

Société anonyme (French limited company) with share capital of €220,000,000
Registered office: 6 Avenue de Provence – 75452 Paris Cedex 9
Paris Trade and Companies Register 480 618 800

BOARD OF DIRECTORS' MANAGEMENT REPORT
STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2015

April 2016

DISSEMINATION OF INFORMATION

Regulatory reports, prospectuses and issue documentation are available on Crédit Mutuel – CIC Home Loan SFH’s website:

<http://www.creditmutuelcic-sfh.com/en/covered-bonds/documentation/index-sfh.html>

CONTENTS

I. PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT	4
II. COMPANY STATUS AND ACTIVITIES.....	6
1. KEY EVENTS DURING THE YEAR	6
2. FUTURE OUTLOOK	6
3. KEY EVENTS BETWEEN THE YEAR-END AND THE DATE OF THIS REPORT	6
4. SUBSIDIARIES AND INVESTMENTS	6
5. CROSS SHAREHOLDINGS	6
6. AGREEMENTS COVERED BY ARTICLE L. 225-38 OF THE FRENCH COMMERCIAL CODE	7
7. CURRENT DELEGATIONS OF AUTHORITY CONCERNING INCREASES IN THE COMPANY’S CAPITAL	7
8. OWNERSHIP	7
III. RESULTS, FINANCIAL POSITION AND DEBT.....	8
1. STATEMENT OF FINANCIAL POSITION.....	8
<i>a. ASSETS.....</i>	<i>8</i>
<i>b. LIABILITIES AND SHAREHOLDERS’ EQUITY</i>	<i>9</i>
<i>c. RESULTS.....</i>	<i>10</i>
<i>d. CASH FLOW STATEMENT.....</i>	<i>11</i>
<i>e. COVER POOL.....</i>	<i>12</i>
2. FINANCIAL POSITION AND PRUDENTIAL RATIOS.....	13
3. DEBT.....	13
IV. DESCRIPTION OF KEY RISKS AND UNCERTAINTIES AND RISK MANAGEMENT SYSTEM.....	13
1. CREDIT RISK.....	14
2. INTEREST RATE, FOREIGN EXCHANGE AND MARKET RISK.....	15
3. LIQUIDITY RISK	16
4. OPERATIONAL RISK	18
5. LEGAL RISK	18
V. RESEARCH AND DEVELOPMENT ACTIVITIES	18
VI. EMPLOYMENT AND ENVIRONMENTAL IMPACTS AND COMMITMENTS TO SUSTAINABLE DEVELOPMENT.....	18
VII. EXECUTIVES, STATUTORY AUDITORS AND SPECIAL AUDITOR AND THEIR REMUNERATION	19
VIII. RESOLUTIONS SUBMITTED TO THE ANNUAL ORDINARY SHAREHOLDERS' MEETING OF MAY 11, 201620	

IX. APPENDICES	21
1. LIST OF OFFICES AND DUTIES	22
2. STATUTORY AUDITORS' REPORT ON THE 2015 STATUTORY FINANCIAL STATEMENTS.....	24
3. STATUTORY AUDITORS' 2015 SPECIAL REPORT	27
4. REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS' MEETING.....	30
5. STATUTORY AUDITORS' REPORT ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS	42
6. INDEPENDENT THIRD PARTY'S REPORT ON EMPLOYMENT, ENVIRONMENTAL AND SOCIAL INFORMATION	45
7. FINANCIAL STATEMENTS.....	49

I. PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

Société anonyme (French limited company) with share capital of €220,000,000
Registered office: 6 Avenue de Provence – 75452 Paris Cedex 9
Paris Trade and Companies Register 480 618 800

Person responsible for the annual financial report

Mr. Christian Ander - Chief Executive Officer

Certification of the person responsible for the annual financial report

After taking all reasonable measures to this effect, I certify that, to the best of my knowledge, the information contained in the annual financial statements for the year ended December 31, 2015 is consistent with the facts and does not contain such omissions as may adversely affect its scope.

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company, and that the attached management report gives a true and fair view of changes in the business, results and financial position of the Company as well as a description of the main risks and uncertainties faced by the Company.

The annual financial statements of the Company as of December 31, 2015 are the subject of a statutory auditors' report with no observations.

Paris, March 31, 2016

Christian Ander
Chief Executive Officer

II. COMPANY STATUS AND ACTIVITIES

Crédit Mutuel – CIC Home Loan SFH was accredited by the French Credit Institutions and Investment Firms Committee (CECEI) at its meeting on May 31, 2007. At its meeting on March 28, 2011, the French Prudential Supervision and Resolution Authority (ACPR) authorized the Company to elect housing finance company (*société de financement de l'habitat* or SFH) status.

The Company's sole purpose is to help refinance the CM11 Group. As such, US144A documentation was prepared in 2012 to enable the Company to reach new investors in the United States.

1. KEY EVENTS DURING THE YEAR

Crédit Mutuel – CIC Home Loan SFH completed two covered bond issues in 2015 for a total of €2 billion:

- €1 billion over seven years in January
- €1 billion over 10 years and four months in December.

These transactions contributed to the CM11 Group's medium- and long-term issues program (€12.1 billion), providing an effective supplement to the other issues, most of which are conducted by BFCM.

2. FUTURE OUTLOOK

Crédit Mutuel-CIC Home Loan SFH will continue its issue program in 2016, and through the quality of its cover pool it will enable the CM11 Group to reach international investors seeking AAA-rated issuers.

3. KEY EVENTS BETWEEN THE YEAR-END AND THE DATE OF THIS REPORT

There are no key events to report since the end of the 2015 fiscal year.

4. SUBSIDIARIES AND INVESTMENTS

None.

5. CROSS SHAREHOLDINGS

None.

6. AGREEMENTS COVERED BY ARTICLE L. 225-38 OF THE FRENCH COMMERCIAL CODE

None.

7. CURRENT DELEGATIONS OF AUTHORITY CONCERNING INCREASES IN THE COMPANY'S CAPITAL

At the Extraordinary Shareholders' Meeting of December 4, 2012, the Board of Directors was authorized, for a period of 26 months with effect from that date, in accordance with Article L. 225-129-2 [of the French Commercial Code], to increase the Company's share capital by a maximum of €500 million, in one or more transactions, bringing the share capital to a maximum of €620 million.

On December 8, 2012, the Board of Directors decided to increase the Company's share capital by €100 million, bringing it to €220 million.

These non-privileged resources help Crédit Mutuel – CIC Home Loan SFH improve its coverage ratio and meet its liquidity needs.

8. OWNERSHIP

Crédit Mutuel – CIC Home Loan SFH is a 99.99%-owned subsidiary of Banque Fédérative du Crédit Mutuel.

Readers are reminded that the Company has no employees.

III. RESULTS, FINANCIAL POSITION AND DEBT

1. STATEMENT OF FINANCIAL POSITION

a. ASSETS

ASSETS (€millions)	Note	2015 December 31	2014 December 31
Cash and central bank deposits			
Government securities and similar instruments			
Receivables due from credit institutions	2	26,272.2	24,648.6
Due to customers			
Bonds and other fixed-income securities			
Equities and other variable-income securities			
Long-term equity investments and securities			
Investments in subsidiaries and associates			
Finance leases and similar transactions			
Intangible assets			
Property, plant and equipment			
Subscribed capital not paid			
Treasury stock			
Other assets	3	0.7	
Accruals and deferred income	4	92.8	467.2
Total assets		26,365.7	25,115.8
Off-statement of financial position items		2015	2014
		December 31	December 31
Commitments received			
Financing commitments			
Commitments received from credit institutions			
Guarantee commitments			
Commitments received from credit institutions	11	30,001.0	35,001.3
Securities commitments			
Securities sold with repurchase or reacquisition option			
Other commitments received			

b. LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES AND SHAREHOLDERS' EQUITY (€millions)	Note	2015 December 31	2014 December 31
Central bank borrowing			
Due to credit institutions	5		
Due to customers			
Debt securities	6	23,370.9	22,802.9
Other liabilities	3	2,556.8	1,500.7
Accruals and deferred income	4	93.4	467.5
Provisions			
Subordinated debt	7	120.1	120.2
Fund for general banking risks			
Shareholders' equity	8	224.5	224.5
- Subscribed capital		220.0	220.0
- Issue premiums			
- Reserves		1.2	1.1
- Revaluation reserve			
- Regulated provisions			
- Retained earnings		2.6	2.0
- Profit for the year		0.6	1.4
Total liabilities and shareholders' equity		26,365.7	25,115.8

Off-statement of financial position items	2015 December 31	2014 December 31
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Commitments given

Financing commitments

Commitments given to credit institutions

Commitments given to customers

Guarantee commitments

Commitments given on behalf of credit institutions

Commitments given on behalf of customers

Securities commitments

Securities acquired with reacquisition option

Other commitments given

Liabilities mainly consist of securities issued by SFH.

Furthermore, a new item, "Other liabilities", was created in 2013. It represents collateral offered by BFCM in connection with the pre-maturity test after Fitch Ratings downgraded BFCM's short-term credit rating to F1 on July 17, 2013. This item totaled €2.557 billion at December 31, 2015.

Assets correspond to the on-lending of these funds to BFCM.

The off-statement of financial position assets of €30 billion correspond to home loans offered as collateral by providers of collateral to SFH. This figure was €35 billion at the end of 2014.

c. RESULTS

(€millions)	Note	2015 December 31	2014 December 31
+ Interest and similar income	16	1,634.4	3,214.2
+ Interest and similar expense	16	(1,630.9)	(3,211.1)
+ Income from variable-income securities			
+ Fee and commission income			
+ Fee and commission expense			
+/- Gains (losses) on trading portfolio transactions			
+/- Gains (losses) on investment portfolio and similar transactions			
+ Other banking operating income			
+ Other banking operating expense			
= Net banking income		3.5	3.1
+ Payroll costs			
+ Other administrative expenses		(1.9)	(0.8)
+ Depreciation and amortization			
= Operating expenses		(1.9)	(0.8)
= Gross operating income		1.6	2.3
+ Net additions to/reversals from provisions for loan losses			
= Operating income		1.6	2.3
+/- Gains (losses) on non-current assets			
= Income before non-recurring items		1.6	2.3
+/- Net non-recurring income (expense)			
+ Corporate income tax	17	(1.0)	(0.9)
+/- Additions to (reversals from) fund for general banking risks			
+/- Additions to (reversals from) regulated provisions			
= Net income		0.6	1.4

The Company reported net income for the year of €0.6 million, compared with €1.4 million in 2014.

d. CASH FLOW STATEMENT¹

	12.2015
Net income	614
Tax	1,000
Income before tax	1,614
+/- Net depreciation/amortization of property, plant and equipment and intangible assets	0
- Impairment of goodwill and other non-current assets	0
+/- Net charges to provisions	0
+/- Share of income of equity-accounted entities	0
+/- Net loss/gain from investment activities	0
+/- Expense from financing activities	0
+/- Other movements	98,368
= Total non-monetary items included in net income before tax and other adjustments	98,368
+/- Cash flows relating to interbank transactions	(1,324,320)
+/- Cash flows relating to customer transactions	0
+/- Cash flows relating to other transactions affecting financial assets and liabilities	0
+/- Cash flows relating to other transactions affecting non-financial assets and liabilities	1,065,519
- Tax paid	(1,444)
= Net decrease in assets and liabilities from operating activities	(260,245)
TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES	(160,263)
+/- Cash flows relating to financial assets and equity interests	0
+/- Cash flows relating to investment property	0
+/- Cash flows relating to property, plant and equipment and intangible assets	0
TOTAL NET CASH FLOWS RELATING TO INVESTMENT ACTIVITIES	0
+/- Cash flows relating to transactions with shareholders	(660)
+/- Other net cash flows relating to financing activities	500,000
TOTAL NET CASH FLOWS RELATING TO FINANCING ACTIVITIES	499,340
IMPACT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	0
Net increase in cash and cash equivalents	339,077
Net cash flows from operating activities	(160,263)
Net cash flows relating to investment activities	0
Net cash flows relating to financing activities	499,340
Impact of changes in exchange rates on cash and cash equivalents	0
<u>Cash and cash equivalents at beginning of period</u>	<u>2,616</u>
Cash, central banks and postal checking accounts	0
Demand loans and accounts at credit institutions	2,616
<u>Cash and cash equivalents at end of period</u>	<u>341,693</u>
Cash, central banks and postal checking accounts	0
Demand loans and accounts at credit institutions	341,693
CHANGE IN NET CASH AND CASH EQUIVALENTS	339,077

¹ This table has not been audited by the Statutory Auditors.

e. COVER POOL

Collateral for secured loans consists of a portfolio of receivables made up entirely of mortgage-backed receivables, totaling €30,001,014,383 at December 31, 2015.

The main characteristics of the home loan portfolio recognized at December 31, 2015, based on the capital outstanding at November 30, 2015, were as follows:

Capital outstanding	€30,001,014,383
Average outstanding loan	€79,877
Number of loans	375,588
Number of borrowers	316,296
Average age of loans (months)	69
Average residual maturity (months)	168
Proportion of fixed-rate loans	84.9%
Average interest rate on fixed-rate receivables	3.31%
Average interest rate on variable-rate receivables	2.48%

Breakdown by type of security		
Type of security	Total capital outstanding	Proportion by type of security
"Crédit Logement" guarantee	€7,804,633,063	26%
First-rate mortgage or lender's priority lien	€22,196,381,320	74%
TOTAL	€30,001,014,383	100%

Breakdown by type of loan		
Type of loan	Total capital outstanding	Number of loans
Standard	€26,196,731,868	314,891
Home savings plans/accounts	€79,037,259	9,422
Interest-free loans	€0	-
Low-income housing loans	€2,310,401,468	34,888
Regulated loans	€1,414,843,788	16,387
TOTAL	€30,001,014,383	375,588

Breakdown by number of loans in arrears		
Number of monthly repayments missed	Total capital outstanding	Number of loans
0	€30,001,014,383	375,588
>0		
TOTAL	€30,001,014,383	375,588

These loans are taken out by customers of CIC's regional banks and Crédit Mutuel's local banks and offered as collateral by BFCM.

2. FINANCIAL POSITION AND PRUDENTIAL RATIOS

At the request of Crédit Mutuel – CIC Home Loan SFH, on June 19, 2014 the General Secretariat of the ACPR (SGACPR) agreed to allow the Company to be exempt from the application on an individual basis of prudential requirements related to solvency ratios, the leverage ratio and major risks, as well as from application of the 75% ceiling on cash receipts for calculating liquidity coverage.

The Company is subject to the LCR on an individual basis but is exempt from the application of the 75% ceiling on cash receipts, as agreed by the Supervisory College of the ACPR in its letter of August 1, 2014. Therefore, given the way the Company operates (securities issuance for on-lending on the same terms to BFCM), the ratio should always be maintained.

3. DEBT

Readers are reminded that the Company's borrowing capacity is limited by its bylaws: it may only take on debt in the form of housing finance bonds (*obligations de financement à l'habitat*) and subordinated debt.

In accordance with the Company's corporate purpose, issues of housing finance bonds are intended to refinance personal home loans granted by banks in the CM11 Group, full ownership of which is transferred as collateral by Banque Fédérative du Crédit Mutuel. As principal and interest repayments become due, BFCM repays the corresponding amounts in respect of the loans granted to it.

Furthermore, Crédit Mutuel – CIC Home Loan SFH's borrowing capacity is dependent upon its compliance with prudential ratios laid down in applicable regulations.

Articles L. 441-6-1 and D. 441-4 of the French Commercial Code require companies to provide specific information on the due dates of amounts due to suppliers. In the case of Crédit Mutuel – CIC Home Loan SFH, these amounts are negligible.

IV. DESCRIPTION OF KEY RISKS AND UNCERTAINTIES AND RISK MANAGEMENT SYSTEM

The sole corporate purpose of Crédit Mutuel – CIC Home Loan SFH is to help refinance the CM11 Group by issuing covered bonds based on a home loan portfolio pledged as collateral on the basis of Article L. 211-36, paragraph II and Articles L. 211-38 to L. 211-40 (formerly 431-7-3) of the French Monetary and Financial Code (*Code Monétaire et Financier*).

1. CREDIT RISK

Due to its limited corporate purpose, Crédit Mutuel – CIC Home Loan SFH’s credit risk is strictly regulated.

Funds may only be used as follows:

- On-lending of funds raised by issuing securities: these funds may only be lent to BFCM. This lending is itself secured by collateral in the form of home loans granted by the CM11 Group, on the basis of Article L. 211-36, paragraph II and Articles L. 211-38 to L. 211-40 (formerly 431-7-3) of the French Monetary and Financial Code. The overall amount of lending and compliance with loan eligibility criteria are checked monthly and documented in an “Asset Cover Test” report.
- On-lending of capital is governed by the following limits:
 - Regulatory limits: Articles L. 513-7 and R. 513-6 set minimum credit quality levels for these investments.
 - Contractual limits: rating agencies have set minimum credit ratings that vary according to the term of the investments.

Duration/Minimum rating	S&P	Fitch	Moody’s
< 30 days	A-1 or A	F1 and A	P-1
30 to 60 days	A-1	F1+ and/or AA-	P-1
60 days to 3 months	A-1+ or AA-	F1+ and/or AA-	P-1
< 1 year	A-1+ or AA-	F1+ and/or AA-	P-1

- Should BFCM default, the Company would become the owner of the home loans offered as collateral. An analysis of this collateral by internal rating demonstrates the portfolio’s high credit quality and is presented in the table below.

Rating	Outstandings (€m)	Percentage	Aggregate percentage
A	15,314	51%	51%
B	8,854	30%	81%
C	3,987	13%	94%
D+	950	3%	97%
D-	702	2%	99%
E+	194	1%	100%
E-	-	0%	100%
E=	-	0%	100%
F	-	0%	100%
TOTAL	30,001	100%	

2. INTEREST RATE, FOREIGN EXCHANGE AND MARKET RISK

Interest rate risk

Crédit Mutuel – CIC Home Loan SFH is required to operate in such a way that it is not exposed to interest rate risk.

- Funds collected by issuing securities must be lent to BFCM at the same interest rates (plus 10% of the margin, with a minimum of 2 bps and a maximum of 10 bps) and for the same term. This means that assets and liabilities are perfectly matched by term and interest rate.
- The only way the Company could be exposed to interest rate risk would be if BFCM were to default. The Company would then need to enforce its security and would become the owner of the home loans. The issue program documentation requires Crédit Mutuel – CIC Home Loan SFH to enter into specific swaps with counterparties that must meet specific rating criteria in order to hedge these risks as soon as BFCM's rating is downgraded.
- Since a first-level rating criterion has been met, swaps have been set up to hedge both assets and liabilities. BFCM has the necessary rating level and so is the counterparty to these swaps. Furthermore, since no collateral has been transferred, the Company does not need these swaps to hedge its risk. They have therefore been neutralized with BFCM.
- When the issue program was updated in July 2015, provision was made for other mechanisms to cover this risk in agreement with the rating agencies (including overcollateralization). Therefore, the majority of the swaps hedging interest rate risk were terminated since the risk was considered to be covered.
- The transactions hedging foreign exchange risk are still in effect. The counterparty to these swaps is currently BFCM, which has the necessary rating level to meet the eligibility criteria laid down in the issue program documentation: A (long term) from Standard & Poor's, P-1 (short term) and A2 (long term) from Moody's and F1 (short term)/A (long-term) from Fitch.

Foreign exchange risk

The program allows for the possibility that Crédit Mutuel – CIC Home Loan SFH carry out issues in foreign currencies. In such cases, the loan to BFCM is also made in the issue currency.

- To date, Crédit Mutuel – CIC Home Loan SFH has carried out the following foreign currency issues:

Nominal amount in foreign currency	Foreign currency	Equivalent nominal amount in euros	Issue date	Maturity date
250,000,000	GBP	292,575,000	April 22, 2013	April 22, 2016
1,000,000,000	USD	785,130,000	November 16, 2012	November 16, 2017
300,000,000	NOK	39,698,293	March 22, 2012	March 22, 2022
750,000,000	NOK	96,961,862	October 7, 2011	October 7, 2024

The funds raised via these issues were lent to BFCM under the same terms.

- The only way the Company could be exposed to foreign exchange risk would be if BFCM were to default. The Company would then need to enforce its security and would become the owner of the home loans, all of which are denominated in euros, while having to make repayments in foreign currencies. The issue program documentation requires Crédit Mutuel – CIC Home Loan SFH to enter into specific foreign currency swaps with counterparties that must meet specific rating criteria in order to hedge this risk as soon as BFCM’s rating is downgraded.
- Since a first-level rating criterion has been met, a hedging swap has been set up. BFCM has the necessary rating level and so is the counterparty to these swaps. Furthermore, since no collateral has been transferred, the Company does not need these swaps to hedge its risk. They have therefore been neutralized with BFCM.

Market risk

In accordance with its limited corporate purpose, Crédit Mutuel – CIC Home Loan SFH is not involved in any capital market activity other than issuing covered bonds and on-lending the funds raised in this way to BFCM under the same terms.

An adverse change in market conditions would only affect Crédit Mutuel – CIC Home Loan SFH’s ability to raise funds in the bond market.

3. LIQUIDITY RISK

Crédit Mutuel – CIC Home Loan SFH operates in such a way that it is not exposed to liquidity risk. Since its sources and uses of funds are perfectly matched by term, Crédit Mutuel – CIC Home Loan SFH does not engage in maturity transformation.

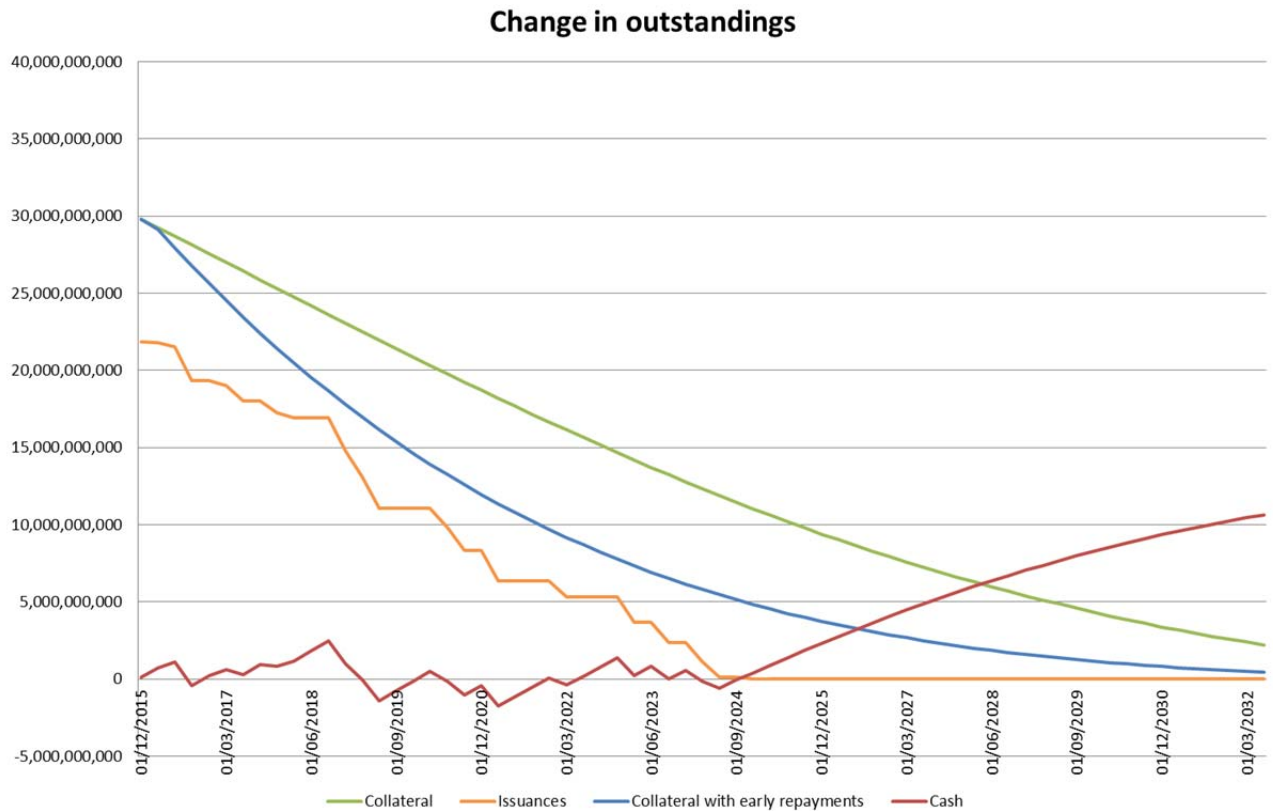
- The only way the Company could be exposed to liquidity risk would be if BFCM were to default. The Company would then need to enforce its security and would become the owner of the home loans. The issue program documentation provides for a pre-maturity test to prevent and manage this type of risk.
- The pre-maturity test requires BFCM to set aside a cash security deposit in the nine months before a covered bond issue matures. This deposit must be sufficient to cover the principal repayments falling due during the period in question. Failure to meet this obligation would represent default by BFCM.
- This pre-maturity test was triggered after Fitch Ratings downgraded BFCM’s short-term credit rating to F1 on July 17, 2013. As a result, collateral was put in place to cover issues due to mature within 180 business days, and the funds thus obtained were deposited in term accounts maturing in less than 30 days. The amount of this collateral was €2.557 billion at December 31, 2015.

These mechanisms are considered compliant with the requirements of Article R. 513-7 of the French Monetary and Financial Code (article amended by Art. 1 of Decree 2014-526 of May 23, 2014).

In accordance with Article R. 513-8 of the French Monetary and Financial Code and Article 9 of CRBF Regulation 99-10 amended by the order of May 23, 2014, calculation of the coverage ratio takes into account the limitation in the numerator of the parent company's exposure to 25% of the non-privileged resources.

- Should BFCM default, the Company would become the owner of the home loans offered as collateral.

The chart below shows the portfolio's amortization profile compared with the amortization of the issues and the resulting cash balance.



This chart shows some cash shortfalls, mainly in the second quarter of 2019 and the first quarter of 2021, but the cash balance does not take account of early repayments.

- The Company is subject to the LCR on an individual basis but is exempt from the application of the 75% ceiling on cash receipts, as agreed by the Supervisory College of the ACPR in its letter of August 1, 2014. Therefore, given the way the Company operates (securities issuance for on-lending on the same terms to BFCM), the ratio should always be maintained.

4. OPERATIONAL RISK

In line with its bylaws, Crédit Mutuel – CIC Home Loan SFH has no resources of its own. All tasks are subcontracted to BFCM, CIC and CFdeCM under various agreements. Internal control of outsourced activities is organized in accordance with the process defined by Group Compliance (see Article 258 report).

5. LEGAL RISK

To help it achieve its corporate purpose, Crédit Mutuel – CIC Home Loan SFH is advised by external legal advisers, including in particular law firms. Furthermore, its legal risk has been analyzed in detail by rating agencies, which have assigned their top rating (AAA) to Crédit Mutuel – CIC Home Loan SFH's program.

In addition, under the agreements referenced above, Crédit Mutuel – CIC Home Loan SFH receives assistance from the CM11 Group for all its activities.

V. RESEARCH AND DEVELOPMENT ACTIVITIES

In light of Article L. 232-1 of the French Commercial Code, readers are informed that the Company has not engaged in any research and development activity during the year under review.

VI. EMPLOYMENT AND ENVIRONMENTAL IMPACTS AND COMMITMENTS TO SUSTAINABLE DEVELOPMENT

Article 225 of the Grenelle II Act of July 12, 2010 and its implementing decree of April 24, 2012 extend the requirements, particularly for companies that issue securities on a regulated market, to publish information in their management report on the "employment and environmental impacts of their business and on their social commitments to sustainable development".

However, Crédit Mutuel - CIC Home Loan SFH has no employees. It is therefore unable to provide any employment information. Moreover, since the Company has no buildings of its own, it has no direct environmental footprint. The environmental and social impact of its activities are covered by the policies defined by the CM11 Group and presented in the management report of Caisse Fédérale de Crédit Mutuel, which is the controlling company as defined in Article L. 233-3 of the French Commercial Code.

VII. EXECUTIVES, STATUTORY AUDITORS AND SPECIAL AUDITOR AND THEIR REMUNERATION

INFORMATION CONCERNING CORPORATE OFFICERS

To meet the requirements of Article L. 225-102-1 of the French Commercial Code, a list of all offices held and duties performed by each of the Company's corporate officers at any company is provided in the appendix.

None of the corporate officers received any remuneration from the Company in respect of their duties in 2015.

STATUTORY AUDIT

In accordance with legislation and regulations, the Statutory Auditors' reports are available for inspection. Furthermore, readers are advised that current agreements entered into under normal conditions that, because of their purpose or financial implications, are significant for the parties, have remained in effect. A list of these agreements and their purposes has been provided to the directors and Statutory Auditors.

Principal Statutory Auditors:

PricewaterhouseCoopers Audit
63 Rue de Villiers
92208 Neuilly-sur-Seine Cedex
Partner: Jacques Lévi

Ernst & Young et Autres
1/2 Place des Saisons
92400 Courbevoie, Paris-La Défense 1
Partner: Olivier Durand

Alternate Statutory Auditors:

Picarle et Associés
Faubourg de l'Arche
11 Allée de l'Arche, Courbevoie
92037 Paris-La Défense Cedex

Anik Chaumartin
63 Rue de Villiers
92208 Neuilly-sur-Seine Cedex

INFORMATION REGARDING THE SPECIAL AUDITOR

Principal Special Auditor:

Fides Audit
52 rue la Boétie
75008 Paris
Partner: Stéphane Massa

The special auditor's actual compensation for 2015 was €138,480, including tax.

VIII. RESOLUTIONS SUBMITTED TO THE ANNUAL ORDINARY SHAREHOLDERS' MEETING OF MAY 11, 2016

FIRST RESOLUTION

In accordance with the quorum and majority conditions required for ordinary shareholders' meetings and after the management report prepared by the Board of Directors and the Statutory Auditors' reports had been read to them, the shareholders approved the statutory financial statements for the financial year ended December 31, 2015, as presented to them by the Board of Directors, which show a profit of €613,670.62.

The shareholders also approved the transactions entered in these financial statements or summarized in these reports.

Accordingly, they granted the directors full and unconditional discharge for their work during said fiscal year.

SECOND RESOLUTION

The shareholders resolved to appropriate the net profit of €613,670.62 plus the €2,642,097.75 of retained earnings, i.e. an available amount of €3,255,768.37, as follows:

- to the legal reserve:	€30,683.53
- to the payment of dividends	€660,000.00
- to retained earnings:	<u>€2,565,084.84</u>
Total	€3,255,768.37

In accordance with Article 243 *bis* of the French General Tax Code (*Code général des impôts*), the shareholders' meeting noted that the following dividends had been paid in respect of previous years:

Fiscal year	Dividend distributed
2012	-
2013	-
2014	0.03

THIRD RESOLUTION

In accordance with the quorum and majority conditions required for ordinary shareholders' meetings and after having familiarized themselves with the report prepared by the Board of Directors and having had the Statutory Auditors' special report on the agreements referred to in Article L.225-38 of the French Commercial Code read out to them, the shareholders approved the findings of said report and the agreements referred to therein.

FOURTH RESOLUTION

The shareholders took note of Philippe Vidal's resignation from his directorship.

IX. APPENDICES

- LIST OF OFFICES AND DUTIES
- STATUTORY AUDITORS' REPORT ON THE 2015 STATUTORY FINANCIAL STATEMENTS
- STATUTORY AUDITORS' 2015 SPECIAL REPORT
- THE CHAIRMAN OF THE BOARD OF DIRECTORS' REPORT TO SHAREHOLDERS
- STATUTORY AUDITORS' REPORT ON THE CHAIRMAN OF THE BOARD OF DIRECTORS' REPORT
- INDEPENDENT THIRD PARTY'S REPORT ON EMPLOYMENT, ENVIRONMENTAL AND SOCIAL INFORMATION
- FINANCIAL STATEMENTS

1. LIST OF OFFICES AND DUTIES

(Article L. 225-102-1 of the French Commercial Code)

for the 2015 fiscal year

Christian Klein

Chairman of the Board of Directors of Crédit Mutuel-CIC Home Loan SFH

Deputy CEO: BFCM

Member of the Board of Directors: GSN North America (New York) • Investessor • SFEF – Société de Financement de l'Économie Française

Member of the Supervisory Board: CIC Iberbanco • Cofidis Participations • Cofidis

Permanent representative: BFCM (Boreal Management Board) • BFCM (Director of CM-CIC Asset Management) • Sofinaction (Director of CM-CIC Bail) • Sofinaction (member of the Supervisory Board of CM-CIC Lease) • Cicoval (Director of CIC Lyonnaise de Banque)

Christian Ander

Member of the Board of Directors and Chief Executive Officer

Banque Fédérative du Crédit Mutuel

Member of the Board of Directors

Chairman: Bischenberg • CM-CIC Immobilier

Director: • Assurances du Crédit Mutuel SAM • Assurances du Crédit Mutuel Vie SA • Assurances du Crédit Mutuel IARD SA • Banco Popular Espagne • Banque de Tunisie • Batigère • Caisse de Refinancement de l'Habitat • CM-CIC Asset Management • CM-CIC Épargne Salariale • CM-CIC SCPI Gestion • Crédit Industriel et Commercial • Crédit Mutuel Cartes de Paiements • Critel • Fédération du Crédit Mutuel Centre Est Europe • SAEM Mirabelle TV • SAEM Locusem • SEM Caeb-Bischheim • SEM Caleo – Guebwiller • SEM pour la Promotion de la Zac Forbach Sud • SEM Semibi Biesheim • Sibar • Société Fermière de la Maison de l'Alsace • Société Française d'Édition de Journaux et d'Imprimés Commerciaux "L'Alsace" • Ventadour Investissement

Member of the Supervisory Board: Groupe des Assurances du Crédit Mutuel • Quadral Investissement • SAEM Mulhouse Expo • Société d'Études et de Réalisation pour les Équipements Collectifs (Soderec) • STET - Systèmes Technologiques d'Échanges et de Traitement

Member of the Management Board: Euro Information • Euro Protection Surveillance • Euro TVS • Euro Information Direct Service • Sofedis • Boreal

Non-voting member: SAFER d'Alsace • SEM E Puissance 3 - Schiltigheim

Philippe Vidal

Member of the Board of Directors

Chairman of the Supervisory Board: CM-CIC Investissement

Chairman of the Board of Directors: CM-CIC Gestion • CIC Lyonnaise de Banque • CM-CIC Factor • Banque de Luxembourg • Banque CIC Suisse • Cigogne Management

Vice-Chairman of the Board of Directors: CM-CIC BAIL

Deputy CEO: CIC

Member of the Board of Directors: Saint-Gobain PAM • CM-CIC Titres • Banque Transatlantique Belgium • Batipart Invest

Permanent representative: • CIC (Director of CM-CIC Asset Management) • ADEPI (Director of ACM Vie SA) • CM-CIC Investissement (Director of Lanson-BCC)

Luc Chambaud

Member of the Board of Directors

Member of the Supervisory Board: Euro Information Production • CM-CIC Services

Chief Executive Officer: CRCM de Normandie • Fédération du Crédit Mutuel de Normandie

Member of the Board of Directors: Euro P3C

Permanent representative: CRCM de Normandie (member of the Supervisory Board of GACM; member of the Management Board of Euro Information SAS - Euro GDS)

Non-voting member: Crédit Industriel et Commercial

François Migraine

Member of the Board of Directors

Vice-Chairman and member of the Supervisory Board: Cofidis Participations • Cofidis

2. STATUTORY AUDITORS' REPORT ON THE 2015 STATUTORY FINANCIAL STATEMENTS

PricewaterhouseCoopers Audit
63 Rue de Villiers
92208 Neuilly-sur-Seine Cedex
French simplified limited company (S.A.S.) with
capital of €2,510,460

Statutory Auditor
Member of the regional association
of accountants of Versailles

Ernst & Young et Autres
1/2 Place des Saisons
92400 Courbevoie – Paris-La Défense 1
S.A.S. à capital variable (French simplified
limited company with variable capital)

Statutory Auditor
Member of the regional association
of accountants of Versailles

Statutory auditors' report on the statutory financial statements

(Year ended December 31, 2015)

To the Shareholders,
Crédit Mutuel-CIC Home Loan SFH
6 Avenue de Provence
75452 Paris Cedex 9

In accordance with the terms of the engagement entrusted to us at your shareholders' meeting, we present herewith our report for the year ended December 31, 2015 on:

- our audit of the statutory financial statements of Crédit Mutuel – CIC Home Loan SFH, as appended to this report;
- the basis for our assessments;
- the specific checks and information required by law.

The statutory financial statements have been signed off by the Board of Directors. It is our duty, on the basis of our audit, to express an opinion on these financial statements.

I - Opinion on the statutory financial statements

We have conducted our audit in accordance with generally accepted French auditing standards. These standards require that we carry out checks to obtain reasonable assurance that the statutory financial statements are free from material misstatement. An audit consists of verifying, on a test basis or using other selection methods, evidence supporting the amounts and disclosures included in the statutory financial statements. An audit also includes an assessment of the accounting policies used and significant estimates made by management, as well as an evaluation of the overall presentation of the financial statements. We believe that the evidence we have gathered provides a sufficient and appropriate basis for our audit opinion.

In our opinion, the statutory financial statements present a true and fair view of the Company's assets, liabilities, financial position and performance at the end of the year under review, in accordance with French accounting rules and principles.

II - Basis for our assessments

In accordance with the provisions of Article L. 823-9 of the French Commercial Code on the basis for our assessments, you are advised that our assessment related to the appropriateness of the accounting principles applied.

These assessments formed part of our audit of the statutory financial statements as a whole, and thus contributed to our opinion expressed in the first part of this report.

III - Specific checks and information

In accordance with French generally accepted auditing standards, we have also performed the specific checks required by law.

We have no comments as to the fair presentation of the information set out in the Board of Directors' management report and the documents sent to shareholders on the Company's financial position and the statutory financial statements, or its consistency with the statutory financial statements.

As regards the information provided in accordance with Article L. 225-102-1 of the French Commercial Code on remuneration and benefits paid to corporate officers and commitments made to them, we have checked the consistency of this information with the information provided in the financial statements or with the data used to prepare the financial statements and, where applicable, with the information received by your company from companies that control it or are controlled by it. On the basis of this work, we certify that this information is accurate and fair.

Neuilly-sur-Seine and Paris-La Défense, March 31, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit

Ernst & Young et Autres

Jacques Lévi

Olivier Durand

3. STATUTORY AUDITORS' 2015 SPECIAL REPORT

PricewaterhouseCoopers Audit
63 Rue de Villiers
92208 Neuilly-sur-Seine Cedex
French simplified limited company (S.A.S.) with
capital of €2,510,460

Statutory Auditor
Member of the regional association
of accountants of Versailles

Ernst & Young et Autres
1/2 Place des Saisons
92400 Courbevoie – Paris-La Défense 1
S.A.S. à capital variable (French simplified
limited company with variable capital)

Statutory Auditor
Member of the regional association
of accountants of Versailles

Statutory Auditors' Special Report on regulated agreements and commitments

(Shareholders' meeting called to approve the financial statements for the financial year ended December 31, 2015)

To the Shareholders,
Crédit Mutuel-CIC Home Loan SFH
6 Avenue de Provence
75452 Paris Cedex 9

In our capacity as the company's Statutory Auditors, we present to you our report on regulated agreements and commitments.

It is our duty, based on the information provided to us, to inform you of the basic characteristics and terms and conditions and the basis of the benefits for the company of the agreements and commitments of which we have been informed or of which we may have become aware during our audit, without the need to express an opinion on their appropriateness and relevance or to determine the existence of other agreements and commitments. In accordance with Article R.225-31 of the French Commercial Code, it is your responsibility, in considering whether to approve these agreements or commitments, to determine whether they should have been entered into.

We are also required, where appropriate, to provide you with the information laid down in Article R.225-31 of the French Commercial Code on the performance during the past year of agreements and commitments already approved at a shareholders' meeting.

In fulfilling our engagement, we have carried out the checks we considered necessary in light of the professional policies of the *Compagnie nationale des commissaires aux comptes* (National Association of Statutory Auditors). These checks consisted of verifying that the information provided to us was consistent with the base documents from which it was taken.

AGREEMENTS AND COMMITMENTS SUBJECT TO APPROVAL AT A SHAREHOLDERS' MEETING

We inform you that we have not been advised of any agreement or commitment authorized during the past year that must be submitted to the shareholders' meeting for approval pursuant to L. 225-38 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED AT A SHAREHOLDERS' MEETING

In accordance with Article R.225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, already approved at shareholders' meetings during prior years, continued to have effect during the year under review.

With Crédit Industriel et Commercial

Persons concerned

Banque Fédérative du Crédit Mutuel and Philippe Vidal, Deputy CEO of CIC

Nature, purpose, and terms and conditions

The amendment to the outsourcing and resource provision agreement entered into on July 9, 2007 between the company, BFCM, CFdeCM and CIC.

In accordance with the law, we hereby inform you that the Board of Directors did not conduct the annual review of this agreement, provided for by Article L. 225-40-1 of the French Commercial Code.

Neuilly-sur-Seine and Paris-La Défense, March 31, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit

Ernst & Young et Autres

Jacques Lévi

Olivier Durand

4. REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS' MEETING

CHAIRMAN'S REPORT ON THE BOARD OF DIRECTORS' OPERATION AND INTERNAL CONTROL PROCEDURES

March 2016

The provisions of Article L. 225-37 of the French Commercial Code stipulate that the Chairman of the Board of Directors of a French limited company must present a separate report, which is submitted along with the annual report, on the conditions under which the Board prepares and organizes its work, the internal control procedures implemented by the Company, and any limits that the Board has placed on the powers of the Chief Executive Officer.

I. PREPARATION AND ORGANIZATION OF THE BOARD OF DIRECTORS' WORK

1. Composition of the Board

The Board of Directors of Crédit Mutuel-CIC Home Loan SFH consists of six members, including one independent director, appointed by the shareholders' meeting for six years, pursuant to Article 13 of the bylaws. The list of directors and a description of their positions at other companies is presented in the appendix in accordance with legal requirements.

There are no directors' fees or stock options.

2. Operation of the Board

The Board of Directors sets the Company's business strategy and oversees its implementation. Subject to the powers expressly granted to shareholders' meetings and within the limit of the corporate purpose, it considers all issues relating to the Company's operation and makes decisions on matters affecting it.

There are no internal rules formally stipulating how the Board of Directors should operate; it is subject to the statutory legal provisions.

Individually, directors have a duty of discretion and confidentiality on all matters related to the Company's purpose.

Pursuant to Article L. 225-51-1 of the French Commercial Code, the Board has opted for a dual executive management structure.

The Board is chaired by Christian Klein. As such, he organizes and directs the Board of Directors' work and ensures that directors are able to perform their duties.

Mr. Klein receives no compensation for serving as Chairman of the Board of Directors. He is nevertheless entitled to reimbursement of travel and entertainment expenses, upon presentation of receipts.

Mr. Klein also performs the duties of responsible officer within the meaning of Article L. 511-13 of the French Monetary and Financial Code.

3. Executive Management operating methods

Christian Ander serves as Chief Executive Officer. As such, he has the broadest authority to act on behalf of the Company and to represent it vis-à-vis third parties.

With respect to shareholders, the powers of the Chief Executive Officer are limited under the terms of Article 19.2 of the Company's bylaws.

Mr. Ander also performs the duties of responsible officer within the meaning of Article L. 511-13 of the French Monetary and Financial Code.

Mr. Ander receives no compensation for serving as Chief Executive Officer. He is entitled to reimbursement of travel and entertainment expenses, upon presentation of receipts.

In 2015, the Board met seven times. The average attendance rate was 62%.

Prior to each Board meeting, a comprehensive file on the agenda items is provided to all directors. Minutes of the meetings are submitted to all directors.

The first meeting was held on March 25, 2015 and focused mainly on approving the financial statements at December 31, 2014, preparing for the ordinary shareholders' meeting of May 13, 2015, assessing business, setting the cap on issues for the second quarter of 2015, the asset cover test and asset quality report, the operation of the Company and the Board of Directors, and internal control procedures.

The purpose of the May 13, 2015 meeting was to set the cap on issues for the third quarter of 2015, examine the quarterly accounts and appoint a second responsible officer.

The third meeting, held on July 8, 2015, focused on amending the program documents and on the notice and agenda for the ordinary shareholders' meeting of July 23, 2015 called to update certain documents relating to the structure of the Issue Programs and documentation relating to the EMTN Program.

The meeting of July 23, 2015 focused on amending the H17Q1 final terms and H18Q1 final terms, as part of the 2015 update of the EMTN program.

The main purpose of the July 30, 2015 meeting was to approve the financial statements at June 30, 2015.

The purpose of the September 22 meeting was to assess business, set the cap on issues for the fourth quarter of 2015 and review the asset cover test, asset quality and the affiliations of new Crédit Mutuel branches.

The last Board meeting of the year, held on December 8, 2015, focused on the following matters: business and issues undertaken, the examination of the quarterly accounts at September 30, 2015, the asset cover test and the asset quality report as well as the special auditor's report on the Company's business. During this meeting, the Board renewed the issue authorizations, set the cap on issues for the first quarter of 2016, reviewed the affiliations of new Crédit Mutuel branches and approved the annual coverage plan.

II. REPORT ON INTERNAL CONTROL

(Report prepared pursuant to Articles 258 to 266 of the order of November 3, 2014 on internal control of banking sector, payment services and investment services companies subject to ACPR supervision)

Crédit Mutuel – CIC Home Loan SFH (formerly CM-CIC Covered Bonds) was accredited by the French Credit Institutions and Investment Firms Committee (CECEI) at its meeting of May 31, 2007. At its meeting of March 28, 2011, the ACPR authorized the Company to elect housing finance company (*société de financement de l'habitat* or SFH) status.

The Company's sole purpose is to help refinance the CM11 Group. The Company has an international EMTN program and a US144A program enabling it to reach a wide range of international investors.

The Company's activities in 2015 were in full compliance with this corporate purpose and consisted of the following operations:

- 2 issues for a total of €2 billion:

Nominal amount in foreign currency	Foreign currency	Equivalent nominal amount in euros	Date issued	Maturity date
1,000,000,000	EUR	1,000,000,000	January 22, 2015	January 22, 2022
1,000,000,000	EUR	1,000,000,000	March 12, 2015	July 4, 2026

- on-lending of funds raised through these issues to BFCM.

In addition, the Company's capital is deposited with BFCM.

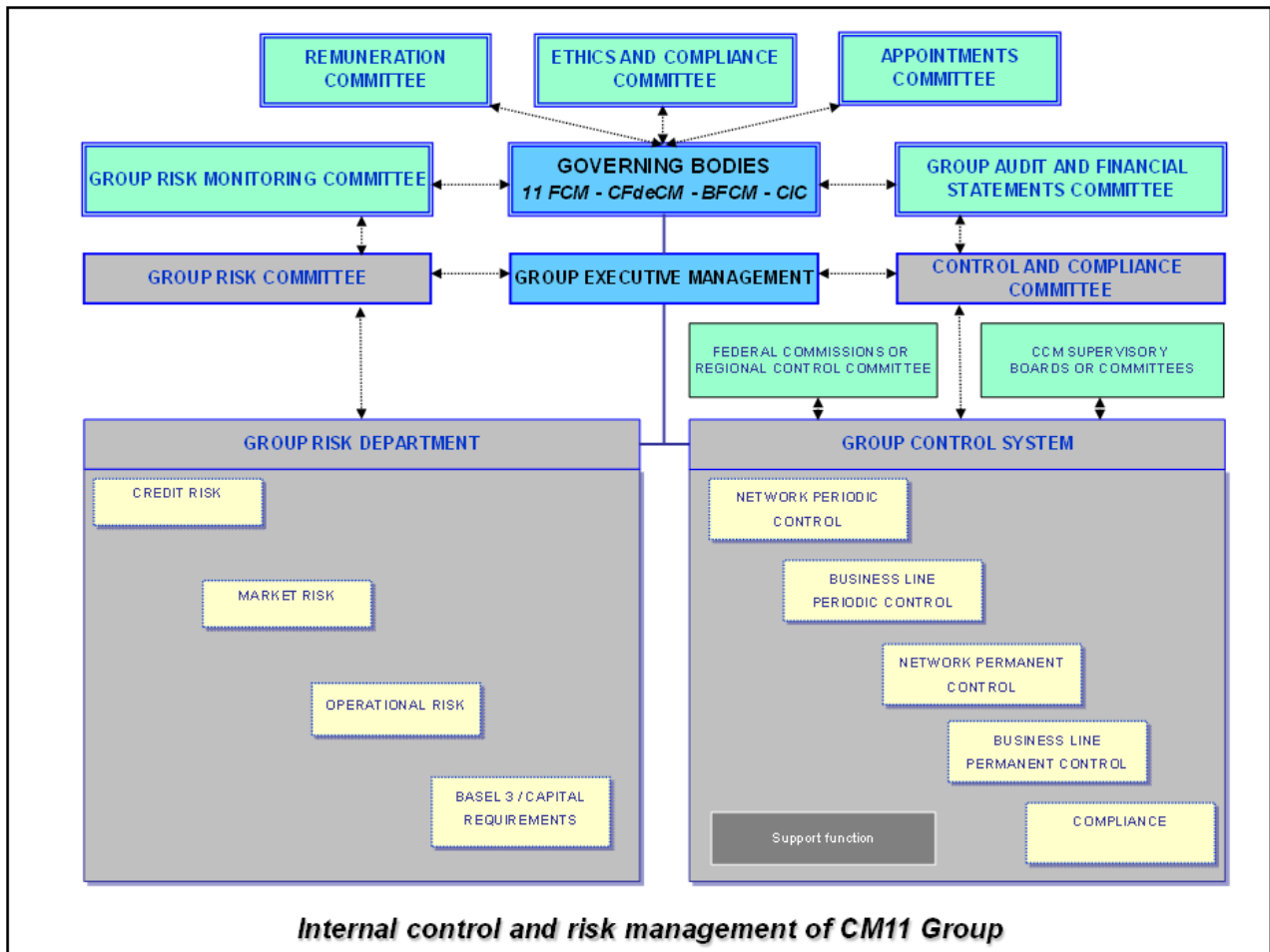
I. Overview of the internal control system

Organization at the CM11 Group level

The internal control system and risk management organization combine to form a cohesive set of procedures tailored to the needs and organization of the CM11 Group.

These procedures meet the requirements of banking and financial regulations and the operating principles that the CM11 Group has established through its governing bodies, in the spirit of cooperation that has always guided its strategy.

Compliance with Article 104 of the order of November 3, 2014 was discussed at the CFdeCM Board of Directors' meeting of February 27, 2015.



In accordance with the order of November 3, 2014, the system consists of three functions:

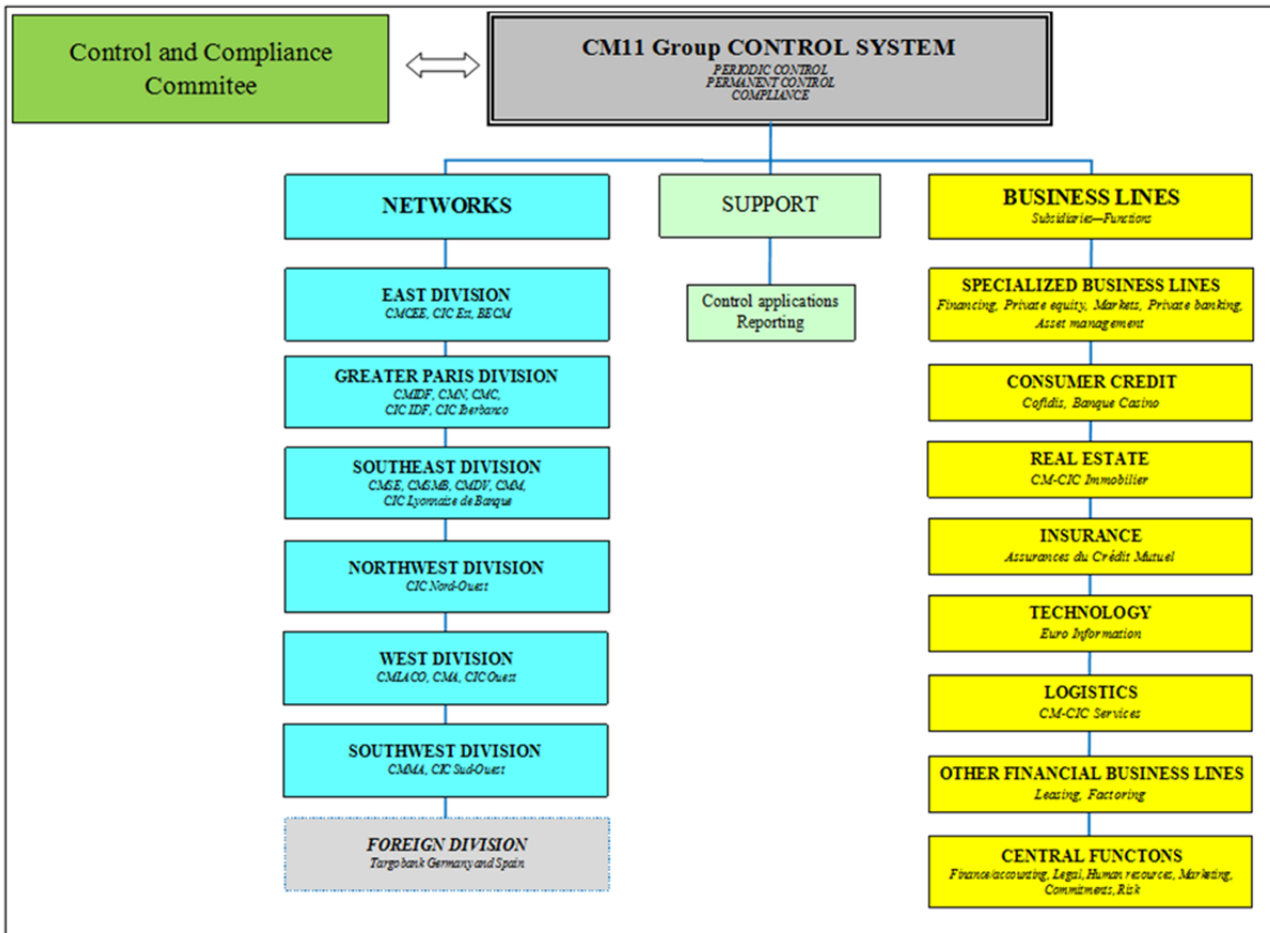
- periodic control,
- permanent control,
- compliance.

The latter two are subject to periodic controls by the former.

To perform their functions, the heads of the control departments have permanent and unrestricted access to individuals, premises, equipment, software and information of any kind throughout the Group. They may delegate any or all of their rights to their employees as needed for specific assignments.

Periodic control and permanent control are divided into a network function and a business line function; a Control and Compliance Committee, chaired by a responsible officer, ensures the cohesiveness of the system as a whole. This Committee reports to the Group Audit and Financial Statements Committee, which represents the Group's supervisory (governing) bodies.

Chart updated on January 1, 2015:



Crédit Mutuel – CIC Home Loan SFH’s internal control system

Crédit Mutuel – CIC Home Loan SFH’s internal control system is an integral part of that of the CM11 Group’s system.

The Company has implemented a permanent control and compliance system, with the Group’s assistance, that reflects its limited corporate purpose and lack of own resources.

The units responsible for executing transactions are segregated from those responsible for transaction validation and settlement and for risk monitoring.

First-level controls are performed by all employees acting on the Company’s behalf as part of their management of the accounting, administrative, regulatory and data processing transactions relating to the Company’s activities. Some of these controls are pre-integrated into the IT processes (e.g., access rights, limit checks and permission levels).

In addition, the control system implemented on behalf of the Company is organized around:

- a middle office, which conducts first-level controls under the responsibility of the CM-CIC Marchés head of post-market activities and is responsible, with the assistance of a dedicated team under the authority of the head of middle office accounting, for accounting issues and, with the assistance of a dedicated team under the responsibility of the head of middle office risk, for risk issues;
- a capital markets activities team that conducts second-level controls and is responsible for monitoring risk and the controls performed. This team reports to the Business Line Permanent Control department;
- compliance controls are also conducted by the CM-CIC Marchés teams and by the Group Compliance department, particularly for regulatory watch and ethical matters.

II. Conditions for application of procedures established for new activities

Not applicable

III. Organization of internal control of foreign operations

Not applicable

IV. Organization of internal control of outsourced operations

Crédit Mutuel - CIC Home Loan SFH has no resources of its own. It depends fully on the Group's entities for all of its operations. This organization is reflected in several agreements, the most important of which are:

- an “outsourcing and resource provision agreement” signed on July 6, 2007 and amended on June 10, 2011 between Crédit Mutuel – CIC Home Loan SFH and BFCM, CIC and CFdeCM, which covers legal and fiscal secretarial services and all tasks enabling compliance with contractual, legal and regulatory obligations;
- an “administrative agreement” signed on July 6, 2007 and amended on July 24, 2015 between Crédit Mutuel – CIC Home Loan SFH and BFCM, which covers the tasks required to achieve the Company's corporate purpose and, more specifically, to fulfill the duties of issuer calculation agent, comply with the issue program clauses and manage collateral and cash.

V. Conclusions drawn based on results of internal controls

The Business Line Periodic Control department conducted a control audit in 2012. This audit did not identify any major problems.

Another audit by Business Line Periodic Control was underway at end-December 2015.

The Company's activity in 2015 was in full compliance with its corporate purpose. It was limited to the following operations:

- 2 issues with a nominal value of €2 billion;
- on-lending of funds raised through these issues to BFCM.

In addition, the Company's capital is deposited with BFCM.

VI. Control by the executive body and the governing body of the effectiveness of the systems and procedures implemented pursuant to the order of November 3, 2014 on internal control of banking sector, payment services and investment services companies subject to ACPR supervision (formerly Regulation 97-02)

Identification of significant incidents

At their respective meetings on June 26, 2009 and May 12, 2009, the governing bodies of the CM11 Group set the materiality criteria and thresholds used to identify operational risk incidents that must be brought to their attention. An extract of the minutes was sent to the French Prudential Supervision and Resolution Authority (ACPR) on October 8, 2009.

The regulatory thresholds for reporting to the ACPR and to the CNCM are set at 0.5% of Tier 1 capital; all losses equal to or greater than €130.77 million for the CM11 Group and €46.99 million for CIC are therefore reported.

Internal reporting thresholds have been set as follows:

- For losses equal to or greater than €1 million, the regional banks, Crédit Mutuel federations, subsidiaries and business centers notify their responsible officers and those of the CM11 Group or CIC, based on their affiliation;
- For losses equal to or greater than €2.5 million, these same entities notify their own supervisory (governing) body, and that of the CM11 Group or CIC, based on their affiliation.

The responsible officers are responsible for notifying the supervisory body and the supervisory authorities. The operational risk managers must enter the loss in the Group's loss database (Riskop). For specific instances of civil liability claims, the report is made on the basis of the assessed amount alone.

This report, pursuant to Articles 258 to 266 of the order of November 3, 2014 on internal control of banking sector, payment services and investment services companies subject to ACPR supervision, will be presented to the Board of Directors on March 29, 2016.

VII. Appendix listing the agreements and transactions with key executives and shareholders (within the meaning of Article 6 *ter* of Regulation 90-02)

Not applicable in terms of commitments likely to be deducted from equity.

Risk assessment and monitoring report

(Report prepared pursuant to Article 262 of the order of November 3, 2014 on internal control of banking sector, payment services and investment services companies subject to ACPR supervision.)

The sole corporate purpose of Crédit Mutuel – CIC Home Loan SFH is to help refinance the CM11 Group by issuing covered bonds based on a home loan portfolio pledged as collateral on the basis of Article L. 211-36, paragraph II and Articles L. 211-38 to L. 211-40 (formerly 431-7-3) of the French Monetary and Financial Code (*Code Monétaire et Financier*).

Internal capital adequacy

- Due to the nature of its corporate purpose, Crédit Mutuel – CIC Home Loan SFH's use of funds is strictly regulated. It consists, with the exception of the on-lending of capital, exclusively of collateralized loans granted to BFCM.
- As the program was initially capped at €15 billion, these loans could not exceed this amount. The amount of equity (€240 million) was set in order to comply with a minimum solvency ratio of 4% in all possible cases. Since the implementation of Basel 2, loans to the parent company no longer generate capital requirements.
- The ACPR notified the Company that, due to its new status as home loan financing company, it was no longer eligible for the exemption under Article 4.1 of CRBF Regulation 2000-03 of September 6, 2000 on prudential supervision on a consolidated basis and additional supervision, and would now be subject to prudential rules on an individual basis. This requirement will be fulfilled through transparency as regards credit risk.
In light of the deterioration in the parameters used to calculate required capital under the advanced method for home loans, the Company was undercapitalized as of June 30, 2012. Once this determination had been made, it was decided to reduce the collateral portfolio from €35 billion to €32 billion, an amount sufficient to comply with coverage ratios, which allowed for a reduction in the amount of capital required and thus enabled compliance with the ratio. In April 2013, the collateral portfolio was increased to €35 billion. The collateral portfolio currently stands at €30 billion.
- A capital increase was carried out at the same time. An extraordinary shareholders' meeting, held on December 4, 2012, authorized the Board of Directors to carry out a €500 million capital increase, in one or more transactions. At its meeting on December 8, 2012, the Board of Directors decided to carry out an initial capital increase of €100 million. This increase was completed on December 19, 2012.
- At the request of Crédit Mutuel – CIC Home Loan SFH, on June 19, 2014 the General Secretariat of the ACPR (SGACPR) agreed to allow the Company to be exempt from the application on an individual basis of prudential requirements related to solvency ratios, the leverage ratio and major risks, as well as from application of the 75% ceiling on cash receipts for calculating liquidity coverage.

Credit risk

Due to its limited corporate purpose, Crédit Mutuel – CIC Home Loan SFH’s credit risk is strictly regulated.

Funds may only be used as follows:

- On-lending of funds raised by issuing securities: these funds may only be lent to BFCM. This lending is itself secured by collateral in the form of home loans granted by the CM11 Group, on the basis of Article L. 211-36, paragraph II and Articles L. 211-38 to L. 211-40 (formerly 431-7-3) of the French Monetary and Financial Code. The overall amount of lending and compliance with loan eligibility criteria are checked monthly and documented in an “Asset Cover Test” report.
- On-lending of capital is governed by the following limits:
 - Regulatory limits: Articles L. 513-7 and R. 513-6 set minimum credit quality levels for these investments.
 - Contractual limits: rating agencies have set minimum credit ratings that vary according to the term of the investments.

Duration/Minimum rating	S&P	Fitch	Moody’s
< 30 days	A-1 or A	F1 and A	P-1
30 to 60 days	A-1	F1+ and/or AA-	P-1
60 days to 3 months	A-1+ or AA-	F1+ and/or AA-	P-1
< 1 year	A-1+ or AA-	F1+ and/or AA-	P-1

- Should BFCM default, the Company would become the owner of the home loans offered as collateral. An analysis of this collateral by internal rating demonstrates the portfolio’s high credit quality and is presented in the table below.

Rating	Outstandings (€m)	Percentage	Aggregate percentage
A	15,314	51%	51%
B	8,854	30%	81%
C	3,987	13%	94%
D+	950	3%	97%
D-	702	2%	99%
E+	194	1%	100%
E-	-	0%	100%
E=	-	0%	100%
F	-	0%	100%
TOTAL	30,001	100%	

Interest rate risk

Crédit Mutuel – CIC Home Loan SFH is required to operate in such a way that it is not exposed to interest rate risk.

- Funds collected by issuing securities must be lent to BFCM at the same interest rates (plus 10% of the margin, with a minimum of 2 bps and a maximum of 10 bps) and for the same term. This means that assets and liabilities are perfectly matched by term and interest rate.
- The only way the Company could be exposed to interest rate risk would be if BFCM were to default. The Company would then need to enforce its security and would become the owner of the home loans. The issue program documentation requires Crédit Mutuel – CIC Home Loan SFH to enter into specific swaps with counterparties that must meet specific rating criteria in order to hedge these risks as soon as BFCM's rating is downgraded.
- Since a first-level rating criterion has been met, swaps have been set up to hedge both assets and liabilities. BFCM has the necessary rating level and so is the counterparty to these swaps. Furthermore, since no collateral has been transferred, the Company does not need these swaps to hedge its risk. They have therefore been neutralized with BFCM.
- When the issue program was updated in July 2015, provision was made for other mechanisms to cover this risk in agreement with the rating agencies (including overcollateralization). Therefore, the majority of the swaps hedging interest rate risk were terminated since the risk was considered to be covered.
- The transactions hedging foreign exchange risk are still in effect. The counterparty to these swaps is currently BFCM, which has the necessary rating level to meet the eligibility criteria laid down in the issue program documentation: A (long term) from Standard & Poor's, P-1 (short term) and A2 (long term) from Moody's and F1 (short term)/A (long-term) from Fitch.

Liquidity risk

Crédit Mutuel – CIC Home Loan SFH operates in such a way that it is not exposed to liquidity risk. Since its sources and uses of funds are perfectly matched by term, Crédit Mutuel – CIC Home Loan SFH does not engage in maturity transformation.

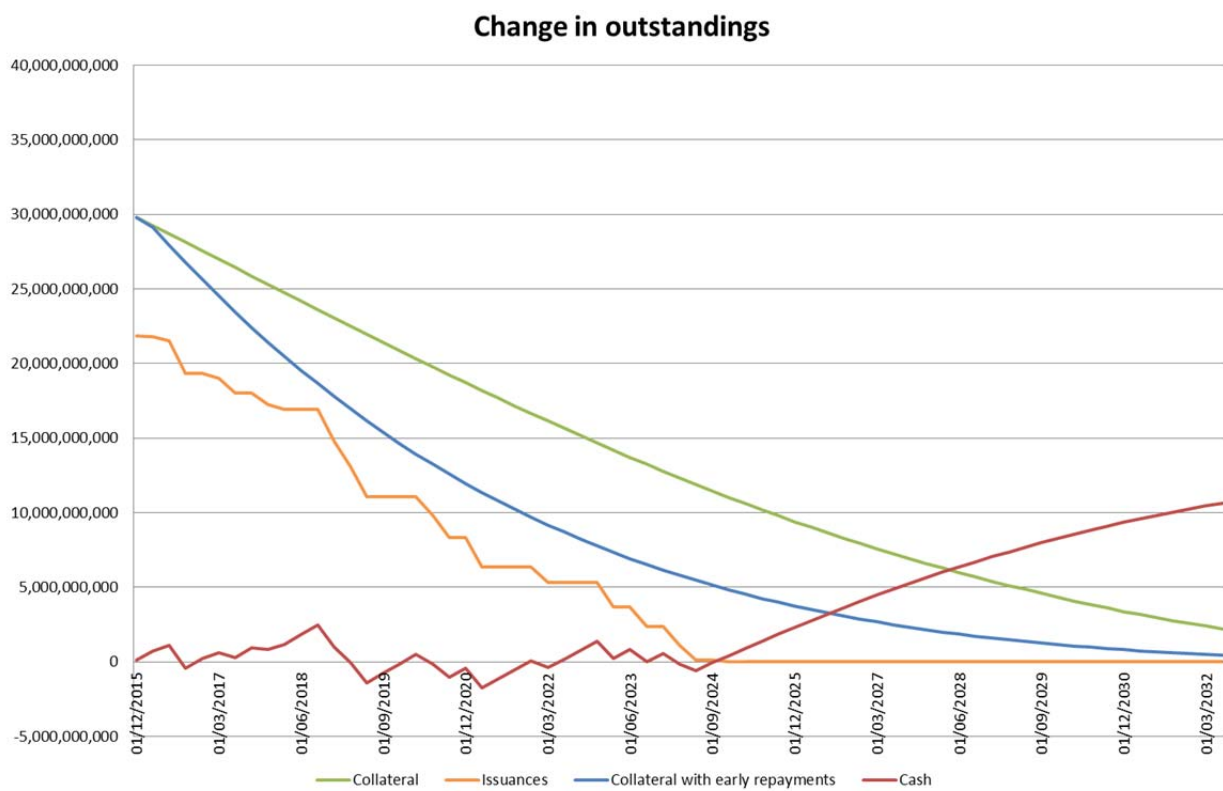
- The only way the Company could be exposed to liquidity risk would be if BFCM were to default. The Company would then need to enforce its security and would become the owner of the home loans. The issue program documentation provides for a pre-maturity test to address this risk.
- The pre-maturity test requires BFCM to set aside a cash security deposit in the nine months before a covered bond issue matures. This deposit must be sufficient to cover the principal repayments falling due during the period in question. Failure to meet this obligation would represent default by BFCM.

- This pre-maturity test was triggered after Fitch Ratings downgraded BFCM’s short-term credit rating to F1 on July 17, 2013. As a result, collateral was put in place to cover issues due to mature within 180 business days, and the funds thus obtained were deposited in term accounts maturing in less than 30 days. The amount of this collateral was €2.557 billion at December 31, 2015.

These mechanisms are considered compliant with the requirements of Article R. 513-7 of the French Monetary and Financial Code (article amended by Art. 1 of Decree 2014-526 of May 23, 2014).

- Should BFCM default, the Company would become the owner of the home loans offered as collateral.

The chart below shows the portfolio’s amortization profile compared with the amortization of the issues and the resulting cash balance.



This chart shows some cash shortfalls, mainly in the second quarter of 2019 and the first quarter of 2021, but the cash balance does not take account of early repayments.

- The Company is subject to the LCR on an individual basis but is exempt from the application of the 75% ceiling on cash receipts, as agreed by the Supervisory College of the ACPR in its letter of August 1, 2014. Therefore, given the way the Company operates (securities issuance for on-lending on the same terms to BFCM), the ratio should always be maintained.

Foreign exchange risk

The program allows for the possibility that Crédit Mutuel – CIC Home Loan SFH may carry out issues in foreign currencies. In such cases, the loan to BFCM is also made in the issue currency.

- To date, Crédit Mutuel – CIC Home Loan SFH has carried out the following foreign currency issues:

Nominal amount in foreign currency	Foreign currency	Equivalent nominal amount in euros	Issue date	Maturity date
250,000,000	GBP	292,575,000	April 22, 2013	April 22, 2016
1,000,000,000	USD	785,130,000	November 16, 2012	November 16, 2017
300,000,000	NOK	39,698,293	March 22, 2012	March 22, 2022
750,000,000	NOK	96,961,862	October 7, 2011	October 7, 2024

The funds raised via these issues were lent to BFCM under the same terms.

- The only way the Company could be exposed to foreign exchange risk would be if BFCM were to default. The Company would then need to enforce its security and would become the owner of the home loans, all of which are denominated in euros, while having to make repayments in foreign currencies. The issue program documentation requires Crédit Mutuel – CIC Home Loan SFH to enter into specific foreign currency swaps with counterparties that must meet specific rating criteria in order to hedge this risk as soon as BFCM's rating is downgraded.
- Since a first-level rating criterion has been met, a hedging swap has been set up. BFCM has the necessary rating level and so is the counterparty to these swaps. Furthermore, since no collateral has been transferred, the Company does not need these swaps to hedge its risk. They have therefore been neutralized with BFCM.

Operational risk

In line with its bylaws, Crédit Mutuel – CIC Home Loan SFH has no resources of its own. All tasks are subcontracted to BFCM, CIC and CFdeCM under various agreements. Internal control of outsourced activities is organized in accordance with the process defined by Group Compliance (see Article 258 report).

Legal risk

To help it achieve its corporate purpose, Crédit Mutuel – CIC Home Loan SFH is advised by external legal advisers, including in particular law firms. Furthermore, its legal risk has been analyzed in detail by rating agencies, which have assigned their top rating (AAA) to Crédit Mutuel – CIC Home Loan SFH's program. In addition, under the agreements referenced above, Crédit Mutuel – CIC Home Loan SFH receives assistance from the CM11 Group for all its activities.

**5. STATUTORY AUDITORS' REPORT ON THE REPORT OF THE CHAIRMAN OF THE
BOARD OF DIRECTORS**

PricewaterhouseCoopers Audit
63 Rue de Villiers
92208 Neuilly-sur-Seine Cedex
French simplified limited company (S.A.S.) with
capital of €2,510,460

Statutory Auditor
Member of the regional association
of accountants of Versailles

Ernst & Young et Autres
1/2 Place des Saisons
92400 Courbevoie – Paris-La Défense 1
S.A.S. à capital variable (French simplified
limited company with variable capital)

Statutory Auditor
Member of the regional association
of accountants of Versailles

Statutory Auditors' report prepared in accordance with Article L. 225-235 of the French Commercial Code, on the report of the Chairman of the Board of Directors of Crédit Mutuel-CIC Home Loan SFH

(Year ended December 31, 2015)

To the Shareholders,
Crédit Mutuel-CIC Home Loan SFH
6 Avenue de Provence
75452 Paris Cedex 9

In our capacity as Statutory Auditors of Crédit Mutuel-CIC Home Loan SFH and pursuant to the provisions of Article L. 225-235 of the French Commercial Code, we present to you our report on the report prepared by your company's Chairman as provided by Article L. 225-37 of the French Commercial Code for the financial year ended December 31, 2015.

It is the Chairman's responsibility to prepare and submit to the Board of Directors for approval a report that describes the internal control and risk management procedures implemented at the company and provides the other information required by Article L. 225-37 of the French Commercial Code related, in particular, to the corporate governance system.

It is our responsibility:

- to give you our observations based on the information contained in the Chairman's report regarding the internal control and risk management procedures related to the preparation and processing of accounting and financial information, and
- to certify that this report contains the other information required by Article L. 225-37 of the French Commercial Code, it being noted that it is not our responsibility to verify the accuracy of this information.

We have performed our work in accordance with French generally accepted auditing standards.

Information regarding the internal control and risk management procedures related to the preparation and processing of accounting and financial information

French generally accepted auditing standards require that we follow certain procedures to assess the accuracy of the information regarding the internal control and risk management procedures related to

the preparation and processing of accounting and financial information contained in the Chairman's report. In particular, these procedures entail:

- reviewing the internal control and risk management procedures related to the preparation and processing of the accounting and financial information that forms the basis of the information provided in the Chairman's report, and the existing documentation;
- reviewing the work involved in preparing this information and the existing documentation;
- determining whether any major weaknesses in internal control related to the preparation and processing of accounting and financial information identified by us in the course of our audit have been properly disclosed in the Chairman's report.

Based on this work, we have no observation regarding the information about the Company's internal control and risk management procedures related to the preparation and processing of accounting and financial information contained in the Chairman of the Board of Directors' report, which was prepared in accordance with the provisions of Article L. 225-37 of the French Commercial Code.

Other information

We certify that the Chairman of the Board of Directors' report contains the other information required by Article L.225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris-La Défense, March 31, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit

Ernst & Young et Autres

Jacques Lévi

Olivier Durand

6. INDEPENDENT THIRD PARTY'S REPORT ON EMPLOYMENT, ENVIRONMENTAL AND SOCIAL INFORMATION

CM CIC Home Loan SFH

Fiscal year ended December 31, 2015

Independent third party's report on the employment, environmental and social information contained in the management report

To the Shareholders,

In our capacity as an independent third party accredited by COFRAC¹ under number 3-1050 and a member of the network of one of the statutory auditors of CM CIC Home Loan SFH, we present to you our report on the employment, environmental and social information for the fiscal year ended December 31, 2015 presented in the management report (hereinafter the "CSR Information") pursuant to Article L. 225-102-1 of the French Commercial Code.

Company's responsibility

It is the Board of Directors' responsibility to prepare a management report that includes the CSR information required by Article R. 225-105-1 of the French Commercial Code, based on the reference frameworks used by the subsidiaries of Caisse Fédérale du Crédit Mutuel (hereinafter the "Reference frameworks").

Independence and quality control

Our independence is defined by the applicable regulations, the profession's code of conduct and the provisions of Article L. 822-11 of the French Commercial Code. Moreover, we have developed a quality control system that includes documented policies and procedures to ensure compliance with the applicable rules of professional conduct, professional standards and legal and regulatory provisions.

¹ Scope of accreditation available at www.cofrac.fr

Independent third party's responsibility

It is our responsibility, based on our work, to:

- certify that the required CSR Information is included in the management report or, if it is omitted, to provide an explanation for such omission in accordance with paragraph 3 of Article R. 225-105 of the French Commercial Code (Certification of presence of CSR Information);
- conclude with moderate assurance that all the significant aspects of the CSR Information, taken as a whole, are presented fairly, based on the Reference frameworks (Reasoned opinion on the fairness of the CSR Information).

Our work was completed by a two-person team during a week between February and March 2016.

We conducted the work described below in accordance with the professional standards applicable in France and the order of May 13, 2013 which defines the terms under which an independent third party fulfills its duties and, with regard to the reasoned opinion of fairness, in accordance with international standard ISAE 30002.

1. Certification of presence of CSR Information

We have obtained knowledge, on the basis of interviews, of the policies related to sustainable development, based on the employment and environmental consequences of the company's activity, and of its social commitments and, where applicable, the resulting initiatives and programs.

We have compared the CSR Information presented in the management report with the list provided in Article R. 225-105-1 of the French Commercial Code.

When certain information was missing, we verified that explanations were given in accordance with paragraph 3 of Article R. 225-105 of the French Commercial Code.

On the basis of this work, we certify that the required CSR Information is included in the management report.

2. Reasoned opinion on the fairness of the CSR Information

Nature and scope of the work

We have interviewed the person responsible for the management report in order to assess the relevance of the explanations given regarding the complete or partial absence of certain information from the management report.

² ISAE 3000 – Assurance engagements other than audits or reviews of historical information

Conclusion

Based on our work, we have not identified any material anomalies that could call into question the fact that the CSR Information, taken as a whole, is presented fairly, based on the Reference frameworks.

Paris-La Défense, March 31, 2016

The Independent Third Party
ERNST & YOUNG et Associés

Eric Duvaud
Sustainable Development Partner

Hassan Baaj
Partner

7. FINANCIAL STATEMENTS

CREDIT MUTUEL-CIC HOME LOAN SFH

Statutory financial

statements

at DECEMBER 31, 2015

- Statement of financial position
- Income statement
- Notes

STATUTORY FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

ASSETS (€millions)	Note	2015 December 31	2014 December 31
Cash and central bank deposits			
Government securities and similar instruments			
Receivables due from credit institutions	2	26,272.2	24,648.6
Due to customers			
Bonds and other fixed-income securities			
Equities and other variable-income securities			
Long-term equity investments and securities			
Investments in subsidiaries and associates			
Finance leases and similar transactions			
Intangible assets			
Property, plant and equipment			
Subscribed capital not paid			
Treasury stock			
Other assets	3	0.7	
Prepayments and accrued income	4	92.8	467.2
Total assets		26,365.7	25,115.8
Off-statement of financial position items			
		2015 December 31	2014 December 31
Commitments received			
Financing commitments			
Commitments received from credit institutions			
Guarantee commitments			
Commitments received from credit institutions	11	30,001.0	35,001.3
Securities commitments			
Securities sold with repurchase or reacquisition option			
Other commitments received			

STATEMENT OF FINANCIAL POSITION

LIABILITIES AND SHAREHOLDERS' EQUITY (€millions)	Note	2015 December 31	2014 December 31
Central bank borrowing			
Due to credit institutions	5		
Due to customers			
Debt securities	6	23,370.9	22,802.9
Other liabilities	3	2,556.8	1,500.7
Prepayments and accrued income	4	93.4	467.5
Provisions			
Subordinated debt	7	120.1	120.2
Fund for general banking risks			
Shareholders' equity	8	224.5	224.5
- Subscribed capital		220.0	220.0
- Issue premiums			
- Reserves		1.2	1.1
- Revaluation reserve			
- Regulated provisions			
- Retained earnings		2.6	2.0
- Profit for the year		0.6	1.4
Total liabilities and shareholders' equity		26,365.7	25,115.8
Off-statement of financial position items			
		2015 December 31	2014 December 31
Commitments given			
Financing commitments			
Commitments given to credit institutions			
Commitments given to customers			
Guarantee commitments			
Commitments given on behalf of credit institutions			
Commitments given on behalf of customers			
Securities commitments			
Securities acquired with reacquisition option			
Other commitments given			

INCOME STATEMENT

(€millions)	Note	2015 December 31	2014 December 31
+ Interest and similar income	16	1,634.4	3,214.2
+ Interest and similar expense	16	(1,630.9)	(3,211.1)
+ Income from variable-income securities			
+ Fee and commission income			
+ Fee and commission expense			
+/- Gains (losses) on trading portfolio transactions			
+/- Gains (losses) on investment portfolio and similar transactions			
+ Other banking operating income			
+ Other banking operating expense			
= Net banking income		3.5	3.1
+ Payroll costs			
+ Other administrative expenses		(1.9)	(0.8)
+ Depreciation and amortization			
= Operating expenses		(1.9)	(0.8)
= Gross operating income		1.6	2.3
+ Net additions to/reversals from provisions for loan losses			
= Operating income		1.6	2.3
+/- Gains (losses) on non-current assets			
= Income before non-recurring items		1.6	2.3
+/- Net non-recurring income (expense)			
+ Corporate income tax	17	(1.0)	(0.9)
+/- Additions to (reversals from) fund for general banking risks			
+/- Additions to (reversals from) regulated provisions			
= Net income		0.6	1.4

INFORMATION ON STATEMENT OF FINANCIAL POSITION, OFF-STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT ITEMS

The notes to the financial statements are presented in millions of euros.

Significant events in the period under review

In 2015, Crédit Mutuel-CIC Home Loan SFH issued €2 billion in EMTNs.

Taking into account issues that had reached maturity, total issues on the statement of financial position were €23 billion at December 31, 2015.

Following Fitch Ratings' downgrade of BFCM's long-term rating to A+ on December 14, 2011, and in accordance with the prospectus, swaps were set up to hedge the interest rate risk on assets and liabilities.

However, the transactions hedging interest rate risk were terminated in July 2015.

Since then, this risk has been covered by other mechanisms included in the documentation (including overcollateralization).

The transactions hedging foreign exchange risk are still in effect.

Crédit Mutuel – CIC Home Loan SFH is a 99.99%-owned subsidiary of Banque Fédérative du Crédit Mutuel.

NOTE 1: Accounting principles, valuation and presentation methods

The statutory financial statements are prepared in accordance with French national accounting standards authority (*autorité des normes comptables* – ANC) regulation 2014-07 related to the financial statements of banking sector firms and included in the compendium of French accounting standards for the banking sector.

Loans

Loans are recorded on the statement of financial position at their nominal value.

Foreign currency-denominated assets and liabilities

Assets and liabilities denominated in a currency other than the local currency are translated at the official year-end exchange rate. Unrealized foreign exchange gains or losses resulting from these translations are recognized on the income statement with the exchange gains or losses realized or incurred on transactions carried out during the year.

Interest and commissions

Interest is recognized on the income statement on a prorata temporis basis. Commissions are recorded using the cash receipt criterion, with the exception of commissions relating to financial transactions, which are recorded at the close of the issue or when invoiced.

NOTE 2 - Receivables due from credit institutions

	December 31, 2015		December 31, 2014	
	Demand	Term	Demand	Term
Current accounts	341.7		2.6	
Loans secured by notes and securities (*)		25,594.0		24,269.8
Repo / securities purchased under resale agreements				
Accrued income		336.5		376.2
Non-performing loans				
Impairment				
Total	341.7	25,930.5	2.6	24,646.0
Total receivables due from credit institutions		26,272.2		24,648.6

of which participating loans

of which subordinated loans

(*) BFCM is the only counterparty to the loans granted.

NOTE 3 - Other assets and liabilities

	December 31, 2015		December 31, 2014	
	Assets	Liabilities	Assets	Liabilities
Premiums on options				
Guarantee deposits	0.7	2,556.6		1,500.0
Securities settlement accounts				
Debt representing securities borrowed				
Deferred taxes				
Other receivables and payables		0.2		0.7
Accrued income and interest				
Impairment				
Total	0.7	2,556.8		1,500.7

NOTE 4 - Accruals

	December 31, 2015		December 31, 2014	
	Assets	Liabilities	Assets	Liabilities
Collection accounts				
Currency and off-statement of financial position adjustment accounts	9.0	9.0	385.8	385.8
Other accruals	83.8	84.3	81.4	81.7
Total	92.8	93.3	467.2	467.5

Accrual accounts - liabilities mainly concern EMTN issue premiums.
Accrual accounts - assets reflect accruals - liabilities at the loan level.

NOTE 5 - Due to credit institutions

	December 31, 2015		December 31, 2014	
	Demand	Term	Demand	Term
Current accounts				
Term accounts				
Borrowings secured by notes and securities				
Reverse repo /securities sold under repurchase agreements				
Accrued interest				
Total				
Total due to credit institutions				

NOTE 6 - Debt securities

	December 31, 2015	December 31, 2014
Certificates of deposit		
Interbank instruments and negotiable debt securities (*)		
Bonds	23,037.5	22,430.2
Other debt securities		
Accrued interest	333.4	372.7
Total	23,370.9	22,802.9

(*) The unamortized balance is the difference between the purchase price and the repayment price of debt securities.
Borrowings are in EUR, GBP, NOK and USD.

NOTE 7 - Subordinated debt

	December 31, 2014	Issues	Re-payments	Other changes	December 31, 2015
Subordinated debt	60.0				60.0
Non-voting loan stock					
Perpetual subordinated notes	60.0				60.0
Accrued interest	0.2				0.1
Total	120.2				120.1

Main subordinated debt issues:

	OUTSTANDINGS	INTEREST RATE	MATURITY	EARLY REPAYMENT TERMS
TERM SUBORDINATED LOAN STOCK 2007	60.0	3-month Euribor + 0.22	2017	
PERPETUAL SUBORDINATED LOAN STOCK 2007	60.0	3-month Euribor + 0.66	**	
TOTAL	120.0			

All loan stock is in euros.

NOTE 8 - Shareholders' equity and fund for general banking risks (FRBG)

	Share capital	Premiums	Reserves	Retained earnings	Profit for the year	Total	FRBG
Balance at January 1, 2014	220.0		1.1	1.7	0.3	223.1	
Profit for the year					1.4	1.4	
Appropriation of earnings from previous year				0.3	(0.3)		
Distribution of dividends							
Capital increase							
Impact of revaluations							
Other changes							
Impact of the merger							
Balance at December 31, 2014	220.0		1.1	2.0	1.4	224.5	
Balance at January 1, 2015	220.0		1.1	2.0	1.4	224.5	
Profit for the year					0.6	0.6	
Appropriation of earnings from previous year			0.1	1.4	(1.4)	(0.0)	
Distribution of dividends				(0.7)		(0.7)	
Capital increase							
Impact of revaluations							
Other changes							
Impact of the merger							
Balance at December 31, 2015	220.0		1.2	2.6	0.6	224.5	

At December 31, 2015, the share capital comprised 22,000,000 shares with a par value of €10. BFCM held 99.99% of the capital of Crédit Mutuel-CIC Home Loan SFH at December 31, 2015. As such, it is fully consolidated in the consolidated financial statements of the CM11-CIC Group and at the Crédit Mutuel national consolidation level.

The shareholders' meeting will be asked to allocate €3,255,768.37, of which €613,670.62 from 2015 profit and €2,642,097.75 from retained earnings, as follows:

Allocation to the legal reserve	€30,683.53
Dividends	€660,000.00
Retained earnings	€2,565,084.84
	€3,255,768.37

NOTE 9 – Analysis of certain assets/liabilities by residual maturity

	< 3 months and demand	> 3 months < 1 year	> 1 year < 5 years	> 5 years	Perpetual	Accrued interest	Total at December 31, 2015
ASSETS							
Receivables due from credit institutions	2,962.3	2,540.6	11,123.5	9,309.3		336.5	26,272.2
Receivables due from customers							
Bonds and other fixed-income securities							
LIABILITIES							
Due to credit institutions							
Due to customers							
Debt securities							
- Certificates of deposit							
- Interbank instruments and negotiable debt securities							
- Bonds	64.0	2,540.6	12,123.6	8,309.3		333.4	23,370.9
- Other							
Subordinated debt			60.0	60.0		0.1	120.1

NOTE 10 – Euro-equivalent of foreign currency-denominated assets and liabilities

The euro-equivalent of foreign currency-denominated assets and liabilities was €1.3784 billion and €1.3781 billion respectively at December 31, 2015..

NOTE 11 - Guarantee commitments

The loans granted by Crédit Mutuel-CIC Home Loan SFH to BFCM are guaranteed by eligible home loans from the CM CIC branch network, in accordance with Article 431-7 of the French Monetary and Financial Code.

At December 31, 2015, the amount of this guarantee was €30.0010 billion versus €35.0013 billion at December 31, 2014..

NOTE 12 - Commitments on forward financial instruments

Transactions on forward financial instruments (based on the concept of micro/macro hedging transactions and open-position/specialized management transactions relating to firm and conditional transactions).

	December 31, 2015			December 31, 2014		
	Hedging	Management transactions	Total	Hedging	Management transactions	Total
Firm transactions						
<i>Over-the-counter markets</i>						
Forward rate agreements						
Interest rate swaps	4,438.0		4,438.0	112,338.0		112,338.0
Financial swaps						
Other transactions						
Swaps - other						
Conditional transactions						
<i>Over-the-counter markets</i>						
Interest rate cap and floor contracts						
Purchased						
Sold						
Interest rate, foreign currency, equity and other options						
Purchased						
Sold						
Total	4,438.0		4,438.0	112,338.0		112,338.0

Analysis of over-the-counter interest rate contracts by type of portfolio

	Separate open position	Micro hedging	Overall interest rate risk	Specialized management	Total
December 31, 2015					
Firm transactions					
Purchases					
Sales					
Swaps		4,438.0			4,438.0
Conditional transactions					
Purchases					
Sales					
December 31, 2014					
Firm transactions					
Purchases					
Sales					
Swaps		112,338.0			112,338.0
Conditional transactions					
Purchases					
Sales					

NOTE 13 - Analysis of forward financial instruments by residual maturity

December 31, 2015	< 1 year	> 1 year < 5 years	> 5 years	Total
Interest rate instruments				
<i>Over-the-counter markets</i>				
Purchases				
Sales				
Interest rate swaps	128,000.0	4,310,000.00		4,438,000.0
Total	128,000.0	4,310,000.00		4,438,000.0

NOTE 14 - Forward financial instruments - Counterparty risk

The counterparty risk associated with forward financial instruments is estimated according to the methodology used to calculate prudential ratios.

Credit risks on forward financial instruments	December 31, 2015		December 31, 2014	
GROSS EXPOSURE				
Credit institution risk		131.5		1,575.80
Company risk				
TOTAL		131.5		1,575.8

Fair value of forward financial instruments	December 31, 2015		December 31, 2014	
	Assets	Liabilities	Assets	Liabilities
Fair value of forward financial instruments	70.5	70.5	11,702.7	11,702.7

NOTE 15 - Other off-statement of financial position commitments

	December 31, 2015	December 31, 2014
Foreign-currency transactions		
- Foreign currencies receivable		
- Foreign currencies payable		
Forward financial instrument commitments		
Transactions carried out on organized and similar markets		
- Forward foreign exchange transactions		
. Hedging		
. Other transactions		
- Financial foreign exchange swaps		
. Separate open position		
. Micro hedging	2,582.8	2,475.10
. Overall interest rate risk		
. Specialized management		

NOTE 16 - Interest income and expense

	December 31, 2015		December 31, 2014	
	Income	Expense	Income	Expense
Credit institutions	1,626.5		3,206.3	
Customers				
Finance leases and operating leases				
Bonds and other fixed-income securities	7.9	1,630.3	7.9	3,210.3
Other		0.6		0.8
Total	1,634.4	1,630.9	3,214.2	3,211.1
of which subordinated debt expenses		0.6		0.8

NOTE 17- Corporate income tax

	December 31, 2015	December 31, 2014
Current income tax - Amount for the year	1.0	0.9
Current income tax - Prior-year adjustments		
Current income tax - Effect of tax consolidation		
Total	1.0	0.9
On ongoing operations	1.0	0.9
On non-recurring items		
Total	1.0	0.9

Crédit Mutuel-CIC Home Loan SFH is part of BFCM's tax group for tax consolidation purposes.
The amount recognized for 2015 corresponds to the amount the Company would have paid if it had been taxed as a separate company.
There are no tax loss carryforwards.

NOTE 18 - Subsequent events

No events that would materially affect the financial statements occurred between December 31, 2015 and the date of publication of the financial statements.

Five-year financial summary (in €)

Nature of the information	2011	2012	2013	2014	2015
1. Financial position at the end of the fiscal year					
Share capital	120,000,000	220,000,000	220,000,000	220,000,000	220,000,000
Total number of shares issued	12,000,000	22,000,000	22,000,000	22,000,000	22,000,000
"A" shares or common shares	12,000,000	22,000,000	22,000,000	22,000,000	22,000,000
2. Total income from operations					
Banking income	585,526,347	3,216,593,980	3,234,651,556	3,214,124,993	1,634,392,074
Earnings before tax, profit-sharing, depreciation, amortization, and provisions and non-recurring items	800,138	1,062,449	524,285	2,281,173	1,612,944
Corporate income tax	62,491	374,525	190,457	850,727	999,273
Profit-sharing					
Profits	737,647	687,924	333,828	1,431,003	613,670
Profits distributed					
3. Earnings per share					
Earnings after tax and profit-sharing, but before depreciation, amortization and provisions	0.06	0.03	0.02	0.07	0.03
Net profits	0.06	0.03	0.02	0.07	0.03
Dividend per "A" share				0.03	0.03
4. Personnel					
Number of employees (average FTE)	-	-	-	-	-
Payroll expense	-	-	-	-	-
Employee benefits (social security, benefit plans, etc.)	-	-	-	-	-