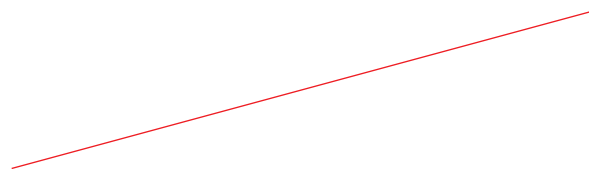
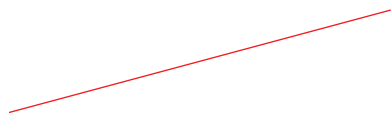


FINANCIAL REPORT 2015





CACEIS

CACEIS is an asset servicing banking group dedicated to institutional and corporate clients.

WITH ASSETS UNDER CUSTODY OF €2.3 TRILLION AND ASSETS UNDER ADMINISTRATION OF €1.5 TRILLION, CACEIS IS A EUROPEAN LEADER IN ASSET SERVICING AND ONE OF THE MAJOR PLAYERS WORLDWIDE.

Through offices across Europe, North America and Asia, CACEIS offers a broad range of services covering execution, clearing, depositary and custody, fund administration, middle office outsourcing, forex, securities lending, fund distribution support and issuer services. (Figures as at 31 December 2015).



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EXTRACT FROM THE CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

THE FINANCIAL STATEMENTS PRESENTED ARE EXTRACTED FROM CACEIS'S CONSOLIDATED FINANCIAL STATEMENTS AND NOTES THAT WERE CERTIFIED BY LEGAL AUDITORS AND LODGED AT PARIS' COMMERCIAL COURT ("GREFFE DU TRIBUNAL DE COMMERCE DE PARIS").

1. EXTRACT FROM THE CONSOLIDATED FINANCIAL STATEMENTS

1.1. INCOME STATEMENT

(in thousands of euros)	Notes	31.12.2015	31.12.2014 Restated (1)
Interest receivable and similar income	2.6.1	261 446	348 040
Interest payable and similar expense	2.6.1	-131 603	-200 538
Commission and fee income	2.6.2	692 300	663 040
Commission and fee expense	2.6.2	-128 270	-121 907
Net gains (losses) on financial instruments at fair value through profit or loss	2.6.3	48 574	33 536
Net gains (losses) on available-for-sale financial assets	2.6.4	18 125	13 480
Income related to other activities	2.6.5	50 187	45 597
Expenses related to other activities	2.6.5	-62 381	-58 644
NET BANKING INCOME		748 380	722 604
Total operating expenses	2.6.6	-559 383	-551 469
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	2.6.7	-23 759	-20 970
GROSS OPERATING INCOME		165 237	150 166
Cost of risk	2.6.8	-186	688
OPERATING INCOME		165 051	150 854
Share of profit in equity-accounted entities			
Net gains (losses) on disposal of other assets		-118	
Change in value of Goodwill			-350 003
PRE-TAX INCOME		164 933	-199 149
Income tax expense	2.6.9.1	-50 563	-40 726
After-tax income from discontinued or held-for-sale operations			
NET INCOME		114 370	-239 875
Non-controlling interests		0	0
NET INCOME - GROUP SHARE		114 370	-239 875
Earnings per share (in euros)	2.7.15.2	7.22	-15.15
Diluted earnings per share (in euros)	2.7.15.2	7.22	-15.15

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

1.2. NET INCOME AND OTHER COMPREHENSIVE INCOME

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
NET INCOME	114 370	-239 875
Actuarial gains and losses on post-employment benefits	2 867	-5 566
Pre-tax other comprehensive income on items that will not be reclassified to profit and loss excluding equity-accounted entities	2 867	-5 566
Income tax related to items that will not be reclassified to profit and loss excluding equity-accounted entities	-2 781	1 808
Other comprehensive income on items that will not be reclassified subsequently to profit and loss net of income tax	86	-3 758
Gains and losses on translation adjustments	30 266	29 684
Gains and losses on available-for-sale financial assets	-14 286	14 218
Gains and losses on hedging derivative instruments	368	-257
Pre-tax other comprehensive income on items that may be reclassified to profit and loss excluding equity-accounted entities	16 348	43 645
Income tax related to items that may be reclassified to profit and loss excluding equity-accounted entities	4 166	-4 263
Other comprehensive income on items that may be reclassified subsequently to profit and loss net of income tax	20 514	39 382
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	20 600	35 624
NET INCOME AND OTHER COMPREHENSIVE INCOME	134 970	-204 252
of which non-controlling interests		
of which Group share	134 970	-204 252

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

1.3. BALANCE SHEET - ASSETS

(in thousands of euros)	Notes	31.12.2015	31.12.2014 Restated (1)
Cash, due from central banks	2.7.1	384 370	185 278
Financial assets at fair value through profit or loss	2.7.2	339 042	504 884
Hedging derivative instruments	2.5.3.2	18 180	407
Available-for-sale financial instruments	2.7.3	20 562 362	19 464 750
Loans and receivables to credit institutions	2.7.4.1	24 858 526	25 113 577
Loans and receivables to customers	2.7.4.2	5 586 879	2 954 989
Revaluation adjustment on interest rate hedged portfolios		515	
Held-to-maturity financial assets			
Current and deferred tax assets	2.7.11	22 419	39 051
Accruals, prepayments and sundry assets	2.7.12.1	2 254 063	1 564 288
Non-current assets held for sale			
Investment in equity-accounted entities			
Investment property			
Property, Plant & Equipment	2.7.13	39 282	39 600
Intangible assets	2.7.13	120 707	123 520
Goodwill		812 628	783 213
TOTAL ASSETS		54 998 973	50 773 557

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

1.4. BALANCE SHEET - EQUITY AND LIABILITIES

(in thousands of euros)	Notes	31.12.2015	31.12.2014 Restated (1)
Due to central banks			
Financial liabilities at fair value through profit or loss	2.7.2	332 553	476 077
Hedging derivative instruments	2.5.3.2	99 567	106 315
Due to credit institutions	2.7.8.1	7 247 744	6 726 265
Due to customers	2.7.8.2	41 579 921	38 352 615
Debt securities	2.7.9		
Revaluation adjustment on interest rate hedged portfolios		9 512	407
Current and deferred tax liabilities	2.7.11	57 279	59 495
Accruals, prepayments and sundry liabilities	2.7.12.2	3 059 332	2 434 869
Liabilities associated with non-current assets held for sale			
Insurance company technical reserve			
Provisions	2.7.14	71 793	72 942
Subordinated debt	2.7.9	330 486	432 586
TOTAL DEBTS		52 788 186	48 661 571
EQUITY	2.7.15	2 210 787	2 111 985
• Equity, Group share		2 210 787	2 111 985
- Share capital and reserves		1 053 632	1 053 633
- Consolidated reserves		968 179	1 244 222
- Other comprehensive income		74 605	54 005
- Net income for the financial year		114 370	-239 875
• Non-controlling interests			
TOTAL EQUITY		2 210 787	2 111 985
TOTAL EQUITY AND LIABILITIES		54 998 973	50 773 557

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

1.5. STATEMENT OF CHANGES IN EQUITY

(in thousands of euros)	Group			
	Share capital and reserves			
	Share Capital	Premiums and consolidated reserves	Elimination of treasury shares	Capital & consolidated reserves, Group share
EQUITY AT 1 JANUARY 2014 PUBLISHED	633 000	1 725 794	0	2 358 794
Impacts due to IFRIC 21		522		522
EQUITY AT 1 JANUARY 2014 RESTATED	633 000	1 726 316	0	2 359 316
Capital increase				
Change in treasury shares held				
Dividends paid in 2014		-59 846		-59 846
Dividends received from regional banks and subsidiaries				
Impact of acquisitions/disposals on non-controlling interests				
Changes due to share-based payments				
CHANGES DUE TO TRANSACTIONS WITH SHAREHOLDERS	0	-59 846		-59 846
CHANGE IN OTHER COMPREHENSIVE INCOME				
Share of changes in equity in equity-accounted entities				
Net income at 31/12/2014				
Other changes		-1 616		-1 616
EQUITY AT 31 DECEMBER 2014 RESTATED (1)	633 000	1 664 855	0	2 297 855
Allocation of 2014 results		-239 875		-239 875
EQUITY AT 1 JANUARY 2015	633 000	1 424 980	0	2 057 980
Capital increase				
Change in treasury shares held				
Dividends paid in 2015		-36 731		-36 731
Dividends received from regional banks and subsidiaries				
Impact of acquisitions/disposals on non-controlling interests				
Changes due to share-based payments				
CHANGES DUE TO TRANSACTIONS WITH SHAREHOLDERS	0	-36 731		-36 731
CHANGE IN OTHER COMPREHENSIVE INCOME				
Share of changes in equity in equity-accounted entities				
Net income at 31/12/2015				
Other changes		563		563
EQUITY AT 31 DECEMBER 2015	633 000	1 388 811	0	2 021 811

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

share				Non-controlling interests				Total consolidated equity
Other comprehensive income		Net income	Total equity	Capital, associated reserves and income	Other comprehensive income		Total	
Other comprehensive income on items that will not be reclassified to profit and loss	Other comprehensive income on items that may be reclassified to profit and loss				Other comprehensive income on items that will not be reclassified to profit and loss	Other comprehensive income on items that may be reclassified to profit and loss		
-8 874	27 257	0	2 377 177	0	0	0	2 377 177	
			522				522	
-8 874	27 257	0	2 377 699	0	0	0	0	
							0	
							0	
			-59 846				-59 846	
							0	
							0	
			-59 846				-59 846	
-3 759	39 382		35 622				35 622	
							0	
							0	
			-1 616				-1 616	
-12 633	66 639	-239 875	2 111 985	0	0	0	2 111 985	
		239 875					0	
-12 633	66 639	0	2 111 985	0	0	0	2 111 985	
							0	
							0	
			-36 731				-36 731	
							0	
							0	
			-36 731				-36 731	
86	20 514		20 601				20 601	
							0	
		114 370	114 370				114 370	
			563				563	
-12 547	87 153	114 370	2 210 787	0	0	0	2 210 787	

1.6. STATEMENT OF CASH FLOWS

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
PRE-TAX INCOME	164 933	-199 149
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	37 343	34 549
Impairment of goodwill and other fixed assets		350 003
Net charge to depreciation, amortisation and impairment	1 952	-2 644
Share of profit in equity-accounted entities		
Net income from investment activities	117	-10
Net income from financing activities	11 394	14 346
Other movements	-1 349	-150 789
TOTAL NON-CASH ITEMS INCLUDED IN PRE-TAX INCOME AND OTHER ADJUSTMENTS	49 457	245 456
Change in interbank items	3 418 761	-6 154 525
Change in customer items	595 922	3 281 112
Change in financial assets and liabilities	-2 341 008	1 750 642
Change in non-financial assets or liabilities	-81 273	955 246
Dividends received from equity-accounted entities		
Tax paid	-34 780	-88 031
NET DECREASE/INCREASE IN ASSETS AND LIABILITIES USED IN OPERATING ACTIVITIES	1 557 622	-255 556
TOTAL NET CASH GENERATED BY OPERATING ACTIVITIES (A)	1 772 012	-209 249
Change in equity investments	-799	-488
Change in property, plant & equipment and intangible assets	-34 330	-27 576
TOTAL NET CASH ASSOCIATED WITH INVESTMENT ACTIVITIES (B)	-35 129	-28 064
Cash received from/ paid to shareholders	-36 731	-59 847
Other cash provided/ used by financing activities	-113 493	-14 377
TOTAL NET CASH ASSOCIATED WITH FINANCING ACTIVITIES (C)	-150 224	-74 224
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS (D)	434	488
NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	1 587 093	-311 050
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4 403 308	4 714 339
Cash and due from banks net balance *	185 258	608 036
Interbank demand net balance**	4 218 050	4 106 303
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5 990 401	4 403 289
Cash and due from banks net balance *	384 360	185 258
Interbank demand net balance**	5 606 041	4 218 031
CHANGE IN NET CASH AND CASH EQUIVALENTS	1 587 093	-311 050

* Consisting of the net balance of "Cash and due to central banks" excluding accrued interest.

** Comprises the balance of "performing current accounts in debit" and "performing overnight accounts and advances" and "current accounts in credit" and "daylight overdrafts and accounts" (excluding accrued interest).

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2. EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.1. APPLICABLE STANDARDS AND COMPARABILITY

Pursuant to Regulation EC 1606/2002, the annual financial statements have been prepared in accordance with IAS/ IFRS and IFRIC interpretations applicable at December 31, 2015 and as adopted by the European Union (Carve out version), thus using certain exceptions in the application of IAS 39 on macro-hedge accounting.

These standards and interpretations are available on the European Commission website at http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

The standards and interpretations are the same as those applied in the CACEIS's financial statements for the year ended December 31, 2014.

They have been supplemented by the IFRS standards as adopted by the European Union at December 31, 2015 and that must be applied for the first time in the financial year 2015.

Moreover, it is recalled that when the early application of standards and interpretations adopted by the European Union is optional for a period, this option is not selected by the Group, unless otherwise stated.

CACEIS does not expect the application of these standards and interpretations to produce a significant impact on the net income or net assets.

Lastly, standards and interpretations that have been published by the IASB, but not yet been adopted by the European Union, will become mandatory only as from the date of such adoption. The Group has not applied them as of December 31, 2015.

IFRIC 21:

IFRIC 21 interpretation gives details on the accounting of levies, taxes and other government charges that fall under IAS 37 Provisions, Contingent Liabilities and Contingent Assets (excluding fines and penalties and excluding corporate income tax governed by IAS 12). In particular, it clarifies:

- the timing for recognising taxes and levies;
- and whether they can be recognised progressively over the financial year.

With respect to these clarifications, the application of IFRIC 21 may result in a change in the obligating event triggering the recognition of certain levies and taxes

(deferral of the date of recognition from one year to another and/or end of spread over the duration of the financial year).

The application of IFRIC 21 is retrospective, restating prior years and adjusting opening full-year 2014 equity for comparative financial statements.

The application of the other texts did not have a material impact on earnings or equity.

Moreover, where the early application of standards and interpretations adopted by the European Union is optional for a period, this option is not selected by the Group, unless otherwise stated.

Furthermore, standards and interpretations that have been published by the IASB, but not yet been adopted by the European Union are not applied in the Group. They will become mandatory only as from the date planned by the European Union and have not been applied by the Group at 31 December 2015.

This concerns in particular IFRS 9 and IFRS 15 standards. IFRS 9 Financial Instruments issued by the IASB is intended to replace IAS 39 Financial Instruments. It sets new principles governing the classification and measurement of financial instruments, impairment of credit risk and hedge accounting, excluding macro-hedging transactions.

IFRS 9 is expected to come into force on a mandatory basis for fiscal years beginning on or after 1 January 2018, subject to its adoption by the European Union.

The Group has taken action to adopt this standard on time, combining its accounting, finance and risk functions in addition to all of the entities concerned. In early 2015, the Group launched works aimed at assessing the main challenges set by IFRS 9.

Analyses were primarily focused on the changes brought about by:

- the new criteria for classifying and measuring financial assets;
- the overhaul of the credit risk impairment model allowing a shift from one in which provisions are set aside for incurred credit losses to one in which provisions can be set aside for expected credit losses (ECL). The aim of the new ECL approach is to allow credit losses to be recognised at the earliest possible time, removing the need to wait for an objective incurred loss event. It calls

on a wide range of information, including historical data on observed losses, cyclical and structural adjustments, and loss projections based on reasonable scenarios.

At this stage of the project, the Group is entirely focused on defining the structural options related to the interpretation of the standard. At the same time, the Group has begun an operational implementation phase for the deployment of the first modifications to the architecture of information systems.

IFRS 15 Revenue from Contracts with Customers will become effective for fiscal years beginning on or after 1 January 2018. It will replace IAS 11 Construction Contracts and IAS 18 Revenue, as well as IFRIC 13 Customer loyalty programmes, IFRIC 15 Agreements for the Construction of real estate, IFRIC 18 Transfers of assets from customers and SIC 31 Revenue – barter transactions involving advertising services.

IFRS 15 provides a single revenue recognition model for long-term sales contracts, sales of goods and the provision of services that do not fall within the scope of standards related to financial instruments (IAS 39), insurance contracts (IFRS 4) or leases (IAS 17). It introduces new concepts that may affect the accounting treatment of certain components of revenues.

An impact study of the implementation of the standard in CACEIS Group will be undertaken in 2016. However, based on an initial analysis, the Group does not foresee a material impact on its results.

SINGLE RESOLUTION FUND:

The Single Resolution Fund (SRF) was established by Regulation (EU) no. 806/2014 as a single funding mechanism for all Member States participating in the Single Supervisory Mechanism (SSM) established by the European Union's Council (Regulation (EU) no. 1024/2013) and in the Single Resolution Mechanism (SRM). The SRF is financed by the banking sector. The target level of the Fund is 1% of the amount of deposits covered by the Deposit Guarantee Fund and must be reached by 31 December 2023.

70% of the (non-deductible) contribution to the resolution fund is payable in cash, in the form of an annual contribution. The remaining 30% is the subject of an irrevocable payment commitment, collateralised by a cash security deposit held by the Fund. The deposit will be held for the duration of the commitment. It is repayable at maturity.

Thus, for 2015, CACEIS paid:

- €5,988 K in respect of the annual contribution, recognised in the income statement in taxes other than on income or payroll-related;
- €834 K recognised in balance sheet assets under irrevocable collateralised payment commitments.

2.2. PRESENTATION OF FINANCIAL STATEMENTS

In the absence of a prescribed presentation format under IFRS, CACEIS's complete set of financial statements (balance sheet, income statement, statement of net income and comprehensive income, statement of changes in equity and statement of cash flows) has been presented in the format set out in ANC Recommendation 2013-04 dated November 7, 2013.

2.3. SIGNIFICANT ACCOUNTING POLICIES AND PRINCIPLES

2.3.1. USE OF ASSESSMENTS AND ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

A certain number of estimates have been made by management to draw up the 2015 financial statements. These estimates are by their nature based on certain assumptions and involve risks and uncertainties as to whether they will be achieved in the future.

Future achievements may be influenced by many factors, including but not limited to:

- Activity in domestic and international markets;
- Fluctuations in interest and exchange rates;
- The economic and political climate in certain industries or countries;
- Changes in regulations or legislation.

This list is not exhaustive.

2.3.2. FINANCIAL INSTRUMENTS (IAS 32 & 39)

Financial assets and liabilities are treated in the financial statements in accordance with IAS 39 as endorsed by the European Commission.

At the time of initial recognition, financial assets and financial liabilities are measured at fair value including trading costs (with the exception of financial instruments recognised at fair value through profit or loss). Subsequently, financial assets and liabilities are measured according to their classification, either at fair value or at amortised cost based on the effective interest rate method.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants, on the principal or the most advantageous market, at the measurement date.

2.3.2.1. Securities classified as assets

Under IAS 39, securities are divided into the following categories:

- Financial assets at fair value through profit or loss;
- Available-for-sale financial assets;
- Loans and receivables;
- Financial assets designated as at fair value through

profit or loss upon initial recognition;
• Held-to-maturity financial assets.

The two last categories do not concern CACEIS.

Financial assets at fair value through profit or loss

Securities that are classified under financial assets at fair value through profit or loss are recognised at fair value at inception, excluding transaction costs attributable directly to their acquisition (which are taken directly to profit or loss) and including accrued interest.

They are subsequently carried at fair value and changes in fair value are taken to profit or loss.

No impairment losses are booked for this category of securities.

Available-for-sale financial assets

IAS 39 defines “available-for-sale financial assets” both as assets that are designated as available-for-sale and as the default category.

The accounting principles of securities classified as “available-for-sale” are:

- “Available-for-sale securities” are initially recognised at fair value, including transaction costs that are directly attributable to the acquisition and including accrued interest.
- “Available-for-sale securities” are later estimated at fair value and subsequent changes in fair value are recorded in other comprehensive income. Amortisation of any premiums or discounts on fixed-income securities is recognised in the income statement using the effective interest rate method.
- If the securities are sold, these changes are transferred to the income statement.
- If objective evidence of impairment, significant or long-standing, appears in the value of equity securities, evidenced by a risk of non-recovery for debt securities, the unrealised loss initially recorded in other comprehensive income is written-back and a permanent impairment is registered in the income statement. Should a positive change of fair value appear, the permanent impairment reversal would be recorded in the income statement for debt securities, and in other comprehensive income for equity securities.

Loans and receivables

“Loans and receivables” comprise unlisted financial assets that generate fixed or determinable payments.

Securities of the “loans and receivables” portfolio are initially recognised at acquisition cost, including transaction costs that are directly attributable to the acquisition and including accrued interest.

They are subsequently measured at amortised cost with amortisation of any premiums or discounts using the effective interest method adjusted for any impairment losses.

2.3.2.2. Securities classified as financial liabilities or equity

Distinction between liabilities and equity

A debt instrument or financial liability is a contractual obligation to:

- Deliver cash or another financial asset;
- Exchange instruments under potentially unfavourable conditions.

An equity instrument is a contract evidencing a residual interest in an enterprise after deduction of all of its liabilities (net assets).

2.3.2.3. Temporary investments in/disposals of securities

Within the meaning of IAS 39, temporary sales of securities (securities lending/borrowing, repurchase agreements) do not fulfill the derecognition conditions of IAS 39 and are regarded as collateralised financing. Assets lent or sold under repurchase agreements are kept on the balance sheet. If applicable, amounts received, representing the liability to the transferee, are recognised on the liabilities side of the balance sheet.

Items borrowed or bought under repurchase agreements are not recognised on the transferee’s balance sheet. Instead, if the items are subsequently sold, the transferee recognises the amount paid out representing its receivable from the transferor.

Revenue and expenses relating to such transactions are taken to profit and loss on a prorata temporis basis, except in the case of assets and liabilities recognised at fair value through profit or loss.

2.3.2.4. Financial liabilities

IAS 39 as endorsed by the European Union recognises three categories of financial liabilities:

- Financial liabilities at fair value through profit or loss;
- Financial liabilities designated as at fair value through profit or loss upon initial recognition;
- Other financial liabilities.

CACEIS is not concerned by the category of financial liabilities designated as at fair value through profit or loss upon initial recognition.

Concerning financial liabilities at fair value through profit or loss, fair value changes on this portfolio are recognised in profit or loss.

The other financial liabilities category includes all other financial liabilities. These liabilities are initially measured at fair value (including transaction income and costs) and subsequently at amortised cost using the effective interest method.

2.3.2.5. Derivative instruments

Derivative instruments are financial assets or liabilities and are recognised on the balance sheet at fair value at inception of the transaction. At the end of each reporting period derivatives are measured at fair value, whether they are held for trading purposes or used for hedging.

Hedge accounting

Different hedging methods exist:

- Fair value hedges;
- Cash flow hedges;
- Hedges of net investments in a foreign operation.

Fair value hedges are intended to provide protection from exposure to a change in the fair value of an asset or of a liability that has been recognised, or of a firm commitment that has not been recognised.

Hedges must meet the following criteria in order to be eligible for hedge accounting:

- The hedging instrument and the instrument hedged must be eligible;
- There must be formal documentation from inception, primarily including the individual identification and characteristics of the hedged item, the hedging instrument, the nature of the hedging relationship and the nature of the hedged risk;
- The effectiveness of the hedge must be demonstrated, at inception and retrospectively, by testing at each reporting date.

The change in value of the derivative in a fair value hedge is recognised in the income statement symmetrically with the change in value of the hedged item in the amount of the hedged risk. Only the net amount of any ineffective portion of the hedge is recognised in the income statement.

When the conditions for benefiting from hedging accounting are no longer met, only the hedging instrument continues to be revaluated through profit or loss. The hedging element is wholly accounted for according to its classification. For available-for-sale securities, changes in fair value subsequent to the ending of the hedging relationship are recorded in other comprehensive income. For hedged elements valued at amortised cost, which were interest rate hedged, the valuation adjustment is amortised over the remaining life of those hedged elements.

2.3.2.6. Determination of the fair value of financial instruments

When determining the fair value of financial instruments observable inputs must be prioritised. It is presented using the hierarchy defined in IFRS 13.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants,

on the principal or the most advantageous market, at the measurement date.

Fair value applies individually to each financial asset or financial liability. A portfolio exemption may be used where the management and risk monitoring strategy so allows and is appropriately documented. Thus, certain fair value parameters are calculated on a net basis when a group of financial assets and financial liabilities is managed on the basis of its net exposure to market or credit risks. This is notably true of the CVA/DVA calculation.

CACEIS considers that the best evidence of fair value is reference to quoted prices published in an active market.

When such quoted prices are not available, fair value is established by using valuation techniques based on observable data or unobservable inputs.

Fair value of derivatives

CACEIS incorporates into fair value the assessment of counterparty risk for derivative assets (Credit Valuation Adjustment or CVA) and, using a symmetrical treatment, the non-performance risk for derivative liabilities (Debt Valuation Adjustment or DVA or own credit risk).

The CVA makes it possible to determine the expected losses due to the counterparty from the perspective of Crédit Agricole Group, and DVA, the expected losses due to Crédit Agricole Group from the perspective of the counterparty.

The calculation of the CVA/DVA is based on estimated expected losses having regard to the probability of default and the loss given default. The methodology used maximises the use of observable entry data. It is primarily based on market data such as registered and listed CDS (or Single Name CDS) or index CDS in the absence of registered CDS on the counterparty. In certain circumstances, historical default data can be used.

Fair value hierarchy

The standard classifies fair value into three levels based on the observability of inputs used in valuation techniques:

- Level 1: fair value corresponding to quoted prices (unadjusted) in active markets;
- Level 2: fair value measured using observable inputs, either directly or indirectly, other than quoted prices included within Level 1;
- Level 3: fair value measured using significant unobservable inputs.

For its 2015 financial statements, CACEIS did not determine any fair value of financial instruments at Level 3.

Absence of accepted valuation method to determine equity instruments' fair value

According to IAS 39 principles, if there is no satisfactory method, or if the estimates obtained using the various

methods differ excessively, the security is valued at cost and stays recorded under "Available-for-sale financial assets" because its fair value cannot be reliably measured. In this case, CACEIS does not report a fair value, in accordance with the applicable recommendations of IFRS 7. These primarily include investments in non-consolidated subsidiaries that are not listed on an active market of which fair value is difficult to measure reliably.

2.3.2.7. Net gains or losses on financial instruments

2.3.2.7.1. Net gains (losses) on financial instruments at fair value through profit or loss

For financial instruments designated at fair value through profit or loss and financial assets and liabilities held for trading, this heading mainly includes the following income statement items:

- Dividends and other revenues from equities and other variable-income securities which are classified under financial assets at fair value through profit or loss;
- Changes in fair value of financial assets or liabilities at fair value through profit or loss;
- Gains and losses on disposal of financial assets at fair value through profit or loss;
- Changes in fair value and gains and losses on termination of derivative instruments not included in a fair value or cash flow hedging relationship.

This heading also includes the inefficient portion of fair value hedges, cash flow hedges and hedges of net investments in foreign currencies.

2.3.2.7.2. Net gains (losses) on available-for-sale financial assets

For available-for-sale financial assets, this heading mainly includes the following income statement items:

- Dividends and other revenues from equities and other variable-income securities which are classified under available-for-sale financial assets;
- Gains and losses on disposal of fixed-income and variable-income securities which are classified under available-for-sale financial assets;
- Losses in value of variable-income securities;
- Net income on disposal or termination of instruments used for fair value hedges of available for sale financial assets when the hedged item is sold;
- Gains and losses on disposal or termination of loans and receivables and held-to-maturity securities in those cases provided for by IAS 39.

2.3.3. PROVISIONS (IAS 37 AND 19)

CACEIS has identified all obligations (legal or constructive) resulting from a past event for which it is probable that an outflow of resources will be required to settle the obligation, and for which the due date or amount of the settlement is uncertain but can be reliably estimated. These estimates are discounted where applicable whenever there is a material impact.

For obligations other than those related to credit risk, CACEIS has set aside general provisions to cover:

- Operational risks;
- Employee benefits;
- Financing commitment execution risks;
- Tax risks.

2.3.4. EMPLOYEE BENEFITS (IAS 19R)

In accordance with IAS 19R, employee benefits are recorded in four categories:

- Short-term employee benefits, such as salaries, social security contributions, annual leave, profit-sharing, incentive plans and variable compensation payable within 12 months after the end of the period;
- Long-term employee benefits such as long-service awards, variable compensation and compensation payable 12 months or more after the end of the period;
- Termination benefits;
- Post-employment benefits, classed in the two categories described below: defined-benefit plans and defined-contribution plans.

2.3.4.1. Long-term employee benefits

Long-term employee benefits are the employee benefits other than post-employment benefits or termination benefits and equity benefits but not fully due to employees within 12 months after the end of the period in which the related services have been rendered.

It concerns in particular variable compensation and other compensation deferred for more than 12 months.

The measurement method is similar to the one used by CACEIS for post-employment benefits with defined-benefit plans.

2.3.4.2. Post-employment benefits

2.3.4.2.1. Defined-benefit plans

At each reporting date, CACEIS sets aside reserves to cover its liabilities for retirement and similar benefits and all other employee benefits falling into the defined-benefit plans' category.

In keeping with IAS 19, these commitments are stated using a set of actuarial, financial and demographic assumptions, and in accordance with the projected unit credit method. Under this method, for each year of service, an expense is booked in an amount corresponding to the employee's vested benefits for the period. The expense is calculated in relation to the discounted future benefit.

Discount rates are determined using the average duration of the obligation, that is, the arithmetic mean of the durations calculated between the valuation date and the payment date weighted by employee turnover assumptions.

2.3.4.2.2. Defined-contribution plans

“Employers” contribute to a variety of compulsory pension schemes. Plan assets are managed by independent organisations and the contributing companies have no legal or implicit obligation to pay additional contributions if the funds do not have sufficient assets to cover all benefits corresponding to services rendered by employees during the year and during prior years.

2.3.5. CURRENT AND DEFERRED TAX

In accordance with IAS 12, the income tax expense includes all income taxes, whether current or deferred.

The standard defines current tax as “the amount of income tax expected to be paid to (recovered from) taxation authorities in a given accounting period”. Taxable income is the profit (or loss) for a given accounting period measured in accordance with the rules determined by the taxation authorities.

This standard requires that deferred taxes be recognised in the following cases:

- A deferred tax liability should be recognised for any taxable temporary difference between the carrying amount of an asset or liability on the balance sheet and its tax base;
- A deferred tax asset should be recognised for any deductible temporary differences between the carrying amount of an asset or liability on the balance sheet and its tax base, insofar as it is deemed probable that a future taxable profit will be available against which such deductible temporary differences can be allocated;
- A deferred tax asset should also be recognised for carrying forward unused tax losses and tax credits insofar as it is probable that a future taxable profit will be available against which the unused tax losses and tax credits can be allocated.

2.3.6. TREATMENT OF FIXED ASSETS (IAS 16, 36, 38, 40)

CACEIS applies component accounting for all of its property, plant and equipment. In accordance with the provisions of IAS 16, the depreciable amount takes account of the potential residual value of property, plant and equipment.

Property used in operations, investment property and equipment are measured at cost less accumulated depreciation, amortisation and impairment losses since the time they were placed in service.

Purchased software is measured at purchase price less accumulated depreciation, amortisation and impairment losses since acquisition.

Proprietary software is measured at cost less accumulated depreciation, amortisation and impairment losses since completion.

Fixed assets are depreciated linearly over their estimated useful lives.

Based on available information, CACEIS concluded that impairment testing would not lead to any change in the existing amount of its fixed assets as of the end of the reporting period.

2.3.7. CURRENCY TRANSACTIONS (IAS 21)

In accordance with IAS 21, monetary and non-monetary items are separated.

At the reporting date, assets and liabilities denominated in foreign currencies are translated at the closing price into CACEIS’s operating currency. The resulting conversion rate adjustments are recorded in the income statement. There are two exceptions to this rule:

- For available-for-sale financial assets, only the translation adjustments calculated on amortised cost are taken to the income statement; the balance is recorded in equity;
- Translation adjustments on elements designated as cash flow hedges or part of a net investment in a foreign entity are recognised in equity.

2.3.8. COMMISSIONS AND FEES (IAS 18)

Commission and fee income and expense are recognised in income based on the kind of services with which they are associated.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised in “Commission and fees” by reference to the stage of completion of the transaction at the end of the reporting period:

- Commissions and fees paid or received in consideration for non-recurring services are fully recognised in the income statement. Commissions and fees payable or receivable that are contingent upon meeting a performance target are recognised only if all the following conditions are met:
 - The amount of commission and fees can be reliably estimated;
 - It is probable that the future economic benefits from the services rendered will flow to the Company;
 - The stage of completion of the service can be reliably estimated, and the costs incurred for the service and the costs to complete it can be reliably estimated.
- Commissions and fees related to ongoing services, such as commission and fees on payment instruments, are recognised in the income statement and spread over the duration of the service rendered.

2.3.9. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (IFRS 5)

A non-current asset (or a disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition and its sale must be highly probable.

The relevant assets and liabilities are shown separately on the balance sheet under “Non-current assets held for sale” and “Liabilities associated with non-current assets held for sale”.

A non-current asset (or disposal group) classified as held for sale is measured at the lowest of its carrying amount and lowest fair value costs of sale. An expense for impairment of unrealised gains is recognised in the income statement. Unrealised gains are no longer amortised when they are reclassified.

The following are disclosed on a separate line of the income statement:

- The post-tax profit or loss of discontinued operations until the date of disposal;
- The post-tax gain or loss recognised on the disposal or on measurement to fair value less costs of sale of the assets and liabilities constituting the discontinued operations.

2.4. CONSOLIDATION PRINCIPLES AND METHODS (IFRS 10, IFRS 11, IAS 28)

2.4.1. SCOPE OF CONSOLIDATION

The consolidated financial statements include the financial statements of CACEIS and those of all companies over which, in compliance with IFRS 10, IFRS 11 and IAS 28, CACEIS exercises control, joint control or significant influence.

2.4.2. DEFINITIONS OF CONTROL

In compliance with international standards, all entities under control, under joint control or under significant influence are consolidated, provided that their contribution is deemed material.

Exclusive control over an entity is deemed to exist if CACEIS is exposed to or entitled to receive variable returns as a result of its involvement with the entity and if the power it holds over this entity allows it to influence these returns. Power in this context means substantive (voting or contractual) rights. Rights are considered substantive if the holder of the rights can in practice exercise them when decisions about the company's relevant activities are made.

CACEIS is deemed to control a subsidiary through voting rights when its rights give it the practical ability to direct the subsidiary's relevant activities. CACEIS is generally considered to control a subsidiary when it holds more than half the existing or potential voting rights in an entity, whether directly or indirectly through subsidiaries, except when it can be clearly demonstrated that such ownership does not give it the power to

direct its relevant activities. Control is also deemed to exist where CACEIS holds half or less than half of the voting rights, including potential rights, in an entity but is able in practice to direct its relevant activities at its sole discretion, notably because of the existence of contractual arrangements, the size of its stake in the voting rights compared to those of other investors, or other reasons.

Control of a structured entity is not assessed on the basis of voting rights as these have no effect on the entity's returns. When assessing control, consideration is given not only to contractual arrangements in force but also to whether CACEIS was involved in creating the entity and what decisions it made at the time, what agreements were made at its inception and what risks are borne by CACEIS, any rights under agreements that give the investor the power to direct relevant activities in specific circumstances only and any other facts or circumstances that indicate the investor can direct the entity's relevant activities.

Where there is a management agreement, the extent of decision-making powers granted to the delegated manager and the remuneration accorded by such contractual agreements are examined to establish whether the manager is in practice acting as an agent (with delegated powers) or as a principal (on their own account).

Furthermore, when decisions on the entity's relevant activities are taken, the indicators used to assess whether an entity is acting as agent or principal are as follows: the extent of the decision-making powers compared to the powers over the entity delegated to the manager, the remuneration provided for under the contractual agreements, any substantive rights that may affect the decision-making capacity of other parties involved in the entity and the exposure to variable returns of other interests in the entity.

Joint control is deemed to exist when there is a contractual division of control over an economic activity. Decisions affecting the entity's relevant activities require unanimous agreement of the joint controllers.

In traditional entities, significant influence is defined as the power to influence but not control a company's financial and operational policies. CACEIS is presumed to have significant influence if it owns 20% or more of the voting rights in an entity, whether directly or indirectly through subsidiaries.

2.4.3. TRANSLATION OF FOREIGN SUBSIDIARIES FINANCIAL STATEMENTS (IAS 21)

Financial statements of subsidiaries denominated in foreign currencies are translated into euros in two steps:

- If applicable, the local currency, in which the financial statements are prepared, is translated into the functional currency (currency of the main business environment of the entity) using the historical cost

method and all translation adjustments are fully and immediately recognised in the income statement;

- The functional currency is translated into euros, the currency in which CACEIS's consolidated financial statements are presented. Assets and liabilities are translated at the closing rate. Income and expenses included in the income statement are translated at the average exchange rate for the period.

Translation adjustments for assets, liabilities and income statement items are recorded under a specific item in equity. These translation differences are recorded in earnings during the total or partial transfer of the entity. In the case of the cession of a subsidiary (exclusive control), the reclassification of equity to income comes only in case of loss of control.

2.4.4. BUSINESS COMBINATIONS - GOODWILL

Business combinations are accounted for using the acquisition method in accordance with IFRS 3, except for business combinations under common control which are excluded from the field of application of IFRS 3. Pursuant to IAS 8, these transactions are entered at carrying amount using the pooling of interests method, with reference to US standard ASU805-50 which seems to comply with the IFRS general principles.

On the date of acquisition the identifiable assets, liabilities and contingent liabilities of the acquired entity which satisfy the conditions for recognition set out in IFRS 3 are recognised at their fair value.

Price adjustment clauses are recognised at their fair value even if their application is not probable. Subsequent changes in the fair value of clauses if they are financial liabilities are recognised in the income statement.

Only price adjustment clauses relating to transactions where control was obtained at the latest by 31 December 2009 may still be recorded against goodwill, because these transactions were accounted for under IFRS 3 pre revision (2004).

The initial assessment of assets, liabilities and contingent liabilities may be revised within a period of 12 months after the date of acquisition.

The spread between the cost of acquisition and interests that do not allow control and the net balance on the date of acquisition of acquired identifiable assets and liabilities taken over, valued at their fair value is recognised, when it is positive, in the assets side of the consolidated balance sheet, under the heading "Goodwill" when the acquired entity is fully or proportionately consolidated and in the heading "Investments in equity-accounted companies" when the acquired company is consolidated using the equity method. Any negative goodwill is recognised immediately through profit or loss.

It is tested for impairment whenever there is objective evidence of a loss of value and at least once a year.

For the purpose of impairment testing, goodwill is allocated to the Cash Generating Units (CGUs) that are expected to benefit from the business combination. The CGUs have been defined within the CACEIS's business lines. Impairment testing consists of comparing the carrying amount of each CGU, including any goodwill allocated to it, with its recoverable amount. When the recoverable amount is lower than the carrying amount, a corresponding impairment loss is recognised for the goodwill allocated to the CGU on the income statement.

The valuation method chosen by CACEIS is the Discounted Cash Flow method, the other methods not being relevant.

Considering the economic and financial bonds between the business lines in France, Luxembourg, Switzerland, Germany, and North America, CACEIS defined a single CGU.

In consequence, the recoverable value was determined with a global evaluation aggregating the French and Foreign entities' flows engaged in custody, investor servicing, and fund administration activities.

Goodwill was calculated for each company by comparing the net consolidated situation-Group share at the entry in the consolidation scope with the market values' quoted in the transfer agreements.

The total amount of goodwill is of € 812,628 K.

At December 31, 2015, the investor services activity's goodwill was subject to an impairment test, based on the assessment of the value in use of the cash generating unit to which it is associated. The determination of the value in use was calculated by discounting the CGU's estimated future cash flows calculated from the medium term plans developed for Group management purposes.

No impairment was recorded in CACEIS's accounts subsequently to this test. Indeed, the impairment test revealed that the recoverable value of CACEIS's single CGU's goodwill was above the carrying amount increased of the concerned entities' net situation.

2.5. FINANCIAL MANAGEMENT, EXPOSURE TO RISK AND HEDGING POLICY

2.5.1. CREDIT AND COUNTERPARTY RISK

Credit risk is inherent to the following operations and commitments:

- Granted overdrafts (via internal limits not confirmed to the customers) and the confirmed credit lines;
- Spot and term foreign exchange operations, temporary investments in/disposal of securities and all other derivative operations;
- Spot and term foreign exchange operations, temporary

investments in/disposal of securities and all other derivative operations;

- Operations related to Assets and Liabilities Management, mainly cash and equity investments;
- Cash deposits in the different banks of our correspondents' network;
- Commitments and guarantees of any form granted.

2.5.1.1. Maximum exposure to credit risk

An entity's maximum exposure to credit risk is the gross carrying amount, net of any offset amount and any recognised loss of value.

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
Financial assets at fair value through profit or loss (excluding equity securities)	339 042	504 884
Hedging derivative instruments	18 180	407
Available-for-sale assets (excluding equity securities)	20 554 987	19 457 322
Loans and receivables to credit institutions	25 615 358	25 879 003
Loans and receivables to customers	6 108 259	3 033 245
EXPOSURE TO ON-BALANCE SHEET COMMITMENTS (NET OF IMPAIRMENTS)	52 635 826	48 874 860
Financing commitments given	327 815	289 729
Financial guarantee commitments given	28 760	33 388
EXPOSURE TO OFF-BALANCE SHEET COMMITMENTS (NET OF PROVISIONS)	356 575	323 117
TOTAL NET EXPOSURE	52 992 401	49 197 977

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.5.1.2. Loans and receivables to credit institutions and customers by customer type

(in thousands of euros)	31.12.2015				
	Gross outstanding	O/w gross loans and receivables individually impaired	Individual impairment	Collective impairment	Total
Central governments	149				149
Central banks	8 786 137				8 786 137
Credit institutions	16 072 389				16 072 389
Institutions other than credit institutions					0
Large corporates	5 586 730				5 586 730
TOTAL	30 445 405	0	0	0	30 445 405

(in thousands of euros)	31.12.2014 Restated (1)				
	Gross outstanding	O/w gross loans and receivables individually impaired	Individual impairment	Collective impairment	Total
Central governments	2 614				2 614
Central banks	7 105 035				7 105 035
Credit institutions	18 008 542				18 008 542
Institutions other than credit institutions					0
Large corporates	2 952 375				2 952 375
TOTAL	28 068 566	0	0	0	28 068 566

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.5.1.3. Loans and receivables to credit institutions and customers by geographical area

(in thousands of euros)	31.12.2015				
	Gross outstanding	O/w gross loans and receivables individually impaired	Individual impairment	Collective impairment	Total
France (incl. overseas departments and territories)	10 975 854				10 975 854
Other EU countries	14 636 699				14 636 699
Rest of Europe	333 226				333 226
North America	395 181				395 181
Central and South America	21 114				21 114
Africa and Middle East	2 595 565				2 595 565
Asia-Pacific (ex. Japan)	1 434 585				1 434 585
Japan	53 181				53 181
Supranational organisations					0
TOTAL	30 445 405	0	0	0	30 445 405

(in thousands of euros)	31.12.2014 Restated (1)				
	Gross outstanding	O/w gross loans and receivables individually impaired	Individual impairment	Collective impairment	Total
France (incl. overseas departments and territories)	9 816 921				9 816 921
Other EU countries	9 767 203				9 767 203
Rest of Europe	322 618				322 618
North America	1 812 542				1 812 542
Central and South America	98 596				98 596
Africa and Middle East	4 820 100				4 820 100
Asia-Pacific (ex. Japan)	162 695				162 695
Japan	1 267 891				1 267 891
Supranational organisations	0				0
TOTAL	28 068 566	0	0	0	28 068 566

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.5.2. MARKET RISK

Management of these financial risk positions is centralised at the Foreign exchange Cash Department in CACEIS Bank Luxembourg.

2.5.2.1. Derivative instruments: analysis by remaining maturity

2.5.2.1.1. Hedging derivative instruments – fair value of assets

(in thousands of euros)	31.12.2015						31.12.2014 Restated (1)	
	Exchange-traded			Over-the-counter			Total market value	Total market value
	≤1 year	> 1 year ≤ 5 years	> 5 years	≤1 year	> 1 year ≤ 5 years	> 5 years		
INTEREST RATE INSTRUMENTS:	0	0	0	9 450	0	8 730	18 180	407
. Interest rate swaps				9 450		8 730	18 180	407
TOTAL	0	0	0	9 450	0	8 730	18 180	407

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.5.2.1.2. Hedging derivative instruments – fair value of liabilities

(in thousands of euros)	31.12.2015						31.12.2014 Restated (1)	
	Exchange-traded			Over-the-counter			Total market value	Total market value
	≤1 year	> 1 year ≤ 5 years	> 5 years	≤1 year	> 1 year ≤ 5 years	> 5 years		
INTEREST RATE INSTRUMENTS:	0	0	0	13 067	76 550	9 950	99 567	106 315
. Interest rate swaps				13 067	76 550	9 950	99 567	106 315
TOTAL				13 067	76 550	9 950	99 567	106 315

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.5.2.1.3. Derivative instruments held for trading – fair value of assets

(in thousands of euros)	31.12.2015						31.12.2014 Restated (1)	
	Exchange-traded			Over-the-counter			Total market value	Total market value
	≤1 year	> 1 year ≤ 5 years	> 5 years	≤1 year	> 1 year ≤ 5 years	> 5 years		
INTEREST RATE INSTRUMENTS:	0	0	0	0	0	0	0	0
. Interest rate swaps								
CURRENCY AND GOLD:	0	0	0	0	0	0	0	0
. Currency options								
OTHER:	0	0	0	7	0	0	7	0
. Commodities derivatives				7			7	
SUBTOTAL	0	0	0	7	0	0	7	0
. Forward currency transactions				338 191	844		339 035	504 884
TOTAL	0	0	0	338 198	844	0	339 042	504 884

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.5.2.1.4. Derivative instruments held for trading – fair value of liabilities

(in thousands of euros)	31.12.2015						31.12.2014 Restated (1)	
	Exchange-traded			Over-the-counter			Total market value	Total market value
	≤1 year	> 1 year ≤ 5 years	> 5 years	≤1 year	> 1 year ≤ 5 years	> 5 years		
INTEREST RATE INSTRUMENTS:	0	0	0	1 300	430	2 424	4 154	3 349
. Interest rate swaps				1 300	430	2 424	4 154	3 349
CURRENCY AND GOLD:	0	0	0	0	0	0	0	0
. Currency options								
OTHER:	0	0	0	7	0	0	7	0
. Credit derivatives				7			7	
SUBTOTAL	0	0	0	1 307	430	2 424	4 161	3 349
. Forward currency transactions				327 536	856		328 392	472 728
TOTAL	0	0	0	328 843	1 286	2 424	332 553	476 077

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.5.2.2. Derivative instruments: total commitments

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
INTEREST RATE INSTRUMENTS:	25 749 781	4 320 854
- Interest rate swaps	25 749 781	4 320 854
CURRENCY AND GOLD:	0	0
- Currency options		
OTHER:	0	0
- Credit derivatives		
SUBTOTAL	25 749 781	4 320 854
- Forward currency transactions	84 553 336	84 635 516
TOTAL	110 303 117	88 956 370

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.5.2.3. Foreign exchange risk

Foreign exchange is the risk of a change of value of a financial instrument due to a change in a currency's value.

2.5.2.4. Liquidity and financing risk

Liquidity and financing risk is the risk of loss if the company is unable to meet its financial commitments in timely fashion and at reasonable prices when they reach maturity.

These commitments include obligations to depositors and suppliers, as well as commitments in respect of loans and investments.

2.5.2.4.1. Loans and receivables to credit institutions and customers by remaining maturity

(in thousands of euros)	31.12.2015					Total
	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Unspecified	
Loans and receivables to credit institutions	10 870 877	2 120 670	6 678 181	5 188 798		24 858 526
Loans and receivables to customers	5 581 639	5 240				5 586 879
TOTAL	16 452 516	2 125 910	6 678 181	5 188 798	0	30 445 405
IMPAIRMENT						
NET CARRYING AMOUNT						30 445 405

(in thousands of euros)	31.12.2014 Restated (1)					Total
	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Unspecified	
Loans and receivables to credit institutions	11 957 867	2 966 937	7 956 287	2 232 486		25 113 577
Loans and receivables to customers	2 954 726		159		103	2 954 989
TOTAL	14 912 593	2 966 937	7 956 446	2 232 486	103	28 068 566
IMPAIRMENT						
NET CARRYING AMOUNT						28 068 566

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.5.2.4.2. Due to banks and customers by remaining maturity

(in thousands of euros)	31.12.2015				Total
	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	
Due to banks	6 667 793	579 951	0		7 247 744
Due to customers	40 550 190	1 023 859	5 872		41 579 921
TOTAL	47 217 983	1 603 810	5 872	0	48 827 665
NET CARRYING AMOUNT					48 827 665

(in thousands of euros)	31.12.2014 Restated (1)				Total
	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	
Due to banks	6 184 780	541 483	2		6 726 265
Due to customers	33 575 033	4 772 941	4 641		38 352 615
TOTAL	39 759 813	5 314 424	4 643	0	45 078 880
NET CARRYING AMOUNT					45 078 880

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.5.3. CASH FLOW AND FAIR VALUE INTEREST RATE AND FOREIGN EXCHANGE HEDGING

Derivative financial instruments used in a hedging relationship are designated according to the intended purpose:

- Fair value hedge;
- Cash flow hedge;
- Hedge of a net investment in foreign currency.

Each hedging relationship is formally documented describing the strategy, item hedged and hedging instrument, and method of measuring effectiveness.

2.5.3.1. Fair value hedges

A fair value hedge modifies the risk of changes in the fair value of a fixed-rate financial instrument caused by changes in interest rates. Fair value hedges transform fixed-rate assets or liabilities into floating-rate assets or liabilities. Items hedged are principally fixed-rate loans, securities, deposits and subordinated debt.

The financial instruments considered as hedging instruments on December 31, 2015 are interest rate swaps which cover securities or customer demand deposits.

2.5.3.2. Hedging derivative instruments

(in thousands of euros)	31.12.2015			31.12.2014 Restated (1)		
	Market value		Notional amount	Market value		Notional amount
	positive	negative		positive	negative	
FAIR VALUE HEDGES	18 180	99 567	25 036 700	407	106 315	3 306 700
Interest rate	18 180	99 567	25 036 700	407	106 315	3 306 700
TOTAL	18 180	99 567	25 036 700	407	106 315	3 306 700

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.6. NOTES TO THE INCOME STATEMENT

2.6.1. INTEREST INCOME AND EXPENSE

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
Interbank transactions	14 632	19 554
Customer transactions	27 409	19 472
Accrued interest receivable on available-for-sale financial assets	171 474	211 941
Accrued interest receivable on hedging instruments	39 933	92 756
Other interest and similar income	7 998	4 317
INTEREST INCOME	261 446	348 040
Interbank transactions	-27 656	-12 883
Customer transactions	-12 329	-49 617
Subordinated debt	-11 394	-14 346
Accrued interest payable on hedging instruments	-80 204	-123 607
Other interest and similar expense	-20	-86
INTEREST EXPENSE	-131 603	-200 538

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.6.2. NET COMMISSION AND FEE INCOME

(in thousands of euros)	31.12.2015			31.12.2014 Restated (1)		
	Income	Expense	Net	Income	Expense	Net
Interbank transactions	26		26			0
Customer transactions		-53	-53			0
Securities transactions		-90	-90			0
Foreign exchange transactions	6 510	-1 592	4 918	5 653	-452	5 202
Derivative instruments and other off-balance sheet items	12 187	-5 223	6 964	7 707	-3 089	4 618
Payment instruments and other banking and financial services	137 685	-69 239	68 446	137 450	-63 868	73 582
Mutual funds management, fiduciary and similar operations	535 893	-52 073	483 820	512 230	-54 498	457 731
NET FEES AND COMMISSIONS	692 300	-128 270	564 031	663 040	-121 907	541 133

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.6.3. NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
Unrealised or realised gains or losses on assets/liabilities at fair value through profit or loss classified as held for trading	-556	-1 080
Net gains (losses) on foreign exchange transactions and similar financial instruments (excluding gains or losses on hedges of net investments in foreign operations)	49 129	34 616
Gains or losses from hedge accounting	1	
NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	48 574	33 536

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

Analysis of net gains (losses) from hedge accounting

(in thousands of euros)	31.12.2015		
	Gains	Losses	Net
FAIR VALUE HEDGES	2 106	-2 105	1
Change in fair value of hedged items attributable to hedged risks	-12 380	-9 341	-21 721
Change in fair value of hedging derivatives (including sales of hedges)	14 486	7 236	21 722
FAIR VALUE HEDGE OF THE INTEREST RATE EXPOSURE OF A PORTFOLIO OF FINANCIAL INSTRUMENTS	10 027	-10 027	0
Change in fair value of hedged items	515	-9 512	-8 997
Change in fair value of hedging derivatives	9 512	-515	8 997
TOTAL GAINS OR LOSSES FROM HEDGE ACCOUNTING	12 133	-12 132	1

(in thousands of euros)	31.12.2014 Restated (1)		
	Gains	Losses	Net
FAIR VALUE HEDGES	57 563	-57 563	0
Change in fair value of hedged items attributable to hedged risks	57 563	-570	56 993
Change in fair value of hedging derivatives (including sales of hedges)		-56 993	-56 993
FAIR VALUE HEDGE OF THE INTEREST RATE EXPOSURE OF A PORTFOLIO OF FINANCIAL INSTRUMENTS	407	-407	0
Change in fair value of hedged items		-407	-407
Change in fair value of hedging derivatives	407		407
TOTAL GAINS OR LOSSES FROM HEDGE ACCOUNTING	57 970	-57 970	0

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.6.4. NET GAINS (LOSSES) ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
Dividends received	229	231
Realised gains or losses on available-for-sale financial assets	17 896	13 322
Disposal gain or loss on financial assets held to maturity and loans and receivables		-73
NET GAINS OR LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	18 125	13 480

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.6.5. INCOME AND EXPENSE ON OTHER ACTIVITIES

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
Other net income (expense)	-12 194	-13 047
INCOME (EXPENSE) RELATED TO OTHER ACTIVITIES	-12 194	-13 047

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.6.6. GENERAL OPERATING EXPENSES

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
Personnel costs	-319 549	-301 050
Taxes other than on income or payroll-related	-17 657	-11 018
External services and other general operating expenses	-222 177	-239 367
OPERATING EXPENSES	-559 383	-551 435

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.6.7. DEPRECIATION, AMORTISATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
DEPRECIATION AND AMORTISATION	-23 759	-20 970
- property, plant & equipment	-4 312	-5 112
- intangible assets	-19 448	-15 858
TOTAL	-23 759	-20 970

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.6.8. COST OF RISK

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
CHARGE TO PROVISIONS AND IMPAIRMENT	-315	-267
Fixed income available-for-sale financial assets		
Other assets	-315	-267
WRITE-BACKS OF PROVISIONS AND IMPAIRMENT	129	957
Fixed income available-for-sale financial assets		
Other assets	129	957
NET CHARGE TO IMPAIRMENT AND PROVISIONS	-186	690
Recoveries on bad debts written off		
OTHER NET LOSSES		-2
COST OF RISK	-186	688

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.6.9. INCOME TAX EXPENSE

2.6.9.1. Tax expense

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
Current tax expense	-44 748	-46 148
Deferred tax expense	-5 815	5 422
TAX EXPENSE FOR THE PERIOD	-50 563	-40 726

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.6.9.2. Reconciliation of theoretical tax rate and effective tax rate

(in thousands of euros)	31.12.2015		
	Base	Tax rate	Tax
Income before tax, goodwill impairment, discontinued operations and share of profit in equity-accounted entities	164 933	38.00%	-62 675
Impact of permanent differences			-4 153
Impact of different tax rates on foreign subsidiaries			9 590
Impact of losses of the year, utilisation of tax loss carryforwards and temporary differences			-12 486
Impact of reduced tax rate			13 155
Impact of other items			6 006
EFFECTIVE TAX RATE AND TAX EXPENSE		30,66%	-50 563

(in thousands of euros)	31.12.2014 Restated (1)		
	Base	Tax rate	Tax
Income before tax, goodwill impairment, discontinued operations and share of profit in equity-accounted entities	150 854	38.00%	-57 324
Impact of permanent differences			-12 585
Impact of different tax rates on foreign subsidiaries			8 458
Impact of losses of the year, utilisation of tax loss carryforwards and temporary differences			-202
Impact of reduced tax rate			24 588
Impact of other items			-3 661
EFFECTIVE TAX RATE AND TAX EXPENSE		27,00%	-40 726

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.7. NOTES TO THE BALANCE SHEET

2.7.1. CASH DUE FROM CENTRAL BANKS

(in thousands of euros)	31.12.2015		31.12.2014 Restated (1)	
	Assets	Liabilities	Assets	Liabilities
Cash	4		5	
Central Banks (2)	384 366		185 273	
CARRYING AMOUNT	384 370	0	185 278	0

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

(2) Accrued interest included

2.7.2. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
Financial assets held for trading	339 042	504 884
CARRYING AMOUNT	339 042	504 884

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

Financial assets held for trading

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
SECURITIES HELD FOR TRADING	0	0
- Treasury bill and similar securities		
DERIVATIVES INSTRUMENTS	339 042	504 884
CARRYING AMOUNT	339 042	504 884

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

Financial liabilities at fair value through profit or loss

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
Financial liabilities held for trading	332 553	476 077
CARRYING AMOUNT	332 553	476 077

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

Financial liabilities held for trading

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
Derivative instruments	332 553	476 077
CARRYING AMOUNT	332 553	476 077

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.7.3. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(in thousands of euros)	31.12.2015			31.12.2014 Restated (1)		
	Fair value	Gains recognised in other comprehensive income	Losses recognised in other comprehensive income	Fair value	Gains recognised in other comprehensive income	Losses recognised in other comprehensive income
Treasury bills and similar securities	6 582 148	1 294	-13 504	6 686 190	2	-28 400
Bonds and other fixed-income securities	13 972 839	42 685	-27 252	12 771 132	98 824	-52 505
Shares and other variable-income securities	288			1 951	408	
Non-consolidated investments	7 087	3 497	-218	5 477	2 584	-127
TOTAL AVAILABLE-FOR-SALE SECURITIES	20 562 362	47 476	-40 974	19 464 750	101 820	-81 032
CARRYING AMOUNT OF AVAILABLE-FOR-SALE FINANCIAL ASSETS	20 562 362	47 476	-40 974	19 464 750	101 820	-81 032
INCOME TAX EXPENSE		-13 920	11 972		-29 788	23 674
GAINS AND LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS RECOGNISED IN OTHER COMPREHENSIVE INCOME (NET OF INCOME TAX)		33 556	-29 002		72 032	-57 358

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.7.4 LOANS AND RECEIVABLES TO CREDIT INSTITUTIONS AND CUSTOMERS

2.7.4.1. Loans and receivables to credit institutions

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
LOANS AND RECEIVABLES TO CREDIT INSTITUTIONS		
Loans and receivables	7 370 205	5 936 491
. of which performing current accounts in debit	718 072	1 933 044
. of which performing overnight accounts and advances	6 518 558	3 837 194
Securities bought under repurchase agreements	3 934 395	5 803 134
Securities not traded in an active market	13 553 926	13 373 952
TOTAL	24 858 526	25 113 577
CARRYING AMOUNT	24 858 526	25 113 577

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.7.4.2. Loans and receivables to customers

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
LOANS AND RECEIVABLES TO CREDIT INSTITUTIONS		
Customer receivables	613	311
Other customer loans	92 599	866
Securities bought under repurchase agreements	3 909 788	1 083 694
Advances in associates current accounts	265	265
Current accounts in debit	1 583 614	1 869 853
TOTAL	5 586 879	2 954 989
CARRYING AMOUNT	5 586 879	2 954 989

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.7.5. TRANSFERRED ASSETS NOT DERECOGNISED OR DERECOGNISED WITH ONGOING INVOLVEMENT

2.7.5.1. Transferred assets not fully derecognised

Assets transferred, but not fully derecognised											
Nature of assets transferred	Assets transferred, but still fully recognised										
	Assets transferred					Associated liabilities					Assets and associated liabilities
	Carrying amount	O/w securitisation (non deconsolidating)	O/w securities sold/bought under Repurchase agreements	Other	Fair value	Carrying amount	O/w securitisation (non deconsolidating)	O/w securities sold/bought under Repurchase agreements	Other	Fair value	Net fair value
(in thousands of euros)											
Available-for-sale	3 457 180	0	1 966 687	1 490 493	3 457 180	1 966 687	0	1 966 687	0	1 966 687	1 490 493
Debt securities	3 457 180		1 966 687	1 490 493	3 457 180	1 966 687		1 966 687		1 966 687	1 490 493
Loans and receivables	3 036 973	0	1 269 573	1 767 400	3 036 973	1 269 573	0	1 269 573	0	1 269 573	1 767 400
Debt securities	3 036 973		1 269 573	1 767 400	3 036 973	1 269 573		1 269 573		1 269 573	1 767 400
TOTAL ASSETS TRANSFERRED	6 494 153	0	3 236 260	3 257 893	6 494 153	3 236 260	0	3 236 260	0	3 236 260	3 257 893

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

As of 31 December 2015, CACEIS has no assets transferred but recognised to the extent of the Group's continuing involvement.

2.7.5.2. Commitments incurred related to transferred assets fully derecognised

As of 31 December 2015, CACEIS has no commitments incurred related to transferred assets fully derecognised.

2.7.6. IMPAIRMENT DEDUCTED FROM FINANCIAL ASSETS

(in thousands of euros)	31.12.2014 Restated (1)	Changes in scope	Impairment Losses increase	Write-backs	Translation adjustments	Other movements	31.12.2015
Available-for-sale assets							
Other financial assets	422		374	-436			360
TOTAL	422	0	374	-436	0	0	360

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

(in thousands of euros)	31.12.2013	Changes in scope	Impairment Losses increase	Write-backs	Translation adjustments	Other movements	31.12.2014 Restated (1)
Available-for-sale assets	1			-1			0
Other financial assets	1175		267	-1 020			422
TOTAL	1 176	0	267	-1 021	0	0	422

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.7.7. EXPOSURE TO SOVEREIGN RISK IN EUROPEAN COUNTRIES UNDER WATCH

31.12.2015	Net exposures net of impairment					Total banking activity before hedging	Hedging Available-for-sale financial assets	Total banking activity after hedging
(in thousands of euros)	O/w banking portfolio				O/w trading book (excluding derivatives)			
	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Loans and receivables	Held-to-maturity financial assets				
Germany								
Belgium		746 728						
Spain		519 049						
United States								
France		4 637 457						
Greece								
Ireland								
Italy								
Japan		379 784						
Portugal								
TOTAL	0	6 283 018	0	0	0	0	0	0

31.12.2014 Restated (1)	Net exposures net of impairment					Total banking activity before hedging	Hedging Available-for-sale financial assets	Total banking activity after hedging
(in thousands of euros)	O/w banking portfolio				O/w trading book (excluding derivatives)			
	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Loans and receivables	Held-to-maturity financial assets				
Germany		283 341						
Belgium		993 876						
Spain		538 475						
United States								
France		4 378 398						
Greece								
Ireland								
Italy								
Japan								
Portugal								
TOTAL	0	6 194 090	0	0	0	0	0	0

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

Change between 31 December 2014 and 31 December 2015

CHANGES IN EXPOSURES BEFORE HEDGING (in thousands of euros)	Outstanding at 31.12.2014 Restated (1)	Change in fair value	Recycling of available-for-sale reserves	Accrued interest	Maturing debts	Disposals net of reversals of provisions	Acquisitions	Outstanding at 31.12.2015
Spain								
France								
Greece								
Ireland								
Italy								
Portugal								
HELD-TO-MATURITY FINANCIAL ASSETS	0	0	0	0	0	0	0	0
Spain	538 475	-19 300		-126				519 049
France	4 378 398	-7 470		-10 940	-2 833 018	-1 732 281	4 842 767	4 637 457
Greece								
Ireland								
Italy								
Portugal								
AVAILABLE-FOR-SALE FINANCIAL ASSETS	4 916 873	-26 770	0	-11 066	-2 833 018	-1 732 281	4 842 767	5 156 506
Spain								
France								
Greece								
Ireland								
Italy								
Portugal								
LOANS AND RECEIVABLES	0	0	0	0	0	0	0	0
Spain								
France								
Greece								
Ireland								
Italy								
Portugal								
TRADING BOOK PORTFOLIO (EXCLUDING DERIVATIVES)	0	0	0	0	0	0	0	0
TOTAL	4 916 873	-26 770	0	-11 066	-2 833 018	-1 732 281	4 842 767	5 156 506

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

CHANGES IN EXPOSURES BEFORE HEDGING (in thousands of euros)	Outstanding at 31.12.2013	Change in fair value	Recycling of available-for-sale reserves	Accrued interest	Maturing debts	Disposals net of reversals of provisions	Acquisitions	Outstanding at 31.12.2014 Restated (1)
Spain								
France								
Greece								
Ireland								
Italy								
Portugal								
HELD-TO-MATURITY FINANCIAL ASSETS	0	0	0	0	0	0	0	0
Spain							538 475	538 475
France	4 354 008	-34 892		8 284	-1 403 938	-1 108 458	2 563 394	4 378 398
Greece								
Ireland								
Italy								
Portugal								
AVAILABLE-FOR-SALE FINANCIAL ASSETS	4 354 008	-34 892	0	8 284	-1 403 938	-1 108 458	3 101 869	4 916 873
Spain								
France								
Greece								
Ireland								
Italy								
Portugal								
LOANS AND RECEIVABLES	0	0	0	0	0	0	0	0
Spain								
France								
Greece								
Ireland								
Italy								
Portugal								
TRADING BOOK PORTFOLIO (EXCLUDING DERIVATIVES)	0	0	0	0	0	0	0	0
TOTAL	4 354 008	-34 892	0	8 284	-1 403 938	-1 108 458	3 101 869	4 916 873

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.7.8. DUE TO CREDIT INSTITUTIONS AND TO CUSTOMERS

2.7.8.1. Due to credit institutions

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
CREDIT INSTITUTIONS		
Deposits	1 671 704	1 566 999
. of which current accounts in credit	1 618 798	1 490 509
. of which daylight overdrafts and accounts	11 809	61 681
Securities sold under repurchase agreements	5 576 040	5 159 266
CARRYING AMOUNT	7 247 744	6 726 265

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.7.8.2. Due to customers

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
Current accounts in credit	37 734 260	26 611 493
Other due to customers	1 786 659	5 127 510
Securities sold under repurchase agreements	2 059 002	6 613 612
CARRYING AMOUNT	41 579 921	38 352 615

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.7.9. DEBT SECURITIES AND SUBORDINATED DEBT

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
SUBORDINATED DEBT		
Fixed-term subordinated debt	250 017	352 115
Perpetual subordinated debt	80 469	80 471
CARRYING AMOUNT	330 486	432 586

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.7.10. Information on the offsetting of financial assets and financial liabilities

Offsetting - Financial Assets

31.12.2015	Offsetting effects on financial assets covered by master netting agreement and similar agreements						
	Type of financial instrument (in thousands of euros)	Gross amounts of recognised financial assets before offsetting	Gross amounts of recognised financial liabilities set off in the financial statements	Net amounts of financial assets presented in the financial statements	Other amounts that can be offset under given conditions		Net amount after all offsetting effects
					Gross amounts of financial liabilities covered by master netting agreement	Amounts of other financial instruments received as collateral, including security deposit	
	Derivatives	357 222		357 222	249 655	67 357	40 210
	Reverse repurchase agreements	7 844 183		7 844 183		1 433 348	6 410 835
	Securities lent	2 340 635		2 340 635			2 340 635
	TOTAL FINANCIAL ASSETS SUBJECT TO OFFSETTING	10 542 040	0	10 542 040	249 655	1 500 705	8 791 680

31.12.2014 Restated (1)	Offsetting effects on financial assets covered by master netting agreement and similar agreements					
Type of financial instrument (in thousands of euros)	Gross amounts of recognised financial assets before offsetting	Gross amounts of recognised financial liabilities set off in the financial statements	Net amounts of financial assets presented in the financial statements	Other amounts that can be offset under given conditions		Net amount after all offsetting effects
				Gross amounts of financial liabilities covered by master netting agreement	Amounts of other financial instruments received as collateral, including security deposit	
Derivatives	505 291	0	505 291	165 614		339 677
Reverse repurchase agreements	6 886 828	0	6 886 828		112	6 886 716
Securities lent	4 737 258	0	4 737 258			4 737 258
TOTAL FINANCIAL ASSETS SUBJECT TO OFFSETTING	12 129 377	0	12 129 377	165 614	112	11 963 651

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

Offsetting - Financial Liabilities

31.12.2015	Offsetting effects on financial assets covered by master netting agreement and similar agreements					
Type of financial instrument (in thousands of euros)	Gross amounts of recognised financial liabilities before offsetting	Gross amounts of recognised financial assets set off in the financial statements	Net amounts of financial liabilities presented in the financial statements	Other amounts that can be offset under given conditions		Net amount after all offsetting effects
				Gross amounts of financial assets covered by master netting agreement	Amounts of other financial instruments given as guarantee, including security deposits	
Derivatives	432 120		432 120	249 655	76 090	106 375
Repurchase agreements	7 635 042		7 635 042		1 228 668	6 406 374
TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING	8 067 162	0	8 067 162	249 655	1 304 758	6 512 749

31.12.2014 Restated (1)	Offsetting effects on financial assets covered by master netting agreement and similar agreements					
Type of financial instrument (in thousands of euros)	Gross amounts of recognised financial liabilities before offsetting	Gross amounts of recognised financial assets set off in the financial statements	Net amounts of financial liabilities presented in the financial statements	Other amounts that can be offset under given conditions		Net amount after all offsetting effects
				Gross amounts of financial assets covered by master netting agreement	Amounts of other financial instruments given as guarantee, including security deposits	
Derivatives	582 317		582 317	165 614		416 703
Repurchase agreements	11 772 878		11 772 878		4 886 162	6 886 716
TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING	12 355 195	0	12 355 195	165 614	4 886 162	7 303 419

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.7.11. CURRENT AND DEFERRED TAX ASSETS AND LIABILITIES

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
Current tax	3 857	10 904
Deferred tax	18 562	28 147
TOTAL CURRENT AND DEFERRED TAX ASSETS	22 419	39 051
Advances in associates current accounts	3 051	103
Current accounts in debit	54 228	59 392
TOTAL CURRENT AND DEFERRED TAX LIABILITIES	57 279	59 495

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

Net deferred tax assets and liabilities break down as follows :

(in thousands of euros)	31.12.2015		31.12.2014 Restated (1)	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
TEMPORARY TIMING DIFFERENCES	21 297	4 853	25 995	2 818
Non-deductible accrued expenses	4 070		3 798	
Non-deductible provisions for liabilities and charges	10 734	2 017	9 126	
Other temporary differences	6 493	2 836	13 071	2 818
DEFERRED TAX/ RESERVES FOR UNREALISED GAINS OR LOSSES	5 278	3 823	6 636	6 576
Available-for-sale assets	1 400	3 347	128	6 245
Gains and losses / Actuarial gains or losses	3 878	476	6 508	331
DEFERRED TAX/ INCOME	25 270	79 750	7 177	68 132
COMPENSATION IMPACT	-29 754	-29 754	-9 959	-9 959
TOTAL DEFERRED TAX	22 091	58 673	29 849	67 567

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.7.12. ACCRUED INCOME AND EXPENSES AND OTHER ASSETS AND LIABILITIES

2.7.12.1. Accruals, prepayments and sundry assets

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
OTHER ASSETS	1 749 042	1 136 200
Miscellaneous debtors	1 633 890	939 996
Settlement accounts	115 152	196 204
ACCRUALS AND DEFERRED INCOME	505 021	428 089
Items in course of transmission from other banks	278 391	170 674
Adjustment and suspense accounts	6 368	1 821
Accrued income	203 683	209 779
Prepaid expenses	11 412	39 343
Other accruals and prepayments	5 167	6 472
NET CARRYING AMOUNT	2 254 063	1 564 288

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.7.12.2. Accruals, deferred income and sundry liabilities

(in thousands of euros)	31.12.2015	31.12.2014 Restated (1)
OTHER LIABILITIES (2)	2 501 228	1 768 724
Settlement accounts	674 521	772 692
Miscellaneous creditors	599 403	228 929
Other	1 227 304	767 103
ACCRUALS AND DEFERRED EXPENSES	558 104	666 145
Items in course of transmission to other banks (3)	239 293	255 563
Adjustment and suspense accounts	5 644	2 005
Unearned income	1 972	3 088
Accrued expenses	195 244	211 698
Other accruals and deferred income	115 950	193 790
CARRYING AMOUNT	3 059 332	2 434 869

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

(2) Amounts include accrued interest

(3) Net amounts

2.7.13. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS (EXCLUDING GOODWILL)

(in thousands of euros)	31.12.2014 Restated (1)	Change in scope	Increases (acquisitions)	Decreases (disposals and redemptions)	Translation adjustments	Other movements	31.12.2015
Property, plant & equipment							
Gross amount	89 908		4 114	-4 638	20		89 404
Depreciation, amortisation and impairment	-50 308		-4 313	4 520	-20		-50 122
CARRYING AMOUNT	39 600	0	-199	-118	0	0	39 282
Intangible assets							
Gross amount	426 255		34 455	-9 620	4 471		455 561
Depreciation, amortisation and impairment	-302 736		-19 448	-8 201	-4 470		-334 854
CARRYING AMOUNT	123 519	0	15 007	-17 821	1	0	120 707

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

(in thousands of euros)	31.12.2013	Change in scope	Increases (acquisitions)	Decreases (disposals and redemptions)	Translation adjustments	Other movements	31.12.2014 Restated (1)
Property, plant & equipment							
Gross amount	88 146		3 162	-1 522	111	10	89 908
Depreciation, amortisation and impairment	-46 593		-5 109	1 484	-80	-10	-50 308
CARRYING AMOUNT	41 553	0	-1 947	-38	31	0	39 600
Intangible assets							
Gross amount	403 956		24 706	-7 071	4 641	23	426 255
Depreciation, amortisation and impairment	-275 449		-15 858	-6 765	-4 639	-23	-302 735
CARRYING AMOUNT	128 507	0	8 848	-13 836	2	0	123 520

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.7.14. PROVISIONS

(in thousands of euros)	31.12.2014 Restated (1)	Change in scope	Impairment losses increases	Write-back amounts used	Write-back amounts not used	Translation adjustments	Other movements	31.12.2015
Operational risk	6 124		4 730	-650	-850	4		9 358
Employee retirement and similar benefits	55 547		3 703	-164	-1 057	137	-2 857	55 309
Litigation	1 662		570	-489	-40	46	1	1 750
Restructuring	743			-156				587
Other risks	8 866		1 829	-266	-5 640			4 788
TOTAL	72 942	0	10 832	-1 725	-7 587	187	-2 856	71 793

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

(in thousands of euros)	31.12.2013	Change in scope	Impairment losses increases	Write-back amounts used	Write-back amounts not used	Translation adjustments	Other movements	31.12.2014 Restated (1)
Operational risk	5 519		1 965	-1 154	-107	1	-100	6 124
Employee retirement and similar benefits	46 869		3 183	-184	-914	10	6 583	55 547
Litigation	4 230		355	-2 497	-434	9		1 662
Restructuring	1 214		537	-1 008				743
Other risks	10 151		201	-1 100	-386			8 866
TOTAL	67 983	0	6 241	-5 943	-1 841	19	6 483	72 942

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.7.15. EQUITY

2.7.15.1. Composition of equity

Equity is allocated as follows:

CACEIS's Shareholders	Number of shares at 01.01.2015	Number of shares issued	Number of refunded shares	Number of shares at 31.12.2015	% of capital	% of voting rights
CREDIT AGRICOLE S.A.	13 457 460			13 457 460	85%	85%
NATIXIS	2 374 846			2 374 846	15%	15%
Others	5			5	0%	0%
TOTAL	15 832 311	0	0	15 832 311		

2.7.15.2. Income per share

	31.12.2015	31.12.2014 Restated (1)
Net income-Group share (in millions of euros)	114	-240
Weighted average number of outstanding securities during the financial period	16	16
Adjustment coefficient	1	1
Weighted average number of outstanding securities used for calculating the diluted income per share	16	16
INCOME PER SHARE (IN EUROS)	7.22	-15.15
INCOME ON CONTINUED ACTIVITIES PER SHARE (IN EUROS)	7.22	-15.15
INCOME ON DISCONTINUED ACTIVITIES (IN EUROS)	0	0
DILUTED INCOME PER SHARE (IN EUROS)	7.22	-15.15
DILUTED INCOME ON CONTINUED ACTIVITIES PER SHARE (IN EUROS)	7.22	-15.15
DILUTED INCOME ON DISCONTINUED ACTIVITIES (IN EUROS)	0	0

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.8. HEADCOUNT AT YEAR-END

Headcount	31.12.2015	31.12.2014 Restated (1)
France	1 640	1 653
Outside France	1 549	1 575
TOTAL	3 189	3 228

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

2.9. RECLASSIFICATION OF FINANCIAL INSTRUMENTS

Nature and value of the reclassified assets

(in thousands of euros)	Total reclassified assets		Assets reclassified in 2015			Assets reclassified before			
	Carrying amount 31.12.2015	Estimated market value at 31.12.2015	Reclassification value	Carrying amount 31.12.2015	Estimated market value 31.12.2015	Carrying amount 31.12.2015	Estimated market value 31.12.2015	Carrying amount 31.12.2014 Restated (1)	Estimated market value 31.12.2014 Restated (1)
Financial assets at fair value through profit or loss reclassified as loans and receivables	0	0							
Available-for-sale financial assets transferred to loans and receivables	1 254 223	1 254 223	1 254 599	1 254 223	1 254 223				
TOTAL RE-CLASSIFIED ASSETS	1 254 223	1 254 223	1 254 599	1 254 223	1 254 223	0	0	0	0

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

- **Change in fair value of reclassified assets recognised in profit or loss**

No change in fair value of reclassified assets has been recognised in profit or loss at December 31, 2015.

- **Contribution of reclassified assets to net income since the reclassification date**

(in thousands of euros)	Impact on pre-tax income since reclassification date							
	Assets reclassified at 31.12.2015		Assets reclassified before					
	Impact at 31.12.2015		Cumulative impact at 31.12.2014 Restated (1)		Impact at 31.12.2015		Cumulative impact at 31.12.2015	
	Actual income and expenses recognised	If asset has been retained in its former category (change in fair value)	Actual income and expenses recognised	If asset has been retained in its former category (change in fair value)	Actual income and expenses recognised	If asset has been retained in its former category (change in fair value)	Actual income and expenses recognised	If asset has been retained in its former category (change in fair value)
Financial assets at fair value through profit or loss reclassified as loans and receivables							0	0
Available-for-sale financial assets transferred to loans and receivables	798						0	0
TOTAL RE-CLASSIFIED ASSETS	798	0	0	0	0	0	0	0

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

- **Additional information**

(in thousands of euros)	Expected value at the reclassification date	
	Future Cash flows	Effective interest rate (in %)
Financial assets at fair value through profit or loss reclassified as loans and receivables		
Available-for-sale financial assets transferred to loans and receivables	1 254 223	0.051
TOTAL RECLASSIFIED ASSETS	1 254 223	0.0509

2.10. FAIR VALUE OF FINANCIAL INSTRUMENTS

For financial instruments that are traded in an active market (i.e. prices are quoted and disseminated), the best estimate of fair value is their market price.

The amounts hereafter quoted are those estimated at the closing date, they are likely to evolve with the changes of the markets' conditions or of other factors' changes.

The calculations are the best estimations possible. In the absence of a market and of reliable data, fair value is determined at the closing date using an appropriate method that is consistent with the valuation methods used in financial markets: market value of a comparable instrument, discounted future cash flows, or valuation models. Considering the hypothesis and uncertainties the models contain, the fair values stated might not be materialised at the outcome of the operation.

In practice and in business continuity logic, all of the financial instruments couldn't be subject to an immediate realisation for the values quoted below.

2.10.1. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT AMORTISED COST

Financial assets recognised at cost and measured at fair value on the balance sheet

(in thousands of euros)	Total 31.12.2015	Quoted prices in active markets for identical instruments: LEVEL 1	Valuation based on observable data: LEVEL 2	Valuation based on unobservable data: LEVEL 3
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE ON BALANCE SHEET				
LOANS AND RECEIVABLES	30 445 405	0	30 445 405	0
Loans and receivables due from credit institutions	24 858 526	0	24 858 526	0
Current accounts and overnight loans	7 236 581		7 236 581	
Accounts and term deposits	133 624		133 624	
Securities bought under repurchase agreements	3 934 395		3 934 395	
Securities not quoted in an active market	13 553 926		13 553 926	
Loans and receivables due from customers	5 586 879	0	5 586 879	0
Trade receivables	613		613	
Other customer loans	92 599		92 599	
Securities bought under repurchase agreements	3 909 788		3 909 788	
Advances in associates current accounts	265		265	
Current accounts in debit	1 583 614		1 583 614	
TOTAL FINANCIAL ASSETS OF WHICH FAIR VALUE IS DISCLOSED	30 445 405	0	30 445 405	0

Financial assets recognised at cost and measured at fair value on the balance sheet

(in thousands of euros)	Total 31.12.2015	Quoted prices in active markets for identical instruments: LEVEL 1	Valuation based on observable data: LEVEL 2	Valuation based on unobservable data: LEVEL 3
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE ON BALANCE SHEET				
DUE TO CREDIT INSTITUTIONS	7 247 744	0	7 247 744	0
Current accounts and overnight borrowing	1 631 102		1 631 102	
Accounts and term deposits	40 602		40 602	
Securities sold under repurchase agreements	5 576 040		5 576 040	
Other			-	
DUE TO CUSTOMERS	41 579 921	0	41 579 921	0
Current accounts in credit	37 734 260		37 734 260	
Special savings accounts			-	
Other amounts due to customers	1 786 659		1 786 659	
Securities sold under repurchase agreements	2 059 002		2 059 002	
Cash deposits received from cedants and retrocessionaires against technical insurance commitments			-	
SUBORDINATED DEBT	330 486		330 486	
TOTAL FINANCIAL LIABILITIES OF WHICH FAIR VALUE IS DISCLOSED	49 158 151	0	49 158 151	0

2.10.2. INFORMATION ABOUT FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Financial instrument measured at fair value broken down by fair value hierarchy

Amounts presented below include accrued interest and are net of impairment.

Financial assets measured at fair value

(in thousands of euros)	Total 31.12.2015	Quoted prices in active markets for identical instruments: LEVEL 1	Valuation based on observable data: LEVEL 2	Valuation based on unobservable data: LEVEL 3
FINANCIAL ASSETS HELD-FOR-TRADING	339 042	0	339 042	0
Securities held-for-trading - Treasury bills and similar securities				
Derivative instruments	339 042		339 042	
AVAILABLE-FOR-SALE FINANCIAL ASSETS	20 562 362	20 555 275	7 087	0
Treasury bills and similar securities	6 582 148	6 582 148		
Bonds and other fixed income securities	13 972 839	13 972 839		
Equities and other variable-income securities	7 375	288	7 087	
HEDGING DERIVATIVE INSTRUMENTS	18 180		18 180	
TOTAL FINANCIAL LIABILITIES OF WHICH FAIR VALUE IS DISCLOSED	20 919 584	20 555 275	364 309	0

(in thousands of euros)	Total 31.12.2014 Restated (1)	Quoted prices in active markets for identical instruments: LEVEL 1	Valuation based on observable data: LEVEL 2	Valuation based on unobservable data: LEVEL 3
FINANCIAL ASSETS HELD-FOR-TRADING	504 884	0	504 884	0
Securities held-for-trading - Treasury bills and similar securities				0
Derivative instruments	504 884		504 884	
AVAILABLE-FOR-SALE FINANCIAL ASSETS	19 464 749	19 457 609	7 140	0
Treasury bills and similar securities	6 686 190	6 686 190		
Bonds and other fixed income securities	12 771 131	12 771 131	0	
Equities and other variable- income securities	7 428	288	7 140	
HEDGING DERIVATIVE INSTRUMENTS	407	0	407	0
TOTAL FINANCIAL LIABILITIES OF WHICH FAIR VALUE IS DISCLOSED	19 970 040	19 457 609	512 431	0

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

Financial liabilities measured at fair value

(in thousands of euros)	Total 31.12.2015	Quoted prices in active markets for identical instruments: LEVEL 1	Valuation based on observable data: LEVEL 2	Valuation based on unobservable data: LEVEL 3
FINANCIAL ASSETS HELD-FOR-TRADING	332 553	0	332 553	0
Derivative instruments	332 553		332 553	
HEDGING DERIVATIVE INSTRUMENTS	99 567		99 567	
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	432 120	0	432 120	0

(in thousands of euros)	Total 31.12.2014 Restated (1)	Quoted prices inactive markets for identical instruments: LEVEL 1	Valuation based on observable data: LEVEL 2	Valuation based on unobservable data: LEVEL 3
FINANCIAL ASSETS HELD-FOR-TRADING	476 077	0	476 077	0
Derivative instruments	476 077		476 077	
HEDGING DERIVATIVE INSTRUMENTS	106 315	0	106 315	0
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	582 392	0	582 392	0

(1) Restated amounts compared with the financial statements published in 2014, following the application of IFRIC 21

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