

**SUPPLEMENT DATED 18 NOVEMBER 2009  
TO THE BASE PROSPECTUS DATED 6 NOVEMBER 2009**



**BPCE S.A.**

Euro 40,000,000,000

Euro Medium Term Note Programme for the issue of Notes

Due from one month from the date of original issue

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This Prospectus Supplement (the “**Supplement**”) is supplemental to, and must be read in conjunction with the Base Prospectus dated 6 November, 2009 (together the “**Base Prospectus**”), prepared in relation to the €40,000,000,000 Euro Medium Term Note Programme of BPCE S.A. (the “**Issuer**”).

On 6 November 2009, the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) approved the Base Prospectus as a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”) and Article 8.4 of the Luxembourg Law on prospectuses for securities dated 10 July 2005 (the “**Luxembourg Law**”).

Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

The Issuer accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect its import.

In accordance with Article 13 paragraph 2 of the Luxembourg law, investors who have already agreed to purchase or subscribe for the securities before this supplement is published have the right, exercisable within a time limit of minimum two working days after the publication of this supplement, to withdraw their acceptances.

This Supplement has been prepared pursuant to Article 16 of Prospectus Directive and Article 13 of Luxembourg Law for the following purposes:

Update the section of the Base Prospectus under the heading “**Recent Developments**” (page 45) by the insertion of a press release announcing the results of the Groupe BPCE for the 3<sup>rd</sup> quarter and the first 9 months of 2009 published on November 12, 2009 which is reproduced below.

**Natixis and Groupe BPCE return to profitability in the 3<sup>rd</sup> quarter:**

Net income of 447 million euros

**Good operating performance of the Banque Populaire and Caisse d'Epargne networks:**

Operating income of 1,887 million euros in 9M'09, up 57%/9M'08

**The Group's financial strength is further reinforced:**

Improvement in the Tier 1 ratio from 8.6% at June 30 to 8.8% at Sept. 30, 2009

750 million euros of deeply subordinated Tier 1 notes repaid to the French State

**The Group's commitment to the economic stimulus plan:**

Loans outstanding position up 3.3 %, higher than the market average

Paris, November 12, 2009

**3rd quarter of 2009: Natixis and Groupe BPCE return to profitability**

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- Net income of 447 million euros
- Good performance of the Banque Populaire and Caisse d'Epargne networks
- Initial positive effects of the refocusing of Natixis
- Resilience of the activities of the Real estate business line
- Cost of risk stabilized

**First 9 months of 2009: good operating performance**

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- Net banking income up 17% to reach a total of 15.1 billion euros
- Rise in the loans outstanding position, testifying to the support given to the French economy by Groupe BPCE banks
- Net income of -310 million euros, still marked by the crisis and by the exceptional items booked in the accounts

**A robust financial structure**

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- Tier 1 capital at September 30, 2009: 36.1 billion euros
- Estimated Tier 1 ratio: 8.8% up from 8.6% at June 30, 2009

On November 12, 2009, the Supervisory Board of BPCE convened a meeting chaired by Philippe Dupont to examine the Group's financial statements for the third quarter of 2009. These financial statements are compared with pro forma figures presenting the Group's financial position at September 30, 2008 as if the merger between Groupe Banque Populaire and Groupe Caisse d'Epargne had already been completed at that date.

François Pérol, Chairman of the Management Board of BPCE, made the following statement:

*“In an economic environment that remained uncertain in the third quarter of 2009, Groupe BPCE achieved a fine performance. All the core business lines made a positive contribution to the results of the Group, which has continued to maintain its dynamic in favor of the economic stimulus plan. The growth in revenues enjoyed by the Banque Populaire banks and the Caisses d'Epargne testifies to the resilience of the Group's retail banking business. After five difficult quarters, Natixis has become profitable once again, demonstrating the relevance of the decision to refocus its business activities. These results – to which should be added the substantial contribution made by the Real estate core business – are encouraging both for our personnel and for the future of Groupe BPCE.”*

## Consolidated results of Groupe BPCE: significant improvement

### RESULTS FOR THE 3RD QUARTER OF 2009

The third quarter of 2009 saw the birth of Groupe BPCE on July 31, 2009.

Against a background marked by a continued adverse economic environment on the one hand and an improvement in the capital markets on the other, Groupe BPCE achieved an improved operating performance in the third quarter of the year in all three of its core business lines: Retail banking, Corporate & investment banking, asset management and financial services (Natixis), and the different activities of the Real estate industry. The result is a net profit (Group's share) of 447 million euros, marking the Group's return to profitability.

The Group's **net banking income** stands at 5,429 million euros for the third quarter, representing growth of 25%. The net banking income of the Group's three core business lines stands at an aggregate 5,275 million euros, an increase of 10%.

- **Retail banking** accounts for 64% of the net banking income generated by the three core business lines in the first half of the year with a total of 3,345 million euros. The banking institutions in the Banque Populaire and Caisse d'Epargne networks are now enjoying the fruit of their commercial dynamism with revenues of 3,063 million euros up from 2,251 million euros in the third quarter of 2008, a period impacted by the effects of the financial crisis.
- The **Corporate & investment banking, asset management and financial services (Natixis)** division, with 1,292 million euros, accounts for 24% of the net banking income generated by the core business lines of Groupe BPCE.
- **Real estate services** account for 12% of the net banking income generated by the Group's core business lines with a total of 638 million euros, up from 556 million euros in the third quarter of 2008 (up 15%). This improvement reflects the rebound in the real estate market noted in the third quarter of 2009 driven by the decline in interest rates and the different support measures (the PASS-foncier scheme for new home ownership, a doubling of the PTZ interest-free loans, the so-called Scellier provisions to encourage investment in rental property).

**Operating expenses** have risen 4% to 3,961 million euros; this total includes the non-recurring expenses incurred by the creation of the new BPCE central institution. The operating expenses of the core business lines – which remain stable at 3,724 million euros – reflect the cost-cutting drive pursued by the Group's different companies. In the Retail banking segment, the increase in expenses has been kept to just 2% and the cost/income ratio shows an 11-point improvement at 67.4%.

**Gross operating income** stands at 1,468 million euros against 527 million euros in the third quarter of 2008. The gross operating income generated by the core business lines has increased by 43%, to 1,551 million euros.

The **cost of risk** remains high (588 million euros) but has fallen from the level noted in the third quarter of 2008. During the period, Groupe BPCE suffered an increase in the cost of customer risk while simultaneously benefiting from a reduction in the negative impacts related to the valuation of the financial portfolios of the Banque Populaire banks and Caisses d'Epargne.

**Net income (Group's share)** has moved out of the red and now stands at a positive 447 million euros.

### RESULTS FOR THE FIRST 9 MONTHS OF 2009

The results of Groupe BPCE for the first nine months of 2009 are marked by the effect of the economic crisis, notably by the increase in the cost of risk related to the deterioration in the economic environment and to the booking of additional provisions with respect to the loan portfolios. The results were also depressed by a number of exceptional entries, notably the impairment of goodwill aimed at bringing the valuation of assets into line with the market environment. Overall, Groupe BPCE reports a net loss of 310 million euros.

In the first nine months of 2009, the Group's **net banking income** reached a total of 15.1 billion euros, representing 17% growth compared with the first nine months of 2008. **Gross operating income** stands at 3.1 billion euros.

As far as the Group's core business lines are concerned, net banking income remains stable at 15.3 billion euros. This stability reflects the enduring resilience of the Retail banking division in an uncertain economic environment, notably during the first half of 2009.

The **operating expenses** of the core businesses are stable at 11.6 billion euros. In contrast, however, the **cost of risk** – at 2.5 billion euros – has doubled compared with the same period in 2008 in view of the effects of the economic crisis on the retail banking activity and the substantial provisions booked by Natixis during the first half of the year following the review of its loan portfolios.

The **gross operating income** of the core business lines has risen 6% to 3.8 billion euros, reflecting the good operating performance of the Group's business activities.

The **operating income** generated by the core business lines has fallen by 46%, to 1.2 billion euros.

## CONSOLIDATED RESULTS OF GROUPE BPCE

<i>in millions of euros</i>	Q3 2009	O/w business lines	Q3 2008	O/w business lines	% change business lines	9M 2009	9M 2008
<b>Net banking income</b>	<b>5,429</b>	<b>5,275</b>	<b>4,344</b>	<b>4,812</b>	<b>+10%</b>	<b>15,128</b>	<b>12,880</b>
Operating expenses	-3,961	<b>-3,724</b>	-3,816	<b>-3,732</b>	=	-12,007	-11,979
<b>Gross operating income</b>	<b>1,468</b>	<b>1,551</b>	<b>527</b>	<b>1,080</b>	<b>+43%</b>	<b>3,121</b>	<b>901</b>
Cost of risk	-588	<b>-590</b>	-781	<b>-660</b>	<b>-11%</b>	-3,578	- 1,528
<b>Operating income</b>	<b>880</b>	<b>962</b>	<b>-253</b>	<b>420</b>	<b>X 2.3</b>	<b>-457</b>	<b>-627</b>
<b>Net income (Group's share)</b>	<b>447</b>		<b>-960</b>			<b>-310</b>	<b>-969</b>

## FINANCIAL STRUCTURE OF GROUPE BPCE

At September 30, 2009, the Group's Tier 1 capital stood at 36.1 billion euros.

Risk-weighted assets amounted to 408 billion euros at September 30, 2009. 51% of these assets are concentrated in the Retail banking segment.

At September 30, 2009, the estimated Tier 1 capital ratio of Groupe BPCE stood at 8.8%. This ratio does not include capital of 1.3 billion euros obtained from the issue of cooperative shares carried out by the Caisses d'Epargne at September 30, 2009; the Caisses d'Epargne should further reinforce their shareholders' equity by proceeding with a capital increase before the end of the year.

Groupe BPCE enjoys long-term ratings of Aa3 granted by Moody's and A+ granted by Standard & Poor's and Fitch; all these ratings are accompanied by a stable outlook.

## RETAIL BANKING: MOBILIZATION IN FAVOR OF THE ECONOMIC STIMULUS PLAN

The two retail networks have continued their mobilization in favor of measures taken to finance the economy in accordance with the commitments made to the French government in October 2008. Groupe BPCE boasted 3.3%<sup>1</sup> growth in outstandings at the end of September 2009, a level significantly higher than the average growth of the loans outstanding position achieved by the financial institutions that signed the agreement with the French government in October last year. In the individual customer market and the SME/micro-enterprise segment, where the Group enjoys strong positions, the loans outstanding position increased by 5%.

<sup>1</sup> Source: Banque de France

The Groupe has undertaken to maintain a 3.5% annual rate of growth for its loan book for 2009 as a whole. The different actions taken by Groupe BPCE in favor of the French economy include:

- An allocation of loans to local authorities for a total of 3 billion euros arranged by the Caisses d'Épargne,
- A monthly envelope of 1 billion euros in favor of SMEs opened by the Banque Populaire banks,
- An increase to a total of 1.8 billion euros of new loans granted by the Caisses d'Épargne in favor of social housing operators in 2009.

#### ○ **Banque Populaire network**

*The Banque Populaire network includes 20 Banque Populaire banks, Crédit Maritime Mutuel and the Mutual Guarantee Companies.*

The Banque Populaire network confirmed its ability to withstand the economic crisis, its commercial dynamism and its power of attraction during the first nine months of 2009. The number of individual customers increased by a total of 27,000 and the number of business customers rose by 4% compared with the first nine months of 2008.

- **Savings deposits**

Savings deposits stand at 176 billion euros, representing 8% growth compared with September 30, 2008.

In the individual customer market segment, on-balance sheet savings have continued to grow at a rate of 4%, chiefly thanks to deposits on *Livret A* passbook accounts (3 billion euros). The decline in interest rates paid on regulated savings products, adopted on February 1, 2009 and reduced still further on May 1, 2009, has also encouraged savers to move their funds to risk-free products offering higher rates of return with long-term investment horizons. As a result, life funds have risen by 11% (37 billion euros). Growth in demand deposits stands at 8%.

In the corporate customer segment, deposits held on term accounts have grown by 34%. Deposits in employee savings schemes have grown by 10%. Over the period, the number of employee savings contracts rose by 19%.

- **Loans outstanding**

Outstanding loans granted by the Banque Populaire network have increased by 3% compared with September 30, 2008 to reach a total of 138 billion euros.

Outstanding home loans and equipment loans have increased by 4% compared with September 30, 2008.

A partner of the principal networks of organizations offering support to new business creators, the Banque Populaire network is maintaining its position as the leading distributor of New Business Creation Loans (*Prêts à la Création d'Entreprise* or PCE) with an estimated market share of 27.5% at the end of September 2009.

- **Financial results**

For the 9-month period ended September 30, 2009, net banking income rose 7% to reach a total of 4,354 million euros driven by the combined effect of significant growth in the interest margin and the leveling off of commissions. If provisions for home purchase savings schemes are excluded, growth in net banking income stands at 5% on a like-for-like basis.

Operating expenses amount to 2,934 million euros, representing an increase of 1.1% on a like-for-like basis. The cost/income ratio stands at 67% on a like-for-like basis, reflecting a 1.8-point improvement compared with the first nine months of 2008.

The gross operating income generated by the Banque Populaire network stands at 1,420 million euros over the period.

In view of the increase in company bankruptcies in an uncertain economic environment, the cost of risk totals 506 million euros, up from 342 million euros at September 30, 2008. Stable compared with June 30, 2009, the cost of risk stands at 49 basis points<sup>2</sup>.

The operating income generated by the Banque Populaire network over the first nine months of 2009 remains stable at 914 million euros.

- **Caisse d'Epargne network**

*The Caisse d'Epargne network includes 17 Caisses d'Epargne.*

In a business environment marked by the economic crisis and the deregulation of the *Livret A* passbook savings accounts, the Caisses d'Epargne have demonstrated their high degree of commercial dynamism.

- **Savings deposits**

The negative impact of the deregulation of the distribution of *Livret A* passbook accounts, effective January 1, 2009, and the decline in its interest rate were offset by the network's high degree of commercial dynamism. Despite the 1% decline in deposits held on *Livret A* passbook accounts in the space of one year, the aggregate savings deposits of the Caisse d'Epargne network rose 2% compared with September 30, 2008, to reach a total of 327 billion euros.

New savings deposits (excluding *Livret A*) enjoyed 61% growth over the period, chiefly driven by the success of life insurance products for which new fund inflows have increased by 51% in one year to a total of 3.4 billion euros.

During the period, average funds on demand deposit accounts rose by 4% for the Retail banking segment, and by 9.5% for the Regional development banking sector. In the demand deposit account segment, the Caisse d'Epargne network boasts a market share of 8.7% in France.

The Caisse d'Epargne network has also pursued its policy aimed at attracting new customers; the increase in the number of active customers receiving banking services in the market for self-employed professionals now stands at 5%, 2% in the individual customer segment and 11% for corporate customers.

- **Loans outstanding**

With 5% growth in the loans outstanding position to 132 billion euros compared with September 30, 2008, the Caisses d'Epargne confirm their determination to pursue their commitment to help finance the French economy.

Home loans outstanding have increased slightly, totaling 78 billion euros at September 30, 2009. Equipment loans represent a total of 35 billion euros.

In the third quarter of 2009, loan commitments increased in all sectors. More particularly, the Caisses d'Epargne have outperformed the market in the area of consumer financing; the production of new consumer loans in the first nine months of the year represent a total of 4.3 billion euros, up 3%. The Caisse d'Epargne network retains its position as the 2<sup>nd</sup> largest distributor of consumer credit solutions (excluding specialized institutions) with a market share of 7.3%.

- **Financial results**

Under the combined impact of an increase in average outstandings for all loans, the decline in the refinancing rate, and the effects of the reduction of the financial portfolios, net banking income stands at 4,456 million euros, equal to growth of 20% over the first nine months of 2009. If provisions booked for home purchase savings schemes are excluded, the increase in net banking income amounts to 24%. Commissions earned on loans, up 16%, and commissions related to banking services (up 3%) offset the decline in commissions earned on financial savings products and centralized savings products.

Operating expenses remain stable at 3,262 million euros. The cost/income ratio is 73.2%.

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<sup>2</sup> Cost of risk related to customer credit activities compared with estimated average Basel I credit risk-weighted assets

The gross operating income of the Caisse d'Épargne network comes to a total of 1,194 million euros, the result of an extremely significant improvement in the network's operating performance.

The cost of risk stands at 220 million euros against 180 million euros one year earlier. This 40-million euro increase compared with September 30, 2008 reflects an increase in the cost of customer risk offset, in part, by the reduction in the impact of the crisis on the financial portfolios. Stable compared with June 30, 2009, the cost of risk stands at 22 basis points<sup>3</sup>.

The operating income generated by the Caisse d'Épargne network during the first nine months of the year has been multiplied by a factor of three and now stands at 974 million euros.

#### **CORPORATE & INVESTMENT BANKING, ASSET MANAGEMENT AND FINANCIAL SERVICES<sup>4</sup>**

The third quarter of 2009 marks a return to profitability for Natixis and for the three divisions that comprise its core business activity.

Corporate & investment banking, asset management and financial services contributed 1,292 million euros and 261 million euros respectively to the net banking income and gross operating income of Groupe BPCE for the third quarter of 2009.

During the first nine months of 2009, the contribution of Corporate & investment banking, asset management and financial services were 3.9 billion euros and 541 million euros respectively to the net banking income and gross operating income of the Group.

#### **REAL ESTATE CORE BUSINESS LINE: RESILIENCE DESPITE THE DOWNTURN IN THE BUSINESS CYCLE**

*The real estate division is chiefly comprised of the activities pursued by Crédit Foncier, Foncia and Nexity in addition to other businesses such as GCE Habitat, Maisons France Confort and Meilleurtaux. They allow Groupe BPCE to play a major role in the real estate industry, present at every level and in every area of real estate services, providing financing solutions for individual customers, companies, the local authorities and social housing.*

The net banking income of the real estate division for the first nine months of the year amounts to 1,764 million euros, representing a decline of only 6% compared with the first nine months of last year in an adverse economic climate for the industry as a whole.

##### **○ Crédit Foncier**

During the first 9 months of the year, the net banking income generated by this financial institution specializing in the financing of real estate projects remained stable at 753 million euros (as a contribution to BPCE) under the impact of a decline in business triggered by the adverse economic environment offset, however, by a significant increase in margins.

In the market for home loans granted to individual customers, Crédit Foncier enjoyed a period of sustained business activity thanks, in particular, to its significant involvement in the measures adopted to stimulate the French economy (doubling of interest-free loans, extension of the ceilings on PAS loans to facilitate home-ownership for low-income families, development of the PASS-foncier scheme for new home ownership, etc.). As a result, Crédit Foncier has increased its market share in the area of interest-free loans and PAS loans to 24% and 36.5% respectively. All in all, its market share is in the region of 8%, a level not achieved for more than 10 years.

##### **○ Real estate services: Foncia and Nexity**

###### **● Foncia**

The leader in residential real estate transactions and management services in France saw its revenues grow by 3% in the first 9 months of the year to reach a total of 407 million euros. This performance demonstrates the resilience of the business model adopted by Foncia chiefly based on the recurrent activities of rental property and condominium management services.

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<sup>3</sup> Cost of risk related to customer credit activities compared with estimated average Basel I credit risk-weighted assets

<sup>4</sup> The results of Natixis are presented in a detailed press release published separately

The number of sales – which had been declining for the past 2 years – recovered in the third quarter of 2009 with an increase of 14% in the space of one year. During the 9-month period, almost 8,000 sales were concluded thereby making up for the shortfall experienced in the first half of 2009.

- **Nexity**

The Nexity Group, the leading French player in private real estate development, recorded revenues of 1.96 billion euros during the first 9 months of 2009, a result that remains stable compared with the same period in 2008.

The Group's commercial activities show a significant rise in its residential accommodation business compared with the first 9 months of 2008. Reservations for new housing units have increased by 40% compared with the same period last year. The order book totaled 2.8 billion euros at the end of September and represented almost 16 months' revenue generated by the real estate development activities.

#### **ACTIVITIES MANAGED ON A RUN-OFF BASIS AND OTHER BUSINESSES**

The activities managed on a run-off basis reflect the contribution of the GAPC<sup>5</sup> of Natixis and the proprietary trading activities of Caisse d'Epargne Participations.

The impact of the activities managed on a run-off basis declined significantly in the third quarter. Net banking income stands at 154 million euros.

The guarantee granted by BPCE in favor of Natixis was adopted with effect retroactive to July 1, 2009. The impact of the guarantee on the results of Group BPCE in the third quarter of this year is of marginal importance.

#### **CONCLUSION**

Regarding its commercial activities, Groupe BPCE enjoyed an increase in its customer base, especially in the retail banking sector, in a business environment that still offers little visibility. Created on July 31, 2009, Groupe BPCE is now in marching order. The strategic plan is progressing in line with the timetable initially fixed and will be presented at the beginning of 2010.

The results of the third quarter of 2009, which mark the Group's return to profitability, testify to the operational efficiency of its core business lines.

#### **About Groupe BPCE:**

*Groupe BPCE, the 2<sup>nd</sup>-largest banking group in France, includes two independent and complementary retail-banking networks: the network of 20 Banque Populaire banks and the network of 17 Caisses d'Epargne. It is a major player both in corporate & investment banking, asset management and financial services with Natixis, and in the real estate market with Crédit Foncier, Foncia and Nexity. Groupe BPCE serves more than 37 million customers and enjoys a strong presence in France with 8,200 branches, 127,000 employees and more than 7 million cooperative shareholders.*

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<sup>5</sup> GAPC: *Gestion Active des Portefeuilles Cantonnés*, or workout portfolio management

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Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus. To the extent that there is any inconsistency between (a) any statements in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated in, the Base Prospectus, the statements in (a) above will prevail.

Copies of the Base Prospectus and of this Supplement may be obtained without charge from the head office of the Issuer. They are available on the Issuer's website ([www.bpce.fr](http://www.bpce.fr)) and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).