



**BNP PARIBAS**  
**HOME LOAN SFH**

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**FINANCIAL STATEMENTS OF**  
**BNP PARIBAS HOME LOAN SFH**

**Dated 31 DECEMBER 2013**

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## TABLE OF EARNINGS FOR THE LAST FIVE FINANCIAL YEARS AS AT 31 DECEMBER 2013 IN EUROS

## INCOME STATEMENT AT 31/12/2013

In euros	Notes	31/12/2013	31/12/2012
Interest and similar income	2.a	3 069 002 237	11 774 361 202
Interest and similar expenses	2.a	(3 067 460 930)	(11 772 478 978)
Revenues from variable-income securities		-	-
Commissions (income)	2.b	1 250 000	1 250 000
Commissions (expenses)	2.b	(528 282)	(1 029 197)
Gains or losses on transactions on trading portfolios		(1 303)	(4 119)
Gains or losses on transactions on investment portfolios and similar		-	-
Other income from banking operations		-	-
Other expenses on banking operations		-	-
<b>NET BANKING INCOME</b>		<b>2 261 722</b>	<b>2 098 909</b>
Labour costs		-	-
Other administrative expenses	2.c	(676 433)	(988 068)
Amortisation and impairment charge on tangible and intangible fixed assets		-	-
<b>GROSS OPERATING PROFIT</b>		<b>1 585 288</b>	<b>1 110 841</b>
Cost of risk		-	-
<b>OPERATING PROFIT</b>		<b>1 585 288</b>	<b>1 110 841</b>
Gains or losses on capitalised assets			
Net transfers to regulated provisions			
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAX</b>		<b>1 585 288</b>	<b>1 110 841</b>
Net exceptional income/expense			
Corporate income tax	2.d	(586 991)	(384 259)
<b>NET PROFIT</b>		<b>998 297</b>	<b>726 582</b>

## BALANCE SHEET AT 31 DECEMBER 2013

In euros at 31 December	Notes	31/12/2013	31/12/2012
<b>ASSETS</b>			
Cash, Central Banks, PO accounts			
Treasury bills and similar securities			
Loans and advances to banks	3.a	30 264 089 712	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	706 085 672	765 119 864
<b>TOTAL ASSETS</b>		<b>30 970 199 384</b>	<b>32 590 631 426</b>
<b>LIABILITIES</b>			
<b>DEBTS</b>			
Central Banks, PO accounts			
Amounts due to banks	3.a	4 270 234 750	4 310 000 004
Transactions with clients		-	-
Debt securities	3.d	25 882 275 125	27 408 011 591
Other liabilities	3.b	251 703	193 448
Adjustment accounts	3.c	490 000 694	543 996 943
Provisions for contingencies and charges		-	-
Subordinated debt	3.e	40 044 924	40 040 550
<b>TOTAL DEBTS</b>		<b>30 682 807 197</b>	<b>32 302 242 536</b>
<b>SHAREHOLDERS' EQUITY</b>			
	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		998 297	726 582
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>287 392 187</b>	<b>288 388 890</b>
<b>TOTAL LIABILITIES</b>		<b>30 970 199 384</b>	<b>32 590 631 426</b>
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Guarantee commitments			
Commitments on securities			

# 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 31 December 2013 and the related notes to the Financial Statements provide comparative information for 31 December 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 18 101 339 656.25 € 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 -32 899 802 965 €, 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 prorata 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 32 899 802 965.01 € (thirty-two billion eight hundred ninety-nine million eight hundred and two thousand nine hundred sixty-five euros) as at 31 December 2013.

This pool is used to an extent of **25 757 118 464 € (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 31 DECEMBER 2013

### 2.a INTEREST MARGIN

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	31/12/2013		31/12/2012	
	Income	Expenses	Income	Expenses
<b>Banks</b>	<b>3 069 002 237</b>	<b>(2 302 033 454)</b>	<b>11 774 361 202</b>	<b>(10 903 262 238)</b>
Demand accounts, loans and borrowings	3 069 002 237	(2 302 033 454)	11 774 361 202	(10 903 262 238)
<b>Debt securities</b>		<b>(765 427 476)</b>		<b>(869 216 739)</b>
Bonds		(764 430 225)		(867 493 240)
Term subordinated debt		(997 251)		(1 723 499)
<b>Interest income and expenses</b>	<b>3 069 002 237</b>	<b>(3 067 460 930)</b>	<b>11 774 361 202</b>	<b>(11 772 478 977)</b>

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

In euros	31/12/2013		31/12/2012	
	Income	Expenses	Income	Expenses
<b>Banking and financial transactions</b>	<b>1 250 000</b>	<b>(528 282)</b>	<b>1 250 000</b>	<b>(1 029 197)</b>
Securities trading	1 250 000	(528 282)	1 250 000	(1 029 197)
<b>Commission income and expenses</b>	<b>1 250 000</b>	<b>(528 282)</b>	<b>1 250 000</b>	<b>(1 029 197)</b>

### 2.c OPERATING GENERAL EXPENSES

In euros	31/12/2013	31/12/2012
<b>Other administrative expenses</b>	<b>(676 433)</b>	<b>(988 068)</b>
Remuneration of intermediaries	(499 016)	(825 798)
Taxes and duties	(177 417)	(162 270)
<b>Total general operating expenses</b>	<b>(676 433)</b>	<b>(988 068)</b>

**2.d CORPORATE INCOME TAX**

In euros	31/12/2013	31/12/2012
Current tax for the period	(586 991)	(384 259)
<b>Corporate income tax</b>	<b>(586 991)</b>	<b>(384 259)</b>

### 3. NOTES ON THE BALANCE SHEET AT 31 DECEMBER 2013

#### 3.a AMOUNTS DUE TO AND FROM BANKS

In euros	31/12/2013	31/12/2012
<b>Loans and receivables</b>	<b>30 264 089 712</b>	<b>31 825 487 562</b>
Ordinary debit accounts	10 028 328	11 250 648
Term accounts and loans	30 254 061 384	31 814 236 914
<b>Loans and amounts due from banks</b>	<b>30 264 089 712</b>	<b>31 825 487 562</b>
<i>Of which associated receivables</i>	<i>429 053 781</i>	<i>468 887 197</i>

In euros	31/12/2013	31/12/2012
<b>Debts and borrowings</b>	<b>4 270 234 750</b>	<b>4 310 000 004</b>
<b>Amounts due to banks</b>	<b>4 270 234 750</b>	<b>4 310 000 004</b>
<i>Of which associated liabilities</i>	<i>234 750</i>	<i>4</i>

*Corresponds the Cash Collateral account*

#### 3.b OTHER ASSETS AND LIABILITIES

In euros	31/12/2013	31/12/2012
<b>Miscellaneous payables</b>	<b>20 000</b>	<b>20 000</b>
<b>Other assets</b>	<b>20 000</b>	<b>20 000</b>
<b>Miscellaneous creditors</b>	<b>251 703</b>	<b>193 448</b>
<b>Other liabilities</b>	<b>251 703</b>	<b>193 448</b>

As at 31/12/2013, no trade payables appeared in the BNP Paribas Home Loan SFH accounts.

### 3.c ADJUSTMENT ACCOUNTS

In euros	31/12/2013	31/12/2012
Accrued income	419 015 292	462 723 602
Other debit adjustment accounts	287 070 380	302 396 262
<i>Prepaid charges</i>	287 070 380	302 396 262
<b>Adjustment accounts – assets</b>	<b>706 085 672</b>	<b>765 119 864</b>
Accrued expenses	419 177 246	463 097 315
Other credit adjustment accounts	70 823 449	80 899 628
<i>prepaid income</i>	70 823 449	80 899 628
<b>Adjustment accounts – liabilities</b>	<b>490 000 694</b>	<b>543 996 943</b>

The adjustment accounts – assets include the zero-coupon bond redemption premiums still to be spread out for 224 M€ in 2013 (229 M€ in 2012).

### 3.d DEBT SECURITIES

In euros	31/12/2013	31/12/2012
Bonds	25 470 071 099	26 950 412 330
associated liabilities	412 204 026	457 599 261
<b>Debt securities</b>	<b>25 882 275 125</b>	<b>27 408 011 591</b>

### 3.e SUBORDINATED DEBT

In euros	31/12/2013	31/12/2012
Repayable subordinated debt	40 000 000	40 000 000
Associated liabilities	44 924	40 550
<b>Subordinated debt</b>	<b>40 044 924</b>	<b>40 040 550</b>

**3.f OFF-BALANCE-SHEET COMMITMENTS**

In euros	31/12/2013	31/12/2012
Banks		
Clients		
<b>Financing commitments provided</b>	-	

## 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			<b>28 500 000</b>	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	31/12/2013
<b>Equity</b>	<b>285 000 000</b>	-		<b>285 000 000</b>
- Legal reserve	903 116	36 329		939 445
- Retained earnings	1 759 192	(1 304 747)		454 445
- Profit for the period	726 582	998 297	(726 582)	998 297
<b>Shareholders' equity</b>	<b>288 388 890</b>	<b>(270 121)</b>	<b>(726 582)</b>	<b>287 392 187</b>

### 4.c NOTIONAL ON FINANCIAL INSTRUMENTS

In euros	31/12/2013	31/12/2012
Exchange rate derivatives		
	3 626 171 084	3 626 171 084
Interest-rate derivatives	98 376 114 159	105 370 615 742
<b>OTC financial forward instruments</b>	<b>102 002 285 243</b>	<b>108 996 786 826</b>

The net valuation of the swaps as of 31/12/2013 is zero,

The capital gain on the issuers' swaps before allowing for the borrowers' swaps on the clientele assets as of 31/12/2013 is -1 478 791 391

The capital gain on the issuers' swaps before allowing for the borrowers' swaps on the issues as of 31/12/2013 is : 1 257 561 284

#### 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	
<b>APPLICATIONS</b>					
<i>demand receivables</i>	10 026 823	0	0	0	<b>10 026 823</b>
<i>term receivables</i>	6 155 000 000	2 744 330 251	9 312 262 357	11 613 416 501	<b>29 825 009 108</b>
<b>SOURCES</b>					
<b>Amounts due to banks</b>	1 110 000 000	3 160 000 000			<b>4 270 000 000</b>
<b>Debt securities</b>	1 560 000 000	2 744 330 250	9 312 262 355	11 853 478 495	<b>25 470 071 099</b>
<b>Transactions with clients</b>					-
<b>Subordinated debt</b>	-	-	-	40 000 000	<b>40 000 000</b>

#### Table of earnings for the last five financial years

Indicator	31/12/2009	31/12/2010	31/12/2011	31/12/2012	31/12/2013
<b>Financial position at the end of the year</b>					
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
<b>Actual operating earnings</b>					
Net Banking Income	3 655 412	2 307 425	2 716 052	2 098 909	2 261 722
Earnings before taxes, depreciation and amortisation	2 137 731	493 389	1 505 255	1 110 841	1 585 288
Corporate income tax	(775 723)	(195 208)	(130 052)	(384 259)	(586 991)
Earnings after taxes, depreciation and amortisation	1 362 008	298 181	1 375 203	726 582	998 297
Distributed earnings	1 225 000	-	-	1 995 000	
<b>Earnings per share</b>					
Earnings after taxes, but before depreciation and amortisation	0.08	0.02	0.06	0.03	0.04
Earnings after taxes, depreciation and amortisation	0.08	0.02	0.06	0.03	0.04
Dividend paid per share	0.07	0	0	0.07	0
<b>Personnel</b>					
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' REPORT ON THE  
FINANCIAL STATEMENTS**

**(Year ended 31 December 2013)**

**PricewaterhouseCoopers Audit**

63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex

**Deloitte & Associés**

185, avenue Charles de Gaulle  
92524 Neuilly-sur-Seine Cedex

**STATUTORY AUDITORS' REPORT ON THE  
FINANCIAL STATEMENTS**

**(Year ended 31 December 2013)**

*This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.*

*This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.*

*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 Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meetings, we hereby report to you, for the year ended 31 December 2013, on:

- the audit of the accompanying financial statements of BNP PARIBAS HOME LOAN SFH,
- the justification of our assessments,
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

**I - Opinion on the financial statements**

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the company's financial position and its assets and liabilities as at 31 December 2013, and of the results of its operations for the year then ended in accordance with French accounting principles.

## **II - Justification of our assessments**

In accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you that the assessments we made concerned the appropriateness of the accounting principles used as well as the reasonableness of the significant estimates made.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

## **III- Specific verifications and information**

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

We have no matters to report regarding:

- the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.
- the fair presentation of the information provided in accordance with the requirements of article L.225-102-1 of the French Commercial Code (*Code de commerce*) relating to remuneration and benefits granted to certain company officers and any other commitments made in their favour. We draw your attention to the reasons presented in the management report explaining that your company does not provide any information relating to remuneration and benefits granted by the controlling entity to corporate officers of your company who are not also corporate officers of the controlling entity.

Neuilly-sur-Seine, 28 March 2014

*French original signed by*

The Statutory Auditors

PricewaterhouseCoopers  
Audit

Deloitte & Associés

Laurent Tavernier

Sylvie Bourguignon