



BNP PARIBAS
PUBLIC SECTOR SCF

BNP PARIBAS PUBLIC SECTOR SCF

FINANCIAL INFORMATION

As of the 31 DECEMBER 2012

CONTENTS

COMPANY ACCOUNTS

Income statement at 31 December 2012

Balance sheet at 31 December 2012

1 - Summary of the accounting principles applied by BNP PARIBAS PUBLIC SECTOR SCF

2 - Notes on the income statement at 31 December 2012

- 2a - Interest margin
- 2b - Commission
- 2c - Operating general expenses
- 2d - Corporate income tax

3 - Notes on the balance sheet at 31 December 2012

- 3a - Amounts due from and due to banks
- 3b - Transactions with customers
- 3c - Bonds and other fixed-income securities
- 3d - Other assets and liabilities
- 3e - Adjustment accounts
- 3f - Debt securities
- 3g - Subordinated debt

4 - Additional information

- 4a - Changes in share capital in euros
- 4b - Changes in equity
- 4c - Notional on financial instruments
- 4d - Information on off-balance sheet items
- 4e - Aging of applications and sources of funds

INCOME STATEMENT AT 31 December 2012

In euros	Notes	31/12/2012	31/12/2011
Interest and similar income	2.a	58 991 209	96 579 744
Interest and similar expense	2.a	(49 769 059)	(81 208 294)
Revenues from variable-income securities			
Commission (income)	2.b	1 100 000	1 100 000
Commission (expenses)	2.b	(3 066 949)	(3 228 537)
Gains or losses on transactions on trading portfolios		24 460	(158 062)
Gains or losses on transactions on investment portfolios and similar		-	-
Other income from banking operations		102 370	4
Other expenses from banking operations		(1 150)	(98 634)
NET BANKING INCOME		7 380 880	12 986 221
Labour costs		-	-
Other administrative expenses	2.c	(718 200)	(1 290 841)
Amortisation and impairment charge on tangible and intangible assets		-	-
Depreciation of portfolios and various operations		(236 563)	(1 263 791)
Decrease in the depreciation of portfolios and various operations		(1 263 791)	-
GROSS OPERATING PROFIT		7 689 909	10 431 589
Cost of risk			-
OPERATING PROFIT		7 689 909	10 431 589
Gains or losses on capitalised assets			
Net charges to regulated provisions			
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		7 689 909	10 431 589
Net exceptional income/expense			
Corporate income tax	2.d	(1 079 409)	(2 000 553)
NET PROFIT		6 610 500	8 431 036

BALANCE SHEET at 31 December 2012

In euros	Notes	31/12/2012	31/12/2011
ASSETS			
Cash, Central banks, PO accounts		-	-
Treasury bills and similar securities		-	-
Loans and advances to banks	3.a	685 711 264	806 452 758
Transactions with customers	3.b	3 755 750 244	4 037 320 455
Bonds and other fixed-income securities	3.c	284 605 666	98 810 407
Equities and other variable-income securities		-	-
Equity investments and other long-term securities		12 000	8 000
Interests in group companies			
Hire purchase and finance leasing with purchase option			
Intangible non-current assets			-
Tangible non-current assets			-
Treasury shares			
Other assets	3.d	1 482 518	804 391
Adjustment accounts	3.e	95 824 617	96 719 616
TOTAL ASSETS		4 823 386 309	5 040 115 627
EQUITY AND LIABILITIES			
LIABILITIES			
Central banks, PO accounts			
Amounts due to banks	3.a	457 338 512	604 009 412
Transactions with customers	3.b		-
Debt securities	3.f	4 073 539 692	4 073 409 827
Other liabilities	3.d	-	-
Adjustment accounts	3.e	195 358 097	263 974 424
Provisions for risks and charges		-	-
Subordinated debt	3.g	65 164 824	65 317 922
TOTAL LIABILITIES		4 791 401 126	5 006 711 584
EQUITY			
Share capital subscribed	4.a	24 040 000	24 040 000
Share premium account			
Reserves		1 329 959	908 407
Retained earnings		4 725	24 601
Profit for the period		6 610 500	8 431 036
TOTAL EQUITY		31 985 183	33 404 043
TOTAL EQUITY AND LIABILITIES		4 823 386 309	5 040 115 627
OFF-BALANCE-SHEET ITEMS			
Notes	Notes	31/12/2012	31/12/2011

COMMITMENTS GIVEN

Finance commitments

Guarantee commitments

Commitments on securities

-

-

COMMITMENTS RECEIVED

Finance commitments

4.d

3 784 303 424

4 161 002 509

Guarantee commitments

Commitments on securities

1. SUMMARY OF FINANCIAL 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 information in the profit and loss account as at 31 DECEMBER 2012, and in the applicable notes to the financial statements, is presented in comparative form to the position as at 31 DECEMBER 2011.

The method adopted for valuing items recorded in the accounting records is historical cost.

The main methods used are as follows:

Loans and advances to banks and customers

Loans and advances to credit institutions cover all loans and advances made within the context of banking transactions to credit institutions. These are broken down into on-demand and term loans.

Customer receivables are made up mainly of export credits and loans to financial customers guaranteed by public sector bodies. These are broken down into trade receivables and other lending credits.

Loans and advances to credit institutions and to customers are recorded in the balance sheet at their nominal value plus accrued interest not yet due.

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

Investment securities

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

Bonds and 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 residual life of the securities. On 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 issue 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.

Commitments on these instruments are recorded as off-balance-sheet items at the face value of the contracts. Their accounting treatment depends on the strategy for managing these 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, offsetting currencies.

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

The revenue and expenses relative to derivative financial instruments used for hedging, associated with a specific or group of identified elements, are correspondingly included within the financial statements, taken into consideration with the revenue generated and the expenses of hedging elements and as part of the same accounting item.

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 expenditure

Interest and related commissions are recorded at their accrued amount calculated on a pro rata basis. Commission similar in nature to interest comprises mainly certain commission received which is incorporated into remuneration on loans.

Commissions not related to interest, and which correspond to services, are recorded as of the date of service provision.

Foreign currency transactions

Receivables, liabilities, and off-balance sheet commitments denominated in foreign currencies are valued at the spot exchange rate at the balance sheet date.

The translation of these transactions denominated in foreign currencies at 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 expenses denominated in foreign currencies and relating to loans, borrowings or off-balance sheet items are recorded in the income and expenditure accounts open in each of the foreign currencies concerned, with the translation being made at the monthly close dates.

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

Charges and income in foreign currency are recorded at their converted value as of the transaction date.

Information on related-party transactions

In consideration of the company and its share ownership (subsidiary owned 99.99% by BNP Paribas SA), the requirements of CRC 2010-04 governing the presentation of information of associated parties, are not applicable.

Tax group arrangements

BNP PARIBAS Public Sector SCF forms part of the France Tax Group of which BNP Paribas is the lead company.

For corporate income tax, in accordance with the terms of the tax group agreement, tax is calculated by the subsidiary, as if there were no tax group.

The amount thus calculated, after deducting any tax assets or tax credits, is due to the parent company, BNP PARIBAS SA.

Consolidation

The financial statements of the company are consolidated using the full consolidation method into the consolidated financial statements of BNP PARIBAS SA.

2. NOTES ON THE INCOME STATEMENT AT 31 DECEMBER 2012

2.a INTEREST MARGIN

Under the headings "Interest and similar income" and "Interest and similar expense" 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 hedge the risks.

In euros	31/12/2012		31/12/2011	
	Income	Expenses	Income	Expenses
Banks	2 886 349	(3 561 470)	6 774 969	(9 672 155)
Demand accounts, loans and borrowings	2 886 349	(3 561 470)	6 774 969	(9 672 155)
Customers	55 567 912	-	88 930 109	-
Demand accounts loans and term accounts	55 567 912		88 930 109	
Bonds and other fixed-income securities	536 948	-	874 666	-
Investment securities	536 948		874 666	
Debt securities	-	(46 207 589)	-	(71 536 138)
Real estate-backed bonds		(44 899 621)		(69 812 051)
Term subordinated debt		(1 307 968)		(1 724 087)
Income interest and expense	58 991 209	(49 769 059)	96 579 744	(81 208 294)

2.b- COMMISSION

In euros	31/12/2012		31/12/2011	
	Income	Expenses	Income	Expenses
Banking and financial transactions	1 100 000	(3 066 949)	1 100 000	(3 228 537)
Securities trading	1 100 000	(3 066 949)	1 100 000	(3 228 537)
Commission income and expense	1 100 000	(3 066 949)	1 100 000	(3 228 537)

2.c OPERATING GENERAL EXPENSES

In euros	31/12/2012	31/12/2011
Other administrative expenses	(718 200)	(1 290 841)
Remuneration of intermediaries	(673 061)	(619 678)
Other external services		
Taxes and dues	(45 138)	(671 164)
Operating expenses	(718 200)	(1 290 841)

2.d CORPORATE INCOME TAX

In euros	31/12/2012	31/12/2011
Current tax for the period	(1 079 409)	(2 000 553)
Corporate income tax	(1 079 409)	(2 000 553)

3. NOTES ON THE BALANCE SHEET AT 31 DECEMBER 201

3.a AMOUNTS DUE TO AND DUE FROM BANKS

In euros	31/12/2012	31/12/2011
Loans and receivables	685 711 264	806 452 758
Debit balances on ordinary accounts	480 409 858	590 420 140
Term accounts and loans	205 301 406	216 032 618
Loans and amounts due from banks	685 711 264	806 452 758
<i>Of which associated receivables</i>	<i>325 935</i>	<i>867 956</i>
Deposits and borrowings	457 338 512	604 009 412
Credit balances on ordinary accounts	34 814	28 567
Term borrowings	457 303 698	603 980 845
Amounts due to banks	457 338 512	604 009 412
<i>Of which associated liabilities</i>	<i>42 698</i>	<i>159 845</i>

3.b TRANSACTIONS WITH CUSTOMERS

In euros	31/12/2012	31/12/2011
Loans and receivables	3 755 750 244	4 037 320 455
Other customer lending	3 755 750 244	4 037 320 455
Transactions with customers – Assets	3 755 750 244	4 037 320 455
<i>Of which associated receivables</i>	<i>17 422 529</i>	<i>21 380 782</i>

3.c BONDS AND OTHER FIXED-INCOME SECURITIES

In euros	31/12/2012	31/12/2011
Bonds and other fixed-income securities		-
Gross value	281 553 550	98 240 854
Reserve	(236 563)	(1 263 791)
Associated charges	3 288 679	1 833 344
Bonds and other fixed-income securities	284 605 666	98 810 407

3.d - OTHER ASSETS AND LIABILITIES

In euros	31/12/2012	31/12/2011
Sundry other assets	1 482 518	804 391
Other assets	1 482 518	804 391
Sundry other liabilities		
Other liabilities		

3.e ADJUSTMENT ACCOUNTS

In euros	31/12/2012	31/12/2011
Income receivable	70 054 132	66 247 394
Other debit adjustment accounts	25 770 484	30 472 222
<i>of which Expenses attributable to more than one period</i>	12 930 771	16 032 950
<i>of which Prepayments</i>	12 839 714	14 439 271
Revaluation of derivative and foreign exchange instruments		
Adjustment accounts – assets	95 824 617	96 719 616
Accruals	18 096 278	22 605 568
Other credit adjustment accounts	17 581 492	13 151 049
	159 680 327	228 217 806
Revaluation of derivative and foreign exchange inst		
Adjustment accounts – liabilities	195 358 097	263 974 424

3.f DEBT SECURITIES

In euros	31/12/2012	31/12/2011
Bond borrowings	4 000 000 000	4 000 000 000
<i>associated liabilities</i>	73 539 692	73 409 827
Debt securities	4 073 539 692	4 073 409 827

3.g SUBORDINATED DEBT

In euros	31/12/2012	31/12/2011
Repayable subordinated debt	65 000 000	65 000 000
Associated liabilities	164 824	317 922
Subordinated debt	65 164 824	65 317 922

4. ADDITIONAL INFORMATION

4.a CHANGES IN SHARE CAPITAL IN EUROS

	31/12/2012			31/12/2011		
	Number of shares	Value per share	Total	Number of shares	Value per share	Total
Opening	2 404 000	10	24 040 000	2 404 000	10	24 040 000
Closing	2 404 000	10	24 040 000	2 404 000	10	24 040 000

4.b CHANGES IN EQUITY

In thousands of euros	31/12/2011	Increases in accounts	Decreases in accounts	31/12/2012
Equity	24 040			24 040
Share premium				
- Legal reserve				-
- Reserves required by the bylaws				-
- Regulated long-term capital gains reserves				-
- Other Reserves	908	422		1 330
Unrealised translation differences				-
Retained earnings	25		(20)	5
Profit for the period	8 431	6 610	(8 431)	6 610
Equity	33 404	7 032	(8 451)	31 985

4.c NOTIONAL ON FINANCIAL INSTRUMENTS

The total of derivative financial instrument notionals 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 attaching to these instruments

In euros	31/12/2012	31/12/2011
Exchange rate derivatives	2 726 950 726	2 936 374 127
Interest-rate derivatives	8 174 343 076	8 110 700 011
OTC financial forward instruments	10 901 29 803	11 047 074 138

4.d - INFORMATION ON OFF-BALANCE SHEET ITEMS

In euros	31/12/2012	31/12/2011
Customers		
Coface	1 050 490 750	1 006 359 724
Euler Hermes KreditVersi	1 327 398 335	1 485 514 633
Export CT guarantee dept	547 107 555	613 280 336
Export import BK OF US	859 306 785	1 055 847 816
Guarantee commitments received	3 784 303 424	4 161 002 509

4.e - AGING OF APPLICATIONS AND SOURCES OF FUNDS

In thousands of euros	Transactions		Remaining			
	On demand	Up to 3 months	3 months - 1 year	1 year - 5 years	Over 5 years	Total
APPLICATIONS						
Loans and advances to banks	480 410	192 886	10 202	42 471	1 169	727 138
Demand receivables	480 410					480 410
Term receivables	0	190 654	2 675	11 972	0	205 301
Transactions with customers	0	135 432	463 955	2 045 343	1 111 020	3 755 750
Bonds and other fixed-income securities				234 389	50 217	284 606
SOURCES						
Amounts due to banks	78	256 166	201 095			457 339
Debt securities	73 540			3 000 000	1 000 000	4 073 540
Subordinated debt	165				65 000	65 165

Company profits/(losses) for the last five years

In euros	31/12/2008	31/12/2009	31/12/2010	31/12/2011	30/06/2012
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 in issue	2 404 000	2 404 000	2 404 000	2 404 000	2 404 000
Number bonds convertible into shares	None	None	None	None	None
Actual operating results					
Net banking income (1)	(65)	13 937 991	10 678 143	12 986 221	7 380 880
EBITDA	(6 600)	12 841 728	10 149 196	11 695 380	6 662 681
Corporate income tax	None	(2 876 469)	(1 946 320)	(2 000 553)	(1 079 409)
Profit/(loss) after tax, depreciation and amortisation	(6 600)	9 965 259	8 202 876	8 431 036	6 610 500
Total profit distributed	None	9 375 600	7 813 000	8 029 360	
Results per share					
Profit after tax, but before depreciation and amortisation	(0.00)	4.15	3.41	4.03	2.32
Profit/(loss) after tax, depreciation and amortisation	(0.00)	4.15	3.41	3.51	2.75
Dividend per share	None	3.90	3.25	3.34	0.00
Personnel					
Number of employees	None	None	None	None	None
Labour costs	None	None	None	None	None
Total benefits in kind 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 amortisation

BNP PARIBAS PUBLIC SECTOR SCF

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

(Year ended 31 December 2012)

PricewaterhouseCoopers Audit

63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Deloitte & Associés

185, avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

(Year ended 31 December 2012)

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the financial statements and 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 also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

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 Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meetings, we hereby report to you, for the year ended 31 December 2012, on:

- the audit of the accompanying financial statements of BNP PARIBAS PUBLIC SECTOR SCF,
- the justification of our assessments,
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. 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 involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 2012, and of the results of its operations for the year then ended in accordance with French accounting principles.

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 as part 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, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report regarding:

- the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, 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, 28 March 2013

The Statutory Auditors

French original signed by

PricewaterhouseCoopers
Audit

Deloitte & Associés

Laurent Tavernier

Sylvie Bourguignon