

FINANCIAL STATEMENTS OF

BNP PARIBAS HOME LOAN SFH

Dated 30 June 2017

CONTENTS

CORPORATE FINANCIAL STATEMENTS

| | |
|--|-----------|
| INCOME STATEMENT AT 30 JUNE 2017 | 3 |
| BALANCE SHEET AT 30 JUNE 2017 | 4 |
| 1. SUMMARY OF THE ACCOUNTING PRINCIPLES APPLIED BY BNP PARIBAS SFH | 5 |
| 2. NOTES ON THE INCOME STATEMENT AT 30 JUNE 2017 | 7 |
| 2.a Interest margin | 7 |
| 2.b Commissions | 7 |
| 2.c Operating general expenses | 7 |
| 2.d Corporate Income tax | 8 |
| 3. NOTES ON THE BALANCE SHEET AT 30 JUNE 2017 | 8 |
| 3.a Amounts due to and from banks | 8 |
| 3.b Other assets and liabilities | 9 |
| 3.c Securities transactions | 9 |
| 3.d Adjustment accounts | 10 |
| 3.e Debt securities | 10 |
| 3.f Subordinated debt | 10 |
| 4. ADDITIONAL INFORMATION | 11 |
| 4.a Changes in share capital in euros | 11 |
| 4.b Changes in shareholders' equity | 11 |
| 4.c Notional on financial instruments | 11 |
| 4.d Aging of applications and sources of funds | 12 |
| TABLE OF EARNINGS FOR THE LAST FIVE FINANCIAL YEARS AS AT 30 JUNE 2017 IN EUROS | 12 |

INCOME STATEMENT AT 30 JUNE 2017

| In euros | Notes | 30/06/2017 | 30/06/2016 |
|--|-------|----------------------------|--------------------------|
| Interest and similar income | 2.a | 236 689 905 | 256 032 164 |
| Interest and similar expenses | 2.a | (236 303 786) | (255 805 076) |
| Revenues from variable-income securities | | | - |
| Commissions (income) | 2.b | 625 000 | 625 000 |
| Commissions (expenses) | 2.b | (226 992) | (264 209) |
| Gains or losses on transactions on trading portfolios | | (1) | (1) |
| Gains or losses on transactions on investment portfolios and similar | | - | - |
| Other income from banking operations - (S)ingle (R)esolution (F)und | 2.c | 1 013 122 | 993 603 |
| Other expenses on banking operations | | - | - |
| NET BANKING INCOME | | 1 797 248 | 1 581 480 |
| Labour costs | | - | - |
| Other administrative expenses <i>Including (S)ingle (R)esolution (F)und (1)</i> | 2.c | (1 426 564) (1 013 122) | (1 445 964) (993 603) |
| Amortisation and impairment charge on tangible and intangible fixed assets | | - | - |
| GROSS OPERATING PROFIT | | 370 684 | 135 516 |
| Cost of risk | | - | - |
| OPERATING PROFIT | | 370 684 | 135 516 |
| Gains or losses on capitalised assets | | | |
| Net transfers to regulated provisions | | | |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAX | | 370 684 | 135 516 |
| Net exceptional income/expense | | | |
| Corporate income tax | 2.d | (115 896) | (38 003) |
| NET PROFIT | | 254 788 | 97 513 |

BALANCE SHEET AT 30 JUNE 2017

| In euros | Notes | 30/06/2017 | 31/12/2016 |
|---|-------|-----------------------|-----------------------|
| ASSETS | | | |
| Cash, Central Banks, PO accounts | | 1 243 | 334 * |
| Treasury bills and similar securities | | - | - |
| Loans and advances to banks | 3.a | 28 763 761 284 | 28 602 296 945 |
| Transactions with clients | | - | - |
| Bonds and other fixed-income securities | | - | - |
| Equities and other variable-income securities | | - | - |
| Equity investments and other long-term securities | 3.c | - | - |
| Interests in group companies | | - | - |
| Lease financing with purchase option | | - | - |
| Intangible fixed assets | | - | - |
| Tangible fixed assets | | - | - |
| Treasury shares | | - | - |
| Other assets | 3.b | 832 357 | 652 619 |
| Adjustment accounts | 3.d | 251 789 028 | 252 551 441 |
| TOTAL ASSETS | | 29 016 383 913 | 28 855 501 338 |
| LIABILITIES | | | |
| DEBTS | | | |
| Central Banks, PO accounts | 3.a | - | - |
| Amounts due to banks | 3.a | 320 000 000 | 1 970 000 000 |
| Transactions with clients | | - | - |
| Debt securities | 3.e | 28 308 075 983 | 26 500 137 086 |
| Other liabilities | 3.b | 47 179 | 140 254 |
| Adjustment accounts | 3.d | 61 352 527 | 58 568 146 |
| Provisions for contingencies and charges | | - | - |
| Subordinated debt | 3.f | 40 034 116 | 40 036 531 |
| TOTAL DEBTS | | 28 729 509 804 | 28 568 882 018 |
| SHAREHOLDERS' EQUITY | | | |
| | 4.b | | |
| Share capital subscribed | | 285 000 000 | 285 000 000 |
| Premium on shares | | - | - |
| Reserves | | 1 036 216 | 1 019 551 |
| Retained earnings | | 583 104 | 266 452 |
| Profit for the period | | 254 788 | 333 318 |
| TOTAL SHAREHOLDERS' EQUITY | | 286 874 109 | 286 619 320 |
| TOTAL LIABILITIES | | 29 016 383 913 | 28 855 501 338 |
| OFF-BALANCE-SHEET ITEMS | | | |
| COMMITMENTS GIVEN | | | |
| Finance commitments | | - | - |
| Guarantee commitments | | 831 405 | 652 619 |
| Commitments on securities | | - | - |
| COMMITMENTS RECEIVED | | | |
| Finance commitments | | - | - |
| 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, as appearing in ANC Rule No. 2014-07 dated 26 November 2014.

The income statement dated 30 June 2017 and the related notes to the Financial Statements provide comparative information for 30 June 2016.

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 contracts for hedging the rate risks 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 120,144,173 € and they are classified in category b), micro-hedging, in application of ANC rule No. 2014-07.
- the derivative financial instrument for hedging the underlying assets in terms of collateral and its mirror swap, representing -34,899,487,157 €, has been classified in category a), isolated open positions, in application of ANC rule No. 2014-07 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 earning.

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 or on a prorata basis for the duration of the service rendered when that service is continuous.

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 parties

In the light of the company's business and of its capital link (subsidiary 99.99% held by BNP Paribas SA), the obligations of ANC No. 2014-07 concerning presentation of the information about affiliated parties are inapplicable.

2. NOTES ON THE INCOME STATEMENT AT 30 JUNE 2017

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

| In euros | 30/06/2017 | | 30/06/2016 | |
|---------------------------------------|--------------------|----------------------|--------------------|----------------------|
| | Income | Expenses | Income | Expenses |
| Banks | 236 689 905 | (4 725 366) | 256 032 164 | (2 224 585) |
| Demand accounts, loans and borrowings | 236 689 905 | (4 725 366) | 256 032 164 | (2 224 585) |
| Debt securities | | (231 578 420) | | (253 580 491) |
| Bonds | | (231 191 169) | | (253 163 691) |
| Term subordinated debt | | (387 251) | | (416 800) |
| Interest income and expenses | 236 689 905 | (236 303 786) | 256 032 164 | (255 805 076) |

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 | 30/06/2017 | | 30/06/2016 | |
|---|----------------|------------------|----------------|------------------|
| | Income | Expenses | Income | Expenses |
| Banking and financial transactions | 625 000 | (226 992) | 625 000 | (264 209) |
| Securities trading | 625 000 | (226 992) | 625 000 | (264 209) |
| Commission income and expenses | 625 000 | (226 992) | 625 000 | (264 209) |

2.c OPERATING GENERAL EXPENSES & VARIOUS OPERATING INCOME

| In euros | 30/06/2017 | 30/06/2016 |
|---|--------------------|--------------------|
| Other administrative expenses | (1 426 564) | (1 445 964) |
| Remuneration of intermediaries | (388 287) | (431 042) |
| Taxes and duties | (25 155) | (21 319) |
| Guarantee fund and (S)ingle (R)esolution (F)und | (1 013 122) | (993 603) |
| Total general operating expenses | (1 426 564) | (1 445 964) |

| In euros | 30/06/2017 | 30/06/2016 |
|--------------------------------------|------------------|----------------|
| Various operating income | 1 013 122 | 993 603 |
| Other various operating income (1) | 1 013 122 | 993 603 |

(1) European Rule No. 806/2014 of the Single Resolution Fund.
2017 call for fund in an amount 1 013 122 euros with reinvoking to BNP PARIBAS pursuant to the 2017 Fee Letter

2.d CORPORATE INCOME TAX

| In euros | 30/06/2017 | 30/06/2016 |
|-----------------------------------|------------------|-----------------|
| Current tax for the period | (115 896) | (38 003) |
| Corporate income tax | (115 896) | (38 003) |

3. NOTES ON THE BALANCE SHEET AT 30/06/2017

3.a AMOUNTS DUE TO AND FROM BANKS

| In euros | 30/06/2017 | 31/12/2016 |
|---|-----------------------|-----------------------|
| Loans and receivables | 28 763 761 284 | 28 602 296 945 |
| Ordinary debit accounts | 14 496 786 | 13 927 522 |
| Term accounts and loans | 28 749 264 498 | 28 588 369 423 |
| Loans and amounts due from banks | 28 763 761 284 | 28 602 296 945 |
| <i>including associated receivables</i> | <i>275 807 863</i> | <i>311 993 907</i> |

| In euros | 30/06/2017 | 31/12/2016 |
|---|--------------------|----------------------|
| Ordinary credit accounts | 0 | 0 |
| Debts and borrowings | 320 000 000 | 1 970 000 000 |
| Amounts due to banks | 320 000 000 | 1 970 000 000 |
| <i>including associated liabilities (1)</i> | <i>-</i> | <i>-</i> |

(1) Interest rates on collateral being negative, the interest was attached to assets in 2017 as well as 2016.

3.b OTHER ASSETS AND LIABILITIES

| In euros | 30/06/2017 | 31/12/2016 |
|---|----------------|----------------|
| Miscellaneous payables | 832 357 | 652 619 |
| <i>Including (S)ingle (R)esolution (F)und</i> | 831 405 | 652 619 |
| Other assets | 832 357 | 652 619 |
| Miscellaneous creditors | 47 179 | 140 254 |
| Other liabilities | 47 179 | 140 254 |

As at 30/06/2017, no trade payables appeared in the BNP Paribas Home Loan SFH accounts

3.c SECURITIES TRANSACTIONS

| In euros | 30/06/2017 | 31/12/2016 |
|---|----------------|----------------|
| | Net book value | Net book value |
| Holdings <i>including provisions</i> | - | - |
| Other securities held long term <i>including provisions</i> | - | - |
| Holdings and other securities held long term | - | - |

3.d ADJUSTMENT ACCOUNTS

| In euros | 30/06/2017 | 31/12/2016 |
|--|--------------------|--------------------|
| Accrued income | 4 075 064 | 864 591 |
| Other debit adjustment accounts | 247 713 964 | 251 686 849 |
| <i>Prepaid charges</i> | 247 713 964 | 251 686 849 |
| Adjustment accounts – assets | 251 789 028 | 252 551 441 |
| Accrued expenses | 3 031 765 | 1 284 927 |
| Other credit adjustment accounts | 58 320 762 | 57 283 219 |
| <i>prepaid income</i> | 58 320 762 | 57 283 219 |
| <i>Other adjustment accounts</i> | - | - |
| Adjustment accounts – liabilities | 61 352 527 | 58 568 146 |

The adjustment accounts – assets include the zero-coupon bond redemption premiums still to be spread out for **203.7** M€ in 2017 (206 M€ in 2016).

3.e DEBT SECURITIES

| In euros | 30/06/2017 | 31/12/2016 |
|-------------------------------|-----------------------|-----------------------|
| Bonds | 28 068 518 629 | 26 221 437 510 |
| Associated liabilities | 239 557 354 | 278 699 576 |
| Debt securities | 28 308 075 983 | 26 500 137 086 |

3.f SUBORDINATED DEBT

| In euros | 30/06/2017 | 31/12/2016 |
|------------------------------------|-------------------|-------------------|
| Repayable subordinated debt | 40 000 000 | 40 000 000 |
| Associated liabilities | 34 116 | 36 531 |
| Subordinated debt | 40 034 116 | 40 036 531 |

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 | 31/12/2016 | Increases in accounts | Decreases in accounts | 30/06/2017 |
|-----------------------------|--------------------|-----------------------|-----------------------|--------------------|
| Equity | 285 000 000 | - | - | 285 000 000 |
| - Legal reserve | 1 019 551 | 16 666 | | 1 036 216 |
| Retained earnings | 266 452 | 316 652 | | 583 104 |
| Profit for the period | 333 318 | 254 788 | (333 318) | 254 788 |
| Shareholders' equity | 286 619 321 | 588 106 | (333 318) | 286 874 109 |

4.c NOTIONAL ON FINANCIAL INSTRUMENTS

| In euros | 30/06/2017 | 31/12/2016 |
|--|--------------------|--------------------|
| Exchange rate derivatives | 240 288 346 | 240 288 346 |
| Interest-rate derivatives | - | |
| OTC financial forward instruments | 240 288 346 | 240 288 346 |

The net valuation of the swaps as of 30/06/2017 is zero

The capital gain on the issuers' swaps before allowing for the borrowers' swaps on the issues as of 30/06/2017 is 29 106 072

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> | 14 498 029 | 0 | 0 | 0 | 14 498 029 |
| <i>Term receivables</i> | 645 000 000 | 23 500 000 | 15 186 956 635 | 12 618 000 000 | 28 473 456 635 |
| SOURCES | | | | | |
| Amounts due to banks | 320 000 000 | - | - | - | 320 000 000 |
| Debt securities | 0 | 23 500 000 | 15 186 956 634 | 12 858 061 995 | 28 068 518 629 |
| Transactions with clients | - | - | - | - | - |
| Subordinated debt | - | - | 15 000 000 | 25 000 000 | 40 000 000 |

Table of earnings for the last five financial years

| Indicator | 31/12/2013 | 31/12/2014 | 31/12/2015 | 31/12/2016 | 30/06/2017 |
|---|-------------|-------------|-------------|-------------|-------------|
| 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 existing ordinary shares | 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 | 2 441 122 | 1 629 368 | 2 134 976 | 2 335 795 | 1 797 248 |
| Earnings before taxes, depreciation and amortisation | 1 585 288 | 808 228 | 149 842 | 499 583 | 370 684 |
| Corporate income tax | (586 991) | (297 442) | (56 813) | (166 265) | (115 896) |
| Earnings after taxes, depreciation and amortisation | 998 297 | 510 786 | 93 029 | 333 318 | 254 788 |
| Distributed earnings | 1 140 000 | 570 000 | - | - | - |
| Earnings per share | | | | | |
| Earnings after taxes, but before depreciation and amortisation | 0.04 | 0.02 | 0.00 | 0.01 | 0.01 |
| Earnings after taxes, depreciation and amortisation | 0.04 | 0.02 | 0.00 | 0.01 | 0.01 |
| Dividend paid per share | 0.04 | 0.02 | 0 | 0 | 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

Société Anonyme

1, boulevard Haussmann

75009 Paris

**STATUTORY AUDITORS' REVIEW REPORT ON THE 2017
INTERIM FINANCIAL INFORMATION**

PricewaterhouseCoopers Audit
63 rue de Villiers
92200 Neuilly sur Seine

DELOITTE ET ASSOCIES
185, avenue Charles de Gaulle
95524 Neuilly-Sur-Seine Cedex

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.

STATUTORY AUDITORS' REVIEW REPORT ON THE 2017 INTERIM FINANCIAL INFORMATION

BNP PARIBAS HOME LOAN SFH
1 Boulevard Haussmann
75009 Paris

In compliance with the assignment entrusted to us by your General Shareholders' 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 interim financial statements of 2017, for the six months ended 30, June 2017;
- the verification of the information contained in the half-year management report.

These interim 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.

I - Conclusion on the financial statements

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 2017, and of the results of its operations for the six months then ended in accordance with French accounting principles.

II - Specific verification

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

BNP PARIBAS HOME LOAN SFH

STATUTORY AUDITORS' REVIEW REPORT ON THE 2017 INTERIM FINANCIAL INFORMATION

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

Neuilly-sur-Seine, 18 September 2017

French original signed by
The Statutory Auditors

PricewaterhouseCoopers Audit

DELOITTE ET ASSOCIES

Laurent Tavernier

Sylvie Bourguignon