group as that of the covered bonds issuer, ceased to be eligible for ECB repo financing after 28 November 2014. In light of this decision, CIF Euromortgage sold its entire external RMBS portfolio to 3CIF in late-April 2014.

With the cessation of CIF Assets reloads and the concomitant depreciation of CIF Assets senior bonds, CIF Euromortgage's FCT security/RMBS portfolio totaled €11.37 billion at 31 December 2015, versus €14.45 billion at year-end 2014.

At year-end 2015 this portfolio consisted exclusively of senior bonds issued by CIF Assets.

At 31 December 2015, CIF Assets had assets of €16 billion compared with €20.33 billion at 31 December 2014.

Since its inception, CIF Assets 2001-1 has undergone a series of changes. It adopted quarterly depreciations as of 23 April 2004. Until the third quarter of 2008, it issued only senior and subordinated units. CIF Assets transformed its senior units into bonds on the occasion of the October 2008 reloading. Since then, CIF Assets has issued bonds and subordinated units. Like the senior units for which they were substituted, these bonds have a senior interest and are AAA/Aaa-rated by Fitch and Moody's.

On the occasion of its October 2009 reloading, CIF Assets was transformed into an FCT governed by CMF § L.214.42 *et seq.* At the same time, in addition to its special collection reserve, CIF Assets created a redemption reserve that is funded by the financial operating subsidiaries and intended to enhance securityholder protection by guaranteeing the risk of having to reimburse an assignee in the event of cancellation of the sale of a receivable. On 24 July 2010, the Fund's management was transferred to Eurotitrisation, a French corporation (*société anonyme*), listed in the Corporate and Commercial Registry under the number 352 458 368 RCS Bobigny.

At 31 December 2015, the main characteristics of CIF Assets were as follows:

- It had 266,345 loans outstanding.
- The average principal amount of the loans was €55,505.
- The average residual depreciation period of the loans was 12 years.
- 82.3% of home loans held were secured by a first mortgage or lien.
- 16.8% were guaranteed by a credit institution or insurance company with capital stock of at least €12 million and not belonging to the same consolidating entity as CIF Euromortgage, or by the French National Railways (Société Nationale des Chemins de fer Français "SNCF").
- 15.92% were backed by an FGAS guarantee (Financement de la Garantie de l'Accession Sociale).
- Their average initial loan-to-value (LTV) ratio was 95%.
- Their average LTV ratio after depreciation was approximately 75.4%.
- 42.2% were fixed-rate loans.
- 2.96% were ordinary floating-rate loans.
- 44.6% were capped floating-rate loans, with the cap applying over the entire term of the loan or for a fixed period only.
- 8.16% were interest-free loans.
- 79% were loans to finance the purchase of the borrower's principal residence.
- 18.7% were loans to finance the purchase of rental real estate.
- 1.95% were loans to finance the purchase of a secondary residence.

The other numerical characteristics of CIF Assets are presented in Appendix I.

As of 31 December 2015, CIF Assets 2001-1 had financed these asset purchases by issuing two categories of securities:

- 872,210 series A senior bonds rated AAA/Aaa by Fitch and Moody's, representing 74.77% of the total amount of debt securities issued
- 38,363 series B subordinated units, representing 25.23% of the total amount of debt securities issued.

As of 31 December 2015, the financial operating subsidiaries had special collection reserves totaling €415 million.

All holders of all classes of securities issued by CIF Assets are protected from default risk. CIF Assets covers any losses first by charging them against the excess spread due to the financial operating subsidiaries, and second, by tapping the guarantee fund, which amounted to €80 million at 31 December 2015 (€1.18 billion at 31 December 2014). This decrease, which occurred in October, corresponds to the decrease in its assets in recent years, which included historically high early loan repayments in 2015 that affected all lenders.

Holders of series A senior bonds also benefit from the subordination of the series B units. At 31 December 2015, CIF Assets senior bonds were 25.6% overcollateralized.

Bonds and units issued by CIF Assets are listed on the Paris Stock Exchange. The original offering prospectus was filed with France's securities regulator, Commission des Opérations de Bourse, under the number FCC R02-02. The prospectus is updated and resubmitted to France's Financial Markets Authority (AMF) on the occasion of every reloading.

The interest CIF Assets paid on senior bonds was originally 10 bp over 3-month Euribor. When CIF Euromortgage's cost of funds rose after the onset of the financial crisis, the margin was raised to 30 bp in April 2009, and then to 40 bp in October 2009. Since April 2012 that margin has stood at 60 bp over 3-month Euribor.

2°. Public-Sector Exposures

At 31 December 2015 CIF Euromortgage had two types of exposure to public-sector entities:

- direct exposure resulting from cash deposits with the Banque de France and fixed-rate French Treasury notes (BTF)
- exposure resulting from cash investments with 3CIF that are covered by the State guarantee of the Republic of France as part of the internal guarantee granted to Crédit Immobilier de France. These exposures, the details of which are presented below (*see:* B—Liquid Assets and Replacement Securities, *infra*), are off-balance sheet commitments received from public-sector entities as construed under CMF § L.513-4 and are now classified as such in the reports submitted to the ACPR.

3°. Mortgage Promissory Notes

Under CMF § L.513-6, SCFs have the option of investing up to 10% of their total portfolio in mortgage promissory notes backed by secured loans qualifying for inclusion in SCF portfolios and issued in accordance with CMF § L.313-42 *et seq.*

CIF Euromortgage regularly made use of this option throughout 2015 and purchased a number of mortgage promissory notes issued exclusively by 3CIF. At 31 December 2015 CIF Euromortgage held one mortgage promissory note with a face value of €1.34 billion issued by 3CIF and guaranteed by home loans that Crédit Immobilier de France has granted to its customers.

4°. Debt Securities Held to Maturity at 31 December 2015

CIF Euromortgage's portfolio of debt securities held to maturity, net of purchases and depreciations during the period, and including mortgage promissory notes, amounted to €12.7 billion at 31 December 2015, compared with €17.58 billion at year-end 2014. At 31 December 2015 it comprised €11.4 billion in CIF Assets senior bonds and €1.3 billion in mortgage promissory notes.

B. Liquid Assets and Replacement Securities

Under CMF § L.513-7, and in accordance with the European Commission Capital Requirements Directive, SCFs are authorized to hold the equivalent of 15% of their covered bonds and other senior debt in the form of high-quality liquid assets.

CMF § R.513-6 defines high-quality liquid assets as securities of, and deposits with, credit institutions and investment companies that have received the highest credit rating as established by an independent rating agency recognized by the ACPR, as well as receivables from credit institutions and investment companies having the second-highest credit rating, with a residual term not exceeding 100 days.

For cash management purposes, CIF Euromortgage purchased a number of negotiable certificates of deposit issued by 3CIF and held sufficient demand deposits with 3CIF to cover its short-term disbursements.

Since Q3 2014 CIF Euromortgage has also invested in fixed-rate French Treasury notes (BTF) in order to minimize recourse to the State guarantee. Moreover, since August 2015, after opening an account with the Banque de France, it has had increased flexibility in its overnight cash management.

At 31 December 2015, CIF Euromortgage had €2.6 billion in liquid assets and consisted of:

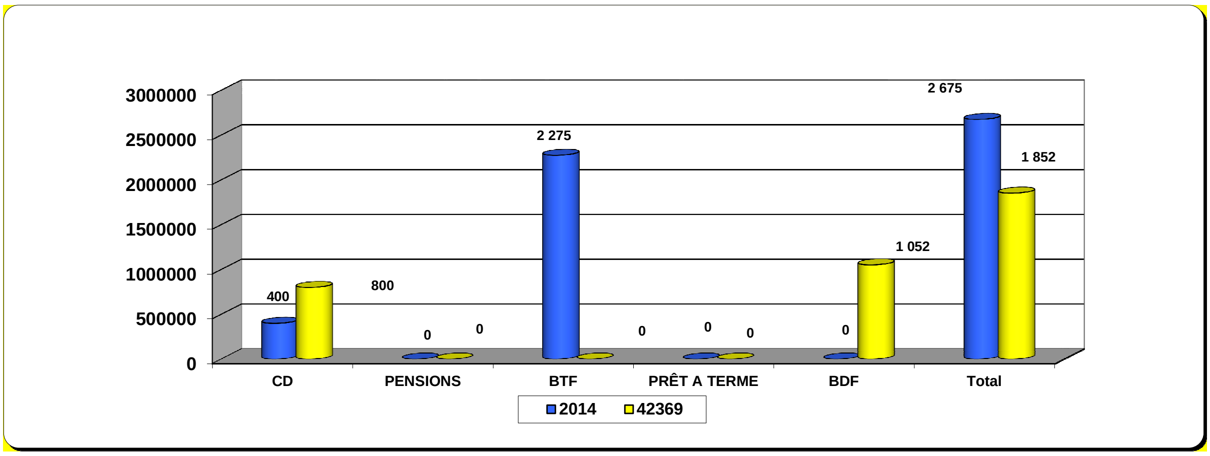
- one negotiable certificate of deposit issued by 3CIF with a face value of €800 million
- €739 million in its current account with 3CIF
- €1,052 million on deposit with the Banque de France.

Negotiable certificates of deposit are short-term instruments and are remunerated on the basis of interest rates applicable to short-term investments.

As in previous years, 3CIF had the continuous benefit of a substantial amount of cash in 2015 due to the fact that these transactions were regularly rolled over. Consequently, the supplementary remuneration agreement reached in 2009 was extended for 2015.

The internal guarantee of the Republic of France covers the cash investments of CIF Euromortgage and CIF Assets with 3CIF up to €12 billion. Consequently, they are public-sector exposures as construed under CMF § L.513-4 and are now classified as such in the reports submitted to the ACPR.

Analysis of CIF Euromortgage's Cash Holdings at 31 December 2015



IV. CORPORATE GOVERNANCE

I—BOARD OF DIRECTORS

1/ Members of the Board of Directors

The Board of Directors has the following five members:

1) Yannick Borde, Chairman
2) CIFD, represented by Jérôme Lacaille
3) Jacky Lecointe
4) Dominique Guerin
5) Dominique Lambecq.

Details of the appointments and terms of the directors are shown below:

Terms to be Served by Members of the Board of Directors

Name of Board Member	Date of appointment or re-appointment	End of term
Yannick Borde [(1)]	Shareholders' meeting, 16 December 2014	Shareholders' Meeting convened to approve the 2019 financial statements
CIFD, represented by Jérôme Lacaille [(2)]	Shareholders' meeting, 16 December 2014	Shareholders' Meeting convened to approve the 2018 financial statements
Jacky Lecointe	Shareholders' meeting, 16 December 2014	Shareholders' Meeting convened to approve the 2019 financial statements
Dominique Guérin	Shareholders' meeting, 16 December 2014	Shareholders' Meeting convened to approve the 2019 financial statements
Dominique Lambecq	Shareholders' meeting, 16 December 2014	Shareholders' Meeting convened to approve the 2019 financial statements

[(1)] appointed Chairman of the Board of Directors on 16 December 2014

[(2)] the letter of appointment dated 12 June 2015 was appended to the minutes of the Board meeting on 24 June 2015

2/ Deliberations of the Board of Directors

The Board of Directors met seven times in 2015:

- 27 January
- 10 March
- 14 April
- 28 May
- 24 June
- 30 September
- 9 December.

The Board of Directors primarily addressed the following matters:

- Approval of the "SURFI" unified financial reporting system
- setting the quarterly covered bond issue program
- asset-liability management
- hedging plan for the year
- reviewing the financial statements at and for the year ended 31 December 2014
- preparing the report on the coverage ratio and compliance with limits at 31 December 2014
- preparing reports on Articles 42 and 43 of France's Banking and Financial Regulations Committee (Comité de la Réglementation Bancaire et Financière, or CRBF)
- renewing the terms of the specific controller and the alternate specific controller
- reviewing changes in corporate governance (creation of an audit committee, appointment of Jérome Lacaille as the new permanent representative of CIFD)
- preparing the reports on the valuation and revaluation of buildings and on asset quality at 31 December 2014
- preparing the report on the coverage ratio at 31 March 2015
- signing an agreement concerning CIF Euromortgage's exposure to Commerzbank and Dresdner Bank.

3/ Agreements Governed by CC § L.225-38 (Regulated Agreements)

The Company hereby fulfills its obligation to provide information to the shareholders on agreements between the Company and one of its Board members or general managers, subject to the prior authorization of the Board of Directors, pursuant to CC § L.225-38 ¶1.

These agreements will be submitted for the approval of the upcoming Shareholders' Meeting as presented in the special report of the Independent Auditors.

A. New Agreement Reached in 2015

Ratings downgrade for Commerzbank, counterparty on CIF Euromortgage swaps; intervention by 3CIF

This agreement was approved by the Board of Directors at its meeting on 24 June 2015. It allowed 3CIF to step in for CIF Euromortgage in its transactions with Dresdner Bank et Commerzbank and to set up an offsetting swap between 3CIF and CIF Euromortgage.

3CIF entered into the following swap contracts in 2015:

- CCS 78632-78634 from 17/07/2015 to 01/11/2019 in the amount of €32,970,656
- Swaps 78643-78641 from 17/07/2015 to 07/08/2018 in the amount of €10,000,000
- Swaps 78646-78644 from 17/07/2015 to 07/08/2028 in the amount of €10,000,000
- Swaps 78649-78647 from 17/07/2015 to 10/07/2021 in the amount of €6,000,000
- Swaps 78637-78635 from 17/07/2015 to 10/07/2021 in the amount of €19,000,000
- Swaps 78640-78638 from 17/07/2015 to 10/07/2021 in the amount of €85,000,000.

B. Prior Agreements that Continued to Apply in 2015

- Supplementary remuneration agreement between 3CIF and CIF Euromortgage

Renewed authorization of the regulated agreement approved by the Board of Directors on 24 June 2015.

In 2015, CIF Euromortgage recognized income of €2,966,761 on this transaction.

- Service agreement between 3CIF and CIF Euromortgage

This agreement was updated most recently with effect as of 1 January 2006.

Amounts due to CIF Euromortgage excluding the reimbursement of expenses paid for by employees of 3CIF:

- for services directly provided by 3CIF in 2015: €1,080,000 (incl. VAT)
- for the custody of securities owned by CIF Euromortgage and held on account with Natixis: €384,009 (incl. VAT) directly paid by CIF Euromortgage.

- Agreement governing the creation of mandatory ECB reserves, between 3CIF and CIF Euromortgage

In execution of Regulation (EC) No. 1745/2003 of the European Central Bank (ECB) on the application of minimum reserves, and Article 10 of that regulation concerning the indirect holding of minimum reserves through an intermediary, CIF Euromortgage entered into an agreement with 3CIF on 9 June 2008 whereby 3CIF has created CIF Euromortgage's mandatory reserves with the ECB.

The outstanding amount of those reserves was zero at 31 December 2015.

- Framework agreement between 3CIF and CIF Euromortgage governing forward instrument transactions

A number of new transactions were executed in 2015 in respect of this framework agreement, and several transactions executed at an earlier date continued to have effect.

In 2015, CIF Euromortgage paid 3CIF the following amount in respect of these transactions:	€2,277,131
In 2015, 3CIF paid CIF Euromortgage the following amount in respect of these transactions:	€10,995,923

Moreover, 3CIF made a number of payments concerning the collateral conditions of the framework agreement, totaling €77,600,000 at 31 December 2015.

- Long-term loans granted by CIFD to CIF Euromortgage, which do not confer preferred creditor status

- Undated subordinated loan of €105,000,000 on 26 May 2003:

Interest paid by CIF Euromortgage for 2015: €109,929 including tax

- Undated subordinated loan of €75,000,000 on 26 September 2005:
  Interest paid by CIF Euromortgage for 2015: €78,521 including tax

- Undated subordinated loan of €150,000,000 on 25 August 2008:
  Interest paid by CIF Euromortgage for 2015: €157,042 including tax

- Loan of €230,000,000 on 30 September 2009 without preferred creditor status:
  Partial repayment of €30 million; remaining principal balance €200,000,000
  Interest paid by CIFD for 2015: €209,472 including tax

- Loan of €400,000,000 on 28 June 2010 without preferred creditor status:
  Authorized by the Supervisory Board on 29 June 2010
  Interest paid by CIFD for 2015: €418,944 including tax

- Loan of €25,000,000 granted by CIFD to CIF Euromortgage on 31 May 2011 without preferred creditor status:
  Authorized by the Supervisory Board on 29 June 2010
  Interest paid by CIFD for 2015: €26,184 including tax

- Loan of €475,000,000 granted by CIFD to CIF Euromortgage on 30 January 2013 without preferred creditor status:
  Authorized by the Supervisory Board on 24 January 2013
  Interest paid by CIFD for 2015: €497,497 including tax

5) Agreement governing the creation of a short-term facility between 3CIF and CIF Euromortgage

The Supervisory Board approved this agreement at its meeting on 29 September 2009. CIF Euromortgage had no drawdowns or payments outstanding in this respect at 31 December 2015.

II. GENERAL MANAGEMENT

At 31 December 2015, following their appointment by the Board of Directors meeting on 16 December 2014, the General Management was exercised jointly by Patrick Amat, Chief Executive Officer and Francis Gleyze as Deputy Chief Executive Officer. Each of them has the broadest powers to act in all circumstances on the Company's behalf.

At its meeting on 9 March 2016, the Board of Directors appointed Olivier Airiau as Chief Executive Officer, replacing Mr. Amat, who was named Deputy Chief Executive Officer.

III. CORPORATE OFFICERS

CMF § L.511-13 and CMF § L.532-2-4 stipulate that two or more persons are needed for the effective management of a credit institution or finance company in order to ensure sound, conservative administration and effective supervision through a separation of powers that clearly distinguishes between oversight, on one hand, and executive functions, on the other, which are the purview of the general management.

In a French corporation (*société anonyme*) governed by a board of directors, such as CIF Euromortgage, "effective management" is assured:

- by the chief executive officer, who has the broadest powers at all times, by virtue of CC § L.225-56, to act in all circumstances on the Company's behalf, and

- the deputy chief executive officer(s), who has the broadest powers at all times, by virtue of CC § L.225-56, to act in all circumstances on the Company's behalf and represent it in dealings with third parties, save for those powers expressly granted by law to the Board of Directors and the Shareholders' Meeting.

At its meeting on 16 December 2014 the Board of Directors designated Messrs. Amat and Gleyze as corporate officers of CIF Euromortgage for the duration of their respective terms as Chief Executive Officer and Adjunct Chief Executive Officer. Corporate officers are responsible for:

- effectively determining the orientation of the Company's activity
- producing accounting and financial information
- ensuring internal control
- determining the Company's shareholders' equity.

At its meeting on 9 March 2016 the Board of Directors designated Messrs. Airiau and Amat as corporate officers of CIF Euromortgage pursuant to CMF § L.511-13 and CMF § L.532-2-4.

IV. AUDIT COMMITTEE

By virtue of CC § R.225-29, the Board of Directors may decide to create committees to examine issues on which the Board or its Chairman would like an opinion. It is free to designate the members and purview of the committees, which operate under the Board's responsibility. The Audit Committee may only have an advisory role.

At its meeting on 9 March 2015, the Board of Directors organized CIF Euromortgage's Audit Committee, pursuant to CC § L.823-19, for the purpose of examining matters concerning the preparation and verification of accounting and financial information, especially the preparation of financial information, the effectiveness of internal control and risk management systems, legal verification of the annual financial statements, and, if applicable, the consolidated financial statements by the independent auditors, on the understanding that CIFD already has an audit committee whose purview extended until present to the Group's two funding arms.

Following deliberations, the Board unanimously appointed the following persons as members of the Audit Committee:

- Dominique Guérin
- Dominique Lambecq
- Jacky Lecointe.

At its first meeting, on 30 March 2015, the Audit Committee named Mr. Lambecq as its Chairman.

At its meeting on 9 March 2016, the Board of Directors of CIF Euromortgage decided that the functions of CIF Euromortgage's Audit Committee would be exercised by CIFD's Audit Committee and therefore voted to eliminate CIF Euromortgage's Audit Committee.

V. SPECIALIZED COMMITTEES

At its meeting on 8 July 2015, the Board of Directors of CIFD decided that single specialized committees would be organized at the level of CIFD, and that analogous committees at its subsidiaries would be eliminated:

- A single Risk Committee at the level of CIFD is also to advise the Boards of 3CIF and CIF Euromortgage on their overall strategy and tolerance for risk, and help those Boards monitor the implementation of that strategy by their corporate officers.
- A single Remunerations Committee and a single Appointments Committee at the level of CIFD is also to identify and recommend suitable candidates for membership of the Boards of 3CIF and CIF Euromortgage pending approval by their Shareholders' Meetings, and assessing the scope of knowledge, expertise, and experience of those Boards and their individual members.
- CIFD's Remunerations Committee is to examine, at its own initiative, all matters pertaining to the remuneration of company representatives of the Group's financial subsidiaries and BPI.

Recommendations of the CIFD committees are forwarded to the Boards of the subsidiaries concerned.

The Group has moved to simplify its committee structure in application of the Order of 20 February 2014 and the Decree of 3 November 2014 concerning internal control.

The new organization affects specialized committees required by France's Monetary and Financial Code: the Risk Committee, the Remunerations Committee, and the Appointments Committee, and the Audit Committee governed by France's Commercial Code.

At its meeting on 9 March 2016, the Board of Directors of CIF Euromortgage decided that the functions delegated to the specialized committees referred to under CMF § L.511-89 would be exercised by the Risk, Remunerations, and Appointments Committees of CIFD, the consolidating entity, in application of CMF § L.511-91.

VI. REMUNERATION AND BENEFITS GRANTED TO COMPANY REPRESENTATIVES

None of CIF Euromortgage's company representatives has received any remuneration or benefits.

VII. REMUNERATION AND BENEFITS GRANTED TO PERSONS DESIGNATED UNDER CMF § L.511-71

The persons at CIF Euromortgage who are referred to in CMF § L.511-73 have not received any remuneration or benefits.

VIII. INFORMATION ON AGREEMENTS BETWEEN COMPANY REPRESENTATIVES AND SUBSIDIARIES (CC § L.225-102-1)

Pursuant to CC § L.225-102-1, every company is required to report on any agreement that the chief executive officer, an deputy chief executive officer, a board member, or any shareholder holding more than 10% of the voting rights has made directly or indirectly with a subsidiary in which that company has a direct or indirect ownership interest of more than 50%.

CIF Euromortgage is not concerned by this requirement, as it has no subsidiaries.

IX. INDEPENDENT AUDITORS

At year-end 2015 the independent auditors were:

Statutory Auditors

- PricewaterhouseCoopers Audit, represented by Antoine Priollaud
- Mazars, represented by Virginie Chauvin.

Alternate Auditors

- Michel Barbet-Massin
- Etienne Boris.

Their term will expire at the close of the shareholders' meeting convened to approve the financial statements at and for the year ended 31 December 2018.

X. SPECIFIC CONTROLLERS

At 31 December 2015 the specific controllers were:

Specific Controller

- Fides Audit, 52 Rue de la Boétie, 75008 Paris

Alternate Specific Controller

- Hugues Bongrand, 9 Rue des Sesçois, 77590 Bois le Roi.

In addition to independent auditors, SCFs must have an independent specific controller chosen from an official list and designated with the consent of the ACPR. The specific controller's mission is to ensure that the SCF adheres to the rules pertaining to qualifying assets, and that it complies with the coverage ratio requirement.

He certifies the documentation submitted to the ACPR and issues an annual report on the execution of his assignment.

At its meeting on 28 May 2015, the Board of Directors renewed the appointments of the specific controller and the alternate specific controller.

- The term of the specific controller, Fides Audit, ended at the close of the the shareholders' meeting on 28 May 2015. The Board voted unanimously to renew the appointment of Fides Audit, 52 Rue de la Boétie, 75008 Paris, as specific controller of CIF Euromortgage for a four-year term that will expire at the close of the shareholders' meeting convened to approve the financial statements at and for the year ended 31 December 2018.

- The term of the alternate specific controller, MBV et Associés, ended at the close of the the shareholders' meeting on 28 May 2015. The Board voted unanimously to replace that firm and appoint Hugues Bongrand, 9 Rue des Sesçois, 77590 Bois le Roi, as alternate specific controller of CIF Euromortgage for a four-year term that will expire at the close of the shareholders' meeting convened to approve the financial statements at and for the year ended 31 December 2018.

V. INTERNAL CONTROL AND RISK MANAGEMENT

INTERNAL CONTROL PROCEDURES

In accordance with the Decree of 3 November 2014 concerning the internal control of companies operating in the bank, payment services, and investment services sector, which are regulated by the Prudential and Resolution Supervisory Authority (ACPR), France's banking industry supervisor, the CIF Group is required to have an internal control organization including:

- a system for monitoring operations and internal procedures
- an accounting and information processing organization
- systems for measuring risks and results
- systems for monitoring and controlling risks
- a documentation and information system
- an organization for monitoring flows of cash and securities.

In accordance with Section 11 of the Decree, the main objectives of CIF Euromortgage's internal control system are as follows:

- ensuring that CIF Euromortgage's transactions, organization, and internal procedures comply with directly applicable banking and financial laws and regulations of France and the European Union; business practices, industry standards, and professional ethics; instructions issued by the Company's management in application of strategy or policies concerning risk exposure, management, monitoring, and abatement; and orientations and policy determined by the Board of Directors
- ensuring total compliance with procedures for making decisions and incurring risks of any nature, and with management standards set by the Company's management in respect of policies and orientations chosen by the Board of Directors, particularly concerning limits

- verifying the quality of accounting and financial information provided to the Company's management, the Board of Directors, or the supervisory authorities, or appearing in documents intended for publication
- verifying the conditions for evaluating, recording, safeguarding, and furnishing such information, and ensuring the existence of an audit trail as construed in Section 85
- verifying the quality of information and communication systems
- verifying the execution of corrective measures within a reasonable time frame
- verifying compliance with laws and regulations, including directly applicable EU laws and regulations, governing remuneration policy and practices, as well as the general principles of remuneration defined by the Board of Directors or appropriate Shareholder Meetings.

As Crédit Immobilier de France's central entity, CIFD must ensure that all Group companies execute high-quality internal audits using resources that are operational and subject to continual improvement. CIFD also defines, organizes, and manages the different auditing units for all of the Group's businesses and entities. Its Board of Directors approves the main principles of the organization.

The standards governing the Group's internal control organization are contained in the Internal Control Charter, which is validated by CIFD's Board of Directors and Shareholders' Meetings, as are Books II and III of the Group's By-Laws. In addition, CIF Euromortgage has it own internal control charter. CIFEUROMORTGAGE's internal control organization is governed by the Group's By-Laws.

In application of CMF § L.513-15 and of the service agreement between CIF Euromortgage and 3CIF, 3CIF is responsible for internal control at CIF Euromortgage.

The Group's internal control has been placed under the responsibility of two units that help ensure CIF Euromortgage's internal control. The General Inspection and Internal Audit Division handles periodic control, and the Group Risk, Permanent Control, and Compliance Division provides each subsidiary with tools, including a permanent control checklist that describes all audit procedures and their frequency of execution.

CIF Euromortgage must update its risk sontrol mapping and audits to keep pace with changes in its activity, and with the same frequency as it updates its internal procedures. The Group Risk, Permanent Control, and Compliance Division analyzes incidents reported by operational staff to assess the criticality of their financial and/or organizational impact.

Ad hoc committees, comprising operating staff and/or Board members, and in particular the CIFD Risk Committee (which reports directly to CIFD's Board of Directors), which meets quarterly, as well as:

- the Internal Control Executive Committee
- the Risk Policy Executive Committee
- the Operational Risk and Continuity Committee
- the Balance Sheet Management and Asset Optimization Committee.

also help manage the audit process and analyze risks. They back up the work of department heads and certain head office departments.

RISK MANAGEMENT

In its conduct of business, CIF Euromortgage is exposed to two main types of risk, financial risk and credit risk.

A. FINANCIAL RISK

Financial risks are subject to specific asset-liability management.

1°. Interest-Rate Risk

Interest-rate risk is the risk incurred due to disparities between fixed-rate lending and borrowing positions, both on and off the balance sheet, in the event of fluctuations in interest rates.

➢ Methods Used

CIF Euromortgage has no reason to incur interest-rate mismatch risks other than those resulting from investments of its core capital.

Consequently:

- Interest rates on all debt securities held to maturity, securities available for sale, and liabilities, excluding investments of core capital, are swapped for 3-month Euribor.
- Fixed-rate debt securities held to maturity or securities available for sale are hedged from the time of purchase until their expected maturity date.
- Fixing risks are hedged using fixed-rate-to-Eonia swaps.

Residual exposure, resulting from differences between lending and borrowing positions, may exist in addition to the exposure resulting from investments of core capital.

CIF Euromortgage measures the depreciation of its assets and liabilities according to their expected depreciation schedule, taking expected early repayments into account. Its fixed-rate exposure factors in fixed-rate exposures to maturity and revisable-rate exposures until the end of the interest rate adjustment period.

The interest-rate sensitivity gap on fixed-rate exposures shows the depreciation of net fixed-rate lending and borrowing positions both on and off the balance sheet, according to their expected depreciation schedule over a period of 30 years, using monthly maturity buckets over at least 25 years and annual maturity buckets beyond that point.

Based on recommendations from 3CIF's ALM department, the CIFD Group's ALCO determines interest-rate risk management organization and methods. Their purpose is to measure interest-rate risk exposure in the event of movements in market parameters.

Interest-rate risk exposure is determined using Group methods that assess the sensitivity of income and the net present value of CIF Euromortgage's balance sheet.

As part of the annual review of sensitivity limits, and following the ALCO meeting on 17 December:

- The sensitivity of income before tax and nonrecurring items to a 1-point parallel shift in the yield curve must not exceed €0.2 million.
- The sensitivity of the NPV of the balance sheet must not exceed €0.4 million:
  - €0.4 million for the sensitivity of the fixed-rate position to a 2-point parallel shift in the yield curve
  - €0.4 million for the sensitivity of the option position to a 2-point parallel shift in the yield curve
  - €0.4 million for the aggregate sensitivity of the fixed-rate and option positions to a 2-point parallel shift in the yield curve
  - €0.4 million for the sensitivity of the fixed-rate position to a 1% rotation of the yield curve
  - €0.4 million for the combined exposure to risks of parallel shift and rotation of the yield curve.

➢ Results

At 31 December 2015, CIF Euromortgage complied with its sensitivity limits:

- The sensitivity of income before tax and nonrecurring items to a 1-point parallel shift in the yield curve over one year was close to zero, compared with an authorized limit of €200,000.

- The sensitivity of the net present value (NPV) of the balance sheet, excluding shareholders' equity, to a 2-point shift and 1% rotation of the yield curve was €6,747, compared with an authorized limit of €400,000.

Sensitivity of earnings over a moving 12-month period						
	Fixed-rate	Revisable-rate	FR + RR	FR with RR option	Total sensitivity	Limit
1%	0	0	0	0	200,000	0%
-1%	0	0	0	0	(200,000)	0%

<table>
<tr><th></th><th colspan="14">Sensitivity of the NPV of the balance sheet</th></tr>
<tr><th></th><th>Fixed-rate</th><th>Revisable-rate</th><th>FR+RR</th><th>% below limit</th><th>FR with RR option</th><th>% below limit</th><th>Parallel shift (FR+RR, and FR+RR option)</th><th>% below limit</th><th>Amount below limit</th><th>Absolute value of rotation</th><th>% below limit</th><th>Total sensitivity (parallel shift + rotation)</th><th>% of total limit</th><th>Total limit</th></tr>
<tr><td>+2%</td><td>-5 586</td><td>1</td><td>(5 586)</td><td>1%</td><td></td><td></td><td>(5 586)</td><td>1%</td><td rowspan="2">400 000</td><td rowspan="2">2</td><td rowspan="2">0%</td><td rowspan="2">6 747</td><td rowspan="2">2%</td><td rowspan="2">400 000</td></tr>
<tr><td>-2%</td><td>6 746</td><td>-1</td><td>6 745</td><td>2%</td><td></td><td></td><td>6 745</td><td>2%</td></tr>
</table>

The table below summarizes net interest-rate exposure, before and after hedging, at 31 December 2015:

At 31 December 2015	Financial assets (a)		Financial liabilities (b)		Net exposure before hedging (c) = (a) - (b)		Interest-rate hedging instruments (d)		Net exposure after hedging (e) = (c) + (d)	
	Fixed-rate	Floating-rate	Fixed-rate	Floating-rate	Fixed-rate	Floating-rate	Fixed-rate	Floating-rate	Fixed-rate	Floating-rate
Less than 1 year	0	0	(6,975,267,672)	0	(6,975,267,672)	0	(6,975,267,671)	0	0	0
1–2 years	0	0	(6,935,790,223)	0	(6,935,790,223)	0	(6,935,790,223)	0	0	0
2–3 years	0	0	(6,932,790,125)	0	(6,932,790,125)	0	(6,932,790,125)	0	0	0
3–4 years	0	0	(4,979,779,081)	0	(4,979,779,081)	0	(4,979,779,081)	0	0	0
4–5 years	0	0	(3,574,209,818)	0	(3,574,209,818)	0	(3,574,209,817)	0	0	0
More than 5 years	0	0	0		0		0	0	0	0
Total	0	0	(29,397,836,918)		(29,397,836,918)		(29,397,836,917)	0	(1)	0

2°. Liquidity Mismatch Risk

Liquidity mismatch risk is the risk that the Company will be unable to honor its commitments, or unwind or offset a position, due to a market configuration or idiosyncratic factors, within a determined timeframe and at a reasonable cost.

➢ Summary of Liquidity Mismatch Risk and Funding Sources

CIF Euromortgage protects itself by ensuring that its assets are liquid and by limiting future liquidity gaps. Although CIF Euromortgage is no longer in a position to pledge its assets for ECB repo funding, some of its assets, such as French Treasury notes (BTF), which it regularly purchased in 2015, and deposits with the Banque de France, after having opened an account there in August 2015, offer a high degree of liquidity and security. Moreover, CIF Assets senior bonds are listed on Euronext.

CIF Euromortgage measures the amortization of its assets and liabilities according to their expected amortization schedule, factoring in assumptions for early repayments based on levels observed.

It complies with the following rules at all times:

- **Ensuring secure liquidity under normal operating conditions**

  The liquidity gap, determined on the basis of provisional amortization schedules of assets and liabilities, must be negative in all time buckets up to two years and limited to €2 billion in all successive time buckets.

- **Liquidity stress scenario over 12 months**

  The amortization of secured debt must be covered by provisional flows from assets over a 12-month timeframe in a liquidity stress scenario where mortgage promissory notes and replacement securities collateralized by residential mortgages are repaid not at their contractual maturity date but using funds flows generated by receivables posted as collateral.

- **Coverage of liquidity needs over a moving period of 180 days (CMF § R.513-7)**

  Provisional cash needs must be covered for a 180-day period at all times by replacement securities and assets eligible for Banque de France repo financing. Forecasts of cash requirements are made as a precaution for situations in which mortgage promissory notes are repaid not at their contractual maturity date but using funds flows generated by receivables posted as collateral.

- **Minimum cash holdings in demand deposits or high-quality liquid assets**

  At all times, CIF Euromortgage must hold liquidity in the form of demand deposits, replacement securities, or public-sector instruments in amounts greater than or equal to aggregate interest payments due on secured debt issues for the subsequent six-month period, including foreseeable net flows on hedges that confer preferred creditor status (CMF § R.513-11). However, for hedges in which 3CIF is the counterparty, the minimum cash holding is determined on the basis of the following factors:

  - Foreseeable net in- or outflows on contracts over the subsequent six-month period are excluded.
  - The balance payable by CIF Euromortgage in the event of early cancellation of a contract is added to the minimum required cash holding, if applicable.
  - The balance receivable by CIF Euromortgage in the event of early cancellation of a contract is deducted from the minimum required cash holding, in an amount not to exceed the collateral that CIF Euromortgage has received in respect of these contracts, if applicable.

Moreover, a new regulation that became effective in the second half of 2014 requires that covered bond issuers, including CIF Euromortgage, maintain a positive liquidity gap over 180 days.

CIF Euromortgage files quarterly reports with the ACPR, and it complied with that regulation in 2015.

System for Measuring and Monitoring Liquidity Mismatch Risk and Financing Risk

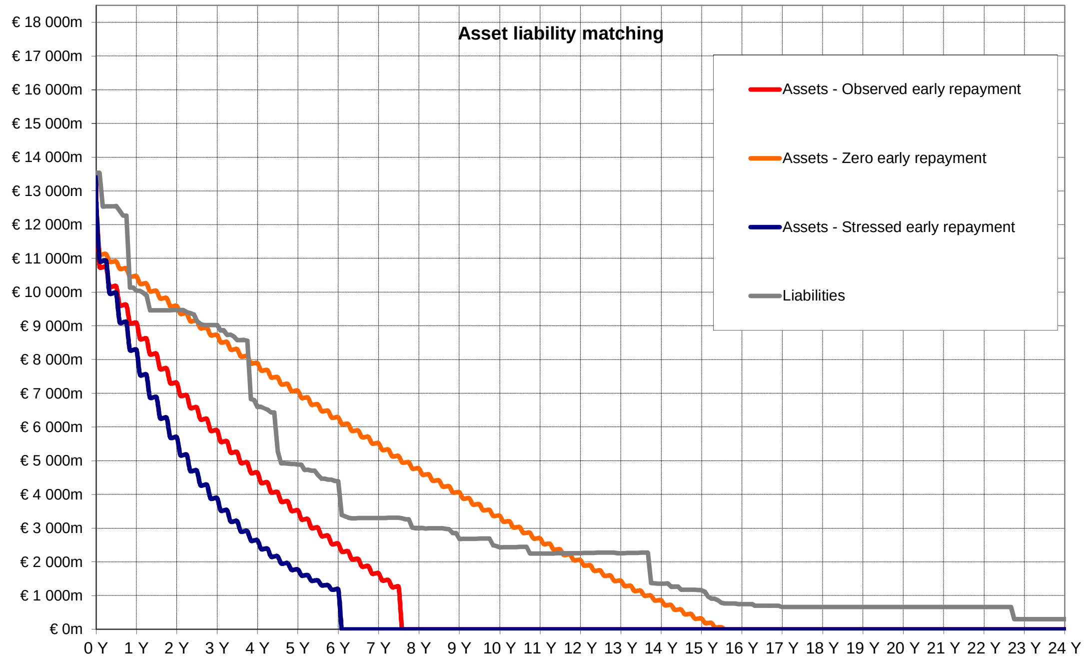
3CIF's ALM department monitors liquidity mismatch risk and reports its findings to CIF Euromortgage's senior management, Front Office, and the Group Risk, Permanent Control, and Compliance Division via CIFD Group's ALCO.

Limits are revised at least once a year and submitted to the rating agencies for approval.

CIF Euromortgage complied with all the aforementioned sensitivity limits in 2015.

Asset/liability matching at 31 December 2015 is shown in the graph below:

Asset/Liability Matching at 31 December 2015



- There is no liquidity mismatch over 24 months.
- The liquidity mismatch beyond 24 months does not exceed €2 billion.
- CIF Euromortgage had €2.6 billion in liquidity at 31 December 2015 held in the form of public-sector instruments (negotiable certificates of deposit and demand deposits with 3CIF or the Banque de France).

➢ Stress Scenarios Used to Measure Risk Incurred in the Event of Sizable Changes in Market Parameters

In addition to analyzing the financial risks referred to above, the rating agencies apply stress scenarios to market parameters in order to determine the level of overcollateralization required for a given rating.

CIF Euromortgage complied with all applicable sensitivity limits in 2015.

➢ Conclusions on Liquidity Mismatch Risk Exposure and Information Provided to Management and the Board of Directors

CIF Euromortgage complied with its liquidity mismatch risk limits in 2015:

- There is no liquidity mismatch over 24 months.
- The liquidity mismatch beyond 24 months does not exceed €2 billion.
- CIF Euromortgage had €2.6 billion in liquidity at 31 December 2015 held in the form of public-sector instruments: negotiable certificates of deposit and demand deposits either with 3CIF or the Banque de France (€1 million held with the Banque de France).

3°. Currency Risk

CIF Euromortgage does not have any foreign currency positions or hold cash in foreign currencies. If any assets and liabilities are not denominated in euros, the corresponding exposures are converted into euros at the outset using currency hedges.

	Issues			Cross-Currency Swap	
Currency	Foreign currency-denominated liabilities	EUR value at 31/12/2015	Foreign currency-denominated assets	EUR value at 31/12/2015	Net exposure
CHF	650,000,000	599,907,707	650,000,000	450,627,159	0
GBP	75,000,000	102,186,797	75,000,000	108,147,080	0
SEK	667,000,000	72,582,839	667,000,000	70,400,000	0
USD	445,000,000	408,744,374	445,000,000	302,465,869	0
Total		**1,183,421,717**		**931,640,107**	

Foreign-currency bond issues are hedged from the date when the proceeds are received using cross-currency swaps protecting the company from any currency risks.

4°. Overcollateralization

Above and beyond regulations requiring compliance with a 105% coverage ratio, CIF Euromortgage has set itself additional internal restrictions including the creation of stress scenarios.

- Internal overcollateralization is defined as the face value of CIF Euromortgage's shareholders' equity and unsecured debt.
- The internal overcollateralization ratio is defined as the ratio of overcollateralization to the face value of CIF Euromortgage's secured debt.

The amount of overcollateralization must cover losses arising in internal stress scenarios, the parameters of which have been approved by the Company's Supervisory Board.

Moreover, in order to maintain CIF Euromortgage's ratings, the nominal amount of its secured debt outstanding has been 8.3% overcollateralized since 31 January 2013.

This level of overcollateralization can only be revised downward:

- if it is warranted by a decrease in the degree of risk to which preferred creditors are exposed, and
- after having given the rating agencies one month's prior notice.

B. Counterparty Risk

Credit risk on counterparties is the risk (potential exposure to losses) incurred in the event of default by one or more counterparties considered to be a group of connected clients as construed under Regulation (EU) No. 575/2013 of the European Parliament and of the Council §4¶1 (39): "two or more natural or legal persons who, unless it is shown otherwise, constitute a single risk because one of them, directly or indirectly, has control over the other or others". One or more natural or legal persons may also be considered as constituting a single risk if they are so interconnected that, if one of them were to experience financial problems, the other or all of the others would also be likely to encounter difficulties.

CIF Euromortgage is no longer authorized to execute transactions in the markets except to purchase fixed-rate French Treasury notes (BTF). Nonetheless, it remains exposed to counterparty risk on the hedging instruments in its portfolio.

1°. Counterparty Risk Incurred when Purchasing Assets

The assets CIF Euromortgage is authorized to purchase are limited by regulations governing SCFs. These assets must also satisfy additional criteria set by the Company's Supervisory Board.

CIF Euromortgage may also hold a portfolio of replacement securities acquired for cash management purposes. According to regulations, the amount of replacement securities in the portfolio may not exceed 15% of the face value of covered bonds and other secured debt issued by the Company that enjoys preferred creditor status. However, this limit only applies to replacement securities resulting from the investment of cash received in respect of transactions governed by CMF § R.515-7 ¶2.

CIF Euromortgage may also hold a marginal portfolio of securities available for sale representing public-sector exposures referred to under CMF § L.513-11-I (1) and (3), in the form of debt securities referred to under CMF § L.513-11-II¶1. The public-sector issuers must have ratings of at least AA- and F1+ (Fitch) and Aa3 and P1 (Moody's).

In addition to compliance with the eligibility criteria stipulated above, CIF Euromortgage must ensure that the assets it plans to purchase will not result in:

- its exceeding the position, liquidity, interest-rate, and foreign-exchange limits defined below
- regulatory offence of the overcollateralization rules defined below
- a decrease in the percentage of the investment portfolio eligible for ECB repo funding below the minimum level of 35%.

Lastly, any asset purchase over par must be financed using the proceeds of unsecured debt issues for the portion over par.

2°. Counterparty Risk Incurred on Forward Transactions

CIF Euromortgage only entered into forward currency and interest-rate hedging transactions with counterparties that have short-term ratings of Prime-1 (Moody's) and A and F-1 (Fitch) or higher at the transaction date. These transactions were covered by FBF or similar agreements that comply with standards and procedures previously established by the Supervisory Board, and that are signed with each counterparty.

Transactions with counterparties that have short-term ratings lower than Aa3 (Moody's) or AA- (Fitch) are secured by cash deposits or liquid securities rated Aaa (Moody's) and AAA (Fitch) in the amount of their market value, posted by counterparties for the sole benefit of CIF Euromortgage, whereas counterparties benefit from CIF Euromortgage's preferred creditor status.

Forward contracts contain clauses providing for the transfer of commitments to a new counterparty with a short-term rating of Prime-1 (Moody's) and F-1 (Fitch) or higher if the counterparty's short-term rating is downgraded below Prime-2 (Moody's) or F-2 (Fitch).

CIF Euromortgage could, however, enter into off-balance sheet transactions with unrated counterparties, provided that their commitments were backed by an irrevocable and unconditional guarantee from their parent company or another group company whose rating complied with the above minimum requirements. Margin call triggers and other thresholds were based on the guarantor's rating.

At 31 December 2015 CIF Euromortgage held a portfolio of forward instruments with 14 external counterparties.

During the period, hedging positions were valued at regular intervals according to the conditions specified in the master agreements. Several of CIF Euromortgage's external counterparties have posted cash deposits, totaling €1.68 billion at 31 December 2015 (€2.11 billion at 31 December 2014), to secure those transactions.

CIF Euromortgage did not sustain any losses or counterparty defaults on its forward instruments transactions in 2015.

C. Other Risks

1°. Concentration Risk

Concentration risk is the risk arising from the exposure to each counterparty, including central counterparties, and to counterparties considered to be a group of connected clients.

At 31 December 2015, apart from the CIF Assets senior bonds and mortgage promissory notes that account for most of CIF Euromortgage's risks, its other risks are representative of exposure to 3CIF (bearing the French

State guarantee) or directly to the Republic of France via €1.05 billion in deposits held in CIF Euromortgage's current accounts with the Banque de France.

The other risks (on entities from outside the Group) correspond exclusively to mark-to-market on hedging instruments (swaps) under framework and cash collateral agreements where the counterparties are banks (rated between A– and AA– at 31 December 2015).

The notional and mark-to-market amounts of these risks at 31 December 2015 are shown below:

Analysis of CIF Euromortgage's Off-Balance Sheet Commitments (Non-Group) According to Rating at 31 December 2015

In-house rating (1)	Mark-to-market (€ millions)	Notional amount (€ millions)	% of total
AAA to A–	171	1,078	10%
A+ to A–	1,503	9,833	90%
Total	**1,674**	**10,911**	**100%**

(1) CIF Group in-house rating

CIF Euromortgage has entered into forward instruments transactions essentially with European banks.

Analysis of CIF Euromortgage's Off-Balance Sheet Commitments (Non-Group) According to Country at 31 December 2015

Country	Mark-to-market (€ millions)	Notional amount (€ millions)	% of total
Germany	688	3,968	36%
US	28	125	1%
France	591	4,654	43%
United Kingdom	366	2,165	20%
Total	**1,674**	**10,911**	**100%**

No limit overruns were reported in 2015, with the exception of technical overruns caused by increased principal amounts on accreting swaps written with the bank counterparties Unicredit Bank AG, HSBC France, and Crédit Suisse International.

Lastly, CIF Euromortgage entered into cash collateral agreements with all counterparties on forward instruments transactions in order to offset the risk of default by those counterparties. Under these agreements, CIF Euromortgage held a total of €1.68 billion in cash collateral at 31 December 2015.

2°. Securitization Risk

Securitization risk is the risk induced by securitization operations in which the Company acts as investor, originator, or sponsor, including reputation risk, such as that which arises in relation to complex products and structures.

The Group used securitization exclusively to refinance its loan originations. The financial operating subsidiaries sold their receivables to CIF Assets, which financed them by issuing AAA-rated senior bonds and subordinated units. CIF Euromortgage purchased those notes and refinanced them by issuing covered bonds and other secured debt.

The financial operating subsidiaries retain most of the returns and credit risk associated with the loans they securitized through the excess spread that the securitization vehicle paid to them, through the securitization vehicle's reserve fund, to which they made additions to protect securityholders from portfolio risk, and through the subordinated units they purchased. The interest-rate risk on assets sold to the securitization vehicle is returned to the operating subsidiaries by means of an offsetting swap with 3CIF.

The financial operating subsidiaries that have sold loans for securitization are responsible for monitoring the performance of the underlying receivables on behalf of the securitization vehicle. They report monthly on their management to the securitization vehicle's management company, Eurotitrisation, which in turn uses their reports to calculate the excess spread they are to receive every quarter. These calculations are checked by the operating subsidiaries themselves and by 3CIF.

The interest-rate risk on loans securitized by the operating subsidiaries is included in their ALM positions, particularly for measuring the sensitivity of their income and the net present value of their balance sheet to interest-rate fluctuations.

3°. Operational Risk

Operational risk is the risk of loss stemming from inadequate or faulty procedures, staff, or in-house systems, or from external events, including legal risk.

The tasks of monitoring and managing CIF Euromortgage's operational risk, covered under its service contract with 3CIF, are an integral part of the CIF Group's permanent control organization, which monitors and manages operational risk using a map of operational risks and the permanent control checklist.

The fact of gathering reliable data on incidents and losses fosters awareness among operating staff.

No operational risks with a material impact were reported to the Group Risk and Permanent Control Division in 2015. Activities that undergo first-tier verifications by operational staff were also subject to second-tier verifications.

Efforts were made to enhance the security of the organization and operations in 2015, in particular concerning the management of data access authorizations and adjustments to management tools. The management of key-person risk exposure was included in the Group's general effort to prevent human resources risks.

4°. Legal Risk

Legal risk is the risk of a dispute with a counterparty resulting from a lack of precision or a deficiency that could impact the Company's conduct of business.

CIF Euromortgage incurs legal risks on its activities, which could potentially lead to civil or criminal suits as well as impair its reputation.

Under its service agreement with 3CIF, CIF Euromortgage has access to 3CIF's Legal Department, which has the requisite expertise in domestic and international law. In cooperation with 3CIF's Legal Department, it monitors its compliance with regulations governing SCFs and prepares the reports it files with the ACPR. It also uses the services of specialized law firms when needed. Its annual and interim financial statements are audited and certified by the independent auditors in accordance with applicable regulations. 3CIF's Legal Department ensures that CIF Euromortgage fulfills its obligations to the specific controller and that he has the necessary resources to conduct his verifications.

To the best of its knowledge, CIF Euromortgage has no disputes pending with customers, suppliers, or counterparties that have led to or are of a nature to lead to legal proceedings or arbitration.

5°. Noncompliance Risk

Noncompliance risk is the risk of legal, administrative, or disciplinary sanctions; material financial loss; or reputation impairment arising from the failure to comply with directly applicable French or EU laws and regulations governing banking and financial activities, professional and ethical standards, or instructions by managers made in application of orientations from the Board of Directors.

Like all others, this risk must be assessed and managed as a function of the potential consequences of adverse events, which would generate a cost to the Company in terms of civil or criminal liability, administrative sanctions, or reputation impairment.

VI. COVERAGE RATIO AND PRUDENTIAL RULES

(These ratios are audited by the specific controller).

In addition to being subject to the rules that apply to all credit institutions, SCFs must also comply with specific ratios and limits stipulated in CMF § L.513-2 *et seq.* and CRBF regulation 99-10 of the 9 July 1999 concerning SCFs and housing financing companies.

Under CRBF regulation 99-10 §10, SCFs are required to declare the following information at 31 March, 30 June, 30 September, and 31 December of every year:

- the coverage ratio stipulated in CMF § R.513-8 concerning the minimum 105% coverage ratio of assets to secured debt
- data used to calculate the coverage of cash requirements over a period of 180 days, stipulated in CMF § R.513-7
- the gap in the average remaining life of assets and liabilities, which must not exceed 18 months, as specified under CRBF regulation 99-10 §12
- an estimate of the coverage of secured debt until maturity provided by the available pool of eligible assets and forecasts for new originations of mortgage loans, using conservative assumptions, with a presentation of the calculation method used, as mentioned in CRBF regulation 99-10 §12.

I. COVERAGE RATIO AND COMPLIANCE WITH LIMITS

Information on the coverage ratio and compliance with limits is provided in Appendix II.

A. Coverage Ratio

SCFs are required to ensure that their coverage ratio of assets to secured debt is greater than or equal to 105% at all times, as stipulated in CMF § R.513-8. The preferred creditor status (CMF § R.513-11) given to holders of covered bonds and other secured debt is contingent upon such compliance.

The coverage ratio is calculated as specified in the monetary and Financial Code. The denominator of the ratio corresponds to covered bonds and other secured debt, any payables in respect of the contract mentioned in CMF § L.513-15, and any payables due in respect of forward instruments contracts that have preferred creditor status. The numerator corresponds to all of the Company’s assets, particularly securities issued by securitization vehicles that are weighted from 0% to 100% depending on their long-term rating, and mortgage promissory notes, which are valued on the basis of the assets posted as collateral rather than at their face value, pursuant to CMF § R.513-7.

High-quality liquid assets are given a 100% weighting subject to the terms of the Order of 26 May 2014, which limits the extent to which the SCF can weight assets representing an exposure to companies that are part of the same consolidated entity as the SCF itself.

Replacement securities consisting of CIF Euromortgage's cash investments with 3CIF are backed by the State guarantee and are now recorded as public-sector exposures for the purposes of calculating the coverage ratio. For this reason, they are not subject to the limits on exposures to affiliates. Public-sector exposures also include government securities in which CIF Euromortgage has invested the other part of its cash holdings.

Calculated on the basis of the above criteria, CIF Euromortgage's coverage ratio stood at 113.75% at 31 December 2015.

The ratio's components at 31 December 2015 are presented in Appendix III.

B. Compliance with Limits

Data concerning compliance with limits are presented in Appendix II.2.

CIF Euromortgage complies with the limit on guaranteed mortgages, which account for only 12.94% of its assets (the maximum authorized amount is 35%).

It also complies with the limit on promissory notes, which account for 8.49% of total assets (the maximum authorized amount is 10%).

The limit on replacement securities did not apply to CIF Euromortgage at 31 December 2015 as its cash was invested in fixed-rate French Treasury notes (BTF) or in negotiable certificates of deposit issued by 3CIF, or held in a current account with 3CIF, and therefore classified as public-sector exposures because those holdings are covered by a State guarantee.

FTC securities and RMBSs held by CIF Euromortgage comply with CMF § R.515-4 IV. At 31 December 2015, CIF Euromortgage did not hold any shares issued by FTCs or similar entities backed by loans originated by entities outside the CIF Group.

C. Calculation of the Portion of Assets Eligible for Repo Funding Using Secured Debt

Data used to calculate the portion of assets eligible for repo funding using secured debt are presented in Appendix II.3.

CIF Assets senior bonds are all eligible for repo funding using secured debt. In light of the amount of overcollateralization, receivables backed by the €1.34 billion mortgage promissory note are eligible for €1.7 billion in repo funding using secured debt.

II—DATA USED TO CALCULATE THE COVERAGE OF CASH REQUIREMENTS

Pursuant to CMF § R.513-7, SCFs must ensure that their cash needs are constantly covered over a moving period of 180 days, taking into account foreseeable flows of principal and interest on assets and net flows related to forward instruments referred to in CMF § L.513-10. Cash requirements are covered using replacement securities and assets eligible for Banque de France repo funding in accordance with its procedures and conditions related to monetary policy and intraday loans.

In cases where the SCF's assets (excluding replacement securities) include receivables guaranteed in application of CMF § L.211-36 to L.211-40, CMF § L.313-23 to L.313-35, and CMF § L. 313-42 to L. 313-49, its cash holdings are valued taking into account actual flows from assets pledged or given to it outright as collateral rather than forecast flows from receivables carried in the SCF's balance sheet.

CIF Euromortgage's cash needs over 180 days result from:

- payments of principal and interest on its secured and unsecured debt
- payments due in respect of hedging transactions

- repayments of portions of the cash collateral deposited by counterparties in respect of hedging transactions.

CIF Euromortgage’s cash needs over 180 days are covered by:

- its current accounts
- foreseeable payments of principal and interest on CIF Assets senior bonds, which account for the largest portion of its assets
- payments received in respect of hedging transactions
- foreseeable payments on mortgage promissory notes, on the basis of both the contractual amortization and the early repayment of the underlying loans posted as collateral, rather than on the notes’ contractual amortization, in accordance with CRBF regulation 99-10 §12
- payments received on replacement securities or public-sector exposures according to their contractual amortization.

For the purposes of calculating its cash requirements, CIF Euromortgage has applied the following principles:

- Flows from CIF Assets are estimated on the basis of repayments expected in the loan agreements held by CIF Assets, to which are added sums from early repayments of those loans and the restitution of doubtful loans to the originating entities. Crédit Immobilier de France applies three conventions for early repayments to mortgage loans backing CIF Assets senior bonds and mortgage promissory notes. For amortizations over one year: use of a convention of early repayment based on the rate of early repayment observed over a moving 12-month period (sum of early repayments + elimination of doubtful loans/outstandings at the beginning of the period). This convention allows for projections that change dynamically according to changes in the economy. Beyond the second year: use of a convention of early repayment based on a stable rate of early repayment observed over a period of several years (the lasting of the period analyzed depends on the type of loan). For the second year, the average of the above two conventions is applied. In this report the 30 September 2015 convention is used. Accordingly, the average weighted rates for each of the three periods was 9.79% for amortizations over one year, 8.21% for the second year, and 6.65% beyond the second year.
- Foreseeable payments on mortgage promissory notes are estimated on the basis of both the contractual amortization and the early repayment of the underlying loans posted as collateral, rather than on the notes’ contractual amortization, in accordance with CRBF regulation 99-10 §12.
- Payments received on replacement securities or public-sector exposures are estimated on the basis of their contractual amortization.
- Reimbursements of cash collateral received from counterparties in respect of forward instruments transactions are estimated on the basis of a stress equal to the maximum disbursement observed over a moving period of 30 days over the previous 12 months. For the period under consideration, this amounts to €264 million. This sum is deducted in a linear fashion over a six-month period on the basis of a daily increment (264/180 = €1.46 million/day) from cash collateral still held by CIF Euromortgage. Beyond that six-month period, the remainder is amortized concomitantly with the amortization of fixed-rate secured debt (the cash collateral is indexed to the derivatives used to hedge fixed-rate covered bonds).
- Repayments include the assumption of recourse to early redemption options on debt and related hedging transactions.

Data used to calculate the coverage of cash requirements are taken from CIF Euromortgage’s ALM information and are presented in Appendix III.1.

At 31 December 2015, the principal cash inflows over a period of 180 days comprised:

- at T+25: the partial amortization of CIF Assets bonds, for €607 million, including €8 million in interest
- at T+33: the maturing of an €800 million negotiable certificate of deposit
- at T+91: the amortisation of €55 million collateralized loan

- at T+116: the partial amortization of CIF Assets senior bonds, for €583 million, including €13 million in interest.

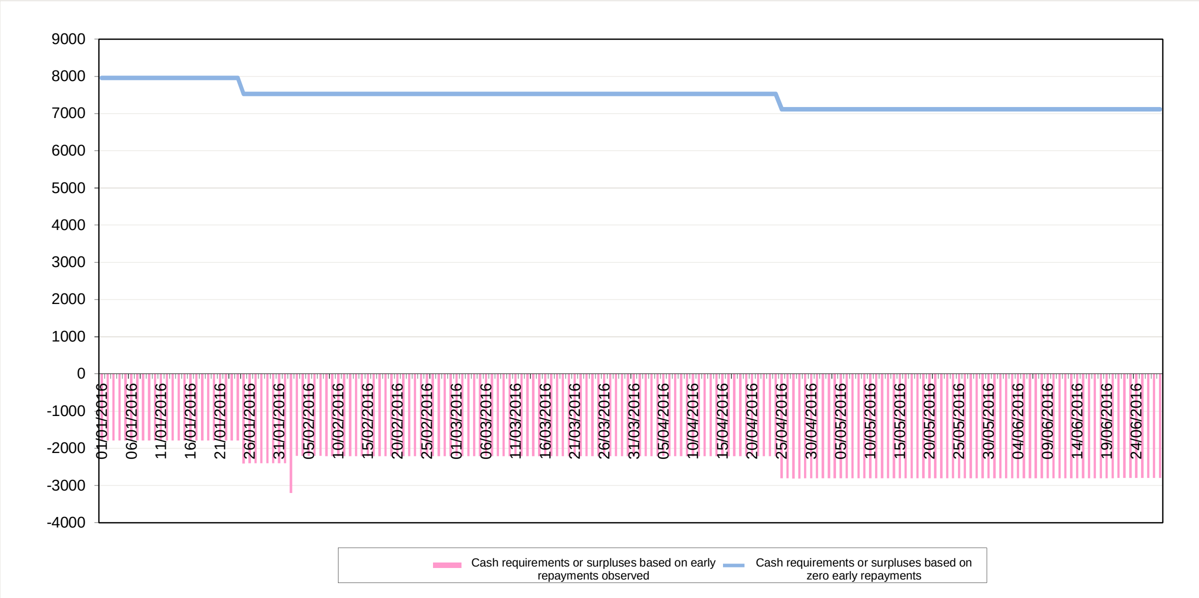
At that same date, the principal cash outflows over a period of 180 days comprised:

- at T+34: the maturing of covered bonds amounting to €1,158 million including interest
- over the entire period: the allocation of flows resulting from reimbursements of cash collateral received from counterparties in respect of forward instruments transactions.

Data on CIF Euromortgage's cash requirements over a 180-day period at 31 December 2015, presented in Appendix III.1, show that its cash requirements over that period are covered entirely by its cash holdings.

This situation is summarized in the graph below:

Cash Requirements over a 180-Day Period
(based on observed early repayments and zero early repayments)



For reasons of the Group's orderly resolution, the Banque de France has informed Crédit Immobilier de France that it would not authorize its units, particularly CIF Euromortgage, to participate in ECB tenders. Thus, in accordance with the orderly resolution plan, any of CIF Euromortgage's cash needs that are not covered by its cash holdings, and any possible changes in the amounts of mortgage promissory notes acquired, must be covered by 3CIF pursuant to the mission it has been given under the Plan. 3CIF may provide funding in the form of secured debt as construed under CMF § L.513-11 or as unsecured debt.

Apart from negotiable certificates of deposit purchased from 3CIF, all securities held by CIF Euromortgage (CIF Assets senior bonds and fixed-rate French Treasury notes) continue to be recognized as eligible for ECB repo funding. Altogether, these assets amounted to €12.6 billion at 31 December 2015, plus the balance of demand deposits held with the Banque de France.

III—DATA USED TO CALCULATE THE GAP IN THE AVERAGE REMAINING LIFE OF ASSETS AND LIABILITIES

Pursuant to CRBF regulation 99-10 §12, SCFs must ensure that the average remaining life of eligible assets, for the amount equal to the minimum required to comply with the coverage ratio stipulated in CMF § R.513-7-2, does not exceed that of secured debt by more than 18 months. In cases where the SCF's assets (excluding replacement securities) include receivables guaranteed in application of CMF § L.211-36 to L.211-40, CMF § L.313-23 to L.313-35, and CMF § L. 313-42 to L. 313-49, the gap is valued taking into account the assets pledged or given to it outright as collateral rather than the receivables carried in the SCF's balance sheet.

Data used to calculate the gap in the average remaining life of assets and liabilities are taken from CIF Euromortgage's ALM information and are presented in Appendix IV.

The average remaining life of assets was 40.44 months at 31 December 2015; that of liabilities was 48.10 months. CIF Euromortgage thus complies with CRBF regulation 99-10 §12.

The assumptions used to calculate the average remaining life of assets, particularly those concerning early repayments, are the same as those used for covering CIF Euromortgage's cash requirements. The maturity date used for liabilities with an early repayment option is that of the first optional date stipulated in the offering circular.

IV—ESTIMATE OF THE COVERAGE OF SECURED DEBT

Pursuant to CRBF regulation 99-10 §12, SCFs must estimate the level of coverage required for secured debt to maturity, based on their available pool of eligible assets and conservative forecasts for new acquisitions of mortgage loans.

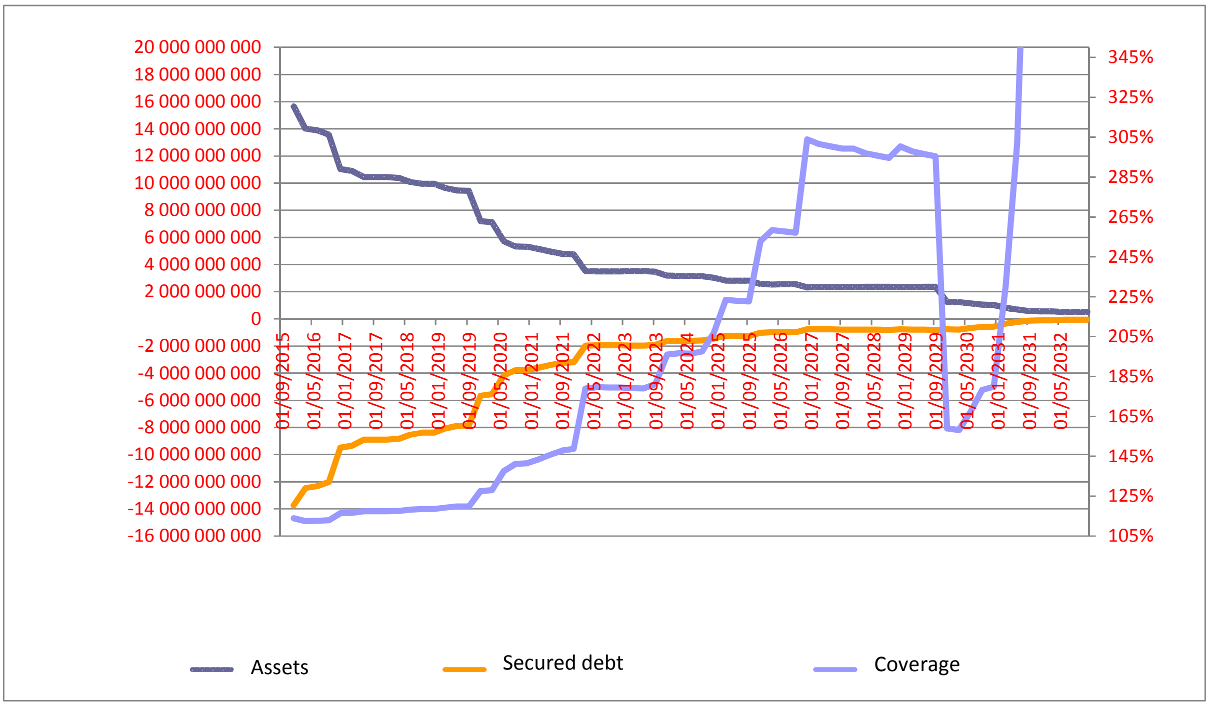
Data used to calculate the level of coverage of secured debt are taken from CIF Euromortgage's ALM information and are presented in Appendix V.

As indicated earlier, CIF Euromortgage has ceased all issuing activity. In the table in Appendix V, secured debt is amortized according to the schedule shown in the offering circulars, with the exception of liabilities with an early repayment option, in which case the maturity date corresponds to the first optional date stipulated in the offering circular. The column "Asset items covering secured debt" includes CIF Assets senior bonds and public-sector exposures, as well as mortgage promissory notes, which are not assumed to be rolled over.

The other assumptions used in calculating the level of coverage of secured debt securities over their remaining life are the same as those used for the coverage of cash requirements and for the gap in the average remaining life of assets and liabilities.

Under these conditions, CIF Euromortgage's assets are sufficient to cover its secured debt until retirement, and the coverage ratio exceeds the minimum requirement of 105% at all times over that period.

Coverage of Secured Debt Until Maturity



The assumptions used to calculate the level of coverage of secured debt do not include the impact of the revocation of the exception stipulated in CMF § R. 515-4-IV. Pursuant to Decree 2014-526 §2 of 23 May 2014, CIF Euromortgage provided the ACPR before 31 December 2015 with a plan for returning to compliance with the limit indicated in CMF § R. 515-3-IV before 31 December 2017.

This plan calls for the dismantling of CIF Assets and the cessation of refinancing involving securitization; all home londs outstanding will either be transferred to the Group's balance sheet, with the Group satisfying its refinancing needs in accordance with CMF § L. 211-38, or to the balance sheet of CIF Euromortgage.

VII. FINANCIAL REVIEW AT AND FOR THE YEAR ENDED 31 DECEMBER 2015

I—INCOME STATEMENT

3-month Euribor, the interest rate used for CIF Euromortgage's assets and liabilities, whether directly or indirectly via swaps, averaged –0.02% in 2015, compared with 0.29% in 2014.

In 2015, interest and related income amounted to €593.2 million, compared with €801.70 million in 2014. This decline reflected a general decrease in the Company's assets that began late in 2012 and accelerated in the first half of 2015 with the depreciation of CIF Assets senior bonds and the disposal of the external RMBS portfolio.

At 31 December 2015 CIF Euromortgage's FCT security/RMBS investment portfolio amounted to only €11.4 billion, compared with €14.45 billion at 31 December 2014.

In order to minimize expenses related to the State guarantee (1.53%), CIF Euromortgage also scaled back its cash investments with 3CIF starting in May 2014 and shifted them to negotiable fixed-rate French notes (BTF). In August 2015 it opened an account with the Banque de France and began making deposits.

At 31 December 2015 CIF Euromortgage held no government securities (versus €2.27 billion at year-end 2014) but €1.05 billion on deposit with the Banque de France.

Cash investments with 3CIF, which are also covered by the supplementary remuneration agreement, amounted to €1.54 billion at year-end 2015 compared with €527.56 million at 31 December 2014. Under the terms of this agreement, CIF Euromortgage received €2.98 million from 3CIF for 2015 versus €11.41 million for 2014.

Interest and related expense also declined, to €576.9 million in 2015 versus €796.65 million in 2014.

Fee and commission income, reflecting securities custody fees, amounted to €0.46 million in 2015, from €0.74 million in 2014.

CIF Euromortgage reported net banking income of €15.8 million in 2015, up from €4.29 million in 2014.

After €4.2 million in general operating expenses, compared with €2.69 million in 2014, CIF Euromortgage posted gross operating income of €11.6 million in 2015, versus €1.60 million in 2014.

Net income, after €5.25 million in income tax, amounted to €6.35 million in 2015 compared with €1.04 million in 2014.

The five-year financial summary is provided in Appendix VI.

II—BALANCE SHEET

After reaching a peak of €30.47 billion at 31 December 2012, total assets amounted to €25.85 billion at 31 December 2013. The contraction continued in 2014 and 2015 with total assets amounting to €15.78 billion at 31 December 2015 (€18.62 billion at 31 December 2014).

The largest asset item corresponded to CIF Assets senior bonds, which totaled €13.52 billion at 31 December 2015, including accrued interest (€15.72 billion at 31 December 2014, €25.18 billion at 31 December 2013) and are carried under "debt securities held to maturity", followed by a negotiable certificate of deposit and a mortgage promissory note purchased from 3CIF, both of which are carried under "securities available for sale".

There were no government securities and equivalents at 31 December 2015. At 31 December 2014 they totaled €2.27 billion and corresponded to fixed-rate French Treasury notes (BTF) that CIF Euromortgage started purchasing in May 2014.

Amounts due from credit institutions corresponded to CIF Euromortgage's €739.4 million current account balance with 3CIF at 31 December 2015 (€127.56 million at year-end 2014).

Other assets, totaling €2.5 million versus €168 thousand at 31 December 2014, corresponded to €1.4 million due from 3CIF for H2 2015 under the supplementary remuneration agreement, and to CIF Euromortgage's €875 thousand contribution to the deposit guarantee fund.

Accrued assets, amounting to €470.1 million at 31 December 2015 (€495.06 million at year-end 2014), comprised a €251.8 million technical difference on the off-balance sheet foreign currency position, €193.9 million in accrued income from swaps, and €18.3 million in bond issue costs and premiums.

Under liabilities, debt security issues (covered bonds and registered covered bonds) totaled €12.4 billion including accrued interest at 31 December 2015, compared with €14.95 billion at year-end 2014.

Liabilities also include unsecured loans from the parent company CIFD, as indicated below:

- residual subordinated debentures totaling €330 million including accrued interest
- other unsecured loans totaling €1.10 billion including accrued interest.

Other liabilities comprised €1.76 billion in deposits that CIF Euromortgage has received from counterparties as collateral on forward contracts (€2.07 billion at 31 December 2014).

Accrued liabilities, totaling €27.1 million, compared with €41.12 million at year-end 2014, mainly comprised €21 million in gains on hedging instruments, €2.22 million in deferred income, and €3.6 million in accrued expenses, primarily those incurred on swaps and administrative expenses.

No dividend was distributed for 2014, and therefore shareholders' equity amounted to €133.99 million at 31 December 2015, compared with €127.64 million at 31 December 2014. The total includes capital stock of €100 million, the legal reserve of €2.8 million, and retained earnings of €24.9 million.

III—OFF-BALANCE SHEET

Commitments received, totaling €3.36 billion, comprise €1.82 billion in collateral received by CIF Euromortgage, mainly on promissory note purchases, and €1.54 billion in respect of the State guarantee covering CIF Euromortgage's investments with 3CIF.

IV—PROPOSED APPROPRIATION OF NET INCOME

The Board of Directors recommends the following appropriation of net income of €6,348,733.66 for the year:

- 5% to the legal reserve €317,436.68
- Unappropriated retained earnings carried forward €6,031,296.98

Total, equal to net income for the period €6,348,733.66

Details of dividends distributed over the past three years are presented in Appendix VII.

V—CAPITAL STOCK — SHAREHOLDERS' EQUITY

At 31 December 2015 CIF Euromortgage had share capital of €100 million, represented by 2 million common shares with a par value of €50, 99.99%-owned by CIFD.

In accordance with the terms of the Protocol signed with the Republic of France, CIFD has pledged all the shares of CIF Euromortgage in its possession to the Republic of France as collateral.

Shareholders' equity at year-end 2015 totaled €133.99 million.

VI—DIVIDENDS DISTRIBUTED IN PREVIOUS YEARS

In application of Section 243bis of France's Tax Code, the shareholders are reminded that no dividends have been distributed for the previous three years.

VII—SUBSIDIARIES AND AFFILIATED COMPANIES

In accordance with CMF § L.513-2, CIF Euromortgage has no subsidiaries or affiliated companies.

VIII—OTHER INFORMATION

- **Information on Payments Due**

Amounts due to suppliers, analyzed according to payment date at the balance sheet date, is shown below:

	Invoices payable			
	within 30 days	within 45 days	within 60 days	beyond 60 days
Balance at 31 December 2015 (€)	22,857.52	0.00	0.00	0.00

- **Non-Tax-Deductible Charges**

Non-tax-deductible charges referred to under Section 39-4 of France's Tax Code totaled €2,358,517 in 2015.

X—GOING CONCERN

CIF Euromortgage has prepared its financial statements on a going concern basis, the justification for which is now the European Commission's approval of an orderly resolution plan including a State guarantee, as described above.

The Plan includes the following principles:

- Loan originations ceased as of the date of the decision to grant the permanent guarantee.
- The residual portfolios of assets, liabilities, and derivatives will be held to maturity and managed in such a way as to maximize their value. This provision particularly concerns the loan portfolio and the portfolio of debt securities held to maturity. The Plan contains measures aimed at reorganizing the management and collection of the portfolios, with the key objective of ensuring repayment. These measures include retaining key talent within the organization, standardizing the methods employed by the operating subsidiaries, and streamlining the organization.

At the Group level, in light of the decision to hold the loan and debt securities portfolios to maturity, the activity of managing these portfolios satisfies the criterion for preparing the financial statements on a going concern basis, and the Company's assets have been valued accordingly. The going concern principle is based on the implementation of an orderly resolution plan including a permanent State guarantee from the Republic of France, approved by the European Commission, and its decision to hold all its portfolios to maturity.

VIII. SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

CIF Euromortgage is obliged, under the "Grenelle 2" Environmental Initiative Act, to publish and verify the social and environmental impact of its activities according to 42 criteria defined by law. CIF Euromortgage has subcontracted its management to 3CIF under a service agreement, and therefore its staff members are employees of 3CIF. As CIF Euromortgage does not have its own offices or resources, the social and environmental impact of its activities are completely under the control of 3CIF. CIF Euromortgage has not presented that information in its report of the board of directors; it is contained in 3CIF's report of the board of directors.

IX. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

CIF Euromortgage did not issue any new debt during the period.

It redeemed one public-sector bond issue with a face falue of €1 billion.

ISIN	Issue date	Maturity	Coupon (%)	Interest rate	Euro amount
FR0011011379	03/02/2011	03/02/2016	3.25	Fixe-rate	1,000,000,000
Total					**1,000,000,000**

By virtue of Section 80 of Decision 2015-01 of the Governor of the Banque de France concerning the non-conformity of secured loans received by the Group's FCT and pledged as collateral for the covered bonds issued by CIF Euromortgage, the eligibility of CIF Euromortgage's covered bonds for ECB system repo financing was suspended on 18 February 2016.

This suspension has not affected the qualification of the covered bonds issued by CIF Euromortgage with respect to French law, and they continue to confer preferred creditor status under CMF § L.513-11.

CIF Euromortgage and the Crédit Immobilier de France Group have informed the market that they were making their best efforts to ensure that CIF Euromortgage covered bonds comply with the criteria stipulated in Section 129 ¶1 (d) to (f) of Regulation (EU) No. 575/2013 as early as the beginning of Q2 2016 and entitle bank investors to the corresponding preferential treatment, as well as to eligibility for ECB system repo financing subject to the approval of the monetary authorities.

Accordingly, on 31 March 2016 the Group purchased €1.4 billion of securitized receivables held by CIF Assets, bringing the proportion of its mortgage-backed assets to about 91%, which is slightly higher than the 90% ceiling stipulated in Regulation (EU) No. 575/2013 §129.

X. OUTLOOK FOR 2016

Redemptions during the year, including the one mentioned above, will total €3,425 million, as shown below:

Euro-Denominated Public Issues

ISIN	Issue date	Maturity	Coupon (%)	Interest rate	Euro amount
FR0010385906	25/10/2006	25/10/2016	4	Fixed-rate	1,000,000,000
FR0010385906	30/07/2008	25/10/2016	4	Fixed-rate	100,000,000
FR0010385906	14/04/2009	25/10/2016	4	Fixed-rate	10,000,000
FR0010385906	11/05/2009	25/10/2016	4	Fixed-rate	140,000,000
FR0010385906	12/05/2009	25/10/2016	4	Fixed-rate	125,000,000
FR0010385906	07/08/2009	25/10/2016	4	Fixed-rate	250,000,000

FR0010385906	22/01/2009	20/12/2016	4	Fixed-rate	310,000,000
FR0010385906	09/02/2009	20/12/2016	4	Fixed-rate	70,000,000
FR0010385906	10/02/2009	20/12/2016	4	Fixed-rate	10,000,000
Total					**2,015,000,000**

Euro-Denominated Private Placements

ISIN	Issue date	Maturity	Coupon (%)	Interest rate	Euro amount
XS0435588461	30/06/09	01/07/16		Structured	15,000,000
XS0438895244	15/07/09	15/07/16		Structured	15,000,000
FR0010348706	16/08/06	16/08/16		Structured	20,000,000
FR0010348706	16/08/06	16/08/16		Structured	120,000,000
Total					**170,000,000**

Foreign-Currency-Denominated Private Placements

ISIN	Issue date	Maturity	Coupon (%)	Interest rate	Currency	Foreign currency amount	Euro amount
FR0010348540	18/07/2006	18/07/2016	5.04	Fixed-rate	GBP	75,000,000	102,186,797
FR0010573683	22/01/2008	16/12/2016	4.125	Fixed-rate	USD	150,000,000	137,779,002
Total							**239,965,799**

In response to a request from the ACPR, CIF Euromortgage informed it in December 2015 of an action plan to respond to the condition forbidding SCFs to hold more than 10% of their assets in shares of FCTs as of 31 December 2017.

It presented two possible arrangements related to the planned dissolution of CIF Assets. If authorized by law, CIF Euromortgage will invoke CMF § L.211-38, otherwise it will acquire from the financial operating subsidiaries the receivables that they will already have bought back from FCT CIF Assets.

The Board of Directors

APPENDIX I

Appendixes I to V are audited by the specific controller

PRINCIPAL CHARACTERISTICS OF CIF ASSETS AT 31 DECEMBER 2015

	CIF Assets
Series A senior bonds/units	74.77%
Series B subordinated units	25.23%
Reserve	0.52%
Total overcollateralization	25.6%
Remaining principal balance (excluding SOFIAP outstandings)	14,782,470,706
Average margin	1.68%
Excess spread (excluding impact of disputes and arrears)	2.10%
Default rate (moving period of 12 months)	
Percentage of loans purchased in default (moving period of 12 months)	1.29%
Initial LTV ratio	94.83%
Initial LTV outstanding ≤ 80%	17.22%
Initial LTV ratio after depreciation 80% to 90%	8.14%
Initial LTV ratio after depreciation 90% to 100%	22.72%
Initial LTV ratio after depreciation 100%-110%	42.49%
Initial LTV ratio after depreciation > 110%	9.43%
Updated LTV ratio ("Perval" index at 31/12/2015)	65.30%
Current LTV ratio after depreciation ≤ 80%	48.46%
Current LTV ratio after depreciation 80% to 90%	12.87%
Current LTV ratio after depreciation 90% to 100%	16.05%
Current LTV ratio after depreciation 100%-110%	15.21%
Current LTV ratio after depreciation > 110%	7.42%
Including loans secured by a first mortgage or lien	82.29%
Including loans guaranteed by a credit institution or insurance company	16.80%
Including loans guaranteed by FGAS (including interest-free loans)	15.65%
Including early repayments	12.86%
Borrowing-to-income ratio	30.48%
Including interest-free loans	8.19%
Including fixed-rate	44.03%
Including simple variable rate	3.21%
Including simple variable rate with cap ≤ 5 years	20.65%
Including simple variable rate with cap > 5 years	23.92%
Amortizable loans	92.76%
Seasoning (number of months)	94.78
Residual term (number of months)	202
Principal residence	79.25%
Investment real estate	18.80%
Secondary residence	1.95%
Nonresidents	2.71%
Self-employed professionals	6.60%
Civil servants (including EDF and GDF employees)	14.24%
Private sector salaried employees	72.76%
No occupation/retired	1.33%

Other	1.31%
Real estate partnerships	3.76%

ANALYSIS OF REMAINING PRINCIPAL BALANCE, BY REGION

Alsace	1.36%
Aquitaine	6.41%
Auvergne	1.83%
Brittany	3.39%
Burgundy	1.93%
Center	3.49%
Champagne-Ardennes	1.43%
Corsica	0.04%
Franche-Comté	1.20%
Languedoc-Roussillon	6.60%
Limousin	1.12%
Lorraine	2.77%
Lower Normandy	1.90%
Midi-Pyrénées	6.08%
Nord-Pas-de-Calais	7.37%
Paris and Paris metropolitan area (Ile de France)	12.40%
Pays-de-la-Loire	3.68%
Picardy	2.83%
Poitou-Charentes	3.34%
Provence-Alpes-Côte d'Azur	10.88%
Rhône-Alpes	15.73%
Upper Normandy	3.62%
Overseas departments	0.59%
Total	100%

APPENDIX II

DATA USED TO CALCULATE THE COVERAGE RATIO AT 31 DECEMBER 2015
(thousands of euros)

Appendix II.1.

COVERAGE RATIO
LIABILITIES

Data Used to Calculate the Coverage Ratio and to Monitor Compliance with Limits		
		30/06/2015
SECURED DEBT WITH PREFERRED CREDITOR STATUS, AS DEFINED IN CMF § L.513-11: LIABILITIES		Amounts 1
1	**SECURED DEBT FROM CREDIT INSTITUTIONS**	
1.1	Face value	
2	**SECURED DEBT FROM CUSTOMERS**	
2.1	Financial customers	
2.2	Nonfinancial customers	
2.3	Face value	
3	**SECURED DEBT INSTRUMENTS**	**12,432,018,068**
3.1	Covered bonds or housing finance bonds	9,782,221,717
3.2	Money market securities	
3.3	Other secured debt instruments	2,449,030,279
3.4	Accrued interest	200,766,072
3.5	Less: Covered bonds or housing finance bonds issued and purchased by the registrant company in cases where they are not posted as collateral on loans from the Banque de France	
3.6	Subtotal	12,432,018,068
3.7	Face value	12,231,251,996
4	**RECEIVABLES DUE ON CONTRACTS GOVERNED BY CMF § L. 513-15**	**1,080,000**
5	**RECEIVABLES DUE ON FORWARD INSTRUMENTS WITH PREFERRED CREDITOR STATUS GOVERNED BY CMF § L. 513-11**	**1,526,561,681**
5.1	Impact of exchange rate fluctuations on the nominal value of secured debt	(251,781,610)
6	**DEBT RESULTING FROM RELATED EXPENSES STIPULATED IN THE FINAL PARAGRAPH OF CMF § L513-11**	
7	**SECURED DEBT (1 + 2 + 3 + 4 + 5 + 6)**	**13,959,659,749**
	FACE VALUE OF SECURED DEBT (1.1 + 2.3 + 3.7 + 5.1)	11,979,470,386

DATA USED TO CALCULATE THE COVERAGE RATIO AT 31 DECEMBER 2015
(thousands of euros)

ASSETS

Data Used to Calculate the Coverage Ratio and to Monitor Compliance with Limits

	ASSET ITEMS COVERING SECURED DEBT	Net book value or amount eligible for refinancing 1	Weighting (%) 2	Weighted amount 2 3
1	**LOANS SECURED BY A FIRST MORTGAGE OR LIEN**		100%	
2	**MORTGAGE PROMISSORY NOTES (CMF § L. 313-42 to L. 313-49)**	**1,688,773,612**		**1,688,773,612**
	Including:			
2.1	Loans secured by a first mortgage or lien	1,423,664,901	100%	1,423,664,901
2.2	Loans guaranteed by a credit institution or insurance company	265,108,710	100%	265,108,710
2.2.1	Loans guaranteed by a credit institution or insurance company that satisfy the conditions in 1 a) of the appendix to CRBF regulation 99-10: the credit institution or insurance company, which does not belong to the same consolidated entity as the SCF (real estate financing company) or housing finance company, has received at least the second-highest credit rating			
2.2.2	Loans guaranteed by a credit institution or insurance company that satisfy the conditions in 1 a) of the appendix to CRBF regulation 99-10: the credit institution or insurance company, which does not belong to the same consolidated entity as the SCF (real estate financing company) or housing finance company, has received the third-highest credit rating		80%	0
2.2.3	Loans guaranteed by a credit institution or insurance company that satisfy the conditions in 1 b) of the appendix to CRBF regulation 99-10: the credit institution or insurance company, which belongs to the same consolidated entity as the SCF (real estate financing company) or housing finance company, has received at least the second-highest credit rating		80%	0
2.2.4	Loans guaranteed by a credit institution or insurance company that satisfy the conditions in 1 b) of the appendix to CRBF regulation 99-10: the credit institution or insurance company, which does not belong to the same consolidated entity as the SCF (real estate financing company) or housing finance company, has received the third-highest credit rating		60%	0
3	**EXPOSURES TO PUBLIC-SECTOR ENTITIES**	**2,591,103,008**	**100%**	**2,591,103,008**
	Including:			
3.1	Exposures referred to in CMF § L. 513-4 I ¶5	2,591,103,008	100%	2,591,103,008
3.2	Exposures referred to in CMF § L. 513-4 I ¶5 that were posted to the balance sheet prior to 31 December 2007			
4	**LONG-TERM INVESTMENTS RESULTING FROM FORECLOSURES**		50%	0
5	**HIGH-QUALITY LIQUID ASSETS, SECURITIES, AND DEPOSITS GOVERNED BY CMF § R. 513-6**		100%	0
5.1	Receivables from, and securities of, credit institutions and investment companies satisfying the criteria in CMF § R. 513-6 ¶1		100%	0
5.2	Receivables from, and securities of, credit institutions and investment companies satisfying the criteria in CMF § R. 513-6 ¶2		100%	0
5.3	Receivables from, and securities of, credit institutions and investment companies satisfying the criteria in CMF § R. 513-6 ¶3		100%	0
6	**LOANS GUARANTEED BY A CREDIT INSTITUTION OR INSURANCE COMPANY**			,
6.1	Loans guaranteed by a credit institution or insurance company that satisfy the conditions in 1 a) of the appendix to CRBF regulation 99-10: the credit institution or insurance company, which does not belong to the same consolidated entity as the SCF (real estate financing company) or housing finance company, has received at least the second-highest credit rating		100%	0
6.2	Loans guaranteed by a credit institution or insurance company that satisfy the conditions in 1 a) of the appendix to CRBF regulation 99-10: the credit institution or insurance company, which does not belong to the same consolidated entity as the SCF (real estate financing company) or housing finance company, has received the third-highest credit rating		80%	0
6.3	Loans guaranteed by a credit institution or insurance company that satisfy the conditions in 1 b) of the appendix to CRBF regulation 99-10: the credit		80%	0

	institution or insurance company, which belongs to the same consolidated entity as the SCF (real estate financing company) or housing finance company, has received at least the second-highest credit rating			
6.4	Loans guaranteed by a credit institution or insurance company that satisfy the conditions in 1 b) of the appendix to CRBF regulation 99-10: the credit institution or insurance company, which belongs to the same consolidated entity as the SCF (real estate financing company) or housing finance company, has received the third-highest credit rating		60%	0
7	**NOTES, SHARES, AND DEBT SECURITIES ISSUED BY A SECURITIZATION VEHICLE**	**11,378,538,303**		**11,378,538,303**
7.1	Notes, shares, and debt securities issued by a securitization vehicle or similar entity whose assets have been sold exclusively by entities that belong to the same consolidated entity as the SCF or housing finance company and that satisfy the conditions in 2 a) of the appendix to CRBF regulation 99-10: notes, shares, and debt securities purchased or financed by the SCF or housing finance company prior to 31 December 2011 and that have received the highest credit rating (until 31 December 2014)	11,378,538,303	100%	11,378,538,303
	Including:			
7.1.1	Assets, 90% of which consist of mortgage loans to individuals	11,378,538,303		11,378,538,303
7.1.2	Assets, 90% of which consist of loans governed by CMF § L. 513-3 but not by CMF § R. 513-3 II			
7.1.3	Assets, 90% of which consist of exposures defined in CMF § L. 513-4			
7.2	Notes, shares, and debt securities issued by a securitization vehicle or similar entity whose assets have been sold exclusively by entities that belong to the same consolidated entity as the SCF or housing finance company and that satisfy the conditions in 2 a) of the appendix to CRBF regulation 99-10: notes, shares, and debt securities purchased or financed by the SCF or housing finance company prior to 31 December 2011 and that have received the second-highest credit rating (until 31 December 2014)		80%	0
	Including:			
7.2.1	Assets, 90% of which consist of mortgage loans to individuals			
7.2.2	Assets, 90% of which consist of loans governed by CMF § L. 513-3 but not by CMF § R. 513-3 II			
7.2.3	Assets, 90% of which consist of exposures defined in CMF § L. 513-4			
7.3	Notes, shares, and debt securities issued by a securitization vehicle or similar entity whose assets have been sold exclusively by entities that belong to the same consolidated entity as the SCF or housing finance company and that satisfy the conditions in 2 b) of the appendix to CRBF regulation 99-10: notes, shares, and debt securities purchased or financed by the SCF or housing finance company later than 31 December 2011 and that will receive the highest credit rating as of 1 January 2015		100%	0
	Including:			
7.3.1	Assets, 90% of which consist of mortgage loans to individuals			
7.3.2	Assets, 90% of which consist of loans governed by CMF § L. 513-3 but not by CMF § R. 513-3 II			
7.3.3	Assets, 90% of which consist of exposures defined in CMF § L. 513-4			
7.4	Notes, shares, and debt securities issued by a securitization vehicle or similar entity whose assets have been sold exclusively by entities that belong to the same consolidated entity as the SCF or housing finance company and that satisfy the conditions in 2 b) of the appendix to CRBF regulation 99-10: notes, shares, and debt securities purchased or financed by the SCF or housing finance company later than 31 December 2011 and that will receive the second-highest credit rating as of 1 January 2015		50%	0
	Including:			
7.4.1	Assets, 90% of which consist of mortgage loans to individuals			
7.4.2	Assets, 90% of which consist of loans governed by CMF § L. 513-3 but not by CMF § R. 513-3 II			
7.4.3	Assets, 90% of which consist of exposures defined in CMF § L. 513-4			
7.5	Notes, shares, and debt securities issued by a securitization vehicle or similar entity, some of whose assets have been sold by an entity that does not belong to the same consolidated entity as the SCF or housing finance company and that satisfy the conditions in 3 a) of the appendix to CRBF regulation 99-10: notes, shares, and debt securities purchased or financed by the SCF or housing finance company prior to 31 December 2011 and that have received the highest credit rating (until 31 December 2014)		100%	0

	Including:			
7.5.1	Assets, 90% of which consist of mortgage loans to individuals			
7.5.2	Assets, 90% of which consist of loans governed by CMF § L. 513-3 but not by CMF § R. 513-3 II			
7.5.3	Assets, 90% of which consist of exposures defined in CMF § L. 513-4			
7.6	Notes, shares, and debt securities issued by a securitization vehicle or similar entity, some of whose assets have been sold by an entity that does not belong to the same consolidated entity as the SCF or housing finance company and that satisfy the conditions in 3 a) of the appendix to CRBF regulation 99-10: notes, shares, and debt securities purchased or financed by the SCF or housing finance company prior to 31 December 2011 and that have received the second-highest credit rating (until 31 December 2014)		50%	0
	Including:			
7.6.1	Assets, 90% of which consist of mortgage loans to individuals			
7.6.2	Assets, 90% of which consist of loans governed by CMF § L. 513-3 but not by CMF § R. 513-3 II			
7.6.3	Assets, 90% of which consist of exposures defined in CMF § L. 513-4			
7.7	Notes, shares, and debt securities issued by a securitization vehicle or similar entity, some of whose assets have been sold by an entity that does not belong to the same consolidated entity as the SCF or housing finance company and that satisfy the conditions in 3 b) of the appendix to CRBF regulation 99-10: notes, shares, and debt securities purchased or financed by the SCF or housing finance company after 31 December 2011 and notes, shares, and debt securities purchased or financed before that date and that will receive the highest credit rating as of 1 January 2015		100%	0
	Including:			
7.7.1	Assets, 90% of which consist of mortgage loans to individuals			
7.7.2	Assets, 90% of which consist of loans governed by CMF § L. 513-3 but not by CMF § R. 513-3 II			
7.7.3	Assets, 90% of which consist of exposures defined in CMF § L. 513-4			
8	**OTHER ASSET ITEMS**	**220,811,248,**	100%	**220,811,248**
8.1	Other Class 1 assets		100%	0
8.2	Other Class 2 assets		100%	0
8.3	Other Class 3 assets	220,811,248	100%	220,811,248
8.4	Other Class 4 assets		100%	0
9	**ITEMS DEDUCTED FROM ASSETS**		**100%**	0
9.1	Funds received from customers pending allocation and carried under liabilities		100%	0
9.2	Securities given under repurchase agreements		100%	0
9.3	Receivables assigned under the conditions stipulated in CMF § L 313-23 to L 313-34		100%	0
9.4	Assets deducted pursuant to the last paragraph of CRBF regulation 99-10 §9			
10	**TOTAL WEIGHTED ASSET ITEMS (1+2+3+4+5+6+7+8-9)**	**15,879,226,171**		**15,879,226,171**
	COVERAGE RATIO (to 2 decimal places) (A / P x 100)			**113.75%**

APPENDIX II.2

DATA USED TO MONITOR COMPLIANCE WITH LIMITS

	MONITORING OF COMPLIANCE WITH LIMITS APPLICABLE TO THE VARIOUS ASSET CLASSES (Ratio to 2 decimal places)	Ratios/ Amounts
1	Total assets	15,782,851,556
2.1	Loans guaranteed by a credit institution or insurance company, held directly	
2.2	Loans guaranteed by a credit institution or insurance company, carried under the assets of securitization or similar vehicles or assigned by means of mortgage promissory notes	2,041,732,544
2.3	Total loans guaranteed by a credit institution or insurance company (2.1+2.2) / Assets (1) (≤35% except for residential mortgage lenders)	12.94%
3.1	Mortgage promissory notes, held directly	1,340,617,386
3.2	Mortgage promissory notes, carried under the assets of securitization or similar vehicles	
3.3	Mortgage promissory notes (3.1+3.2) / Assets (1) (≤10%)	8.49%
4	Total notes, shares, and debt securities issued by a securitization vehicle or similar entity satisfying the criteria stipulated in CMF § R. 513-3 II but not satisfying the criteria stipulated in CMF § R. 513-3 IV / face value of secured debt (≤10%)	
4.1	Total notes, shares, and debt securities issued by a securitization vehicle or similar entity satisfying the criteria stipulated in CMF § R. 513-3 II but not satisfying the criteria stipulated in CMF § R. 513-3 IV / face value of secured debt that cannot be refinanced using secured debt (>10%)	
5	Total notes, shares, and debt securities issued by a securitization vehicle or similar entity satisfying the criteria stipulated in CMF § R. 513-3 III but not satisfying the criteria stipulated in CMF § R. 513-3 IV / face value of secured debt (≤10%)	
5.1	Total notes, shares, and debt securities issued by a securitization vehicle or similar entity satisfying the criteria stipulated in CMF § R. 513-3 III but not satisfying the criteria stipulated in CMF § R. 513-3 IV / face value of secured debt that cannot be refinanced using secured debt (>10%)	
6	Total exposures referred to under CMF § R. 513-4 ¶5 / face value of secured debt (≤20%)	
7	High-quality liquid assets / face value of secured debt (≤15%)	

APPENDIX II.3

PORTION OF ASSETS ELIGIBLE FOR REPO FUNDING USING COVERED BONDS

Data used to calculate the portion of assets eligible for repo funding using secured debt	Item code	Amount	Value of assets financed or pledged as collateral	Amounts eligible for repo funding
		1	2	3
Mortgage loans				
Including: amount of loans for which the portion of assets eligible for repo funding is equal to the remaining principal balance				
Including: amount of loans for which the portion of assets eligible for repo funding is equal to the product of the value of assets financed and the financing coefficients given under CMF § R. 513-1				
Including:				
Loans subject to CMF § R. 513-1 II.1 where the portion of assets eligible for repo funding is equal to 60% of the value of assets financed				
Loans subject to CMF § R. 513-1 II.2 where the portion of assets eligible for repo funding is equal to 80% of the value of assets financed				
Loans subject to CMF § R. 513-1 II.3 where the portion of assets eligible for repo funding is equal to 100% of the value of assets financed				
Including:				
Mortgage loans subject to CMF § R. 513-1 II.3				
Mortgage loans that are also guaranteed by a credit institution or insurance company (CMF § R. 513-3)				
Mortgage loans that are also guaranteed by a public-sector entity (CMF § R. 513-3)				
Loans guaranteed by a credit institution or insurance company				
Including: amount of loans for which the portion of assets eligible for repo funding is equal to the remaining principal balance				
Including: amount of loans for which the portion of assets eligible for repo funding is equal to the product of the value of assets financed and the financing coefficients given under CMF § R. 513-1				
Including:				
Loans subject to CMF § R. 513-1 II.1 where the portion of assets eligible for repo funding is equal to 60% of the value of assets financed				
Loans subject to CMF § R. 513-1 II.2 where the portion of assets eligible for repo funding is equal to 80% of the value of assets financed				
Loans subject to CMF § R. 513-1 II.3 where the portion of assets eligible for repo funding is equal to 100% of the value of assets financed				
Mortgage promissory notes governed by CMF § L. 313-42 to L. 313-49		**1,823,121,303**	**3,516,457,926**	**1,675,622,140**
Including:				
Amount of loans assigned for which the portion of assets eligible for repo funding is equal to the remaining principal balance		929,351,908	2,711,182,223	929,351,908
Amount of loans assigned for which the portion of assets eligible for repo funding is equal to the product of the value of assets financed and the financing coefficients given under CMF § R. 513-1		893,769,394	805,275,703	746,270,231
Including:				
Loans subject to CMF § R 313-20 II. 1 where the portion of assets eligible for repo funding is equal to 60% of the value of assets financed or pledged as collateral				

Loans subject to CMF § R 313-20 II. 2 where the portion of assets eligible for repo funding is equal to 80% of the value of assets financed or pledged as collateral			
Loans subject to CMF § R 313-21. 1 where the portion of assets eligible for repo funding is equal to 90% of the value of assets financed or pledged as collateral	648,242,684	590,054,718	531,049,246
Loans subject to CMF § R 313-21. 2 where the portion of assets eligible for repo funding is equal to 100% of the value of assets financed or pledged as collateral	245,526,711	215,220,985	215,220,985
Shares of securitization vehicles	**11,366,448,834**	**27,605,259,141**	**11,366,448,834**
Notes, shares, and debt securities issued by a securitization vehicle for which the portion of assets eligible for repo funding is equal to the outstanding amount of shares or senior debt securities held that are eligible for repo funding (CMF § R.513-3 I.1)	11,366,448,834	27,605,259,141	11,366,448,834
Notes, shares, and debt securities issued by a securitization vehicle for which the portion of assets eligible for repo funding is equal to the sum of the remaining principal balance carried under assets of the securitization vehicle and cash as defined under CMF § R.214-95 (CMF § R.513-3 I.2)			
Notes, shares, and debt securities issued by a securitization vehicle for which the portion of assets eligible for repo funding is equal to the product of the value of assets financed or pledged as collateral and the financing coefficients given under CMF § R. 513-1, plus cash as defined under CMF § R.214-95			

APPENDIX III

DATA USED TO CALCULATE COVERAGE OF CASH REQUIREMENTS

APPENDIX III.1

CASH NEEDS OVER A PERIOD OF 180 DAYS

Do you have any liquidity gaps over a period of 180 days				NO
	Cash inflows	Cash outflows	Net cash position	Aggregate cash position
T 0			1,791	1,791
T 1	0	1	(1)	1,790
T 2	0	1	(1)	1,788
T 3	0	1	(1)	1,787
T 4	0	2	(2)	1,785
T 5	0	2	(2)	1,784
T 6	0	1	(1)	1,782
T 7	0	2	(2)	1,781
T 8	0	2	(2)	1,779
T 9	0	1	(1)	1,778
T 10	0	1	(1)	1,776
T 11	0	1	(1)	1,775
T 12	0	1	(1)	1,773
T 13	0	1	(1)	1,772
T 14	0	1	(1)	1,771
T 15	0	1	(1)	1,769
T 16	0	1	(1)	1,768
T 17	0	1	(1)	1,766
T 18	0	2	(2)	1,764
T 19	0	3	(3)	1,761
T 20	0	2	(2)	1,759
T 21	0	1	(1)	1,758
T 22	0	2	(2)	1,756
T 23	0	1	(1)	1,755
T 24	0	1	(1)	1,753
T 25	607	1	605	2,359
T 26	0	8	(8)	2,350
T 27	1	1	0	2,350
T 28	0	2	(2)	2,349
T 29	0	2	(2)	2,346
T 30	0	1	(1)	2,345
T 31	0	1	(1)	2,343
T 32	0	2	(2)	2,342
T 33	802	1	801	3,142
T 34	0	1,158	(1,158)	1,985
T 35	2	1	0	1,985

T 36	0	1	(1)	1,984
T 37	0	1	(1)	1,982
T 38	0	1	(1)	1,981
T 39	2	1	1	1,981
T 40	0	2	(2)	1,980
T 41	0	2	(2)	1,978
T 42	0	2	(2)	1,977
T 43	0	1	(1)	1,975
T 44	0	1	(1)	1,974
T 45	0	1	(1)	1,972
T 46	0	1	(1)	1,971
T 47	0	2	(2)	1,969
T 48	0	2	(2)	1,967
T 49	0	2	(2)	1,966
T 50	0	1	(1)	1,964
T 51	0	1	(1)	1,963
T 52	0	1	(1)	1,961
T 53	0	2	(2)	1,960
T 54	0	2	(2)	1,958
T 55	0	1	(1)	1,957
T 56	0	1	(1)	1,955
T 57	0	1	(1)	1,954
T 58	0	1	(1)	1,952
T 59	0	1	(1)	1,951
T 60	0	1	(1)	1,949
T 61	7	1	5	1,954
T 62	0	2	(2)	1,953
T 63	0	1	(1)	1,951
T 64	0	2	(2)	1,950
T 65	0	1	(1)	1,948
T 66	0	1	(1)	1,947
T 67	0	2	(2)	1,945
T 68	0	2	(2)	1,944
T 69	0	2	(2)	1,942
T 70	0	1	(1)	1,941
T 71	0	1	(1)	1,939
T 72	0	1	(1)	1,938
T 73	0	1	(1)	1,936
T 74	0	1	(1)	1,935
T 75	0	2	(2)	1,933
T 76	0	2	(2)	1,932
T 77	0	3	(3)	1,928
T 78	0	2	(2)	1,926
T 79	0	1	(1)	1,925
T 80	0	1	(1)	1,923

T 81	0	2	(2)	1,922
T 82	0	2	(2)	1,920
T 83	0	2	(2)	1,919
T 84	0	2	(2)	1,917
T 85	0	1	(1)	1,916
T 86	0	1	(1)	1,914
T 87	0	1	(1)	1,913
T 88	0	1	(1)	1,911
T 89	0	2	(2)	1,909
T 90	0	2	(2)	1,908
T 91	55	2	54	1,962
T 92	0	2	(2)	1,960
T 93	0	1	(1)	1,959
T 94	0	1	(1)	1,957
T 95	2	1	1	1,958
T 96	0	2	(2)	1,956
T 97	0	1	(1)	1,955
T 98	0	2	(2)	1,953
T 99	0	1	(1)	1,952
T 100	0	1	(1)	1,950
T 101	0	1	(1)	1,949
T 102	0	2	(2)	1,947
T 103	0	1	(1)	1,946
T 104	0	2	(2)	1,944
T 105	0	1	(1)	1,943
T 106	0	1	(1)	1,941
T 107	0	1	(1)	1,940
T 108	0	1	(1)	1,938
T 109	0	1	(1)	1,937
T 110	0	4	(4)	1,933
T 111	0	1	(1)	1,932
T 112	0	1	(1)	1,930
T 113	0	2	(2)	1,928
T 114	0	1	(1)	1,927
T 115	0	1	(1)	1,926
T 116	583	1	582	2,507
T 117	0	2	(2)	2,505
T 118	3	1	1	2,507
T 119	0	1	(1)	2,505
T 120	0	3	(3)	2,502
T 121	0	1	(1)	2,501
T 122	0	1	(1)	2,499
T 123	0	2	(2)	2,498
T 124	0	1	(1)	2,496
T 125	0	2	(2)	2,495

T 126	0	1	(1)	2,493
T 127	0	2	(2)	2,492
T 128	0	1	(1)	2,490
T 129	0	1	(1)	2,489
T 130	0	2	(2)	2,487
T 131	0	2	(2)	2,485
T 132	0	2	(2)	2,484
T 133	0	1	(1)	2,482
T 134	0	1	(1)	2,481
T 135	0	1	(1)	2,479
T 136	0	1	(1)	2,478
T 137	0	2	(2)	2,476
T 138	0	2	(2)	2,474
T 139	0	2	(2)	2,473
T 140	0	1	(1)	2,471
T 141	0	2	(2)	2,470
T 142	0	1	(1)	2,468
T 143	0	1	(1)	2,467
T 144	0	1	(1)	2,465
T 145	0	2	(2)	2,464
T 146	0	1	(1)	2,462
T 147	0	1	(1)	2,461
T 148	0	1	(1)	2,459
T 149	0	1	(1)	2,458
T 150	0	1	(1)	2,456
T 151	0	2	(2)	2,454
T 152	0	2	(2)	2,453
T 153	2	1	1	2,453
T 154	0	1	(1)	2,452
T 155	0	1	(1)	2,450
T 156	0	1	(1)	2,449
T 157	0	1	(1)	2,447
T 158	0	2	(2)	2,446
T 159	0	1	(1)	2,444
T 160	0	2	(2)	2,443
T 161	0	1	(1)	2,441
T 162	0	1	(1)	2,440
T 163	0	1	(1)	2,438
T 164	0	1	(1)	2,437
T 165	0	1	(1)	2,435
T 166	0	2	(2)	2,434
T 167	0	2	(2)	2,432
T 168	0	2	(2)	2,430
T 169	0	4	(4)	2,426
T 170	0	1	(1)	2,424

T 171	0	1	(1)	2,423
T 172	0	2	(2)	2,421
T 173	0	6	(6)	2,415
T 174	0	2	(2)	2,414
T 175	0	2	(2)	2,412
T 176	0	2	(2)	2,411
T 177	0	1	(1)	2,409
T 178	0	1	(1)	2,408
T 179	0	2	(2)	2,406
T 180	0	1	(1)	2,405

APPENDIX III.2

DATA USED TO CALCULATE POTENTIAL CASH NEEDS OVER A PERIOD OF 180 DAYS

		First Day		Last Day	
DATA USED TO CALCULATE POTENTIAL CASH NEEDS OVER A PERIOD OF 180 DAYS		Amounts	After writedown (if applicable)	Amounts	After writedown (if applicable)
		1	2	1	2
1	**REPLACEMENT SECURITIES**	0		0	
	Including:				
1.1	Securities complying with CMF § R 513-6				
1.2	Instruments and deposits complying with CMF § R 513-6				
1.3	Debt securities issued by or fully guaranteed by a public-sector entity as construed under CMF § R. 513-20				
1.4	Debt securities issued by or fully guaranteed by a central administration as construed under CMF § R. 513-20				
1.5	Deposits with a central bank as construed under CMF § R. 513-20				
2	**ASSETS ELIGIBLE FOR BANQUE DE FRANCE REPO FUNDING**	13,506,448,834	9,654,514,184	10,197,687,434	7,138,381,204
	Including:				
2.1	Loans backed by a first mortgage or equivalent guarantee				
2.2	Loans guaranteed by a credit institution or insurance company				
2.3	Mortgage promissory notes (CMF § L. 313-42 to L. 313-49)	1,340,000,000	938,000,000	0	0
2.4	Public-sector exposures	800,000,000	760,000,000	0	0
2.4.1	*Debt securities issued by or fully guaranteed by a central administration or deposits with a central bank*				
2.4.2	*Other exposures eligible for repo funding*				
2.5	Shares and debt securities issued by a securitization vehicle	11,366,448,834	7,956,514,184	10,197,687,434	7,138,381,204
2.6	Other assets				
3	**TOTAL AVAILABLE ASSETS**		9,654,514,184		7,138,381,204

APPENDIX IV

GAP IN THE AVERAGE REMAINING LIFE OF ASSETS AND LIABILITIES

	Data used to calculate the gap in the average remaining life of total assets and secured debt	Amounts	Average remaining life
		1	2
1	**ASSETS**	15,743,144,896	40.44
	Including:		
1.1	Loans backed by a first mortgage or equivalent guarantee		
1.2	Mortgage promissory notes (CMF § L. 313-42 to L. 313-49)	1,785,370,315	81.84
1.3	Public-sector exposures	2,591,325,747	0.36
1.4	Fixed assets corresponding to repossessed buildings		
1.5	High-quality liquid assets (CMF § R.513-6)		
1.5.1	*Including: Exposures to companies indicated in* CMF § R.513-8 ¶3		
1.6	Loans guaranteed by a credit institution or insurance company		
1.7	Shares and debt securities issued by a securitization vehicle	11,366,448,834	43.07
1.8	Other asset items		
2	**SECURED DEBT**	13,733,835,209	48.10
	Including:		
2.1	Secured debt raised from credit institutions	1,754,364,822	43.86
2.2	Secured debt raised from customers		
2.3	Secured debt securities	11,979,470,387	48.72
2.4	Impact of exchange rate fluctuations on the face value of secured debt		
3	**GAP IN THE AVERAGE REMAINING LIFE OF TOTAL ASSETS AND SECURED DEBT (INCLUDING LINE 1.5.1)**		(7.66)
3.1	***Is this gap less than 18 months?***	**YES**	
4	**GAP IN THE AVERAGE REMAINING LIFE OF TOTAL ASSETS AND SECURED DEBT (EXCLUDING LINE 1.5.1)**		(7.66)
4.1	***Is this gap less than 18 months?***	**YES**	

APPENDIX V

DATA USED TO CALCULATE THE LEVEL OF COVERAGE OF SECURED DEBT

		LEVEL OF COVERAGE OF SECURED DEBT								
		ITEMS IN THE NUMERATOR							ITEMS IN THE DENOMINATOR	
		1	2	3	4		5		6	
					Pool of eligible, available, and assignable assets		Eligible, available, and assignable new originations			
		Asset items covering secured debt (excluding 2 and 3)	High-quality liquid assets (CMF § R. 513-6, excluding 3)	Cash generated by total assets and secured debt	4.1 Eligible, available, and assignable assets intended to be sold directly	4.2 Eligible, available, and assignable assets intended to be used for repo funding	5.1 Eligible, available, and assignable new originations intended to be sold directly	5.2 Eligible, available, and assignable new originations intended to be used for repo funding	Secured debt	Level of coverage (1+2+3+4.2+5.2)/6
	Q1									
	Q2									
	Q3									
	Q4	15,646,548,192	0	0					13,733,835,209	114%
1	Q1	10,768,112,774	0	3,244,400,609	0				12,454,874,128	113%
	Q2	10,197,687,434	0	3,685,424,830	0				12,325,473,009	113%
	Q3	9,645,578,504	0	3,924,999,463	0				12,012,938,712	113%
	Q4	9,110,913,774	0	1,929,882,991	0				9,483,157,511	116%
2	Q1	8,650,386,894	0	2,244,362,961	0				9,337,110,600	117%
	Q2	8,202,070,954	0	2,245,760,174	0				8,890,191,873	118%
	Q3	7,764,221,534	0	2,686,199,040	0				8,892,781,320	118%
	Q4	7,337,710,844	0	3,114,434,357	0				8,894,505,946	118%
3	Q1	6,970,510,434	0	3,415,297,565	0				8,828,168,744	118%
	Q2	6,618,137,594	0	3,467,916,827	0				8,528,415,166	118%
	Q3	6,273,614,644	0	3,675,393,110	0				8,391,368,499	119%
	Q4	5,938,686,004	0	4,011,786,639	0				8,392,833,388	119%
4	Q1	5,614,223,884	0	4,010,884,562	0				8,067,469,191	119%
	Q2	5,298,483,864	0	4,148,796,307	0				7,889,640,916	120%
	Q3	4,989,721,524	0	4,440,390,246	0				7,872,472,515	120%
	Q4	4,691,425,704	0	2,519,938,379	0				5,653,724,829	128%
5	Q1	4,399,235,354	0	2,713,973,468	0				5,555,569,567	128%
	Q2	4,117,511,524	0	1,597,157,500	0				4,157,029,769	137%
	Q3	3,839,276,534	0	1,502,016,100	0				3,783,653,379	141%
	Q4	3,574,996,904	0	1,736,560,831	0				3,753,918,481	141%
6	Q1	3,317,694,954	0	1,822,531,825	0				3,582,587,524	143%
	Q2	3,069,987,314	0	1,887,072,507	0				3,399,420,567	146%
	Q3	2,828,385,144	0	1,978,879,214	0				3,249,625,104	148%
	Q4	2,592,888,444	0	2,158,488,259	0				3,193,737,449	149%
7	Q1	2,366,113,844	0	1,163,832,134	0				1,972,306,723	179%

	Q2	2,144,572,504	0	1,366,597,163	0	1,953,530,413	180%
	Q3	1,929,136,634	0	1,585,270,972	0	1,956,768,351	180%
	Q4	1,719,806,234	0	1,794,601,372	0	1,956,768,351	180%
8	**Q1**	1,518,325,724	0	2,005,119,623	0	1,965,806,093	179%
	Q2	1,322,078,474	0	2,205,422,806	0	1,969,862,025	179%
	Q3	1,131,936,694	0	2,344,588,989	0	1,918,886,429	181%
	Q4	948,772,594	0	2,233,294,695	0	1,624,428,035	196%
9	**Q1**	771,713,964	0	2,397,169,570	0	1,611,244,280	197%
	Q2	601,633,014	0	2,571,496,562	0	1,615,490,321	196%
	Q3	0	0	3,154,019,663	0	1,596,380,409	198%
	Q4	0	0	3,013,585,660	0	1,455,946,405	207%
10	**Q1**	0	0	2,819,646,279	0	1,262,007,025	223%
	Q2	0	0	2,824,091,341	0	1,266,452,086	223%
	Q3	0	0	2,827,793,930	0	1,270,154,675	223%
	Q4	0	0	2,576,371,762	0	1,018,732,508	253%
11	**Q1**	0	0	2,540,731,927	0	983,092,673	258%
	Q2	0	0	2,545,385,337	0	987,746,083	258%
	Q3	0	0	2,549,257,181	0	991,617,926	257%
	Q4	0	0	2,321,618,191	0	763,978,937	304%
12	**Q1**	0	0	2,330,427,577	0	772,788,323	302%
	Q2	0	0	2,335,299,102	0	777,659,848	300%
	Q3	0	0	2,339,347,937	0	781,708,682	299%
	Q4	0	0	2,339,347,937	0	781,708,682	299%
13	**Q1**	0	0	2,348,580,834	0	790,941,580	297%
	Q2	0	0	2,353,680,697	0	796,041,443	296%
	Q3	0	0	2,357,914,615	0	800,275,360	295%
	Q4	0	0	2,335,263,969	0	777,624,715	300%
14	**Q1**	0	0	2,344,940,739	0	787,301,484	298%
	Q2	0	0	2,350,279,642	0	792,640,388	297%
	Q3	0	0	2,354,707,104	0	797,067,850	295%
	Q4	0	0	1,234,321,523	0	776,682,268	159%
15	**Q1**	0	0	1,244,463,504	0	786,824,249	158%
	Q2	0	0	1,136,799,426	0	679,160,171	167%
	Q3	0	0	1,041,429,278	0	583,790,023	178%
	Q4	0	0	1,030,103,955	0	572,464,701	180%
16	**Q1**	0	0	809,000,475	0	351,361,220	230%
	Q2	0	0	684,165,732	0	226,526,478	302%
	Q3	0	0	578,253,943	0	120,614,688	479%
	Q4	0	0	563,531,023	0	105,891,769	532%
17	**Q1**	0	0	563,531,023	0	105,891,769	532%
	Q2	0	0	502,940,546	0	45,301,291	1110%
	Q3	0	0	502,940,546	0	45,301,291	1110%
	Q4	0	0	502,940,546	0	45,301,291	1110%

APPENDIX VI

FIVE-YEAR FINANCIAL SUMMARY

	2015	2014	2013	2012	2011
Financial position at year-end					
Capital stock (€ thousands)	100,000	100,000	100,000	100,000	100,000
Number of shares outstanding	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Results of operations (€ thousands)					
Net banking income	15,828	4,288	13,519	22,485	8,700
Other revenue and net gains on disposals of tangible and intangible assets					
EBITDA	11,603	1,597	10,012	18,895	4,815
Corporate income tax	5,254	560	3,779	6,796	1,713
Net income (loss)	6,349	1,037	6,232	12,099	3,102
Total distributed income	0	0	0	0	2,940
Per-share data (euros)					
Earnings before income tax, depreciation, amortization, and provisions	5.80	0.80	5.00	9.50	2.41
Earnings after income tax, depreciation, amortization, and provisions	3.17	0.52	3.12	6.05	1.55
Dividend per share	0	0	0	0	1.47
Employee data					
Number of employees					
Total payroll (€ thousands)	0	0	0	0	0
Payroll taxes (€ thousands)	0	0	0	0	0

APPENDIX VII

DIVIDENDS FOR THE LAST THREE YEARS

Year	Number of shares with dividend rights	Dividend	Dividend eligible for 40% tax relief	Dividend ineligible for 40% tax relief
for 2014, paid in 2015	2,000,000	0	0	0
for 2013, paid in 2014	2,000,000	0	0	0
for 2012, paid in 2013	2,000,000	0	0	0

APPENDIX VIII

LIST OF DIRECTORSHIPS HELD IN 2015
BY COMPANY REPRESENTATIVES AND MEMBERS OF THE BOARD OF DIRECTORS

Patrick Amat – Deputy Chief Executive Officer
Born 22 November 1954 at Paris XV
Domiciled at 10 Rue Jean Richepin – 75116 Paris

- Deputy Chief Executive Officer of Caisse Centrale du Crédit Immobilier de France (SA)
- Board member of Banque Patrimoine et Immobilier – BPI (SA)

Francis Gleyze – Directeur general delegue
Born 20 May 1953 at Boulay (Moselle)
Domiciled at 17 Rue Constance – 75018 Paris

Yannick Borde – Chairman
Born 31 March 1966 at Bühl (Baden) (Germany)
Domiciled at 30 Rue de Sacjas – 53940 Saint Berthevin

- Chairman and Board member of Caisse Centrale du Crédit Immobilier de France (SA)
- Chairman and Board member of CIF Euromortgage (SA)
- Chairman and Board member of Union Economique et Sociale pour l'Accession à la Propriété (UESAP) (Cooperative SA with variable capital)
- Chairman and Board member of Procivis Mayenne (SACICAP)
- Chief Executive Officer of Procivis Cipa-Civ (SACICAP)
- Chief Executive Officer of Compagnie Procivis Ouest Immobilier (SA)
- Deputy Chief Executive Officer and Board member of Proviva (SA – SCPHLM)
- Chief Executive Officer of Pierres et Territoires de France Ouest (SAS)
- Chief Executive Officer of Procivis Ouest Maisons Individuelles (SAS)
- Chief Executive Officer of Maisons d'en France Loire Atlantique (SAS)
- Chairman of Immo de France Ouest (SAS)
- Chief Executive Officer of Procivis Ouest Habitat (SAS)
- Board member of Procivis Immobilier (SA)
- Board member of Immo de France (SAS)
- Chief Executive Officer and Board member of Procivis Ouest Services (GIE)
- Board member and President of I-ADB Ouest (GIE)
- Member of the Executive Committee and Vice President of Union Sociale pour l'Habitat – USH (Association)
- Board member of ESH Espace-Domicile
- Representative of the jurisdiction Laval Agglomération on the Board of Laval Mayenne Amenagements (SEM)
- Representative of the jurisdiction Laval Agglomération on the Board of Laval SPLA (SPL).

Dominique Guérin – Director
Born 6 June 1958 at Lyon
Domiciled at 61 Rue des Carrières – 34160 St Génies des Mourgues

- Board member of Crédit Immobilier de France Développement (CIFD)
- Board member of Caisse Centrale du Crédit Immobilier de France – 3CIF
- Chairman of Crédit Immobilier de France Méditerranée (SA)
- Chairman of FDI Développement (SAS)
- Chairman of of FDI Promotion (SAS)

- Chief Executive Officer of FDI Habitat (SA)
- Chief Executive Officer of FDI SACICAP (SA)
- Board member of Procivis Immobilier (SA)
- Board member of Groupama Méditerranée – Caisse Locale Montpellier (Cooperative)
- Permanent representative of FDI SACICAP on the Board of Coopérative HLM la Petite Propriété (Cooperative d'HLM)
- Board member of SACICAP Vaucluse (SA)
- Board member of Groupe Cileo (Association)
- Member of the Foundation Musée Fabre – Montpellier (Foundation)
- Member of the Foundation Sup de Co – Montpellier (Foundation)

Dominique Lambecq – Director
Born 25 février 1964 at Arras (Nord Pas de Calais)
Domiciled at 1 Avenue de Poulduic – 29500 Ergué-Gabéric

- Board member of Crédit Immobilier de France Développement (CIFD)
- Board member of Caisse Centrale du Crédit Immobilier de France (3CIF)
- Chief Executive Officer of SACICAP du Finistère (SA)
- Chief Executive Officer of SACICAP du Morbihan (SA)
- Chief Executive Officer of CIF Bretagne (SA)
- Chief Executive Officer of Polimmo Développement (SARL)
- Manager of Domaine de Kerandon (SARL)
- Board member of Union Economique et Sociale pour l'Accession à la Propriété (UES-AP) (SA)
- Chairman of Procivis Participations (SA)
- Permanent Representative of Société Centrale de Coopération Immobilière Arcade on the Board of Aiguillon Construction (SA d'HLM)
- Board member of Les Ajoncs (SA d'HLM)
- Board member of Immo de France (SA)

Jacky Lecointe – Director
Born 27 November 1949 at Liévin (Pas de Calais)
Domiciled at 18 Avenue Foch – 59005 Lille cedex

- Board member of Crédit Immobilier de France Développement (CIFD)
- Board member of Caisse Centrale du Crédit Immobilier de France (3CIF)
- Chairman and Board member of Crédit Immobilier de France Nord (SA)
- Vice President and Board member of Procivis Nord (SA)
- Chairman of Holding Immobilière du Square Foch (SAS)
- Permanent representative of Procivis Nord (SA) on the Board of Société Régionale des Cités Jardins (SA d'HLM)
- Board member of CIF Euromortgage (SA)
- Board member of Banque Patrimoine et Immobilier (SA)
- Board member of Procivis Participations (SA)
- Board member of Maisons d'en France (Association)
- Board member of Société Centrale de Coopération Immobilière Arcade (SA)

Jérôme Lacaille – Chief Executive Officer
Born 31 October 1967 at Berne (Switzerland)
Domiciled at 85 Boulevard Pasteur – 75015 Paris

- Permanent representative of Crédit Immobilier de France Développement on the Board of Banque Patrimoine et Immobilier (SA)
- Permanent representative of Crédit Immobilier de France Développement on the Board of Crédit Immobilier de France Sud-Ouest (SA)

CIF EUROMORTGAGE

FINANCIAL STATEMENTS
At and for the Year Ended 31 December 2015

1. BALANCE SHEET — ASSETS — LIABILITIES AND SHAREHOLDERS' EQUITY
2. OFF-BALANCE SHEET — INCOME STATEMENT
3. NOTES TO THE FINANCIAL STATEMENTS

ASSETS

€ thousands at 31 December	Note	2015	2014
Cash and due from central banks and post office banks		**1,052,000**	
Government securities and equivalents		**0**	2,275,000
Due from credit institutions	3.2.1	**739,351**	127,563
Customer items		**0**	
Bonds and other fixed-income securities	3.2.2	**13,519,156**	15,723,227
Equities and other variable-income securities		**0**	
Long-term equity investments		**0**	
Investments in affiliated companies		**0**	
Intangible assets	3.2.3	**0**	0
Tangible assets		**0**	
Issued capital, not paid-up		**0**	
Treasury stock		**0**	
Other assets	3.2.6	**2,480**	168
Accrued assets	3.2.7	**470,113**	495,061
TOTAL ASSETS		**15,783,099**	18,621,019

Reflecting the euro value of assets denominated in foreign currencies

LIABILITIES AND SHAREHOLDERS' EQUITY

€ thousands at 31 December	Note	2015	2014
Due to central banks and post office banks		248	
Due to credit institutions	3.2.1	1,100,101	1,100,411
Customer items		0	
Debt securities	3.2.5	12,432,018	14,949,365
Other liabilities	3.2.6	1,759,642	2,072,425
Accrued liabilities	3.2.7	27,105	41,122
Allowances		0	
Subordinated debt	3.2.8	329,997	330,057
Fund for general banking risks		0	
Shareholders' equity excluding fund for general banking risks	3.2.9	133,988	127,639
Capital stock		100,000	100,000
Additional paid-in capital		0	
Reserves		2,756	2,704
Revaluation reserve		0	
Untaxed provisions and investment grants		0	
Unappropriated retained earnings		24,883	23,898
Net income (loss) for the period		6,349	1,037
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		15,783,099	18,621,019

Reflecting the euro value of assets denominated in foreign currencies

OFF-BALANCE SHEET

€ thousands at 31 December	Note	2015	2014
Commitments given		**0**	
Financing commitments		**0**	
Guarantees		**0**	
Commitments related to securities		**0**	
Other commitments given [1]			
Commitments received		**3,362,471**	1,673,465
Financing commitments		**0**	
Guarantees		**1,823,121**	1,145,900
Commitments related to securities		**0**	
Other commitments received [2]		**1,539,350**	527,564

(1) Securities given as collateral within the framework of Pool 3G
(2) Use of the State guarantee of the Republic of France

INCOME STATEMENT

€ thousands, year ended 31 December	Note	2015	2014
Interest and related income	3.5.1	593,235	801,679
Interest and related expense	3.5.2	(576,948)	(796,647)
Income from variable-income securities		0	
Fee and commission income		0	
Fee and commission expense	3.5.3	(458)	(744)
Net gain (loss) on trading securities		0	
Net gain (loss) on investment portfolios and related securities		0	
Other banking income		0	0
Other banking expense		0	
Net banking income		15,828	4,288
General operating expenses	3.5.4	(4,225)	(2,691)
Depreciation, amortization, and provisions on tangible and intangible assets		0	
Gross operating income		11,603	1,597
Provisions for risk		0	
Operating income		11,603	1,597
Net gain (loss) on disposals of long-term investments		0	
Income before tax and nonrecurring items		11,603	1,597
Net nonrecurring items		0	
Income tax	3.5.5	(5,254)	(560)
Net allocation to the fund for general banking risks and untaxed provisions		0	
NET INCOME		6,349	1,037

NOTES TO THE FINANCIAL STATEMENTS

CIF Euromortgage is the *sociéts de credit foncier* ("SCF", or real estate finance company) of Crédit Immobilier de France. It was founded in January 2001 to provide medium- and long-term funding for the loans that Crédit Immobilier de France granted to its clientele of homebuyers via the acquisition of senior notes issued by the Group's captive securitization vehicle, CIF Assets. CIF Euromortgage has capital stock of €100 million represented by 2 million common shares with a par value of €50 each. The share capital is 99.99%-owned by Crédit Immobilier de France Développement–CIFD, the Group's central entity (*organe central*) and holding company.

France's SCFs are credit institutions licensed to operate as financial corporations, and are governed by CMF § L.513-2 *et seq*. Their exclusive purpose is to:

- grant or purchase secured loans and loans to public sector entities, and purchase units issued by securitization vehicles as well as the securities mentioned in CMF § L. 513-3 to L. 513-7.

- issue covered bonds (*obligations foncières*) or any other senior debt instruments conferring preferred creditor status as provided for in CMF § L.513-11 to finance loans and securities purchases. CMF § L.513-11 stipulates that the assets of an SCF must be used in the first instance to redeem the Company's covered bonds and other secured debt. Holders of covered bonds and other senior debt have preferred creditor status even in the event of forced or voluntary bankruptcy of the issuer.

CMF § L.513-15 states that the management and collection of loans, bonds, and other debt referred to in CMF § L.513-2 may only be carried out by a credit institution under a contract with the SCF. Accordingly, CIF Euromortgage has entered into a service agreement with Caisse Centrale du Crédit Immobilier de France–3CIF, under the terms of which 3CIF supplies CIF Euromortgage with any and all services required for its operations.

I – SIGNIFICANT EVENTS OF THE PERIOD

1.1 STATE GUARANTEE OF THE REPUBLIC OF FRANCE

On 27 November 2013 the European Commission authorized the Republic of France to extend its permanent State guarantee to Crédit Immobilier de France. That same day, the Republic of France, CIFD, 3CIF, and CIF Euromortgage, in the presence of CIF Assets and the Banque de France, signed a final agreement setting forth the principal terms of conditions of the two-part guarantee:

- The Republic of France granted an "external" guarantee of €16 billion covering securities issued by 3CIF as of 28 February 2013.

- The Republic of France also granted an "internal" guarantee covering both cash investments made by CIF Euromortgage and CIF Assets with 3CIF and amounts due by 3CIF in respect of financial futures transactions with CIF Euromortgage and CIF Assets.

In exchange, the CIF Group has been placed in orderly resolution and undertaken a number of commitments, including ceasing all new loan originations as of the date of signature of the final agreement and remunerating the Republic of France as follows:

- 3CIF is to pay a basic commission of 5 basis points on the amounts guaranteed
- CIFD is to pay in full a charge for the implementation of the guarantee, equal to €5 million and due on 28 November 2013. CIFD paid this amount by offsetting it against the price of a preferred share purchased by the Republic of France.
- CIFD is to pay supplementary commissions of 145 basis points on the average amount of guaranteed securities outstanding per year (external guarantee) and 148 basis points on the average balance of guaranteed deposits per year (internal guarantee). These supplementary commissions are payable if no restrictive events of payment occur, if their payment does not cause the Group's consolidated

solvency ratio (as calculated at 31 December of the last completed fiscal year) to fall below 12%, or if their payment does not jeopardize any other ratio calculated on the basis of shareholders' equity.

Throughout 2015, CIF Euromortgage's cash investments and financial futures transactions with 3CIF were covered by the State guarantee. At 31 December 2015 its State-guaranteed cash investments with 3CIF amounted to €1.54 billion.

1.2 COVERED BONDS AND OTHER SECURED DEBT INSTRUMENTS

Under the orderly resolution plan, 3CIF has taken responsibility for all satisfying of the Group's funding needs. Thus, CIF Euromortgage did not issue any new covered bonds or other secured debt in 2015.

CIF Euromortgage's covered bonds and other secured debt instruments outstanding amounted to €12.23 billion at 31 December 2015, all currencies combined.

Bond redemptions totaled €2.53 billion in 2015, including gains and losses on hedging transactions. There were eight bond issues that matured, totaling €2.23 billion, and two early redemptions amounting to €0.3 billion.

1.3 SUBORDINATED DEBT—UNSECURED FUNDING

In order to fulfill their obligations toward preferred creditors, in accordance with CMF § L.513-11, SCFs are required to ensure that their secured debt is at least 105% covered at all times by total assets, pursuant to Decree 2014-526 of 23 May 2014. Consequently, SCFs must have shareholders' equity or, at the very least, unsecured funding allocated in the first instance to the repayment of secured debt.

In addition to its shareholders' equity of €134 million at 31 December 2015 CIF Euromortgage has additional funding provided by its parent company, CIFD, comprising:

- three undated subordinated loans totaling €330 million; these subordinated loans are repayable at the sole discretion of the Company, and if CIF Euromortgage incurs a loss, it has the option of deferring interest payments
- four ordinary loans totaling €1.10 billion.

These loans, representing a total of €1.43 billion, are subordinated to the prior repayment of all covered bonds and other secured debt issued by CIF Euromortgage.

1.4 ASSETS

CIF Euromortgage's FCT security/RMBS portfolio consists exclusively of CIF Assets senior bonds. At 31 December 2015, CIF Assets had assets of €16.00 billion (net of amortizations) compared with €20.33 billion at 31 December 2014. This appreciable decline may be ascribed to the faster pace of amortizations of loans held by CIF Assets. Mirroring this decrease, the senior bonds held by CIF Euromortgage totaled €11.37 billion at 31 December 2015, versus €14.45 billion at year-end 2014.

At 31 December 2015, CIF Euromortgage also held one mortgage promissory note with a face value of €1.34 billion issued by 3CIF, an €800 million negotiable certificate of deposit also issued by 3CIF, and €1.79 billion in its current accounts with the Banque de France and 3CIF.

1.5 CASH MANAGEMENT

In order to optimize its cash management, CIF Euromortgage opened an account with the Banque de France. This account, which gives it increased flexibility in its overnight cash management, has steadily replaced negotiable fixed-rate French notes (BTF). As is the case with BTFs, the funds on account with the Banque de France do not incur the expense of the State guarantee (see above). CIF Euromortgage made its first deposit on 3 August 2015. The account pays interest at the ECB deposit facility rate. At 31 December 2015 this account had a balance of €1.05 billion; BTFs in the portfolio at 31 December 2015 totaled €2.28 billion.

1.6 FINANCIAL INSTRUMENTS

On 19 May 2015 Fitch downgraded Commerzbank's long-term ratings to BBB, outlook positive. This counterparty ceased to meet the AA rating required of CIF Euromortgage's counterparties in respect of its covered bonds (BBB+/F2 trigger), and the swap contracts were transferred to 3CIF on identical terms. This transaction was completed on 15 July and involved five swaps for a combined amount of €130 million, as well as a CHF 50 million cross-currency swap.

1.7 SINGLE RESOLUTION MECHANISM AND FUND

As of 2016, the Single Resolution Mechanism (SRM) and Single Resolution Fund. (SRF) created in application of Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 will replace the national resolution funds of the member states operating under the oversight of the European Central Bank.

These institutions, governed by the Single Resolution Board (SRB), have the task of harmonizing the prudential supervision of credit institutions (SRM) and pooling the contributions that are raised (SRF) in order to anticipate and prevent failures by credit institutions.

This measure took effect in France starting in 2015 (Order 2015-1024) under the authority of the ACPR. CIF Euromortgage's contribution to the SRF for 2015 amounted to €2,848 thousand, with €1,994 thousand being posted to expenses and €855 thousand recognized in the balance sheet as a cash guarantee deposit.

1.8 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

By virtue of Section 80 of Decision 2015-01 of the Governor of the Banque de France concerning the non-conformity of secured loans received by the Group's FCT and pledged as collateral for the covered bonds issued by CIF Euromortgage, the eligibility of CIF Euromortgage's covered bonds for ECB system repo financing was suspended on 18 February 2016.

This suspension has not affected the qualification of the covered bonds issued by CIF Euromortgage with respect to French law, and they continue to confer preferred creditor status under CMF § L.513-11.

CIF Euromortgage and the Crédit Immobilier de France Group are making their best efforts to ensure that CIF Euromortgage covered bonds comply with the criteria stipulated in Section 129 ¶1 (d) to (f) of Regulation (EU) No. 575/2013 as early as the beginning of Q2 2016 and entitle bank investors to the corresponding preferential treatment, as well as to eligibility for ECB system repo financing subject to the approval of the monetary authorities.

II—GENERAL ACCOUNTING PRINCIPLES AND PRESENTATION

2.1 GOING CONCERN

The financial statements have been prepared on a going concern basis, the justification for which is now the European Commission's approval of an orderly resolution plan including a State guarantee, as described above, and the fact that CIFD will be responsible for financing its subsidiaries within the framework of the orderly resolution plan.

The Plan includes the following principles:

- Loan originations ceased as of the date of the decision to grant the permanent guarantee.
- The residual portfolios of assets, liabilities, and derivatives will be held to maturity and managed in such a way as to maximize their value. This provision particularly concerns the loan portfolio and the portfolio of debt securities held to maturity. The Plan contains measures aimed at reorganizing the management and collection of the portfolios, with the key objective of ensuring repayment. These measures include retaining key talent within the organization, standardizing the methods employed by the operating subsidiaries, and streamlining the organization.

In light of the decision to hold the loan and debt securities portfolios to maturity, the activity of managing these portfolios satisfies the criterion for preparing the financial statements on a going concern basis, and the Company's assets have been valued accordingly. Application of the going concern principle is supported by the implementation of the orderly resolution plan, backed by the permanent guarantee of the Republic of France granted with the approval of the European Commission, and based on the decision to hold the loan and debt securities portfolios to maturity.

2.2 GENERAL ACCOUNTING PRINCIPLES

The balance sheet and income statement have been prepared in accordance with Standard ANC 2014-07 concerning statutory financial statements.

The financial statements at and for the year ended 31 December 2015 have been prepared on a going concern basis in accordance with French generally accepted accounting principles, applied consistently from one accounting period to the next. Their application provides a true and fair view of the assets and liabilities and financial position of CIF Euromortgage at 31 December 2015 and the results of its operations for the year then ended.

The Company applies the recognition and measurement principles applicable to French credit institutions. In line with these principles, transactions are generally measured based on their substance. The standards and recommendations applied include Standard ANC 2014-07 on the actuarial calculation of provisions for known credit risks; CRC 2002-10, CRC 2003-07, and CRC 2004-06; CNC Recommendation 2004-15; Recommendations 2003-E, 2003-F, and 2005-D issued by CNC's emerging issues task force; and CNC Recommendation 2004-15 relating to the accounting treatment of deferred charges.

2.3 PRESENTATION

The financial statements for the year ended 31 December 2015 include a prior-year comparison for both the balance sheet and the income statement.

2.4 NOTES TO THE FINANCIAL STATEMENTS

All amounts in these notes are expressed in thousands of euros (unless otherwise specified).

III—ACCOUNTING POLICIES AND VALUATION METHODS

3.1 ACCOUNTING POLICIES

3.1.1 Foreign Currency Receivables, Payables, and Commitments

Assets, liabilities, and off-balance sheet items denominated in foreign currencies are translated into euros at the official spot market exchange rates prevailing at the end of each accounting period.

Exchange differences are determined in accordance with Standard ANC 2014-07 Book II Title 7, and realized and unrealized gains and losses are taken to the income statement.

3.1.2 Due from Credit Institutions

Amounts due from credit institutions include all loans extended in connection with interbank transactions, securities or other assets received under repurchase agreements, and collateralized repo transactions, with the exception of debt securities. They are classified as loans and advances repayable on demand or term loans and advances. Amounts due from credit institutions are stated at nominal value plus accrued interest.

Standard ANC 2014-07 requires that future collectible flows be calculated on an actuarial basis to determine writedowns of doubtful receivables, as follows: provisional losses are equal to the difference between initial contractual flows, less flows already received, and discounted provisional flows. Discounted provisional flows are determined by factoring in the counterparty's financial condition, economic outlook, and guarantees invoked or liable to be invoked, less the expenses related to their enforcement, and the status of legal proceedings in progress.

The amount of €739,350,657 reported under “due from credit institutions” represents the balance of CIF Euromortgage’s current account with 3CIF (see note 3.2.1).

3.1.3 Allowances

a – Sectoral risk allowances

Sectoral risk allowances cover certain business sectors presenting potential but not certain future risks. CIF Euromortgage does not set up any allowances for sectoral risks.

b – Country-risk allowances

CIF Euromortgage does not set up any allowances for country risks.

3.1.4 Securities Portfolio

In accordance with Standard ANC 2014-07 Book II Title 3, securities are classified under the following categories: trading securities, securities available for sale, debt securities held to maturity, equity securities held for medium-term investment, long-term equity investments, and investments in affiliated companies.

The methods indicated below are used to value securities irrespective of their type (equities, bonds, Treasury bills, certificates of deposit, negotiable promissory notes, money market securities, etc.) and depend on the purpose of the transaction.

Rules concerning the accounting treatment of securities transactions, amended by Standard ANC 2014-07, have been applied in the manner described below.

a—Trading Securities

These are securities that are bought and sold with the intention of resale or repurchase in the short term and that can be traded on liquid markets.

Trading securities are initially recognized at cost, including expenses and accrued interest receivable. They are marked to market at the end of each accounting period and the net valuation difference is reflected in the income statement under income or expenses. If they are held for more than six months, they are reclassified as securities available for sale and marked to market at that date.

CIF Euromortgage does not hold any trading securities.

b—Securities Available for Sale

This category is used to record securities that do not fall under any other categories. At the end of each accounting period, these securities are valued individually or as homogeneous groups at the lower of cost or estimated value. Provisions are recorded for unrealized losses but unrealized gains are not recognized. Premiums and discounts, representing the difference between the purchase price (excluding accrued interest) and the redemption price are amortized over the remaining life of the securities.

Securities available for sale are recorded at cost at their purchase date. Purchase costs are taken directly to the income statement, in accordance with the option granted in Section 2371-2 of Standard ANC 2014-07.

Dividends and interest are recorded in the income statement on a cash basis under “income from variable-income securities.”

At the time of sale, the cost of the securities is determined using the first in–first out (FIFO) method.

Gains and losses on disposals, and provisions/reversals for impairment of these securities are recorded in the income statement under “net gain (loss) on securities available for sale.”

Some securities available for sale may be used as hedging instruments. By analogy with Section 4 of Standard ANC 2014-07 pertaining to designated hedges, capital gains or losses realized on these securities when the hedge is unwound are taken to the income statement in the same way as the income and expenses on the underlying instruments, over the residual life of the hedged instruments.

CIF Euromortgage’s portfolio of securities available for sale at 31 December 2015 totaled €2.14 billion (€1.25 billion at 31 December 2014) and consisted of €1.34 billion in mortgage promissory notes (135% collateralized by mortgages held by Crédit Immobilier de France) and €800 million in negotiable certificates of deposit (see note 3.2.2.2).

c—Equity Securities Held for Medium-Term Investment

These securities correspond to investments made for portfolio management purposes, with the aim of achieving a profit in the medium term but without investing durably in the development of the issuer’s business. They include venture capital investments.

Equity securities held for medium-term investment are stated at the lower of cost or fair value, determined by reference to the issuer’s general earnings outlook and the intended holding period. The fair value of listed securities is determined primarily on the basis of the average market price calculated over a sufficiently long period.

CIF Euromortgage does not hold a portfolio of equity securities held for medium-term investment.

d—Debt Securities Held to Maturity

These are fixed-income securities that were previously recorded as trading securities or securities available for sale but have been reclassified, or that are purchased with the intention of holding them over the long term and that are either match-funded or hedged against interest rate risks. They are stated at cost, excluding accrued interest, and any difference between the purchase price and the redemption price is amortized over the remaining life of the securities.

Debt securities held to maturity are recorded at cost at their purchase date. Purchase costs are taken directly to the income statement, in accordance with the option granted in Section 2371-2 of Standard ANC 2014-07.

Interest income on debt securities held to maturity is recorded in the income statement under interest income from bonds and other fixed-income securities.

In accordance with regulations, no provisions are made for unrealized losses unless 3CIF intends to sell the related securities in the near term, in which case a provision for market risks is recorded by means of a charge to “net gain (loss) on disposals of long-term investments”. Any provisions for counterparty risks on these securities are reflected in the income statement under “provisions for risk”.

At 31 December 2015 CIF Euromortgage held €11.4 billion worth of debt securities classified as held to maturity (€16.7 billion at 31 December 2014) consisting of comprising €14.4 billion in CIF Assets senior bonds (see note 3.2.2.2).

e—Method for Valuing Purchased Securities

Generally speaking, the market value of securities acquired is obtained automatically from quotations by several providers.

The latest available quotation is used if market volume is sufficient to ensure that it is relevant. Manually entered prices may be used on an exceptional basis. If no market quotations are available, securities are valued using manually entered discounted cash flow taken from a valuation model.

3.1.5 Fixed Assets

Standard CRC 2002-10, amended by Standard ANC 2014-03, is applied to financial statements for periods beginning on or after 1 January 2005. CIFD Group has adopted the depreciated cost method and the component accounting method for its buildings. An impairment test is conducted at the end of each annual and interim accounting period, and the assets are depreciated over their estimated useful lives.

CIF Euromortgage does not hold any tangible assets. The only intangible asset recorded in the balance sheet corresponds to accounting software with an expected useful life of three years that has been amortized on a straight-line basis. This software is now completely amortized.

3.1.6 Due to Credit Institutions

Amounts due to credit institutions are classified according to original term or type, and are broken down into borrowings repayable on demand (demand deposits and current accounts) and term borrowings. These items also include securities or other assets given under repurchase agreement.

Accrued interest is recorded separately, with the contra entry posted to the income statement.

3.1.7 Debt Securities

Debt securities are classified as retail certificates of deposit, interbank and money market securities, and bonds and notes. They do not, however, include subordinated debt securities, which are recorded under “subordinated debt”.

Accrued interest is recorded separately, with the contra entry posted to the income statement. Bond issue and redemption premiums are amortized over the life of the debt using the yield-to-maturity method. The corresponding charge is recorded in the income statement under “interest and related expense on bonds and other fixed-income securities”.

Bond issue costs reflected in the balance sheet are amortized on an actuarial basis over the life of the bonds as described below:

- The deferred expense is recorded under “deferred expenses” and the contra entry is posted to an expense transfer account in “other banking income”.

- The amount recorded under “deferred expenses” is then written off to the income statement over the life of the bonds, under “other banking expense”.

3.1.8 Forward Financial Instruments and Options

In accordance with CRBF Regulation 90-15 amended by Standard ANC 2014-07 – Title 5 – Chapter 2, in the case of interest-rate swaps, different accounting policies are used according to the instruments’ nature and original purpose (hedging or market transactions).

a— Interest-Rate Swaps

Interest-rate swaps fall into four categories:

- micro-hedging (designated hedges)
- macro-hedging (general hedges)
- trading instruments
- specialized management of trading portfolios

The first two categories are treated as loan or borrowing transactions and the interest differential received or paid is recognized in the income statement on an accruals basis.

Interest revenues and expenses on trading instruments are also recognized on an accruals basis, but unrealized losses with respect to the market value of the contracts at the balance sheet date are reflected as provisions in the income statement, contrary to the case of hedging instruments.

Instruments acquired in connection with the specialized management of trading portfolios are individually marked to market. The resulting unrealized gains or losses are recognized directly in the income statement. The valuation is adjusted to reflect counterparty risks and the present value of future swap management costs.

CIF Euromortgage does not carry out any trading transactions, nor does it undertake the specialized management of trading portfolios.

CIF Euromortgage does not manage interest-rate risk through macro-hedging.

Transactions are allocated to micro-hedging portfolios as defined under Standard ANC 2014-07.

b— Currency Swaps

Spot transactions in progress are measured at the exchange rate prevailing at the end of the period.

Gains and losses on forward currency instruments are recognized in the income statement on an accruals basis, in the form of either a contango or backwardation in the case of hedges of commercial transactions, or as accrued interest when the instrument is intended to hedge long-term assets and liabilities in foreign currencies.

c— Options (Interest-Rate, Currency, and Equity) and Forwards

The notional amounts of underlying instruments in options and forwards contracts are recorded separately, depending on whether the contracts are designated hedges or other contracts.

Income and expenses on hedging contracts are recognized in the same way as the income and expense on the underlying securities. Premiums paid or received on options are reflected in the income statement in proportion to the notional outstandings.

Trading positions in a given class of options or forwards contracts are marked to market. Unrealized gains and losses on contracts traded on a regulated exchange or equivalent are taken directly to the income statement. Provisions are recorded in the income statement for unrealized losses on OTC contracts, whereas unrealized gains are not recognized.

3CIF did not have any trading transactions oustanding at 31 December 2015.

In accordance with Standard CRC 2004-16 and CNC Recommendation 2004-21, which transpose EU directives on reporting the fair value of financial instruments, CIFD Group reports the market value and volume of transactions at 31 December 2015 for each category of instrument in its notes to the financial statements.

d— Method for Valuing Forward Financial Instruments

In accordance with Standard ANC 2014-07 and Standard ANC 2014-03, which transpose EU directives on reporting the fair value of financial instruments, CIFD Group reports the market value and volume of transactions at 31 December 2015 for each category of instrument in its notes to the financial statements.

The fair value of listed securities is the asking price at the valuation date for an asset held, or the bid price for an asset to be purchased. For instruments traded over the counter, the Group estimates their fair value using valuation methods including recent arm's-length transactions, the fair value of a substantially identical instrument, discounted cash flow, and option valuation models.

3.1.9 Income Tax

In France, the standard income tax rate is 33⅓%.

A 3.3% surtax on earnings was introduced as of 1 January 2000. This surtax was taken into account in computing current taxes due for each of the periods presented. Income tax represents a charge for the period in which the income is earned. These principles correspond to the Crédit Immobilier de France Développement tax agreement signed on 28 April 2008 and applicable to CIF Euromortgage as of 1 January 2008.

The supplementary budget for 2014, in force at 31 December 2013, instituted an exceptional and temporary 10.7% surtax on revenues exceeding €250 million, which applies to CIF Euromortgage.

3.1.10 Management Compensation

The members of the Management Board and the Supervisory Board of CIF Euromortgage did not receive any compensation in 2015 (see note 3.5.4).

3.1.11 Employees

CIF Euromortgage does not employ any staff. All of its technical and human resources are provided by 3CIF under a service agreement (see note 3.5.4).

3.2 INFORMATION ON THE BALANCE SHEET

3.2.1 ANALYSIS OF AMOUNTS DUE FROM/TO CREDIT INSTITUTIONS

€ thousands at 31 December	2015	2014
Loans and advances repayable on demand	**1,791,351**	127,563
Central banks	**1,052,000**	
Current accounts	**739,351**	127,563
Overnight repos and other overnight loans		
Securities received under repurchase agreements		
Unallocated securities		
Term loans and advances		
Term loans		
Securities received under repurchase agreements		
TOTAL	**1,791,351**	127,563
Including accrued interest		

€ thousands at 31 December	2015	2014
Borrowings repayable on demand	**248**	22
Central banks	**248**	
Current accounts		
Overnight borrowings		
Securities given under repurchase agreements		
Other payables		22
Term borrowings	**1,100,101**	1,100,389
Term borrowings	**1,100,101**	1,100,389
Securities given under repurchase agreements		
TOTAL	**1,100,348**	1,100,411
Including accrued interest	**348**	*389*

3.2.2 SECURITIES

3.2.2.1 ANALYSIS OF THE SECURITIES PORTFOLIO

€ thousands, at 31 December 2015	Government securities and equivalent	Bonds and other fixed-income securities	Equities and other variable-income securities	Total
Trading securities				
Securities available for sale		**2,140,617**		**2,140,617**
Debt securities held to maturity		**11,378,538**		**11,378,538**
Equity securities held for medium-term investment				
TOTAL		**13,519,156**		**13,519,156**
Including accrued interest				**12,707**
Including securities lent				
Including listed securities [1]				
Including premiums and discounts				
Including participating notes				
Including other subordinated notes				

[1] net amount excluding accrued interest

3.2.2.2 CHANGES IN THE PORTFOLIO

€ thousands	Cost at 31 December 2014	Purchases	Disposals, redemptions	Other movements	Cost at 31 December 2015	Depreciation, amortization, and provisions	Net at 31 December 2015
Securities available for sale	1,250,000	28,360,000	27,470,000		2,140,000		2,140,000
Negotiable certificates of deposit	400,000	14,550,000	14,150,000		800,000		800,000
Mortgage promissory notes	850,000	13,810,000	13,320,000		1,340,000		1,340,000
Debt securities held to maturity	16,728,915	6,113,500	11,475,966		11,366,449		11,366,449
French Treasury notes (BTF)	2,275,000	6,013,500	8,288,500				
RMBSs	14,453,915	100,000	3,187,466	(481)	11,366,449		11,366,449
TOTAL	17,978,915	34,473,500	38,945,966	(481)	13,506,449		13,506,449

3.2.3 LONG-TERM INVESTMENTS AND FIXED ASSETS

3.2.3.1 CHANGES IN THE PORTFOLIO

€ thousands	Cost at 31 December 2014	Purchases	Disposals, redemptions	Other movements	Cost at 31 December 2015	Depreciation, amortization, and provisions	Net at 31 December 2015
Long-term investments							
Intangible assets	58				58	(58)	0
Tangible assets							
TOTAL	58				58	(58)	0

3.2.3.2 ANALYSIS OF INTANGIBLE ASSETS

€ thousands	Cost at 31 December 2015	Amortization and allowances	Net at 31 December 2015	Net at 31 December 2014
Start-up costs				
Organization costs				
Set-up costs				
Share issue and other costs				
R & D				
Fundamental research				
Applied research				
Experimental development				
Goodwill				
Other	58	(58)		
TOTAL	58	(58)		

3.2.4 IMPAIRMENT LOSSES

€ thousands	Cost at 31 December 2015	Amortization and allowances	Net at 31 December 2015	Net at 31 December 2014
Central banks	1,052,000		1,052,000	
Government securities and equivalents				2,275,000
Due from credit institutions	739,351		739,351	127,563
Customer items				
Bonds, equities, and other fixed- and variable-income securities	13,519,156		13,519,156	15,723,227
Tangible assets				
Other assets	2,480		2,480	168
TOTAL	15,312,986		15,312,986	18,125,958

3.2.5 DEBT SECURITIES

€ thousands at 31 December	2015	2014
Retail certificates of deposit		
Interbank and money market securities		
Bonds	9,936,357	12,466,686
Other debt securities	2,495,661	2,482,678
TOTAL	**12,432,018**	14,949,365
including accrued interest	*200,766*	*262,442*

3.2.6 ANALYSIS OF OTHER ASSETS AND LIABILITIES

€ thousands at 31 December	2015	2014
Purchased options		
Settlement accounts related to securities transactions		
Deferred income tax contribution		
Other receivables	2,314	168
Inventory and resources		
Other assets	4	
Doubtful accounts (net)		
Accrued interest	162	
TOTAL	**2,480**	168
Including margin calls paid		

€ thousands at 31 December	2015	2014
Sold options		
Debts related to borrowed securities		
Other securities transactions		
Other payables	1,759,642	2,071,865
Income tax contribution payable		560
Other liabilities		
Accrued interest		
TOTAL	**1,759,642**	2,072,425
Including margin calls received	*1,754,365*	*2,071,621*

3.2.7 ACCRUED ASSETS AND LIABILITIES

€ thousands at 31 December	2015	2014
Collection accounts		
Adjustment accounts		
Variance accounts	251,782	243,776
Losses on hedging instruments	6,046	8,784
Issue premiums and bond issue costs	18,328	27,540
Prepaid expenses	108	140
Accrued income (1)	193,850	214,821
Other		
TOTAL ACCRUED ASSETS	**470,113**	495,061

€ thousands at 31 December	2015	2014
Collection accounts		
Adjustment accounts		
Variance accounts		
Gains on hedging instruments	21,024	31,593
Deferred income	2,225	2,752
Accrued expenses (2)	3,612	6,531
Other	245	245
TOTAL ACCRUED LIABILITIES	**27,105**	41,122

(1) including €203 million in accrued income from swaps in 2014 and €297 million in 2013
(2) including €0.9 million in accrued expenses on swaps in 2014 and €1.7 million in 2013

3.2.8 SUBORDINATED DEBT

Issue date	Interest rate	Initial amount (€ thousands)	At 31 December 2015 (€ thousands)
May 2003	10 bp over 3-month Euribor	105,000	**105,000**
September 2005	10 bp over 3-month Euribor	75,000	**75,000**
June 2009	10 bp over 3-month Euribor	150,000	**150,000**
TOTAL		330,000	**330,000**
including accrued interest			***(3)***

3.2.9 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

€ thousands (except number of shares)	At 1 January 2015	Appropriation of prior period net income	Dividend payments	Change of accounting method	Other	Net income for the period	At 31 December 2015	Appropriation of net income for the period
Capital stock	100,000						100,000	
Additional paid-in capital	0						0	
Legal reserve	2,704	52					2,756	317
Statutory reserves	0						0	
Other reserves	0						0	
Revaluation reserve	0						0	
Untaxed provisions and investment grants	0						0	
Unappropriated retained earnings	23,898	985					24,883	6,031
Net income for the period	1,037	(1,037)				6,349	6,349	(6,349)
SHAREHOLDERS' EQUITY, EXCLUDING FUND FOR GENERAL BANKING RISKS	127,639	0				6,349	133,988	0

Dividends paid								
Number of shares outstanding	*2,000,000*						*2,000,000*	
Par value in euros	*50.00*						*50.00*	

3.3.NOTES ON OFF-BALANCE SHEET ITEMS

3.3.1 OFF-BALANCE SHEET FINANCIAL INSTRUMENTS

€ thousands	Hedging transactions	Hedging management	Notional amount at 31 December 2015	Valorisation 2015	Notional amount at 31 December 2014
Interest rate instruments					
Swaps [1]	**35,276,632**		**35,276,632**	**1,299,899**	44,895,822
Currency instruments					
Cross-currency swaps [1]	**1,183,422**		**1,183,422**	**328,077**	1,650,657
TOTAL	**36,460,054**		**36,460,054**		**46,546,479**

[1] over the counter

3.4 OTHER INFORMATION

3.4.1 MATURITIES OF ASSETS, LIABILITIES, AND OFF-BALANCE SHEET INSTRUMENTS

€ thousands at 31 December 2015	Less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Not analyzed	Total
Central banks	1,052,000					1,052,000
Government securities						
Due from credit institutions	739,351				0	739,351
Customer items						
Bonds and other fixed-income securities	2,479,857	372,820	2,127,799	8,525,973		13,506,449
Other assets					2,480	2,480
Accrued assets					470,113	470,113
Accrued interest					12,707	12,707
TOTAL ASSETS	4,271,207	372,820	2,127,799	8,525,973	485,300	15,783,099
Due to credit institutions				1,100,000		1,100,000
Customer items						
Debt securities	1,000,000	2,424,966	5,250,556	3,555,730		12,432,018
Subordinated debt				330,000		330,000
Other liabilities					1,759,642	1,759,642
Accrued liabilities					27,105	27,105
Allowances						
Shareholders’ equity excluding fund for general banking risks					133,988	133,988
Accrued interest					201,112	201,112

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1,000,000**	**2,424,966**	**5,250,556**	**4,985,730**	**2,121,850**	**15,783,102**
Instruments traded on regulated exchanges						
OTC instruments	**25,852,353**	**2,631,081**	**4,463,289**	**3,513,330**	**0**	**36,460,054**
FINANCIAL FUTURES	**25,852,353**	**2,631,081**	**4,463,289**	**3,513,330**	**0**	**36,460,054**

3.4.2 ANALYSIS OF ASSETS AND LIABILITIES BY CURRENCY

€ thousands at 31 December	2015	2014
CHF	**611,764**	12,411
GBP	**104,519**	2,197
SEK	**72,614**	195
USD	**415,319**	6,942
EUR	**14,578,884**	18,599,274
TOTAL ASSETS	**15,783,099**	18,621,019

€ thousands at 31 December	2015	2014
CHF	**611,764**	844,081
GBP	**104,519**	98,487
SEK	**72,614**	142,216
USD	**415,319**	587,619
EUR	**14,578,884**	16,948,616
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**15,783,099**	18,621,019

3.4.3 RELATED PARTY TRANSACTIONS

€ thousands at 31 December 2015	Related parties	3CIF	Operating subsidiaries	CIFD	CIF Assets	Others
Assets	14,265,910	2,887,372			11,378,538	
Due from credit institutions	739,350	739,350				
including accrued interest						
Customer items						
Bonds and other fixed-income securities	13,519,156	2,140,617			11,378,538	
including accrued interest	12,707	617			12,089	
Other assets	1,444	1,444				
Accrued assets	5,961	5,961				
Liabilities	2,416,979	986,881		1,430,098		
Due to credit institutions	1,100,101			1,100,101		
including accrued interest	101			101		
Customer items						
Debt securities	907,882	907,882				
including accrued interest	1,441	1,441				
Other liabilities	77,623	77,623				
Accrued liabilities	1,377	1,377				
Allowances						
Subordinated debt	329,997			329,997		
including accrued interest	(3)			(3)		

Off-balance sheet items		
Commitments given		
Commitments received	1,823,121	1,823,121
Hedging instruments	25,342,919	25,342,919

3.4.4 CASH FLOW STATEMENT

€ thousands, year ended 31 December	2015	2014
Pretax income	11,603	10,012
Depreciation and amortization of tangible and intangible assets	0	1,598
Amortization of goodwill and other intangible assets		
Net provisions	0	
Share in earnings of companies carried under the equity method		
Net loss (gain) from investing activities		
Net loss (gain) from financing activities		
Other movements	1,617	
Net non-cash items in pretax earnings and other adjustments	1,617	39,195
Credit institutions (net)	(63)	39,195
Customer items (net)		(164)
Financial assets or liabilities (net)	(1,198,498)	(40,327)
Nonfinancial assets or liabilities (net)	(2,514)	5,166,362
Income tax paid	*(560)*	(98)
Net decrease (increase) in operating assets	(1,201,635)	1,081
Cash provided by (used in) operating activities (A)	(1,188,415)	5,126,854
Financial assets and affiliated companies (net)	5,369,609	5,167,647
Real estate investments (net)		2,246,966
Tangible and intangible assets (net)		
Cash provided by (used in) investing activities (B)	5,369,609	
Net cash received from (distributed to) shareholders		2,246,966
Other cash provided by (used in) financing activities	(2,517,406)	
Net cash provided by (used in) financing activities (C)	(2,517,406)	(7,398,015)
Impact of exchange-rate differences on cash and equivalents (D)		(7,398,015)
Net increase (decrease) in cash and cash equivalents (A + B + C + D)	1,663,788	
Cash and cash equivalents, beginning of year		16,597
Cash and due from/to central banks and post office banks	127,563	
Term loans and advances/borrowings		110,965
Cash and cash equivalents, end of year		

Cash and due from/to central banks and post office banks	**1,052,000**	
Term loans and advances/borrowings	**739,351**	127,563
Net increase in cash and cash equivalents	**1,663,788**	

3.5 NOTES TO THE INCOME STATEMENT

3.5.1 INTEREST AND RELATED INCOME

€ thousands, year ended 31 December	**2015**	2014
Credit institutions	**4,117**	12,154
Customers		
Bonds and other fixed-income securities	**589,118**	789,525
Other interest income		
TOTAL	**593,235**	801,679

3.5.2 INTEREST AND RELATED EXPENSE

€ thousands, year ended 31 December	**2015**	2014
Central banks	**1,864**	
Credit institutions	**646**	2,258
Customers	**549**	3,779
Bonds and other fixed-income securities	**573,549**	789,064
Subordinated debt	**340**	1,547
Other interest expense		
TOTAL	**576,948**	796,647

3.5.3 FEE AND COMMISSION EXPENSE

€ thousands, year ended 31 December	2015	2014
Credit institutions		
Customers		
Securities transactions		
Currency transactions		
Forward financial instruments		
Financial services	458	744
Other		
TOTAL	**458**	744

3.5.4 GENERAL OPERATING EXPENSES

€ thousands, year ended 31 December	2015	2014
Payroll costs		
Wages and salaries		
Payroll taxes		
Employee profit-sharing and incentive		
Other		
Provisions and writebacks		
Rebilling		
Administrative expenses	4,225	2,691
Taxes other than income tax	253	345
Outside services	3,972	2,346
Other		
Provisions and writebacks		
Rebilling		
TOTAL	**4,225**	2,691

3.5.5 INCOME TAX

€ thousands, year ended 31 December	2015	2014
Tax charge	5,254	560
For the year	5,254	560
For prior years		
Tax payments	5,254	560
Already paid		
To be paid	5,254	560
DIFFERENCE	5,254	560

€ thousands	Tax basis	Tax rate	Tax
Tax at standard rate	13,893	33.33%	4,631
Tax at reduced rate		19.00%	
3.3% surtax on earnings	3,868	3.30%	128
Temporary 5% surtax on revenues	4,631	10.70%	496
Ordinary tax credits			
Dividend tax credits			
Miscellaneous allocations			
Tax charge for the year			5,254

CIF EUROMORTGAGE
"The Company"
French corporation (*société anonyme*)
Capital stock: €100,000,000
26-28 Rue de Madrid, 75008 Paris, France
Corporate and Commercial Registry n° 434 970 364 RCS Paris

REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ON THE WORK OF THE BOARD OF DIRECTORS, INTERNAL CONTROL, AND RISK MANAGEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

To the Directors,

I have prepared this rapport for 2015 in accordance with Section L. 225-37 of France's Commercial Code, on the basis of information supplied by several functional divisions of the Company, and in particular, the Legal Affairs Division; the Risk, Permanent Control, and Compliance Division; and the General Inspection and Internal Audit Division.

This report is divided into two parts, one on corporate governance and the other on internal control procedures and risk management. I am hereby submitting it to the Board of Directors for approval.

Crédit Immobilier de France is a banking network that has been in orderly resolution since the European Commission decided on 27 November 2013 to approve an orderly resolution plan (the "Plan") , under which Crédit Immobilier de France ceased all new loan originations and the Republic of France granted it a permanent State guarantee. That same day, the Republic of France and the CIF Group signed the protocol specifying the terms and conditions of the State guarantee.

Under the terms of the European Commission's decision, the shareholders shall assume the costs of the orderly resolution, and the Group will preserve its earnings in order to maintain a capital adequacy ratio of no less than 12% throughout the orderly resolution period. Accordingly, the special shareholders' meeting of Crédit Immobilier de France Développement (CIFD) on 6 November 2013 approved the creation of a preferred share reserved for the Republic of France and issued it on 28 November 2013. This share allows the State, as preferred shareholder, to receive a preferred dividend taken from CIFD's funds available for distribution if it receives no payment of commissions in remuneration for the State guarantee; the payment of commissions may be deferred if such payment would cause the capital adequacy ratio to fall below 12%.

Responsibility for implementing and monitoring the Plan falls, on the one hand, to a monitoring committee whose members are representatives of France's Treasury Department, corporate officers of CIFD, and a government commissioner, and on the other hand, to an independent expert designated in accordance with conditions set by the Republic of France and the European Commission. On 27 January 2014 the European Commission approved the appointment of the firm of Duff & Phelps as independent expert.

Furthermore, the Plan requires that the Crédit Immobilier de France Group simplify its organization and centralize its corporate governance. As part of simplification efforts, the shareholders of the financial subsidiaries swapped their shares for CIFD shares on 10 December 2014. Following the share swaps and buybacks, CIFD owned virtually all the shares of the Group's financial subsidiaries. Three financial subsidiaries were merged with the parent company in 2015 and six more are scheduled to be merged in 2016.

CIFD is the central entity ("*organe central*") and financial holding company of the Crédit Immobilier de France network as construed under Section L.511-30 and 517-1 of France's Monetary and Financial Code (CMF). Since 1 January 2008 the Group has comprised the financial operating subsidiaries (SFRs), Banque Patrimoine et Immobilier–BPI, Caisse Centrale du Crédit Immobilier de France (3CIF), and CIF Euromortgage.

Sociétés de credit foncier ("SCF", or real estate financing companies), France's issuers of covered bonds, are governed by Sections L.513-2 *et seq.* of France's Monetary and Financial Code ("CMF"), which waives certain aspects of company law in order to ensure the protection of holders of covered bonds and other secured debt that they issue. Legislation governing real estate financing companies has been strengthened several times, most recently by Decree 2014-526 of 23 May 2014, the Order of 26 May 2014, and Instructions 2014-I-16 and 2014-I-17.

REPORT ON CORPORATE GOVERNANCE

I—BOARD OF DIRECTORS

The Board of Directors has no fewer than three and no more than 12 members appointed for a six-year term as provided for by the Articles of Incorporation. It determines the orientations of the Company's conduct of business and ensures that they are applied. Within the limits of the corporate purpose and the prerogatives expressly granted by law to Shareholders' Meetings, it examines all matters dealing with the Company's operations and votes on all issues concerning it.

1/ Members of the Board of Directors

The Board of Directors has the following five members:

- Yannick Borde, Chairman
- CIFD, represented by Jérôme Lacaille
- Jacky Lecointe
- Dominique Guerin
- Dominique Lambecq.

Details of the appointments and terms of the directors are shown below:

Terms to be Served by Members of the Board of Directors

Name of Board Member	Date of appointment or re-appointment	End of term
Yannick Borde (1)	Shareholders' meeting, 16 December 2014	Shareholders' Meeting convened to approve the 2019 financial statements
CIFD, represented by Jérôme Lacaille (2)	Shareholders' meeting, 16 December 2014	Shareholders' Meeting convened to approve the 2018 financial statements
Jacky Lecointe	Shareholders' meeting, 16 December 2014	Shareholders' Meeting convened to approve the 2019 financial statements
Dominique Guérin	Shareholders' meeting, 16 December 2014	Shareholders' Meeting convened to approve the 2019 financial statements
Dominique Lambecq	Shareholders' meeting, 16 December 2014	Shareholders' Meeting convened to approve the 2019 financial statements

(1) appointed Chairman of the Board of Directors on 16 December 2014

(2) the letter of appointment dated 12 June 2015 was appended to the minutes of the Board meeting on 24 June 2015

2/ Deliberations of the Board of Directors

The Board of Directors met seven times in 2015:

- 27 January
- 10 March
- 14 April
- 28 May
- 24 June
- 30 September
- 9 December.

The Board of Directors primarily addressed the following matters:

- determining the status of the "SURFI" unified financial reporting system
- setting the quarterly covered bond issue program
- asset-liability management
- hedging plan for the year
- reviewing the financial statements at and for the year ended 31 December 2014
- preparing the report on the coverage ratio and compliance with limits at 31 December 2014
- preparing reports on Articles 42 and 43 of France's Banking and Financial Regulations Committee (Comité de la Réglementation Bancaire et Financière, or CRBF)
- renewing the terms of the specific controller and the alternate specific controller
- reviewing changes in corporate governance (creation of an audit committee, appointment of Jérome Lacaille as the new permanent representative of CIFD)
- preparing the reports on the valuation and revaluation of buildings and on asset quality at 31 December 2014
- preparing the report on the coverage ratio at 31 March 2015
- signing an agreement concerning CIF Euromortgage's exposure to Commerzbank and Dresdner Bank.

3/ By-Laws

In addition to the texts of the Articles of Incorporation that pertain to its operation, the Board of Directors adopted By-laws at its meeting on 16 December 2014. The By-laws reiterate the Directors' rights and responsibilities and determine the conditions whereby they are authorized to take part in meetings by videoconference. They restate the need for the Directors to be independent and confirm their right to receive information. They also impose a secrecy and confidentiality obligation on Board members in the exercise of their functions.

II—GENERAL MANAGEMENT

- The Chief Executive Officer has the broadest powers to act in all circumstances on behalf of the Company. He exercises his powers within the limits of the corporate purpose and the prerogatives expressly granted by law to Shareholders' Meetings and to the Board of Directors.
- He represents the Company in its relations with outside parties. The Company is bound by the acts of its Chief Executive Officer even when they fall outside the corporate purpose, unless the Company can prove that the third party was aware that the act fell outside the corporate purpose or could not have failed to be cognizant of that fact for reasons of the circumstances, on the understanding that the publication of the Articles of Incorporation does not, by itself, constitute such proof.
- Other than upon the expiration of his term, the Chief Executive Officer may be revoked at any time by the Board of Directors, provided it has just cause, unless the Chief Executive Officer simultaneously holds the position of Chairman of the Board of Directors.
- At the proposal of the Chief Executive Officer, the Board of Directors may appoint one or more natural persons as deputies to assist the Chief Executive Officer. Deputies may be chosen from among the members of the Board of Directors or from elsewhere.

- In accordance with the Chief Executive Officer, the Board of Directors determines the scope and duration of powers granted to deputies to the Chief Executive Officer. With respect to outside parties, deputies have the same powers as the Chief Executive Officer. Deputies may be revoked at any time by the Board of Directors, at the proposal of the Chief Executive Officer. If an deputy is revoked without just cause, he may be entitled to damages.

At 31 December 2015, following their appointment by the Board of Directors meeting on 16 December 2014, the General Management was exercised jointly by Patrick Amat, Chief Executive Officer and Francis Gleyze as Deputy Chief Executive Officer. Each of them has the broadest powers to act in all circumstances on the Company's behalf.

III. CORPORATE OFFICERS

CMF § L.511-13 and CMF § L.532-2-4 stipulate that two or more persons are needed for the effective management of a credit institution or finance company in order to ensure sound, conservative administration and effective supervision through a separation of powers that clearly distinguishes between oversight, on one hand, and executive functions, on the other, which are the purview of the general management.

In a French corporation (*société anonyme*) governed by a board of directors, such as CIF Euromortgage, "effective management" is assured:

- by the chief executive officer, who has the broadest powers at all times, by virtue of CC § L.225-56, to act in all circumstances on the Company's behalf, and
- the deputy chief executive officer(s), who has the broadest powers at all times, by virtue of CC § L.225-56, to act in all circumstances on the Company's behalf and represent it in dealings with third parties, save for those powers expressly granted by law to the Board of Directors and the Shareholders' Meeting.

At its meeting on 16 December 2014 the Board of Directors designated Messrs. Amat and Gleyze as corporate officers of CIF Euromortgage for the duration of their respective terms as Chief Executive Officer and Deputy Chief Executive Officer.

At its meeting on 9 March 2016, the Board of Directors appointed Olivier Airiau as Chief Executive Officer, replacing Mr. Amat, who was named Deputy Chief Executive Officer. At that same date, Messrs. Airiau and Amat were designated as corporate officers of pursuant to CMF § L.511-13 and CMF § L.532-2-4.

Corporate officers are responsible for:

- effectively determining the orientation of the Company's activity
- producing accounting and financial information
- ensuring internal control
- determining the Company's shareholders' equity.

IV—AUDIT COMMITTEE

By virtue of CC § R.225-29, the Board of Directors may decide to create committees to examine issues on which the Board or its Chairman would like an opinion. It is free to designate the members and purview of the committees, which operate under the Board's responsibility. The Audit Committee may only have an advisory role.

At its meeting on 9 March 2015, the Board of Directors organized CIF Euromortgage's Audit Committee, pursuant to CC § L.823-19, for the purpose of examining matters concerning the preparation and verification of accounting and financial information, especially the preparation of financial information, the effectiveness of internal control and risk management systems, legal verification of the annual financial statements, and, if applicable, the consolidated financial statements by the independent auditors, on the understanding that CIFD already has an audit committee whose purview extended until present to the Group's two funding arms.

Following deliberations, the Board unanimously appointed the following persons as members of the Audit Committee:

- Dominique Guérin
- Dominique Lambecq
- Jacky Lecointe.

At its first meeting, on 30 March 2015, the Audit Committee named Mr. Lambecq as its Chairman.

At its meeting on 9 March 2016, the Board of Directors of CIF Euromortgage decided that the functions of CIF Euromortgage's Audit Committee would be exercised by CIFD's Audit Committee and therefore voted to eliminate CIF Euromortgage's Audit Committee.

V—SPECIALIZED COMMITTEES

At its meeting on 8 July 2015, the Board of Directors of CIFD decided that single specialized committees would be organized at the level of CIFD, and that analogous committees at its subsidiaries would be eliminated:

- A single Risk Committee at the level of CIFD is also to advise the Boards of 3CIF and CIF Euromortgage on their overall strategy and tolerance for risk, and help those Boards monitor the implementation of that strategy by their corporate officers.
- A single Remunerations Committee and a single Appointments Committee at the level of CIFD is also to identify and recommend suitable candidates for membership of the Boards of 3CIF and CIF Euromortgage pending approval by their Shareholders' Meetings, and assessing the scope of knowledge, expertise, and experience of those Boards and their individual members.
- CIFD's Remunerations Committee is to examine, at its own initiative, all matters pertaining to the remuneration of company representatives of the Group's financial subsidiaries and BPI.

Recommendations of the CIFD committees are forwarded to the Boards of the subsidiaries concerned.

The Group has moved to simplify its committee structure in application of the Order of 20 February 2014 and the Decree of 3 November 2014 concerning internal control.

The new organization affects specialized committees required by France's Monetary and Financial Code: the Risk Committee, the Remunerations Committee, and the Appointments Committee, and the Audit Committee governed by France's Commercial Code.

At its meeting on 9 March 2016, the Board of Directors of CIF Euromortgage decided that the functions delegated to the specialized committees referred to under CMF § L.511-89 would be exercised by the Risk, Remunerations, and Appointments Committees of CIFD, the consolidating entity, in application of CMF § L.511-91.

VI—CORPORATE GOVERNANCE CODE

In accordance with CC § 225-37 ¶7, and for reasons of its shareholding structure (99.99%-owned by CIFD, the consolidating entity of the Group) and its Group's specificity (in the process of orderly resolution under a plan approved by the European Commission on 27 November 2013, entailing the cessation of all new loan originations, and benefiting from the State guarantee since 28 February 2013), the Company does not adhere to any governance code prepared by the organizations that represent corporations.

The Company does declare, however, that it applies reinforced internal control procedures and complies with all legal requirements, as well as many recommendations contained in corporate governance codes.

The Board of Directors meets more than four times a year, practices transparency on the subject of the remuneration of company representatives, has created by-laws for itself, is supervised by an audit committee and other specialized committees at the level of the consolidating entity, and ensures that all Board members are adequately informed at all times.

REPORT ON INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

I—INTERNAL CONTROL PROCEDURES

A—Objectives of Internal Control

In accordance with Section 11 of the Decree of 3 November 2014, which has supplanted CRBF regulation 97-02 concerning the internal control of credit and investment institutions, the main objectives of CIF Euromortgage's system of internal control of operations and procedures are as follows:

- ensuring that that the operations, organization, and internal procedures of CIF Euromortgage comply with regulations governing banking and financial activities
- ensuring total compliance with procedures for making decisions and incurring risks of any nature, and with management standards set by the Company's management in respect of policies and orientations chosen by the Board of Directors, particularly concerning limits
- verifying the quality of financial and accounting information
- verifying the conditions for evaluating, recording, safeguarding, and furnishing such information
- verifying the quality of information and communication systems.

3CIF is responsible for CIF Euromortgage's internal control pursuant to the service agreement between the two companies and to CMF § L.513-15.

CIF Euromortgage's internal control organization is governed by the Group's By-Laws, particularly Books II and III.

As Crédit Immobilier de France's central entity, CIFD must ensure that all Group companies execute high-quality internal audits using resources that are operational and subject to continual improvement. The organization specifies the various participants' roles, missions, and responsibilities, as well as the purview and mode of operation of each auditing level. CIFD defines, organizes, and manages the different auditing units for all of the Group's businesses and entities. Its Board of Directors approves the main principles of the organization.

The standards governing the Group's internal control organization are contained in CIFD's Internal Control Charter, which is validated by its Board of Directors and Shareholders' Meetings, as is Book III of the Group's By-Laws. In addition, 3CIF has its own internal control charter.

The Group's internal control system relies on the work of two divisions that participate in CIF's internal control process:

- General Inspection and Internal Audit Division, for periodic controls
- the Group Risk, Permanent Control, and Compliance Division.

CIF Euromortgage updates its risk mapping and audits with the same frequency as it updates its internal procedures. The Group Risk and Permanent Control Division analyzes incidents reported by operational staff to assess the criticality of their financial and/or organizational impact.

B—General Organization of Internal Control Procedures

CIF Euromortgage has organized its internal control system as specified in the Decree of 3 November 2014.

The roles of the management bodies are defined as follows:

- The Board of Directors, in its decision-making capacity, verifies that the credit institution has implemented mechanisms that comply with internal control objectives.
- The general management, in its executive capacity, is responsible for setting up the means for identifying, measuring, monitoring, and managing the risks inherent in the Company's business.

CIF Euromortgage's Board of Directors verifies the execution and results of internal control. In addition, the Company has several first- and second-tier verification systems.

First-tier monitoring is exercised by 3CIF employees, according to formal procedures set up by that entity and under the supervision of their superiors, because all CIF Euromortgage operations are carried out by 3CIF operating units by virtue of the service agreement between the two entities pursuant to CMF § L.513-15.

3CIF's organization is designed to ensure that units in charge of undertaking operations remain completely separate from those in charge of validating them, particularly with respect to accounting and payment procedures and any operations related to risk management.

Second-tier monitoring is exercised by the Group Risk, Permanent Control, and Compliance Division and by the Group's internal audit department (also provided by 3CIF under the service agreement), as well as by the Group itself as part of a strict internal control policy applicable at Crédit Immobilier de France.

CIFD has organized committees whose internal control purview extends to CIF Euromortgage and its in-house committees:

- the Group Financial Risk Committee, which defines the Group's management and ALM risk coverage policy and supervises ALM management by the subsidiaries
- the Group Audit Committee
- CIF Euromortgage's Credit Risk Committee, which examines the credit risk of the Company's financial counterparties, sets commitment limits for each of them, and issues rulings on any limit overruns

Moreover, CIF Euromortgage is subject to external controls by:

- the specific controller designated in compliance with CMF § L.515-30
- the independent auditors
- 3CIF as CIF Euromortgage's service provider
- CIFD, which is CIF Euromortgage's main shareholder and the holding company of the Crédit Immobilier de France Group
- the Prudential and Resolution Supervisory Authority ("ACPR", France's banking industry supervisor).

Lastly, since the end of February 2013, CIF Euromortgage has been subject to oversight by the monitoring committee set up pursuant to the agreement between the Republic of France and Credit Immobilier de France. Since 27 November 2013, when the European Commission gave its final agreement to the State guarantee of the Republic of France, CIF Euromortgage has also been subject to oversight by the firm of Duff & Phelps, which has been appointed to ensure compliance by CIF Group entities with the terms and conditions of the orderly resolution plan.

C—Overview of the Company's Internal Control Procedures

1—Procedures Specific to CIF Euromortgage

CIF Euromortgage has a procedural manual applicable to all its operations:

- covered bond issues
- composition of the investment portfolio
- composition of the available-for-sale portfolio
- asset/liability management rules
- risk monitoring and management.

This procedural manual, validated by the Supervisory Board in 2002, has been updated several times to reflect changes in regulations applicable to real estate financing companies and in methods used by the credit rating agencies.

The Supervisory Board implemented a set of internal rules and regulations applicable to the Management Board, as well as asset/liability management rules. These rules have been regularly amended to ensure compliance with any new criteria established by the credit rating agencies particularly concerning overcollateralization.

In 2010 the Supervisory Board implemented its own set of internal rules and regulations.

III—RISK MANAGEMENT PROCEDURES UNDERTAKEN IN 2015

This information is provided in the Report of the Board of Directors for the year ended 31 December 2015.

Pursuant to CC § L.225-235, the report of the independent auditors, containing their observations on information concerning the procedures for preparing and handling accounting and financial data, will be appended to this report.

The Chairman of the Board of Directors

CIF EUROMORTGAGE
STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended 31 december 2015

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

CIF EUROMORTGAGE
26-28 rue de Madrid
75008 Paris

Statutory auditor's report on the financial statements
For the year ended 31 december 2015

In compliance with the assignment entrusted to us by your Shareholders', we hereby report to you, for the year ended 31 month 2015, on:

- the audit of the accompanying financial statements of CIF Euromortgage;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methodes of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 Decembre 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.
Without qualifying our conclusion, we draw your attention to notes 1.1 "State guarantee of the Republic of France"" and 2.1 "Going concern" which recall that CIF Euromortage's financial statements as at 31 december 2015 have been prepared on the basis of the accounting policies applicable to a going concern.
That assumption has been comforted by the orderly resolution plan reviewed and approved by the European Commission on 27 November 2013. This plan includes particularly the decision to manage the company's portfolios until their maturity and is supported by:

- an autonomous first demand guarantee provided by the French government in respect of financial instruments issued by 3CIF on or after 28 November 2013, covering CIF's external financing requirements up to an amount of €16 billion;
- an autonomous first demand guarantee provided by the French government in respect of certain intragroup exposures of the CIF Group and covering 3CIF's commitments in respect of the internal investment with 3CIF of cash held by CIF Euromortgage and CIF Assets (the Group's securitisation mutual fund) up to an amount of €12 billion.

II - Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

Going concern

Our work consisted in assessing the elements retained by the Board of Directors in support of pursuit of the going concern basis of preparation of the financial statements, and examining the applicable supporting documentation including in particular the agreement for implementation of the final guarantee between the French Republic, Crédit Immobilier de France Développement, 3CIF and CIF Euromortgage, the autonomous first demand guarantee provided by the French government in respect of financial instruments issued by 3CIF and the autonomous first demand guarantee provided by the French government in respect of deposits with 3CIF made by CIF Euromortgage and CIF Assets, signed on 27 November 2013.
We also assessed the appropriateness of the company's additional disclosures with regard to the going concern basis of preparation of the financial statements.

Accounting estimates

Notes 3.1.4 "Securities Portfolio" and 3.1.8 "Forward Financial Instruments and Options" set out the accounting policies applicable to the measurement and classification of your company's investment and financial instruments portfolios. To assess their valuation, we verified the proper application of the stated accounting policies and reviewed the data used to value the main holdings in the portfolio at 31 December 2015.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

Bordeaux and Courbevoie, on 29 april 2016

The statutory auditor
PricewaterhouseCoopers Audit

MAZARS

Antoine PRIOLLAUD

Virginie CHAUVIN

Partner

Partner

CIF EUROMORTGAGE
"The Company"
French corporation (société anonyme)
Capital stock: €100,000,000
26-28 Rue de Madrid, 75008 Paris, France
Corporate and Commercial Registry n° 434 970 364 RCS Paris

DECLARATION BY THE CORPORATE OFFICER RESPONSIBLE FOR REPORTING

(CMF L.451-1-2 I)

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I the undersigned, Olivier Airiau, Chief Executive Officer of CIF Euromortgage, hereby declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial condition, and results of the Company, and that the Report of the Board of Directors provides an accurate picture of the Company's business developments, results, and financial condition, as well as a description of the principal risks and uncertainties it faces. To the best of my knowledge, the Report does not omit any information that could affect its impact.

Paris, 29 April 2016

Olivier Airiau

Chief Executive Officer