



BNP PARIBAS
HOME LOAN SFH

FINANCIAL STATEMENTS OF
BNP PARIBAS HOME LOAN SFH

Dated 30 JUNE 2013

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INCOME STATEMENT AT 30/06/2013

In euros	Notes	30/06/2013	30/06/2012
Interest and similar income	2.a	1 966 834 374	1 806 147 140
Interest and similar expenses	2.a	(1 966 158 080)	(1 805 138 218)
Revenues from variable-income securities		-	-
Commissions (income)	2.b	625 000	525 000
Commissions (expenses)	2.b	(160 768)	(789 672)
Gains or losses on transactions on trading portfolios		(611)	(4 129)
Gains or losses on transactions on investment portfolios and similar		-	-
Other income from banking operations		-	-
Other expenses on banking operations		-	-
NET BANKING INCOME		1 139 915	740 120
Labour costs		-	-
Other administrative expenses	2.c	(489 407)	(340 716)
Amortisation and impairment charge on tangible and intangible fixed assets		-	-
GROSS OPERATING PROFIT		650 508	399 404
Cost of risk		-	-
OPERATING PROFIT		650 508	399 404
Gains or losses on capitalised assets			
Net transfers to regulated provisions			
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		650 508	399 404
Net exceptional income/expense			
Corporate income tax	2.d	(223 312)	(132 150)
NET PROFIT		427 196	267 254

BALANCE SHEET AT 30 JUNE 2013

In euros at 30 June	Notes	30/06/2013	31/12/2012
ASSETS			
Cash, Central Banks, PO accounts			
Treasury bills and similar securities			
Loans and advances to banks	3.a	26 941 143 059	31 825 487 562
Transactions with clients		-	-
Bonds and other fixed-income securities		-	-
Equities and other variable-income securities			
Equity investments and other long-term securities		4 000	4 000
Interests in group companies			
Lease financing with purchase option			
Intangible fixed assets		-	-
Tangible fixed assets		-	-
Treasury shares			
Other assets	3.b	20 000	20 000
Adjustment accounts	3.c	581 119 000	765 119 864
TOTAL ASSETS		27 522 286 059	32 590 631 426
LIABILITIES			
DEBTS			
Central Banks, PO accounts			
Amounts due to banks	3.a	-	4 310 000 004
Transactions with clients		-	-
Debt securities	3.d	26 833 124 652	27 408 011 591
Other liabilities	3.b	60 243	193 448
Adjustment accounts	3.c	362 241 828	543 996 943
Provisions for contingencies and charges		-	-
Subordinated debt	3.e	40 038 251	40 040 550
TOTAL DEBTS		27 235 464 973	32 302 242 536
SHAREHOLDERS' EQUITY			
	4.b		
Share capital subscribed		285 000 000	285 000 000
Premium on shares			
Reserves		939 445	903 116
Retained earnings		454 445	1 759 192
Profit for the period		427 196	726 582
TOTAL SHAREHOLDERS' EQUITY		286 821 086	288 388 890
TOTAL LIABILITIES		27 522 286 059	32 590 631 426
OFF-BALANCE-SHEET ITEMS			
	Notes	30/06/2013	31/12/2012

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

The financial statements of BNP Paribas Home Loan SFH have been prepared in accordance with general accounting principles applicable in France to banks.

The income statement dated 30 June 2013 and the related notes to the Financial Statements provide comparative information for 30 June 2012.

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

The main methods applied are as follows:

Loans and advances to banks and clients

Loans and advances to banks cover all loans and advances, including the subordinated type, made within the context of banking transactions to banks with the exception of those represented by certificates. They also include repo securities in any transaction medium and loans and advances relating to delivered repurchases. These are broken down into on-demand and term loans.

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

Debt Securities

Debt securities are recorded at amortized cost.

Premiums on shares or redemption of bond borrowings are amortised on an actuarial basis over the term of the borrowing.

Derivative financial instruments held for hedging purposes

Following modification of the BNP Paribas rating and in accordance with the issue program documentation, on 13 January 2012 BNP Paribas Home Loan SFH installed rate risk hedging contracts with BNP Paribas SA within the framework of the "Hedging Strategy," after having obtained approval from the rating agencies.

Within that framework,

- the derivative financial instruments designated as hedging instruments for the company's assets and liabilities represent 19,098,187,390.46 euros and they are classified in category b), micro-hedging, in application of CRBF rule 90-15
- the derivative financial instrument for hedging the underlying assets in terms of collateral and its mirror swap, representing -33,420,816,972 euros, have been classified in category a), isolated open positions, in application of CRBF rule 90-15 and constitute a uniform whole.

The swaps held are held only for hedging purposes.

The income and charges relative to the forward derivative financial instruments used for hedging purposes, originally assigned to an identified element or to an identified uniform set of elements, are posted to earnings in a way symmetrical with the posting of the income and charges on the hedged elements and under the same accounting heading.

The charges and income relative to the forward financial instruments having the purpose of hedging and managing a global interest rate risk are entered prorata temporis under earnings.

Recognition of income and charges

Interest and related 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.

Income and charges in foreign currencies are stated at the converted value as of the date of the transaction.

Foreign currency transactions

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

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

Income and charges denominated in foreign currencies and relating to loans or borrowings are recorded in the income and charges accounts opened in each of the foreign currencies concerned, with the conversion being made at the monthly closeout dates

Information concerning transactions between affiliated companies

In the light of the company's business and of its capital link (subsidiary 99.99% held by BNP Paribas SA), the CRC 2010-04 obligations concerning presentation of the information about affiliated parties are inapplicable

Tax consolidation rules

BNP Paribas Home Loan SFH is consolidated by the "Groupe Fiscal France", the group head of which is BNP Paribas since 01/01/2005.

With respect to corporation tax, pursuant to the terms of the tax consolidation agreement, the tax is determined by the subsidiary as if there were no tax consolidation.

The amount calculated in this way, after deduction of the tax credits if any, is due to the parent company, BNP PARIBAS SA.

Consolidation

The accounts of BNP Paribas Home Loan SFH are included on the basis of the full consolidation method in the consolidated accounts of BNP PARIBAS SA.

General information

Within the context of the issuance of covered bonds, BNP Paribas has collateralised, for BNP Paribas Home Loan SFH, a pool of real estate loans totalling 33,420,816,972 € (thirty-three billion four hundred twenty million eight hundred sixteen thousand nine hundred seventy-two euros) as at 30/06/2013.

This pool is used to an extent of **32,344,508,887 € (euros)** in connection with the existing issues.

- Following modification of the BNP Paribas rating and in accordance with the issue program documentation, on 13 January 2012 BNP Paribas Home Loan SFH installed hedging contracts with BNP Paribas SA within the framework of the « Hedging Strategy », after having obtained approval from the rating agencies.

2. NOTES ON THE INCOME STATEMENT AT 30 JUNE 2013

2.a- INTEREST MARGINS

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

In euros	30/06/2013		30/06/2012	
	Income	Expenses	Income	Expenses
Banks	1 966 834 374	(1 564 895 019)	1 806 147 140	(1 358 633 779)
Demand accounts, loans and borrowings	1 966 834 374	(1 564 895 019)	1 806 147 140	(1 358 633 779)
Debt securities		(401 263 060)		(446 504 439)
Bonds		(400 771 264)		(445 326 843)
Term subordinated debt		(491 797)		(1 177 596)
Interest income and expenses	1 966 834 374	(1 966 158 080)	1 806 147 140	(1 805 138 218)

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

2.b- COMMISSIONS

En euros	30/06/2013		30/06/2012	
	Income	Expenses	Income	Expenses
Banking and financial transactions	625 000	(160 768)	525 000	(789 672)
Securities trading	625 000	(160 768)	525 000	(789 672)
Commission income and expenses	625 000	(160 768)	525 000	(789 672)

2.c -OPERATING GENERAL EXPENSES

In euros	30/06/2013	30/06/2012
Other administrative expenses	(489 407)	(340 716)
<i>Remuneration of intermediaries</i>	<i>(344 864)</i>	<i>(194 239)</i>
<i>Taxes and duties</i>	<i>(144 543)</i>	<i>(146 477)</i>
Total general operating expenses	(489 407)	(340 716)

2.d CORPORATE INCOME TAX

In euros	30/06/2013	30/06/2012
Current tax for the period	(223 312)	(132 150)
Corporate income tax	(223 312)	(132 150)

3. NOTES ON THE BALANCE SHEET AT 30 JUNE 2013

3.a- AMOUNTS DUE TO AND FROM BANKS

In euros	30/06/2013	31/12/2012
Loans and receivables	26 941 143 059	31 825 487 562
Ordinary debit accounts	9 326 390	11 250 648
Term accounts and loans	26 931 816 669	31 814 236 914
Loans and amounts due from banks	26 941 143 059	31 825 487 562
<i>Of which associated receivables</i>	<i>286 533 941</i>	<i>468 887 197</i>

In euros	30/06/2013	31/12/2012
Debts and borrowings	0.00	4 310 000 000
Term borrowings	0.00	4 310 000 000
Amounts due to banks	0.00	4 310 000 000
<i>Corresponds the Cash Collateral account</i>		

3.b OTHER ASSETS AND LIABILITIES

In euros	30/06/2013	31/12/2012
Miscellaneous payables	20 000	20 000
Other assets	20 000	20 000
Miscellaneous creditors	60 243	193 448
Other liabilities	60 243	193 448

As at 30/06/2013, no trade payables appeared in the BNP Paribas Home Loan SFH accounts.

3.c ADJUSTMENT ACCOUNTS

In euros	30/06/2013	31/12/2012
Accrued income	283 228 055	462 723 602
Other debit adjustment accounts	297 890 944	302 396 262
<i>Prepaid charges</i>	297 890 944	302 396 262
Adjustment accounts – assets	581 119 000	765 119 864
Accrued expenses	282 843 903	463 097 315
Other credit adjustment accounts	79 397 925	80 899 628
<i>prepaid income</i>	79 397 925	80 899 628
Adjustment accounts – liabilities	362 241 828	543 996 943

The adjustment accounts – assets include the zero- coupon bond redemption premiums still to be spread out for 226 M€ in 2013 (229 M€ in 2012)

3.d DEBT SECURITIES

In euros	30/06/2013	31/12/2012
Bonds	26 560 345 470	26 950 412 330
Associated liabilities	272 779 181	457 599 261
Debt securities	26 833 124 652	27 408 011 591

3.e SUBORDINATED DEBT

In euros	30/06/2013	31/12/2012
Repayable subordinated debt	40 000 000	40 000 000
Associated liabilities	38 251	40 550
Subordinated debt	40 038 251	40 040 550

3.f OFF-BALANCE-SHEET COMMITMENTS

In euros	30/06/2013	31/12/2012
Credit institutions	50 000 000	
Clients		
Financing commitments provided	50 000 000	

4. ADDITIONAL INFORMATION

4.a 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.b CHANGES IN SHAREHOLDERS' EQUITY

In euros	31/12/2012	Increases in accounts	Decreases in accounts	30/06/2013
Equity	285 000 000	-		285 000 000
- Legal reserve	903 116	36 329		939 445
- Retained earnings	1 759 192	(1 304 747)		454 445
- Profit for the period	726 582	427 196	(726 582)	427 196
Shareholders' equity	288 388 890	(841 222)	(726 582)	286 821 086

4.c NOTIONAL ON FINANCIAL INSTRUMENTS

In euros	30/06/2013	31/12/2012
Exchange rate derivatives	3 626 171 084	3 626 171 084
Interest-rate derivatives	101 411 837 641	105 370 615 742
OTC financial forward instruments	105 038 008 725	108 996 786 826

The net valuation of the swaps as of 30/06/2013 is zero.

The capital gain on the issuers' swaps before allowing for the borrowers' swaps on the clientele assets as of 30/16/2013 is -2 031 789 624 €.

The capital gain on the issuers' swaps before allowing for the borrowers' swaps on the issues as of 30/06/2013 is 1 373 522 112 €.

4.d AGING 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>Demand receivables</i>	9 325 638	-	-	-	9 325 638
<i>Term receivables</i>	1 575 000 000	4 079 900 000	7 427 293 597	13 563 089 883	26 645 283 480
SOURCES					
Amounts due to banks					-
Debt securities	1 250 000 000	4 079 900 000	7 427 293 594	13 803 151 877	26 560 345 470
Transactions with clients					-
Subordinated debt		-	-	40 000 000	40 000 000

Table of earnings for the last five financial years

Indicator	31/12/2009	31/12/2010	31/12/2011	31/12/2012	30/06/2013
Financial position at the end of the year					
Share capital	175 000 000	175 000 000	225 000 000	285 000 000	285 000 000
Number of existing ordinary shares	17 500 000	17 500 000	22 500 000	28 500 000	28 500 000
Number of convertible bonds	None	None	None	None	None
Actual operating earnings					
Net banking income	3 655 412	2 307 425	2 716 052	2 098 909	1 139 915
Earnings before taxes, depreciation and amortisation	2 137 731	493 389	1 505 255	1 110 841	650 508
Corporate income tax	(775 723)	(195 208)	(130 052)	(384 259)	(223 312)
Earnings after taxes, depreciation and amortisation	1 362 008	298 181	1 375 203	726 582	427 196
Distributed earnings	1 225 000	-	-	1 995 000	
Earnings per share					
Earnings after taxes, but before depreciation and amortisation	0.08	0.02	0.06	0.03	0.01
Earnings after taxes, depreciation and amortisation	0.08	0.02	0.06	0.03	0.01
Dividend paid per share	0.07	0	0	0.07	0
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

BNP PARIBAS HOME LOAN SFH

**STATUTORY AUDITORS' REVIEW REPORT
ON THE 2013 INTERIM FINANCIAL INFORMATION**

PricewaterhouseCoopers Audit

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**STATUTORY AUDITORS' REVIEW REPORT
ON THE 2013 INTERIM FINANCIAL INFORMATION**

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.

BNP Paribas Home Loan SFH
1, boulevard Haussmann
75009 Paris

To the Management,

In our capacity as Statutory Auditors of BNP Paribas Home Loan SFH and pursuant to your request, we have performed a review of the accompanying interim financial statements for the six months ended 30 June 2013.

These interim financial statements are the responsibility of management. Our role is to express a conclusion on these financial statements based on our review.

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 interim 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 2013, and of the results of its operations for the six months then ended in accordance with French accounting principles.

This report has been prepared for your attention in the above-described context and may not be used, distributed or cited for any other purposes. We accept no liability with regard to any third party to whom this report is distributed or into whose hands it may fall.

This report is governed by French law. The French courts have exclusive jurisdiction over any dispute, claim or disagreement that may arise from our letter of engagement, this report or any question relating thereto. Each party irrevocably waives its rights to oppose any action brought before the abovementioned courts, to claim that the action has been brought before a court that lacks jurisdiction, or that those courts do not have jurisdiction.

Neuilly-sur-Seine

27 Septembre 2013

The Statutory Auditors

PricewaterhouseCoopers Audit

Deloitte & Associés

Laurent Tavernier

Sylvie Bourguignon