

BNP PARIBAS HOME LOAN SFH

**STATUTORY AUDITORS' REVIEW REPORT
ON THE 2012 INTERIM FINANCIAL INFORMATION**

FINANCIAL STATEMENTS OF

BNP PARIBAS HOME LOAN SFH

As of 30 JUNE 2012

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P/L ACCOUNT AT 30 JUNE 2012

In euros	Notes	30/06/2012	30/06/2011
Interest receivable and similar income	2.a	1 806 147 140	380 744 229
Interest payable and similar charges	2.a	(1 805 138 218)	(379 293 976)
Variable income from securities			0
Commissions received	2.b	525 000	525 000
Commissions paid	2.b	(789 672)	(453 156)
Gains or losses on transactions in the trading portfolios		(4 129)	(298)
Gains or losses on investment portfolios and related transactions		-	-
Other banking income		-	-
Other banking charges		-	-
NET BANKING INCOME		740 120	1 521 798
Personnel expenses		-	-
Other administrative expenses	2.c	(340 716)	(957 019)
Amortization and depreciation of tangible and intangible assets		-	-
GROSS OPERATING INCOME		399 404	564 779
Cost of risk		-	-
OPERATING INCOME		399 404	564 779
Gains or losses on capital assets			
Net tax-based provisions			
PROFIT BEFORE EXCEPTIONAL ITEMS		399 404	564 779
Exceptional items			
Corporate income tax	2.d	(132 150)	-
NET INCOME		267 254	564 779

BALANCE SHEET AT 30 JUNE 2012

In euros	Notes	30/06/2012	31/12/2011
ASSETS			
Cash and assets with central banks and post offices		-	-
Government and other marketable securities		-	-
Loans and advances to credit institutions	3.a	28 707 486 531	27 130 937 218
Loans and advances to customers		-	-
Bonds and other fixed-income securities		-	-
Shares and other variable-income securities		-	-
Participations and other long-term securities		4 000	4 000
Shares in affiliated companies		-	-
Lease financing with purchase option		-	-
Intangible assets		-	-
Tangible assets		-	-
Own shares		-	-
Other assets	3.b	20 000	114 935
Prepayments and accrued income	3.c	566 949 487	315 904 457
TOTAL ASSETS		29 274 460 018	27 446 960 610
LIABILITIES			
DEBTS			
Central banks and post offices		-	-
Amounts owed to credit institutions	3.a	-	-
Amounts owed to customers		-	-
Debts represented by certificates	3.d	28 603 281 603	27 014 987 276
Other liabilities	3.b	92 224	32 370
Accruals and deferred income	3.c	343 104 860	89 111 575
Provisions for risks and charges		-	-
Subordinated debt	3.e	40 051 769	115 167 081
TOTAL LIABILITIES		28 986 530 456	27 219 298 302
SHAREHOLDERS' EQUITY			
<i>Subscribed capital</i>	4.b	285 000 000	225 000 000
<i>Issuance premium</i>		-	-
<i>Reserves</i>		903 116	834 356
<i>Retained earnings</i>		1 759 192	452 750
Profit for the financial year		267 254	1 375 203
TOTAL SHAREHOLDERS' EQUITY		287 929 562	227 662 308
TOTAL LIABILITIES		29 274 460 018	27 446 960 610

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

The accounts of BNP Paribas Home Loan SFH have been drawn up in accordance with general accounting principles applicable in France to credit institutions.

The information in the profit and loss account as at 30 June 2012, and in the applicable notes to the financial statements, is presented in comparative form to the position as at 30 December 2011.

The accounting method used is the historical cost method.

The main methods used are as follows:

Loans and advances to credit institutions and to customers

Loans and advances to credit institutions cover all loans and advances made within the context of banking transactions to credit institutions with the exception of those represented by certificates. They also include repo securities through whichever transaction medium and loans and advances relating to repurchase agreements. These are broken down into on-demand and term loans.

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

Debts represented by a security

Debts represented by a security are recorded at amortized cost.

Obligatory issuance or loan redemption premiums are amortized by the actuarial method over the term of the loan.

Recording of income and charges

Interest and related commissions are recorded at their accrued amount calculated on a pro rata basis.

Commissions not related to interest, and which correspond to services, are recorded as of the date of service provision.

Charges and income in foreign currency are recorded at their converted value as of the transaction date.

Transactions in foreign currency

Loans and amounts owed, denominated in foreign currency, are converted to euros using the spot exchange rate in force at the balance sheet date.

The conversion of such transactions denominated in foreign currency produces an unrealised exchange gain or loss recorded in the profit and loss account.

Income and charges denominated in foreign currency relating to loans and advances are recorded in the income and charges account opened for each of the currencies in question, conversions being made as at monthly closing.

Fiscal integration regime

BNP Paribas Home Loan SFH is integrated within the France fiscal group headed by BNP Paribas since 01/01/2005.

Regarding corporate income tax, in accordance with the provisions of the fiscal integration agreement, tax is determined by the subsidiary as in the case where fiscal integration does not apply.

The amount thus calculated, less any tax credits or allowances, is payable to the parent company, BNP PARIBAS SA.

Consolidation

The accounts of BNP Paribas Home Loan SFH are included within the consolidated accounts of BNP Paribas S.A. using the full consolidation method.

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 €34,200,106,112 (thirty-four billion two hundred million one hundred and six thousands one hundred and twelve euros) as at 30/06/2011.

This pool is being used to the amount of €30,559,732,749 (thirty billion five hundred and fifty-nine million seven hundred and thirty-two thousand seven hundred and forty-nine euros) for existing issuances.

2. NOTES TO THE PROFIT AND LOSS ACCOUNT AS AT 30 JUNE 2011

2.a INTEREST MARGINS

Under the headings "Interest receivable and similar income" and "Interest payable and similar charges", BNP Paribas Home Loan SFH presents remuneration established from financial instruments valued at amortized cost.

In thousands of euros	30/06/2012		31/12/2011	
	Income	Charges	Income	Charges
Credit institutions	1 806 147	(1 358 634)	380 744	(144)
On-demand accounts, advances and loans	1 806 147	(1 358 634)	380 744	(144)
Debts represented by certificates		(446 504)		(379 150)
Interest income and charges	1 806 147	(1 805 138)	380 744	(379 294)

Income and expenses on hedging derivatives are shown with the income from the items for which they hedge the risks

2.b- NET COMMISSIONS

In thousands of euros	30/06/2012		31/12/2011	
	Products	Charges	Products	Charges
Banking and financial transactions	525	(790)	525	(453)
Securities trading	525	(790)	525	(453)
Commission income and charges	525	(790)	525	(453)

2.c - GENERAL OPERATING EXPENSES

In thousands of euros	30/06/2012	31/12/2011
Other administrative costs	(341)	(957)
<i>Remuneration of intermediaries</i>	(194)	(216)
<i>Taxes</i>	(146)	(741)
Total general operating expenses	(341)	(957)

2.d CORPORATE INCOME TAX

In thousands of euros	30/06/2012	31/12/2011
Current taxes for the period	(132)	
Income tax expense	(132)	-

3. NOTES TO THE BALANCE SHEET AS AT 30 JUNE 2012

3.a- LOANS AND ADVANCES TO CREDIT INSTITUTIONS

In thousands of euros	30/06/2012	31/12/2011
Loans and advances	28 707 487	27 130 937
Ordinary debit accounts	10 659	9 673
Term accounts and loans	28 696 828	27 121 265
Loans and advances to credit institutions	28 707 487	27 130 937
<i>of which receivables from related entities</i>	<i>308 169</i>	<i>457 436</i>

3.b OTHER ASSETS AND LIABILITIES

In thousands of euros	30/06/2012	31/12/2011
Miscellaneous payables	20	115
Other assets	20	115
Miscellaneous creditors	92	32
Other liabilities	92	32

As at 30/06/2012, no trade payables appear in the BNP Paribas Home Loan SFH accounts

3.c ACCRUALS

In thousands of euros	30/06/2012	31/12/2011
Accrued income	253 240	
Other accrued assets	313 709	315 904
<i>Prepaid expenses</i>	313 709	315 904
Total prepayments and accrued income	566 949	315 904
Accrued expenses	252 860	569
Other accruals and deferred income	90 244	88 543
<i>Deferred income</i>	90 244	88 543
Accruals and deferred income	343 105	89 112

Accrued income includes the zero-coupon bond redemption premiums to be spread for 231 M€ at 30/06/2012 (234 M€ in 2011)

3.d DEBTS REPRESENTED BY A CERTIFICATE

In thousands of euros	30/06/2012	31/12/2011
Bonds	28 295 170	26 557 886
<i>amounts owed to related entities</i>	308 111	457 102
Debts represented by a certificate	28 603 282	27 014 987

3.e SUBORDINATED DEBT

In thousands of euros	30/06/2012	31/12/2011
Callable subordinated debt	40 000	115 000
Amounts owed to related entities	52	167
Subordinated debt	40 052	115 167

4. ADDITIONAL INFORMATION

4.a CHANGES IN CAPITAL

	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	22 500 000	6 000 000		28 500 000	10 euros
Redeemed shares					
Preferred shares without voting rights					
Preferred shares					
Members' shares					
Investment certificates					

4.b CHANGES IN EQUITY

in thousands of euros	31/12/2011	Increases	Reductions	30/06/2012
Share capital	225 000	60 000		285 000
Issuance premiums				
- Legal reserve	834	69		903
Carry forwards	453	1 306		1 759
Result for the period	1 375	267	(1 375)	267
Equity	227 662	61 642	(1 375)	287 930

4.c NOTIONAL FINANCIAL INSTRUMENTS

In euros	30/06/2012	31/12/2011
Instruments derived from exchange rate	3 626 171 084	
Instruments derived from interest rate	119 322 077 352	
Financial future instruments on over-the-counter markets	122 948 248 436	-

4 d - MATURITIES OF SOURCES AND USES OF CASH

In thousands of euros	Duration remainder				Total
	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
USES					
<i>on-demand loans</i>	10 659	0	0	0	10 649
<i>term loans</i>	325 000	1 500 000	14 275 221	12 279 888	28 380 109
SOURCES					
debts represented by certificates	0	1 500 000	14 275 221	12 519 950	28 294 171
Customer transactions					-
subordinated debt	-	-	15 000	25 000	40 000

Table of results from the previous 5 financial years

Indicator	31/12/2007	31/12/2008	31/12/2009	31/12/2010	31/12/2011	30/06/2012
Financial situation at the end of the period						
Share capital	175 000	175 000	175 000	175 000	225 000	285 000
Number of existing ordinary shares	17 500 000	17 500 000	17 500 000	17 500 000	22 500 000	28 500 000
Number of convertible bonds	None	None	None	None	None	None
Overall results of effective operations						
Net banking income	6 909	18 693	3 655	2 307	2 716	740
Earnings before taxes, depreciation and provisions	5 922	16 966	2 138	493	1 505	399
Corporate income tax	(2 157)	(5 984)	(776)	(195)	(130)	(132)
Earnings after taxes, depreciation and provisions	3 764	10 982	1 362	298	1 375	267
Distributed earnings	3 500	10 675	1 225			
Operating income per share						
Earnings after tax but before depreciation and provisions	0,22	0,63	0,08	0,02	0,06	0,01
Earnings after tax, depreciation and provisions	0,22	0,63	0,08	0,02	0,06	0,01
Dividend per share	0,2	0,61	0,07	0	0	0
Personnel						
Number of employees	None	None	None	None	None	None
Wage bill	None	None	None	None	None	None
Social security, welfare payments	None	None	None	None	None	None

BNP PARIBAS HOME LOAN SFH

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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.

BNP Paribas Home Loan SFH
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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 2012.

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 2012, 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

28 Septembre 2012

The Statutory Auditors

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