



LA BANQUE POSTALE HOME LOAN SFH

SUMMARY INTERIM FINANCIAL STATEMENTS IFRS

30 June 2015

Statement of financial position as at 30 June 2015

(€ '000s)	Notes	30/06/15	31/12/2014 restated	31/12/2014 published
<u>ASSETS</u>				
Cash and central banks	2.1	14	7	7
Financial assets at fair value through profit and loss				
Hedging derivatives				
Financial assets available for sale				
Loans & receivables - credit institutions	2.2	2 977 043	2 345 480	2 345 480
Loans and receivables - customers				
Revaluation differences on interest rate risk hedged portfolios				
Financial assets held to maturity	2.3	93 086	106 694	106 694
Current tax assets				
Deferred tax assets				
Accruals and other assets	2.4	24	4	4
Non-current assets held for sale				
Deferred profit-sharing				
Investments in associates				
Investment properties				
Property, plant and equipment				
Intangible assets		4	4	4
TOTAL		3 070 171	2 452 189	2 452 189
<u>LIABILITIES</u>				
Central banks				
Financial liabilities at fair value through profit and loss				
Hedging derivatives				
Due to credit institutions	2.5		273	273
Due to customers				
Debt securities	2.6	2 857 343	2 239 476	2 239 476
Revaluation differences on interest rate risk hedged portfolios				
Current tax liabilities	2.7	66	574	574
Deferred tax liabilities				
Debts linked to non-current assets held for sale				
Accruals and other liabilities	2.8	457	333	386
Provisions				
Subordinated debt				
CONSOLIDATED EQUITY		212 305	211 532	211 479
Equity capital		210 000	210 000	210 000
Issue and transfer premiums				
Reserves		127	21	9
Retained earnings		1 405	173	173
Gains and losses recognised directly in equity				
Profit (loss) for the period		773	1 338	1 297
TOTAL		3 070 171	2 452 189	2 452 189

Net profit as at 30 June 2015

(€ '000s)	Notes	30/06/15	30/06/2014 restated	30/06/2014 published
Interest and similar income	3.1	25 685	21 706	21 706
Interest and similar expense	3.1	(23 928)	(20 114)	(20 114)
Commissions (income)				
Commissions (expense)	3.2	(6)	(1)	(1)
Net gains or losses on financial instruments at fair value through profit and loss				
Net gains and losses on assets available for sale				
Income from other activities	3.3	9		
Expense from other activities	3.3	(26)	(16)	(16)
NET BANKING INCOME		1 734	1 575	1 575
General operating expense	3.4	(561)	(503)	(516)
Net depreciation, amortisation and impairments of tangible and intangible non-current assets				
GROSS OPERATING INCOME		1 173	1 072	1 059
Cost of risk				
OPERATING INCOME		1 173	1 072	1 059
Net gains and losses on other assets				
PRE-TAX INCOME		1 173	1 072	1 059
Income tax	3.5	(400)	(357)	(357)
NET PROFIT		773	714	701
<i>BASIC EARNINGS PER ORDINARY SHARE (in euros)</i>		<i>0,04</i>	<i>0,03</i>	<i>0,03</i>
<i>DILUTED EARNINGS PER ORDINARY SHARE (in euros)</i>		<i>0,04</i>	<i>0,03</i>	<i>0,03</i>

Statement of net profit and gains and losses recognised directly in equity

(€ '000s)	30/06/15	30/06/14 restated	30/06/14 published
NET PROFIT	773	714	701
Items recyclable in profit or loss			
Exchange rate differences			
Revaluation of available for sale financial assets			
<i>Change in revaluation reserve</i>			
<i>Reclassification to profit or loss</i>			
<i>Deferred tax</i>			
Revaluation of hedging derivatives			
<i>Change in reserve</i>			
<i>Recycling to profit or loss</i>			
<i>Deferred tax</i>			
Items not recyclable in profit or loss			
Actuarial differences under defined benefit schemes			
Other changes			
Deferred tax			
TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY NET OF TAX	773	714	701

Statement of changes in equity capital

	Capital ⁽¹⁾	Issue premium	Legal reserves, retained earnings and other reserves	Gains and losses recognised directly in equity capital, net of tax		Net profit Equity	EQUITY CAPITAL
				Actuarial differences	Translation reserves, Change in fair value of financial instruments (2) and (3)		
(€ '000s)							
Equity capital as at 31 December 2012 (Y-2)	40	4	(1)	0	0	(3)	40
Capital increase	119 960						119 960
Allocation of Y-2 net profit		(4)	1			3	0
Dividend Y-1 paid for Y-2 net profit							0
Sub-total of movements linked to relations with shareholders	119 960	(4)	1	0	0	3	119 960
Changes in gains and losses recognised directly in equity	0	0	0	0	0	0	0
Net profit 31/12/2013 (Y-1)						182	182
Sub-total	0	0	0	0	0	182	182
Other changes	0	0	0	0	0	0	0
Equity capital as at 31 December 2013 (Y-1)	120 000	0	0	0	0	182	120 182
Capital increase	90 000						90 000
Allocation of Y-1 net profit			182			(182)	0
Dividend Y paid for Y-1 net profit							0
Sub-total of movements linked to relations with shareholders	90 000	0	182	0	0	(182)	90 000
Changes in gains and losses recognised directly in equity	0	0	0	0	0	0	0
Net profit 31/12/2014 (Y)						1 297	1 297
Sub-total	0	0	0	0	0	1 297	1 297
Other changes	0	0	0	0	0	0	0
Equity capital as at 31/12/2014	210 000	0	182	0	0	1 297	211 479
Capital increase							0
Allocation of Y-1 net profit			1 297			(1 297)	0
Dividend Y paid for Y-1 net profit							0
Sub-total of movements linked to relations with shareholders	0	0	1 297	0	0	(1 297)	0
Changes in gains and losses recognised directly in equity	0	0	0	0	0	0	0
Net profit 30/06/2015 (Y)						773	773
Sub-total	0	0	0	0	0	773	773
Other changes	0	0	53	0	0	0	53
Equity capital as at 30/06/2014	210 000	0	1 532	0	0	773	212 305

As at 30 June 2015, the capital of La Banque Postale Home Loan SFH was made up of 21,000,000 actions with a nominal value of 10 euros.

First half 2014 cash flow statement

The cash flow statement is presented according to the indirect method model.

Investment activities represent cash flows relating to acquisitions and disposals of financial assets held to maturity and of tangible and intangible fixed assets.

Financing activities represent changes linked to structural financial transactions involving equity capital and subordinated debt.

Operating activities include those cash flows that fall outside the two previous categories.

The concept of net cash includes cash, receivables and payables to central banks, as well as instant-access deposits (assets and liabilities) held by credit institutions.

(€ '000s)	30/06/15	31/12/14
Profit (loss) before tax	1 173	1 963
+/- Net depreciation and amortisation of tangible and intangible non-current assets		
+/- Net provisions and impairment charges		
+/- Net losses or gains on investment activities		
+/- Net losses or gains on financing activities		
+/- Other movements	492	(8 359)
= Total non-cash items included in net pre-tax profit and other adjustments	492	(8 359)
+/- Cash flows relating to transactions with credit institutions	(626 650)	(1 207 607)
+/- Cash flows relating to customer transactions		
+/- Cash flows relating to other transactions that have an impact on financial assets or liabilities	626 839	1 123 244
+/- Cash flows relating to other transactions that have an impact on non-financial assets or liabilities	103	316
- Taxes paid	(908)	(200)
= Net increase/decrease in assets and liabilities from operating activities	(641)	(84 247)
TOTAL NET CASH FLOWS GENERATED BY OPERATING ACTIVITIES (A)	1 049	(90 643)
+/- Flows linked to financial assets and investments		(4)
+/- Flows linked to investment properties		
+/- Cash flows linked to tangible and intangible non-current assets		
TOTAL NET CASH FLOWS GENERATED BY INVESTMENT ACTIVITIES (B)	0	(4)
+/- Cash flows from or to shareholders		90 000
+/- Other net cash flows from financing activities		
TOTAL NET CASH FLOWS GENERATED BY FINANCING ACTIVITIES (C)	0	90 000
IMPACT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS (D)	0	
Net increase (decrease) in cash and cash equivalents (A+B+C+D)	1 049	- 647
Net cash flows generated by operating activities (A)	1 049	(90 643)
Net cash flows generated by investment activities (B)	0	(4)
Net cash flows generated by financing activities (C)	0	90 000
Impact of changes in exchange rates on cash and cash equivalents (D)	0	0
Opening cash and cash equivalents	(266)	381
Cash and central banks (assets and liabilities)	7	2
Current accounts (assets and liabilities) and overnight loans with credit institutions	(273)	379
<i>Current accounts and overnight loans with credit institutions - ASSETS</i>	(273)	379
<i>Current accounts and overnight loans with credit institutions - LIABILITIES</i>		
Closing cash and cash equivalents	783	(266)
Cash and central banks (assets and liabilities)	14	7
Current accounts (assets and liabilities) and overnight loans with credit institutions	769	(273)
CHANGE IN NET CASH	1 049	(647)

NOTES TO THE FINANCIAL STATEMENTS

LEGAL AND FINANCIAL FRAMEWORK

1 Founding of La Banque Postale Home Loan SFH

La Banque Postale Home Loan SFH was accredited by the French Prudential Control Authority on 18 July 2013 as a financial company able to operate as a home loans company.

After the European Capital Requirements Regulation (CRR) came into force, the Company became a specialised credit institution, as defined, as from 1 January 2014.

La Banque Postale Home Loan SFH is a 100%-owned subsidiary, consolidated in the accounts of La Banque Postale, and is part of the La Poste consolidation group.

2 Highlights of the period

During the first half of 2015, SFH issued €500 million of 7-year fixed rate debt in the public markets.

In total as at this date, the company has issued the equivalent of €2.895 billion under its Covered Bond programme, in EMTN or Namens format.

For accounting purposes, the premiums and costs related to the issues are spread over the term of the securities issued.

The preferential liabilities of La Banque Postale Home Loan SFH are secured by a home loans pool from La Banque Postale as guarantee, the Cover Pool, for an amount of €5.3 billion as at the end of June 2015.

The collateralised loans granted by the Company to La Banque Postale are backed in nominal and maturity terms with preferential resources: a fixed margin is applied to the fixed rate of the loans to cover the fixed costs of the Company on the basis of an issuance programme of €10 billion. Costs related to secured issues are reflected in the loans.

3 Post-balance sheet events

There were no significant post-balance sheet events.

4 Publication context

La Banque Postale Home Loan SFH decided to publish a set of separate financial statements in accordance with the IFRS guidelines.

This publication is voluntary as the accounting basis for the preparation of the financial statements is, in accordance with the legislation applicable in France, the French accounting basis.

NOTE 1 PRINCIPAL VALUATION AND PRESENTATION RULES APPLYING TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.1 REGULATORY FRAMEWORK

As of 1 January 2014, La Banque Postale Home Loan SFH decided to apply the IAS and IFRS guidelines adopted by the European Commission.

Presentation of the financial statements

In the absence of any model imposed by IFRS guidelines, the Company has used the summary statement format suggested in Recommendation No. 2013-04 of 7 November 2013 issued by the French National Accounting Authority.

The financial statements are presented in thousands of euro. They are prepared under the responsibility of the Board of Directors meeting of 28 June 2015.

1.2 STANDARDS AND INTERPRETATIONS APPLICABLE FROM 1 JANUARY 2015

With respect to the consolidated financial statements for the year ended 31 December 2014, the Company has applied the following standards and interpretations mandatory within the European Union as from 1 January 2015:

Standards or Interpretations	Date of adoption by the EU
IFRIC 21 – Taxes	13 June 2014

IFRIC 21 – Taxes sets out the conditions for recognition of levies made by a public authority falling within the scope of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets according to their operative event. The operative event may be ad hoc, continuous and gradual or arise due to the crossing of thresholds.

The main consequence of applying this interpretation is the change in the operative event to account for certain taxes: certain taxes which were spread over the financial period are accounted in total on 1 January or are recorded in another accounting period. For La Banque Postale Home Loan SFH, this concerns the company social solidarity contribution.

The company applied the IFRIC 21 interpretation for the first time on 30 June 2015 retrospectively. Applying the interpretation of IFRIC 21 leads to an increase in general operating expenses in the first half and a reduction by the same amount of taxes accounted for under general operating expenses in the second half. The revenue impact as at 30/06/2015 for the company is -€25,000, corporate debt -€28,000, reserves +€53,000.

The first application of IFRIC 21 led to the presentation of pro forma accounts for 2014, namely an increase of +€13,000 in operating expenses in the income statement as at 30/06/2014, and -€53,000 in corporate debt and +€53,000 in equity capital on the balance sheet as at 31 December 2014.

The reconciliation between the data published and the data restated in the income statement is as follows:

(€ '000s)	Notes	30/06/2014 published	30/06/2014 IFRIC 21 impact	30/06/2014 restated
Interest and similar income	3.1	21 706		21 706
Interest and similar expense	3.1	(20 114)		(20 114)
Commissions (income)				
Commissions (expense)	3.2	(1)		(1)
Net gains or losses on financial instruments at fair value through profit and loss				
Net gains and losses on assets available for sale				
Income from other activities	3.3			
Expense from other activities	3.3	(16)		(16)
NET BANKING INCOME		1 575		1 575
General operating expense	3.4	(516)	13	(503)
Net depreciation, amortisation and impairments of tangible and intangible non-current assets				
GROSS OPERATING INCOME		1 059	13	1 072
Cost of risk				
OPERATING INCOME		1 059	13	1 072
Net gains and losses on other assets				
PRE-TAX INCOME		1 059	13	1 072
Income tax	3.5	(357)		(357)
NET PROFIT		701	13	714

1.3 PRESENTATION AND VALUATION RULES

1.3.1 Foreign currency transactions

La Banque Postale Home Loan SFH has not carried out any transactions in foreign currency since it was created.

1.3.2 Financial assets and liabilities

When initially recognised, financial assets and liabilities are valued at fair value, net of acquisition expenses that are directly related to the acquisition (except for financial instruments recognised at fair value through profit or loss).

Financial assets and liabilities are classified in the following categories:

1.3.2.1 Loans and receivables

Loans and receivables are non-derivative financial assets, which are not listed on an active market and for which returns are fixed or can be determined. They include credit institution and customer loans and receivables. Following their initial

recognition, they are recognised at amortised cost using the effective interest rate method and may be subject to impairment, if required.

The effective interest rate is the exact rate used for discounting future cash flows at the initial fair value of the loan. It includes transaction costs and ancillary income such as application costs, commitment commissions, as soon as the drawdown is more likely than not, or investment commissions directly linked to the issue of the loans, which are viewed as an integral part of credit returns.

Financing commitments

Financing commitments that are not viewed as derivative instruments are not shown on the balance sheet.

1.3.2.2 Financial assets and liabilities at fair value through profit or loss

La Banque Postale Home Loan SFH does not have any held-for-trading assets, and does not use the option of designation at fair value through profit or loss.

1.3.2.3 Financial assets held to maturity

Financial assets held to maturity are listed financial assets with a fixed or determinable income and maturity that the company intends and is able to hold until maturity, and that it has not chosen to classify as financial instruments at fair value through profit or loss, or as financial instruments available for sale.

With a few limited exceptions, IAS 39 prohibits the sale or transfer of these securities before they mature. Infringing this rule may result in the Group being prohibited from classifying securities in this category for two financial years.

Interest-rate risk hedging transactions on this category of securities are not eligible for hedge accounting as defined by IAS 39.

At year-end, the securities are valued at amortised cost according to the effective interest rate method, which includes amortisation of the premiums and discounts that correspond to the difference between their acquisition and repayment values.

Income received in respect of these securities is shown in "Interest and similar income" in the profit and loss statement.

Where there is objective evidence of impairment, a provision is recorded to represent the difference between book value and estimated recovery value, discounted at the original effective interest rate. This impairment charge is offset against the cost of risk. In the event of a subsequent improvement, the excess provision, which is redundant, is written back.

1.3.2.4 Financial assets available for sale

La Banque Postale Home Loan SFH does not hold any available for sale assets.

1.3.2.5 Date of entry

The securities are recorded in the statement of financial position on the date of settlement and delivery. Loans and receivables are recorded on the balance sheet at their payment date.

1.3.2.6 Debt

Debt that is not classified in financial liabilities at fair value is initially recorded at cost, which corresponds to the fair value of the amounts borrowed net of transaction costs. At year-end, the debt is valued at amortised cost according to the effective interest rate and recorded in the balance sheet under "Debt payable to credit institutions", "Debt payable to customers", "Debt represented by a security" or "Subordinated debt", except in cases where it has been hedged at fair value.

Due to credit institutions

The payables to credit institutions are broken down on the basis of their initial duration or their type: overnight debt (overnight deposits, ordinary accounts) or term debt (special savings accounts).

Debt securities

Financial instruments are classified as debt instruments if the issuer is required to remit cash or other financial assets or to exchange instruments under potentially unfavourable conditions. Debt securities for La Banque Postale Home Loan SFH comprise bonds (EMTN or Namens format) issued under the Covered Bonds (home financing bonds) programme.

The debt is initially recognised at face value and is then valued at amortised cost using the effective interest rate method at subsequent year-ends.

1.3.2.7 Financial derivatives and hedging instruments

La Banque Postale Home Loan SFH does not undertake any derivative transactions and has not put in place any hedging arrangements.

1.3.2.8 Guarantees

Financial guarantees

According to IAS 39, a contract meets the definition of a financial guarantee if it includes an indemnity clause, according to which the issuer shall compensate the beneficiary for losses that the latter has suffered due to the default of a debtor who was specifically designated to make a payment on a debt instrument.

La Banque Postale Home Loan SFH has not entered into a guarantee contract.

1.3.2.9 Determining fair value or market value

IFRS 13 defines fair value as the price received for the sale of an asset or paid for the transfer of a liability in a standard transaction between market participants on the valuation date.

When an instrument is first recognised, its fair value is usually the transaction price.

IFRS 13 recommends using a price quoted on an active market in the first instance to determine the fair value of a financial asset or liability. A market is considered to be active if prices are easily and regularly available from a stock exchange, a broker (multiple inputs), an intermediary or a regulatory agency, and if those prices represent real transactions (volume and price range) under normal competition conditions. In the absence of an active market, fair value must be determined using valuation techniques. These techniques include the use of recent transactions performed in a normal competition environment. They are based on market data, on the fair value of substantially identical instruments, or on cash flow or option valuation discount models, and involve recognised valuation methods. The aim of a valuation technique is to establish what the price of an instrument would be under normal market conditions.

The price quoted for an asset held or a liability to be issued is usually the bid price, and it is the offer price for a liability held or an asset to be acquired.

The fair value of financial instruments recognised in the balance sheet at amortised cost is presented in the notes to the financial statements.

1.3.2.10 Derecognition of financial assets or liabilities

Financial assets are derecognised when the contractual rights to the cash flows attached to the financial asset expire, or when those rights and virtually all the risks and benefits of ownership have been transferred to a third party.

When certain risks and advantages have been transferred and while control of the financial asset is retained, that asset remains on the balance sheet so as to reflect the ongoing involvement in the asset concerned.

A gain or loss on disposal is then recorded in the profit and loss statement, at an amount equal to the difference between the book value of the asset and the amount received in exchange.

Financial liabilities are derecognised when the contractual obligation is extinguished, cancelled, or expires.

1.3.2.11 Offsetting of financial assets and liabilities

A financial asset and liability are offset and a net balance is shown on the balance sheet only if the company has a legally enforceable right to offset the amounts recognised, and if it has the intention either to settle the net amount or to realise the asset and settle the liability simultaneously.

La Banque Postale Home Loan SFH has not undertaken any transactions intended to be offset on the statement of financial position.

1.3.3 Interest income and expense

Interest income and expense are recognised in the profit and loss statement for all financial instruments valued at amortised cost using the effective interest rate.

The effective interest rate is the rate that discounts future cash outflows or inflows exactly over the expected life of the financial instrument, so as to arrive at the net book value of the financial asset or liability. The calculation of this rate factors in commissions received or paid, which are by nature an integral part of the effective contract rate.

1.3.4 Commission income and expense

The company recognises commissions in profit or loss depending on the services supplied and the way in which the financial instruments to which that service relates are recognised:

Commissions in respect of ongoing services are recognised in profit or loss over the duration of the service.

Commissions paid for one-off services or for a major transaction are recognised in profit or loss in full when the service is provided or the transaction performed (commissions on transfers).

Commissions considered as additional interest form an integral part of the effective interest rate.

1.3.5 Cost of risk

La Banque Postale Home Loan SFH has not recorded any cost of risk transactions.

1.3.6 Income tax

Tax payable

La Banque Postale Home Loan SFH is part of the La Poste tax consolidation group. The tax rate is 33.33%.

1.3.7 Use of estimates in the preparation of the financial statements

The preparation of the financial statements involves making assumptions and estimates that may or may not prove accurate in the future. These estimates, which are based on the information available at year-end, call upon the judgement of managers and the parties involved in preparing the financial statements, particularly where assessing the fair value of financial instruments is concerned.

Future transactions depend on a number of factors: fluctuation of interest and exchange rates, economic outlook, amendments to regulations or legislation, etc., which means that the final outcome of the transactions concerned may differ from these estimates and have an impact on the financial statements.

The valuation of financial instruments which are not quoted on organised markets involves models using observable market data for most over-the-counter traded instruments. For certain complex instruments not traded on an active market, valuation is based on techniques which, in certain cases, factor in parameters deemed non-observable.

Information concerning the fair value of the financial assets and liabilities recognised on a cost basis is provided in the notes.

1.3.8 Segment information

The sole activity of La Banque Postale Home Loan SFH is refinancing La Banque Postale home loans.

The company business is carried out solely in Paris. The company does not undertake any direct business in other countries.

NOTE 2 NOTES TO THE BALANCE SHEET

2.1 CASH AND CENTRAL BANKS

Cash and central banks

(€ '000s)	30/06/15	31/12/14
Cash		
Central banks	14	7
Cash and central banks	14	7

2.2 LOANS AND RECEIVABLES TO CREDIT INSTITUTIONS

(€ '000s)	30/06/15	31/12/14
Current accounts in debit		
Deposits and loans	2 977 043	2 345 480
Securities received under repurchase agreements		
Home loans		
Impairment charges		
Accounts and loans - credit institutions	2 977 043	2 345 480
Securities equivalent to loans and receivables		
Securities equivalent to loans and receivables		
Loans and receivables to credit institutions	2 977 043	2 345 480

2.3 FINANCIAL ASSETS HELD TO MATURITY

(€ '000s)	30/06/15	31/12/14
Government paper and similar securities	93 086	106 694
Bonds and other fixed-income securities		
Financial assets held to maturity	93 086	106 694

2.4 ACCRUALS AND OTHER ASSETS

(€ '000s)	30/06/15	31/12/14
Prepaid expenses and income receivable	4	
Collection accounts		
Other accruals		
Accruals	4	
Sundry debtors	20	4
Securities transaction settlement accounts		
Impairment charges		
Sundry assets	20	4
Accruals and other assets	24	4

2.5 DUE TO CREDIT INSTITUTIONS

(€ '000s)	30/06/15	31/12/14
Current accounts in credit		273
Accounts and loans		
Securities assigned under repo agreements		
Other amounts payable		
Due to credit institutions	0	273

2.6 DEBT SECURITIES

(€ '000s)	30/06/15	31/12/14
Certificates of deposit		
Bond borrowings	2 857 343	2 239 476
Other debt represented by a security		
Debt securities	2 857 343	2 239 476

2.7 CURRENT AND DEFERRED TAX ASSETS AND LIABILITIES

(€ '000s)	30/06/15	31/12/14
Deferred tax assets		
Other tax receivables		
Tax assets		
Deferred tax liabilities		
Other tax payables	66	574
Tax liabilities	66	574

2.8 ACCRUALS AND OTHER LIABILITIES

(€ '000s)	30/06/15	31/12/2014 restated	31/12/2014 published
Expenses payable & pre-paid income			
Other accruals			
Accruals			
Securities-related payables			
Guarantee deposits received			
Sundry payables	457	333	386
Securities transaction settlement accounts			
Sundry liabilities	457	333	386
Accruals and other liabilities	457	333	386

2.9 STATEMENT OF FINANCIAL POSITION ITEMS BY REMAINING PERIOD

(€ '000s)	Less than 3 months	3 months to 1 year	1 to 5 years	more than 5 years	Indefinite	TOTAL
assets						
Cash and central banks	14					14
Financial held-for-trading assets						
Financial assets at fair value through profit and loss						
Hedging derivatives - assets						
Financial assets available for sale						
Loans and receivables to credit institutions	18 612	28 379	37 152	2 892 902		2 977 043
Loans and receivables to customers						
Assets						
Financial assets held to maturity		11 670	47 299	34 117		93 086
Total	18 626	40 049	84 451	2 927 019		3 070 143
liabilities						
Central banks						
Financial held-for-trading liabilities						
Financial liabilities at fair value on option						
Hedging derivatives - Liabilities						
Due to credit institutions						
Due to customers						
Debt securities	17 465	11 754		2 828 124		2 857 342
Subordinated debt						0
Liabilities						0
Total	17 465	11 754		2 828 124		2 857 342

NOTE 3 NOTES TO THE PROFIT AND LOSS STATEMENT

3.1 Interest income and expense and similar items

(€ '000s)	30/06/2015		31/12/2014	
	Income	Expense	Income	Expense
Interest and similar income on cash and inter-bank transactions	25 042		21 044	
Interest and similar income on customer transactions				
Interest on hedged transactions				
Interest on assets available for sale and held to maturity	643		662	
Interest on debt represented by a security		(23 928)		(20 114)
Interest income and expense	25 685	(23 928)	21 706	(20 114)

3.2 Commissions

(€ '000s)	30/06/2015		31/12/2014	
	Income	Expense	Income	Expense
Commissions on cash and inter-bank transactions				
Commissions on customer transactions				
Commissions on financial services supplied				
Commissions on securities transactions		(3)		(1)
Commissions on insurance services supplied				
Commissions on financial instruments		(3)		
Other commissions				
Commission income and expense		(6)		(1)
Net commissions	(6)		(1)	

3.3 Income and expenses from other activities

	30/06/2015		31/12/2014	
	Income	Expense	Income	Expense
(€ '000s)				
Income paid-out, re-invoiced expenses and transfers of expenses				
Other sundry operating income and expenses	9	(26)		(16)
Provisions and other operating expenses		0		
Income and expenses from other activities	9	(26)	0	(16)

3.4 General operating expense

(€ '000s)	30/06/15	31/12/2014 restated	31/12/2014 published
Employee benefits expense			
Taxes and duties	(98)	(59)	(72)
External services		(84)	(84)
Other expense	(463)	(361)	(361)
Other general operating expenses	(561)	(503)	(516)
General operating expense	(561)	(503)	(516)

3.5 Income tax and deferred taxes

(€ '000s)	30/06/15	31/12/14
Current tax	(400)	(357)
Income tax	(400)	(357)

Breakdown of the tax charge:

(€ '000s)	30/06/15		31/12/2014 restated		31/12/2014 published	
Net profit	773		714		701	
Income tax expense	(400)		(357)		(357)	
Accounting result before tax	1 173	33,33%	1 072	33,33%	1 059	33,33%
Theoretical income tax expense	(391)		(357)		(353)	
Impact of permanent timing differences						
Impact of tax rates						
Impact of dividend taxation						
Other impacts	(9)					
Recognised income tax expense	(400)	-34,10%	(357)		(357)	33,77%

NOTE 4 COMMITMENTS GIVEN AND RECEIVED

(€ '000s)	30/06/15	31/12/14
FINANCING COMMITMENTS		
To credit institutions	50 000	
To customers		
Total financing commitments given	50 000	
From credit institutions		
From customers		
Total financing commitments received		
GUARANTEES		
To credit institutions		
To customers ⁽¹⁾		
Total guarantees given		
From credit institutions		
From customers		
Total guarantees received		
COMMITMENTS ON SECURITIES		
Deliverable securities	49 961	
Total commitments given on securities	49 961	
Securities receivable		
Total commitments received on securities		
OTHER COMMITMENTS		
Other commitments given		
Total other commitments given		
Other commitments received	5 268 784	3 995 551
Total other commitments received	5 268 784	3 995 551

The other commitments received correspond to the amount of the capital outstanding in respect of the loans included in the cover pool as at 30 June 2015.

NOTE 5 FAIR VALUE OF THE BALANCE SHEET ITEMS

(€ '000s)	30/06/15		31/12/14	
	Carrying amount	Fair value	Carrying amount	Fair value
<u>ASSETS</u>				
Loans and receivables - credit institutions	2 977 044	2 992 214	2 345 480	2 620 169
Loans and receivables to customers				
Financial assets held to maturity	93 086	97 947	106 694	112 551
<u>LIABILITIES</u>				
Due to credit institutions			273	273
Due to customers				
Debt securities	2 857 344	3 043 021	2 239 476	2 486 322
Subordinated debt				

The securities held and the issues, public or private, are valued at price. The collateralized loans are valued on the basis of a covered issue spread curve.