GROWING DIFFERENTLY

2013 REVIEW OF OPERATIONS AND SUSTAINABLE DEVELOPMENT REPORT
www.bpce.fr

02 Young talents & guests
04 Paradoxes
06 Message from François Pérol
08 Group snapshot
10 In 4 years, we...
12 Our ambitions for 2017
17 The Supervisory Board

18 BEING PIONEER
20 Shared Value
22 Groupe BPCE, a pioneer in sharing
24 Yvonne innovates
30 Bankers are what we are!
36 And tomorrow?

38 SUPPORTING ENTREPRENEURIAL SPIRIT
40 Freedom for mid-sized firms
42 Business growth needs funding...
43 ... and a whole lot more!
44 Reports from the regions
50 So far, so near
54 What a coach!
56 Sport, sporty, sportacular!

58 BEING RESPONSIBLE
60 In favor of positive finance
62 Investing differently
66 A whole life
70 Corporate philanthropy and culture

72 PANORAMA OF ACTIVITIES IN 2013
Succeeding with our cooperative shareholders, employees and partners; developing our activities with the regions where our roots run deep, with their businesses and institutions; providing our customers with long-term support; fostering the active development of associations; protecting people and property. In an ever-changing and increasingly restrictive environment, we want to make a difference by combining cooperative values with efficiency, by drawing on all the expertise, complementary strengths and synergies in our companies. This is the meaning of our new corporate tagline: *Bankers and insurers with a different perspective.* It commits us to innovating, imagining new business models, and exploring new avenues as we strive for growing differently. It’s an adventure we invite you to share with us!

Groupe BPCE is the 2nd largest banking group in France, active in all areas of banking and insurance. It works through two major cooperative retail banking networks, Banque Populaire and Caisse d’Epargne, and its subsidiaries. The Group’s 115,000 employees serve 36 million customers – 8.8 million of whom have become cooperative shareholders – with a range of banking and insurance solutions tailored to the needs of individuals and regional entities. With 19 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: payment, cash flow and cash management services, along with financing, savings, insurance and investment solutions. Faithful to its cooperative status, the Group helps its customers realize their projects and develops long-lasting relationships with them, thereby contributing 20% to the drive to finance the French economy.
Young talents & guests
Jean Regnaud
SCREENWRITER
Born in Bergerac, Jean Regnaud became a cartoon screenwriter for the TV and cinema (Ma maman est en Amérique – ”My mom is in America”). He has published several comic books and children’s books. He is also a corporate journalist and, as such, worked for ten years for the Caisse d’Epargne!

Jean-Yves Duahoo
AUTHOR AND COMIC BOOK ARTIST
After spending his childhood in Lyon, Jean-Yves went to Paris to study applied arts. An avid reader of comic books from an early age, he worked in various capacities as a layout artist, printer, production manager, illustrator or art teacher, before returning to comics because – after all – that’s what he finds most entertaining!

Human Empire
ILLUSTRATOR AND DESIGNER
Jan Kruse, an artist of German origin, lives in Hamburg. He set up Human Empire, a graphic design and illustration studio working for the press and major domestic and international customers. With his wife, he opened the Human Empire Shop, a bricks & mortar and online shop selling design objects and products derived from his illustrations.

Margaret Flaherty
SENIOR ADVISOR
FSG – SHARED VALUE INITIATIVE
For the past twenty-five years, Margaret has been a successful American “transplant” in Europe, having first moved to Paris and then to Geneva, where she now lives. Her work is focused on building successful coalitions of companies to promote sustainable development and practice shared value. A former Chief Operating Officer, she is now with Foundation Strategy Group (FSG) based in their Geneva, Switzerland office.

Joachim Larralde
ILLUSTRATOR
After spending most of his childhood in Rouen, the city of his birth, Joachim now lives in Paris. It’s true to say that his work, and its attendant air of nostalgia, is highly original yet accessible at all times… like the pop art that gave life to his sketches.

Olimpia Zagnoli
ILLUSTRATOR
Olimpia lives in Milan where she grew up. A graduate of the Istituto Europeo di Design, she works for publishing houses, media organizations and communications agencies in Europe and the USA. Her work is regularly exhibited and she won the “Young Guns” prize awarded by the Art Directors Club of New York in 2011 and was named the “Artistic Revelation of the Year” by Print Magazine in 2012.

Elizabeth Ducottet
CEO AND CO-CHAIR OF ASMÉP-ETI
The 5th generation to head the Thuasne Group, the European leader in medical textiles and a global player in orthopedic compression devices, Elizabeth Ducottet was the mastermind behind the international expansion and diversification of her Group. Deeply involved in a host of different organizations, Elizabeth Ducottet is also co-Chair of ASMÉP-ETI, the union of midsize firms founded by Yvon Gattaz in 1994.

Olimpia Zagnoli
ILLUSTRATOR
Olimpia lives in Milan where she grew up. A graduate of the Istituto Europeo di Design, she works for publishing houses, media organizations and communications agencies in Europe and the USA. Her work is regularly exhibited and she won the “Young Guns” prize awarded by the Art Directors Club of New York in 2011 and was named the “Artistic Revelation of the Year” by Print Magazine in 2012.

Jacques Attali
PRESIDENT OF PLANET FINANCE GROUP
Teacher, writer, honorary member of the French Conseil d’État, special adviser to the President of the French Republic from 1981 to 1991, founder of the EBRD, Jacques Attali is now President of A&A, an international strategy consulting firm, and President of PlaNet Finance, Europe’s largest microfinance development and support institution, present in 80 countries; this institution also inspired the creation of the LH Forum and the movement for a positive finance economy.

Elizabeth Ducottet
CEO AND CO-CHAIR OF ASMÉP-ETI
The 5th generation to head the Thuasne Group, the European leader in medical textiles and a global player in orthopedic compression devices, Elizabeth Ducottet was the mastermind behind the international expansion and diversification of her Group. Deeply involved in a host of different organizations, Elizabeth Ducottet is also co-Chair of ASMÉP-ETI, the union of midsize firms founded by Yvon Gattaz in 1994.

Jean Regnaud
SCREENWRITER
Born in Bergerac, Jean Regnaud became a cartoon screenwriter for the TV and cinema (Ma maman est en Amérique – ”My mom is in America”). He has published several comic books and children’s books. He is also a corporate journalist and, as such, worked for ten years… for the Caisse d’Epargne!

Human Empire
ILLUSTRATOR AND DESIGNER
Jan Kruse, an artist of German origin, lives in Hamburg. He set up Human Empire, a graphic design and illustration studio working for the press and major domestic and international customers. With his wife, he opened the Human Empire Shop, a bricks & mortar and online shop selling design objects and products derived from his illustrations.

Margaret Flaherty
SENIOR ADVISOR
FSG – SHARED VALUE INITIATIVE
For the past twenty-five years, Margaret has been a successful American “transplant” in Europe, having first moved to Paris and then to Geneva, where she now lives. Her work is focused on building successful coalitions of companies to promote sustainable development and practice shared value. A former Chief Operating Officer, she is now with Foundation Strategy Group (FSG) based in their Geneva, Switzerland office.

Joachim Larralde
ILLUSTRATOR
After spending most of his childhood in Rouen, the city of his birth, Joachim now lives in Paris. It’s true to say that his work, and its attendant air of nostalgia, is highly original yet accessible at all times… like the pop art that gave life to his sketches.
“I’d rather be a man of paradox than a man of prejudice,” wrote Jean-Jacques Rousseau. Whether caustic, ironic, intriguing, shocking or amusing, paradoxes have the power to surprise and intrigue us; they challenge conventional wisdom, reveal the complexity of a rapidly changing world, and invite us to examine things from other points of view. Could it be that paradoxes are the best way to make us “think outside the box”?

Paradoxes

**Pessimistic, yet happy**

France ranks 2nd from last in the BVA-WIN/GIA Global barometer of hope and happiness covering 54 countries. Every year, the organizers of the survey highlight the ingrained pessimism of the French and their weak “collective faith in the future”. And yet, individually, 81% of the French consider themselves “quite happy”.

Despite saying that France is doing less well than before, the French still believe that life in France is better than anywhere else in the world. 72% believe that life in France is better than in the USA; 74% that it’s better than elsewhere in Europe, and 87% better than in other countries worldwide. Source: BVA for “Changer d’ère”, June 2013.

**Standard of living**

The rate of extreme poverty has been halved worldwide since 1981, but 22% of the world population still lives on less than $1.25 a day. At the same time, 200 people have swelled the ranks of billionaires in the space of a year.

With 2.2 million dollar millionaires, France comes in 3rd place worldwide.

**Desperately seeking skills**

France has nearly 3.4 million people out of work, including nearly 1 out of every 4 young people, equal to more than 10% of the total workforce. And yet 460,000 vacancies remained unfilled in 2012, up from 260,000 in 2008. And this paradoxical mismatch is growing: the French are looking for work while companies are unable to find the people they need. In 2013, more than 1 company out of 2 reported recruitment difficulties: 86% owing to a weakness in the candidates’ profile. 6 companies out of 10 report a shortage of candidates in certain areas and 400,000 job offers were even withdrawn for lack of suitable applicants!

Source: Pôle Emploi, the national French employment agency.

**France more prosperous than the French**

Only the USA, China, Japan and Germany boast higher GDPs than France, the world’s 5th largest economy. But France comes in 20th position for per capita GDP and on the UN human development index, a composite statistic of health, life expectancy, education and income indices. In a word: the French are less prosperous individually than France as a whole.

With 2.2 million dollar millionaires, France comes in 3rd place worldwide.

**Glass ceiling: how many degrees?**

53% of women hold degrees awarded after three years (or more) in higher education, vs. 37% of men, but only 32% of working women are managers, against 54% of men. There is one consolation, however: slightly more women enjoy executive status: 41%, against 39% for men.


**Digital technologies and ecology: are they really compatible?**

Energy efficiency, collaborative platforms, computer-aided design and “zero-paper” offices: digital technologies make it possible to reduce the

Source: Pôle Emploi, the national French employment agency.

--

“I’d rather be a man of paradox than a man of prejudice,” wrote Jean-Jacques Rousseau. Whether caustic, ironic, intriguing, shocking or amusing, paradoxes have the power to surprise and intrigue us; they challenge conventional wisdom, reveal the complexity of a rapidly changing world, and invite us to examine things from other points of view. Could it be that paradoxes are the best way to make us “think outside the box”? 
environmental impact of a wide range of activities. But is this really true? Digital activities also consume 5-10% of the electricity generated worldwide along with massive amounts of rare earths and precious metals.

And electrical and electronic waste is expected to increase by 33% by 2017, to exceed 65 million tons per year. Sources: La Face cachée du numérique (ed. L’Échappée); UN.

Strange, very strange…

French business schools rank among the very best in the world, in 4th position according to Fortune magazine. Infrastructures and living environment put France in 2nd position worldwide but, according to the World Bank, France only comes in 34th position for the ease of doing business. The world’s

3rd-ranking country in Thomson Reuters’ Top 100 list of most innovative companies and no. 3 in the Top 100 global corporate leaders drawn up by Fortune magazine, France only comes in 23rd position for competitiveness, according to the World Economic Forum.

While 59% of French people have no faith in the future of their country, 92% believe that France has specific strengths and that it is not too late to make a recovery. 88% believe that France is a country of individualists, yet 64% of the population is willing to become involved in a social cause. 52% say there is no question of their accepting further sacrifices, yet 80% of the French are willing to accept sacrifices provided that the burden is spread fairly and that the goals are clearly defined. Source: BVA for “Changer d’ère”, June 2013.

At its meeting on May 22, 2013, the European Council tabled a number of measures and a timetable focused, notably, on the elimination of tax havens: 21 are located in the European Union or within the jurisdiction of its member states, such as the Cayman Islands. Source: Eurostat; European Commission.

But manual workers can expect to live 6.5 years less than senior managers and the differences between social classes have not changed since the mid-70s. Sources: OECD; High Committee on Public Health.

France ranks equal first for winners of the Fields medal, the Nobel Prize for mathematicians, but comes 25th (and below average) for math in the 2013 Pisa ranking, an appraisal of 15-year olds from 65 countries carried out every three years. The French elite excels but inequalities are growing: the correlation between socio-economic background and academic performance is much more pronounced than in most OECD countries. The French live in a country where they enjoy the best health care and where people live the longest.

For 66% of French people over the age of 30, longer life expectancy is associated with the fear of developing health problems. However, the most consensual perception (93%) is the idea that long life gives you more time to “enjoy the good times of life, your children or grandchildren”. 79% also see it as an opportunity to help their loved ones for longer.

However, there are limits to this optimism: 86% say they “must be careful to put money aside as long as possible in order to keep going until the end”. Source: BPCE L’Observatoire, 2013.
“Combining innovation, responsibility and efficiency”
The year 2013 marked the successful conclusion of our first strategic plan “Together” and the launch of a new set of ambitions: “Growing differently.” The first plan developed a strategy geared to recovery and consolidation; the second will be focused on growth.

In the space of just four years, we have built the 2nd largest banking group in France and joined the ranks of Europe’s top 10 – and the world’s top 20 – financial institutions. We have refocused our activities around our banking and insurance businesses and on our customers, to whom we devote the full panoply of our resources. We have restored our profitability, consolidated our financial structure, and expanded our cooperative shareholder base to a total of 8.8 million members. We have fostered collaboration between our companies leading to €870 million in additional revenue and €1 billion in cost savings, thereby exceeding our initial targets.

All our businesses are enjoying strong sales momentum. We attracted nearly 300,000 new active customers in 2013 and we are playing to the full our role in financing the economy by granting new loans for more than €20 billion.

We have launched innovations for our customers with the possibility to sign documents digitally in our branches, the digital bank safety deposit box, the electronic portfolio launched in partnership with Visa, and new financing and investment solutions.

We boast net income of €2.9 billion and have further strengthened our balance sheet with a common equity Tier-1 ratio of 10.4% under Basel III.

We have also simplified the Group’s organizational structure: the Banque Populaire banks and Caisses d’Epargne have bought back the cooperative investment certificates previously held by Natixis. They are now wholly owned by their cooperative shareholder customers.

Last November, we launched “Growing differently”, our new strategic plan for 2014-2017: “grow” because we want to speed up the pace of our development; “differently” because the world is changing, our customers’ behavior and the regulatory environment are changing too. To satisfy these new expectations, to comply with these new obligations, we must adapt and work differently; “differently” because we are a decentralized, cooperative multi-brand group. We want to build on this unique and distinctive business model to emphasize our difference, to take innovation, the quality of our advice and service and make it the proof of our commitment to cooperative values.

We have set ourselves four growth ambitions for 2017, four strategic priorities to which we intend to devote all our investments and all our energy. We want our banks to offer the very best in one-to-one relations and online experience in terms of ease of access, expertise and advice. For this, we are transforming the services and products we offer and the way we work, and we are equipping our branches with the means to carry out new functions.

We want to be a major player in savings to reinforce our lending capacity. We already finance 20% of the needs of the French economy; we need to increase deposit inflows to continue financing our customers’ projects. We have high ambitions in all areas of private banking: on-balance sheet savings, financial savings, asset management, and life insurance. Becoming a major bancassurance specialist is our 3rd ambition. We want to satisfy our customers’ needs with respect to both savings and protection because insurance is a growth driver for our retail networks and because we consider it important to pursue stabilizing insurance activities within the framework of a banking business model under Basel III. For this, we will create within Natixis a single, comprehensive industrial platform for all our insurance business.

And, finally, we will speed up the pace of our internationalization to support our customers wherever we can be useful. Natixis will continue to develop its global businesses: Wholesale Banking and Asset Management. The retail networks will expand their range of services for cross-border commuters and migrants, their trade finance solutions and network of correspondents.

To succeed, we must demonstrate innovation, responsibility and efficiency in all our actions. We will continue to strengthen our financial fundamentals, to enhance our collective efficiency. We are already investing in talent, in the personal development of our employees, in training. We want to give our people reasons to actively engage in, and to feel pride in being a part of, this project.

“We growing differently” is a way to create shared value and to do so in accordance with our corporate identity: Bankers and insurers with a different perspective.

François Pérol
Chairman of the Management Board,
Groupe BPCE
Group snapshot
We see ourselves as a group of individuals sharing a set of shared values and common goals at the service of our customers.

[Cooperative: founded on cooperation, ready to work in unison, willingly contributing to a joint effort, a common goal]

Our values spring from the banks that originally founded our Group: the Banque Populaire banks and the Caisses d’Epargne, cooperative banking institutions created by individuals wanting to help others or to help one another. Most of the companies in our Group are cooperative banks; some are not but they all share the same set of values.

[Bankers and insurers] This is what we are. We pursue these businesses exclusively for our customers representing all sectors of society. Their needs are very different. We have assembled an extremely wide panoply of skills, expertise and talent that we use to satisfy our customers’ various needs.

[With a different perspective] In a changing world, we are determined to distinguish ourselves in the way we do business. By favoring our customers’ interests, by promoting simplicity and transparency; by striving to provide them with appropriate solutions to help them achieve their goals and protect them against the hazards of life... by accompanying them over the long term. In our Group, nearly 9 million customers are also cooperative shareholders, and the owners of their own banks. We share a common interest. We are Groupe BPCE.
2010-2013 – “Together” strategic plan

In 4 years, we...

... created a major cooperative banking and insurance group
- 100% devoted to its clients
- 36 million customers

... reinforced our cooperative base
- 8.8 million cooperative shareholders hold 100% of the capital of the Banque Populaire banks and Caisses d’Epargne
- 1.4 million cooperative shareholders in 4 years

... increased the Group’s share capital
- €51.3bn of equity attributable to equity holders of the parent
- €7.3bn in four years

... invested in, and improved, our efficiency
- €891m in revenue synergies
- €1bn in cost synergies

... enhanced our capital adequacy
- 13.4% overall capital adequacy ratio (Basel III)
- 10.4% Common Equity Tier-1 ratio (Basel III)

... became profitable once again
- €2.9bn in net income attributable to equity holders of the parent (excluding the revaluation of own debt)
- €11.1bn in four years

... played our role to the full in financing the economy and managing our customers’ savings
- €578bn in loan outstandings
- €629bn in assets under management

... were a benchmark employer
- 115,000 employees
- 5.2% of the aggregate payroll invested in training
- 4,000 new hires every year

... were, and continue to be, a socially committed and responsible corporate citizen
In 2013, we devoted:
- >€30m to sponsoring initiatives
- almost €10m to purchasing from disability-friendly companies

We are proud of what we achieved in 4 years.
Over the next 4 years, we want...

... to create leading banks in one-to-one and online relations

- >1 million new customers aged 25 or more using banking services
- >80% of our offerings commercially available online
- >80% of our customers signed up to online banking services

... to be a major player in savings to finance our customers

- 6% annual growth in private banking customer deposits
- +175,000 private banking and wealth management customers
- €75bn growth in net asset management inflows
- €5bn of financing available via Compagnie de Financement Foncier as of 2014

... to become a fully-fledged bancassurer

- 1 out of 3 individual customers provided with non-life, health and/or provident insurance
- a single, comprehensive platform within Natixis providing insurance products for the Group

... to speed up the international expansion of the Group

- More than 50% of the net banking income of the core business lines of Natixis generated in the international market

... to strengthen our financial fundamentals

- >4% annual average growth in the net banking income of the core business lines
- a cost/income ratio for the Group of less than 65%
- a Common Equity Tier-1 capital adequacy ratio in excess of 12%
- >6bn in net banking income attributable to shareholders

... by becoming more efficient together...

- €370m in additional revenue synergies between Natixis and the banking networks
- €900m in cost synergies

... by investing in talent...

- +20 points for the sense of recognition enjoyed by the Group’s managers
- 20,000 employees trained in virtual classrooms as of 2014
- 100% of job vacancies displayed on the in-house job exchange
- 25% senior managers are women

“New regulations, new behaviors, the development of the digital dimension, globalization, etc., our plan must allow us to respond to these challenges, to speed up the transformation of our structures, promote new growth models and emphasize our difference. Designing this plan involved the close collaboration of all the Group’s companies during a year. It is now up to all of us to make it a success.”

Marguerite Bérard-Andrieu,
Deputy Chief Executive Officer
in charge of Strategy, legal Affairs,
the Corporate Secretary’s office
and Compliance

By capitalizing, every day,
on our cooperative DNA.
The best customer experience. The digital revolution with the adoption of smartphones and extension of broadband Internet access has increased the number of channels enabling customers to contact their banks. Everyday transactions are being automated, and all our products will gradually become available online.

By freeing up more time for advisory services, these changes provide a tremendous opportunity to improve customer service. They also offer our employees more stimulating work, allowing advisors to draw on highly specialized expertise to help their customers realize their projects.

Our regional banks will adapt their networks to their local clientele and environment with distinctive types of branches. Our ambition is to become the preferred banks of the French thanks to the quality of their customer experience.
Attraction savings to finance our customers’ projects

We already finance 20% of the needs of the French economy and fully intend to continue providing this support... but new regulatory constraints are changing the rules governing our way of working. Our ability to lend is largely conditioned by the deposits received from our customers. Attracting new savings inflows is a priority and we have major ambitions regarding, in particular, private banking services for retail network customers. With respect to Natixis’ third-party asset management activities, our aim is to generate additional inflows worth €75 billion by 2017.

New financing solutions. Every suitable technique will be used to satisfy our customers’ financing needs with solutions liming the use of our balance-sheet resources: factoring, leasing, loan syndication, securitization, increased use of Compagnie de Financement Foncier for certain long-term loans, the sale to third-party investors of a part of the loans we will continue to manage under the Originate to Distribute model.

Facilitating day-to-day banking. Cash flow management is central to everyday bank/customer relations. We are consequently expanding our range of account management, cash management, e-cash and payment processing solutions. We will mark our difference by making innovation rhyme with simplicity.

A fully-fledged bancassurer

Taking full advantage of our potential. The insurance market offers major growth and earnings opportunities. To take full advantage of this potential, we are going to consolidate our role as a full-service bancassurance specialist.

A single, comprehensive insurance platform. While preserving its equity and commercial ties with CNP Assurances – notably for contracts already taken out by Caisses d’Epargne customers – Groupe BPCE intends to continue expanding its activities in this area by achieving ever tighter control over the insurance value chain for the benefit of the Group and its customers. As of 2014, we shall develop a single insurance platform around Natixis Assurances. Our property and casualty insurance partnerships with Maaf, Macif and Maif will be put on a long-term footing and, as of 2016, a unified insurance pool will be developed to serve the needs of the Banque Populaire and Caisse d’Epargne networks for all new personal insurance contracts in the area of life, provident and credit insurance.
More than 50% of the net banking income of Natixis’ core businesses generated in the international market

Speeding up our international expansion

Developing worldwide businesses. Natixis will continue to develop its two worldwide business activities: Wholesale Banking in the USA and in the Europe, Middle-East and Africa zone (EMEA) and, as a niche player, in Asia; asset management in Europe, in the USA and for institutional customers in emerging markets in order to become a global player.

Retail banking. Regarding our retail banking activities, we will enhance our presence in sub-Saharan Africa and pursue sharply targeted developments in Asia, Oceania and in the Indian Ocean. Our networks will also continue to support their customers with dedicated services, notably aimed at expatriates and migrant workers. We will also optimize our range of trade finance solutions and our network of banking correspondents.

“Our customers are increasingly developing an international dimension; supporting their development is a major thrust of our strategy.”

Laurent Mignon, Chief Executive Officer of Natixis, member of the Management Board, Groupe BPCE
Strengthening our financial fundamentals

Capital adequacy. Having a high level of capital adequacy is essential and something perfectly natural for a cooperative banking group such as Groupe BPCE. Our target: to achieve, by 2017, a capital adequacy ratio in excess of 12% for Tier-1 capital under Basel III and an overall capital adequacy ratio of more than 15%.

Liquidity. We are continuing to consolidate our balance sheet structure, aiming at a short-term liquidity coverage ratio (LCR) of 100% as of January 2015 and the development of on-balance sheet savings to improve our loan-to-deposit ratio.

Profitability. Targets are defined on an individual entity basis but, overall, we are determined to achieve a cost/income ratio of less than 65% and to generate net income attributable to equity holders of the parent of more than €4 billion in 2017.

Efficiency. Our ambitions regarding cost and revenue synergies are aggressive yet realistic. Our aim is to stabilize expenses throughout the life of the strategic plan while preserving a significant capital spending capacity.

Investing in talent

Managers central to our success. The management line must form a single “chain”, running from the senior executive to the manager of a local branch, implying cohesion and solidarity in the pursuit of our objectives. Each manager must rise to the challenge of bringing his/her people “on board”, of providing support; and we must invest to give them the tools they need to succeed.

Developing skills. We will promote participatory innovation and invest in training: to enhance the quality of services provided to our customers, to improve our performance, to enable our employees to adapt, expand their skills and develop their professional potential.

Diversity. We will encourage women to rise to positions of responsibility where, today, they are still under-represented.

Professional growth. We will facilitate professional mobility within our companies and the Group, and we will improve our individual career management processes to help everyone define their career path and seize opportunities.
Growing differently

Capitalizing on our cooperative DNA

**Employees.** We will give our employees the desire, and the means, to embody our cooperative commitment. They will be given appropriate training.

**Customers.** We will encourage cooperative shareholders and administrators to take part in quality control groups devoted to how their banks are run. We will encourage the creation of online cooperative shareholder clubs to gather their opinions about the banking business and regional issues.

**Regions and society.** The Banque Populaire banks and Caisses d’Epargne, traditionally active in social solidarity, will consolidate their leadership on major social issues: preventing exclusion from banking services, switching to new energy sources, adapting to the digital age and to longer life expectancy. The banks will mobilize in favor of the economic and social development of their regions in line with the priorities chosen with their cooperative shareholders.

By showing our social commitment, we will emphasize our difference and realize the ambition of “growing differently” with our employees for our customers’ benefit.

8,8 million cooperative shareholders

**Streamlined structures, enhanced cooperative business model**

Since August 2013, the Banque Populaire banks and Caisses d’Epargne have been wholly owned by their cooperative shareholders(1) following the mutual banks’ acquisition of the 20% interest held in each of them by Natixis in the form of cooperative investment certificates (CICs, paying dividends but granting no voting rights) which were cancelled upon the completion of the buyback operation. These CICs had been issued in 2006 when Natixis was first created. Having adopted a sharp customer focus via its three core business lines – Wholesale Banking, Investment Solutions, and Specialized Financial Services – Natixis has discontinued its proprietary trading activities and has no further need for contributions from the retail banking division. The decision to buy back the cooperative investment certificates for a total of €12.1 billion enabled Natixis to pay an exceptional dividend of €2 billion, including €600 million to its minority shareholders. To emphasize Natixis’ strong presence in the Group, its Chief Executive Officer, Laurent Mignon, has been appointed to the Management Board of BPCE, owned on a 50/50 basis by the Banque Populaire banks and the Caisses d’Epargne.

This simplification gives investors and banking regulators a clearer image of the Group, helping them to appreciate the results both of the mutual banking group and of Natixis. It also puts our cooperative shareholders more firmly at the heart of our cooperative business model.

(1) Via their local savings companies (LSC) for the Caisses d’Epargne.

“**The Group’s structures were streamlined in 2013: the Banque Populaire banks and Caisses d’Epargne are now wholly owned by their cooperative shareholders. We want to create a true dynamic between our employees, customers and regions on the basis of our cooperative business model.”**

Yves Toublanc, Chairman of the Supervisory Board, Groupe BPCE, until December 31, 2013

“**The fact that nearly 9 million customers are also cooperative shareholders of their regional cooperative banks makes all the difference. It’s a decentralized, democratic business model. These shareholders make their voices heard and put their banks at the service of regional development.”**

Stève Gentili, Chairman of the Supervisory Board, Groupe BPCE, since January 1st, 2014
The Supervisory Board
at January 1st, 2014

Stève 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 Bellémond(1)
Chairman of Banque Populaire Val de France

Thierry Cahn(2)
Chairman of Banque Populaire d’Alsace

Alain Condaminas
Chief Executive Officer of Banque Populaire Occitanie

Pierre Desvergnes(1)
Chairman of CASDÉN Banque Populaire

Philippe Dupont
Former Chairman of Banque Fédérative des Banques Populaires

Catherine Halberstadt(2)
Chief Executive Officer of Banque Populaire du Massif Central

Representatives of the Caisse d’Epargne

Catherine Amin-Garde(1)
Chairwoman of the Steering and Supervisory Board of the Caisse d’Epargne Loire Drôme Ardèche

Alain Denizot(2)
Chairman of the Management Board of the Caisse d’Epargne Nord France Europe

Francis Henry
Chairman of the Steering and Supervisory Board of the Caisse d’Epargne Lorraine Champagne-Ardenne

Pierre Mackiewicz(1)
Chairman of the Steering and Supervisory Board of the Caisse d’Epargne Côte d’Azur

Didier Patault
Chairman of the Management Board of the Caisse d’Epargne Ile-de-France

Pierre Valentin(2)
Chairman of the Steering and Supervisory Board of the Caisse d’Epargne Languedoc-Roussillon

Independent members

Maryse Aulagnon(1)
President and CEO of the Affine Group

Laurence Danon(1)(2)
Co-President of the Management Board of Leonardo & Co.

Marwan Lahoud(2)
Director of Strategy and Marketing and member of the Executive Committee of EADS

Marie-Christine Lombard(2)
Chief Executive Officer of Geodis

Censeurs (non-voting members)

Pierre Carli
Chairman of the Management Board of the Caisse d’Epargne de Midi-Pyrénées

Yves Gevin
Chief Executive Officer of Banque Populaire Rives de Paris

Alain Lacroix
Chairman of the Management Board of the Caisse d’Epargne Provence-Alpes-Côte d’Azur

Fédération Nationale des Banques Populaires, represented by Raymond Oliger, Chairman(4)

Fédération Nationale des Caisse d’Epargne, represented by Michel Sorbier, Chairman

Dominique Wein
Chief Executive Officer of Banque Lorraine Champagne

The following also attend Board meetings

Christine Boileau
Jean-Luc Débarre
Representatives of the BPCE Works Council

Well-balanced corporate governance

The Supervisory Board is comprised of 18 members: 7 members from the Banque Populaire banks, 7 members from the Caisse d’Epargne, and 4 independent members. Its role is to ensure constant supervision of the decisions taken by the Management Board, including monitoring the appropriateness of the actions taken and their regulatory compliance.

The cooperative shareholders of the Banque Populaire banks and Caisse d’Epargne (via the LSCs for the latter) are represented on the Board by the Chairmen of the Boards of Directors (Banque Populaire banks) and by the Chairmen of the Steering and Supervisory Boards (Caisse d’Epargne).

Six non-voting representatives (censeurs) acting in an advisory capacity complete the membership of the Supervisory Board.

The Fédération Nationale de la Banque Populaire banks, represented by its Chairman, and the Fédération Nationale des Caisse d’Epargne, represented by its Chairman, are censeurs as of right.

The Ordinary General Shareholders Meeting appoint the four other censeurs:
- two censeurs are from the Banque Populaire banks,
- two censeurs are from the Caisse d’Epargne.

Two representatives of the BPCE Works Council attend Board Meetings in an advisory capacity.

specialized committees make recommendations to the Supervisory Board to assist it in its deliberations and decisions.

The Banque Populaire and Caisse d’Epargne retail networks enjoy equal representation.

The Audit and Risks Committee is chaired by Marwan Lahoud, an independent member.

The Appointments and Remuneration Committee was chaired by Laurence Danon, an independent member, until January 16, 2014 and, since then, by Maryse Aulagnon, an independent member.

2
Being pioneer

Anticipating and understanding change, inventing and adapting in order to rise successfully to the challenges of a rapidly changing world. Being a pioneer means finding new opportunities for cooperation and solidarity, new applications to simplify our customers’ lives, new financing solutions, new growth drivers for the future. And, to do all this, we must mobilize the wealth of our creative talents.
Margaret Flaherty,
Senior Advisor
FSG – Shared Value Initiative

Some struggle with their image, but not all…
The unethical, greedy megacorporation has become a standard movie villain across many cinema big-screens; they sacrifice morality for money and give the hero something to fight against. The “bad guys”... the ones we love to hate... our favorite tyrannical villains... tend to look surprisingly like some very familiar companies.

And, it's not just the film industry that has painted business as the source of evil. Recent data for 2014, across a number of polling organizations, show all-time low in trust of business[1].

Certainly, in some situations, the criticism is well-founded. Business should be held accountable for part of our social, environmental and economic problems. Many companies – but not all – operate with outdated approaches to value creation, focusing on short-term gains, depleting natural resources and inflicting economic stress on local communities. Critically, a bad image and lack of trust translate into business and financial liabilities.

Yet, is this portrayal of business fair? For many, this characterization is simply wrong. For a business to thrive in today’s market it must not only deliver value for investors, customers and employees, it must also improve the living standards of employees and communities, make wise choices when it comes to natural resources and treat people fairly. The good news is that the operating space, based on these principles, is getting bigger and more profitable.

Change is afoot... toward new frontiers
More and more companies are realizing that there is a lot at stake in addition to reputation and loss of trust. As Harvard professor Michael Porter claims: “The capitalist system is under siege – we need to legitimize business again and re-build trust and re-establish the business reputation.”

Businesses must reconnect company success with social progress. Companies are implementing, with great success, Shared Value strategies: business opportunity with social benefit. Profit with purpose. The business landscape of today is markedly different than that of only a few years ago. Market opportunities are increasingly complex, global, and interconnected. Social unrest and high youth unemployment dog governments and companies alike. Consumer expectations, advancements in technology, increased scarcity of many natural resources, and demands for information and transparency are having a major impact on bottom-lines.

As a result of (or in response to) some of the above developments, a new competitive frontier has emerged. It is one of the most significant business strategy developments to evolve over the past few years, a concept...
that the founding banks of Groupe BPCE recognized almost two hundred years ago: the recognition that social problems present not only constraints but vast opportunities. Companies are bringing their business goals together with society’s needs in a new frontier – Shared Value.

Shared Value


Companies have begun to successfully implement, scale and profit from Shared Value and, importantly, are eager to talk and share results. In the article “Creating Shared Value” (2011), examples of companies linking hard-nosed business interests to social outcomes are captured. Then, as the business track-record builds, the HBR again (2013) published a series of Shared Value examples, guiding companies into the more operational space.

These companies are thinking through their mission and purpose of their company differently. The company asks, “what purpose does my business serve and why?” as opposed to asking “what gets made or what gets done?”

Shared Value builds upon three distinct platforms: re-conceiving products and markets; redefining productivity in the value chain and; enabling local cluster development in cooperation with regional players.

Some clear examples of these principles emerge when food companies begin to operate more like nutrition companies and car companies see themselves more as clean mobility companies that the fundamental scope of their activities change – as does the potential for effecting social outcomes.

Finance Arena

As Groupe BPCE’s track record shows, Shared Value provides a helpful lens to identify and develop strategies for the bank to capture more value. Research currently underway at FSG(2) builds on this and identifies further business opportunities in the banking arena in three spaces:

- **creating or securing wealth for potential or existing clients.** There is an opportunity for banks to leverage the power of finance to improve individual financial welfare by extending the reach of financial services to under-banked individuals and micro-entrepreneurs and by protecting wealth for existing low-income clients;
- **fueling economic growth.** There is an opportunity for banks to build on their core capability of providing capital to fuel economic growth by strengthening an ecosystem of actors to develop industry clusters or revitalize regions or neighborhoods;
- **financing solutions to social/environmental challenges.** There is a growing opportunity for banks to create innovative financial tools targeting social and environmental issues including various forms of impact investing (e.g., social impact bonds, green bonds, investments in clean tech and renewables or social enterprise).

Some banks are ahead of the curve, already developing Shared Value strategies to find new business opportunities in addressing social and environmental opportunities.

Shared Value creates a new set of opportunities for business that represents a higher form of capitalism – one that contributes to wealth creation and social benefit. For a company like Groupe BPCE, in which one in every two French people are customers, the scale of opportunity is substantial. The Group’s core philosophy committed to “Growing differently” also embraces a powerful form of capitalism (as well one that delivers a solid return on investment).

With more and more companies working with Shared Value approaches, the film industry might have to start looking for a new villain to play the leading role after all!

---

(1) Edelman/Globescan/Gallup polls.
(2) A non-profit social impact consultancy specializing in sustainable development (www.fsg.org).
In 1818, the first Caisse d’Epargne was founded in Paris by two philanthropists to help families of modest means to save for emergencies and old age at a time when social security and retirement pensions were unheard of, and bank accounts were reserved for the very rich. The Caisses d’Epargne, the only friendly societies open to everyone, put financial literacy at the heart of their action.

In 1878, when it was impossible for craftsmen, tradespeople and small-business owners to obtain bank loans, the first Banque Populaire was created in Angers to allow individual entrepreneurs to finance their businesses by guaranteeing one another’s loans.

Solidarity, mutual assistance and sharing inspired the creation of the cooperative banks. These values are still central to their activities and embraced by the many cooperative shareholders, who invest, alongside their banks, for a more open, entrepreneurial and mutually supportive society.

As of 1818, passbook savings accounts were available to all, including women and children, with deposits starting from 1 franc.

The importance of saving is inculcated in school children whose exercise books display covers with illustrations promoting the virtues of thrift.

Creation of loans to small craft businesses and SMEs in 1923.

26 small-business mutual guarantee companies created by, and for, the entrepreneurs banking with the Banque Populaire banks.

In 1818, passbook savings accounts were available to all, including women and children, with deposits starting from 1 franc.

Ludovic de Besse and Charles Raynen, founding fathers of the Banque Populaire banks, in 1878.

Benjamin Delessert and François de La Rochefoucauld-Liancourt, founding fathers of the first Caisse d’Epargne in 1818.

Groupe BPCE, a pioneer in sharing
The frugal squirrel has symbolized the Caisse d’Epargne since 1950.

In 2013, the Caisses d’Epargne devoted almost €30 million to sponsorship, micro-credit solutions and the development of financial literacy.

In the 19th century, the Caisses d’Epargne invented the first local banking network, and sharing and an open welcome remain some of their key values. Today, the savings banks are developing the best in online relations to further improve customer service.

The “+x” first featured in the Banque Populaire logo in 1972: by adding together everyone’s strengths, we multiply the efficiency of us all.

The Cooperative Dividend and CSR of the Banque Populaire banks: €25.9 million invested in projects of general public interest in 2013.

In 2013, the Caisses d’Epargne devoted almost €30 million to sponsorship, micro-credit solutions and the development of financial literacy.

The Cooperative Dividend and CSR of the Banque Populaire banks: €25.9 million invested in projects of general public interest in 2013.

Today, Groupe BPCE is:

- **€13.9bn**: managed in the form of socially responsible and solidarity-based investment.
- **13,378**: personal or professional micro-loans distributed in 2013.
- **€10m**: spent on goods and services purchased from the sheltered sector in 2013, equivalent to 350 full-time jobs for disabled people.
- **15 foundations**: 5 national foundations – including the only private, state-approved foundation – and 10 regional foundations operating under the aegis of Group entities.
YVONNE INNOVATES TODAY:

THE DIGITAL SAFE

KEEPING CUSTOMERS’ ASSETS SAFE...

IS ONE OF THE OLDEST PROFESSIONS IN THE WORLD...

OF BANKING...

WE PROTECT...

...YOUR MOST Precious...

NOWADAYS, MONEY AND VALUABLES ARE "DEMATIALIZED".

THAT’S WHY WE "DEMAT"...

...A DIGITAL SAFE THAT’S...

DENATIONALIZED!

POSESSIONS!

!!NG!!
The digital safe allows you to store electronic documents, consult them from a distance, and share them with others. They could also be personal or sensitive documents...

The documents are stored in the online bank...

But they can easily be shared with third parties:

Government agencies, insurance companies, your lawyer...

The digital safe also vacuums up your bills.

It allows you to centralize them automatically: electricity, gas, telephone, online retailers, etc.

Can't your digital safe make the bills disappear entirely?

Don't be so materialistic!

Ziing!! Zap!!
DAY AFTER DAY, YVONNE INNOVATES, TODAY:

HEY YVONNE... YOU’VE QUIT SMOKING?

YES, I’M GIVIN’ UP... THANKS TO MY SMARTPHONE!

YOU’VE GOT AN APP FOR THAT?

THE ONE THAT VIDEOS WHEN YOU DETECT SMOKE!

AND CALCULATE YOUR LIFE EXPECTANCY?

NO! JUST THE “RAPID ÉPARGNE” QUICK SAVINGS APP!

YOU CAN SAVE WITH JUST ONE CLICK.
YOU PUSH HOW MUCH...
SAY, AGAIN...

...AND HERE YOU GO! IT AUTOMATICALLY TRANSFERS THE MONEY FROM YOUR CURRENT TO YOUR SAVINGS ACCOUNT.

IT’S GREAT FUN TOO...
LISTEN TO THE SOUND OF YOUR SAVINGS GROWING!

FANTASTIC! BUT WHERE DO CIGARETTES CAME FROM?

EVERY MORNING, I SAVE THE PRICE OF A PACKET.

AFTER A MONTH, NEARLY 100 250 EUROS.

UP A TAP, I’LL BE GETTING A SCOOTER.

AND WHEN YOU WANT TO SPEND THE MONEY?

NOTHING SIMILAR...
YOU SPLIT YOUR FIGO BANK?

NO... I’M SIPPING... YOU JUST TRANSFER THE MONEY BACK.

SO, YOU’RE GONE TO QUIT SMOKING, TOO?

YOUR QUICK SAVINGS APP IS GREAT, BUT I’LL HAVE TO STOP DRINKING COFFEE FIRST...

TO SAVE UP OR A SMARTPHONE!
BEING PIONEER

DAY AFTER DAY, YVONNE INNOVATES. TODAY:

**Mirova green bonds**

---

"...HUN... LET'S SEE..."

"...GREEN! ...LIKE Mirova BONDS!"

"MIROVA green? DON'T THINK I LIKE IT!"

"MIROVA green? I KNOW! THEY SUPPORT A RUGBY TEAM, DON'T THEY?"

"OH, THAT, NAIVES. I KNOW! THEY SUPPORT A RUGBY TEAM, DON'T THEY?"

"AND ONE OF THE LEADING ASSET MANAGERS INVESTING IN SUSTAINABLE FUNDS..."

"SUSTAINABLE BOND? I KNOW! ABOUT THEM! YOU SHOULD MEET MY WIFE!"

"THEY'RE BOND CHosen by MIROVA IN ITS INVESTMENT FUNDS!"

"THEY MAKE IT POSSIBLE TO FUND PROJECTS WITH A POSITIVE ENVIRONMENTAL IMPACT!"

"IN THE AREA OF RENEWABLE ENERGY SOURCES...
SOLAR POWER... WIND ENERGY..."

"...OR ENERGY EFFICIENCY..."

"BUT I KNOW ALL ABOUT THAT, MISS YVONNE! MY VAN IS ELECTRIC, I INSTALL ENERGY SAVING LIGHT BULBS AND I INSULATE PEOPLe'S HOMES!"

"THAT'S LUCKY! I ALSO NEED DOUBLE GLAZING... YOU DO THAT, TOO?"

"OF COURSE! WHAT ABOUT THAT DOOR YOU LIKE?"

---

(M) Mirova is the 2nd largest European manager of green endow SRI FUNDING THE TOP RANKING ASSET MANAGERS
(SOURCE: FERGUSON, NOV 2013 - EXCL. MONETARY FUNDS)
DAY AFTER DAY, YVONNE INNOVATES. TODAY:

VIRTUAL CLASSROOMS

YOU KNOW WHAT, YVONNE? MARK REALLY BROUGHT ME OFF A MMENT AGO!

MARK: THE GOOD LOOKING GUY YOU JUST JOINED THE DEPARTMENT?

YOU'RE WRONG! IT IS STARTING!!

BUT... HE WAS ALONE IN HIS OFFICE!

WELL, IN FACT, HE WAS JUST PLAYING ON HIS PC!

THE SWINE!

I WENT TO HIS OFFICE BUT HE TOLD ME NOT TO DISTURB HIM DURING HIS LESSON!

IT COMES ON TOP OF TRADITIONAL TRAINING COURSES...

AND YOU'VE ALSO GOT E-LEARNING...

OR GAMES, BUT SERIOUS GAMES, AS THEY'RE CALLED...

THAT'S WHAT MARK WAS UP TO.

IT'S A REALLY EFFICIENT SYSTEM. YOU CAN TRAIN LOTS OF PEOPLE IN A VERY SHORT TIME. LAST YEAR, NEARLY 1000 COLLEAGUES RECEIVED TRAINING...

AND THIS YEAR, HE WANTS TO TRAIN EVEN MORE.

I'VE FINISHED MY SESSION. YOU WANTED TO ASK ME SOMETHING?

ER... YES!

I WAS JUST WONDERING...

UM... HOW FAR HAVE YOU GOTTEN IN CANDY CRUSH?...
DAY AFTER DAY, YVONNE INNOVATES, TODAY:

ELECTRONIC SIGNATURE

IT’S GREAT TO ELIMINATE PAPER...

ABSOLUTELY, YVONNE...

BUT WHY DO YOU MENTION THAT?

NOWADAYS, WHEN YOU GO TO YOUR BANK TO SIGN A CONTRACT, HEY, PRESTO!

YOU CAN SIGN IT E-LEC-TRON-KALLY!

AND THEN IT’S SENT BY SECURE EMAIL TO YOUR ONLINE BANK OR YOUR ORIGINAL BANK!

I STILL DON’T SEE WHAT IT HAS TO DO WITH AN OMELET!

YOU CAN ALSO USE THE ELECTRONIC SIGNATURE REMOTELY, FROM HOME...

AND, ABOVE ALL, AS THEY’RE DIGITAL, THERE’S NO NEED TO PRINT OUT THE SEVERAL CONTRACTS AND WE SAVE TONS OF PAPER...

AND MILLIONS OF TREES!

DO WHEN I’M OUT GATHERING MUSHROOMS...

I SEE.

AND MILLIONS OF MUSHROOMS, TOO!!

GREAT!

WHEN I’M OUT IN THE FOREST, NATURE SEEMS TO BE THANKING ME!

ELIMINATING PAPER, OR IS IT SQUISHING MUSHROOMS, NO!!!

OUR OMELET WON’T BE THANKING YOU!
Bankers are what we are!
We are customer account managers, risk monitoring and management analysts, management control officers, designers/developers or branch managers. Considerable differences between us. And yet...

... and yet, we all work for the same Group. This diversity of professions and individual profiles emerges clearly in the personal testimonies on the following page. But before you read them, we would like to describe certain aspects of our HR policy. It may even make you want to join us...

Let’s begin with recruitment. Groupe BPCE is one of the foremost employers and recruiters in France. This attractiveness is notably due to the wealth of career opportunities in its major banks and subsidiaries, as illustrated by the new Caisse d’Epargne Recruitment website, highlighting the career paths taken by different employees and giving easy access to job vacancies.

Promoting mobility remains a major focus of our HR policy. The JUMP application designed to help employees prepare their professional growth satisfies a real need with 500,000 connections over the year. What is more, all the Group’s vacancies are now centralized in a single online job market.

Vocational training is a priority and we continue to innovate in this area with an efficient, and highly appreciated, combination of face-to-face courses, e-learning and virtual classrooms. In 2013, 10,000 employees were trained in virtual classrooms and their number is expected to double in 2014. The range of management development courses has grown with the addition of a new Management Development Program (MDP) aimed at experienced managers looking for professional growth or functional mobility.

In terms of diversity, the Group has made significant progress thanks to the proactive policy implemented with its different companies. At the end of 2013, the proportion of female executives stood at 38.6% for a target of 40% at end 2014. All the indicators are green thanks to the adaptation of recruitment processes, the organization of awareness-building activities and other initiatives such as a speed-meeting session arranged in January attended by 30 high-potential women and some of the Group’s senior managers (both male and female).

Another major commitment made by the Group concerns the employment of people with disabilities who currently account for 4% of our total workforce. We are determined to make further progress over the period 2014-2016 under the new company-wide agreements (Banque Populaire and Caisse d’Epargne) signed in late 2013. The involvement of fourteen Group companies in Talents Handicap, the first virtual exhibition dedicated to the employment of the disabled, was one of the major highlights of the year.

Participatory innovation continues to mobilize our people as evidenced by the number of participants in the 3rd in-house Innovation Trophies: a total of 282 employees, representing 39 different companies, entered the competition.

Another highlight of the year was the preparation – also organized on a participatory basis – and launch of the Group’s new strategic plan “Growing differently”. An intense communications campaign was run throughout the year to mobilize our managerial staff, and subsequently all our employees, around this key initiative. The campaign included the use of the in-house radio station Fréquence 2017 enabling the senior management to share the results of their deliberations prior to the convention staged to present the plan, attended by 3,000 executives and senior managers.

Finally, two prizes were awarded in recognition of actions taken to educate our employees about our broader social and societal challenges: the gold Top Com award for our Cahiers RH magazine and the silver Top Com for the “Together on social media initiative”.

This is what we are... bankers and insurers, with a different perspective!

Doing more for diversity

In the area of gender diversity, the Group works to change the status quo in different ways. In its companies, it uses action plans or the signature of agreements to introduce or implement a set of shared principles: recruitment based on non-discrimination, well-balanced access to training, equal wages, equal access to promotion, and fostering a better balance between employees’ private and professional lives.

To advance their careers, to help one another and break the glass ceiling, female employees no longer hesitate to join networks. Elles de BPCE (“Women of BPCE”), an association of the Group’s senior female executives which now has more than 260 members, has inspired similar initiatives since its inception in 2012; it now includes some 30 networks of female employees in the subsidiaries. The last measure for change: developing – and sharing – a better understanding of the profile of women managers and entrepreneurs.

In this area, Banque Populaire highlighted the increasing role of women in franchised retail businesses in the results of its 10th annual survey of the franchise sector while the Caisse d’Epargne devoted the 2nd edition of its Barometer survey of female entrepreneurs to the examination of businesses up and running for at least three years.
Partners to our customers...

**Chrystelle Lachat**
Director, Corporate Customers
Lyon Part-Dieu branch
Banque Palatine

I have been working in banking for thirteen years, always in the corporate customer segment and, since 2007, at Banque Palatine. I’m responsible for a team of seven people managing a portfolio of about 600 companies and 400 groups in a region with a strong industrial base. Our activity (and this has become even more true in recent years) requires us to be extremely knowledgeable about our customers and our research is particularly far-reaching (markets, competition, customer structure, etc.) to allow us to provide tailor-made solutions, and to do so at short notice. As our operations are becoming increasingly complex, we regularly develop joint responses with other Groupe BPCE banks in the region, which is a real advantage vis-à-vis our competitors.

I feel we have now become, and must remain, real partners to our customers; indeed, the importance of developing close relationships has been increased by the economic crisis. We share in the success of our customers, and this is what makes our activity so exciting.

Remote proximity!

**Sandrine Allègre**
Manager of the Monbanquierenligne online branch
Caisse d’Epargne Loire Drôme Ardèche

The Monbanquierenligne branch? It’s an ordinary branch except for the fact that we manage our customers remotely with extended opening hours. Each advisor (there are four of us) manages a portfolio of customers. Paradoxically, the distance ultimately creates a closer relationship with our customers than in a traditional branch: this relationship via the telephone, emails, etc. can quickly become more spontaneous, more “intimate”. Our customers confide in us more easily, enabling us to provide better advice. Sometimes, we are even invited into their homes via the webcam, but that remains quite exceptional. This type of remote relationship, however, imposes certain requirements of its own: short response times, new working methods, a quality of service that must be exemplary at all times, the respect of extremely strict compliance procedures, etc. We’re bankers that nobody sees but, ultimately, we’re still very human and very happy!

A new, highly mobile assistant

**Cédric Daneyrole**
Sales Monitoring Officer
Banque Populaire Loire et Lyonnais (BP2L)

At BP2L, we have developed a tool for our sales personnel in charge of professional customers that allows them to conduct interviews with professional customers at their place of work as easily as in a branch or business center. This mobile workstation, known as Mobile Pro, allows our sales people to be more flexible and more efficient by providing them with ready access to customer records, sales materials and simulation tools. In addition to helping improve the fluidity of commercial exchanges during the interview and the administrative follow-up, this Mobile Pro solution has a positive impact on customer relations. When carried out “at home”, discussions are more relaxed and more constructive and our commercial proposals are more easily transformed into contracts. This new “assistant” is creating innovative possibilities in the banking relationships with our customers in the future. In fact, our customers ask us why we hadn’t done it sooner!

Remaining vigilant

**Florent Navoniko**
Director, Corporate Customers
BMOI, Madagascar

Madagascar is a very large island with a population of only 20 million people, very few of whom use banking services. Most economic activities are concentrated in the capital and the major port of Toamasina. Our corporate customers – generating annual turnover of at least €1 million – account for 90% of our bank’s revenues. These companies are chiefly family-owned groups pursuing a wide range of activities: real estate, building materials, trading, textiles, etc. In fact, we are extremely selective and vigilant regarding the financial documents they provide and our monitoring of their many activities. For major loan transactions, we share the risk with other local banks. We handle a large number of international operations because Madagascar imports a great deal (raw materials, commodities, oil, vehicles, etc.) and exports “finished” textiles, mining products and local produce (vanilla, cocoa, clove, lychees, etc.). Visits to our customers are carried out by two bank representatives, frequently with the support of the Trade Finance activity. We also benefit from ISO certification for the entire chain of international operations.
Insurers at the service of all our customers

François Lafolie
Officer, Distribution Service, Project Management
Natixis Assurances

We are insurers within a banking group, which means that we produce and manage insurance products and services (property, provident and health, life insurance, etc.) that are then distributed through the bank’s retail networks, notably via the Banque Populaire banks. We consequently have two main types of “customers”: the first are account managers working in the branches for whom we provide all the tools they need to sell to, and monitor, their customers; the second are the end users of the retail networks for whom we develop applications, such as mobile apps, and websites designed to facilitate their daily lives and provide them with high quality service. Our account managers must know their customers’ exact situation at all times, and we do our utmost to make sure this is the case. Our customers are quite loyal over the long term, but we must strive to maintain this increasingly fluid and efficient “triangular relationship”.

Knowledge, experience and... emotion

Frédérique Druschke
Representative Private Banking, Protected Persons
Caisse d’Epargne Normandie

Without boasting, I think we have created a unique business activity in Normandy in the Caisses d’Epargne network. For the past five years, I have combined two areas of expertise: private banking and the world of protected persons. The term “protected person” means children, young adults (disabled or not) or elderly people under legal protection, represented by a family member or by a professional (trusts, legal representatives, hospitals, etc.). I work with account managers responsible for protected persons or at the request of a branch when asset-related issues arise. We must then recommend solutions in the best interests of the protected person, to help families or professionals in their reflections, and guide the request to be forwarded to the Court of Protection for a final decision. Interviews can be complicated at times, and very moving owing to the situations under discussion but, at the same time, the exchanges are extremely meaningful, and we give them all the time they need… This is where the importance of experience and knowledge of this sensitive and complex environment in its different legal, social and financial dimensions makes itself felt.

The pleasure of helping to develop concrete projects

Sandrine Heintz
Officer responsible for network support
Paris Departmental Agency
CASDEN Banque Populaire

I started working at CASDEN in 2004. I transferred to another Group company for a while but I missed the CASDEN spirit and values so I came back! At CASDEN, our cooperative shareholders are chiefly employees of the French Ministry of Education, Research and Culture. This special status creates close ties with our customers, and our CASDEN departmental delegates – who are either retired or active teachers – further strengthen these ties. As a cooperative bank, our products and services are based on the principles of equality and solidarity to the effect that our cooperative shareholders recognize their own values in their bank. Our Programme 1, 2, 3 is a perfect example of this: the cooperative shareholders save money, they collect points and can then borrow at very competitive rates. With savings at the heart of our activities, I personally take immense pleasure in helping them to realize their future projects in a trusting relationship based on the mutual banking principles of transparency and mutual respect. The last key aspect of our operations is our strong partnership with the Banque Populaire banks: we work together, we complement each other, to offer our cooperative shareholders the most appropriate solutions.

Pool of expertise

Alessandro Massarelli, Ferdinando Schirnopa, Marco Oriani, Paolo Mazzeo*
Wholesale Banking
Natixis, Milan

We cover all the needs of our corporate and institutional customers by providing them with strategic advice and tailored solutions. We recently combined our respective expertise to support the Italian Salini Group in the acquisition of its rival Impregilo, thereby allowing it to become no. 1 in the construction industry in Italy. We acted as an advisor in the takeover bid and the merger of the two companies. We also arranged and underwrote the funds raised to finance this acquisition and then refinanced the debt through the issuance of high yield bonds. Lastly, we accompanied Salini in the rating process with the Fitch Ratings and Standard & Poor’s agencies. This transaction was the largest Italian takeover bid in 2013. It gave Natixis benchmark status as a bank specializing in corporate acquisition finance. But above all, it represents a fine example of our ability to pool our professional expertise to the greater satisfaction of our customers!

* And also Guillaume Trentin, Philippe Bichet, Christophe Richard, Karim Mezani, Crama Trouillot Du Boys, Nicola Morea, Jean Dado, Anne-Cécile Delas, and Boris Picciottino.
And tomorrow?

In 2030, there will be 20 million people over the age of 65 in France, and 130 million in Europe, i.e. one person out of every four. Transforming an aging population into a new growth driver by satisfying their needs more fully is the challenge of the Silver Economy.

After the launch of the Silver Economy business area in April 2013 and the creation of its strategic committee in July, the representatives of this new sector, in the presence of members of the French Government, drew up a “market contract” based on empowering the different players in this sector to ensure the sustainability of the industrial and service activities and to define a common vision of its future. The aim of this initiative is to transform our changing demographics into an economic asset. This means implementing a coordinated strategy involving public and private stakeholders to develop an offering tailored to this rapidly growing market.

Growth areas in mature economies are relatively few and far between; the “silver market”, however, is a promising and multifaceted sector in France, Europe and North America. Japan, where people enjoy the world’s longest life expectancy, boasts pioneering status in this area. Companies have largely adapted their products to elderly people’s expectations; changes range from streamlined food packaging to lighter supermarket trolleys, from easy-to-use smartphones to the creation of web-connected health and safety devices.

In France, there are already 15 million people aged 60+; in 2015, they will account for one half of all consumer spending: food (60%), equipment (58%), leisure activities (57%), insurance (56%)(1), etc. The value of the French Silver Economy(2) was estimated at €92 billion in 2013 and could exceed €120 billion in 2020. In Europe, it is already estimated at more than €400 billion(3).

In this area, we naturally think of home help – where 300,000 new jobs should be created by 2020(4) – or health care, the adaptation of elderly people’s homes, telecare, video surveillance and telemedicine services whereas, in fact, all types of sector are concerned: robotics, home automation, architecture, design, household appliance, transport and mobility, tourism, recreation, clothing, food, cosmetics, healthcare and “comfort” products, packaging, etc.

In all these areas, the integration of digital technologies will further boost innovation, and France has no shortage of champions in this area, capable of driving the entire sector: multinationals like Legrand in home automation, Essilor in ophthalmology, L’Oréal in cosmetics, Orange in web-connected healthcare solutions, start-ups and mid-sized firms such as Aldebaran Robotics and its famous Nao robot, Withings and its web-connected blood pressure monitors and scales, In’Tech Médical for orthopedic instruments and implants.

The regions have a major role to play in helping the new industry to organize itself around innovative SMEs. Several regions have already got actively involved: Île-de-France with its “Silver Valley” in Ivry, Basse-Normandie, Aquitaine, Nord-Pas de Calais, Midi-Pyrénées, and Martinique.

Groupe BPCE banking institutions, their capital investment structures, Natixis Assurances, the Caisse d’Epargne Foundation for Social Solidarity and the foundations using it as an umbrella organization – which frequently boast pioneering status thanks to their work on ensuring the autonomy of elderly people – are deeply mobilized to drive the future development of this new business area.

The extension of life expectancy is a major area of strategic thinking for Groupe BPCE determined to offer people solutions capable of enhancing the security of the different stages in their life paths.

A topic discussed further on page 66.

(1) Source: Crédoc 2010.
(2) Market comprised of products and services designed for people aged 60 or more, excluding spending on healthcare.
(3) Source: Senior Strategic 2013.
(4) Source: Directorate for Research, Studies and Statistics (DARES).
Innovation is a necessary condition to develop an efficient Silver Economy. Something the Group’s entities fully understand.

A kiosk for mobility
Supporting associations in their struggle against diminished autonomy is the raisond’être of the new ACEF Fund for social solidarity. Following its 1st call for proposals, this endowment fund created in 2013 by ACEF and Banque Populaire Lorraine Champagne has decided to help create a Kiosk for Mobility with a view to facilitating the movement of disabled people. Seven other projects were supported in 2013 by the ACEF Fund.

In’Tech Médical, the European leader for orthopedic instruments and implants
The aging of the population is creating a growing demand for implants such as replacement hips and knees. In Tech Medical, a company set up in 2000, now employs 300 people on three sites in France and the USA. It produces more than 150,000 instruments and implants per year and generates sales of €27 million. Technological innovation, certified quality systems, customized service and responsiveness are the secrets of this company’s success, supported by the Caisse d’Epargne on a day-to-day basis.

Banque Populaire is mobilized
Determined to be one of the leading banks of the Silver Economy, Banque Populaire is mobilizing its strengths around the openings created by this new market. Key speakers on the round table organized by Banque Populaire: Éric Careel, Chairman of Witings, the specialist for web-connected devices, and Jérôme Arnaud, Chairman of the Sol’age business cluster (Île-de-France) dedicated to the Silver Economy and head of the Swedish group Doro, a world leader in easy-to-use smartphones.

Helping caregivers
60% of dependent individuals live at home. The aidautonomie.fr website, set up by Natixis Assurances in 2009 and devoted to family caregivers, is a mine of information on all topics related to lost autonomy. Notably, it’s a forum for discussions and mutual assistance among caregivers where more than 18,000 messages were exchanged in just four years. The Facebook page Aideautonomie, an extension to the website, has more than 20,000 followers. Natixis Assurances recently published Histoires de vie Paroles d’espoir, a book that pays tribute to the extraordinary dedication of family caregivers, reviews their expectations, and underlines the urgency to find institutional solutions that recognize and support more than 8 million caregivers in France.

The Caisses d’Epargne Foundation for Social Solidarity, a stakeholder in the ICARE pilot project
Officially approved as a charity, the Caisses d’Epargne Foundation for Social Solidarity combats all types of dependency linked to old age, infirmity or disability. The leading non-profit private-sector operator in France for care home and services for the dependent elderly, the Foundation runs nearly 100 centers catering to more than 6,500 senior citizens and provides home support services allowing more than 11,000 people to stay in their own homes. How can these home support services be provided as long as possible under optimum conditions? Using which business and organizational models? With the help of what technologies and at what degree of efficiency? The Caisses d’Epargne Foundation for Social Solidarity is a partner of the ICARE project, a unique initiative providing innovative home support services subject to large-scale testing for the past two years.

Home automation and user-friendliness
Since January 2013, 2,000 homes in four départements – the Corrèze, Creuse, Haute-Vienne and Loir-et-Cher – have been equipped with home automation solutions, light paths, fall and smoke detectors, along with advanced telecare systems. These services are provided by the teams on the Foundation’s platforms responsible for installing home automation solutions in the beneficiaries’ homes, responding to emergency calls and making social calls. In previous experiments carried out by the Foundation, this system reduced the risk of falling by a factor of three, the principal cause of dependency among elderly people resulting from a domestic accident.

300 homes are gradually being equipped with touch sensitive tablet computers. They facilitate social ties, include a correspondence notebook to keep track of home visits by professional carers along with a clinical telemetering system for individuals suffering from chronic disorders.
Supporting entrepreneurial spirit

Becoming committed, encouraging others, channeling enthusiasm and pooling resources, using the networks to make progress, to succeed along with our customers, employees and partners. Possessing and supporting the entrepreneurial spirit means helping the regions to adapt and grow. It means acting like a coach to the people we serve and support. In this respect, our sporting partnerships have taught us a great deal.
In recent years, mid-sized *Mittelstand* companies have demonstrated their importance as key players in the French economy. Resilient to recession, they invested €82 billion locally and created 80,000 net new jobs between 2009 and 2013 when other types of firms contracted or stagnated. They enjoy three key advantages: a long-term strategic vision enabling them to withstand temporary downturns, a strong local presence (two thirds of the companies have their head offices in the provinces) and an aggressive focus on export-driven growth (accounting for 33% of French exports but just 0.2% of French companies).

But this fine performance should not make us blind to one disturbing fact: France has fewer than 5,000 mid-sized firms while Germany and the UK boast more than twice that number. It is clear that France’s economic recovery depends on weaving a denser national fabric of middling companies. We must encourage the emergence of genuine *Mittelstand* firms, capable of allowing other micro-companies and SMEs to benefit from their success and of creating true business networks.

Two main reasons can explain the current weakness of the French *Mittelstand*.

The first is the low rate of intergenerational business transfers (family-owned firms account for 80% of all mid-sized companies) owing to heavy taxation, constantly changing legislation, etc. In France, only 7% of family businesses are transferred, compared with 70% in Italy! The adoption of “Dutreil agreements” helped improve the situation between 1980 and 2000, but too many obstacles to intergenerational transfer still exist.

The second reason is the exposure of mid-sized companies to the competitive disadvantage in France. Middling firms do not enjoy the tax exemption thresholds as SMEs and suffer a tax burden unparalleled in the rest of Europe: a rate of tax and social security contributions of 64.7%, higher than the European average by almost 25 percentage points. Taxation is a major brake on the development of mid-sized firms in France.

Freedom is the key to allowing our companies to grow, for SMEs to become mid-sized firms... assuming we give them the leeway they need to create, invest, innovate, expand abroad and recruit...

The “magic recipe” capable of restoring French competitiveness includes strong global brands, innovative and high-quality products along with dynamic, competitive industrial enterprises; this is what a strong *Mittelstand* sector has to offer. Mid-sized firms represent a strategic asset to be developed as a matter of urgency.

In favor of a French *Mittelstand* sector

Elizabeth Ducottet and Philippe d’Ornano
Presidents of ASMEP-ETI

Freed Mid-Siz
To understand the special importance of mid-sized companies, we must harbor no illusions about our current economic situation. France has enjoyed considerable prosperity since the end of the 2nd World War (despite several turbulent periods) but the exceptional recession of 2009 was a major turning point. It is true that France remains the world’s 5th largest economy, its corporations rank favorably among their international peers, and the French still enjoy a high standard of living. But although we can still feel optimistic about the present, it is much more difficult to remain so when we look to the future. This is because the world economy is currently undergoing a transformation as momentous as the great industrial revolution of the 19th century!

At a time when unemployment is the principal worry of the French, it is essential to reflect about the central role to be played by industry – and, notably, by mid-sized companies – in the financing of our economy because it is precisely these middling firms that will be creating the jobs of the future. Thanks to their strong growth potential, mid-sized companies must become our industrial champions because their flexibility, agility, and ability to specialize are all major advantages in the teeth of heightened, and totally remorseless, international competition!

While Mittelstand companies form the backbone of the German, British and Italian economies, there are fewer than 5,000 such firms in France (just 0.2% of the total). Beyond this statistic, it is striking what little we know about them owing to our exclusive fascination with the CAC 40 companies upon which France has built its outstanding industrial reputation.

We are faced with two challenges: to help SMEs grow into mid-sized firms and encourage the growth of middling companies to make them key players in their respective sectors. The examples provided by Arkema or Nexans are instructive in this respect. Former subsidiaries of, respectively, Total and Alcatel, they used their newfound independence to become leaders in the chemical and cabling systems industries.

At a time when unemployment is the principal worry of the French, it is essential to reflect about the central role to be played by industry – and, notably, by mid-sized companies – in the financing of our economy because it is precisely these middling firms that will be creating the jobs of the future. Thanks to their strong growth potential, mid-sized companies must become our industrial champions because their flexibility, agility, and ability to specialize are all major advantages in the teeth of heightened, and totally remorseless, international competition!

While Mittelstand companies form the backbone of the German, British and Italian economies, there are fewer than 5,000 such firms in France (just 0.2% of the total). Beyond this statistic, it is striking what little we know about them owing to our exclusive fascination with the CAC 40 companies upon which France has built its outstanding industrial reputation.

We are faced with two challenges: to help SMEs grow into mid-sized firms and encourage the growth of middling companies to make them key players in their respective sectors. The examples provided by Arkema or Nexans are instructive in this respect. Former subsidiaries of, respectively, Total and Alcatel, they used their newfound independence to become leaders in the chemical and cabling systems industries.

A major role for the banks

Daniel Karyotis CEO, member of the Management Board, Groupe BPCE

Banks have a major role to play because they provide financial support for these companies’ growth and transformation. If France without industry is tantamount to economic suicide, industry without the support of the banks is an aberration! Those who dreamt of a post-industrial France in the early 1990s were grossly mistaken: the industrial renaissance of our country depends upon these mid-sized firms whose innovative and creative abilities must make “Made in France” a highly respected label once again.
Business growth needs funding...

**Innov&Plus**
This Banque Populaire loan – the only one of its kind in France – enables companies of up to 500 employees to obtain loans of between €25,000 and €75 million under advantageous conditions to finance virtually all types of technical innovation, industrial, logistical, marketing or commercial expenditure. Thanks to backing from the European Investment Fund, Innov&Plus offers attractive rates, a 50% ceiling on the personal guarantee provided by the senior manager, and the possibility to apply for other funding and public guarantees. The overall funding envelope is €250 million.

**Growth capital**
Caisse d’Epargne is pursuing its commitment with regard to local growth capital solutions with the adoption of a €27 million loan envelope designed to support the fundraising efforts of its eight regional companies (which manage nearly €1 billion in outstandings) and to assist – with the help of Natixis – in the creation of new, local private equity companies such as CEPIC Participations, a subsidiary of the Caisse d’Epargne Picardie. Nationally, NGAM Private Equity, with assets under management of €5.1 billion, covers areas related, notably, to venture and growth capital, and intergenerational transfers. All Group entities develop innovative products and services tailored to investors’ needs.

**Bonds**
Banque Palatine offers bond financing solutions specifically designed for growing mid-sized firms and SMEs. These solutions, of all sizes, take the form of private placements with institutional investors and, notably, with Novo money market investment funds for amounts ranging between €10 million and €50 million, entirely repaid at maturity after five to seven years, the Micado France 2019 bond fund, managed by the bank’s subsidiary Palatine Asset Management, for amounts of €4-5 million fully repaid at maturity after six years, and private placements made with investors.

More than 40% of companies in France bank with one of the Group’s entities valued for its local presence, swift decision-making, its close, effective coaching for business growth and intergenerational transfers. Discover some initiatives and solutions in 2013.
SEPA Turbo
The European SEPA standard will replace national direct debits and bank transfers by August 1st at the latest. 
Turbo Suite Entreprise makes it easy to switch to the new system thanks to its SEPA conversion module. This banking communication application can even be managed from a smartphone. 46,000 companies are already using this multi-user, multi-profile, multi-company, multi-account, multi-bank and multi-currency cash-flow management platform created by Banque Populaire.

Employee benefits planning
Employee benefits planning – covering employee savings, service vouchers, supplementary funded pension schemes, employee share-ownership plans – makes it possible to attract talented people, motivate employees and win their loyalty within a framework of fiscal and social incentives. The Group’s banks, assisted by specialists from Natixis Interépargne and Natixis Intertitres, provide solutions closely tailored to each HR objective ranging from company savings schemes to collective pension plans.

Dare go international!
The Palatine Circle of Middling Firms gives the managers of these entities a venue to discuss topics of mutual interest. Banque Palatine has invited mid-sized companies enjoying world leading positions in their respective domains to attend this forum to share their export and international growth experience with other mid-sized firms. Another tangible initiative: the meeting arranged by Banque Palatine in Rennes between some 15 Moroccan importers of dairy and beef products and 30 Breton companies active in the same sector.

...and a whole lot more!

€333,600 contracts with retailers
€29.8bn in factored turnover
6.7 billion payment transactions
Welcome to Nord-Pas de Calais

Reports from the regions
Having one out of every two French people as a customer, financing 20% of the economy: what does this mean at a regional level? This report gives an idea for the Nord-Pas de Calais region.

The Caisse d’Epargne Nord France Europe and Banque Populaire du Nord trace their origins to 1834 and 1920 respectively. Given the region’s three major seaports, Crédit Maritime is naturally present. Crédit Foncier helps to finance local real estate projects while Natixis shares its expertise with its major corporate clients in northern France and the retail customers of the Banque Populaire and Caisse d’Epargne networks. Banque Palatine is present for its clientele of businesses and high-net-worth individuals along with Crédit Coopératif specializing in the social and solidarity-based economy boasting more than 10,000 entities and almost 11% of the region’s salaried employees.

With a staff of 3,500, 410 branches and loan outstandings of nearly €17 billion, we serve more than 2 million customers, 450,000 of whom have become cooperative shareholders of their bank. We are also the 2nd largest private social housing operator, representing 21% of the region’s housing: the SIA Group manages almost 43,000 housing units in 300 municipalities, and builds about 1,000 new ones every year.

We are proud of our wide-ranging involvement in sponsorship and solidarity-based projects. Banque Populaire de Nord works through 31 “Initiative Clubs” run by cooperative shareholder volunteers. The Caisse d’Epargne Nord France Europe won a prize in 2013 for Objectif Nature, an initiative enjoyed by more than 500,000 school children, organized with the Espaces naturels régionaux nature park authority: a fine example of awareness-building for the youngest region in France with more than one million residents aged under 20.

The Nord-Pas de Calais region, a pioneer in the 1st industrial revolution and severely marked by the decline of the 2nd, wants to lead the 3rd industrial revolution driven by Internet technology and renewable energies. For one year, its leaders worked with the economist Jeremy Rifkin to draw up a roadmap to the year 2050. Presented in October 2013, the plan sees the region as a world champion for energy transition, the circular economy and functionality: a resolutely innovative project rooted in the northern French tradition of entrepreneurial spirit, creativeness and the determination to succeed. The 3rd industrial revolution is underway; we are an integral part of it.

---

Fish2Eco-Energy

The price of diesel fuel had doubled in the space of four years when Jacques Bigot created the association *France Pêche Durable & Responsable* ("sustainable & responsible fishing") in 2008 to test the feasibility of hybrid gas-electric engines as alternatives to diesel engines to reduce the fuel consumption of fishing vessels. This is the aim of the Fish2Eco-Energy project: a ten-year-old trawler owned by the ACANOR artisanal shipping cooperative in Étaples-sur-Mer has been fitted out with a hybrid engine to test its performance when fishing. "The €2 million-plus investment is chiefly funded by grants which are only released once the bills have been paid. Crédit Maritime solved this cash-flow problem with advance payments on the grant. It also financed ACANOR’s acquisition of the trawler." The use of electricity saves 18% on fuel bills; this should reach 38% when the engines run on natural gas, a solution awaiting official approval. What is at stake is the very sustainability of the small-scale fishing industry.

The art of scaffolding

After thirty years in business, Christian Waelens is a respected professional specializing in the rental, erection and dismantling of scaffolding. In 2007, he set up REATUB, a truly family business given that his two sons, Alain and Christophe, work with him and share his passion. The company specializes in complex installations for the restoration of cathedrals, churches, and historical monuments but also for private residences and industrial buildings: the church of Saint-Géry in Cambrai in northern France (and its 85 meter-high spire) and the Jean-Vilar theater in Saint-Quentin are two of its many references. The company owns the land required for storage purposes and enjoys all the resources it needs for its own autonomy: it has its own technical department and employs 20 highly qualified workers in a demanding job where safety requirements demand flawless discipline and cohesion. "Our activities call for substantial investment. From the very outset, we were supported by Banque Populaire du Nord, which has become a veritable partner."
Driving the transition to eco-efficiency

For the past twelve years, the cd2e association has been boosting the regional economy — and jobs — by developing eco-friendly business clusters and markets. A regional hub of excellence in eco-technologies and eco-businesses, cd2e provides consulting services, technical expertise, business intelligence, information, training, and the creation — and coordination — of innovation networks. A pioneer in the circular economy, the association set up TEAM², the only competitiveness cluster of its type in France specializing in recycling and recovery technologies for metals and other materials. The activities pursued by cd2e also focus on eco-construction and renovation, renewable energy, water cycle and sediment treatment. “With our team of 30 people, we helped 650 companies in 2013 and are managing several projects for the 3rd industrial revolution in the Nord-Pas de Calais region including LumiWatt, the educational solar energy platform,” says Christian Traisnel, the association’s CEO. “But when cd2e was created in 2002, Crédit Coopératif was the only bank to believe in our project; and it is still supporting us.”

The Louvre-Lens

Democratizing access to culture, stimulating growth in a region hit hard by the economic crisis: the Louvre-Lens museum is well on its way to achieving this objective, celebrating its 1st year with 900,000 visitors, much better than the 700,000 expected. 100,000 live in the mining area and one visitor out of six returns. The region’s other museums have also benefited from this new interest. “Our goal is about 500,000 visitors a year,” says Xavier Dectot, Director of the museum. “The renewal of the works presented in the Galerie du temps ("Gallery of Time"), displaying the Louvre’s collections in a new light, the proposed outreach activities aimed at local people, notably school children, the scheduling of high-level exhibitions should all contribute to achieving this goal.” The Caisse d’Epargne Nord France Europe, a major patron in the construction of the Louvre-Lens museum, has signed up for this project. After helping to build the museum, it sponsored the Rubens in Europe exhibition. “Our relationship has evolved,” says Xavier Dectot. “The savings bank has now become a partner offering long-term support.”
Euralille with Ruddy Ricciotti and Nexity

Nexity recently delivered a complex of more than 12,000 m² in La Madeleine, at the heart of the new Euralille international business center. The result of a competitive call for tender, it includes 8,900 m² of office space, a 108-room, HEQ-certified Campanile hotel, and 241 parking spaces. Its architectural design imagined by Ruddy Ricciotti gives it a strong personality with randomly arranged windows and a sloping façade for the office building. “We want to create buildings that are beautiful for people who look at them and very well designed for those who use them,” says Alexis Perret, Deputy CEO of Nexity. “It’s not always easy to have the creations of leading architects accepted for commercial buildings, but we enjoyed remarkable support from Euralille and the La Madeleine municipal authorities. Socfim, a Crédit Foncier subsidiary and one of our frequent partners, took charge of the financial arrangements with the help of the Caisse d’Epargne Nord France Europe and Banque Populaire du Nord.”

The Cité de la Solitude in Vieux-Condé

The SIA Group, the 2nd largest private social housing operator in the Nord-Pas de Calais region with nearly 43,000 housing units, is owned by Habitat en Région, a social housing collective created by the Caisse d’Epargne. The Group has launched the thermal renovation of 7,500 miners’ houses under Grenelle Environnement environmental regulations. 3,600 of these houses are on the World Heritage list such as, the Cité de la Solitude in Vieux-Condé where 170 houses have been renovated, involving extensive work done inside the buildings to protect the listed façades. “In our drive to realize the 3rd industrial revolution, we are in talks with another lessor to deliver innovative solutions,” explains Christophe Cappe, Chairman of the Management Board. “We will test these solutions in 50 housing units in Lens. Our challenge is to combine competitiveness and sustainability in the techniques we use. We also build more than 1,000 homes per year, including passive housing and even more efficient positive energy housing techniques.”
The meteoric growth of Minafin

Frédéric Gauchet, a chemist from northern France, took over the fine chemicals subsidiary of an Australian group in 2005. The company produced active ingredients for pharmaceuticals in Beuvry-la-Forêt and generated sales of €20 million. By 2013, Minafin’s sales had risen to €110 million and its workforce had increased to 610 people. Present (via acquisitions) in Germany and subsequently in the USA, Minafin also took over the AstraZeneca site in Dunkirk, dedicated to generics. “We got in touch with Natixis when we wanted to develop our activities in the USA. In the middle of the financial crisis, US banks didn’t want to make loans. Thanks to Natixis, we were able to fund our projects. It has since become one of our major banking partners in a pool that also includes the Caisse d’Epargne Nord France Europe and Banque Populaire du Nord.” Minafin currently pursues five activities: Minakem (pharmaceuticals), Minasolve (cosmetics), Pennakem (green chemistry), Pressure Chemical (high-pressure reactions) and the latest addition based in Lacq, Minathiol for sulfur chemistry.

Another approach to cars

Daniel Renard, an enthusiastic motor mechanic, designed a small car for leisure activities capable of fitting in a motorhome. A journalist’s article about him revealed real popular demand: tricycles, buggies, quads, commercial vehicles and cars requiring no driving license. Daniel Renard and his employees have built more than 30,000 internal-combustion or electric vehicles since the 1970’s. SECMA (for Société d’Étude et de Construction de Mécanique Automobile) is now one of the few independent French manufacturers and is characterized by the almost total integration of its production activities. The fire that ravaged the Aniche plant in 2009 came as a serious blow. But Daniel Renard decided to rebuild and start again, encouraged by his suppliers and customers. In 2013, SECMA employed 18 people on the same site after reconstruction, selling four models with a focus on driving pleasure and providing after-sales service for earlier vehicles. The Caisse d’Epargne Nord France Europe is one of the company’s bankers, a partner sharing the same passion as Daniel Renard.
When the French put down roots at the far ends of the earth, Groupe BPCE is at their side. Groupe BPCE is now the banking group with the strongest presence in French overseas départements and territories. When its customers cross national borders to work, study or do business, the Group’s banks are there to serve them.

Overseas territories. For many years, several Banque Populaire banks and Caisses d’Epargne – retail banks at the service of the territories and the people who live there – have been running local branches overseas: 76 for BRED Banque Populaire, 38 for the Caisse d’Epargne Provence-Alpes-Corse in the French West Indies and Reunion Island, one branch for the Caisse d’Epargne Ile-de-France in Saint-Pierre-et-Miquelon, etc.

But the Group, and some of its banks, go further than this: BPCE International et Outre-mer (BPCE IOM), an entity responsible for the Group’s subsidiaries and retail banking interests outside France, controls five banks in French overseas territories with a total of 91 branches.

Africa and the Indian Ocean. Five banking subsidiaries of BPCE IOM operate in Africa and the Indian Ocean, where they often rank among the leading banks in their respective countries: Cameroon, Congo-Brazzaville, Madagascar, Tunisia and Mauritius.

Despite the conflicts and the difficulties it faces, Africa is also a booming continent with six of the world’s ten fastest growing economies and a middle class of 150 million people expected to double within a generation. Groupe BPCE is in a position to strengthen its presence in sub-Saharan Africa and to tap into these new growth opportunities.

Philippe Garsuault, CEO of BPCE IOM said: “Creating a true African network means pursuing the development of Groupe BPCE. In Africa, we boast real know-how and are recognized for our expertise. We have a role to play in supporting our major customers, in developing the local economies…"

In Africa, we are present in rapidly growing markets – the bank account penetration rate is low – so the potential for future growth is immense and the level of savings is high.”

Like their sister banks overseas, these African institutions serve all types of customers and are mobilizing in favor of their countries’ economic development. In 2013, BTK in Tunisia obtained a low-rate funding envelope from the European Investment Bank to finance SMEs and micro-companies following the similar example set a few months earlier by Banque de Tahiti.

New growth drivers. Seeking growth where growth is to be found, by giving customers support, near at hand or far away!

Far away, with BRED Banque Populaire, which is developing a retail banking network in Oceania, South-East Asia and the Horn of Africa, building on its overseas experience to expand into countries where few people have bank accounts and the growth potential is high.

Near at hand, with the Caisses d’Epargne, which have gone beyond the limits of their regions in support of their cross-border customers: Switzerland for the Caisse d’Epargne Rhône Alpes with the creation of Banque du Léman; Germany for the Caisse d’Epargne Alsace, which has opened a representative office in Kehl; Belgium for the Caisse d’Epargne Lorraine Champagne-Ardenne, which has acquired – with Banque Populaire Lorraine Champagne – a 51% stake in BCP Luxembourg, a bank with five branches in the Grand Duchy.

Supporting customers. In an increasingly mobile world, the Group’s banks want to provide their individual or corporate customers with optimal support, working directly via an efficient banking network or correspondent banks, depending on the needs and geographical constraints. Concrete examples of this support include offers designed for overseas residents sharing their time between metropolitan France and their regions, or for expatriate adults and students or, yet again, twin banking solutions tailored for migrant workers; corporate customers benefit from the advice, and worldwide presence, of the BPCE IOM consulting subsidiaries, Pramex International and Ingépar.

Combining an international with a local presence? It’s another way to grow!
Banque de la Réunion: 160 years of innovation

The 1st company to be listed on the island’s commercial register, the 1st bank to employ women as early as 1901, to adopt the 5 ½ day working week in 1923, to offer individual safe deposit boxes in 1924,... Banque de la Réunion, a BPCE IOM subsidiary with 29 branches, celebrated the 160th anniversary of its creation by granting a €500 million funding envelope for local projects, including the 2nd tranche of the Réunionnais des Énergies. This solar park will produce electricity... and Bourbon vanilla with an organic crop of delicious orchids growing in the shade of the solar panels!
BICEC is supporting the mobile revolution!

With more than 13 million subscribers out of a population of 20 million, mobile phones have a bright future in Cameroon. BICEC, a BPCE IOM subsidiary and one of the country's leading banks with 35 branches, is funding the 3rd-largest operator, the Vietnamese group Viettel, the only 3G license-holder, as it rolls out its network. Viettel Cameroon is committed to investing about €300 million to cover 81% of the population with a G2 or G3 network from the very outset, charging prices 15% or 20% lower than the competition.
Saint-Pierre-et-Miquelon, an archipelago of pioneers

Contactless purchases under €20 are possible in Saint-Pierre-et-Miquelon. The bank of the same name has provided retailers with the new payment terminals. No need to remember a code when you use an RFID-enabled credit card! This quick and easy solution makes Saint-Pierre-et-Miquelon a pioneer in the use of this technology outside mainland France. Banque de Saint-Pierre-et-Miquelon, a BPCE IOM subsidiary, is the only local full-service bank. It has two branches (one on Saint-Pierre, the other on Miquelon), 52 employees and 4,680 customers.
Claude Onesta  
Head coach of the French handball team since 2001

Annick Dumont  
French figure skating coach

What a coach!

Making sports coaching accessible to all, focusing attention on the men and women who bring athletes to their highest level: this is the goal of the communications campaign Your Coach by Groupe BPCE.

Groupe BPCE, with Banque Populaire, the Caisse d'Epargne and Natixis, has been supporting the French Olympic team and the French National Olympic & Sporting Committee since 2010. Having renewed this partnership until late 2016, the Group wants to strengthen and highlight its sponsoring activities over the long term. Your Coach by Groupe BPCE was designed to help achieve this goal. Launched at the start of the 2014 Sochi Winter Olympics, this initiative will run until the end of 2016, after the summer Olympics in Rio.

An innovative campaign. This interactive communications campaign revolves around personal testimonials and content shared with a website via votrecoach.fr, a Facebook page, a Twitter account, etc. How to maintain peak performance, manage stress, build a team, etc.: every month, a famous coach gives an exclusive interview on a specific topic, with videos freely available via the website and the Facebook page. The website also features coaching anecdotes told by athletes, tips for practicing everyday sport, news about the French Olympic team and the sport sponsoring activities of Groupe BPCE companies.

A Facebook page with videos and quizzes has been set up where coaches and athletes are invited to share their experience, whatever their level.

Advice, performance, trust. Both coaches and bankers pursue the same goals: coaches help the athletes they advise to achieve their sporting ambitions while bankers help their customers to realize their projects. For coaches and bankers alike, the most rewarding thing is to see the people they support reach their objectives.

This campaign, designed to express the values of Groupe BPCE and enhance its reputation, also provides a vector for its companies to make their sponsorship activities more widely known: sailing for the Banque Populaire banks, skiing and jogging for the Caisse d’Epargne, rugby with the Racing Metro 92 club for Natixis. By offering a platform for the coaches working with the teams or in the disciplines sponsored by its brands, the Group fulfills its role of unifying and amplifying their activities.

54
SUPPORTING THE ENTREPRENEURIAL SPIRIT

A website
Interviews with talented coaches, anecdotes, sporting and health advice, news about the French Olympic team.

A Facebook page
Testimonials from coaches and athletes, photos, quizzes.

A Twitter account
The famous 140-character messages giving news about coaches and athletes.

Join the community!

Stéphane Bouthiaux and Siegfried Mazet
Coaches of the French biathlon team

Jacques Gaillard
Coach of the French women’s ski jumping team

My banker also provides coaching…

International development
The bank of one out of every two franchisors, Banque Populaire facilitates the international expansion of network leaders with the help of Pramex International, Groupe BPCE’s international development consultancy. Coaching activities include market research, the definition of a strategy tailored to the target country, finding partners, providing assistance with legal, accounting, tax and social security matters or even help in the administrative management of the new subsidiary.

Dynamic management
The public sector (local authorities, hospitals, universities, etc.) often have considerable holdings in real estate and land. The challenge is to help local decision-makers to define the strategy best suited to their structure by providing a comprehensive and accurate view of their assets, their cost of owning and operating their holdings and ways to enhance their value. The Caisse d’Epargne supports this dynamic asset management approach with the help of Crédit Foncier.

Investment strategies
Natixis Global Asset Management provides consultancy services to investors around the world in order to help them to achieve their long-term financial performance targets in volatile markets. This approach, known as Durable Portfolio Construction, is based on a dedicated research center, more than 20 specialized asset management companies, and an international distribution platform allowing investors to benefit from internationally recognized advice and expertise.

Shared savings products
With Crédit Coopératif’s Agir passbook savings account, a part of the interest is paid to associations working in favor of international solidarity, for a more just society, to safeguard the planet or to go about business “differently.” To help investors choose the area to benefit from their contributions, evening Agir events are organized to facilitate discovery and discussions with partner associations. This initiative was launched by Crédit Coopératif to develop its customers’ interest in solidarity.
1. Tackling malaria, together!

In 2013, Natixis involved the Racing Metro 92 rugby team in its “Tackling malaria, together!” initiative. The two-month awareness-building campaign gave innovative support to, and informed the public about, the anti-malaria program run by the NGO Plan France and research carried out by the Institut Pasteur. Natixis has been sponsoring RM92 club since 2007 and been actively committed to combating malaria since 2005.

2. An Olympic winter

A staunch supporter of the French Olympic team and partner of the French National Olympic and Sporting Committee (CNOSF) since 2010, Groupe BPCE – along with Banque Populaire, the Caisse d’Epargne and Natixis – has extended its partnership until the end of 2016, after the Rio Olympics. The Sochi 2014 Winter Games again allowed Groupe BPCE to enjoy the thrill of witnessing the exploits of the athletes in the French Olympic team.

3. Olympic sailing charts a course for Rio

Banque Populaire has extended the support it has been giving to the French Sailing Federation and its 1,000 sailing clubs and schools since 2000. It will be partnering the French Sailing team until the 2016 Rio Olympic Games.

4. Fine victory for women’s handball

Handball, the most widely practiced sport in schools, is also a discipline where French athletes have enjoyed outstanding success. CASDEN Banque Populaire has been a partner of the French women’s handball team since 2007. In 2013, the French athletes achieved a major exploit when they won first place in the Golden League competition organized for the 1st time in March.

5. Esprit Glisse at the Sochi 2014 Winter Olympics

A partner of the France ski and snowboard teams since 1988, the Caisse d’Epargne supported the 6-member Caisse d’Epargne Esprit Glisse team at the 2014 Sochi Winter Olympics. Caisse d’Epargne was particularly impressed by Coline Mattel’s performance, a young athlete sponsored by the bank for the past four years. This gutsy 18-year-old walked away with a bronze medal in the ladies’ ski-jumping event, becoming the first French Olympic medalist in this discipline.

6. Long-standing partner of Malagasy tennis

BMOI, a BPCE IOM subsidiary, enjoys acknowledged status as the principal backer of tennis in Madagascar. After sponsoring several competitions, BMOI has been organizing its own competitions since 2010, such as the BMOI Open (now part of the national championship circuit), the International Open or the doubles Premium Challenge tournaments.

7. Esprit Running

The Caisse d’Epargne supports 300 running races in France and provides joggers with information and advice via its dedicated website, creating a sense of community among its more than 50,000 members. One of its innovations, the Social Runner application, allows joggers to share their performance and comments directly with friends on Facebook and Twitter.

8. Maxi Trimaran Solo Banque Populaire VII: serial record-breaker!

18 hours, 58 minutes and 13 seconds, breaking the previous record by more than 6 hours and 40 minutes! Armel Le Cléac’h smashed the trans-Mediterranean sailing record in October 2013 with the new Maxi Trimaran Solo Banque Populaire VII. He repeated this exploit in 2014 by setting a new solo record in the Route of Discovery race, retracing the voyage made by Christopher Columbus in less than 7 days! And 2014 will give cause to celebrate a sailing partnership of twenty-five years with the boats flying the Group’s colors, and the construction of a new IMOCA-class monohull for the next Vendée Globe in 2016…

9. XXL freestyle

In pursuit of its Esprit Glisse program and commitment to freestyle skiing – an increasingly popular discipline among the young –, the Caisse d’Epargne partnered the first X Games staged in Tignes, France (March 20-22, 2013). Thomas Krief, a member of the Caisse d’Epargne Esprit Glisse team, represented the brand at this spectacular sports event, competing against the leading world specialists in this area.

Sport, sporty, sportartacular!
1. www.natixis.com
2. www.bpce.fr
5. www.espritglisse.com
6. www.bmoinet.net
7. www.espritrunning.com
9. www.espritglisse.com
Being responsible

Fulfilling our responsibilities as a banker, helping to fund sustainable development, supporting green growth and solidarity-based initiatives, promoting socially responsible investment, helping to provide everyone with greater security in the face of uncertainty to allow them to live their (long) lives to the full… We are happy, and proud, to provide in these pages a few examples of the cultural projects we support.
In favor of positive finance

Point of view of Jacques Attali
President of the PlaNet Finance Group

Taking account of the interests of future generations in all major public and private decisions defines the goal pursued by the positive economy, a conceptual framework that will be seen more and more as the obvious rational choice in the teeth of demographic, financial, environmental, technological, social, political and ideological challenges. Without this reorientation of key values, it will be impossible to overcome the current financial and economic crisis resulting from the “tyranny of immediacy” that increasingly defines both the market economy and our democratic institutions.

The positive economy is based on the pursuit of a “rational altruism,” i.e. everyone benefits from the well-being of future generations; without it, the lives of our contemporaries will ultimately turn into a nightmare.

The positive economy already exists but is not clearly formulated as such. It comprises all the entities producing goods or services in the market or non-market public or private sectors with a view to being useful to future generations. This is already the case in the world of education and for infrastructure investments, in the majority of NGOs, foundations, and entities active in areas related to social entrepreneurship, socially responsible
investment, microfinance, “patient capitalism”, fair trade, the social and solidarity economy, and the circular economy. All — or virtually all — of these entities are focused on ensuring the world’s continued survival and on bequeathing the best of our achievements to posterity.

We have brought all these entities together within a movement concretized in a major event organized at the end of September every year in Le Havre that, in coming years, will also be convened in Italy, Canada, South Africa and elsewhere.

At the request of French President François Hollande, a focus group comprised of business leaders, financiers, academics, social entrepreneurs, artists, etc. developed and gave formal expression to 45 proposals in a report published on September 21, 2013 with a view to hastening the advent of this positive economy.

“Everyone benefits from the well-being of future generations.”

These measures notably emphasize the need to enshrine in law the positive mission of business organizations by changing the legal definition of a company; the need to give variable voting rights to shareholders depending on how long they have owned their shares, to set up regional hubs of positive cooperation focused on sustainable markets, to display the social and environmental impact of products to enable consumers to make enlightened choices; the need to create a regulatory and fiscal environment geared to rewarding positive behavior and to sanctioning non-positive organizations, to organize the transformation of public-private contracts into environmental and social performance partnerships, to include positive criteria in all public procurement decisions, and to set up a new political authority representing the interests of future generations. Finally, education has a key role to play in releasing everyone’s desire to be altruistic;

schools must foster altruistic, environmentally responsible citizens, concerned with the need to take full account of the interests of future generations.

This reflection led to the creation of an index designed to gauge the positivity of a country, company or local authority. An initial classification was drawn up for the 34 OECD countries. In 2013, Sweden came first while Italy, France and Turkey came last. France needs to make substantial progress in positive finance.

One of the prerequisites is to develop “patient capitalism”, based on positive and responsible finance that has recovered its role of funding positive investments, i.e. socially and environmentally sustainable investments made in line with the principles governing the responsible management of collective savings via long-term investment funds, crowdfunding, the issuance of social/green impact bonds or “associative securities”. Positive finance must seek inspiration in the principles governing microfinance (local presence, trust, support, and a rejection of financial exclusion).

Positive finance will create value for society and all of its stakeholders through the adoption of positive decision-making processes; it will combat ultra-volatility and reward stability; it will benefit from a unified set of positive extra-financial indicators and a reshaping of international accounting standards.

This represents a huge and almost impossibly ambitious challenge in which everyone has a role to play. Only this will enable us to preserve the individual liberty to which we are so attached by transcending it through an altruism capable of giving full meaning to the notions of freedom and fraternity. 

“... finance that has recovered its role of funding positive investments...”
Investing differently

... means developing renewable energy sources, promoting biodiversity, and insulating homes thanks to co-funding solutions capable of bringing projects to a successful conclusion.
Beauval and Vincennes

Something new for zoo animals

Deemed one of the world’s finest zoos and deeply committed to sustainable development, Beauval Zoo is home to more than 5,700 animals. It is the no.1 tourist destination in the Centre region and the first zoo to incorporate a biogas plant capable of transforming 11,000 metric tons of waste into heat to keep its gorillas, sea cows and elephants warm. The result is a 20% reduction in natural gas bills and the saving of 763 metric tons of CO₂ equivalent every year. €2 million of the €2.3 million investment was provided by the Caisse d’Epargne Loire-Centre as part of the Prévéo program adopted by the Centre region. Dedicated to energy savings and renewable energy, Prévéo is based on a €150 million line of credit provided by the EIB at subsidized rates matched for the same amount by regional partner banks including the Caisse d’Epargne Loire-Centre and Banque Populaire Val de France. A regional fund guarantees 50% of the non-EIB part of the loan, an advantage that further improves its conditions. Groupe BPCE, with its specialized FIDEPPP fund, the Caisse d’Epargne Ile-de-France and Crédit Foncier, is also a stakeholder in the renovation of the Vincennes Zoo, re-opened to the public on April 12, 2014: an operation arranged for the Natural History Museum in the form of a public-private partnership, the first of its kind in France adopted by a zoo.
The Voiron region

Innovating to finance condominium energy savings

The Voiron region in the French Alps represents a total of 34 municipalities, 90,000 inhabitants and 35,000 housing units, 40% of which are not energy-efficient. How can thermal renovation be promoted in condominiums when collective funding solutions are few and far between, expensive, and difficult to obtain in the absence of security? The three-way agreement between Banque Populaire des Alpes, Ademe and the Voiron region represents an innovative framework. The proposed solution is based on the Elena European funding program for local energy efficiency projects, distributed in France by Banque Populaire. It combines a range of interest-free or subsidized eco-loans granted to all co-owners or their association, the mobilization of grants to local authorities provided for under Elena, and the creation of a guarantee fund to facilitate lending to co-owners associations. These funds are self-sustained, chiefly by the sale of energy saving certificates (EEC) generated by the improvement work. The Voiron region expects to reach its target of completing the thermal renovation of 300 homes every year.
Canada

Harnessing the energy of the wind, sun and wood

Natixis boasts a prominent position in the financing of renewable energy projects worldwide. In 2013, it funded five major operations in Canada. For example, the bank supported the construction and operation of the wind farm set up by South Kent Wind in Ontario: a €566 million project. This 270-MW wind farm will avoid 877,000 metric tons of CO₂ emissions that would have been released by a coal-fired plant. Also in Ontario, Natixis was involved in the acquisition and construction of Northern Solar, a portfolio of photovoltaic projects with a total capacity of 34 MW and costing €139 million. The bank was also involved in the financing of a 40-MW biomass power plant in British Columbia, one of the largest electrical facilities in the country. Based in Fort St. James, it will recycle 307,000 metric tons of waste wood per year and avoid the release of 95,000 metric tons of CO₂ into the atmosphere.
A whole life
Longer life expectancy is provoking far-reaching change in people’s private and professional lives in a more unpredictable environment. What is truly at stake? How can individual autonomy be reconciled with intergenerational solidarity between family members in a society enjoying longer lives?

In 2013, Groupe BPCE devoted its annual L’Observatoire report and September symposium to this question of vital importance to the French…and of strategic importance to their bankers and insurers whose primary mission is to help their customers succeed in their projects while protecting them, as far as possible, throughout the course of their lives.

Longer life expectancy goes hand-in-hand with a far-reaching transformation of individual pathways in an uncertain, and highly volatile, economic environment. The fact of living longer alters our perception of time and changes the length of the different stages in our lives: studies, working life, married life, retirement. Professional and private life paths become more unpredictable, fragmented and heterogeneous.

Problems related to retirement, health-care coverage, the threat of dependency in later life become all the more pressing as people increasingly harbor doubts about the future state of their country, purchasing power and the ability of the social protection systems to maintain a level of welfare equivalent to that of today. For 86% of people aged 30 or more, longer life expectancy means “having money saved up as long as possible to hold out until the very end” to avoid becoming a burden on their children.

Reconciling individual autonomy with intra-family solidarity
The vagaries of life – such as the difficulties facing young people looking for a job or a home, people having their first child later in life, periods of unemployment between jobs, long-term joblessness among older people, the rise of single-parent or reconstituted families – are creating a growing need for intra-family mutual support. 70% of French people aged 30 to 65 are helping, or need to help, a child or parent(1). The increased use of intergenerational transfers partly offsets the postponement of inheritance induced by longer life expectancy. 39% of people aged 30 or more, say they have received material or financial support from their parents, a statistic rising to 54% for people in the 30-39 age bracket. In turn, 44% of this age group want to give their children as much as they can to help them along in life(1).

Retirement, dependency, family solidarity: the French are trying to reconcile these different outcomes and refuse to arbitrate between autonomy and solidarity. The preference for an asset-based – versus insurance-based – strategy reflects this desire. The importance of one’s home in the strategy developed in response to dependency is revealing: a place to live when still autonomous, an asset of last resort to be sold outright or on a life-lease basis in one’s old age, the desire to bequeath it to one’s children nevertheless remains predominant. Similarly, the French prefer versatile assets rather than specific-purpose investments – such as retirement planning – to preserve their financial flexibility.

As such, financial worries related to the long term are growing more common at all ages and becoming a powerful incentive to save, especially when people feel that the outlook for social protection and purchasing power is more uncertain.

(1) Statistics taken from BPCE L’Observatoire, Toute une vie report, June 2013.
New solutions

Studying, setting up a home, organizing health care and social protection, purchasing real estate, providing for a pension… solutions exist for all these concerns and bancassurance continues to innovate in response to changing lifestyles.

Rent a place to live without a parental guarantee? Banque Populaire, in partnership with LMDE, the students’ mutual insurance company, can help. Organize and insure shared accommodation? The Caisse d’Epargne’s Coloc solution offers a free joint bank account to settle shared expenses, with optional home insurance for each named co-tenant and, for one extra euro a month, a personal Visa Electron card. Another innovation is the Prévoyance du locataire tenant insurance contract from the Caisse d’Epargne that covers up to one year’s rent should policyholders lose their jobs or be unable to work.

For existing – and aspiring – homeowners, Crédit Foncier has solutions for all kinds of project and situation without requiring customers to open an account. Solutions range from mortgage loans for low-income families (for which two out of three French families are eligible) to buy-to-let schemes requiring no down-payment (with fiscal optimization services and income insurance cover included); from loans to purchase outstanding mortgages following a divorce to life annuity mortgage loans, an exclusive solution only offered by Crédit Foncier in France. Available to people aged 65, Réversimmo is a loan secured by a mortgage on real estate. How the funds are paid out is decided by the borrowers who retain ownership of the property but reimburse neither capital nor interest during their lifetime. When they pass away, if the property is worth less than the debt, the bank bears the loss; if it is higher, the excess is paid to the heirs. And, unlike selling one’s home for a life annuity, Réversimmo is reversible: the borrower can decide to repay the loan at any time.

More innovation is found in life insurance with the Horizéo contract from Natixis Assurances: this flexible, new generation multi-vehicle contract offers automatic arbitrage options hitherto reserved for high-end products. It also boasts two packs of predefined financial vehicles, one of which is the Horizéo vert pack based on a Socially Responsible Investment (SRI) approach. With regard to provident insurance, the Tisséea and Garanties Famille death and disability insurance contracts include an option covering serious illnesses.

With the new Protection Juridique legal protection contract, Natixis Assurances offers comprehensive and effective guarantees enabling policyholders to defend their rights and resolve disputes in many areas.

Natixis provides Easiris to branch-based customer account managers. Integrated in the workstations, this tool facilitates the selling and subscription of employee savings solutions designed for freelancers, businesses, self-employed professionals and social housing and social economy entities wanting to set up collective schemes for their employees. This application provides remote access to an expert from Natixis Interépargne and facilitates the rapid definition of an employee savings solution (PEE, PERCO, etc.) tailored to each customer’s specific needs.

Helping everyone to optimize their options when securing their life paths while retaining room for maneuver in face of the unexpected, reconciling insurance-based and asset-based strategies without forgetting that individuals, at different times of their lives, may find themselves in different situations frequently difficult to foresee: in a complex and unpredictable economic, financial and fiscal environment, these objectives emphasize the need for high-quality, well-informed, competent advisors, whose only interest is that of their customers. This is the goal of the training programs laid on for the customer advisors and wealth management consultants of Groupe BPCE.
Corporate philanthropy and culture

So jazz!
For the past three years, Natixis Global Asset Management has been the principal sponsor of the Newport Jazz Festival in the USA featuring celebrities and young jazz players; it also supports a study program allowing young musicians to pursue their musical training.

Orphée festival
For the 10th year in succession, the Crédit Coopératif Foundation is supporting the Orphée Festival organized every autumn in several towns in the Greater Paris area. This one-week festival of dance, drama and music is performed by disabled and non-disabled artists. The Crédit Coopératif Foundation is the joint founder of this annual event and has been the festival’s chief sponsor since its creation.

Giving tangible shape to ideas
Since 2013, the Banque Populaire Foundation has been helping young creative craftspeople to realize their life aspirations. It decided to sponsor Mathilde Cayrou, a young glassmaker and graduate from the School of Decorative Arts in Strasbourg, and support her with a grant to ensure the start of her career was free from financial worries.

Graphic novels: 30 years’ support
The main sponsor of the 9th art of comic books since 1984, the Caisse d’Epargne supports more than 30 festivals (including Angoulême), three national competitions (including the Schools Comic Book competition) and an online platform offering a major forum for young authors. This support helps ensure the vitality of a sector representing 12% of the book trade in France.
Défi Voile promoting research into multiple sclerosis

In 2013, Banque Palatine sponsored the Solidaires en Peloton sailing challenge initiated by the ARSEP Foundation aimed at finding a cure for multiple sclerosis. The bank supported the Foundation’s yacht in the Transat Jacques Vabre two-handed transatlantic race.

A natural sanctuary for marine turtles

Banque de Nouvelle Calédonie has signed a three-year agreement with the Lagoons aquarium in Nouméa to create a natural pool for three species of endangered New Caledonian turtles: the bighead, green and hawksbill sea turtle.

“If you want to leave a mark on the world, you have to express solidarity with it.”

Simone de Beauvoir

Accommodation and support

Solidarités Nouvelles pour le Logement has created a stock of 900 units to welcome, house and support the most disadvantaged members of society in their drive to return to active life. Crédit Foncier has been providing the association with its expertise and financial support since 2010. This partnership was renewed in 2013.

All types of music for all types of audience

The Caisse d’Epargne’s Esprit Musique initiative promotes music in all of France with the co-production of concerts, partnerships with 55 concert halls, the promotion of young talents, and a new partnership with the Radio Classique radio station to support the prestigious series of 16 concerts performed in the different regions.

“BEING RESPONSIBLE”
Panorama of activities in 2013

74 Facts and figures

Commercial Banking and Insurance
76 The Banque Populaire banks
80 The Caisses d’Épargne
84 Crédit Foncier
85 Banque Palatine
86 Overseas and international commercial banking
87 Insurance

Natixis: Corporate Banking, Asset Management and Financial Services
88 Wholesale Banking
89 Investment Solutions
90 Specialized Financial Services

Equity interests
92 Nexity – Maisons France Confort – Coface
Organization chart of Groupe BPCE at March 31st, 2014

8.8 MILLION COOPERATIVE SHAREHOLDERS

* Indirectly through local saving companies.
Facts and figures

36 million customers

(1) 2013 net income attributable to equity holders of the parent stands at €2.9 billion, presented pro forma to reflect the buyback (and subsequent cancellation) by the Banque Populaire banks and the Caisses d’Epargne of the CICs held by Natixis and excluding the revaluation of own debt.

Summary income statement (in millions of euros)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net banking income (NBI)</td>
<td>22,826</td>
<td>21,946</td>
<td>23,357</td>
</tr>
<tr>
<td>Gross operating income</td>
<td>6,691</td>
<td>6,011</td>
<td>7,476</td>
</tr>
<tr>
<td>Income before tax</td>
<td>4,889</td>
<td>3,743</td>
<td>4,663</td>
</tr>
<tr>
<td>Net income attributable to equity holders of the parent</td>
<td>2,669(1)</td>
<td>2,147</td>
<td>2,685</td>
</tr>
</tbody>
</table>

Business contribution to Group NBI(1) in 2013 (as a %)

- Commercial Banking and Insurance: 71%
- Specialized Financial Services (SFS): 12%
- Investment Solutions: 10%
- Wholesale Banking: 6%
- Equity Interests: 7%
- Total: 100%

Business contribution to Group income before tax(1) in 2013 (as a %)

- Commercial Banking and Insurance: 31%
- Specialized Financial Services (SFS): 15%
- Investment Solutions: 10%
- Wholesale Banking: 6%
- Equity Interests: 65%
- Total: 100%

(1) Excluding Workout portfolio management and Other businesses.

Business

(in billions of euros)

<table>
<thead>
<tr>
<th></th>
<th>12/31/2013</th>
<th>12/31/2012</th>
<th>12/31/2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance sheet total</td>
<td>1,123.5</td>
<td>1,147.5</td>
<td>1,138.4</td>
</tr>
<tr>
<td>Customer loans (gross loan outstandings)</td>
<td>590.7</td>
<td>586.5</td>
<td>583.1</td>
</tr>
</tbody>
</table>
Network activity

Banque Populaire banks
(in billions of euros)

<table>
<thead>
<tr>
<th></th>
<th>12/31/2011</th>
<th>12/31/2012</th>
<th>12/31/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial savings</td>
<td>69.4</td>
<td>66.0</td>
<td>65.9</td>
</tr>
<tr>
<td>On-balance sheet</td>
<td>123.0</td>
<td>132.8</td>
<td>141.2</td>
</tr>
<tr>
<td>Customer loans</td>
<td>154.8</td>
<td>160.0</td>
<td>165.5</td>
</tr>
</tbody>
</table>

Caisses d’Epargne
(in billions of euros)

<table>
<thead>
<tr>
<th></th>
<th>12/31/2011</th>
<th>12/31/2012</th>
<th>12/31/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial savings</td>
<td>118.6</td>
<td>118.1</td>
<td>118.5</td>
</tr>
<tr>
<td>On-balance sheet</td>
<td>226.6</td>
<td>240.7</td>
<td>251.9</td>
</tr>
<tr>
<td>Customer loans</td>
<td>171.0</td>
<td>185.3</td>
<td>200.9</td>
</tr>
</tbody>
</table>

Financial structure
(in billions of euros)

<table>
<thead>
<tr>
<th></th>
<th>12/31/2013</th>
<th>12/31/2012</th>
<th>12/31/2011(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity attributable to equity holders of the parent</td>
<td>51.3</td>
<td>50.6</td>
<td>45.1</td>
</tr>
<tr>
<td>Core Tier-1 capital</td>
<td>42.0</td>
<td>40.9</td>
<td>35.4</td>
</tr>
<tr>
<td>Tier-1 capital</td>
<td>47.3</td>
<td>46.5</td>
<td>41.1</td>
</tr>
</tbody>
</table>

(1) Data pro forma of the IRBA authorization of the Caisse d’Epargne network’s retail customer segment.

Capital adequacy ratios
(as a %)

<table>
<thead>
<tr>
<th></th>
<th>12/31/2011(1)</th>
<th>12/31/2012</th>
<th>12/31/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total capital adequacy ratio</td>
<td>11.6%</td>
<td>12.5%</td>
<td>14.4%</td>
</tr>
<tr>
<td>Tier-1 ratio</td>
<td>10.6%</td>
<td>10.7%</td>
<td>11.4%</td>
</tr>
<tr>
<td>Core Tier-1 ratio</td>
<td>9.1%</td>
<td>9.2%</td>
<td>10.8%</td>
</tr>
</tbody>
</table>

(1) Data pro forma of the IRBA authorization of the Caisse d’Epargne network’s retail customer segment.

Credit ratings at March 21, 2014

<table>
<thead>
<tr>
<th></th>
<th>Standard &amp; Poor’s</th>
<th>Moody’s</th>
<th>FitchRatings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term rating</td>
<td>A</td>
<td>A2</td>
<td>A</td>
</tr>
<tr>
<td>Short-term rating</td>
<td>A-1</td>
<td>P-1</td>
<td>F1</td>
</tr>
<tr>
<td>Outlook</td>
<td>Negative</td>
<td>Stable</td>
<td>Stable</td>
</tr>
</tbody>
</table>

The ratings concern BPCE and also apply to Groupe BPCE.
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 17 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.

3.9 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.

2013 significant events

Banque Populaire achieved record growth, attracting nearly 100,000 new individual customers and more than 10,000 new professional customers.

In private banking, its customer base exceeded 310,000, with 12,000 new customers. Assets under management amounted to nearly €60 billion, an increase of 4.2%.

Banque Populaire is the leading bank among businesses, with 41% of business customers, the leading bank for franchise holders, the second largest bank among craftsmen, small retailers and self-employed professionals. With the Envie d'Agir pact, Banque Populaire undertook to support investment and grant €7 billion in new loans in 2013, financing 100,000 projects. It kept its promise: €8.7 billion in loans were granted, and the bank obtained a further allocation from the European Investment Fund (EIF), which enabled it to offer an innovation loan with preferential terms.

Overall, loan outstandings rose by 3.5% and on-balance sheet savings rose by 6.3%.

Banque Populaire launched its new Web portal, ramped up the roll-out of electronic signatures across the network and enhanced the services available on smartphones.

Individual customers

With an almost 3% increase of its active customers, more than 65,000 Banque Populaire customers signed up for new products in 2013. Banque Populaire continued to attract young customers – a target segment – with a package of banking services that was awarded an Excellence label by Dossiers de l’Épargne, and the support of partnerships with La Mutuelle des étudiants (LMDE, “national student mutual insurer”). The partnership program with NRJ was enhanced with NRJ concerts to round out the offer, which already comprises the NRJ Banque Pop’ payment card launched in 2012, which has proved highly popular among young people.

Working closely alongside CASDEN Banque Populaire and the ACEF, initiatives in favor of staff of the French national education department and civil servants were reinforced. A new solution was also rolled out for employees and members of works councils and small- and medium-sized associations.

Banque Populaire signed a memorandum of understanding with Banque Centrale Populaire du Maroc, in which Groupe BPCE has a 5% shareholding, in order to make it easier for Moroccans living in France to hold bank accounts in both countries.

Services

Banque Populaire launched the new Affinéa account agreement, which enables customers to choose their own banking services.

Half of the bank’s Visa cards now allow contactless payments, and the digital wallet V.me by Visa was also launched, providing a simple and secure way to pay online.

Banque Populaire is rolling out single-use code authentication among its customers to combat fraud.

Loans and credit

Outstanding loans to individual customers amounted to €94.7 billion at December 31, 2013, a 6.4% increase on the previous year.

New home loans reached a record level, partly driven by individual customers renegotiating their loan terms owing to low interest rates. Despite the decline in the consumer credit market in France, new
Consumer loans were stable at close to €3 billion, notably due to the launch of the Prêt Projet loan for home renovations or a new car, which was backed by a dynamic TV advertising campaign. A debt consolidation solution was also launched.

**BancaSurance**
In line with its bancaSurance strategy, the Banque Populaire banks increased the number of customers holding insurance policies by 5% in 2013. This resulted in the sale of over 235,000 non-life insurance policies and nearly 91,000 provident and health insurance policies, increasing the corresponding portfolios by 14.2% and 7.6% respectively. Four new offers were launched: Protection Juridique, a single legal insurance policy covering the whole family, which largely outperformed its targets, ASSUR-BP Santé, a tailored health insurance policy currently being rolled out, Junior’Expat for students abroad, and an enhanced Sécuriplus offer.

**Deposits and investments**
Net on-balance sheet savings inflows increased by 3.8%, taking savings deposits to €80.3 billion. Selectio, a flexible offer based on term accounts, was optimized to facilitate its distribution. Nearly €380 million cooperative shares were subscribed. Off-balance sheet savings deposits – life insurance and UCITS – rose by 3.2% to stand at €47.4 billion at year-end 2013. Horizéo, a multi-investment life insurance policy intended to become the network's flagship product, was launched at the end of the year.

**Private banking**
Banque Populaire Gestion Privée supports its 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. The information provided to wealth management customers was revamped in 2013. Private Banking teams organized a series of successful “Rendez-vous patrimoniaux” meetings with private banking customers and various initiatives with the network's business centers.

**Professional customers**
Banque Populaire is the bank for small businesses, serving over a million professional customers. As a longstanding partner of the Chambres des métiers et de l’artisanat (“chambers of trade and craft industries”) and an 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 years. It ranks among the top three preferred banks of SMEs for the quality of its customer relations. At the end of 2013, outstanding loans to professional customers totaled €42 billion, an increase of 1.5% in an unfavorable environment for investment. Confirming its momentum and capacity for initiative, Banque Populaire launched the Visa Platinum Business payment card – a first in Europe – and published a free website to help its professional customers prepare

---

(2) 10th annual franchise survey by Banque Populaire/Fédération française de la franchise/CSA, December 2013.
(3) 2012 CSA Répôts survey.
Craftsmen, small retailers and franchise holders
Banque Populaire renewed its partnership with the European Investment Fund, which guarantees €900 million in loans to small businesses via the small-business mutual guarantee companies (Socama). As the bank of one in four franchise businesses, it joined forces with the Échos de la Franchise portal to enhance its visibility and leadership.

To help its customers in their transition to the digital era, the network rolled out the Direct et Proche solution, which provides craftsmen and small retailers with an online presence or store to enable them to showcase or sell their products simply and securely. The Direct et Proche smartphone app, which was launched alongside the full website offer, enables users to find craftsmen and small retailers located nearby.

Banque Populaire also developed contactless payments, which facilitate card payments for small amounts.

Self-employed professionals
Over 127,000 Banque Populaire customers are self-employed professionals. In 2013, it launched Liberal et vous, the first website dedicated to the issues facing self-employed professionals. It also developed a savings and financing solution to help self-employed professionals adapt their premises to the new disabled access requirements that will come into force in January 2015.

Farmers
The number of farmer customers increased by 2% in 2013, and now exceeds 64,300. Banque Populaire offers them a comprehensive solution including equipment finance, seasonal loans, farming warrants, hedging of the principal commodity prices and Direct et Bon – an online platform allowing producers to sell their agricultural products directly to consumers. In 2013, Banque Populaire revamped its savings offering to enable farmers to benefit from the tax deduction available on savings set aside to cover difficult periods.

Corporate and institutional clients
Close to 121,000 companies are Banque Populaire customers. They benefit from access to 150 business centers and nearly 1,000 specialized staff members. In 2013, the number of business customers that generated revenues of over €50 million rose by 4.1%. Over 184,000 institutions and associations have also chosen Banque Populaire as their bank. They form a key growth driver which the network intends to leverage with a tailored range of products and services.

Financing
Outstanding medium- and long-term loans to all business customers remained strong, amounting to €23 billion at year-end 2013. Banque Populaire was the first network to provide pre-financing for the Employment Competitiveness Tax Credit (CICE). Banque Populaire already receives European Investment Bank (EIB) funding for sustainable energy projects in various regions, and European Investment Fund (EIF) support to develop very small, small and medium-sized enterprises in the PACA region. It obtained a further €250 million in funding from the EIF to finance innova-
tion, which enabled it to launch the Innov&Plus loan. This loan is available to companies with fewer than 500 employees and can be used to finance nearly all investments in technical, industrial, logistics, marketing or sales innovation, for amounts between €25,000 and €7.5 million. Thanks to the support of the EIF, Innov&Plus offers attractive rates, personal guarantees from company directors are limited to 50% of the amount of the loans and the company can apply for other public financing and guarantee solutions.

Payment processing
The staff of the Banque Populaire banks have worked hard to support customers in their migration to SEPA credit transfers and direct debits, which replaced domestic transfers and direct debits in 33 European countries as of February 1, 2014. The Turbo Suite Entreprise solution and its mobile phone app have facilitated this migration. The mobile app was the first solution enabling customers to manage their business payment flows from a smartphone or tablet. 46,100 companies already use this multi-workstation, multi-profile, multi-company, multi-account, multi-bank and multi-currency cash management platform created by Banque Populaire.

International
Banque Populaire is the second largest French bank in terms of business customers with an international presence and 16% of its business customers conduct activities abroad. They benefit from comprehensive support: 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 structure.

BRED Banque Populaire, which serves a sizable customer base of international companies, has a subsidiary dedicated to international trade, which is present in Oceania, Djibouti, Laos and Cambodia. In 2013, Banque Populaire joined the Connector network of 15 banks, covering around 30 countries. Business customers can now benefit from simplified account opening procedures abroad and high-quality services in each country represented, notably in terms of cash 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 (EIF).

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. In 2013, they published the first edition of Bulletin d’opportunités: the volume and broad sector coverage of the businesses presented immediately made this publication a benchmark for vendors, buyers and their advisors.
The Caisses d’Epargne

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

4.9 million cooperative shareholders

The Caisses d’Epargne are wholly-owned by cooperative shareholder customers through local savings companies. The Fédération Nationale des Caisses d’Epargne is the institution providing deliberation, communication and representation for the Caisses d’Epargne and their cooperative shareholders.

2013 significant events

- 415,000 customers became cooperative shareholders.
- The Caisse d’Epargne attracted 173,000 additional individual customers, specifically among young people aged between 16 and 25.
- Private banking, which is growing fast, now has over 360,000 customers and around €100 billion in assets under management.
- The Caisse d’Epargne’s customers include over 300,000 professionals and over 40,000 companies, which means that the penetration rate has doubled in four years.
- As the leading provider of funding for the social economy, local authorities, the hospital sector, and the social housing sector, the Caisse d’Epargne increased its support for the French regional economy by 14%, by providing €45 billion in financing, including €42.8 billion in loans.
- Around 1 million new non-life and provident insurance policies were sold.
- On-balance-sheet savings increased by €19.7 billion (excluding centralized deposits) and loan outstandings by €15.6 billion.
- The Caisse d’Epargne was ranked among the 10 favorite companies in France for the second year running, and moved up one place in the ranking.

Individual customers

The Caisse d’Epargne, the bank for the whole family, has made nine commitments to its individual customers, beginning with a dedicated advisor who can be contacted via any channel, broad accessibility and bespoke solutions. The multi-channel branch system was boosted via the rollout of a new workstation in 2013. The Caisse d’Epargne generalized the use of electronic signatures, both at the branches and remotely, and continued to add to its services via fixed and mobile Internet, which make it accessible at any time.

Services and insurance

The 17 Caisses d’Epargne launched a Digital Safe that automatically gathers and classifies invoices and statements from different issuers in a secure area. 250,000 customers have already subscribed to this innovative service. The insurance offer was broadened through the addition of a Garantie Santé (“Health Guarantee”), an enriched version of the Garantie Famille (“Family Guarantee”), and a rental payment insurance for tenants in the event that they lose their job.

Loans and credit

New home loans, boosted by purchases, reached €24 billion, bringing loan outstandings to €104 billion, an increase of 9.6%. New personal loans amounted to €6.1 billion, an increase of 1.2% in a contracting market.

Investment solutions

Customers prefer secure, untaxed liquid savings. The uncertainty surrounding the economy and taxes encouraged liquid savings: demand deposits increased by €1.3 billion. The increase in the ceilings on Livret A and sustainable development passbook savings accounts was offset by a fall in the return on these accounts in the second half. Savings deposits increased by 1.2% to €308.5 billion.
Subscriptions for cooperative shares amounted to €1.2 billion. Life insurance outstandings increased by 1.4% to €101 billion. The Caisse d’Epargne launched an innovative mutual fund in order to satisfy a demand for performance that was revived by the trend in stock markets; the fund is eligible for French personal equity plans (PEA), and guarantees 90% of the capital invested with better return prospects.

Bancassurance
The Caisses d’Epargne performed remarkably well, distributing almost 1 million new policies. The portfolios included 3.8 million provident insurance, comprehensive home and car insurance policies and healthcare guarantees at the end of 2013.

Private banking
Private banking bases its expansion on its expertise and proximity, and has launched an ambitious program for its customers: 650 specialized advisors are involved in an advisory role alongside customers’ usual advisor at their branch. Around 150 branches have set up dedicated offices, while 20 Espaces Gestion Privée (“Private Banking Areas”) have opened in the main cities. A dedicated newsletter and magazine have been launched. The offer has also been broadened via the launch of the first Duflot Real Estate Investment Trust (SCPI) on the market, and via tax optimization solutions within the framework of the Girardin Social Housing System. The number of private banking customers increased by 6%, while assets under management, which amounted to €97 billion, made Caisse d’Epargne one of the market leaders.

Professional customers
Over 300,000 craftsmen, small retailers, self-employed professionals and small businesses are Caisse d’Epargne professional customers; 8 out of 10 are also private customers. The Caisse d’Epargne and the French Association of Chartered Accountants entered into a partnership in 2013 in order to help professionals access credit. Electronic funds-transfer solutions confirmed their momentum, with a 17% increase in the number of transactions, and a 14% increase in the payment processing. The Caisse d’Epargne became France’s third largest issuer of Visa Business(2) cards.

Growth in digital banking
Caisse d’Epargne customers have downloaded more than 3 million applications, completed 600,000 online sales and put their electronic signature to 16,000 contracts.

Corporate customers
The Caisse d’Epargne continued its strong expansion among corporate customers, and increased its visibility through new partnerships, including the national young entrepreneur award with La Tribune newspaper, a partnership with the French Young Managers’ Centre (CJD), and the young people’s business award, etc. Commercial payment processing increased by 16% to over €59.7 billion. New loans
amounted to €2.5 billion, while loan outstandings amounted to €7.6 billion, an increase of 13.1%. Term deposits also increased, and amounted to €7.6 billion at year end.

The Caisse d’Epargne helps strengthen regional companies’ equity capital through French Local Investment Funds (FIP), Innovation Mutual Funds (FCPI) and Venture Capital Funds (FCPR) that are managed regionally. In 2013, two new proprietary growth capital vehicles were set up, one by the Caisse d’Epargne Picardie, and the other by the Caisse d’Epargne de Bourgogne Franche-Comté.

Professional real estate

The Caisse d’Epargne is the leading bank in the real estate professionals market, including planners, developers and investors for all types of projects. The Caisse d’Epargne offers its customers comprehensive appraisal, advisory, audit and marketing services in partnership with Crédit Foncier Immobilier.

New loans increased sharply despite the depressed market, and amounted to €1.2 billion, raising the amount of loan outstandings to €2.6 billion, an increase of 24.6%, with solid growth in medium- and long-term financing for real estate companies and investment funds.

Social economy

The Caisse d’Epargne supports over 20,000 companies in the social economy sector, where it is the leading fund provider. It strengthened its positions with medium-sized and major corporate customers in the private education sector, and with health, medical and social care facilities in 2013.

New loans amounted to €622 million, a similar amount to 2012. The results of the savings segment were also excellent, with a €1.4 billion increase in on-balance sheet savings even though outflows were up 12% to €19.3 billion: on-balance sheet savings inflows were positive, at more than €1.4 billion gathered.

Protected persons

Over one in three protected persons, i.e. 300,000 individuals, are Caisse d’Epargne customers and, as such, have access to specialized advisors with dedicated solutions. The aim is to promote the independence of protected persons within a secure framework, and to simplify the everyday tasks of their legal representatives, as well as to provide investment solutions that meet the requests of guardianship judges. Savings deposits for this customer base amounted to €6.5 billion at the end of 2013.

Public sector

The Caisse d’Epargne is a major player in lending to local authorities, to their organizations and to public hospitals. It arranged €3.8 billion in new financing in 2013, some of which was arranged with Crédit Foncier. Loan outstandings amounted to €34.6 billion, an increase of 3%.

Thanks to its partnership with the European Investment Bank, the Caisse d’Epargne can finance projects to combat climate change, manage urban waste water, address the sustainable renovation of underprivileged districts, and modernize and develop hospitals at preferential rates. 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 financing infrastructure projects, and was awarded six public-private partnership projects in 2013, which amounted to almost €530 million in total. In this area, the Caisses d’Epargne are contributing to the development of the Grenoble Innovation University, to the modernization of the public lighting system in Cergy-Pontoise, and to building prisons. They are also providing local authorities with products that simplify their day-to-day management tasks, including services and social benefit payment vouchers, public procurement cards, and solutions for paying district services for residents via the Internet.

Social housing

The Caisse d’Epargne is the leading private bank for social housing organizations, whose buildings have been historically financed by Livret A passbook savings account deposits. As shareholders, the Caisses d’Epargne participate in the governance of one third of social housing companies and public housing offices, and are also operators themselves. The development in the social housing properties stalled in 2013, although tax measures and the release of government-owned land should encourage a recovery in new loan production. The Caisses d’Epargne committed €906 million to regulated social housing loans in 2013, together with Crédit Foncier, including state-sponsored rental accommodation loans (PLS), intermediate rental loans (PLI) and social lease-ownerships loans (PLSA). New medium-and long-term social housing loans amounted to €1 billion, bringing the amount of loan outstandings to €7.3 billion at the end of 2013. Meanwhile, inflows amounted to €72 billion, €2.5 billion of which were invested in Livret A passbook savings accounts, while commercial payment processing increased by 9%. Interest in employee savings schemes and service vouchers remained strong.

Habitat en Région

The Caisse d’Epargne is one of the leading private operators in social housing. Social housing enterprises and the low-income housing cooperatives related to them, like Erilia, Logirem and SIA, manage around 188,000 homes. The Habitat en Région collective, which was created in the form of an organization open to all social housing operators at the Caisses d’Epargne’s initiative, encourages dialogue and synergies, while respecting its members’ independence. It enables them to share their advances and to benefit from effective solutions, in order to optimally fulfil their public interest remit, including real-estate research, construction projects, equipment, energy audits and energy-saving certifications. Habitat en Région includes 28 member companies that house 423,000 people, and had over 5,000 homes under construction at the end of 2013.

Health: mastering complexity

In the health sector, characterized by pervasive regulation and the wide diversity of operator status, the expertise of the Caisse d’Epargne and the experience of the Caisses d’Epargne Foundation for Social Solidarity – which runs the largest network of institutions for the dependent elderly or disabled people in France – make all the difference. In 2013, the Caisse d’Epargne contributed to the proceedings of the UNIOPSS* congress on the topic of financing the real estate holdings of medico-social bodies.

* National Federation of Private Non-profit Health and Social Organizations.
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.

Crédit Foncier recorded an excellent commercial performance in 2013, including an increase of around 15% in new home loans (€11.7 billion in 2013). Crédit Foncier has made substantial progress in implementing the five priorities of its 2012-2017 strategic plan, including developing its core businesses in order to serve its national customers and customers within Groupe BPCE, accelerating the international asset disposal program, using refinancing methods alongside covered bonds, reducing its management costs (–6% over one year), and increasing synergies with other Group entities. Compagnie de Financement Foncier, a wholly-owned Crédit Foncier subsidiary, will handle part of its refinancing activity in favor of other Groupe BPCE institutions.

Individual customers
Crédit Foncier helps finance access to home ownership for existing and new housing. It is also involved in the rental investment financing and senior financing sectors.

In a hesitant market, new home loans to individuals amounted to €7.6 billion, an increase of 18%. Crédit Foncier reinforced its position as the leading provider of loans for low-income families, with a 46% market share in 2013\(^1\). It also increased its position in interest-free loans, with a market share of 25%.

Lastly, unemployment insurance and resale guarantees, which enable customers to secure their projects, met with great success.

Financing real estate investors and professionals
Crédit Foncier helps real estate investors and professionals (real estate companies, construction companies, investment funds, etc.) to execute their transactions. Crédit Foncier also makes its expertise in arranging and syndicating financing for transactions available to these operators.

New loans amounted to €1.9 billion in 2013, a decrease of 3.9%.

Furthermore, Crédit Foncier set up a dedicated Syndication and Coverage department, in charge of developing co-financing activities with bank and non-bank finance providers.

Public infrastructure
Crédit Foncier lends to local authorities and organizations in charge of social housing.

Its teams define and support the financing of large infrastructure projects, through complex structures like public-private partnership (PPP) agreements.

Crédit Foncier experienced high business volumes in the project and public-private partnership financing market, alongside the other entities in Groupe BPCE. It specifically took part in financing new buildings for the Grenoble Innovation University, and the Cergy-Pontoise public lighting network.

New loans were very strong in 2013, with a 23.3% increase compared with 2012.

Real estate services
The real estate services business is performed by Crédit Foncier Immobilier, a wholly-owned subsidiary of Crédit Foncier, which offers two service areas, namely advisory, research and appraisal services, as well as the marketing and management of real estate assets.

Its offering is intended for institutions, investors, operators in the residential or commercial real estate market, and large real estate owners. Crédit Foncier Immobilier also produces studies and forward-looking research on the property markets, which are awaited and noted with interest by professionals in the sector, and by public institutions, as well as by the media, for which they are a preferred source of information.

Following its third year in existence, Crédit Foncier Immobilier confirmed its ranking as the fourth largest French real estate advisory company, with revenues of €41 million before retrocessions, and a staff of 260 employees.

Financial transactions
The financial transaction business involves the refinancing of loans granted by Crédit Foncier or other entities in Groupe BPCE. The refinancing is primarily provided by Compagnie de Financement Foncier, a wholly-owned subsidiary of Crédit Foncier, which aims to refinance the individual mortgage and public sector lending activities through issues of covered bonds or securitization.

In addition to its traditional refinancing methods, Crédit Foncier is developing transactions involving the securitization of real estate mortgage loans.

Compagnie de Financement Foncier issued €3.5 billion in 2013.

\(^1\) Source: SGFGAS.
Banque Palatine

Dedicated to business banking and wealth management, Banque Palatine helps its customers achieve their personal and professional goals, as part of a long-term and bespoke relationship.

Banque Palatine is committed to establishing a true financial partnership with its customers, drawing on its recognized areas of expertise and high value-added advisory services, with solutions tailored to each customer.

Corporate customers
Banque Palatine continued its strong development among intermediate-sized enterprises (ISEs) with revenues ranging from €15 million to €500 million, its core target market. To further its goals, it specifically became involved in the award of the ASMEP-ETI top prizes for family-owned companies and ISEs organized by Les Échos and Capital Finance. It also awarded the “Ambitions d’Entrepreneurs” (“entrepreneurial ambitions”) trophies in partnership with i>TELE. Banque Palatine is very actively involved in the media, audiovisual and cinema sector; it partners the Directors’ Fortnight in Cannes, and was also involved in the tenth Television Creation Day event organized by the French Association of Audiovisual Professionals, as well as in the French Media Assembly. It was among the very first banks to offer its corporate customers advance financing of their Employment Competitiveness Tax Credit (CICE) in 2013. Banque Palatine has expanded its financing solutions, and has launched a bond offer intended for a very broad ISE target. This offer is based on the contractual Micado France 2019 bond fund, on the Novo marketplace funds, which enable insurance companies to fund unlisted SMEs and ISEs, and on partnerships with investors. Furthermore, the Bank organized a meeting in Rennes between around 15 Moroccan companies in the dairy and beef sector, and around 30 Brittany-based companies in the same sector. This initiative was in keeping with other measures to promote companies’ international development. As the leading bank for real estate managers and brokers in France, Banque Palatine has entered into a partnership with the Guy Hoquet L’Immobilier network, focusing on the administration and management of regulated accounts, and on making its offer dedicated to regulated professions in the real estate sector available to members of that network.

Private banking customers
Over 40% of Banque Palatine’s ISE customers are also private banking customers. This means that they benefit from a global wealth management approach. The bank rolled out its application for smartphones and tablets in 2013, and added the Visa Business, Visa Gold Business and Visa Electron cards to its bank card range. It also launched an innovative life insurance policy that includes bespoke funeral arrangements, and issued two structured products indexed on the Euro Stoxx 50, namely Palatine Europe Rendement 1 and Palatine Europe Actions 1. Lastly, the signing of a partnership agreement with Natixis Luxembourg enabled Banque Palatine to round out its private banking offer, especially in terms of internationalization of customer assets.

Asset management
Palatine Asset Management, which is renowned for its conviction-based management and responsiveness, was once again ranked among the top 10 asset-management companies in the Alpha League Table ranking. The company manages over 70 UCITS, around 10 of which have been rated four or five stars by Morningstar for their performance over one, three and five years. The range also includes seven SRI funds, three of which have been certified by Novethic. In 2013, the Uni-Hoche Investment Trust, which is dedicated to French large-cap stocks, won the Morningstar Fund Award for the fourth year running. Meanwhile, the Micado France 2019 fund, which invests in bonds issued by French ISEs, is a highly innovative investment vehicle that combines consistency, a long-term approach, and returns. The fund consists exclusively of fixed-rate six-year bonds with an annual coupon (with possible half-yearly coupons), and offers investors a solid diversity of sectors, while enabling the issuing companies to redeem the entire bond at maturity.

Entrepreneur Ambition Prizes
Banque Palatine and i>TELE award prizes to mid-sized firms and high-potential companies that innovate, drive exports and promote green and responsible growth.

52 branches
10,000 corporate customers
63,000 private banking customers
€7.3bn in loan outstandings
€16.1bn in savings deposits (on and off-balance-sheet)
Overseas and international commercial banking

Groupe BPCE is developing its commercial banking business outside mainland France through BPCE International et Outre-mer (BPCE IOM). Several Banque Populaire banks and Caisses d’Epargne also have cross-border activities. Some of them operate in the French overseas départements, like BRED, Caisses d’Epargne Ile-de-France(1) and Provence-Alpes-Corse(2). BRED Banque Populaire is making international development a major growth driver via a targeted strategy.

BPCE International et Outre-mer (BPCE IOM)

BPCE IOM has over 3,500 employees, and controls and develops a network of 10 banks in which it has a majority interest, and two specialized subsidiaries (Pramex International and Ingépar). BPCE IOM also manages the non-controlling interests in BNDA (Mali), BCP Maroc, Fransabank France, BCP Luxembourg, Banca Carige (Italy) and Proparco (France).

2013 significant events

In 2013, for the first time, all the entities in the IOM network drew up their strategy plans based the same priorities within the same time frame, i.e. 2017.

The BPCE IOM network added to its offering aimed at young people, and pursued a dynamic sales policy, which resulted in an increase of over 5% in active customers using banking services.

Banque des Antilles Françaises and Banque de la Réunion celebrated their 160th anniversary.

Banque de Tahiti and BTK in Tunisia entered into an agreement with the European Investment Bank aimed at financing local SMEs.

From a project standpoint, the financing of the GrandHôtel in Cayenne, and the Gouaro tourism resort in New Caledonia, as well as the second tranche of the Réunionnaise des Énergies 1 solar power farm illustrate the diversity of the bank’s involvement.

Banque Centrale Populaire du Maroc and the Banque Populaire and Caisse d’Epargne networks have designed a joint banking offer for their Moroccan customers living in France.

BPCE IOM sold 51% of BCP Luxembourg to Banque Populaire Lorraine Champagne and to Caisse d’Epargne Lorraine Champagne-Ardenne, which will therefore be able to provide greater support to their cross-border customers, and to expand in a neighboring region.

Ingépar and Pramex International

Ingépar arranges complex financing for assets overseas and in mainland France, including infrastructure, transport, and industrial projects, hotels and properties. In 2013, it was highly involved in the social housing sector, with over 1,400 homes spread between Reunion Island, Mayotte, French Guyana and Martinique, representing investments of around €300 million, financed through structured loans issued by Ingépar. Pramex International advises and supports the international development of some 1,000 SMEs and ISEs every year via more than 100 consultants in 15 countries. It is a partner for Ubifrance and Bpifrance, and strengthened its offer in the mergers & acquisitions sector for intermediate-sized transactions (between €15 million and €80 million) both in France and abroad in 2013. Pramex International advised on around 300 new projects over the year.

BRED Banque Populaire

BRED’s overseas operations include a network of 76 branches in the French overseas départements, as well as subsidiaries in Polynesia and New Caledonia. Buoyed by this experience, BRED is pursuing sustained and targeted growth in the Pacific (Vanuatu and Fiji), the Horn of Africa (Djibouti) and in South-East Asian countries (Laos and Cambodia), where it is a pioneer among European banks. The international and overseas operations involve a quarter of BRED’s employees, and accounted for around 45% of net income in 2013.

The banks in the BPCE IOM network

BPCE International et Outre-mer (BPCE IOM) represents the Group’s retail banking subsidiaries and equity interests outside metropolitan France. Its holdings include five banks in overseas French territories running 91 branches. Five other banks operate 103 branches in Africa and the Indian Ocean, where they frequently rank among the leading local banking institutions, in Cameroon, Congo-Brazzaville, Madagascar, Tunisia and Mauritius.

(1) Caisse d’Epargne Ile-de-France operates in Saint Pierre and Miquelon.
(2) Caisse d’Epargne Provence-Alpes-Corse operates in Martinique, Guadeloupe and Reunion Island.
Insurance

As a major integrated banking and insurance company on the French market, Groupe BPCE relies on dedicated subsidiaries and partnerships with key insurers. To become a fully-fledged banking and insurance company, the Group has begun setting up a single business platform within Natixis Assurances, which plans to acquire a 60% interest in BPCE Assurances within this framework.

The year saw a large number of regulatory changes, including a gender-neutral pricing policy, the inter-professional agreement on mandatory health insurance, the termination of insurance policies at any time, and the designing of the new euro growth and generation life insurance policies.

Life insurance

Several companies help design and manage life insurance policies distributed by the Group networks. CNP Assurances, France’s leading personal insurer, is a partner of the Caisses d’Epargne, with support from Ecureuil Vie Développement. This business generated €6.7 billion in premiums in 2013, an increase of 7% compared with 2012. The private banking policies accounted for 52% of the amounts generated. The portfolio includes 5.8 million policies.

Natixis Assurances primarily distributes its policies via the Banque Populaire network. It manages 1.4 million life insurance policies. Among other policies in 2013, it launched Horizéo, a new-generation life insurance policy that offers innovative rates and services, and earned €3.3 billion in premiums.

The Assurances Banque Populaire Vie, Natixis Assurances Partenaires and Vitalia subsidiaries were merged under the name of ABP Vie.

With the Assurément#2016 program, Natixis Assurances is preparing to take over the generation of new life and provident insurance policies within the Caisses d’Epargne network in 2016. Prépar-Vie, which is dedicated to the BRED Banque Populaire network, manages over 230,000 policies and generated €500 million in premiums.

Non-life, health and provident insurance

The non-life, health and provident insurance offering, which drives growth and customer loyalty, is distributed via the Group’s banking networks, and is primarily intended for individuals and professionals. This business, which has been supported by the Ambition Banquier Assureur program since 2011, continued to record strong growth. The target set in the 2014-2017 strategic plan is ultimately to cover one out of every three customers. BPCE Assurances, which is jointly owned with Macif and Maif, sold almost 670,000 policies via the Caisses d’Epargne, Crédit Foncier and Banque BCP. Acquired premiums (excluding non-banking insurance) rose by 11% to €587 million.

The Caisses d’Epargne distributed almost 930,000 new policies generated by BPCE Assurances and CNP Assurances, the Group’s other provident insurance partner. Internet enabled a significant number of sales to be generated, particularly in the car insurance and comprehensive home insurance segments. The new health insurance offer was launched in 2013, and was extremely well received by the Caisses d’Epargne; it is currently being rolled out across the Banque Populaire network.

Natixis Assurances, working together with Maaf, its non-life insurance partner, benefited from the momentum created by the Banque Populaire banks, Crédit Maritime and the regional banks(1). Its revenues in the non-life segment increased by 9% to €272 million, with a portfolio that exceeded 1 million policies. Natixis Assurances generated revenues of €205 million, up 4%, in the individual provident insurance segment.

Among its new products, Natixis Assurances launched a Protection Juridique (“Legal Cover product”), and added new guaran-

Payment protection insurance and guarantees

In payment protection insurance, Natixis Assurances, the Banque Populaire banks’ insurance subsidiary and CNP Assurances’ partner for the Caisses d’Epargne, earned €401 million in premiums, an increase of 20%. Compagnie Européenne de Garanties et Cautions (CEGC), a subsidiary of Natixis and the second largest issuer of real estate guarantees in France, generated €320 million in premiums in 2013.

Nuances Privilège:
Gold medal awarded by the magazine Le Revenu

BPCE Assurances:
96% of customers are satisfied

No. 1 for customer satisfaction

Source: Conde, July 2013.

(1) Banque de Savoie, CCSO, Banque Chaix, Banque Dupuy, de Parseval, and Banque Marze.
Natixis

Natixis is the international corporate, asset management and financial services arm of Groupe BPCE. It is active in three major areas, in which it boasts extensive expertise: Wholesale Banking (customer relations and consultancy services, capital market financing and solutions), Investment Solutions (asset management, insurance, private banking, and private equity) and Specialized Financial Services.

Wholesale Banking

The Wholesale Banking (BCG) division advises companies, institutional investors, public sector entities, private equity funds and the Groupe BPCE networks. Thanks to the expertise of its teams, combined with recognized research, it designs innovative bespoke financing and capital markets solutions to meet its customers’ specific requirements. It also offers them transactional banking services.

The Wholesale Banking division operates in major financial centers through three international platforms: North & South America, Asia-Pacific, and Europe, the Middle East and Africa (EMEA).

Coverage & Advisory

Thanks to a regular and in-depth strategic dialogue with their customers, the Coverage teams anticipate and meet their requirements by optimizing all the products and services offered by Natixis. Coverage operates in France (Paris and the French regions) and abroad, and primarily relies on the strategic advisory teams, including the mergers & acquisitions, financial optimization and ratings advisory services, and primary equity market teams. The Mergers & Acquisitions Team helps customers to prepare and perform disposal or merger, fund-raising, restructuring, or capital defense transactions. The Financial Optimization and Ratings Advisory Team becomes involved with customers at a very early stage in order to help them determine their equity capital and debt financing strategies. The Primary Equity Market Team provides customers with bespoke advice in transactions affecting the structure of their equity capital and their shareholder base; it has also acquired expertise in carrying out takeover bids or public exchange offers, and in implementing defense strategies in the event that the risk of a takeover emerges.

Structured finance

Natixis has global and international advisory, arranging, underwriting and financial engineering skills for the financing of aircraft, exports, infrastructure, energy and commodities, strategies and acquisitions, real estate, and investment engineering. New structured loans were very dynamic at €175 billion in 2013. In the energy and commodity financing area, Natixis confirmed its ranking with major traders and producers in the metals and fertilizer sectors in 2013, and was awarded a bronze medal for the “Best Trade Finance Bank in the Mining and Metals Sector”[14] in the aircraft financing sector, Natixis won several Deal of the Year awards for the following transactions: the R1 motorway in Slovakia, the Odebrecht and N’Goma offshore platforms, and the Nghi Son refinery[2]. The real estate financing team expanded its international business activities in 2013 via the signing of flagship transactions like the refinancing of the SELEC portfolio on behalf of LBO France (€620 million). In the strategic and acquisition financing field, Natixis was involved in major transactions in France and abroad, including the acquisition of Smithfield Foods by Shuanghui Group (a $4 billion deal between the United States and China).

Capital markets

Natixis offers its customers investment, financing and hedging products on the fixed income, credit, currency, commodity and equity markets. Despite a relatively adverse market in 2013 (fall in volumes and uncertainty regarding the trend in monetary policies, etc.), Natixis’ sales momentum reflected its Trading & Sales platform’s ability to offer solutions that were appropriate for its customers’ requirements. It continued to expand its capabilities to distribute loans to investors, by rolling out the Originate-to-Distribute model on a global scale. As a standard-setting operator in the primary euro bond market, Natixis ranked among the leaders for covered euro bonds for the third year running[13]. It was also in pole position on the primary euro bond market for French corporate issuers[44], and on high-yield primary corporate euro bond

No. 1 book runner in the euro-denominated primary bond market, acting for corporate French issuers in 2012 in number of deals.

Source: Dealogic.

No. 1 project finance arranger for public-private partnerships, concessions and public service delegations in France for the period running from January 2011 to June 2013.

Source: Magazine des Affaires, Mandated Lead Arranger rankings in number of deals.

No. 1 lead manager for covered bonds in 2013

issues\(^5\). The expertise of its financial engineering teams and the successful incorporation of the Strategic Equity and Fund Solutions businesses enabled Natixis to continue broadening its product offering on the equity markets.

**Transaction banking business**

Thanks to a close collaboration between Natixis and Groupe BPCE, the Group’s customers benefit from an effective Global Transaction Banking offer, including account and related cash products management, trade finance, and correspondent banking (2,700 banks covered in 150 countries).

**Research**

Natixis’ economic, credit, equity, and quantitative research helps design financial solutions that are appropriate for customers’ requirements, and contributes to the Bank’s financial innovation process.

**Investment Solutions**

The Investment Services division’s four businesses (Asset Management, Insurance, Private Banking and Private Equity) develop investment solutions tailored to the needs of Natixis and Groupe BPCE customers. These solutions cover the investment, asset management and advisory needs of private banking and institutional customers. The Investment Solutions division offers a wide range of expertise in asset management, which relies on a world-wide distribution platform tailored to the various specific characteristics and regulations of the markets in which it operates.

**Asset management**

Natixis Global Asset Management (NGAM) relies on around twenty affiliated asset management companies that implement their own investment strategies in all the main asset classes. As the 15\(^{th}\) largest global asset management company\(^6\), NGAM has strong positions in the United States and Europe, and is expanding in Asia. Against the backdrop of a gradual economic recovery and rising financial markets, the breadth of its offering and geographical coverage enabled it to perform well last year, including a sharp rise in assets under management, which amounted to €629.2 billion at the end of 2013, a year-on-year increase of 8.7% in constant euros. Assets under management grew significantly in the United States and Asia. Net inflows amounted to €13.4 billion in 2013, the highest level since 2007. NGAM benefits from the momentum of its global distribution platform, which aims to generate inflows for its asset management companies. It is rolling out its business activities on all five continents, by relying on offices in around 20 countries. 2013 was a record year for this centralized platform, in terms of providing its expertise to NGAM’s asset management companies throughout the world.

Natixis Asset Management is NGAM’s specialized European company, which had assets under management of €291 billion at the end of 2013, i.e. nearly 46% of NGAM’s total assets under management. It offers recognized areas of expertise in the main asset classes and portfolio management styles. Its activity is organized around six areas of expertise: Fixed Income, European Equities, Investment and Client Solutions, Volatility and Structured Products, Global Emerging, and Responsible Investment. Two new areas of expertise were created in 2013, namely Seeyond, which specializes in volatility and structured product management, and Mirova, an asset management company dedicated to responsible investing, which is a leader in several SRI fields, and became a subsidiary on January 1, 2014.

**Insurance**

Natixis Assurances designs and manages a comprehensive range of life insurance, provident and non-life insurance policies for individual, professional and corporate customers. Its products are distributed by Groupe BPCE’s networks, primarily via the Banque Populaire banks. Natixis Assurances operates in Luxembourg through its Natixis Life subsidiary, and in Lebanon, via equity interests in subsidiaries, in partnership with local private banks. Its aggregate revenues from all business activities amounted to €4.2 billion in 2013. Natixis Assurances recorded an increase of 36% in its gross life insurance inflows. Its life insurance outstanding increased by 4% to €39.2 billion in 2013, while inflows invested in unit-linked policies accounted for 18% of the total. Provident insurance increased by 14% in contribution terms, while non-life insurance contribution increased by 9%, which was a markedly higher increase than that of the market.

---

(2) Source: Project Finance International, December 2013
(3) “Best lead manager for covered euro bonds in 2012 and 2013”, and voted best merchant bank in 2011 by 200 issuers in the market, as part of a poll organized by The Cover, a EuroWeek publication that specializes in the covered bond market.
(4) Dealogic at December 31, 2013: Leading book-runner in terms of the number of issuers, “All French Corporate Bonds in Euros” ranking.
(6) Source: NGAM, 15\(^{th}\) global asset manager worldwide, Cermi, July 2013.
Private banking
Private banking is entirely dedicated to wealth management solutions for private investors. It includes Banque Privée 1818 on the French market, and Natixis Private Banking in Luxembourg. It is expanding its activities with the distribution networks, including Groupe BPCE networks, Independent Wealth Management Advisors (IWMAs), and direct customers. It provides a wide range of services through its Sélection 1818 platform, including discretionary portfolio management, the selection of UCITS, and life insurance policies, etc. Banque Privée 1818 also relies on the expertise of Sélection 1818, the leading banking platform in France(7), and on VEGA Investment Managers, which won the Eurofonds 2013 award for the best French investment management company in the 16/30 funds category in 2013. Private banking’s assets under management amounted to €22.4 billion at the end of 2013. Banque Privée 1818 confirmed the positive trend in its marketing collaboration with Group BPCE’s networks in 2013.

Private equity
Private equity covers the venture capital, growth capital and business transfer segments, as well as a fund-of-funds and investment advisory activity. It had €5.1 billion in assets under management at the end of 2013. Its six asset management companies adjusted to the challenging fund-raising conditions in 2013 by developing a range of innovative products and services tailored to investors’ needs.

Specialized Financial Services
The Specialized Financial Services division includes two major business line categories where the industrial approach and distribution issues are similar: Specialized Financing (factoring, guarantees and sureties, lease financing, consumer credit, and film and audiovisual finance), and Financial Services (payments, securities services and Stock Market transactions, employee savings schemes, pensions, service vouchers and collective provident insurance). These businesses are all key to serving the expansion of Groupe BPCE’s networks, i.e. the Banque Populaire banks and Caisses d’Epargne.

Factoring
Natixis Factor designs and manages customer receivable solutions for companies of all sizes, including factoring and financing, loan insurance, and notification and recovery of receivables. As the fourth largest factoring company(8) in the market, Natixis Factor generated annual revenues of €29.8 billion at December 31, 2013, an increase of 5%. This increase represents 7,500 new contracts signed with customers from Groupe BPCE networks, Natixis and a network of brokers in 2013.

Sureties and guarantees
Compagnie Européenne de Garanties et Cautions (CEGC), an insurance company, is Natixis’ guarantees and sureties platform. CEGC is ranked second in the French real estate sureties market for individual customers. It guaranteed €22.3 billion in loans (+44%) in 2013, in a market buoyed up by loan renegotiations. It is the joint market leader in real estate management, commercial properties and third-party office management services, and estate agency networks, and has issued almost 4,800 guarantees amounting to €6.7 billion in volume terms within the framework of the Hoguet Law. It guarantees the completed construction of 14,411 single-family homes in France, i.e. 25% of the market. CEGC also operates on the corporate market, and issued over 50,000 deeds in 2013, an increase of 16%.

Lease financing
Natixis Lease develops and distributes a range of integrated solutions that is one of the broadest on the market for equipment 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 economic environment remained tough, and new real estate leases fell by 8% to €679 million in 2013, while new equipment leases, refocused on Groupe BPCE’s networks, remained stable at around €1.6 billion. With new loans amounting to €234 million in 2013, Natixis Lease registered an impressive performance in terms of renewable energy financing, where the number of transactions arranged virtually doubled in one year.
Natixis Car Lease rolled out its new long-term vehicle leasing offering to most of the Caisses d’Epargne and Banque Populaire banks in 2013, and booked over 4,000 orders, i.e. an increase of 14.5% compared with 2012.

**Consumer credit**
Natixis Financement designs revolving credit and personal repayment loan offering for Groupe BPCE’s banking networks. New loans amounted to €738 billion (almost €1.1 billion in revolving loans, and over €6.8 billion in personal repayment loans). Total loan outstandings amounted to €15.4 billion at December 31, 2013, a year-on-year increase of 13%. Accordingly, the company consolidated its ranking as the third-largest French operator in the sector(9).

**Film and audiovisual financing**
Holding market-leading positions in France and Europe, Natixis Coficiné finances the full range of audiovisual professions. New loans amounted to €285 million in 2013, down 13% following strong growth in the 2012 fiscal year. The total amount of funds made available during the year was €625 million, a decrease of 2% compared with 2012.

**Employee benefits planning**
Natixis Interépargne and Natixis Intertitres are developing a full employee benefits planning range, including employee savings schemes, pensions, employee share ownership plans, collective insurance and service vouchers. Natixis Interépargne consolidated its ranking as the leading manager of employee savings accounts in France in 2013, with over 3 million employee accounts, i.e. a market share of 26.5%(10). Its collective savings pension plan offer recorded very strong growth, particularly in the corporate and institutional segments. The number of collective savings pension plan accounts increased by 30% in one year, bringing its market share in the account-keeping segment to 29.9%(11). The development of the employee savings offer for SMEs and professionals, which is distributed by the Banque Populaire and Caisses d’Epargne networks, continued in 2013 with almost 12,850 new agreements signed. The Chèque de Table® and CESU Domalin® service vouchers reported steady growth and recorded a 9.7% increase in terms of the total amounts issued, especially for major accounts and local authorities.

In 2013, Natixis anticipated the changes in the regulations planned for the first four months of 2014 by preparing the launch of its Apetiz meal voucher card.

**Payments**
Natixis Paiements includes the management of payment means and systems, and services for individuals. It manages payment transactions (checks, mass and single transactions, and electronic funds-transfers, etc.) via every interbank channel, and offers related services. As Groupe BPCE’s single payment operator, it processes payment flows for the Banque Populaire banks and the Caisses d’Epargne, and major French banking institutions, i.e. around 100 banks and financial institutions. Natixis Paiements, which is the third-largest payment operator in France with market share of over 20% both in processing systems and electronic funds-transfers, processed around 6.7 billion mass transactions in 2013. In the electronic funds-transfers sector, it manages over 17 million cards, and processed almost 3.5 billion card transactions in 2013.

**Securities services**
Natixis’ EuroTitres department provides custody services for retail and private banking customers, and has the leading open custody platform in France. In an environment characterized by the ongoing decline in transaction volumes, which affected all financial savings players, Natixis manages 4 million securities accounts.
Maisons France Confort

Maisons France Confort is the leading builder of single-family homes in France. The Group delivered almost 5,000 homes in 2013. As the leading operator in the access to home ownership sector in France, the Group is working on buildings that are increasingly environmentally-friendly (Concept MFC 2020). Its Rénovert brand is involved in the same way in the renovation market. Furthermore, Maisons France Confort also developed an offer that enables local authorities to offer land and house packages to first-time home-buyers at affordable prices in 2012, with the support of Groupe BPCE. Maisons France Confort’s consolidated revenues amounted to €516 million in 2013, a decrease of 8%. This figure demonstrates the Group’s strong resilience in a very depressed market.

Nexity

As the leading integrated real estate business operator in France, Nexity supports all aspects of its individual, corporate and local authority customers’ real estate activities via the broadest range of expertise, products, services and solutions, including transactions, management, design, development, planning, and advisory and related services. Nexity is firmly committed to its customers, the environment and society, and was awarded the Grand Prix des Pyramides d’Or by the French Real Estate Developers Association in 2013 for the Le Quartz development in Nantes, which stands out thanks to its modernity, sustainability and natural fit with the town’s historical architecture, and won the Innovation Award for Ywood Business l’Ensoleillée development in Aix-en-Provence, the first positive energy commercial complex in France built out of solid wood.

The Group has launched two highly innovative offers, i.e. a service charge and energy performance guarantee for companies, and a co-ownership service charge guarantee for individuals. The 2013 results confirmed the soundness of Nexity’s business model, its sales momentum and the quality of its management. Despite the adverse environment, the backlog amounted to €3.4 billion, an increase of 8%, i.e. 18 months of development activity, at the end of December. Revenues amounted to €2.7 billion, while current operating income amounted to €192 million. Nexity enjoys a sound financial structure, which was reinforced by a successful €200 million bond issue in January 2013.

Coface

Coface offers credit insurance solutions around the world to protect companies against the risk of the financial default of their customers. It also provides them with its analysis of risks by country, sector and company throughout the world. This analysis draws on its extensive international network. Coface also manages, for and with the backing of the French Government, guarantees intended to assist, support and secure French exports financed over the medium and long term, and French investments abroad. It generated revenues of €1.4 billion in 2013, a decrease of 3.1% compared with 2012, or –1.6% at constant consolidation scope and exchange rate. Credit insurance revenues declined by 1.2% in 2013 (at constant consolidation scope and exchange rates). The net reinsurance claims-to-premiums ratio was stable at 53.8% in 2013, compared with 53.4% in 2012.

Equity interests

(1) Based on rolling revenues for the past 12 months.
(2) Source: Le Moniteur, December 13, 2013.
(3) Internal source.
Design and production: BPCE, Corporate Communications Department.

Editorial consultants and text: Information & Conseil.

Artwork: Olimpia Zagnoli/Illustrissimo (front cover, back cover, p. 18, p. 38, p. 58); Damien Florébert Cuypers/Schierke (p. 2, p. 62 to 65 and back cover); Joachim Larralde/Talkie Walkie (p. 8-9, p. 42-43 and back cover); Human Empire (p. 44-45).

Comic strips: Jean Regnaud, screenwriter/Jean-Yves Duhoo, comic book artist (p. 24-29 and back cover).

Photos: Antoine Doyen (p. 8); Richard Brown (p. 20); FNBP historical-iconographic collection; FNCE, historical-iconographic collection; Philippe Castano/BPCE; Jean-Baptiste Epron; Yvan Zedda/BPCE; freres-capucins.fr; Babel – Noroc; BDDP & Fils – Getty Images (p. 22-23); Rdumond cg19, DR (p. 37); G2FENOYL (p. 40); Thomas Gogny/BPCE (p. 41); Éric Flogny/Picture Tank (p. 46 à 49); Fish2Eco-Energy (p. 46); Kréaction (p. 49); Olivier Schram (p. 51); Charly Limonier Okala (p. 52); Plein Axe (p. 54-55); ASO/Gautier Demouzaux; Gianluca Di Fazio; Christophe Launay; Philippe Millereau; Andy Parent; FFHB/Sportissimo/Stéphane Pillaud (p. 57); Jean-Marc Gourdon (p. 60); Mcrav Photography; David Revuetta (p. 70); Gill Chabaud; Romain Leblanc/Videokills; Marc Moitessier/FIBD 2014 (p. 71); Banque Palatine (p. 30, p. 33, p. 71); Banque Populaire Loire et Lyonnais (p. 32-33); Banque de Saint-Pierre et Miquelon (p. 53); BMOI (p. 33-34, p. 57); BPCE (p. 11-12, p. 14-16, p. 57); Caisse d’Epargne Loire Drôme Ardèche (p. 33-34); Caisse d’Epargne Nord France Europe (p. 49); Caisse d’Epargne Normandie (p. 30, p. 35); CASDEN Banque Populaire (p. 32, p. 35); Fondation d’entreprise Banque Populaire (p. 70); Natixis (p. 57); Natixis Assurances (p. 34-35); Natixis Milan (p. 32, p. 35); Thinkstock (p. 4-5, p. 68); Getty Images (background p. 67-68); Pel-mel family album composition: Jérôme Galland/Ln’B (p. 67-68).


This report is printed on X-PER Premium white, eco-responsible paper certified compliant with the FSC label for sustainable forest management.
Since Groupe BPCE’s creation, we have consciously pursued our strategic goal of growing differently. We focus all our resources on our 36 million customers (more than 8.8 million of whom are also cooperative shareholders of their local banks) by making innovation, high quality advice and service the proof of our commitment to cooperative banking. We give our 115,000 employees good reasons to be proud to work for the 2nd largest bancassurance group in France, boasting deep roots at a local level, close to its customers, committed to promoting an entrepreneurial and mutually supportive society. We create shared value by remaining true to who we are: cooperative bankers and insurers with a different perspective.