



Limited company with 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
INTERIM FINANCIAL STATEMENTS AT JUNE 30, 2015

July 2015

DISSEMINATION OF INFORMATION

Mandatory 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 INTERIM FINANCIAL REPORT	3
II. COMPANY STATUS AND ACTIVITIES.....	4
1. KEY EVENTS DURING THE FIRST SIX MONTHS OF THE YEAR	4
2. FUTURE OUTLOOK	4
3. KEY EVENTS BETWEEN THE HALF-YEAR-END AND THE DATE OF THIS REPORT	4
4. SUBSIDIARIES AND INVESTMENTS	4
5. CROSS SHAREHOLDINGS.....	4
6. CURRENT DELEGATIONS OF AUTHORITY CONCERNING INCREASE IN THE COMPANY’S CAPITAL.....	5
7. OWNERSHIP.....	5
III. RESULTS, FINANCIAL POSITION AND DEBT	6
1. STATEMENT OF FINANCIAL POSITION.....	6
a. ASSETS.....	6
b. LIABILITIES AND SHAREHOLDERS’ EQUITY	7
c. RESULTS.....	8
d. STATEMENT OF CASH FLOWS.....	9
e. COVER POOL.....	10
2. FINANCIAL POSITION AND PRUDENTIAL RATIOS	11
3. DEBT	11
IV. DESCRIPTION OF KEY RISKS AND UNCERTAINTIES AND RISK MANAGEMENT SYSTEM	11
1. CREDIT RISK.....	12
2. INTEREST RATE, FOREIGN EXCHANGE AND MARKET RISK	13
3. LIQUIDITY RISK	14
4. OPERATIONAL RISK	15
5. LEGAL RISK	16
V. APPENDICES	17
1. FINANCIAL STATEMENTS.....	18
2. REPORT OF THE STATUTORY AUDITORS' LIMITED REVIEW OF THE INTERIM FINANCIAL STATEMENTS	28

I. PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

Person responsible for the interim financial report

Mr. Christian Ander - Chief Executive Officer

Certification of the person responsible for the interim financial report

I certify that, to the best of my knowledge, the condensed interim 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 interim management report gives a true and fair view of the major events that have occurred during the first six months of the year, their impact on the financial statements, and the main related-party transactions, as well as a description of the main risks and uncertainties faced by those companies during the remaining six months of the year.

Paris, July 30, 2015

Christian Ander

Chief Executive Officer

II. COMPANY STATUS AND ACTIVITIES

Crédit Mutuel – CIC Home Loan SFH (formerly CM-CIC Covered Bonds) (the “**Company**”) 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 provide refinance the CM11 Group. As such, so-called “US144A” documentation was put in place in 2012 to enable the Company to reach new investors in the United States.

1. KEY EVENTS DURING THE FIRST SIX MONTHS OF THE YEAR

During the first half of 2015, Crédit Mutuel – CIC Home Loan SFH's activity was limited to one issue which occurred on January 13.

We took advantage of the favorable environment resulting from the ECB's intervention and its QE program (CBPP) to issue a seven-year €1 billion bond at a coupon rate of 0.50%.

53% of the issue was subscribed by central banks and governmental institutions, underscoring the market's characteristics at the beginning of the year.

2. FUTURE OUTLOOK

Based on the CM11 Group’s medium- and long-term refinancing needs, another issue may be considered in the second half of 2015.

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

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

4. SUBSIDIARIES AND INVESTMENTS

None.

5. CROSS SHAREHOLDINGS

None.

6. CURRENT DELEGATIONS OF AUTHORITY CONCERNING INCREASE IN THE COMPANY'S CAPITAL

At the Extraordinary Shareholders' Meeting on 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, to increase the Company's share capital by a maximum of €500 million, in one or more tranches, bringing the share capital to a maximum of €620 million.

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

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

7. 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.

II. RESULTS, FINANCIAL POSITION AND DEBT

1. STATEMENT OF FINANCIAL POSITION

a. ASSETS

ASSETS (€millions)	Notes	2015 June 30	2014 December 31
Cash and central bank deposits			
Government securities and similar instruments			
Receivables due from credit institutions	2	22,696.2	24,648.6
Customer deposits			
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		
Accruals and deferred income	4	341.1	467.2
Total assets		23,037.3	25,115.8

Off-statement of financial position	2015 June 30	2014 December 31	
Commitments received			
Financing commitments			
Commitments received from credit institutions			
Guarantee commitments			
Commitments received from credit institutions	10	33,001.0	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)	Notes	2015 June 30	2014 December 31
Central bank borrowing			
Due to credit institutions			
Customer deposits			
Debt represented by securities	5	22,286.5	22,802.9
Other liabilities	3	64.3	1,500.7
Accruals and deferred income	4	341.5	467.5
Provisions			
Subordinated debt	6	120.1	120.2
Fund for general banking risks			
Shareholders' equity	7	224.9	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		1.1	1.4
Total liabilities and shareholders' equity		23,037.3	25,115.8

Off-statement of financial position	2015 June 30	2014 June 30
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 €64 million at June 30, 2015.

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

Off-statement of financial position assets of €33 billion correspond to home loans offered as collateral by providers of collateral to SFH. The equivalent figure at end-2014 was €35 billion.

c. RESULTS

(€millions)	Notes	2015 June 30	2014 June 30
+ Interest and similar income	15	1,481.0	1,618.7
+ Interest and similar expense	15	(1,478.9)	(1,616.9)
+ 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		2.1	1.8
+ Payroll costs			
+ Other administrative expenses		(0.3)	(0.3)
+ Depreciation and amortization			
= Operating expenses		(0.3)	(0.3)
= Gross operating income		1.8	1.5
+ Net additions to/reversals from provisions for loan losses			
= Operating income		1.8	1.5
+/- Gains (losses) on non-current assets			
= Income before non-recurring items		1.8	1.5
+/- Net non-recurring income (expense)			
+ Corporate income tax	16	(0.7)	(0.6)
+/- Additions to (reversals from) fund for general banking risks			
+/- Additions to (reversals from) regulated provisions			
= Net income		1.1	0.9

The Company reported net income for the half-year of €1.1 million, compared with €0.9 million at the end of June 2014.

d. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS¹

	06.2015
Net income	1,148
Tax	662
Income before tax	1,810
+/- Net depreciation/amortization of property, plant and equipment and intangible assets	0
- Impairment of goodwill and other non-current assets	0
+/- Net provisions	0
+/- Share of net income/loss of equity-accounted entities	0
+/- Net loss/gain from investment activities	0
+/- expenses on financing activities	0
+/- Other movements	100,095
= Total non-monetary items included in net income before taxes and other adjustments	100,095
+/- Cash flows relating to interbank transactions	1,832,150
+/- 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	-1,431,346
- Taxes paid	-1,059
= Net decrease in assets and liabilities from operating activities	399,745
TOTAL NET CASH FLOW GENERATED BY OPERATING ACTIVITIES	501,650
+/- Cash flows relating to financial assets and investments in non-consolidated companies	0
+/- Cash flows relating to investment property	0
+/- Cash flows relating to property, plant and equipment and intangible assets	0
TOTAL NET CASH FLOW RELATED TO INVESTMENT ACTIVITIES	0
+/- Cash flows from or to shareholders	-660
+/- Other net cash flows from financing activities	-500,000
TOTAL NET CASH FLOW RELATED TO FINANCING TRANSACTIONS	-500,660
EFFECT OF EXCHANGE RATE VARIATION ON CASH FLOW AND SIMILAR ITEMS	0
Net increase in cash and cash equivalents	990
Total net cash flow generated by operating activities	501,650
Total net cash flow related to investment transactions	0
Total net cash flow related to financing transactions	-500,660
Effect of exchange rate variation on cash and cash equivalents	0
<u>Cash and cash equivalents at beginning of period</u>	<u>2,616</u>
Cash, central bank and postal checking account deposits	0
Demand accounts and loans at credit institutions	2,616
<u>Cash and cash equivalents at end of period</u>	<u>3,606</u>
Cash, central bank and postal checking account deposits	0
Demand accounts and loans at credit institutions	3,606
CHANGE IN NET CASH FLOW	990

¹ This table was not audited by the Statutory Auditors.

e. COVER POOL

Collateral for secured loans is constituted by a portfolio of receivables made up entirely of mortgage-backed receivables, totaling €33,001,028,425 at June 30, 2015.

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

Capital outstanding	€33,001,028,425
Average outstanding loan	€80,941
Number of loans	407,715
Number of borrowers	340,347

Average age of loans (months)	67
Average residual maturity (months)	172

Proportion of fixed-rate loans	90.3%
Average interest rate on fixed-rate receivables	3.57%
Average interest rate on variable-rate receivables	2.66%

BREAKDOWN BY TYPE OF SECURITY		
Type of security	Total capital outstanding	Proportion by type of security
Mortgage guarantee	€8,520,670,140	26%
First mortgage or lender's lien	€24,480,358,285	74%
TOTAL	€33,001,028,425	100%

BREAKDOWN BY TYPE OF LOAN		
Type of loan	Total capital outstanding	Number of loans
Standard	€28,809,251,357	341,267
Home savings plans/accounts	€94,692,143	10,812
Interest-free loans	€0	-
Social housing loans	€2,517,998,177	37,704
Regulated loans	€1,579,086,747	17,932
TOTAL	€33,001,028,425	407,715

BREAKDOWN BY NUMBER OF LOANS IN ARREARS		
Number of monthly repayments missed	Total capital outstanding	Number of loans
0	€33,001,028,425	407,715
> 0		
TOTAL	€33,001,028,425	407,715

These loans were offered as collateral by CIC's regional banks and Crédit Mutuel's local banks.

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.

In its letter of August 1, 2014, the Supervisory College of the ACPR agreed to allow Crédit Mutuel – CIC Home Loan SFH to be exempt from the application of the 75% ceiling on cash receipts for calculating liquidity coverage. However, the Company is subject to the LCR on an individual basis and will need to comply with the regulatory solvency ratio from October 1, 2015.

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 residential 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 (Code de Commerce) require companies to provide specific information on the maturity dates of amounts due to suppliers. In the case of Crédit Mutuel – CIC Home Loan SFH, these amounts are negligible.

III. 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 CM11 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 governed.

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 lay down minimum credit quality levels for such on-lending.
 - Contractual limits: rating agencies have laid down minimum credit ratings that vary according to the term of the loan.

Minimum rating	S&P	Fitch	Moody’s
< 30 days	A1/A	F1	P1
30 days to 1 year	A1+/AA-	F1+	P1
> 1 year	AAA	Aaa	AAA

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

The following table shows a breakdown of this collateral by internal credit rating on a scale of 12 ratings from A to F, highlighting the high quality of the loans in the portfolio.

	Outstandings (€m)	Percentage	Aggregate percentage
A	16,776	51%	51%
B	9,640	29%	80%
C	4,455	14%	94%
< C	2,130	6%	100%
TOTAL	33,001	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 who must meet specific rating criteria for the cover of these risks, upon downgrading of the BFCM's credit rating.
- Since the first-level rating criteria have been met, swaps have been set up to hedge both assets and liabilities. BFCM has the necessary rating level and 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.

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 currency	Currency	Nominal amount in euros	Date issued	Maturity date
250,000,000	GBP	292,575,000	Apr 22, 2013	Apr 22, 2016
1,000,000,000	USD	785,130,000	Nov 16, 2012	Nov 16, 2017
300,000,000	NOK	39,698,293	Mar 22, 2012	Mar 22, 2022
750,000,000	NOK	96,961,862	Oct 7, 2011	Oct 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 issuance program documentation requires Crédit Mutuel – CIC Home Loan SFH to enter into specific currency swaps with counterparties meeting rating criteria intended to hedge the risk of a downgrading in BFCM's credit rating.

- Since the first-level rating criteria have been met, hedging swaps have been put in place. BFCM has the necessary rating level and 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 to BFCM at the same terms.

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

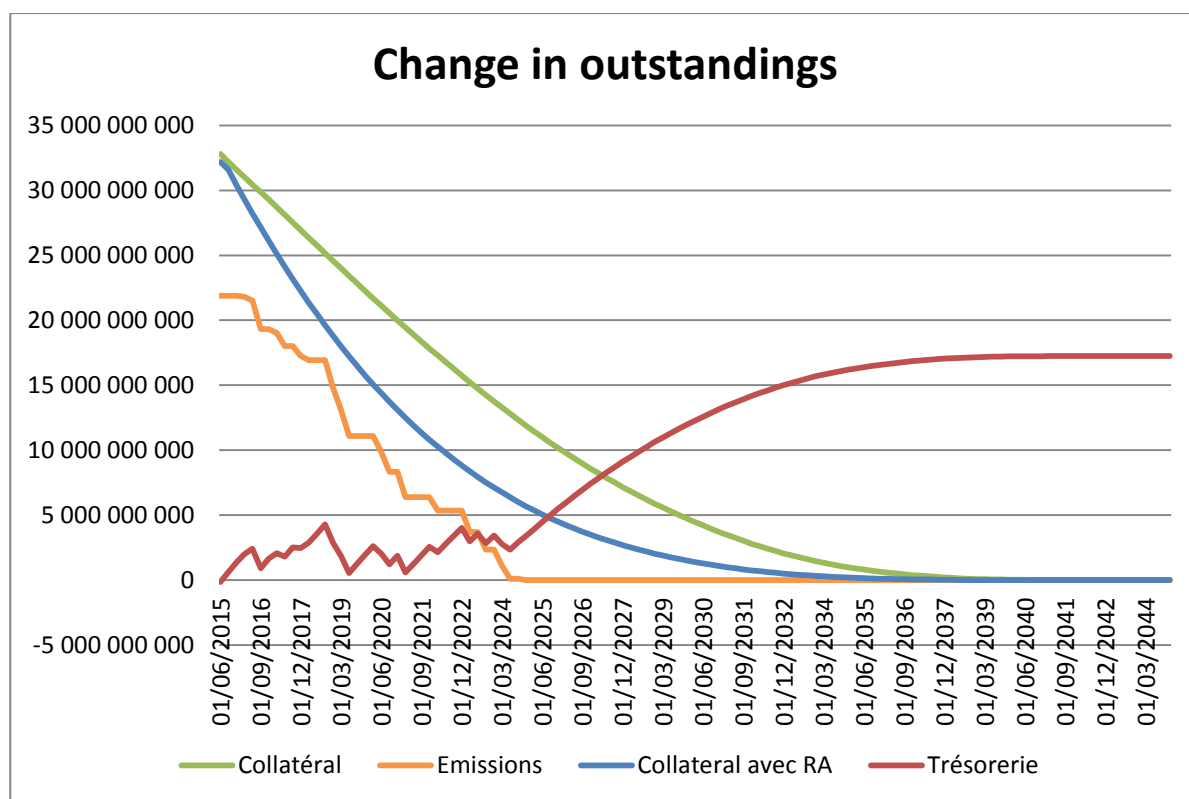
- The only way the Company could be exposed to liquidity risk would be if BFCM were to default. The Company would then need to enforce its security and would become the owner of the home loans. The issue program documentation provides for a pre-maturity test to prevent and manage this type of risk.
- The pre-maturity test requires that, if BFCM's short-term credit rating is downgraded during the nine months before a covered bond issue matures, BFCM must set aside a cash security deposit. 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 posted 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 €64 million at June 30, 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 decree of May 23, 2014, the determination 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 (not taking into account early repayments).



- In a letter dated August 1, 2014, the Supervisory College of the ACPR agreed to allow Crédit Mutuel – CIC Home Loan SFH to be exempt from the application of the 75% ceiling on cash receipts for calculating liquidity coverage. However, the Company is subject to the LCR on an individual basis and will need to comply with the regulatory solvency ratio from October 1, 2015.

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 the CM federal bank under various agreements. Internal control of outsourced activities is organized in accordance with the process laid down by Group Compliance (see Article 258 report).

5. LEGAL RISK

To achieve its corporate purpose, Crédit Mutuel – CIC Home Loan SFH is advised by external legal advisers. 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 can rely on assistance from the CM11 Group for all its activities.

IV. APPENDICES

- FINANCIAL STATEMENTS
- REPORT OF THE STATUTORY AUDITORS' LIMITED REVIEW OF THE INTERIM FINANCIAL STATEMENTS

1. FINANCIAL STATEMENTS

CREDIT MUTUEL-CIC HOME LOAN SFH

Statutory financial
statements

as at June 30, 2015

- Statement of financial position
- Income statement
- Notes

STATUTORY FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

ASSETS (€millions)	Notes	2015 June 30	2014 December 31
Cash and central bank deposits			
Government securities and similar instruments			
Receivables due from credit institutions	2	22,696.2	24,648.6
Customer deposits			
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		
Prepayments and accrued income	4	341.1	467.2
Total assets		23,037.3	25,115.8
Off-statement of financial position assets		2015	2014
		June 30	December 31
Commitments received			
Financing commitments			
From credit institutions			
Guarantee commitments			
From credit institutions	10	33,001.0	35,001.3
Securities commitments			
Securities sold with repurchase or reacquisition option			
Other commitments received			

STATEMENT OF FINANCIAL POSITION

LIABILITIES AND SHAREHOLDERS' EQUITY (€millions)	Notes	2015 June 30	2014 December 31
Central bank borrowing			
Due to credit institutions			
Customer deposits			
Debt represented by securities	5	22,286.5	22,802.9
Other liabilities	3	64.3	1,500.7
Accruals and deferred income	4	341.5	467.5
Provisions			
Subordinated debt	6	120.1	120.2
Fund for general banking risks			
Shareholders' equity	7	224.9	224.5
- Subscribed capital		220.0	220.0
- Additional paid-in capital			
- Reserves		1.2	1.1
- Revaluation reserve			
- Regulated provisions			
- Retained earnings		2.6	2.0
- Profit for the year		1.1	1.4
Total liabilities and shareholders' equity		23,037.3	25,115.8

Off-statement of financial position liabilities	2015 June 30	2014 June 30
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Commitments given

Financing commitments

To credit institutions

To customers

Guarantee commitments

To credit institutions

To customers

Securities commitments

Securities acquired with reacquisition option

Other commitments given

INCOME STATEMENT

(€millions)	Notes	2015 June 30	2014 June 30
+ Interest and similar income	15	1,481.0	1,618.7
+ Interest and similar expense	15	(1,478.9)	(1,616.9)
+ 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		2.1	1.8
+ Payroll costs			
+ Other administrative expenses		(0.3)	(0.3)
+ Depreciation and amortization			
= Operating expenses		(0.3)	(0.3)
= Gross operating income		1.8	1.5
+ Net additions to/reversals from provisions for loan losses			
= Operating income		1.8	1.5
+/- Gains (losses) on non-current assets			
= Income before non-recurring items		1.8	1.5
+/- Net non-recurring income (expense)			
+ Corporate income tax	16	(0.7)	(0.6)
+/- Additions to (reversals from) fund for general banking risks			
+/- Additions to (reversals from) regulated provisions			
= Net income		1.1	0.9

STATEMENT OF CASH FLOWS²

	06.2015
Net income	1,148
Tax	662
Income before tax	1,810
+/- Net depreciation/amortization of property, plant and equipment and intangible assets	0
- Impairment of goodwill and other non-current assets	0
+/- Net provisions	0
+/- Share of net income/loss of equity-accounted entities	0
+/- Net loss/gain from investment activities	0
+/- expenses on financing activities	0
+/- Other movements	100,095
= Total non-monetary items included in net income before taxes and other adjustments	100,095
+/- Cash flows relating to interbank transactions	1,832,150
+/- 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	-1,431,346
- Taxes paid	-1,059
= Net decrease in assets and liabilities from operating activities	399,745
TOTAL NET CASH FLOW GENERATED BY OPERATING ACTIVITIES	501,650
+/- Cash flows relating to financial assets and investments in non-consolidated companies	0
+/- Cash flows relating to investment property	0
+/- Cash flows relating to property, plant and equipment and intangible assets	0
TOTAL NET CASH FLOW RELATED TO INVESTMENT ACTIVITIES	0
+/- Cash flows from or to shareholders	-660
+/- Other net cash flows from financing activities	-500,000
TOTAL NET CASH FLOW RELATED TO FINANCING TRANSACTIONS	-500,660
EFFECT OF EXCHANGE RATE VARIATION ON CASH FLOW AND SIMILAR ITEMS	0
Net increase in cash and cash equivalents	990
Total net cash flow generated by operating activities	501,650
Total net cash flow related to investment transactions	0
Total net cash flow related to financing transactions	-500,660
Effect of exchange rate variation on cash and cash equivalents	0
<u>Cash and cash equivalents at beginning of period</u>	<u>2,616</u>
Cash, central bank and postal checking account deposits	0
Demand accounts and loans at credit institutions	2,616
<u>Cash and cash equivalents at end of period</u>	<u>3,606</u>
Cash, central bank and postal checking account deposits	0
Demand accounts and loans at credit institutions	3,606
CHANGE IN NET CASH FLOW	990

² This table was not audited by the Statutory Auditors.

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 the first half of 2015, Crédit Mutuel-CIC Home Loan SFH issued EMTN bonds for €1 billion.

Taking into account investment lines that had reached maturity, total issues on the statement of financial position were €22 billion at June 30, 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 put in place to hedge the interest rate risk on assets and liabilities.

- All loans to customers (fixed-rate and variable-rate) were hedged using swaps against one-month Euribor.
- Issues of housing finance bonds (formerly "covered bonds"), were also hedged using swaps against one-month Euribor.

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 banking regulation committee (Comité de la réglementation bancaire, CRB) regulation 2014-07.

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 foreign 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				
	30 June 2015		31 December 2014	
	Demand	Term	Demand	Term
Current accounts	3.6		2.6	
Loans secured by notes and securities (*)		22,437.6		24,269.8
Repo / securities purchased under resale agreements				
Accrued interest		255.0		376.2
Non-performing loans				
Impairments				
Total	3.6	22,692.6	2.6	24,646.0
Total receivables due from credit institutions		22,696.2		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				
	30 June 2015		31 December 2014	
	Assets	Liabilities	Assets	Liabilities
Premiums on options				
Guarantee deposits		64.0		1,500.0
Securities settlement accounts				
Debt representing securities borrowed				
Deferred taxes				
Other receivables and payables		0.3		0.7
Accrued income and interest				
Impairment				
Total		64.3		1,500.7
The €1.5 billion guarantee deposit set up following the calculation of the pre-maturity test expired on January 21, 2015, the maturity date of the EMTN for which this test was calculated. The follow-up of the pre-maturity test at 180 days led to the set-up of the new €64 million guarantee deposit to cover the EMTN maturing on January 16, 2016 based on the value at April 20, 2015 (180d).				
NOTE 4 - Accruals				
	30 June 2015		31 December 2014	
	Assets	Liabilities	Assets	Liabilities
Collection accounts				
Currency and off-statement of financial position adjustment accounts	263.6	263.6	385.8	385.8
Other accruals	77.5	77.9	81.4	81.7
Total	341.1	341.5	467.2	467.5
Accrual accounts - liabilities mainly concern EMTN issue premiums.				
Accrual accounts - assets reflect accrual accounts - liabilities at the loan level.				

INFORMATION ON STATEMENT OF FINANCIAL POSITION AND OFF-STATEMENT OF FINANCIAL POSITION

NOTE 5 - Debt securities							
						30 June 2015	31 December 2014
Certificates of deposit							
Interbank instruments and negotiable debt securities (*)							
Bonds						22,033.6	22,430.2
Other debt securities							
Accrued interest						252.9	372.7
Total						22,286.5	22,802.9

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

NOTE 6 - Subordinated debt

		31 December 2014	Issues	Repay-ments	Other changes	30 June 2015
Subordinated debt		60.0				60.0
Non-voting loan stock						
Perpetual subordinated notes		60.0				60.0
Accrued interest		0.1				0.1
Total		120.1				120.1

Main subordinated debt issues:

	OUTSTANDINGS	INTEREST RATE	MATURTY	TERMS EARLY REPAYMENT
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 7 - Shareholders' equity and FGFR

	Share capital	Additional paid-in capital	Reserves	Retained earnings	Profit for the year	Total	FGFR
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)		
Dividends paid							
Capital increase							
Impact of revaluations							
Other movements							
Impact of the merger							
Balance at Dec. 31, 2014	220.0		1.1	2.0	1.4	224.5	
Balance at Jan. 1, 2015	220.0		1.1	2.0	1.4	224.5	
Profit for the first half of the year					1.1		
Appropriation of earnings from previous year				1.4	(1.4)		
Dividends paid				(0.7)			
Capital increase							
Impact of revaluations							
Other movements							
Impact of the merger							
Balance at June 30, 2015	220.0		1.1	2.7	1.1	224.9	

At June 30, 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 June 30, 2015.

As such, it is fully consolidated in the consolidated financial statements of the CM11 Group and at the Crédit Mutuel national consolidation level.

and €98,087.26 from retained earnings, as follows:

	< 3 months and demand	> 3 months < 1 year	> 1 year < 5 years	> 5 years	Perpetual	Accrued income and interest	Total at 30 juin 2015
ASSETS							
Receivables due from credit institutions	343.6	128.0	12,150.2	8,819.5	1,000.0	254.9	22,696.2
Receivables due from customers							
Bonds and other fixed-income securities							
LIABILITIES							
Due to credit institutions							
Due to customers							
Debt represented by securities		64.0	12,150.2	9,819.3		253.0	22,286.5
- Certificates of deposit							
- Interbank instruments and negotiable debt securities							
- Bonds							
- Other							
Subordinated debt			60.0		60.0	0.1	120.1

INFORMATION ON STATEMENT OF FINANCIAL POSITION AND OFF-STATEMENT OF FINANCIAL POSITION

NOTE 9 – Euro-equivalent of foreign currency-denominated assets and liabilities							
The euro-equivalent of foreign currency-denominated assets and liabilities was €1,3771 billion and €1,3769 billion, respectively, at June 30, 2015.							
NOTE 10 - 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.							
As of June 30, 2015, the amount of this guarantee was €33,001 billion versus €35,001.3 billion as of December 31, 2014.							
NOTE 11 - 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).							
	30.06.2015			31.12.2014			
	Hedging	Management transactions	Total	Hedging	Management transactions	Total	
Firm transactions							
<i>Organized markets</i>							
Interest rate contracts							
Foreign exchange contracts							
Other transactions							
<i>Over-the-counter markets</i>							
Forward rate agreements							
Interest rate swaps	107,338.0		107,338.0	112,338.0		112,338.0	
Financial swaps							
Other transactions							
Swaps - other							
Conditional transactions							
<i>Organized markets</i>							
Interest rate options							
Purchased							
Sold							
Foreign-currency options							
Purchased							
Sold							
Equities and other options							
Purchased							
Sold							
<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	107,338.0		107,338.0	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	
30.06.2015							
Firm transactions							
Purchases							
Sales							
Swaps			107,338.0			107,338.0	
Conditional transactions							
Purchases							
Sales							
31.12.2014							
Firm transactions							
Purchases							
Sales							
Swaps			112,338.0			112,338.0	
Conditional transactions							
Purchases							
Sales							

INFORMATION ON STATEMENT OF FINANCIAL POSITION AND OFF-STATEMENT OF FINANCIAL POSITION

NOTE 12 - Analysis of forward instruments by residual maturity						
30.06.2015		< 1 year	> 1 year < 5 years	> 5 years	Total	
Interest rate instruments						
<i>Organized markets</i>						
Purchases						
Sales						
<i>Over-the-counter markets</i>						
Purchases						
Sales						
Interest rate swaps		128.0	21,810.00	85,400.0	107,338.0	
Foreign exchange instruments						
<i>Organized markets</i>						
Purchases						
Sales						
<i>Over-the-counter markets</i>						
Purchases						
Sales						
Financial swaps						
Other forward financial instruments						
<i>Organized markets</i>						
Purchases						
Sales						
<i>Over-the-counter markets</i>						
Purchases						
Sales						
Swaps						
Total		128.0	21,810.00	85,400.0	107,338.0	
NOTE 13 - 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						
			30.06.2015		Dec. 31, 2014	
GROSS EXPOSURE						
Credit institution risk			1,499.6		1,575.8	
Company risk						
TOTAL			1,499.6		1,575.8	
Fair value of forward financial instruments						
		30.06.2015		Dec. 31, 2014		
		Assets	Liabilities	Assets	Liabilities	
Fair value of forward financial instruments		10,295.0	10,295.0	11,702.70	11,702.70	
NOTE 14- Other off-statement of financial position commitments						
			30.06.2015		Dec. 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			2,578.9		2,475.10	
. Overall interest rate risk						
. Specialized management						
NOTE 15 - Interest income and expense						
			30/06/2015		30/06/2014	
			Income	Expense	Income	Expense
Credit institutions			1,477.1		1,614.7	
Customers						
Finance leases and operating leases						
Bonds and other fixed-income securities			3.9	1,478.6	4.0	1,616.5
Other				0.3		0.4
Total			1,481.0	1,478.9	1,618.7	1,616.9
of which subordinated debt expenses				0.3		0.4

INFORMATION ON STATEMENT OF FINANCIAL POSITION AND OFF-STATEMENT OF FINANCIAL POSITION

NOTE 16- Corporate income tax							
				30-Jun-15	30-Jun-14		
Current income tax - Amount for the year				(0.7)	(0.6)		
Current income tax - Prior-year adjustments							
Current income tax - Effect of tax consolidation							
Total				(0.7)	(0.6)		
On ongoing operations				(0.7)	(0.6)		
On non-recurring items							
Total				(0.7)	(0.6)		
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.							

**2. REPORT OF THE STATUTORY AUDITORS' LIMITED REVIEW OF THE INTERIM
FINANCIAL STATEMENTS**

This is a free translation into English of the statutory auditors' limited review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

PricewaterhouseCoopers Audit

63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
French limited company (SA) 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
French simplified joint stock company (SAS) with
variable capital

Statutory Auditor
Member of the regional
association of accountants of Versailles

Crédit Mutuel-CIC Home Loan SFH

Period from January 1 to June 30, 2015

Statutory auditors' limited review on the Half-year Financial Information

Ladies and Gentlemen,

In compliance with the assignment entrusted to us by your shareholder's 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 you on:

- The limited review of the company's individual condensed interim financial statements for the period from January 1, 2015 to June 30, 2015 (the "Financial Statements"), as appended to this report;
- The verification of the information presented in the Financial Statements management report.

These condensed Financial Statements were prepared under the responsibility of the Board of Directors. We are required, based on our limited review, to express our conclusions on these Financial Statements.

1. Opinion on the Financial Statements

We have performed our limited review in accordance with the professional standards applicable in France. A limited review mainly entails meeting with the members of management responsible for accounting and finance and completing analytical procedures. This work is less extensive than that required for an audit conducted in accordance with the

professional standards applicable in France. Accordingly, the assurance afforded by a limited review that the Financial Statements as a whole are free of material misstatements is moderate and not as strong as that afforded by an audit.

Based on our limited review, we have noted no material misstatements liable to call into question the fact that the condensed interim Financial Statements comply with French accounting rules and principles.

2. Specific verification

We have also verified the information presented in the Financial Statements management report on the condensed Financial Statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed Financial Statements.

Neuilly-sur-Seine and Paris-La Défense, July 31, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit

ERNST & YOUNG et Autres

Jacques Lévi

Olivier Durand