



BNP Paribas Home Loan Covered Bonds

Investor Presentation |

September 2009



Executive Summary

- **BNP Paribas (the “Borrower”)**
 - A leading European banking group
 - A solid and profitable financial structure with well-diversified business model
 - A conservative financial profile supported by strong senior unsecured debt ratings of AA (negative) / Aa1 (negative) / AA (negative) by S&P, Moody’s and Fitch respectively
- **BNP Paribas Home Loan Covered Bonds (the “Issuer”)**
 - BNP Paribas Home Loan Covered Bonds is a French credit institution licensed and regulated by the Banque de France
 - Full recourse obligation of the Issuer against BNP Paribas
 - AAA / Aaa / AAA rated issuance with hard bullet maturities
 - Standard covered bond features: Asset Cover Test with 80% LTV cap and 92.5% maximum asset percentage
 - BNP Paribas commitment to creating a liquid benchmark reference curve
 - Market-making arrangements with large syndicate “dealer” group
- **Provisional Cover Pool**
 - BNP Paribas’ French residential home loan portfolio, subject to Eligibility Criteria
 - Prime residential mortgages and guaranteed home loans
 - Current weighted average indexed LTV of 63.11%, weighted average seasoning of 45 months
 - High quality and low risk Cover Pool (no arrears)
 - Only French prime home loans which are of very low risk by international standards



Legal and Regulatory Consideration

- Covered Bond programme based on the French legal framework
 - Fully supported by the Code Monétaire et Financier (Article L431-7 and followings)
 - Utilises the European Collateral Directive transposed into French law
- Issuer is a credit institution regulated by the Banque de France
- BNP Paribas Home Loan Covered Bonds is fully bankruptcy remote
 - No extension risk to BNP Paribas Home Loan Covered Bonds of any procedure of bankruptcy filed against BNP Paribas
 - No risk of a bankruptcy procedure against BNP Paribas Home Loan Covered Bonds
 - Banque de France approval of bankruptcy remoteness
- Dual recourse for the investor
 - In case of default of BNP Paribas, bondholders have a recourse on the cover pool of French residential home loans
 - In the event of the cover pool not being sufficient, investors will continue to have a recourse against BNP Paribas



BNP Paribas Home Loan Covered Bonds Programme

Conclusion

Appendices



BNP Paribas Home Loan Covered Bonds Key Terms

Programme Terms

Issuer

BNP Paribas Home Loan Covered Bonds SA

Programme Size

EUR 25 bn

Ratings

AAA (S&P) / Aaa (Moody's) / AAA (Fitch)

Maturity Type

Hard bullet

Currency

Any

Listing

Luxembourg

Governing Law

French

Maximum LTV

100% (with indexed LTV cap at 80% for Asset Coverage Test)



BNP Paribas Home Loan Covered Bonds Cover Pool¹

Pool Notional	EUR 24.3 bn
Loan Type	45% prime French residential mortgages and 55% guaranteed home loans
Number of Loans	243,081
WA Current LTV	68.82%
WA Indexed LTV	63.11%
Seasoning	44 months
Rate Type	80% fixed, 20% capped variable
Max Loan Amount	EUR 1 mn
Geographic Distribution	Île-de-France 34%, Provence Alpes Côte d'Azur 10%, Rhône-Alpes 7%, Aquitaine 6%, Languedoc Roussillon 5%, Nord-Pas-de-Calais 4%, Midi-Pyrénées 4%, Pays de la Loire 4%, Bretagne 3%, Poitou-Charentes 3%, Lorraine 3%, Centre 3%, Haute-Normandie 2%, Picardie 2%, Alsace 2%, Bourgogne 2%, Other 6%

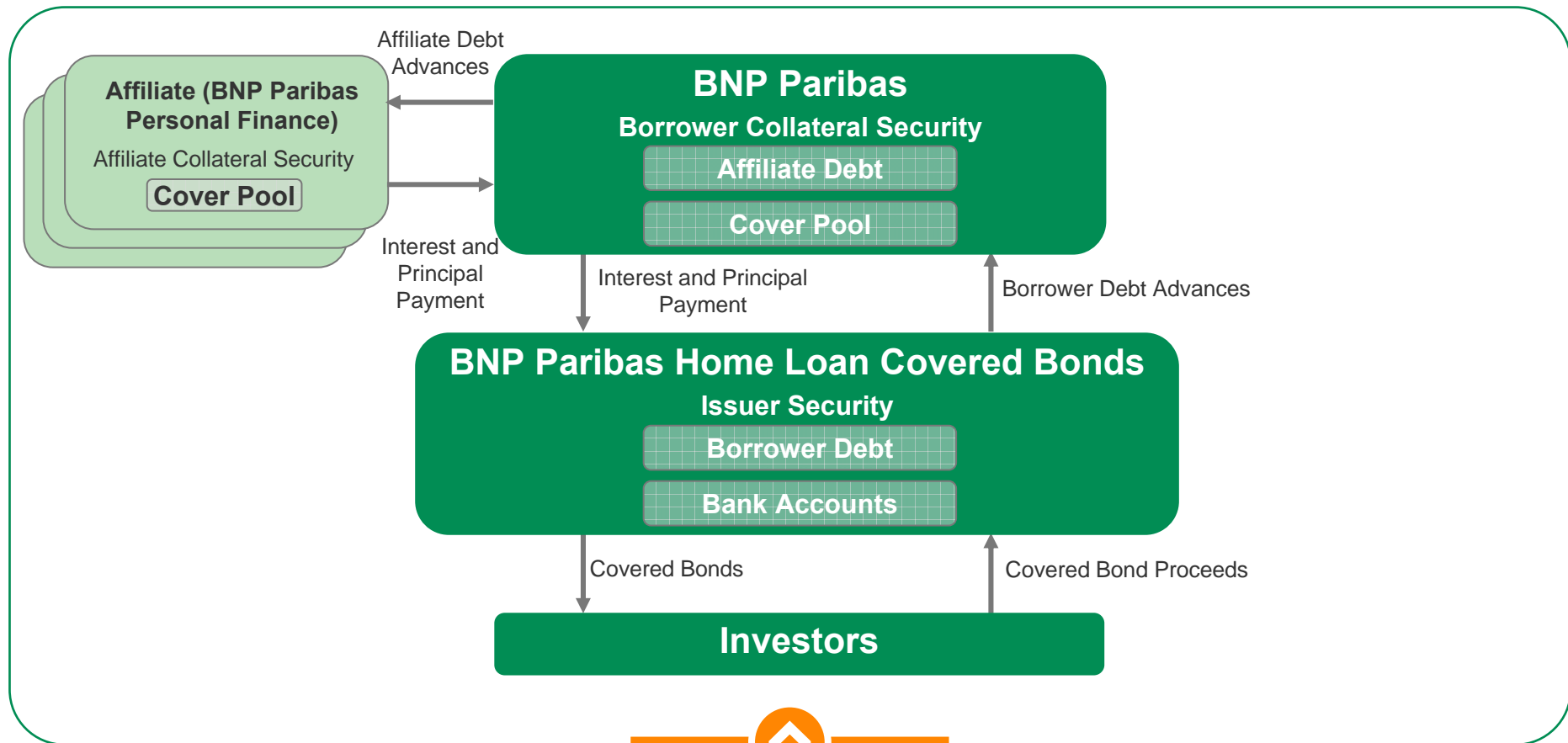
¹ Investor report August 2009



BNP Paribas Home Loan Covered Bonds Structure Overview

Standard Features

- Full recourse of the Issuer against BNP Paribas
- Covered Bonds backed by direct security over the Cover Pool
- Asset monitoring including Asset Coverage Test and Amortisation Test





BNP Paribas Home Loan Covered Bonds Programme

Comparison of French Covered Bonds

	Obligations foncières	CRH Covered Bonds	Regulated Covered Bonds
Issuers	BNP Paribas Public Sector SCF CFF CIF Euromortgage Dexma GE SCF SG SCF	CRH	Banques Populaires CB BNP Paribas Home Loan CB CM-CIC CB Crédit Agricole CB GCE Covered Bonds
Regulator	Banking Commission of Banque de France	Banking Commission of Banque de France	Banking Commission of Banque de France
Legal Framework	Article L.515-13 and seq. regarding Sociétés de Crédit Foncier	Article L.313-42 and seq. regarding Billets à Ordre	Article L.431-7 and seq. regarding the European Collateral Directive
Bankruptcy Remoteness	Yes, specific provision of SCF law	Yes, company is legally independent from shareholding banks	Yes, companies are legally independent from shareholding banks
Ratings	AAA S&P Aaa Moody's AAA Fitch	Aaa Moody's AAA Fitch	AAA S&P Aaa Moody's AAA Fitch



BNP Paribas Home Loan Covered Bonds Programme

Comparison of French Covered Bonds

	Obligations Foncières	CRH Covered Bonds	Regulated Covered Bonds
Investor Recourse	Only to Cover Pool assets and SCF as issuer of Obligations Foncières	Only to Cover Pool assets	To full balance sheet of Originator Bank and to Cover Pool assets
Permitted Assets in Cover Pool	Mortgages Guaranteed Home Loans (35% limit) Public Sector Debt Supranational Debt Multinational Debt ABS (of above assets)	Mortgages Guaranteed Home Loans (35% limit)	Mortgages Guaranteed Home Loans
Geography of Assets	Primarily Limited to European Economic Area	European Economic Area but “de facto” only France	Home market of the Originator Bank but “de facto” only France
Mandatory Overcollateralisation	None by law	25%	8.1%

BNP Paribas Home Loan Covered Bonds Programme

Conclusion

Appendices



Highly liquid and strongly rated instrument

Rated AAA / Aaa / AAA by S&P, Moody's and Fitch respectively
Exposure to the high quality French home loan market

Full recourse of the Issuer against BNP Paribas

Rated AA (negative) / Aa1 (negative) / AA (negative) by S&P, Moody's and Fitch respectively
A solid financial structure with a well-diversified business model

Stable and high quality cover pool

Tight customer scoring and monitoring systems

Structural enhancements of the Covered Bonds programme

Asset Cover Test ensures overcollateralisation level and mitigates negative carry risk
Hedging strategy and liquidity providers mitigate market and liquidity risks



BNP Paribas Home Loan Covered Bonds Programme

Conclusion

Appendices



Appendices

Covered Bonds in BNP Paribas' Funding Strategy



BNP Paribas Funding Strategy

A conservative and diversified funding strategy

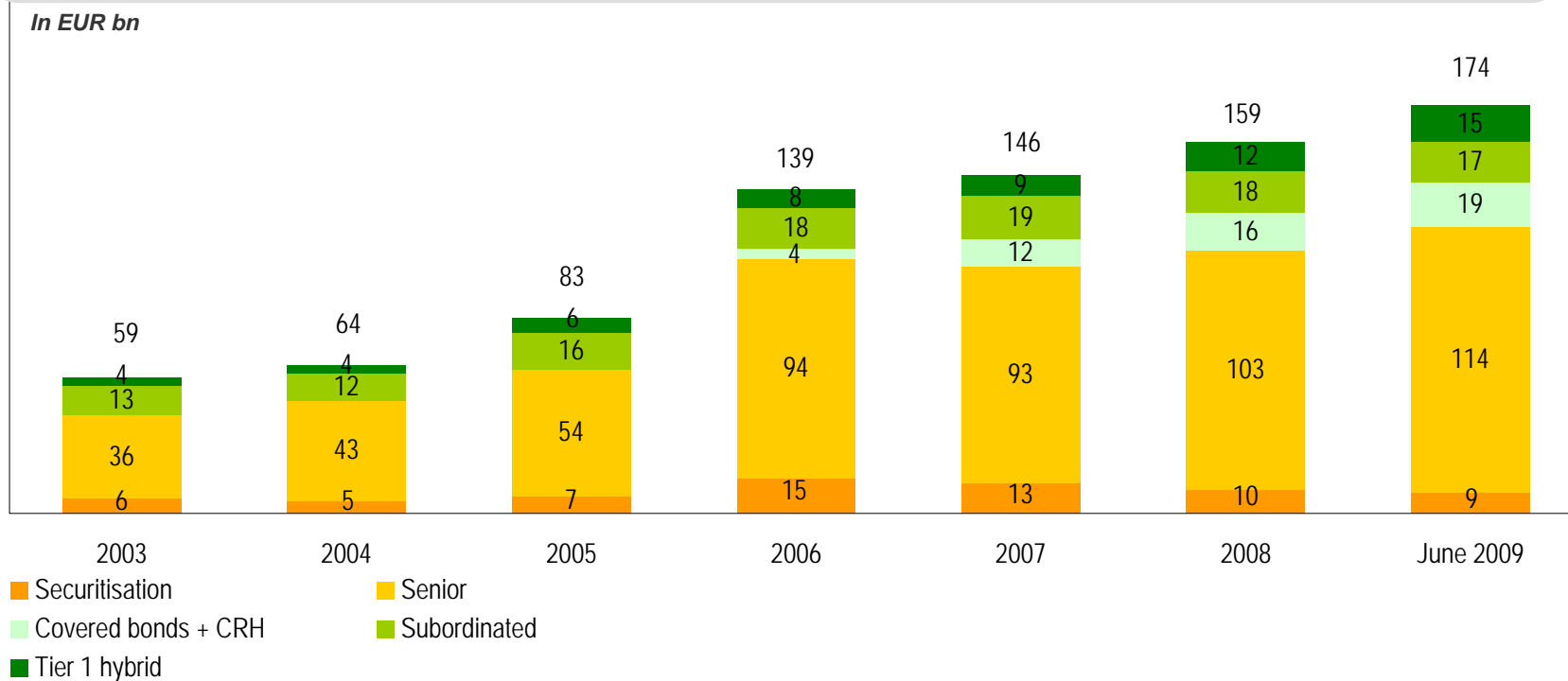
- BNP Paribas' funding strategy over the years has been driven by a variety of objectives
 - Diversifying funding sources
 - Expanding investor base
 - Developing new products to suit investor demand
 - Moving to new currency markets when available
- The Group has successfully diversified its funding profile, ensuring access to liquidity at an optimal cost of funding
- BNP Paribas has access to a variety of medium and long term funding sources
 - Diversified senior unsecured vanilla or structured debt products through private placements
 - Senior unsecured “benchmark” public placements (distributed to institutional clients and through retail networks)
 - Senior secured debt (covered bonds and cash securitisation) through “benchmark” public placements or vanilla private placements
 - Access to a variety of currency markets (including AUD, BRL, CAD, CHF, EUR, GBP, HKD, JPY, MXN, SGD, USD and other local currencies)
 - SFEF, a dedicated refinancing entity launched jointly by the French State and the French banking system to issue debt with the guarantee of the French Republic
 - Caisse de Refinancement de l'Habitat, a dedicated refinancing entity launched by the French banking system to provide refinancing of French home loans
 - EIB financing for targeted public/private sector lending



BNP Paribas Funding Strategy

Funding programme has evolved with the bank's growth

Medium and Long Term outstanding debt



Source: BNP Paribas ALM (30 June 2009); excluding debt with maturity less than one year



Covered Bonds in BNP Paribas' Funding Strategy Objectives

Diversify BNP Paribas Group investor base

Add flexibility to funding management

Create a benchmark curve allowing for attractive funding cost



Appendices

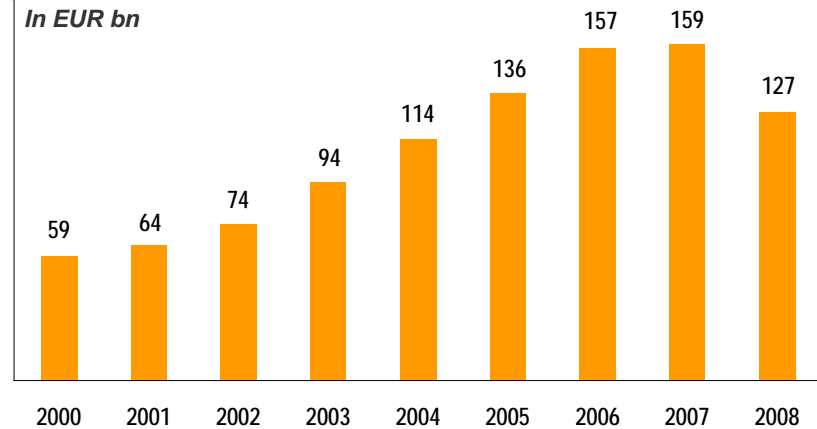
BNP Paribas' French Home Loan Business



BNP Paribas' French Home Loan Business Overview of the French Home Loan Market

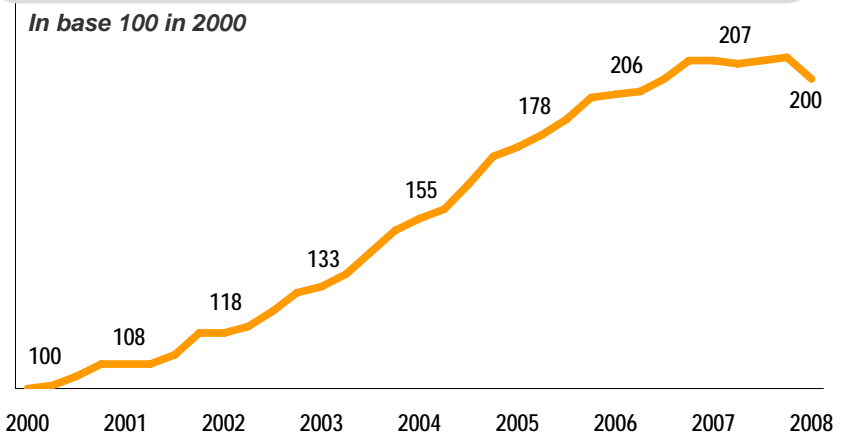
- Production of French home loans has been steadily growing over the past several years and stabilised last year
 - France remains one of the countries with the lowest home ownership in the European Union with only 57% of households owning their primary residence, allowing for sustainable growth in the home loan market
 - New tax advantages and government initiatives of the Sarkozy administration are promoting further home purchases in France
- Prices are stabilising in 2008 after a continuous rise since 2000 mainly due to the structural imbalance in supply and demand in residential real estate
- Production has soared since 2002 much faster than market prices because of continual growth in the number of transactions financed by home loans

Production of French Loans



Source: Banque de France

French Home Price Index



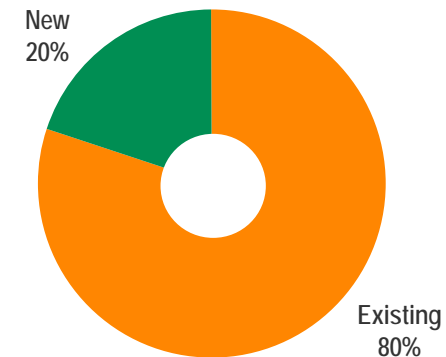
Source: INSEE



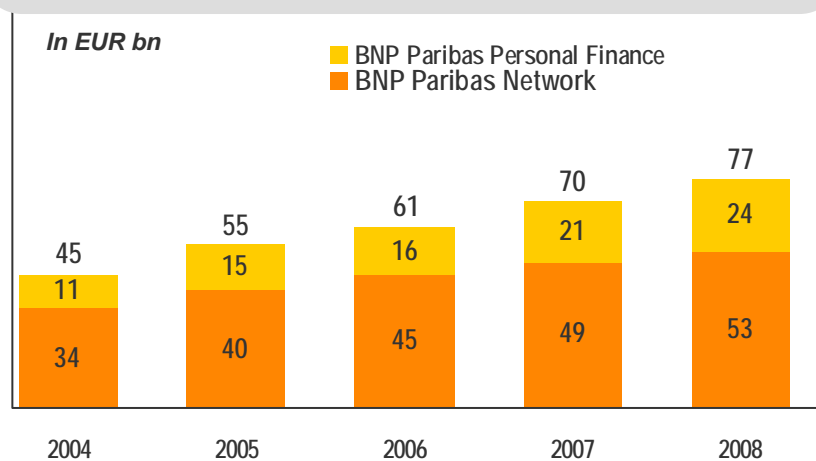
BNP Paribas' French Home Loan Business Strategy and Results

- Focus on organic growth
 - Create long-term relationship with customers
 - Ability to leverage the large base of existing bank customers
 - Build on existing relationships to improve profitability
- Stable and growing portfolio
 - High level of customer retention
 - "Know your customer" discipline leading to strong portfolio performance with a close customer monitoring at branch level

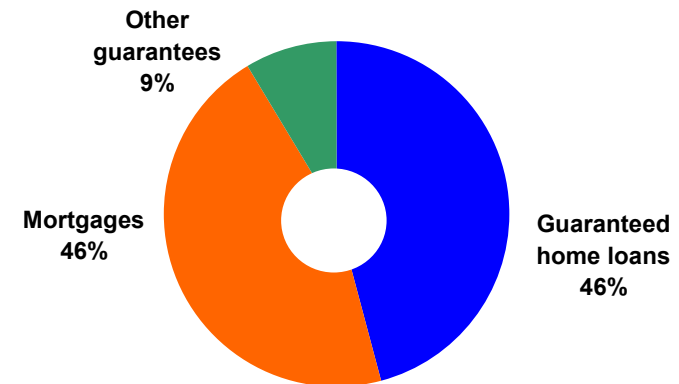
Customer Relationship Background



BNP Paribas French Home Loan Growth



Breakdown of Home Loan Business in 2008



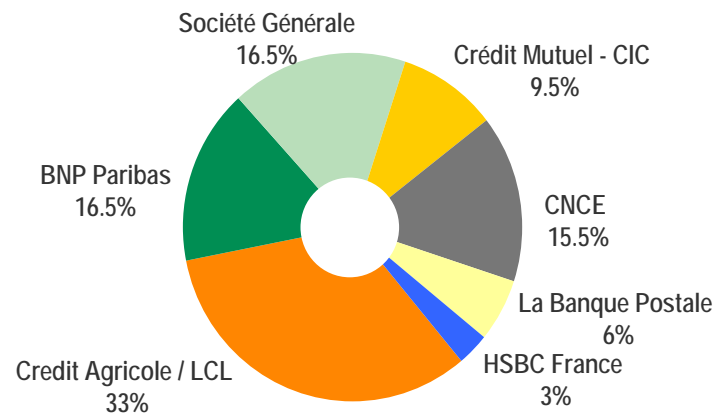


BNP Paribas' French Home Loan Business

Crédit Logement Home Loan Guarantee

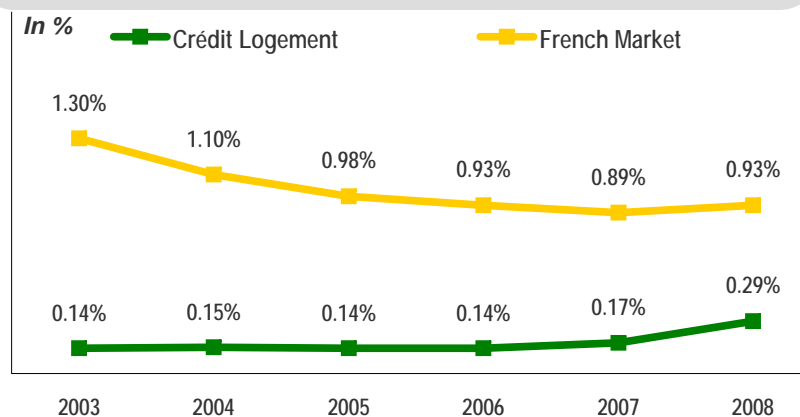
- Over 58% of the BNP Paribas Cover Pool are home loans guaranteed by Crédit Logement
 - Guarantees account for 56% of the French home loans market¹
 - Crédit Logement is the leader for residential loan guarantees (market share of more than 50%¹)
- Crédit Logement is owned by all the major French banks
 - Shareholders reconfirm every 6 months the Fonds Mutuel de Garantie (FMG) in proportion of their outstanding loans guaranteed
 - Explicit written commitment of the shareholders to rebuild the FMG
 - Strong credit ratings (Aa2 by Moody's and AA by S&P)
 - Ultimate support by French banking system
- Crédit Logement provides a full recovery service to lenders
 - Indemnification within 1 month after 3 consecutive non payments on a guaranteed loan
 - Recovery process fully managed by Crédit Logement

Crédit Logement Shareholders



Source: Crédit Logement

Doubtful Home Loans



Source: Crédit Logement and Banque de France

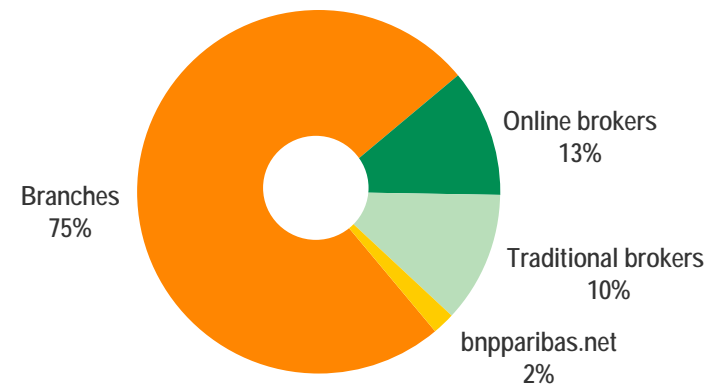
¹Annual report 2008, Crédit Logement



BNP Paribas' French Home Loan Business Distribution Network

- A well-distributed branch network
 - Network of over 2,200 branches in France with 31,000 agents
 - 75% of the home loans in stock were originated through the branch network and 25% were originated through intermediary sources
- Strong control of the origination process
 - Branch or intermediary originated home loans are subject to approval after a physical meeting with a BNP Paribas agent
 - 80% of new home loans in 2008 were to existing BNP Paribas customers
 - Aggregate commitment as a portion of income should not exceed 33%
 - Dedicated credit committee to test and revise scoring process quarterly

Home Loan Distribution Channels





Appendices

BNP Paribas Home Loan Covered Bonds Structure Details



BNP Paribas Home Loan Covered Bonds Structure Details

Asset Cover Test

- The Asset Cover Test (ACT) is designed to ensure that the collateral constituted by home loans, cash and other collateral is able to meet the future cash flows (interest and principal) on the covered bonds (tested monthly by the calculation agent)

$$\text{Asset Cover Ratio} = \frac{\text{Adjusted Aggregate Asset Amount}}{\text{Aggregate Covered Bond Outstanding Principal Amount}} \geq 1$$

- Whereby

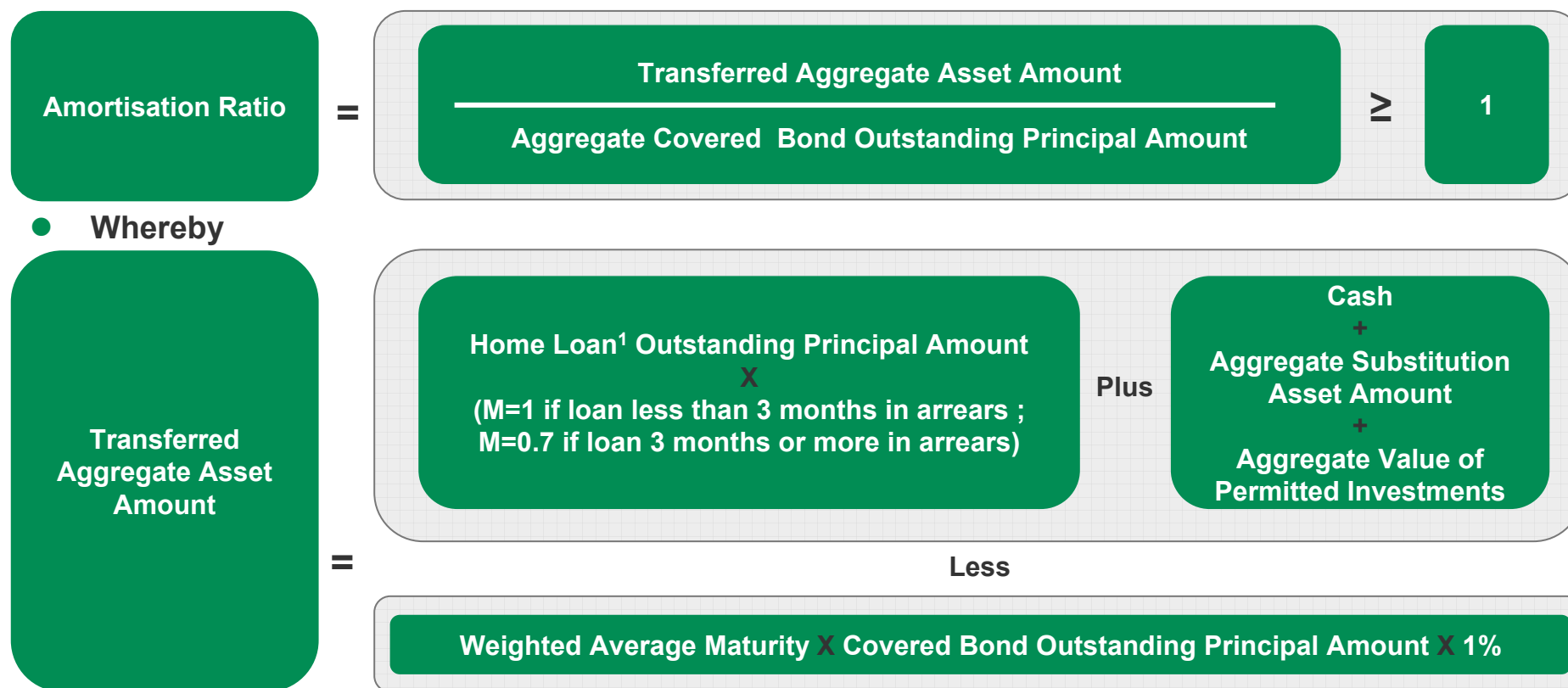
$$\text{Adjusted Aggregate Asset Amount} = \left(\begin{array}{l} \text{Lower of:} \\ \text{Adjusted Home Loan Outstanding Principal Amount} \\ \text{or} \\ \text{Unadjusted Home Loan Outstanding Principal Amount} \times \text{Asset Percentage} \end{array} \right) \text{ Plus } \left(\begin{array}{l} \text{Cash} \\ \text{+} \\ \text{Aggregate Substitution Assets Amount} \\ \text{+} \\ \text{Aggregate Value of Permitted Investments} \end{array} \right) \text{ Less } \left(\begin{array}{l} \text{Applicable Deemed Reductions} \end{array} \right) \text{ Less } \left(\begin{array}{l} \text{Potential financing costs of the swap liquidity} \\ \text{+} \\ \text{Weighted Average Maturity} \times \text{Covered Bond Outstanding Principal Amount} \times 1\% \end{array} \right)$$



BNP Paribas Home Loan Covered Bonds Structure Details

Amortisation Test

- Amortisation Test is designed to ensure that the Issuer has the capacity to meet its obligation following the enforcement of a Borrower Event of Default: compliance with the Amortisation Test requires compliance with the amortisation ratio (RA)



¹All Home Loans title to which has been transferred to the Issuer upon enforcement of the Borrower Collateral Security and the Affiliate Collateral Security following the enforcement of a Borrower Event of Default



BNP Paribas Home Loan Covered Bonds Structure Details

Hedging Strategy

- Before a default event, the Issuer is not exposed to any risk of an interest or currency rate mismatch arising between the payments received on the Borrower Advances and the payments to be made under the Covered Bonds
- Upon the occurrence of a Hedging Rating Trigger Event, the Issuer will enter into Hedging Agreements
 - Swap agreements concluded by the Issuer with Eligible Hedging Providers (Issuer Hedging Agreements) to hedge any currency and interest rate mismatch between the Covered Bonds and the Cover Pool
 - "Hedging Rating Trigger Event" means the event in which the senior unsecured, unsubordinated and unguaranteed debt obligations of BNP Paribas become rated below A-1+ by S&P, A1 by Moody's or F-1+ by Fitch
- Upon the occurrence of a Borrower Event of Default, and the subsequent transfer in favour of the Issuer of title to the Home Loans, the Issuer will
 - Maintain its rights and obligations under the existing Issuer Hedging Agreements
 - Terminate immediately the Borrower Hedging Agreements



BNP Paribas Home Loan Covered Bonds Structure Details

Structural Highlights

- The Pre-Maturity Test is designed to ensure that the Borrower can provide sufficient liquidity in case of a downgrade
 - If 9 months before the maturity of any Covered Bonds series the Borrower short-term ratings are under A1+ by S&P, P-1 by Moody's or F1+ by Fitch, the Borrower must fund a cash collateral account up to a sufficient amount to insure the redemption of the Covered Bonds
 - A non-compliance with the Pre-Maturity Test will prevent the Issuer from issuing any further series of Covered Bonds as long as it remains unremedied
- Liquidity Support
 - Monthly payment under the Covered Bond Swap
 - Funds held by the highly rated Covered Bond Swap provider until the annual payment of interest
- Account Agreement
 - BNP Paribas provides bank accounts to the Issuer
- Asset Servicing
 - BNP Paribas will perform the Asset Servicing and will provide BNP Paribas Home Loan Covered Bonds with Asset Reporting
 - BNP Paribas Home Loan Covered Bonds will use reasonable efforts to enter into a master servicing agreement with an Eligible Servicer if downgraded below BBB by S&P, Baa2 by Moody's or BBB by Fitch



BNP Paribas Home Loan Covered Bonds Structure Details

Cash Flow Priorities

Pre- Enforcement Priority Payment Order

- Senior Administrative and Tax costs
- Covered Bonds hedging costs
- Interest on the Covered Bonds
- Principal on the Covered Bonds
- Hedging Termination Costs
- Dividend to the Issuer's shareholders and any payment under the subordinated loan



BNP Paribas Home Loan Covered Bonds Structure Details

Key Events

Borrower Event of Default

- **The occurrence of any of the following events will constitute a Borrower Event of Default**
 - Default in the payment of principal or interest on any Borrower Facility not remedied within 3 business days after the due date
 - Breach of Pre-Maturity Test
 - Breach of Asset Cover Test
 - Breach of Amortisation Test
 - Failure to comply with any of the Borrower's material obligations
 - Occurrence of an Insolvency Event
 - Failure to enter into any Hedging Agreement within 30 days following a Hedging Rating Trigger Event
- **A Borrower Event of Default will result in a Borrower Enforcement Notice**
 - Borrower advances due and payable
 - Enforcement of the Borrower Facility with a transfer of the assets to the Issuer

Controlled Post-Enforcement Priority Payment Order

- Senior Administrative and Tax costs
- Covered Bonds hedging costs
- Interest on the Covered Bonds
- Principal on the Covered Bonds
- Hedging Termination Costs
- Subject to full repayment of any outstanding Covered Bonds, distribution of remaining enforcement proceeds to the Borrower



BNP Paribas Home Loan Covered Bonds Structure Details

Key Events

Affiliate Event of Default

- **The occurrence of any of the following events will constitute an Affiliate Event of Default**
 - Default in the payment of principal or interest on any Affiliate Facility not remedied within 3 business days after the due date
 - Failure to comply with any of the Affiliate's material obligations
 - Occurrence of an Insolvency Event
- **An Affiliate Event of Default will result in an Affiliate Enforcement Notice**
 - Affiliate advances due and payable
 - Enforcement of the Affiliate Facility with a transfer of the Affiliate assets to the Borrower (optional)



BNP Paribas Home Loan Covered Bonds Structure Details

Key Events

Issuer Event of Default

- The occurrence of any of the following events will constitute an Issuer Event of Default
 - Default in the payment of principal or interest on any Covered Bond not remedied within 3 business days after the due date
 - Order made for the liquidation or winding up of the Issuer
 - The Issuer ceases to carry on all or a material part of its business
 - Breach of Amortisation Test
 - Failure to enter into any Hedging Agreement within 30 days following a Hedging Rating Trigger Event
- An Issuer Event of Default will result in an Issuer Enforcement Notice and an Accelerated Post-Enforcement Priority Payment Order

Accelerated Post-Enforcement Priority Payment Order

- Senior Administrative and Tax costs
- Covered bonds hedging costs
- Interest on the covered bonds
- Principal on the covered bonds
- Hedging termination costs
- Subject to full repayment of any outstanding Covered Bonds, distribution of remaining enforcement proceeds to the Borrower



BNP Paribas Home Loan Covered Bonds Structure Details

Key Events

**No further
Issuance**

- **The Issuer undertakes not to issue new further Covered Bonds under the Programme**
 - As from the date a Borrower Enforcement Notice has been served
 - As from the date an Issuer Enforcement Notice has been served
 - For so long as Non Compliance with Asset Cover Test has occurred and is not remedied
 - For so long as, regarding the Pre-Maturity Test, a Non Compliance Notice has been delivered and is not withdrawn



Disclaimer

*This document has been prepared by BNP Paribas Home Loan Covered Bonds and BNP Paribas solely for use in investor meetings. **This document is confidential and is not to be reproduced by any person, nor be distributed to any person other than its original recipient.** BNP Paribas Home Loan Covered Bonds and BNP Paribas take no responsibility for the use of these materials by any person.*

This document does not constitute a prospectus for any securities offering (an “Offering”). You should refer to the BNP Paribas Home Loan Covered Bonds € 25,000,000,000 Covered Bond Programme prospectus for more complete information about any Offering, and it is your responsibility to read the BNP Paribas Covered Bonds € 25,000,000,000 Covered Bond Programme final prospectus (the “Final Prospectus”) for any Offering before making an investment decision.

This document does not constitute or form part of any offer to sell or issue or invitation to purchase or subscribe for, or any solicitation of any offer to purchase or subscribe for, any securities of BNP Paribas Home Loan Covered Bonds, nor shall it or any part of it, nor shall the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. Any decision to buy or purchase bonds in an offering should be solely on the basis of the information contained in the Final Prospectus. In particular, investors should pay special attention to any sections of the Final Prospectus describing any risk factors.

This document is not an offer to sell or the solicitation of an offer to purchase securities in the United States. Securities may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. BNP Paribas does not intend to register any portion of any Offering in the United States or to conduct a public Offering of securities in the United States.

Some information contained herein and other information or material may include forward-looking statements based on current beliefs and expectations about future events. These forward-looking statements are not guarantees of future performance and are subject to inherent risks, uncertainties and assumptions about BNP Paribas Home Loan Covered Bonds and its investments, developments in BNP Paribas’ business, banking industry trends, future capital expenditures, changes in economic conditions globally or in BNP Paribas’ principal markets, the competitive environment and regulatory factors. Those events are uncertain, and their outcome may differ from current expectations, which may in turn significantly affect expected results. Actual results may differ materially from those projected or implied in these forward-looking statements. Any forward-looking statement contained in this document speaks as of the date of this document. BNP Paribas does not undertake, nor does it have any obligation, to publicly revise or update any forward-looking statements in light of new information or future events.

The information contained in this document as it relates to parties other than BNP Paribas Home Loan Covered Bonds or BNP Paribas has not been independently verified and no representation or warranty expressed or implied is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of, the information or opinions contained herein. None of BNP Paribas Home Loan Covered Bonds, BNP Paribas or their advisors or their representatives shall have any liability whatsoever in negligence or otherwise for any loss however arising from any use of this document or its contents or otherwise arising in connection with this document or any other information or material discussed.

No representation or warranty, express or implied, is made by BNP Paribas Home Loan Covered Bonds or BNP Paribas or their respective affiliates, or their or any such affiliate’s respective directors, officers, employees, partners, agents and advisers as to the accuracy or completeness of the information contained herein, and nothing contained herein is, or shall be relied upon as, a promise or representation by such persons. Any offer or invitation or decision to invest in relation to any securities is made solely by means of a Final Prospectus and any purchase of securities should be made solely on the basis of the information contained therein.