

BNP PARIBAS HOME LOAN SFH

French joint-stock company (*société anonyme*)

1 boulevard Haussmann, 75009 Paris

Statutory Auditors' review report on the half-year financial information

For the six months ended 30 June 2023

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This is a free translation into English of the Statutory Auditors' review report issued in French 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.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual 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 BNP Paribas Home Loan SFH for the six months ended 30 June 2023;
- the verification of the information contained in the half-year 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.

Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of half-year 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.

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 at 30 June 2023, and of the results of its operations for the six-month period then ended, in accordance with French accounting principles.

Specific verification

We have also verified the information given in the half-year management report on the half-year financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the half-year financial statements.

Neuilly-sur-Seine and Paris-La Défense, 27 September 2023

The Statutory Auditors

PricewaterhouseCoopers Audit Deloitte & Associés

Ridha Ben Chamek

Laurence Dubois

FINANCIAL STATEMENTS OF

BNP PARIBAS HOME LOAN SFH

Dated 30 June 2023

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INCOME STATEMENT AT 30/06/2023

In euros	Notes	30/06/2023	30/06/2022
Interest and similar revenue	2.a	138 598 735	116 411 939
Interest and similar expenses	2.a	(133 044 684)	(116 026 589)
Revenue from variable-income securities		-	-
Commissions (revenue)	2.b	793 769	625 000
Commissions (expenses)	2.b	(138 360)	(211 813)
Gains or losses on trading portfolio transactions	2.b	0	(0)
Gains or losses on investment portfolio transactions and similar		-	-
Other revenue from banking operations - Single Resolution Fund	2.c	483 162	1 597 859
Other expenses on banking operations		-	-
NET BANKING INCOME		6 692 622	2 396 396
Personnel expenses		-	-
Other administrative expenses	2.c	(735 062)	(356 792)
<i>Including (S)ingle (R)esolution (F)und (1)</i>			
Other banking operating expenses	2.c	(483 162)	(1 597 859)
Amortisation and impairment charge on tangible and intangible fixed assets		-	-
GROSS OPERATING PROFIT		5 474 397	441 745
Cost of risk		-	-
OPERATING PROFIT		5 474 397	441 745
Gains or losses on capitalised assets		-	-
Net regulated provisions		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE T.		5 474 397	441 745
Extraordinary result		-	-
Corporation tax	2.d	(1 398 545)	(106 628)
NET PROFIT		4 075 852	335 117

BALANCE SHEET AS AT 30/06/2023

In euros	Notes	30/06/2023	31/12/2022
ASSETS			
Cash, central banks, PO accounts		-	230 *
Treasury bills and similar securities		-	-
Loans and advances to banks	3.a	35 264 423 785	34 885 271 277
Transactions with customers		-	-
Bonds and other fixed-income securities		-	-
Equities and other variable-income securities		-	-
Equity investments and other long-term securities		-	-
Interests in group companies		-	-
Lease financing with purchase option		-	-
Intangible assets		-	-
Tangible assets		-	-
Treasury shares		-	-
Other assets	3.b	2 306 836	2 166 563
Adjustment accounts	3.c	93 197 267	86 670 449
TOTAL ASSETS		35 359 927 888	34 974 108 518
LIABILITIES			
DEBT			
Central banks, PO accounts	3.a	13	- *
Amounts due to banks	3.a	440 906 559	590 305 841
Transactions with customers		-	-
Debt securities	3.d	34 480 763 655	33 955 430 970
Other liabilities	3.b	1 173 621	524 186
Adjustment accounts	3.c	106 354 498	99 505 285
Provisions for liabilities and charges		-	-
Subordinated debt	3.e	40 104 018	40 082 563
TOTAL DEBT		35 069 302 363	34 685 848 846
SHAREHOLDERS' EQUITY			
	4.c		
Share capital subscribed		285 000 000	285 000 000
Redemption premiums		-	-
Reserves		1 317 734	1 216 898
Retained earnings		231 939	26 051
Profit for the period		4 075 852	2 016 724
TOTAL SHAREHOLDERS' EQUITY		290 625 525	288 259 673
TOTAL LIABILITIES		35 359 927 888	34 974 108 518
OFF-BALANCE-SHEET ITEMS			
COMMITMENTS GIVEN			
Financing commitments		-	-
Guarantee commitments		2 306 836	2 166 563
Commitments on securities		-	-
COMMITMENTS RECEIVED			
Financing commitments		-	-
Guarantee commitments		-	-
Commitments on securities		-	-

* Banque de France bank account

1. SUMMARY OF THE ACCOUNTING PRINCIPLES APPLIED BY BNP PARIBAS HOME LOAN SFH

The financial statements of BNP Paribas Home Loan SFH are prepared in accordance with the accounting principles applicable in France to credit institutions, as set out in ANC regulation no. 2014-07 of 26 November 2014.

The income statement dated 30 June 2023 and the notes to the financial statements provide comparative information for the period ended 30 June 2022.

The method adopted for valuing items recorded in the accounting records is historical cost.

The main accounting methods used are as follows:

Loans and advances to credit institutions and customers

Loans and advances to credit institutions cover all loans and advances, including subordinated loans, made within the context of banking transactions with credit institutions, with the exception of those represented by certificates. They also include assets purchased under resale agreements, whatever the type of assets concerned, and receivables corresponding to securities sold under collateralised repurchase agreements. These are broken down into sight deposits and term loans.

Loans and advances to credit institutions and customers are stated in the balance sheet at face value plus accrued interest not yet due.

Debt securities

Debt securities are recorded at amortised cost.

Share and bond redemption premiums are amortised on an actuarial basis over the term of the borrowing, where related issuance costs are amortised on a straight-line basis over the same period.

Recognition of revenue and expenses

Interest and similar commissions are recognised as they arise, on a pro rata basis.

Commissions not similar in nature to interest and corresponding to the provision of services are recognised as of the date on which the services are provided or on a pro rata basis for the duration of the service rendered, where the service is delivered on an ongoing basis.

Revenue and expenses in foreign currency are recognised at their equivalent value as at transaction date.

Foreign currency transactions

Receivables and liabilities denominated in foreign currency are valued at the spot exchange rate as at balance sheet date.

The conversion of such transactions denominated in foreign currencies as at balance sheet date gives rise to a difference recognised through profit or loss.

Revenue and expenses denominated in foreign currency relating to loans or borrowings are recorded in the revenue and expenses accounts opened in each foreign currency concerned, with the conversion conducted at monthly closing of the accounts.

Information concerning transactions between affiliated parties

In the light of the company's business activities and capital link (subsidiary 99.99% owned by BNP Paribas SA), the obligations under of ANC regulation no. 2014-07 concerning presentation of the information about affiliated parties do not apply.

Tax consolidation regime

BNP Paribas Home Loan SFH is consolidated within the tax group France, headed by BNP Paribas since 01/01/2005.

With regard to corporation tax and under the terms of the tax consolidation agreement, tax is calculated by the subsidiary as if there were no tax consolidation.

After deducting any tax credits, the amount calculated accordingly is due to the parent company, BNP PARIBAS SA.

Consolidation

The accounts of BNP Paribas Home Loan SFH are incorporated within the consolidated accounts of BNP Paribas SA using the full consolidation method.

General information

Within the context of the issuance of housing bonds, BNP Paribas has collateralised a pool of real estate loans for BNP Paribas Home Loan SFH totalling €41,690,174,048 as at 30 June 2023.

This pool has been exploited in the amount of €38,226,763,913 in connection with existing issuances.

The company has its registered office in France and, in accordance with Article L. 513-29 of the Monetary and Financial Code, does not have any branch or subsidiary established abroad, including in non-cooperative countries.

Post-balance sheet events

None

2. NOTES TO THE INCOME STATEMENT AS AT 30/06/2023

2.a INTEREST MARGIN

Under the headings "Interest and similar revenue" and "Interest and similar expenses", BNP Paribas Home Loan SFH shows the calculated revenue on financial instruments carried at amortised cost.

In euros	30/06/2023		30/06/2022	
	Revenue	Expenses	Revenue	Expenses
Banks	131 343 246	(12 965 163)	109 053 337	(25 166 556)
Sight deposits, loans and borrowings	131 343 246	(12 965 163)	109 053 337	(25 166 556)
Debt securities	7 255 489	(120 079 521)	7 358 602	(90 860 033)
Bonds	7 255 489	(119 081 029)	7 358 602	(90 497 671)
Term subordinated debt	-	(998 492)	-	(362 362)
Interest revenue and expenses	138 598 735	(133 044 684)	116 411 939	(116 026 589)

Interest revenue and expenses on hedging derivatives are shown with the revenue from the items for which they contribute to hedging the risks.

2.b COMMISSIONS

In euros	30/06/2023		30/06/2022	
	Revenue	Expenses	Revenue	Expenses
Banking and financial transactions	793 769	(138 360)	625 000	(211 813)
Securities trading	793 769	(138 360)	625 000	(211 813)
Commission revenue and expenses	793 769	(138 360)	625 000	(211 813)

In euros	30/06/2023		30/06/2022	
	Revenue	Expenses	Revenue	Expenses
Gains or losses on trading portfolio transactions	0	-	-	(0)
Commission revenue and expenses	0	-	-	(0)

2.c GENERAL OPERATING GENERAL EXPENSES & SUNDRY OPERATING REVENUE

In euros	30/06/2023	30/06/2022
Other administrative expenses	(735 062)	(356 792)
<i>Remuneration of intermediaries</i>	<i>(613 273)</i>	<i>(351 015)</i>
<i>Taxes and duties</i>	<i>(121 789)</i>	<i>(5 777)</i>
<i>Guarantee fund and (S)ingle (R)esolution (F)und</i>		
Total general expenses	(735 062)	(356 792)
<i>Guarantee fund and (S)ingle (R)esolution (F)und (1)</i>	<i>(483 162)</i>	<i>(1 597 859)</i>
Total sundry banking operating expenses	(483 162)	(1 597 859)

(1) Reallocation of the contribution to the (S)ingle (R)esolution (F)und to miscellaneous bank operating cexpenses

In euros	30/06/2023	30/06/2022
Sundry operating revenue	483 162	1 597 859
Other sundry operating revenue (1)	483 162	1 597 859

(1) European Regulation No. 806/2014 of the Single Resolution Fund.

2023 call for funds for €623,435.46 of which 77.5% was recognised as expenses and invoiced to BNP PARIBAS pursuant to the 2023 Fee Letter.

2.d CORPORATION TAX

In euros	30/06/2023	30/06/2022
Current tax for the period	(1 398 545)	(106 628)
Corporation tax	(1 398 545)	(106 628)

3. NOTES TO THE BALANCE SHEET AS AT 30/06/2023

3.a AMOUNTS DUE TO AND FROM CREDIT INSTITUTIONS

In euros	30/06/2023	31/12/2022
Loans and receivables	35 264 423 785	34 885 271 507
Ordinary debit accounts	18 460 839	14 463 487
Sight deposits and loans	35 245 962 946	34 870 808 020
Loans and amounts due from credit institutions	35 264 423 785	34 885 271 507
<i>Including associated receivables</i>	<i>139 962 945</i>	<i>89 808 019</i>

In euros	30/06/2023	31/12/2022
Ordinary credit accounts	13	-
Debt and borrowings	440 906 559	590 305 841
Amounts due to credit institutions	440 906 571	590 305 841
<i>Including associated liabilities</i>	<i>906 559</i>	<i>305 841,24</i>

3.b OTHER ASSETS AND LIABILITIES

In euros	30/06/2023	31/12/2022
Sundry debtors	2 306 836	2 166 563
<i>Including (S)ingle (R)esolution (F)und</i>	<i>2 306 836</i>	<i>2 166 563</i>
Other assets	2 306 836	2 166 563
Sundry creditors	1 173 621	524 186
Other liabilities	1 173 621	524 186

As at 30/06/2023, no trade payables were recognised in the accounts of BNP Paribas Home Loan SFH.

3.c ADJUSTMENT ACCOUNTS

In euros	30/06/2023	31/12/2022
Accrued income	1 108 163	1 597 876
Other adjustment accounts receivable	92 089 104	85 072 572
<i>Prepaid expenses</i>	92 089 104	85 072 572
Adjustment accounts – assets	93 197 267	86 670 449
Accrued expenses	583 730	320 066
Other adjustment accounts payable	105 770 768	99 185 219
<i>prepaid income</i>	105 770 768	99 185 219
<i>Other adjustment accounts</i>	-	-
Adjustment accounts – liabilities	106 354 498	99 505 285

The adjustment accounts on the assets side include the zero-coupon bond redemption premiums still remaining to be amortised which are zero in June 2023.

3.d DEBT SECURITIES

In euros	30/06/2023	31/12/2022
Bonds	34 341 000 000	33 866 000 000
Associated liabilities	139 763 655	89 430 970
Debt securities	34 480 763 655	33 955 430 970

3.e SUBORDINATED DEBT

In euros	30/06/2023	31/12/2022
Repayable subordinated debt	40 000 000	40 000 000
Associated liabilities	104 018	82 563
Subordinated debt	40 104 018	40 082 563

4. ADDITIONAL INFORMATION

4.a POST-BALANCE SHEET EVENTS

There are no post-balance sheet events.

4.b CHANGES IN SHARE CAPITAL IN EUROS

	Number of shares				Nominal value
	at the beginning of the accounting period	created during the accounting period	redeemed during the accounting period	at the end of the accounting period	
Ordinary shares	28 500 000			28 500 000	10 euros
Redeemed shares					
Preferred shares without voting rights					
Preferred shares					
Partnership shares					
Investment certificates					

4.c CHANGES IN SHAREHOLDERS' EQUITY

In euros	31/12/2022	Increases in accounts	Decreases in accounts	30/06/2023
Equity	285 000 000	-	-	285 000 000
Share premiums				
Legal reserve	1 216 898	100 836		1 317 734
Retained earnings	26 051	205 888		231 939
Profit for the period	2 016 724	4 075 852	(2 016 724)	4 075 852
Shareholders' equity	288 259 673	4 382 576	(2 016 724)	290 625 525

4.d NOTIONAL ON FINANCIAL INSTRUMENTS

In euros	30/06/2023	31/12/2022
Exchange rate derivatives	-	-
Interest rate derivatives	-	-
OTC forward financial instruments	-	-

The net valuation of the swaps as at 30/06/2023 is zero.

4.e AGEING OF APPLICATIONS AND SOURCES OF FUNDS

In euros	Remaining term				Total
	Up to 3 months	3 months - 1 year	1 year - 5 years	Over 5 years	
APPLICATIONS					
<i>sight receivables</i>	18 460 839	-	-	-	18 460 839
<i>term receivables</i>	765 000 000	3 100 000 000	14 671 000 000	16 570 000 001	35 106 000 001
SOURCES					
Amounts due to banks	440 000 000	-	-	-	440 000 000
Debt securities	-	3 100 000 000	13 571 000 000	17 670 000 000	34 341 000 000
Transactions with customers	-	-	-	-	-
Subordinated debt	25 000 000	-	-	15 000 000	40 000 000

4.f STATUTORY AUDITOR'S FEES

The total amount of audit fees associated with statutory audit of the financial statements for the period stand at 52,182 euros excluding VAT, in accordance with the duly approved and signed engagement letter. The amount rises to 62,618 euros including VAT.

Table of earnings for the last five financial years

Indicator	31/12/2019	31/12/2020	31/12/2021	31/12/2022	30/06/2023
Financial position at the end of the year					
Share capital	285 000 000	285 000 000	285 000 000	285 000 000	285 000 000
Number of ordinary shares in circulation	28 500 000	28 500 000	28 500 000	28 500 000	28 500 000
Number of convertible bonds	None	None	None	None	None
Actual operating earnings					
Net banking income	2 987 989	3 417 820	3 622 344	5 396 536	6 692 622
Earnings before taxes, depreciation and amortisation	816 741	1 039 782	1 000 160	2 699 069	5 474 397
Corporation tax	(243 818)	(316 909)	(267 802)	(682 345)	(1 398 545)
Earnings after taxes, depreciation and amortisation	572 923	722 873	732 358	2 016 724	4 075 852
Distributed earnings	570 000	570 000	855 000	1 710 000	
Earnings per share					
Earnings after taxes, but before depreciation and amortisation	0,02	0,03	0,03	0,07	0,14
Earnings after taxes, depreciation and amortisation	0,02	0,03	0,03	0,07	0,14
Dividend paid per share	0,02	0,02	0,03	0,07	0,00
Personnel					
Number of employees	None	None	None	None	None
Payroll costs	None	None	None	None	None
Total fringe benefits paid (social security, welfare initiatives, etc.)	None	None	None	None	None