



BNP PARIBAS
HOME LOAN COVERED BONDS

BNP PARIBAS HOME LOAN COVERED BONDS
FINANCIAL STATEMENTS

At 31 December 2009

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FIVE-YEAR FINANCIAL SUMMARY AT 31/12/2009 (IN EUROS)

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

In Euros at 31 December	Notes	2009	2008
Interest income	2.a	705,757,814	551,818,885
Interest expense	2.a	(701,984,792)	(533,285,101)
Income from variable-income securities			125
Commission income	2.b	1,050,000	1,050,000
Commission expense	2.b	(1,167,506)	(891,209)
Gains or losses on trading securities		(104)	(13)
Gains or losses on investment securities		-	-
Other banking income		-	-
Other banking expenses		-	-
Net banking income		3,655,412	18,692,687
Salary costs		-	-
Other administrative expenses	2.c	(1,517,681)	(1,726,565)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		-	-
Gross operating income		2,137,731	16,966,122
Provisions for credit risks		-	-
Operating income		2,137,731	16,966,122
Gains or losses on disposals of long-term investments			
Net charge to special tax regulated reserves			
Pre-tax income		2,137,731	16,966,122
Exceptional items			
Corporate income tax	2.d	(775,723)	(5,984,439)
Net income		1,362,008	10,981,683

BALANCE SHEET AT 31 DECEMBER 2009

In Euros at 31 December	Notes	2009	2008
ASSETS			
Cash and balances with central banks and post offices			
Treasury bills and money-market instruments		-	-
Loans and advances to credit institutions	3.a	19,058,172,497	15,245,628,244
Loan and advances to customers		-	-
Bonds and other fixed-income instruments		-	-
Equities and other variable-income securities		-	-
Investments in non-consolidated undertakings and equity securities held for long-term investment		4,000	4,125
Other participating interests			
Finance leases and hire purchase contracts			
Intangible assets		-	-
Property, plant and equipment		-	-
Treasury shares			
Other assets	3.b	5,440,004	8,000
Prepaid expenses and accrued income	3.c	41,292,555	25,425,335
TOTAL ASSETS		19,104,909,055	15,271,065,704
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Due to central banks and post offices			
Due to credit institutions	3.a	-	-
Due to customers		-	-
Debt securities	3.d	18,807,891,778	14,976,921,879
Other liabilities	3.b	20,502	3,827,073
Accrued expenses and deferred income	3.c	44,731,628	28,579,743
Provisions for contingencies and charges		-	-
Subordinated debt	3.e	75,051,223	75,210,093
TOTAL LIABILITIES		18,927,695,131	15,084,538,788
EQUITY	4.b		
<i>Share capital</i>		175,000,000	175,000,000
<i>Additional paid-in capital</i>			
<i>Reserves</i>		751,346	202,262
<i>Retained earnings</i>		100,570	342,971
Net income for the year		1,362,008	10,981,683
TOTAL EQUITY		177,213,924	186,526,916
TOTAL LIABILITIES AND EQUITY		19,104,909,055	15,271,065,704

1. SIGNIFICANT ACCOUNTING POLICIES

BNP Paribas Home Loan Covered Bonds prepares its financial statements in accordance with French generally accepted accounting principles for finance companies, using the historical cost convention.

Significant accounting policies are as follows:

Other long-term investments

This item comprises a membership certificate related to the French deposit protection scheme provided for in article L.312-4 of the French Monetary and Financial Code.

The membership certificate is recognised in an amount equal to the contribution to the deposit protection scheme.

Interest is recognised on an accrual basis calculated by reference to the average yield on 10-year government bonds.

Loans and advances to credit institutions and customers

Loans and advances to credit institutions comprise all loans and other receivables arising from interbank transactions with credit institutions, except for those in the form of securities. They also include repurchase and reverse repurchase agreements, regardless of the security underlying the transaction. They are broken down into demand accounts and term accounts.

Loans and advances to credit institutions and customers are recognised on the balance sheet at their face value plus accrued interest.

Debt securities

Debt securities issued are recognised at amortised cost.

The issue premium is deferred over the term of the securities.

Recognition of income and expense

Interest income and commission income treated as interest income is recognised on an accrual basis.

Fees received in consideration for services provided are recognised when earned.

Foreign income and expenses are recognised at their equivalent value on the transaction date.

Transactions in foreign currency

Receivables and payables denominated in foreign currencies are valued at the year-end exchange rate.

Any translation differences on the reporting date are recognised in profit or loss.

Foreign currency income and expenses arising on loans and borrowings are recognised in income and expense accounts opened in the foreign currencies concerned and translated at each month end.

Group tax relief

BNP Paribas Home Loan Covered Bonds has been a member of the French tax consolidation group headed by BNP Paribas since 1 January 2005.

Under the group tax relief agreement, corporate tax expense is calculated by the subsidiary as if group tax relief did not apply.

The amount calculated, less any tax credits, is due to the parent company, BNP Paribas SA.

Consolidation

The financial statements of BNP Paribas Home Loan Covered Bonds are fully consolidated in the financial statements of BNP Paribas S.A.

General information

As collateral for its covered bond issues, BNP Paribas S.A. has provided BNP Paribas Home Loan Covered Bonds with a pool of mortgage loans totalling €27,369,359,061 (twenty-seven billion three hundred and sixty nine million, three hundred and fifty-nine thousand and sixty-one euros) at 31 December 2009.

The pool has been used for outstanding issues in an amount of €24,072,000,000 (twenty-four billion, seventy-two million euros).

2. NOTES TO THE INCOME STATEMENT FOR THE YEAR ENDED 2009

2.A NET INTEREST INCOME

Interest received and paid on financial instruments measured at amortised cost is recognised under interest income and interest expense.

In thousands of Euros	2009		2008	
	Income	Expense	Income	Expense
Credit institutions	705,690	(146)	542,514	(3,773)
Demand accounts, loans and borrowings	705,690	(146)	542,514	(3,773)
Debt securities	68	(701,838)	9,305	(529,511)
Total	705,758	(701,985)	551,819	(533,284)

This item includes amortisation of deferred issue premiums, amounting €13,536 thousand in 2009 and €9,238 thousand in 2008.

In 2008, interest income on debt securities comprised a capital gain on the partial redemption of a private issue.

2.B COMMISSION INCOME AND EXPENSE

In thousands of Euros	2009		2008	
	Income	Expense	Income	Expense
Banking and financial transactions	1,050	(1,168)	1,050	(891)
Securities transactions	1,050	(1,168)	1,050	(891)
Total	1,050	(1,168)	1,050	(891)

2.C OPERATING EXPENSE

In thousands of Euros	2009	2008
Other administrative expenses	(1,518)	(1,725)
<i>Intermediaries' remuneration</i>	(282)	(530)
<i>Taxes and duties other than on income</i>	(1,236)	(1,195)
Total	(1,518)	(1,725)

2.D CORPORATE INCOME TAX

In thousands of Euros	2009	2008
Current income tax	(775,523)	(5,984,439)
Total	(775,523)	(5,984,439)

3. Notes to the balance sheet at 31 December 2009

3.A CREDIT INSTITUTIONS

In thousands of Euros	2009	2008
Loans and advances	19,058,172	15,245,628
Demand accounts	130	18,120
Term accounts and loans	19,058,043	15,227,508
Total loans and advances to credit institutions	19,058,172	15,245,628
<i>Including accrued interest</i>	<i>367,868</i>	<i>290,963</i>

3.B OTHER ASSETS AND LIABILITIES

In thousands of Euros	2009	2008
Sundry receivables	5,440	8
Other assets	5,440	8
Sundry payables	21	3,827
Other liabilities	21	3,827

BNP Paribas Home Loan Covered Bonds had no trade payables at 31 December 2009.

3.C ACCRUALS AND PREPAYMENTS

In thousands of Euros	2009	2008
Accruals and prepayments	41,293	25,425
<i>Prepaid expenses</i>	<i>41,293</i>	<i>25,425</i>
Total prepaid expenses and accrued income	41,293	25,425
Accrued expenses	1,174	1,405
Other accruals and prepayments	43,557	27,175
<i>Deferred income</i>	<i>43,557</i>	<i>27,175</i>
Total accrued expenses and deferred income	44,732	28,580

3.D DEBT SECURITIES

In thousands of Euros	2009	2008
Bonds	18,440,194	14,686,869
<i>Accrued interest</i>	<i>367,698</i>	<i>290,053</i>
Total	18,807,892	14,976,922

3.E SUBORDINATED DEBT

In thousands of Euros	2009	2008
Redeemable subordinated debt	75,000	75,000
Accrued interest	51	210
Total	75,051	75,210

4. Additional information

4.A CHANGE IN SHARE CAPITAL (IN EUROS)

	Number of shares			Closing balance	Par value
	Opening balance	Issued during the year	Redeemed during the year		
Ordinary shares	17,500,000			17,500,000	10 Euros
Redeemed shares					
Non-voting preferred shares					
Preference shares					
Unlisted shares					
Investment certificates					

4.B CHANGE IN EQUITY

In thousands of Euros	31/12/2008	Increases	Decreases	31/12/2009
Share capital	175,000			175,000
Issue premiums				
- Statutory reserve	202	549		751
Retained earnings	343		(242)	101
Net income for the year	10,982	1,362	(10,982)	1,362
Equity	186,527	1,911	(11,224)	177,214

4.C MATURITY OF ASSETS AND LIABILITIES

In thousands of Euros	Maturity				Total
	Under 3 months	3 months - 1 year	1-5 years	Over 5 years	
ASSETS					
<i>Demand accounts</i>	111	-	-	-	111
<i>Term accounts</i>	2,250,000	0	14,348,194	2,092,000	18,690,194
LIABILITIES					
Debt securities	2,000,000	0	14,348,194	2,092,000	18,440,194
Due to customers					-
Subordinated debt	-	-	-	75,000	75,000

Five-year financial summary

Item	31/12/2005	31/12/2006	31/12/2007	31/12/2008	31/12/2009
Position at year-end					
Share capital	40	35,000	175,000	175,000	175,000
Number of ordinary shares in issue	4,000	3,500,000	17,500,000	17,500,000	17,500,000
Number of convertible bonds	None	None	None	None	None
Operations and results for the year					
Net banking income	0	1,312	6,909	18,693	3,655
Income before tax, depreciation, amortisation and provisions	(4)	430	5,922	16,966	2,138
Income taxes	None	(141)	(2,157)	(5,984)	(776)
Net income	(4)	289	3,764	10,982	1,362
Total dividends	None	None	3,500	10,675	1,225
Earnings per share (in euros)					
Earnings after tax but before depreciation, amortisation and provisions	- 9.92	0.08	0.22	0.63	0.08
Earnings per share	- 9.92	0.08	0.22	0.63	0.08
Dividend per share	None	None	0.2	0.61	0.07
Employee data					
Average number of employees during the year	None	None	None	None	None
Total payroll	None	None	None	None	None
Total benefits (social security, company benefit schemes)	None	None	None	None	None

BNP PARIBAS HOME LOAN COVERED BONDS

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

(Year ended 31 December 2009)

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**

(Year ended 31 December 2009)

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the financial statements. This information 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 should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

BNP PARIBAS HOME LOAN COVERED BONDS

1, boulevard Haussman
75009 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2009, on:

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

These financial statements have been approved by the Management Board. 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 consists of examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our 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 2009, and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

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 in the context 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 the specific verifications required by law, in accordance with professional standards applicable in France.

We have no matters to report regarding:

- the fair presentation and the conformity with the financial statements of the information given in the management report of the Management Board, 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 and Courbevoie, 16 April 2010

The Statutory Auditors

PricewaterhouseCoopers Audit

Mazars

Patrice Morot

Guillaume Potel