



*Annual
report 2016*



FONDS DE GARANTIE
DES DÉPÔTS ET
DE RÉOLUTION

ANNUAL REPORT

Financial Year 2016

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FOREWORD

In 2016, the Fonds de Garantie des Dépôts et de Résolution experienced a change in dimension. Not in terms of size, but in terms of presence and influence.

Until this year, building the foundation upon which we can fulfil our key mission, namely to develop the compensation platform of the deposit guarantee scheme, was essential. This platform is now operational and allows us to intervene in seven days. The success of this undertaking is largely due to the commitment of all FGDR employees, to whom we wish to express our deepest appreciation.

It was therefore time to increase our visibility just as the need to do so was of relevance. Indeed, for a long time we were aware of the insufficient, if not biased, perception of the work carried out by the entire sector, not only on a national scale but also at the European and global level, to increase financial stability and better protect all economic players, especially depositors. In particular, issues such as the effectiveness of deposit protection or banking resolution created serious misunderstandings.

Assuming our share of the educational workload, we began a lengthy process of explaining the new framework for building financial security, with respect to the role that the FGDR can play in this endeavour. We believe that these efforts are beginning to yield results, judging by the change in the media headlines and the tone of press articles on the subject.

To achieve our goal, in May 2016 we had the opportunity to host the Executive Committee of the International Association of Deposit Insurers (IADI) in Paris with more than 100 participants from every country in the world. This event featured an international conference on financial stability that was not only attended by our partners but also received good media coverage.

In parallel to this, we conducted a large-scale cross-border cooperation project within the European Forum of Deposit Insurers (EFDI). The 2014 European directive on deposit guarantee schemes created a new obligation for European guarantee funds: if a failed European bank has branches in another European country, the customers of those branches must be compensated through the local guarantee scheme, based on the instructions and with the resources of the scheme located in the country of the parent company.

In practical terms, to achieve this all the European guarantee schemes had to be interoperable, which meant standardising the files exchanged, allowing transfers of information about customers receiving compensation, ensuring cash movements, providing guidelines for the costs that could be charged, etc., all in a secure way. This major project, called “H2C” (“Home-Host Cooperation”), was overseen by the FGDR. It brought together over fifty participants from a large number of European guarantee schemes who took part in four working groups led mainly by FGDR employees. It culminated in a cooperation agreement among guarantee schemes that was explicitly approved by the European Banking Authority and opened for signature by all the EFDI member guarantee schemes at this forum’s general meeting in Vilnius in September 2016.

During that same general meeting, the Chairman of the Board of FGDR was elected Chairman of the EFDI. To a certain extent, this must be seen as a consequence of the successful completion of the “H2C” project, which helped to affirm the FGDR’s standing. It is also the result of the extensive work carried out within this Forum to give it new momentum and make it a recognised partner of the various community bodies in the construction of the third pillar of the Banking Union. It is our desire that, alongside policymakers, regulators and supervisory authorities, practitioners can make themselves heard and share their experience.

At both the European and national level, our goal now is to assert our role as “banking crisis operators” that are capable of taking effective action with the human, technical and financial resources that we now have.

Thierry DISSAUX
Chairman of the Board

François de LACOSTE LAREYMONDIE
Vice-Chairman of the Board

1. LEGISLATIVE AND REGULATORY FRAMEWORK

> 1.1.

The FGDR's legal framework

Order No. 2015-1024 of 20 August 2015 containing various provisions for adapting legislation to European Union financial law transposed both Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes (“DGSD2”) and Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 on the resolution of credit institutions (“BRRD”). Enhancements were made to the deposit guarantee scheme that same year through a series of five implementing decrees, all dated 27 October 2015. The substance of these decrees was described at length in the FGDR's 2015 annual report, to which reference is made.

In 2016, there were two changes to the legal framework.

1.1.1. The implementing provisions of the above-mentioned order regarding the FGDR's Supervisory Board

The provisions relating to the FGDR's Supervisory Board were the subject of a decree dated 16 March 2016 published in the Official Journal on 25 March. The main provisions are as follows:

- the length of the term of office is four years;
- the members of the Supervisory Board are the legal entities that are members of the guarantee mechanism in respect of which they serve. They appoint their representatives, who are private individuals, and the appointment applies to a specific person. These representatives must be “effective managers” of their institution (within the meaning of the banking regulations), or meet the conditions for being effective managers, and have the same powers, conferred by the decision-making body of the institution, to make commitments on its behalf within the FGDR's Supervisory Board;
- pursuant to Article L. 312-10 of the French Mone-

tary and Financial Code, the seven banking groups that are the largest contributors to the deposit guarantee scheme are entitled members of the Supervisory Board. The others are elected as follows:

- > two members for the deposit guarantee scheme;
 - > two members for the investor compensation scheme;
 - > one member for the performance bonds guarantee scheme.
- the decree establishes the procedure for appointing the entitled members and for electing the elected members;
 - the number of votes allotted to each member, for appointing the entitled members or for exercising its voting right, is equal to the total contributions paid by it since becoming a member, regardless of the form thereof, net of all charges and losses. This number is determined at the close of the financial year preceding the renewal of the Supervisory Board;
 - for members belonging to a group, within the meaning of banking legislation, the calculation is done on a consolidated basis, and the rights are exercised by the head of the group;
 - the electoral college of the deposit guarantee scheme consists of all the credit institutions other than those belonging to a group that is an entitled member;
 - the electoral colleges of the investor compensation scheme and the performance bonds guarantee scheme consist of members of each of these schemes that are not credit institutions;
 - the decree also establishes the rules relating to the end of the term of office and the replacement of the Supervisory Board members in case of a vacancy.

These provisions were applied immediately for the renewal of the Supervisory Board that occurred in May 2016 (cf. section 2.2 Composition and operation of the Supervisory Board).

1.1.2. The statistical reclassification of the FGDR as a “public administration”

In early 2015, the national (INSEE) and European (Eurostat) statistics institutes had decided to classify the

FGDR as a public administration. This classification was at odds with the decisions taken by the European and national political bodies which, in parallel to establishing a harmonised organisation and operation of deposit guarantee schemes across Europe, attempted to dissociate the public sphere and public resources from any possible consequences of bank failure management. The drafting of the order of 20 October 2015 had therefore been used as an opportunity to change the FGDR's governance and funding method in an effort to have the aforementioned statistics institutes reverse their decision. The INSEE had made this reversal official in the first quarter of 2016 with the publication of the first indicators regarding the national accounts of public administrations drawn up at 31 December 2015: the press release of 25 March 2016 explicitly stated that the FGDR was removed from the scope of public administrations.

However, Eurostat then issued a reservation regarding this sectoral classification and noted that it was reviewing the matter. In a letter dated 2 October 2016, Eurostat informed the INSEE of its intention to again reclassify the FGDR as a "public administration". The central reasons given by Eurostat were that the FGDR is an off-market insurance mechanism whose size is determined by the French public authorities, and that the Government controls the FGDR in two main ways:

- legislation (Article L. 312-16 of the French Monetary and Financial Code and implementing decrees);
- the veto right of the Director-General of the Treasury within the ACPR's *Collège de Résolution*, which can use the FGDR in case of a resolution.

The letter also makes reference to Eurostat's similar conclusions for the classification of other guarantee schemes in Europe. In addition, Eurostat announced a mandatory guidance, barring a few very limited exceptions, that automatically classifies all European guarantee schemes as public administrations. In fact, at least eight other European schemes have, more or less willingly, seen their statistical status change in the past two years to that of public administration, whereas, based on a partial survey, only four European Union schemes still appear to have a status of "financial auxiliary".

It follows that, pursuant to French domestic law, the FGDR falls under the category of "Central Administration Bodies" and is subject to the provisions of Article 12 of Law 2010-1645 of 28 December 2010 on public finance planning, which governs its borrowing capacities. In particular, it is now prohibited from obtaining new loans of more than one year. This constraint will have an impact on the FGDR's fun-

ding arrangements (cf. section 3.2 Contributions to the various mechanisms).

> 1.2. International regulatory changes and developments

Regulatory developments also include those at the international level, where the FGDR plays an active role both when the regulation is developed and at the time of its individual and collective operational implementation.

1.2.1. International deposit insurance standards

At the end of 2014, the International Association of Deposit Insurers (IADI), on whose Board the FGDR sits, drafted a revised set of Core Principles (fundamental deposit insurance principles). The Core Principles constitute the basic doctrine of all deposit insurers around the world, as well as the standard used by the IMF as the basis for the periodic assessments of the financial sector and financial regulation system which it conducts in all the Member States (FSAP – Financial Sector Assessment Program).

The new set of Core Principles provided a more solid and more rigorous structure to the previous version and attempted to address the issues of moral hazard and resolution and define increasingly stringent action principles. It includes, in particular, a seven-day target repayment period, the shortest possible compensation initiation times, and rules related to funding and management and monitoring or elimination of conflicts of interest.

In 2015, the IADI began to develop another key element of deposit guarantee standards, the "Assessor's Handbook". This handbook provides a detailed explanation of the Core Principles for FSAP assessors and clearly defines the content of the standards applicable to deposit insurers. This work was completed in early 2016 and has since become a full-fledged component of the reference framework used by the majority of deposit guarantee schemes around the world.

In the absence of important new provisions in terms of guidelines or research, the IADI focused in 2016 on maintaining the strategic priorities that it had approved the previous year in its operating method and governance.

1.2.2. Guidelines of the European Banking Authority (EBA)

With the conclusion in May 2014 of the main constituent provisions of the Banking Union, and particularly the Directive on European Union deposit guarantee schemes (“DGSD2”), the European Banking Authority was tasked with developing extensive secondary regulations relating to deposit guarantee schemes.

These regulations take the form of “guidelines”, which are the subject of prior consultations with the relevant public and then decisions of the Authority’s competent college before being proposed to the Member States based on a “comply or explain” procedure. Although these regulations are therefore not directly binding, they very often have the full scope of a legal rule because of the manner in which they are developed and the general discipline of the States.

In 2015, the EBA published two guidelines regarding the general rules for calculating contributions to deposit guarantee schemes and the characteristics of the “collateralised payment commitments” by which institutions may fulfil up to 30% of their contribution-related obligations.

The year 2016 saw the publication of two other guidelines, largely prepared as a result of the intense discussions held the previous year. The first guideline relates to the stress tests that must be conducted by deposit guarantee schemes to assess the degree of preparation and resistance of their intervention systems. It builds a framework of progressive, harmonised tests that cover the compensation, preventative intervention and resolution mechanisms. These tests also apply to cross-border compensation. During the negotiations, the FGDR endeavoured to define a precise framework for this standard and to ensure appropriate management of conflicts of interest that may arise between assessor and assessee. In substance, it had developed, for its own purposes, an extensive multi-year test programme, the implementation of which had begun in 2014 to control the Single Customer View (SCV) files of credit institutions and in 2015 for the operational tests. The EBA guidelines, the final version of which was published in October 2016, support this pre-existing programme, which in 2017 will include significant additional steps related in particular to cross-border compensation and liquidity.

The second guideline, published in June 2016, covers the definition of the cooperation agreements which, pursuant to the “DGSD2” directive, must be signed among

the EU’s deposit guarantee funds. These agreements must allow the arrangement of cross-border compensation, as well as any loans and transfers of contributions between funds. The FGDR played a particularly active role in this guideline, which constitutes the regulatory counterpart of the “H2C” initiative launched and led by it since the spring of 2014 on behalf and with the support of its European Union counterparts within the framework of the European Forum of Deposit Insurers (EFDI).

1.2.3. The “Home-Host Cooperation” (“H2C”) initiative

This initiative represents an important building block of long-term European cooperation designed, according to the provisions of DGSD2, to allow the European deposit guarantee schemes to manage cross-border compensation collaboratively. It ensures complete functional interoperability among the guarantee schemes of the European Economic Area, within the framework offered by the EFDI.

In fact, such cross-border compensation has major implications in terms of communication capability among crisis teams, configuration of the processes, information and data exchanges, financial exchanges, dialogue between computer applications, not to mention issues such as assumption of costs, cross-participation in stress tests and shared responsibility.

To achieve this, all the relevant deposit guarantee schemes must therefore sign cooperation agreements that define in detail all the terms of cooperation and reciprocal responsibilities regarding cross-border compensation and incorporate and extend the related guidelines issued by the European Banking Authority (EBA).

The aim of the “H2C” initiative is to define a comprehensive and harmonised framework for these agreements to ensure the smoothest possible implementation and therefore allow all European deposit guarantee schemes to provide compensation to depositors of foreign branches in a fast, efficient and straightforward way.

Launched in the spring of 2014, this initiative has mobilised over 20 European schemes and more than 50 employees from all departments (legal, IT, communications, finance, operations, etc.). Following numerous working sessions and intense discussions with the EBA, it led to the definition of a “Multilateral Cooperation Framework Agreement” covering cross-border compensation, transfers of contributions and lending/borrowing among guarantee schemes. This Framework

Agreement was designed to minimise the use of bilateral agreements among all the European schemes which, if necessary, are used only in a very residual and standardised manner.

The power of the framework thus developed convinced all the European Union guarantee schemes of the EFDI, at an EFDI “European Union Committee” meeting in Vienna on 23 June 2016, to approve this project unanimously. The European Banking Authority, for its part, noted at the same time that this agreement was fully in line with the related Guidelines that it had published and, through a letter from its Chairman to the Chairman of the EFDI, expressly recommended that all the guarantee schemes concerned use it to manage their relations in the targeted areas.

The Agreement was then signed by the first 10 signatories, including of course the FGDR, at an official signing ceremony that took place during the EFDI’s Annual Conference in September 2016 in Vilnius. At the beginning of 2017, 29 of the 40 guarantee schemes concerned had already formally signed the Agreement.

1.2.4. “European Deposit Insurance Scheme - EDIS” project

In November 2015, the European Commission unveiled its proposal to create a single European deposit insurance scheme (EDIS). The FGDR had an opportunity to share its viewpoint with the national and European bodies when the project was announced.

The aim of the project is to complete the Banking Union by organising a euro-area wide system of reinsurance/coinsurance among the national funds (“third pillar”). It fulfils the desire to delink sovereign risk and banking risk and responds to concerns that the guarantee schemes of some countries may be unable to deal with a local bank crisis if the failed institutions whose compensation they would need to pay became too large in size.

The work begun in Brussels on this draft text is still under way. It includes an important component aimed at reducing the risks of the national banking sectors as a precondition for partially or totally collective financing.

The “Banks Recovery and Resolution Directive (BRRD)” and the “Single Resolution Mechanism – (SRM)” regulation introduced powerful Europe-wide bank crisis resolution instruments, particularly for systemic crises. Under this new framework, excluding

residual participation in the financing of extreme bank crisis resolution, deposit guarantee schemes today have greater resources than they previously had, and only to deal with non-systemic local crises. From this standpoint, whether there is a need to go beyond the institutional system recently created pursuant to the “DGSD2” directive is probably related less to a concern about financial stability than to an objective of solidarity within the euro zone.

While the “DGSD2” directive made great strides towards harmonisation at the European level, the “EDIS” project would add full sharing of the costs of the guarantee scheme among all banks in the euro zone. This would therefore imply complete harmonisation of the national deposit guarantee schemes, particularly in terms of defining covered deposits and coverage rules, as well as the costs borne by each national system.

Moreover, once common rules are adopted, it would make sense that the European principle of subsidiarity should prevail: local operators, in which depositors place their trust, must be the players on the ground that implement the deposit guarantee scheme at an operational level. They must therefore have immediate access to resources. In fact, the activity of a deposit guarantee scheme is rooted in national and local realities: the failure is local, as are the banking products concerned, the applicable law, particularly bankruptcy law, the language and contact with the depositor.

In late 2016, Mrs Esther de Lange, rapporteur of the European Parliament on this matter, presented an alternative EDIS project that places more emphasis on reducing risks and is built around a phase of liquidity sharing among European funds, followed by a reinsurance phase for excess loss. The proposal would keep one half of the resources to be mobilised at the local level.

In a consistent manner, and independently of the political options that would involve varying degrees of solidarity among Member States of the euro zone, the FGDR is also endeavouring to send a more technical message:

- to ensure depositors’ trust, the deposit guarantee scheme may be European, but must remain local at the same time;
- even before sharing of the financial burden, the most important thing for a deposit guarantee scheme is access to liquidity;
- lastly, a more effective system, as the EDIS must be, is also a system that must be less expensive than

the existing one and, in any case, must avoid adding more expenses to the banking system.

1.2.5. EFDI Chairmanship

At its annual General Meeting in September 2016, the European Forum of Deposit Insurers (EFDI), whose members include all European funds, not only those of European Union countries, elected the Chairman of the FGDR to lead it for a term of three years.

This election was a source of great pride for the FGDR, which sees its individual and collective involvement in European and international affairs recognised by the community of its peers. Of course, it also recognises its heightened responsibility towards this community, with challenging and immediate priorities for 2017, including in-depth reform of the Association's bylaws, the creation of a more sustainable structure and an ever-growing presence in European bodies and debates.

2. MANAGEMENT BODIES

> 2.1.

Composition and operation of the Executive Board

The composition of the Executive Board remained unchanged:

Position	Name	Effective date of appointment	Expiration date of current term
Chairman	Thierry DISSAUX	reappointed on 23 August 2014	22 August 2018
Vice-Chairman	François de LACOSTE LAREYMONDIE	reappointed on 31 December 2013	31 December 2017

The status and compensation of the members of the Executive Board were set by the Supervisory Board at its meeting on 8 December 2010.

> 2.2.

Composition and operation of the Supervisory Board

2.2.1. Composition of the Supervisory Board until 31 March 2016

The members of the Supervisory Board are elected or appointed for four years. The term of the Supervisory Board expired on 31 March 2016. Until that date, the composition of the Supervisory Board was as follows:

Chairman	
Jean CLAMON Managing Director - BNP PARIBAS	
Members	
Marie-Christine CAFFET Chief Executive Officer - FCMAR CONFÉDÉRATION NATIONALE DU CRÉDIT MUTUEL	Philippe de PORTZAMPARC Chairman PORTZAMPARC - Sté de Bourse
Jean BEUNARDEAU Chief Executive Officer - HSBC France	Bernard POUY Chief Executive Officer - GROUPAMA BANQUE
Nicolas DUHAMEL - Vice-President Advisor to the Chairman of the Management Board in charge of public affairs - BPCE	Philippe AYMERICH Chief Executive Officer - CRÉDIT DU NORD
Olivier NICOLAS Director Corporate Banking, Institutional Banking and Asset Management - LCL	Jean-Marc VILON Chief Executive Officer CRÉDIT LOGEMENT
Lucie MAUREL-AUBERT Member of the Management Board BANQUE MARTIN MAUREL	
Christophe TADIÉ Chief Financial Officer ODDO & Cie	Marc BATAVE Deputy Chief Executive and Member of the Management Board and the Operational Committee LA BANQUE POSTALE
Non-voting member appointed by the Minister for the Economy	
Antoine SAINTOYANT Assistant Director of Banking and General-Interest Financing - Treasury Directorate	

The Supervisory Board has two advisory committees composed of members of the Supervisory Board who are assisted by the members of the Board. The members of these committees until 31 March 2016 were:

NOMINATION AND COMPENSATION COMMITTEE	
Chairman	
Jean CLAMON	
Members	
Jean BEUNARDEAU	Bernard POUY

AUDIT COMMITTEE	
Chairman	
Nicolas DUHAMEL	
Members	
Marie-Christine CAFFET	Christophe TADIÉ

The Supervisory Board, as it existed until 31 March 2016, held one meeting on 30 March 2016. During this meeting, it approved the 2015 financial statements and reviewed the management report. It also approved the creation of the national resolution mechanism on the FGDR's balance sheet and the new allocation key between the mechanisms managed by it. This meeting included a progress update on the "20 days/7 days" IT project. Another important issue discussed was the guarantee of ring-fenced accounts of payment institutions and electronic money institutions.

2.2.2. Composition of the Supervisory Board after its renewal on 10 May 2016

In accordance with the new laws and regulations (cf. section 1.1 The FGDR's legal framework) regarding the FGDR's governance, the renewal of the Supervisory Board occurred in April and May 2016, and was completed on 10 May 2016 at its inaugural meeting.

Pursuant to Article L. 312-10 of the French Monetary and Financial Code, the seven banking groups that are the largest contributors to the deposit guarantee scheme are entitled members of the Supervisory Board. The others are elected as follows: two members for the deposit guarantee scheme; two members for the investor compensation scheme; one member for the performance bonds guarantee scheme.

The seven largest contributors to the deposit guarantee scheme are: the Crédit Agricole group, the BPCE group,

the Crédit Mutuel group, the Société Générale group, the BNPP group, Banque Postale and HSBC France. They have appointed their permanent representative to the FGDR's Supervisory Board.

The other members of the Supervisory Board were elected on 9 May 2016 by the members of each mechanism, it being stipulated that:

- only credit institutions not represented by the entitled members may elect members for the two seats to be filled for the deposit guarantee scheme;
 - only members of the investor compensation scheme that are not credit institutions (for all practical purposes, investment firms) may elect members for the two seats to be filled for the investor compensation scheme;
 - only members of the performance bonds guarantee scheme that are not credit institutions (for all practical purposes, financing companies) may elect the member for the seat to be filled for the performance bonds guarantee scheme.
- elected for the deposit guarantee scheme were: Groupama Banque represented by Mr Bernard Pouy and Banque Martin Maurel represented by Mrs Lucie Maurel-Aubert;
- elected for the investor compensation scheme were: Exane represented by Mr Benoît Catherine and Prado Épargne represented by Mr Jean-Michel Foucque;
 - elected for the performance bonds guarantee scheme was: Crédit Logement represented by Mr Jean-Marc Vilon.

At the meeting on 10 May 2016, the Supervisory Board elected its Chairman and its Vice-Chairman. After this meeting, the elected members of the Supervisory Board were as follows:

Chairman	
Nicolas DUHAMEL Advisor to the Chairman of the Management Board, in charge of public affairs - BPCE Group	
Members	
Laurent GOUTARD - Vice-Chairman Director Retail Banking - SOCIÉTÉ GÉNÉRALE	Gilles LE NOC Deputy Chief Executive Officer - CNCM and CCCM
Jean BEUNARDEAU Chief Executive Officer - HSBC France	Jérôme GRIVET Deputy Chief Executive Officer CRÉDIT AGRICOLE S.A.
Jean-Jacques SANTINI Director Institutional Affairs - BNPP	Jean-Michel FOUCQUE Chief Executive Officer - PRADO ÉPARGNE
Florence LUSTMAN Chief Financial Officer - LA BANQUE POSTALE	Benoît CATHERINE Deputy Managing Director - EXANE
Jean-Marc VILON Chief Executive Officer - CRÉDIT LOGEMENT	
Bernard POUY Chief Executive Officer - GROUPAMA BANQUE	Lucie MAUREL-AUBERT Member of the Management Board BANQUE MARTIN MAUREL
Non-voting member appointed by the Minister for the Economy	
Antoine SAINTOYANT Assistant Director, Banking and General-Interest Financing - Treasury Directorate	

The Supervisory Board also appointed the FGDR's legal director as secretary and formed two specialised committees:

NOMINATION AND COMPENSATION COMMITTEE	
Chairman	
Nicolas DUHAMEL	
Members	
Jean BEUNARDEAU	Bernard POUY

AUDIT COMMITTEE	
Chairman	
Jean-Jacques SANTINI	
Members	
Gilles LE NOC	Laurent GOUTARD

The newly-formed Supervisory Board held five meetings in 2016, during which detailed updates were routinely given on cash management (performance and outlook) and international developments (European cooperation and the Commission's project on the European Deposit Insurance Scheme, etc.).

In addition, the items on the agenda of the Supervisory Board meetings included, but were not limited to, the following topics:

- **Meeting of 10 May 2016:** meeting to set up the Supervisory Board, elect its Chairman and Vice-Chairman and form the advisory committees.

During this meeting, the Supervisory Board also issued an opinion on the ACPR's draft decision regarding the 2016-2017 method for calculating the contributions to the deposit guarantee scheme;

- **Meeting of 5 July 2016:** meeting called mainly to approve the process of reviewing the qualifications of the Supervisory Board members who are not effective managers of the institutions they represent. The Supervisory Board also approved the 2015 internal control report. A review of the FGDR's communication activities was also presented;
- **Meeting of 14 October 2016:** meeting that focused primarily on the FGDR's resources. The Board provided a summary of the project related to the stock of contributions for the deposit guarantee scheme. The Supervisory Board approved procedures related to the 2016 call for contributions campaign (percentages and instruments). As part

of the internal control policy, the new updated risk matrix was presented to the Supervisory Board along with the related action plan. The Board provided an update on the "H2C" project after which, at the initiative of the Chairman of the Board, the European guarantee schemes adopted a cooperation framework agreement in accordance with the "DGSD2" directive;

- **Meeting of 2 November 2016:** focused on the consequences of the statistical classification of the FGDR as a "public administration" and the impact on the collection of contributions for 2016 (cf. section 1.1 The FGDR's legal framework);
- **Meeting of 15 December 2016:** dedicated to the review of the FGDR's budget (2017 income forecasts and budget) and of the operations relating to contributions and to dues/contributions payment spreading measures for the deposit guarantee scheme.

The breakdown of voting rights on the FGDR's Supervisory Board at 31 December 2016 was as follows:

Group or member name	Represented by	Breakdown of votes deposit guarantee scheme		Breakdown of votes investor compensation scheme		Breakdown of votes performance bonds guarantee scheme		Breakdown of votes all guarantees	
		number	%	number	%	number	%	number	%
CREDIT AGRICOLE GROUP	Mr Jérôme GRIVET	1,060,938,639	31.37	27,277,490	17.81	5,658,396	14.80	1,093,874,526	30.61
BPCE GROUP	Mr Nicolas DUHAMEL	747,016,606	22.09	21,166,067	13.82	4,938,811	12.92	773,121,484	21.64
CREDIT MUTUEL GROUP	Mr Gilles LE NOC	500,971,603	14.81	12,247,467	8.00	3,073,029	8.04	516,292,099	14.45
SOCIÉTÉ GÉNÉRALE GROUP	Mr Laurent GOUTARD	315,132,181	9.32	21,790,002	14.23	9,223,281	24.12	346,145,464	9.69
BNP-PARIBAS GROUP	Mr Jean-Jacques SANTINI	293,796,280	8.69	35,971,782	23.49	7,512,711	19.65	337,280,773	9.44
LA POSTE GROUP	Mrs Florence LUSTMAN	269,703,243	7.97	4,042,688	2.64	62,447	0.16	273,808,377	7.66
HSBC GROUP FRANCE	Mr Jean BEUNARDEAU	37,529,931	1.11	5,368,440	3.51	858,134	2.24	43,756,504	1.22
GROUPAMA BANQUE	Mr Bernard POUY	106,805,626	3.16	282,322	0.18	52,828	0.14	107,140,776	3.00
BANQUE MARTIN MAUREL	Mrs Lucie MAUREL-AUBERT	50,120,556	1.48	530,134	0.35	62,447	0.16	50,713,137	1.42
EXANE	Mr Benoît CATHERINE			17,183,281	11.22			17,183,281	0.48
PRADO ÉPARGNE	Mr Jean-Michel FOUCQUE			7,283,072	4.76			7,283,072	0.20
CRÉDIT LOGEMENT	Mr Jean-Marc VILON					6,795,890	17.77	6,795,890	0.19
Total		3,382,014,665	100	153,142,745	100	38,237,974	100	3,573,395,384	100

3. DAY-TO-DAY MANAGEMENT

> 3.1. Members

At 31 December 2016, the Fonds de Garantie des Dépôts et de Résolution had 530 members (14 fewer than at 31 December 2015), many of whom participate in several schemes. Taken separately, each mechanism has:

- deposit guarantee: 404 members (-5);
- investor compensation: 325 members (-7);
- performance bonds guarantee: 344 members (-8);
- National Resolution Fund: 86 members (-3).

On 1 January 2016, as provided by the applicable provisions, 388 members of the resolution mechanism moved to the European Single Resolution Fund. Only French institutions that are not subject to the Single Resolution Board and Monacan institutions continue to be members of the National Resolution Fund.

> 3.2. Contributions to the various mechanisms

The procedures for collecting contributions for the investor compensation and performance bonds guarantee schemes remained more or less the same as in 2015.

On the contrary, contributions to the deposit guarantee scheme were divided into two parts.

- the first – and largest – part is intended to provide the FGDR with the resources needed for a possible intervention. The method used to calculate this contribution entails collecting an amount representing the difference between a target stock to be reached at the end of 2016 in order to be on a path towards building up the necessary resources to achieve the objective of the “DGSD2” European directive by 2024, and the total amount of contributions already paid by each member;
- the second – and smaller – part is intended to finance the FGDR’s operating expenses.

The FGDR collects the contributions to the National Resolution Fund which it manages.

It also collects contributions on behalf of the Single Resolution Fund, which it transfers to that fund in the days following their collection.

The net contributions collected by the FGDR for its own account totalled €241.6 million (including €235.4 million for the deposit guarantee scheme) based on the following breakdown:

- €13.0 million in premiums, including €6.2 million to finance the FGDR’s operating expenses;
- €141.2 million in member’s certificates;
- €0.7 million in certificates of membership;
- €86.7 million in guarantee deposits.

a) Review of the framework of powers

Except for contributions to the two resolution funds for which different procedures exist, the new Articles L. 312-8-1 and L. 312-10 of the French Monetary and Financial Code resulting from Order 2015-1024 of 20 August 2015 applicable starting with the collection of 2015 contributions stipulate that:

- the ACPR determines the contribution calculation rules, after obtaining the opinion of the FGDR’s Supervisory Board. These calculation rules mainly cover the risk factors and other adjustment factors to be applied to the base determined by the covered deposits, their weighting and their impact in terms of increasing or decreasing the contributions, which must reflect the guidelines issued by the European Banking Authority (EBA);
- the Supervisory Board sets the amount or rate and the nature of the contributions levied each year, at the recommendation of the Board and after obtaining the assent of the ACPR. The Supervisory Board has a choice of two methods. Either it sets the amount of an overall contribution to be allocated among the members, or it sets the rate to be applied to the base weighted by each member’s risks and adjustment factors to determine its individual contribution. It also determines the possible legal forms of the contributions (premiums, member’s certificate, certificate of membership and payment commitment backed by a guarantee deposit in an equal amount given to the FGDR);
- lastly, the ACPR continues to calculate the individual contributions and notifies the members and the

FGDR. The FGDR is still responsible for collecting the contributions, as it previously was.

b) Decision-making process

Pursuant to the decrees of 27 October 2015, contributions for the three guarantee mechanisms are set based on the following sequence:

- transmission by the ACPR to the Supervisory Board of proposed rules for calculating contributions;
- opinion of the Supervisory Board regarding this proposal;
- adoption of the calculation rules by the ACPR's *Collège de Supervision*;
- transmission to the ACPR of a proposal for discussion by the FGDR's Supervisory Board of the amount or rate and the nature of the contributions to be levied for a given year for each of the mechanisms;
- opinion of the ACPR's "*Collège de Supervision*" regarding this proposal;
- final decision of the Supervisory Board on this basis, in compliance with the opinion of the ACPR. If the decision does not comply with the opinion of the ACPR, the procedure begins again on an urgent basis (eight days) based on a draft decision prepared by the ACPR. If the non-compliance persists, a finding of non-compliance is issued by the ACPR whereby its opinion becomes the decision.

It should be noted that, for contributions to be levied for the investor compensation scheme, the opinion of the Financial Markets Authority ("*Autorité des Marchés Financiers*" - AMF), must also be obtained before each decision is taken.

c) Amount and form of contributions to the deposit guarantee scheme

The ACPR has notified all institutions regarding the calculation of the individual annual contribution target. This individual annual target is equal to the difference between the expected stock of contributions at the end of 2016, calculated by applying the rate set by the Supervisory Board to the individual base of covered deposits, and the stock of contributions at 31 December 2015. If the individual annual target is positive, i.e. if the institution must pay a contribution, it is then weighted by the risk factors specific to it. The result of the calculation after risk weighting determines the amount actually levied on each member for 2016. If the institution's stock is higher than its individual target, the difference results in a refund, which is not weighted.

In September, the FGDR informed each member of the deposit guarantee scheme of its stock of (net) contributions, broken down into net premiums, guarantee deposits, member's certificates and certificates of membership at 31 December 2015. This stock of net contri-

butions of each member corresponds to the gross stock of contributions paid year after year, plus or minus a share of the increase or decrease in the FGDR's accounting net assets for the year in proportion to the net contributions already paid by each member. For example, this adjustment led to a reduction, for the members at the time, in the stock of net contributions in 1999-2000 when the FGDR intervened in *Crédit Martiniquais* on a preventative basis. However, this adjustment has generally increased the members' stock of contributions since 2001, given that the FGDR's accounting net assets have increased each year since then.

Moreover, the mechanism for calculating the stock of contributions applies not only to total contributions but also to each individual instrument. Therefore, based on its own contribution history and aside from whether it is late or early in general, an institution may be late or early on any of the instruments relative to the target set. The overall flow of contributions corresponds to the algebraic sum of the flows specific to each instrument. At the end of the year, all financial institutions will have the same breakdown by instrument of the individual stocks of net contributions.

Lastly, to ensure that the increase in stocks does not create difficulties for institutions that experienced the longest delays in paying their contributions and whose profit and loss statement would therefore be the most negatively impacted, the FGDR spread out the premiums over two years (2016 and 2017). This measure benefitted about 20 institutions; as a symmetrical countermeasure in terms of amount, the refunds of contributions to those that achieved their target the earliest were spread out to maintain the FGDR's resources at a constant level.

A clarification is needed regarding the payment commitments made by institutions when they are allowed to not pay a portion of their contributions and the guarantee deposits that back them, which previously had terms of one to five years. The Supervisory Board decided to standardise all terms at 364 days. From a legal standpoint, this standardisation results in the repayment of the old deposits which are replaced by the new deposits based on the target set.

In addition, a €6.2 million contribution to finance operating expenses was levied.

d) Contributions to the investor compensation and performance bonds guarantee schemes and to the National Resolution Fund

The contribution to the performance bonds guarantee scheme, the amount of which was set at €7.5 million,

took the form of payment commitments backed by guarantee deposits of less than one year in the same amount. It is used to offset the repayment of the €7.4 million in expiring guarantee deposits.

The contribution to the investor compensation scheme took the form of:

- payment commitments in the amount of €15.3 million backed by guarantee deposits of less than one year in the same amount. It is used to offset the repayment of the €15.3 million in expiring guarantee deposits;
- a special contribution of €2.45 million to complete the replenishment of the equity of the investor compensation scheme after the interventions in previous years (Dubus SA and EGP).

In accordance with the European “BRRD” directive and the provisions of the order of 20 August 2015, the National Resolution Fund is managed by the FGDR. The amount of the contributions levied in 2016 for this mechanism was €3.4 million.

> 3.3.

The compensation system for the deposit guarantee scheme

In 2016, the work relating to the compensation system for the deposit guarantee scheme mainly involved:

- new discussion workshops with banks to study the changes resulting from the European “DGSD2” directive (April 2014) and its transposition into French law (order of 20 August 2015 and decrees of 27 October 2015);
- the changes made to the depositor compensation system in 2016;
- the development of two new partnerships: the “Processing Centre” with Teleperformance and the “Correspondent Bank” with LCL;
- the development of a stress test plan.

3.3.1. New discussion workshops with banks

Since the start of the project, the FGDR has been committed to finding solutions with the banks that ensure compliance with regulations, while optimising, in terms of cost, quality and security, the applications developed in the information systems (IS) of the credit institutions and the FGDR.

For instance, in the first quarter of 2016 workshops were held with banks to identify the necessary updates to the compensation system, regarding in particular the SCV (Single Customer View) file under the new “DGSD2” regulation (April 2014) and its transposition into French law (order of 20 August 2015 and

decrees of 27 October 2015):

- six workshops were held with the long-standing working group (the top seven banking groups in France) representing two-thirds of the members of the deposit guarantee scheme that are required to submit a SCV file. The ACPR, the FBF and the OCBF also took part in them. During these workshops, the new regulations were reviewed and their impacts on the credit institutions’ (CI) information systems were identified;
- six workshops were held with the specialised credit institutions (SCI): the former finance companies had been temporarily exempt from participating in the SCV file creation project and in the 2014/2015 permanent control campaign, while waiting for all of them to exercise their statutory options and for the new regulatory framework to be finalised. As these steps were completed, in coordination with the French Association of Finance Companies (“*Association Française des Sociétés Financières* – ASF”), those who opted for the status of credit institution were included in the general project related to the compensation process through meetings on specific topics by activity:
 - > lease financing;
 - > consumer credit;
 - > factoring;
 - > investment services providers.

The SCIs that participated in these workshops are both members of large groups and independent institutions.

At this stage, three types of SCIs affected by the submission of a SCV file have been identified:

1 - SCIs also authorised as investment services providers (ISP) that manage the cash accounts associated with their clients’ securities accounts and are therefore required to submit a SCV file under the conditions that currently apply;

2 – SCIs whose activities entail holding a guarantee deposit (leasing companies, car leasing companies with purchase option), if this deposit is not returned to the customer at the end of the contract; if, although due, it is held for a certain period of time by the SCI, it falls within the scope of the deposit guarantee scheme and is subject to a SCV file under the conditions that currently apply;

3 – Factoring companies: they record in a “current account” the drawing right granted to their customers in return for the invoices “purchased” from them as well as all the transactions that follow, including releases of funds and the collection of invoices by the factoring company; because of the operation of this account, which is the focal point of the relationship

and tracks a set of debit and credit transactions, in the final analysis only its credit balance should fall within the scope of the guarantee scheme.

Studies are currently under way, particularly with the ACPR and the ASF, to specify the corresponding obligations (submission of SCV files, permanent controls, customer information, etc.).

3.3.2. Changes made to the depositor compensation system in 2016

Some of the changes related to the new regulation, which have been studied since 2015, were developed and delivered in 2016.

a) Reduce the depositor compensation period from 20 days to 7 days

The decision had been taken not to opt for the transition period allowed by the “DGSD2” directive, which was far too complex to implement and manage, and to apply the 7-day compensation period starting on 1 June 2016, which has been done. This period must run from the day on which a bank’s deposits are declared unavailable to the day on which compensation is made available to depositors (except in special cases).

In 2016, the FGDR reviewed the time given to each of the stakeholders in the compensation process – banks for production of the SCV file, the FGDR for control and validation of the information received, Equens-Worldline (eWL) for the calculation and generation of compensation letters, and Edokial for printing and mailing the cheques (for depositors who chose this payment method).

In addition, the reduction of this period was accompanied by the implementation in September 2016 of the ‘transfer’ function on the portal accessible to depositors, which allows them to enter an account number at another bank and be compensated more quickly and more securely than by cheque.

b) Build a relationship between the FGDR and the European guarantee schemes to compensate customers of European branches

In Europe, the deposit guarantee schemes (DGS) of each country cover banks that have their registered office in that country as well as their branches in another European country. In the case of European branches, the “DGSD2” directive requires the host DGS to act as a channel for compensating the customers of these branches, while operating with the resources, according to the instructions and under the responsibility of the home DGS. This system applies not only to European Union countries but also to those of the European Eco-

nomic Area (EEA), i.e. 31 countries in all.

Each European deposit guarantee scheme must therefore have the following capability:

- as the Home DGS, to send to all schemes of countries that host a branch of the failed bank payment instructions regarding the depositors of these branches and the corresponding resources;
- as the Host DGS, to receive from the home DGS payment instructions for customers of a foreign bank that have a branch in its territory and the corresponding resources and then, on that basis, arrange for the compensation of the local depositors.

With regard to the FGDR, 177 branches are involved in this type of bilateral relationship, in 20 countries of the EEA:

- 109 French banks located in another European country;
- 68 European banks located in France.

The work under this complex project, called “H2C” and led by the FGDR through the European Forum of Deposit Insurers (EFDI), was finalised in September 2016 and a set of rules developed with several working groups across various functions (legal, IT, communications, finance) was published.

The involvement of the FGDR in the ‘IT’ working group which established the rules for the exchange of compensation payment instructions between guarantee schemes, enabled it to inform the service provider, eWL, of its requirements very early on and to have the appropriate functionality in the compensation system in the last quarter of 2016. The FGDR is therefore one of the first European schemes capable of processing cross-border compensation automatically and securely.

c) Project status

The next major milestones planned for 2017 are as follows:

Mid-2017, delivery of the functions related to:

- updating the SCV file to include data regarding account seizures;
- compensating recipients of bank cheques;
- reporting to the Treasury for compensation related to products guaranteed by the French government;
- reporting to the liquidator of the failed institution regarding the compensation paid.

End-2017, delivery of the functions related to:

- automated compensation of holders of temporary high deposits (named THB);
- management of account seizures;
- reporting to the Caisse des Dépôts et Consignations (CDC) regarding inactive accounts within the meaning of the Eckert law.

3.3.3. Development of two new partnerships

In 2015, the FGDR had signed contracts for two new partnerships for depositor compensation:

- with LCL as the bank for payment of compensation, called the “Correspondent Bank”;
- with Teleperformance as the “Processing Centre” for customer files requiring administrative treatment.

The partnership developed with these two partners were implemented in 2016.

a) Processing Centre: Teleperformance

In 2015, following an invitation to tender, the FGDR chose Teleperformance as its “Processing Centre” service provider. Having already been chosen as the service provider for the “Call Centre”, this partner’s task was to quickly provide skilled operators, for the purpose of compensation, trained by it with the FGDR’s assistance, to process the approximately 20% of customer files of a failed bank requiring administrative treatment. These operators must therefore be able to contact the bank or the depositor to collect additional information or documents (proof of identity or address, contracts and statements of account, seizures, etc.) in order to complete the administrative tasks needed to release the compensation.

The work with the “Processing Centre” entailed:

- setting up the organisation between the FGDR and Teleperformance;
- developing the processing procedures;
- creating an operator training and operators’ certification;
- designing monitoring and management tools.

This project resulted in two simulations in June and October 2016 during which the training and administrative action processes were carried out and measured.

This has now enabled the FGDR to feel confident about the process, which will be maintained regularly as simulations are performed.

b) Correspondent Bank LCL

Chosen in 2015 as the FGDR’s correspondent bank for depositor compensation (in euros and other currencies except CFP francs), two major issues were addressed in 2016:

- stabilisation of the cheque background used to print cheques (approved in August 2016), as the cheque layout is specific to the FGDR and the cheques themselves are printed only at the time of compensation for security reasons;
- the implementation of transfer protocols based on the SEPA protocol (September 2016).

These two measures will be tested in March 2017 via a “Penny Tests” procedure that entails sending real

payments in very small amounts, to ensure the proper operation of the payment chain, acceptance by banks of cheques issued by the FGDR’s printing service (Edokial) and exchanges related to transfers.

It should be noted that in 2017 the FGDR will need to enter into agreements with one or two banks located in the Territorial Collectivities of the Pacific zone (New Caledonia, Wallis and Futuna, Polynesia) for compensation paid in CFP francs.

Following this final project in 2017, the process will be complete in terms of the partners and service providers needed to support the FGDR in case of compensation.

3.3.4. Testing of the deposit guarantee scheme compensation system

The FGDR must ensure the proper operability of its compensation system on a regular basis.

Therefore, in early 2015 the FGDR defined the guiding principles of its 2015-2019 “stress tests” programme for depositor compensation.

This work resulted in a programme built on three pillars:

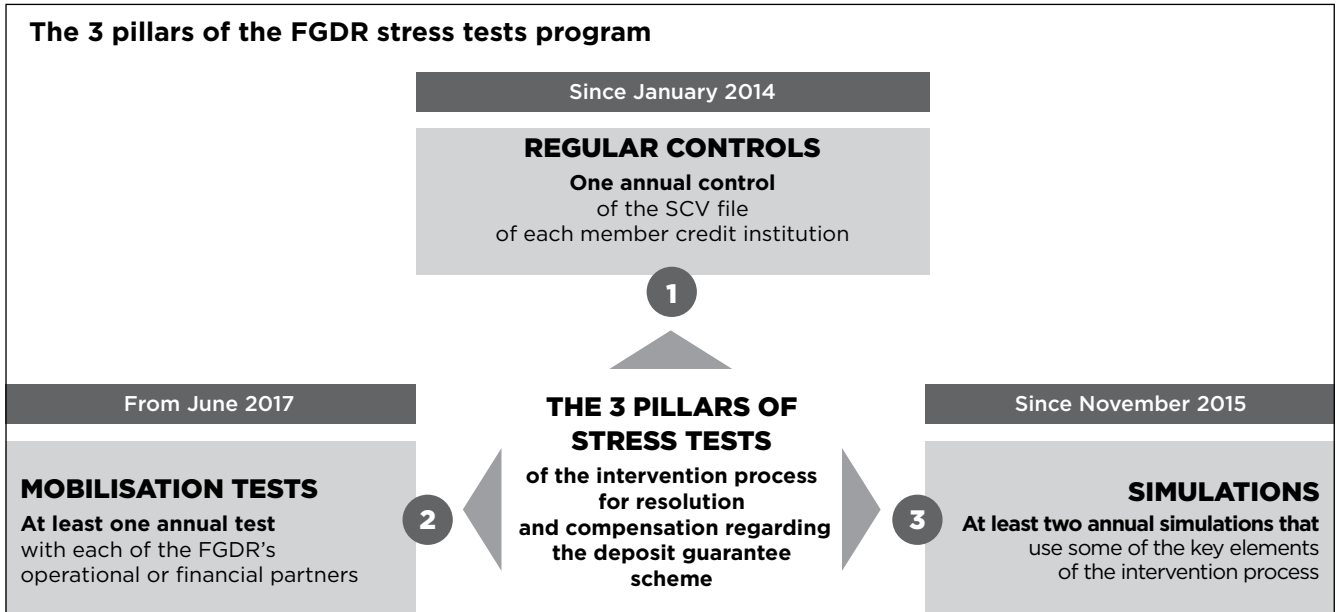
- 1 - “regular controls”** of the SCV file produced by each member institution of the deposit guarantee scheme;
- 2 - “mobilisation tests”** with the FGDR’s operational and financial partners;
- 3 - “simulations”** that test the key elements of the compensation process.

In September 2015, the Executive Committee approved this first four-year plan.

In October 2016, the EBA (European Banking Authority) published a document entitled “Guidelines on stress tests of deposit guarantee schemes under Directive 2014/49/EU”. It recommends that the regulators and guarantee schemes of each European country comply with a certain number of guidelines regarding the security of their compensation system for the deposit guarantee scheme or provide reasons for not doing so.

As required by the EBA, in December 2016 France officially announced that it would comply with these guidelines.

Since the previously adopted four-year plan already included all the requirements set out in the EBA’s guidelines, only minor amendments were needed to comply with them.



3.3.4.1. Pillar No. 1 - Regular controls of the SCV file

a) Review of the control procedure

Since January 2014, the transmission and quality of the SCV file (file containing customer information needed for compensation) of each credit institution that is a member of the deposit guarantee scheme has been controlled annually. The general framework of the control procedure is described in the functional requirements of the SCV file developed with the banking community. Institutions must send all or a sample of their actual customer file. A report of the control is prepared, to which the member has a right to respond, and sent to the institution's managing director and the ACPR.

The FGDR's evaluation procedure is based on six control points:

1 - Technical quality of the SCV file

The FGDR verifies that the institution respects the structure of the file and the procedure used to create and send it.

2 - Representativeness of the sample

Institutions with more than 30,000 depositors must provide a sample of their complete SCV file. Institutions with fewer than 30,000 depositors must send their entire customer file at the time of their control.

3 - Functional quality of the SCV file data

The FGDR's control system automatically detects any data anomalies that could prevent depositor compensation (duplicates, critical and annoying anomalies). These anomalies must be corrected by the bank, which must formally agree on the related resolution times.

4 - Quality of the flagging of files that have special cases

The institution must flag the files of its customers who cannot be compensated without an administrative treatment being taken: address correction, finding a notary in case of an estate, release of a surety, settlement of an account seizure, etc. The FGDR ensures that the institution properly flags these special cases contained in the SCV file.

5 - Determination of balances and final account statement

The institution must determine the final account balances of its customers on the date of the failure and send them a final account statement (the Deposit Account Statement) that includes all the transactions used to determine the compensation balance. The FGDR controls the proper application of the functional requirements relating to the customer account statement and the consistency of the information in the SCV file with the final account statement sent by the institution to its customers.

6 - Management quality of the bank's teams

Lastly, the FGDR assesses the knowledge acquired by the team at the bank regarding the compensation system and adherence to the control schedule and the SCV file transmission time.

b) Results of regular controls in 2016

The second permanent control campaign was conducted from June 2015 to March 2016 at 275 institutions. The results were encouraging for a second year of operation:

- 98% of institutions were present at the meeting scheduled by the FGDR;
- 88% of the controls had a "satisfactory" or "relatively

satisfactory” score (vs. 75% during the first campaign).

The third campaign was launched in June 2016 and included a significant update to the banks’ IT systems with:

- the ability to generate their customers’ account statements at any time by including credit interest due, deferred debits related to card transactions, bank charges and debit interest and tax and social security charges;
- the ability to produce Deposit Account Statements including the customer account statement;
- greater control of customer data quality.

In addition, the conditions and scope of the regular control became more rigorous to better reflect actual compensation conditions with a SCV file test period reduced from 15 to 5 days.

At end-December 2016, controls were performed at 136 institutions, with 89% having “satisfactory” or “relatively satisfactory” results.

3.3.4.2. Pillar No. 2 - Mobilisation tests with the FGDR’s partners

In 2016, the FGDR developed a methodology to organise mobilisation tests with its operational and technical partners. Based on concrete cases involving banks, the FGDR ensures its partners’ ability to mobilise their resources (human, material, financial, etc.) in accordance with the contractual and operational conditions expected by the FGDR. The partners that are regularly mobilised in these exercises are:

- the IT teams responsible for developing and operating the compensation system and those in charge of the FGDR’s institutional website;
- the Call Centre responsible for receiving and placing phone calls to depositors;
- the Processing Centre responsible for managing special cases relating to depositor files;
- the printing partner responsible for printing the compensation cheques and letters to depositors;
- the digitisation partner responsible for digitising paper letters received from depositors;
- the asset managers responsible for mobilising the funds needed to cover the amounts incurred for resolution or compensation operations;
- the correspondent banks responsible for managing the FGDR’s bank accounts in order to pay compensation to depositors;
- the communication partners (digital communication agency, press relations agency) responsible for helping

the FGDR with its communication campaigns in case of compensation.

3.3.4.3. Pillar No. 3 - Simulations

a) Simulation development principles

At the end of 2015, the FGDR developed a four-year (2015-2019) simulation plan to progressively test each of the key elements of its resolution and compensation system for the deposit guarantee scheme.

This plan is based on six dimensions:

Dimension 1: the positioning of the simulation based on the phases

- preparation for compensation;
- initiation and financing of compensation;
- payment of depositors;
- management of special cases and claims;
- end of the compensation and report.

Dimension 2: The areas of activity covered by the simulation scenario

- the operating area;
- communication;
- finance;
- etc.

Dimension 3: The internal and external stakeholders in the simulation

- the partners (IT...);
- the call centre;
- the printing service;
- the regulator;
- etc.

Dimension 4: The necessary tools

- the computer systems;
- the process tools;
- the training materials;
- the websites;
- etc.

Dimension 5: The purposes and indicators to be measured

- resolution time of complex situations;
- the level of depositor satisfaction;
- etc.

Dimension 6: External events that may interfere with the normal compensation process

- errors in creation of the SCV file by the bank;
- internal or external fraud;
- the absence of key people;
- etc.

Throughout the simulations, all or some of these dimensions will be activated based on homogeneous, controlled test areas.

The goal is to test all the areas and dimensions by the end of the plan and be fully compliant, in terms of

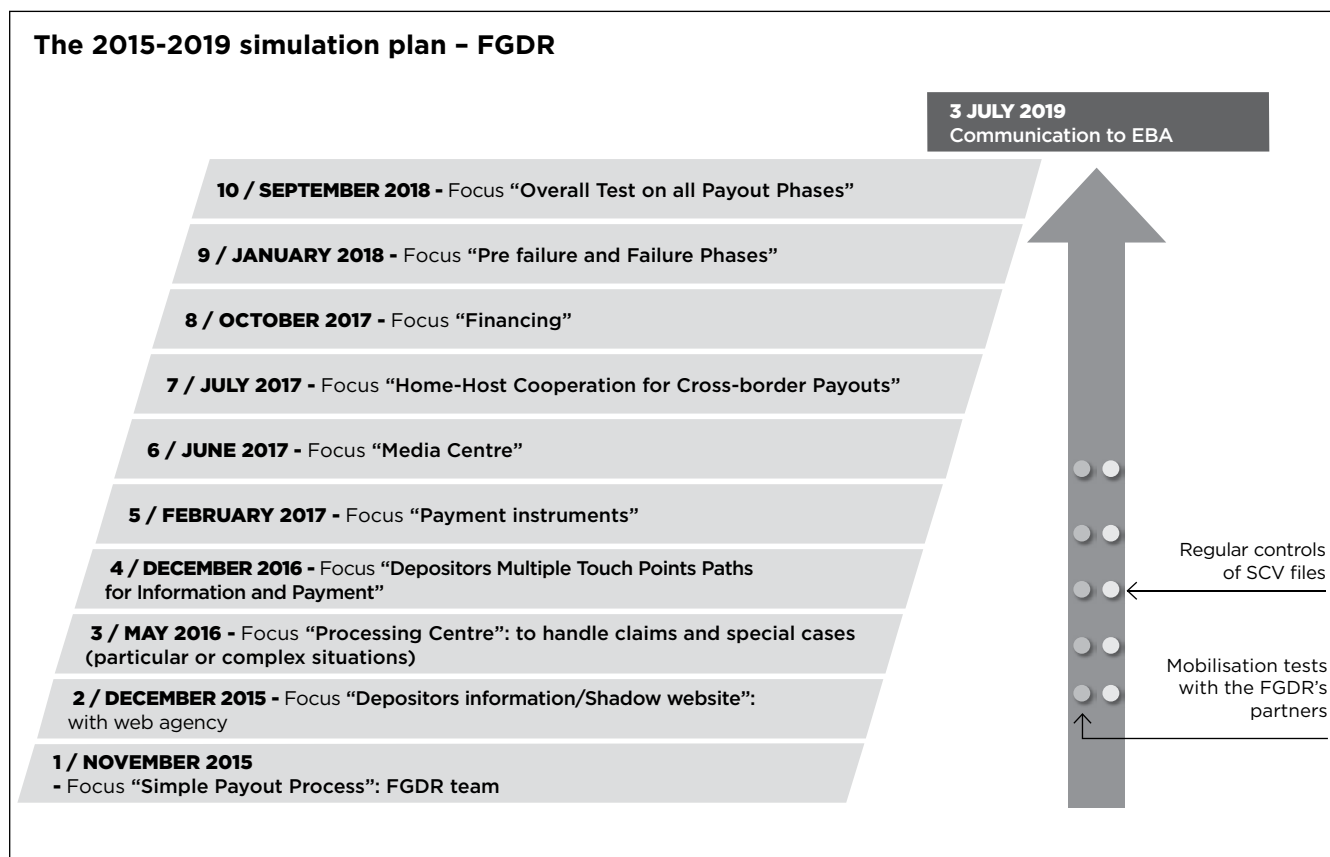
content and schedule, with the stress test procedure expected by the EBA by July 2019.

b) The 2015-2019 simulation plan

The programme began in November 2015 and consists of ten major simulations that highlight a key element of the compensation system. This programme

allows the FGDR to gradually fine-tune its ability to operate in case of an intervention. Each simulation is performed according to a written scenario with precise coverage objectives and expected results and is the subject of a report that leads to an action plan aimed at improving the system.

Based on the above methods, the programme is implemented as follows:



The simulations already performed as of the drafting date of this annual report are as follows:

1 - Essential scope for automated compensation of depositors:

- date: December 2015
- description: based on a SCV file determined by the FGDR, a compensation simulation is performed by the FGDR's internal teams to control the IT, processing and organisational capacities.

2 - Communication :

- date: December 2015
- description: ensure the effectiveness of the digital communication players in case of an intervention (digital communication agency, website hosting service provider, SEO agency).

3 - External processing centre:

- date: May 2016
- description: the FGDR and the external processing centre perform a compensation simulation to validate its intervention: recruitment, training, execution of the processes, use of the computer tools, management of the service.

4 - Depositor relations:

- date: December 2016
- description: perform a compensation simulation by recruiting 150 depositors to assess and validate the various communication channels.

The simulations scheduled for 2017 are:

5 - Payment instruments:

- date: February 2017
- description: verify in real time the proper operation of the depositor payment channels by checks and bank transfers.

6 - Media Centre:

- date: June 2017
- description: media crisis management, relations with journalists during a pay-out.

7 - FGDR "Home-Host" operation:

- date: July 2017
- description: perform a cross-border compensation simulation between the FGDR and another European DGS (payment process).

8 - Financing:

- date: October 2017
- description: ensure the adequacy of the FGDR's financial resources regardless of the intervention scenario.

9 - Initiation of compensation:

- date: January 2018

- description: validate the capacity for mobilisation and preparedness of all stake holders prior to compensation

10 - Full-scale compensation in a real situation:

- date: September 2018
- description: perform a complete compensation simulation involving all FGDR departments and all their partners.

3.3.4.4. To summarise

Through this programme, launched in January 2014 for regular controls of banks, at the end of 2015 for simulations and in early 2017 for partners' mobilisation tests, the FGDR has developed the tools it needs to ensure that the entire system has the organisational, technical, operational and financing capabilities to issue compensation under the deposit guarantee scheme. This programme is fully in line with the EBA Guidelines and with its expectations in terms of stress test capacities by July 2019.

> 3.4.

Depositor communication and information

3.4.1. A new regulation for more information about deposit protection

In early 2016, the FGDR reached a new milestone in terms of visibility. The regulatory work, particularly in relation to the transposition of the European "DGSD2" directive into French law (decree of 27 October 2015 on depositor information regarding the deposit guarantee scheme), increased the FGDR's exposure among banks, media and general publics. The emerging challenge was to manage this growing exposure and strengthen the media's and the public's trust in the banking and deposit protection system.

The new depositor information regulations include two components:

- information provided by banks: an "Information Template" must be sent to each customer once a year and must be signed by each prospect when opening an account covered by the deposit guarantee scheme; in addition, a notation about the protection by the deposit guarantee scheme or by the French government guarantee must appear on periodic account statements;
- information provided by the FGDR: a brochure presenting the FGDR must be available for download on its website and made available to banks in electronic and printable format; its website must contain

content about the guarantees and the compensation procedure.

To this end, the FGDR updated all its communication tools, including all its website content, its brochure, phone scripts and key messages for the press, while ensuring that its information process:

- is consistent with the information put out by banks;
- is educational and progressive and does not generate unnecessary questions;
- conveys a strong message in support of the financial sector regarding the significant progress made in terms of protecting customer deposits and preventing banking risk;
- can be adapted to a crisis intervention scenario.

The development of new content has gradually increased the demand for information from the FGDR. Notably, the annual information template campaigns launched by the banking networks triggered a high volume of contacts with the FGDR. Compared to the end of 2015:

- traffic on its website doubled, reaching between 12,000 and 16,000 monthly visits;
- requests and questions sent by email increased from 10 to approximately 40 per week;
- the average number of phone calls per day increased from five to between 20 and 40, with as many as 80 calls per day.

The “Depositor Information” working group formed with the banks was reinstated to coordinate efforts more effectively and to share the best practices gleaned from this first year of application of the new information regulations.

3.4.2. Communication tools for the 7-day compensation platform

The FGDR took steps to be better prepared for the communication work required in the event of compensation. The communication tools and content of the Core IT System (CIS) were updated. This included numerous form letters that would be printed on a large scale at the time of compensation and sent to customers of the bank whose deposits were declared unavailable. These form letters vary depending on the depositor’s situation (full or partial compensation, compensation under the deposit guarantee scheme or the French government guarantee, non-compensation, whether or not there are beneficiaries other than the account holder, special situations requiring additional work, etc.). The regulatory changes also impacted the information notice sent to depositors

receiving compensation, which describes the legal framework, the applicable rules and the compensation procedures. The year was also marked by the final roll-out of the “Secure Compensation Area” electronic payment Web interface, which will allow recipients to receive compensation in less than seven business days, electronically and securely, via the payment by transfer function.

A crisis simulation plan was developed by the FGDR which is in line with the guiding principles of the European Banking Authority (EBA) by the year 2020 and is being implemented over several years (cf. section 3.3.4.3 – Pillar No. 3 - Simulations).

In 2016, the test covered all the incoming and outgoing points of contact or channels with depositors that would be activated during a compensation campaign: institutional website, “Secure Compensation Area”, mobile phone and/or email, call to the telephone call centre, postal or digital mail, etc. Some 150 panellists were exposed to seven different processes typical of the FGDR’s information and customer relations ecosystem during a four-day period, and without prior knowledge to create a more real-life situation. They were asked to complete an evaluation questionnaire, the results of which were both satisfactory and instructive. An additional action plan was developed following this exercise and will be implemented in 2017.

3.4.3. External relations

Major regulatory developments in 2015 were the subject of regular presentations, particularly at the plenary meetings held in February, May and November 2016. Since its inception, the FGDR has met regularly with all its members, via their designated correspondents, at plenary meetings held with the support of the FBF and the OCBF.

To prevent the publication of incorrect information in this fast-changing regulatory environment and to promote a better understanding of the FGDR’s role and mission as a “banking crisis operator in support of responsible finance”, a programme aimed at reaching out to the media in the “economy-finance” sector was launched to ensure more active and controlled communication. A consulting firm selected during an invitation to tender held in 2015 provided assistance in this effort. A core message was created and a meeting schedule was developed at a rate of two meetings per month. Nearly 20 meetings were held in 2016 with the editorial staff of the various media outlets.

In addition to greater exposure, thirty-three articles in 2016 compared to five in 2015 – the perception in the media did an about-face, as demonstrated by the change in article titles in one year:

- Titles before the work undertaken by the FGDR with the editorial staff:
 - > “Failed banks will now be able to tap into depositors’ accounts” – December 2015;
 - > “What tapping into bank accounts could mean for your money as of 1 January 2016” – January 2016;
 - > “Hold-up on deposits” – January 2016.
- Titles after the work undertaken:
 - > “In case of a bank failure, deposits will now be returned in 7 days instead of 20” – February 2016;
 - > “France puts the finishing touches on its bank run prevention system” – March 2016;
 - > “Bank deposits: clarity on guarantees. Rules for deposit guarantee schemes will be clarified for all bank accounts” – March 2016;
 - > “How your money is protected in case of a crisis” – June 2016;
 - > “Better protection for European depositors” – September 2016.

This year of educational exchanges with the press led to a significant increase in press coverage (feature articles, interviews, quotes, top articles, etc.) and placed the FGDR within the economy-finance landscape on a variety of topics, such as guarantee mechanisms, fund management, interoperability among European funds and other international projects.

In accordance with international “public awareness” best practices derived from the Core Principles of the International Association of Deposit Insurers (IADI), knowledge of the FGDR and the deposit guarantee scheme was first measured among a sample of more than 1,000 people representative of the French population between 10 and 12 May 2016. The Harris Interactive market research firm was selected to conduct this poll following an invitation to tender involving 10 candidates. The results show very diverse responses from the public and the amount of progress that must still be made to achieve an acceptable minimum level of knowledge about the deposit guarantee scheme:

- only 64% of those surveyed believe that their money would be protected one way or another in the event that their bank failed;
- but 56% had not heard that bank deposits are insured, 57% had never heard of the deposit guarantee scheme, and 73% had never heard of the FGDR;
- 27% of those who are aware of the subject say that they learned about it mostly via the media, and also via the banks’ contact channels or by word-of-mouth.

This measurement is expected to be carried out once a year, not only among the general public but also among banking sector professionals (customer advisors) and opinion leaders.

As a sign of its active participation in international projects, the FGDR hosted the 48th Executive Committee of the IADI in Paris at the end of May 2016. The Association consists of 108 members and partners (deposit guarantee systems and central banks) from 78 countries. This event took on strong symbolic significance with more than 100 participants in committee meetings, working sub-groups and the Executive Committee itself.

An international conference was held during the event on the theme “diversity and harmonisation of deposit insurance”. It was opened by Mr Bruno Bézard, Director-General of the Treasury, and closed by Mr Robert Ophèle, Deputy Governor of Banque de France; it brought together a wider audience of 190 participants (members of Parliament, supervisors, representatives of central banks, economists, experts, the FGDR’s external partners, journalists) and was a particularly important meeting for the FGDR from both a strategic and media standpoint.

Its media coverage was very positive with five articles, two of which had an international angle:

- “The ‘first responders’ of finance want to work better together. From the Philippines to Russia, the surprising diversity of the missions of the national resolution funds” - Les Echos 27 May 2016;
- “The Third Pillar of the Banking Union put to the challenge: the diversity of national guarantee funds is a plus. A European deposit guarantee scheme will be valuable only if it exceeds, through its effectiveness, the current organisation.” Revue Banque June 2016.

International activity (cf. section 1.2 International regulatory changes and developments) remained particularly intense in 2016, giving rise to numerous meetings, within both the EFDI (Board meeting, participation in committee meetings and working groups, coordination of the implementation of the “DGSD2” directive as part of the “H2C” initiative) and the IADI (Executive Committee meetings and working group on governance, in particular).

The election of the FGDR’s Chairman of the Board as Chairman of the EFDI at this Forum’s general meeting in Vilnius (Lithuania) in late September 2016 increased the FGDR’s visibility and its recognition within the international community. The impact of this election will take on its full significance in the coming year.

3.4.4. In-house training

In 2016, high priority was placed on group-based training for employees in English, with a view to active participation in the Executive Committee of the IADI and in international and European projects. The second priority was to continue to train the “Teleperformance - Depositor Call Centre” specialists at a rate of two per year, and to begin training the new “Teleperformance - Processing Centre” teams in early 2016 in order to have them certified by the end of June 2016. The “Depositor Path” crisis simulation exercise conducted in November 2016 to test all the contact channels with depositors that would be activated in case of compensation was a particularly valuable training sequence both for the FGDR’s team and for the Call and Processing Centres.

In conclusion, and in line with the preparatory work that began several years ago, the FGDR is now able to respond to the communication needs that banks and depositors have as a result of the expansion of the new

obligations relating to the deposit guarantee scheme. More than ever, the FGDR must be able to convey a strong, clear message – that of the banking industry – regarding the mechanisms that have been developed to protect depositors and made considerably stronger in recent years.

> 3.5. Asset management

To help it manage the FGDR’s assets, and pursuant to the provisions of the internal regulations, the Board is supported by an advisory committee on financial resources management. The role of this committee is to express opinions regarding asset management. It has at least five members, including a Chairman. Its members are chosen from among individuals from the member institutions and their subsidiaries who have or have had recognised experience in cash and fund management. They are appointed by the Board, which participates in its meetings.

At 31 December 2016, the committee’s composition was as follows:

ADVISORY COMMITTEE ON FINANCIAL RESOURCES MANAGEMENT	
Chairman	Members
Isabelle REUX-BROWN Natixis	Laurent CÔTE - CA-CIB
	Bernard DESCREUX - EDF
	Vincent GUEGUEN - BNP Paribas
	Claudio KERNEL - BPCE
	Laurent TIGNARD - Amundi
	+ the members of the Executive Board who participate in these meetings

In 2016, the committee was called upon to assess management in 2015 and monitored changes in the performance of the FGDR’s asset portfolios. In addition, after helping to draw up the functional require-

ments for an invitation to tender for bond management, it was involved in selecting the managers and reviewed a change in the asset allocation to strengthen the bond segment.

Indicator Summary				
End 2016/year 2016	Net asset value	Performance during the year (*)	Estimated rate of return (**)	Unrealised capital gains/losses(***)
Overall portfolio	€3,688.6 million	+€12.6 million	+0.37 (benchmark**:+0.58)	+€130.1 million
Equity portfolio	€244.1 million	+€11.1 million	+4.21 (benchmark : +5.46)	+€81.3 million
Bond portfolio	€1,207.0 million	+€1.0 million	+0.17 (benchmark : +0.63)	+€45.4 million
Money market portfolio	€2,134.1 million	-€1.8 million	-0,083 (benchmark : -0,325)	€0 million
Capitalisation contracts	€103.4 million	+€2.3 million	+2.27	+€3.4 million

(*) Performance of mutual funds calculated based on changes in the market values of the securities in the portfolio, including withdrawals and contributions.

(**) Benchmarks of the various segments, excluding capitalisation contracts, weighted over time.

(***) Unrealised capital gains or losses are calculated based on the historical cost of the mutual fund shares in the FGDR's books. Provisions are set up for unrealised capital losses, which are indicated in section 5.2.6 of the annual report; unrealised capital gains are not recognised.

Risks	
99% change over 1 year: -2.89%	Maximum stress test scenario all assets: -8.98% (-€331 million)

Detailed analysis

3.5.1. Main observations

The general asset allocation was changed during the year to increase the share of bond investments at the expense of the money market segment. The equity allocation remains fixed at around 5% in historical value (cf. section 3.5.2. Asset Allocation).

Aside from general market developments, management in 2016 was marked by:

- overall performance achieved thanks mainly to the performance of the equity funds. The return on the equity portfolio (+4.21%) resulted in an unrealised capital gain of €11.1 million out of a total of €12.6 million in 2016. However, the strong performance of this asset class did not come quickly, since its rate of return was -7.11% at 30 June 2016;
- near zero bond yields and negative money market returns starting in the summer with the ongoing drop in the ECB's key interest rates (deposit rate lowered to -0.40% in March 2016) and the continuation of the securities purchase programme by the ECB. The CDC therefore decided to pass on the ECB's key interest rate to its customers starting in July, which was directly reflected in the performance

of the money market funds, the cash surpluses of which must be deposited with the CDC.

Overall, the rate of return on the portfolio was €12.6 million, equivalent to a 0.37% increase over the year, compared with a 0.84% rate of return in 2015. This drop-in performance applied to all asset classes except the bond segment, which remained virtually unchanged. Overall performance can be broken down by segment:

- the equity portfolio generated €11.1 million in additional unrealised capital gains (versus €25.1 million in 2015). At year-end 2016, the amount of unrealised capital gains on this portfolio was €81.3 million;
- the yield on the bond portfolio over the year was €1.0 million (+0.17%), and the total unrealised capital gains on this portfolio barely changed at €45.4 million at end-2016. This weak performance stemmed mainly from the lack of yield at the time of the reinvestment of maturing bonds in securities that comply with the portfolio management constraints. The FGDR changed the management constraints in 2016 and selected new asset managers. The goal was to allow managers to monitor risk dynamically and invest up to 30% of the portfolio in international bonds without foreign exchange risk.
- money market investments had negative returns of -€1.8 million (net return of -0.083% for an average

Eonia at -0.325% during the period). The drop in key interest rates and the asset purchases completed by the ECB caused negative performance to accelerate throughout 2016;

- the full return on the capitalisation contracts (+€2.3 million), i.e. +2.28%, will accrue to the FGDR only if the funds are held for a sufficient length of time. For this reason, a provision was set up in the accounting system for the portion not yet definitively acquired (cf. section 5.3 Notes).

The change in the overall net asset value of investments over the year (from €3,422.0 million to €3,689.0 million, i.e. +€267 million) resulted mainly from the following:

- on the plus side, the increase in the stock of contributions by FGDR members (€452 million in 2016). It should be noted, however, that €212 million in contributions collected in prior years will be repaid in January 2017;
- also on the plus side, the realised or unrealised returns during the year (+€12.6 million);
- on the minus side, an additional cash segment of €196 million relative to 2015 to repay the contributions to members in early 2017 (€212 million);

- and the disbursements for the FGDR's overhead costs and investments.

3.5.2. Asset allocation

The asset allocation was changed through a decision of the Supervisory Board on 15 December 2016 to take into account the rapid increase in the funds managed by the FGDR in recent years (+€1,462.0 million in four years). In fact, a study conducted in the fall of 2016 showed that a bond portfolio could satisfy the FGDR's liquidity requirements without adversely affecting the other management parameters. At a time of negative interest rates that severely impact the money market segment, by cautiously expanding the scope of authorised investments through adequate coverage and with risk budget management, it was possible to increase the bond segment significantly. The FGDR was therefore able to invest the contributions collected in 2016 almost exclusively in bond funds. At the end of 2016, the target allocation rose from 25% to 35% for bond investments, while that of money market investments fell to 60%. The detailed asset allocation is now as follows (in historical value of units of mutual funds):

Equity investments	up to 5%
Bond investments	up to 35%
Money market investments	At least 60% over 3 months which may be reduced to 1 month if necessary, including capitalisation contracts up to €150 million

The structure of FGDR resources is currently as follows:

- €542 million (i.e. 15%) in certificates of membership, long-term resources with no maturity, the amount of which is virtually the same from one year to the next;
- €1,547.0 million (i.e. 43%) in guarantee deposits that are refundable if not used in case of a claim;
- €1,499.0 million (i.e. 42%) in equity (€1,070.0 million in technical provisions and €421 million in member's certificates).

3.5.3. Investment breakdown

Assets under management, measured at their market value at 31 December 2016, total €3,688.6 million, for a net book value of €3,558.5 million, and break down as follows:

	End of 2016	End of 2015	End of 2014	End of 2013	End of 2012
Equity mutual fund investments	€244.1 million (6.6 %)	€220.8 million (6.5 %)	€195.7 million (6.4 %)	€169.1 million (6.1 %)	€117.3 million (5.3 %)
Bond mutual fund investments	€1,207.0 million (32.7%)	€782.3 million (22.9%)	€782.0 million (26.6 %)	€653.1 million (23.7 %)	€568.2 million (25.5 %)
Money market mutual fund investments + capitalisation contracts	€2,237.5 million (60.7%)	€2,418.4 million (70.7%)	€2,073.6 million (68.0%)	€1,929.1 million (70.1 %)	€1,541.2 million (69.2 %)
Total	€3,688.6 million	€3,421.5 million	€3,051.3 million	€2,751.4 million	€2,226.6 million

NB: the percentages indicate the relative weights of the various segments in market value.

The share of bond investments rose significantly in 2016 to make up for the lack of investment in this asset class in 2015 pending changes to the management principles of dedicated mutual funds (shift from benchmarked management to absolute return management), on the one hand, and as a result of the implementation of the new asset allocation approved in late 2016, on the other hand.

The share of bond investments therefore increased at the expense of money market investments, which represented 60% of total assets at end-2016, while the share of equity funds remained stable during the period. Moreover, as a large portion of the contributions was received at the very end of the year, some contributions could not be repaid to members before 31 December (€212 million). That is why the FGDR had €236 million in uninvested cash at the end of the year which enabled it to make these repayments. The balance was invested in January 2017.

3.5.4. Overall return on investments

In 2016, the overall return on the FGDR's investments was €12.6 million, up 0.37%. It had reached €27.1 million in 2015 (+0.84%), €19.9 million in 2014 (+0.72%), €34.4 million in 2013 (+1.50%) and €39.5 million in 2012 (+2.0%). The decrease in the rates of return was due to very low interest rates, coupled with a low average portfolio duration (less than three years for the bond funds and less than three months for the money market funds), and the performance of the equity segment which, though still positive, was less than in 2015.

3.5.5. Return on equity investments

2016 was a volatile year for the equities segment, but still positive thanks to year-end performance (+4.21%, i.e. €11.1 million); however, it underperformed its benchmark index, MSCI EMU excluding banking and similar sectors (+5.46%). The returns on the various mutual funds were as follows:

FCP HALEVY	Manager	Annual rate of return (%)	Δ in bp relative to the benchmark (*)
A1	Lazard Frères Gestion	+3.50	-197
A2	Amundi AM	+0.76	-471
A3	Métropole Gestion	+9.36	+390

(*) MSCI EMU benchmark excluding banking and similar sectors.

3.5.6. Return on the bond portfolios

Bond management posted a very weak positive gain in 2016 (€1.0 million), in line with the 2015 performance (€0.3 million) but lower than in previous years (€8.9 million in 2014 and €2.8 million in 2013). Very low yields combined with the portfolio management constraints, particularly those related to short durations, prevented the managers from finding investment solutions allowing a significant return. In addition, to give them more leeway, both in terms of sources of return and to adapt to a possible bond shock, the FGDR broadened the management universe in compliance with a risk budget expressed as a maximum loss over one year. The shift from benchmarked management to bond management within a risk budget, also called absolute return approach, is based on the following objectives:

- adapt management objectives to the low yield environment;

- broaden the investment universe to include securities in foreign currencies, but with systematic hedging of foreign exchange risk; and
- ensure that the investment universe is compatible with the “DGSD2” directive.

This new type of management became effective in July 2016 after a one-month transition period during which a transition manager was charged with transforming the old portfolios based on the instructions provided by the new managers selected at the end of the invitation to tender.

The performance of the various mutual funds must be broken down into two periods: the period during which the funds were managed using a benchmarked approach (from 1 January to 8 July 2016) and the period during which they were managed using an absolute return approach (9 July to 31 December 2016).

FCP HALEVY	Manager	Rate of return from 1 of January to 8 July 2016 (%)	Δ in bp relative to the benchmark (*)
O1	BNP Paribas IP	+0.70	+13
O2	Amundi	+0.73	+16
O3	Amundi	+0.38	- 19
O4	Natixis AM	+0.74	+17

(*) Référence Merrill Lynch benchmark Broad 1-3.

FCP HALEVY	Manager	Rate of return from 9 July to 31 December 2016 (%)
O1	Candriam	-0.97
O2	Edmond de Rothschild AM	-1.03
O3	AXA IM	- 0.81
O4	La Française AM	+1.03

Based on its methodology, absolute return management has no benchmark; however, its objective is to achieve positive performance over a given time horizon. Nevertheless, in order to define a target rate of

return, management companies have indicated that they are able to achieve performance of at least Euribor 3M + 0.50%. This objective is used to calculate the overall performance target of the FGDR’s portfolios.

3.5.7. Return on money market investments

The overall rate of return in 2015 was +0.027% with, given the low level of the Eonia benchmark index (-0.11%), strong performance of the funds relative to the benchmark. However, given the continued decline in money market rates, which reflects the ECB's nega-

tive deposit rates (-0.40%), the expected returns offered by this asset class are no longer much higher than 0. Therefore, to avoid investing in negative rates, the managers gradually increased the portion of funds not invested in securities, which are therefore deposited at the *Caisse des Dépôts et Consignations* or invested in open-end funds.

FCP HALEVY	Manager	Performance in bp
M2	BNP Paribas AM	-12.2
M3	CPR AM	-7.3
M9	Groupama AM	-8.6
M10	Candriam	-6.7
M13	Oddo Meriten AM	-10.0
M14	La Banque Postale AM	-10.6

At the end of 2016, for implementation in early 2017, the decision was taken to open the investment universe to include money market instruments in foreign currencies in order to at least partly offset the difficulties related to finding money market instruments in euros, when they meet the management criteria. Along the same lines, the constraints related to the maturity of securities were eased: the securities in the portfolio must have a residual maturity of less than six months and the average life of the portfolio must be less than three months.

The two capitalisation contracts, each for €50 million, taken out in 2015 with two insurance companies rated A or higher continue to offer attractive returns relative to the low risks associated with a repayment period of money invested reduced to five business days and a minimum guaranteed return in the first few years if the funds remain invested. In 2016, the overall returns on these capitalisation contracts were 2.28%.

The returns on the capitalisation contracts are as follows:

	Amount	Performance in bp (%)	Net guaranteed rate for 2017 (%)
Contract 1	€50 million	2.05	0
Contract 2	€50 million	2.50	1.60

3.5.8. Breakdown of counterparty risks

The management agreements stipulate that counterparties must have a rating of at least A1 (S&P) or P1 (Moody's) for short-term paper – with an exception up to A2/P2 for non-financial corporate issuers. For long-term paper, the minimum rating is BBB (S&P) or Baa2 (Moody's) for government securities and A- (S&P) or

A1 (Moody's) for corporate securities. Risk dispersion rules that limit the concentration of investments in issuers are in place. Therefore, all asset classes combined, the 10 most significant risks represent 18.4% of the total exposure (18.7% in 2015). The highest concentration is in French government bonds (OAT) (3.73%), followed by Spanish Bonos (2.96%) and Italian BTP (1.80%).

3.5.9. Sensitivity of the fixed-income portfolio

At the end of 2016, the sensitivity of the portfolio to changes in interest rates, which is used to assess the over-

all interest-rate risk in FGDR's portfolio, was 0.52, close to the year-end 2015 level (0.45). In other words, in case of a 1% variation in market rates, the performance of the portfolio will vary by 0.52%, all things being equal.

3.5.10. Breakdown by rating

At 31 December 2016, this breakdown was as follows:

Rating	%
AAA	4.74
AA	13.26
A	22.16
BBB	10.46
< BBB	0.00
A1+ (ST)*	7.45
A1 (ST)	14.46
A2 (ST)	27.46
A3 (ST)	0.00
Not rated	0.00

(*) including CDC cash (*Caisse des Dépôts et Consignations*)

3.5.11. VaR and stress tests

The annual risk assessment was carried out in accordance with the recommendations made by the advisory committee on financial resources management and the Supervisory Board in 2007.

The VaR of the portfolio is calculated based on the parameter approach with probabilities of 95% and 99% and time horizons of one week, one month and one year. At 31 December 2016, the VaR was as follows:

VaR	Time horizon (%)		
	1 week	1 month	1 year
VaR 95 %	-0.35	-0.69	-1.79
VaR 99 %	-0.50	-1.01	-2.89

Over one year, the investment structure of the FGDR's portfolio is therefore such that the probability of a rate of return of more than -2.89% is 99% (-2.74% at end of 2015). The VaR thus determined for the various time horizons is slightly higher than at the end of 2015, but remains roughly the same.

The overall risk associated with the portfolio therefore remains limited, though not insignificant, as the stress tests confirm.

Stress tests have a normative nature and are not associated with a probability of occurrence. They are used to estimate losses based on significant changes in certain assets or interest rates. The main assumptions used are as follows:

- for equities: 20%, 30% and 40% asset deterioration;
- for interest rates: 0.5%, 1% and 2% rate increase;
- for monetary assets: 4 and 8 times the historical default for each rating.

For the maximum scenarios related to a single type of risk, this results in losses relative to total assets of 0.24% to 5.38% and, for the overall scenario, the worst case for all risks taken simultaneously, a loss of 8.98%, i.e. €331 million (versus -7.31% in 2015 but -9.78% in 2014). This figure can be viewed in light of the amount of the unrealised capital gains on the portfolio, which total €130.1 million.

> 3.6.

Organisation of the FGDR

For several years, the Executive Board has endeavoured to increase the FGDR's permanent staff and structure it in a way that allows it to fulfil its missions. The principle underlying this approach is to create a sufficient foundation of skills and resources to ensure full operation. This core staff is supplemented by external service providers in case of an intervention, based on a programmed and tested system, with the FGDR responsible for management and training. It is also responsible, through its operations department, for operating the information system and for performing permanent controls of the members' ability to upload information to the system if necessary. Ensuring its strength and credibility means adding financial and legal expertise and managing the training and communication processes.

The operations department is built around two key functions:

- create and update the processes that support the FGDR's compensation activities, with a view to both compensation and the performance of permanent controls;
- develop, operate and update the FGDR's current and future information systems, whether they are the "compensation system for the deposit guarantee scheme", its possible extension to the other guarantee mechanisms, or the redesign – currently under way – of the member management application (membership tracking, payment and tracking of contributions, position of each member and management of its rights and information).

At the end of 2016, the operations department consisted of five people and a temporary administrative assistant to handle the administrative tasks resulting from the permanent controls. In addition, the following have been set up:

- a communications and training department, with one person responsible for designing and preparing:
 - > the production of information intended for depositors in connection with the compensation system;
 - > the in-house training program and the production of general training materials for the compensation operators;
 - > permanent information intended for the general public and business professionals; and
 - > the crisis management systems.
- a legal and administrative department which consists of one person who is also responsible for human

resources management and internal control;

- a finance, cash management and financial management department which, in addition to its manager, includes the person responsible for member management and the person in charge of accounting and management control.

Including the assistant acting as office manager and the two Board members, the FGDR's permanent stable workforce consisted of 14 people at year-end 2016. For sudden increases in the workload, one or two temporary workers or employees under fixed-term contracts are used.

> 3.7.

Internal control

In 2014, the FGDR formalised the creation of an internal control system that is appropriate for its size and for the challenges related to the implementation of the "20/7-day project", the change in the "DGSD2" regulatory framework and its new internal organisation. The Executive Board assigned the implementation of the control system to an internal control officer who is assisted by an information systems internal control coordinator. In addition to their normal duties, these functions are performed by the FGDR's Legal Director and the Deputy Chief of Operations. The main purpose of the system is to ensure that the procedures implemented comply with the applicable laws and regulations and to prevent the risks inherent in the FGDR's compensation activity.

As agreed in the internal control plan adopted by the Supervisory Board in December 2015, the FGDR updated its risk mapping during the second half of 2016. The process of updating the mapping revealed that the efforts made by the FGDR since 2014 to increase the security of the internal IT infrastructure, make use of security tests and document procedures have helped to improve risk management.

New measures were added to the action plan to control and manage risks. In particular, it appeared necessary to monitor a "regulatory" risk resulting from the recent surge and complexity of the provisions regarding the FGDR's activity. New procedures have also been identified and need to be drafted (creation of a business continuity plan for the FGDR and not only for its service providers).

In addition, the FGDR has maintained its policy of implementing "intrusion" tests that allow it to verify

the security of its information systems. As has been the case since 2014, intrusion tests were therefore performed on the CIS and non-CIS environments (particularly the website). As in previous years, these tests demonstrated the high level of IT security of the FGDR's infrastructures. It should be noted that the FGDR makes every effort to select a different service provider to perform these tests each year. Simulations

of processes related to compensation by the FGDR under the deposit guarantee scheme were also performed by the FGDR's operational departments. These simulations help to better control the procedures related to the FGDR's mission to serve the public interest. They test not only the FGDR's internal procedures, but also those implemented by the service providers that contribute to its mission.

4. INTERVENTIONS

> 4.1.

Crédit Martiniquais

Following the favourable decision handed down by the Court of Cassation on 30 March 2010 and the rejection of the preliminary question of constitutionality raised by the defendants on 13 April 2012, the Fonds de Garantie des Dépôts et de Résolution continued the lawsuit before the Paris Court of Appeals in order to have the former de jure or de facto senior managers of the former Crédit Martiniquais held accountable for this bank's problems, which justified a preventative intervention. It asked that they be ordered to repay to it the advance given to the bank to help it turn its network around and avoid closing the branches, which would have seriously harmed its depositors.

Following the numerous procedural questions raised by the defendants in previous years, the Paris Court of Appeals rendered its decision on 1 July 2016. In a ruling, it dismissed the FGDR's claim for complex reasons that include:

- partial inadmissibility due to the statutory limitation of certain alleged offences that were not concealed;
- rejection of the status of de facto senior manager with regard to certain appellees;
- rejection for insufficient evidence as to whether the inaccuracy of the financial statements up to 1995 was demonstrated.

After carefully studying this ruling with its lawyers, the FGDR filed an appeal in September 2016, claiming that the Court had disregarded the force of res judicata resulting from the previous decisions that had become final, in terms of both the statute of limitations and the inaccurate characterisation of the facts, that the case had been distorted as to the evidence provided, and that there had been confusion between the cause

of the damage and its consequences. This proceeding before the Court of Cassation is expected to take several years, with no presumption of subsequent action.

> 4.2.

Européenne de Gestion Privée (EGP)

All the procedures that were pending in France ended with no decision taken by the FGDR regarding the compensation of EGP's former clients being invalidated. In particular, the decisions handed down by the administrative court of Paris on 24 March and 11 July 2014, which were not appealed, became final.

Moreover, the criminal lawsuits in Italy against the former senior managers, and in which the FGDR is a plaintiff claiming damages, continued. In a ruling, the operative part of which was sent to the parties on 2 December 2016, the District Court of Rome sentenced the senior manager at the time and eight other people to prison terms of up to four years for fraud perpetrated against the customers and investors and for unlawful engagement in various activities. It also allowed the FGDR to be a plaintiff claiming damages and ordered said persons to pay compensation to it. The court referred the determination of injury and the allocation of compensation to the civil court, to which the matter will be presented at the end of the criminal proceeding.

> 4.3.

Dubus SA

Since, to the FGDR's knowledge, no lawsuits have been brought related to the intervention in this company that began in 2013, this case can be considered closed, without prejudice to any sums that may be collected in connection with the liquidation

5. 2016 FINANCIAL STATEMENTS

> 5.1.

Balance sheet

Assets (€ thousands)	31/12/2015	31/12/2016
Non-current assets	11,646	9,613
Net tangible and intangible assets	734	536
<i>Gross amount</i>	1,329	1,258
<i>Depreciation, amortisation and provisions</i>	-595	-723
Net compensation platform assets	10,912	9,078
<i>Gross amount</i>	15,877	17,370
<i>Depreciation, Amortisation and provisions</i>	-4,965	-8,292
Short-term receivables	3,365	1,260
Amounts due from members	3,355	244
Other receivables (advances made and credit notes received)	0	4
Members - penalties receivable	7	0
Members - interest receivable	0	709
Members - contributions receivable	0	292
Net monetary penalties and court costs receivable	3	11
<i>Gross amount</i>	1,373	1,373
<i>Depreciation, amortisation and provisions</i>	-1,370	-1,362
Claim-related receivables	0	0
Net receivables	0	0
<i>Gross amount</i>	204,780	204,780
<i>Depreciation, amortisation and provisions</i>	-204,780	-204,780
Transferable securities and cash assets	3,345,316	3,795,028
Equities	150,168	162,756
Bonds	737,918	1,161,585
Money market instruments	2,317,316	2,134,148
Capitalisation contracts	100,000	100,000
Cash assets	39,914	236,539
Accruals	138	127
Pre-paid expenses	138	127
Single Resolution Fund	918,401	0
Cash assets to be transferred to the Single Resolution Fund	853,935	0
Amounts due from members for the Single Resolution Fund	64,467	0
Total assets	4,278,866	3,806,029

Liabilities (€ thousands)	31/12/2015	31/12/2016
Equity	1,352,839	1,498,780
Profit/loss	0	0
Technical provision for intervention risk	1,062,161	1,069,797
Technical provision for compliance	10,475	7,575
Member's certificates	280,203	421,408
Subordinated debt	2,003,167	2,089,032
Certificates of membership	542,077	542,492
Guarantee deposits	1,461,090	1,546,540
Total equity	3,356,006	3,587,812
Provisions for claims	0	746
Provisions for risks and charges	1,896	3,563
Provisions for risks	1,094	2,480
Provisions for charges	802	1,082
Current liabilities	1,939	1,823
Trade payables	974	933
Tax and social security liabilities	962	879
Advances received on monetary penalties	3	11
Liabilities to members	624	212,086
Members - pending amounts	0	0
Members - adjustments	0	0
Members - interest payable	624	1
Members - negative contributions	0	188,430
Members - licence revocations	0	948
Members - refund of guarantee deposits	0	22,708
Accruals	0	0
Unearned income	0	0
Single Resolution Fund	918,401	0
SRF contributions to be transferred	642,881	0
SRF guarantee deposits to be repaid	275,520	0
Total liabilities	4,278,866	3,806,029

• Deposit guarantee scheme balance sheet:

Assets (€ thousands)	31/12/2015	31/12/2016
Non-current assets	10,912	9,078
Net compensation platform assets	10,912	9,078
<i>Gross amount</i>	<i>15,877</i>	<i>17,370</i>
<i>Depreciation, amortisation and provisions</i>	<i>-4,965</i>	<i>-8,292</i>
Short-term receivables	237	747
Amounts due from members	234	82
Other receivables (advances made and credit notes received)	0	0
Members - penalties receivable	3	0
Members - interest receivable	0	665
Net monetary penalties and court costs receivable	0	0
<i>Gross amount</i>	<i>303</i>	<i>303</i>
<i>Depreciation, amortisation and provisions</i>	<i>-303</i>	<i>-303</i>
Claim-related receivables	0	0
Net amount due from Crédit Martiniquais	0	0
<i>Gross amount</i>	<i>178,537</i>	<i>178,537</i>
<i>Depreciation, amortisation and provisions</i>	<i>-178,537</i>	<i>-178,537</i>
Transferable securities and cash assets	3,148,398	3,561,627
Transferable securities and cash assets	3,148,398	3,561,627
Breakdown of balance sheet - committed costs	0	200
Receivables related to committed costs	0	200
Total assets	3,159,548	3,571,652

• Deposit guarantee scheme balance sheet:

Liabilities (€ thousands)	31/12/2015	31/12/2016
Equity	1,223,005	1,362,038
Profit/loss	0	0
Technical provision for intervention risk	932,327	933,056
Technical provision for compliance	10,475	7,575
Member's certificates	280,203	421,408
Subordinated debt	1,934,577	2,019,962
Certificates of membership	532,101	532,560
Guarantee deposits	1,402,476	1,487,402
Total equity	3,157,582	3,382,000
Provisions for claims	0	746
Current liabilities	411	355
Trade payables	411	355
Tax and social security liabilities	1	1
Liabilities to members	604	188,551
Members - pending amounts	0	0
Members - adjustments	0	0
Members - interest payable	604	0
Members - negative contributions	0	188,430
Members - licence revocations	0	120
Breakdown of balance sheet - committed cost	950	0
Liabilities related to committed costs	950	0
Total liabilities	3,159,548	3,571,652

• Investor compensation scheme balance sheet:

Assets (€ thousands)	31/12/2015	31/12/2016
Short-term receivables	61	185
Net amounts due from members	56	140
<i>Gross amount</i>	56	153
<i>Depreciation, amortisation and provisions</i>	0	-13
Other receivables (advances made and credit notes received)	0	0
Members - penalties receivable	3	0
Members - interest receivable	0	34
Net monetary penalties and court costs receivable	3	11
<i>Gross amount</i>	1,070	1,070
<i>Depreciation, amortisation and provisions</i>	-1,067	-1,059
Claim-related receivables	0	0
Net amounts due from EGP	0	0
<i>Gross amount</i>	22,436	22,436
<i>Depreciation, amortisation and provisions</i>	-22,436	-22,436
Net amounts due from Dubus SA	0	0
<i>Gross amount</i>	3,807	3,807
<i>Depreciation, amortisation and provisions</i>	-3,807	-3,807
Transferable securities and cash assets	148,424	169,474
Transferable securities and cash assets	148,424	169,474
Breakdown of balance sheet - committed costs	76	0
Receivables related to committed costs	76	0
Total assets	148,561	169,659

• Investor compensation scheme balance sheet:

Liabilities (€ thousands)	31/12/2015	31/12/2016
Equity	101,432	106,484
Profit/loss	0	0
Technical provision for intervention risk	101,432	106,484
Subordinated debt	47,087	46,492
Certificates of membership	9,976	9,932
Guarantee deposits	37,111	36,559
Total equity	148,519	152,976
Provisions for claims	0	0
Current liabilities	27	208
Advances received on monetary penalties	3	11
Trade payables	24	196
Tax and social security liabilities	0	0
Liabilities to members	14	15,903
Members - pending amounts	0	0
Members - interest payable	14	0
Members - licence revocations	0	583
Members - refund of guarantee deposits	0	15,320
Breakdown of balance sheet - committed costs	0	572
Liabilities related to committed costs	0	572
Total liabilities	148,561	169,659

• Performance bonds guarantee balance sheet:

Assets (€ thousands)	31/12/2015	31/12/2016
Short-term receivables	50	320
Net amounts due from members	49	21
<i>Gross amount</i>	49	21
<i>Depreciation, amortisation and provisions</i>	0	0
Members - penalties receivable	1	0
Members - interest receivable	0	7
Members - contributions receivable	0	292
Claim-related receivables	0	0
Transferable securities and cash assets	38,166	45,845
Transferable securities and cash assets	38,166	45,845
Breakdown of balance sheet - committed costs	0	0
Receivables related to committed costs	0	0
Total assets	38,217	46,165
Liabilities (€ thousands)	31/12/2015	31/12/2016
Equity	20,268	20,268
Profit/loss	0	0
Technical provision for intervention risk	20,268	20,268
Subordinated debt	17,800	17,871
Certificates of membership	0	0
Guarantee deposits	17,800	17,871
Total equity	38,068	38,139
Current liabilities	0	0
Trade payables	0	0
Liabilities to members	5	7,632
Members - interest payable	5	0
Members - licence revocations	0	244
Members - refund of guarantee deposits	0	7,388
Breakdown of balance sheet - committed costs	144	394
Liabilities related to committed costs	144	394
Total liabilities	38,217	46,165

• Resolution mechanism balance sheet (NRF and SRF):

Assets (€ thousands)	31/12/2015	31/12/2016
Short-term receivables	67,482	4
Net amounts due from members	67,482	0
<i>Gross amount</i>	0	1
<i>Depreciation, amortisation and provisions</i>	0	-1
Members - penalties receivable	0	0
Members - interest receivable	0	4
Transferable securities and cash assets	58,305	15,588
Transferable securities and cash assets	58,305	15,588
Cash assets to be transferred to the Single Resolution Fund	804,884	0
Banque de France bank account NRF	384	0
Banque de France bank account SRF	804,884	0
Breakdown of balance sheet - committed costs	0	0
Receivables related to committed costs	0	0
Accruals	0	0
Total assets	930,672	15,592
Liabilities (€ thousands)	31/12/2015	31/12/2016
Equity	8,134	9,989
Profit/loss	0	0
Technical provision for intervention risk	8,134	9,989
Subordinated debt	3,703	4,707
Guarantee deposits	3,703	4,707
Total equity	11,837	14,697
Liabilities to the Single Resolution Fund	918,401	0
Single Resolution Fund contributions collected	45,127	0
Single Resolution Fund guarantee deposits collected	19,340	0
Single Resolution Fund contributions to be transferred	597,754	0
Single Resolution Fund guarantee deposits to be repaid	256,180	0
Breakdown of balance sheet - committed costs	433	895
Liabilities related to committed costs	433	895
Accruals	0	0
Total liabilities	930,672	15,592

Between the end of 2015 and the end of 2016, the FGDR's balance sheet total decreased from €4,279.0 million to €3,806.0 million (-€473 million). The amount of the balance sheet at year-end 2015 was particularly high because the contributions to the Single Resolution Fund (SRF), which was in the process of being created, had not yet been transferred to it. Excluding this impact of €918 million in 2015 contributions to the SRF, the balance sheet total rose by €445 million. This change was mainly due to the collection of contributions in 2016 in the gross amount of €452 million (net amount of €240 million since €212 million was repaid in January 2017), less committed costs.

On the asset side, the increase was mainly linked to:

- a balance of €234 million in the bank accounts recognised as cash assets to repay certain member contributions and to prepare for subscriptions to money market funds;
- the increase in the equity, bond and money market investment portfolio, whose book value rose from €3,305.0 million to €3,558.0 million.

On the liabilities side, the increase was mainly due to:

- the €141 million increase in member's certificates for the deposit guarantee scheme;

- the €85 million increase in guarantee deposits;
- a €188 million liability to members.

5.1.1. Contributions to the guarantee mechanisms

Most of the contributions collected for 2016 pertained to the deposit guarantee scheme. The total net amount of contributions collected in 2016 for this scheme represented €235.4 million out of an annual total of €241.6 million. Of the €235.4 million, €141.2 million were collected in the form of member's certificates recognised in equity, €85 million in guarantee deposits and €8.2 million in premiums, €6.2 million of which were premiums for operating expenses.

However, to fully understand the balance sheet impact of contributions at year-end, it is important to take into account the gross contributions collected in 2016, i.e. €452 million, and the contributions to be repaid to members at the beginning of 2017, i.e. €22.7 million in guarantee deposits and €188.4 million in the form of negative contributions (cf. section 3.2.c Amount and form of contributions to the deposit guarantee scheme). These amounts are indicated under "Liabilities to members".

5.1.2. Composition of the own funds of the Fonds de Garantie des Dépôts et de Résolution

The FGDR's own funds at 31 December 2016 are shown below:

(€ thousands)	Deposit Guarantee Scheme	Investor Compensation Scheme	Performance Bonds Guarantee Scheme	Resolution Mechanism	Total
Equity	1,362,038	106,484	20,268	9,989	1,498,780
Technical provision for intervention risk	933,056	106,484	20,268	9,989	1,069,797
Technical provision for regulatory compliance	7,575				7,575
Member's certificates	421,408				421,408
Subordinated debt	2,019,962	46,492	17,871	4,707	2,089,032
Certificates of membership	532,560	9,932			542,492
Guarantee deposits	1,487,402	36,559	17,871	4,707	1,546,540
Total equity	3,382,000	152,976	38,139	14,697	3,587,812

The own funds are broken down into equity and subordinated debt.

Equity consists of:

- technical provisions, which changed as shown in the table below;

- member's certificates (including €141 million in new member's certificates issued to members in 2016 for the deposit guarantee scheme). The €8,000 in repayments pertain to the repayments of member's certificates to members at the decision of the Supervisory Board following licence revocations.

(€ thousands)	31/12/2015	Additions	Reversals	31/12/2016
Technical provision for intervention risk	1,062,161	7,636	0	1,069,797
Technical provision for regulatory compliance	10,475	0	2,900	7,575
TOTAL	1,072,636	7,636	2,900	1,077,372

(€ thousands)	31/12/2015	Calls	Repayments	31/12/2016
Member's certificates	280,203	141,213	8	421,408
Total	280,203	141,213	8	421,408

Subordinated debt consists of certificates of membership and guarantee deposits of members:

(€ thousands)	31/12/2015	Calls	Repayments	31/12/2016
Guarantee deposits	1,461,090	109,422	23,972	1,546,540
Certificates of membership	542,077	689	274	542,492
Total	2,003,167	110,111	24,246	2,089,032

In 2016, €24.3 million in guarantee deposits and certificates of membership were repaid to members, including €22.7 million in expired guarantee deposits

and €1.6 million in guarantee deposits and certificates of membership following licence revocations.

5.1.3. Gross non-current assets

(€ thousands)	31/12/2015	Acquisitions	Disposals	31/12/2016
Tangible, intangible and financial assets	1,329	143	213	1,258
Intangible assets	604	141	213	532
> <i>Software</i>	68	15	0	83
> <i>Software (PHD)</i>	262	0	0	262
> <i>Website</i>	187	0	0	187
> <i>Member database - construction work in progress</i>	75	126	201	0
> <i>Software - construction work in progress</i>	12	0	12	0
Tangible assets	652	1	0	653
> <i>General facilities and fixtures</i>	351	0	0	351
> <i>Office and computer equipment</i>	76	1	0	77
> <i>Furniture</i>	224	1	0	224
Financial assets	74	0	1	74
> <i>Miscellaneous</i>	5	0	1	5
> <i>Guarantee deposits paid</i>	69	0	0	69
Compensation platform project	15,877	3,301	1,807	17,370
> <i>Compensation platform - operating assets</i>	15,460	1,736	0	17,196
> <i>Compensation platform - construction work in progress</i>	417	1,565	1,807	174
Total non-current assets	17,206	3,443	2,021	18,628

The FGDR's gross investments in non-current assets totalled €3.4 million in 2016. Nearly all of this amount was invested in developing computer applications related to the compensation platform (€3.3 million) and the member database (€126,000). The compensation platform project began in 2012 and has been operational since 2014. Additional development continued in 2016 to adapt the system to the new "DGSD2" directive to allow a reduction in the compensation period from 20 days to seven days, the compensation of temporary extraordinary deposits, implementation of the Eckert law on inactive accounts and the exchange of information among European guarantee schemes for cross-border compensation.

In 2013, the total cost of the investment had been set at €15,316,000. This cost was covered by a provision "for regulatory compliance" which was deducted from equity and meant to be reversed as amortisation was recorded (€2,900,000 in 2016). The amount of this provision was €7,575,000 at the end of 2016.

In July 2015, the FGDR selected a service provider for the supply of a new member database management system. The project began in September 2015 for a start of production of the system in the fourth quarter of 2016. The software developer, which had serious operational and financial difficulties, was unable to provide an IT solution that fulfilled the needs specified

in the functional requirements. It was acquired by a competitor, after which the project was stopped with no satisfactory solution proposed for resuming it. The termination was noted and a provision was set up for all the costs recorded in construction work in progress,

i.e. €201,000. The FGDR is reviewing the possibility of legal action against the defaulting supplier. The FGDR launched a new invitation to tender to find another service provider which will be responsible for developing an IT solution that meets its needs.

5.1.4. Depreciation and amortisation

(€ thousands)	31/12/2015	Additions	Reversals	31/12/2016
Tangible, intangible and financial assets	595	127	0	723
Intangible assets	385	54	0	439
> Software	40	17	0	57
> Software (PHD)	262	0	0	262
> Website	84	37	0	121
Tangible assets	211	73	0	283
> General facilities and fixtures	76	42	0	119
> Office and computer equipment	68	6	0	74
> Furniture	66	24	0	90
Compensation platform project	4,965	3,327	0	8,292
> Compensation platform - operating assets	4,965	3,327	0	8,292
> Compensation platform - construction work in progress	0	0	0	0
Total depreciation and amortisation	5,560	3,455	0	9,015

5.1.5. Receivables and debt

5.1.5.1. Receivables

Gross Amount (€ thousands)	31/12/2015	31/12/2016
Receivables due in less than one year	4,728	2,618
Receivables due in one year or more	204,780	204,780
Total receivables	209,508	207,398

Receivables due in one year or more represent the cost of past interventions which the FGDR tries to recover in whole or in part through the proceedings initiated by it. They are automatically fully covered by provisions. The EGP provision was reversed at 31/12/2015 given the definitive nature of the compensation paid after the rejection of all appeals. Since then, the costs incurred

on the EGP claim for managing the related pending litigation have been recorded directly as expenses.

- Receivables due in less than one year include:
- annual contributions in the process of collection from members (€244,000);
 - interest billed to members (€709,000);

- the contributions to be paid to the performance bonds guarantee scheme in 2017 (€292,000) and approved by the Supervisory Board to maintain the level of the technical provision for intervention risk (cf. section 5.1.7 Revenue accruals);
- the amount of monetary penalties receivable (€1,070,000);
- court costs receivable (€303,000) (cf. section 5.1.7. Revenue accruals).

5.1.5.2. Debt

(€ thousands)	31/12/2015	31/12/2016
Debt due in less than 1 year	134,799	1,734,745
Debt due in 1 to 5 years	1,328,854	21,068
Debt due in more than 5 years	542,077	547,199
Total debt	2,005,730	2,303,012

Debt due in less than one year mainly includes the guarantee deposits that were:

- set up in 2016 for a period of one year, i.e. the new “standard” period for guarantee deposits (€1,511.0 million). As a reminder, all the old guarantee deposits under the deposit guarantee scheme that had terms of five years were repaid and replaced with new one-year guarantee deposits;
- set up in 2011 for a period of five years and in 2015 for a period of one year, for the investor compensation and performance bonds guarantee schemes, expiring at the end of 2016 and not repaid until January 2017, as well as the guarantee deposits set up in 2012 and 2016 expiring at the end of 2017.

In addition to the guarantee deposits, the balance of debt due in less than one year includes the amount of the contributions to be repaid to some members fol-

lowing the implementation of the new contribution calculation method (cf. section 3.2.c Amount and form of contributions to the deposit guarantee scheme) and which could not be repaid before the end of the year since the notifications were made at the very end of the year. Therefore, for the deposit guarantee scheme, debt due in less than 1 year totalled €188 million.

Debt due in 1 to 5 years includes the previous five-year guarantee deposits received between 2013 and 2014 only for the investor compensation and performance bonds guarantee schemes.

Debt due in more than 5 years includes the certificates of membership issued to members of the deposit guarantee and investor compensation schemes and the guarantee deposits of the National Resolution Fund (NRF).

The annual breakdown of guarantee deposits is as follows:

(€ thousands)	Deposit Guarantee Scheme	Investor Compensation Scheme	Performance Bonds Guarantee Scheme	National Resolution Fund	Total
2012	0	7,220	3,332	0	10,552
2013	0	7,115	3,363	0	10,478
2014	0	7,122	3,465	0	10,588
2015	0	0	0	3,703	3,703
2016	1,487,402	15,102	7,711	1,004	1,511,219
Total	1,487,402	36,559	17,871	4,707	1,546,540

5.1.6. Transferable securities

5.1.6.1. Mutual funds

Name	Number of units	Total cost price (€ thousands)	Total net asset value 31/12/2016 (€ thousands)	Unrealised capital gain or loss (€ thousands)
Total equity funds		162,756	244,109	81,353
Halevy A1	56,374	65,224	99,143	33,918
Halevy A2	46,543	52,400	75,735	23,335
Halevy A3	41,672	45,132	69,231	24,099
Total bond funds		1,161,585	1,207,013	45,428
Halevy O1	231,726	284,438	295,249	10,811
Halevy O2	234,434	279,623	295,839	16,217
Halevy O3	240,189	286,853	295,529	8,676
Halevy O4	250,990	310,671	320,396	9,726
Total money market funds		2,135,927	2,134,148	-1,778
Halevy M2	114,278	149,466	149,284	-183
Halevy M3	468,392	595,509	595,064	-445
Halevy M9	331,973	388,043	387,715	-329
Halevy M10	495,780	570,889	570,489	-400
Halevy M13	211,793	247,694	247,463	-231
Halevy M14	180,421	184,325	184,134	-191
Total mutual funds		3,460,268	3,585,271	125,003

The money market funds posted negative performance since they are correlated to money market rates, which were negative throughout the year. A provision in the amount of €1,778,000 was set up at

the end of the year for the unrealised capital losses on the money market funds (cf. section 5.3.3.1.2 Equity interests, other long-term investments, transferable securities).

5.1.6.2. Capitalisation contracts

Amount (€ thousands)	31/12/2015	31/12/2016
Capitalisation contracts (1)	50,000	50,000
Accrued interest (1)	873	1,916
Capitalisation contracts (2)	50,000	50,000
Accrued interest (2)	200	1,454
Total	101,074	103,371

The FGDR took out two capitalisation contracts in 2015, each for €50 million. The accrued interest was €3,370,000, €2,480,000 of which was set aside to cover the withdrawal penalty in case of divestiture before the end of a four-year holding period.

This penalty may not exceed the return in the first year. As the term of the capitalisation contracts was more than one year in 2016, €890,000 in income was recorded this year.

5.1.7. Revenue accruals

Gross Amount (€ thousands)	31/12/2015	31/12/2016
Members: penalties receivable	7	0
Monetary penalties (AMF)	1,070	1,070
Members: contributions receivable	0	292
Members: interest receivable	0	709
Repayment of court costs receivable	303	303
Total	1,381	2,375

Court costs receivable represent the sums paid between 2008 and 2010 to the attorneys of the opposing parties in the Crédit Martiniquais case following the adverse decision handed down by the Paris Court of Appeals in 2008. Since this decision was overturned by the Court of Cassation in 2010, these costs must be returned. However, given that the lawsuit has not yet been adjudicated on the merits and that recovery of the costs from the opposing parties has been hindered and made more uncertain by its extension, this amount has been fully covered by a provision since 2012.

In view of the loss posted by the performance bonds guarantee scheme at 31 December 2016, based on the new regulations related to the technical provision for intervention risk and considering that a scheme's equity must not decrease as a result of operating expenses, the Supervisory Board decided that €292,000 in contributions will be raised in 2017 to offset this decrease. This amount was recognised in revenue accruals.

Lastly, given the negative performance of the money market funds, the FGDR will apply negative rates to the certificates of membership and guarantee deposits, which means that it will collect €709,000 from its members.

- Monetary penalties (€ thousands):

Amount at 31/12/2015	Penalties imposed in 2016	Payments received in 2016	Amount at 31/12/2016
1,070	3,900	3,900	1,070

- Provisions for monetary penalties (€ thousands):

Provision at 31/12/2015	Additions	Reversals	Provision at 31/12/2016
1,067	0	9	1,059

The amount of penalties receivable at 31 December 2016 was €1,070,000, €1,059,000 of which was covered by a provision. This year, the amounts of monetary

penalties imposed were higher than in previous years (€3.9 million). They were all paid during the year.

5.1.8. Accrued expenses

(€ thousands)	31/12/2015	31/12/2016
Trade and similar payables	498	629
Tax and social security liabilities	484	524
Liabilities to members (interest payable)	624	1
Total	1,606	1,154

5.1.9. Pre-paid expenses

At 31 December 2016, pre-paid expenses were as follows:

(€ thousands)	31/12/2016
Rent and rental expenses	97
Insurance	10
Upkeep and maintenance	6
Supply agreement	1
Contributions	4
Travel	8
Total	127

5.1.10. Provisions for risks and charges

(€ thousands)	31/12/2015	Increases	Decreases	31/12/2016
Retirement payments	802	+ 296	- 15	1,082
Provision for claims	0	+ 746		746
Miscellaneous provisions	21		- 21	0
Provisions for risks - capitalisation contracts	1,074	+ 1,407		2,480
Total	1,896	+ 2,448	- 36	4,309

At the end of 2016, the total amount of the provision for retirement payments was increased to €1,082,000. It covers all FGDR employees.

In a decision handed down by the Paris Court of Appeals on 1 July 2016, the appeal filed by the FGDR against the former senior managers of Crédit Martiniquais was rejected on the merits. In addition, the Court ordered it to pay the court costs of all the opposing parties, including attorneys' fees due in connection with the proceeding initiated before the Court of Appeals in 2010. Based on our information, and after consulting

with our lawyers, a provision in the amount of €746,000 was recorded as an expense for the deposit guarantee scheme. (cf. section 5.2.4.3 Intervention by the FGDR in favour of Crédit Martiniquais). The FGDR appealed the decision of the Paris Court of Appeals. It also disputed the amounts of the fees calculated by the attorneys before the Court of Appeals.

5.1.11. Off-balance sheet commitments

None.

> 5.2.

Profit and loss statement

5.2.1. Overall profit and loss statement

(€ thousands) Income +; Expenses -	31/12/2015 12 months	31/12/2016 12 months	Change 2016/2015
Income	21,555	17,121	
Contributions	20,480	13,263	-35%
Income on licence revocations	510	-19	
Other income	565	3,877	
Cost of claims	8,752	-1,195	
Risk management expenses	-400	-460	15%
Provisions for claims	9,152	-746	
Claim-related income	0	10	
Financial income/expense	96	0	
Financial income (equities and bonds)	0	0	
Financial income (money market mutual funds)	753	-7	
Financial income (capitalisation contract)	1,074	2,297	114%
Provisions for risks (capitalisation contract)	-1,074	-1,407	31%
Provisions for impairment of transferable securities net of reversals	-34	-1,744	
Negative interest on bank accounts	0	-19	
Provisions for interest payable to members	-622	0	
Reversal of provision for interest payable to members	0	170	
Interest receivable from members	0	709	
Overhead costs	-6,655	-8,306	25%
Committed costs	-5,357	-5,819	9 %
Expense for new stock of contributions calculation method	0	-549	
Member database expense	0	0	
Directly assignable expenses	8	-96	
Expense for compensation platform operation	-1,306	-1,842	41 %
Non-recurring items	0	17	
Technical provision for intervention risk	-23,748	-7,636	
Profit/loss	0	0	

5.2.2. Profit and loss statement by mechanism

(€ thousands) Income +; Expenses -	Deposit Guarantee Scheme	Investor Compensation Scheme	Performance Bonds Guarantee Scheme	Resolution mechanism (1)	Total
Income	8,126	6,352	290	2,353	17,121
Contributions	8,156	2,462	292	2,354	13,263
Income on licence revocations	-19	0	0	0	-19
Other income	-11	3,890	-1	-1	3,877
Cost of claims	-875	-331	10	0	-1,195
Risk management expenses	-129	-331	0	0	-460
Provisions for claims	-746	0	0	0	-746
Claim-related income	0	0	10	0	10
Financial income/expense	0	0	0	0	0
Financial income (capitalisation contract)	2,159	98	24	9	2,290
Provisions for risks (capitalisation contract)	-1,326	-60	-15	-6	-1,407
Provision for impairment of transferable securities	-1,644	-74	-19	-7	-1,744
Provisions for interest payable to members	164	4	2	0	170
Negative interest on bank accounts	-18	-1	0	0	-19
Interest receivable from members	665	34	7	4	709
Overhead costs	-6,536	-972	-301	-497	-8,306
Committed costs	-4,250	-825	-247	-497	-5,819
Expense for new stock of contributions calculation method	-444	-51	-54	0	-549
Member database expense	0	0	0	0	0
Directly assignable expenses	0	-96	0	0	-96
Expense for compensation platform operation	-1,842	0	0	0	-1,842
Non-recurring items	14	3	0	0	17
Other non-recurring income	14	3	0	0	17
Profit/loss before technical provision	729	5,052	0	1,856	7,636

(1) For 2016, the expenses attributable to the collection of contributions intended for the SRF totalled €372,000, i.e. three-fourths of the expenses charged to the mechanism.

5.2.3. Income

The contributions to the deposit guarantee scheme, broken down by instrument, were as follows:

- €8.2 million in premiums, including €6.2 million premiums to finance operating expenses;
- €85.4 million in guarantee deposits;
- €141.2 million in member's certificates;
- €0.689 million in certificates of membership.

The contributions to the other mechanisms were collected on the same basis as in previous years, namely:

- investor compensation scheme:
 - > annual contribution: €15.3 million in the form of guarantee deposits;
 - > special contribution of €2.46 million for the last replenishment of equity following the interventions in EGP and Dubus SA.

- performance bonds guarantee:
 - > annual contribution of €7.7 million in the form of guarantee deposits;
- National Resolution Fund (resolution mechanism): €2.4 million in premiums and €1 million in guarantee deposits.

Other income includes the monetary penalties imposed by the AMF on FGDR's members which, as provided by law, are allocated to the investor compensation mechanism. In 2016, three new penalties totalling €3,900,000 were recorded; they were not appealed and were all paid.

The gross amount of penalties receivable (claim) shown on the balance sheet for the investor compensation mechanism was €1,070,000, €1,059,000 of which was covered by a provision. The provisioning rule is explained in note 5.3.2.a Income for the year.

5.2.4. Claim-related expenses

The costs incurred by the FGDR were as follows (€ thousands):

Mechanism	Cost of claims	Expenses	Change in provision	Cost of claims
Deposit guarantee	Crédit Martiniquais	-129	-746	-875
Investor compensation	EGP	-331	0	-331
Investor compensation	Dubus SA	0	0	0
Total		-460	-746	-1,206

5.2.4.1. Intervention by the FGDR in favour of the clients of Européenne de Gestion Privée

The administrative expense for 2016 was €331,000, which corresponds only to legal fees for management of the Italian lawsuits in which the FGDR is a plaintiff claiming damages for the harm sustained by the latter.

5.2.4.2. Intervention by the FGDR in favour of Dubus SA

In 2016, there were no additional payments or expenses.

In addition, replenishment of the own funds of the investor compensation mechanism continued. In 2016, a special contribution of €2,354,000 was collected for the last year, thereby completing the desired replenishment of equity.

5.2.4.3 Intervention by the FGDR in favour of Crédit Martiniquais

Legal fees related to the lawsuit in the amount of €129,000 were added to the provision for payment of all the opposing parties' court costs, including solicitors' fees (cf. section 5.1.10 Provisions for risks and charges).

5.2.5. Compensation platform expenses

In 2016, the capital expenditure was €1,493,000, bringing the total investment to €17,370,000. The share of these investments placed in service was amortised over five years, generating an addition of €3,327,000 during the year. This addition is financed by a reversal of the provision for regulatory compliance corresponding to the amortisation of the investments for the first lot, i.e. €2,900,000.

The amount of the project expenditure recorded as an expense was €1,842,000 and corresponds to operation and maintenance expenses (cf. section 3.3 The compensation system for the deposit guarantee scheme).

5.2.6. Financial income/expense

The interest receivable from members relating to guarantee deposits and certificates of membership offset the negative balance of the other items. The calculated rate of this negative interest was -3.5 bps.

Excluding interest receivable from members, the FGDR would have had a financial expense of €709,000. This result is mainly explained as follows:

- + €890,000 in return on the capitalisation contracts. Financial income totalled €2,297,000 and corres-

ponded to unrealised capital gains on the capitalisation contracts in 2016. As this income does not accrue in full in case of early withdrawal, a provision in the amount of €1,407,000 was recorded. As the maximum penalty in case of early withdrawal was fully covered by a provision at 31 December 2016, no other provision of this type will be recorded for these capitalisation contracts in the future. This provision will be fully reversed (€2,490,000) by no later than 2019 barring a withdrawal prior to that date;

- -€1.74 million in provisions for impairment of transferable securities which represent the unrealised capital losses on the money market portfolio, the return on which was -8.3 bps during the year;
- +€170,000 for reversal of the provision for interest payable to members for 2015, which had been overestimated.

5.2.7. Committed costs

Committed costs generally increased, particularly personnel expenses (+7%) and administrative expenses (+22%):

(€ thousands) Income +; Expenses -	Actual 31/12/2015	Actual 31/12/2016	Change 2016 / 2015
Personnel expenses	3,439	3,696	7%
Gross salaries	1,876	2,178	16%
Employer's contributions	1,382	1,298	-6%
Other (including directors' fees)	181	220	22%
Administrative expenses	1,455	1,774	22%
Offices	540	537	0%
IT	228	487	113%
Supplies, documentation and telecom	58	69	19%
Assignments, travel and public relations	497	544	9%
Other (general taxes, third-party liability insurance)	132	137	4%
Professional fees & external services	483	370	-23%
Audit, accounting and internal control	287	120	-58%
Asset management	107	97	-9%
Other	90	153	69%
Prior-year expenses	-21	-21	0%
Total	5,357	5,819	9%

5.2.7.1. Personnel expenses

Personnel expenses totalled €3,696,000, a 7% increase over 2015 in accordance with the budget presented to the Supervisory Board. The increase

resulted from the full-year effect in 2016 of two recruitments in 2015. In addition, three people were hired in 2016 to replace three departing employees, which also required the use of temporary solutions.

a / Number of employees

	31 December 2015	New hires in 2016	Departures in 2016	31 December 2016
Management staff - permanent contract	13	2	2	13
Non-management staff - permanent contract	1	0	1	0
Fixed-term contract	1	2	2	1
Total	15	4	5	14

b / Average full-time equivalent (FTE) workforce

- Permanent staff:

(FTE)	2015	New hires	Departures	2016
Management staff	11.92	1.70	0.92	12.70
Non-management staff	1	0	0.84	0.16
Total	12.92	1.7	1.76	12.86

- Temporary staff:

(FTE)	2015	2016
Fixed-term contract	0.6	0.8
Temporary workers	0.1	1.2
Total	0.7	2.0

5.2.7.2. Administrative expenses

a / Offices

Rental expenses decreased slightly compared to 2015, which had included a back payment for previous years.

b / IT

The €259,000 increase in this item was primarily due to:

- the change in IT service provider to improve data security and allow the implementation of a Business Continuity Plan (+€35,000);
- the termination of the member database software due to the provider (+€201,000) (cf. section 5.1.3 Gross non-current assets);

- additional updates to the website following the intrusion tests and the updating of pages with the publication of the new provisions resulting from the transposition of the deposit guarantee directive (+€17,000).

c / Assignments, travel and public relations

The change in this item was mainly linked to the organisation of the meeting of the IADI Executive Committee (EXCO) in Paris in the spring of 2016, which represented an expense of €244,000 during the year, an increase of €74,000. This additional expense was offset by a lower level of international travel than the previous year (-€47,000).

d / Professional fees and external services

The decrease in this item (-58%) between 2015 and 2016 stemmed from the reduction in accountancy fees following the recruitment in September 2015 of a person responsible for accounting in-house.

The increase in “Other” fees (+69% compared to 2015) resulted from recruitment fees.

5.2.7.3. New method of calculating contributions to the deposit guarantee scheme

As indicated in the paragraph on calls for contributions (cf. section 3.2 Contributions to the various mechanisms), a new system for calculating the stock of contributions was implemented for the deposit guarantee scheme. This system required reconstructing the history of contributions paid by each member since 1999. The FGDR therefore called upon an accountancy firm and its statutory auditors to help it with this project and to ensure its effectiveness vis-à-vis third parties. They were also assigned additional tasks to facilitate the data transfer needed to migrate the contributions management system.

The statutory auditors’ and accountancy fees are allocated based on the mechanism to which the work related. They totalled €444,000 for the deposit guarantee scheme, including €150,000 in accountancy fees and €294,000 related to the work of the statutory auditors. For the investor compensation and performance bonds guarantee schemes, the allocation of expenses is based on the number of members of each mechanism (€51,000 for the investor compensation scheme and €54,000 for the performance bonds guarantee scheme).

5.2.8. Breakdown of expenses by mechanism

The breakdown of committed costs and financial income/expense is based on two separate keys:

- allocation key for committed costs (costs allocated based on the estimated costing-based management cost of each mechanism (cf. section 5.3.1.1.4. Allocation key for committed costs)):
 - > deposit guarantee: 73.03% (versus 73.01% at year-end 2015);
 - > investor compensation: 14.19% (versus 14.05% at year-end 2015);
 - > performance bonds guarantee: 4.25% (versus 3.41% at year-end 2015);
 - > resolution mechanism: 8.54% (versus 9.53% at year-end 2015).

- allocation key for financial income (proportional to the managed resources accruing to each mechanism):
 - > deposit guarantee: 94.26% (versus 94.08% at year-end 2015);
 - > investor compensation: 4.26% (versus 4.43% at year-end 2015);
 - > performance bonds guarantee: 1.06% (versus 1.13% at year-end 2015);
 - > National Resolution Fund (NRF): 0.41% (versus 0.36% at year-end 2015).

5.2.9. Profit/loss

Profit before the technical provision for intervention risk was €7,636,000. It breaks down as follows:

- €729,000 for the deposit guarantee mechanism;
- €5,052,000 for the investor compensation mechanism;
- €0 for the performance bonds guarantee mechanism;
- €1,856,000 for the resolution mechanism (NRF and SRF).

In accordance with the accounting and tax rule established for the Fonds de Garantie des Dépôts et de Résolution, this entire amount of €7,636,000 will be transferred to the technical provision for intervention to set accounting income to zero (cf. section 5.3.2.e Technical provision for intervention risk).

> 5.3. Notes

5.3.1. Accounting rules and methods

5.3.1.1. General principles

The Fonds de Garantie des Dépôts et de Résolution (FGDR) is a legal entity governed by private law created by Law 99-532 of 25 June 1999 relating to savings and financial security. The legal framework applicable to it changed significantly as a result of Order 2015-1024 of 20 August 2015 containing various provisions for adapting legislation to European Union financial law, whereby the “DGSD2” and “BRRD” European directives were transposed into French law, and as a result of the decrees of 27 October 2015 and 16 March 2016 issued pursuant to Article L. 312-16 of the French Monetary and Financial Code as amended by this order (cf. section I. Legislative and regulatory framework).

Pursuant to a decision by Eurostat and the INSEE on 2 October 2016, the FGDR was placed in the statistical category of “Public Administrations”. As a result, the FGDR falls under the category of “Central Administration Bodies” and is subject to the provisions of

Article 12 of Law 2010-1645 of 28 December 2010 on public finance planning, which governs its borrowing capacities.

5.3.1.1.1. Guarantee mechanisms

The FGDR manages three guarantee mechanisms:

- the deposit guarantee scheme established by Article L. 312-4 et seq. of the French Monetary and Financial Code, the purpose of which is to compensate customers of credit institutions in the event of the unavailability of their deposits or other sums left in accounts which must be returned to customers;
- the investor compensation scheme established by Article L. 322-1 et seq. of the French Monetary and Financial Code, the purpose of which is to compensate investors who are clients of an investment services provider, whether a credit institution or simply an investment firm (with the exception of portfolio management companies) in the event of the unavailability of their financial instruments and of cash deposits related to an investment service and made with an investment firm;
- the performance bonds guarantee scheme established by Article L. 313-50 et seq. of the French Monetary and Financial Code, the purpose of which is to honour, in case of the failure of an institution authorised by the ACPR to issue them, guarantee commitments required by a law or regulation made by said institution to natural persons or legal entities governed by private law.

Membership in the FGDR is mandatory and results automatically from the authorisation received by the institution to carry out its respective activity. Enforcement of the guarantee is initiated by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) when it determines that an institution is no longer able to return, immediately or in the near future, the deposits or financial instruments entrusted to it or is no longer able to honour the performance bonds issued by it.

The FGDR may also intervene on a preventative basis at the recommendation of the ACPR under each of the three mechanisms.

5.3.1.1.2. Resolution mechanism: Contributions to the SRF and NRF

The FGDR manages the resolution mechanism (National Resolution Fund - NRF) created pursuant to Law 2013-672 of 26 July 2013 “on the separation and regulation of banking activities”.

Pursuant to the aforementioned order of 20 August 2015, the FGDR also collects the contributions intended for the European Single Resolution Fund (SRF) on behalf of the NRF. This collection also includes payment commitments and the guarantee deposits related to them. As all of these premiums, payment commitments and guarantee deposits are immediately transferred to the SRF and merely pass through the FGDR’s books, they are not shown on its balance sheet at year-end. Insofar as the FGDR simply acts as an operator, the SRF is not shown separately on its balance sheet. The expenses corresponding to these operations are included under “resolution mechanism” with a specific notation.

5.3.1.1.3. The FGDR’s resources

Aside from its involvement in some financing of resolution measures, the FGDR’s resources are used for the compensation and preventative interventions already specified by the French Monetary and Financial Code and that are specific to each mechanism.

They are defined in the decree of 27 October 2015 related to the FGDR’s resources and consist of:

- non-negotiable certificates of membership issued to the member institution in its own name at the time of membership (except for the performance bonds guarantee scheme), which accrue interest under the conditions set by the Supervisory Board at the Board’s proposal and are refundable if the authorisation is revoked;
- member’s certificates, established by paragraph I of Article L. 312-7 of the French Monetary and Financial Code and subject to the rules set out in the decree of 27 October 2015: they are equity securities that have an indefinite term and are remunerated based on a decision by the Supervisory Board at the Executive Board’s proposal. Member’s certificates are refundable if the authorisation is revoked based on a decision by the Supervisory Board;
- premiums, which represent income earned by the FGDR.

A member may be exempt from paying all or part of the contributions levied each year for the various schemes, provided that it agrees to make such payment upon request and pays a guarantee deposit in the same amount to the FGDR. Guarantee deposits are returned upon their expiration if they have not been used to finance an intervention. The Supervisory Board determines the share of contributions

that may be made by members in the form of payment commitments backed by guarantee deposits in the same amount and sets their term. Because of the FGDR's classification in the statistical category of "Public Administrations" in October 2016 (cf. section 1.1.2 The statistical reclassification of the FGDR as a "Public Administration"), the commitments and guarantee deposits that were in effect at the time and had a term of five years were fully refunded and replaced by commitments and deposits with a term of 364 days.

The decision referred to in paragraph I of Article L. 312-10 of the French Monetary and Financial Code stipulates the breakdown of contributions into each type of resource for each call for contributions. For 2016, this breakdown was calculated for each member by comparing, for each type of contribution, a 2016 target with a stock of 2015 contributions already paid (the rules for calculating the stock of contributions are specified in paragraph 3.2 Contributions to the various mechanisms).

In case of insufficient resources, the FGDR may borrow from its members and collect special contributions.

The accounting treatment of the various types of contributions varies based on their legal nature: premiums are recorded as income in the profit and loss statement; guarantee deposits covering payment commitments and certificates of membership are recorded as subordinated debt to members; and member's certificates are recorded as equity.

The accounting rules are those contained in the chart of accounts applicable to trading companies. The financial statements were prepared in accordance with Regulation 2015-06 of 23 November 2015 of the *Autorité des Normes Comptables* (French accounting standards authority) relating to the Chart of Accounts.

However, Article 92 of amending finance Law No. 2016-1918 of 29 December 2016 for 2016 stipulates that a provision for intervention risk must be set up for each mechanism or scheme in the FGDR's accounting system. This provision is equal to all excess income, including income resulting from the conversion of certificates and guarantee deposits into premiums in case of an intervention, and the sums collected following an intervention, relative to all the expenses for the year, including intervention expenses. It is added to the FGDR's reserves. It is reversed in case

of an intervention by the FGDR under the conditions set out in Article L. 317-7 of the French Monetary and Financial Code.

Pursuant to the last subparagraph of Article L. 312-9 of the French Monetary and Financial Code, the FGDR's reserves are not distributable.

Sources and uses, on the one hand, and income and expenses, on the other hand, are broken down by guarantee mechanism and by nature (section IV of Article L. 312-7 of the French Monetary and Financial Code).

Each intervention by the FGDR is managed and accounted for separately. The sums collected following an intervention are allocated to the reserves of the mechanism that incurred the related expense.

Concerning the FGDR's tax scheme:

- the aforementioned Article 92 of Law No. 2016-1918 added an Article 39 quinquies GE to the General Tax Code stipulating that the provision for intervention risk must be tax-exempt;
- a letter from the French tax administration (*Direction de la Législation Fiscale*) dated 18 April 2000 indicates that contributions are exempt from VAT;
- business tax, replaced by the regional economic contribution ("*contribution économique territoriale*") since 2010, is due according to the ordinary rules of law adapted to the FGDR's activity (letter of 3 April 2002 from the French tax administration).

General accounting conventions were applied in accordance with the Chart of Accounts based on the principle of conservatism and the following basic assumptions:

- going concern principle;
- consistency principle;
- time period principle.

5.3.1.1.4. Allocation key for committed costs

The allocation key for committed costs is based on the number of members per mechanism for personnel directly responsible for member management and on the estimated time spent on each mechanism for other personnel. Except in the event of an intervention, this estimate is comprehensive and fixed. The proportional allocation key that results from the combination of these two factors is then applied to the salaries of personnel

and, on a pro rata basis, to all the committed costs.

In addition:

- the full amount of the expenses related to the compensation platform is allocated to the deposit guarantee scheme;
- contributions are levied by mechanism and allocated accordingly;
- monetary penalties (other income) imposed by the AMF on a member of the investor compensation scheme and those imposed on one of their managers or employees are allocated to this mechanism, as are the sums (gifts and patronage) deducted by the FGDR from these penalties to finance educational activities in the financial area (section III of Article L. 621-15 of the French Monetary and Financial Code);
- the cost of each claim, including directly assignable administrative expenses, is allocated, per claim, to the respective mechanism, as well as the sums collected by the FGDR.

Lastly, the allocation of financial income and financial expenses is carried out proportional to the balance sheet resources of each mechanism.

5.3.2. Profit and loss statement

To best present the FGDR's fund investment activity and operation, the following interim balances and groupings have been used:

a / Income for the year

This includes the definitive contributions, the monetary penalties imposed by the AMF (cf. section 5.3.1.1.4 Allocation key for committed costs) and the penalties paid by members (other income).

The following internal procedure is used to record monetary penalties:

- automatic recording of the penalty as soon as the decision is made by the AMF, subject to the expiration of the appeal period;
- automatic provision in the same amount, unless:
 - > there is no appeal before the Council of State (or the appeal is rejected);
 - > the debtor's solvency is certain (assessed differently depending on whether the debtor is an individual or a legal entity and, in the latter case, based on its situation);
- reversal of the provision as payments are received.

b / Cost of claims

The following income and expenses specific to each intervention are recorded in separate accounts and assigned directly to the intervention:

- the cost of compensation paid to the beneficiaries of the guarantees;
- the cost of preventative interventions;
- claim-related administrative expenses;
- provisions set up to manage risks or expenses related to a specific claim before their final account assignment;
- deductions from resources intended for the final financing of a claim.

c / Financial income

This includes income and expenses resulting from asset management, financial provisions and provisions for interest payable on member's certificates, certificates of membership and guarantee deposits. The remuneration principles of these instruments are set out in the decree of 27 October 2015 on the FGDR's financial resources:

- member's certificates are remunerated based on a decision by the Supervisory Board at the Executive Board's proposal;
- certificates of membership are remunerated based on the conditions set by the Supervisory Board;
- guarantee deposits are remunerated based on a decision by the Executive Board.

Given market conditions, the remuneration of these instruments was negative in 2016.

d / Overhead costs

These include personnel expenses, external charges that are not directly assignable to a claim or mechanism, depreciation and amortisation, and taxes.

e / Technical provision for intervention risk

Excess income is automatically and fully assigned to the technical provision for intervention risk.

f / Provision for regulatory compliance

Given the regulatory nature of the requirement that resulted in the compensation platform development project, to cover the future amortisation costs of this project, and given that the decision to undertake it was taken irrevocably in 2012, it was decided to create a "provision for regulatory compliance" which represents the investment needed for the specification and development of the initial "R1" version of the system. The

creation of this provision was justified by the need to ensure that the FGDR is able to fulfil its legal and regulatory requirements related to depositor compensation. However, the subsequent updates to the CIS, particularly those resulting from the changes in the European framework (transposition of the 2014 “DGSD2” directive on deposit guarantee schemes), will not be covered by such a provision since the investment is made as the need or obligation arises. The provision was funded by a deduction from the technical provision for intervention risk. It is reversed as amortisation is recorded for the line items for which it was created and totalled €7.6 million at the end of 2016. Given its purpose, it is assigned directly and fully to the deposit guarantee mechanism.

5.3.3. Balance sheet

a / Own funds include

- under equity:
 - > the technical provision for intervention risk,
 - > member’s certificates.
- under subordinated debt:
 - > certificates of membership,
 - > guarantee deposits.

b / Provisions for risks

In accordance with section III of Article L. 312-9 of the French Monetary and Financial Code and the decrees of 27 October 2015, and in case of losses sustained by the FGDR for any of the guarantee mechanisms as a result of its intervention, the losses will be charged firstly to the member’s certificates and then to the certificates of membership of the member for which the fund intervened, secondly to the member’s certificates and then to the certificates of membership of the other members, and lastly to the reserves.

The commitments undertaken with respect to severance pay are measured based on the acquired rights of all active employees and salaries at 31 December of each year. No discount or employee turnover factors are applied.

5.3.3.1. Measurement rules

The method used to measure the items in the financial statements is the historical cost method.

5.3.3.1.1. Tangible and intangible assets

Assets are valued at their acquisition cost (purchase price and incidental costs, excluding asset acquisition costs).

Depreciation of office and computer equipment is calculated using the diminishing balance method. Depreciation of other assets is calculated using the straight-line method based on the probable useful life:

Software	1 year
Member database	5 years
General facilities	8 to 10 years
Office and computer equipment	3 years
Furniture	5 to 10 years
Website	5 years
Compensation platform	5 years

Since 1 January 2005, an impairment test has been performed when there is an indication of a possible significant loss in value of a tangible or intangible asset. The assets held are not suited to a breakdown by component given their lack of complexity, nor to impairment tests given their nature.

5.3.3.1.2. Equity interests, other long-term investments, transferable securities

The gross value includes the acquisition cost excluding incidental costs. When the inventory value is less than the gross value, a provision for impairment is set up to cover the difference.

The FGDR’s resources are managed globally in dedicated mutual funds. Their management is delegated to specialised operators selected via tender procedures that are re-opened at regular intervals. The management objectives are, first and foremost, the liquidity of the resources, followed by the security of the principal amount and, lastly, performance. The mutual funds are divided into three categories, each of which complies with specific and uniform management rules:

- funds invested in equities (Halévy A1 to A3);
- funds invested in bond products (Halévy O1 to O4);
- funds invested in money market products (Halévy M2 to M14).

The inventory value is the net asset value at 31 December. The results of the money market funds alone are generally determined at least once a year at the end of the year. Provisions are set up for any unrealised capital losses on “equity”, “bond” and “money market” funds.

The FGDR also takes out capitalisation contracts in euro funds with insurance companies rated A or higher.

> 5.4.

Statutory auditors' reports

(cf. following pages).

5.3.3.1.3. Receivables

Receivables are measured at their face value. A provision for impairment is recorded when the inventory value is less than the face value due to a risk of total or partial non-recovery.

**FONDS DE GARANTIE DES DEPOTS ET
DE RESOLUTION**

Siège social : 65 rue de la Victoire, 75 009 PARIS

**Rapport des commissaires aux comptes
sur les comptes annuels**

Exercice clos le 31 décembre 2016

PRICEWATERHOUSECOOPERS AUDIT

MAZARS

**RAPPORT DES COMMISSAIRES AUX COMPTES
SUR LES COMPTES ANNUELS**

(Exercice clos le 31 décembre 2016)

FONDS DE GARANTIE DES DEPOTS ET DE RESOLUTION

65, rue de la Victoire
75009 PARIS

Mesdames, Messieurs,

En exécution de la mission qui nous a été confiée par votre Conseil de Surveillance, nous vous présentons notre rapport relatif à l'exercice clos le 31 décembre 2016, sur :

- le contrôle des comptes annuels de la société Fonds de Garantie des Dépôts et de Résolution, tels qu'ils sont joints au présent rapport ;
- la justification de nos appréciations ;
- les vérifications et informations spécifiques prévues par la loi.

Les comptes annuels ont été arrêtés par le Directoire. Il nous appartient, sur la base de notre audit, d'exprimer une opinion sur ces comptes.

I - Opinion sur les comptes annuels

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France ; ces normes requièrent la mise en œuvre de diligences permettant d'obtenir l'assurance raisonnable que les comptes annuels ne comportent pas d'anomalies significatives. Un audit consiste à vérifier, par sondages ou au moyen d'autres méthodes de sélection, les éléments justifiant des montants et informations figurant dans les comptes annuels. Il consiste également à apprécier les principes comptables suivis, les estimations significatives retenues et la présentation d'ensemble des comptes. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Nous certifions que les comptes annuels sont, au regard des principes comptables et des règles de présentation arrêtés par le Conseil de Surveillance, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine du Fonds de Garantie des Dépôts et de Résolution à la fin de cet exercice.

II - Justification de nos appréciations

En application des dispositions de l'article L. 823-9 du Code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les éléments suivants :

- Règles et principes comptables

Le paragraphe 5.3.1 de l'annexe expose les règles comptables et de présentation des comptes qui sont spécifiques au Fonds de Garantie des Dépôts et de Résolution. Ces règles ont été approuvées par le Conseil de Surveillance en application de l'article 2.4 du Règlement Intérieur approuvé par la décision n° 2000-01 du Comité de Réglementation Bancaire et Financière et homologué par arrêté du Ministère chargé de l'Economie en date du 6 septembre 2000.

Le paragraphe 5.3.1.1.3 présente les différentes ressources du Fonds de Garantie des Dépôts et de Résolution, le mode de calcul de la répartition des contributions entre les adhérents, et il décrit le traitement comptable appliqué à chaque type de contribution.

Le paragraphe 5.3.2.f décrit le traitement comptable de la provision constituée pour faire face au coût de la plateforme d'indemnisation.

Dans le cadre de notre appréciation des principes comptables, nous avons examiné la conformité des règles comptables et de présentation suivies par le Fonds de Garantie des Dépôts et de Résolution avec celles arrêtées par le Conseil de Surveillance et décrites dans l'annexe aux comptes.

- **Estimations comptables**

Le provisionnement des risques relatifs aux sinistres constitue un domaine d'estimation comptable significative. Le Fonds de Garantie des Dépôts et de Résolution constitue des provisions pour couvrir les risques relatifs aux sinistres fondés sur des estimations de coût et de récupération. Les paragraphes 5.1.5.1, 5.1.10, 5.2.4, 5-3-2 b) et 5-3-3 b) précisent les incertitudes inhérentes aux estimations et hypothèses retenues pour la détermination des provisions relatives aux sinistres.

Dans le cadre de notre appréciation de ces estimations, nous avons examiné les éléments d'information disponibles sur la base desquels ces estimations se sont fondées et avons procédé à l'appréciation de leur caractère raisonnable.

Les appréciations ainsi portées s'inscrivent dans le cadre de notre démarche d'audit des comptes annuels, pris dans leur ensemble, et ont donc contribué à la formation de notre opinion exprimée dans la première partie de ce rapport.

III – Vérifications et informations spécifiques


Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par la loi.

Nous n'avons pas d'observation à formuler sur la sincérité et la concordance avec les comptes annuels des informations données dans le rapport de gestion du Directoire.

Fait à Neuilly-sur-Seine et à Courbevoie, le 18 avril 2017

Les commissaires aux comptes

PricewaterhouseCoopers Audit



Jacques Lévi

MAZARS



Guillaume Potel

Unofficial translation of the Statutory auditors' report on the year-end financial statements

FONDS DE GARANTIE DES DEPOTS ET DE RESOLUTION

Head office: 65, rue de la Victoire, 75009 Paris

Year ended 31 December 2016

PRICEWATERHOUSECOOPERS AUDI

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

MAZARS

61, rue Henri Régnault
92075 Paris La Défense Cedex

**STATUTORY AUDITORS' REPORT ON THE YEAR-END FINANCIAL STATEMENTS
(Year ended 31 December 2016)**

**FONDS DE GARANTIE DES DEPOTS ET DE RESOLUTION
65, rue de la Victoire 75009 Paris**

Ladies and Gentlemen,

Pursuant to the mission entrusted to us by your Supervisory Board, we present to you our report for the financial year ended 31 December 2016 on:

- the audit of the year-end financial statements of Fonds de Garantie des Dépôts et de Résolution, as attached to this report;
- the basis of our assessments;
- the specific verifications and information required by law.

The year-end financial statements were approved by the Board. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the year-end financial statements

We conducted our audit in accordance with the professional standards applicable in France. These standards require that we follow the necessary procedures to obtain reasonable assurance that the year-end financial statements are free of material misstatement. An audit entails verifying, on a test basis or through other selection methods, evidence supporting the amounts and disclosures in the year-end financial statements. It also entails assessing the accounting principles used, the significant estimates made and the overall presentation of the financial statements. We believe that we collected sufficient and appropriate information on which to base our opinion.

We certify that the year-end financial statements are, based on the accounting principles and the presentation rules adopted by the Supervisory Board, true and correct and provide a fair view of the result of the operations of the past financial year and of the financial position and assets of Fonds de Garantie des Dépôts et de Résolution at the end of said year.

II - Basis of our assessments

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code relating to the basis of our assessments, we hereby inform you of the following:

- Accounting rules and principles

Paragraph 5.3.1 of the notes describes the specific accounting and presentation rules applicable to the financial statements of Fonds de Garantie des Dépôts et de Résolution. These rules were approved by the Supervisory Board pursuant to Article 2.4 of the Internal Regulations approved by decision 2000-01 of the French Banking and Financial Regulation Committee (Comité de Réglementation Bancaire et Financière) and approved by order of the Ministry of the Economy on 6 September 2000.

Paragraph 5.3.1.1.3 presents the various resources of the Fonds de Garantie des Dépôts et de Résolution and the method used to calculate the breakdown of contributions among members and describes the accounting treatment used for each type of contribution.

Paragraph 5.3.2.f describes the accounting treatment of the provision set up to cover the cost of the compensation platform.

As part of our assessment of the accounting principles, we reviewed whether the accounting and presentation rules applied by Fonds de Garantie des Dépôts et de Résolution comply with those adopted by the Supervisory Board and described in the notes to the financial statements.

- Accounting estimates

Setting up provisions for claims-related risks constitutes an area of significant accounting estimation. Fonds de Garantie des Dépôts et de Résolution creates provisions to cover claims-related risks based on cost and recovery estimates. Paragraphs 5.1.5.1, 5.1.10, 5.2.4, 5-3-2 b) and 5-3-3 b) specify the uncertainties inherent in the estimates and assumptions used to determine these provisions.

As part of our assessment of these estimates, we reviewed the available information that led to the determination of these estimates and assessed its reasonableness.

These assessments fall within the scope of our audit of the year-end financial statements, taken as a whole, and therefore helped us to form the opinion expressed in the first part of this report.

III - Specific verifications and information

We also carried out, in accordance with the professional standards applicable in France, the specific verifications required by law.

We have no comment as to the accuracy and consistency with the year-end financial statements of the information provided in the Management Board's management report.

Neuilly-sur-Seine and Courbevoie, 18 April 2017

The Statutory Auditors

Price Waterhouse CoopersAudit

Mazars

Jacques Lévi

Guillaume Potel

**FONDS DE GARANTIE DES DEPOTS ET
DE RESOLUTION**

Siège social : 65 rue de la Victoire, 75 009 PARIS

**Rapport spécial des commissaires aux comptes
sur les conventions réglementées**

Exercice clos le 31 décembre 2016

PRICEWATERHOUSECOOPERS AUDIT

MAZARS

Rapport spécial des commissaires aux comptes sur les conventions réglementées

Madame, Messieurs,

En notre qualité de commissaires aux comptes du Fonds de Garantie des Dépôts et de Résolution (FGDR), nous vous présentons notre rapport sur les conventions réglementées.

Il nous appartient de vous communiquer, sur la base des informations qui nous ont été données, les caractéristiques, les modalités essentielles ainsi que les motifs justifiant de l'intérêt pour le FGDR des conventions dont nous avons été avisés ou que nous aurions découvertes à l'occasion de notre mission, sans avoir à nous prononcer sur leur utilité et leur bien-fondé ni à rechercher l'existence d'autres conventions. Il vous appartient, selon les termes de l'article R. 225-58 du code de commerce, d'apprécier l'intérêt qui s'attachait à la conclusion de ces conventions en vue de leur approbation.

Par ailleurs, il nous appartient, le cas échéant, de vous communiquer les informations prévues à l'article R. 225-58 du code de commerce relatives à l'exécution, au cours de l'exercice écoulé, des conventions déjà approuvées par le Conseil de Surveillance.

Nous avons mis en œuvre les diligences que nous avons estimé nécessaires au regard de la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette mission.

CONVENTIONS SOUMISES A L'APPROBATION DU CONSEIL DE SURVEILLANCE

Nous vous informons qu'il ne nous a été donné avis d'aucune convention autorisée au cours de l'exercice écoulé à soumettre à l'approbation du Conseil de Surveillance en application des dispositions de l'article L. 225-86 du code de commerce.

FGDR

Exercice clos le 31
décembre 2016

CONVENTIONS DEJA APPROUVEES PAR LE CONSEIL DE SURVEILLANCE

Nous vous informons qu'il ne nous a été donné avis d'aucune convention déjà approuvée par le Conseil de Surveillance dont l'exécution se serait poursuivie au cours de l'exercice écoulé.

Fait à Neuilly-sur-Seine et à Courbevoie, le 18 avril 2017


Les Commissaires aux comptes

**PRICEWATERHOUSECOOPERS
AUDIT**



Jacques LEVI

MAZARS



Guillaume POTEL

Unofficial translation of the Statutory auditors' special report on regulated agreements

FONDS DE GARANTIE DES DEPOTS ET DE RESOLUTION

Head office: 65, rue de la Victoire, 75009 Paris

Year ended 31 December 2016

PRICEWATERHOUSECOOPERS AUDI

MAZARS

Statutory auditors' special report on regulated agreements

Ladies and Gentlemen,

In our capacity as statutory auditors of the Fonds de Garantie des Dépôts et de Résolution (FGDR), we present to you our report on regulated agreements.

It is our responsibility to inform you, based on the information provided to us, of the characteristics and essential terms and conditions of the agreements brought to our attention or about which we may have learned during the course of our audit and the reasons why they are significant for the FGDR, without our being required to comment on their usefulness and relevance or to determine the existence of other agreements. It is your responsibility, pursuant to Article R. 225-58 of the French Commercial Code, to assess the advantage of entering into these agreements with a view to their approval.

It is also our responsibility, where applicable, to provide you with the information set out in Article R. 225-58 of the French Commercial Code regarding the performance, during the previous year, of the agreements already approved by the Supervisory Board.

We have conducted the work that we deemed necessary in accordance with the accounting standards of the Compagnie nationale des Commissaires aux Comptes that apply to this audit.

AGREEMENTS SUBJECT TO THE APPROVAL OF THE SUPERVISORY BOARD

We inform you that we have not been advised of any agreement authorised during the previous year which is subject to the approval of the Supervisory Board pursuant to Article L. 225-86 of the French Commercial Code.

FGDR

Year ended 31
December 2016

AGREEMENTS ALREADY APPROVED BY THE SUPERVISORY BOARD

We inform you that we have not been advised of any agreement already approved by the Supervisory Board which remained in effect during the previous year.

Neuilly-sur-Seine and Courbevoie, 18 April 2017

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT

Jacques Lévi

MAZARS

Guillaume Potel

The FGDR Team





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FONDS DE GARANTIE
DES DÉPÔTS ET
DE RÉOLUTION

① Tania Badea-Nirin *International Communications Manager* • Magalie Boucheton *Office Manager* ② Alexia Prudhomme *Accounting Manager* • Arnaud Schangel *Head of Finance* • Corinne Chicheportiche *Membership Manager* ③ Thierry Dissaux *Chairman* • François de Lacoste Lareymondie *Vice-Chairman* ④ Patrice Bouchet *Deputy Chief of Operations* • Marion Delpuech *Senior Payout Specialist* • Anne-Valérie Seguin *Senior Payout Specialist* ⑤ Marion Delpuech *Senior Payout Specialist*



6 Clara Cohen *Head of Legal* 7 Pierre Dumas *Head of Operations* • Sarah Chetouane *Senior Payout Specialist* • Sana Shabbir *Administrative Assistant* 8 Sylvie Derozières *Head of Communications* • Tania Badea-Nirin *International Communications Manager*
9 Patrice Bouchet *Deputy Chief of Operations* • Anne-Valérie Seguin *Senior Payout Specialist*



Tania Badea-Nirin
*International
Communications
Manager*



Patrice Bouchet
*Deputy
Chief of Operations*



Magalie Boucheton
Office Manager



Sarah Chetouane
Senior Payout Specialist



Thierry Dissaux
Chairman



Corinne Chicheportiche
Membership Manager



Clara Cohen
Head of Legal



François de Lacoste
Lareymondie
Vice-Chairman



Marion Delpuech
Senior Payout Specialist



Sylvie Derozières
*Head of
Communications*



Pierre Dumas
Head of Operations



Alexia Prudhomme
Accounting Manager



Arnaud Schangel
Head of Finance



Anne-Valérie Seguin
Senior Payout Specialist



Sana Shabbir
*Administrative
Assistant*



FONDS DE GARANTIE
DES DÉPÔTS ET
DE RÉOLUTION

FONDS DE GARANTIE DES DÉPÔTS ET DE RÉOLUTION
65, rue de la Victoire – 75 009 PARIS – France / T + 33 (01) 58 18 38 08 / F +33 (0)1 58 18 38 00

contact@garantiedesdepots.fr / www.garantiedesdepots.fr