



CRÉDIT IMMOBILIER DE FRANCE
3 CIF

PRESS RELEASE

Under the terms of its attached press release dated 21 February 2013, the European Commission announced it has granted temporary approval to France, to provide Crédit Immobilier de France (CIF) with a state guarantee in accordance with EU state aid rules.

This decision allows France to implement the guarantee authorized by the French Parliament within Article 108 of the Law of finance for year 2013.

The guarantee is necessary to let CIF to come back on the debt issuance markets and, accordingly, to cover its liquidity needs.

Following this guarantee, CIF promised to honour, during the guarantee period, some commitments especially to not pay any dividends to its shareholders nor any coupon on debt instruments which payment is discretionary under the issuing documentation. For the avoidance of doubt, it is reminded that CIF didn't issue such debt instruments. These provisions affect neither the payment of the coupons of 3CIF's senior unsecured debt nor the payment of CIF Euromortgage's privileged debt that will be paid at their contractual due date.

Patrick Amat

Chief Executive Officer



EUROPEAN COMMISSION

PRESS RELEASE

Brussels, 21 February 2013

State aid: Commission temporarily approves rescue aid for Cr dit Immobilier de France

The European Commission has granted temporary approval to France, under the EU state aid rules, to provide Cr dit Immobilier de France (CIF) with a €18 billion state guarantee. This guarantee is necessary to cover CIF's urgent liquidity needs and to give it time to draw up a restructuring or orderly resolution plan, which France undertook to submit to the Commission within six months from the date of the temporary approval decision.

The Commission acknowledges that the guarantee in favour of CIF is necessary to avoid a knock-on effect on the French banking system. The Commission's guidance on state aid for banks during the crisis (see [IP/08/1495](#) and [IP/11/1488](#)) states that the Commission may authorise rescue aid for six months in order to preserve financial stability.

In line with these rules, France has promised that CIF will honour a number of commitments during this period. In particular, CIF will respect an acquisition ban, and a coupon and dividend ban. Moreover, CIF will not increase its volume of business and stricter conditions will apply to granting new loans.

The Commission will take a final decision on the temporary guarantee as part of its assessment of the restructuring or orderly resolution plan.

Background

Owned by the cooperatives "SACICAP", CIF is a mortgage lender which specialises in loans to low income households in France to promote access to home ownership. CIF has a market share of about 4% and its loan book amounts to roughly €35 billion. CIF finances itself almost exclusively on the wholesale market by means of covered bonds and unsecured issuance. Due to a drastic downgrade by Moody's in 2012 and against the background of the financial crisis, CIF has faced serious refinancing problems. To avoid CIF's immediate default, France granted the above-mentioned guarantee.

The non-confidential version of the current decision will be made available under the case number [SA.35389](#) in the [State Aid Register](#) on the [Competition website](#) once any confidentiality issues have been resolved. New publications of state aid decisions on the internet and in the Official Journal are listed in the [State Aid Weekly e-News](#).

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