

**HSBC SFH (FRANCE) SA**

**Statutory Auditor's review report  
on the interim financial statements**  
Period from January 1<sup>st</sup>, 2015 to June 30<sup>th</sup> 2015

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

**BDO France – Léger Et Associés**  
113, rue de l'Université  
75007 Paris

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

## **Statutory Auditor's review report on the interim financial statements of HSBC SFH France SA**

**Period from January 1<sup>st</sup>, 2015 to June 30<sup>th</sup> 2015**

To the Shareholders,

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

- the review of the accompanying half-year financial statements of HSBC SFH (France) SA, for the six months ended June 30, 2015;
- the verification of the information contained in the interim management report.

These half-year financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

### **1. Conclusion on the financial statements**

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-year financial statements do not give a true and fair view of the assets and liabilities and of the financial position of the Company as at June 30<sup>th</sup>, 2015, and of the results of its operations for the six-month period then ended, in accordance with generally accepted accounting principles in France.

## **2. Specific verification**

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

Neuilly sur Seine and Paris, le 17 juillet 2015

Statutory auditors

PricewaterhouseCoopers Audit

BDO France – Léger & Associés

Nicolas Montillot

Fabrice Chaffois

*Associé*

*Associé*

# HSBC SFH (France)

## 2015 BALANCE SHEET

(in EUR)

ASSETS	Notes	30.06.2015	31.12.2014
Cash and balances at central banks		0	0
Treasury bills and money-market instruments		0	0
loans and advances to banks	1	5,489,643,767	4,434,037,114
<i>including nominal mirror loans</i>		5,326,202,823	4,249,001,996
<i>including accrued interests on mirror loans</i>		60,778,246	60,783,929
<i>including received fees</i>		-26,827,554	0
<i>including cash and cash equivalent</i>		129,490,251	124,251,189
loans and advances to customers	2	0	0
Bonds and other fixed-income securities	3	0	0
Equities and other variable-income securities	3	0	0
Equity investments and other securities held for long-term		0	0
Investments in affiliates		0	0
Intangible fixed assets		0	0
Tangible fixed assets		0	0
Other assets	4	404,865	335,306
Prepayments and accrued income	5	15,779,483	13,569,885
<b>TOTAL ASSETS</b>		<b>5,505,828,114</b>	<b>4,447,942,304</b>
Financing commitments given	6	0	0
Guarantee commitments given	6	0	0
Securities commitments given	6	0	0
Transactions involving forward financial instruments	6	0	0

# HSBC SFH (France)

## 2015 BALANCE SHEET

(in EUR)

LIABILITIES	Notes	30.06.2015	31.12.2014
<b>Due to credit institutions</b>		<b>0</b>	<b>0</b>
<b>Customer accounts</b>		<b>0</b>	<b>0</b>
<b>Debt securities</b>	7	<b>5,387,025,258</b>	<b>4,309,782,325</b>
<i>including nominal bonds</i>		5,326,202,823	4,249,001,996
<i>including accrued interests on bonds</i>		60,822,435	60,780,329
<b>Other liabilities</b>	8	<b>504,801</b>	<b>1,035,532</b>
<b>Accruals and deferred income</b>	9	<b>1,577,518</b>	<b>21,398,807</b>
<b>Provisions</b>		<b>0</b>	<b>0</b>
<b>Subordinated debt</b>	10	<b>0</b>	<b>0</b>
<b>Reserve for general banking risks</b>		<b>0</b>	<b>0</b>
<b>Share capital</b>		<b>113,250,000</b>	<b>113,250,000</b>
<b>Additional paid-in capital</b>		<b>0</b>	<b>0</b>
<b>Merger premium</b>		<b>0</b>	<b>0</b>
<b>Reserves</b>		<b>136,666</b>	<b>66,060</b>
<b>Retained earnings</b>		<b>2,338,975</b>	<b>997,476</b>
<b>Net profit of the year</b>		<b>994,898</b>	<b>1,412,105</b>
<b>TOTAL LIABILITIES</b>		<b>5,505,828,114</b>	<b>4,447,942,304</b>
Financing commitments received	6	<b>0</b>	<b>0</b>
Guarantee commitments received	6	<b>6,793,613,841</b>	<b>6,098,451,895</b>
Securities commitments received	6	<b>0</b>	<b>0</b>

**HSBC SFH (France)**

## NET INCOME 2015

(in EUR)

INCOME STATEMENT	Notes	30.06.2015	30.06.2014	31.12.2014
Interest and similar income	12	56,412,216	54,334,358	109,277,304
Interest and similar expense	12	-55,736,040	-53,616,068	-108,074,805
Commission income	13	923,008	735,183	1,426,339
Commission expense	13	0	0	0
Gains or losses on trading account securities	14	184,776	11,982	26,718
Other banking income (charges)	15	0	0	0
<b>NET OPERATING INCOME</b>		<b>1,783,961</b>	<b>1,465,454</b>	<b>2,655,555</b>
General operating expenses	16	-303,039	-240,883	-517,142
<b>GROSS OPERATING INCOME</b>		<b>1,480,922</b>	<b>1,224,571</b>	<b>2,138,414</b>
<b>OPERATING PROFIT</b>		<b>1,480,922</b>	<b>1,224,571</b>	<b>2,138,414</b>
<b>NET OPERATING PROFIT BEFORE TAX</b>		<b>1,480,922</b>	<b>1,224,571</b>	<b>2,138,414</b>
Exceptional items	17	0	0	0
Income tax	18	-486,024	-404,732	-726,309
<b>NET INCOME</b>		<b>994,897</b>	<b>819,839</b>	<b>1,412,105</b>

EVOLUTION IN CAPITAL'S SHARES

ITEMS	Number of shares				
	At the opening	Created	Reimbursed	At the end	Nominal value
Ordinary shares	7,550,000	0	0	7,550,000	15
Amortized shares	0	0	0	0	0
Preferred shares without voting right	0	0	0	0	0
Preferred shares	0	0	0	0	0
Social parts	0	0	0	0	0
Investment certificates	0	0	0	0	0

SHARE CAPITAL - 2014 - 2015

(in EUR)

ITEMS	31.12.2014			30.06.2015
	Amount	Increase	Decrease	Amount
Capital subscribed	113,250,000	0	0	113,250,000
Additional paid-in capital	0	0	0	0
Merger premium	0	0	0	0
Reserves	66,060	70,605	0	136,666
Retained earnings	997,476	1,341,499	0	2,338,975
Net profit of the year	1,412,105	994,898	1,412,105	994,898
<b>Shareholders' equity</b>	<b>115,725,640</b>	<b>0</b>	<b>0</b>	<b>116,720,538</b>

RAPPEL - SHARE CAPITAL - 2013 - 2014

(in EUR)

ITEMS	31.12.2013			31.12.2014
	Amount	Increase	Decrease	Amount
Capital subscribed	113,250,000	0	0	113,250,000
Additional paid-in capital	0	0	0	0
Merger premium	0	0	0	0
Reserves	40,169	25,890	0	66,061
Retained earnings	505,549	491,926	0	997,476
Net profit of the year	517,818	1,412,105	517,818	1,412,105
<b>Shareholders' equity</b>	<b>114,313,535</b>	<b>0</b>	<b>0</b>	<b>115,725,640</b>

# HSBC SFH (France)

S.A. with capital share of 113 250 000 euros

15, rue Vernet  
75008 PARIS  
RCS Paris 480 034 917

## CASHFLOW STATEMENT

In Thousand Euros	30.06.2015	31.12.2014
<b>Net Profit &amp; Loss</b>	<b>995</b>	<b>1,412</b>
Corporate Tax	0	726
Net appropriations to depreciation of tangible and intangible assets	0	0
Depreciation of goodwill and other fixed assets	0	0
Net appropriations to provisions	0	0
Portion of profits relating to affiliate companies	0	0
Net loss / net gain from investment activities	0	0
Income / charges from financing activities	4,313	-2,625
Exchange rate variations on cash and cash equivalents	-65	0
Other transactions	-70	73
<b>Total non-monetary items included in net pre-tax profit and other adjustments</b>	<b>5,173</b>	<b>-413</b>
Cashflow relating to transactions with credit instructions	-1,000,000	0
Cashflow relating to transactions with customers	0	0
Cashflow from other transactions relating to financial assets or liabilities	0	0
Cashflow from other transactions relating to non-financial assets or liabilities	0	-8
Dividend received from affiliates companies	0	0
Taxes paid	0	-525
<b>Net decrease / (increase) of assets and liabilities from operating activities</b>	<b>-1,000,000</b>	<b>-533</b>
<b>TOTAL NET CASHFLOW FROM OPERATING ACTIVITIES</b>	<b>-994,826</b>	<b>-946</b>
Cashflow relating to participating interests	0	121,000
Cashflow relating to tangible and intangible assets	0	0
<b>TOTAL NET CASHFLOW FROM INVESTMENTS ACTIVITIES</b>	<b>0</b>	<b>121,000</b>
Cashflow derived from or intended for shareholders	0	0
Other net cashflow from financing activities	1,000,000	1,437
<b>TOTAL NET CASHFLOW RELATING TO FINANCING ACTIVITIES</b>	<b>1,000,000</b>	<b>1,437</b>
<b>NET VARIATION OF CASH OR CASH EQUIVALENT</b>	<b>5,174</b>	<b>121,492</b>
<i>Exchange rate variations on cash and cash equivalents</i>	<b>65</b>	<b>35</b>
<b>Cash and cash equivalent at opening</b>	<b>124,251</b>	<b>2,725</b>
Cash, central Banks, post office checking accounts (assets and liabilities)	124,251	2,725
Account net balance and loans / borrowings with credit institutions	0	0
<b>Cash and cash equivalent at closing *</b>	<b>129,490</b>	<b>124,251</b>
Cash, central Banks, post office checking accounts (assets and liabilities)	129,490	124,251
Account net balance and loans / borrowings with credit institutions	0	0
<b>TOTAL NET TREASURY VARIATION OR CASH EQUIVALENT</b>	<b>5,174</b>	<b>121,491</b>

\* cf note 1 "loans and advances to banks"



## NOTES TO THE FINANCIAL STATEMENTS

### 1 SIGNIFICANT EVENTS

The 11<sup>th</sup> of March 2015, the Company issued a seventh EUR 1 billion bond, with a maturity of seven years, with a coupon of 0.375 %, extendable one year at the initiative of the issuer.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Accounting principles

The financial statements have been prepared in accordance with generally accepted accounting principles:

- Going concern,
- Consistency of accounting methods from one financial year to the other,
- Accruals basis of accounting,
- Compliance with the general rules for the preparation and presentation of annual financial statements.

The financial statements at 30 June 2015 and their notes have been prepared and presented in accordance with the amended regulation 2014.07 of the Accounting Rules Committee relating to the accounting principles in the French banking industry. It is noted that this statements presentation has changed further to the reclassification of the spread of commissions received on the occasion of the granting from the adjustment account to the outstanding credit position

On the 1st of January 2005, the Hervet Participations has been integrated to tax consolidation group of HSBC BANK PLC PARIS BRANCH. On the 20<sup>th</sup> of June 2008, the Combined General Meeting of shareholders decided to change the name of "Hervet Participations" to "HSBC Covered Bonds (France)". On the 21<sup>st</sup> of April 2011, the Combined General Meeting of shareholders decided to change the name of "HSBC Covered Bonds (France)" to "HSBC SFH (France)". The Company's business purpose is set out in the Article 2 of the Articles of Incorporation updated on the 28<sup>th</sup> April 2014, which stipulates:

"In accordance with laws and regulations applicable to Housing Finance Companies, the Company's business purpose is to consent and / or finance Home loans and hold corporate securities (the "Corporate business purpose").

I - Home loans made and / or funded by the Company are loans, in whole or part of , to finance a residential property located in France or in another member state of the European Union or in another state part of the Agreement on the European Economic Area or in a state benefiting from the highest level of quality of credit issued by an external rating agency credit recognized by the banking supervisor's (Autorité de Contrôle Prudentiel - ACP) and secured by (a) a mortgage or a related guarantee at least equivalent, or (b) a bond granted by a credit institution or an insurance company ("Home loans").

[.../...]

To finance the operations mentioned in I. above, the Company may issue housing finance bonds benefiting from the privilege defined in Article L. 513-11 of the Monetary and Financial Code and raise other sources, even by issuing financial instruments or debt securities, on the basis of foreign law (including debt securities registered under German law (Nammensschuldverschreibung) whose contract or document for public information (within the meaning of Article L. 412-1 of the Code) or equivalent document required for admission on foreign regulated markets mentioned that privilege."

## **2.2 – Changes in accounting policies**

No change in accounting method on the first half of 2015.

## **2.3 - Valuation principles and methods**

### **2.3.1 ACCRUED INTERESTS RECEIVABLE AND PAYABLE**

Accrued interests receivable and payable are recorded in the balance sheet in a related creditor (respectively debtor) account.

### **2.3.2 LOANS AND ADVANCES TO BANKS**

It should be noted that the origination and management fees are spread on a straight-line basis throughout the term of the loan.

Cash standing at the credit of the bank accounts may be invested with term deposits, agreed with HSBC France.

The fixed term deposits are booked for their acquisition values.  
Accrued interests are recorded in the related accounts.

On the 20<sup>th</sup> of January 2010, the Company granted a loan of EUR 1.5 billion to HSBC France, with a seven-year term, paying an interest rate of 3.375%.  
Accrued interests are recorded in the related account.

On the 7<sup>th</sup> of April 2010, the Company granted two new loans to HSBC France of respectively, CHF 200 million, with a maturity of five years and five months, paying an interest rate of 1.75% for the first one, and a maturity of eight years and five months, paying an interest rate of 2.375% for the second one.  
Accrued interests are recorded in the related account.

On the 24<sup>th</sup> of December 2010, the Company granted a fourth loan of CHF 200 million to HSBC France, with a maturity of eight years and four months, paying an interest rate of 2.00%.  
Accrued interests are recorded in the related account.

On the 16<sup>th</sup> of April 2013, the Company granted a fifth loan of EUR 1.25 billion to HSBC France, with a maturity of ten years and six months, paying an interest rate of 2.00 %.

Accrued interests are recorded in the related account.

Then, on the 28<sup>th</sup> of October 2013, the Company granted a sixth loan of EUR 1 billion to HSBC France, with a maturity of seven years, paying an interest of 1.875 %.

Accrued interests are recorded in the related account.

Lastly, on the 11<sup>th</sup> of March 2015, the Company granted a seventh loan of EUR 1 billion to HSBC France, with a maturity of seven years, paying an interest of 0.375 %.

Accrued interests are recorded in the related account.

The CHF claims as of 30<sup>th</sup> of June 2015 were translated into euro, in the balance sheet, at the official exchange rate on the reporting date.

### **2.3.3 AVAILABLE-FOR-SALE PORTFOLIO**

The certificates of deposit have been replaced by a fixed term deposit in February 2012. The fixed term deposit has been abandoned by the end of September 2014, further to unfavourable evolution of rates.

### **2.3.4 DEBT REPRESENTED BY A SECURITY**

It should be noted that the issuance premiums of the covered bonds are spread on a straight-line basis from the date of issuance to the maturity date. Similarly, the issuing charges of the covered bonds are spread on a straight-line basis from the date of issuance to the maturity date.

On the 20<sup>th</sup> of January 2010, the Company issued bonds amounting to EUR 1.5 billion, with a seven-year maturity, with a coupon of 3.375% to be paid to the investors.

Accrued interests are recorded in the related account.

On the 7<sup>th</sup> of April 2010, the Company issued two new bonds of, respectively, CHF 200 million, with a maturity of five years and five months, with a coupon of 1.75% for the first one, and a maturity of eight years and five months, with a 2.375% coupon for the second one.

Accrued interests are recorded in the related account.

On the 24<sup>th</sup> of December 2010, the Company issued a fourth CHF 200 million bond, with a maturity of eight years and four months, with a 2.00% coupon.

Accrued interests are recorded in the related account.

On the 16<sup>th</sup> of April 2013, the Company issued a fifth EUR 1.25 billion bond, with a maturity of ten years and six months, with a 2.00 % coupon.

Accrued interests are recorded in the related account.

Then, on the 28<sup>th</sup> of October 2013, the Company issued a sixth EUR 1 billion bond, with a maturity of seven years, with a coupon of 1.875 %.

Accrued interests are recorded in the related account.

Lastly, on the 11<sup>th</sup> of March 2015, the Company issued a seventh EUR 1 billion bond, with a maturity of seven years, with a coupon of 0.375 %.  
Accrued interests are recorded in the related account.

The CHF claims as of 30<sup>th</sup> of June 2015, were translated into euro, in the balance sheet, at the official exchange rate on the reporting date.

In accordance with regulation 2014.07 of the Accounting Rules Committee, the following information is provided:

Issuance premium remaining to be amortised as of 30 <sup>th</sup> June 2015:	EUR 5,588,268.70
Premium remaining to be amortised as of 30 <sup>th</sup> June 2015 :	EUR 112,788.97
Issuing charges remaining to be amortised as of 30 <sup>th</sup> June 2015 :	EUR 10,191,214.01

### **2.3.5 SUBORDINATED DEBT**

There is no subordinated loan agreed between the Company and HSBC France since 23<sup>rd</sup> August 2013.

### **2.3.6 SHARE CAPITAL**

HSBC France owns 99.99% of HSBC SFH (France) share capital.

The share capital stands at EUR 113,250,000, made up of 7,550,000 shares with a nominal value of EUR 15 each.

### **2.3.7 INTEREST AND SIMILAR INCOME**

The interest paid and received is recorded on an *accruals basis* in the profit and loss account.

Fees for granting a loan are treated as additional interest income and are spread on a straight-line basis over the effective term of the credit. During the first half of 2015, the corresponding amount recognised in the profit and loss statement was EUR 2,649,672.02.

### **2.3.8 OFF-BALANCE SHEET ITEMS**

#### **- *Commitments***

Loans granted to HSBC France by HSBC SFH (France) are guaranteed by eligible housing loans granted by the retail branches of HSBC France.

On the 30<sup>th</sup> June 2015, the received and accounted guarantee (based upon the figures as at 22 June 2015) amounts to EUR 6,793,613,841. The final amount of the guarantee (based upon the figures as at 30<sup>th</sup> June 2015, available from the date of 15 July 2015) is EUR 6,793,204,782.

The housing credits that guarantee the loans granted by HSBC SFH (France) to HSBC France are financial guarantees whose characteristics are described in Articles L.211-38 and seq. of the Monetary and Financial Code.

### ***3 IDENTITY OF THE PARENT COMPANY USING THE GLOBAL CONSOLIDATION METHOD***

HSBC FRANCE  
103, avenue des Champs Elysées  
75008 PARIS

### ***4 DISCLOSURE RELATING TO CREDIT RISK***

The sole counterparty of HSBC SFH (France) is HSBC France.

Loans granted by HSBC SFH (France) enable HSBC France to refinance itself.

### ***5 INFORMATION RELATING TO INTEREST AND FOREIGN EXCHANGE RATE RISK***

The interest and currency risks of HSBC SFH (France) are limited, since the loans granted by HSBC SFH (France) to HSBC France are backed by the covered bond issues.

The Company HSBC SFH (France) sold its foreign exchange position on the markets as of 23 March 2015 and 23 June 2015.

### ***6 EXPOSURE TO THE SOVEREIGN RISK***

The HSBC SFH (France) entity holds no financial assets with sovereign risk.

### ***7 INFORMATION ON RELATED PARTIES***

In accordance with the ANC 2010-04 recommendations, the list of transactions of HSBC SFH (France) with related parties is not subject to information in notes, as transactions are performed to normal market conditions.

**NOTE 1 - LOANS AND ADVANCES TO BANKS**

(in EUR)

In EUR thousands	30.06.2015	31.12.2014
<b>On Demand deposits</b>	<b>129,490,251</b>	<b>124,251,188</b>
<b>Term deposits</b>	<b>5,299,375,269</b>	<b>4,249,001,996</b>
< 3 months	192,010,016	0
> 3 months < 1 year	0	166,333,998
> 1 year < 5 years	1,880,633,783	1,832,667,997
> 5 years	3,226,731,470	2,250,000,000
<b>Impairment on non-performing loans and country risks</b>		
<b>Accrued interests</b>	<b>60,778,245</b>	<b>60,783,928</b>
<b>GENERAL TOTAL</b>	<b>5,489,643,766</b>	<b>4,434,037,113</b>
<i>of which securities received under repurchase agreements</i>	<i>0</i>	<i>0</i>
<i>of which subordinated loans</i>	<i>0</i>	<i>0</i>

## NOTE 2 - LOANS AND ADVANCES TO CUSTOMERS

(Outstanding amounts at the end of the period)

(in EUR)

NATURE OF THE ITEMS	30.06.2015	31.12.2014
Receivables from customers	0	0
Commercial loans	0	0
Ordinary accounts in overdraft	0	0
Other customers loans and receivables (excluding related receivables)	0	0
Lease financing	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>
Personal loans	0	0
Loans to financial customers	0	0
Loans to non-financial customers	0	0
Securities received under repurchase agreements	0	0
Related receivables	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>
<i>Of which gross non-performing loans</i>	<i>0</i>	<i>0</i>
<i>Of which impairment on non-performing loans</i>	<i>0</i>	<i>0</i>
<i>Of which net non-performing loans</i>	<i>0</i>	<i>0</i>
<i>Of which subordinated loans</i>	<i>0</i>	<i>0</i>

BREAKDOWN OF OUTSTANDING LOANS BY REMAINING CONTRACTUAL MATURITY	30.06.2015	31.12.2014
<b>On Demand deposits</b>	<b>0</b>	<b>0</b>
<b>Term deposits</b>	<b>0</b>	<b>0</b>
< 3 months	<b>0</b>	<b>0</b>
> 3 months < 1 year	<b>0</b>	<b>0</b>
> 1 year < 5 years	<b>0</b>	<b>0</b>
> 5 years	<b>0</b>	<b>0</b>
<b>Impairment on non-performing loans and country risks</b>	<b>0</b>	<b>0</b>
<b>Accrued interests</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>0</b>	<b>0</b>

**NOTE 3 - BONDS & OTHER FIXED INCOME SECURITIES**

(in EUR)

NATURE OF THE ITEMS	30.06.2015	31.12.2014
<b>Treasury bills and other eligible bills</b>	<b>0</b>	<b>0</b>
- Trading securities	0	0
- Available for sale securities	0	0
- Held to maturity securities	0	0
- Related receivables	0	0
<b>Bonds and other fixed-income securities</b>	<b>0</b>	<b>0</b>
. Trading securities		
- Bonds & other quoted securities	0	0
- Unquoted bonds, interbank market securities and gross negotiable debt securities	0	0
- Impairment losses on unquoted bonds, interbank market securities & negotiable debt instruments	0	0
. Available-for-sale securities		
- Quoted bonds	0	0
- Unquoted bonds, interbank market securities and negotiable debt instruments	0	0
- Impairment losses on unquoted bonds, interbank market securities and negotiable debt instruments	0	0
. Held-to-maturity securities		
- Quoted bonds	0	0
- Unquoted bonds, interbank market securities and negotiable debt instruments	0	0
. Related receivables	0	0
<i>of which subordinated notes</i>	0	0
<b>Equities and other variable-income securities &amp; medium-term investments</b>	<b>0</b>	<b>0</b>
. Trading securities	0	0
- Quoted equities	0	0
- Unquoted equities and other variable-income securities	0	0
. Available-for-sale securities	0	0
- Quoted equities	0	0
- Unquoted equities & other securities	0	0
. Equity securities available for sale in the medium-term	0	0
- unquoted medium-term investments	0	0
- quoted medium-term investments	0	0
. Related receivables	0	0
<b>Own shares</b>	<b>0</b>	<b>0</b>
- Short-term investment securities	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>



**BREAKDOWN BY REMAINING CONTRACTUAL MATURITY OF TREASURY BILLS  
AND GOVERNMENT BONDS**

**Net value**

(in EUR)

NATURE OF THE ITEMS	30.06.2015	31.12.2014
<b>Treasury bills and other eligible bills</b>	<b>0</b>	<b>0</b>
< 3 months	0	0
> 3 months < 1 year	0	0
> 1 year 5 years	0	0
> 5 years	0	0
Related receivables	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>
<b>Debt securities</b>	<b>0</b>	<b>0</b>
< 3 months	0	0
> 3 months < 1 year (*)	0	0
> 1 year 5 years	0	0
> 5 years	0	0
Provisions for impairment	0	0
Related receivables	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>

**ESTIMATED VALUE OF THE PORTFOLIO OF AVAILABLE-FOR-SALE  
SECURITIES & EQUITY SECURITIES AVAILABLE-FOR-SALE IN  
THE MEDIUM-TERM**

(in EUR)

Nature of the items	30.06.2015	31.12.2014
Treasury bills and other eligible bills	0	0
Debt securities	0	0
<i>of which impairment charge</i>	0	0
Equities and other variable-income securities & medium-term investments	0	0
Own shares	0	0
<b>TOTAL AVAILABLE-FOR-SALE SECURITIES &amp; EQUITY SECURITIES AVAILABLE-FOR-SALE IN THE MEDIUM-TERM (excluding accrued interest)</b>	<b>0</b>	<b>0</b>

**NOTE 4 - OTHER ASSETS**

(in EUR)

	<b>30.06.2015</b>	<b>31.12.2014</b>
. Settlement accounts related to securities transactions	0	0
. Other receivables & assets	404,864	335,306
<b>TOTAL</b>	<b>404,864</b>	<b>335,306</b>

**NOTE 5 – PREPAYMENTS AND ACCRUED INCOME**

(in EUR)

	<b>30.06.2015</b>	<b>31.12.2014</b>
Deferred tax assets	0	0
Other prepayments and accrued assets	15,779,483	13,569,884
<b>TOTAL</b>	<b>15,779,482</b>	<b>13,569,884</b>

**NOTE 6 - OFF BALANCE SHEET**

(in EUR)

	30.06.2015	31.12.2014
<b>FINANCING COMMITMENTS</b>		
Commitments given		
. Refinancing agreements & other financing commitments given in favour of banks	0	0
. In favour of customers	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
Commitments received		
. Refinancing agreements & other financing commitments received from banks	0	0

<b>GUARANTEES GIVEN</b>		
Commitments given		
. Guarantees given for banks	0	0
. Guarantees given for customers	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
Commitments received		
. Guarantees received from banks	6,793,613,841	6,098,451,895
. Guarantees received from customers	0	0
<b>Total</b>	<b>6,793,613,841</b>	<b>6,098,451,895</b>

<b>SECURITIES COMMITMENTS GIVEN</b>		
Commitments given: securities to be delivered	0	0
Commitments given: calls on securities (tenor < 3 months)	0	0
Commitments given: calls on securities (tenor ranging from 3 months to 1 year)	0	0
Commitments given: calls on securities (tenor ranging from 1 to 5 years)	0	0
Commitments given: calls on securities (tenor > 5 years)	0	0
. Trading at issue, trading in the monthly settlement market and other	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
Commitments received: securities to be received	0	0
Commitments received: puts on securities (tenor < 3 months)	0	0
Commitments received: puts on securities (tenor ranging from 3 months to 1 year)	0	0
Commitments received: puts on securities (tenor ranging from 1 to 5 years)	0	0
Commitments received: puts on securities (tenor > 5 years)	0	0
. Trading at issue, trading in the monthly settlement market and other	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**NOTE 7 - DEBT SECURITIES**

(in EUR)

<b>BREAKDOWN OF OUTSTANDING LOANS BY REMAINING CONTRACTUAL MATURITY</b>	<b>30.06.2015</b>	<b>31.12.2014</b>
<b>Due to banks and central banks</b>	0	0
<b>On Demand deposits</b>	0	0
<b>Term deposits</b>	<b>5,326,202,823</b>	<b>4,249,001,996</b>
< 3 months	192,067,607	0
> 3 months < 1 year	0	166,333,998
> 1 year < 5 years	1,884,135,215	1,832,667,997
> 5 years	3,250,000,000	2,250,000,000
<b>Accrued interest (interest payable)</b>	<b>60,822,434</b>	<b>60,780,328</b>
<b>GENERAL TOTAL</b>	<b>5,387,025,258</b>	<b>4,309,782,324</b>
<i>of which securities received under repurchase agreements</i>	0	0

**NOTE 8 - OTHER LIABILITIES****Before appropriation of earnings**

(in EUR)

	<b>30.06.2015</b>	<b>31.12.2014</b>
Settlement accounts related to securities transactions	0	0
Other debt representing borrowed securities	0	0
Sundry creditors	504,800	1,035,531
Trading securities and securities received under repurchase agreements	0	0
<b>TOTAL</b>	<b>504,800</b>	<b>1,035,531</b>

**Note 9 – ACCRUALS AND DEFERRED INCOME**

(in EUR)

	<b>30.06.2015</b>	<b>31.12.2014</b>
Collection accounts	0	0
Other accruals and deferred income	1,577,517	21,398,807
<b>TOTAL</b>	<b>1,577,517</b>	<b>21,398,807</b>

**NOTE 10 - SUBORDINATED DEBT**

(in EUR)

<b>BREAKDOWN OF OUTSTANDING AMOUNTS BY REMAINING CONTRACTUAL MATURITY</b>	<b>30.06.2015</b>	<b>31.12.2014</b>
<b>Due to banks and central banks</b>		
<b>On Demand deposits</b>	<b>0</b>	<b>0</b>
<b>Term deposits</b>	<b>0</b>	<b>0</b>
< 3 months	0	0
> 3 months < 1 year	0	0
> 1 year < 5 years	0	0
> 5 years	0	0
<b>Accrued interest (Interest payable)</b>	<b>0</b>	<b>0</b>
<b>GENERAL TOTAL</b>	<b>0</b>	<b>0</b>

**Note 11 - NET INTEREST INCOME**

(in EUR)

	<b>30.06.2015</b>	<b>30.06.2014</b>	<b>31.12.2014</b>
<b>Interest and similar income</b>			
. Banks and financial institutions	56,394,744	54,319,373	109,320,076
. Customers	17,471	14,984	-42,772
. Bonds and other fixed-income securities	0	0	0
. Other	0	0	0
<b>Total</b>	<b>56,412,216</b>	<b>54,334,357</b>	<b>109,277,303</b>
<b>Interest and similar expense</b>			
. Banks and financial institutions	0	0	0
. Customers	-55,736,039	-53,616,067	-108,074,805
. Subordinated debt	0	0	0
. Other bonds and fixed-income securities	0	0	0
. Other	0	0	0
<b>Total</b>	<b>-55,736,039</b>	<b>-53,616,067</b>	<b>-108,074,805</b>

**NOTE 12 - BREAKDOWN OF FEES AND COMMISSION INCOME**

(in EUR)

	30.06.2015	30.06.2014	31.12.2014
<b>BREAKDOWN OF FEES AND COMMISSION INCOME RECORDED AS SUCH IN THE INCOME STATEMENT</b>			
<b>Income</b>	<b>923,007</b>	<b>735,182</b>	<b>1,426,339</b>
. On transactions with banks	923,007	735,182	1,426,339
. On transactions with customers	0	0	0
. On foreign-exchange transactions	0	0	0
. On securities primary market activities	0	0	0
. On financial services for third parties	0	0	0
. On securities commitments	0	0	0
. Other fee income	0	0	0
<b>Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>
. On transactions with banks	0	0	0
. On corporate actions	0	0	0
. On forward financial instrument activities	0	0	0
. On financial services for third parties	0	0	0
. Other fee expense	0	0	0
<b>TOTAL FEE AND COMMISSION INCOME</b>	<b>923,007</b>	<b>735,182</b>	<b>1,426,339</b>

Fees and commission income are earned annually, and are spread on a straight-line basis.



**Note 13 - Gains and losses on trading account securities**

(in EUR)

	<b>30.06.2015</b>	<b>30.06.2014</b>	<b>31.12.2014</b>
Net income from trading securities	0	0	0
Net income from foreign-exchange transactions	184,776	11,981	26,718
Net income from forward financial instruments	0	0	0
<b>TOTAL</b>	<b>184,776</b>	<b>11,981</b>	<b>26,718</b>

**NOTE 14 - OTHER EXPENSES AND REVENUES FROM BANKING ACTIVITIES**

(in EUR)

	<b>30.06.2015</b>	<b>30.06.2014</b>	<b>31.12.2014</b>
Operating income	0	0	0
Operating expenses	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

**NOTE 15 - GENERAL OPERATING EXPENSES**

(in EUR)

	30.06.2015	30.06.2014	31.12.2014
<b>Employee compensation and benefits</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other administrative expenses</b>	<b>-303,037</b>	<b>-240,882</b>	<b>-517,142</b>
<i>of which statutory audit fees:</i>	-22,034	-21,876	-46,000
<b>TOTAL</b>	<b>-303,037</b>	<b>-240,882</b>	<b>-517,142</b>

**NOTE 16 - EXCEPTIONAL ITEMS**

(in EUR)

	30.06.2015	30.06.2014	31.12.2014
Non-recurring income on securities	0	0	0
Non-recurring loss on securities	0	0	0
Tax penalties	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

**NOTE 17 - INCOME TAX**

(in EUR)

	30.06.2015	30.06.2014	31.12.2014
Reversals of tax provisions	0	0	0
Corporate income tax and lump sum annual corporate tax	-486,024	-404,732	-726,309
<b>TOTAL</b>	<b>-486,024</b>	<b>-404,732</b>	<b>-726,309</b>