



KPMG Audit
Tour EQHO
2 Avenue Gambetta
CS 60055
92066 Paris la Défense Cedex
France



ERNST & YOUNG Audit
Membre du réseau Ernst & Young Global Limited
Tour First
TSA 14444
92037 Paris-La Défense Cedex
S.A.S. à capital variable
344 366 315 R.C.S. Nanterre
France

Total Capital

Statutory auditors' report on the financial statements

Year ended December 31, 2017

Total Capital

2, place Jean Millier - La Défense 6 - 92400 Courbevoie - France

This report contains 26 pages



KPMG Audit
Tour EQHO
2 Avenue Gambetta
CS 60055
92066 Paris la Défense Cedex
France



ERNST & YOUNG Audit
Membre du réseau Ernst & Young Global Limited
Tour First
TSA 14444
92037 Paris-La Défense Cedex
S.A.S. à capital variable
344 366 315 R.C.S. Nanterre
France

*This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

Total Capital

Registered office: 2, place Jean Millier - La Défense 6 - 92400 Courbevoie - France
Share capital: €300,000

Statutory auditors' report on the financial statements

Year ended December 31, 2017

To the annual general meeting of Total Capital,

Opinion

In compliance with the engagement entrusted to us by your annual general meetings we have audited the accompanying financial statements of Total Capital for the year ended December 31, 2017.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Board of Directors acting as Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

We have no key audit matters to communicate in our report.

Verification of the Management Report and of the Other Documents Provided to the Shareholders

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information in the management report and other documents sent to the shareholders on the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the Shareholders with respect to the financial position and the financial statements.

Corporate Governance information

We have verified that the requirements of Article L. 225-37-4 of the French Commercial Code (*Code de commerce*) have been properly disclosed in the Corporate Governance section of the Board of Directors' management report.

In accordance with French law, we inform you that, contrary to the requirements of Article L. 225-37-3 of the French Commercial Code (*Code de commerce*), your Company has not included in the Corporate Governance section of the Board of Directors' management report the information relating to remunerations and benefits received by the directors and any other commitments made in their favor. Consequently, we cannot attest the accuracy and fair presentation of this information.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Total Capital by the annual general meeting held on September 29, 1999 for KPMG S.A. and on March 29, 2006 for ERNST & YOUNG Audit.

As at 31 December, 2017, KPMG S.A. was in the 19th year of total uninterrupted engagement and ERNST & YOUNG Audit was in the 11th year.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Board of Directors acting as Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Board of Directors acting as Audit Committee.

We submit a report to the Board of Directors acting as Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Board of Directors acting as Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters. We describe these matters in this audit report.



We also provide the Board of Directors acting as Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537-2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Board of Directors acting as Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, February 7, 2018

The statutory auditors

French original signed by

KPMG Audit
Département de KPMG S.A.

ERNST & YOUNG Audit

Jacques-François Lethu
Partner

Yvon Salaün
Partner

**TOTAL CAPITAL
2 PLACE JEAN MILLIER
92400 COURBEVOIE
R.C.S. 428 292 023**

**FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2017**

TOTAL CAPITAL

- BALANCE SHEET AS OF 31 DECEMBER 2017
- INCOME STATEMENT AS OF 31 DECEMBER 2017
- CASH FLOW STATEMENT AS OF 31 DECEMBER 2017
- APPENDIX

TOTAL CAPITAL

**BALANCE SHEET
AS OF 31 DECEMBER 2017**

TOTAL CAPITAL

(in euros)

BALANCE SHEET AS OF DECEMBER 31, 2017

| ASSETS | 31-Dec-17 | | | 31-Dec-16 | LIABILITIES | 31-Dec-17 | 31-Dec-16 |
|--|--------------------------|--|----------------------|-----------------------|---|--------------------------|-----------------------|
| | Gross | Amortizations depreciations and provisions | Net | | | | |
| FIXED ASSETS | | | | | SHAREHOLDERS' EQUITY (note 4) | | |
| FINANCIAL ASSETS (note 2) | 6,762,414,128 | | 6,762,414,128 | 8,207,561,404 | Capital | 300,000 | 300,000 |
| Long-term loans after swaps | 5,872,932,381 | | 5,872,932,381 | 6,672,145,212 | Reserves | 1,158,946 | 1,016,817 |
| Drawdowns on credit facilities | 845,684,825 | | 845,684,825 | 1,485,958,266 | Legal Reserves | 30,000 | 30,000 |
| Accrued interests on long-term loans after swaps | 42,345,099 | | 42,345,099 | 47,694,415 | Retained Earnings | 1,128,946 | 986,817 |
| Accrued interests on credit facilities | 1,451,823 | | 1,451,823 | 1,763,511 | Income for fiscal year | 1,244,431 | 142,129 |
| SUB TOTAL I | 6,762,414,128 | | 6,762,414,128 | 8,207,561,404 | SUB TOTAL I | 2,703,377 | 1,458,946 |
| CURRENT ASSETS | | | | | PROVISIONS | | |
| ACCOUNTS RECEIVABLE (note 3) | 838,367,714 | | 838,367,714 | 2,618,844,468 | SUB TOTAL II | | |
| Current accounts and inter-company loans | 110,999 | | 110,999 | 202,068 | LIABILITIES | | |
| Deposits and guarantees | 522,750,000 | | 522,750,000 | 2,406,550,000 | Debenture loans and similar debt debentures (note 5) | 6,762,312,933 | 8,207,191,032 |
| Other receivables | 31,059 | | 31,059 | 924,515 | Debenture loans after hedge swaps | 6,718,617,207 | 8,158,103,478 |
| Accrued income / dedicated swaps | 315,317,775 | | 315,317,775 | 211,159,655 | Accrued interests on debenture loans after swaps | 43,695,726 | 49,087,554 |
| Cash available | 157,881 | | 157,881 | 8,230 | Miscellaneous borrowings and financial debts (Note 6) | 834,853,018 | 2,617,651,991 |
| | | | | | Commercial paper | | |
| | | | | | Bank and security Deposits | 248,490,000 | 221,100,000 |
| | | | | | Creditor current accounts | 271,049,144 | 2,184,951,011 |
| | | | | | Related accounts payables / miscellaneous financial liabilities | 28,130 | 441,325 |
| | | | | | Accrued liabilities / dedicated swaps | 315,285,744 | 211,159,655 |
| | | | | | Operating liabilities (note 7) | 912,514 | 103,903 |
| | | | | | Trade notes and accounts payable | 504,513 | 103,903 |
| | | | | | Tax and social liabilities | 408,001 | |
| SUB TOTAL II | 838,367,714 | | 838,367,714 | 2,618,844,468 | SUB TOTAL III | 7,598,078,465 | 10,824,946,926 |
| PREPAID EXPENSES III | | | | | PREPAID INCOME IV | | |
| TOTAL (I+II+III) | EUR 7,600,781,842 | | 7,600,781,842 | 10,826,405,872 | TOTAL (I+II+III+IV) | EUR 7,600,781,842 | 10,826,405,872 |

TOTAL CAPITAL

**INCOME STATEMENT
AS OF 31 DECEMBER 2017**

TOTAL CAPITAL

(in euros)

INCOME STATEMENT AS OF DECEMBER 31, 2017

| EXPENSES | 31-Dec-17 | 31-Dec-16 | INCOME | 31-Dec-17 | 31-Dec-16 |
|---|----------------------|----------------------|--|----------------------|----------------------|
| OPERATING EXPENSES (note 8) | | | OPERATING INCOME | | |
| External expenses | 1,312,428 | 1,377,420 | Miscellaneous income | | |
| Taxes | 125 | 125 | | | |
| SUB TOTAL I | 1,312,553 | 1,377,545 | SUB TOTAL I | 0 | 0 |
| FINANCIAL EXPENSES (note 9) | | | FINANCIAL INCOME (note 10) | | |
| Interests on debenture loans after swaps | 223,818,246 | 229,635,890 | Interests on loans after swaps | 90,397,368 | 96,014,257 |
| Interests on commercial papers | | 699,169 | Interests on long-term loans | 130,379,322 | 129,432,184 |
| Interests on Billets de Trésorerie | | | Interests on credit facilities | 5,317,081 | 7,625,208 |
| Interests on loans | | | Interests on inter-company loans | | |
| Interests on current accounts | 67,234 | 4,136 | Interests on current accounts | 6,085 | 735,041 |
| Interests on deposits and security deposits | 4,190,610 | 2,464,212 | Interests on deposits and security deposits | 559,936 | 419,363 |
| Interests on dedicated swaps | 1,140,275,614 | 789,140,212 | Income from dedicated swaps | 1,140,513,944 | 789,254,187 |
| Other financial expenses and swap points | 234,580 | 273,994 | Others interests, similar income and swap points | 234,580 | 273,993 |
| Foreign exchange loss | | | Foreign exchange income | 617,218 | 45,848 |
| Diverse financial expenses | | | Diverse financial interests | 3,739,949 | 8,271 |
| SUB TOTAL II | 1,368,586,284 | 1,022,217,613 | SUB TOTAL II | 1,371,765,483 | 1,023,808,352 |
| EXTRAORDINARY EXPENSES | | | EXTRAORDINARY INCOME | | |
| SUB TOTAL III | 0 | 0 | SUB TOTAL III | 0 | 0 |
| INCOME TAX IV | 622,215 | 71,065 | | | |
| NET INCOME FOR THE PERIOD | 1,244,431 | 142,129 | NET LOSS FOR THE FISCAL YEAR | | |
| TOTAL | 1,371,765,483 | 1,023,808,352 | TOTAL | 1,371,765,483 | 1,023,808,352 |

TOTAL CAPITAL

**CASH FLOW STATEMENT
AS OF 31 DECEMBER 2017**

TOTAL CAPITAL

CASH FLOW STATEMENT

in thousand euros

| | 31-Dec-17 | 31-Dec-16 |
|--|------------------|--------------------|
| OPERATING CASH FLOW | | |
| Fiscal period income as of 31.12.2016 | | 142 |
| Fiscal period income as of 31.12.2017 | 1,244 | |
| Decrease (increase) of working capital requirement | 926 | (735) |
| Net Operating Cash Flow | 2,170 | (593) |
| INVESTMENT CASH FLOW | | |
| Increase in long-term loans | 210,483 | (115,760) |
| Repayment of long-term loans | 688,765 | 1,508,526 |
| Net Investment Cash Flow | 899,248 | 1,392,766 |
| FINANCING CASH FLOW | | |
| Dividends paid | | (1,500) |
| Net loans issued | (639,979) | (1,477,991) |
| Changes in short-term financial liabilities | (1,782,887) | 1,034,910 |
| Changes in short-term receivables | 1,780,638 | (1,033,003) |
| Net Financing Cash Flow | (642,228) | (1,477,584) |
| Cash increase (decrease) | 259,190 | (85,411) |
| Impact of foreign exchange fluctuations | (259,190) | 85,411 |
| Cash at the beginning of the period | 0 | 0 |
| Cash at the end of the period | 0 | 0 |

TOTAL CAPITAL

APPENDIX

TOTAL CAPITAL

APPENDIX

TABLE OF CONTENTS

| | Note |
|--|------|
| Accounting rules | 1 |
| Financial assets | 2 |
| Accounts receivable | 3 |
| Shareholders' equity | 4 |
| Debenture loans and similar debt debentures | 5 |
| Miscellaneous borrowings and financial debts | 6 |
| Operating liabilities | 7 |
| Operating expenses | 8 |
| Financial expenses | 9 |
| Financial income | 10 |
| Off-balance sheet commitments | 11 |
| Consolidation | 12 |
| Fiscal Integration | 13 |
| Staff and Management Bodies | 14 |

TOTAL CAPITAL

SIGNIFICANT EVENTS

In 2017, Total Capital continued its activity on debt capital markets through various commercial paper issuances, together with a management of interest rate risk.

For short-term borrowings, Total Capital can issue under Commercial Papers programmes (US CP, EURO CP) and under a Billets de Trésorerie programme.

For long-term borrowings, Total Capital can issue along with TOTAL S.A., Total Capital Canada and Total Capital International as issuer under the EMTN programme in Europe (guaranteed by TOTAL S.A.), under a US SEC Registered Shelf programme in the United States (guaranteed by TOTAL S.A.) and under an AMTN programme in Australia (guaranteed by TOTAL S.A.). Total Capital can also issue on a stand-alone basis (guaranteed by TOTAL S.A.).

In 2017, Total Capital did not issue any debenture loan.

Total Capital's issue programmes have a long term and a short term ratings by Standard and Poor's: A+/A-1 with a stable outlook, and by Moody's: Aa3/P-1 with a stable outlook. These ratings were made possible thanks to TOTAL S.A.'s guarantee granted to these programmes.

On November 27th, 2017 Standard and Poor's improved the outlook of Total SA from negative to Stable.

In addition to its financial activities, Total Capital concluded currency and interest rate transactions, with TOTAL S.A. affiliates as well as with external counterparties.

Note 1: ACCOUNTING RULES

GENERAL PRINCIPLES

The balance sheet and income statement are established in accordance with the provisions of French law and in compliance with generally accepted accounting principles used by corporations.

ACCOUNTING RULES AND METHODS

The long- and medium-term financing transactions within the Total group are recorded as financial assets according to their face value.

✓ Currency transactions

Given Total Capital's financial activities and the significant amount of its foreign currency inflows and outflows, Total Capital uses multi-currency accounting, as financial institutions do.

Therefore, at closing, Total Capital does not use translation adjustment accounts but revaluates balance sheet and off-balance sheet entries whose impact is recorded in the income statement.

The revaluation of long-term off-balance sheet items in foreign currencies is recorded in the balance sheet as the financial derivative instruments with which they match (debenture loans).

The revaluation of short-term off-balance sheet items in foreign currencies is recorded under "revenue receivables from the revaluation of off-balance sheet foreign exchange positions" or "expenses payables for the revaluation of off-balance sheet foreign exchange positions."

The foreign exchange positions are converted into euros based on the exchange rate at the end of the fiscal year.

✓ Interest Rate and Currency Financial Instruments

Outstanding transactions involving forward financial instruments are recognized as off-balance sheet liabilities. They consist primarily of interest rate and currency swap agreements negotiated for hedging purposes in order to manage Total Capital's exposure to fluctuations in interest rates and foreign exchange rates.

The interest differentials along with the premiums or discounts associated with these swaps or forward contracts are recorded, prorated over the period, in the income statement as financial expenses or income over the life of the items that they match.

TOTAL CAPITAL

A provision will be booked for possible losses relating to transactions where the accounting standards for hedging are not respected.

✓ **Debenture loans**

Debenture loans converted into US dollars or euros through individually paired swaps are shown after swaps in the balance sheet and in the income statement. They are converted at the closing rate on the date of the account statement. The profits and losses resulting from the conversion at the closing rate of the currency borrowings and currency swaps are recorded as revenue under the heading: Foreign Exchange Profits and Losses.

✓ **Presentation of interests on swaps hedging debenture loans**

Interests on debenture loans are presented net of swaps. This presentation establishes consistency between the profit and loss statement and the balance sheet (Debenture loans were presented after their reevaluation for foreign exchange variations on associated swaps) and enables a direct assessment of the final cost of debt. On the balance sheet, accrued interests on debenture loans are also disclosed net of accrued interests on swaps.

Note 2: FINANCIAL ASSETS

Long-term investments are comprised of:

- drawdowns on credit facilities in euros with Total S.A. for a nominal amount of 0.846 Billion euros,
- long-term loans in US dollars with Total S.A. for a nominal amount of 1.042 Billion euros,
- variable-rate long-term loans in US dollars with Total Treasury for a nominal amount of 0.530 Billion euros,
- fixed-rate long-term loans in CNY with Total Treasury for a nominal amount of 0.136 Billion euros,
- long-term loans in euros and US dollars with Total Finance for a nominal amount of 4.012 Billion euros.

Loans in euros are presented after swaps.

They are fully backed to the debenture loans after taking into account the issue swaps.

a) Changes in financial assets

in thousand euros

| FINANCIAL ASSETS | POSITION AT THE OPENING OF FISCAL YEAR | INCREASES ACQUISITIONS CONTRIBUTIONS | DECREASES DISPOSALS | GROSS VALUE AT CLOSING |
|---|--|--------------------------------------|---------------------|------------------------|
| Long-term loans after swaps | 6,672,145 | | 799,213 | 5,872,932 |
| Drawdowns on credit facilities | 1,485,958 | | 640,273 | 845,685 |
| Accrued interests on long-term loans ⁽¹⁾ | 47,695 | 43,131 | 48,481 | 42,345 |
| Accrued interests on credit facilities | 1,763 | 1,452 | 1,763 | 1,452 |
| TOTAL | 8,207,561 | 44,583 | 1,489,730 | 6,762,414 |

b) Financial assets repayment schedule

in thousand euros

| | GROSS AMOUNT | LESS THAN A YEAR | BETWEEN 1 AND 5 YEARS | MORE THAN 5 YEARS |
|---|------------------|------------------|-----------------------|-------------------|
| Long-term loans after swaps | 5,872,932 | 1,766,529 | 3,156,403 | 950,000 |
| Drawdowns on credit facilities | 845,685 | 326,396 | 519,289 | |
| Accrued interests on long-term loans ⁽¹⁾ | 42,345 | 42,345 | | |
| Accrued interests on credit facilities | 1,452 | 1,452 | | |
| TOTAL | 6,762,414 | 2,136,722 | 3,675,692 | 950,000 |

(1) including accrued interests net of swaps associated with loans

Note 3: ACCOUNTS RECEIVABLE**Detail of Accounts Receivable**

The amount of Account Receivables with Total Treasury is not significative, it represents 111 thousand euros.

in thousand euros

| | GROSS AMOUNT | LESS THAN A YEAR | BETWEEN 1 AND 5 YEARS | MORE THAN 5 YEARS |
|---|----------------|------------------|-----------------------|-------------------|
| Current accounts and inter-company loans | 111 | 111 | | |
| Accrued interest (inter-company loans, current accounts) | | | | |
| Deposits and security deposits ⁽²⁾ | 522,750 | 522,750 | | |
| Other receivables | 31 | 31 | | |
| Accrued income on swaps and forward transactions ⁽³⁾ | 315,318 | 315,318 | | |
| Cash available | 158 | 158 | | |
| TOTAL | 838,368 | 838,368 | | |

(2) Deposits made by banks in relation to margin call agreements to limit counterparty risk. It mainly concerns swaps associated with debenture loans.

(3) Swaps made for the account of Total Capital Canada and Total Capital International.

Accrued income on swaps associated with debenture loans or long-term loans is related to the interests from these debentures and loans.

Note 4: SHAREHOLDERS' EQUITY**a) Changes in Shareholders' Equity**

in thousand euros

| 2016 | POSITION AT THE OPENING OF FISCAL YEAR | NET INCOME APPROPRIATION 2015 | POSITION AS OF 31/12/2016 |
|-----------------------------------|--|-------------------------------------|------------------------------|
| Share capital | 300 | | 300 |
| Legal reserve | 30 | | 30 |
| Retained earnings | 916 | 71 | 987 |
| Income for fiscal year 2015 | 1,571 | (1,571) | |
| Dividend distribution | | 1,500 | |
| Income as of 31/12/2016 | | | 142 |
| TOTAL SHAREHOLDERS' EQUITY | 2,817 | 0 | 1,459 |

in thousand euros

| 2017 | POSITION AT THE OPENING OF FISCAL YEAR | NET INCOME APPROPRIATION 2016 | POSITION AS OF 31/12/2017 |
|-----------------------------------|--|-------------------------------------|------------------------------|
| Share capital | 300 | | 300 |
| Legal reserve | 30 | | 30 |
| Retained earnings | 987 | 142 | 1,129 |
| Income for fiscal year 2016 | 142 | (142) | |
| Dividend distribution | | 0 | |
| Income as of 31/12/2017 | | | 1,244 |
| TOTAL SHAREHOLDERS' EQUITY | 1,459 | 0 | 2,703 |

b) Structure of the Share Capital

Total Capital comprises 30,000 shares with a face value of 10 euros each, held as follows:

| | | | |
|-----------|--------|---------------------|--------|
| TOTAL SA | 29,994 | shares representing | 99.98% |
| DIRECTORS | 6 | shares representing | 0.02% |

NOTE 5: DEBENTURE LOANS AND SIMILAR DEBT DEBENTURES

The debenture loans are shown below first before conversion into Euros mainly with floating rate. They are redeemed at maturity.

| Nominal in specific currency | Currency | As of 31-dec-2017 | | | | As of 31-dec-2016 | |
|------------------------------|----------|-------------------|---------------------------------------|--|--|----------------------|-------------------|
| | | In thousand euros | LESS THAN A YEAR in thousand euros | BETWEEN 1 AND 5 YEARS in thousand euros | MORE THAN 5 YEARS in thousand euros | In specific currency | In thousand euros |
| 525,000,000 | CHF | 448,641 | 448,641 | | | 525,000,000 | 488,872 |
| 1,065,000,000 | CNY | 136,461 | 136,461 | | | 1,065,000,000 | 145,488 |
| 2,650,000,000 | EUR | 2,650,000 | | 1,700,000 | 950,000 | 2,950,000,000 | 2,950,000 |
| 500,000,000 | GBP | 563,552 | 563,552 | | | 800,000,000 | 934,383 |
| 750,000,000 | HKD | 80,026 | | 80,026 | | 750,000,000 | 91,742 |
| 3,250,000,000 | USD | 2,709,914 | 833,820 | 1,876,094 | | 3,250,000,000 | 3,083,199 |
| TOTAL | | 6,588,594 | 1,982,474 | 3,656,120 | 950,000 | | 7,693,684 |

Most of the debenture loans have been swapped from fixed to floating rate into USD or EUR in order to match financing needs resulting from long term loans and drawdowns on credit facilities. The impacts of revaluation of swaps are presented below.

| | As of 31-dec-2017 | | | | As of 31-dec-2016 | |
|---|-------------------|---------------------------------------|--|--|----------------------|-------------------|
| | In thousand euros | LESS THAN A YEAR in thousand euros | BETWEEN 1 AND 5 YEARS in thousand euros | MORE THAN 5 YEARS in thousand euros | In specific currency | In thousand euros |
| Total debenture loans before hedge swaps | 6,588,594 | 1,982,474 | 3,656,120 | 950,000 | | 7,693,684 |
| Impact of Revaluation of hedge swaps | 130,023 | (41,243) | 77,907 | 93,359 | | 464,420 |
| Total debenture loans after hedge swaps | 6,718,617 | 1,941,231 | 3,734,027 | 1,043,359 | | 8,158,104 |
| Interest accrued / debenture loans after swaps ⁽¹⁾ | 43,696 | 43,696 | | | | 49,087 |
| TOTAL | 6,762,313 | 1,984,927 | 3,734,027 | 1,043,359 | | 8,207,191 |

(1) including interest accrued on swaps associated with debenture loans

Note 6: MISCELLANEOUS BORROWINGS AND FINANCIAL DEBTS

Financial debt is over 32 % with Total Treasury for an amount of 0.271 Million euros

Repayment schedule for miscellaneous borrowings and financial debts

in thousand euros

| | 31-Dec-17 | LESS THAN A YEAR | BETWEEN 1 AND 5 YEARS | INCLUDING MORE THAN 5 YEARS | 31-Dec-16 |
|---|----------------|------------------|-----------------------|-----------------------------|------------------|
| Commercial Papers | | | | | |
| Banks and security deposits ⁽¹⁾ | 248,490 | 248,490 | | | 221,100 |
| Current account receivable | 271,049 | 271,049 | | | 2,184,951 |
| Related accounts payables / miscellaneous financial debts | 28 | 28 | | | 441 |
| Accrued liabilities / dedicated swaps ⁽²⁾ | 315,286 | 315,286 | | | 211,160 |
| TOTAL OF DEBTS | 834,853 | 834,853 | 0 | 0 | 2,617,652 |

(1) Deposits made by banks in relation to margin call agreements to limit counterparty risk. It mainly concerns swaps associated with debenture loans.

(2) Accrued liabilities on dedicated swaps made for the account of Total Capital Canada and Total Capital International.

Note 7: OPERATING LIABILITIES**Repayment schedule for operating liabilities**

in thousand euros

| | 31-Dec-17 | LESS THAN A YEAR | BETWEEN 1 AND 5 YEARS | INCLUDING MORE THAN 5 YEARS | 31-Dec-16 |
|----------------------------------|------------|------------------|-----------------------|-----------------------------|------------|
| Trade notes and accounts payable | 505 | 505 | | | 104 |
| Taxes and social obligations | 408 | 408 | | | |
| TOTAL OF DEBTS | 913 | 913 | 0 | 0 | 104 |

Note 8: OPERATING EXPENSES

in thousand euros

| | 31-Dec-17 | | | 31-Dec-16 | | |
|-------------------|-------------------------|------------|--------------|-------------------------|------------|--------------|
| | Affiliated Corporations | Others | Total | Affiliated Corporations | Others | Total |
| External expenses | 996 | 316 | 1,312 | 999 | 378 | 1,377 |
| Taxes | | | | | | |
| TOTAL | 996 | 316 | 1,312 | 999 | 378 | 1,377 |

Note 9: FINANCIAL EXPENSES

in thousand euros

| | 31-Dec-17 | | | 31-Dec-16 | | |
|---|-------------------------|----------------|------------------|-------------------------|----------------|------------------|
| | Affiliated Corporations | Others | Total | Affiliated Corporations | Others | Total |
| Interests on debenture loans after swaps ⁽¹⁾ | | 223,818 | 223,818 | | 229,636 | 229,636 |
| Interests on Commercial Papers | | | | | 699 | 699 |
| Interests on Billets de Trésorerie | | | | | | |
| Interests on current accounts | 67 | | 67 | 4 | | 4 |
| Interests on deposits and security deposits | | 4,191 | 4,191 | | 2,464 | 2,464 |
| Interests on dedicated swaps ⁽¹⁾ | 522,351 | 617,925 | 1,140,276 | 436,174 | 352,967 | 789,141 |
| Other expenses and similar charges | 235 | | 235 | | | |
| Various financial expenses | | | | 274 | | 274 |
| Net foreign exchange losses ⁽²⁾ | | | | | | |
| TOTAL | 522,653 | 845,934 | 1,368,586 | 436,452 | 585,766 | 1,022,218 |

Note 10: FINANCIAL INCOME

in thousand euros

| | 31-Dec-17 | | | 31-Dec-16 | | |
|--|-------------------------|----------------|------------------|-------------------------|----------------|------------------|
| | Affiliated Corporations | Others | Total | Affiliated Corporations | Others | Total |
| Interests on loans after swaps ⁽¹⁾ | 90,397 | | 90,397 | 96,014 | | 96,014 |
| Interests on long-term loans | 130,379 | | 130,379 | 129,432 | | 129,432 |
| Interests on credit facilities | 5,317 | | 5,317 | 7,625 | | 7,625 |
| Interests on inter-company loans | | | | | | |
| Interests on current accounts | 6 | | 6 | 735 | | 735 |
| Interests on bank deposits and security deposits | | 560 | 560 | | 420 | 420 |
| Income from dedicated swaps ⁽¹⁾ | 621,315 | 519,199 | 1,140,514 | 343,967 | 445,287 | 789,254 |
| Other Interests and similar income | | 235 | 235 | | 274 | 274 |
| Various financial Income | | 3,740 | 3,740 | | 8 | 8 |
| Net foreign exchange profits ⁽²⁾ | | 617 | 617 | | 46 | 46 |
| TOTAL | 847,414 | 524,351 | 1,371,765 | 577,773 | 446,035 | 1,023,808 |

(1) Expenses and incomes from swaps associated with debenture loans or long-term loans are related to interests from these debentures and loans. They are presented after netting.

Expenses and incomes on swaps are interests attached to swaps made for the account of Total Capital Canada and Total Capital International.

(2) The foreign exchange profits and losses break up as follows:

in thousand euros

| | 31-Dec-17 | 31-Dec-16 |
|--------------------------|------------|-----------|
| Foreign exchange losses | (319,827) | (438,888) |
| Foreign exchange profits | 320,444 | 438,934 |
| TOTAL | 617 | 46 |

Note 11: OFF-BALANCE SHEET COMMITMENTS**a) Portfolio of derivative financial instruments**

The off-balance sheet commitments for derivative financial instruments are shown below.
These amounts establish the notional commitment without reflecting an underlying loss or gain.

in thousand euros

| MANAGEMENT OF INTEREST RATE RISK | 31-Dec-17 | | | | | | 31-Dec-16 |
|---|------------|-----------|-----------|-----------|-----------|----------------|------------|
| | TOTAL | 2018 | 2019 | 2020 | 2021 | 2022 and after | TOTAL |
| Swaps / hedging fixed interest bond issues * Notional amount | 4,576,039 | 1,846,013 | 1,280,026 | | | 1,450,000 | 5,413,674 |
| Swaps / hedging floating interest bond issues * Notional amount | 1,096,232 | 596,232 | | | | 500,000 | 1,096,232 |
| Long-term cross-currency swaps Fixed interest rate lending swaps Notional amount | 17,650,265 | 293,214 | 1,146,989 | 1,424,789 | 1,205,065 | 13,580,208 | 15,983,542 |
| Variable interest rate lending swaps Notional amount | 19,309,587 | 293,314 | 1,119,277 | 4,155,081 | 1,205,065 | 12,536,850 | 20,296,926 |
| Interest rate swaps Fixed interest rate lending swaps Notional amount | 15,534,434 | 833,820 | 1,459,185 | | 1,250,730 | 11,990,699 | 14,851,819 |
| Swaps prêteurs à taux variable montant notionnel | 15,534,434 | 833,820 | 1,459,185 | | 1,250,730 | 11,990,699 | 14,853,819 |

* Cross-currency swaps and interest-rate swaps matched to bonds

in thousand euros

| MANAGEMENT OF FOREIGN EXCHANGE RISK | 31-Dec-17 | | | | | | 31-Dec-16 |
|--|-----------|--------|--------|--------|--------|----------------|-----------|
| | TOTAL | 2018 | 2019 | 2020 | 2021 | 2022 and after | TOTAL |
| Foreign exchange swaps Notional amount | 144,000 | 32,000 | 32,000 | 32,000 | 32,000 | 16,000 | 176,000 |
| Forward currency contracts Notional amount | | | | | | | |

b) Market valuation of derivative financial instruments

As of December 31, 2017 the details of the market valuation of derivative financial instruments are as follows:

in thousand euros

| | 31-Dec-17 | 31-Dec-16 |
|--|-----------|-----------|
| Swaps hedging bond issues | 111,585 * | 110,492 * |
| Short-term interest rate swaps | * | * |
| Forward currency financial instruments | | |

* The market value of the swaps is "ex coupon".

c) Other off-balance sheet commitments

in thousand euros

| COMMITMENT CATEGORY | 31-Dec-17 | | 31-Dec-16 | |
|----------------------------------|-------------------------|--------|-------------------------|--------|
| | Affiliated Corporations | Others | Affiliated Corporations | Others |
| Commitments given | | | | |
| - Credit facilities granted | 15,100,000 | | 15,100,000 | |
| - Drawdowns on credit facilities | (845,685) | | (1,485,958) | |
| - Non-utilised credit facilities | 14,254,315 | | 13,614,042 | |
| Commitments received | | | | |
| - Credit facilities allocated | | | | |
| - Drawdowns on credit facilities | | | | |
| - Non-utilised credit facilities | | | | |

NOTE 12: CONSOLIDATION

Total Capital's accounts are fully consolidated into the financial statements of the TOTAL S.A. Group.

NOTE 13: FISCAL INTEGRATION

A fiscal integration agreement was signed between Total Capital and TOTAL S.A. Thus since January, 1 2000, Total Capital, a subsidiary of TOTAL S.A., is included in the fiscal integration of TOTAL S.A.

NOTE 14: STAFF AND MANAGEMENT BODIES

Total Capital benefits from the technical and administrative assistance of staff from TOTAL S.A. and does not pay any remuneration to the members of the Board of Directors.