

FINANCIAL STATEMENTS OF

BNP PARIBAS HOME LOAN SFH

Dated 30 June 2019

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CORPORATE FINANCIAL STATEMENTS

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INCOME STATEMENT AT 30/06/2019

In euros	Notes	30/06/2019	30/06/2018
Interest and similar income	2.a	224 733 469	233 119 488
Interest and similar expenses	2.a	(224 307 278)	(232 713 314)
Revenues from variable-income securities			-
Commissions (income)	2.b	625 000	625 000
Commissions (expenses)	2.b	(131 568)	(200 543)
Gains or losses on transactions on trading portfolios		-	0
Gains or losses on transactions on investment portfolios and similar		-	-
Other income from banking operations - Single Resolution Fund	2.c	1 368 591	1 298 498
Other expenses on banking operations		-	-
NET BANKING INCOME		2 288 214	2 129 129
Labour costs		-	-
Other administrative expenses	2.c	(463 726)	(440 373)
Various Bank Operating Charges		(1 368 591)	(1 298 498)
Amortisation and impairment charge on tangible and intangible fixed assets		-	-
GROSS OPERATING PROFIT		455 897	390 258
Cost of risk		-	-
OPERATING PROFIT		455 897	390 258
Gains or losses on capitalised assets			
Net transfers to regulated provisions			
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		455 897	390 258
Net exceptional income/expense			
Corporate income tax	2.d	(126 192)	(103 073)
NET PROFIT		329 705	287 185

BALANCE SHEET AT 30 JUNE 2019

In euros	Notes	30/06/2019	31/12/2018
ASSETS			
Cash, Central Banks, PO accounts		880	1 972 *
Treasury bills and similar securities		-	-
Loans and advances to banks	3.a	27 781 599 126	29 725 149 099
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	1 358 216	1 060 552
Adjustment accounts	3.d	217 290 558	222 951 534
TOTAL ASSETS		28 000 248 780	29 949 163 157
LIABILITIES			
DEBTS			
Central Banks, PO accounts	3.a	-	-
Amounts due to banks	3.a	370 005 208	1 300 004 242
Transactions with clients		-	-
Debt securities	3.e	27 265 976 120	28 281 116 206
Other liabilities	3.b	26 035	73 626
Adjustment accounts	3.d	37 671 863	40 871 970
Provisions for contingencies and charges		-	-
Subordinated debt	3.f	40 030 053	40 032 317
TOTAL DEBTS		27 713 709 279	29 662 098 361
SHAREHOLDERS' EQUITY			
	4.b		
Share capital subscribed		285 000 000	285 000 000
Premium on shares		-	-
Reserves		1 115 490	1 072 677
Retained earnings		94 305	135 853
Profit for the period		329 705	856 266
TOTAL SHAREHOLDERS' EQUITY		286 539 501	287 064 796
TOTAL LIABILITIES		28 000 248 780	29 949 163 157
OFF-BALANCE-SHEET ITEMS			
COMMITMENTS GIVEN			
Finance commitments		-	-
Guarantee commitments		1 302 068	1 060 552
Commitments on securities		-	-
COMMITMENTS RECEIVED			
Finance commitments		-	-
Guarantee commitments		-	-
Commitments on securities		-	-

* Banque de France Bank Account

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 Regulation No. 2014-07 dated 26 November 2014.

The income statement dated 30 June 2019 and the related notes to the Financial Statements provide comparative information for 30 June 2018.

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 are classified in category b), micro-hedging, in application of ANC Regulation No. 2014-07..
- the derivative financial instrument for hedging the underlying assets in terms of collateral and its mirror swap, representing -32,668,998,612 € has been classified in category a), isolated open positions, in application of ANC Regulation 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 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 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.

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 housing bonds, BNP Paribas has collateralised, for BNP Paribas Home Loan SFH, a pool of real estate loans totalling 32,668,998,612 € as of 30 June 2019.

This pool is used to an extent of 31,603,406,442 € in connection with the existing issues.

- Following changes in the BNP Paribas rating and pursuant to the documentation of the issue program, 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 the rating agencies' approval.

The company has its registered office in France and, in accordance with the provisions of Article L. 513-29 of the French Monetary and Financial Code does not have any branch or subsidiary established abroad, including in non-cooperative countries.

2. NOTES ON THE INCOME STATEMENT AT 30/06/2019

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	30/06/2019		30/06/2018	
	Income	Expenses	Income	Expenses
Banks	224 733 469		233 119 488	(3 105 589)
Demand accounts, loans and borrowings	224 733 469	(4 460 442)	233 119 488	(3 105 589)
Debt securities		(219 846 835)		(229 607 725)
Bonds		(219 456 885)		(229 219 044)
Term subordinated debt		(389 950)		(388 681)
Produits et charges d'intérêts	224 733 469	(224 307 278)	233 119 488	(232 713 314)

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	30/06/2019		30/06/2018	
	Income	Expenses	Income	Expenses
Banking and financial transactions	625 000	(131 568)	625 000	(200 543)
Securities trading	625 000	(131 568)	625 000	(200 543)
Commission income and expenses	625 000	(131 568)	625 000	(200 543)

2.c OPERATING GENERAL EXPENSES & VARIOUS OPERATING INCOME

In euros	30/06/2019	30/06/2018
Other administrative expenses	(463 726)	(440 373)
<i>Remuneration of intermediaries</i>	<i>(377 234)</i>	<i>(410 684)</i>
<i>Taxes and duties</i>	<i>(86 492)</i>	<i>(29 689)</i>
<i>Guarantee fund and (S)ingle (R)esolution (F)und</i>		
Total general operating expenses	(463 726)	(440 373)
<i>Guarantee fund and (S)ingle (R)esolution (F)und (1)</i>	<i>(1 368 591)</i>	<i>(1 298 498)</i>
Total Various Bank Operating Charges	(1 368 591)	(1 298 498)

(1) Reallocation of the contribution to the (S)ingle (R)esolution (F)und to miscellaneous bank operating charges

In euros	30/06/2019	30/06/2018
Various operating income	1 368 591	1 298 498
Other various operating income (1)	<i>1 368 591</i>	<i>1 298 498</i>

(1) European Regulation No. 806/2014 of the Single Resolution Fund.
2019 call for fund in an amount 1 368 591 euros with re-invoicing to BNP PARIBAS pursuant to the 2019 Fee Letter

2.d CORPORATE INCOME TAX

In euros	30/06/2019	30/06/2018
Current tax for the period	(126 192)	(103 073)
Corporate income tax	(126 192)	(103 073)

3. NOTES ON THE BLANCE SHEET AT 30/06/2019

3.a AMOUNTS DUE TO AND FROM BANKS

In euros	30/06/2019	31/12/2018
Loans and receivables	27 781 599 126	29 725 149 099
Ordinary debit accounts	11 975 683	13 547 994
Term accounts and loans	27 769 623 443	29 711 601 105
Loans and amounts due from banks	27 781 599 126	29 725 149 099
<i>Including associated receivables</i>	<i>271 418 641</i>	<i>285 418 536</i>

In euros	30/06/2019	31/12/2018
Ordinary credit accounts	0	0
Debts and borrowings	370 005 208	1 300 004 242
Amounts due to banks	370 005 208	1 300 004 242
<i>Including associated liabilities (1)</i>	<i>0</i>	<i>0</i>

(1) Interest rates on collateral being negative, the interest was attached to assets in 2019 as in 2018

3.b OTHER ASSETS AND LIABILITIES

In euros	30/06/2019	31/12/2018
Miscellaneous payables	1 358 216	1 060 552
<i>Including (S)ingle (R)esolution (F)und</i>	<i>1 302 068</i>	<i>1 060 552</i>
Other assets	1 358 216	1 060 552
Miscellaneous creditors	26 035	73 626
Other liabilities	26 035	73 626

As at 30/06/2019, no trade payables appeared in the BNP Paribas Home Loan SFH accounts

3c ADJUSTMENT ACCOUNTS

In euros	30/06/2019	31/12/2018
Accrued income	3 030 341	793 620
Other debit adjustment accounts	214 260 217	222 157 914
<i>Prepaid charges</i>	214 260 217	222 157 914
Adjustment accounts – assets	217 290 558	222 951 534
Accrued expenses	2 690 262	1 011 000
Other credit adjustment accounts	34 981 602	39 860 970
<i>prepaid income</i>	34 981 601	39 860 970
<i>Other adjustment accounts</i>	0	-
Adjustment accounts – liabilities	37 671 863	40 871 970

The adjustment accounts – assets include the zero-coupon bond redemption premiums still to be spread out for 191,2 M€ in 2019 (194,4 M€ in 2018).

3.d DEBT SECURITIES

In euros	30/06/2019	31/12/2018
Bonds	27 043 266 796	28 041 244 563
associated liabilities	222 709 324	239 871 643
Debt securities	27 265 976 120	28 281 116 206

3.e SUBORDINATED DEBT

In euros	30/06/2019	31/12/2018
Repayable subordinated debt	40 000 000	40 000 000
Associated liabilities	30 053	32 317
Subordinated debt	40 030 053	40 032 317

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	31/12/2018	Increases in accounts	Decreases in accounts	30/06/2019
Equity	285 000 000	-	-	285 000 000
Premium on shares				
- Legal reserve	1 072 677	42 813		1 115 490
Retained earnings	135 853	(41 548)		94 305
Profit for the period	856 266	329 705	(856 266)	329 705
Shareholders' equity	287 064 796	330 971	(856 266)	286 539 501

4.c NOTIONAL ON FINANCIAL INSTRUMENTS

In euros	30/09/2019	31/01/2018
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 30/06/2018 is zero

The capital gain on the issuers' swaps before allowing for the borrowers' swaps on the issues as of 30/06/2019 is: 21 739 264

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>	11 976 563	0	0	0	11 976 563
<i>t receivables</i>	795 000 000	4 000 000 000	12 485 204 802	10 218 000 000	27 498 204 802
SOURCES					
Amounts due to banks	370 000 000	-			370 000 000
debt securities	100 000 000	4 000 000 000	12 485 204 801	10 458 061 995	27 043 266 796
Transactions with clients					-
subordinated debt	-	-	15 000 000	25 000 000	40 000 000

Table of earnings for the last five financial years

Indicator	31/12/2015	31/12/2016	31/12/2017	31/12/2018	30/06/2019
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	2 134 976	2 335 795	2 703 795	3 248 254	2 288 214
Earnings before taxes, depreciation and amortisation	149 842	499 583	1 097 269	1 237 857	455 897
Corporate income tax	(56 813)	(166 265)	(368 059)	(381 591)	(126 192)
Earnings after taxes, depreciation and amortisation	93 029	333 318	729 210	856 266	329 705
Distributed earnings	-	-	1 140 000	855 000	
Earnings per share					
Earnings after taxes, but before depreciation and amortisation	0,00	0,01	0,03	0,03	0,01
Earnings after taxes, depreciation and amortisation	0,00	0,01	0,03	0,03	0,01
Dividend paid per share	0	0	0	0,04	0
Personnel					
Number of employees	Néant	Néant	Néant	Néant	Néant
Payroll costs	Néant	Néant	Néant	Néant	Néant
Total fringe benefits paid (social security, welfare initiatives, etc.)	Néant	Néant	Néant	Néant	Néant

BNP PARIBAS HOME LOAN SFH

Société Anonyme

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**STATUTORY AUDITORS' REVIEW REPORT ON THE 2019
INTERIM FINANCIAL INFORMATION**

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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 2019 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 2019, for the six months ended 30, June 2019;
- 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 2019, 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 2019 INTERIM FINANCIAL INFORMATION

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

Neuilly-sur-Seine and Paris la Defense, 30 September 2019

The Statutory Auditors

PricewaterhouseCoopers Audit

DELOITTE ET ASSOCIES

Ridha Ben Chamek

Laurence Dubois