



BNP PARIBAS
PUBLIC SECTOR SCF

**INDEPENDENT AUDITOR'S LIMITED REVIEW
OF THE HALF YEAR ACCOUNTS**

Period from 1st January 2011 to 30 June 2011

FINANCIAL STATEMENTS

Accounts to 30 June 2011

(In euros)

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INCOME STATEMENT AT 30 June 2011

In euros	Note S	30/06/2011	30/06/2010
Interest and similar income	2.a	42,726,492	21,456,215
Interest and similar expense	2.a	(33,910,722)	(14,375,092)
Revenues from variable-income securities			
Commission (income)	2.b	550,000	550,000
Commission (expenses)	2.b	(1,591,992)	(1,051,453)
Gains or losses on transactions on trading portfolios		17,745	386,691
Gains or losses on transactions on investment portfolios and similar		-	-
Other income from banking operations		1	2
Other expenses from banking operations		(51,925)	(27,478)
NET BANKING INCOME		7,739,600	6,938,886
Labour costs		-	-
Other administrative expenses	2.c	(576,088)	(191,437)
Amortisation and impairment charge on tangible and intangible assets		-	-
GROSS OPERATING PROFIT		7,163,512	6,747,449
Cost of risk		-	-
OPERATING PROFIT		7,163,512	6,747,449
Gains or losses on capitalised assets			
Net charges to regulated provisions			
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		7,163,512	6,747,449
Net exceptional income/expense			
Corporate income tax	2.d	(1,746,210)	(1,623,044)
NET PROFIT		5,417,302	5,124,404

BALANCE SHEET at 30 June 2011

In euros	Notes	30/06/2011	31/12/2010
ASSETS			
Cash, Central banks, PO accounts			
Treasury bills and similar securities		-	-
Loans and advances to banks	3.a	786,615,666	550,488,496
Transactions with customers	3.b	3,878,158,229	3,328,408,261
Bonds and other fixed-income securities	3.c	101,154,894	-
Equities and other variable-income securities		-	-
Equity investments and other long-term securities		4,000	
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	241,185	1,918,701
Adjustment accounts	3.e	149,454,270	84,043,759
TOTAL ASSETS		4,915,628,245	3,964,859,216
EQUITY AND LIABILITIES			
LIABILITIES			
Central banks, PO accounts			
Amounts due to banks	3.a	753,181,980	662,721,688
Transactions with customers	3.b	-	-
Debt securities	3.f	4,031,740,783	3,055,886,986
Other liabilities	3.d	735,556	21,192
Adjustment accounts	3.e	34,282,160	148,178,374
Provisions for risks and charges		-	-
Subordinated debt	3.g	65,297,456	65,264,969
TOTAL LIABILITIES		4,885,237,935	3,932,073,209
EQUITY			
Share capital subscribed	4.a	24,040,000	24,040,000
Share premium account			
Reserves		908,407	498,263
Retained earnings		24,601	44,869
Profit for the period		5,417,302	8,202,875
TOTAL EQUITY		30,390,309	32,786,007
TOTAL EQUITY AND LIABILITIES		4,915,628,245	3,964,859,216

OFF-BALANCE-SHEET ITEMS	Notes	30/06/2011	31/12/2010
COMMITMENTS GIVEN			
Finance commitments			
Guarantee commitments			
Commitments on securities		-	-
COMMITMENTS RECEIVED			
Finance commitments			
Guarantee commitments	4.d	4,005,259,098	3,379,070,256
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 method adopted for valuing items recorded in the accounting records is historical cost.

Loans and advances to banks and customers

Loans and advances to banks cover all receivables held under banking operations with banks. They are broken down between demand and term receivables.

Customer receivables are made up mainly of export credits and loans to financial customers guaranteed by public sector bodies. They are split between commercial receivables and other lending.

Loans and advances to banks and customers are stated in the balance sheet at face value plus accrued interest.

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*

Income and expenses on forward derivative financial instruments used for hedging, attributed from the outset to one item or to one single homogenous 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 expenditure

Interest and related commission is recognised as it arises, on a time-apportioned basis. Commission similar in nature to interest comprises mainly certain commission received which is incorporated into remuneration on loans.

Commission not similar in nature to interest which relates to the provision of services is recognised at 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 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.

Income and expenditure in foreign currencies are stated at the exchange rate at the date of the transaction.

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 30 JUNE 2011

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	30/06/2011		30/06/2010	
	Income	Expenses	Income	Expenses
Banks	2,489,198	(5,296,781)	2,164,878	(2,824,600)
Demand accounts, loans and borrowings	2,489,198	(5,296,781)	2,164,878	(2,824,600)
Customers	40,147,764	-	19,291,338	-
Demand accounts loans and term accounts	40,147,764		19,291,338	
Bonds and other fixed-income securities	89,530	-		
Investment securities	89,530			
Debt securities	-	(28,613,942)	-	(11,550,492)
Real estate-backed bonds		(27,825,725)		(10,922,908)
Term subordinated debt		(788,217)		(627,584)
Income interest and expense	42,726,492	(33,910,722)	21,456,215	(14,375,092)

2.b- COMMISSION

In euros	30/06/2011		30/06/2010	
	Income	Expenses	Income	Expenses
Banking and financial transactions	550,000	(1,591,992)	550,000	(1,051,453)
Securities trading	550,000	(1,591,992)	550,000	(1,051,453)
Commission income and expense	550,000	(1,591,992)	550,000	(1,051,453)

2.c OPERATING GENERAL EXPENSES

In euros	30/06/2011	30/06/2010
Other administrative expenses	(576,088)	(191,437)
Remuneration of intermediaries	(265,923)	(86,663)
Other external services		
Taxes and dues	(310,165)	(104,774)
Operating expenses	(576,088)	(191,437)

2.d CORPORATE INCOME TAX

In euros	30/06/2011	30/06/2010
Current tax for the period	(1,746,210)	(1,623,044)
Corporate income tax	(1,746,210)	(1,623,044)

3. NOTES ON THE BALANCE SHEET AT 30 JUNE 2011

3.a AMOUNTS DUE TO AND DUE FROM BANKS

In euros	30/06/2011	31/12/2010
Loans and receivables	786,615,666	550,488,496
Debit balances on ordinary accounts	572,451,197	408,858,286
Term accounts and loans	214,164,469	141,630,210
Loans and amounts due from banks	786,615,666	550,488,496
<i>Of which associated receivables</i>	<i>741,008</i>	<i>785,978</i>

In euros	30/06/2011	31/12/2010
Deposits and borrowings	753,181,980	662,721,688
Credit balances on ordinary accounts	26,407	
Term borrowings	753,155,573	662,721,688
Amounts due to banks	753,181,980	662,721,688
<i>Of which associated liabilities</i>	<i>614,573</i>	<i>407,688</i>

3.b TRANSACTIONS WITH CUSTOMERS

In euros	30/06/2011	31/12/2010
Loans and receivables	3,878,158,229	3,328,408,261
Other customer lending	3,878,158,229	3,328,408,261
Transactions with customers – Assets	3,878,158,229	3,328,408,261
<i>Of which associated receivables</i>	<i>19,388,161</i>	<i>17,752,705</i>

3.c BONDS AND OTHER FIXED-INCOME SECURITIES

In euros	30/06/2011	31/12/2010
Bonds and other fixed-income securities	101,154,894	-
Bonds and other fixed-income securities	101,154,894	-
<i>Of which associated receivables</i>	<i>2,316,260</i>	

3.d - OTHER ASSETS AND LIABILITIES

In euros	30/06/2011	31/12/2010
Sundry other assets	241,185	1,918,701
Other assets	241,185	1,918,701
Sundry other liabilities	735,556	21,192
Other liabilities	735,556	21,192

3.e ADJUSTMENT ACCOUNTS

In euros	30/06/2011	31/12/2010
Income receivable	24,247,098	52,136,173
Other debit adjustment accounts	31,701,769	31,907,586
<i>of which Expenses attributable to more than one period</i>	17,584,040	16,491,786
<i>of which Prepayments</i>	14,117,729	15,415,800
Revaluation of derivative and foreign exchange instruments	93,505,403	
Adjustment accounts – assets	149,454,270	84,043,759
Accruals	24,808,578	31,622,459
Other credit adjustment accounts	9,473,582	9,894,932
Revaluation of derivative and foreign exchange instruments		106,660,982
Adjustment accounts – liabilities	34,282,160	148,178,374

3.f DEBT SECURITIES

In euros	30/06/2011	31/12/2010
Bond borrowings	4,000,000,000	3,000,000,000
<i>associated liabilities</i>	31,740,783	55,886,986
Debt securities	4,031,740,783	3,055,886,986

3.g SUBORDINATED DEBT

In euros	30/06/2011	31/12/2010
Repayable subordinated debt	65,000,000	65,000,000
Associated liabilities	297,456	264,969
Subordinated debt	65,297,456	65,264,969

4. ADDITIONAL INFORMATION

4.a CHANGES IN SHARE CAPITAL IN EUROS

	30/06/2011			31/12/2010		
	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	31/12/2010	Increases in accounts	Decreases in accounts	30/06/2011
Equity	24,040			24,040
Share premium account				
- Legal reserve				-
- Reserves required by the bylaws				-
- Regulated long-term capital gains reserves				-
- Other Reserves	498	410		908
Unrealised translation differences				-
Retained earnings	45		(20)	25
Profit for the period	8,203	5,417	(8,203)	5,417
Equity	32,786	5,827	(8,223)	30,390

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 attaching to these instruments

In euros	30/06/2011	31/12/2010
Exchange rate derivatives	3,142,196,252	2,833,355,505
Interest-rate derivatives	8,122,896,823	5,496,940,257
OTC financial forward instruments	11,265,093,075	8,330,295,761

4.d - INFORMATION ON OFF-BALANCE SHEET ITEMS

In euros	30/06/2011	31/12/2010
Customers		
Coface	936,960,183	990,008,462
Euler Hermes KreditVersi	1,416,647,695	1,050,383,516
Export CT guarantee dept	578,004,179	296,249,098
Export import BK OF US	1,073,647,040	1,042,429,180
Guarantee commitments received	4,005,259,097	3,379,070,256

4.e - AGING OF APPLICATIONS AND SOURCES OF FUNDS

In thousands of euros	Transactions		Remaining term			
	On demand	Up to 3 months	3 months - 1 year	1 year - 5 years	Over 5 years	Total
APPLICATIONS						
Loans and advances to banks	574,374	94,572	16,454	91,722	9,494	786,616
Demand receivables	572,451					572,451
Term receivables	1,923	94,572	16,454	91,722	9,494	214,164
Transactions with customers	50,209	82,331	379,514	1,864,135	1,501,969	3,878,158
Bonds and other fixed-income securities	2,317			98,838		101,155
SOURCES						
Amounts due to banks	641		432,509	320,032		753,182
Debt securities	31,741			3,000,000	1,000,000	4,031,741
Subordinated debt	297				65,000	65,297

Company profits/(losses) for the last five years

In euros	31/12/2006	31/12/2007	31/12/2008	31/12/2009	31/12/2010	30/06/2011
Financial position at the end of the year						
Share capital	40,000	40,000	24,040,000	24,040,000	24,040,000	24,040,000
Number of shares in issue	4,000	4,000	2,404,000	2,404,000	2,404,000	2,404,000
Number bonds convertible into shares	None	None	None	None	None	None
Actual operating results						
Net banking income (1)	None	None	(65)	13,937,991	10,678,143	7,739,600
EBITDA	(5,941)	(12,498)	(6,600)	12,841,728	10,149,196	7,163,512
Corporate income tax	None	None	None	(2,876,469)	(1,946,320)	(1,746,210)
Profit/(loss) after tax, depreciation and amortisation	(5,941)	(12,498)	(6,600)	9,965,259	8,202,876	5,417,302
Total profit distributed	None	None	None	9,375,600	7,813,000	
Results per share						
Profit after tax, but before depreciation and amortisation	(1.49)	(3.12)	(0.00)	4.15	3.41	2.25
Profit/(loss) after tax, depreciation and amortisation	(1.49)	(3.12)	(0.00)	4.15	3.41	2.25
Dividend per share	None	None	None	3.90	3.25	-
Personnel						
Number of employees	None	None	None	None	None	None
Labour costs	None	None	None	None	None	None
Total benefits in kind paid (social security, welfare initiatives, etc)	None	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 AUDITOR'S REVIEW REPORT
ON THE INTERIM FINANCIAL STATEMENTS**

For the period from 1 January 2011 to 30 June 2011

PricewaterhouseCoopers Audit

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

Mazars

61, rue Henri Regnault
92400 Courbevoie

**STATUTORY AUDITOR'S REVIEW REPORT
ON THE INTERIM FINANCIAL STATEMENTS**

This is a free translation into English of the Statutory Auditors' review report on the interim financial statements for the period from 1 January 2011 to 30 June 2011 issued in the French language 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.

For the period from 1 January 2011 to 30 June 2011

To the shareholders
BNP Paribas Public Sector SCF
1, boulevard Haussmann
75009 Paris

To the Shareholders,

In our capacity as Statutory Auditors of BNP Paribas Public Sector and in response to your request, we have performed a review of the accompanying interim financial statements for the period from 1 January 2011 to 30 June 2011.

The interim financial statements are the responsibility of management. Our role, based on our review, is to report our conclusions on these interim financial statements.

We conducted our review in accordance with professional standards applicable in France. A review of half-year 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.

BNP PARIBAS PUBLIC SECTOR SCF

Statutory auditor's review report on the interim financial statements

For the period from 1 January 2011 to 30 June 2011 – Page 2

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not, in all material respects, give a true and fair view of the financial position and assets and liabilities of the Company at 30 June 2011 and of the results of its operations for the six months then ended in accordance with the accounting rules and principles applicable in France.

Neuilly-sur-Seine and Courbevoie

21 September 2011

The statutory auditors

PricewaterhouseCoopers Audit

Mazars

Patrice Morot

Guillaume Potel