

VAUBAN MOBILISATIONS GARANTIES

Update to the 2015 Registration document

Including the 2016 half-year financial report

www.vmg-foncier.com





This is a free translation into English of the Registration document issued in the French language and is provided solely for the convenience of English-speaking readers. The English version of the Registration document should be read in conjunction with, and construed in accordance with, French law.

The original French-language update of the Registration document was filed with the Autorité des Marchés Financiers (French Financial Market Authority) on July 22, 2016, pursuant to Article 212-13 of the AMF general regulations, and registered under the number D.16-0417-A01. It is an update of the original French-language version of VMG's Registration document, filed with Autorité des Marchés Financiers under the number D.16-0417. As such, it may be used in support of a financial transaction when accompanied by a prospectus duly approved by the AMF. It was prepared by the Issuer and its signatories assume responsibility for it.

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NOTE: only the sections of the Registration document 2015 concerned by this update are included in this table of contents. To facilitate reading, we retained the original numbering of the Registration document 2015.

Abbreviations used in this document
€bn: billion euros, €m: million euros, €k: thousand euros

OVERVIEW

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PROFILE

Vauban Mobilisations Garanties (VMG) is a wholly-owned subsidiary of Crédit Foncier, Groupe BPCE.

Founded in 1997, VMG is a refinancing vehicle whose main purpose was to purchase mortgages originated by Crédit Foncier and to refinance them on the market. The company is now managed on a run-off mode and therefore no longer purchases home loans or FCT Units. At the same time, the company no longer issues bonds.

Its assets are now mainly composed of pledged reserves invested in guaranteed securities and of provisions whose purpose is to guarantee the company's issues.

VMG issues are analysed by Credit Rating Agencies as covered bonds, and are rated AAA/Aaa ⁽¹⁾.

The investors are protected against the risk of sponsors' bankruptcy. Indeed, reserves and provisions are pledged as collateral, for bond holders, in a Financial Instruments Account (French Act of July 2nd, 1996 on the modernization of financial activities).

(1) Ratings S&P/Moody's updated as of June 30, 2016.

BUSINESS MODEL

A secure economic model

Since the 28 April 2015, VMG bonds are mainly guaranteed by an Issue Repayment Reserve invested in two *obligations foncières* (French covered bonds) of Compagnie de Financement Foncier (AAA/Aaa)⁽²⁾.

These covered bonds have maturity and interest rates identical to those issued by VMG.

As of 30 June 2016, only one bond issued by VMG remains. It will be repaid in January 2017.

VMG offers to its Investors the guarantees similar to those of other covered bonds, as proves its AAA rating, which has remained stable since it was first issued in 1997.

An operating framework that ensures Investors' repayment

Reserves and provisions are calculated monthly to guarantee the payment of principal and interest.

The reserves are financed by cash collateral deposits and are invested in secured securities rated AAA/Aaa. Investors are not exposed to any credit or liquidity risk.

Under the permanent control of the Management Board and the Supervisory Board stringent tests are carried out to ensure that reserves are, at all times, sufficient to ensure the repayment of capital and interest of the issued bonds.

In the event of the bankruptcy of Crédit Foncier, a scenario taken into account by the VMG's Rating Agencies, the vehicle would enter in an Early Unwinding mode. In this case, cash flows from reserves would be used to repay principal and interest to bond holders in pass through structure. The bond holders would receive compensation for the damages related to the change in the redemption schedule.

VMG programme is therefore one of the very few covered bond programmes with no refinancing risk in the event of the bankruptcy of the sponsor.

Moreover, the quality of the underlying assets and the credit quality of Crédit Foncier (A-/A2/A)⁽³⁾ and Groupe BPCE (A/A2/A)⁽³⁾, make very unlikely an occurrence of such an Early Unwinding scenario.

(2) Ratings S&P/Moody's updated as of the filling date of this update to the Registration document.

(3) Ratings S&P/Moody's/Fitch updated as of the filling date of this update to the Registration document.

KEY FIGURES

VMG at June 30, 2016

- Balance Sheet: €1.097 billion
- Outstanding FCT Units ⁽⁴⁾ : €0.0 billion
- Outstanding bonds (issues): €0.5 billion
- Reserves ⁽⁵⁾ : €0.5 billion

(In euros)

ASSETS	06/30/2016			2015
	GROSS	AMORT/ DEPRECIATION	NET	NET
LONG-TERM LOANS AND INVESTMENTS				
- Other equity holdings		-		-
- Accrued interest on equity holdings		-		-
TOTAL I		-		-
CURRENT ASSETS				
- Trade receivables and related accounts	161,500	-	161,500	69,151
- Other receivables	57,226	-	57,226	-
- Negotiable debt securities	1,027,704,255	-	1,027,704,255	1,654,870,145
- Available for sale securities		-		-
- Cash	69,160,667	-	69,160,667	30,460,752
- Deferred expenses		-		-
TOTAL II	1,097,083,647	-	1,097,083,647	1,685,400,047
- Accruals - issuing expenses	46,141	-	46,141	87,443
- Redemption premiums	63,596	-	63,596	127,982
GRAND TOTAL	1,097,193,384	-	1,097,193,384	1,685,615,472

(In euros)

LIABILITIES	06/30/2016	2015
SHAREHOLDERS' EQUITY		
- Share capital	42,336,195	42,336,195
- Legal reserve	3,199,397	2,660,397
- Retained earnings	2,236,641	5,249,628
- Income from previous years		-
- Income for the period	-622,226	10,769,617
TOTAL I	47,150,007	61,015,837
PROVISIONS		
- Provisions		-
TOTAL II		-
LIABILITIES		
- Bonds	508,651,042	777,057,292
- Other borrowings and financial debts	541,279,731	841,761,928
- Trade accounts payable and related accounts	72,100	99,400
- Tax and social security liabilities	27,455	253,794
- Other liabilities	13,050	5,427,221
- Deferred income		-
TOTAL III	1,050,043,377	1,624,599,635
GRAND TOTAL	1,097,193,384	1,685,615,472

(4) As at 28 April 2015, the company sold all the units it detained in four mutual securitization funds (Fonds communs de titrisation – FCT). Pursuant to the order n°2013-676 of the 25th of July 2013 modifying the legal framework of asset management, Fonds communs de créances (FCC) are now subject to regulations applicable to securitisation vehicles. Consequently, FCC references were changed into FCT (Fonds communs de titrisation).

(5) Issue Repayment Reserve and Issue Remuneration Provision. At June 30, 2016, it includes €500m investment in Obligations foncières (French legal covered bonds).

(in thousands of euros)

INCOME STATEMENT	30/06/16	12/31/15	12/31/14
Net revenue	136	153	226
Other income	-	-	-
OPERATING REVENUES	136	153	226
Other purchases and expenses	313	534	675
Taxes and assessments	0,071	263	2
Salaries and wages	6	20	20
Payroll taxes	3	7	7
Other expenses	16	39	35
OPERATING EXPENSES	338	864	740
OPERATING INCOME	-202	-710	-514
Income from equity holdings	-	5,785	21,211
Income from negotiable certificates of deposit, medium term-notes and obligations foncières	10,687	28,922	30,006
Other Interest Income	-	-	-
Deferred expenses	-	-	-
Net income from the sale of investment securities	-	-	-
INVESTMENT REVENUES	10,687	34,707	51,217
Depreciation, amortisation and provisions	97	312	312
Interest expenses	11,010	34,897	49,718
Issuing expenses	-	-	-
Other interest expenses	-	-	-
FINANCIAL EXPENSES	11,107	35,208	50,030
FINANCIAL INCOME	-420	-501	1,187
EARNINGS BEFORE TAX	-622	-1,212	673
Extraordinary revenues	-	477,310	152,150
Extraordinary expenses	-	459,702	152,150
EXTRAORDINARY INCOME	-	17,608	-
Corporate income tax	-	5,627	229
TOTAL INCOME	10,823	512,170	203,593
TOTAL EXPENSES	11,445	501,401	203,149
NET INCOME FOR THE PERIOD	-622	10,770	445

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1. PERSONS RESPONSIBLE

1.1 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Mr. Frédéric CHASSOT

Chief Executive Officer of Vauban Mobilisations Garanties

Address: 4, quai de Bercy – 94224 Charenton Cedex

Telephone: +33 (0)1 57 44 84 60

Fax: +33 (0)1 57 44 91 91

1.2 STATEMENT FROM THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

I hereby declare, after having taken every reasonable measure to this purpose, that the information provided in this update of the Registration document is, to my knowledge, true to fact and that no information has been omitted that would change the interpretation of the information provided.

I hereby declare that, to the best of my knowledge, all accounts for the half-year have been prepared in accordance with applicable accounting standards and are an accurate reflection of the assets, financial position and results of the Company, and that the half-yearly report herein presents an accurate picture of events that occurred during the first six months of the year, their impact on the accounts and a description of the principal risks and uncertainties for the remaining six months of the year.

I have received a letter from the statutory auditors indicating that they have completed their work which consisted of verifying the information about the financial position and the accounts provided in this update as well as a reading of the entire update.

Signed in Charenton-le-Pont, July 22, 2016

Frédéric Chassot
Chief Executive Officer

2. PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

2.1 PERMANENT STATUTORY AUDITORS

KPMG AUDIT FS I

Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles
Tour Eqho - 2 avenue Gambetta - 92066 Paris La Défense
Represented by Mr. Xavier de CONINCK

PricewaterhouseCoopers Audit

Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles
63, rue de Villiers - 92200 Neuilly-sur-Seine
Represented by Mr. Jean-Baptiste DESCHRYVER

2.2 ALTERNATE STATUTORY AUDITORS

KPMG AUDIT FS II

Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles
Tour Eqho - 2 avenue Gambetta - 92066 Paris La Défense
Represented by Mr. Malcolm McLARTY

M. Pierre COLL

Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles
63, rue de Villiers - 92200 Neuilly-sur-Seine

2.3 MANDATES OF THE PERMANENT STATUTORY AUDITORS

KPMG Audit FS I was appointed as permanent statutory auditor for six years at the general meeting held on June 18, 2012. This mandate will expire at the end of the general meeting called to approve the accounts for the year ended December 31, 2017. KPMG AUDIT FS I is replacing KPMG Audit, a department of KPMG SA, represented by Mr. Rémy Tabuteau which had been appointed at the annual general meeting held on May 19, 2006 and whose mandate expired.

The general shareholders' meeting held on June 18, 2015 renewed the mandate of PricewaterhouseCoopers Audit as permanent statutory auditor until the ordinary general shareholders' meeting called to approve the accounts for the year ended December 31, 2020.

2.4 MANDATES OF THE ALTERNATE STATUTORY AUDITORS

KPMG AUDIT FS II was appointed alternate statutory auditor for six years at the general meeting held on June 18, 2012. This mandate will expire at the end of the general meeting called to approve the accounts for the year ended December 31, 2017. KPMG AUDIT FS II is replacing Ms. Marie-Christine Ferron-Jolys who had been appointed at the annual general meeting held on May 19, 2006 and whose mandate expired.

Mr. Pierre Coll's mandate as an alternate statutory auditor was renewed at the general meeting held on June 18, 2015 and will expire at the end of the general meeting called to approve the accounts for the year ended December 31, 2020.

3. ISSUER'S RISKS

Since December 31, 2015, risks have not changed. For further details concerning this section, please refer to the 2015 Registration document.

4. GENERAL INFORMATION ON THE ISSUER

4.1 NAME AND REGISTERED OFFICE

VAUBAN MOBILISATIONS GARANTIES - hereinafter referred to as "VMG" or "the company".

Registered office: 19, rue des Capucines, Paris 1^{er}

4.2 TRADE AND COMPANY REGISTER

Vauban Mobilisations Garanties is registered in the Paris Trade Register under number RCS 399 343 300.

APE Code: 6430 Z

4.3 INCORPORATION AND EXPIRY DATE OF THE COMPANY

VMG was created on December 29, 1994 for a period of ninety-nine years.

4.4 GENERAL INFORMATION ON THE ISSUER

4.4.1. Legal form, applicable law, statutory auditors

VMG is a French limited company (*société anonyme*) with a Management Board (*Directoire*) and a Supervisory Board (*Conseil de Surveillance*), governed by Articles L. 210-1 et seq. of the French Commercial Code and by the amended decree of March 23, 1967 that is now incorporated into the regulatory section of the French Commercial Code. Members of the Management Board come from Crédit Foncier de France. The majority of the members of the Supervisory Board are independent from Crédit Foncier de France.

Two different statutory auditors have audited VMG's accounts since 1997.

4.4.2. Applicable law

VMG is governed by French law.

4.4.3. Corporate purpose

VMG's exclusive purpose in France and abroad is to:

- invest in one or more debt securitisation programmes by acquiring shares in *fonds communs de créances* (FCC Units) or tranches or securities issued by *fonds communs de titrisation* (FCT units),
- reinvest the proceeds from FCC Units or tranches or securities issued by FCT units in securities and/or negotiable debt securities,
- conduct cash transactions, pursuant to Article L. 511-7, 3° of the French Monetary and Financial Code, with entities in which it has direct or indirect ownership ties that give one of these entities effective control over the others.

In connection with the foregoing acquisitions and cash transactions, the company may, subject to applicable laws and regulations:

- raise funds, in France or abroad, by borrowing (including subordinated loans) or by issuing securities or negotiable debt securities,
- perform transactions on futures or options markets to hedge against risks arising from said acquisitions or refinancing,
- provide or obtain any securities or guaranties in connection with its business.

The company may also perform any transaction that is directly or indirectly related to the aforementioned activities and that is likely to help it carry out said activities.

The company shall refrain from engaging in transactions stemming from its corporate purpose that are likely to cause the ratings on the securities issued by the company or debt contracted by it to be downgraded or withdrawn, without prior agreement of the holders of these securities and debts.

Thus, the purpose of VMG is limited to financial transactions related to asset acquisitions and emissions. The embodiment of these operations, providing management rules, is codified in a Internal Regulations prescribed by its articles. The Supervisory Board aims to ensure that management rules are applied properly and effectively. The Management Board report quarterly, in his report to the Supervisory Board, of how he applied the management rules.

4.4.4. General information concerning the capital

4.4.4.1. Change in capital holding structure and rights

The company's share capital may be increased or decreased at extraordinary general meetings as provided for by law.

Reductions in capital must be authorized during an Extraordinary General Meeting; the Management Board may duly be granted full authority to carry out authorized reductions.

4.4.4.2. Share capital

VMG's share capital at June 30, 2016 stood at €42,336,194.77 divided into 114,169 fully paid-up shares.

4.4.4.3. Non-issued authorized capital

Not applicable.

4.4.4.4. Shares other than equity shares (founders' shares, voting certificates)

Not applicable.

4.4.4.5. Equity warrants

Not applicable.

4.4.4.6. The company's share capital over the past five years

Not applicable.

5. COMPANY FINANCIAL POSITION AND DEVELOPMENTS IN THE FIRST HALF-YEAR OF 2016

5.1 FCT UNITS

Since April 28th, 2015, VMG no longer holds any FCT units.

5.2. SUBORDINATED LOANS

At June 30, 2016 outstanding subordinated loans excluding accrued interests amounted to €520.6 million. Moreover, Issue Repayment Reserves amounted to €500.0 million.

Since the 28 April 2015 and following the disposal by VMG of the FCT units it held, these loans are repaid as the Issue Repayment Reserve is amortized.

5.3. ISSUES

VMG did not issue any bonds during the first six months of 2016. A €250,0m issue was fully repaid on January 29th, 2016.

Outstanding VMG bond issues at June 30, 2016 are broken down as follows:

(in thousands of euros)

Issuance date	Amount	Rate	Maturity
12/09/2004	500,000	4.125%	01/30/2017
11/16/2005	0	3.500%	01/28/2016
	500,000		

5.4. LOANS AND NEGOTIABLE DEBT SECURITIES

VMG's issues enable it to grant loans to Crédit Foncier or acquire NDSs issued by Crédit Foncier, in accordance with framework agreements governing these transactions. At June 30, 2016, outstanding medium-term notes amounted to €497,9 million. Accrued interest on these medium-term notes amounted to €8.8 million at June 30, 2016.

Purchase of NDSs has thus been effectuated using cash available for investments in the Financial Instruments Account amounting to €500 million as of June 30, 2016. It was used to subscribe an *obligation foncière* of Compagnie de Financement Foncier on April 28, 2015 (in addition to the cash available that amounted to €21m and that could be used by VMG for other investments).

5.6. MAIN ITEMS OF THE BALANCE SHEET AND THE INCOME STATEMENT AT JUNE 30, 2016

(in millions of euros)

	06/30/2016	12/31/2015	12/31/2014		06/30/2016	12/31/2015	12/31/2014
FCT units (Other equity holdings)	0	0	463	Subordinated debt	21	43	463
				Issue Repayment Reserve (borrowings)	500	750	290
Negotiable debt securities and accrued interest	507	774	774	Bond issues	509	777	777
Short-term cash investment	521	881	213	Cash collateral (borrowings)	21	49	37

(in millions of euros)

INCOME STATEMENT				
EXPENSES		INCOME		EARNINGS
Subordinated loan payments (excluding Global Floating-Rate Interest)	-	Income on FCT units	-	
		Gains on disposals of FCT units	-	-
Issue Repayment Reserve Payments	-	Income from Reinvested issue Repayment Reserves	-	
Interest on issues	10.98	Interest on loans and NDS	11.10	0.02
Issuing expenses	0.10	Deferred expenses	-	
		Amortisation of premium on <i>Obligations foncières</i>	-11.30	
Cash collateral immobilisation fees	0.01	Income from reinvested issue remuneration and compensation provisions	10.90	-0.42
		Income from reinvested current account deposits	-	
Other expenses	0.36	Other income	0.14	-0.22
				-0.62

Net income at June 30, 2016 amounted to -€622,226 compared to net income of €11,443,276 in the first half-year of 2015.

6. BUSINESS OVERVIEW

6.1. INFORMATION ON TRENDS

6.1.1 Recent events

The company hasn't recorded any recent event that may have a significant impact on the evaluation of its solvency.

6.1.2 Outlook for the future

No significant deterioration has impacted the company's outlook for the future since the date of its last verified and published financial statements.

To this day, VMG is on a run-off mode. New investments are not scheduled and no new issues are targeted.

6.1.3 Material events

No material events have affected VMG's financial or commercial situation since the publication of its last verified and public financial statements.

7. ORGANIZATION CHART

Crédit Foncier has a 99.99% - stake in Vauban Mobilisations Garanties (VMG). VMG is a subsidiary of Crédit Foncier de France, who is in its turn a subsidiary of Groupe BPCE. At June 30, 2016, the capital of VMG is composed of 114,169 shares, 114,163 of which are held by Crédit Foncier de France.

ORGANIZATION CHART OF GROUPE BPCE AT DECEMBER 31, 2015



8. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES ⁽⁶⁾

8.1. MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS

VMG is governed by a Management Board under the authority of a Supervisory Board.

For a more detailed description of these bodies, see the Internal Regulations (Chapters 2 and 4) in the 2015 Registration Document.

8.1.1 Corporate officers

Members of the Management Board and the Supervisory Board

Management Board

- Olivier AVIS (member of the Management Board and Chairman of the Management Board since February 11, 2016)
- Frédéric CHASSOT (CEO since January 23, 2013 and member of the Management Board since January 26, 2007)
- Paul DUDOUIT (member of the Management Board since July 24, 2008)
- Iris TUIL (member of the Management Board since January 23, 2013)

Supervisory Board

The Supervisory Board is composed as follows:

- Gérard BARBOT (member of the Supervisory Board since April 22, 2004 and Chairman since June 22, 2004)
- Thierry DUFOUR (member of the Supervisory Board until June 28, 2006 and now Permanent Representative of Crédit Foncier, member of the Supervisory Board since June 28, 2006)
- Eric FILLIAT (member of the Supervisory Board and Deputy Chairman of the Supervisory Board since April 20, 2012)
- Daniel FRUCHART (member of the Supervisory Board since June 18, 2009)
- Robert RAYMOND (member of the Supervisory Board since January 26, 2007)
- Pierre VAJDA (member of the Supervisory Board since January 26, 2007)
- Antoine COUTIÈRE (Non-voting member of the Supervisory Board since June 18, 2007)

The General Shareholders' Meeting held on June 17, 2016 has decided to renew the term of a non-voting member for a period of 3 years, i.e. until the General Meeting called to approve the financial statements for the 2018 financial year.

(6) The Company records its activities and operations of its corporate bodies as part of corporate governance practices in force in France.

9. FINANCIAL INFORMATION

VMG'S HISTORICAL FINANCIAL INFORMATION

(in euros)

ASSETS	06/30/2016			2015
	GROSS	AMORT/ DEPRECIATION	NET	NET
LONG-TERM LOANS AND INVESTMENTS				
- Other equity holdings	-	-	-	-
- Accrued interest on equity holdings	-	-	-	-
TOTAL I	-	-	-	-
CURRENT ASSETS				
- Trade receivables and related accounts	161,500	-	161,500	69,151
- Other receivables	57,226	-	57,226	-
- Negotiable debt securities	1,027,704,255	-	1,027,704,255	1,654,870,145
- Available for sale securities	-	-	-	-
- Cash	69,160,667	-	69,160,667	30,460,752
- Deferred expenses	-	-	-	-
TOTAL II	1,097,083,647	-	1,097,083,647	1,685,400,047
- Accruals - issuing expenses	46,141	-	46,141	87,443
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GRAND TOTAL	1,097,193,384	-	1,097,193,384	1,685,615,472

(in euros)

LIABILITIES	06/30/2016	2015
SHAREHOLDERS' EQUITY		
- Share capital	42,336,195	42,336,195
- Legal reserve	3,199,397	2,660,397
- Retained earnings	2,236,641	5,249,628
- Income from previous years	-	-
- Income for the period	-622,226	10,769,617
TOTAL I	47,150,007	61,015,837
PROVISIONS		
- Provisions		-
TOTAL II		-
LIABILITIES		
- Bonds	508,651,042	777,057,292
- Other borrowings and financial debts	541,279,731	841,761,928
- Trade accounts payable and related accounts	72,100	99,400
- Tax and social security liabilities	27,455	253,794
- Other liabilities	13,050	5,427,221
- Deferred income		-
TOTAL III	1,050,043,377	1,624,599,635
GRAND TOTAL	1,097,193,384	1,685,615,472

Description of certain asset items

(in euros)

DESCRIPTION OF CERTAIN ASSET ITEMS	06/30/2016	12/31/2015
TRADE RECEIVABLES AND RELATED ACCOUNTS		
- Customers - services rendered		-
- Customers - invoices to be issued	161,500	69,151
	161,500	69,151
OTHER RECEIVABLES		
- Deductible VAT on goods and services	-	-
- VAT on invoices not yet received	-	-
- VAT - credit to carry forward	-	-
- Miscellaneous receivables – Crédit Foncier transitory account	-	-
- Current account - Crédit Foncier taxes	57,226	-
- State - Corporate income tax	-	-
- State - Accrued income	-	-
	57,226	-
NEGOTIABLE DEBT SECURITIES		
- <i>Obligations Foncières</i> SCF	500,000,000	750,000,000
- Accrued interest on <i>Obligations Foncières</i> SCF	8,621,861	19,904,372
- Negotiable certificates of deposit	-	87,300,000
- Accrued interest on negotiable certificates of deposit	12,442,115	23,756,260
- Medium-term notes – Crédit Foncier	497,890,000	746,482,500
- Accrued interest on medium-term notes – Crédit Foncier	8,750,279	27,427,013
	1,027,704,255	1,654,870,145
ACCRUALS		
- Issuing expenses	46,141	87,443
	46,141	87,433
BOND REDEMPTION PREMIUMS		
- Bond redemption premiums	54,749	110,688
- Deferred expenses	8,847	17,294
	69,596	127,982

Description of certain liability items

(in euros)

DESCRIPTION OF CERTAIN LIABILITY ITEMS	06/30/2016	12/31/2015
OTHER BONDS		
- Other bonds	500,000,000	750,000,000
- Bond Issue premiums	-	-
- Accrued interest on other bonds	8,651,042	27,057,292
		777,057,292
OTHER BORROWINGS AND FINANCIAL DEBTS		
- Credit Foncier cash collateral	20,654,731	48,952,778
- Issue Repayment Reserve	500,000,000	750,000,000
- Subordinated Loans	20,625,000	42,809,150
- Accrued interest on Crédit Foncier cash collateral	-	-
- Accrued interest on Crédit Foncier Issue Repayment Reserves	-	-
- Interest due on subordinated Loans (IF+IVA)	-	-
		841,761,928
TRADE ACCOUNTS PAYABLE AND RELATED ACCOUNTS		
- Suppliers - purchases	-	-
- Suppliers - invoices not yet received	72,100	99,400
	72,100	99,400
TAXES PAYABLE		
- Personnel - remunerations	-	-
- Payroll taxes	357	1,714
- Personnel - other accrued expenses	181	356
- State - Corporate income tax	-	-
- VAT collected	26,917	-
- VAT to be subtracted	-	-
- VAT on invoices to be issued	-	-
- State - Accrued expenses	-	251,724
	27,455	253,794
OTHER LIABILITIES		
- Customer credits Crédit Foncier – credit notes	-	-
- Director's fees and other remuneration	13,050	29,350
- Expenses bills to be paid	-	-
- Current account – Tax consolidation	-	5,397,871
	13,050	5,427,221

(in euros)

INCOME STATEMENT	06/30/2016	06/30/2015	12/31/2015
REVENUE FROM OPERATIONS			
- Services rendered	136,083	-	153,326
Net revenue	136,083	-	153,326
- Deferred expenses	-	-	-
- Other income	-	-	-
TOTAL OF REVENUE FROM OPERATIONS	136,083	-	153,326
OPERATING EXPENSES			
- Other purchases and expenses	312,602	225,626	534,208
- Taxes and assessments	71	6,922	263,303
- Salaries and wages	5,794	10,000	20,000
- Payroll taxes	3,185	3,906	6,646
- Depreciations and amortisation accruals	-	-	-
- Provisions and impairments on current assets	-	-	-
- Other expenses	16,350	19,458	39,361
TOTAL OF OPERATING EXPENSES	338,002	265,912	863,518
OPERATING INCOME	-201,919	-265,912	-710,192
INVESTMENT INCOME			
- Income from equity holdings	-	5,784,929	5,784,929
- Income from negotiable certificates of deposit, medium-term notes and <i>obligations foncières</i>	10,686,878	14,667,577	28,921,750
- Other interest income and related income	-	178	178
- Deferred expenses	-	-	-
- Net income from the sale of investment securities	-	-	-
TOTAL OF INVESTMENT INCOME	10,686,878	20,452,684	34,706,857
FINANCIAL EXPENSES			
- Depreciation, amortisation and provisions	97,240	155,886	311,772
- Interest and related expenses	11,009,944	20,195,873	34,896,547
- Issuing expenses	-	-	-
- Other financial expenses	-	-	-
TOTAL OF FINANCIAL EXPENSES	11,107,185	20,351,759	35,208,319
FINANCIAL INCOME	-420,307	100,925	-501,462
EARNINGS BEFORE TAX	-622,226	-164,987	-1,211,654
EXTRAORDINARY GAINS			
- On management transactions	-	-	-
- On capital transactions	-	477,309,948	477,309,948
- Reversal of impairments, provisions and deferred expenses	-	-	-
TOTAL OF EXTRAORDINARY GAINS	-	477,309,948	477,309,948
EXTRAORDINARY EXPENSES			
- On management transactions	-	-	-
- On capital transactions	-	459,701,903	459,701,903
TOTAL OF EXTRAORDINARY EXPENSES	-	459,701,903	459,701,903
EXTRAORDINARY INCOME	-	17,608,045	17,608,045
CORPORATE INCOME TAX	-	5,999,782	5,626,774
TOTAL EARNINGS	10,822,961	497,762,632	512,170,313
TOTAL EXPENSES	11,445,187	486,319,356	501,400,514
NET INCOME FOR THE PERIOD	-622,226	11,443,276	10,769,617

Description of certain income statement items

(in euros)

DESCRIPTION OF CERTAIN INCOME STATEMENT ITEMS		06/30/2015	12/31/2015
PRODUCTION SOLD (GOODS & SERVICES)			
- Services rebilled to Crédit Foncier	136,083	-	153,326
TOTAL	136,083	-	153,326
INCOME FROM NEGOTIABLE CERTIFICATES OF DEPOSIT AND MEDIUM-TERM NOTES AND OBLIGATIONS FONCIERES			
- Revenue from medium-term notes	11,099,384	14,888,059	29,776,118
- Premium/Discount on <i>Obligations Foncières</i>	-11,314,145	-5,357,094	-20,758,740
- Revenue from negotiable certificates of deposit	-	-	-
- Revenue from <i>Obligations Foncières</i> , Compagnie de Financement Foncier	10,901,639	5,136,612	19,904,372
TOTAL	10,686,878	14,667,577	28,921,750

(in euros)

DESCRIPTION OF CERTAIN INCOME STATEMENT ITEMS	06/30/2016	06/30/2015	12/31/2015
OTHER PURCHASES AND EXPENSES			
- Crédit Foncier subcontracting commission	98,750	135,000	225,225
- General outsourcing	-	-	-
- Insurance fees	-	816	1,502
- Fees	44,558	44,480	58,625
- Legal fees and litigation	-	-	-
- Miscellaneous	-	-	-
- Legal notices, inserts and advertising	627	114	5,183
- Publications	-	-	-
- Travel and expenses	-	-	-
- Reception	-	-	-
- Postal charges and telecommunications	-	-	-
- Banking services	234	216	347
- Commissions on security transactions (buy, sell, hold)	-	-	-
- Annual issue commissions	-	-	-
- Other fees and commissions	136,083	-	153,326
- Crédit Foncier cash management commissions	16,175	22,500	45,000
- Commissions for Foncier titrisation mandate	16,175	22,500	45,000
TOTAL	312,602	225,626	534,208
TAXES AND ASSESSMENTS			
- Local business tax	-	6,052	263,663
- Payroll tax	-	788	606
- Apprenticeship and training tax	71	82	246
- Minimum corporate income tax	-	-	-
- Registration taxes and stamps	-	-	-
TOTAL	71	6,922	263,303
SALARIES AND WAGES			
- Wages and salaries	5,794	10,000	20,000
- Bonuses and appointments	-	-	-
TOTAL	5,794	10,000	20,000
PAYROLL TAXES			
- URSSAF	1,283	1,672	3,845
- Pension funds	576	928	1,495
- ASSEDICS	1,326	1,306	1,306
TOTAL	3,185	3,906	6,646
INTEREST & RELATED EXPENSES			
- Interest on subordinated debt	-	5,495,682	5,495,682
- Interest on borrowings and related debt	10,977,196	14,699,982	29,400,656
- Interest on current account and deposits	24,769	-	-
- Interest on Crédit Foncier cash collateral	7,979	209	209
TOTAL	11,009,944	20,195,873	34,896,547
AMORTIZATIONS & PROVISIONS			
- Amortization of debt redemption premium	55,939	105,730	211,460
- Amortization of issuing expenses	41,302	50,156	100,312
TOTAL	97,240	155,886	311,772

NOTES TO THE FINANCIAL STATEMENTS

Notes to the balance sheet before appropriation of earnings for the half-year ended June 30, 2016, showing total assets of €1,097,193,384.44 and notes to the income statement, showing total income of €10,822,960.90 and total expenses of €622,225.89.

This period consisted of a six-month period from January 1 to June 30, 2016.

The notes are located on pages 26 to 34 below belong to the notes to the financial statements.

The accounting methods and calculations used for the half-year financial statements are identical to those used for the previous period statements.

I. HIGHLIGHTS OF THE FIRST HALF-YEAR OF 2016

As of June 17, 2016, the General Meeting approving the accounts for the year ended December 31, 2015 has decided to distribute a dividend of €116 per share for a total of €13,243,604. The date of payment was set at June 28, 2016.

Following the repayment of some bond issuances (amounting to € 250m) in January 2016, the Issue Repayment Reserve is equal to the positive difference between the outstanding of remaining issuances and the Negotiable debt securities, and accounts for €500m.

During financial year 2015, VMG has subscribed to two *obligations foncières* of Compagnie de Financement Foncier, the characteristics of which are similar to those of VMG's Issuances. Following the maturity of one of the remaining issues in January 2016, there remains only one issuance with maturity in January 2017:

- Issuance of €500 million with a maturity as of 01/30/2017 and a nominal rate of 4.125 %.

The return on these *obligations foncières* being higher than a market average. VMG paid off an acquisition premium and there remains only the one related to the remaining issuance with maturity as of January 30, 2017:

- €37,560,000 on the obligation foncière of €500 million amortised over the detention period.

II. PRINCIPLES

1. Operating principles

VMG is a refinancing vehicle belonging to the Crédit Foncier group whose role is to issue debt secured by the latter's loans.

VMG issues debt in the form of investment securities, negotiable debt securities or bank loans. The proceeds from these issues are then lent to Crédit Foncier or used to purchase negotiable debt securities issued by Crédit Foncier.

To ensure the reimbursement of its senior debt, VMG holds high quality assets in an Issue Repayment Reserve.

VMG's balance sheet and income statement illustrate the matching principle behind securitized refinancing.

The Internal Regulations governing VMG's activities stipulate the rules the Management Board must follow to respect this principle. They also stipulate the means and procedures according to which Supervisory Board carries out its supervision function.

The financial position displaying the balance sheet's main items is reported in accordance with the following pro-forma model:

(in millions of euros)

	06/30/2016	12/31/2015	12/31/2014		06/30/2016	12/31/2015	12/31/2014
FCT units (Other equity holdings)	0	0	463	Subordinated debt	21	43	463
				Issue Repayment Reserve (borrowings)	500	750	290
Negotiable debt securities and accrued interest	507	774	774	Bond issues	509	777	777
Short-term cash investment	521	881	213	Cash collateral (borrowings)	21	49	37

2. Accounting principles

Generally accepted accounting principles, including the principle of prudence, that adhere to the following basic assumptions have been used for the financial statements:

- business continuity;
- permanence of accounting methods from one year to the next;
- periodicity.

These principles comply with general rules for establishing and presenting financial statements.

A. Negotiable debt securities

These include medium-term notes issued by Crédit Foncier and purchased by VMG pursuant to the provisions of the Subscription Master Agreement for Negotiable Debt Securities.

At June 30, 2016, VMG held the following Crédit Foncier medium-term notes except accrued interest:

(in thousands of euros)

Purchase date	Amount	Rate (%)	Maturity
12/09/2004	497,890	4.19	01/30/2017
	497,890		

B. Available-for-sale-securities

At June 30, 2015, VMG held no available-for-sale securities.

C. Obligations foncières

As of June 30, 2015, the VMG holds the following obligations foncières:

(en milliers d'euros)

Purchase date	Amount 12/31/2016	Notional	Net Premiums	Rate	Maturity
04/28/2015	537,560	500,000	12,442	4.13%	01/30/2017
		500,000	12,442		

D. Borrowings and bonds

Borrowings and bonds are recognized at their redemption value.

Borrowing expenses (placement commissions, brokerage fees, other expenses) are amortized over the life of the debt. Expenses that have not yet been amortized are recognized under the item "Accruals issuing expenses".

Redemption premiums on borrowings are amortized over the life of the borrowings. Issue premiums are recognized as "issue premiums" under the "Bonds" item.

Interest expense is determined under the accruals concept based on the yield to maturity and recognized as "Deferred expenses on bonds" under the "Bond redemption premiums" item.

No bonds were issued in 2016.

Outstanding VMG issues at June 30, 2016 were as follows:

(in thousands of euros)

Issuance date	Amount	Rate	Maturity
12/09/2004	500,000	4.125%	01/30/17
	500,000		

III. NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

Statement of assets

(in euros)

Items	Gross value at 01/01/2015	Increase	Decrease	Gross value at 06/30/2016
- Equity holdings and accrued interest	0	-	0	0
- Loans and accrued interest	-	-	-	-
Total	0	0	0	0

All equity holdings composed of FCT units were repaid in 2015.

Accrued income

(in euros)

OF ACCRUED INCOME RECOGNIZED UNDER THE FOLLOWING ITEMS	Amounts	
	06/30/2016	12/31/2015
- Other equity holdings	-	-
- Loans	-	-
- Trade receivables	161,500	69,151
- Negotiable debt securities - Medium-term notes	8,750,279	27,427,013
- Negotiable debt securities - <i>Obligations Foncières</i>	8,621,861	19,904,372
- Negotiable debt securities - Negotiable Certificates of Deposit	-	-
	17,533,639	47,400,535

Share capital

ITEMS	Number
- Shares outstanding at year start	114,169
- Shares outstanding at the end of the period	114,169

Changes in share capital

	Opening balance 01/01/2015	Allocations	Changes in capital and reserves		Amount at 12/31/2015	Allocations	Changes in capital and reserves		Amount at 06/30/2016
			Dividendes paid in shares	Other changes			Dividendes paid in shares	Other changes	
Share capital (1)	42,336,195	-	-	-	42,336,195				42,336,195
Share premiums	-	-	-	-	-				-
Reserves	-	-	-	-	-				-
Legal, reserve	2,638,172	22,225	-	-	2,660,397	539,000			3,199,397
General, reserve	-	-	-	-	-				-
Regulated, reserves	-	-	-	-	-				-
Of, which	-	-	-	-	-				-
Regulated, evaluation, reserves	-	-	-	-	-				-
Special, long-term, capital, gains, reserve	-	-	-	-	-				-
Retained earnings	6,083,208	-833,580	-	-	5,249,628	-3,012,987			2,236,641
Net shareholders' equity before income for the year	51,057,575	-811,355	-	-	50,246,220	-2,473,987			47 772 233
Income for the year before allocation	-	-	-	-	-				-
Income for the year	444,504	-444,504	-	10,769,617	10,769,617	-10,769,617		-622,226	-622 226
Net shareholders' equity after income for the year	51,502,079	-1,255,859	-	10,769,617	61,015,837	-13,243,604		-622,226	47 150 007
Dividendes distributed	-	1,255,859	-	-	-	13,243,604			
Other changes	Opening balance 01/01/2015	Other changes	Changes in provisions		Amount at 12/31/2015	Other changes	Changes in provisions		Amount at 06/30/2016
			Increases	Decreases			Increases	Decreases	
Special revaluation provision	-	-	-	-	-				
Other regulated provisions	-	-	-	-	-				
Regulated provisions	-	-	-	-	-				
Amount of shareholders' equity before allocation	51,502,079	9,513,758	-	-	61,015,837	-13,865,830			47,150,007
Other changes	Opening balance 01/01/2015	Other changes	Changes in FRBG		Amount at 12/31/2015	Other changes	Changes in FRBG		Amount at 06/30/2016
			Increases	Decreases			Increases	Decreases	
Fund for general banking risks	-	-	-	-	-				
TOTAL	51,502,079	9,513,758	-	-	61,015,837	-13,865,830			47,150,007

(1) The capital is comprised of 114,169 ordinary shares, of which 15,000 with a nominal value amounting to €15.24, 4,961 shares with a nominal value amounting to €302.21, 19,622 shares with a value amounting to €432.19, 19,493 shares with a nominal value of €466.95 and 55,093 of a nominal value amounting to €417.94.

All of them provide their holders with the same rights. No free reassessment has ever been done at the present day.

Maturity schedule of receivables

(in euros)

ITEMS	GROSS AMOUNT	MATURITY	
		1 year or less	more than 1 year
Long-term loans and investments			
- FCC units (a)	-		-
- Receivables related to equity holdings	-	-	
- Loans			
- Accrued interest on loans			
Current assets			
- Trade receivables	161,500	161,500	
- Personnel and account payable			
- Negotiable debt securities - <i>Obligations Foncières</i>	500,000,000	500,000,000	-
- Negotiable debt securities - Medium-term notes	497,890,000	497,890,000	-
- Negotiable debt securities - Negotiable Certificates of Deposit	-	-	
- Accrued interest on Negotiable debt securities	17,372,140	17,372,140	
- Amortization of premium Compagnie de Financement Foncier	12,442,115	12,442,115	0
- State - Value added tax	-		
- State - Corporate income tax	-		
- Sundry debtors – Crédit Foncier			
- Tax consolidation account	57,226	57,226	
- Accrual accounts	109,737	109,737	
TOTAL	1,028,032,718	1,028,032,718	0
More than 5 years			

(a) These amounts are calculated based on theoretical repayment schedules.

Maturity schedule of liabilities

ITEMS	GROSS AMOUNT	MATURITY	
		1 year or less	More than 1 year
Liabilities			
- Outstanding bonds and accrued interest	508,651,042	508,651,042	
- Other borrowings and accrued interest			
- Subordinated loans and accrued interest (a)	520,625,000	520,625,000	-
- Other borrowings			
- Cash collateral and accrued interest	20,654,731	20,654,731	
- Current account – tax consolidation			
- Trade payables	72,100	72,100	
- Social security liabilities	538	538	
- Tax debts			
- Corporate income tax			
- Value added tax	26,917	26,917	
- Other taxes			
- Other liabilities	13,050	13,050	
<i>of which, dividends payable</i>			
- Deferred incomes	-	-	
TOTAL	1,050,043,377	1,050,043,378	-
Of which with a maturity exceeding 5 years			

(a) Proceeds from subordinated loans are used to finance purchases of Issue Repayment Reserve and repayment of these loans is governed by VMG's Internal Regulations. Maturities of more or less than one year shown above correspond to the theoretical maturity schedule of this reserve

Accrual accounts statement

Breakdown of accruals at 06/30/2016

(in euros)

	Total at 12/31/2015	Increase in 2016	Amortization in 2016	Balance sheet amount
- Issuing expenses	87,443		41 302	46 141
TOTAL	87,443	0	41 302	46 141

Breakdown of bond redemption premiums at 06/30/2016

(in euros)

	Total at 12/31/2015	Increase in 2016	Amortization in 2016	Balance sheet amount
- Redemption premiums	110,688		55,939	54,749
- Deferred expenses	17,294		8,447	8,847
TOTAL	127,982		64,385	63,596

Accrued expenses

(in euros)

AMOUNT OF ACCRUED EXPENSES INCLUDED UNDER THE FOLLOWING ITEMS	Amount	
	06/30/2016	12/31/2015
- Bonds	8,651,042	27,057,292
- Other borrowings and financial debts – Other debt	-	-
- Other borrowings and financial debts - Subordinated debt	-	-
- Other borrowings and financial debts – Cash collateral	-	-
- Other borrowings and financial debts – Corporate income tax (tax consolidation)	-	-
- Trade accounts payable	72,100	99,400
- Tax debts	57,226	5,649,595
- Other debts	13,050	29,350
	8,678,966	32,835,637

Elements under several balance sheet items

(in euros)

ITEMS	Amount concerning	
	affiliated companies	associated companies
- Loans and accrued interest		-
- Cash	69,160,667	-
- Trade receivables	161,500	-
- Other receivables (current account – tax group)	57,226	-
- Negotiable Debt Securities, <i>Obligations financières</i> and accrued interest	1,027,704,255	-
- Other borrowings and financial debts	-541,279,731	-
- Trade accounts payable	-36,850	-
- Tax debts	-	-
- Other liabilities (dividends)	-	-
	555,767,066	-

Elements under several income statement items

(in euros)

ITEMS	Amount concerning	
	affiliated companies	associated companies
- Services rendered	136,083	-
- Income from medium-term notes and certificates of deposit	11,099,384	-
- Other interest and related income	-24,769	-
- Income from <i>Obligations foncières</i>	10,901,639	-
- Other purchases and external expenses	-251,008	-
- Interest on subordinated debt	-	-
- Premium on <i>Obligations foncières</i>	-11,314,145	-
- Interest on cash collateral	-7,979	-
	10,539,205	-

Expenses transfers

Expenses related to issues incurred during the financial year are recognized under "Accruals – issuing expenses" through the deferred expenses account. These expenses are then amortized on a straight-line basis over the life of the debt.

Extraordinary gains and charges

Nul.

Financial commitments

(in euros)

COMMITMENTS MADE	Amount
- Deposit of FCC Units and re-invested cash balances from cash collateral and the Issue Repayment Reserve into a Financial Instruments Account. This account has been pledged as a guarantee of the timely payment to banks and counterparties to interest rate swap agreements of any sums payable on bonds or other debt securities issued by VMG.	
COMMITMENTS RECEIVED	None

Tax group

On January 1st, 2010 VMG became part of the tax group headed by BPCE.

The income tax expense of VMG as of June 30, 2016 is €0.

Changes in deferred taxes

No deferred tax liabilities or timing differences existed at June 30, 2016.

IV. ADDITIONAL INFORMATION

The accounts of VMG are fully consolidated into those of its parent company, Crédit Foncier.

The total remuneration for members of the management and supervisory bodies amounted to €22,144 at June 30, 2016, including Directors' fees.

V. CASH FLOW STATEMENT

(in euros)

CASH FLOW STATEMENT	06/30/2016	06/30/2015	12/31/2015
Operational activities			
Net income for the year before tax	-622,226	17,443,058	16,396,391
Adjustments			
Depreciations and amortization of property, equipment and intangible assets	-	-	-
Changes in provisions for impairments	-	-	-
Changes in provisions for contingencies and losses	-	-	-
Income from equity holdings	-	-5,784,929	- 5,784,929
Interest expense on subordinated debt	-	5,495,682	5,495,682
Other income adjustments	22,972,827	-43,925,591	43,323,205
Changes in customer receivables	-92,349	132,000	120,809
Changes in short-term investment securities portfolio	498,595,500	-750,000,000	- 750,000,000
Changes in other assets	-57,226	2,200	31,660
Changes in debts payable to banks and customers	-	-	-
Net issues of debt securities	-250,000,000	-	-
Changes in other liabilities	-33,965,857	18,471,776	17,626,053
Corporate income tax paid	-	-5,999,782	- 5,626,774
Total cashflows from operational activities	236,827,669	-764,165,786	- 765 064 312
Investment activities			
Proceeds from the disposal of:			
Long-term financial assets (FCT units)	-	459,701,903	459,701,903
Tangible and intangible fixed assets	-	-	-
Disbursements for the acquisition of:			
Long-term financial assets (FCT units)	-	-	-
Tangible and intangible fixed assets	-	-	-
Financial income from long-term financial assets (FCT units)	-	9,013,160	9,013,160
Others	-	-	-
Total cashflows from investment activities	-	468,715,064	468,715,064
Financing activities			
Cash contribution to capital	-	-	-
Dividends distributed	-13,243,604	-1,255,859	- 1,255,859
Net changes in subordinated debt	-250,000,000	42,809,150	42,809,150
Interest expense on subordinated debt	-22,184,150	-8,562,502	- 8,562,502
Other changes	-	-	-
Total cashflows from financing activities	-285,427,754	32,990,789	32,990,789
Increase/decrease in cash and cash equivalents	-48,600,085	-262,459,934	-263,358,460
Cash and cash equivalents at the beginning of the year	117,760,753	381,119,213	381,119,213
Cash and cash equivalents at the end of the period	69,160,668	118,659,279	117,760,753

BREAKDOWN OF CASH AND CASH EQUIVALENTS	06/30/2016	06/30/2015	12/31/2015
Cash and cash equivalents		118,659,279	117,760,753
Cash, central bank, post office accounts	69,160,668	15,659,279	30,460,753
Certificates of deposits acquired with cash	-	103,000,000	87,300,000

Notes to the cash flow statement of Vauban Mobilisations Garanties

The main method used was to analyze balance sheet movements by comparing the 2016 and 2015 audited and published financial statements. The breakdown of the cash flow statement into different sections is based on details provided in the notes to the financial statements of the years in question, including both the notes to the balance sheet as well as the income statement.

This document takes into account VMG's special status as a refinancing vehicle.

Operational activities are therefore presented using the indirect method and include purchases of medium-term notes issued by VMG's parent company, Crédit Foncier de France, and refinancing operations involving senior debt issues whose proceeds are used to purchase said notes. VMG's main activity is to provide Crédit Foncier with the funds it needs to finance its loan origination business.

VMG's investment activities consist of purchasing FCT Units which serve as collateral for the senior debt issues mentioned above.

Finally, financing activities include transactions involving shareholders' capital and Subordinated Loans granted by Crédit Foncier de France for the purchase of FCC Units serving as collateral for bond issues.

Cash is defined as:

- cash on hand or demand deposits with credit institutions;
- or negotiable certificates of deposits acquired by VMG by reinvesting cash collateral and Issue Repayment Reserves.

VERIFICATION OF HALF YEAR HISTORICAL FINANCIAL INFORMATION

KPMG Audit FS I
Tour EQHO
2, Avenue Gambetta - CS 60055
92066 Paris La Défense Cedex - France

PricewaterhouseCoopers Audit
Crystal park
63, rue de Villiers
92200 Neuilly-sur-Seine - France

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

Vauban Mobilisations Garanties S.A.

Share capital: 19, rue des Capucines - 75001 Paris - France
Head office: €42,336,194.77

STATUTORY AUDITORS' REVIEW REPORT ON THE INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2016

To the Shareholders,

In compliance with the assignment entrusted to us by the Annual General Meeting and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed interim financial statements of Vauban Mobilisations Garanties – S.A. for the six-months period ended June 30th, 2016,
- the verification of the information contained in the interim management report.

These condensed interim financial statements are the responsibility of the Management Board. Our role is to express a conclusion on these financial statements based on our review.

I - Conclusion on the financial statements

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements do not give a true and fair view of assets and liabilities and of the financial position of the company as at June 30th 2016, and of the results of its operations for the six-month period then ended, in accordance with the accounting rules and principles applicable in France.

II - Specific verification

We have also verified information given in the interim management report on the condensed interim financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed interim financial statements.

Paris La Défense, on July 22nd, 2016
KPMG Audit FSI
Xavier de Coninck
Partner

Neuilly-sur-Seine, on July 22nd, 2016
PricewaterhouseCoopers Audit
Jean-Baptiste Deschryver
Partner

ADDITIONAL INFORMATION

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AMF CROSS-REFERENCE TABLE

Sections from the schema in Annex IV of CE Regulation No. 809/2004

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1.	PERSONS RESPONSIBLE		
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1.2.	Declaration by those responsible	11	11
2.	STATUTORY AUDITORS		
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2.2.	Statutory auditors during the period covered by the historical financial information	12	12
3.	SELECTED FINANCIAL INFORMATION		
3.1.	Financial information	8 and 9	8 and 9
3.2.	Financial information for interim periods	8 and 9	N/A
4.	RISK FACTORS	12	13
5.	INFORMATION ABOUT THE ISSUER		
5.1.	Corporate history and development		
5.1.1.	Corporate name and commercial name of the issuer	13	14
5.1.2.	Issuer location and company registration number	13	14
5.1.3.	Date of incorporation and term of the issuer	13	14
5.1.4.	Registered office and legal form of the issuer	13	14
5.2.	Investment		N/A
6.	BUSINESS OVERVIEW		
6.1.	Main operations		
6.1.1.	Main categories of services rendered	15 to 17	20 to 29
6.1.2.	New product sold or new activities	N/A	N/A
6.2.	Main markets		20 to 29
6.2.1.	Recent events that significantly impact the evaluation of the issuer's solvency	15 and 17	29
6.3.	Commercial positioning		N/A
7.	ORGANISATION CHART		
7.1.	Description of the group and the issuer's role		30 and 31
7.2.	Interdependence with other group entities		31
8.	INFORMATION ON TRENDS		
8.1.	Declaration that no significant deterioration has affected the outlook of the company since its last financial report	17	29
8.2.	Event reasonably likely to materially affect the outlook of the issuer	17	29
9.	PROFIT FORECASTS AND ESTIMATES		N/A
10.	ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES		
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	Names of members and summary of the mandate	N/A	N/A
11.2.	Corporate governance		31 and 61 to 72
12.	MAIN SHAREHOLDERS		
12.1.	Holder, control	N/A	41
12.2.	Known agreement that may lead to a change of control		N/A

13.	FINANCIAL INFORMATION CONCERNING ASSETS & LIABILITIES, FINANCIAL POSITION AND EARNINGS		
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13.2.	<u>Annual financial statements</u>	N/A	
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	• Off-balance sheet		N/A
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	• Cash Flow Statement		57 to 58
	• Accounting methods and explanatory notes		48 to 58
13.3.	<u>Verification of annual historical financial data</u>		
13.3.1.	Statutory auditors' report	35	59 to 60
13.3.2.	Other information in the document verified by the statutory auditors		61 to 72
13.3.3.	Financial information in the document from unaudited financial statements	N/A	N/A
13.4.	<u>Date of latest financial information</u>		
13.4.1.	Last year for which financial information has been audited	2015 Registration document ^(*)	2014 Registration document
13.5.	<u>Interim financial information and other</u>		
13.5.1.	Quarterly or semi-annual financial information since the date of the last audited financial statements		N/A
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	2. Off-balance-sheet	N/A	
	3. Income statement	22 to 24	
	4. Cash-flow statement	33	
	5. Accounting methods	25 to 34	
13.5.2.	Interim financial information since the end of last year	N/A	N/A
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13.7.	<u>Significant changes in the financial position or commercial positioning</u>		
	• Statement		29
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14.2.	<u>Memorandum and Articles of Association</u>		
14.2.1.	Registration and corporate purpose	13 and 14	14 to 15 and 77
15.	MAJOR CONTRACTS		
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(*) Pursuant to Article 28 of Regulation 809-2004 on prospectuses, accounts for the financial year ended December 31, 2014 and the report of the statutory auditors thereon, on Registration Document No. D15-0436 filed with the French Financial Markets Authority on April 29, 2015, are incorporated in the 2015 Registration document.

CROSS REFERENCE TABLE WITH THE INFORMATION REQUIRED IN HALF-YEARLY FINANCIAL REPORT

« In application of the article 212-13 of the general Regulation of the AMF, the present updating includes the information of the biannual financial report mentioned in the article L.451-1-2 of the monetary and financial Code».

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- Main events during first-half 2016	15 to 17
- Main risks and uncertainties	12
FINANCIAL STATEMENTS	
- Half-year accounts	19 to 34
- Statutory auditors' report on the half-year accounts	35

Vauban Mobilisations Garanties

**S.A. (French public limited company) with Management Board and Supervisory Board
with share capital of 42,336,194.77 euros**

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