JULIA AND LUC ARE LOOKING FOR A BANK WHERE THEY’LL ONLY PAY FOR THE SERVICES THEY REALLY NEED

BERNARD, A BAKER, WANTS TO PREPARE HIS RETIREMENT AND THAT OF HIS THREE EMPLOYEES

PAUL AND FRANÇOIS WOULD LIKE TO BUY THE COMPANY THEY WORK FOR
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Organizational structure of Groupe BPCE

Groupe BPCE

8 million cooperative shareholders

20 Banque Populaire banks

17 Caisses d’Epargne

Commercial Banking and Insurance subsidiaries
- Crédit Foncier de France (100%)
- Banque Palatine (100%)
- BPCE International et Outre-mer (100%)
- BPCE Assurances (46.4%)\(^3\)

BPCE Central institution
71.5%

Natixis
28.5%

Equity interests
- Foncia (99.9%)
- Nexity (42.1%)\(^3\)

Free float

(1) Indirectly through Local Savings Companies.
(2) CICs: Cooperative Investment Certificates (economic interests, no voting rights).
(3) Via CE Holding Promotion.
(4) With the equity interest held by the Caisses d’Epargne in BPCE Assurances, the Group owns a 60% stake in the company.
Principal brands of Groupe BPCE

Commercial Banking and Insurance

CIB, Investment Solutions and Financial Services

Equity Interests
GROUPE BPCE, the 2nd largest banking group in France

Created in July 2009, Groupe BPCE is the second largest banking group in France with a total of 36 million customers, 8 million cooperative shareholders and 125,000 employees. Comprised of the networks of the Banque Populaire banks and Caisses d’Epargne in addition to specialized subsidiaries boasting expert knowledge in their business areas, the Group pursues all the activities of a commercial banking and insurance specialist and provides financial solutions through its corporate, investment management and financial services arm.

Its business model as a full-service banking institution is based on a three-tier structure:
• the two cooperative networks comprised of the 20 Banque Populaire banks and the 17 Caisses d’Epargne key banking institutions operating in the heart of the regions;
• the central institution – BPCE –, responsible for the strategy, control and coordination of the Group;
• the subsidiaries, including Natixis — a company listed on the Paris stock exchange CAC 40 index —, Crédit Foncier, Banque Palatine, BPCE International et Outre-mer, etc.
All the credit institutions affiliated to BPCE are covered by a guarantee and solidarity mechanism.

BRINGING TOGETHER THE PREFERRED BANKING INSTITUTIONS OF THE FRENCH

Inspired by the same ambition, the Group’s companies invest, innovate and work together to help their customers materialize their projects, to provide them with the best possible service over the long term, to meet new expectations and promote an entrepreneurial and socially-committed society.
Groupe BPCE is building on the commitment of its teams and their collective dynamism to become the group of preferred banking institutions of the French and of their companies.
# 2010 KEY FIGURES

## Earnings

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
<th>2008&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net banking income</td>
<td>23,359</td>
<td>21,227</td>
<td>16,096</td>
</tr>
<tr>
<td>Gross operating income</td>
<td>7,302</td>
<td>4,868</td>
<td>(241)</td>
</tr>
<tr>
<td>Operating income</td>
<td>5,648</td>
<td>723</td>
<td>(3,387)</td>
</tr>
<tr>
<td>Net income attributable to equity holders of the parent</td>
<td>3,640</td>
<td>537</td>
<td>(1,847)</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> 2008: pro forma figures.

## Financial Structure

### Equity attributable to the parent company

<table>
<thead>
<tr>
<th></th>
<th>12/31/2010&lt;sup&gt;(2)&lt;/sup&gt;</th>
<th>12/31/2009</th>
<th>06/30/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Tier-1 capital</td>
<td>31.9</td>
<td>28.5</td>
<td>26.3</td>
</tr>
<tr>
<td>Tier-1 capital</td>
<td>38.8</td>
<td>37.6</td>
<td>35.8</td>
</tr>
<tr>
<td>Tier-1 ratio</td>
<td>9.7%</td>
<td>9.1%</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

<sup>(2)</sup> Capital and capital ratios pro forma of the full reimbursement of the French State, Tier-1 ratio, excluding floor effect.

### Core Tier-1 ratio

<table>
<thead>
<tr>
<th></th>
<th>12/31/2010&lt;sup&gt;(2)&lt;/sup&gt;</th>
<th>12/31/2009</th>
<th>06/30/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Tier-1 ratio</td>
<td>8.0%</td>
<td>6.9%</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

### Capital adequacy ratio

<table>
<thead>
<tr>
<th></th>
<th>12/31/2010&lt;sup&gt;(2)&lt;/sup&gt;</th>
<th>12/31/2009</th>
<th>06/30/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital adequacy ratio</td>
<td>11.2%</td>
<td>10.9%</td>
<td>10.6%</td>
</tr>
</tbody>
</table>
### Business Performance

#### (in billions of euros)

<table>
<thead>
<tr>
<th>Category</th>
<th>12/31/2008</th>
<th>12/31/2009</th>
<th>12/31/2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance sheet total</td>
<td>1,143.7</td>
<td>1,028.8</td>
<td>1,048.4</td>
</tr>
<tr>
<td>Customer loan outstandings</td>
<td>264</td>
<td>277</td>
<td>301</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>294</td>
<td>303</td>
<td>315</td>
</tr>
<tr>
<td>Financial savings</td>
<td>193</td>
<td>200</td>
<td>204</td>
</tr>
</tbody>
</table>

### Credit Ratings

**as March 31, 2011**

<table>
<thead>
<tr>
<th>Ratings agencies</th>
<th>Long term</th>
<th>Short term</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard &amp; Poor’s</td>
<td>A+</td>
<td>A-1</td>
<td>Stable</td>
</tr>
<tr>
<td>Moody’s</td>
<td>Aa3</td>
<td>P-1</td>
<td>Stable</td>
</tr>
<tr>
<td>Fitch Ratings</td>
<td>A+</td>
<td>F1+</td>
<td>Stable</td>
</tr>
</tbody>
</table>
The Supervisory Board

The central institution of Groupe BPCE is a French joint stock company (société anonyme) governed by a Management Board and a Supervisory Board. The role of the Supervisory Board is to maintain constant oversight over the managerial activities of the Management Board. This oversight includes monitoring the appropriateness of actions taken and their regulatory compliance. The cooperative shareholders are represented on the Supervisory Board by the Chairmen of the Banque Populaire banks Boards of Directors and by the Chairmen of the Caisses d’Epargne Steering and Supervisory Boards.

The Supervisory Board of BPCE is comprised of 18 members:
• seven members from the Banque Populaire banks, including five Chairmen of Boards of Directors and two Chief Executive Officers,
• seven members from the Caisses d’Epargne, including five Chairmen of Steering and Supervisory Boards and two Management Board Chairmen,
• four independent members, three of whom are women.

Three specialized committees assist the Supervisory Board in its deliberations and decisions:
• the Audit and Risks Committee, chaired by Marwan Lahoud, an independent member;
• the Appointments and Remuneration Committee, chaired by Laurence Danon, an independent member;
• the Cooperative Committee, chaired by Philippe Dupont.

The Supervisory Board of BPCE at December 31, 2010

Philippe Dupont(1)
Chairman

Yves Toublanc(1)
Vice-Chairman

Representatives of the Banque Populaire banks

Gérard Bellemon(2)
Chairman of the Banque Populaire Val de France

Thierry Cahn(3)
Chairman of the Banque Populaire d’Alsace

Pierre Desvergnes(1)
Chairman of CASDEN Banque Populaire

Stève Gentili(2)
Chairman of BRED Banque Populaire

Jean Criton(1)(3)
Chief Executive Officer of the Banque Populaire Rives de Paris

Bernard Jeannin
Chief Executive Officer of the Banque Populaire Bourgogne Franche-Comté

Representatives of the Caisses d’Epargne

Catherine Amin-Garde(2)
Chairwoman of the Steering and Supervisory Board of the Caisse d’Epargne Loire Drôme Ardèche

Francis Henry(1)
Chairman of the Steering and Supervisory Board of the Caisse d’Epargne Lorraine Champagne-Ardenne

Pierre Mackiewicz(2)
Chairman of the Steering and Supervisory Board of the Caisse d’Epargne Côte d’Azur

Pierre Valentin(3)
Chairman of the Steering and Supervisory Board of the Caisse d’Epargne Languedoc-Roussillon

Bernard Comolli(1)(3)
Chairman of the Management Board of the Caisse d’Epargne Ile-de-France

Didier Patault
Chairman of the Management Board of the Caisse d’Epargne Bretagne-Pays de Loire

Independent members

Laurence Danon(2)
President of the Executive Board of Edmond de Rothschild Corporate Finance

Marwan Lahoud(3)
Director of Strategy and Marketing and member of the Executive Committee of EADS

Marie-Christine Lombard(3)
Chief Executive Officer and Chairwoman of TNT Express

Maryse Aulagnon(2)
Chief Executive Officer and Chairwoman of the Affine Group

The following attend meetings

Jean-Luc Débarre,
Pierre-Éric Randrianarisoa
representatives of the BPCE Works Council

(1) Member of the Cooperative Committee.
(2) Member of the Appointments and Remuneration Committee.
(3) Member of the Audit and Risks Committee.
Our world experienced profound change in 2010 and Groupe BPCE, given the scale of its transformation during the year, was no exception to this rule. The first change brought about during the year was the simplification of our corporate structures through the integration of pre-existing bodies, representing vital progress in our drive to ensure the Group’s greater coherence. This operation provided an opportunity to confirm the organization of our business lines into two divisions dedicated to Commercial Banking and to Corporate & Investment Banking and Financial Services, while reinforcing the positions enjoyed by our insurance and real-estate financing subsidiaries within these structures.

2010 also proved to be a year of positive changes in our financial situation. Our improved health allowed us to start reimbursing the support received from the French State. This reimbursement – which we initiated in the autumn – provided an opportunity to revise our corporate governance in favor of greater autonomy, greater professionalism and greater independence. I would like to take this opportunity to thank Maryse Aulagnon and Marie-Christine Lombard for agreeing to join our Supervisory Board and for allowing us to benefit from their experience.

In many respects, 2010 was a year when BPCE regained control of its destiny. All the credit for this goes to the work completed under the stewardship of François Pérol, work crowned with many successes during the year, notably the inclusion of Natixis in the CAC 40 share index. This success is an achievement shared by all the Group’s employees.

This recovery reached a climax in the month of March 2011 with the final reimbursement of all the funds provided by the French State. We will now be relying on our own strengths to rise to the challenges of the post-crisis period. These challenges include in particular that of adapting to the new regulatory constraints governing our level of capital and liquidity. It is clear that the gradual implementation of the Basel III regulations will require us to be even more careful in the management of these rare resources that we had grown used to considering as an available, if not abundant, source of funding. This will not be the case in the future, and we will increasingly have to ensure – just like our competitors – that we make the right choices and reserve our investments for projects that seem both the most profitable and the most concordant with our corporate mission.

The same will be true for the management of our liquidity, which will become – of this we can be sure – a strategic advantage in the competition between banking institutions. Here once again, easy access to liquid funds is a thing of the past. Apart from the improvement of our signature in the money markets and the conditions governing our ability to draw on this market to satisfy a part of our financing needs in the future, it will be our commercial banking activities that will assume the vital task of channeling stable and inexpensive financial resources from our customers.

The essential strength of our Group resides in its ability to count on its presence in the global financial markets just as much as on its deeply-rooted presence in the day-to-day reality of the French regions. This will be the key to our future successes.

Philippe Dupont
Chairman of the Supervisory Board of BPCE
Message from François Pérol, Chairman of the Management Board of BPCE

A PAGE IS TURNED

In 2010, for its first year as a fully-fledged banking institution, Groupe BPCE confirmed the strength of its recovery with the announcement of a net profit of €3.6 billion. Above and beyond the fine economic performance achieved in what remained an unsettled business environment, these results allowed the Group to fully reimburse the outstanding balance of the support provided by the French State and, in so doing, turn the first page in its nascent history.

The 2010 results are seven times greater than those reported the previous year. They reflect the initial success of the efforts made by all the Group’s entities to return to levels of profitability more consistent with its potential after two financial years severely impacted by the international financial crisis. Overall, net banking income increased by 10% to reach a total of more than €23 billion, reflecting the dynamic performance of all our business lines.

In the Commercial Banking and Insurance division, the net income generated by our different business activities amounted to almost €2.9 billion, representing 75% of the aggregate net income of the Group’s core business lines. Both loan outstandings and savings inflows enjoyed rapid growth in all Group networks, chiefly those of the Caisses d’Epargne and Banque Populaire banks but also Crédit Foncier de France and Banque Palatine. At the same time, BPCE International et Outre-mer began to post profits once again. Another sign of the outstanding dynamism of the Commercial Banking and Insurance activities is the fact that the Group has significantly increased its number of active customers and has managed to attract larger numbers of new clients, thereby increasing its market share.

At the same time, Natixis has achieved a spectacular recovery. The exceptional professionalism of its people and their enthusiastic implementation of the “New Deal” initiative made it possible to take full advantage of this plan first launched in 2009. The core business lines of Natixis delivered an outstanding performance: the net banking income of the Corporate & Investment Banking arm rose 12%, while that of the Specialized Financial Services and Investment Solutions increased by 10% and 15% respectively. With net income attributable to equity holders of the parent in excess of €1.7 billion, Natixis’ return to profitability is now established. The proposal to renew distributing dividends is a concrete illustration of this achievement. It should also be emphasized that Natixis at the same time has also managed to substantially reduce the total of its so-called GAPC (workout portfolio management) assets, with the risk-weighted assets managed by this structure reduced by almost 50% since the creation of the Group.

In 2010, the active pursuit of the objectives defined by the Group in its “Together” strategic plan for 2013 has led to significant savings. Thus, for an overall savings target of one billion euros generated from cost synergies, a total of €433 million has already been achieved. The Group is consequently ahead of the timetable it has set itself in this respect.

It is true that the more favorable economic environment in 2010 compared with the previous two years facilitated the faster recovery of Groupe BPCE, just like that of all French banking institutions. But if this improvement in the business environment is
reflected in the 2010 results, it is also because the new organizations set up within the Group have demonstrated their cogency and are beginning to bear fruit. In this respect, the 8-point reduction in the Group’s cost/income ratio provides a perfect illustration of the substantial improvement in its operating efficiency. Similarly, the Group’s risk profile has been considerably reduced, with a 60%-decline in the cost of risk compared with 2009.

The reimbursement in March 2011 of the €2.2 billion still owed to the French State had no impact on the solvency of Groupe BPCE. The Group’s core Tier-1 ratio stood at 8% at the end of 2010(1), up from 6.4% in June 2009. As a result, the Group can be confident in its ability to comply with the new Basel III capital requirements at the beginning of 2013.

These encouraging results, achieved ahead of the timetable in the strategic plan, are the direct result of the outstanding performance delivered by the core business lines, which is itself the result of the transformations completed in recent months and the active commitment of all our employees to continuously enhance customer service.

Groupe BPCE can now pursue a new phase in its development: the consolidation of its growth. It will have to continue its pursuit of the goals and respect of the timetable established in the “Together 2013” project. Steps must also be taken to continue improving the Group’s operational efficiency and to increase the revenues generated by collaboration between Natixis and the retail banking networks.

Future success will depend on the continued efforts made to adapt to new markets and to the new needs and expectations of our customers, to whom the Group will continue to provide the best possible quality of service while remaining increasingly attentive to their requirements. This success also depends on the continued promotion of customer relations and the growth of market share. It will also depend on the Group’s development in the international arena.

BPCE is a major cooperative group of socially-committed, responsible and profitable banks. In 2011, the Group will continue to strengthen its positions and pursue the ambitious development of all its core business lines. It has everything it needs to succeed.

François Pérol
Chairman of the Management Board of BPCE

(1) Pro forma of the redemption of preference shares held by the French State.
At the service of the 2nd largest banking group in France, BPCE is the central institution common to the Caisses d’Epargne and the Banque Populaire banks.

- It defines the policy and strategic objectives of the Group and its networks.
- It takes all measures enabling it to oversee the Group with respect to its liquidity, capital adequacy, risk management and internal control procedures.
- It represents the Group and its networks on regulatory bodies and negotiates national or international agreements on their behalf.
- It coordinates the sales policies.
- It represents the Group and its networks as an employer.

BPCE is owned on a 50/50 basis by the 20 Banque Populaire banks and the 17 Caisses d’Epargne. BPCE owns a direct interest of 71.5% in the capital of Natixis.

Set up in the form of a French joint stock company (société anonyme) governed by a Management Board and a Supervisory Board, BPCE enjoys the status of a credit institution.
THE GENERAL MANAGEMENT COMMITTEE

The General Management Committee is comprised of seven members – including the five members of the BPCE Management Board appointed by the Supervisory Board. The General Management Committee is chaired by the Chairman of the Management Board.

François Pérol
Chairman of the Management Board

Nicolas Duhamel
Member of the Management Board
Chief Executive Officer
Finance

Olivier Klein
Member of the Management Board
Chief Executive Officer
Commercial Banking and Insurance

Philippe Queuille
Member of the Management Board
Chief Executive Officer
Operations and Oversight for the reorganization of the central institution

Jean-Luc Vergne
Member of the Management Board
Chief Executive Officer
Human Resources

Laurent Mignon
Chief Executive Officer of Natixis

François Riahi
Deputy Chief Executive Officer
Strategy

THE EXECUTIVE COMMITTEE

The Executive Committee includes the members of the General Management Committee in addition to:

François Blancard
Chief Executive Officer of Crédit Foncier

Géraud Brac de la Perrière
Director, Internal Audit Department

Christianne Butte
Director, Corporate Legal Department, and General Secretary

Bruno Deletré
Chief Executive Officer of BPCE International et Outre-mer

Isabelle Maury
Director, Risk Management Department

Laurence May
Director, Corporate Compliance and Security Department

Yves Messarovich
Director, Corporate Communications Department

(1) The French title of directeur général (“Chief Executive Officer”) should not be construed in the legal sense used in article L. 225-66 of the French Commercial Code.
“Together”, Groupe BPCE’s strategic plan for 2010-2013, mobilizes all Group companies in the aim of making them the banks of choice of French people and businesses. The projects included in the plan are proceeding on schedule and generating results at a faster pace than expected.

CLEARLY IDENTIFIED BUSINESSES, COST AND REVENUE SYNERGIES
Groupe BPCE is focusing its development on its core businesses, which are directly involved in the collection of savings and the financing of the economy: Commercial Banking and Insurance, Corporate and Investment Banking, Investment Solutions and Specialized Financial Services. Real estate has been refocused on the financing activity. Other businesses are managed as equity interests.

The Group offers a comprehensive range of banking and financial services to all customers via the development of synergies between its businesses in the service of its customers. It is pooling its resources and projects in order to enhance its performances and competitiveness.

PRIORITIES
• Develop relationships built on trust, closeness and a capacity to offer advisory services.
• Gradually build up international presence in a medium- to long-term perspective.
• Manage scarce financial resources (cash, equity) with a view to ensuring balanced growth in a medium- to long-term perspective.
• Develop the skills of Group employees.

FOUR PRINCIPLES FOR ACTION
• Embrace a strategy of sustainable performance by taking a long-term approach to Groupe BPCE’s decisions and positions.
• Develop a service-based corporate culture by making the customer relationship and the advisory offering central to the Group’s businesses.
• Promote initiative and an entrepreneurial spirit by involving all of the Group’s stakeholders in the changes in its businesses, thereby helping usher in the bank of the future.
• Foster local relationships and take advantage of diversity by expressing the full potential of a cooperative group for the benefit of economic and human development.

BUSINESSES PROJECTS
• The Banque Populaire banks are focusing their business development on the long-term support and expansion of their customer base. Their 2013 goals are to boost customer acquisitions among target clienteles in order to gain profitable market share, to roll out a multi-channel strategy tailored to customer expectations, and to strengthen brand awareness around the notions of proximity and advisory services.
• The Caisses d’Epargne are focusing on revitalizing their business. Their 2013 goals are to intensify their customer relationships in order to foster loyalty and enhance satisfaction (whether they be individuals, professionals, companies or associations), to adapt the bank’s organization and distribution channels to make it more accessible at all times and by all means, and to strengthen the image of modernity and confidence of the Caisses d’Epargne.
• In line with their positioning (protection of customers, their families and property), the two brands intend to adopt a dual positioning in banking and insurance. They also aim to significantly improve their operational efficiency.
• Natixis serves its customers and the Group’s banking networks. It has become an integrated and coordinated company that systematically cross-sells to its own customers and seeks to generate revenue synergies with the networks. Its 2013 goals for its core businesses are to bring NBI to €7 billion, with a cost/income ratio (excluding the GAPC) of 60% and a return on equity of more than 12%.

CROSS-ENTITY INITIATIVES
• Customer relations. The Group aims to stand out by means of the skills of its sales force, with an approach focused on customer needs and the quality of its advisory services, and thanks to the closeness of the relationship, regardless of the channel used.
Natixis at the service of the customers and of the banking networks. Sales relationships have been intensified to make Natixis the leading provider of products and financial services to the banking networks and their customers. The 2013 goals are to post additional NBI of €810 million.

Operational efficiency. Leverage will be obtained in four areas so as to benefit from the scope of the Group’s businesses: pooling of purchasing, sharing of best practices, regional and/or national cooperation, optimization of IT systems. The 2013 goals are to deliver €1 billion in cost synergies.

HR Efficiency. The success of the Group’s plan requires commitment from its employees. Groupe BPCE is ushering in new human resource policies aimed at making it a reference employer in France thanks to the wealth and appeal of career paths, the quality of training, managerial relationships, working conditions and social dialogue.

2010 RESULTS AND 2013 OBJECTIVES

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net banking income</td>
<td>€21.2bn</td>
<td>€23.4bn</td>
<td>&gt; €25bn</td>
</tr>
<tr>
<td>Additional NBI between Natixis and the networks</td>
<td>–</td>
<td>€262m</td>
<td>€810m</td>
</tr>
<tr>
<td>Cost synergies generated (aggregate)</td>
<td>–</td>
<td>€433m</td>
<td>€1bn</td>
</tr>
<tr>
<td>Cost/income ratio</td>
<td>77.1%</td>
<td>68.7%</td>
<td>66%</td>
</tr>
<tr>
<td>Return on core businesses (ROE)</td>
<td>7%(1)</td>
<td>14%</td>
<td>&gt; 14%(1)</td>
</tr>
<tr>
<td>Core Tier-1 ratio (Basel II)</td>
<td>6.9%(2)</td>
<td>8.0%(2)</td>
<td>&gt; 8.0%(3)</td>
</tr>
</tbody>
</table>

(1) Standard ROE approach: capital allocation to business lines based on 7% of risk-weighted assets (compared with February 25, 2010 following a change in methodology – the ROE of core business lines was 6% in 2009 and the 2013 target is over 12%).
(2) Pro forma of the reimbursement of the French State’s preferred shares.
(3) Objective set under the Basel II rules.

2010: SOLID RESULTS, AHEAD OF THE STRATEGIC PLAN TARGETS

Simplification of the Group’s structure and organization. A new governance organization has been adopted, and the composition of the Supervisory Board was reviewed. The Group structure has been simplified with the merger of the equity investment holding companies with BPCE. The consolidation of international stakes within BPCE International et Outre-mer has been completed.

Sustained growth and revenue synergies. All businesses contributed to the Group’s NBI growth of 10%: +8% for the Commercial Banking and Insurance division, thanks to strong sales momentum and the expansion of the underlying business, and +13% for Natixis. Revenue synergies between Natixis and the networks represented €262 million, thanks mainly to consumer credit and leasing.

Operational efficiency and cost synergies. There was an 8-point improvement in the cost/income ratio. The creation of BPCE Achats, the convergence of the Caisses d’Epargne IT systems, the unification of IT production in Natixis, the pooling of the payments, leasing and securities businesses within Natixis and the creation of an industrial platform for check processing for both networks in the East of France generated €433 million in cost synergies.

Significant reduction in the risk profile. The Group cost of risk decreased by 60%. The amount of Natixis assets under workout management was nearly halved, and these assets had no significant impact on the 2010 results.

Strong earnings growth. Net income attributable to equity holders of the parent was multiplied by 7 to €3.6 billion. The Commercial Banking and Insurance division contributed €2.9 billion (+56%) and Natixis €979 million. The Equity Interests division made a positive contribution.

Improvement in the Group’s capital adequacy ratios and reimbursement of the French State. The core Tier-1 ratio has firmed by 160 basis points since the creation of the Group on June 30, 2009. The Group reimbursed the French State in the amount of €4.1 billion in 2010, buying back preferred shares and redeeming super-subordinated notes. The quality of its results, more than 80% of which will be retained to further strengthen the financial structure, allowed the Group to finish reimbursing the State ahead of the strategic plan target (repayment of the balance of €2.2 billion by the end of Q1 2011).

The Group is confident in its ability to comply with the new Basel III capital requirement without recourse to the market, with a target core Tier-1 ratio of more than 8% in 2013.
COMMERCIAL BANKING AND INSURANCE

No. 2 BANK FOR INDIVIDUAL CUSTOMERS

No. 1 BANK FOR SMEs

No. 2 BANK FOR SELF-EMPLOYED PROFESSIONALS AND ENTREPRENEURS

No. 1 PRIVATE BANKING INSTITUTION FOR THE SOCIAL HOUSING MOVEMENT

No. 1 PRIVATE LENDER TO LOCAL AUTHORITIES AND THE PUBLIC HOSPITAL SECTOR

(1) Source: Banque de France.
(2) Source: TNS Sofres 2009.
(3) Source: Pépites 2009-2010 survey (CSA research).
(4) Internal source.
TOGETHER in action

MORE THAN ONE IN TWO FRENCH PEOPLE ARE A CUSTOMER OF A GROUPE BPCE BANK

At the core of the Group, Commercial Banking relies on the two networks and their deep roots in the French regions: the Banque Populaire banks network, including CASDEN Banque Populaire and Crédit Coopératif, and the Caisses d’Epargne network.

Other brands round out the Group’s offering: Crédit Foncier, a major player in real estate financing, Banque Palatine, focused on business banking and wealth management, Crédit Maritime Mutuel, serving customers active in the coastal economy, as well as other subsidiaries building on affinities, partnerships or regional presence.

COMBINING PROXIMITY AND EXPERTISE

To provide their customers the services, advice, financing and investment solutions they require, Groupe BPCE’s commercial banks use their full expertise, with the support of the Group’s specialized subsidiaries. Through their presence at the heart of each region, the Group’s banks provide their customers with a combination of proximity, promising knowledge of regional issues, and local decision-making power, guaranteeing a quick response.

At the same time, customers benefit from the advantages gained from the pooling of resources at Group level, which enables greater investments in innovation and the development of high-performance, powerful processing platforms. All this contributes to the quality of service and the competitiveness of offers in revolving credit, insurance, asset management, factoring, leasing and many other areas.

INTERNATIONAL: AN AREA OF GROWTH FOR TOMORROW

Outside France, the Group is developing its commercial banking activities in the French overseas départements and territories, in the Indian Ocean, around the Mediterranean basin, in Central Africa and Central and Eastern Europe. This international presence is set to expand gradually, through organic growth and targeted acquisitions of medium-sized banks.

COMMERCIAL BANKING AND INSURANCE IN FIGURES

| No. 2 IN FRANCE | 8,000 BRANCHES |
| 36 MILLION CUSTOMERS | NET BANKING INCOME €15.1 billion |
TOGETHER, CLOSER TO THE CLIENT

Example: multi-channel banking and pertinent advice

Meeting customer expectations with a continuum of service supported by a variety of channels, available and instantaneous, with offers and solutions truly personalized and tailored to the needs of the customers, and, at the heart of the service, a personal advisor assigned to each customer.

Through sharing their ideas and their knowledge of their customers, as well as pooling their expertise in innovation, CRM (1) and management, the banks of Groupe BPCE provide their customers with the best and the most pertinent service in banking and insurance.

At stake: much more satisfying relationship between customers and their banks.

TOGETHER MORE COMPETITIVE

Example: new products for the networks’ customers

By sharing analyses, means and expertise, the Caisse d’Epargne and Banque Populaire networks may advance faster in product innovation to the benefit of their customers. Upstream pooling of part of the product-development process can shorten time to market. As an example, the networks had great success in marketing credit debit cards: quick launch, product quality, and appropriate support were the ingredients for this success.

At stake: high level expertise available to the greatest number at the lowest possible cost.

TOGETHER MORE EXPERT

Example: BPCE L’Observatoire

In 2010, Groupe BPCE launched BPCE L’Observatoire, a publication and a website devoted to economic issues central to its core business: Commercial Banking and Insurance. Thanks to its expertise, the Group has positioned itself at the heart of economic debate. The first issue was devoted to pensions, a major concern – and one that has a major impact on the behavior of the French population in terms of savings. BPCE economists explored the demographic, economic and societal dimensions, while at the same time illustrating the retirement aspirations of the French population.

At stake: taking up positions at the heart of economic debates.

TOGETHER MORE ENTREPRENEURIAL

Example: serving market participants

Groupe BPCE, amid a mostly unfavorable economic context, actively mobilized all its entities to meet its commitments to support the economy. With its outstanding loans up 8%, more than the average for French banks, the Group was a major player in financing the economy in 2010. Local authorities, households and businesses found the necessary financing and support from their banks.

At stake: more entrepreneurial banks and economic agents.

(1) Customer Relationship Management.
The Banque Populaire Banks

Created by and for entrepreneurs, the Banque Populaire banks are a group of banks operating closely with businesses. As France’s 4th largest retail banking network, they include 18 regional Banque Populaire banks, the Crédit Coopératif (supporting social and solidarity-based economy), and CASDEN Banque Populaire (a bank for staff of the French Ministry of National Education, Research, and Culture). Under the Group’s strategic plan, the Banque Populaire banks have established ambitious targets based on ongoing customer support and the acquisition of profitable market shares.

## COOPERATIVE BANKS

As cooperative banks, the Banques Populaires are 80%-owned by 3.8 million cooperative shareholders. The remaining 20% is owned by Natixis in the form of cooperative investment certificates (CICs). In order to represent and develop the interests of the Banque Populaire banks and their shareholders and to promote the regional and cooperative model of the Banque Populaire banks, the Fédération Nationale des Banques Populaires (FNBP) was created in 2009 under the initiative of Banque Populaire’s executive management.

In 2010, the Banque Populaire banks continued to grow. Their net revenues totaled €6.2 billion(1), their gross operating income was €2.3 billion, and their net income attributable to equity holders of the parent share was €1.1 billion.

<table>
<thead>
<tr>
<th>20 Banque Populaire banks</th>
<th>€184 billion in customer savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.8 million cooperative shareholders</td>
<td>€146 billion in customer loan outstandings</td>
</tr>
<tr>
<td>3,301 branches</td>
<td></td>
</tr>
<tr>
<td>7.8 million customers</td>
<td></td>
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(1) Scope of consolidation: 20 Banque Populaire banks and their subsidiaries.
ANTOINE (24), A PHYSICAL THERAPY GRADUATE, IS LOOKING FOR A LOAN TO SET UP HIS PRACTICE

BANQUE POPULAIRE HELPS YOUNG PHYSICAL THERAPISTS SET UP THEIR PRACTICES WITH A SERVICE SPECIFICALLY DESIGNED FOR THEM.

DOES HE REALIZE?

Launched in 2010, this service is able to satisfy all the needs related to this crucial moment by providing these young professionals with information, assistance with administrative formalities, insurance, help with drawing up their forecasted income statement and financing plan and, naturally, personal contact with a Banque Populaire account manager prepared to set up the necessary loans. A new, dedicated website has also been created. A partner of the French Order of Physical Therapists, the French Federation of Physical Therapists (FFMKR), and the National French Federation of Physical Therapy Students, Banque Populaire plays an active role in the “starting out” seminar organized by the FFMKR. Physical therapists, nurses, speech therapists, and physicians: the health sector boasts the arrival of nearly 19,000 new professionals every year. With Libéral Avenir and a range of solutions tailored to each profession and each situation, they can count on the support of Banque Populaire.

INDIVIDUAL CUSTOMERS

The Banque Populaire banks have made successful efforts to increase the number of products and services provided to their active customers and to acquire new clients, particularly among youths, young professionals, and public employees. The number of individual customers has grown by 40,000.

Attractive offers for young customers
21.5% of the Banques Populaires’ individual customers are under the age of 28, and 155,000 of them are new since 2010. In 2008, the network became the first to offer the Prêt étudiant garanti par l’État (student loan guaranteed by the French government). They also offer security deposits and loans not requiring a parent co-signer to LMDE national student mutual group subscribers in order to help finance their studies or rent an apartment. Designed for young professionals, the Avance Premiers Salaires helps customers under 28 to get off to a good start by offering them loans; for one euro only, for up to two months of their salary, repayable over a period of 24 months. Launched in 2009, this loan became available in 2010. Another initiative geared toward young people is the NRJ cobranded payment card. Various designs are available, including a 3D image of the radio station’s famous panther. There is also a website that provides cardholders with opportunities to win concert tickets, CDs, and DVDs and to find discounts for partner companies.

With Cartego, launched in 2010, customers can customize their bank card with any picture they want. This new feature is already a great success among customers of all ages.

Solutions for public workers
CASDEN Banque Populaire has more than a million member shareholders, including nearly 900,000 TSMT(2) customers from the French Ministry of National Education, Research, and Culture. It has 109 regional offices, nearly 5,000 educational correspondents in schools, and a group of personal advisors, some of which, according to the banks, are specifically responsible for national education customers. In collaboration with CASDEN, Banque Populaire banks provide special training to better meet the needs of this specific clientele.

In 2010, for the first time in its history, CASDEN launched a corporate press campaign in France to increase brand awareness among its target customers.

The Banque Populaire banks are also partners of the Associations pour le Crédit et l’Épargne des Fonctionnaires (ACEF), created in order to provide savings and loan products to public workers under preferential terms. In 2010, business canvassing initiatives were geared mainly toward medical schools, with nearly 200 events held throughout France, and its first appearance at the Salon National Infirmier (nursing tradeshow) in Paris.

(2) TSMT: Tout Sous le Même Toit (“All under the same roof”), offered by CASDEN and Banque Populaire banks since 1978.
Strong demand for loans
Personal loan production was up 33%, with mortgage production rising 44% and consumer credit falling slightly. As of the end of 2010, these outstandings totaled €73.2 billion and €7.1 billion respectively.
The Banque Populaire network has significantly increased the number of customers to whom it provides revolving credit, doubling its account subscriptions compared to 2009, with 230,000 new accounts, 201,000 of which were generated through Facelia, the new debit/credit card.
In addition, lending activity generated €331 million in financing during 2010. Revolving credit outstandings amounted to €399 million at the end of 2010, including €85 million from Facelia, for a portfolio of 452,000 accounts.

Resources up sharply
Customer deposits were up 6.9%. Savings account outstandings, term deposits, and regulated home savings plans have also increased significantly. Life insurance assets were up by 7.7%, totaling €40.6 billion. Non-money market UCITS were stable, reaching €6.5 billion at the end of 2010. Personal Equity Plan assets totaled €3.74 billion. Three new Fructi Sécurité guarantee funds were launched. Subscriptions totaled €400 million.
For the first time, five tranches of BPCE bonds were marketed as a life insurance or securities accounts. They collected a total of €207 million.

PRIVATE BANKING
Banque Populaire private banking serves wealthy customers with €150,000 to €1 million in assets and high net worth customers with more than €1 million in assets. It targets professionals, self-employed professionals, and business owners.

Strong inflows
Banque Populaire provides a comprehensive range of services, including fiscal optimization and wealth-taxshelter products, a selection of investments in French overseas départements and territories, up-market structured finance products (available, in particular, in life insurance solutions), advisory services geared to the transfer of business assets and, more broadly, aimed at assisting customers in the creation, management, and transmission of their wealth. Clients enjoy access to a dedicated website, a monthly newsletter and a magazine – Synthèses – that boasts reference status in its area.

The year saw the development of a Wealth Management Agreement that underscores the quality of service provided. A premium non-life insurance offer was designed with Natixis Assurances and the entire UCITS private banking line was overhauled with Natixis Asset Management. One of the objectives of private banking is to develop a dual banking relationship (professional and family) with business owners, and best practices are followed within the Banque Populaire banks throughout the year. The number
of wealth management and high net worth customers increased by 10.2%. Inflows have continued at a sustained pace. Up 9.2%, assets under management totaled €42.4 billion at the end of 2010.

SMALL BUSINESS CUSTOMERS

With its customers including nearly 56,000 farmers, one out of every two franchisers, and a craftsman and small retailer penetration rate of 26.4%, Banque Populaire is truly the reference banking institution among small businesses.

Highly active in all operations surrounding business start-ups and transfers, the Banque Populaire banks reaffirm their operations through established professionals, particularly in savings, provident insurance, electronic payment systems, and cash flow solutions. At the end of 2010, outstanding small business loans totaled €31 billion, which was stable compared to 2009, and assets and demand deposits were at €10.3 billion, representing an increase of 5.2%.

Supporting business creations and takeovers

Partner of the main networks assisting entrepreneurs and leading distributor of business start-up loans, with a market share of 26.4%, the Banque Populaire network finances more than 70,000 projects each year. With Crédit Coopératif, they provide microloans through ADIE (Association pour le droit à l’initiative économique), a leading provider of microloans in France. Since 2004, about 20,000 loans have been issued, totaling more than €54 million. Through partnerships with Socama (small business mutual guarantee companies) and the European Investment Fund, they facilitate projects for entrepreneurs and buyers of small businesses without requiring a personal guarantee.

Leveraging partnerships with craftsmen and small retailers

A longstanding partner of the Chambers of Trade and Craft Industries (Chambres de métiers et de l’artisanat), the Banque Populaire banks have gone into partnership with the National Entrepreneurship Week (Séména nationale de la création reprise d’entreprises artisanales), providing advisory services to many people with plans for new businesses. As the bank of future craftsmen and small retailers, they have a special offer for apprentices, who account for 20,000 of their customers. As the reference banking institution among both franchisees and franchisers and a longstanding partner of the French Franchise Federation, the Banque Populaire banks have an active policy of enlisting new partners into the franchise network. More than one hundred of them are able to offer their members privileged relationships with local branches. In 2010, the Banque Populaire banks were involved in projects involving more than 200 different brands. Already associated with the Chambers of Commerce and Industry for the Challenge du Commerce et des Services (small business challenge), they supported the first ever Échanges du Commerce organisé (Organized Trade Symposium). In 2010, they launched an offer geared toward small retailers set up as franchises.

A ROAD MAP FOR ENTREPRENEURS

Designed to assist people nurturing plans for new business ventures, the 3rd edition of the Carnet de route du créateur et du repreneur (“Road map for entrepreneurs and buyers of small businesses”) dedicated to craftsmen and retailers appeared in 2010. Published by Banque Populaire in association with the Permanent Assembly of Chambers of Trade and Craft Industries (APCMA), the Agency for New Business Creation (APCE), the MAAF mutual insurance company and the EDF public utility, this road map highlights the specific area of the different partners, namely consultancy services, insurance, financing and efficient energy management.

STARS & MÉTIERS: EXCEPTIONAL... EVERY SINGLE DAY!

Jointly awarded with the Chambres de métiers et de l’artisanat (Chambers of Trade and Craft Industries), this national prize is awarded to artisans who have achieved outstanding results thanks to their commercial dynamism, innovation and human resource management. In 2010, more than 2,000 application files were received and 7 exceptional craftspeople were awarded prizes.

CYBERPLUS PAIEMENT ► LEADER IN ELECTRONIC PAYMENT SYSTEMS

With more than 40% of its customers equipped with bank cards and more than 162,000 active contracts with shopkeepers, Banque Populaire is a front-ranking player in electronic payment systems designed for professionals. The CyberPlus Paiement solution is one of the market leaders in online retailing.
Self-employed professionals: full service
The Banque Populaire banks provide active support to young self-employed professionals. By providing help with setting up business, financing, services, and electronic banking packages, the Atout Libéral line is tailored to the needs of each and every profession, with a particularly strong focus on the healthcare industry. Sesam-Vitale (social security card) reader terminals and credit card processing machines are very popular. The same is true for credit card payment processing fees. As a pioneer in employee savings plans for self-employed professionals, the Banque Populaire banks offer the only intercompany group plan for retirement savings. In 2010, they offered an innovative Biohealth property fund (FCPI), an innovation mutual fund geared for healthcare professionals.

Becoming the second most popular bank among farmers
In 2010, the Banque Populaire banks celebrated 20 years of commitment to farmers. About 18% of French farmers are customers of the Banque Populaire banks, which are aiming to become number two in terms of market share. With a stake in the national agricultural support initiative, they distribute stimulus loans to farmers who have been adversely affected by the crisis within their business or by climatic events. More than €90 million have been issued as part of this program. The Banque Populaire banks offer social and tax advice for farmers, with simulation tools that integrate all available programs, precautionary savings solutions, employee savings plans, retirement savings plans, economic risk insurance, weather insurance, and animal epidemic insurance. Farm tourism activities and direct sales represent a growing share of income for many farmers. In the first quarter of 2011, the Direct&Bon Internet portal will allow farmers to create e-commerce online stores. With a strong presence in the field, the Banque Populaire banks have established partnerships with many farming and ranching organizations. Each year, they award the Prix national de la dynamique agricole et de la pêche (National Dynamic Farming and Fishing Award) to reward the ability of farmers to undertake and promote their production.

SMEs AND INSTITUTIONAL CLIENTS
The Banque Populaire banks are the financial partner of 38% of companies with more than 10 employees. With 167 business centers and a thousand employees, the banks serve nearly 221,000 corporate clients, representing a net increase of 2.8%. Their main areas of focus include new customer acquisition, payment processing, and international business support.

€300 MILLION AT PREFERENTIAL RATES FOR SMEs
This is the size of the line of credit made available to the Banque Populaire banks by the European Investment Bank to finance loans granted to SMEs. Three times larger than in 2009, this funding envelope makes it possible to offer investment loans at preferential interest rates low-interest to companies with fewer than 250 employees.

ENTERPRISING AND DYNAMIQUE... JUST LIKE THEIR BANK
The M6 TV channel’s Un projet, une équipe (“one project, one team”) series of short programs sponsored by Banque Populaire highlights dynamic and enterprising people and shows how the bank and its partners can help them achieve both their private and professional ambitions. Further information is provided on the www.unprojet-unequipe.com website for visitors looking for expert advice.
Increased lending and new services

In terms of loans, the Banque Populaire banks continued to provide medium- and long-term support to businesses with a 3.4% increase in outstanding loans, for a total of €16.6 billion in 2010. They have also been active in distributing other sources of business financing, including real estate leases (for which Groupe BPCE is the market leader), non-real estate leases (in partnership with Natixis Lease, ranked 4th in France), and receivables financing (with Natixis Factor). This subsidiary provides customers with company information, credit insurance, receivables management, and factoring.

In 2010, the Banque Populaire banks deployed its online market guarantee service, developed with the Compagnie Européenne de Garanties et Cautions and with the support of Natixis Paiements, they launched Rémunération, an innovative prepaid card for paying employees. Much focus has been placed on implementing the EBICS and Swiftnet solutions to replace the ETEBAC protocols used by 45,000 business customers for payments and data exchanges. This is an opportunity to offer more integrated and more secure solutions with Click & Trust and CertEurope. It is also an opportunity to undertake projects to streamline payment processing and to adopt the new SEPA resources used throughout the euro zone.

With the support of Natixis, the Banque Populaire banks have launched a new foreign exchange and commodity hedging offer. Plans for 2011 include broader international cash management and the targeted development of export documentary credits. In addition, the partnership established with the Moroccan Banque Populaire banks facilitates the operations of small- and medium-sized businesses in either country seeking to expand in France or Morocco.

Social economy: supporting consolidations

Starting with Crédit Coopératif, which is dedicated to the social economy sector, the Banque Populaire banks serve more than 175,000 institutions and associations. With a strong presence in supplementary health insurance companies, pension funds and employee benefit savings funds, they promote their development and projects through increased consolidation.
The Caisses d’Epargne

For nearly two centuries, the Caisses d’Epargne have combined confidence, solidarity and modernity. The second largest retail banking network in France, they are among the leading banks in their region. The Caisses d’Epargne serve individuals, private banking customers and professionals, managing their savings and providing financial support for their plans. Partners of the decision-makers of France’s regions, they are the leaders in public-sector financing, public housing and the social economy. In 2010, the banks’ net revenues totaled €6.8 billion, their gross operating income amounted to €2.3 billion and their net income attributable to equity holders of the parent amounted to €1.3 billion.

4.3 MILLION COOPERATIVE SHAREHOLDERS

The 17 Caisses d’Epargne are regional cooperative banks. They are 80% owned by 4.3 million cooperative shareholders through local savings companies (LSC). Natixis owns the remaining 20% in the form of cooperative investment certificates.

The Fédération Nationale des Caisses d’Epargne (FNCE) is the body providing deliberation, communication and representation for the Caisses d’Epargne and their cooperative shareholders. The FNCE’s mission includes guiding the relationships of the Caisses d’Epargne with their cooperative shareholders, training their elected representatives and directors at the local level, and determining and promoting the corporate social responsibility activities of the Caisses d’Epargne.
Caisse d’Epargne has decided to base its growth on outstanding customer service and on strengthening the relationship between the savings banks and their clientele. The Group’s strategic plan structures the retail bank’s initiatives and actions around this dual objective. The challenges: to enhance business relationships and to retain and satisfy customers in all markets.

These strategic initiatives fuelled dynamic activity in 2010, in particular with a 2.2% increase in the client base of active individual customers. Customer savings and deposits rose by 2% to reach €319 billion at year-end 2010. Loan outstandings grew by 10.9% and amounted to €104 billion.

INDIVIDUAL CUSTOMERS
New freedoms, new relations

In 2010, Caisse d’Epargne continued to innovate in its service offering and relationship methods. In order to take into account its customers’ aspirations, the bank offers them personalized advice and a choice of services to meet their goals.

Two major launches characterized the year, with one point in common: to give customers the freedom to choose based on their needs. Izicarte, a Visa payment card, allows customers to opt for payment by cash debit or credit for each purchase. It also offers an extended warranty. Bouquet Liberté, which replaces the Satellis packages, allows each customer to build his or her own banking services package in addition to essential account keeping services.

In terms of customer relationships, Caisse d’Epargne wants to enable each customer to manage his or her transactions or to get in touch using any chosen method: in the branch, or via telephone, Internet or mobile banking. The customer may even choose to have a personalized advisor for a face-to-face relationship in the branch or 100% remotely. This arrangement takes the form of the www.monbanquierenligne.fr project rolled out at the end of December in five Caisses d’Epargne. All the banks will be operational in June 2011. The launch in 2010 of a full set of services available via smart phones (iPhone, Blackberry and Android) is part of this strategy.

The reference banking institution for young adults

In June 2010, Caisse d’Epargne launched a full program designed for young adults between 18 and 30 years old. It builds on a close relationship between each young adult and an appointed advisor in the branch.

In this context, new dedicated offerings have been developed that meet their principal needs: managing their account on a daily basis with the Futéo package (essential services for €1 per month) or financing their studies with student loans, among others. They can pay for housing with a special co-tenancy offering and purchase multi-risk renter’s insurance at very reasonable rates. Lastly, to get from one place to another, Caisse d’Epargne offers solutions to finance a vehicle like Lizauto, a leasing product with a purchase option starting at €99 per month.

Communication is not forgotten with a new area called Direct Ecureuil Jeunes 18-30 ans on www.caisse-epargne.fr, a presence on Facebook, on Twitter, partnerships with MSN and seloger.com, the Caisse d’Epargne blog lesgrandespremières.fr completely dedicated to young adults, and a widespread advertising campaign.
This program has met with great success among young adults, particularly with 103,500 Futéo packages sold.

Loans
Caisse d’Epargne strengthened its positions in consumer credit. Loan production reached €6 billion, an 8.1% increase compared to 2009. Production of new mortgage loans exceeded €22.2 billion, representing growth of 70% over 2009. With close to €85.6 billion in loan outstandings managed at year-end 2010, Caisse d’Epargne’s market share continued to grow, reaching 10.26%. Caisse d’Epargne is also the third largest distributor of 0%-interest loans with more than 47,000 0%-interest loans distributed in 2010.

Savings
Stock market volatility and the rise in regulated rates in the second half of the year slowed outflows from Livret A savings accounts and benefited the Livrets Grand Format savings products and PEL home savings plans. These two products also posted very good performance, with €2.1 billion in inflows over the year.

BPCE bonds brought in €2.6 billion with, for the first time, a loan option as part of a life insurance product. Inflows from sales of Caisse d’Epargne cooperative shares totaled €1.1 billion. Excess inflows in life insurance amounted to €4 billion.

Private banking: strong growth
Caisse d’Epargne’s private banking business serves close to 305,000 customers and relies on 550 private banking account executives. It posted strong growth in 2010 with a net surplus of €3.4 billion, a 46% increase over 2009. A new range of UCITS was established during the year to better meet demand. Caisse d’Epargne continued to roll out a structure that provides private banking customers with special treatment. These customers are served by a customer manager for day-to-day business and by a private banking account manager for their wealth management needs. Dedicated Private Banking areas are open in the largest population centers. Seven were opened in 2010 in Versailles, Lyon, Grenoble, Nice, Reims, Dijon and Besançon, and 14 others are planned for 2011.
SMALL BUSINESS CUSTOMERS

The year was characterized by a noticeable turnaround in business from the professional market, fuelled by relationships formed with new customers creating, developing or taking over a business. The number of Caisse d’Epargne small business customers exceeded 235,000, including shopkeepers, craftspeople, self-employed professionals and very small businesses. Close to 1,200 specialized account managers are dedicated to serving small business customers’ needs. New training programs as well as data input and management tools were implemented in 2010 to support the ambitious objectives of the teams. Net banking income exceeded the €427 million threshold in 2010, a 9.1% increase.

A buoyant market

The production of medium-and long-term loans to small businesses grew by 28% to €2.3 billion. Average daily outstandings rose by 12% to €2.8 billion, while net inflows, including Livret A savings plans, amounted to €255 million.

The momentum continued in the franchise and organized trade business. New partnerships were formed with Yves Rocher, Les Échos de la franchise.com and some twenty major brands.

From creating a business to transferring one, and all the business development requirements in between, small business customers have a full range of simple and personalized products available to finance their needs. Professional solutions include equipment loans, financial leasing, long-term leasing or factoring. On a daily basis, Caisse d’Epargne provides support to small business customers in order to make deposits and cash management easy.

A BANK CARD IN YOUR IMAGE

Caisse d’Epargne, the leading issuer of Visa cards in France, is launching a bank card customization service. Thanks to this 100%-customizable offer, customers are free to choose the illustration printed on their bank card by uploading a picture or personal creation, or by choosing an illustration from the permanent collection provided by Caisse d’Epargne. The service is available in savings bank branches and via the Internet on www.caisse-epargne.fr/visuel-carte.

BERNARD (45), A BAKER, WANTS TO PREPARE HIS RETIREMENT AND THAT OF HIS THREE EMPLOYEES

DOES HE REALIZE?

CAISSE D’EPARGNE OFFERS PROFESSIONALS AN EMPLOYEE SAVINGS SOLUTION SPECIFICALLY DESIGNED FOR THEM

Box Office enables managers and employees to save over the medium and long term within a favorable tax and social security contributions framework: an Inter-Company Savings Plan (PEI) or a Collective Inter-Company Retirement Savings Plan (PERCO-I) or, indeed, both at the same time. Employees can pay as much as they like into each of these schemes.
THE BANK OF THE DECISION-MAKERS OF FRANCE’S REGIONS

As regional development banks, the Caisses d’Epargne aim to be “the Bank of the Decision-Makers of France’s regions” and are providing themselves with the means to do so. As such, regional development banking offers a network of 150 business centers that work with all economic players participating in local and regional development: businesses, social economy, institutions, public sector, social housing organizations, semi-public entities and professional real estate companies. Through its overall banking approach, Caisse d’Epargne supports all players in the regional economy. Accordingly, decisions are made quickly and take into account the specific characteristics of the local economic environment. New business lines are emerging, such as technical sales to support the account managers. A dedicated executive manager in each Caisse d’Epargne oversees the entire regional development banking function.

The business was sustained with average demand deposits of €5.1 billion, a 63% increase, and surplus inflows amounting to €1.2 billion. Regional development banking loan outstandings grew by €7.1 billion to reach €51.8 billion at year-end 2010.

CORPORATE CUSTOMERS

Growth momentum

Caisse d’Epargne offers corporate customers comprehensive, customized solutions: payment processing management and operating cycle optimization, cash management, investment financing, risk-hedging financial instruments, international transactions, employee benefits planning, acquisitions and disposals of businesses. 300 account managers are dedicated to 30,000 corporate customers.

Payment processing grew by 36% to exceed €58 billion, while loan origination rose by 62% with €3.3 billion in new loans. Net banking income was 27.7% higher and risks were managed. Caisse d’Epargne forged partnerships with HEC Entreprendre, Croissance Plus and Deloitte in the context of Deloitte Technology Fast 50, which assesses growing companies. Since 2010, Caisse d’Epargne has offered its customers a practical and competitive cash management solution: a simple Internet connection provides corporate customers a global view of their subsidiaries’ cash position or the cash positions of their secondary locations.

By placing the customer at the center of its structure, regional development banking, in synergy with retail banking, is creating a 360° approach for company directors in order to develop a dual business relationship focusing on both their professional and private needs.

PROFESSIONAL REAL ESTATE

An activity supported by the Scellier law

Boosted by a sharply rising investment rental property market, property developer financing exceeded €3 billion in new loans in
2010. The Caisses d’Epargne financed more than 500 real estate transactions representing 7,600 residential properties. Financing to investors and to the real estate service sector totaled €1.3 billion. Caisse d’Epargne strengthened its presence at major professional events and opened an Internet area on the www.caisse-epargne.fr portal dedicated to real estate professionals. With ambitious objectives for 2011, the Caisses d’Epargne want to be a driving force in the regions by promoting synergies between economic players and organizing financial arrangements.

SOcial Economy and Institutions

Stronger positions
Partnering with UNIOPSS(1), FEGAPEI(2) and FNOGEC(3), Caisse d’Epargne strengthened its presence at major professional events and opened an Internet area on the www.caisse-epargne.fr portal dedicated to real estate professionals. With ambitious objectives for 2011, the Caisses d’Epargne want to be a driving force in the regions by promoting synergies between economic players and organizing financial arrangements.

PUBLIC SECTOR

Robust financing activity
Caisse d’Epargne originated €16 billion in new loans for the regional public sector and for the public health and social services sector, including €7.5 billion in short-term loans and €8.5 billion in medium- and long-term loans. Loan outstandings, Crédit Foncier included, amounted to €46 billion at year-end 2010. Debt-management transactions totaled €2.5 billion. Caisse d’Epargne simplifies the management of the regional public sector on a daily basis by offering automatic cash management, remote transmission, payment for services by Internet (canteens, school transport, etc.), payment for services by CESU

DOES HE REALIZE?

CAISSE D’EPARGNE DISTRIBUTES SUBSIDIZED LOANS FUNDED BY THE EIB
The French savings bank granted loans worth €200 million to the public hospital sector and loans worth €350 million for high-environmental-quality buildings between 2009 and 2010. Two new funding envelopes were obtained in 2010: €250 million for the 2012 Hospital Program and €150 million for the ANRU program of Sustainable Urban Renewal and Economic Recovery.

THE COMMUNITY OF REGIONAL DECISION-MAKERS

Décideurs en Région (“Regional Decision-Makers”), the new, multiple-media relational communications initiative set up by Caisse d’Epargne, aims to create the very first community of economic agents actively contributing to regional development. Thanks, in particular, to a magazine and website tailored to each region, it enables decision-makers to enjoy permanent access to selected regional news and innovative, tailor-made solutions: www.decideursenregion.fr.
payment vouchers (aid for the elderly and the disabled, etc.), dedicated purchase cards, among other products. In 2010, remote banking services were supplemented by the addition of Direct Ecureuil Internet Secteur Public, which provides the public sector with an analytical tool and an overall view at any time of its outstanding debt with Caisse d’Epargne. The offering was expanded with new financing products and approval to sell energy savings certificates.

Caisse d’Epargne provides free of charge to each of France’s 36,700 French town councils and 2,600 districts a personalized socio-economic and financial analysis and a reference document to facilitate debates on budgetary initiatives. The distribution of the Baromètre financier des communes et communautés (AMF\(^{1}\)/Caisse d’Epargne/CSA financial barometer of districts and communities), the analysis from Impacts financiers d’une réforme de l’organisation territoriale (ADF\(^{2}\)/Caisse d’Epargne/KPMG report on the financial impact of regional reform), and the organization of special information days are examples of how Caisse d’Epargne helps decision-makers in territorial public institutions and local authorities anticipate issues, obtain information and exchange ideas.

**SOCIAL HOUSING**

**Banker and partner of social housing**

Caisse d’Epargne is the leading private bank in the social housing sector. It finances more than one third of the private debt of social housing enterprises and public housing offices, which finance their construction projects largely through Livret A savings deposits.

Located at the heart of France’s regions, Caisse d’Epargne participates in their development and offers local public companies practical knowledge of the economic challenges faced by the local authorities and enterprises operating in their areas.

Caisse d’Epargne is a shareholder in over 500 local public companies and takes part in the governance of many of them. Conversely, several local public companies are cooperative shareholders of Caisse d’Epargne.

In 2010, Caisse d’Epargne and Crédit Foncier were awarded €820 million in tenders from the French government for loans for the construction of social housing (PLS) and loans for the first-time rental of social housing (PSLA), and they obtained a new €125 million pool of funding from the European Investment Bank.

Caisse d’Epargne’s medium- and long-term financing of social housing projects totaled €2.5 billion, an increase of 38%, bringing the total of loan outstandings to €11 billion at year-end 2010. The bank offers a full range of loans, enhanced in 2010 by rate-capped structured loans, thereby offering more of a hedge against interest rate risk to social housing organizations.

Total inflows amounted to €6.5 billion at year-end 2010, €3.8 billion of which were invested in Livret A savings plans.

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\(^{1}\) The French Mayors’ Association.  
\(^{2}\) Assemblée des départements de France (Assembly of French départements), the body representing the 102 French départements.
Habitat en Région: network operators in regional housing
Caisse d’Epargne is the leading private operator in the social housing sector. Habitat en Région (“regional housing”), formed in 2010 as an association, groups together 15 social housing enterprises and seven HLM (habitation à loyer modéré) cooperatives, subsidiaries of the Caisses d’Epargne providing rent-subsidized housing. Enterprises that are part of the Habitat en Région network manage 154,000 social housing rental units and benefit from the efforts and daily commitment of 2,200 employees. This development facilitates a collective response to major social housing challenges while preserving the identity and decision-making autonomy of the network operators, which guarantees solutions tailored to the needs of the regions. Habitat en Région will enable social housing enterprises to share their expertise, innovative ideas and best practices. It will be a point of contact for local authorities in the regions, and for public authorities at the national level, and will enable social housing operators to make commitments collectively. Habitat en Région is an open, scalable network. Operators that share its common vision of the challenges of housing and development in the region, but in which Caisse d’Epargne is not the majority shareholder, can join the network.

In 2010, enterprises, members of Habitat en Région, delivered 5,000 new housing units, including 1,500 dedicated to promoting home ownership and the sale of subsidized housing, and began work on 6,000 new housing units. The main operators of Habitat en Région are Erilia, Logirem and SIA.

• The Erilia Group is one of the leading national players in social housing with over 47,000 housing units, retirement homes, student housing and accommodation for seasonal workers. Erilia is very involved in urban renewal projects, particularly in the South of France, in the Rhône-Alpes region, on the Atlantic coast and in Ile-de-France.

• The Logirem Group manages more than 28,500 housing units and hostels in the Provence-Alpes-Côte d’Azur, Corsica and Languedoc-Roussillon regions with its affiliates Un Toit pour Tous and Samopor for hostels and residences.

• The SIA Group operates in the Nord-Pas de Calais, Picardie and Ile-de-France regions with Viléal Habitat. Sia Habitat and its affiliate Escaut Habitat, specializing in providing first-time home ownership, work in partnership on projects that combine rental and home ownership opportunities. Sia Habitat’s 27,500 housing units are found throughout 175 town councils in the North and Pas-de-Calais regions. The affiliate LTO Habitat manages another 9,000 housing units. In order to best manage the properties, Logirem and SIA are also property developers.

DO THEY REALIZE?

CAISSE D’EPARGNE CAN HELP LOW-INCOME EARNERS TO BECOME OWNERS OF THEIR OWN HOMES
The PSLA loan enables low-income families to buy new accommodation by organizing a smooth passage between renting and buying a home. The PASS-FONCIER® scheme enables applicants to acquire a new single-family house with the support of the local and regional authorities, the State and the 1% logement agencies offering subsidized home ownership loans. The acquisition process is divided into two stages: the house is paid for first of all over a 18-25-year period and then the land, over 10-15 years. Nexity and Maisons France Confort offer single-family houses for sale that are eligible for the PASS-FONCIER® scheme.

ENERGY SAVINGS
The operators in the Habitats en Régions (“regional housing”) network are committed to reducing the energy consumed by their housing units and cutting energy costs for their tenants. In the space of three years, Sia Habitat has replaced 5,000 gas-fired boilers by condensation boilers.

MARIE AND JEAN ARE LOOKING FOR A WAY TO BUY THEIR OWN HOME
DO THEY REALIZE?

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Crédit Foncier is the leading French bank specialized in real-estate financing. It works with individual customers, as well as public and private operators. In 2010, Crédit Foncier originated nearly €17 billion in new loans and preserved its margins and generated net banking income of €994 million, gross operating income of €393 million and net income of €253 million. Its Compagnie de Financement Foncier subsidiary is one of the leading private bond issuers worldwide. In 2010, it raised €17.3 billion.

Leader in subsidized loans to individuals
The measures contained in France’s stimulus plan and all-time-low interest rates sparked a recovery in the market for individual financing. Against this backdrop, volumes of new loans to individual customers rose by 15.1% to €8.5 billion.

Crédit Foncier consolidated its leading position in the distribution of subsidized loans, with market shares of 36% in subsidized loans to low-income families, 21% in interest-free loans and more than one PASS-FONCIER® out of every two financed. With its expertise in rental investment, it has entered the market for rental investors, bolstered by the Scellier law, with a large dedicated range.

Two new distribution channels have been launched: 100% Internet and Foncier Home, a flagship outlet in Paris bringing together the full range of expertise relating to housing projects.

In addition, Credit Foncier acquired senior tranches of European RMBS’s, benefiting from better ratings in the Netherlands, Italy, the United Kingdom and Portugal, in the amount of €1.2 billion. It also took over the outstandings and management of a portfolio of home loans of a foreign bank in France for a consideration of €300 million.

In total, Crédit Foncier’s origination directed to individuals totaled €10 billion in 2010, up 30%, and total volumes stood at €60.5 billion at December 31, 2010, an increase of 1.8%.

Private operators: stability
After a year of sharp decline, the market has stabilized. New loans to private operators totaled €2.9 billion, nearly 80% of which went to developers and investors.

In addition, IREF (International Real Estate Financing) carried out its first funding transactions in 2010, with private operators in Europe.

Public sector: business was concentrated in social housing
In social housing, new loans, made in close collaboration with Caisses d’Epargne teams, totaled €1.3 billion, representing a new record, 82% of which were regulated loans. Crédit Foncier represented Groupe BPCE, alongside Crédit Coopératif, in adjudications of the various schemes (Prêts locatifs sociaux (PLS)/ Prêts locatifs
Bond market: robust activity

Compagnie de Financement Foncier is a mortgage bank rated AAA/Aaa/AAA (outlook stable), a highly sought after rating in the covered bonds market. Compagnie de Financement Foncier, with a view to refinancing the Group, issued €17.2 billion in covered bonds.

The most notable transaction in 2010 was the first issue of covered bonds under the 144A format in the US market. This transaction, the first carried out by a European issuer since 2007, was a resounding success, raising $2 billion, double the initial estimate. Investors were offered a mid-swaps rate +40 basis points. This outcome illustrated the confidence of front-ranking investors in Compagnie de Financement Foncier's issues.

Compagnie de Financement Foncier has received the ultimate accolade in its industry: the title of “best issuer” awarded by a panel of finance industry professionals and presented by the Euroweek magazine within the framework of the Covered Bonds Awards.

In France's regional public sector, origination totaled €500 million, up 4.3%. A total of €60 million was refinanced by the European Investment Bank. Crédit Foncier developed, for smaller local authorities, a simple financing offer for amounts ranging from €150,000 to €5 million. More than 400 loan offers were made in this segment. New loans to local authorities outside France totaled €2.1 billion, mainly in the United States.

Management of the portfolio of customer loans continued actively: interest-rate arbitrage transactions were carried out on existing debt totaling €1.1 billion.

Real Estate Services: a comprehensive offer

In 2010, Crédit Foncier and Ad Valorem pooled their resources to create Crédit Foncier Immobilier, a services and advisory company aimed at major property owners, enterprises, institutions and individuals. Crédit Foncier Immobilier helps its clients determine the value of their real-estate assets, via sales of advisory services, appraisal, management and technical auditing.

intermédiaires [PLI]/Prêts sociaux locatifs aidés [PSLA]). The total allocation worked out at €895 million for the Group. This amount, lower than the amount won in 2009, led to a preference to be given to social housing owners.

No. 1 DISTRIBUTOR OF LOANS FOR LOW-INCOME FAMILIES

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CRÉDIT FONCIER CERTIFIED ISO 9001 COMPLIANT
for the quality of the reception and services reserved for individual customers
Commercial Banking and Insurance | The other networks

PALATINE ASSET MANAGEMENT,

No. 3 out of 260 French Asset Management Companies in the 2010 Alpha League Table Rankings

BANQUE PALATINE

Dedicated to business banking and wealth management, Banque Palatine helps entrepreneurs achieve their personal and professional goals.

Focused on gaining market share and increasing profitability, it posted another year of very strong growth in its target market, gaining 255 companies with revenues of more than €15 million and posting an 81% increase in new accounts among target individuals (assets of more than €50,000).

The bank’s net banking income rose 12.6% to reach a total of €280.1 million, while its gross operating income amounted to €92.3 million and its net income totaled €34.6 million. Its cost-income ratio stands at 58.6%.

Very strong growth among companies and medium-sized enterprises...

With 31 dedicated branches across France and an office specializing in large firms in Paris, Banque Palatine fosters close and tailored relationships with its customers. In 2010, the support mechanism for importing and exporting customers was strengthened in North Africa, the Middle East and Asia, with the aim of assisting SME exporters.

The bank has created a new Media department, and consolidated its leadership among property managers, where its market share is close to 40%, with nearly 1,500 customers.

Loans to businesses were up 11% at €4.13 billion. New documentary credits were up 25%, reaching an all-time high of €630 million.

Cooperation with Natixis Lease, Natixis Factor and Natixis Garanties was strengthened. Banque Palatine advised and arranged 54 corporate finance transactions, including a 12-million OBSAR convertible bond for Groupe Prunay and a secondary LBO by Alpha Private Equities on Groupe Françoise Saget Linvosges for €43 million.

Net inflows from business customers exceeded €961 million, lifting outstanding balance sheet and financial resources by 25% to €8.72 billion.

... and wealthy individuals

Acquisitions of individual customers with assets of more than €50,000 were very strong, with 425 new accounts opened in 2010. Customer savings were up 3% at more than €4 billion. New home loans totaled €190 million, up 60%, amidst an increase in the number of transactions.

The private-banking department delivers value-added services in wealth, legal and tax management, investment advice, and a holistic approach to entrepreneurs’ private and professional assets.

The Palatine Asset Management subsidiary developed a full range of UCITS and mutual funds, spanning the full breadth of the capital markets. Its assets under management enjoyed further growth, closing the year at €5.2 billion. Palatine Asset Management’s net income advanced strongly, reaching €8.2 million.
AN OBSERVATORY OF THE PERFORMANCE OF SMES AND MIDDLE-SIZED FIRMS

In 2010, Banque Palatine launched this survey conducted by the Opinion Way institute on 300 managers of businesses generating sales of between €15 million and €500 million. Every month, it presents their mood about the economic environment and topical issues in partnership with the magazine Challenges and the i’Télé TV channel.

CRÉDIT MARITIME MUTUEL

A cooperative bank serving all stakeholders in the economies of coastal and port cities, Crédit Maritime Mutuel is a major player in fisheries and aquaculture policy by virtue of its statutes. It has also built up extensive experience in financing pleasure crafts and outdoor accommodation facilities. Crédit Maritime is affiliated to BPCE and its six regional banks are backed by Banque Populaire banks in coastal areas. Its net banking income totaled €104 million in 2010 and its net income was €9.6 million.

OTHER BANKS

Several subsidiary banks of regional Banque Populaire banks, often among the oldest in their region, help reinforce the Group’s presence in dynamic parts in the south of France: Banque de Savoie in Rhône-Alpes, Banque Marze in Ardèche and Drôme, Banque Chaix, mainly in Bouches-du-Rhône and Vaucluse, Banque Dupuy de Parseval in Languedoc-Roussillon, Banque Pelletier and Crédit Commercial du Sud-Ouest in Aquitaine. Other banks are managed through partnerships, such as Socram Banque, partnered by mutual insurers Macif and MAIF, or are focused on specific customers. For example, Banque BCP targets individual and professional customers of Portuguese and Polish origin living in France.

JEAN (35), AN AUDIOVISUAL PRODUCER, WANTS TO WRAP UP FINANCING FOR HIS FORTHCOMING SERIES OF DOCUMENTARIES

In 2010, Banque Palatine set up a team dedicated to cinema and audiovisual professionals. Comprised of acknowledged specialists with experience working for highly-respected institutions, this team aims to work closely with all professionals active in this industry by drawing on the extensive wealth of expertise existing in Groupe BPCE.

THE NOVETHIC LABEL FOR 5 PALATINE AM FUNDS

5 of the 9 SRI* funds run by Palatine Asset Management have been awarded the Novethic label guaranteeing that the fund meets at all times a set of environmental, social and corporate governance criteria. Banque Palatine has reinforced its standing as a bank actively committed to the different programs and work carried out to promote SRI.

(* Socially responsible investment.)

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BPCE International et Outre-mer houses all the Group’s commercial banking subsidiaries and equity interests outside France. Groupe BPCE aims to continue its international expansion in its businesses via the organic growth of its subsidiaries and equity interests, and the acquisition of majority stakes in medium-sized banks in growing markets: Central and Eastern Europe, the Mediterranean, sub-Saharan Africa and Asia.

In 2010, the contribution of all business in French overseas territories and in the international arena (excluding activities pursued by Natixis\(^1\)) to the net banking income of Groupe BPCE came to a total of €469 million.

### A YEAR OF ORGANIZATION

A program has been undertaken with BPCE International et Outre-mer banks to boost their sales performances, rein in their overheads, make their lending more selective and tighten their risk management. Regular and structured exchanges have been implemented to monitor progress.

BPCE International et Outre-mer also undertook a project designed to overhaul its organization in the aim of optimizing its overall performance and pooling resources, and adapting its size and its missions in the service of its subsidiaries.

Bilateral relations are now in place between certain Group banks in mainland France (the “sponsor” banks) and banks in overseas territories or international markets, the aim being to develop synergies and promote the spread of best practices.

The banks have developed and marketed new products, including a revolving credit offering designed with Natixis Financement and factoring services provided by Natixis Factor. The private banking offering has been structured and improved, in coordination with Banque Privée 1818.

Service centers have been created by zone to pool IT resources. Leasing businesses are now centralized by Natixis Lease. Caisse d’Epargne de Nouvelle Calédonie and Banque de Nouvelle Calédonie have merged.

In addition, a special unit dedicated to human resources for international business has been set up at Group level. The goal is to create a pool of future international employees and to structure career paths.

### FRENCH OVERSEAS DÉPARTEMENTS, LOCAL AUTHORITIES AND TERRITORIES

The Group’s banks in France’s overseas territories are full-service banks with a strong presence among business and institutions. They have special offerings aimed at wealth-management customers.

- **Banque de la Réunion** (88.9% owned by BPCE IOM), 24 branches, 2010 net banking income: €88.8 million.
- **Banque des Antilles Françaises** (99.7%). 24 branches in Guadeloupe, Martinique, Saint Barth, Saint Martin and French Guiana, 2010 net banking income: €49.8 million.
- **Banque de Saint-Pierre et Miquelon** (77.4%), 2 branches, 2010 net banking income: €7.1 million.
- **Banque de Nouvelle Calédonie** (96.7%), 13 branches, 2010 net banking income: €52.1 million.
- **Banque de Tahiti** (96.1%), 17 branches, 2010 net banking income: €52.8 million.

\(^1\) With the exception of Natixis Algeria.
MAURITIUS

Banque des Mascareignes (100%), 12 branches, targets affluent individuals and is building up presence among businesses. 2010 net banking income: €17.9 million.

NORTH AFRICA: MOROCCO AND TUNISIA

• BTK, Banque Tuniso-Koweitienne in Tunisia (60%), 20 branches, targets business customers, self-employed professionals and affluent individuals. 2010 net banking income: €21 million.
• CIH in Morocco (23.7%), 152 branches, targets individual customers and the financing of real estate and tourism projects. In 2010, a business division was set up. 2010 net banking income: €10.1 million.

CENTRAL AFRICA: CAMEROON AND CONGO

• BICEC, Banque Internationale du Cameroun pour l’Épargne et le Crédit (61.2%), 32 branches, is the biggest bank in Cameroon and the sixth biggest in French-speaking sub-Saharan Africa. It has more than 260,000 individual, small-business, association and corporate customers. 2010 net banking income: 62.5 million.
• BCI, Banque Commerciale Internationale (99.9%), 16 branches, is one of the leading banks in Congo-Brazzaville. Already boasting a strong presence among individual customers, it is working to build up its presence among business customers. 2010 net banking income: €14.4 million.

EUROPE

• BCP Luxembourg (80.1%), five branches in Luxembourg and one in Brussels, targets individual and small-business customers, and has strong presence among Portuguese-speaking customers. 2010 net banking income: €11.8 million.
• Fransabank France (40%), one branch, a subsidiary of Lebanon’s Fransabank, conducts international trade transactions for customers hailing mainly from the Middle East. 2010 net banking income: €6.2 million.
• VBI Volksbank International AG (24.5%), 528 branches, operates in nine countries in Central and Eastern Europe. It has 1.5 million accounts among private customers and SMEs. 2010 net banking income: €523 million.
• Banca Carige (15%), 643 branches in Italy, conducts retail-banking operations with four regional banks. It has 1.2 million customers in Northern Italy. The last two stakes are directly owned by BPCE.

SPECIALIZED SUBSIDIARIES

• Pramex International, an international consulting firm located in 15 countries. Its consultants assist Group clients in Europe, Asia, the Americas and North Africa. 2010 revenue: €12.9 million.
• Ingépar, a company specializing in the design and implementation of asset-financing arrangements in overseas territories. 2010 revenue: €7 million.
A major bancassureur in France, Groupe BPCE draws on its insurance subsidiaries and partnerships with leading mutual insurers in order to drive this growth vector. This gives the customers of its banking networks access to a wide range of life, non-life, provident and payment-protection insurance. In 2010, insurance output remained strong across the entire Group. The multi-channel strategy has spawned a greater range of services for holders of life and non-life insurance contracts, who can carry out numerous transactions via the Internet.

**LIFE INSURANCE**

**A strong commercial performance**
Groupe BPCE relies on several companies for the design and management of the life-insurance products distributed via its networks:

- **CNP Assurances**, in which it owns a 35.5% stake jointly with La Poste, is France’s leading personal insurer. CNP Assurances works in partnership with the Caisses d’Epargne, with the support of Ecureuil Vie Développement, which coordinates the insurance business;
- **Natixis Assurances** provides life-insurance products to the Banque Populaire banks and independent financial advisors;
- **Prepar-Vie** is dedicated to the BRED Banque Populaire network.

In 2010, gross life-insurance inflows to Groupe BPCE networks were up 5.5% at €14.4 billion; net inflows topped 5.4 billion. The Caisses d’Epargne generated premium income of €10 billion. Private-banking products accounted for more than 40% of inflows. The Banque Populaire banks network enjoyed growth of 14.6%, with premium income of €4.4 billion and a good showing by offers targeting wealth-management customers.

**NON-LIFE AND PROVIDENT INSURANCE**

**Sustained growth**
Non-life and provident insurance include car, home, legal protection, personal accident, medical and health, and invalidity insurance, provident insurance for professionals and collective provident, health and retirement insurance. The first half of the year saw a succession of major climate events (Xynthia storm, flooding, etc.), which kept assistance and claims-management centers busy.

The Group’s main structures are BPCE Assurances (the new name of GCE Assurances), owned in partnership with Macif and MAIF, and Natixis Assurances, in partnership with MAAF. BPCE Assurances, whose products are distributed by the Caisses d’Epargne network and Crédit Foncier, manages a portfolio of more than 2.2 million contracts. A total of 523,000 new contracts were sold in 2010. Its premium income was up 12.6% at €500 million. Natixis Assurances’ non-life and provident lines for individual and small-business customers performed strongly in the Banque
Populaire network. Its 2010 premium income was €406 million. In 2010, Natixis Assurances sold nearly 700,000 new provident insurance contracts and 180,000 new non-life insurance contracts. The provident business managed by CNP enjoyed a solid commercial trend: the portfolio contained 656,000 contracts at year’s end.

PAYMENT-PROTECTION INSURANCE AND GUARANTEES

Business benefited from strong growth in lending

Inseparable from the lending business, payment-protection insurance, financial sureties and guarantees allow the Group to offer a comprehensive range of secure solutions to individual and small-business customers, real-estate professionals and corporate clients. Natixis Assurances and CNP Assurances are partners in payment-protection insurance for Caisses d’Epargne and Banque Populaire banks customers. In a context marked by the separation of loans and insurance, personal insurance solutions are offered to customers through Ecureuil ADE Services in the Caisses d’Epargne and Sesame Multi-Assureurs in the Banque Populaire banks. Natixis Assurances continued to grow its payment-protection business, in the Banque Populaire network (+87%), as well as the Caisses d’Epargne network (+23%), with 2010 premium income of €206 million. Compagnie Européenne de Garanties et Cautions (CEGC), a Natixis subsidiary, is France’s second-largest issuer of real-estate guarantees. Its revenue was up 46% at €216.8 million, with guarantees accepted for a total of €22.3 billion in 2010.

MESASSURANCESEMTMOI
IS AN IPHONE AND ANDROID APPLICATION DEVELOPED BY BPCE ASSURANCES THAT CAN BE DOWNLOADED FREE OF CHARGE

It enables policyholders to contact the claims management center, to send photos of the damage to the vehicle and find an approved garage.

95% OF BPCE ASSURANCES CUSTOMERS ARE SATISFIED, AND 68% ARE VERY SATISFIED, WITH THE WAY THEIR CLAIMS ARE MANAGED

(Source: Téléperformance survey, 1st half of 2010.)

CLAUDE HAS JUST HAD AN ACCIDENT WITH HER CAR ON HOLIDAY AND WONDERS HOW SHE CAN MANAGE HER INSURANCE CLAIM AWAY FROM HOME

SÉCUR’ MÉDIA 2, customizable insurance from the Caisses d’Epargne to cover cell phones and other mobile high tech devices.

Developed by Natixis Assurances, PETIT ROULEUR, is a new, highly-competitive car insurance solution distributed by the Banque Populaire banks for customers driving less than 5,000 miles a year.

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CORPORATE, INVESTMENT MANAGEMENT and FINANCIAL SERVICES: NATIXIS

2010 BANK OF THE YEAR FOR PROJECT FINANCE IN EUROPE(1)

14TH LARGEST GLOBAL ASSET MANAGERS(2)

No. 1 BROKER FOR THE SALE OF SMALLCAP AND MIDCAP STOCKS IN FRANCE(3)

No. 1 ADMINISTRATOR OF EMPLOYEE SAVINGS SCHEMES IN FRANCE(4)

No. 1 PLAYER FOR REAL-ESTATE LEASING(5)

No. 2 BOOKRUNNER IN THE PRIMARY EURO BOND MARKET WITH FRENCH CORPORATE ISSUERS AND No. 2 WITH FRENCH SOVEREIGN, SUPRANATIONAL AND AGENCY ISSUERS(6)

No. 3 FOR FACTORING IN FRANCE(7)

(2) Cerulli – July 2010.
(3) Thomson Reuters Extel Survey – Europe Focus France, July 2010.
(5) Internal source, aggregate of ASF data for Natixis Lease and Cicobail.
(7) ASF.
TOGETHER in action

NATIXIS: THE CORPORATE, INVESTMENT MANAGEMENT AND FINANCIAL SERVICES ARM OF GROUPE BPCE

Serving large companies, institutional investors and the public sector, Natixis is a major provider of services for the Groupe BPCE banking networks and solutions for individual customers, professionals, SMEs and local authorities. With its 2009-2012 strategic plan, known as “New Deal”, Natixis has opened a new chapter in its history, in close synergy with the Groupe BPCE project. Listed on Euronext Paris, and a member of the Paris stock exchange CAC40 index, Natixis has a solid financial base, with total Tier-1 capital of €16.8 billion and a Tier-1 ratio of 11.4% as well as good long-term rating: Standard & Poor’s and Fitch Rating rated Natixis A+ and Moody’s Aa3.

THREE CORE BUSINESSES

Natixis is focused on three core businesses, with its operational organization geared towards meeting the needs of its customers.

• Corporate and Investment Banking (CIB) is Groupe BPCE’s corporate bank. Natixis has put particular emphasis on developing its operations in the capital markets and structured finance, working with major corporations and institutional investors.

• The Investment Solutions division includes asset management, insurance, private banking and private equity. Natixis offers products and solutions tailored to the needs of different customers: institutional, corporate, wealth management and customers of BPCE Groupe’s banking networks. Natixis ranks among the 15 biggest asset managers worldwide.

• Specialized Financial Services contribute to the development of the retail-banking business, with activities developed and managed on a large scale: factoring, sureties and guarantees, leasing, consumer credit, financing for the cinema and audiovisual sectors, securities and payments, employee-benefits planning.

TARGETING SYNERGIES

Several cross-entity projects have been undertaken to optimize support functions, promote cross-selling between Natixis entities and business with Groupe BPCE’s banking networks. Revenue synergies between Natixis and the networks generated NBI of €262 million in 2010. They are expected to generate additional full-year revenue of roughly €810 million once the “New Deal” strategic plan has been concluded.

NATIXIS IN FIGURES

<table>
<thead>
<tr>
<th>Employees</th>
<th>€1,732 m</th>
<th>€6,520 m</th>
</tr>
</thead>
<tbody>
<tr>
<td>22,000</td>
<td>Net Income</td>
<td>Net Revenues (1)</td>
</tr>
<tr>
<td>68</td>
<td>Attributable to Equity Holder of the Parent</td>
<td></td>
</tr>
<tr>
<td>68 COUNTRIES</td>
<td>€583 bn</td>
<td></td>
</tr>
</tbody>
</table>

(1) Excluding GAPC, net income from discontinued operations and net restructuring costs.
TOGETHER, CLOSER TO THE CLIENT

Natixis at the service of network customers

Developing what works for one network in the other network, offering existing products to new customers or combining the two strategies: Natixis and the banking networks proactively pursued these objectives during the year. For instance:
- rollout of the Natixis Factor offering, Natixis Interépargne contracts and pilot sales of Natixis Intertitres service vouchers in the Caisse d’Épargne network;
- marketing of the guarantees of Compagnie Européenne de Garanties et Cautions (CEGC) and the consumer loans of Natixis Financement in the Banque Populaire banks network;
- sales of the high-end life-insurance contracts of Natixis Assurances to the private-banking customers of Banque Privée 1818.

At stake: quality offering for customers, shared growth for Natixis and the networks.

TOGETHER MORE ENTREPRENEURIAL

Cross-business approach with the networks, for the client

To promote cross-entity activity and cross-selling, Natixis has expanded its Executive Committee, where all businesses are now represented, set up new structures, trained teams, undertaken sales action plans with carefully monitored results. These initiatives translated into an increase in cross-selling to large corporates, in the amount of €146 million in 2010. Prospective committees involving Natixis businesses and the banking networks have been set up. Numerous meetings between senior bankers and network managers have been taken place in the regions. Successes in 2010 included loan syndications, with outstandings shared between the Caisse d’Épargne and the Banque Populaire banks up 41% at €1.1 billion at December 31, 2010, coverage of structured finance for the regional public sector thanks to the partnership agreement with the Caisse d’Epargne, and stellar growth in the transactions of the networks’ SME customers in foreign-exchange, credit and interest-rate products.

At stake: better assisted businesses, better valued Group financial resources and expertise.

TOGETHER MORE COMPETITIVE

A new dimension for the payments, securities and lease financing businesses

Several actions were completed in 2010 to form unique and powerful operators serving all banking networks: merger of Natixis Paiements and GCE Paiements in the field of flow management, clustering of the lease financing business of Cicobail and Oceor Lease within Natixis Lease, migration of Caisse d’Epargne securities accounts to the EuroTitres platform, which is scheduled to be completed in March 2011.

At stake: more competitive services for customers, increased market share for Natixis and the networks.

BREAKDOWN OF THE CORE BUSINESSES’ NET BANKING INCOME: €5787 m
Corporate and INVESTMENT BANKING

Corporate and Investment Banking (CIB) offers its corporate, institutional, insurance and banking clients financing and capital-markets solutions including advisory services, origination, financing, structuring and investments. The expertise and quality of its research teams allow it to design solutions that take into account the latest market developments. Internationally, the CIB businesses are based on three platforms: Americas, Asia-Pacific and Europe (excluding France)/Middle East/Africa (EMEA).

In 2010, the reorganization of the core business lines led to an improvement in their commercial performance. Net banking income rose 12% to reach a total of €3,027 million, while gross operating income enjoyed growth of 26% to reach a total of €1,377 million(1); net income before tax stood at €1,175 million(2).

CIB’s reorganization has continued with a view to strengthening its effectiveness, customer service quality and risk monitoring, and to facilitate cross-selling. Support functions were consolidated as part of a global approach. The capital markets businesses have been organized around two customer-oriented departments – Equities and Fixed Income, Credit, Foreign Exchange and Commodities. The monitoring of commercial relationships with large corporates and financial institutions was strengthened. A new EMEA region, covering Europe (excluding France), the Middle East and Africa, was created. Lastly, CIB launched a strategic plan aimed at accelerating the growth of the capital-markets businesses in Asia, as an extension of existing structured finance businesses.

CORPORATE AND INSTITUTIONAL RELATIONS

A customer-centric cross-entity organization

The Corporate and Institutional Relations department handles relations with major customers worldwide. CIB employees meet regularly with the customer relationship manager to develop complementary offerings calling on the various businesses. In this area, a new offer was launched in partnership with JP Morgan: it allows large corporate clients with subsidiaries in Asia to issue letters of credit on this region on very good terms.

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(1) The contribution of the Corporate and Investment Banking business to the gross operating income of Groupe BPCE stood at €1,372 million.
(2) The contribution of the Corporate and Investment Banking business to the group’s net income before tax came to a total of €1,169 million.
CHRISTIAN, AN INSURANCE AGENT, IS LOOKING FOR WAYS TO OPTIMIZE HIS BALANCE SHEET

DOES HE REALIZE?

NATIXIS CAN HELP HIM TRANSFER SOME OF HIS RISKS TO INVESTORS

The Insurance Solutions team (debt and fixed income sales, credit, foreign exchange and commodities platform) provides tailor-made solutions. One example is the Calypso operation organized on behalf of AXA, making it possible to transfer to investors the risk of a major storm affecting the AXA Group in Europe. This so-called “cat bond” (or catastrophe bond) transaction for a total of €275 million is the largest of its type so far denominated in euros.

EXELTIUM: ELECTRICITY AT PRE-DEFINED PRICES FOR 24 YEARS

Natixis is the financial advisor of Exeltium and arranger of this financing for a total of approximately €1.6 billion based on an innovative partnership between the EDF utility and major manufacturing companies that make intensive use of electricity in France. Exeltium guarantees the electricity supplies of its shareholders at a price that ensures they remain competitive over the long term while EDF enjoys immediate access to major financial resources that it can invest in its nuclear power plants.

No. 6 BANK WORLDWIDE FOR AVIATION FINANCE

(Source: Air Finance Journal, November 2010)

FINANCING

Natixis named Bank of the Year 2010 for Project Finance in Europe

Specializing in structured finance, the Debt and Financing business is divided into five global business lines: energy and commodities, assets financing (projects, aerospace, maritime transport and international trade), real estate, strategic and acquisition financing, and securitization.

Natixis offers its customers a comprehensive service incorporating the full range of its know-how: financial advice covering the origination, as well as the legal and financial structuring of projects, arranging, underwriting and distribution of senior and subordinated bank financing, syndication, management and placement of bond issues, hedging of interest-rate, foreign-exchange and commodity-price risk.

The Bank of the Year 2010 award for project finance in Europe recompensed in particular three innovative transactions advised and concluded in 2010: the Exeltium and Stade Vélodrome (Marseille) projects in France and the Emirates Steel Industries project in Abu Dhabi.

Natixis confirmed its position as a high value-added arranger and advisor, with NBI up 9% at €1,795 million.

CAPITAL MARKETS

Debt, Equities: a complete and integrated offer

On the fixed-income, credit, foreign-exchange and commodity markets, the syndication and securitization businesses have been brought together in order to provide a debt platform that covers the primary bond market and the structuring, syndication and distribution of loans. This allows customers to benefit from global expertise and unique access to the global credit market.

Natixis consolidated its leadership position in the primary bond markets, acting as bookrunner on 176 primary bond issues.

Brokerage capabilities in commodities were strengthened internationally. The bank has rolled out its online solution on all capital markets: its secure platforms guarantee best execution and operate on a 24-hour basis for foreign exchange transactions.

A new Equities department housing the cash and derivatives businesses was set up. It can offer a comprehensive and enriched offering across the entire range of equity products and has the ability to treat all types of related flows. The offer includes award-winning equity research on 340 European stocks in 21 sectors.

With 25 transactions, Natixis and Lazard-Natixis confirmed their leading position on the primary equity market.

The net banking income generated by the capital markets activities stands at €1,389 million.

The Investment Solutions division houses asset management, insurance, private banking and private equity. It targets private and institutional clients. It boasts internationally acknowledged expertise in management and distribution systems tailored to the specific markets in which it operates. More than half of its 3,790 employees work abroad. In 2010, the offer of savings products was reorganized and adapted to different clienteles. Internationally, growth is focused on the emerging markets. The division net banking income was up 15% at €1,799 million, gross operating income was up 25% at €519 million\(^{(1)}\) and net income before tax was €508 million\(^{(2)}\).

**ASSET MANAGEMENT**

A global leader

Natixis Global Asset Management is a global player in asset management, with a multi-boutique organization comprising roughly 20 asset-management companies and a global distribution platform. It ranks among the top 15 asset managers worldwide\(^{(3)}\). Assets under management totaled €538 billion at December 31, 2010, an increase of 6.5%.

In 2010, Natixis Global Asset Management forged ahead with its international expansion strategy. Distribution capabilities were strengthened in the United States, Europe and Asia, region where asset gathering is very dynamic. The range of management expertise was adapted and enlarged by the acquisition of Ossiam in the field of index-based management and partnerships with H2O Asset Management, which specializes in alternative “global macro” management, and IDFC AMC, an Indian asset manager. With €302 billion in assets under management at December 31, 2010, Natixis Asset Management is a leading force in asset management in Europe. It is also a pioneer in SRI\(^{(4)}\) and solidarity in France and Europe, with more than €11.6 billion in assets under management at December 31, 2010.

In 2010, Natixis Asset Management expanded its range to include dedicated formula funds for the Banque Populaire and Caisse d’Epargne networks. Natixis Asset Management also created in 2010 a new subsidiary dedicated to training (professional certification/business courses) on financial instruments and markets: Natixis Formation Épargne Financière. Targeting all Groupe BPCE entities, Natixis Formation Épargne Financière is tasked with testing the knowledge of Group employees, developing their skills on regulatory aspects and in terms of product knowledge, and thus improving investor protection.

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\(^{(1)}\) The contribution of the Investment Solutions division to the gross operating income of Groupe BPCE stood at €512 million.

\(^{(2)}\) The contribution of the Investment Solutions division to the group’s net income before tax came to a total of €507 million.

\(^{(3)}\) Cerulli, July 2010.

\(^{(4)}\) Socially-responsible investing.
A diversified and flexible offering
NATIXIS ASSURANCES’ offering covers most of the products aimed at individuals, self-employed professionals, and businesses. Mainly distributed by the Banque Populaire network, life-insurance and retirement products offer strong synergies with other Investment Solutions businesses. Provident and property insurance have enjoyed sustained growth over the last five years and cover a very wide range of products distributed in the Banque Populaire and Caisse d’Epargne networks. Natixis Assurances is present in Luxembourg, with its Natixis Life subsidiary. In 2010, Natixis Assurances created Fructi-Revenus, a simple life-insurance policy that is straightforward and totally secure over its eight-year life, offering a lump sum and immediate quarterly revenues defined when the contract is signed. It also launched the Assurance Moins-Values, which guarantees capital invested in the life-insurance contract in the event of a personal accident. Overall premium income was up 27% at nearly €4.9 billion in 2010.

PAUL AND FRANÇOIS WOULD LIKE TO BUY THE COMPANY THEY WORK FOR

DO THEY REALIZE?

THE FINANCIAL ENGINEERING EXPERTS AT BANQUE PRIVÉE 1818 possess specific know-how developed for the benefit of company heads and senior executives wanting to arrange LBO operations.

PRIVATE BANKING

An expert in wealth-management and financial solutions
Dedicated entirely to private investors, private-banking services are provided by Banque Privée 1818 in France and by Natixis Private Banking in Luxembourg. Funds under management totaled €15 billion at December 31, 2010. Private banking offers a wide range of products and services tailored to the needs of a high-end French and international clients. The offering covers legal and fiscal engineering, wealth-management advice in asset transactions, life insurance and asset management (management mandates, investment advice, UCITS, structured products, etc.) and credit. Private banking has built its growth on three high-potential channels: Groupe BPCE networks, independent financial advisors and direct customers, notably those referred by Natixis. In November 2010, Banque Privée 1818 and Rothschild & Cie Gestion signed a memorandum of understanding bearing on the merger of 1818 Partenaires and Sélection R to create a single platform dedicated to independent financial advisors. The new entity, named Sélection 1818, will position itself as a leading player in the market for independent financial advisors in France.

PRIVATE EQUITY

Focused on management for third parties
In 2010, the private equity business was transferred to the Investment Solutions division. Private equity includes venture and growth capital provided to support the Group’s banking networks in their role as agents in the local economy, as well as a fund of funds business aimed at private customers and institutional investors.
Specialized Financial Services (SFS) cover businesses, designed and managed on an industrial basis, serving the growth of the Group’s banking networks and other financial institutions.

Net banking income was up 6% at €960 million, gross operating income was up 14% at €288 million(1) and net income before tax was €248 million(2).

SPECIALIZED FINANCING

Sureties and guarantees
Compagnie Européenne de Garanties et Cautions occupies strong positions in several segments of the French real-estate market: no. 2 among individuals, property managers and realtors, and co-leader among house builders(3). It guarantees more than 25,000 firms subject to regulatory, fiscal and contractual requirements. In a favourable environment, guarantee volumes were up 15.5% at more than €67 billion at December 31, 2010.

Factoring
France’s third-largest factoring company(4) Natixis Factor is active in credit insurance, factoring and financing, business information and corporate debt collection. With 2,000 new contracts in 2010, annual factored sales were up 23% at €21 billion.

Lease financing
Natixis Lease, which acquired Cicobail and Océor Lease in 2010, works with all Group networks, providing equipment and property leasing. It ranks no. 1 in property leasing in France(5), with €1.15 billion in new business in 2010. In equipment leasing, new business was stable at €1.28 billion.

Lease financing of renewable energy is provided by Natixis Energéco, leader in France, with new business up 19% at €198 million.

Consumer credit
No. 3 in France(6), Natixis Financement designs and manages the revolving and personal loans issued by the Group’s networks. New loans totaled nearly €6 billion, an increase of 8%, and outstandings amounted to €10 billion, an increase of 17%. A fourth customer-relations center was opened in Bordeaux.

An industrial alliance was signed with BNP Paribas Personal Finance to develop a joint management platform.

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(1) The contribution made by the SFS division to Groupe BPCE’s gross operating income stood at €254 million.
(2) The contribution made by the SFS division to the group’s net income before tax amounted to €214 million.
(3) Internal source.
(4) ASF: 13.7% market share at December 31, 2010.
(5) Since December 24, 2010 – aggregate of ASF date for Natixis Lease and Cicobai.
(6) Internal source.
Cinema and audiovisual financing
No. 1 in France(7), Natixis Coficiné took over a large part of the business of Groupe BPCE’s Sofica entities in 2010. Financing totaling €369 million was provided to 484 new projects in 2010, including a number of hit films such as *The Ghost Writer*, *Des hommes et des dieux*, *L’Arnacœur* and *Potiche*.

FINANCIAL SERVICES
Employee-benefits planning
Natixis Interépargne and Natixis Intertitres together offer a full range of products in employee-benefits planning: savings plans, retirement savings, employee share ownership, collective insurance and service vouchers.

In 2010, Natixis Interépargne consolidated its position as the leading keeper of employee savings accounts in France(8), with 3 million employee accounts, more than 45,000 businesses and market share of 25%. The offering of Perco collective pension savings plans grew considerably, with volumes in excess of €1 billion on the books. Employee savings plans for SMEs and small businesses also grew strongly, with more than 10,000 new contracts.

Natixis Intertitres recorded strong growth, with the Chèques de Table® and CESU Domalin® service vouchers. Volumes issued were up 8% at €78 million in 2010. The gift-voucher business, a joint subsidiary with La Banque Postale, grew by 11%, with nearly €85 million in CA DO vouchers issued in 2010.

Payments
In a rapidly changing economic and regulatory environment, Natixis Paiements and GCE Paiements merged to create a single operator for the entire Group. France’s third-biggest operator of payment systems, with market share of 21%(9), Natixis Paiements recorded stable business in the processing of checks and other flows.

In addition, innovative payment solutions were developed for network customers, including a contactless payment card, tested in Nice, the pilot city.

Securities
France’s no. 2 in retail custody(10), the EuroTitres department of Natixis manages 4.5 million securities accounts, 61% of which on behalf of the Groupe BPCE networks. In fact, nearly 1.4 million Caisses d’Épargne securities accounts were transferred to the platform in 2010, which aims to cover all securities business on behalf of Group networks.

(7) Internal source.
(8) AFG as at June 30, 2010.
(9) Groupement des Cartes Bancaires.
(10) Internal source.
Equity INTERESTS

ONE OF THE LEADERS IN RESIDENTIAL REAL ESTATE TRANSACTIONS AND MANAGEMENT SERVICES IN FRANCE

ONE OF THE FRONT-RANKING HOUSING OPERATORS IN FRANCE FOR NEW HOME-OWNERSHIP

No. 2 WORLDWIDE FOR RECEIVABLES MANAGEMENT(1)

No. 3 WORLDWIDE FOR CREDIT INSURANCE(2)

(1) Source: Coface Marketing Intelligence Unit.
(2) Source: Icisa.
ANNE, MARC AND THEIR THREE CHILDREN ARE LOOKING FOR AN AFFORDABLE APARTMENT NOT TOO FAR FROM THE LA DÉFENSE BUSINESS DISTRICT WEST OF PARIS, WHERE THEY BOTH WORK.

DO THEY REALIZE?

IN NOVEMBER 2010, NEXITY PUT UP 150 APARTMENTS FOR SALE AT €4,000/M² JUST 10 MINUTES FROM LA DÉFENSE, INCLUDING 4- TO 5-ROOM UNITS MEASURING 76 TO 150M²

Situated in the new eco-friendly Villarboréa quarter in Nanterre (west Paris suburb), these housing units – built to low energy consumption standards – are surrounded by green spaces and boast vegetable gardens on their roofs, accessible to all residents. Against a background of housing shortages, Nexity demonstrates that it is still possible to adjust prices in line with the purchasing power of households in the greater Paris region, even in the expensive Hauts-de-Seine département, while simultaneously innovating in terms of sustainable development.

NEXITY

In order to help realize its customers’ projects, Nexity combines all real-estate businesses and services. It is the only French real-estate operator capable of providing a comprehensive solution for individuals, corporates, institutional investors and local authorities. By combining its specialties, Nexity can offer an integrated package to each of its customers, from design to building, and from the origination to the financing of their project. Nexity is also present in Europe.

In 2010, its revenue amounted to €2.75 billion, with the decline limited to 3%, its recurrent operating profit was €201 million, with the operating margin stable at 7.3%, and net income attributable to equity holders of the parent was €120 million.

A robust year for sales

The French housing market was very active, with home-loan interest rates at all-time lows, public aid for homebuyers and rental investment encouraged by the Scellier-Carrez scheme. Nexity logged 14,885 net reservations, an increase of 13%, of which 11,854 new homes in France, an increase of 10%, and 2,869 building lots, an increase of 30%. Reservations represented an amount of €2,566 million (including €52 million in Italy).

In France, the 6% increase in average prices per square meter was in line with trends in the new home market in 2010. The average proportion of precompletion sales in the housing market remained exceptionally high, averaging 77% over the year. The stock of finished products owned by the Nexity group at December 31, 2010 was a very low 103 units.

At the end of 2010, the Group’s business potential represented 21,300 housing lots, up 12% compared with end-2009, and 9,400 units of building land, compared with 8,700 at end-2009. In the tertiary sector, the French investment market has clearly resumed growth. Nexity’s order intakes totaled €189.6 million net of taxes, and good progress on new projects points to a return to all-time highs for this business in 2011. In services, the management of condominiums and tertiary space contracted significantly, while rental management edged up.

In distribution, transactions finalized by networks agencies (Century 21 France and Guy Hoquet l’Immobilier) remained strong, numbering 1,343 at the end of 2010, compared with 1,405 at the end of 2009. Iselection’s sales were in line with their 2009 level, with 2,039 lots sold as real-estate investment products on behalf of third-party developers.

More than 130,000 m² of urban renewal projects, initiated by Villes & Projets, were placed on the market. They generated revenue of €154 million for the group’s development business, and accounted for 70% of the amount of orders for the tertiary department in 2010. Development potential for Nexity Villes & Projets amounted to 835,000 m² at December 31, 2010. Surfaces destined for residential development represented 47% of this.
A bright outlook and a new corporate project
Because of the time lag between the sale and the recognition of income, Nexity group believes that the 2010 operating margin represents a low point. It reflects the very low level of home sales in 2008 and should firm in line with business going forward. For 2011, the group has set a target market share of 10% in a new housing market estimated at 105,000 units. It is also aiming to achieve strong growth in the tertiary sector, with €500 million in orders. As such, it is anticipating consolidated revenue of roughly €2.7 billion and an operating margin above 8%, excluding charges related to the Nexity Demain project.

Nexity Demain is the Nexity group’s new corporate project. Launched in 2011, it will take the integration of the businesses and their capacity to advise clients in their different real-estate projects even further, by offering new products and new solutions. Nexity Demain will leverage a single brand to embody the commitment of all its businesses to being closer and more responsive to customers. The goal is to make the Nexity group the natural choice for satisfying real-estate needs and the reference brand in the field in terms of customer relations.

FONCIA
Business on the right track
Foncia is a French leader in residential property management and transactions, with 473 integrated and 104 franchised branches. Foncia is also present in Switzerland, Germany and Belgium, with 32 branches. Its network works hand-in-hand with the Banque Populaire network to foster the cross-selling of comprehensive home insurance for tenants, loans for property buyers, and selections of high-quality rental properties for landlords.

Several new products were launched in 2010: the Foncia Premium mandate includes services that facilitate a change of residence, Passe Location, allowing tenants to defer the payment of their entry fee for three months, Pack Fraicheur, a new offer for landlords, the Prêt Copropriété condominium loan, and Bilan énergétique, an energy efficiency assessment together with building improvement solutions. Sales generated by Foncia arose 6.9% to reach a total of €580 million. Nearly 12,000 sales were made, an increase of 10%. Some 67,500 tenants found accommodation through Foncia, which remains the leading rental company in France. Recurring rental management business (285,000 units) rental and home-owner association services (more than 1 million units) accounted for 75% of revenues.

MAISONS FRANCE CONFORT
A strong turnaround in activity
Maisons France Confort is one of the leading companies for homebuyers in France. After adverse weather in the first half of 2010, business recovered vigorously in the second half. More than 7,300 homes were sold in 2010, an increase of 27%. Revenue was up 12% at €443 million, and recurrent operating profit was €25 million.

New regulations are set to boost thermal renovation. With this in mind, Maisons France Confort acquired a 39% stake in Rénover, which is developing a comprehensive renovation offering, with the same guarantees as a building contract. This acquisition makes Maisons France Confort immediately operational in this market, giving it a real edge over the competition.

HOUSE + TRANSPORT = ZERO ENERGY AND ZERO CO₂
This positive energy house designed by Maisons France Confort will make “home” synonymous with “sustainable mobility” by allowing its owners to recharge their electric car with the surplus energy produced by the house. An initial pilot scheme is currently being developed with the EDF utility, Saint Gobain, ArcelorMittal, Schneider Electric, Bosch and Aldes.

ONE OUT OF EVERY TWO NEW FONCIA TENANTS DECIDES TO INSURE THEIR HOME WITH GROUPE BPCE

Equity interests
EUROSIC

HOE strategy

A listed property company, Eurosic owns and manages a portfolio valued at €1.39 billion at December 31, 2010, consisting mainly of large and high-quality offices built recently in Paris and its inner suburbs. Its portfolio also includes two business parks and diversification assets in leisure properties and logistics. Eurosic assets are mostly mono-tenant, with long leases.

2010 was marked by active portfolio management, with disposals totaling €103 million and the marketing of 18,500 m² to front-ranking tenants.

Committed to HOE (High Environmental Quality) certification for its new buildings and renovations, Eurosic obtained this certification for several of them.

Rental income amounted to €78.2 million and net income was €89.3 million.

COFACE

Back to profitability

Coface markets solutions for managing companies’ trade receivables from other businesses. These solutions revolve around credit insurance, its core business, whose role is to protect businesses against the risk of the financial collapse of their clients. Coface also offers information, receivables management and factoring products. In France, it manages public guarantees in support of French exports on behalf of the French State, covering risks that are not insurable in the private market.

Coface serves 135,000 businesses worldwide, providing them with quality service in 65 countries. After a year marked by an historic loss in credit insurance and negative net income in 2009, Coface returned to growth and profit in 2010. Its net income was €61 million in 2010, compared with a net loss of €163 million in 2009. This was achieved thanks to a 3.8% increase in premium income, a sharp decrease in the claims ratio (which fell from 98% to 53% between end-2009 and end-2010) and a tight rein on overheads.

HEQ: RECORD-BREAKING PERFORMANCE

The Quai 33 office building in Puteaux (in the suburbs west of Paris) restructured by Eurosic is the 9th building to be certified HEQ Operation compliant in France. With seven evaluation criteria rated “Very High Performance,” and five rated “High Performance,” the building offered the best profile achieved in France when it received its certification.

COFACE: A YEAR MARKED BY GREATER TRANSPARENCY AND AN ENHANCED DIALOGUE WITH ITS CUSTOMERS

In accordance with its Transparency Charter, Coface undertakes to discuss, with companies that so request it, the scores it attributes to them: more than 14,000 companies have signed up to this Charter. What is more, Coface also offers two new credit management tools – free of charge – to its 30,000 credit insurance customers: their own customers’ scores and the “risk-weighted exposure” (RWE) of their risk portfolio. By enjoying access to the scores and RWE of their customers, the companies insured by Coface can fine-tune their sales policies. These tools also represent an aid to discussions in the event of disagreement over a particular risk.
More efficient TOGETHER

BECOMING THE PREFERRED BANKING INSTITUTIONS

OFFERING THE HIGHEST QUALITY AT THE LOWEST COST

OPTIMIZING THE GROUP’S REFINANCING OPERATIONS

CLOSERLY MANAGING RISKS
Groupe BPCE is further improving its operational efficiency by building on a common culture of high quality service, the sharing of best practices, the aggregation of purchasing, the construction of powerful production platforms, and the optimization of its information systems. It is able to refinance its companies at the lowest cost thanks, in particular, to the issue of covered bonds. Determined to achieve the highest possible market standards, the Group is further reinforcing its risk management procedures.

BECOMING THE PREFERRED BANKING INSTITUTIONS

The banking industry is currently in the throes of radical change, resulting in new demands and new customer behavior and creating increased consumerist and regulatory pressure. New communications technology enables customers to compare the quality of products and services along with their prices, to complete transactions or contact their bank from the comfort of their own homes. They expect relevant, customized advice; they want a practical bank that is easy to use, working with the same financial advisor who is competent, well informed about their individual circumstances, and accessible at all times.
In this context, being the preferred banking institutions of the French implies becoming the best in terms of service quality. This is the goal that Groupe BPCE has set itself.

MAKING A SUCCESS OF THE CUSTOMER REVOLUTION

Being the best in terms of service quality

Service quality and customer satisfaction lie at the very heart of the strategy adopted by the Banque Populaire banks and the Caisses d’Epargne which are concentrating on building long-term, mutually profitable relationships with their customers. They will achieve this by developing a service-oriented culture sharply focused on customer requirements and relevant advice, by promoting close – and high quality – customer relationships irrespective of the channel chosen, by cultivating the specific identity of each of its brands whose advertising campaigns have been entirely reworked for 2011.
A national barometer survey devoted to the Group’s image is conducted twice a year to determine exactly where the Group’s principal brands stand in relation to their main competitors, and how public perception of them has changed over time. A new Customer Satisfaction survey gauges the degree of regional satisfaction of the individual, professional and business customers of each of the networks.

OPTIMUM QUALITY AT THE LOWEST COST

With its focus on service quality and competitiveness, the goal pursued by Groupe BPCE is to save €1 billion in a full year by 2013. Information systems, banking production, organizational changes and new purchasing methods are the principal levers allowing the Group to achieve its objectives.
These gains are expected to come from the merger of the Group’s central institutions, from the consolidation and optimization of purchasing, from the pooling of IT infrastructures, from the pooling of activities at a national or regional level, and from the sharing of best practices.
Teams in the central institution are working to identify the most efficient practices and processes so that they can be extended to entities interested in adopting them. The process is already well under way: cost synergies of €433 million were achieved in 2010, ahead of the timetable provided for in the strategic plan.

BPCE ACHATS

A grouping at the service of BPCE businesses

For Groupe BPCE, purchasing represents total expenditure of €3.9 billion. To optimize its purchasing activities, the BPCE Achats economic interest grouping was set up in July 2010. It already boasts 49 members consisting of all the Banque Populaire banks and Caisses d’Epargne in addition to the Group’s principal subsidiaries. Its corporate governance structure is based on a Board of Directors and a Purchasing Strategic Committee responsible for implementing the Group’s purchasing policy.

THE PHARE PROGRAM AIMS TO PURCHASE GOODS AND SERVICES WORTH €30 M FROM THE SHELTERED SECTOR IN 2012

Joint measures have been taken by buyers and the disability correspondents to achieve this target.
430 negotiated contracts allow the members to enjoy preferential purchasing terms. New purchasing families have been included – such as insurance – and strategic advice and framework agreements have been introduced for innovative services related to the drive to optimize the Group’s processes (outsourced publishing of mortgage loan offers, use of virtual printer software, etc.). Ultimately, BPCE Achats has the capacity to cover almost 75% of the group’s purchasing activities.

BANKING PRODUCTION AND MEANS OF PAYMENT

Major projects to boost efficiency

BPCE’s Cooperation and Industrial Efficiency Department has launched a number of major initiatives. The transfer of 2.5 million securities accounts from the Caisses d’Epargne and BPCE International et Outre-mer to the single management platform run by Natixis Eurotitres is proceeding on budget and on schedule, and represents a 90,000 man-day project for BPCE and Natixis.

The widespread adoption of internal and external best practices in the headquarter, back office and support activities of each of the two retail networks is expected to generate substantial savings.

The launch of a Lean Six Sigma approach based on the culture of performance at the service of both customers and company helps to ensure the efficient working of the industrial platforms and banking production activities. The efficiency of the banking services platforms of the Caisses d’Epargne – of which certain services have been extended – is the subject of an improvement program, which is also being reinforced by the Lean Six Sigma approaches and the measures taken to obtain ISO certification.

In terms of innovation, the SEPAmail project first launched in 2008 makes it possible to dematerialize the entire direct debit orders process, thereby improving the SEPA system. Initial, extremely encouraging results were achieved in 2010 working in partnership with a major mobile phone operator and they offer the possibility – over and above the significant cost savings – of introducing new electronic services in the future.

BPCE has become a “principal member” of Visa Europe and, by virtue of a single membership, assumes responsibility for all the Group’s companies and subsidiaries. BPCE has also requested direct membership of the MasterCard consortium and has started technical work on setting up a direct connection to this network.

INFORMATION SYSTEMS

Two major initiatives completed in 2010

The governance of the Group’s information systems has now been implemented. The Group IT and Technology Steering Committee approves the strategic objectives, monitors collective initiatives, and promotes cost synergies, the circulation and sharing of good practices.

Work is continuing to optimize the Group’s IT expenses, which currently stand at €2.4 billion per year. Negotiations with major suppliers, the rationalization of infrastructures, technical architectures and monitoring tools, the development of interoperability, the pooling of certain components and the sharing of skills are all helping to achieve this objective as is the joint appraisal of the new needs and services of the distribution networks and their customers.

A great many projects related to efforts in the area of structural simplification and harmonization of the Group’s monitoring tools have been completed or are currently in progress: the absorption of the equity-interest holding companies into BPCE, the creation of BPCE International et Outre-mer, the revision and harmonization of rating systems, monitoring procedures for risks and the system of limits… to mention only the most significant initiatives.

Two extremely large projects were brought to a successful conclusion in the course of the year. Performance SI, the most extensive IT project carried out in the European banking industry, came to an end with the successful migration of seven Caisses d’Epargne in March and May 2010.
First launched in 2006, Performance SI completed in the space of only four years, on budget and on schedule, the migration of 18 banks to a single data-processing system, MySys, in addition to the grouping together of IT infrastructures, the creation of two national IT economic interest groupings, one assuming overall responsibility for the project and the other in charge of project management activities, and the delivery of new applications specifically designed for the banking businesses. A total of 30,000 employees have changed their IT systems and 50,000 workstations are now equipped with MySys. The advantages of this project include a reduction in IT-related costs of €144 million per year as of 2011, a wider range of functionalities for Caisse d’Epargne employees, and a higher quality service for their customers.

Albiréo, the largest data center in France outside Paris, has officially been opened in Castres. This facility hosts the IT infrastructures of 17 Banque Populaire banks, three Caisses of Crédit Maritime Mutuel, and the Banque de Savoie. Designed to satisfy the needs of all the Banque Populaire banks, the site is capable of hosting other Groupe BPCE companies in the medium and long term thanks to its significant expansion potential. The data center consists of two 35,000 m² plots of land approximately one kilometer apart and two 6,000 m² buildings connected by an optical fiber network and each fitted out with two 750 m² computer rooms. This dual site concept guarantees 99.999% availability of the IT systems hosted in the data center.

OPTIMIZING THE GROUP’S REFINANCING

The Group Finance Department is responsible for organizing, coordinating and supervising the refinancing of Groupe BPCE on the capital markets.

For short-term requirements (up to one year), the Group’s main issuers are BPCE and its subsidiary Natixis. For medium-term and long-term needs (in excess of one year), the main issuers are BPCE working directly or via the issuers of covered bonds that it operates, and Compagnie de Financement Foncier, a subsidiary of Crédit Foncier that issues mortgage bonds (obligations foncières).

BPCE is also responsible for the medium- and long-term refinancing of Natixis, which is no longer a regular issuer on the markets. As 84% of new loans granted to customers by the Banque Populaire banks and Caisses d’Epargne are covered by customer deposits, only limited recourse to the markets is required to cover refinancing needs.

Diversified resources
BPCE uses three short-term refinancing programs: certificates of deposit with a ceiling of €60 billion, Euro Commercial Paper with a ceiling of €10 billion and US Commercial Paper with a ceiling of $15 billion.

It takes advantage of four medium- and long-term refinancing programs: Medium-Term Notes (MTN) with a ceiling of €10 billion, Euro Medium-Term Notes (EMTN) with a ceiling of €40 billion and two Covered Bond programs guaranteed by mortgage loans issued by the Banque Populaire banks and Caisse d’Epargne networks, with a total ceiling of €50 billion.

Competitively priced resources
In 2010, the Group raised medium- and long-term resources for a total of €40.8 billion, including €23.5 billion for the medium-/long-term refinancing pool arranged by BPCE and €17.3 billion for the medium-/long-term refinancing pool arranged by Crédit Foncier. With a view to ensuring resource diversification, covered bonds accounted for 52% of the total issue, and the volume of issues on the US domestic market amounted to more than $6 billion in 2010, including $1.25 billion issued by BPCE and $4.8 billion issued by Compagnie de Financement Foncier.

The Banque Populaire banks and Caisse d’Epargne networks sold BPCE bonds for a total of €3 billion to their retail customers. These private placements represented 35% of the resources raised.
MANAGING RISKS

Risk management is organized on a division basis to ensure that the same rules are applied in every Groupe BPCE company. There are three integrated departments in the central institution: the Group Risks Department and Group Compliance Department for permanent monitoring, and the Group Internal Audit Department for periodical monitoring activities. In 2010, the Group Risks Department carried out substantial work on systematizing, harmonizing, standardizing and reinforcing procedures to ensure that risks are monitored effectively at the level of the consolidated group.

Credit and counterparty risks

The calculation of the Group’s credit and counterparty risks are based on scoring systems – that are Basel-II approved or aiming to comply with Basel-II requirements – for each customer or transaction type. A group Third-Party Reference System makes it possible to consolidate risks on a consistent basis. Decisions are taken in compliance with delegation procedures with consolidated limits applicable to each customer group. A counterfactual analysis involves the Risks function and a right of appeal can lead to particular cases being referred to a higher level Credit Committee.

In 2010, the drive to merge administrative practices and converge towards a common body of standards was speeded up. Common standards governing credit risk were approved for counterparties included on a watch list, for LBO operations, formal and informal consolidated groups, and cases of default. The monitoring of sensitive counterparties has been reinforced and the collective provisions policy has been standardized. Common rating systems (Basel II-approved) and mechanisms designed to monitor Basel standards have been adopted by the Banque Populaire and Caisse d’Epargne networks for individual and professional customers. Preparatory work for the certification of internal ratings based approach (IRBA) models continued for the corporate, major corporate, interbank and sovereign segments. The system of delegations and limits has been reviewed. A general framework of group ceilings and limits has been defined with rules for each entity and limits at group level per counterparty type. An initial exercise focused on the largest bank, corporate and real estate counterparties. The Analysis division, responsible for examining loan records exceeding the limits of delegation and internal syndication documents, has had its remit expanded to include a risk-monitoring activity per entity and the monitoring of developments in the banking sector.

Market risks

A group reference system defining standards for appraisal, control and reporting has been drawn up. The investment process has been harmonized for funds and hedge funds, private equity, structured products and securitization products. A centralized management system for financial risks has been set up with consistent indicators and limits. The recommendations of the so-called Lagarde report on the control of operations have been rolled out to all group companies. Centralized tools for investment requests and monitoring and for the calculation of VaR have been adopted for the Caisse d’Epargne and Banque Populaire networks.

Asset and liability management risks

The Group’s Finance Department is responsible for managing structural asset and liability risks and, in this capacity, guarantees the overall consistency and operational coordination of the management of assets and liabilities within BPCE, its affiliated companies and subsidiaries. It establishes refinancing and investment forecasts, organizes, coordinates and supervises the Group’s refinancing capacities on the markets.

In 2010, a new reference system for asset and liability management risks has been in application since the approval of the
accounts dated April 30. The choice of a group ALM tool was adopted in the second half of the year: Fermat ALM is currently used by BPCE and the Caisses d’Epargne, while QRM is used by the Banque Populaire banks.

The ALM Risks organization, which includes the Group Risk Department and the Financial Risks divisions in affiliated companies, is responsible for performing second level controls of structural interest rate, liquidity and exchange rate risks. Its remit also includes prevention and oversight.

In 2010, a new ALM risks reference system was approved. The system of risk limits and monitoring standards was updated.

Operational risks
The Group Risks Department is responsible for monitoring, anticipating and controlling operational risks. For this purpose, it has established a map of risks, a database of losses associated with confirmed cases of operational risk in addition to insurance plans, and preventative and remedial action plans.

In 2010, the Group reference system was redefined on the basis of good practices existing within the two retail networks. The consolidation into a single map of accounting, non-compliance and IT system security risks along with risks covered in business continuity plans will provide a global and consistent perception of risks for all the Group’s different establishments. The choice of a single tool for the management of operational risks has been finalized; the creation of this tool is underway and it will be rolled out starting in late 2011 and in the course of 2012. The switch to the advanced measurement approach (AMA) will be launched in 2011 with a view to obtaining official approval.

Ethics and compliance
The Group Compliance Department, placed under the responsibility of the Chairman of the Management Board, draws up and circulates compliance standards and the reference system for procedures, ensures coherence between the different organizations and the effectiveness of the surveillance systems, lays down rules of deontology, approves new commercial products, and oversees actions related to training and the heightening of awareness of compliance issues. Compliance departments including structures responsible for preventing money laundering and the financing of terrorism have been set up in all group entities.

In 2010, the supervision procedures related to the Group’s non-compliance risks were entirely reworked. Harmonized, six-monthly systems for reporting dysfunctions have been adopted. The approval procedures for new products and services and related communications have been unified for the networks and subsidiaries as a whole. Training programs have been drawn up for the professional certification of market advisors and traders required by the AMF French securities regulator since July 1, 2010. The creation of the Natixis Formation Épargne Financière subsidiary forms part of this initiative.

The prevention of money laundering, financial crime and the financing of terrorism is the subject of extreme vigilance. All Group employees, executives and senior managers are informed, trained and made fully aware of the importance of this issue. The application of the 3rd European Directive has led to the adoption of tools, procedures and training modules shared by all the Group’s different establishments.

(1) AMA sets out to optimize the level of required capital thanks to a more efficient management of the cost of operational risk, the prevention of exceptional risks and improvement in the quality of permanent controls.
More committed TOGETHER

BECOMING A BENCHMARK EMPLOYER:
• 5.5% OF THE AGGREGATE PAYROLL INVESTED IN TRAINING
• QUALITY OF LIFE IN THE WORKPLACE, A PRIORITY

8 MILLION COOPERATIVE SHAREHOLDER-CUSTOMERS: THE VALUES OF COOPERATION

PIONEER IN SUSTAINABLE DEVELOPMENT IN THE BANKING INDUSTRY:
• 1ST CARBON AUDIT

LEADER IN SUSTAINABLE DEVELOPMENT FOR OUR CUSTOMERS:
• A LEADER IN THE FINANCING OF RENEWABLE ENERGIES
• A FRONT-RANKING PLAYER IN EMPLOYEE SAVINGS AND SOCIALLY RESPONSIBLE INVESTMENT
Developing employees’ skills, offering them attractive career opportunities, supporting them throughout their professional lives, enhancing their employability are the priorities of Groupe BPCE’s social policy. The implementation of HR Efficiency, the social component of the Group’s strategic plan, should enable it to attain these objectives in pursuit of its key ambition: to become a benchmark employer in France by the year 2013. This means being a group that people recommend to their friends, where people enjoy working and pursuing their careers, a group that favors good managerial relations and social dialogue, that values initiative, autonomy and achievement.

Innovative recruitment methods
In 2010, more than 5,000 new employees were hired on permanent contracts. 65% of the Group’s employees work in sales-related jobs and this area accounted for 70% of new hires in the Banque Populaire and Caisse d’Epargne networks. Following on from the cooptation, job dating(1) and internship dating(1) operations, Groupe BPCE teamed up with the Caisse d’Epargne Côte d’Azur in staging a recruitment without CVs operation, the very first of its kind organized in the French banking industry. Interested applicants were invited to visit a dedicated website and – without revealing their identity – to fill out a questionnaire focusing exclusively on their skills, motivation and professional experience. Successful candidates were then invited to a selection day before being asked to take recruitment tests and attend an individual interview, without ever showing their CVs.

The Group has also finalized three nationwide listings of temporary employment agencies, online job boards and a number of recruiting firms to simplify the search for, and the recruitment of, future employees. Lastly, a network of “University Ambassadors” has been created within the Groupe BPCE companies to promote and coordinate relations with the institutes of higher education (business schools and schools of engineering) that have entered into partnership agreements with the Group and to forge close ties with them.

Investing in training
Training remained a major priority for the Group’s companies in 2010 with instruction-related spending equal to 5.5% of the aggregate payroll, representing a commitment greater than most business organizations and higher than the banking industry average. Specific measures were required to support employees concerned by changes in banking regulations. 56,000 members of the Group received training devoted to Basel-II amendments. Modifications in the general regulations of the AMF financial market authority similarly called for the creation of a training and certification program aimed at advisers selling financial products. A total of 520 employees benefited from this training in 2010. Online training modules shared by both of the Group’s retail networks have also been developed in areas related to lease

(1) Screening interview at a bank branch; lasting approximately 10 minutes, for a job or internship.
financing, taxation or the legal status of the limited liability sole trader (entrepreneur individuel à responsabilité limitée).

More generally, employees working in sales enjoy access to significant training resources in the Caisse d’Epargne and Banque Populaire networks to satisfy strong demand from customers for advisory services and more personalized relations.

Active management of jobs and skills
Skills management – representing a key aspect of the Group’s HR policy – must make it possible to support and facilitate professional mobility between Group companies as well as to define and promote professional career paths. To meet these challenges, a professional mobility system was introduced in July 2010 based on a charter that defines and coordinates the way in which mobility is achieved within the Group as far as the application process, probationary periods, seniority within the Group, etc. are concerned. Employees enjoy access to an intranet site where they can consult all current situations vacant, submit online applications, obtain details about application terms and conditions and benefit from practical advice.

What is more, the Observatoires professionnels des métiers et des qualifications (professional observatories of trends in banking professions and qualifications) of the Banque Populaire and Caisse d’Epargne industry segments each conducted qualitative studies on seniors in 2010. The results of this survey will help to draw up proposals to allow the staff in question to enjoy all the measures necessary for success in the latter halves of their careers.

Managerial development: a unified offering
In 2010, Groupe BPCE developed a single promotion path accessible to its management personnel. This path is divided into three main stages: the detection phase, based on an individual review of personnel conducted by the Corporate Human Resources Department and the senior manager of each entity; a selection phase aimed at harmonizing the candidates’ profiles; and a development phase organized around a number of specific programs. Four training cycles have already been created and scheduled for launch in 2011 designed for high-flyers, experienced executives, future members of the senior management team, and future senior directors.

A COMMITTED AND RESPONSIBLE APPROACH

Because sustainable performance is inextricably bound up with responsible and socially accountable performance, the Group’s labor policy gives full scope for actions taken to promote diversity and equal opportunity, the quality of working life, employability over the long term, social dialogue, and responsible management.
Neighborhoods Have Talent). In its capacity as the no. 1 equal opportunity network in France, this association promotes the professional integration of young graduates from working-class neighborhoods by having them sponsored by managers from partner companies. The managers accompany the students in their search for a job, and help them to prepare for their interviews and to understand the conventions governing behavior in industry. Following its successful launch within the central institution, all the Group’s companies will be invited to sign up to this partnership.

Similarly, Banque Palatine has signed a three-year partnership agreement with the Sciences Po institute of political science with a commitment to providing grants, tutorials and internships for students admitted on Priority Education Agreements.

Increasing the number of women in senior management positions
Gender equality is another key feature of the Group’s social policy. More than 300 of the Group’s female directors and senior executives attended the first “BPCE in the feminine” seminar organized on November 30, 2010. This event provided an opportunity to announce three specific goals for 2013: to double the proportion of women at the top-tier management level to 20%, to boost the percentage of women branch managers from 29% to 35%, and to increase the number of women with seats on the Boards of Directors and Supervisory Boards of Group entities in keeping with the obligation imposed on listed companies.

More effective integration of disabled employees
The proportion of disabled people among Groupe BPCE employees stood at 3.29% at the end of 2010. This percentage has increased over previous years but it can still be improved thanks to the support given by the Group’s companies to collective action.

In July 2010, the Group launched its Disabilities and Responsible Purchasing Policy – also known as PHARE (“lighthouse” or “beacon”), an acronym derived from the French Politique Handicap et Achats Responsables. The aim of this policy is to promote the sourcing of goods and services from the sheltered sector consisting of institutions and companies set up to promote the professional integration of people with disabilities. Another major initiative was the signature of an exclusive 2-year partnership with the INS HEA Higher National Training and Research Institute for the education of young people with disabilities and the development of appropriate teaching methods. This partnership is based on two approaches: the training of the reception personnel working in the Disability offices set up in institutions of higher education in addition to the creation of bridges to employment in favor of disabled students.

Promoting equal opportunity
In November 2010, Groupe BPCE signed the Charter of Diversity in business organizations, a document designed to encourage companies to guarantee the promotion, and the respect, of diversity in their personnel. The commitment has been given tangible expression through the launch of a partnership with Nos Quartiers ont des Talents (Our Neighborhoods Have Talent).
**Intense employer/trade union dialogue**

A key step was taken in the development of a constructive social dialogue within Groupe BPCE on May 21, 2010 with the signature of two agreements: the establishment of the Group Committee and the creation of three committees representing the Banque Populaire, Caisse d’Epargne and Natixis subgroups respectively.

The Group Committee is a forum for the exchange of information and debate about questions of an economic, financial and social nature related to Groupe BPCE as a whole. The three subgroup committees make it possible to examine issues specific to either of the retail networks during the creation of the new Group.

Negotiations also continued in the two Banque Populaire and Caisse d’Epargne segments of the banking industry. Apart from annual wage negotiations, seven collective agreements were finalized within the Banque Populaire segment chiefly related to the management of incivility, the appraisal and prevention of psychosocial risks, the disability policy, etc.

Regarding the Caisse d’Epargne segment, four collective agreements were signed to extend provisions that had expired and to bring retirement measures in line with changes in the corresponding legislation.

Lastly, the construction of a shared social framework accompanied the creation of BPCE for the 1,600 people working for the central institution under different employment status categories. The collective banking agreement automatically applies. A large number of agreements were signed in 2010 related to job classification, employee representative bodies, the length of the working week, compensation and social protection.

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**Together in action**

**INTERNAL COMMUNICATIONS: SUPPORTING THE CREATION OF THE NEW GROUP**

A large number of internal communications operations were staged throughout 2010 with a view to supporting the major developments associated with the creation of Groupe BPCE and to rallying the support of the Group’s companies around a common shared initiative. In addition to the major campaign mounted to publicize the Group’s new Strategic Plan and to promote its adoption, new media designed for all Group employees have been launched. These include the in-house magazine *Couleurs BPCE* (“BPCE Colors”) and *Les Cahiers RH* (“HR Notebooks”), a theme-based review devoted to labor-management issues. As far as specific events are concerned, the year was marked by the organization of the first Group Convention on October 5, 2010, which was attended by more than 3,000 senior managers and executives from all Group companies.

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**THE QUALITY OF WORKING LIFE, A PERMANENT ISSUE**

Faced with challenges related to the quality of life and health in the workplace, Groupe BPCE does its utmost to draw up, and to support the implementation of, policies designed to protect the health of its employees working in its different entities. This approach includes risk assessment, the development of indicators monitoring health in the workplace, the labeling of service providers and third-party experts, or cooperation with the occupational health authorities. Regarding more particularly the prevention of psychosocial risks, the vast majority of the Group’s entities with more than 500 employees have begun a diagnostic process; 56% of them have finalized this review, and 27% have already launched the deployment phase of their action plans.
Eight million customers of the Banque Populaire banks and Caisses d’Epargne have chosen to become cooperative shareholders of their banks.

Acting together in order to succeed together: cooperation creates a special relationship founded on mutual trust between the financial institution and its customers/cooperative shareholders. By adopting this status, the customers/cooperative shareholders guarantee the independence of their bank and help to ensure its ongoing development along with that of their region’s economic and social fabric. Many go further and become involved in local community action and social solidarity projects.

**THE BANQUE POPULAIRE BANKS**

**Attentive to the needs of the cooperative shareholders**

A large number of initiatives developed in each of the Banque Populaire banks give concrete expression to cooperation and the taste for enterprise.

Special welcome meetings are organized in individual branches with the help of cooperative shareholders for the benefit of new customers while cooperative shareholder meetings provide opportunities to discuss issues of a socio-economic, banking or financial nature.

Several Banque Populaire banks have set up a feedback process to discover the expectations of their cooperative shareholders.

**Commitment of the cooperative shareholders**

Thirteen Banque Populaire banks organize so-called “Regional Initiative Prizes” awarded with the help of their cooperative shareholders. These prizes are presented for voluntary programs pursued by individuals or associations in the area of sustainable development or the environment, social solidarity and humanitarian action, the natural or cultural heritage.

The Banque Populaire Côte d’Azur honors its cooperative shareholders who show the greatest commitment to volunteer work with its *Prix de la Dynamique du Sociétaire* (Cooperative Shareholder Dynamism Prize).

Four Banque Populaire banks (Nord, Ouest, Occitane, and Provençale et Corse) run so-called *Clubs Déclic* for cooperative shareholders involved as unpaid volunteers in local or regional projects: more than 150 clubs supported a total of nearly 600 initiatives in 2010.

**Developing and maintaining cooperation**

The principal aim of the Fédération Nationale des Banques Populaires (FNBP) is to develop the cooperative business model of the Banque Populaire banks.

In 2010, the FNBP launched a quarterly newsletter designed for the Board directors and Executive Committee members of the 20 Banque Populaire banks; it focuses on the current and future work carried out by the FNBP and provides updates about ongoing partnerships, director training sessions, and the activities of the Banque Populaire Foundation, etc.

The FNBP represents the 400 directors of the Banque Populaire banks and Crédit Maritime. It welcomes these administrators to their new positions and organizes professional training courses designed to allow them to exercise their responsibilities to the full extent of their abilities during Board meetings. In 2010, the FNBP...
A guidebook has been published for the benefit of the Steering and Supervisory Board members, specifying their responsibilities and offering examples of good governance practices in the light of the provisions of the group’s ethics charter. An extranet devoted to local savings company directors was rolled out throughout the entire network in 2010. It provides these directors with all the information they need to carry out their duties and strengthens the bond between the French savings banks and the representatives of their cooperative shareholders.

Promoting dialogue
The annual general meetings of the SLEs provide a valuable opportunity for dialogue between the cooperative shareholders, directors and staff of the individual Caisses d’Epargne. In 2010, 41,500 cooperative shareholders attended a total of 276 annual general meetings and 1,000 SLE board meetings were convened in the course of the year. A large number of SLE directors offered their voluntary assistance for the selection, support and appraisal of the local initiative projects submitted by their individual Caisse d’Epargne. During the annual general meetings characterized by a focus on social commitment and sustainable development the cooperative shareholders are invited to choose their Coup de Cœur, or favorite regional community project, from among all these social solidarity initiatives. 6,000 cooperative shareholders attended the Privilèges meetings specifically organized for them and devoted to current issues such as taxation or young people just beginning their working lives. The cooperative shareholders newsletter keeps them updated about the projects launched by the Caisses d’Epargne while the Cooperative Shareholders’ Club allows them to take advantage of special offers from national or regionally-based retailers. The annual highlight in the cooperative agenda was the Initiatives & Convergences Convention, a meeting attended by more than 350 representatives of cooperative shareholders and senior managers from the Caisse d’Epargne network.

THE CAISSES D’ÉPARGNE

In each Caisse d’Epargne, every customer may become a cooperative shareholder by acquiring shares in a local savings company (société locale d’épargne, or SLE). To maintain genuinely close relations with cooperative shareholders, there is a nationwide network of 276 SLEs and a minimum of seven SLEs for each Caisse d’Epargne. In 2010, the Caisses d’Epargne enjoyed a 5% increase in the number of their cooperative shareholders.

Enhanced training programs for directors
The Fédération Nationale des Caisses d’Epargne offers its support to the 4,000 directors elected by the 4.3 million cooperative shareholders to help them to fulfill their duties within the Caisses d’Epargne and to assist them in coordinating the activities of the cooperative shareholder community. The array of training programs available for the elected representatives was enhanced in 2010 to satisfy the directors’ needs and to keep pace with changes in Groupe BPCE and in the regulatory environment. Specific programs were designed for the Chairmen of the Caisses d’Epargne’s Steering and Supervisory Boards, for the members of these boards, for the Audit Committees and local savings company directors.
More committed together

In favor of a SUSTAINABLE FUTURE

Making social progress and environmental protection an integral part of its approach to banking in terms of the way it runs its companies or how it manages its relations with its stakeholders, starting with its customers… is the ultimate purpose of sustainable development as far as Groupe BPCE is concerned.

A front-ranking player in solidarity-based savings and socially-responsible investment, and one of the pioneers in the financing of renewable energies, the group is deeply committed to the environment and social solidarity.

The cooperative and mutual banking model of the Banque Populaire banks and the Caisses d’Epargne make them naturally aligned with the goals of sustainable development through their strong regional presence, the reinvestment of financial deposits at a local level, and the creation of truly close relationships with their customers who enjoy the long-term support of their banks.

Today, the projects pursued by individuals, companies and local authorities increasingly include a societal, social and environmental dimension along with the need for financial solutions. This is the challenge embraced by the companies within Groupe BPCE: to provide the solutions their customers expect in order to become the preferred banking institutions of the French people and of their companies.

RESPECTING THE ENVIRONMENT, FINANCING GREEN AND RESPONSIBLE GROWTH

Respecting the environment, combating global warming: this imperative drives innovation, growth and jobs. Groupe BPCE is keen to reduce its environmental footprint and is helping its customers to do the same by enhancing the range of advice and financing solutions it provides.

Boasting front-ranking positions in the funding of renewable energy, infrastructures and projects contributing to the fight against climate change, Groupe BPCE’s financing and investment solutions are relevant to all its customer groups: business organizations and individuals, investors and savers.

To progress still further – and to help their customers to follow suit – the Group’s companies have signed partnerships with the ADEME environment and energy management agency and the Nicolas Hulot Foundation.

Reducing the footprint of the group’s entities

Renovation and construction to HEQ(1) or BBC(2) standards, education on “green” practices, intranet sites dedicated to sustainable development: Groupe BPCE entities are mobilizing to reduce their emissions and consume less and more efficiently. The objective: to share and implement best practices across the Group.

(1) High Environmental Quality
(2) Low Consumption Building.
All the Group’s businesses are engaged in a process to reduce their carbon footprint.

As early as 2005, the Caisses d’Epargne began conducting Bilans Carbone® (carbon audits) using the ADEME method. At the end of 2010, almost all the Caisses d’Epargne had performed this audit, introduced plans to reduce their CO2 emissions and involved their suppliers in the same process. An audit of CO2 reductions achieved over the period 2007-2009 was conducted in the first half of 2010.

The Banque Populaire banks have begun a similar process with an innovative, banking-specific, standardized and IT-based method called the “Sectoral Carbon Audit”. The results of these audits were published in the first half of 2011.

Numerous initiatives have been taken to save energy: low-energy lighting, presence detectors, day/night heat adjustment, thermal diagnostics, insulation, and the use of more efficient equipment. The same has been done for water, with the installation of detectors on taps, dual-tank flush cisterns and the banning of air conditioning systems using non-recycled water.

Several entities have launched corporate travel plans and set up carpooling systems.

Significant efforts have also been made to reduce consumption of paper and ink cartridges and to promote recycling with the adjustment of photocopier settings and two-sided statement printing, electronic documentation, reassessment of the real needs of branches for brochures and posters.

Some Group companies have also adopted an ISO 14001 environmental management system. Natixis was certified ISO 9001 and ISO 14001 compliant in 2009 for the operation and technical maintenance of 16 buildings, representing more than 60% of its total floor area.

**Eco-loans for individual customers**

The retail banks that finance individual customers’ real estate acquisitions, renovation work and car purchases play an important role in informing them about sustainable development and advising them on their choices.

“Green” investments often take longer to pay for themselves than traditional investments and are perceived as higher risk. They call for a high degree of expertise and appropriate financial solutions, which Groupe BPCE’s teams are working to develop.

Twenty years ago, the Banque Populaire banks played a pioneering role in launching PROVair, the first loan designed to help SMEs invest ecologically and then, ten years ago, CODEVair, the first ecological passbook account. For its part, the AUTOVair loan is designed for purchases of low CO2-emission vehicles. Partnerships with regional councils are also a way of distributing interest-free loans for installation work and renewable energy facilities. In three regions, these loans are linked with the promotion of energy efficiency certificates.

The Caisses d’Epargne devote part of the resources of the Livret A and Sustainable Development passbook accounts into financing energy-saving building work and the purchase of clean vehicles, with the Ecureuil Crédit DD loan.
Crédit Foncier notably offers a Prêt Habitat Neuf loan for new dwellings, which come with reduced electricity prices for energy efficiency from EDF and better rates for buildings that include solar power or BBC compliant solutions.

In 2010, the Group’s banks focused on distributing the interest-free éco-prêt à taux zéro (Eco-PTZ) loan for customers wishing to finance energy efficiency improvements in their main residences. Through agreements with specialist partners such as EDF ENR, Solaire Direct or Clipsol, private and business customers can obtain advantageous solutions for clean and renewable energy projects.

**Eco-financing for companies and local authorities**

Companies, local authorities and the social economy sector have access to numerous solutions for financing their environmental investments through dedicated funds or joint finance packages with the European Investment Bank (EIB).

For more than 20 years, the Banque Populaire banks have provided the PROVair loan for eco-investments made by SMEs. Some Banque Populaire banks have also set up a dedicated eco-innovation seed capital fund to provide equity support for the creators of eco-SMEs.

For local authorities, the Caisses d’Epargne offer the Rénovation Urbaine Durable sustainable urban renovation program, which receives reduced rate finance from the EIB. With the support of their subsidiary GCE Sem, the French savings banks have devised a turnkey solution to enable local authorities and social housing bodies to receive income from the energy efficiency certificates system, reinforced by the second phase of the Grenelle 2 de l’environnement program. The Caisses d’Epargne help their customers with all the financial, legal and technical aspects relating to renewable energy.

Natixis is involved in big public or private “green” projects in areas such as energy, public transport and waste processing. Through its project financing, leasing financing and investment activities, it supports the wind, photovoltaic, biogas, biomass, hydroelectric, and geothermal energy sectors.

What is more, as a specialist in project financing, Natixis Environnement & Infrastructures manages several environmental investment funds: The Eurofideme 2, Fideme, EKF and ECF funds invest in renewable energy and carbon credits; the European Corporate Carbon Fund (ECCF) is designed to help European industrial firms comply with European rules on reducing CO₂ emissions. Finally, through the carbon market, Natixis helps its customers to manage their CO₂ quotas and invest in projects that generate carbon credits.

**LEADER IN SOCIALLY-RESPONSIBLE INVESTMENT**

Groupe BPCE’s banks offer savers and investors a wide choice of schemes and investment solutions that contribute to sustainable development and environmental protection: Caisse d’Epargne’s Livret A Kipouss, Crédit Coopératif’s Livret Agir-France Nature Environnement, Banque Populaire’s CODEVair ecological passbook or the Fructi H₂O investment fund, Banque Palatine’s Palatine Or Bleu, etc.
Natixis Asset Management is a pioneer in socially-responsible investment (SRI) with more than 25 years of expertise. One of the top-ranking SRI providers in France and Europe with €11.6 billion of assets under management, it has developed leading-edge expertise covering all the classes of assets and major SRI approaches (“Sélection ESG”, themed funds, socially-responsible funds). Natixis Asset Management has notably developed Impact Climate Change, an investment strategy that takes full account of climate change and its consequences.

Palatine Asset Management, convinced that a non-financial approach can contribute usefully to a traditional financial analysis, manages nine SRI funds.
A DRIVER’S LICENSE FOR €1 A DAY

Groupe BPCE signed a solidarity-based guarantee agreement with the Caisse des Dépôts to roll out a “driver’s license for €1 a day” micro-loan through its networks, 50% guaranteed by the Social Cohesion Fund. This version of an interest-free loan provides a guarantee for young people who are unable to obtain a parental or third-party guarantee.

Promoting ECONOMIC AND SOCIAL INTEGRATION

Social solidarity is the bedrock underlying the very existence of the cooperative banks. It stands at the core of all Groupe BPCE activities and is expressed, in the bank’s everyday work, in numerous initiatives supported by the group’s networks, federations and foundations.

No. 1 IN SOLIDARITY-BASED SAVINGS AND SOCIALLY-RESPONSIBLE INVESTMENT

Groupe BPCE is the no. 1 collector of solidarity-based savings through Crédit Coopératif and the Banque Populaire banks; it is no. 1 in solidarity-based investment and shared savings, no. 1 in solidarity funds with the Insertion Emplois range distributed by the Caisses d’Epargne. Groupe BPCE is also the leading collector of solidarity-based investment for employee savings schemes through the combined work of Natixis Interépargne, Banque Populaire and Caisse d’Epargne.

Natixis Asset Management is the leading manager of solidarity-based employee shareholding funds in France and the leading asset management partner to Adie(1).

Together, they attracted funds of around €1.4 billion in 2010, as compared with €940 million in 2009. Their share grew from 57.5% to 67% of all national solidarity-based savings(2).

No. 1 PLAYER IN PERSONAL AND PROFESSIONAL MICROCREDIT

Groupe BPCE is France’s leading provider of personal and business microcredit (including support measures). In 2010, it issued 9,443 micro-loans with an aggregate value of more than €73 million.

Along with Crédit Coopératif, the Banque Populaire banks are the leading contributors to the refinancing of Adie, which provides micro-loans to creators of businesses who lack access to traditional lending sources. In 2010, they granted around 2,900 business micro-loans worth some €8 million.

The growth of skills patronage – the support given to France Active, France Initiative and Réseau Entreprendre – makes the Banque Populaire banks the leading partner of entrepreneurs setting up micro-companies. All in all, the Banque Populaire banks and Crédit Coopératif granted more than 4,900 professional micro-loans for an aggregate total of more than €33 million.

The opening of specialist branches to combat banking exclusion and excessive debt has further reinforced this approach.

In 2010, the Fédération Nationale des Banques Populaires, along with the Banque Populaire Chair in Microfinance in the Audencia business school in Nantes, created the AFMF (French Microfinance Association). The purpose of this body is to encourage cooperation between researchers, practitioners and organizations in France working in the field of microfinance.

(1) Association for the right to economic initiative.
(2) The Finansol association’s barometer survey of solidarity-based finance.
In 2010, Finances & Pédagogie made an educational film on personal micro-loans and broadened the scope of its action to include people with plans for new business ventures, with a range of educational tools for future entrepreneurs. Finances & Pédagogie has delivered more than 3,000 courses to a total of 46,500 people.

**SUPPORT FROM THE GROUP’S FOUNDATIONS**

Groupe BPCE’s corporate foundations are equally strong in their commitment to the community.

**THE CAISSES D’EPARGNE FOUNDATION FOR SOCIAL SOLIDARITY: A STATE-APPROVED INSTITUTION**

The Caisses d’Epargne Foundation for Social Solidarity is committed to the fight against all forms of dependence and exclusion related to old age, infirmity, disability, and combats social exclusion, as manifested in particular by illiteracy. The largest state-approved foundation in terms of its number of employees, it runs France’s largest network of private not-for-profit homes for dependent elderly people. It houses 6,000 elderly and disabled people in its 96 establishments and facilities. It looks after 7,000 patients a year in its four nursing homes and helps almost 8,000 elderly people to continue living in their own homes. The Foundation has 4,600 employees.

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**SURVEY ON PERSONAL MICRO-LOANS:**

**75% OF RECIPIENTS SAW THEIR CIRCUMSTANCES IMPROVE**

The Fédération Nationale des Caisses d’Epargne conducted a survey of 800 personal micro-loan borrowers to measure its impact on jobs, family circumstances, living conditions and social integration. The results are encouraging, since three quarters of the borrowers saw their circumstances improve and 98% of them pronounced themselves satisfied.

At the end of 2010, the Caisses d’Epargne accounted for 37% of the personal micro-loans distributed in France, while Crédit Coopératif represented 19% of the total, putting them in 1st and 2nd place respectively in this market. With Parcours Confiance, they offer borrowers customized support including an in-depth audit, a tailored banking service and training in money management through Finances & Pédagogie. Borrowers also receive support from the Parcours Confiance partner network, including the CCAS(1) and UDAF(2) social solidarity networks, but also charities like the Secours catholique, Restos du Cœur and more than 150 local and national organizations.

In 2010, the Caisses d’Epargne granted 2,944 personal micro-loans for a total of €5.8 million and 1,500 professional micro-loans for a total of €34 million.

The Finances & Pédagogie Association, set up by the Caisses d’Epargne in 1957, runs initiatives to help people manage their finances, learn about money and understand how banks work, and to promote financial inclusion. In this role, it works in synergy with Parcours Confiance to assist micro-loan recipients. Finances & Pédagogie trains professional social workers to educate vulnerable populations in money management.

The Caisse des Dépôts selected it to run courses on microcredit for trainers in the major voluntary sector networks, who are responsible for promoting and implementing micro-loans within their organizations.

In 2010, Finances & Pédagogie made an educational film on personal micro-loans and broadened the scope of its action to include people with plans for new business ventures, with a range of educational tools for future entrepreneurs. Finances & Pédagogie has delivered more than 3,000 courses to a total of 46,500 people.

**SOCIAL DIALOGUE, SUSTAINABLE DEVELOPMENT, DIVERSITY:**

a range of issues shared by the Fédération Nationale des Banques Populaires and the Centre des Jeunes Dirigeants (CJD, the Young Managers Center), which signed a partnership agreement in 2010.

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(1) Municipal social action center.
(2) Departmental Federation of family associations.
INTERNATIONAL SOLIDARITY

Natixis has been involved since 2005 in the fight against malaria, a disease responsible for more than a million deaths every year, chiefly among pregnant women and children. Natixis is helping to combat the disease by an active policy of supporting prevention programs in areas where it is endemic and by financing research at the Institut Pasteur. After Cameroon and Burkina Faso, Natixis funded a new anti-malaria project in 2010 initiated by Plan France in Togo and new research programs at the Institut Pasteur.

Active in seven West African countries, Ecureuil Coopération Internationale provides its partners with the professional experience and human qualities of current and former employees of the Caisses d’Epargne who volunteer to share their skills and expertise. It carried out 25 training and support missions in 2010.

Another international support structure, the ABPCD (Banque Populaire Cooperation and Development Agency) runs annual support and co-operation projects in developing countries to help promote and improve banking systems and financial organizations, local economies and the extension of financing solutions to the private sector.

REGIONAL FOUNDATIONS

Nine regional Caisses d’Epargne foundations have been created under the aegis of the Caisses d’Epargne Foundation for Social Solidarity and one scientific foundation, the Vivre Longtemps (long life) Foundation, which supports research work conducted by Professor Baulieu.

THE BANQUE POPULAIRE FOUNDATION

The Banque Populaire Foundation supports young musical virtuosos (see page 75) and helps people with physical disabilities to achieve their life aspirations. It gave awards to 42 people with disabilities and maintained its support for 25 former award winners. It also broadened its scope to a new field: that of “Citizen Entrepreneurs”; volunteers who give their time to the association sector to improve the cultural, natural or social environment in their area. In the first year, the selection panel chose 12 exemplary projects from the worlds of sport, culture and social solidarity.

Crédit Coopératif and five Banque Populaire banks have set up their own Foundation.

DREAMS OF KIDS: KNIGHTS OF HEAVEN

After running a joint educational project in their region, seven Caisses d’Epargne took part in the “Dreams of Kids” air tour (organized by the Les Chevaliers du Ciel – or “Knights of Heaven – association) where 1,650 ordinary and “extraordinary” children (disabled, excluded from society or disadvantaged by their circumstances or ill health) were given the opportunity to fly for the very first time.
From initiation to high-level competition, from family fun to the toughest challenges, all the Group’s companies are involved in fostering the love of sport, whether in everyday practice or at exceptional sporting events. They develop relations with the world of sport that enable them to emphasize their difference and reassert their convictions. The partnership between Groupe BPCE and the French National Olympic and Sporting Committee is part of this commitment.

GROUPE BPCE, OFFICIAL PARTNER OF THE FRENCH OLYMPIC TEAM

Groupe BPCE has signed its first partnership agreement in the area of sport with the French National Olympic and Sporting Committee (CNOSF), becoming from 2010 to 2012 the exclusive banking partner of the French Olympic Team. This alliance makes it possible to promote the set of values shared by Groupe BPCE and the Olympic movement: solidarity, humanity, respect, and responsibility.

The Group and its principal brands – Caisse d’Epargne, Banque Populaire and Natixis – supported the French Olympic Team at the Vancouver Winter Olympics in February 2010 and will be partnering it at the London Summer Games in 2012.

In addition to these major Olympic venues, the Group’s companies take part in events organized by the CNOSF throughout the year in France: the Olympic Day in June, the Sport – Health – Well-being meetings in September and the Olympic Week event in December organized to bring together French medal-winners in all Olympic disciplines. The CNOSF also offers a program of sport-society actions in the area of sustainable development, voluntary work in sport, educational activities, and sport for well-being. These events provide a host of opportunities for Groupe BPCE to mobilize its employees and create a real momentum around the positive values embodied by the Olympic movement.

SKIING AND RUNNING FOR THE CAISSE D’ÉPARGNE

As part of its partnership with the CNOSF, Caisse d’Epargne is backing the French Olympic Team with a particular focus on skiing and running, two Olympic disciplines in which Caisse d’Epargne boasts a long-standing involvement.

Caisse d’Epargne has been a partner of the French Skiing and Snowboarding Federation (FFS) since 1996 and has been involved in the French Championships in all categories and disciplines. It has now renewed its commitment for a further four years, supporting both the discipline and the athletes. In 2011, a veritable breeding-ground will be organized to help identify France’s top young talents in the world of skiing.

Caisse d’Epargne is also one of the foremost partners of jogging, the sport most widely practiced by the French. Operating under the Esprit Running label, it supports more than 100 events organized all over France, including the Paris Marathon, the Médoc Marathon and the Marseilles-Cassis race.
2010 was the last year for two of Caisses d’Epargne’s longest running partnerships: the French Football Cup which, this year again, was marked by numerous events and public relations initiatives, and the cycling team that completed its last Tour de France sporting the colors of the French savings banks.

**BANQUE POPULAIRE: UNDER FULL CANVAS**

As the official partner of the French Sailing Federation since 2000 and of the French Olympic Sailing Team, which won the 2010 world sailing championships in Weymouth, Banque Populaire is no. 1 partner of the world of sailing and its most long-standing sponsor. Its actions are further amplified by the Banque Populaire banks working closely with local clubs and sailing schools.

As the official partner of the Éric Tabarly Association, Banque Populaire is involved in restoring the five remaining Pen Duick ocean racing yachts. Thanks to this support, the association is able to maintain and sail these legendary vessels, allowing the widest possible public to discover them and their history.

An historical ship-owner in the multi-hull category and in the Figaro class of vessels since 2004, Banque Populaire is also the owner of the largest ocean-going racing trimaran ever built: the Maxi Banque Populaire V. After breaking two records in 2009 – for crossing the North Atlantic in the shortest time (North Atlantic Trophy) and for sailing the longest distance the space of 24 hours – the ocean-going trimaran achieved a new record in 2010: the crewed crossing of the Mediterranean under sail, covering the 455 nautical miles separating Marseille from Carthage in Tunisia in 14 hours, 20 minutes and 34 seconds. After attempting to carry off the Jules Verne Trophy in January 2011, the racing trimaran had to abandon following a collision with an unidentified object… but this will merely be a temporary setback! Thanks to this active involvement at a national and regional level, Banque Populaire is known as the “Sailing Bank” by one out of every three French people.

**NATIXIS, OFFICIAL SPONSOR OF THE RACING MÉTRO 92**

Natixis has been sponsoring the Racing Métro 92 since 2007, a rugby club with a prestigious list of achievements to its credit and five-times winner of the French championships that is pursuing its ambition of emerging victorious in both French and European championships. Natixis is proud to support a club attached to the core values of rugby, namely: competitive spirit, respect for one’s opponents, and the nobility of effort.
For the past 18 years, the Banque Populaire Foundation has been helping young classical musicians and composers to start out on their musical careers and achieve public recognition. In 2010, it selected 18 young virtuoso musicians and continued support for 32 winners from previous years. The total value of scholarships awarded in 2010 was €630,000 and, since its creation, 200 musicians and composers have benefited from its support. The young musicians are auditioned and selected by a panel of celebrated musicians. The selection is based on talent. The goal is to help young artists who have shown exceptional talent for interpretation and musical skill and who are destined to become the great soloists and composers of tomorrow. The winners receive one- to three-year scholarships. With these, they can continue to work with great teachers, to follow master classes, to enter major international competitions, to make their first recordings or else take part in concerts and festivals. The Foundation also helps young composers to make names for themselves by commissioning a work from them and getting it played, using part of the funds to pay the orchestra or chamber music ensemble that will interpret the work.

In order to help young instrumentalists to start out in their careers, the Foundation runs an annual festival in Paris: *Les Musicales de Bagatelle*. 25 of the Foundation’s winners took part in five concerts held in May 2010 in the Orangerie of the Parc de Bagatelle in the Bois de Boulogne, Paris, attended by more than 1,600 people. At the request of the Banque Populaire banks, the Foundation is present at various festivals, enabling winners to play in concerts at famous events such as the Easter Festival and the *Musicales de Deauville*, the Uzerches and Menton festivals, the 1001 Notes Festival and the Savoie Musical Encounters festival, etc.

Caisse d’Epargne has been principal sponsor of the world of comic books and graphic novels for the past 26 years. In its capacity as the long-standing partner of the Angoulême International Comic Book Festival, an event that has become one of the world’s largest festivals in this area with a total of 215,000 visitors in 2010, Caisse d’Epargne gives particular backing to the young artists and authors through the *Young Talent* pavilion for unpublished authors.

**MUSIC FOR ALL**

With this new approach, the Banque Populaire Foundation is seeking to provide access to music for people who are often deprived of it. Concerts held in 2010 with the participation of Foundation winners include: a concert with the “Tutti-Canti” choir, which has as many singers with disabilities as without; a concert at the women’s prison in Fresnes near Paris in partnership with Secours catholique and the Prison Administration, to mark a national event celebrating “open-hearted music”.

**Engaging with our CULTURE and HISTORICAL HERITAGE**

**BANQUE POPULAIRE SUPPORTS YOUNG MUSICAL TALENTS...**

**... AND BRINGS THEM TO PUBLIC ATTENTION**

**THE CAISSE D’EPARGNE, THE PRINCIPAL SPONSOR OF COMIC BOOKS...**
It runs the Schools Comic Book Competition, which attracted 4,570 participants in 2010; the 40 winners of the *Ecureuils d’Or Nationaux* (National Golden Squirrel) awards presented during this competition are all invited to the Angoulême Festival. The French savings bank also supports the *9th Art Encounters* in Aix-en-Provence, the *BD Boum* festival in Blois and is present at more than 27 regional events.

**… AND EXCLUSIVE PATRON OF THE BELEM**

Through the support it gives to the Belem Foundation, Caisse d’Epargne is the sole patron of the *Belem*, the last living testimony to the French fleet of ocean-going trading vessels in the 19th century. Officially listed as an historical monument, this three-masted vessel, built in Nantes in 1896, was purchased from the Venice shipyards in 1979, brought back to France and restored. Fitted out as a school of the seas open to all since 1987, the Belem has welcomed more than 30,000 passengers on 550 training courses and a hundred or so private cruises over the past 23 years. In this time, it has sailed more than 300,000 nautical miles and crossed the Atlantic several times.

**“BUBBLES” FOR UNICEF**

A first for comic books in France: Caisse d’Epargne became a partner in the publication of an original album sold for the benefit of Unicef. Thirty leading names from the world of graphic novels and the eight top publishers contributed to the project.

**CENTRE POMPIDOU DE METZ: FACILITATING ACCESS TO CULTURE**

Centre Pompidou-Metz is the first regional offshoot of a major national museum. Inaugurated in May 2010, it has a unique advantage: it can draw on the 65,000 works in the collections of the National Museum of Modern Art. As sponsor to the museum, the Caisse d’Epargne Lorraine Champagne-Ardennes has placed education at the centre of its partnership, by supporting the *Ateliers Adolescents* to attract populations unfamiliar with modern and contemporary art. Its *Family Days* programme will begin in 2011.

**MORE THAN 913,000 VISITORS**

The *Claude Monet* exhibition attracted the largest ever number of visitors for a painting exhibition in France.

**NATIXIS, A COMMITTED SPONSOR**

For eight years, under the slogan “Yesterday’s Legacies, Tomorrow’s Treasures”, Natixis has demonstrated a strong and lasting commitment to making the French and world artistic heritage available to the public, facilitating study and exploration, restoration and conservation. Natixis was the exclusive sponsor of the *Claude Monet (1840-1926)* exhibition organized by the Rmn-Grand Palais and the Musée d’Orsay from September 22, 2010 to January 24, 2011 in the Grand Palais, Galeries nationales. This retrospective brought together 174 paintings and welcomed a total of 913,064 visitors, making it France’s most visited exhibition of paintings.

The support given to this exhibition is part of an ambitious sponsorship program on behalf of Musée d’Orsay, focusing on the refurbishment of the Impressionists Gallery. This refurbishment is one of the major elements in the “New Orsay” renovation campaign, due to end in autumn 2011.

In 2010, Natixis also gave its backing to an original initiative by the Paris Orchestra to screen videos on its website of Gustav Mahler’s nine symphonies, filmed between 2006 and 2009.
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BPCE

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