



BNP PARIBAS
PUBLIC SECTOR SCF

FINANCIAL STATEMENTS OF

BNP PARIBAS PUBLIC SECTOR SCF

Dated 30 JUNE 2013

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INCOME STATEMENT AT 30 June 2013

In euros	Notes	30/06/2013	30/06/2012
Interest and similar income	2.a	20 989 094	35 521 179
Interest and similar expenses	2.a	(18 776 762)	(29 694 687)
Revenues from variable-income securities			
Commissions (income)	2.b	550 000	550 000
Commissions (expenses)	2.b	(1 475 787)	(1 695 461)
Gains or losses on transactions on trading portfolios		(51 221)	(23 176)
Gains or losses on transactions on investment portfolios and similar		-	-
Other income from banking operations		1	102 163
Other expenses on banking operations		(17)	-
NET BANKING INCOME		1 235 308	4 760 017
Labour costs		-	-
Other administrative expenses	2.c	(332 001)	(350 626)
Amortisation and impairment charge on tangible and intangible fixed assets		-	-
Depreciation of securities portfolio and various operations		(299 652)	(1 478 003)
Decrease in the depreciation of securities portfolio and various operations		110 769	642 173
GROSS OPERATING PROFIT		714 424	3 573 561
Cost of risk			
OPERATING PROFIT		714 424	3 573 561
Gains or losses on capitalised assets		-	-
Net transfers to regulated provisions		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		714 424	3 573 561
Net exceptional income/expense			
Corporate income tax	2.d	-	(580 178)
NET PROFIT		714 424	2 993 383

BALANCE SHEET at 30 June 2013

In euros	Notes	30/06/2013	31/12/2012
ASSETS			
Cash, Central Banks, PO accounts			
Treasury bills and similar securities		-	-
Loans and advances to banks	3.a	738 090 099	685 711 264
Transactions with clients	3.b	3 463 865 258	3 755 750 244
Bonds and other fixed-income securities	3.c	471 250 610	284 605 666
Equities and other variable-income securities			
Equity investments and other long-term securities		12 000	12 000
Interests in group companies			
Lease financing with purchase option			
Intangible fixed assets			
Tangible fixed assets			
Treasury shares			
Other assets	3.d	759 752	1 482 518
Adjustment accounts	3.e	47 460 673	95 824 617
TOTAL ASSETS		4 721 438 392	4 823 386 309
LIABILITIES			
DEBTS			
Central Banks, PO accounts			
Amounts due to banks	3.a	438 927 686	457 338 512
Transactions with clients	3.b		
Debt securities	3.f	4 031 750 000	4 073 539 692
Other liabilities	3.d	-	-
Adjustment accounts	3.e	159 172 436	195 358 097
Provisions for contingencies and charges		-	-
Subordinated debt	3.g	65 163 103	65 164 824
TOTAL DEBTS		4 695 013 225	4 791 401 126
SHAREHOLDERS' EQUITY			
Share capital subscribed	4.a	24 040 000	24 040 000
Premium on shares			
Reserves		1 660 483	1 329 959
Retained earnings		10 260	4 725
Profit for the period		714 424	6 610 500
TOTAL SHAREHOLDERS' EQUITY		26 425 167	31 985 183
TOTAL LIABILITIES		4 721 438 392	4 823 386 309
OFF-BALANCE-SHEET ITEMS			
COMMITMENTS GIVEN			
Finance commitments			
Guarantee commitments			
Commitments on securities		-	-
COMMITMENTS RECEIVED			
Finance commitments			
Guarantee commitments	4.d	3 481 622 489	3 784 303 424
Commitments on securities			

1. SUMMARY OF THE ACCOUNTING PRINCIPLES APPLIED BY BNP PARIBAS PUBLIC SECTOR SCF

The financial statements of the company have been prepared in accordance with accounting principles generally applicable in France to financial companies.

The income statement dated 30 June 2013 and the related notes to the Financial Statements provide comparative information for 30 June 2012.

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 receivables held under banking operations with banks. They are broken down between demand and term receivables.

Client receivables are made up mainly of export credits and loans to financial clients guaranteed by public sector bodies. 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.

Discounts/premiums arising from the difference between the face value and the purchase price are recognised on a straight-line basis over the remaining term of the receivables.

Short-term investment securities

Securities not recognised under any other existing category are recognised as short-term investment securities.

Bonds and the other fixed-income securities are stated at the lower of acquisition price (excluding accrued interest) or probable trading value. Trading value is generally determined by reference to stock-market value. Accrued interest is recognised in the income statement under the heading "Interest and similar income on bonds and other fixed-income securities".

Any difference between acquisition price and redemption price of fixed-income investment securities acquired on the secondary market is recognised through profit or loss over the remaining life of the securities. In the balance sheet, the carrying amount of the securities is therefore gradually adjusted to redemption value.

Debt securities

Debt securities are shown by type of underlier: these are mainly real estate-backed bonds.

Interest accrued on these securities is recorded in an associated liabilities account as the counter-entry to the income statement entry.

Premiums on shares or redemption of bond borrowings are amortised on an actuarial basis over the term of the borrowing.

Amounts due to banks

Amounts due to banks are presented by their initial term or type: demand or term liabilities for banks. Interest accrued on these liabilities is recorded on the balance sheet under associated liabilities

Forward financial instruments

Commitments on forward financial instruments are contracted on various markets for the purpose of specific or overall hedging of assets and liabilities, or for trading purposes

Their accounting treatment depends on the management strategy applied to such instruments.

Prepayments and accrued income from swap payoffs, together with interest and income receivable on swaps, are shown in the balance sheet in the adjustment accounts, by offsetting currencies

➤ **Derivative financial instruments held for hedging purposes**

Income and expenses on forward derivative financial instruments used for hedging, attributed from the outset to one item or to a single homogeneous set of identified items, are recognised through profit or loss symmetrically to recognition of the income and expenses from the items hedged and under the same accounts heading

Corporate income tax

Corporate income tax is an expense of the period to which the income or expenses relate, irrespective of the date it is actually paid.

Recognition of income and charges

Interest and related commissions are recognised as they arise, on a pro rata basis. Commissions similar in nature to interest comprise mainly certain ones received when they are incorporated into remuneration on loans.

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.

Foreign currency transactions

Receivables, liabilities, and off-balance sheet commitments 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, except for financial instruments recorded as off-balance sheet items, for which the difference is held in an adjustment account.

Income and charges denominated in foreign currencies and relating to loans, borrowings or off-balance sheet items are recorded in the income and charges accounts opened in each of the foreign currencies concerned, with the translation being made at the monthly closeout dates.

The net monthly income in foreign currencies is partially hedged, to the extent of the net monthly income calculated in accordance with IFRS. The unhedged portion gives rise to a foreign exchange gain or loss through profit or loss.

Income and charges in foreign currencies are stated at the converted value as of the date of the transaction.

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 Public Sector SCF is consolidated by the “Groupe Fiscal France”, the group head of which is BNP Paribas.

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 company’s accounts are included on the basis of the full consolidation method in the consolidated accounts of BNP PARIBAS SA.

2. NOTES ON THE INCOME STATEMENT AT 30 JUNE 2013

2.a INTEREST MARGIN

Under the headings "Interest and similar income" and "Interest and similar expenses" BNP Paribas Public Sector SCF shows the calculated income on financial instruments carried at amortised cost.

Income and expenses on hedging derivatives are shown with the income from the items for which they help to hedge the risks.

In euros	30/06/2013		30/06/2012	
	Income	Expenses	Income	Expenses
Banks	289 355	(1 308 869)	2 430 934	(2 221 470)
Demand accounts, loans and borrowings	289 355	(1 308 869)	2 430 934	(2 221 470)
Clients	19 942 870	-	32 723 404	-
Demand accounts, loans and term accounts	19 942 870		32 723 404	
Bonds and other fixed-income securities	756 869	-	366 841	-
Short-term investment securities	756 869		366 841	
Debt securities	-	(17 467 892)	-	(27 473 218)
Real estate-backed bonds		(16 989 393)		(26 710 963)
Term subordinated debt		(478 499)		(762 255)
Interest income and expenses	20 989 094	(18 776 762)	35 521 179	(29 694 687)

2.b- COMMISSIONS

In euros	30/06/2013		30/06/2012	
	Income	Expenses	Income	Expenses
Banking and financial transactions	550 000	(1 475 787)	550 000	(1 695 461)
Securities trading	550 000	(1 475 787)	550 000	(1 695 461)
Commission income and expenses	550 000	(1 475 787)	550 000	(1 695 461)

2.c OPERATING GENERAL EXPENSES

In euros	30/06/2013	30/06/2012
Other administrative expenses	(332 001)	(350 626)
Remuneration of intermediaries	(231 919)	(412 638)
Various external services		
Taxes and duties	(100 082)	62 012
Operating expenses	(332 001)	(350 626)

2.d CORPORATE INCOME TAX

In euros	30/06/2013	30/06/2012
Current tax for the period		(580 178)
Corporate income tax	-	(580 178)

3. NOTES ON THE BALANCE SHEET AT 30 JUNE 2013

3.a AMOUNTS DUE TO AND FROM BANKS

In euros	30/06/2013	31/12/2012
Loans and receivables	738 090 099	685 711 264
Ordinary debit accounts	534 444 691	480 409 858
Term accounts and loans	203 645 408	205 301 406
Loans and amounts due from banks	738 090 099	685 711 264
<i>Of which associated receivables</i>	<i>307 076</i>	<i>325 935</i>

In euros	30/06/2013	31/12/2012
Debts and borrowings	438 927 686	457 338 512
Credit balances on ordinary accounts	27 900	34 814
Term borrowings	438 899 786	457 303 698
Amounts due to banks	438 927 686	457 338 512
<i>Of which associated liabilities</i>	<i>245 386</i>	<i>42 698</i>

3.b TRANSACTIONS WITH CLIENTS

In euros	30/06/2013	31/12/2012
Loans and receivables	3 463 865 258	3 755 750 244
Other client lending	3 463 865 258	3 755 750 244
Transactions with clients – Assets	3 463 865 258	3 755 750 244
<i>Of which associated receivables</i>	<i>15 880 101</i>	<i>17 422 529</i>

3.c BONDS AND OTHER FIXED-INCOME SECURITIES

In euros	30/06/2013	31/12/2012
Bonds and other fixed-income securities		
Gross value	465 320 712	281 553 550
Reserve	(425 446)	(236 563)
Associated charges	6 355 344	3 288 679
Bonds and other fixed-income securities	471 250 610	284 605 666

3.d - OTHER ASSETS AND LIABILITIES

In euros	30/06/2013	31/12/2012
Sundry other assets	759 752	1 482 518
Other assets	759 752	1 482 518
Sundry other liabilities		
Other liabilities	-	-

3.e ADJUSTMENT ACCOUNTS

In euros	30/06/2013	31/12/2012
Accrued income	25 313 987	70 054 132
Other debit adjustment accounts	22 146 686	25 770 484
<i>of which Expenses attributable to more than one period</i>	11 379 681	12 930 771
<i>of which Prepaid Charges</i>	10 767 005	12 839 714
Revaluation of derivative and foreign exchange instruments		
Adjustment accounts – assets	47 460 673	95 824 617
Accrued expenses	13 358 439	18 096 278
Other credit adjustment accounts	23 764 193	17 581 492
Revaluation of derivative and foreign exchange instruments	122 049 803	159 680 327
Adjustment accounts – liabilities	159 172 436	195 358 097

3.f DEBT SECURITIES

In euros	30/06/2013	31/12/2012
Bond borrowings	4 000 000 000	4 000 000 000
<i>associated liabilities</i>	31 750 000	73 539 692
Debt securities	4 031 750 000	4 073 539 692

3.g SUBORDINATED DEBT

In euros	30/06/2013	31/12/2012
Repayable subordinated debt	65 000 000	65 000 000
<i>Associated liabilities</i>	163 103	164 824
Subordinated debt	65 163 103	65 164 824

4. ADDITIONAL INFORMATION

4.a CHANGES IN SHARE CAPITAL IN EUROS

	30/06/2013			31/12/2012		
	Number of shares	Value per share	Total	Number of shares	Value per share	Total
At opening	2 404 000	10	24 040 000	2 404 000	10	24 040 000
At closing	2 404 000	10	24 040 000	2 404 000	10	24 040 000

4.b CHANGES IN SHAREHOLDERS' EQUITY

In thousands of euros	31/12/2012	Increases in accounts	Decreases in accounts	30/06/2013
Equity	24 040			24 040
Premium on shares				
- Legal reserve (1)	1 330	330		1 660
- Reserves required by the bylaws and contractual reserves	-			-
- Regulated long-term capital gains reserves	-			-
- Other Reserves				
Unrealised translation differences	-			-
Retained earnings	5	5		10
Profit for the period	6 610	714	(6 610)	714
Shareholders' equity	31 985	1 049	(6 610)	26 424

(1) Reclassification of the other reserves as legal reserve

4.c NOTIONAL ON FINANCIAL INSTRUMENTS

The total of derivative financial instrument notional is only an indication of the volume of BNP PARIBAS PUBLIC SECTOR's activity on the financial instruments markets, and does not reflect the market risk attached to these instruments

In euros	30/06/2013	31/12/2012
Exchange rate derivatives	2 510 699 100	2 726 950 726
Interest-rate derivatives	8 340 213 389	8 174 343 076
OTC financial forward instruments	10 850 912 489	10 901 293 803

The swaps on the clientele assets are not revalued

The capital gain on the swaps on the securities assets stands at -9 772 697 euros as of 30/06/2013

The capital gain on the swaps on the issues comes to 251 369 255 euros as of 30/06/2013

4.d - INFORMATION ON OFF-BALANCE SHEET ITEMS

In euros	30/06/2013	31/12/2012
Clients		
Coface	957 765 833	1 050 490 750
Euler Hermes KreditVersi	1 240 656 373	1 327 398 335
Export CT guarantee dept	508 167 303	547 107 555
Export import BK OF US	770 960 629	859 306 785
EKF DENMARK	4 072 351	
Guarantee commitments received	3 481 622 489	3 784 303 424

4.e AGING OF APPLICATIONS AND SOURCES OF FUNDS

In thousands of euros	Transactions		Remaining term			Total
	On demand	Up to 3 months	3 months - 1 year	1 year - 5 years	Over 5 years	
APPLICATIONS						
Loans and advances to banks	534 445	191 187	2 048	10 410	0	738 090
Demand receivables	534 445					534 445
Term receivables	0	191 187	2 048	10 410	0	203 645
Transactions with clients	0	153 075	467 584	1 922 914	920 292	3 463 865
Bonds and other fixed-income securities			219 997	200 807	50 447	471 251
SOURCES						
Amounts due to banks	273	151 755	286 900			438 928
Debt securities	31 750			3 000 000	1 000 000	4 031 750
Subordinated debt	163				65 000	65 163

Company earnings for the last five financial years

In euros	31/12/2009	31/12/2010	31/12/2011	31/12/2012	30/06/2013
Financial position at the end of the year					
Share capital	24 040 000	24 040 000	24 040 000	24 040 000	24 040 000
Number of shares issued	2 404 000	2 404 000	2 404 000	2 404 000	2 404 000
Number of convertible bonds	None	None	None	None	None
Actual operating earnings					
Net banking income (1)	13 937 991	10 678 143	12 986 221	7 380 880	1 235 308
Earnings before taxes, depreciation and amortisation	12 841 728	10 149 196	11 695 380	6 662 681	903 307
Corporate income tax	(2 876 469)	(1 946 320)	(2 000 553)	(1 079 409)	0
Earnings after taxes, depreciation and amortisation	9 965 259	8 202 876	8 431 036	6 610 500	714 424
Distributed earnings	9 375 600	7 813 000	8 029 360	6 274 440	
Earnings per share					
Earnings after taxes, but before depreciation and amortisation	4.15	3.41	4.03	2.32	0.38
Earnings after taxes, depreciation and amortisation	4.15	3.41	3.51	2.75	0.30
Dividend paid per share	3.90	3.25	3.34	2.61	-
Personnel					
Number of employees	None	None	None	None	None
Payroll costs	None	None	None	None	None
Total fringe benefits paid (social security, welfare initiatives, etc.)	None	None	None	None	None

(1) BNP PARIBAS PUBLIC SECTOR SCF became a financial company as of 30 January 2009.

(2) Correction made to 2009 and 2010, for which the amounts corresponded to profit after tax, depreciation and amortization.

BNP PARIBAS PUBLIC SECTOR SCF

**STATUTORY AUDITORS' REVIEW REPORT
ON THE 2013 INTERIM FINANCIAL INFORMATION**

PricewaterhouseCoopers Audit

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92208 Neuilly-sur-Seine Cedex**

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**185, Avenue Charles de Gaulle
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**STATUTORY AUDITORS' REVIEW REPORT
ON THE 2013 INTERIM FINANCIAL INFORMATION**

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.

BNP Paribas Public Sector SCF

1, boulevard Haussmann
75009 Paris

To the Management,

In our capacity as Statutory Auditors of BNP Paribas Public Sector SCF and pursuant to your request, we have performed a review of the accompanying interim financial statements for the six months ended 30 June 2013.

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 2013, 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

27 Septembre 2013

The Statutory Auditors

PricewaterhouseCoopers Audit

Deloitte & Associés

Laurent Tavernier

Sylvie Bourguignon