
FINANCIAL STATEMENTS OF
BNP PARIBAS HOME LOAN SFH

Dated 30 June 2015

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CORPORATE FINANCIAL STATEMENTS

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TABLE OF EARNINGS FOR THE LAST FIVE FINANCIAL YEARS AS AT 30 JUNE 2015 IN EUROS

INCOME STATEMENT AT 30 06 2015

In euros	Notes	30/06/2015	30/06/2014
Interest and similar income	2.a	936 304 786	1 393 219 797
Interest and similar expenses	2.a	(936 145 098)	(1 392 813 864)
Revenues from variable-income securities			-
Commissions (income)	2.b	625 000	625 000
Commissions (expenses)	2.b	(307 304)	(176 490)
Gains or losses on transactions on trading portfolios		(19)	(109)
Gains or losses on transactions on investment portfolios and similar		-	-
Other income from banking operations		-	-
Other expenses on banking operations		-	-
NET BANKING INCOME		477 366	854 333
Labour costs		-	-
Other administrative expenses	2.c	(383 155)	(416 121)
Amortisation and impairment charge on tangible and intangible fixed assets		-	-
GROSS OPERATING PROFIT		94 211	438 213
Cost of risk		-	-
OPERATING PROFIT		94 211	438 213
Gains or losses on capitalised assets			
Net transfers to regulated provisions			
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		94 211	438 213
Net exceptional income/expense			
Corporate income tax	2.d	(25 024)	(153 391)
NET PROFIT		69 187	284 822

BALANCE SHEET AT 30 JUNE 2015

In euros at 30 June	Notes	30/06/2015	31/12/2014
ASSETS			
Cash, Central Banks, PO accounts			
Treasury bills and similar securities			
Loans and advances to banks	3.a	23 805 240 439	25 390 182 645
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	134 770	281 904
Adjustment accounts	3.c	286 593 755	576 445 881
TOTAL ASSETS		24 091 972 964	25 966 914 430
LIABILITIES			
DEBTS			
Central Banks, PO accounts		29	28
Amounts due to banks	3.a	1 560 003 875	1 620 026 730
Transactions with clients		-	-
Debt securities	3.d	22 126 636 109	23 653 645 984
Other liabilities	3.b	9 638	34 035
Adjustment accounts	3.c	79 023 476	366 400 631
Provisions for contingencies and charges		-	-
Subordinated debt	3.e	40 037 678	40 044 049
TOTAL DEBTS		23 805 710 804	25 680 151 457
SHAREHOLDERS' EQUITY			
	4.b		
Share capital subscribed		285 000 000	285 000 000
Premium on shares			
Reserves		1 014 899	989 360
Retained earnings		178 074	262 827
Profit for the period		69 187	510 786
TOTAL SHAREHOLDERS' EQUITY		286 262 160	286 762 973
TOTAL LIABILITIES		24 091 972 964	25 966 914 430
OFF-BALANCE-SHEET ITEMS			
COMMITMENTS GIVEN			
Finance commitments	3.f		
Guarantee commitments			
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.

The income statement dated 30 June 2015 and the related notes to the Financial Statements provide comparative information for 30 June 2014.

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 and exchange risk hedging contracts with BNP Paribas SA within the framework of the "Hedging Strategy". Following the updating of the program's legal documentation in June 2015, BNP Paribas Home Loan SFH is no longer contractually committed to installing the said swaps, and it has maintained only the swaps aimed at hedging the issues in foreign currencies.

Within that framework, the derivative financial instruments designated as hedging instruments for the company's assets and liabilities represent 1,630,239,797 € on 30 June 2015 and they are classified in category b), micro-hedging, in application of CRBF rule 90-15.

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 pro-rata 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 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 26,943,320,591 € on 30 June 2015.

This pool is used to an extent of 21,597,649,605 € (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 30 JUNE 2015

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	30/06/2015		30/06/2014	
	Income	Expenses	Income	Expenses
Banks	936 304 786	(663 991 560)	1 393 219 797	(1 064 837 539)
Demand accounts, loans and borrowings	936 304 786	(663 991 560)	1 393 219 797	(1 064 837 539)
Debt securities		(272 153 537)		(327 976 325)
Bonds		(271 693 888)		(327 465 971)
Term subordinated debt		(459 650)		(510 354)
Interest income and expenses	936 304 786	(936 145 098)	1 393 219 797	(1 392 813 864)

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	30/06/2015		30/06/2014	
	Income	Expenses	Income	Expenses
Banking and financial transactions	625 000	(307 304)	625 000	(176 490)
Securities trading	625 000	(307 304)	625 000	(176 490)
Commission income and expenses	625 000	(307 304)	625 000	(176 490)

2.c OPERATING GENERAL EXPENSES

In euros	30/06/2015	30/06/2014
Other administrative expenses	(383 155)	(416 121)
<i>Remuneration of intermediaries</i>	<i>(390 048)</i>	<i>(390 208)</i>
<i>Taxes and duties</i>	<i>6 893</i>	<i>(25 913)</i>
Total general operating expenses	(383 155)	(416 121)

2.d CORPORATE INCOME TAX

In euros	30/06/2015	30/06/2014
Current tax for the period	(25 024)	(153 391)
Corporate income tax	(25 024)	(153 391)

3. NOTES ON THE BALANCE SHEET AT 30 JUNE 2015

3.a AMOUNTS DUE TO AND FROM BANKS

In euros	30/06/2015	31/12/2014
Loans and receivables	23 805 240 439	25 390 182 645
Ordinary debit accounts	8 148 852	9 703 013
Term accounts and loans	23 797 091 588	25 380 479 632
Loans and amounts due from banks	23 805 240 439	25 390 182 645
<i>Of which associated receivables</i>	<i>226 576 191</i>	<i>312 850 150</i>

In euros	30/06/2015	31/12/2014
Ordinary credit accounts	29	28
Debts and borrowings	1 560 003 875	1 620 026 730
Amounts due to banks	1 560 003 903	1 620 026 758
<i>Of which associated liabilities</i>	<i>3 875</i>	<i>26 730</i>

Corresponds the Cash Collateral account

3.b OTHER ASSETS AND LIABILITIES

In euros	30/06/2015	31/12/2014
Miscellaneous payables	134 770	281 904
Other assets	134 770	281 904
Miscellaneous creditors	9 638	34 035
Other liabilities	9 638	34 035

3C SECURITIES TRANSACTIONS

Shares and other variable-income securities	-	-
In euros	31/12/2014	31/12/2013
	Net book value	Net book value
Holdings	-	-
<i>including provisions</i>		
Other securities held long term	4 000	4 000
<i>including provisions</i>		
Holdings and other securities held long term	4 000	4 000

3.d ADJUSTMENT ACCOUNTS

In euros	30/06/2015	31/12/2014
Accrued income	10 661 927	293 569 911
Other debit adjustment accounts	275 931 828	282 875 969
<i>Prepaid charges</i>	275 931 828	282 875 969
Adjustment accounts – assets	286 593 755	576 445 881
Accrued expenses	10 375 338	293 716 071
Other credit adjustment accounts	68 648 138	72 684 560
<i>prepaid income</i>	68 627 750	72 684 560
<i>Other adjustment accounts</i>	20 387	-
Adjustment accounts – liabilities	79 023 476	366 400 631

The adjustment accounts – assets include the zero-coupon bond redemption premiums still to be spread out for 215 M€ in 2015 (218 M€ in 2014).

3.e DEBT SECURITIES

In euros	30/06/2015	31/12/2014
Bonds	21 925 577 389	23 362 691 513
<i>Associated liabilities</i>	201 058 721	290 954 471
Debt securities	22 126 636 109	23 653 645 984

3.f SUBORDINATED DEBT

In euros	30/06/2015	31/12/2014
Repayable subordinated debt	40 000 000	40 000 000
<i>associated liabilities</i>	37 678	44 049
Subordinated debt	40 037 678	40 044 049

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	31/12/2014	Increases in accounts	Decreases in accounts	30/06/2015
Equity	285 000 000	-		285 000 000
- Legal reserve	989 360	25 539		1 014 899
- Retained earnings	262 827	(84 753)		178 074
- Profit for the period	510 786	69 187	(510 786)	69 187
Shareholders' equity	286 762 973	9 973	(510 786)	286 262 160

4.c NOTIONAL ON FINANCIAL INSTRUMENTS

In euros	30/06/2015	31/12/2014
Exchange rate derivatives	3 992 030 787	3 260 479 595
Interest-rate derivatives	-	86 371 101 518
OTC financial forward instruments	3 992 030 787	89 631 581 112

The net valuation of the swaps as of 30/06/2015 is zero

The capital gain on the issuers' swaps before allowing for the borrowers' swaps on the issues as of 30/06/2015 is : 398 032 939

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>	8 148 852	0	0	0	8 148 852
<i>Term receivables</i>	1 885 000 000	3 272 055 118	8 976 500 000	9 436 960 279	23 570 515 397
SOURCES					
Amounts due to banks	1 560 015 966	-	-	-	1 560 015 966
Debt securities	0	3 272 055 116	8 976 500 000	9 677 022 272	21 925 577 389
Transactions with clients	-	-	-	-	-
Subordinated debt	-	-	-	40 000 000	40 000 000

Table of earnings for the last five financial years

Indicator	31/12/2010	31/12/2011	31/12/2012	31/12/2013	31/12/2014	30/06/2015
Financial position at the end of the year						
Share capital	175 000 000	225 000 000	285 000 000	285 000 000	285 000 000	285 000 000
Number of existing ordinary shares	17 500 000	22 500 000	28 500 000	28 500 000	28 500 000	28 500 000
Number of convertible bonds	None	None	None	None	None	None
Actual operating earnings						
Net banking income	2 307 425	2 716 052	2 098 909	2 441 122	1 629 368	477 366
Earnings before taxes, depreciation and amortisation	493 389	1 505 255	1 110 841	1 585 288	808 228	94 211
Corporate income tax	(195 208)	(130 052)	(384 259)	(586 991)	(297 442)	(25 024)
Earnings after taxes, depreciation and amortisation	298 181	1 375 203	726 582	998 297	510 786	69 187
Distributed earnings	-	-	1 995 000	1 140 000	570 000	-
Earnings per share						
Earnings after taxes, but before depreciation and amortisation	0.02	0.06	0.03	0.04	0.02	0.00
Earnings after taxes, depreciation and amortisation	0.02	0.06	0.03	0.04	0.02	0.00
Dividend paid per share	0	0	0.07	0.04	0.02	0
Personnel						
Number of employees	None	None	None	None	None	None
Payroll costs	None	None	None	None	None	None
Total fringe benefits paid (social security, welfare initiatives, etc.)	None	None	None	None	None	None

BNP PARIBAS HOME LOAN SFH

Société Anonyme
1, boulevard Haussmann
75009 Paris

**STATUTORY AUDITORS' REVIEW REPORT
ON THE 2015 INTERIM FINANCIAL INFORMATION**

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**STATUTORY AUDITORS' REVIEW REPORT
ON THE 2015 INTERIM FINANCIAL INFORMATION**

To the Management,

In our capacity as Statutory Auditors of BNP Paribas Home Loan SFH and pursuant to your request, we have performed a review of the accompanying interim financial statements for the six months ended 30 June 2015.

These interim financial statements are the responsibility of management. Our role is to express a conclusion on these financial statements based on our review.

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 2015, and of the results of its operations for the six months then ended in accordance with French accounting principles.

This report has been prepared for your attention in the above-described context and may not be used, distributed or cited for any other purposes. We accept no liability with regard to any third party to whom this report is distributed or into whose hands it may fall.

This report is governed by French law. The French courts have exclusive jurisdiction over any dispute, claim or disagreement that may arise from our letter of engagement, this report or any question relating thereto. Each party irrevocably waives its rights to oppose any action brought before the abovementioned courts, to claim that the action has been brought before a court that lacks jurisdiction, or that those courts do not have jurisdiction.

Neuilly-sur-Seine, 03 August 2015

The Statutory Auditors

PricewaterhouseCoopers Audit

Deloitte & Associés

Laurent Tavernier

Sylvie Bourguignon