



BNP PARIBAS
HOME LOAN SFH

FINANCIAL STATEMENTS OF
BNP PARIBAS HOME LOAN SFH

As of 31 December 2011

(free translation)

CONTENTS

INDIVIDUAL FINANCIAL STATEMENTS

P/L ACCOUNT AT 31 DECEMBER 2011	3
BALANCE SHEET AT 31 DECEMBER 2011	4
1. SUMMARY OF FINANCIAL PRINCIPLES APPLIED BY BNP PARIBAS HOME LOAN SFH	5
2. NOTES TO THE PROFIT AND LOSS ACCOUNT AS AT 31 DECEMBER 2011	7
2.a Interest margins	7
2.b Commissions	7
2.c General operating expenses	7
2.d Corporate income tax	8
3. NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2011	9
3.a Loans and advances to credit institutions	9
3.b Other assets and liabilities	9
3.c Accruals	10
3.d Debts represented by a certificate	10
3.e Subordinated debt	10
4. ADDITIONAL INFORMATION	11
4.a Changes in capital	11
4.b Changes in equity	11
4.c Maturities of sources and uses of cash	11

TABLE OF RESULTS FROM THE 5 PREVIOUS FINANCIAL YEARS AS AT 31 DECEMBER 2011 IN EUROS

P/L ACCOUNT AT 31 DECEMBER 2011

In euros	Notes	2011	2010
Interest receivable and similar income	2.a	815 208 169	715 481 450
Interest payable and similar charges	2.a	(812 306 352)	(713 316 091)
Variable income from securities			-
Commissions received	2.b	1 050 000	1 050 000
Commissions paid	2.b	(1 225 820)	(909 609)
Gains or losses on transactions in the trading portfolios		(9 946)	1 663
Gains or losses on investment portfolios and related transactions		-	-
Other banking income		-	12
Other banking charges		-	-
NET BANKING INCOME		2 716 052	2 307 425
Personnel expenses			-
Other administrative expenses	2.c	(1 210 797)	(1 814 036)
Amortization and depreciation of tangible and intangible assets			-
GROSS OPERATING INCOME		1 505 255	493 389
Cost of risk			
OPERATING INCOME		1 505 255	493 389
Gains or losses on capital assets			
Net tax-based provisions			
PROFIT BEFORE EXCEPTIONAL ITEMS		1 505 255	493 389
Exceptional items			
Corporate income tax	2.d	(130 052)	(195 208)
NET INCOME		1 375 203	298 181

BALANCE SHEET AT 31 DECEMBER 2011

In euros at 31 December 2011	Notes	2011	2010
ASSETS			
Cash and assets with central banks and post offices			
Government and other marketable securities		-	-
Loans and advances to credit institutions	3.a	27 130 937 218	22 840 247 479
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	114 935	648 095
Prepayments and accrued income	3.c	315 904 457	292 734 476
TOTAL ASSETS		27 446 960 610	23 133 634 050
LIABILITIES			
DEBTS			
Central banks and post offices			
Amounts owed to credit institutions	3.a		-
Amounts owed to customers			-
Debts represented by certificates	3.d	27 014 987 276	22 823 574 987
Other liabilities	3.b	32 370	26 055
Accruals and deferred income	3.c	89 111 575	58 678 287
Provisions for risks and charges		-	-
Subordinated debt	3.e	115 167 081	75 067 615
TOTAL LIABILITIES		27 219 298 302	22 957 346 945
SHAREHOLDERS' EQUITY			
<i>Subscribed capital</i>	4.b	225 000 000	175 000 000
<i>Issuance premium</i>			
<i>Reserves</i>		834 356	819 447
<i>Retained earnings</i>		452 750	169 478
Profit for the financial year		1 375 203	298 181
TOTAL SHAREHOLDERS' EQUITY		227 662 308	176 287 105
TOTAL LIABILITIES		27 446 960 610	23 133 634 050

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 31 December 2011, and in the applicable notes to the financial statements, is presented in comparative form to the position as at 30 December 2010.

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, including subordinated loans, made within the context of banking transactions to credit institutions with the exception of those represented by certificates. They also include repo securities, irrespective of the 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.

Information on related party transactions

Because of the business of the company and its ownership links (it is a 99.99% owned subsidiary of BNP Paribas SA), the requirements of the French accounting standards ruling CRC 2010-04 on the presentation of information on related parties does not apply.

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 €36,600,027,856 (thirty-six billion six hundred million, twenty-seven thousand, eight hundred and fifty-six euros) as at 31 December 2011.

This pool is being used to the amount of €34,719,287,525 (thirty-four billion seven hundred and nineteen million, two hundred and eighty-seven thousand, five hundred and twenty-five euros) for existing issuances.

- Following the change in BNP Paribas' credit rating, and in accordance with the issue documentation, on 13 January 2012 BNP Paribas Home Loan SFH entered into hedging contracts with BNP Paribas SA as part of the hedging strategy, after having obtained the agreement of the credit rating agencies.

2. NOTES TO THE PROFIT AND LOSS ACCOUNT AS AT 31 DECEMBER 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	2011		2010	
	Income	Charges	Income	Charges
Credit institutions	815 208	(1 401)	715 481	(265)
On-demand accounts, advances and loans	815 208	(1 401)	715 481	(265)
Debts represented by certificates		(810 905)		(713 051)
Interest income and charges	815 208	(812 306)	715 481	(713 316)

2.b- COMMISSIONS

In thousands of euros	2011		2010	
	Products	Charges	Products	Charges
Banking and financial transactions	1 050	(1 226)	1 050	(910)
Securities trading	1 050	(1 226)	1 050	(910)
Commission income and charges	1 050	(1 226)	1 050	(910)

2.c - GENERAL OPERATING EXPENSES

In thousands of euros	2011	2010
Other administrative costs	(1 211)	(1 814)
<i>Remuneration of intermediaries</i>	<i>(1 035)</i>	<i>(483)</i>
<i>Taxes</i>	<i>(176)</i>	<i>(1 331)</i>
Total general operating expenses	(1 211)	(1 814)

2.d CORPORATE INCOME TAX

In thousands of euros	2011	2010
Current taxes for the period	(130)	(195)
Income tax expense	(130)	(195)

3. NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2011

3.a- LOANS AND ADVANCES TO CREDIT INSTITUTIONS

In thousands of euros	2011	2010
Loans and advances	27 130 937	22 840 247
Ordinary debit accounts	9 673	5 492
Term accounts and loans	27 121 265	22 834 756
Loans and advances to credit institutions	27 130 937	22 840 247
<i>of which receivables from related entities</i>	457 436	412 103

3.b OTHER ASSETS AND LIABILITIES

In thousands of euros	2011	2010
Miscellaneous payables	115	648
Other assets	115	648
Miscellaneous creditors	32	26
Other liabilities	32	26

As at 31/12/2011, no trade payables appear in the BNP Paribas Home Loan SFH accounts

3.c ACCRUALS

In thousands of euros	2011	2010
Other debit adjustments	315 904	292 734
<i>Prepaid expenses</i>	315 904	292 734
Total prepayments and accrued income	315 904	292 734
Accrued expenses	569	1 281
Other accruals and deferred income	88 543	57 397
<i>Deferred income</i>	88 543	57 397
Accruals and deferred income	89 112	58 678

The debtor adjustment accounts include redemption premiums on zero coupon bonds to be amortized, amounting to €234 million in 2011 (€239 million in 2010).

3.d DEBTS REPRESENTED BY A CERTIFICATE

In thousands of euros	2011	2010
Bonds	26 557 886	22 412 726
<i>amounts owed to related entities</i>	457 102	410 849
Debts represented by a certificate	27 014 987	22 823 575

3.e SUBORDINATED DEBT

In thousands of euros	2011	#	2010
Callable subordinated debt	115 000		75 000
Amounts owed to related entities	167		68
Subordinated debt	115 167		75 068

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	17 500 000	5 000 000		22 500 000	10 euros
Redeemed shares					
Preferred shares without voting rights					
Preferred shares					
Members' shares					
Investment certificates					

4.b CHANGES IN EQUITY

in thousands of euros	31/12/2010	Increases	Reductions	31/12/2011
Share capital	175 000	50 000		225 000
- Legal reserve	819	15		834
- Carry forwards	169	283		452
- Result for the period	298	1 375	(298)	1 375
Equity	176 287	51 673	(298)	227 662

4.c 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	Over 5 years	
USES					
<i>on-demand loans</i>	9 661	-	-	-	9 661
<i>term loans</i>	340 000	2 845 303	11 099 242	12 373 280	26 657 824
SOURCES					
debts represented by certificates	0	2 845 303	11 099 242	12 613 342	26 557 886
Customer transactions					-
subordinated debt	-	-	15 000	100 000	115 000

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
Financial situation at the end of the period					
Share capital	175 000	175 000	175 000	175 000	225 000
Number of existing ordinary shares	17 500 000	17 500 000	17 500 000	17 500 000	22 500 000
Number of convertible bonds	None	None	None	None	None
Overall results of effective operations					
Net banking income	6 909	18 693	3 655	2 307	2 716
Earnings before taxes, depreciation and provisions	5 922	16 966	2 138	493	1 505
Corporate income tax	(2 157)	(5 984)	(776)	(195)	(130)
Earnings after taxes, depreciation and provisions	3764	10 982	1 362	298	1 375
Distributed earnings	3500	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
Earnings after tax, depreciation and provisions	0,22	0,63	0,08	0,02	0,06
Dividend per share	0,2	0,61	0,07	0	0
Personnel					
Number of employees	None	None	None	None	None
Wage bill	None	None	None	None	None
Social security, welfare payments	None	None	None	None	None

BNP PARIBAS HOME LOAN SFH

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

(For the year ended 31 December 2011)

PricewaterhouseCoopers Audit

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

Mazars

Exaltis
61, rue Henri Regnault
92400 Courbevoie

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

(For the year ended 31 December 2011)

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 readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated 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 consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

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 2011, 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 sampling 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 assets and liabilities and of the financial position of the Company at 31 December 2011 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

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

We have no matters to report as to:

- 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 given in accordance with the requirements of article L.225-102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favour. We draw your attention to the reasons presented in the management report explaining why the Company does not provide any information relating to remuneration and benefits granted by the controlling entity to corporate officers of the Company who are not also corporate officers of the controlling entity.

Neuilly-sur-Seine and Courbevoie, 30 March 2012

The Statutory Auditors

PricewaterhouseCoopers Audit

Mazars

Patrice Morot

Guillaume Potel