Another way to grow

REVIEW OF OPERATIONS AND SUSTAINABLE DEVELOPMENT REPORT 2014

SUPPORTING THE ENTREPRENEURIAL SPIRIT P.18
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GROUPE BPCE
Bankers and insurers with a different perspective
The 2nd-largest banking group in France, thanks to its flagship Banque Populaire and Caisse d’Epargne retail banking brands, Groupe BPCE and its 108,000 employees serve 36 million customers, 8.9 million of whom have become cooperative shareholders of their respective banks. The Group’s companies offer banking and insurance services tailored to the needs of the individuals and communities they serve. Working through its 18 Banque Populaire banks, 17 Caisses d’Epargne, Natixis, Crédit Foncier, Banque Palatine, BPCE International et Outre-mer..., Groupe BPCE offers a full range of products and services: savings and investment products, cash management services, financing solutions, insurance, and wholesale banking services. Faithful to its essential cooperative nature, the Group helps its customers realize their different projects and builds long-lasting relationships with them, thereby contributing 20% to the drive to finance the French economy.

2014 REVIEW OF OPERATIONS AND SUSTAINABLE DEVELOPMENT REPORT
www.bpce.fr

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Another way to grow implies combining cooperative values with high-quality results to be useful to society at large and proud of the one that our children will inherit. It means reinforcing our front-ranking positions in the financing of green growth and the social economy, in socially responsible and solidarity-based investment. It means embracing the entrepreneurial spirit, exploring new approaches, innovating with our employees, our cooperative shareholders, our customers and our partners. Another way to grow means being positive and active, confident in our ability to find solutions and to progress.
This is the frame of mind we invite you to share.

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Brimming with talent and ideas!

Roger Belot,
CHAIRMAN OF THE NEW FRENCH CHAMBER OF THE SOCIAL AND SOLIDARITY ECONOMY

Roger Belot worked as a primary school teacher from 1966 to 1989. After joining the teachers’ trade union movement, he was an active member of the MAIF mutual insurance company for over forty years, serving as its CEO from 1996 to 2014. He is currently Chairman of the French Chamber of the social and solidarity economy.

Page 21

Bruno Bonnell,
CHAIRMAN OF ROBOLUTION CAPITAL, PROJECT LEADER OF THE ROBOTICS PLAN, CHAIRMAN OF THE AWABOT COMPANY

A serial entrepreneur specializing in digital systems and robotics since 1980, Bruno Bonnell is currently Chairman of the Robolution Capital global private equity fund, project leader of the robotics plan (French Ministry of the Economy), and coordinator of “Communicating better/ French Tech” (French Ministry of Foreign Trade).

Pages 44-45

Béatrice de Durfort,
EXECUTIVE DIRECTOR OF THE CENTRE FRANÇAIS DES FONDS ET FONDATIONS

Coordinator of several cultural programs run by the City of Paris, Executive Director of the Napoléon Foundation, and Chair of Patrimoine sans Frontières (“heritage without borders”) for 12 years until 2009, Béatrice de Durfort joined the French Foundation Center in 2004. The institution, which acts on behalf of more than 250 funds and foundations, represents their common interests and promotes the exchange of best response and management practices.

Page 22

Roberto Frankenberg,
PHOTOGRAPHER

Roberto was born in Brazil but now lives in Paris. His portraits are published at regular intervals in the French and international press along with his work on landscapes and cities. His personal work has been displayed in numerous exhibitions and photo festivals such as the Month of Photography in Paris.

Pages 11 and 12-13

Alex Jahn,
ILLUSTRATOR AND GRAPHIC DESIGNER

Alex lives in Cologne, Germany, contributing to many magazines, newspapers, books, and the world of fashion. He is currently preparing an online exhibition as part of the Art Cologne 2015 international art fair.

www.alexjahn.de

Pages 46 to 49

Malin Koort,
ILLUSTRATOR

Malin lives in Uppsala, in Sweden. She works chiefly for the press but has also illustrated book covers and postage stamps. For the past two years, her works are based on paper, for which she uses a technique she particularly loves that combines drawings and cut-outs alongside set pieces that involve photography and lighting effects.

www.malinkoort.se

Front cover, pages 18-19, 42-43 and 54-55
Félix Ledru,
PHOTOGRAPHER AND AUTHOR

Based in Lyon, Félix is a member of the Picturetank cooperative photo agency, dividing his time between portrait commissions, reports for national and international newspapers, and work for corporate communications. He also develops original work mixing fiction and documentary fact, in which landscapes and a human presence command a central position.

His work has been displayed at the international Voies Off festival in Arles and at the international Photaumnales festival in Beauvais.

www.felixledru.fr

Pages 31 to 37

JP Malot,
PAINTER-GRAFFITI ARTIST

Influenced by the greatest graffiti artists of the late 1980s, JP Malot entered a school of artistic and technical drawing after beginning as a painter-graffiti artist. He spray-painted walls and canvasses, created the scenery for an Emoi et Vous fashion show, decorated the hoarding around the agnès b. gallery, and obtained a degree in interior design. As artistic director of the Ministry of design agency, he now produces and imports the creation of other artists. Combining several techniques in his paintings, his collages and stencils reflect an urban culture specific to his generation.

Pages 56 to 59

Jean Solé,
Franckie Alarcon,
Jean-Yves Duhoo,
COMIC BOOK ARTISTS

Born in 1948, Jean Solé made his debut with Pilote in 1970. In 1975, he became one of the first artists to work for Fluide glacial. He drew the Superdupont series and is the author of graphic novels such as Animaleries or Salle des Machines. He also created what are now famous illustrations in France such as the character on the Guide du routard guide books as well as music album covers and movie posters. He has chaired for many years the panel of judges of the Angoulême schools competition sponsored by the Caisse d’Épargne.

Born in Brest in 1974, Franckie Alarcon is the author of comic books (Lovely Trouble published by Glénat, Au nom de la bombe and Les secrets du chocolat published by Delcourt) and documentary books on professions in the cinema and cookery (Éditions Milan). He also illustrates advertising media in the luxury goods industry.

After growing up in Lyon, Jean-Yves Duhoo went to study applied arts in Paris, where he still lives. An avid reader of comic books as a child, he worked in various capacities as a layout artist in the press, production manager in printing, technical illustrator or art teacher in Japan before, ultimately, opting for… comic books!

Pages 64 to 69

Jean Regnaud,
SCRIPTWRITER

Born in Bergerac, Jean Regnaud became a cartoon scriptwriter working for the TV and cinema (Ma Maman est en Amérique – My mommy is in America). He has published several comic books and stories for children. He is also a corporate journalist and, as such, worked for ten years… for the Caisse d’Épargne!

Pages 64 to 69

Bianca Tschaikner,
ILLUSTRATOR AND ENGRAVER

Born in Austria, Bianca has for the past few years traveled roads on every continent, seeking inspiration from South America to South-East Asia. She loves drawing maps and creating illustrated travelogs in which she recounts her adventures as a globe-trotter… She also works regularly for international newspapers and magazines.

www.biancatschaikner.com

Pages 39 to 41
The drop in oil prices

The drop in oil prices should boost economic activity and add 0.7% growth to global GDP according to the IMF. It is estimated that energy costs in France were slashed by €5 billion in 2014, adding 1% growth to the French economy in 2015 according to the Coe-Rexecode research institute, with a simultaneous improvement in household purchasing power and business profit margins. The equity research agency AlphaValue, which predicted in 2012 a barrel of oil at $50 in 2015, thinks that it will remain in the area of $50 to $70 over the next two years.

The cheaper euro and low interest rates

Europe and France should become more competitive and enjoy stronger growth. A 5% decline in the value of the euro should boost French GDP by 0.2% and increase investment spending by 0.3% according to the Insee. France could achieve 1% growth in 2015, all the more so as extremely low interest rates make it easier to finance projects planned by individuals, companies and local authorities.

Good news!

61% of French people think that the media lay too great an emphasis on bad news. Here’s some good news to stimulate our entrepreneurial spirit, to help have faith in the future and be happy! 2014 La CroixTNS Sofres barometer survey of trust in the media.

Lucky to be living now

71% of French people consider themselves to be lucky to be living now. 91% of young people in France think they have a lot to accomplish in life and 81% believe that life has a great deal to offer. 79% think that the internet and social networks spread new ideas and allow them to discover potentially inspiring initiatives. Ifop, December 2013.
The dynamism of SRI

More than $13,600 billion in assets are managed worldwide using criteria of environmental protection, social solidarity and good corporate governance according to the Global Sustainable Investment Alliance. In Europe, socially responsible investment (SRI) enjoyed double-digit growth between 2011 and 2013 according to a Eurosif study in 2014: it exceeds 22% for themed investment funds and reaches 132% for investments having a social impact, estimated at €20 billion, half in the form of micro-finance solutions.

Sharing v2.0

Car- and flat-sharing, the swapping of services, sofas or houses: with the digital revolution, the sharing economy is acquiring a new dimension. *Time* magazine ranked this new form of consumption among the top ten ideas that would change the world. Above and beyond the shared economic advantage, doesn’t this approach also – and above all – make it possible to create social ties and make trust a core value once again?

Digital philanthropy

Thanks to micro-gifts linked to everyday operations – banking transactions, “odd pennies” deducted from salaries, solidarity payment cards, and etc. – and to online donation platforms and portals, the donor experience is transformed by the ease of access and the possibility of discussions and interactions between donors and project leaders.

Mobile Internet

There are 7 billion mobile phone subscriptions worldwide, 530 million in Europe, more than half of which for smartphones. For most consumers, constant access to information and entertainment, the possibility to communicate with family and friends, and the offer of an infinite number of frequently free services... change their everyday lives and offer advantages that are far more valuable than the price paid to enjoy them. And we are still only at the beginning: applications for education and health with connected devices are just starting to appear.


Progress in Africa

The business climate has improved in two-thirds of African economies, according to the World Bank’s *Doing Business 2015* report. The study covers a total of 189 countries and among the ten to have achieved the greatest progress, five are in Africa: Benin, Ivory Coast, the Democratic Republic of Congo, Senegal and Togo. The World Bank also forecasts 4.6% growth for sub-Saharan Africa in 2015, thanks to strong investment in infrastructure and the development of agricultural production and services.
The financing of green growth

Thanks to green bonds and climate bonds, companies, local authorities and international institutions raised more than $30 billion in new issues in 2014 aimed at funding projects in the area of renewable energy, the thermal renovation of buildings, energy efficiency, low CO₂-emission transport and the sustainable recycling of waste... all of which are beneficial for the climate and environmental protection.

New issues are expected to reach $100 billion by 2015.

Casgrain, Canada.
CHORUS ALLEGRO

GROUPE BPCE
Bankers and insurers with a different perspective

Multi-voice composition
FOR CUSTOMERS AND PROJECTS
“Another way to grow means speeding up the pace of change, launching new projects, innovating, and taking calculated risks to create shared value.”
2014 was a dynamic and constructive year for Groupe BPCE. The activities of the Banque Populaire and Caisse d’Epargne retail banking networks remained buoyant while Natixis performed well in all its different business lines. With operating expenses under tight control and a sharp decline in the cost of risk, our growth has generated good results for twenty-two quarters in a row: net profit attributable to equity holders of the parent is more than €3 billion; we have reached our capital adequacy objective three years ahead of schedule along with our liquidity targets. We have also completed our drive to refocus our activities: Natixis now ranks among the most highly valued banks listed in France and we have disposed of our non-strategic holdings or removed them from the consolidated group.

All the projects of our 2014-2017 strategic plan “Another way to grow” have now been launched and are progressing well. Our digital transformation is well underway, enabling us to satisfy our customers more fully, recruit and train our employees, become more agile and efficient, and to pursue the spirit of initiative and innovation to the fullest of our ability.

Regarding our customers’ deposits and savings, all segments have made progress both in asset management and private banking services. In insurance, our new partnership with CNP is a major step forward; we are now fully equipped to become one of France’s no. 1 insurers. In the international arena, our Wholesale Banking and Asset Management businesses have performed well, and we confirm our ambitions to extend our retail banking operations in Africa, where we are making a useful contribution to infrastructure and economic development.

This dynamism reflects our customer commitment, a value that helps our companies work more closely together and fosters a group spirit among our employees who actively share these commitments to social solidarity, an essential feature of our cooperative DNA. Faith in the future of the Group, pride in belonging to it, and motivation are qualities shared by our people. These are valuable assets because the challenges facing us are numerous.

The creation of the European Banking Union marks the start of the second phase in the implementation of a single rule book for financial actors in Europe. With regulations governing capital, liquidity, business organization, crisis resolution, corporate governance, etc., the changes are introducing increasingly strict requirements. We must anticipate their effects; our contribution to the European Resolution Fund alone will have a €300 million impact on our net income in 2017.

Interest rates are historically low, a fact that reduces our interest margins and revenues. The digital revolution is gathering speed, and we have chosen to offer our customers the best in interpersonal and digital relationships. This calls for the radical transformation of our organizations, processes, networks and systems.

We must move swiftly and innovate. We must step up the pace of our developments in private banking, insurance and specialized financial services to increase the share of commissions in our revenues. We are capable of doing this but the ability to invest means keeping a tight rein on our expenses. Our projects designed to pool IT production activities, desktop publishing, real estate management and logistics are all part of this framework.

Finally, we must increase understanding of, and promote, our cooperative business model among our European supervisors, and achieve the highest professional standards in our companies. The new chair at the IAE Paris-I Panthéon-Sorbonne graduate business school dedicated to the management and corporate governance of financial cooperatives will help us in this task.

Choosing another way to grow means speeding up the pace of change, launching new projects, innovating, and taking calculated risks to create shared value by reinventing our business activities, as we are invited to do by our corporate identity: Bankers and insurers with a different perspective.

François Pérol
Chairman of the Management Board
Groupe BPCE
9.3% growth in the number of property and casualty, health and provident insurance contracts in 2014

3,600 new recruits on permanent contracts in 2014

58% of Banque Populaire and Caisse d’Epargne customers have signed up to online banking services

8.9 million cooperative shareholders at the end of 2014

12% Common Equity Tier-1 ratio

€198 m in revenue synergies in 2014

€218 m in cost synergies in 2014
One year after adopting the 2014-2017 strategic plan “Another way to grow,” all our projects are underway and starting to bear fruit. Our 2014 results reflect the progress achieved towards attaining our eight strategic goals.

General management (from left to right)
Jean-Yves Forel, Chief Executive Officer, member of the Management Board in charge of Commercial Banking and Insurance
Daniel Karyotis, Chief Financial Officer, member of the Management Board in charge of Finance, Risks and Operations
Anne Mercier-Gallay, Chief Executive Officer, member of the Management Board in charge of Human Resources and Group Internal Communications
François Pérol, Chairman of the Management Board
Laurent Mignon, Natixis Chief Executive Officer, member of the Management Board
Marguerite Bérard-Andrieu, Deputy Chief Executive Officer in charge of Strategy, Legal Affairs, the Corporate Secretary’s office and Compliance

+6.5% growth in private banking assets under management in 2014

€27.7bn in aggregate net inflows for Natixis’ asset management business

Strategic plan, year 1
For our customers, online banking and brick and mortar branches have complementary roles to play, laying the foundations for a new, 100% connected customer relationship model. 58% of our customers now use online banking; more than 80% should do so in 2017. As we want to provide them with the best in interpersonal and digital relations, we are speeding up the transformation of the way we do business. New branch formats offer a richer, more rewarding experience. The first banking group to make general use of electronic signatures in its branches, we have equipped our retail networks with nearly 20,000 tablet devices and plan to increase this number to 40,000 by the end of 2015. The new versions of our Caisse d’Epargne and Banque Populaire mobile applications have been downloaded 5.5 million times and we have launched new innovative cash-point and payment solutions, including via Twitter. We are promoting the development and sharing of a new digital culture throughout the Group. Our most recent tool, DigitalWeek, mobilizes our employees around innovation and digital transformation.

With the introduction of new prudential rules for banks, savings inflows have acquired priority status considering our lending capacity is largely determined by them. We performed extremely well in this area in 2014.

More than €20 billion net on-balance sheet savings inflows were generated by the Banque Populaire and Caisse d’Epargne networks. Private banking assets under management rose 6.5% to reach €164 billion. Natixis achieved record-breaking net inflows of €27.7 billion, boosting its total assets under management to €736 billion, up 17% year on year. Thanks to our factoring, leasing and syndicated loans activities, and the sale of a part of the loan outstandings that we continue to manage, we are using everything at our disposal to finance our customers. At the same time, the Group’s entities have refinanced assets worth €6.2 billion via Crédit Foncier and Compagnie de Financement Foncier.

This demonstrates Groupe BPCE’s active contribution to financing the French economy. Despite weaker demand, the loan outstandings of the Banque Populaire banks and Caisses d’Epargne rose by 3% to reach €378 billion.

(1) Excluding centralized savings products.
As insurance promises significant growth and earnings potential, we want to seize opportunities in this area by becoming a full-service insurance specialist. We began building momentum in this area with the creation of a single insurance division within Natixis to serve the Group. Natixis has taken over BPCE Assurances, the non-life insurance company of the Caisse d’Epargne, and new agreements have been signed with CNP Assurances with whom we will be starting a new, seven-year partnership on January 1, 2016. From then on, Natixis Assurances will produce life insurance contracts for the Caisse d’Epargne network as it already does for the Banque Populaire network. We aim to provide, in 2017, property and casualty, health and/or provident insurance products to one third of our individual customers. This business enjoyed a strong positive dynamic in 2014 with 7.3% revenue growth and insurance cover provided to over 22% of our customers.

We have strengthened our financial structure in a demanding environment. Our net banking income rose 2.3% in 2014 to €23.6 billion\(^1\). Thanks to efforts made to curb expenses and to keep the cost of risk under tight management, our income before tax grew by 9.5% while attributable net income increased by 5.9% to €3.1 billion\(^2\). We completed our drive to refocus our activities with the closure of the special-purpose “Workout portfolio management” structure, the successful IPO of 58.65% of the capital of Coface, the sale of our remaining interest in Foncia, and the disposal of 7% of Nexity’s capital. All this significantly improved our capital adequacy, enabling us to reach our goals three years ahead of target with a Common EquityTier-1 ratio of 12\(^2\) and an overall capital adequacy ratio of 15.6\(^2\). We have also met our liquidity targets with a short-term liquidity coverage ratio (LCR) above 100% and further improvement in our customer loan-to-deposit ratio. We have continued to diversify our investor base, with initial bond issues denominated in AUD, GBP and JPY (placed among individual Japanese investors). The results of the asset quality review and stress tests carried out by the European Central Bank (ECB) and the European Banking Authority (EBA) confirm the robust financial health of Groupe BPCE.

\(^{1}\) Excluding the revaluation of own debt and excluding the impact of the introduction of the Funding Valuation Adjustment.
\(^{2}\) CRR/CRD4 without transitional measures and after restatement to account for deferred tax assets.
Collective efficiency: new revenue and cost synergies

The tightening of relations between our retail networks and Natixis – with, notably, its specialized financial services and insurance solutions – made it possible to generate additional revenues of €198 million in 2014. Cost synergies amounted to €218 million. Projects related to procurement, real-estate management, process simplification, the optimization of IT and desktop publishing systems have all been launched. The pooling of the IT production activities of the Banque Populaire banks, Caisses d’Epargne, BPCE and certain specialized business activities of Natixis has also begun. The creation of BPCE Infogérance et Technologies also made good progress during the year.

Opportunities for professional growth for women and men in the Group

69,000 employees from 35 Group companies took part in the 2nd edition of the Diapason social barometer. Initial results show stronger support on the part of managers for our corporate strategy and greater confidence in the future of the Group. A new Group agreement on occupation and skills forecasting and two training agreements in the Banque Populaire and Caisse d’Epargne networks were signed to give employees the means they need to adapt to changes in their job requirements and to achieve their professional goals. In this regard, virtual classrooms confirmed their initial success and attracted almost 20,000 participants in 2014. Intercompany mobility committees have been set up with 41 companies in six regions. Nearly 700 employees benefited from job transfers during the year and 56 senior managers moved to different entities, thereby helping to develop a corporate culture shared throughout the Group. With women accounting for 40% of management staff and 20% of senior executives, we have reached our goals of gender diversity and will continue our drive for full equality between men and women.

Cooperative DNA: confirmed social commitment

8.9 million cooperative shareholders contribute to our development. Several projects have been launched with the Fédération Nationale des Banques Populaires and the Fédération Nationale des Caisses d’Epargne to promote our cooperative business model and strengthen our socially responsible and solidarity-based commitments.

The no. 1 French specialist in microcredit and solidarity savings, a major financial partner of SSE entities and local authorities, we are one of the banking groups most deeply committed to financing the energy transition and energy savings. Concerned about local employment, we source almost 40% of our purchases from SMEs while our entities strive to satisfy the specific needs of their local regions.
The Supervisory Board of BPCE at December 31, 2014

Steve Gentili
Chairman
Chairman of the Board of Directors
of BRED Banque Populaire
Yves Toublanc
Vice-Chairman
Chairman of the Steering and
Supervisory Board of the Caisse
d’Epargne Rhône Alpes

Representatives of the Banque Populaire banks
Gérard Bellemont(1)
Chairman of the Board of Directors
of Banque Populaire Val de France
Thierry Cahn(2)(3)
Chairman of the Board of Directors
of Banque Populaire Alsace Lorraine
Champagne
Alain Condaminas
CEO of Banque Populaire Occitanie
Pierre Desvergnes(1)
Chairman and CEO(5) of CASDEN Banque
Populaire
Philippe Dupont
Former Chairman of Banque Fédérale
des Banques Populaires
Catherine Halberstadt(2)
CEO of Banque Populaire
du Massif Central

Marie-Chrétien Lombard(2)
Chairwoman of the Management
Board of Geodis

Censeurs (non-voting members)
Pierre Carli
Chairman of the Management Board
of the Caisse d’Epargne de Midi-Pyrénées
Yves Gevin
CEO of Banque Populaire Rives de Paris
Alain Lacroix
Chairman of the Management Board
of the Caisse d’Epargne Provence-Alpes-Côte d’Azur
Dominique Martinie(4)
Chairman of the Fédération Nationale
des Banques Populaires
Michel Sorbier(4)
Chairman of the Fédération Nationale
des Caisses d’Epargne

The following also attend Board meetings
Jean-Luc Débarre
Sylvie Mignault-Bricout
Representatives of the BPCE
Works Council

Well-balanced corporate governance

The role of BPCE’s Supervisory Board is to maintain constant oversight over the decisions taken by the Management Board, monitoring the appropriateness of the actions taken. At December 31, 2014, the Board was comprised of 17 members(1): Seven members from the Banque Populaire banks, seven members from the Caisse d’Epargne and three independent members. The equal representation of the two major retail banking networks on the Board ensures the Group benefits from a well-balanced governance system. The cooperative shareholders of the Banque Populaire banks and of the Caisse d’Epargne (via their local savings companies for the latter) are represented by the Chairmen/women of the Boards of Directors (Banque Populaire banks) and by the Chairmen/women of the Steering and Supervisory Boards (Caisse d’Epargne).

The Supervisory Board also include six censeurs (non-voting directors) acting in an advisory capacity:

- The Fédération Nationale des Banques Populaires, represented by its Chairman, and the Fédération Nationale des Caisses d’Epargne, also represented by its Chairman, are censeurs as of right.
- The four other censeurs are appointed at the Ordinary General Shareholders’ Meeting:
  - two censeurs from the Banque Populaire banks;
  - two censeurs from the Caisse d’Epargne.

Two representatives from the BPCE Works Council attend Board meetings in an advisory capacity.

(1) Following the Ordinary General Shareholders’ Meeting convened in May 2015, the BPCE Supervisory Board will be comprised of 19 members, including 2 members representing the employees, pursuant to article L. 225-79-2 of the French Commercial Code.

2

specialized committees assist the Supervisory Board in its deliberations and decisions and submit recommendations.

The Banque Populaire and Caisse d’Epargne retail banking networks are also represented on them on a 50/50 basis:

- the Audit and Risks Committee is chaired by Marwan Lahoud, an independent member;
- the Appointments and Remuneration Committee is chaired by Maryse Aulagnon, an independent member.
Supporting the entrepreneurial spirit

Take a perfectly ripened good idea. Add 1/3 audacity, 1/3 optimism and a generous dash of determination. Flavor with confidence, sprinkle with solidarity. Cover with a partnership and leave to rise, giving free rein to your taste for creativity. Serve with cool technologies. NB: This regional specialty tastes better with organic ingredients.
Another way to do business: the social and solidarity economy

A major institutional development occurred in 2014: the social and solidarity economy (SSE), which plays an essential role in our country, was at last given the legal recognition it deserves considering the sheer dynamism and economic impact of this sector, and its ability to give concrete expression to social solidarity in our everyday lives. Roger Belot, a tireless champion of SSE, is the spokesman at the helm of its new representative body. Béatrice de Durfort, Executive Director of the French Foundation Center, emphasizes the relevance of local action and the advantages of regional foundations. Mobilizing resources and skills in favor of the sustainable development of the regions, the aspirations of their inhabitants and success of their local businesses is the raison d’être of our regional cooperative banks owned by their 8.9 million cooperative shareholders. They form the foundations of Groupe BPCE, the fourth-largest French cooperative banking group, a major player in SSE and one of its key financial partners. In 2014, we granted new socially-aware loans for €813 million, taking our aggregate commitments in this area to €4.7 billion. We also funded social housing for a total of €690 million. As the leading French bank for the collection and management of solidarity savings1, our SRI2 and solidarity-based assets under management stood at €16.6 billion in France at the end of 2014.

Another way to be cooperative bankers and insurers: our corporate signature finds concrete expression in our everyday activities.

(1) Finansol barometer survey, September 2014. (2) Socially Responsible Investment.

SSE IN FRANCE, MEANS:

- 220,800 EMPLOYING INSTITUTIONS
- 78.2% ASSOCIATIONS
- 13.2% COOPERATIVES
- 5.6% MUTUAL INSURANCE COMPANIES
- 3.1% FOUNDATIONS
- 62% OF JOBS IN THE SOCIAL SECTOR
- 55% OF JOBS IN THE SPORT AND LEISURE ACTIVITIES SECTOR
- 30% OF JOBS IN FINANCIAL, BANKING AND INSURANCE ACTIVITIES
A new institution promoting the SSE

The French Chamber of the social and solidarity economy was set up on October 24, 2014, three months after the adoption of Law no. 2014-856 dated July 31, 2014 related to the social and solidarity economy. It refers to this new entity and defines its purpose: responsible for representing and promoting the social and solidarity economy at a national level, it defends the interests of SSE in dealings with the national public authorities without prejudicing the representation activities of the professional or interprofessional bodies in this sector.

The creation of the French Chamber stems from the conviction of its founding members: the French Foundation Center, CNCRES(1), Coop FR(2) for cooperative entities, FNMF(3) for mutual companies subject to French mutual society law, GEMA(4) for mutual insurers subject to French insurance law, the Mouvement Associatif(5) for associations, and MOUVES(5) for social entrepreneurs and commercial companies. The bylaws of the French Chamber complement the statute with a wider definition of its missions, namely: organizer dialogue between its members; representing SSE with the

French, European and international public authorities, institutions and relevant economic and social partners; promoting and defending the values, interests and characteristics of SSE; promoting the production and publication of studies, research and statistics related to SSE.

As such, the newly-created association offers a fresh opportunity to unite all the entities active in the French social and solidarity-based economy, while respecting their diversity, originality and potential. In Europe, only Spain also boasts a national SSE umbrella agency.

Choosing another way to do business, contributing to the social and economic development of our country, promoting intelligent, sustainable and inclusive growth, creating and protecting decent, high-quality jobs, improving working life, finding better answers to real social and health-care needs, fostering social and interregional cohesion, reconciling solidarity, citizenship and responsibility: these are the ambitions of the social and solidarity economy. The role of the French Chamber is to bear witness to these values, encourage their adoption, defend them, make proposals, stimulate and take actions to ensure that French and European policies recognize, support and accompany this type of economic activity that takes pride in its specificity and social value.

(1) Conseil national des Chambres régionales de l’économie sociale et solidaire (National council of regional chambers of the social and solidarity-based economy).
(2) Body representing the French cooperative movement.
(3) Fédération nationale de la mutualité française (National federation of mutual societies).
(4) Groupement des entreprises mutuelles d’assurance (Association of mutual insurers).
(5) Mouvement des entrepreneurs sociaux (Movement of social entrepreneurs).

Roger Belot, Chairman of the French Chamber of the social and solidarity economy

SUPPORTING THE ENTREPRENEURIAL SPIRIT

NEARLY
1 PERSON OUT OF 2 IN FRANCE IS A MEMBER OF AT LEAST ONE ASSOCIATION

Source: French Observatory for the social and solidarity-based economy – CNCRES, from Insee CLAP – DADS 2011.
Providing appropriate solutions to the different challenges of our society often call for customized, multi-disciplinary, multi-stakeholder approaches best defined at a local level. The region – the physical space in which individuals live, forge their identities from a web of historic, emotional, economic and professional relations – readily becomes a mobilizing force given the right catalysts. This is the raison d'être of the regional foundations.

**Acting in the general interest of the region**
This French version of the Anglo-Saxon Community Foundation pursues no specific cause but promotes all general interest initiatives in a given region. Forming a link between philanthropic activities and entities promoting the common interest at a regional level, these foundations are not new legal constructs but rather a new way of taking action. They centralize the contributions of regional donors and stakeholders – citizens, companies, local authorities – and channel their gifts to the associations best placed to meet locally identified needs. An instrument for philanthropic redistribution, they act as clearinghouses for donations made, managed and remitted in a given region. Geographical proximity facilitates support and the monitoring of the projects funded, and makes it possible to hold meetings between donors and the associations that prolong the act of generosity.

**Generating new dynamics**
By providing a diagnosis of local needs and a detailed understanding of the local general interest stakeholders and donation mechanisms, the regional foundations help to structure projects capable of meeting clearly identified expectations. Their non-specialized dimension allows them to adapt to changes in the regional needs. They also encourage new philanthropic outflows, organize partnerships, and create collective dynamics that the associations are frequently unable to do through lack of human resources and technical expertise. They enhance the visibility of the actions taken.

**Catalyzing solidarity**
Focused on long-term targets, the regional foundations remain above political or economic divisions. Citizens, experts, representatives from associations, economic stakeholders can all make their contributions and act as partners. As a common good and instruments of civic responsibility, their collective dimension guarantees a plurality of viewpoints and broad mobilization capacity. The combination of their different qualities – regional, collective, pluralistic and non-specialized – make the regional foundations something unique, a promising tool for social intervention and a catalyst of local solidarity.

For further information: Le Cercle des fondations territoriales (the Circle of regional foundations), www.centre-francais-fondations.org.

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**Another way to act: regional foundations**

Béatrice de Durfort, Executive Director of the Centre français des fonds et fondations (French Foundation Center)

For donations made, managed and remitted in a given region. Geographical proximity facilitates support and the monitoring of the projects funded, and makes it possible to hold meetings between donors and the associations that prolong the act of generosity.

**Source:** Coop FR (2014 Panorama – 2012 figures).
Social solidarity from the outset

In 1818, the first Caisse d’Epargne was founded by philanthropists to encourage low-income families to create a modicum of financial security. In 1878, small entrepreneurs, shopkeepers and artisans founded the first Banque Populaire to create mutual support to finance their projects. By meeting needs overlooked by the commercial banks, the Caisse d’Epargne and Banque Populaire banks grew and multiplied. The two complementary cooperative groups merged their central institutions in 2009 to form Groupe BPCE, the 2nd largest banking group in France. This cooperative entity owned by 8.9 million cooperative shareholders still pursues the original vision of its founders: to promote financial security and independence through social solidarity.

Operator and no. 1 private banking partner of social housing

Groupe BPCE is the no. 1 private banking partner of social housing providers. Annual loans granted to these entities exceeded €903 million in 2014. The Caisse d’Epargne help administer one third of these operators and manage 192,000 social housing units via their Erilia, Logirem and SIA subsidiaries. Crédit Foncier, specialized in promoting home ownership solutions for low-income households for which two out of three families may be eligible, finances individuals and operators and offers its expertise to local authorities. It is also an active partner of the social housing sector via its Solidarités Nouvelles pour le Logement initiative that manages a stock of half-way housing facilities to help people along the path to social reintegration.

No. 1 financial partner of the social economy

With over 392,000 customers and loan outstandings of €6.7 billion, including new loans for €813 million in 2014, Groupe BPCE, the no. 1 banking partner of the social economy, is leveraging its ability to take action via partnerships. Results include subsidized loans for hospitals with the Hôpital Avenir funding envelope of the EIB(1), and for medical and social care facilities with the Health and Loss of Independence program of the CEB(2). Both these loans are distributed by the Caisse d’Epargne. Social and solidarity economy (SSE) companies can also receive quasi-equity from the French Investments for the Future program. Significantly, Crédit Coopératif, via Ecofi Investissements, and Natixis Asset Management are authorized to submit projects to the French Caisse des Dépôts, tasked with managing this national program. In 2014, Crédit Coopératif devoted more than 67% of its funding to SSE entities.

(1) European Investment Bank.
(2) Council of Europe Development Bank.

No. 1 banker for local authorities and the regional public sector

Groupe BPCE is also the no. 1 private bank for local authorities and regional public bodies, the largest contributors to social solidarity nationwide. Loan outstandings exceed €38 billion and the Group is pursuing an active expansion policy with subsidized funding envelopes from the EIB and ANRU(3). As the leader in public-private partnerships (PPP), the Group works through its specialized PPP investment and development fund (FIDEPPP2) and enjoys Crédit Foncier’s support for projects with a high real-estate content: hospitals, retirement homes, universities, high schools, sports and cultural facilities. The Caisse d’Epargne also partner local authorities in more than 500 local public sector enterprises, mixed-economy companies and local public companies, notably in pursuit of urban renewal and development projects.

(3) Agence Nationale pour la Rénovation Urbaine, the French National Urban Renewal Agency.
Serving protected individuals

Almost 440,000 protected persons bank with the Caisse d’Epargne and Crédit Coopératif, which provide services specifically designed for them and their legally-appointed family or professional representatives.

Financial education

Almost one in three French people struggle to make ends meet every month(4) and 223,000 cases of excessive indebtedness were recorded in 2014(5). A good understanding of budgeting and financial affairs can make a major contribution to successful financial planning.

The Caisses d’Epargne set up the Finances & Pédagogie association in 1957 to provide financial education for the young, people in financial straits, professional and volunteer social workers. In 2014, Finances & Pédagogie held 2,682 courses to help 38,000 people, including 18,500 people receiving support from SSE organizations.

No. 1 micro-credit banking operator

Banque Populaire and Caisse d’Epargne distribute almost one personal micro-loan out of two and more than one in three professional micro-loans. In 2014, the two retail networks granted over 15,000 micro-loans worth €104 million; they also grant top-up loans for entrepreneurs creating new companies or taking over existing ones under the NACRE scheme(3) and provide unsecured “honour loans” backed by the Adie for refinancing purposes.

Banque Populaire is Adie’s principal partner and, in 2014, focused its activity on young micro-entrepreneurs.

It is also a major partner of France Active and Initiative France. The Caisse d’Epargne supports beneficiaries with the Parcours Confiance (confidence track) associations and the Créa-Sol micro-finance institute.

Socially committed finance and crowdfunding

Thanks to its Agir account, the Agir Fondations or Third Industrial Revolution passbook savings accounts, Crédit Coopératif offers its customers alternative, socially committed banking opportunities allowing them to choose the type of project funded by their savings.

Crédit Coopératif has been involved in crowdfunding since 2008 with Babyloan, the leading platform for solidarity loans in France, and has supported its growth as a partner of the Financement Participatif France association and numerous other platforms: Spear, Arizuka, Wiseed, Lumo, etc. In 2014, the bank launched its own platform, Agir&Co, dedicated to supporting individuals involved in social solidarity projects.

French leader in solidarity and shared-return savings

In 1983, Crédit Coopératif launched Europe’s first shared-return fund: Faim et Développement. In 1994, the Caisse d’Epargne launched the first solidarity mutual fund, Insertion Emplois, targeting social inclusion via employment. In 2014, Groupe BPCE received over half of all solidarity savings in France and currently manages €16.6 billion in socially responsible and solidarity investments with Mirova (voted the best European SRI(1) management company in 2014), Crédit Coopératif(2), no. 1 for shared-return savings, and Palatine Asset Management with its SRI management since 2007.

(1) Thomson Reuters-UKSIF 2014. no.1 in the “Leading Fund Management Firm Best at SRI/ESG” category.
(2) Via Ecofi Investissements.

(3) Nouvel Accompagnement pour la Création et la Reprise d’Entreprise, or new support for business start-ups and takeovers.

(4) LH2 2014 survey.
(5) Source: Bank of France.
Corporate philanthropy and foundations

Social solidarity also finds expression in the many activities supported by the Group’s banks, their federations and foundations. In 2014, philanthropic contributions made by the Caisses d’Epargne and the Banque Populaire banks came to €29.5 million (€19.4 million for the Caisses d’Epargne and €10.1 million for the Banque Populaire banks). The Banque Populaire Foundation helps the talent and personal commitment of disabled people, young musicians, and creative craftsmen. Since it was set up in 1992, it has supported the projects of 246 musicians, 393 disabled people, and 15 creative craftsmen. The Caisses d’Epargne Foundation for Social Solidarity combats all forms of dependency due to age, infirmity or disability. As the leading private non-profit operator of care facilities and services for the dependent elderly, it manages 119 homes housing nearly 7500 elderly residents and helps 12,000 people to continue living in their own homes. Acknowledged as a public interest entity, it acts as an umbrella organization for nine other foundations set up by the Caisses d’Epargne in various regions. Since 1979, the Caisse d’Epargne has also been the long-standing sponsor of the Fondation Belem. For the past ten years, Natixis has been actively supporting the NGO Plan International and the Institut Pasteur in the fight against malaria. Natixis also supports the Gustave Roussy Foundation in a research program focused on customized cancer treatment and, more specifically, supports three research teams working on the proliferation mechanisms of cancerous cells.

Solidarity-based purchasing

With €12.4 million in 2014, Groupe BPCE has tripled its purchases from companies working with disabled workers since the launch of its structured PHARE initiative in 2010. Several services are associated with its banking activities, such as cleaning, recycling cash dispensers, and check video-encoding. In 2014, overall procurement represented the equivalent of 430 full-time jobs.

Socially committed shareholders and employees

Many cooperative shareholders of the Banque Populaire banks and Caisses d’Epargne are actively involved, alongside their bank, in public-minded, solidarity projects. The Group’s workforce is also involved in initiatives ranging from solidarity sports commitments, helping entrepreneurs start new businesses or take over existing ones to sharing their skills or sponsoring underprivileged youngsters. Many employees devote their energies to causes supported by their entities that match their commitment, organize internal calls for projects or stage solidarity events for the benefit of associations.

Supporting research into the SSE

Improving our understanding of the social and solidarity economy, how it works, its governance and management in order to share best practices and to progress are the goals of the work sponsored by the Group and its entities. The Crédit Coopératif Foundation celebrated its 30th birthday this year and is working in partnership with ADDES(1), bringing together a host of researchers who publish their work in the “Social Economy Workbooks – Another way to do business”(2). The Fédération Nationale des Banques Populaires supports chairs in microfinance at the Audencia Nantes and ESC Dijon-Bourgogne business schools. The Fédération Nationale des Caisses d’Epargne is also active in this area with its support for Convergences 2015, which publishes the microfinance barometer survey providing an annual summary of trends in the banking industry. SRI is the theme of the partnership between Cambridge University and Mirova. Finally, the Fédération Nationale des Banques Populaires and the Fédération Nationale des Caisses d’Epargne gave their support for the recently-created chair at the IAE Paris 1 Panthéon-Sorbonne graduate business school. Headed by Professor Philippe Dessertine, this chair is devoted to the management and governance of financial cooperatives.

(1) Association for the Development of Documentation on the Social Economy.
(2) Cahiers de l’économie sociale – Entreprendre autrement.
They take initiatives, we provide support

Whether they want to set up their own businesses or are already at the head of a multinational corporation, we help professionals and business leaders to attain their objectives and we share their ambitions for success. This is our job and the foundation of shared prosperity.

1.8 million
corporate and professional customers

51%
penetration rate among SMEs(1)

More than 1 out of every 3 self-employed professionals/sole traders maintain banking relations with a Groupe BPCE bank(2)

€20.5 bn
in new MLT loans granted to corporate and professional customers in 2014

€116.4 bn
in corporate and professional loan outstandings

(1) TNS-Sofres 2013 survey.
(2) 2013-2014 Pépites opinion poll (CSA).
We provide a full array of services, financing solutions and guarantees ranging from equipment loans to payment terminals, tailored for self-employed professionals, SMEs and intermediate-sized firms, and our banks launch a host of initiatives to help drive their customers’ progress. A few examples…

With StartMyStory®, Banque Populaire, the no.1 bank for new business creation, helps budding entrepreneurs develop a high-quality, professional business plan. Self-employed professionals also benefit from a “start-up” guide and access to a dedicated website. Another new development: a turnkey solution for upgrading buildings used by the public; everything is included: diagnosis, financing, installation work and accessibility certification.

In the Caisse d’Epargne, the Labelis package simplifies the everyday management tasks of self-employed professionals. The Compte Excédent Professionnels (professional surplus account) pays interest on professionals’ surplus cash in a simple and flexible way, the Compte sur Livret Régional (regional passbook account) finances projects undertaken in the region, and new regional venture capital funds provide resources to help local businesses attain their goals.

Banque Palatine has launched an equity savings plan invested in SMEs and intermediate-sized firms and is pursuing its international support. In 2014, it led a delegation of mid-sized customers to the France-China SME Forum in Chengdu, where the Great Western China International Fair was held.
In France, 33% of business leaders are women\(^1\) and the government wants to boost the proportion of female business creators to 40%\(^2\). As the sponsor of the National Day of Women Entrepreneurs, the Caisse d’Epargne is actively supporting this cause. The 2014 Caisse d’Epargne Barometer survey of Female Entrepreneurs revealed that more women enjoy the support of their bank when creating a new company than men (46% versus 33%) or when developing their business (35% versus 29%). The Banque Populaire and Caisse d’Epargne banking networks are committed to promoting female entrepreneurship in the regions and publicize the support available – such as the FGIF\(^3\) – and distribute subsidized loans for business innovation, creation and transfer. According to the 2014 Banque Populaire survey of the franchise sector, women represent 40% of franchisees. Banque Populaire helps women setting out as franchisees with a dedicated organization and devotes a free website to the issues facing female self-employed professionals. In 2014, the Caisse d’Epargne opened its first customer area specifically designed for self-employed professionals and staffed by specialized advisors.

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(1) Insee 2015, data for 2011 including 487,000 active auto-entrepreneurs, representing 1 out of 5 self-employed people.
(2) 32% in 2013, French agency for new business creation (APCE).
(3) Fonds de garantie à l’initiative des femmes, or Women’s initiative guarantee fund.
How to finance future projects at the lowest cost?
In July 2014, Natixis managed the first issue of so-called “project bonds” in Europe on behalf of Axione Infrastructures in the area of digital infrastructures. €189 million were raised with eleven-year maturities, with 20% of the total covered by the EIB(1), thereby broadening the investor base and improving borrowing conditions.

How to remove loans from banks’ balance sheets so they can keep on lending while complying with the Basel III leverage ratio?
In May 2014, Crédit Foncier completed the first public securitization operation in France since 1995 whereby home loans are removed from its consolidated accounts. This operation concerned a portfolio of mortgage loans granted to individual customers (RMBS) for almost €1 billion. Structured in a way to satisfy investors, with variable interest rates and the option of redefining the terms of repayment after five years, this operation was voted the best structured deal of the year(2).

How to build portfolios capable of withstanding changes in market conditions?
The Durable Portfolio Construction approach adopted by Natixis Global Asset Management combines five investment strategies: priority given to risk management, increased diversification of asset classes and strategies, openness to alternative investments for their yield, mobilization of new potential from shares and bonds, and maintaining a long-term vision regardless of market fluctuations. In 2014, Natixis Global Asset Management traveled the world and organized more than 10 symposia to present investors with this approach that incorporates a number of specific features regarding the local regulatory and market environment.

(1) European Investment Bank.
(2) 2014 EMEA Structured Finance Issue of the year Award, International Financing Review.
Providing banking services to one out of every two French people, financing 20% of the economy: what does this mean at a regional level? The Rhône-Alpes region provides a good example.

The Caisse d’Epargne has been present here since 1822, and Banque Populaire since 1919. Natixis, Crédit Foncier, Banque Palatine, Crédit Coopératif all offer banking services along with Banque de Savoie and, in the Ardèche, Banque Marze. We serve more than 3.5 million customers here, nearly 1 million of whom also hold cooperative shares in their banks employing more than 7,000 people in 800 branches. Our customer savings and deposits exceed €62 billion while we have granted more than €41 billion in loans to finance their various needs and projects.

The defining features of the Rhône-Alpes region, which comprises eight départements and six large urban areas with populations of more than 100,000 as different as Lyon, Grenoble, Annecy, Saint-Étienne or Valence, are its diversity and entrepreneurial spirit. The second largest French region in terms of geographical area, population – 6.4 million – and economic activity, it boasts a diversified industrial base that will become stronger still once it merges with the Auvergne. Hosting a wide range of industries – chemicals, pharmaceuticals, plastics and metal processing, lathe work, the manufacture of mechanical, electrical and electronic equipment, digital technology, aerospace subcontracting, agro-food, engineering textiles, medical technology, optics and design... – it boasts 13 competitiveness clusters with world-class research centers such as Minalogic, 35,000 companies and over 400,000 industrial jobs\(^1\). It is also the second most popular tourist destination in France thanks to its outstanding cultural heritage, dozen nature parks, and one of the world's largest skiing areas.

The region, French government, Caisse des Dépôts and the CRESS\(^2\) have signed an economic, industry-wide contract to promote the social and solidarity economy (SSE); this initiative, the only one of its kind in France, was renewed in 2014 for a further three years. With 24,000 firms and 240,000 employees, the SSE already accounts for 10% of the region’s jobs\(^3\). The aim is to use social innovation to boost economic growth, an approach we adopted in the Rhône-Alpes region nearly two hundred years ago.

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\(^1\) Insee data.
\(^2\) Regional Chamber of the social and solidarity economy.
\(^3\) Source: Panorama de l'ESS en France (Panorama of the SSE in France), CNCRES 2012.
He learned to ski in Les Saisies. Most of the children coming to this family ski resort now hit the slopes on his company’s skis. Junior world downhill champion in 1982, gold medalist in the Super-G competition in the Calgary Olympics, silver medalist in the downhill event in Albertville, Franck Piccard now runs Piccard Sports, the ski rental company founded by his parents when the ski resort was first opened. And it has certainly grown since then! The company, which first rented skis from the trunk of a car, now boasts six outlets close to the ski slopes, sells all the equipment that holidaymakers require, and stocks 4,000 pairs of rental skis in every discipline. It employs eight permanent staff and up to 50 people in the winter season – young people who often come back to work five or six years in a row. “Although Banque Populaire des Alpes doesn’t have a branch in Les Saisies, it gave us its full support when we needed funds to open new outlets. We have built a close, trusting relationship with our advisor who came from Albertville every week,” recalls Franck Piccard. “Banque Populaire is still our partner for electronic banking solutions and to finance the expensive machine tools we need to maintain our skis. Being an Olympic medalist means achieving a high standard of performance: our customers expect outstanding service, and we do our best to satisfy them. Hard work, perseverance, the need to do everything it takes to succeed: these qualities essential to high-level sports competitions proved just as vital to running a business.”
In 1979, the first loudspeakers produced by Jacques Mahul, an engineer and hi-fi enthusiast based in Saint-Étienne, marked the birth of Focal, a company that epitomizes French excellence in high-fidelity sound and one of the top-ranking specialists worldwide in high-end audio systems. Loudspeakers and speaker enclosures for homes, cars and recording studios, headphones, sound bars: Focal provides new ways of listening to music. In 2011, advised by Banque Populaire Loire et Lyonnais, Focal merged with the British company Naim, no.1 in high-end electronics with its range of amplifiers and all-in-one systems. “Acoustics and electronics are complementary but rarely meet,” said Christophe Sicaud, Chairman of the Management Board. “The two brands remain independent but combining this expertise is something unique in the world of hi-fi audio.”

A unique and valuable marriage in a rapidly changing industry with the digitization of sound upstream and the renewal of markets downstream where multimedia sound and headsets are both as important as conventional hi-fi to which they attract new audiophiles. The group spends over 10% of its turnover on R&D. This remarkable effort for its size – €67 million in sales, 360 employees – makes all the difference with export sales representing 75% of the total. Add to this a well-prepared transfer and you have a successful company with good prospects following the arrival in its capital, alongside the management team, of three investment funds: Naxicap Partners, a Natixis private equity subsidiary, Garibaldi Participations, of Banque Populaire Loire et Lyonnais, and Aquasourça.

Vervent Audio Group,
Focal & Naim, a hi-fi marriage

Christophe Sicaud, Chairman of the Management Board
The Pont d’Arc cave, a spectacular replica of the Chauvet cave

Discovered in 1994 by three amateur speleologists in Vallon-Pont-d’Arc in the Ardèche département, the decorated Pont d’Arc grotto – commonly known as the Chauvet cave – has been granted World Heritage status by Unesco. The outstanding paintings and engravings, 420 of which depict animals, date back more than 36,000 years and are some of the oldest known worldwide. The cave has been sealed off from the public to avoid it being damaged. The Pont d’Arc cave, a replica built by the Rhône-Alpes region and the Ardèche département with the help of the French state and the European Union, was opened on April 25, 2015. This new cave is an 8,000-m² life-size replica of the original down to the last millimeter. Perfectly integrated into its natural environment, the site includes a Paleolithic discovery center called the Gallery of the Aurignacian period, a teaching area, an exhibition space, a restaurant and a shop... for a total investment of €55 million. The Caisse d’Epargne Loire Drôme Ardèche and Crédit Foncier financed about 50% of the loans: €9 million in long-term loans paid in 2012 and 2013, rounded off with €3.3 million in funding from savings deposited on the Livret Régional regional passbook savings account. First launched in 2014, this account guarantees investors that all their deposits will be used to finance regional projects. In this respect, the Caisse d’Epargne Loire Drôme Ardèche has decided to focus on sustainable development projects. The Pont d’Arc cave definitely falls into this category: with 300,000 visitors expected annually, it should bring €15 to €20 million to the regional economy every year.
Fermob,
a French success story

Bernard Reybier, Chairman and Chief Executive Officer

What do the Luxembourg gardens in Paris, the Majorelle gardens in Marrakech, New York’s Times Square and the patios of Google’s Mountain View headquarters have in common? Their Fermob outdoor furniture. Since Bernard Reybier took over the brand in 1989, the old blacksmith’s workshop has certainly grown. Today, Fermob gives tangible expression to the French art de vivre in gardens in more than 40 different countries. But what could be simpler than a folding metal chair? How can we explain annual sales of more than 100,000 of these Bistro chairs, made in France in the little village of Saint-Didier-sous-Chalaronne, in the Ain département? According to its enthusiastic CEO, Bernard Reybier: “the range of 24 colors has a lot to do with it. Design, a global mindset and innovation right up to management level are the cornerstones of our success.” Add to that: 26 years of profitable growth, annual sales of €43 million (half of which in the export market), a staff of almost 200, a real talent for exploring all creative avenues, a quality that withstands all weather conditions, and a robust manufacturing organization. Fermob transforms 3,900 tons of metal every year into thousands of products, including a good half dozen iconic collections. “Banque Palatine is a loyal financial partner. It guarantees payment for our exports, covers our cash flow requirements since our business is highly seasonal, and supports our international expansion and acquisition-driven growth with the purchase of Vlaemynck one year ago. For our part, we are exploring ways to finance our new head office building and we have a host of other projects: French art de vivre is a concept with great potential.”
In 1857, Antoine Lescure, a travelling tinker, opened a tin metal workshop in Selongey in the Côte d’Or département whose production activities were subsequently industrialized by his son, Jean. 150 years later, the SEB Group is world leader in small domestic appliances, employing 25,000 people in 53 countries, producing 200 million items per year sold in 150 countries, boasting net sales of €4.3 billion, 85% of which is generated in the international market, with an operating profit of approx. 10%. The secret of SEB Group’s success, which still runs ten factories in France? A consummate talent for blending the right ingredients: innovation and global thinking, kitchen utensils and electrical devices, mature and emerging markets, local and global brands, organic growth and acquisitions, a family business and listed company. Everything is so harmoniously linked that the SEB Group is no. 1 or no. 2 almost everywhere, starting with its principal market, China. Since Natixis began working with SEB Group in 1988, it has become a very active partner in a close-knit banking pool. The bank has been involved in every syndicated loan since 2004 and, in 2011, jointly arranged the company’s first bond issue. It also manages the worldwide employee savings plan, provides hedging services for raw materials, and guarantees the liquidity of the company’s shares. What Thierry de La Tour d’Artaise, Chairman and CEO of SEB Group, likes about Natixis is “their excellent knowledge of our group, which saves time in a fast-moving world, the flexibility of their team and ability to react fast, as shown once again in 2014 with the early renewal of our syndicated loan.”

SEB Group, a consummate talent for blending the right ingredients

Thierry de La Tour d’Artaise, Chairman and Chief Executive Officer
Following the Mont-Blanc tunnel disaster in 1999, new safety standards were imposed on road tunnels, making compliance a tricky problem for the Greater Lyon community. “With its rivers and hills, the urban area really needs its three tunnels for it to function properly,” explains Jean-Luc Da Passano, Vice-President of Greater Lyon, responsible for major civil engineering works and major infrastructure. “After renovating the Croix-Rousse and Fourvière tunnels in 2013 and in 2015 respectively, work on Lyon’s northern bypass will begin in January 2016. But the traffic is so heavy that work will have to be done at night, at the weekend and when the road is closed during the summer. On weekdays, the tunnel must reopen every day at 6 o’clock on the dot. The project is so complex that the choice of a public-private partnership was obvious because it allows us to align the interests of all the different stakeholders.”

The contract was awarded to the Leonord consortium comprised of Fayat for the engineering works, Sanef for the operational side, and FiDEPPP 2, Groupe BPCE’s investment fund dedicated to public-private partnerships. The consortium will carry out safety work on the four tunnels on the bypass, provide financing, operate and maintain the engineering work for twenty years. The Caisse d’Epargne Rhône Alpes and Crédit Foncier arranged the financing; Crédit Foncier is also acting as the consortium’s financial adviser and financing agent. The Caisse d’Epargne Rhône Alpes is a lender and account holder. The estimated cost of the work is €110 million. Overall, Groupe BPCE has provided two-thirds of the private funding required for the project.

Greater Lyon,
a PPP for the northern bypass

Jean-Luc Da Passano, Vice-President
Tessi,
innovation and digital expertise to serve businesses

Olivier Jolland, Chief Financial Officer

Founded in 1971, taken over by Marc Rebouah, its current CEO, in 1979, Tessi boasts no.1 positions in three markets in France: the digitization and management of document/payment method workflows, gold bullion and foreign currency transactions, and the management of deferred promotions and loyalty programs. With 15 industrial platforms treating more than 150 million documents, publishing over 160 million pages, and handling over 250 million electronic transactions per year, Tessi document services supports banks, insurance companies and institutions in their transition to digital enterprises by offering a full range of services (digitization, workflow management, etc.), IT solutions and services. CPoR Devises ensures the liquidity of the manual exchange market in 170 currencies and of the gold bullion market for investment purposes. Tessi marketing services processes several thousand promotional campaigns by traditional mail, SMS, e-mail and mobile internet. Proximity, rigor, responsiveness and innovation are the core values underpinning the Group’s success as it pursues an active policy of organic and acquisition-driven growth in France and Europe. Listed on Eurolist B of the Euronext Paris stock exchange, Tessi generated sales of €247 million in 2014. Several Groupe BPCE companies are both customers of, and provide banking services to, Tessi. Natixis supports Tessi with employee benefits planning services, financing solutions – including a line of credit denominated in ounces of gold for CPoR’s everyday purchases – and the arrangement of a €20 million loan with the help of several Groupe BPCE banks, and by providing it with strategic advice via a relationship founded on trust at the highest level.

F
Doing business elsewhere

The dual focus of supporting customers and finding new growth drivers guides the international expansion of the Group and its companies to destinations near or far, depending on the type of activity and emerging opportunities.

Cross-border growth. Retail banking activities straddle borders in active pursuit of a euro-regional strategy. After Switzerland (under the Banque du Léman banner) and Luxembourg, with BCP Luxembourg in 2013... it was Belgium’s turn in 2014: the Caisse d’Epargne Nord France Europe opened a branch in Brussels for corporate customers and services for cross-border workers. Brussels has also attracted Natixis Private Banking, the wealth management arm of Natixis, which has now opened offices in the EU capital.

Overseas developments. BRED Banque Populaire runs a network of 75 branches and 18 facilities specializing in local authorities in French overseas territories while the Caisse d’Epargne Provence-Alpes-Corse has 38 branches in the French West Indies and Reunion Island. Three fully-fledged banks – Banque de la Réunion, Banque des Antilles Françaises, and Banque de Saint-Pierre-et-Miquelon – also work in overseas local communities within the euro zone. Currently held by BPCE IOM, these entities may be transferred to the Caisse d’Epargne Provence-Alpes-Corse, thereby enabling euro-zone overseas banking business to be structured around the Banque Populaire and Caisse d’Epargne retail networks, leaving BPCE IOM free to focus on international expansion.

Outlook in Africa. With seven full-service banks among the front-ranking players in their respective countries (Cameroon, Congo and Madagascar) and two banking interests, the Group is a recognized player in the African market, serving both individual and corporate customers. Several partnerships have been forged to support local businesses: with the EBRD(1) and EIB(2) by BTK (Tunisia); with the FACP(3) by BCI (Congo) and with the World Bank by BICEC (Cameroon).

With average annual growth in business activities of 7% in this part of the world, less than 20% of the population using banking services, and a middle class of 150 million people set to double in a generation, the Group wants to play a major role in the development of this booming continent by strengthening its presence in sub-Saharan Africa.

Dynamic global business lines. Natixis is accelerating the international expansion of its two global business lines with an 8% increase in revenues from its international platforms within its Wholesale Banking division and net inflows of €28 billion of assets under management, underpinned by activities in the American and European markets.

The growth of the Wholesale Banking division was driven by structured finance, with €28 billion in new production, and by equity derivatives. The key events of the year include a robust level of securitization activities in the United States, the opening of an office in Los Angeles, increased business activities for the Latin America platform in Chile, Colombia, Peru and Mexico, and a faster pace of bond market activities in Japan. With €736 billion of assets under management in 2014(4), Natixis Global Asset Management is currently the 16th largest asset manager worldwide(5). Its multi-affiliate business model is driving buoyant international growth with the support of more than 25 management companies in Europe, the United States and Asia, in addition to a global distribution platform.

In 2014, Natixis Global Asset Management extended its presence to Canada and Mexico, and it plans to start business in Uruguay and Bolivia in 2015.

2017 target: to generate in the international market more than 50% of the net banking income posted by the core business lines of Natixis.

(1) European Bank for Reconstruction and Development.
(2) European Investment Bank.
(3) Fonds d’Appui à Coûts Partagés – Shared Costs Support Fund.
(4) As at December 31, 2014.
In the Asia-Pacific region

China, India
➤ Support for French SMEs designed to promote their international expansion (159 in 2014)

Banque Franco Lao Ltd
Lao
➤ Commercial bank
160 employees
22 branches

Banque de Nouvelle Calédonie
➤ Commercial bank
339 employees
18 branches

Banque Calédonienne d’Investissement
New Caledonia
➤ Commercial bank
365 employees
31 branches

Australia, China, India, Indonesia, Japan, Kazakhstan, Malaysia, Russia, Singapore, South Korea, Taiwan, Thailand and Vietnam
➤ Financing, Capital Markets, Global Transaction Banking, Asset Management

BRED Vanuatu:
111 employees,
2 branches
BRED Bank Fiji:
67 employees
4 branches
➤ Commercial banks

Banque de Tahiti:
➤ Commercial bank
297 employees
17 branches

39
In Europe, the Middle East, Africa

**Banque BCP**
- Luxembourg
  - Commercial bank
  - 74 employees
  - 5 branches

**NATIXIS**
- Belgium, Czech Republic, Germany, Hungary, Italy, Lebanon, Luxembourg, the Netherlands, Poland, Romania, South Africa, Spain, Sweden, Switzerland, Turkey, the United Arab Emirates and the United Kingdom
  - Financing, Capital Markets, Global Transaction Banking, Asset Management, Insurance, Specialized Financial Services

**BTK**
- Tunisia
  - Commercial bank
  - 398 employees
  - 27 branches

**BICEC**
- Cameroon
  - Commercial bank
  - 728 employees
  - 36 branches

**BCI**
- Congo
  - Commercial bank
  - 221 employees
  - 18 branches

**BRED Banque Populaire**
- Reunion Island, Mayotte
  - Commercial bank
  - 250 employees
  - 27 branches

**Caisse d'Epargne**
- Reunion Island
  - Commercial bank
  - 92 employees
  - 16 branches

**BANQUE DE LA REUNION**
- Commercial bank
  - 461 employees
  - 29 branches

**BCI Mer rouge**
- Djibouti
  - Commercial bank
  - 278 employees
  - 11 branches

**BMOI**
- Madagascar
  - Commercial bank
  - 221 employees
  - 14 branches

**Banque des Mascareignes**
- Mauritius, Madagascar
  - Commercial bank
  - 274 employees
  - 13 branches

**Mauritius**

**Engalnd, Italy, Morocco, Poland, Spain, Tunisia and Turkey**
- Support for French SMEs designed to promote their international expansion (436 in 2014)
In the Americas

Argentina, Brazil, Canada, Mexico, Peru and the USA

Support for French SMEs designed to promote their international expansion (123 in 2014)

Financing, Capital Markets, Global Transaction Banking, Asset Management

Banque de Saint-Pierre & Miquelon

- Commercial bank
  - 50 employees
  - 2 branches

Banque des Antilles Françaises

- Commercial bank
  - Guadeloupe: 305 employees, 26 branches
  - Martinique, Saint Barthelemy, Saint Martin, French Guiana:
    - Commercial bank
      - 266 employees, 27 branches

Caisse d’Epargne

- Commercial bank
  - Martinique, French Guiana: 266 employees, 27 branches
  - Guadeloupe – Northern Isles: 192 employees, 20 branches

BRED Banque Populaire

- Commercial bank
  - Martinique, French Guiana: 266 employees, 27 branches
  - Guadeloupe – Northern Isles: 192 employees, 20 branches

NATIXIS

Argentina, Brazil, Canada, Mexico, Peru and the USA

Financing, Capital Markets, Global Transaction Banking, Asset Management

Pramex International

Brazil, the USA

Support for French SMEs designed to promote their international expansion (123 in 2014)
BEWARE!
YOU ARE STANDING
ON A CAPSULE
ROOM.
Being a pioneer

Head in the cloud,
Building castles in the air
With my smart bank flair
That’s always there
Mobile, online, always on!
Surf the waves of the net
Go pro, go mobile – easy
With online jobs and learning!
Online, in line – in tune –
With singing tomorrows!

My bank has a lab with robots and tablets that jig and jive to the digital tingle
Of my smart bank jingle...
Destabilized by the economic crisis, confronted by increasingly intense global competition and challenged in their traditional activities, businesses must learn how to grow in an ecosystem in a constant state of flux. They must accept the accelerating pace of market change driven by more capricious and better-informed demand, and assimilate the shift from mass production to flexible manufacturing and the digital revolutions that are completely transforming commercial exchanges.

Too often, the only response to these upheavals is the endless repetition of the mantra ‘innovation’ whenever a corporate strategy is presented, with the constant emphasis on the immediate need for radical change in structures and operations, all in the name of innovation! Innovation – closely related to risk-taking and audacity, and traditionally seen as a source of distraction and a prohibitively expensive and hazardous process of exploration – has become, in the space of just a few years, a magic potion for organizations whose growth has stalled. If the remedy has worked in certain contexts, these radical changes have chiefly had an unsettling effect on many business leaders; they now look askance at any change despite its importance for the survival and long-term viability of their businesses, and stumble over legitimate questions regarding the impact of innovation on tried and tested methods.

Faced with these disappointing results, we must dare to embrace a positive form of innovation, accepted by all and integrated into traditional methods, a type of innovation that promotes managed transitions rather than states of permanent revolution, and steers a resolute course toward the future while respecting the history and culture of the ship and crew.

This approach will allow businesses to remain nimble and alert in a seemingly chaotic world where interpreting weak signals is vital to transforming these nascent trends into business opportunities. The so-called Robolution, the robotics revolution, is an area that offers an excellent example of the contradiction between the attraction of advanced technologies and the fear of their adoption. We can, however, mention a number of positive initiatives.

The challenge of collaborative robotics

Moshe Vardi, a teacher at Rice University in Houston (Texas), says that, by 2045, robots will be able to perform most of the tasks currently carried out by people. Thomas Frey, a futurist at the DaVinci Institute in Louisville (Colorado), refers to taxi, bus and truck drivers as an endangered species... and we could add deliverymen, cashiers, aircraft pilots and many other profes-
sions to this list because no sector seems to be immune from robotics. The world has already experienced this type of transformation, notably during the Industrial revolution that radically changed agriculture and put an end to animals being used as a source of power. These predictions raise questions about the societal impact of inevitable technological changes. The answer probably involves the acceptance, firstly, of far-reaching changes triggered by the arrival en masse of intelligent robots and, secondly, the notion that functions entrusted to humans should call on skills greater than physical strength or the ability to guide machines.

It seems clear that roads will be safer with driverless cars, complex medical operations will be less invasive when carried out by robot surgeons, and difficult lives will be simplified by personal care robots. Working with robots to optimize the way tasks are performed, people will have to focus on areas involving creativity, training and caring for others. They will have to move toward greater humanity and knowledge. This man/machine collaboration is the win-win situation offered by robotics.

**African robotics**

Since October 2013, no policemen have been controlling traffic at the parliament crossroads on Kinshasa’s Lumumba Boulevard. A 3-meter-tall aluminum robot regulates the traffic on one of the main streets of the Congolese capital. Rotating its ‘chest’ that switches from green to red, the humanoid robot raises its arms just like a policeman to stop vehicles in one or the other direction. A robot responsible for road safety and traffic control, that’s really ‘made in Congo,’ says Thérèse Inza, head of Women’s Technology, the association that built these machines designed to withstand the rigors of the equatorial climate and whose autonomy is provided by solar panels in areas not connected to the electrical mains supply. The gigantic traffic jams in the city of more than 10 million inhabitants provided thanks to the Congolese road safety authority. The local population has also discovered that, with the robots, people tend to respect the Highway Code!

These IRRs prove that robotics is also being developed in Africa. Thérèse Inza is aiming high: *We must sell our intelligence in other countries of Central Africa and, indeed, why not in the United States, Europe or Asia!* When global demand for bandwidth increased fivefold between 2008 and 2012, it was multiplied by a factor of 20 in Africa where the M-Pesa mobile banking system was created along with the Ushahidi natural disaster management platform, both used today all around the world. According to the World Bank, the African continent will be home to 40% of the world’s children aged 10 or younger in 2050. And what if robotics – where there exist no monopolies – were to be Africa’s not-to-be-missed industrial opportunity?

**Robotics in surprising places**

The surprising thing about this renewal of interest in robotics is that it is not confined to laboratories in capital cities or major urban areas such as Paris or Lyon but is springing up in unexpected places. In Auxerre, Serge Grygorowicz and his team in RB3D are working on the development of France’s most sophisticated exoskeletons (1), capable of competing with the Japanese leaders in this area. In Saint-Etienne, the city authorities are supporting the shift of its medical technology hub toward robotics.

In Limoges, Cybedroid, a company managed by Fabien Raimbault, manufactures humanoid robots designed for personal care services. In Saint-Quentin in the Aisne département, the region is also expressing its ambitions in robotics – notably in agriculture – by offering local vocational training opportunities (BTS) in “Mechanics and Industrial Automation” and by inviting Asimo (2), Honda’s star robot, to the *L’An 1 de la RoboNumérique* event (“Year 1 of Digital Robotics”). Robotics is becoming an opportunity for regions that paid a heavy tribute to deindustrialization and excessive centralization. They see it as the updated expression of their know-how and skills, promoting values and jobs; they see it as a realistic hope for the industrial revitalization of France.

Whether it takes the form of a better educational approach to the man/machine relationship or that of a single-minded determination to breathe fresh economic life into neglected regions or, alternatively, the technological challenge embraced by a continent too long confined to the role of exploiting its raw materials… the robotics revolution is revealing its potential for creating new values and jobs. More than this, it also demonstrates that innovation – when it respects the essential roots of a company or region – can be a source of new inspiration. Every technological breakthrough inspires dreams of the hitherto impossible: the advent of the steam engine gave rise to dreams of distant travel which, in turn, gave birth to the railways, cars and ultimately airplanes; the discovery of electricity, the desire to bring light to the world (both literally and figuratively) led to the invention of the light bulb, telecommunications systems, and, much later, the creation of the digital world.

But innovation will only be meaningful for the creation of a better life if we understand its driving forces and societal impacts, and include them in a process of continuity. These conditions – prerequisites for its acceptance – will lay the long-term foundations for a *New Art of Innovation*.

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1. Robotic structure designed to improve the strength or force of an individual’s limbs, especially for the elderly and disabled.
2. The acronym for *Advanced Step in Innovative Mobility*: a humanoid robot developed by Honda able to move, interact with people and assist them.
S-money: tweet ‘n pay!

It’s easy to use, fast, free, secure and open to everyone! S-money – paying with a tweet – the first service of its kind worldwide, is a Groupe BPCE innovation that has enjoyed wide coverage in the national and international press. Thanks to the S-money service, everyone with a bank card, irrespective of their bank, and a Twitter account can now send money with a simple tweet. Just download the app for the iPhone or Android devices and go!

S-money, a Groupe BPCE subsidiary, had already launched the first payment and money transfer service via mobile phone. The Tweetez, payez (tweet’n pay) solution now allows users to do so instantaneously. Reimburse a friend, donate to an association, or raise money: just tweet it!
Dilizi: all your takings on a tablet

The Banque Populaire banks and Caisses d’Epargne are innovating with Dilizi. This new solution transforms a smartphone or tablet device into a digital cash register irrespective of the customer’s payment method (credit card, check or cash). As a result, all cash management, transaction log and product catalog activities are managed by Dilizi. Customers receive their invoice and/or credit card ticket by SMS or e-mail once payment has been made.

Providing an extremely convenient and efficient solution for retailers, tradespeople, self-employed professionals, associations and mobile service providers, Dilizi also meets the expectations of consumers who want to pay by credit card at all times, at home or out in a market, thanks to a pocket-sized secure smart card reader paired with the retailer’s mobile phone.
Howizi: an app tailored for Generation Y

Because young people understand the needs and challenges of other young people better than anyone else, the Caisse d’Epargne asked a group of students to help it design Howizi... an application that goes a great deal further than a mere banking app and is available to everyone, whether they bank with the Caisse d’Epargne or not. In addition to its account management functionality, it also includes features such as payment services and the organization of cash pools shared between friends, tips about good deals, and checklists for the great and small moments in life.
Turbo Suite Entreprise: after the smartphone, the smartwatch

Banque Populaire has launched the first banking app for connected watches. Aimed at business leaders and compatible with all major operating systems, Suite Entreprise Watch allows mobile users to access and manage their company’s bank accounts via their watches. Turbo Suite Entreprise already provides this service on smartphones and tablet devices. The app enables users to centralize all their banking operations every day, regardless of how many banks they use, provides a forward-looking view of customer receivables and allows users – and this is an exclusive feature – to approve transactions (credit transfers, etc.) and trigger their remote transmission to the banks: a unique service for the tight management of cash positions in real time.
Welcome to the digital world

Nearly 500 senior managers attended the 4th two-day Groupe BPCE summer school devoted to the digital world. Contributions from chief executives and players in the digital revolution led to a better understanding of the changes at work in the fields of information, customer relations, business models, organizational structures and management. The sessions provided valuable and informative input in the light of the Group’s ambitions for 2017.

Digital week

More than 800 employees attended BPCE's first Digital week seminar in Paris. The program included round-table discussions, presentations of connected devices and innovations dreamed up by the Group’s IT labs; an “after-work initiation” in the use of Twitter; “agile mode” development of a mobile application to facilitate life in the company. Several Group companies will organize this Digital week in 2015.

Understanding banking in a click

Designed to educate people about banking and economics, The keys to understanding website was given a facelift in April, giving employees an opportunity to discover – or to deepen their understanding of – topics such as “The cost/income ratio”, “The LCR” or “Everything you wanted to know about securitization.”
Online training

Going beyond traditional classroom lessons, the range of training courses is embracing new methods and new teaching materials. Virtual classrooms became increasingly popular in 2014, attracting 20,000 trainees. The use of e-learning solutions enjoyed rapid growth with 358,000 training modules completed during the year, a number that has almost doubled since 2013. A new “serious game” entitled *M as in Manager*, designed by Natixis, is being rolled out to the Group’s different companies. Training courses have also been created for customer advisors and branch managers to help them develop customer relations in a multi-channel environment. Finally, the Group is also preparing the launch of its first MOOC – a massive open online course available to all Group employees – with a view to enabling everyone to understand and assume ownership of the impacts of digital transformation.

Social networks

Different Groupe BPCE companies and entities have set up corporate social networks, enabling communities of shared interest to create discussion forums and to share different types of documents: news articles, videos, reports, etc.
Online recruitment
Used by 12 pilot companies, the easyRECrue solution facilitates discussions via webcam in the pre-selection phase. 79% of the applicants found it to be a practical and innovative experience. The Group attended Jeunes Job, an online national forum for the employment of young people. The national symposia of the “Talent in the Tenements” association provided an opportunity to test the ForgetMeNot application that can scan applicants’ CVs via a tablet device and upload them automatically into the Group’s recruitment management tool. In 2014, 3,600 new recruits on permanent contracts joined the Group.

Online with the Chairman
During a chat staged in July, Group employees had a live discussion with François Pérol on the Group’s current situation and its strategic plan “Another way to grow”.

Digitally enhanced
A new concept for our in-house magazine Couleurs Groupe BPCE: more than just a complete overhaul of the editorial and graphic content, it offers a print edition and three digital versions providing additional information in text, video and photo formats. It can be accessed from the Group intranet, on smartphones and tablet devices. In the same spirit, Natixis’ in-house magazine Impulsion offers a host of extra features in its digital version.

Innovation network and Open innovation
A new Innovation network has been set up, consisting of more than 100 correspondents from the Group’s companies responsible for promoting collaborative discussions and the dissemination of a culture of innovation. This work is facilitated by the banking industry monitoring site L’Éclaireur, the Matinales de l’Innovation meetings, and the rapid development of models and prototypes. In the area of IT, an Open Innovation program has been launched, with three components: Open API (Application Programming Interface), Innovation and the cooperative shareholder base and Open Innovation Management. The highlight is 3iDay, or Idées Inattendues de l’Innovation, an “unexpected innovation ideas” event held twice a year.

First hackathon
The first Banque Populaire hackathon united developers and people with innovative ideas on a quest to design, develop and present a working prototype of a software application. Twenty-five Banque Populaire, BPCE and i-BP employees gave free rein to their creativity, tested and transformed their ideas into working applications in a little less than two days.
Participative innovation
A large number of teams took part in the 4th in-house Innovation Awards that, this year, welcomed innovative ideas and not only actual achievements. 135 entries were submitted by 42 companies. Six projects received awards in the “Success” and “Hopes” categories with, for the latter, a commitment to test or implement them within six months.

Big data
Groupe BPCE became a partner of the “Big Data and Market Insights” chair at the Telecom ParisTech school of engineering. The interdisciplinary work of this professorship will help develop greater customer understanding, the customization of offers and services as well as fraud and intrusion prevention techniques. The first topic will focus on “fragility” and should help our banks to identify early-warning signs allowing them to prevent customers from slipping into over-indebtedness or litigation.

HR dashboard
The HR dashboard, a valuable management tool accessible from an iPad, allows the Group’s senior managers at any time to view and share all HR data (staff numbers, recruitment, age pyramids, etc.) and to track changes over time. This new tool facilitates information sharing and dialogue about the performance of our companies and the Group.
Being responsible

“TO BE A MAN IS TO BE RESPONSIBLE... TO BE AWARE, WHEN SETTING DOWN A STONE, THAT YOU ARE HELPING TO BUILD A WORLD.”

ANTOINE DE SAINT-EXUPÉRY
YOUNG PEOPLE ARE THE FUTURE

The future of our society, our future. We must give young people every advantage to ensure their future is bright. A general and vocational education, obviously... But also a helping hand toward self-sufficiency, the spirit of enterprise, the desire to succeed, the joy of sharing.

FOCUS ON APPRENTICESHIP

With the Stars & Métiers Awards, the Banque Populaire banks emphasize the social importance of the crafts via their most talented representatives, reinforcing their long-standing practice of offering apprentices special-rate loans to pay their tuition fees and set them up in business afterwards. The Caisse d’Epargne takes a similar approach with its crédit apprenant, a highly competitive loan designed to help apprentices finance the acquisition of key equipment. For chefs, pastry chefs, bakers and butchers, the bank sells half-price professional tool kits and, if necessary, provides a 3-year interest-free loan to help them buy it.

BAC UP

Before that, it’s a matter of passing the bac high school diploma and helping repeat candidates overcome this final hurdle. Understanding difficulties, providing the expertise needed for success: it’s the same approach whether you’re taking exams or running a business. This is what Banque Populaire is offering with Bac Up, a free scheme developed with Academia, a private tutoring firm, to help candidates choose the subjects they must re-sit and prepare their oral exams properly. Sessions have been held in 23 Academia centers with educational videos posted up online, attracting 200,000 visits on the dedicated website.

TOMORROW’S ENTREPRENEURS?

The Caisses d’Epargne, the Finances & Pédagogie association and the Banque Populaire banks support the Entreprendre pour Apprendre(1) associations that encourage young people to hone their entrepreneurial skills via mini-enterprise programs for middle and high school pupils and start-up programs for university and business school students. Training in budget management is a valuable plus, a challenge met by the Finances & Pédagogie association which devotes 40% of its activities to young people and trained some 13,500 youngsters in schools and apprenticeship centers in 2014.

(1) Learning through Business.
A MANUAL TRADE?
Initiating youngsters aged 9-14 in manual trades, using real tools in real workshops run by volunteer or retired skilled workers and craftsmen happy to transmit their knowledge: this is the vocation of the Federation of l’Outil en Main\textsuperscript{(1)} associations. To allow more children to be trained throughout France, Crédit Coopératif launched the Agir l’Outil en Main passbook savings account and card, and a generosity Visa card in 2014. Half the interest earned on the savings account is donated to the association. The card provides financial support for l’Outil en Main thanks to micro-donations paid by Crédit Coopératif on every withdrawal, and by cardholders, if they so wish, every time they use the card.

\textsuperscript{(1)}Tools at your fingertips.

BUT WHY NOT A BUSINESS SCHOOL?
Une grande école, pourquoi pas moi?\textsuperscript{(2)} and Passerelle ascenseur social\textsuperscript{(2)} are programs – supported by the Caisse d’Epargne – designed for young people from disadvantaged backgrounds with a view to helping them study at engineering or business schools. Finances & Pédagogie is also involved in the coaching program set up by the ESSEC business school aimed at familiarizing middle and high school pupils from disadvantaged quarters with questions such as budget management or student loans. For its part, Banque Palatine has renewed its commitment towards diversity at the Sciences-Po institute of political science. Since 2010, it has been providing grants and coaching for pupils subject to Priority Education Agreements. This program has enabled 1,150 high school pupils from 100 establishments to study at Sciences-Po since 2001. In addition, Banque Populaire and Caisse d’Epargne offer all students loans at particularly attractive rates.

\textsuperscript{(1)}An engineering or business school, why not me?
\textsuperscript{(2)}Social Elevator Gateway.

SOCIALLY AWARE STUDENTS
Students also express a sense of social solidarity, a quality that we encourage. Accordingly, every year Natixis rewards six projects for their collaborative spirit and social solidarity in the two areas of sociocultural and socio-sport activities. In each category, the three winners of the C.A.M.P.U.S. Awards receive between €1,500 and €5,000 to realize their projects. The first prizes at the last awards ceremony were awarded to Cheer up! to support the professional project of young cancer patients (Toulouse Business School), and to Pachamama to create and manage a new rugby pitch in Madagascar (ESSEC).

GOOD DEALS
For the banks, young people are high potential customers. The Banque Populaire banks and Caisse d’Epargne help their young customers remain self-reliant every step of the way with solutions in budget management, college fees, access to housing, etc. But young customers also enjoy a host of perks enabling them to have fun, improve their culture, or simply go out. Banque Populaire offers its bank card NRJ Banque Pop providing VIP advantages at concerts, encounters with artists, cinema previews, and special deals for shoppers… The Caisse d’Epargne offer free entry and cut-price tickets for concerts, films, shows, and sporting events along with special offers for shoppers and geolocated restaurants, discounts on subscriptions to the Deezer music site, news and video streams, games, competitions, etc.
Groupe BPCE companies also work with the Nos Quartiers ont des Talents (NQT) (1) association that promotes the employment of young graduates under the age of 30 who have at least 3 years’ higher education but come from priority neighborhoods or disadvantaged social backgrounds. At the fifth National Conference in 2014, the Group was awarded the NQT Equal Opportunities Trophy for its sponsorship program: since 2011, 120 sponsors have helped 460 young people, 200 of whom have found employment.

Working in partnership with Adie (1), the pioneering business microcredit association, Banque Populaire has refocused their joint initiatives on young micro-entrepreneurs. It also helps students and young graduates wanting to set up a SSE business via the Social Economy Student Entrepreneur Prize created with the LMDE student mutual insurance company. The Caisse d’Epargne Ile-de-France has launched a unique program with the Chair in Social Entrepreneurship at the ESSEC business school to the effect that Antropia, France’s first social incubator, has philanthropic start-up funds in the form of grants or interest-free honor loans. This entity applies the spirit and practices of venture capitalists to the funding of social entrepreneurs.

(1) Association pour le droit à l’initiative économique, a French association for the right to economic initiative.

Rent a place to live without a parental guarantee? Banque Populaire, working with LMDE, can help! It can also offer guarantees for a modest sum and provide young people with comprehensive home insurance at rates tailored to their budgets. Organize and insure shared accommodation like 40% of urban tenants aged 18 to 35 (1)? The Caisse d’Epargne, which also offers highly competitive comprehensive home insurance, is responding to young people’s changing lifestyles by offering joint accounts for multi-tenant rental customers allowing them to pay shared expenses, along with an insurance policy covering each tenant and, for an extra euro a month, a personal Visa Electron card. And to help young working people set up home? Banque Populaire offers an interest-free advance of two months net salary, while the Caisse d’Epargne proposes a personal loan of between €1,000 and €7,000, even in the case of fixed-term contracts or temporary employment, a situation faced by 53% of young employees (2).

(1) 2014 BVA survey. and 49% for the 18 to 25 years of age category.
(2) BVA survey.

Groupe BPCE is one of leading recruiters in France, with 3,600 permanent hires in 2014. Young people account for over 50% of these new recruits. The Group is also actively involved in integrating young people into the workplace via work/study contracts. At the end of 2014, 2,800 young people were working as interns within its different companies. Each student preparing a degree after three to five years in higher education gains professional experience along with a salary. In 2015, Groupe BPCE signed a generation contract and again promised to earmark at least 50% of its new vacancies for young people over the next three years and to develop its work/study program. Joining a group with a rich and diverse mix of companies and skills, and which supports its employees throughout their careers — more than 5% of the aggregate payroll is invested in training — is a motivating factor for candidates and existing staff. 69% of the Group’s employees state they are committed (1). Groupe BPCE also won the 2015 Randstad Award (2) as France’s most attractive employer in the services sector. According to people questioned, the Group’s key advantages are its financial solidity, career prospects, and job interest.

(1) 2014 Diapason in-house survey.
(2) Online survey conducted between October and December 2014.
12,759 potential employees aged between 18 and 65 ranked 215 employers. The Randstad Awards are given annually in eleven categories covering all sectors of activity.

AND NOW, FIND A JOB!

Groupe BPCE companies also work with the Nos Quartiers ont des Talents (NQT) (1) association that promotes the employment of young graduates under the age of 30 who have at least 3 years’ higher education but come from priority neighborhoods or disadvantaged social backgrounds. At the fifth National Conference in 2014, the Group was awarded the NQT Equal Opportunities Trophy for its sponsorship program: since 2011, 120 sponsors have helped 460 young people, 200 of whom have found employment.

(1) Talent in the Tenements.
I’m a banker, I assure you... and insure you!

- Personal Protection Cover
- Build up a nest egg
- Insure funeral expenses
- Finance funeral expenses
- Insure against loss of autonomy
- Insure mortgages and loans
- Plan for retirement
- Protect loved ones in the event of death
- Provide litigation protection insurance
- Cover medical expenses
- Insure professional activities
- Insure against accidents causing severe disabilities
- Insure a car
- Insure real estate
- Insure multimedia equipment
- Insure real estate
In its capacity as the third-largest bancassurance specialist in France, Groupe BPCE is targeting strong insurance revenue growth by 2017. The creation of a single insurance platform within Natixis, the increase in non-life insurance cover taken out by our customers and the organisation within Natixis Assurances of the production of new life and provident insurance policies distributed by the Caisses d’Épargne as of 2016 are all central to this ambition.

Bancassurance: a winning business model

In France, bancassurers dominate the personal insurance sector with two-thirds of the market. Savings, loans and insurance play complementary roles in helping people to build up their assets and protect their families. Bancassurers are also gaining market share in the P&C segment. Insurance – of strategic importance for retail banks – strengthens the relationship between banks and their customers, and is a source of revenue vital to their growth.

An ambitious roadmap for 2017

“Insurance is a strategic business line for Groupe BPCE. We want it to be as big as banking, both in savings and in P&C insurance. These activities enjoy synergies with our other businesses,” emphasized François Pérol when he presented the strategic plan “Another way to grow.”

The roadmap for 2017 includes the following objectives: create a single insurance platform; become a fully-fledged insurance specialist by integrating within the Group the production of the life and provident insurance contracts distributed by the Caisses d’Épargne; enhance our market share in life insurance among our high-net-worth clientele; provide 28% of our individual customers with P&C, health or provident insurance products by 2017.

Creation of a single insurance division

The single insurance division is now up and running within Natixis. It now holds 60% of BPCE Assurances while the mutual insurance companies Macif and MAIF retain 40%. The division includes two departments devoted to personal insurance products and non-life insurance and a third department focused on insuring risks specific to Groupe BPCE and identifying new partners to complete the ranges distributed by the networks.

Groupe BPCE insurance in 2014

<table>
<thead>
<tr>
<th>Category</th>
<th>Revenues (€ bn)</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Life Insurance</td>
<td>1.4</td>
<td>+7.3</td>
</tr>
<tr>
<td>Life Insurance</td>
<td>13.8</td>
<td>+32</td>
</tr>
</tbody>
</table>

(1) Scope of P&C, provident and health insurance. (2) CNP Assurances, Natixis Assurances and Prépar Vie.

A renewed partnership with CNP Assurances

Groupe BPCE and CNP Assurances have finalized plans to enter into a new partnership for 2016-2022. As of January 1st, 2016, the Insurance division will produce all new life insurance and individual provident insurance contracts distributed by the Caisses d’Épargne. CNP Assurances will continue managing pre-2016 contracts and additional payments on them, while Natixis Assurances will ensure 10% of these policies.

New partnerships have been planned: an exclusive partnership in creditor insurance via a collective co-insurance agreement (66% CNP, 34% Natixis Assurances) for the Caisses d’Épargne, Banque Populaire banks (excluding BRED, CASDEN and Crédit Coopératif) and Crédit Foncier; a CNP Assurances offering covering the principal collective provident insurance risks of Groupe BPCE’s professional and corporate customers; a partnership in individual protection specifically targeting long-term care and tenant insurance products. BPCE, which owns an 18% equity interest in CNP Assurances, has confirmed its intention to remain a stable shareholder of France’s no.1 life insurance company.

Assurément#2016

To prepare Natixis Assurances’ production of life and provident insurance contracts to be distributed by the Caisses d’Épargne, more than 130 employees are currently working on the Assurément#2016 project.

For Groupe BPCE, this represents an opportunity to adopt the highest technological and management standards for the benefit of the networks and their customers, assurément the right objective!
France should soon be adopting the law on the energy transition for green growth with a view to boosting the share of renewable energies in gross energy consumption to 32% by 2030, cutting final energy consumption by 50%\(^{(1)}\) and slashing greenhouse gas emissions by a factor of 4\(^{(2)}\) by 2050. The aspiration to develop a lower carbon economy is a global trend to be confirmed by the 21st Climate Change Conference staged in Paris in 2015 (COP21). We offer a quick review of achievements and advances made by Groupe BPCE in 2014.

**Major commitment to energy transition**

In France, the Banque Populaire banks, Caisses d’Epargne, Banque Palatine, Crédit Coopératif and Natixis – with Natixis Energéco\(^{(3)}\) in particular – have funded thousands of thermal renovation and renewable energy projects and made a major contribution to energy transition in the process.

These initiatives represented a total of approximately €4.5 billion at the end of 2014, with certain projects pursued under the aegis of long-term partnership agreements with the regions. This is the case for the Caisse d’Epargne Aquitaine Poitou-Charentes and Banque Populaire Aquitaine Centre Atlantique, which together won the call for projects launched by the Poitou-Charentes region for the 2014-2020 period. BPCE IOM is contributing to this dynamic with nearly 800 projects funded in eight years, representing more than 165 MW and loans of €290 million.

This expertise is recognized by the EIB, which works through Groupe BPCE in France to realize several energy transition-related programs by providing additional funding on favorable terms. In 2014, the Group joined a €250 million program to generate energy from biomass and to recycle waste. The EIB has launched its France Renewable Energies program providing €750 million between 2014 and 2016. The Banque Populaire banks, Caisses d’Epargne, Crédit Coopératif and Natixis have been tasked with selecting projects and structuring the financing, half of which is covered by EIB funds.

**Energy-efficient buildings: innovative solutions**

Buildings account for almost half of French energy consumption and are responsible for a large amount of greenhouse gas emissions. Thanks to the initiative of local banks, the Group pioneered the development of the first green real estate loans. A comprehensive range is now available within the Group that includes solutions offered by Crédit Foncier with copro 100, a loan granted to condominium associations to finance work on the common areas of their buildings, or loans for local authorities that include energy audits, or technical solutions and the financing of renovation sanctioned by energy savings certificates.

One of the challenges of real estate renovation is the successful coordination of financing with the other players in energy efficiency with, notably, the...
local authorities and building professionals. Since 2012, the European Commission has entrusted Groupe BPCE with implementing the ELENA/KfW program, providing local authorities with the resources they need – with the help of local banks – to roll out solutions, including financing, for customers wanting to improve the energy efficiency of their accommodation. Innovative solutions implemented by the four Banque Populaire banks and Caisses d’Epargne involved in this initiative were instrumental in the Commission’s decision to renew its commitment in 2014.

Sustainable transport: exemplary achievements

The transportation sector is the largest emitter of greenhouse gases in France, accounting for 27% of the total. The Group’s banks are actively involved in financing public transport and green vehicles. The Caen urban area enjoyed a double success in 2014 with the funding of 40 high environmental performance buses enjoying a “French origin” guarantee. The Group is also a leader in public-private partnerships with instruments like the FIDEPPP investment fund. Future work includes the completion and operation of tramways like those in Reims or Dijon.

Leader in renewable energy financing

We should include in our review of financing operations in France the contribution made by Natixis to renewable energies in the international market. In 2014, Natixis was involved in nine major projects representing a total of 1,319 MW and €3.7 billion. This included the arrangement of the Gemini project, the largest funding operation for an offshore wind farm ever signed for a total of €2.8 billion. This 600 MW wind farm off the Dutch coast should meet the needs of 785,000 homes, saving 1.25 million tons of CO₂. The operation was named “Power Deal of the Year” in Europe by the Project Finance International magazine.

Green bonds and dedicated funds

Energy infrastructure is an attractive asset class for investors, as testified by the fact that more than €30 billion in green bonds were issued in 2014. Natixis, which is extremely active in this market, supported the green bond issues launched by the EIB, the Île-de-France region, GDF Suez, and Abengoa for a total of nearly €4 billion.

Mirova, the asset management company dedicated to responsible investment belonging to Natixis Asset Management, includes nearly 20% of green bonds in its fixed income strategies. In 2014, it launched a third investment fund dedicated to renewable energy projects in Europe: Mirova Eurofideme 3, which has raised nearly €140 million, including €40 million provided by the EIB, for a target of €200 million.

In all, Groupe BPCE is currently backing 14.3 GW in managed renewable energy projects and has granted more than €4.5 billion in energy transition financing, plus €140 million in “green capital” and €4 billion in green bonds.
25 YEARS OF SAILING

25 ans dans les Voiles

In our graphic documentary today, we're talking live with Loïck Peyron on board the Banque Populaire VII...

Hello!

Everything going OK, Loïck?

...can't really complain!

The finishing line of the Route du Rhum yacht race is now in sight, and you'll be the first to cross it.

Initially, Armel 12 Cleac'h was supposed to be the skipper... but he injured his right hand...

Exactly... that's when Banque Populaire asked me to step in!

Although I'd vowed never to skipper large boats again, it was an offer I couldn't refuse!

Let's talk about this partnership, Loïck! Did you know that Banque Populaire has been sponsoring sailing for 25 years?

Banque Populaire boats have broken more than 15 records and completed 2 world tours, 36 Transatlantic races, and more than 40 ocean competitions, 40 Solitaires du Figaro and 7 Routes du Rhum, including yours today!

The bank is a really loyal, trusted partner!

That's quite a record!
AND BANQUE POPULAIRE HAS BUILT THE LARGEST RACING YACHTS WITH, NOTABLY, THE FAMOUS MAXI TRIMARAN BANQUE POPULAIRE V...

I WON THE JULES VERNE TROPHY WITH THAT YACHT IN 2012...

I'M FREE...

... AND THE SAME BOAT BROKE SEVERAL SPEED RECORDS, TOO!

AND THE BANQUE POPULAIRE BANKS ALSO SPONSOR THE ERIC TABARY ASSOCIATION IN CHARGE OF PROMOTING AND RESTORING THE CELEBRATED PEN DUICH RACING YACHTS.

AND THE FRENCH OLYMPIC TEAM!

I MUST REMEMBER TO ASK FOR AN INVITATION TO THE 2016 RIO GAMES...

AND IT ALSO HELPS TO EQUIP SAILING SCHOOLS...

IN ANY CASE, A BIG THANK YOU ONCE AGAIN TO LOICK PEYRON FOR WELCOMING US ON BOARD HIS BOAT TODAY JUST A FEW SECONDS BEFORE CROSSING THE FINISHING LINE... AND WELL DONE FOR THE NEW ROUTE DU RHUM RECORD...

AND TO TRAIN THE ARMEL LE CLÉACH'S AND LOICK PEYRON'S OF THE FUTURE!

... IN JUST 7 DAYS, 15 HOURS AND 8 MINUTES!

THANKS FOR ACCEPTING THE CHALLENGE, LOICK!

NOW, WITH BANQUE POPULAIRE WE'RE OFF ON NEW ADVENTURES WITH THE IMOCAR CLASS MONOHULL BANQUE POPULAIRE VIII FOR THE NEXT VENDEE GLOBE, AND THE MAXI BANQUE POPULAIRE IX TO BREAK NEW RECORDS IN SINGLE-HANDED SAILING...
IN OUR GRAPHIC DOCUMENTARY TODAY, WE'RE REPORTING LIVE FROM THE MARTIN FAMILY...

HELLO!

LIKE MANY OTHER FRENCH FAMILIES, THE MARTINS LOVE GETTING TOGETHER ON SUNDAYS TO SHARE A DELICIOUS ROAST CHICKEN...

I JUST LOVE FAMILY REUNIONS!

AND, ABOVE ALL, THEY ALL LOVE MUSIC. WHAT DO YOU LISTEN TO IN THE MARTIN FAMILY?

AND THEY ALL BANK WITH THE CASSE D'EPARGNE.

BRITISH ROCK 'N' ROLL, OF COURSE!

OPERATING ARE THE THING FOR ME.

FRENCH SONGS WITH PROPER LYRICS!

CLASSICAL MUSIC IS SIMPLY EXQUISITE!

GUITAR IS JUST AWESOME!

CAPABILITIES ARE DRAMATICALLY INCREASED!

THE SUNDRY CHICKEN OFFERS EACH FAMILY MEMBER AN OPPORTUNITY TO SAY WHAT THEY DID THE WEEK BEFORE...

AND WHAT'S MORE, I HAD A FRONT-ROW SEAT!

EACH YEAR, THE CASSE D'EPARGNE — IN PARTNERSHIP WITH RADIO CLASSIQUE — INVITES SEVERAL HUNDRED PRIVATE BANKING CUSTOMERS TO OUTSTANDING CONCERTS PERFORMED IN NATIONAL OPERA HOUSES OR CONCERT HALLS...

On Tuesday, I was invited to a Wagner concert, performed by the National Orchestra of Lille!
BEING RESPONSIBLE

On Wednesday, I went to a Black M concert! And, as I’m a customer of Caisse d’Epargne, I got 30% off!

It’s pure Hip-Hop, out of this world!

I had a reduction, too!

Very nice! On Saturday evening, we went to see Christine and the Queens in the Gaité Lyrique Concert Hall, which is one of the 50 contemporary music auditoriums partnered by Caisse d’Epargne.

You can come with me if you like. I won 2 tickets for Shop the Use on Espiz-Musique. Fr!

Caisse d’Epargne customers can also take part in a quiz and win free concert tickets!

The Martins have finished all their chicken and are now taking out their instruments and start rehearsing...

Because the Martins have set up a rock’n’roll group: “Sunday Chicken”! And they’ve signed up for the young talent competition on Espiz-Musique.fr website.

The public will vote online and the winner will be the supporting act at the private concert staged for Caisse d’Epargne customers. And, in 2015, there are 10,000 tickets up for grabs to see the Pony Pony Run Run and Caravan Palace bands!

Bye bye, not chicken!
The Culture of Sponsorship

In our graphic documentary today, we’re taking you on a tour of the Natixis virtual museum!

Welcome to this exclusive visit!

This tapestry is fantastic!

It’s the Artemesia tapestry!

Our bank enabled the state to buy the 8 pieces missing from this 17th century work of art!

OK! Everything falls into place now!

I know this lion! I’ve already seen it in the Louvre!

It was displayed in the 2008 Babylon exhibition, sponsored exclusively by Natixis!

I really love this one! Hokusai… Japan’s most famous artist!

... and this reproduction here, I’ve already seen the original in the Grand Palais in Paris!

And these are impressionists, too.

We were also the exclusive sponsor of the 2010 Monet exhibition

“Monet”? An ideal subject for a bank to sponsor!

We also sponsored refurbishing work on the impressionists’ gallery in the Orsay Museum!

We were the main sponsor of an exhibition of his works in the Grand Palais in 2014!
BEING RESPONSIBLE

BUT NATIXIS’ SPONSORSHIP ISN’T LIMITED TO FINE ART...

HERE’S THE PARIS ORCHESTRA...

THAT WE’VE BEEN SPONSORING SINCE 2007!

A GOOD EXAMPLE OF CLASSICAL SPONSORSHIP!

FOLLOW ME!

BUT WE DON’T ONLY SPONSOR CLASSICAL MUSIC.

WE’RE ALSO PARTNERS OF THE BERKLEE JAZZ FESTIVAL!

THAT’S FAR AWAY IN THE USA... IT’S DIFFICULT TO HEAR!

TAKE A LOOK!

IT’S QUIET HERE, TOO...

WELL, IT IS A SILENT MOVIE!!

WE HELPED THE FRENCH FILM LIBRARY TO DIGITIZE LOTS OF OLD FILMS.

BUT, YOU CAN HEAR EVERYTHING PERFECTLY IN THIS ROOM!

AND RENOVATE THE AUDITORIUM, TOO...

BELLE MARQUISE, D’AMOUR VOS BEAUX YEUX ME FONT MOURIR...

SINCE WE HELPED THE COMÉDIE-FRANÇAISE TO UPGRADE THEIR ACOUSTICS.

LONG LIVE BENEFACCTORS OF ALL THINGS THESPIAN!

DRAWINGS, PAINTINGS, MUSIC, FILMS, THE THEATER... YOUR CULTURAL PATRONAGE IS ALL-EMBRACING!

COME ON! IT’S JUST A VIRTUAL BUILDING IN A COMIC STRIP...

IF YOU WANT TO VISIT THE MUSEUM AGAIN, JUST CALL ME!

...DRAWN BY A COMIC ARTIST!

AND WHO WAS THE ARCHITECT WHO DESIGNED THIS SUBLIME MUSEUM?

BRIGHT IDEA!

AND I’LL LET YOU JUMP THE QUEUE!
**The Manhattan Darkroom exhibition – Henri Dauman**

This unique retrospective of the works of Henri Dauman, a star photojournalist contributing to *Life Magazine*, *The New York Times*, *Newsweek*, *Forbes*, etc. and a privileged witness of life in the second half of the 20th century, offers fresh insight into major figures who marked US history: John and Jacqueline Kennedy, Andy Warhol, Elvis Presley, Marilyn Monroe, etc. The aim of Banque Palatine's sponsorship of this exhibition was to highlight the talent of a man whose critical portrait of his times transformed photography into an art of fine imagery. The 100% privately funded exhibition was held in the Palais d’Iéna in Paris in the last three months of 2014.

**The Nautilus de l’Innovation**

To mark the 40th anniversary of its creation, Banque de Nouvelle-Calédonie launched a sustainable innovation competition: the *Nautilus de l’Innovation*. The selection – and subsequent funding – of three of the 34 projects submitted for this first edition used the following criteria: the project's innovative and realistic qualities, its practical utility for Caledonian residents, its compliance with the core tenets of sustainable development and the bank's corporate values. The UrbanClean project is a dust-free hydro-stripping service using recycled glass; Gouttière net is a mechanized mosquito-control system designed for gutters that turns waste into horticultural compost, and City View, a satnav system providing a web-based 360° virtual tour solution.

**Supporting basketball and handball**

In 2014, the Caisse d’Epargne teamed up with the French Basketball Federation. This second most widely-practiced team sport in France is particularly popular among young people. Starting in September, the players in the French national team, wearing their new shirts with the savings banks’ squirrel logo, won their first-ever bronze medals in a World Cup before an audience of more than 5 million TV viewers. In early 2015, the Caisse d’Epargne also became a partner of the French Handball Federation. The year got off to an exceptional start with the French team winning a fifth world championship title before more than 12 million TV viewers. While these disciplines share the same values as the Caisses d’Epargne – namely, team spirit, dynamism and world-class performance – these partnerships also provide an opportunity for savings bank customers to share intense sporting emotions in the gymnasium or on social networks.

**L’Eau en Jeu®**

This year, CASDEN Banque Populaire confirmed its commitment to education for sustainable development by creating – in collaboration with IRSTEA, the Institute for Research in Science and Technology for the Environment and Agriculture – an educational kit designed to raise school students’ awareness about the importance of water conservation: *L’Eau en Jeu®* (water in play/at stake). This kit includes two games on how to use and manage water, one at the scale of an entire watershed, the other at a neighborhood level. It can be used by teachers from 3 grade/year 4 upwards. This outstandingly successful teaching aid was distributed free of charge to secondary schools by CASDEN during its *Rencontres CASDEN* meeting, as well as to primary school teachers.

**The enchanted screens**

The association *Toiles Enchantées* (enchanted screens) was created in 1997 by Gisèle Tsobanian with a view to bringing the cinema into hospitals and allowing young patients to enjoy films as soon as they are available for general release. Natixis has been a partner of this association for five years, first as a patron and subsequently, since 2013, with the active contribution of volunteers from its Insurance division within the framework of their Solidarity Day. More than 35 employees have helped the association’s projectionists and technicians to set up temporary cinemas in hospitals in the Paris region.
Panorama of activities in 2014

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– Coface

Explore the websites of the banks and federations by flashing this page (see page 2).

Organization chart of Groupe BPCE at December 31, 2014

* Indirectly through local savings companies.
Facts and figures

Summary income statement

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net banking income</td>
<td>23,257</td>
<td>22,826</td>
<td>21,946</td>
</tr>
<tr>
<td>Gross operating income</td>
<td>6,927</td>
<td>6,691</td>
<td>6,011</td>
</tr>
<tr>
<td>Income before tax</td>
<td>5,279</td>
<td>4,889</td>
<td>3,743</td>
</tr>
<tr>
<td>Net income attributable to equity holders of the parent (1)</td>
<td>2,907</td>
<td>2,669</td>
<td>2,147</td>
</tr>
</tbody>
</table>

(1) €3.1bn, excluding the revaluation of BPCE’s own debt and excluding the impact of the introduction of the Funding Valuation Adjustment (FVA).

Business

<table>
<thead>
<tr>
<th></th>
<th>12/31/2014</th>
<th>12/31/2013</th>
<th>12/31/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance sheet total</td>
<td>1,223.3</td>
<td>1,123.5</td>
<td>1,147.5</td>
</tr>
<tr>
<td>Customer loans (gross loan outstandings)</td>
<td>623.3</td>
<td>590.7</td>
<td>586.5</td>
</tr>
</tbody>
</table>

Business contribution to Group
net banking income (1) in 2014

- 29% Natixis’ core business lines
- 69% Retail banking

Business contribution to Group
income before tax (1) in 2014

- 35% Natixis’ core business lines
- 68% Retail banking

(1) Excluding Corporate center.

- Commercial Banking and Insurance
- Specialized Financial Services (SFS)
- Investment Solutions
- Wholesale Banking
- Equity Interests
### Network activity

<table>
<thead>
<tr>
<th>Banque Populaire banks (in billions of euros)</th>
<th>Caisses d'Epargne (in billions of euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Off-balance sheet savings</td>
<td></td>
</tr>
<tr>
<td>12/31/2012</td>
<td></td>
</tr>
<tr>
<td>66.3</td>
<td>120.2</td>
</tr>
<tr>
<td>65.9</td>
<td>118.5</td>
</tr>
<tr>
<td>66.0</td>
<td>118.1</td>
</tr>
<tr>
<td>150.8</td>
<td>259.1</td>
</tr>
<tr>
<td>141.2</td>
<td>251.9</td>
</tr>
<tr>
<td>132.8</td>
<td>240.7</td>
</tr>
<tr>
<td>Customer loans</td>
<td></td>
</tr>
<tr>
<td>12/31/2012</td>
<td></td>
</tr>
<tr>
<td>167.4</td>
<td>210.7</td>
</tr>
<tr>
<td>165.5</td>
<td>200.9</td>
</tr>
<tr>
<td>160.0</td>
<td>185.3</td>
</tr>
</tbody>
</table>

### Capital adequacy ratios

- **Total Capital adequacy ratio**
  - 2013 data pro forma.
  - 12/31/2013: 13.1%
  - 12/31/2014: 15.4%

- **Tier-1 ratio**
  - 2013 data pro forma.
  - 12/31/2013: 11.4%
  - 12/31/2014: 12.7%

- **Common Equity Tier-1 ratio**
  - 2013 data pro forma.
  - 12/31/2013: 10.3%
  - 12/31/2014: 11.9%

### Financial structure

<table>
<thead>
<tr>
<th>(in billions of euros)</th>
<th>12/31/2014</th>
<th>12/31/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity attributable to equity holders of the parent</td>
<td>55.3</td>
<td>51.3</td>
</tr>
<tr>
<td>Common Equity Tier-1 capital</td>
<td>46.6</td>
<td>42.3</td>
</tr>
<tr>
<td>Tier-1 capital</td>
<td>50.0</td>
<td>46.5</td>
</tr>
<tr>
<td>Total regulatory capital</td>
<td>60.5</td>
<td>53.6</td>
</tr>
</tbody>
</table>

### Credit ratings at December 31, 2014

- **Standard & Poor’s**
  - Long-term rating: A
  - Short-term rating: A-1
  - Outlook: Negative

- **Moody’s**
  - Long-term rating: A2
  - Short-term rating: P-1
  - Outlook: Negative

- **Fitch**
  - Long-term rating: A
  - Short-term rating: F1
  - Outlook: Stable

The ratings concern BPCE and also apply to Groupe BPCE.
2014 CSR indicators

Local economy and society: a decisive local presence

Financing the social and solidarity economy
Aggregate value of loans granted to the SSE (in millions of euros)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (in millions of euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>813</td>
</tr>
<tr>
<td>2013</td>
<td>774</td>
</tr>
</tbody>
</table>

87% of the Group’s suppliers are SMEs

39% of the Group’s procurement is sourced from SMEs

No. 1 for microloans to individual customers

Supported microloans granted by the Group$^{(1)}$
(in number of loans)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>15,228</td>
</tr>
<tr>
<td>2013</td>
<td>12,820</td>
</tr>
</tbody>
</table>

(1) Loans granted to borrowers in a precarious situation, covered by a guarantee and supported by a public-interest organization.

Social solidarity/ solidarity offering

One of the major players granting microloans to professionals (35.4% market share at end-2014)

Supported microloans granted by the Group$^{(1)}$
(in millions of euros)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>104</td>
</tr>
<tr>
<td>2013</td>
<td>90</td>
</tr>
</tbody>
</table>

(2) Socially Responsible Investment.

French leader for the collection and management of solidarity-based savings

SRI$^{(2)}$ and solidarity-based loan outstandings in France
(in millions of euros)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>16,600</td>
</tr>
<tr>
<td>2013</td>
<td>13,400</td>
</tr>
</tbody>
</table>
**Cooperative DNA**

**Employees actively involved in the Group’s development**

<table>
<thead>
<tr>
<th></th>
<th>Number of cooperative shareholders</th>
<th>Cooperative shareholder/customer ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banque Populaire banks</td>
<td>3.9 million</td>
<td>43%</td>
</tr>
<tr>
<td>Caisses d’Epargne</td>
<td>5.0 million</td>
<td>20%</td>
</tr>
</tbody>
</table>

**Fight against climate change**

4 ELENA-KfW programs up and running, 1 new program signed in 2014 to improve the distribution of eco-loans in association with the local authorities

55 of the Group’s companies completed a carbon audit in 2014 (+31%)

**Eco-loans produced by the Caisses d’Epargne and the Banque Populaire banks**

(in millions of euros)

<table>
<thead>
<tr>
<th>Year</th>
<th>Eco-loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>315</td>
</tr>
<tr>
<td>2013</td>
<td>378</td>
</tr>
</tbody>
</table>

**Employees actively involved in the Group’s development**

**Breakdown of employees**

<table>
<thead>
<tr>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,597</td>
<td>3,603</td>
</tr>
</tbody>
</table>

**Number of new recruits on permanent contracts**

2014 | 3,597
2013 | 3,603

**Number of employees who received training**

2014 | 63,128
2013 | 62,665

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(1) Employed on permanent contracts.
The Banque Populaire banks

The Banque Populaire banks are cooperative banks created by and for entrepreneurs, working closely with local businesses and business owners. They form the fourth largest banking network in France with 18 Banque Populaire regional banks, CASDEN Banque Populaire, which serves the staff of the French Ministry of Education, Research, and Culture, and Crédit Coopératif, a major player in the social and solidarity-based economy.

Nearly 4 million cooperative shareholder customers

The Banque Populaire banks are wholly-owned by their cooperative shareholder customers. The Fédération Nationale des Banques Populaires provides deliberation, communication and representation for the Banque Populaire banks and their cooperative shareholders.

2014 significant events

- By deploying appropriate and effective initiatives, the Banque Populaire banks recorded a 6.2% increase in the number of individual customers holding insurance policies, and an increase of nearly 1% in the number of professional customers, while 11,750 new customers used their private banking services.
- As the leading bank for businesses\(^1\) and franchise holders\(^2\), the second largest bank for craftsmen, small retailers\(^3\) and self-employed professionals\(^4\), Banque Populaire continued to actively finance the economy. Loans outstanding rose by 1.1% to €167.4 billion, and on-balance sheet savings rose by 6.8%\(^5\). Online, telephone and mobile banking services were enhanced.
- Banque Populaire conducted an active communication campaign including a partnership with the successful TV show “The Voice” at the start of the year, the victory of the Banque Populaire VII sailing vessel in the Route du Rhum yacht race in November and in particular, changes to the brand platform, with the launch of a new slogan and a major multimedia advertising campaign at the end of the year.
- Ahead of changes to France’s regional boundaries, Banque Populaire Alsace and Banque Populaire Lorraine Champagne merged with retroactive effect from January 1\(^1\). With a balance sheet total of €21 billion, 860,000 customers, 272 branches and 2,900 employees in nine French départements, Banque Populaire Alsace Lorraine Champagne is the network’s second largest bank.

Individual customers

For the past several years, Banque Populaire has adopted a policy of attracting and securing the loyalty of young customers, in particular through major partnerships with student insurance specialist LMDE ("la mutuelle des étudiants, "national student mutual insurance company") and NRJ radio station, with constant enhancements to the NRJ Banque Pop’ payment card. Young people account for nearly half of new customers. They are offered new solutions when they start working, such as the Avance Premier Salaire (advance payment on first salary). Initiatives in favor of French National Education staff and civil servants were stepped up in partnership with CASDEN Banque Populaire and the ACEF (an association that facilitates savings and loans for civil servants), in the interest of establishing preferred relations with these customers.

Local banking institutions

Several subsidiaries of the Banque Populaire banks are further strengthening their local presence in the south of France: Banque Chaix in the Bouches-du-Rhône and Vaucluse, Banque Dupuy, de Parseval in Languedoc-Roussillon, Banque Marze in the Ardèche and the Drôme, Banque de Savoie in Rhône-Alpes and CCSO in Aquitaine.

(2) Source: 11th annual franchise survey by Banque Populaire/Fédération française de la franchise/CSA, year-end 2014.
(3) Source: 2013-2014 CSA Pépites survey.
(5) Including centralized regulated savings.
**SERVICES**
The Affinéa account agreement, which enables customers to choose their own banking services while providing clearer, simpler and more comprehensive online banking services, was rolled out in all the Banque Populaire banks. To boost its digital strategy, Banque Populaire enhanced the range of services available on smartphones and launched a new version of its app for tablets. Banque Populaire was the first major banking network in France to generalize the use of electronic signatures, both remotely and in branches, where both customers and advisors welcome the use of tablets. The 16 e-BanquePopulaire branches worked actively to attract new customers, notably through their availability and quality of service. Ten of these e-branches provide accessibility services for deaf and hard-of-hearing customers.

**LOANS AND CREDIT**
Outstanding loans to individual customers amounted to €97.4 billion at December 31, 2014, a 2.9% increase on the previous year. Outstanding home loans grew by 2.9% to €89.9 billion, driven in part by loan repurchases. In consumer credit, which is essentially provided by Natixis Financement, personal loans increased by 9.1%, while revolving loans were stable. Banque Populaire launched a particularly attractive and much appreciated offer at the Paris Motor Show, which generated a 57% increase in personal loan volumes during the offer period.

**BANCASSURANCE**
The Banque Populaire banks turned in a strong performance, with 20.8% of their customers holding insurance policies at the end of the year. Nearly 215,000 property and casualty insurance policies and over 91,000 provident and health insurance policies were sold. Sécuri High-Tech, an insurance policy for mobile devices, was launched, and the health insurance policy ASSUR-BP Santé was a success.

**DEPOSITS AND INVESTMENTS**
In 2014, outstanding on-balance sheet savings increased by 2.2% to €82.1 billion. Off-balance sheet savings rose by 3.5% over the year and life insurance assets under management were up 4.1% at December 31, 2014. Horizéo, a new multi-investment life insurance policy launched at the end of 2013, attracted investments of nearly €260 million in 46,600 policies.

**Private banking**
Banque Populaire Gestion Privée supports nearly 310,000 customers in building, managing and transferring their wealth. The expertise of private banking advisors is tailored to the needs of professional customers, self-employed professionals and business owners in the framework of a dual professional-personal banking relationship. A new range of products and services was offered to high net worth customers in 2014. Natixis Assurances’ life insurance policy Quintessa became a benchmark high-end policy. Discretionary portfolio management continued to grow, with arbitrage mandates in particular €1 billion in assets under management at year-end 2014. Customer satisfaction increased considerably, accompanied by an increase of nearly 5% in assets under management to €62 billion at the end of 2014.

**Professional customers**
With over 1 million professional customers, Banque Populaire is the bank for small businesses, and among the preferred banks for the quality of its business relations\(^\text{(1)}\). As a longstanding partner of the Chambres des métiers et de l’artisanat (“chambers of trade and craft industries”) and the European Investment Fund official partner of the Conseil du commerce de France (“French trade council”), Banque Populaire is very active among self-employed professionals and has supported farmers for the past twenty-five years. Outstanding loans to professional customers amounted to €46.5 billion at December 31, 2014, a 1.5% increase on the previous year.

\(^{1}\) Source: 2014 Group Image survey.
To encourage entrepreneurship, Banque Populaire launched StartMyStory®, a free, easy-to-use software program to help entrepreneurs structure their business plan and produce a professional-quality presentation. Banque Populaire set up a complete solution to help professionals meet the obligation for buildings that are open to the public to be accessible to persons with disabilities by the end of September 2015. The solution spans the entire process, from assessment to certification, and includes financing for renovation work carried out by qualified Handibat®-approved builders. A budget of €500 million not requiring a personal guarantee has been set aside for these projects and a specific solution is available for healthcare professionals. The new French law governing the social and solidarity economy will allow Credit Coopératif to develop new financing solutions for its customers.

CRAFTSMEN, SMALL RETAILERS AND FRANCHISE HOLDERS
Banque Populaire rolled out an electronic payment assessment tool enhanced with customized solutions such as contactless small-value card payments (over 1,100 contracts signed) and an effective solution for major franchise brands. As the bank of one in four franchise holders (1) and a partner of the annual franchise survey, Banque Populaire is developing a customized range of products and services for franchisors and franchise holders.

SELF-EMPLOYED PROFESSIONALS
With over 132,000 self-employed professional customers, Banque Populaire is the second largest bank in France for this category of professionals. These customers, savings and retired

FINANCING
Despite rather sluggish demand, outstanding medium- and long-term loans held up at €24 billion. The sharing of risk between the Banque Populaire banks helped strengthen their position among large corporates and regional intermediate-sized enterprises. Innov&Plus, a financing solution for innovative projects by companies with fewer than 500 employees, with preferential terms subsidized by the European Investment Fund, boosted the acquisition of new customers. A new range of loans to finance renovation work, combined with damage insurance. Another major innovation was introduced by the National Factoring Association for the benefit of businesses looking to finance their growth: Osé Factoring, a factoring business that combines digital management, a no-commitment adjustable fee, and a mobile app for managing factoring transactions.
PAYMENT PROCESSING
The migration to SEPA credit transfers and SEPA direct debits was completed without incident. The transition was facilitated by Turbo Suite Entreprise, the platform created by Banque Populaire to manage multi-workstation, multi-profile, multi-company, multi-account, multi-bank and multi-currency payments, and its app for smartphones and tablets.

INTERNATIONAL
Banque Populaire is one of the top two French banks in terms of business customers with international activities. These companies benefit from comprehensive services including the processing of trade transactions, hedging, advice on international expansion and setting up a business overseas with the support of Pramex International, Groupe BPCE's dedicated subsidiary. Banque Populaire is a member of the Connector network of 15 banks, covering around 30 countries. Business customers can benefit from simplified account opening procedures abroad and high-quality services in each country represented, notably in terms of cash flow management and payment processing.

CREATING AND TRANSFERRING BUSINESSES
As the leading distributor of business start-up loans and a partner of leading entrepreneur assistance networks, Banque Populaire facilitates new business start-ups and takeovers with loans not requiring personal sureties or requiring reduced financial guarantees in association with small-business mutual guarantee companies (Socama) and the European Investment Fund. The Banque Populaire banks are highly active in providing advice for business transfers and they populate and share a nationwide database that centralizes information on sellers and buyers to facilitate transactions. They also publish the Bulletin d'opportunités, a benchmark for vendors, buyers and their advisors in terms of the volume and broad sector coverage of the companies presented.

Crédit Maritime: the maritime bank
With its six regional banks, Crédit Maritime finances the entire fishing and marine aquaculture industries and has built up considerable experience in the financing of pleasure craft and outdoor accommodation facilities. Crédit Maritime is continuing to intensify the products and services offered to its local clientele of individual and professional customers, private banking clients, regional companies and all the different stakeholders in the coastal economy. 2014 was a year of consolidation for the regional banks, with the pooling of support functions with their local Banque Populaire banks.

CASNEN Banque Populaire: cooperative bank for the educational community
CASDEN boasts more than one million cooperative shareholders among the employees of the French national education, research and culture systems, helping them to attain their personal and professional goals. The bank works through a militant network of teachers, departmental delegates and educational correspondents in schools, and offers a comprehensive range of local banking services in partnership with the regional Banque Populaire banks. CASDEN and the Banque Populaire banks celebrated the 40th anniversary of this partnership in 2014. In 2014, CASDEN posted new simulation tools for savings and loans on its website, and set up Parnasse Garanties, a guarantee insurance company in association with MGEN mutual insurance company. It partnered the Salon Européen de l’Éducation exhibition and rolled out new teaching material such as L’eau en jeu® (“water in play/at stake”) or made 100 works of literature in the school curriculum freely downloadable from its website. It also prepared the campaign to open its services to the wider French civil service in 2015.

(1) Source: TNS Sofres “Les entreprises et les banques” (Businesses and their banks) survey, 2013, and internal analysis.
(2) Source: BPI France, September 2013.
The Caisse d'Epargne

Since 1818, the Caisse d'Epargne cooperative banks have combined confidence, solidarity and modernity. As part of the second largest retail banking network in France, the 17 regional Caisse d'Epargne are among the leading banks in their region. They support all economic players and are leaders in financing the public sector, social housing and the social economy.

5 million cooperative shareholders

The Caisse d'Epargne had 5 million cooperative shareholder customers in 2014. Their capital is held in local savings companies. The Fédération Nationale des Caisse d'Epargne is the institution providing deliberation, communication and representation for the Caisse d'Epargne and their cooperative shareholders.

2014 significant events

- Caisse d'Epargne was ranked among France's 15 favorite companies for the third year running.
- It also ranked among the market leaders in private banking in France, with 385,000 customers and €104 billion in assets under management.
- Caisse d'Epargne continued to finance the economy and families, with outstanding loans amounting to €211 billion, an increase of 4.9%.
- Savings deposits amounted to €379.3 billion, an increase of 2.4%.
- With nearly 900,000 fans of its various Facebook pages, 60,000 followers on Twitter and over 2.5 million videos viewed on YouTube, Caisse d'Epargne has a strong online presence.

Individual customers

In 2014, the Caisse d'Epargne launched several initiatives to enhance customer loyalty and attract new customers, in particular among young people. It also produced several digital initiatives to offer its customers the best digital services.

--- SERVICES

The Caisse d'Epargne launched a new banking service for young people including an online digital safety deposit box and Howizi, an account management app that integrates services, advice and tips. It offered its customers the digital wallet V.me, developed with Visa, which allows simple and secure online payments.

--- LOANS AND CREDIT

In a contracting consumer credit market, the Caisse d'Epargne strengthened its position with a dynamic strategy targeting young people: students, apprentices, young temp workers and those with fixed-term contracts. New personal loans amounted to €6.2 billion. New home loans, which were boosted by very low interest rates, reached €18.9 billion, bringing loans outstanding to €110.5 billion, an increase of 5.7%. In an uncertain environment, the Caisse d'Epargne focused on the security of projects, offering a solution including payment protection insurance, unemployment protection insurance and homeowners' insurance.

The digital banking

More than 500,000 Caisse d'Epargne customers have a digital safety deposit box. Nearly 20,000 branch positions can offer electronic signature services. More than 4 million Caisse d'Epargne apps have been downloaded.

**INVESTMENT SOLUTIONS**

Individual customer savings amounted to €31.1 billion, compared with €30.8 billion the previous year, reflecting the reduction in the overall savings rate and a clear preference for liquid, secure, tax-efficient savings products. The reduced rate of return paid on the Livret A and Livret Développement Durable (LDD) “sustainable development passbook savings”, accounts from 1.25% to 1% on August 1 discouraged new savings inflows. However, Caisse d’Epargne outperformed the life insurance and home purchase savings schemes, with net inflows of €2.2 billion and €3.5 billion respectively.

It launched two new products, the Compte sur Livret Régional, which allows customers to allocate their savings to be used in local projects, and the PEA-PME, which provides tax-friendly investments in medium-sized enterprises.

**BANCASSURANCE**

The Caisse d’Epargne strengthened its position with nearly 1 million new insurance policies sold and 4 million outstanding provident, comprehensive home and car insurance policies and healthcare guarantees at the end of 2014, an increase of 9% on the previous year. The trial of a Google Glass application designed to simplify formalities for road accident victims – the first of its kind in the insurance industry – attracted much attention.

**Private banking**

With a 5.7% increase in the number of customers, the private banking business now manages over €100 billion in assets, with its success underpinned by its expertise and local presence. 650 specialized account managers work alongside customers’ usual advisors. 25 dedicated Espaces Gestion Privée (“Private Banking Areas”) have been opened in the past four years, and 200 branches boast separate private banking offices. The range of products and services includes insurance, asset management, real estate and tax optimization, providing wealth management customers with high-quality solutions that meet all their specific requirements. The European Funds Trophy 2014 Awards once again acknowledged VEGA Investment Managers, a subsidiary of Natixis, which provides private banking portfolio management services.

**Professional customers**

Over 314,000 craftsmen, small retailers, self-employed professionals and small businesses are Caisse d’Epargne customers. The bank is actively working to develop its business with these target customers, with increased involvement by branch managers, while keeping tight control over the cost of risk. New medium- and long-term loans amounted to €2.4 billion in 2014, taking outstanding loans to €9.8 billion. Commercial payment processing flows increased by 13%. Compte Excédent Pro account, which offers customers a simple and flexible way to invest their excess cash, consolidated its success with inflows of over €800 million.

Electronic payment systems continued to grow. Caisse d’Epargne launched Dilizi, a simple, practical and competitive mobile payment solution. By connecting a small device to their smartphone or tablet via Bluetooth, users can accept payments by bank card wherever they are.

**Corporate customers**

Under their commitment to finance the French economy, the Caisses d’Epargne recorded a 7.8% increase in outstanding loans to businesses, which amounted to €8.3 billion. An additional budget of €100 million at preferred rates was obtained from the European Investment Bank (EIB) and commercial payment processing flows totaled €74 billion in 2014.

The Caisse d’Epargne joined forces with Natixis at the first Franco-Chinese forum organized with China Development Bank and the Comité France-Chine, which attracted 250 corporates and local authorities from France and China.

The range of services was enhanced to include insurance for business owners and their assets in the course of exercising their professional duties, and a payment card for meal vouchers. Term deposits amounted to €6.8 billion at year-end.
With the creation of two private equity structures, one in Lille and one in Paris, the Caisse d’Epargne continued to reinforce its local private equity offering in 2014, confirming its role as the banking partner of regional firms. In addition to being a partner of the Centre national des jeunes dirigeants d’entreprise (French Young Managers’ Center), the Deloitte Technology Fast 50, the newspaper La Tribune’s national young entrepreneur award, and the Women in the Regional Economy Awards, the Caisse d’Epargne also set up a partnership with the French Ministry of Women’s Rights to encourage female entrepreneurs.

Professional real estate

As the bank of choice for real estate professionals, property developers, vendors, planners and investors, the Caisse d’Epargne offers financing and signed agreements for all types of projects including those necessary for marketing the programs of its property developer customers. Despite the fall in the number of construction permits and new housing starts, new short-term loans remained strong in 2014. In commercial real estate, medium- and long-term financing for investors was down slightly, at €680 million. 14 Caisse d’Epargne have subsidiaries that invest alongside regional developers, and they can call on Crédit Foncier’s subsidiary SOCFIM to manage their investments.

Social housing and semi-public entities

The Caisse d’Epargne are the leading private banks for social housing bodies, which have traditionally been financed by deposits in Livret A passbook savings accounts. They are involved in the governance of one third of social housing bodies as shareholders, and are themselves social housing operators. They support local public sector enterprises that provide regional development and services. This market segment was bolstered by the launch of Semop structures in 2014 – a new status that enables private operators to invest and participate in the governance of general-interest projects. The volume of new social housing starts contracted in 2014, while local public enterprises enjoyed strong levels of activity, particularly in energy. The Caisse d’Epargne allocated nearly €4 billion to free and regulated loans (PLS, PLI, PSLA), some of which in partnership with Crédit Foncier. Outstanding loans to social housing managers and local public enterprises amounted to €10.2 billion.

Inflows totaled €7.9 billion, including €2.7 billion invested in Livret A passbook savings accounts. A new range of term accounts that combine flexibility and returns was successfully launched. Commercial payment processing flows increased by 11%. Interest in employee savings products and service vouchers remained strong.

HABITAT EN RÉGION

The Caisse d’Epargne are among the leading private operators in social housing. Their main subsidiaries Erilia, Logirem and SIA managed nearly 192,000 homes as at end-September 2014. They are all members of Habitat en Région, an organization open to all social housing operators that enables them to share progress and to benefit from effective solutions to help them fulfill their purpose. These solutions include real estate research, construction projects, equipment, energy audits and energy-saving certifications. Habitat en Région has 28 member companies that house 432,000 people, and had over 2,500 homes under construction at the end of September 2014.

Green growth

Projects funded by the Caisse d’Epargne in 2014 include the Brignoles biomass cogeneration power plant in the Var département and the Émanville wind farm in Haute-Normandie region, also financed by Natixis Energeco.
Social economy

The Caisse d’Epargne supports nearly 20,000 companies and institutions in the social economy sector, where it is the leading provider of funds, with a 21% market share. In a fast-changing social and solidarity-based economy, it entered into a partnership with Mouvement des entrepreneurs sociaux (Mouves, an association of entrepreneurs in the social economy) in 2014 to support new forms of social entrepreneurship.

New loans amounted to €626 million, bringing loans outstanding to €21.7 billion, an increase of 12.7%. On-balance sheet savings deposits increased by 13.2% to €7.6 billion in 2014. The strong growth of service vouchers, long-term vehicle leasing and lease financing for medical equipment underscored customer demand for solutions to simultaneously improve cash management and lighten their balance sheet.

PROTECTED PERSONS

313,500 protected persons, representing a penetration rate of 37.6% on this market, are customers of Caisse d’Epargne, which provides them and their representatives with specialist advisors and bespoke solutions. The aim is to promote their independence within a secure framework, to simplify their representatives’ everyday tasks, and to provide investment solutions that meet the requirements of guardianship judges.

In 2014, the Caisse d’Epargne entered into a partnership with Tutelle au Quotidien, which helps guardians and professionals perform their duties under the best possible conditions.

Public sector

The Caisse d’Epargne is a major partner of local authorities, their organizations and public hospitals. As municipalities and inter-municipal bodies reduced their investments in the run-up to local elections, with government funding steadily declining, the Caisse d’Epargne provided €2.7 billion in new financing, in addition to that provided by Crédit Foncier. Loan outstandings stood at €33.1 billion, down 2.8% year-on-year.

Through its partnership with the European Investment Bank, the Caisse d’Epargne can provide preferred rates on financing for projects targeting urban renovation in underprivileged neighborhoods, sanitation and waste water management, energy efficiency and hospital modernization and development. With its subsidiary Valoénergie, it helps its customers take advantage of Energy Savings Certificates that can fund up to 25% of public works projects.

Groupe BPCE plays a very active role in infrastructure projects, and was awarded five public-private partnership projects involving the Caisse d’Epargne in 2014, for a total of €194 million. The Caisse d’Epargne also provide local authorities with solutions that simplify their day-to-day management, including services and social benefit payment vouchers, public procurement cards, and online solutions to pay for district services.

elus2014.fr

The Caisse d’Epargne created this website to help newly elected municipal and inter-municipal officials to get started in their jobs, providing them with all the information they need about their communities and regions.

Socio-economic diagnosis

The Caisse d’Epargne offers a free financial and socio-economic diagnosis of each municipality: population, employment, income, taxes, finance, etc. The key statistics about French municipalities and inter-municipal cooperation bodies are available on: diagnostic-socio-eco.com

(1) Source: Banque de France.
Crédit Foncier's sales performance remained strong in 2014, despite a depressed real estate market, with new home loans amounting to €10.3 billion. Synergies between Crédit Foncier and other Groupe BPCE entities was very active, shared notably with other Groupe BPCE banks, Credits Foncier, a wholly-owned Crédit Foncier subsidiary, now shares its funding expertise with other Groupe BPCE institutions.

HOME LOANS FOR INDIVIDUAL CUSTOMERS
Crédit Foncier finances access to home ownership for existing and new properties and, in particular, provides loans for low-income families (with a 43% market share in PAS loans for low-income families and 25% in PTZ interest-free loans at December 31, 2014). These figures reflect the active role played by Crédit Foncier in implementing the real estate market recovery measures announced by the French government in the summer of 2014. Crédit Foncier granted new home loans to individuals for a total of €7 billion.

FINANCING REAL ESTATE INVESTORS
In association with other Groupe BPCE banks, Crédit Foncier helps local and regional authorities to implement real estate projects to complete its infrastructure projects. Since 2014, Crédit Foncier entered into a partnership with Groupe BPCE, a leading player in real estate and construction, to finance the construction of new homes.

FINANCING PUBLIC SECTOR ENTITIES
In association with other Groupe BPCE banks, Crédit Foncier helps local and regional authorities to implement real estate projects to complete infrastructure. Since 2014, Crédit Foncier entered into a partnership with Groupe BPCE, a leading player in real estate and construction, to finance the construction of new homes.

FINANCING REAL ESTATE DEVELOPERS
Crédit Foncier helps real estate investors and professionals to complete their development projects. Since 2014, Crédit Foncier has developed new funding methods that complement the issuance of covered bonds. In particular, it has developed new real estate development projects in France and abroad, notably Paris and Paris regions.

REAL ESTATE SERVICES
Crédit Foncier Immobilier, a wholly-owned Crédit Foncier subsidiary, is developing a platform of services and advice for real estate developers, real estate professionals, and local authorities.

FINANCIAL TRANSACTIONS
The financial transactions business provides funding for loans granted by Crédit Foncier and Groupe BPCE's other banking networks. The purpose of Compagnie de Financement Foncier is to fund mortgage and public sector lending activities by issuing covered bonds. In 2014, Compagnie de Financement Foncier confirmed the effectiveness of its business model and its appeal to institutional investors in issuing covered bonds. In particular, it issued €6.1 billion in covered bonds.

Crédit Foncier, as the leading company specializing in real estate financing and services in France, Crédit Foncier works with individual customers, investors, real estate professionals, and local authorities.

<table>
<thead>
<tr>
<th>Branches</th>
<th>Professional real estate partners</th>
<th>Loans issued</th>
<th>Covered bonds issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>253</td>
<td>7,000</td>
<td>€10.3bn</td>
<td>€6.1bn</td>
</tr>
</tbody>
</table>

(1) PAS/uni: prét à l’accession sociale or social home ownership loan, PTZ: prêt à taux zero or zero-rate loan. Source: SGFGAS.
In 2014, Banque Palatine began to roll out its strategic plan “Impulsions” to continue and accelerate its success. The plan focuses on three priorities:

- developing its two markets. Continuing to grow in the business customer market and enhance its presence among company directors.
- expanding its private banking customer base, confirming its position as the bank for company directors and wealth management customers.
- modernizing processes and the information system to enhance quality of service and operational efficiency.

The strategic plan is now being implemented with around forty projects focused on these three priorities.

PRIVATE BANKING CUSTOMERS

In 2014, private banking customer service continued to attract new customers with an increase of 20% in the target customer base. Banque Palatine developed its offer for companies and for intermediate-sized enterprises (SCPI), new tax optimization solutions. As of January 2014, it offered its customers the new PEA-PME investment plan that enables listed and unlisted SMEs to diversify their financing sources. This savings plan allows individuals to actively finance their SMEs via a range of investment solutions with advantageous tax terms.

ASSET MANAGEMENT

In 2014, Palatine Asset Management was once again awarded the Novethic SRI certificate for its funds Palatine Actions Défensives Euros, Gérer Multifactoriel Euros and Palatine Or Bleu. The Novethic SRI label is awarded socially responsible investment funds and were managed according to environmental, social and governance criteria. As of December 31, 2014, Palatine Asset Management managed assets totaling €2.1 billion.

Banque Palatine

Dedicated to business banking and wealth management, Banque Palatine helps businesses and their directors achieve their personal and professional goals. It draws on synergies across all banking businesses to provide value-added advisory services and solutions tailored to each customer.
BPCE International et Outre-mer (BPCE IOM) controls five banks in the French overseas territories, and five banks that operate in Africa, the Indian Ocean, Tunisia, Cameroon, the Ivory Coast, and Madagascar, as well as Proparco (France), Fransabank France, BCP Maroc (Morocco), BNDA (Mali), BCP Luxembourg (3) and Banca Carige (Italy). Specialized subsidiaries Ingépar and Pramex International are also part of BPCE IOM.

2014 SIGNIFICANT EVENTS

In October, the Group embarked on a project to adapt its overseas activities in the euro zone. In 2015, the Banque Populaire and Caisse d'Epargne networks in the French overseas territories, and its subsidiaries, were reorganized as part of this project. The objective is to refocus on its international commercial banking activities, where it has ambitious growth targets, particularly in Africa.

New partnerships were set up to finance businesses in 2014: BTK in Tunisia with the EBRD and the EIB, for €40 million each; BCI in the Democratic Republic of the Congo with the FACP, an institution funded by the World Bank and the Congolese government, for €15 million; and BICEC in Cameroon, where it is involved in a project launched by the World Bank to create an electronic payment platform. Six new branches were opened, including the first business center for corporate customers in Tunisia, the 36th branch in Cameroon and the first branch in Tahaa Island (located among the Leeward Islands in Polynesia). Several innovative services were introduced, including opening a new mobile banking center in the Ivory Coast, and a new mobile banking service in Tunisia.

The BPCE IOM network bolstered its leadership in renewable energy financing with three new projects: a solar energy power plant in Martinique, the full replacement of a wind farm on Marie-Galante Island in Guadeloupe (two facilities with energy storage systems), and a wind farm in Mauritius.

INGÉPAR AND PRAMEX INTERNATIONAL

Ingépar arranges complex financing for assets overseas and in mainland France, including infrastructure, transport, industrial projects, housing, real estate, and water projects. Ingépar is now a partner of ERAI, the Rhône-Alpes region’s agency that promotes the international development of its businesses.

BRED Banque Populaire

International and overseas operations involve a quarter of BRED’s employees, and accounted for nearly 45% of its net income in 2014. BRED is developing a network of 76 branches in the French overseas départements, as well as subsidiaries in Polynesia and New Caledonia. It is pursuing a sustained and targeted growth strategy in the Pacific (Vanuatu and Fiji), the Horn of Africa (Djibouti), and in South-East Asian countries (Lao PDR and Cambodia), where it is a pioneer among European banks.
Insurance

As a major bancassurance specialist on the French market, Groupe BPCE works with leading insurers under partnership agreements and with dedicated subsidiaries. Groupe BPCE has launched a project to bring new life insurance and provident insurance policies distributed by the Caisses d’Epargne into its new Insurance business line and began negotiations to renew its partnership with CNP Assurances covering savings, payment protection insurance and provident insurance.

2014 SIGNIFICANT EVENTS

- Insurance is a key growth driver and all segments are expanding: life, non-life, health and provident insurance. The Insurance business’s contribution to Groupe BPCE’s income before tax amounted to €187 million in 2014, an increase of 5.7% on the previous year.
- In order to build a fully-fledged bancassurance activity, the Group has created a new division combining life and non-life insurance at Natixis. Groupe BPCE’s transferred its 60% stake in BPCE Assurances to Natixis Assurances and maintained its existing agreements with BPCE Assurances’ other shareholders, Macif and MAIF.
- Groupe BPCE and CNP Assurances have renewed their partnership for 2016-2022. As of 2016, the Insurance business line will issue new life insurance and individual provident insurance policies sold by the Caisses d’Epargne. CNP Assurances will continue to manage policies set up before 2016 and additional payments into these policies. New partnerships are planned, including an exclusive co-insurance partnership for collective payment protection (66% CNP, 34% Natixis Assurances) for the Caisses d’Epargne, the Banque Populaire banks and Crédit Foncier; an offer from CNP Assurances covering the main collective provident insurance guarantees for Groupe BPCE’s professional and corporate customers; and a targeted partnership for dependency and tenant guarantees as part of the individual provident insurance range.
- The roll-out of multi-channel distribution gathered pace in 2014: the quality of policyholder relations and services is the central focus of current projects.

LIFE INSURANCE

- Gross inflows increased by 32% to €13.8 billion in 2014, driven by the private banking business.
- CNP Assurances – a partner of the Caisses d’Epargne with the support of Ecureuil Vie Développement – earned €8.9 billion in premium income, an increase of 33% on 2013. The portfolio includes 5.8 million policies.
- Natixis Assurances manages 1.4 million policies, mainly sold by the Banque Populaire banks. It generated €4.4 billion in premium income in 2014, up 32% on 2013. Within the space of one year, Horizéo became the flagship product for individual customers.
- Quintessa was launched for private banking customers. Assets under management in arbitrage mandates managed by ABP Vie exceeded €1 billion, as did assets managed by Natixis Life in Luxembourg, demonstrating the Group’s ability to meet the requirements of wealth management customers.
- Prépar-Vie, which is dedicated to the BRED Banque Populaire network, generated €582 million in premiums, an increase of 16%, and manages over 230,500 policies.

NON-LIFE INSURANCE

- BPCE Assurances, which is jointly owned with Macif (25%) and MAIF (15%), sold over 600,000 property and advisory provident insurance policies via the Caisses d’Epargne, Crédit Foncier and Banque BCP.
- Earned premiums increased by 11% to €712 million. Natixis Assurances, a partner of Maaf in non-life insurance as part of Assurances Banque Populaire IARD, generated premium income of €297 million in non-life insurance, up 9%.

The portfolio grew by 2%, and includes over 1.1 million policies.

In individual provident insurance, premium income amounted to €194 million.

PAYMENT PROTECTION INSURANCE AND GUARANTEES

- Natixis Assurances, the Banque Populaire banks’ insurance subsidiary and partner of CNP Assurances for the Caisses d’Epargne, earned €483 million in premiums in 2014, an increase of 21%.
- Compagnie Européenne de Garanties et Cautions (CEGC), a subsidiary of Natixis that issues real estate guarantees in France, generated €280 million in premium income in 2014. CEGC draws on the growth of the banking networks among real estate managers, and offers a large range of bespoke guarantees and insurance policies.

(1) The contribution of BPCE Assurances is now attributed to Natixis’ Investment Solutions division. The minority interest in CNP Assurances, accounted for by the equity method, continues to be attributed to the Commercial Banking and Insurance business line.
Natixis is the corporate, asset management, insurance, and financial services arm of Groupe BPCE. Natixis is active in three major business areas in which it boasts extensive expertise: Wholesale Banking (customer relations and consultancy services, capital market financing and solutions), Investment Solutions (asset management and private banking) and Insurance, and Specialized Financial Services.

Wholesale Banking advises companies, institutional investors, public sector entities, private equity funds and Groupe BPCE’s networks. It offers a range of financing solutions, access to the wholesale financial markets, transaction banking services, thanks to the combined expertise of its international teams and its local networks.

Several major transactions were completed in 2014, including the IPO of Coface for €957 million, the issue of convertible bonds for Accor (€1.2 billion, capital increases of €2.2 billion) and a €500 million infrastructure bond for Eiffage. The annual public offering in New York (NASDAQ) of Covéa, a subsidiary of Covéa, was a major success.

In 2014, Natixis was ranked among the world’s leading operators in the primary equity market, ranked number two in France for the number of transactions by Bloomberg.

In 2014, Natixis arranged a number of major transactions, including a €1.1 billion offshore wind farm in the Netherlands, a project bond for Armonia Infrastructures, a €2.1 billion acquisition of Arkéma by Bostik, and a €388 million conversion bond for Cova.

Natixis is also involved in capital increases by Heurtey Petrochem (€35 million) and SOITEC (€83 million), and Nexity’s convertible bond issue (€180 million).

Vanilla and Structured Financing

Natixis is a world-class player in aircraft and infrastructure financing. Its infrastructure platform enables it to provide a full spectrum of financing solutions in Europe and the United States. It is one of the world’s leading banks in commodity financing, covering the three major families (energy, metals and agricultural products) and targeting all players across the commodity value chain.

Natixis has been active in strategic financing and acquisitions for over twenty years. It is a market leader in the United States, Spain, Italy and the United Kingdom.

Natixis provides a complete set of services for energy producers and traders (Templar, Tenaska, Trafigura, etc.).
In 2014, Natixis was ranked number two bookrunner for real estate finance in the EMEA region (1), 9th mandated lead arranger (MLA) in project finance in the EMEA region, 10th MLA in the Americas and worldwide (2), 11th bookrunner for LBO financing in the EMEA region and second in France (3). Natixis offers its customers a wide range of investment, financing and hedging products on the fixed income, credit, currency, commodity and equity markets. Despite the high level of volatility in the market and a changing regulatory environment, Natixis’ capital strength and its ability to remain informed by a cross-business approach to securitization, asset and liability management, advisory and portfolio restructuring services, Natixis also offers its customers innovative, cutting-edge solutions to meet requirements related to regulatory and accounting changes, as well as issues concerning balance sheet accounting, optimised use of capital, and risk management.

Since 2006, Natixis has been number one bookrunner on the high-yield bond market in Europe (4). Natixis is expanding fast on the high-yield market with an increasingly broad range of products and a more and more international footprint.

In 2014, Natixis was ranked number two bookrunner in Europe (5) for the Kingdom of Morocco (€1 billion) and a bond issue for Wells Fargo (€1.25 billion).

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Natixis' Capital Management benefits from the momentum of its global distribution platform, which aims to generate inflows for its asset management companies. It operates on all five continents, with offices in over 20 countries.

In France, Natixis' Capital Management has 800 employees and ranks among the top European asset managers. Natixis Asset Management offers a range of investment products, including equity, fixed income, real estate, and alternative investment strategies. The company's strategy is based on active management and a robust risk management framework.

In 2014, Natixis Asset Management achieved significant inflows in various asset classes. The firm's flagship product, the Global Equity Fund, generated more than €1 billion in new assets, while the European Equity Fund saw inflows of €300 million. In the fixed income sector, Natixis' flagship bond fund, the Global Bond Fund, recorded inflows of €500 million.

In the real estate sector, Natixis' Real Estate Investment Trust (REIT) generated €200 million in new assets, while the Real Estate Development Fund saw inflows of €150 million. In the alternative investments sector, Natixis' hedge fund, the Global Macro Fund, saw inflows of €100 million.

In addition to its core business, Natixis is expanding its distribution channels, including the Groupe BPCE networks. In 2014, Natixis' insurance division, Natixis Life, saw significant growth, with inflows of €4 billion in new assets. In the life insurance sector, Natixis' flagship product, the Life Insurance Policy, saw inflows of €2 billion.

In the retirement savings sector, Natixis' flagship product, the Retirement Savings Plan, saw inflows of €1.5 billion. In the pension fund sector, Natixis' flagship product, the Pension Fund, saw inflows of €1 billion.

Natixis is also expanding its distribution channels through acquisitions. In 2014, Natixis acquired a majority stake in a leading real estate investment management firm, expanding its footprint in the real estate sector.

In conclusion, Natixis' Capital Management is poised for continued growth in 2015, with a focus on expanding its distribution channels, expanding its product offerings, and focusing on active management.
The company is joint leader(1) in the real estate management, third party management of commercial and office space, and realtor market, and has issued more than 5,000 guarantees under the Hoguet law, representing more than €6 billion. It provided guarantees on the completed construction of over 12,000 single-family homes in France, accounting for approximately 25% of the market. CEGC also operates in the corporate market, and issued over 61,000 guarantees in 2014, an increase of more than 21%. Created in December 2013, CEGC Conseil, a dedicated intermediary subsidiary, offers new real estate insurance products, particularly in construction insurance.

LEASE FINANCING

Natixis Lease develops and distributes a range of solutions in non-real estate and real estate leasing, long-term vehicle leasing, renewable energy financing and operational IT leasing. It also arranges and syndicates financing for its customers. The non-real estate leasing business was particularly active in 2014, with the launch of the new non-real estate leasing suite and the new non-real estate leasing contract. New non-real estate leasing contracts amounted to €1.7 billion, up 1.4% on 2013.

New real estate leasing contracts amounted to €600 million, in a market that recorded the lowest level of activity since 2000. With €210 million in new leases in 2014, Natixis Lease maintained its position as the third-largest French operator in the sector.

CONSUMER CREDIT

Natixis Financement provides renewable loans and manages repayment plans for Groupe BPCE’s banking networks. In 2014, new loans totaled €8.2 billion (nearly €1.1 billion for revolving loans and more than €7.1 billion for personal repayment loans). Total loans outstanding amounted to €16.8 billion at December 31, 2014, a year-on-year increase of 9%. The company consolidated its ranking as the third-largest French operator in the sector.

FILM AND AUDIOVISUAL FINANCING

Holding market-leading positions in France and Europe, Natixis Coficiné finances the full range of audiovisual professions. With €130 million in new loans in 2014, Natixis Coficiné consolidated its leading position in France, with 28.6% of the market share. Its collective savings pension plan (PERCO) recorded very strong growth, particularly in the corporate and institutional segments. The number of PERCO accounts increased by 23% year-on-year, taking its market share in account administration to 30.7%.

EMPLOYEE BENEFITS PLANNING

Natixis Interépargne and Natixis Intertitres offer a full range of employee benefits planning products and services, particularly in construction insurance.

SECURITIES SERVICES

Natixis’ EuroTitres department provides custody services for retail and private banking customers, and has the leading position in employee savings account administration in France, with over 3 million employee accounts under management, a market share of 28.6%. Natixis’ EuroTitres aims to provide its customers even more value by expanding its offering, while strengthening its business model, innovation and operational efficiency.

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Equity interests

Maiwons France Confort

Maisons France Confort is the leading single family home builder in France with 4,400 homes delivered in 2014, and is the sector leader among first-time buyers. In a depressed market, the Group continued to outperform, with new projects down by around 2.5%, but completed two acquisitions in the year: BMR Construction in Angoulême and Mainpierre in Paris. The OPEN range for first-time home buyers (1,000 homes per year) was revamped in order to adapt the offering further to changing customer expectations. A new range of fully customizable homes – New Art – was launched, targeting second-time buyers.

Coface

Coface offers credit insurance solutions around the world to protect companies against the risk of financial default by their customers. It also provides them with analysis of risks by country, sector and company throughout the world. In 2014, Coface continued to develop its business in line with its strategic priorities, giving first priority to French export trade, which is a core business for the Group. The Group is also working on expanding its business in the French market through a strategy of diversification, including new product and service offerings, with an improvement in operating income of around 10%.

Since 2011, Coface has focused on its core business, credit insurance, and carried out a series of structural reforms which put it back on the path to operating growth. On this new basis, Coface is now entering a new phase in its development: the consolidation of the medium-term strategy, focus on profitable growth, with the objective of returning to a sustainable growth path. Coface’s valued clients are the 111,000 brokers in France, which are at the heart of the Group’s business.

Coface’s strategy is focused on driving the ongoing refocusing on its core business, credit insurance, and carried out a series of structural reforms which put it back on the path to operating growth. On this new basis, Coface is now entering a new phase in its development: the consolidation of the medium-term strategy, focus on profitable growth, with the objective of returning to a sustainable growth path. Coface’s valued clients are the 111,000 brokers in France, which are at the heart of the Group’s business.

In 2014, Coface generated consolidated revenues of €1,440.5 million, up 1.6% on 2013 (stable at current scope and exchange rates). Its combined ratio (net of reinsurance) was 79.7% (claim ratio: 50.4% and cost ratio: 29.3%). Net income was €125.1 million. Restated for items linked to hybrid debt issues and nonrecurring extraordinary items, net income attributable to equity holders of the parent increased by 22.4% to €139.8 million.

(1) Source: Nexity.
(2) Source: Le Moniteur, December 2014.
(3) Source: Nexity.
(4) At constant scope and exchange rates.
JP Malot, “TOY” feat, 2012 – 80 x 120 cm – ©Adagp, Paris 2015: composite technique using collages (newspapers and posters taken in the streets of Berlin), stencils, sprays, Krink ink and various markers. Statues of Liberty in ‘pop’ colors, with the word ‘Toy’ tagged on them in red aerosol paint, borrowing one of the artist’s favorite visuals.


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Jean Solé, illustrator (pp. 64-65 and back cover)
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Franckie Alarcon, illustrator (pp. 68-69 and back cover)

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Castor & Pollux (hand); Stefan Parnarov (arrows);
Predrag Jovanovic (cup); Andrew Hainen (faces);
Marco Galtarossa (medal); Konrad Michalik (computer);
ian Maville (group)

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As France’s 2nd largest bancassurance group, we have chosen another way to grow to achieve a single ambition: customer satisfaction... because savings are used to fund enterprise, because satisfying every client is our raison d’être, and because we are owned by our customers, with 9 million out of 36 million holding cooperative shares in their bank. In every area – quality of service and advice, innovation, competitiveness, transforming the way we work, growth, partnerships, commitments, training – our choices are conditioned by our cooperative DNA. Our market positions prove it: no. 1 in financing green growth and the social economy, no. 1 for microcredit, pioneer in socially responsible investment. Choosing another way to grow means exploring new approaches, innovating to create more sustainable value and sharing the value created more fairly. It means believing the future can be better than the past, and working together to achieve it.

BPCE
A French limited company governed by a Management Board and Supervisory Board ("société anonyme à directoire et conseil de surveillance") with a capital of €155,742,320
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